

TYO : 5401

OTC : NPSCY(ADR)



Beginning of a Partnership with U. S. Steel

June 18, 2025

NIPPON STEEL CORPORATION

Notes on this presentation material

Unless otherwise noted, all volume figures are presented in metric tons.

Unless otherwise noted, all financial figures are on consolidated basis.

Unless otherwise noted, net profit represents net profit attributable to owners of the parent.

Beginning of a Partnership for Growth



Jun. 13, 2025 Execution of National Security Agreement

Jun. 13, 2025 President Trump's Executive Order

Apr. 12, 2024 Approval by U. S. Steel shareholders

Dec. 18, 2023 Execution of Merger Agreement

Aug. 18, 2023 Start of U. S. Steel
strategic alternatives process

**Moving Forward Together as the
"Best Steelmaker with
World-Leading Capabilities"**

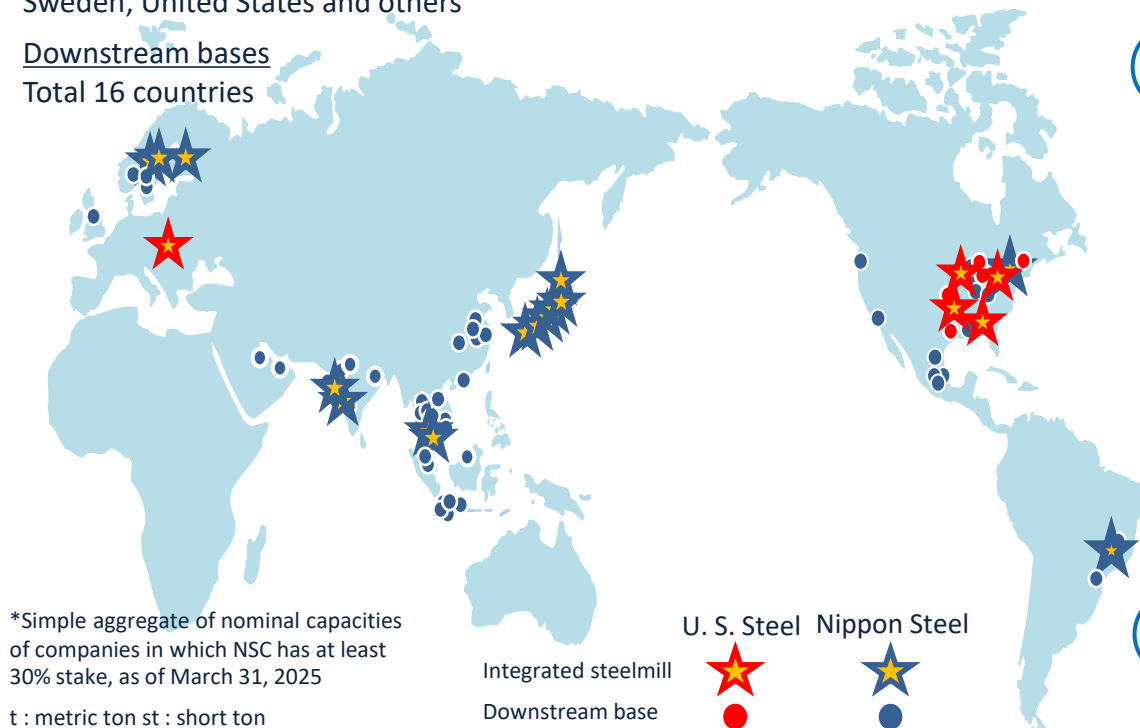
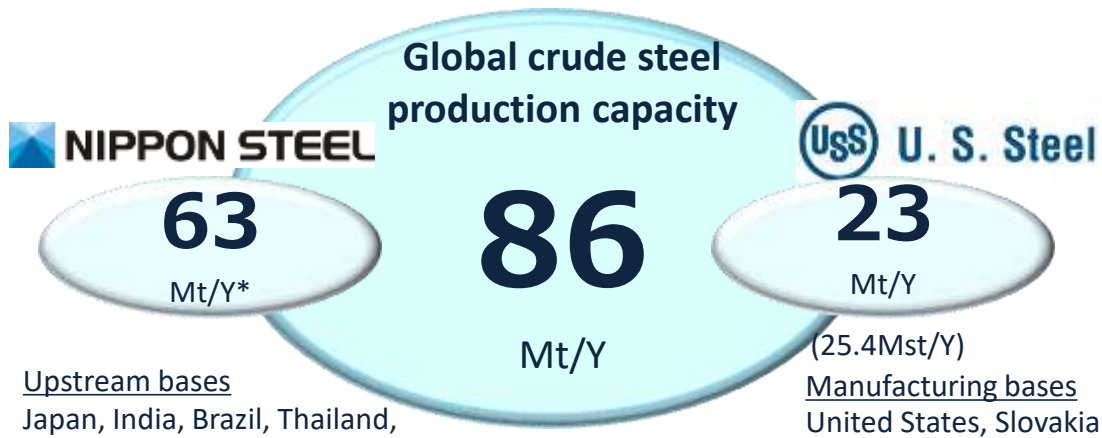
**Jun. 18,
2025
Closing**

**Approximately 40 employees
dispatched from Nippon Steel to U. S. Steel**

Mutual understanding and trust built through extended discussions



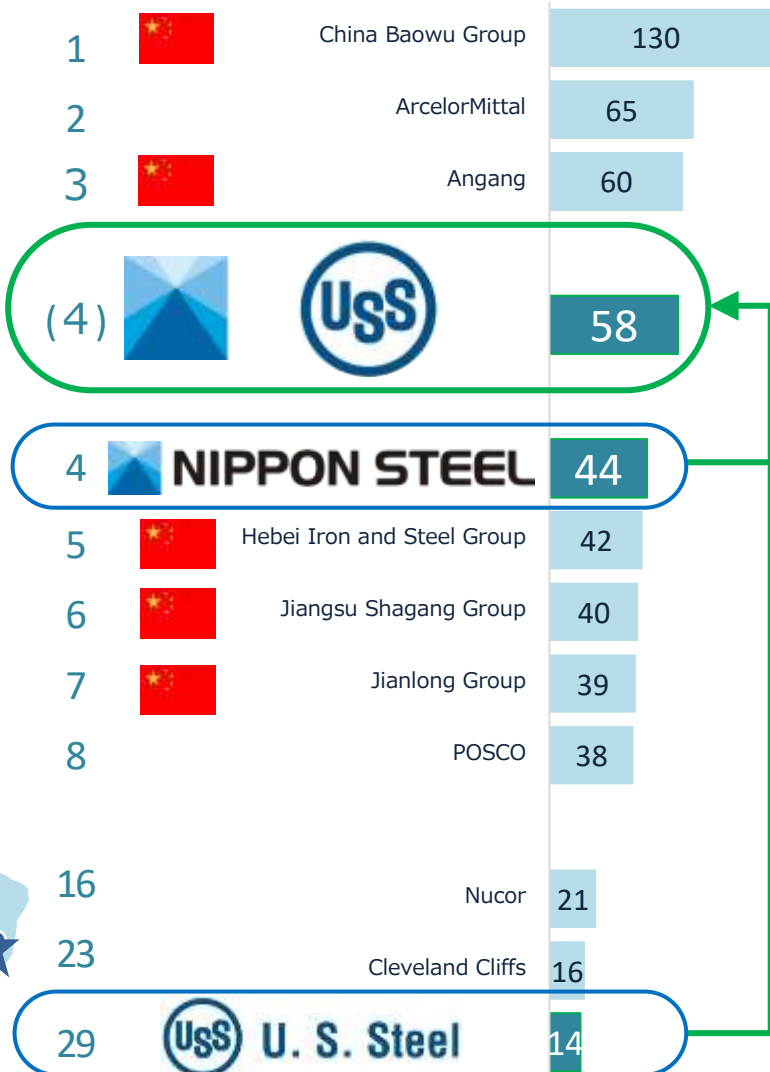
Becoming a group with global reach and world-class scale



*Simple aggregate of nominal capacities of companies in which NSC has at least 30% stake, as of March 31, 2025

t : metric ton st : short ton

Crude steel production volume (2024CY)



Win-Win Partnership

Alignment across (1) our objectives, (2) U. S. Steel's growth, and (3) U.S. Govt policy



The U.S. Government

A Golden Share

Right to appoint
one independent director
No right to receive dividends
Right of consent on certain matters

