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OTC : NPSCY(ADR)



NIPPON STEEL

Nippon Steel

2030 Medium- to Long-term

Management Plan

Dec. 12, 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.

Agenda

1. Summary

2. Domestic: Improve Profitability

by Further Strengthening the Earnings Base

3. Overseas: Dramatically Increase Profit

by Implementing the Global Growth Strategy

4. Growth Strategies for Non-Steel Segments

5. Steady Promotion of the Carbon Neutral Vision 2050

6. Strengthening the Management Base

that Supports Our Strategies



NIPPON STEEL

Contribute to the realization of a sustainable and prosperous society through the creation of customer value

**The Best Steelmaker
with World-leading Capabilities**

Domestic

Overseas

FY2021～2025
Underlying Business Profit
**600.0 billion yen
or more**

Facility structural measures
Spread improvement in
direct sales
Execute strategic investments

Concentration of resources to
integrated steelmaking bases
in key areas
➤ U. S. Steel transaction
➤ Capacity expansion in India
➤ Acquisition of G/GJ Steel

Developing a Robust Business Structure
with Vertical and Horizontal Expansion

A milestone toward global
crude steel production
capacity of
100 MT* or more

FY2026～2030
**Achieve 1 trillion yen
or more**

Improve profitability by further
strengthening the revenue base

Execute global growth strategy

**Underlying Business Profit
Achieve 1 trillion yen
or more**

FY2031～
**Leap to the
Next Profit Level**

Achieve global crude
steel production
capacity of
100 MT* or more

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

Risks

Global Economy

Increasing uncertainty in the global economy and rising risk of stagnation

Shift toward protectionism

Declining workforce

Steel Business

Widening global supply-demand gap

Domestic steel demand on a gradual decline

Escalating trade friction

Opportunities

Economic growth in emerging countries

Increasing investment in AI and energy-related sectors

Japan: Growing demand in energy-related sectors and stronger needs for enhancing customers' international competitiveness

U. S. : Expansion of manufacturing production and rising demand for high-grade steel
India: Steady increase in steel demand

(MMT)	FY2024	FY2030
Domestic Steel Consumption	49.50	
Japan Steel Exports	Approx.30.00	
Domestic Crude Steel Production	82.95	

Steel Consumption (MMT)	FY2024	FY2030
U. S.	90.00	
<Incl. Indirect steel imports>	<150.00>	
India	150.00	

Domestic

Enhancing profitability through further strengthening of the earnings base

Thoroughly pursue cost competitiveness

Develop comprehensive solutions

Maximize the Nippon Steel Group's comprehensive strength

Strengthening of Management Foundation:

Promote development of cutting edge technologies
Advance operational reform and streamlining
Enhance human resource competitiveness

Overseas

Driving significant profit growth through execution of the global growth strategy

Strengthen integrated steel production in three key areas

- U. S. and Europe: Execute growth investments
- India : Expand integrated production capacity
- Thailand : Reinforce the entire supply chain