(3)

Revival of U.S. manufacturing

Protection and creation of
domestic employment

Reduction in trade deficit

Contribution to U.S.
industry, society, and
national security



NIPPON STEEL

(1) Enhancing U. S. Steel's competitiveness and
leveraging U.S. market growth to become
the best steelmaker with world-leading capabilities

Securing **Management flexibility** and **Investment profitability**

100%
ownership of
common stock

**Advanced
technologies**

Product technologies
Operational technologies
Equipment technologies
Decarbonization technologies

**Capital
Investment**
Approx. **\$11bn**
by 2028



United States Steel Corporation

Mined, Melted and Made in America

(2)

Strengthening product portfolio and supply capacity through growth investment
Fundamental enhancement of market responsiveness
Toward further growth and enhanced corporate value

Governance of U. S. Steel

Securing management flexibility with U.S. Government's oversight

NSA (National Security Agreement) signed on June 13, 2025 among the U.S. Government, Nippon Steel, U. S. Steel, and Nippon Steel North America



100% ownership of common stock



The U.S. Government

Authorities to oversee U. S. Steel under the NSA

Oversee compliance of the NSA

A golden share

- ◆ Right to appoint and remove 1 independent director (the golden share director)
- ◆ Consent rights on specific matters, including;
 - ✓ Reductions in the committed capital investments under the NSA;
 - ✓ Changing U. S. Steel's name and headquarters;
 - ✓ Redomiciling U. S. Steel outside of the United States;
 - ✓ Transfer of production or jobs outside of the United States;
 - ✓ Material acquisitions of competing businesses in the United States; and
 - ✓ Certain decisions on closure or idling of U. S. Steel's existing U.S. manufacturing facilities (except ordinary course, temporary idling), trade, labor, and sourcing outside of the United States, etc.
- ◆ No other voting right; no right to receive dividends; prohibition on share transfer

NSA

Agreed on measures to protect U. S. national security, including the commitments below:

Corporation's name, Headquarters

Retention of U. S. Steel iconic name and Pittsburgh headquarters

Governance

Board of directors and Executive management (as stated on the right)

Production Capacity

No reduction of U.S. production capacity without approval of the Government Security Committee

Capital Investments

Approx. \$11 billion by 2028

U. S. Steel Autonomous trade

No interference in U. S. Steel's decisions on trade measures

Production, Jobs

No transfer outside the U. S.



United States Steel Corporation

Board of directors (up to 9 members)

- ◆ Nippon Steel to appoint up to 8 directors (including 2 U.S. citizen independent directors, subject to CFIUS non-objection)
- ◆ U.S. Government to appoint 1 U.S. citizen independent director based on the golden share
- ◆ Majority of the directors are U.S. citizens

Government Security Committee

- ◆ Establishment of a committee of 3 independent directors, which will supervise compliance of the NSA and report to the board of directors and the U.S. Government

Executive management

- ◆ Key management roles* held by U.S. citizens
- *CEO, CFO, General Counsel, Senior VP with responsibility for production, manufacturing, and raw materials supply

Trade Committee

- ◆ Composed solely of U.S. citizen employees
- ◆ Approval of the Government Security Committee is required for material decisions on trade measures*

* Implementation of trade measures with costs over \$1 million, etc.

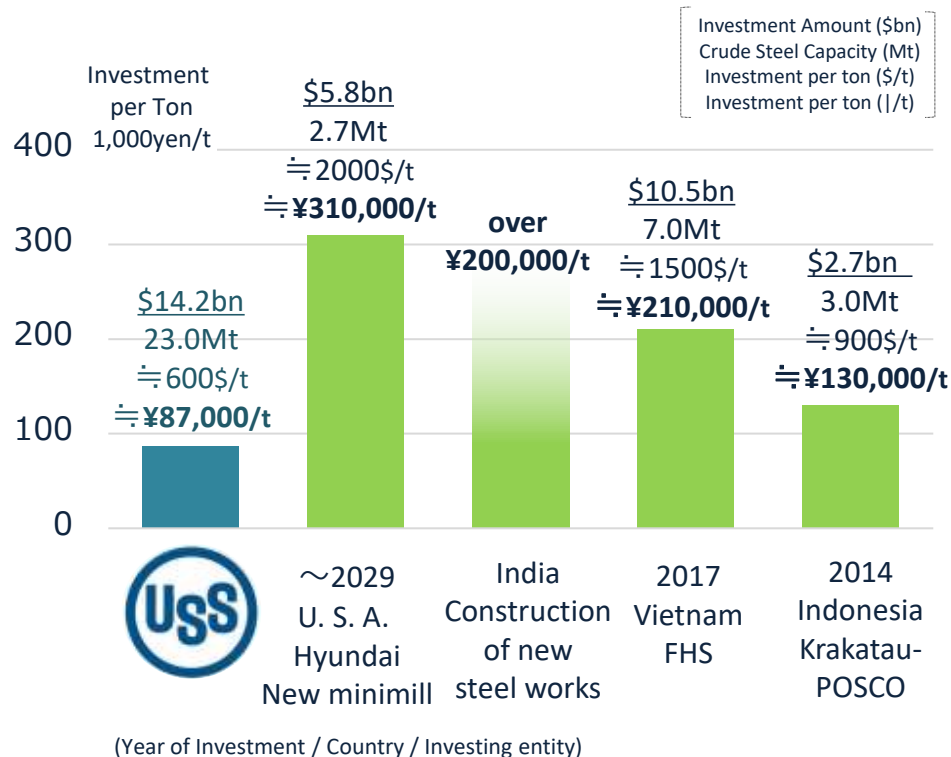
Rationality of Investment

Economically reasonable investment as consideration for Integrated steel mill

Economic rationality assessment prior to the Trump administration's tariff policy

Competitive Investment Amount

Investment per ton of Crude Steel Capacity



Advantage of Brownfield development

Without Startup risks

Greenfield integrated steel mill construction: Risks including startup, workforce recruitment and training, and securing sales channels

Generate Cash flow upon acquisition

Greenfield integrated steel mill construction: Substantial period of time until commercial operation, with upfront cash outflows

Secure Workforce

Skilled workforce secured despite U.S. manufacturing labor shortages

	Population (million)	Workforce Manufacturing (%)		
The U. S.	342	172	13	8%
Japan	124	69	11	15%

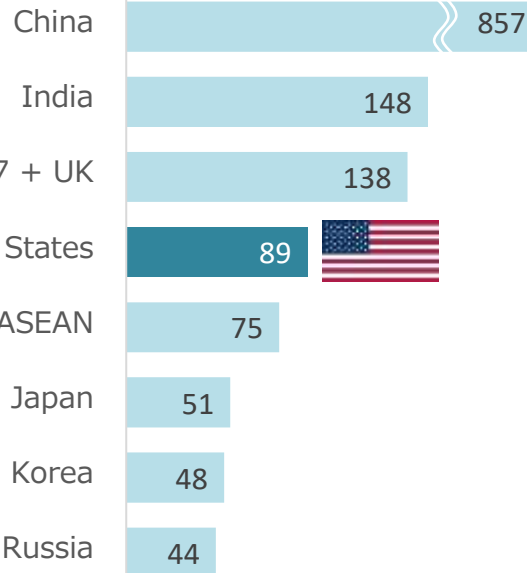
U.S. Steel Market Structure

The largest steel demand in developed countries, and the largest market for high-grade steel leveraging our technology and products

Estimated domestic demand including indirect imports: 150 million tons
Tariff policies expected to shift direct and indirect steel imports to domestic production

Steel Demand

2024 CY (Million Tons/Year)



Other countries: 294

Source: worldsteel

Total Steel Demand
in the U.S. Market

Approx. **150** Million Tons/Year

Domestic
Supply Ratio
55%

U. S. Steel Supply and Demand Overview

Our Estimate

Indirect steel imports
(Final products & components)

Approx. **60** Million Tons/Year

Steel Imports

Approx. **20** MT/Y

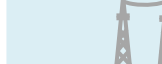
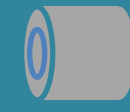
Domestic
Steel
Production

Approx. **80** MT/Y

Domestic Steel
Demand

Approx. **90** MT/Y

Steel Exports Approx. **10** MT/Y



Manufacturing

Civil Engineering
and Construction

U.S. final consumption

Only developed country
with sustained long-term
population growth

Reshoring of steel demand in
energy and manufacturing driven
by low-cost U.S. energy and
global economic shifts

Supply-demand structure
centered on domestic
demand, not export-
dependent

Capital investments will be made to respond to growing steel demand in the U.S. and increasing demand for high-grade steel.

Introduction of our operational technologies to reduce costs, advanced product technologies to enhance added value

Enhance U. S. Steel's competitiveness
Achieve profit growth

Ensure sufficient return on investment

Capital Investment profitability assessment prior to the Trump administration's tariff policy

18 months of review

enabled thorough coordination

⇒ now ready for swift execution

- ◆ Investment to be primarily funded through U. S. Steel's enhanced cash generation
- ◆ If support by Nippon Steel is required, optimal funding method will be considered, taking into account shareholder interests and financial soundness

Commitment under the NSA (National Security Agreement) to invest approx. **\$11 billion*** by the end of 2028

* Including \$2.7 billion already committed

BF mill

Maintaining competitiveness and refreshment of existing facilities,

Measures for high-grade steel production

- ◆ Replacement of the existing hot strip mill and other facilities at Mon Valley Works
- ◆ Strengthening the productivity and competitiveness of blast furnaces and steelmaking, including the revamping of blast furnace #14 in Gary Works

Iron ore mine

Expansion of DR-grade Pellet Plant etc.

Establishment of Research & Development Center

EAF minimill

Construction of DRI facilities, Enhancement of state-of-the-art electrical sheet facilities

Pipe & tube mill

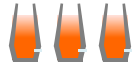
Boosting competitiveness of quality

Construction of greenfield steel mill



Expanding global network to Europe

U. S. Steel Košice < Slovakia >



Crude Steel Capacity

4.5 Million Tons/Year



Existing sites of our group

OVAKO



Crude Steel Capacity:
1 Million Tons/Year



Suzuki
Garphyttan



**Simultaneous establishment of
U.S. and European business bases
where none existed before**

Overview of U. S. Steel Košice

- The largest steelmaker in Central Europe
- Established as state-owned East Slovak Ironworks (VSŽ) in 1959; operations commenced in 1965
- Crude steel capacity : 4.5million tons/y
- Main Facilities: 3 blast furnaces, hot rolling, cold rolling, annealing, tinplate, galvanizing, and non-oriented electrical steel
- Number of Employees: 7,712 employees as of end of December 2024
- Revenue: €3,76 billion/y (2024CY)
- Crude steel production: 3.99 million tons/y (2024CY)
- Shipment: Automotive, Appliance, Packaging, Energy, Construction, Service Center

U. S. Steel Košice



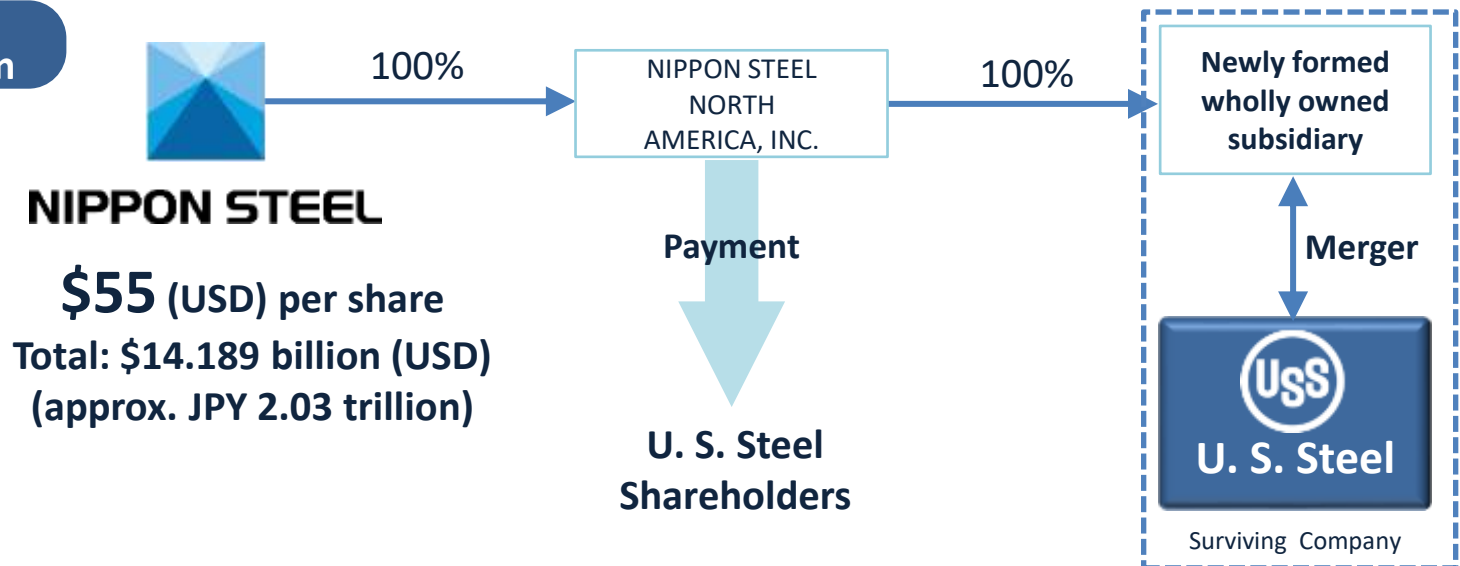
Site area equivalent to East Nippon Works Kimitsu Area
(approx. 12 million m², 10 million tons of crude steel capacity)

Transaction overview

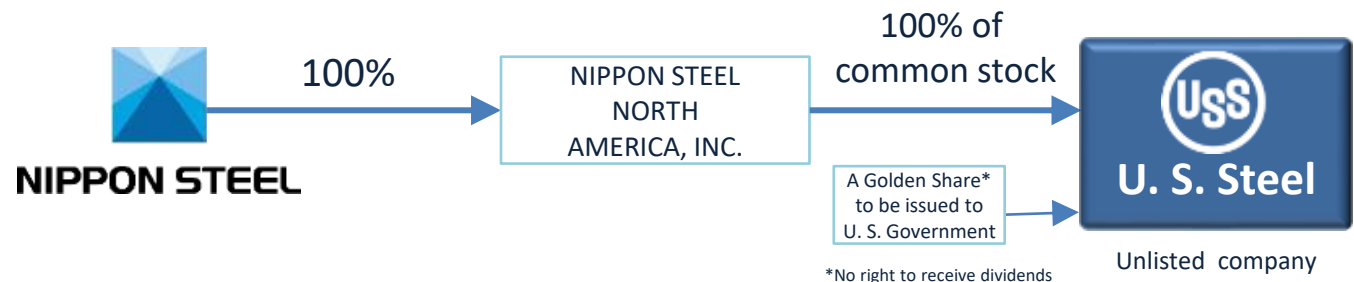
Execution of transaction based on the merger agreement dated December 18, 2023

U. S. Steel merges with a wholly owned subsidiary formed by Nippon Steel, with U. S. Steel surviving the merger as the surviving company, and U. S. Steel's shareholders receive the acquisition consideration in cash

Overview of the transaction



After the transaction



Impact on Nippon Steel's consolidated financial statements

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Cash Flow

- Total purchase price of \$14.189 billion (approx. ¥2.03 trillion) fully paid as of June 2025

Balance Sheet

- Start of consolidating U. S. Steel's assets and liabilities in the Q1-end consolidated balance sheet

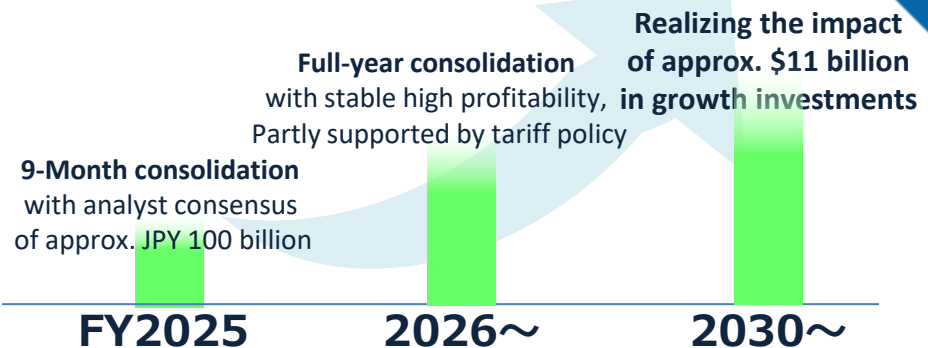
Income Statement

- **U. S. Steel to be consolidated from Nippon Steel's FY2025 Q2 consolidated results**
 - ✓ U. S. Steel's July–September 2025 Results consolidated into Nippon Steel's July–September 2025 results
- **Our FY2025 Q1 results to reflect an expected loss of ¥230 bn from transfer of equity interest in AM/NS Calvert (¥100 billion cash outflow)**
- **Earnings forecast including U. S. Steel consolidation impact to be announced with FY2025 Q1 results**