Intensive allocation of human resources overseas

Create new business opportunities including group companies

Human Resources & Technology

Business Strategy

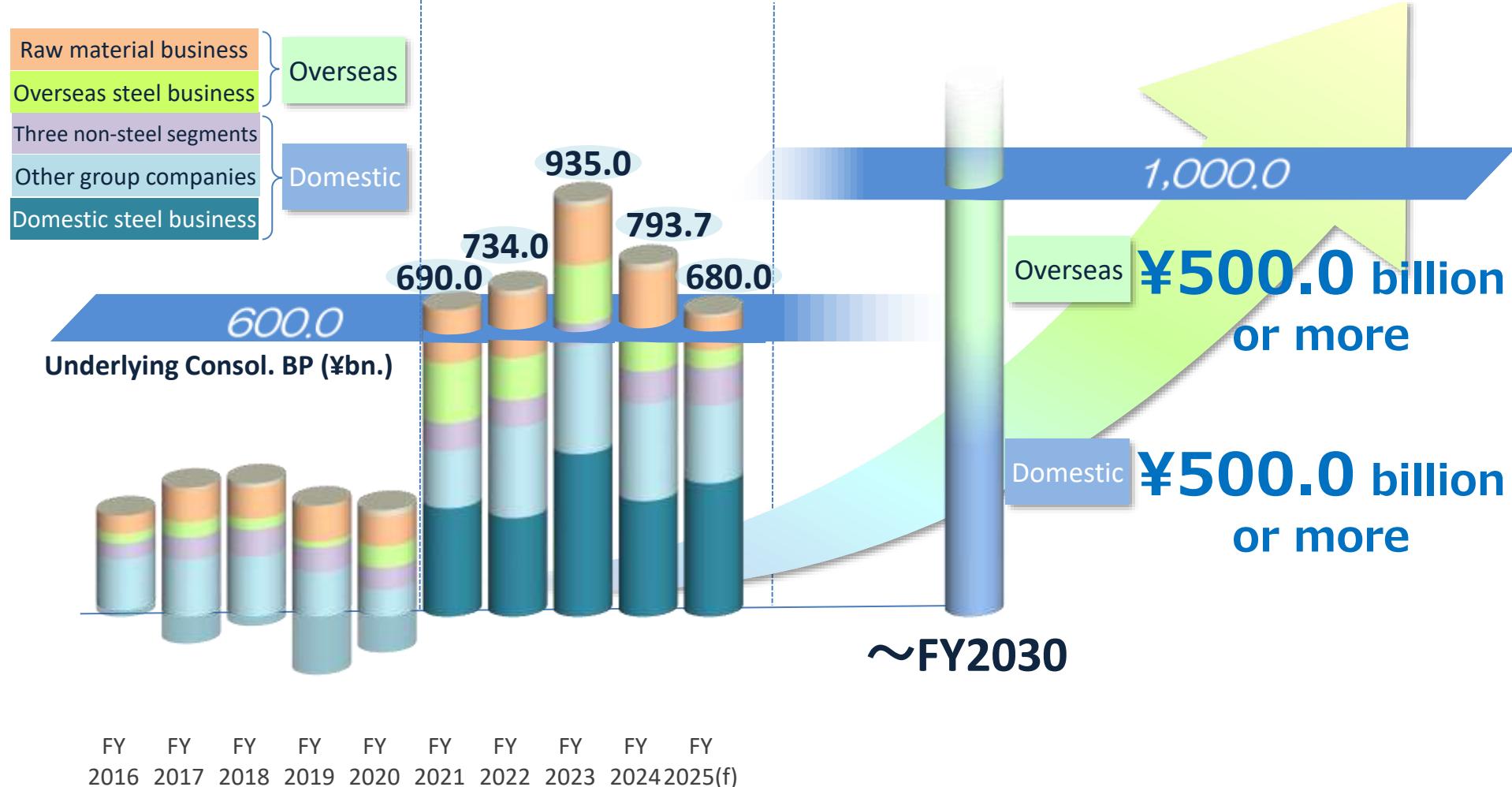
Achieve Underlying Business Profit of 1 trillion yen or more per year

FY2016～2020 average
Approx. ¥200.0 bn.

FY2021～2025 average
Approx. ¥770.0 bn.

FY2026～2030
Achieve
¥1 tn.
or more per year

FY2031～
Leap to the
Next Profit Level



Domestic

1 trillion yen
or more

Overseas

Domestic steel business
+ Other group companies
+ Three non-steel segments

Overseas steel business
+ Raw material business

Underlying business profit
(bn. ¥)

565.0

84.0

175.0

300.0

FY2025

(f)

Pursue cost competitiveness
thoroughly

Expand comprehensive
solutions

Maximize the Group's
overall strength

[Worsening Business Environment]
Declining domestic demand
Sluggish overseas market conditions
Rising various costs

500.0
or more

~FY2030
Target

Maximize the impact of U. S. Steel investment

Expand capacity at AM/NS India

Strengthen the entire supply chain in Thailand

115.0

40.0

75.0

FY2025

(f)

~FY2030
Target

FY2016～2020

FY2021～2025(f)

FY2026～2030

2031
~

Approx.¥3.1tn./5Y

Capital Investment ¥2.1tn.
Business Investment ¥1.0tn.

Approx.¥7.5tn./5Y

Capital Investment ¥3.5tn.
Business Investment ¥4.0tn.

Approx.¥6tn./5Y

Focus investments overseas

Secure profitability above capital cost

Strengthen
Domestic Steel
Business¥2.2
tn.
¥2.6
tn.¥2.6
tn.
¥4.0
tn.Next-Generation Hot-Strip Mill
at Nagoya Works
Investment in ESS Capacity &
Quality EnhancementStrengthen strategic product lines,
enhance competitiveness, and continue
renewal investmentsGroup-Wide
Strategy¥0.4
tn.¥0.8
tn.Consolidated Nippon Steel
Consolidated
Sanyo Special Steel
Consolidated Nippon Steel Trading
Full Ownership of Sanyo Special Steel
Full Ownership of Krosaki HarimaInvest to realize the Group's
comprehensive strengthGX
Investments¥0.6
tn.Invest in EAF Conversion
(Incl. ¥0.3tn. Government Subsidies)Advance development of innovative
technologies while ensuring predictable
investment returns

U. S. Steel

¥0.5
tn.¥2.7
tn.
¥3.5
tn.Stock Price: ¥2.0 tn.
Interest-Bearing Debt: ¥0.5 tn.
Capital Investment: ¥0.2 tn.Invest \$11.0 bn. in the U.S. by end of
2028 to sophisticate product types and
improve cost competitivenessAM/NS
India¥0.4
tn.Acquisition
¥0.3
tn.Expand Integrated Capacity at Hazira
Enhance Sheet Production FacilitiesExpand capacity in line with growing
demand and continue investments for
future high-grade demandOther overseas
steel business¥0.1
tn.Acquisition of OVAKO
Consolidated
STP(Thailand)
¥0.1
tn.Acquire G/GJ Steel and
Invest to Strengthen ProfitabilityExplore expansion in areas with growing demand
and fields where our technologies can be leveragedRaw material
business¥0.03
tn.Acquired interests in Elk Valley JV
Acquired interests in Blackwater
¥0.4
tn.Acquired interests in Elk Valley JV
Acquired interests in BlackwaterConsider securing high-quality raw materials required
for carbon neutrality and stabilizing profitability

Complete Investments and Fully Maximize Their Impact

Consolidated Annual Payout Ratio: Approx. 30% (maintain)

Achieve an appropriate balance among investments for medium- to long-term growth, shareholder returns, and financial soundness

Stock Split: 5 Shares for every 1 Share (Oct. 1, 2025)

Establishing a more accessible investment environment, particularly for individual investors, and further expanding the investor base.

Minimum Annual Dividend: ¥24 per share

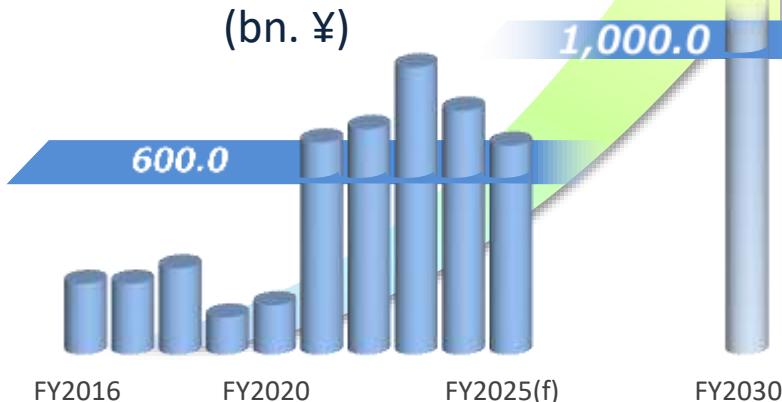
(¥120 per share before stock split)