Dividend

- **FY2025 dividend forecast maintained at ¥120/Share** despite loss due to transfer of equity interest in AM/NS Calvert

U. S. Steel's contribution to earnings growth

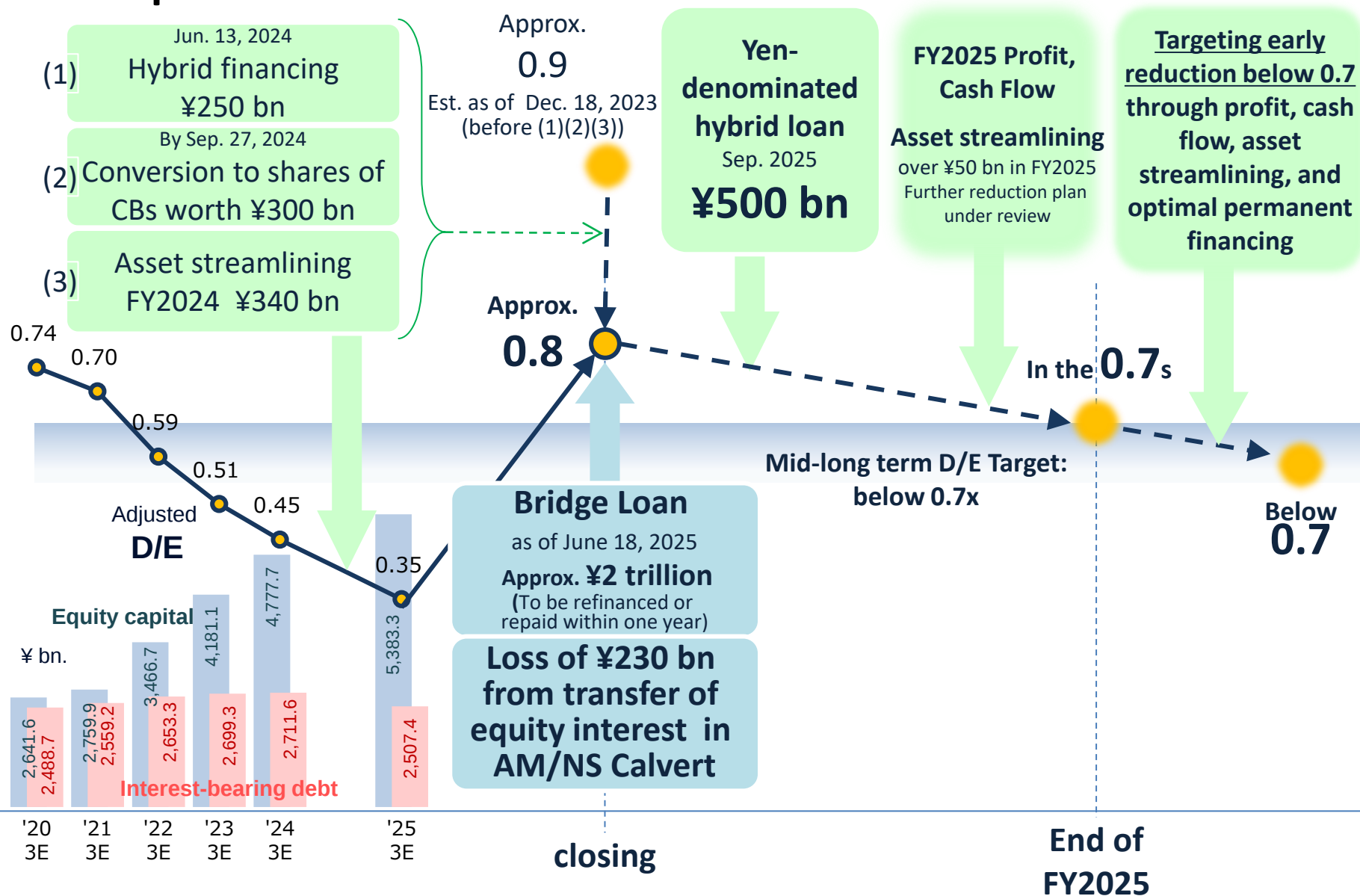


(unit : billion yen)						
	As of May 9 FY2025(f)	Jul. 2025~ U. S. Steel Consolidation (For 9 months)	Interest expense on financing	Consoli- dation Adjust- ments, etc.	Transfer of AM/NS Calvert Recurring	Non- recurring Related Expenses, etc.
Underlying BP Excl. Inventory val. etc.	Over 600	↑				
Inventory valuation etc.	(200)	↓		Deconsolidation effective July 2025		Closing bonuses and FA fees, etc.
Consol. BP	Over 400	↑		↓	↓	↓
Financial expenses/income	Undisclosed	↓	↓			
Additional Line Items	—					
Net Profit	Over 200	↑	↓	↓	↓	Loss on Transfer approx. -230 approx. -230
		Non-recurring Loss				

- **Full 12-month consolidation from FY2026 onward**
- **Further profit contribution driven by earnings growth**

Optimal financing to simultaneously achieve sound financials and improved shareholder value

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Appendix

U. S. Steel Transaction is Aligned with Nippon Steel's Growth Strategy

Business environment

Long-term downturn in steel margins due to supply-demand gap in China

Gradual decline in domestic steel demand in Japan

population decrease and challenges in both direct and indirect exports



Our Global Business Strategy

Expansion of overseas manufacturing bases in markets:

With strong growth potential

Suited to Nippon Steel's technological and product strengths

Expand integrated steel mill to create added value from the upstream

Acquire brownfield production bases through M&A



Attractiveness of the U.S. Market

High level of domestic steel demand

- ◆ Only advanced country with continued long-term population growth
- ◆ Will return steel demand to the U.S. through the energy and manufacturing sectors, which will be driven by affordable energy and global economic shifts
- ◆ Increase in steel demand driven by anticipated increase in infrastructure investment

Market with expected growth in demand for high-grade steel
Supply structure centered on domestic demand, less reliant on exports