Build a robust earnings structure to secure high-level profitability regardless of external environment
=>Set minimum dividend to increase predictability of shareholder returns and enhance attractiveness of Nippon Steel shares

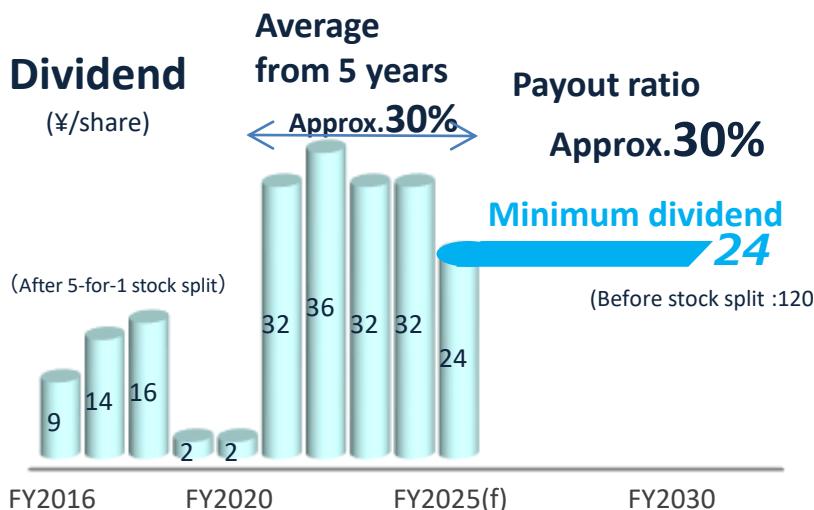
FY2026~30 Minimum annual dividend: ¥24 per share

Higher Returns through Profit Growth

Underlying business profit



Dividend (¥/share)



Average
from 5 years
Approx.30%

Payout ratio
Approx.30%

Minimum dividend
24

(Before stock split :120)

Aim to further increase profit levels in a new growth stage and achieve higher shareholder returns

Key Indicators of 2030 Medium- to Long-term Management Plan

Financial Indicators

Underlying Business Profit

FY2025(f)
¥680.0
bn.

¥1 tn.
or more/yr

Domestic
¥500.0 bn. or more
Overseas
¥500.0 bn. or more

ROE (Return on Equity)

FY2025 H1
-4.3%
(Incl. one-off effects)

Approx. 10%

After FY2031
Over 10%

D/E *(Debt/Equity Ratio)

FY2025 H1
0.74

Approx. 0.7

DEBT/EBITDA *

FY2025 H1

4x

3.5x or less

*Adjusted for capitalization, etc.

Capital & Business Investment

FY2021~2025(f)
Approx. ¥7.5tn./5Y

Approx. ¥6tn./5yr

Carbon-Neutral

CY2030 (compared to 2013)
30% reduction

CY2050
Carbon-Neutral

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Enhance and Maximize the Overwhelming Competitiveness

Domestic Steel Business

FY2021～2025

BEP Improvement through
Reduction in Fixed Cost and
Price Optimization

Establishing Optimal
Production System

Facility Structural Measures

BF 15→10units -5units

Crude Steel Production Capacity

50⇒40Mt/Y -20%

Sophistication of Product Types

Decision and Implementation of

investments to enhance capabilities
and quality for strategic product categories

Optimizing Direct Sales Price
and Marginal Profit



BEP improvement of 40%

FY2026～2030

Fully Utilizing the Established Production Capacity,
Enhancing and Maximizing the Competitiveness
according to Demand Sectors and Product Types

Thorough Pursuit of Cost Competitiveness

- ◆ Initiate and maximize the impact of new equipment investments
- ◆ Define production line roles and enhance efficiency through concentrated manufacturing
- ◆ Continue to optimize the production framework

Expand Comprehensive Solution

- ◆ Enhance technological leadership by sophisticating of product types and reinforcing solution proposal capabilities
- ◆ Strengthen the supply chain

Maximize Comprehensive Strength

- ◆ Enhance profit throughout Nippon Steel Group
- ◆ Enhance operational efficiency through group company reorganization

Pursuit of Technological Advancement



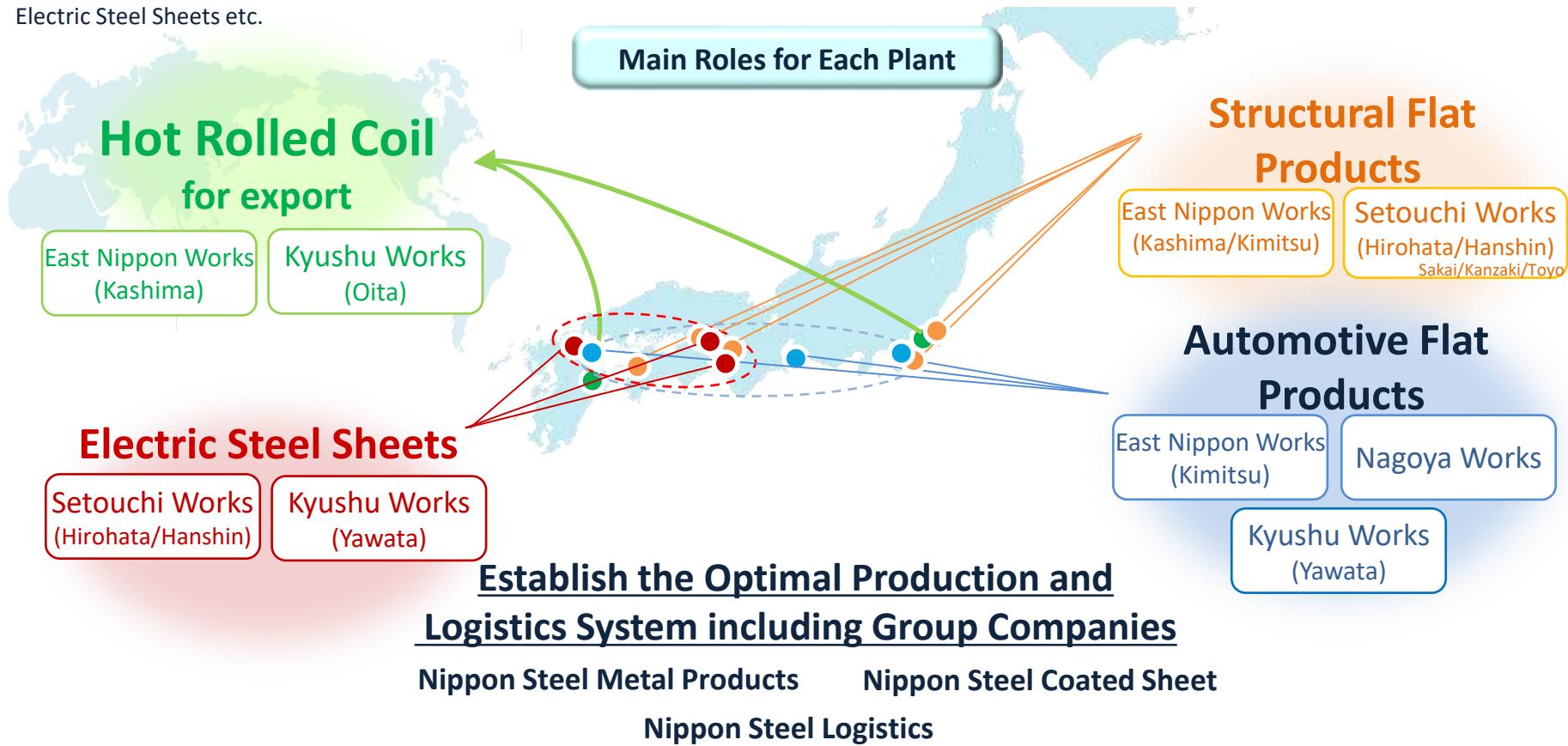
FY2021～2025

Reduction in Fixed Cost through
Facilities Structural Measures
Accelerating Investments
in New Facilities*

*Nagoya/Next-Generation Hot-Strip Mill,
Electric Steel Sheets etc.