Markets protected from imports by tariffs



Attractiveness of U. S. Steel

Robust facilities organically combining iron ore mines, BF's, and EAFs

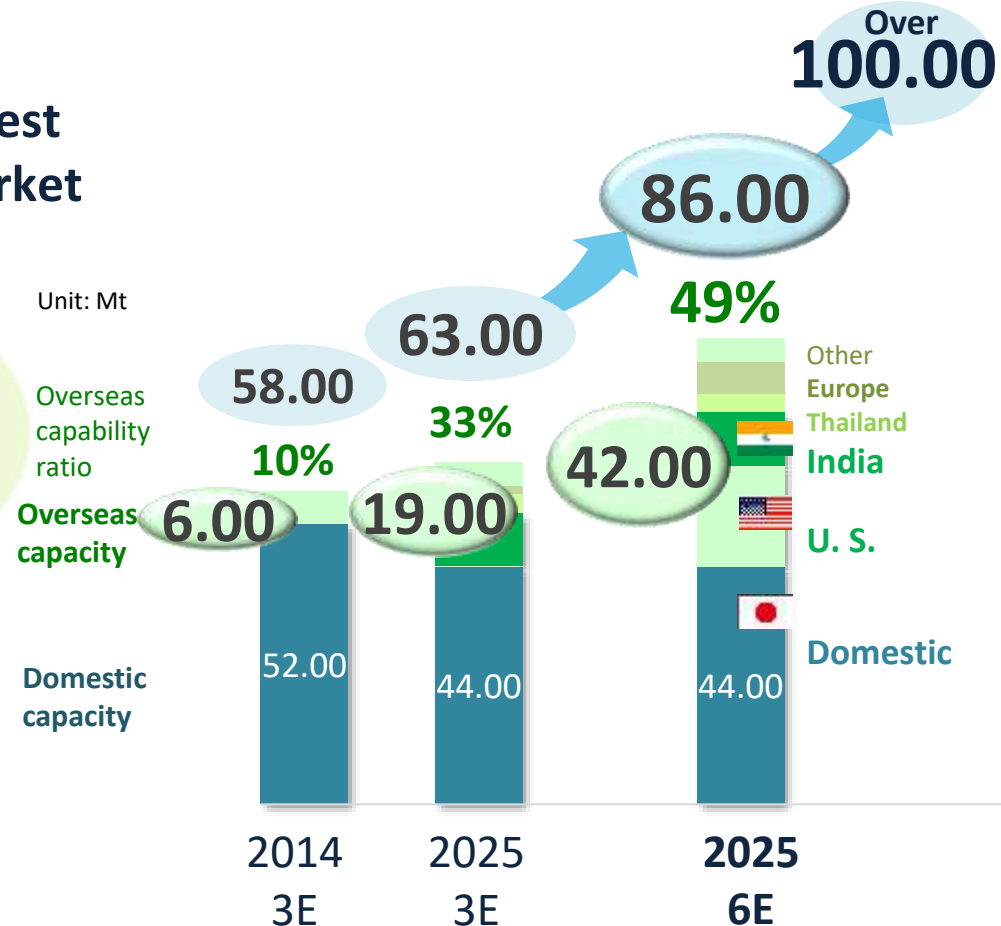
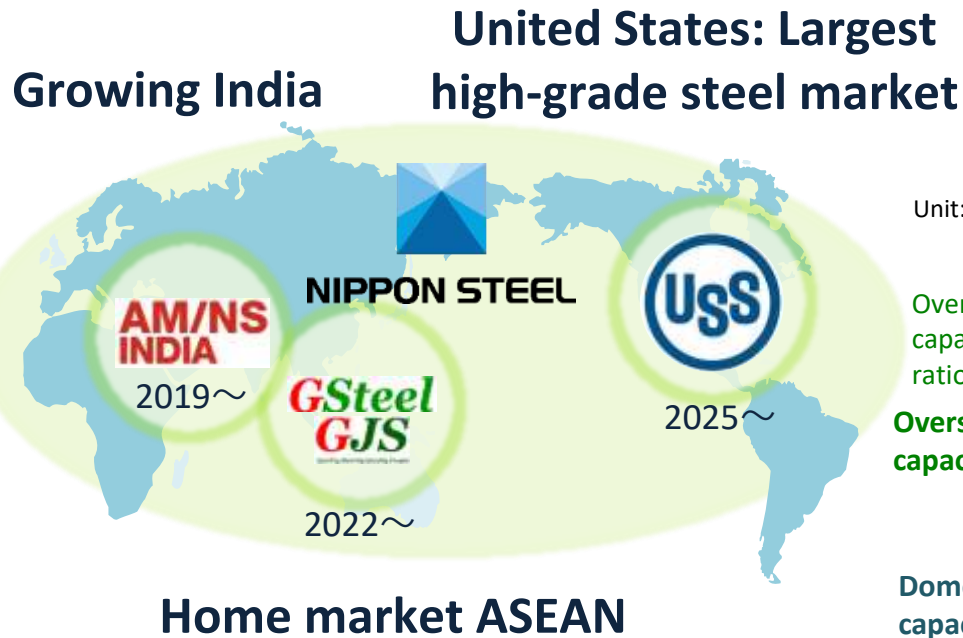
Extensive U.S. customer base

Well-established history and brand value

Realizing the Global 100 MT Vision

Diversify Nippon Steel's global footprint and expand capacity in three primary geographies

Global crude steel production capacity of 86.00 MT
Overseas capacity ratio of 49%
Further progress toward 100MT Vision



The combined production capacity of companies in which the company has a 30% or greater stake

Overview of U. S. Steel

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- Leading integrated BF and EAF manufacturer in the U.S. mainly Flat-Rolled sheets including for auto
- Leveraging own iron ore mines, self-sufficient in pellets for BF's and EAFs, and pig iron for EAFs

*2024CY **End of 2024CY
t : metric ton st : short ton

	Total	U.S.	Europe
Headquarters	Pittsburgh, Pennsylvania, USA		
Product types	Steel sheets(Hot-rolled sheets, Cold-rolled sheets, Galvanized Sheets, Tin plate, Electrical steel sheets), Pipes and tubes(Seamless pipes)		
Manufacturing bases		<Flat-Rolled> : Gary (Indiana), Mon Valley (Pennsylvania), Granite City (Illinois), Great Lakes (Michigan), PRO-TEC (Ohio) <Mini-Mill> : Big River Steel (Arkansas) <Tubular> : Fairfield (Alabama)	Košice (Slovakia)
Upstream Facilities	11 BF's (Including 2 BF's idle) 5 EAF's	8 BF's (Including 2 BF's idle) 5 EAF's	3 BF's
Raw Steel Production Capacity	23.0Mt/Y (25.4Mst/Y)	18.5Mt/Y (20.4Mst/Y)	4.5Mt/Y (5.0Mst/Y)
Raw Steel Production *	14.2Mt/Y (15.6Mst/Y)	10.7Mt/Y (11.8Mst/Y incl. EAF2.8Mst/Y, EAF ratio18%*) (*Ratio to total including Europe)	3.5Mt/Y (3.8Mst/Y)
Steel shipments *	12.9Mt/Y (14.2Mst/Y)	9.6Mt/Y (10.6Mst/Y)	3.2Mt/Y (3.6Mst/Y)
Iron ore mines owned		Minntac, Keetac (Minnesota)	
Pellet Production		20.2Mt/Y (22.2Mst/Y) All iron ore used in the U.S. is procured from in-house mined pellets.	
Net sales *	15,640M\$/Y	12,657M\$/Y	2,983M\$/Y
Earnings before income taxes *	438M\$/Y		
Net earnings *	384M\$/Y		
Active Employees **	22,053	14,341	7,712

U. S. Steel : Primary Manufacturing bases

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		() is idle	Crude steel capacity (Mst/y)	BFS	EAFs	Hot-rolled sheets	Cold-rolled sheets	Coated sheets	Tin plate	Electrical Steels	Seamless tubular	
North America	Integrated steel mill	Flat-Rolled	Gary	7.5	4	●	●	●	●			Chicago suburbs, manufacturing auto sheet including outer panel, supplying semi-products to downstream bases
			Mon Valley	2.9	2	●	●	●				Pittsburgh suburbs Edgar Thompson Area / Clairton Area / Irvin Area / Fairless Area
		Tubular	Fairfield					●				2012 iron making-flat steel shut down
				0.9	1						●	Birmingham suburbs 2020 EAF newly built
	Downstream bases	Mini Mill	Big river	6.3	4	●	●	●		●		2014: Established, 2019: Acquisition, Non-grain oriented (NGO) electrical steel line started operation in Oct.2023, Two EAFs & ESP started operation in Oct. 2024
			Granite City	(2.8)	(2) Idle	●	●	●				Ex. National Steel, One BF is being idled from 2023.
			Great Lakes				●	●				Detroit suburbs, Ex. National Steel, manufacturing auto sheet including outer panel, 2021 iron making - hot strip shut down
			PRO-TEC					●				JV with KOBE Steel, ownership: 50% , manufacturing auto sheet including outer panel, 2Mst/y, 3 hot dip galvanizing lines and 1 continuous annealing line
Europe			Double G					●				JV with Cleveland Cliffs, ownership: 50%, 1 hot dip galvanizing line with a capacity of 0.35 million st/year
			Košice	5.0	3	●	●	●	●	●		