FY2026～2030

Promote the Launch of New Facilities
and the Realization of the Full Effect of Investment
Clarify the Main Role of Each Works and Production Line,
and Make Centralized Production to Improve Efficiency





FY2021～2025

Facility Structural Measures

Facility Investment

- Sophistication of Product Types

Expansion of Products and Solutions

- Nagoya/Next-Generation Hot-Strip Mill
2022 Decision Made
- Capability Expansion of Electric Steel Sheets
2019～2023 Decision Made

FY2026～2030

Concentrated Manufacturing in Main Plants

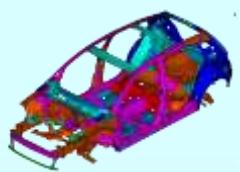
Initiate and Maximize the Impact
of New Equipment Investments

Further Advancement of Comprehensive Solutions

Targeted start of operations: 2026

Phased implementation ongoing since 2021

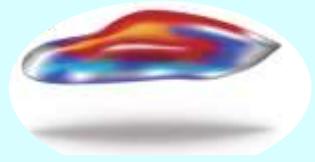
**Innovation of New Product
and Enhance the Cost
Competitiveness
Through Utilizing Next-
Generation Hot-Strip Mill**



**Expansion of Market of NO
for Eco-Friendly Car**



**Integrated Solution
Deepen Engagement
with Customers**



NSafe®-AutoConcept

**Suspension of the Operation, as a part of pursuing optimal production system :
Continuous annealing unit (2KAP) at East Nippon Works (Kashima)/by 2027E**

Maximize the Group's Comprehensive Strength (Sales, Distribution, Production) to Provide Greater Customer Value

1. Improve product differentiation and solution-oriented proposals to respond to social needs
(Corrosion resistant coated steel sheet (ZEXEED, ZAM, SD, SGL, etc.), Design-oriented steel sheets, NSCarbolex® Solution, Construction method proposal, etc.)
2. Maximize our group's integrated capabilities to enhance production, sales, and supply chain



Prefab



Heavy-duty shutters



Lightweight ceiling



Duct

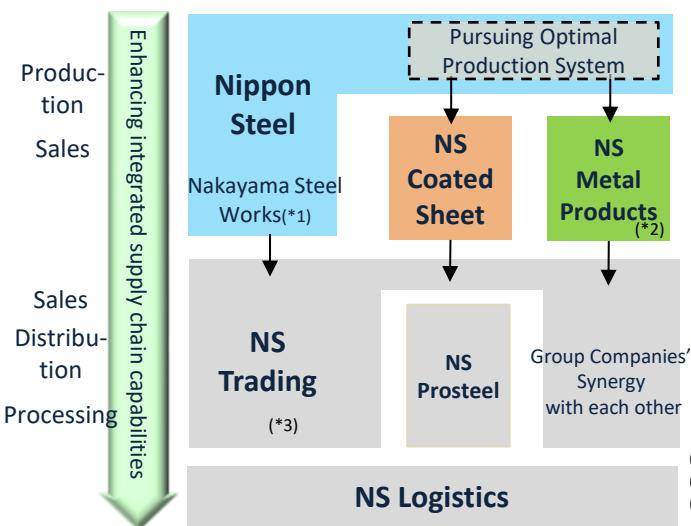


Roof



Exterior wall

Enhance the integrated Cost Competitiveness



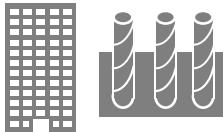
Pursuing Integrated Sales, Distribution, and Production System