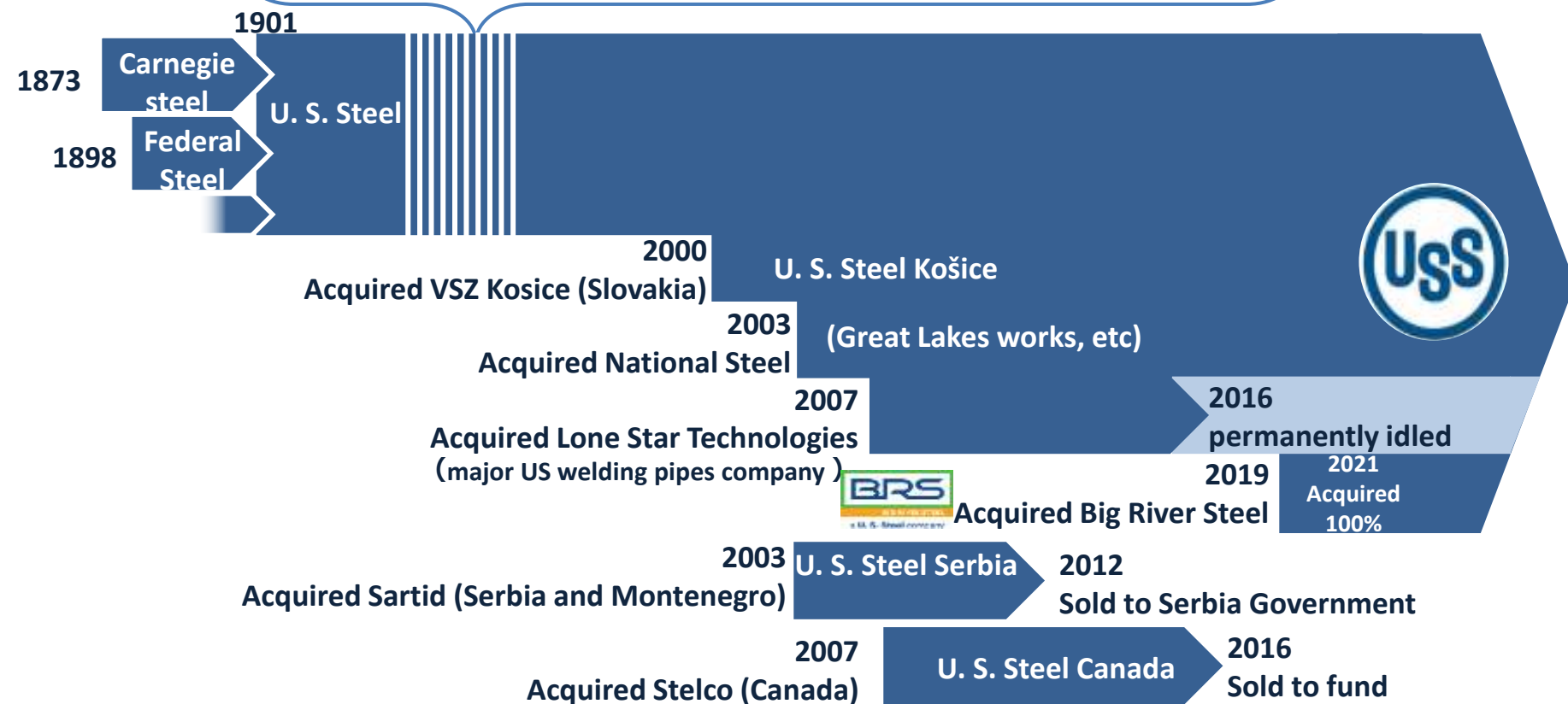
To a resilient structure through restructuring and asset replacement

Restructuring of Steel business

- 1979 Restructuring (closed 11 works)
- 1983 Restructuring (closed 33 works)
- 1984 Withdrew from rails, wires business
- 1986 USS-POSCO was established
- 1990 PRO-TEC was established
- 1992 Withdrew from shapes, bars business
- 2003 Withdrew from plate business

Entry and withdrawal from Oil & Gas business

- 1982 Acquired Marathon Oil
- 1986 Acquired Texas Oil & Gas, renamed USX
- 2002 Marathon Oil was separated



U. S. Steel Product Mix (2024cy)

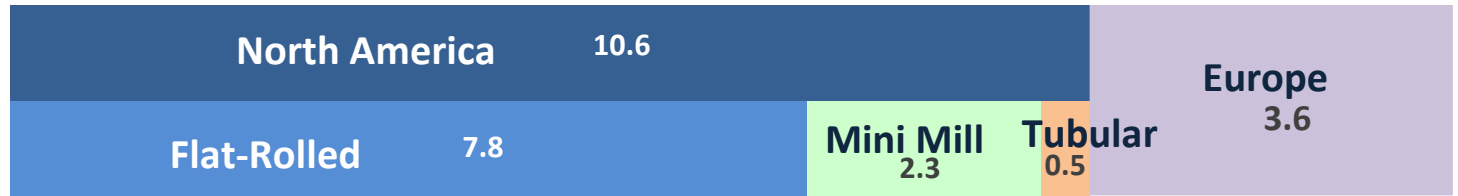
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By segment

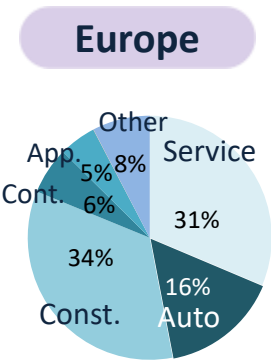
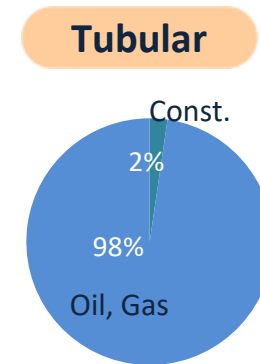
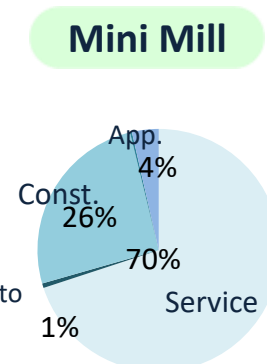
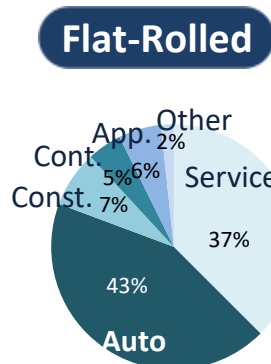
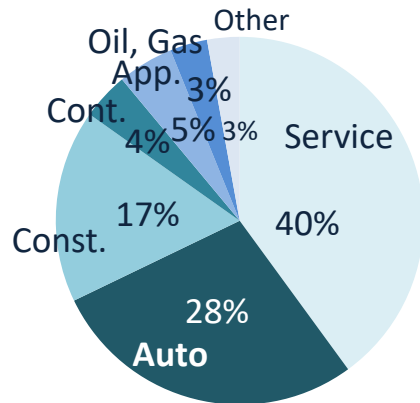
Source: U. S. Steel 10-K

14.2

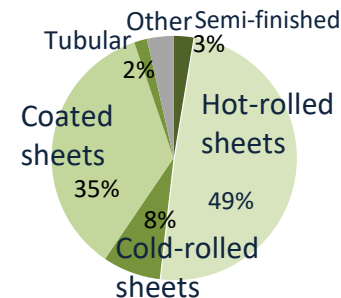
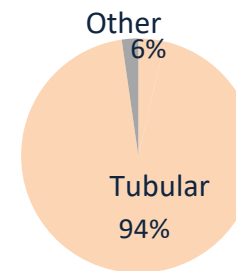
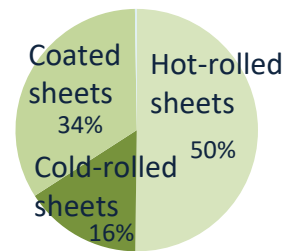
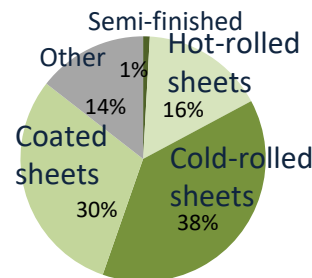
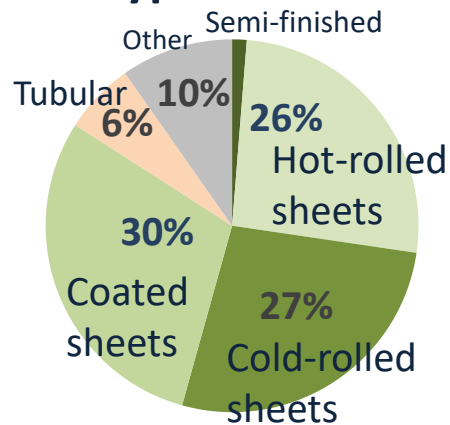
Mst/Y



By demand category



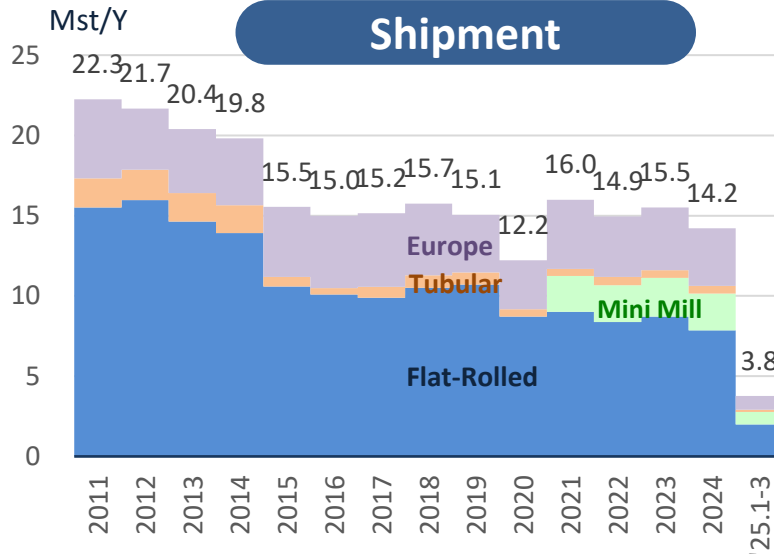
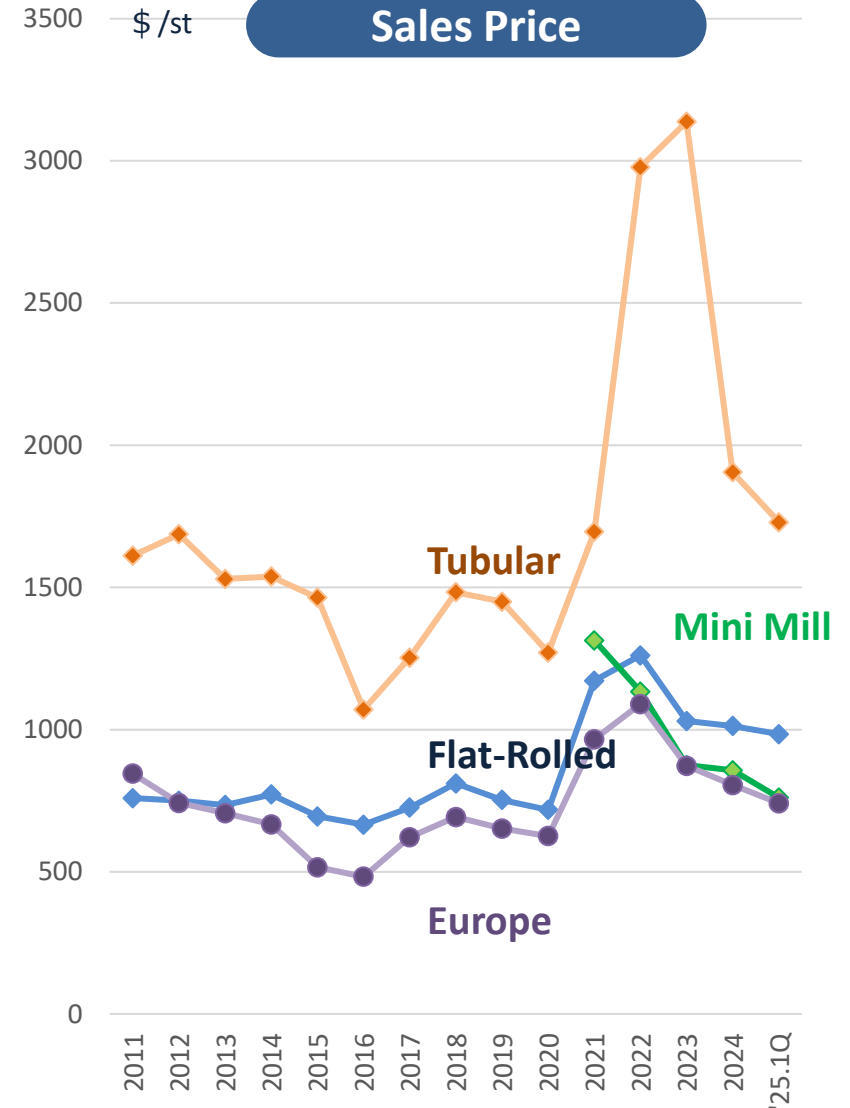
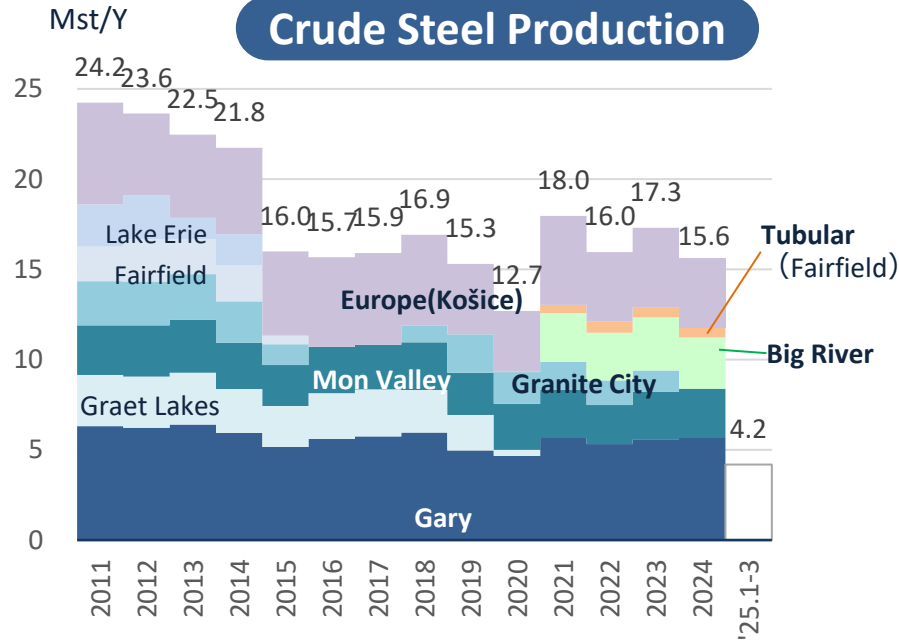
By product type