Creating and Providing greater customer value

Manufacturing site (incl. Group Companies)

- Nippon Steel Sales branch





Enhance Group Synergy on a Regional Basis to Further Strengthen Sales Activities

Strengthening collaboration on a regional basis among business units, sales organizations, regional branches, and group companies including NS Metal Products and NS Coated Sheet

Identifying Demand Aligned with Market Segments and Applications



Direct Sales

(Incl. Project-Based Sales)

Distribution Sales

Shapes/Spiral Pipes

Structural Flat Product

EAF Steel

Construction and Civil Engineering Solutions
Designed to Reduce Project Duration
and Environmental Impact
(ProStruct® : Steel×Utilization)



Providing Greater Value
to Customers

Pursuing Integrated
Sales, Distribution,
and Production System

Expand a Competitive Product Lineup
of EAF steel
through a Business Alliance
with Nakayama Steel Works



Capture demand across the entire supply chain through a diverse range of high-grade steel products

New energy manufacturing,
Resource mining,
power generation,

Hydrogen production, ammonia, and methanation



New Energy,
Maritime and land
transport



New Energy
Storage, Sequestration, utilization



Develop and supply a cross-category range of steel products with superior heat resistance, corrosion resistance, and hydrogen embrittlement resistance for various harsh environments, including high temperature and high pressure, etc.

Product

Sheets Plates Pipes



Steel Type

Carbon Steel

High-Alloy

Stainless

Titanium

Shipbuilding Field

New Energy Transportation

Zero-emission Shipbuilding

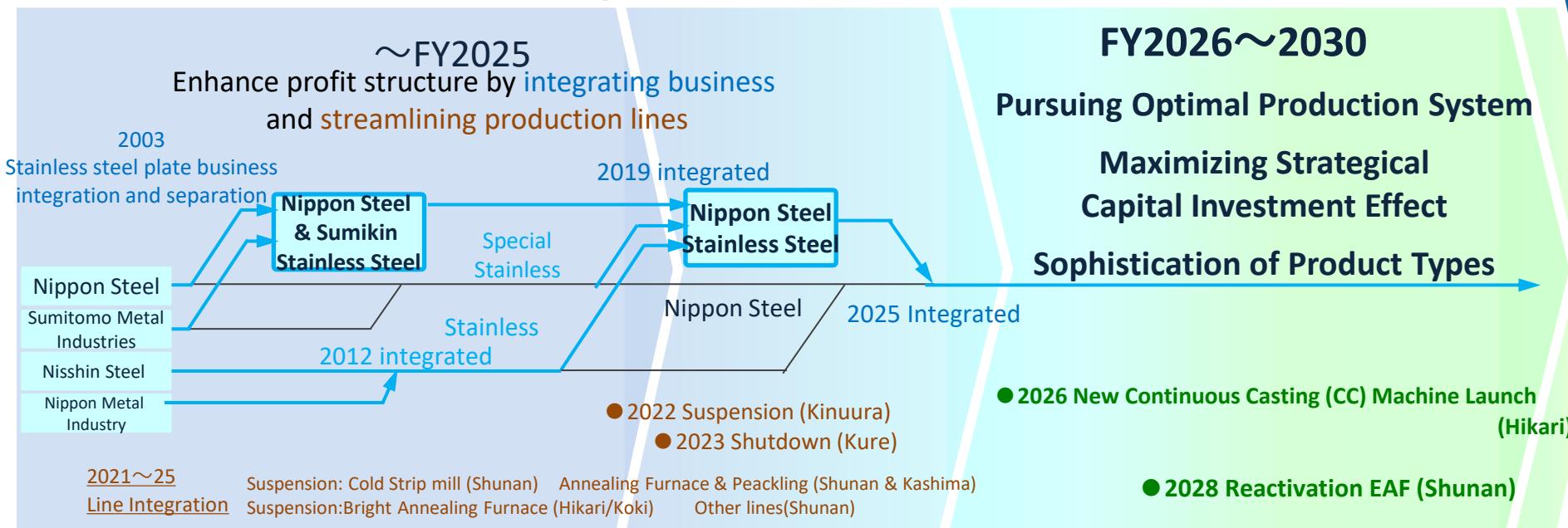
Improvement of
shipbuilding productivity