U. S. Steel Volume, Price Trend

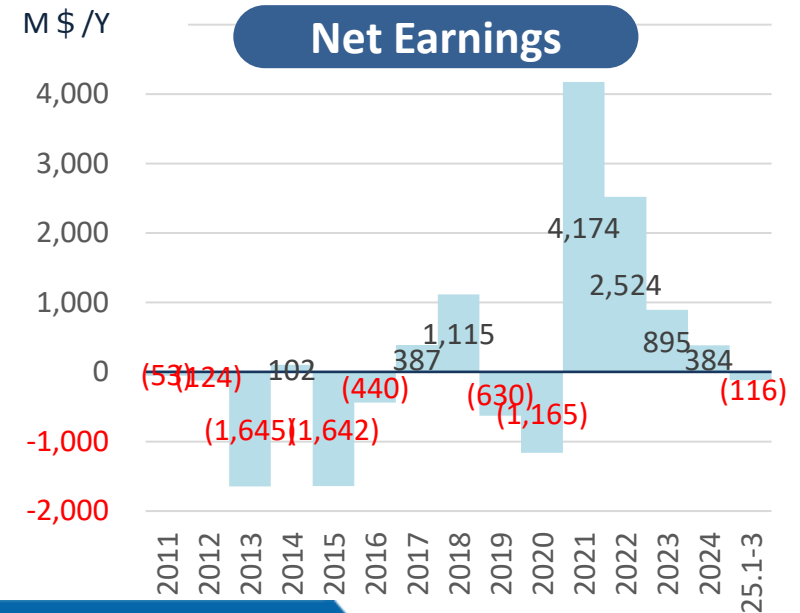
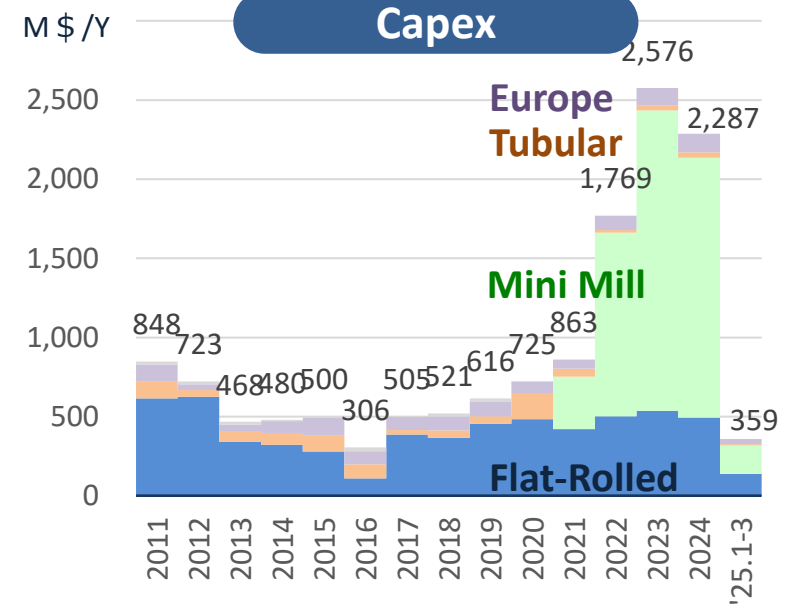
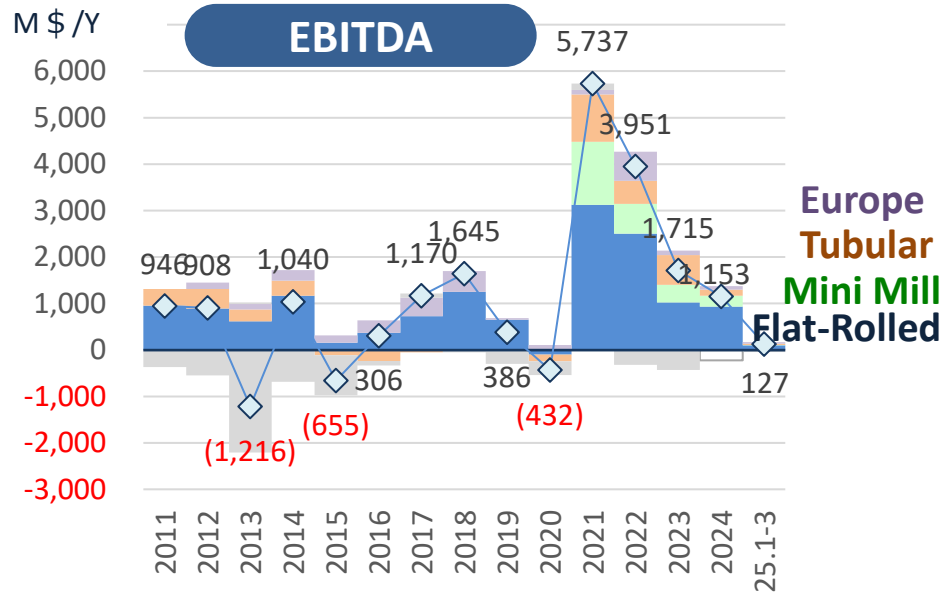
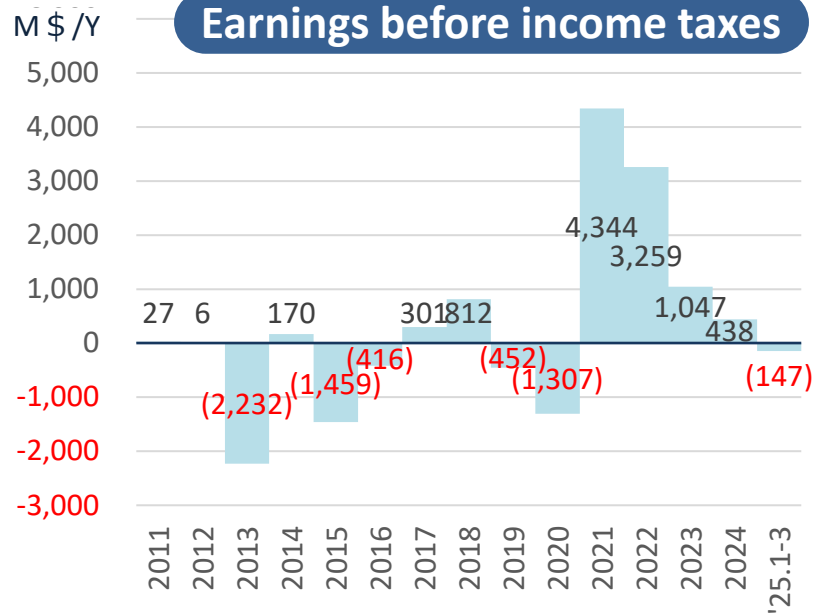
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Source: U. S. Steel 10-K, 10-Q, 8-K



U. S. Steel Financial Indicators

Source: U. S. Steel 10-K, 10-Q, 8-K



U. S. Steel Balance Sheet, Cash Flows (As of Jun. 11th, 2025)

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Source : U. S. Steel 10-K, 10-Q

Balance Sheet

(The end of Mar. 2025) Units : M\$

Total assets : 20,083

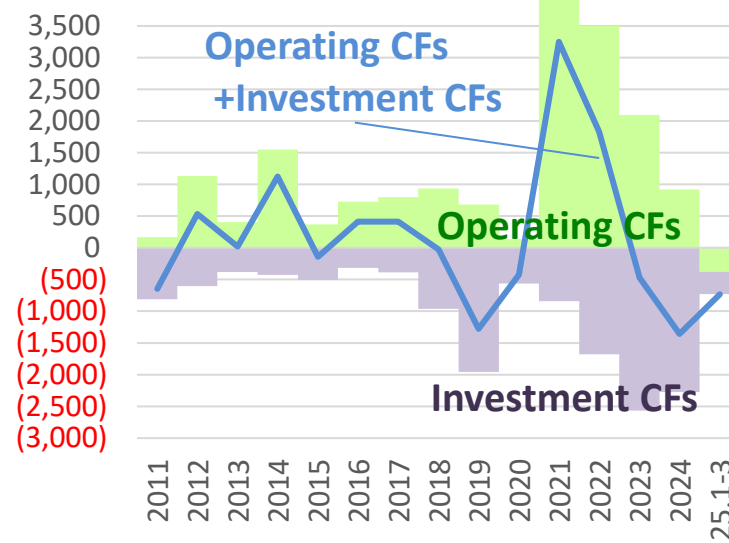
Liabilities : 8,752 Shareholders' Equity : 11,238

Noncontrolling Interests : 93

Current assets 4,936	Cash 594	Current liabilities 3,399	Accounts Payable 2,800
	Accounts Receivable 1,647		Other 599
	Inventories 2,372	Noncurrent Liabilities 5,353	Interest-bearing debt 4,047
Noncurrent assets 15,147	Other 323		Other 1,306
	Machinery & Equipment, Lands 12,113	Shareholders' Equity 11,238	
	Goodwill 920		
	Other 2,114		

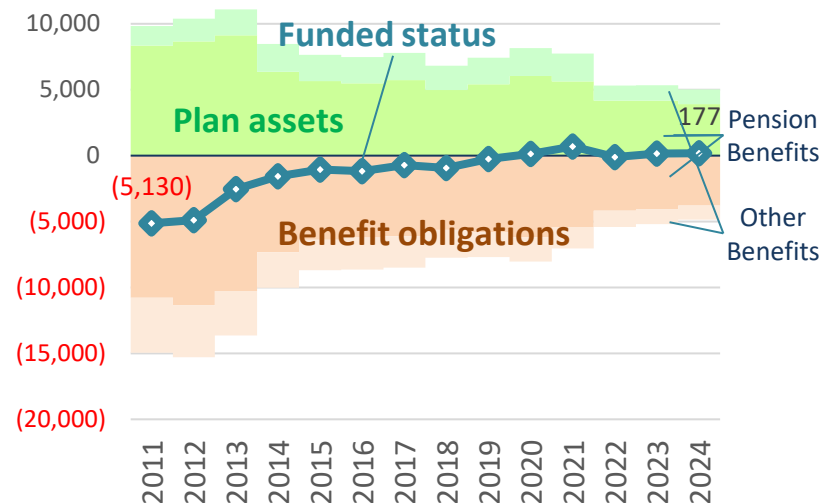
Cash Flows

Units : M\$/Y



Pension Benefits and Other Benefits

Units : M\$





NIPPON STEEL

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