Enhance proposal capabilities
for high-function products
and integrated solutions

Steel for Low-pressure
CO₂ storage tank

Enhance efficiency and
automation in welding
through advanced processing technologies
for plates and welding materials

Contribution
to the revitalization
of Japan's
shipbuilding industry



Pursuing Optimal Production System

- Upstream : **Consolidation of Cr from Yawata to Shunan EAF (H2 of 2028~)**
- SUS Sheets : **Examining production strategies to improve competitiveness of commodity products**
(Yamaguchi : Hikari/Shunan, East Nippon : Kashima, Kyushu : Yawata)

Maximizing Strategical Capital Investment Effect Sophistication of Product Types

Capture demand through Group collaboration (Sanyo Special Steel, etc.)

- Energy : New CC line launch (Hikari) **(H2 of 2026~)**, Enhance the plate competitiveness
- Infrastructure : Utilization of product lineups, engagement with customers
Enhance the lineups for duplex SUS Plate,
Reducing weight and wall thickness through high corrosion resistance and high strength

Improving Profitability through Reorganization of Group Companies

FY2021～2025

Facilitating group reorganization

FY2026～2030

Deliver the benefits of reorganization

Strengthen integrated competitiveness
/Enhance customer responsiveness
/Improve global adaptability

Pursue an even more optimized group structure

Wholly owned
subsidiary conversion
/Absorption mergers
of Strategic Companies

Trading
Company

2023.4

NS Trading
Subsidiarization and privatizationSpecial Bar/Wire
Division

2025.4

Sanyo Special Steel
Full SubsidiarizationStainless
Division

2025.4

NS Stainless
Absorption mergersFacilities
(Refractory)

2026.2

TOB Scheduled for
Full Subsidiarization of Krosaki HarimaERW
Domestic Division

2025.4

Consolidating and transferring operations of NS Pipe
Pipes for Buildings⇒NS Metal Products
Mechanical Pipes⇒Nippon SteelMechanical Pipe
Division

2026.2

NS Finetube
*NS Katakura Tube • Tsurumi Steel Tube • NS Pipe FinetubeSlag
Cement

2026.4

Business integration
NS BF Slag Cement & NS Cement

Enhancing
organizational resilience
through
group company integration

Pursue an even more optimized group structure

Enhancing commercial strength
and creating value
via the entire supply chain

Optimization of Production System
Reinforcing integration
across sales and logistics functions

Strengthening human resources and
enhancing development, sales, and
technical capabilities

Enhancing collaboration in global expansion,
improving cost competitiveness,
and developing refractories for EAF

Optimization of production
in the mechanical tube drawing sector

Strengthening the business foundation and efficiency
while enhancing sales power
and optimizing manufacturing structure

Optimizing manufacturing structure
Enhancing sales power, technical expertise,
and product development capabilities

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that Supports Our Strategies

Key Areas : In "U.S. / Europe" "India" "Thailand", Expand Integrated Steel Production

Overseas Business Strategy

Expansion of overseas manufacturing bases in markets:

With strong growth potential

Suited to Nippon Steel's technology and product strengths

Expand integrated steel mill
to create added value from the upstream

Acquire brownfield production bases
through M&A

Largest high-grade steel market U.S. / Europe

Execute strategic capital investments to drive U.S. Steel profit growth
Sophistication of Product Types and Cost Competitiveness



Growing India
Capacity expansion in Hazira
Construction of new southern steel mill etc.

Home market Thailand
Market share expansion in Thailand steel sheet market

Deploy human resources intensively to overseas operations and create new business opportunities, including through collaboration with group companies.

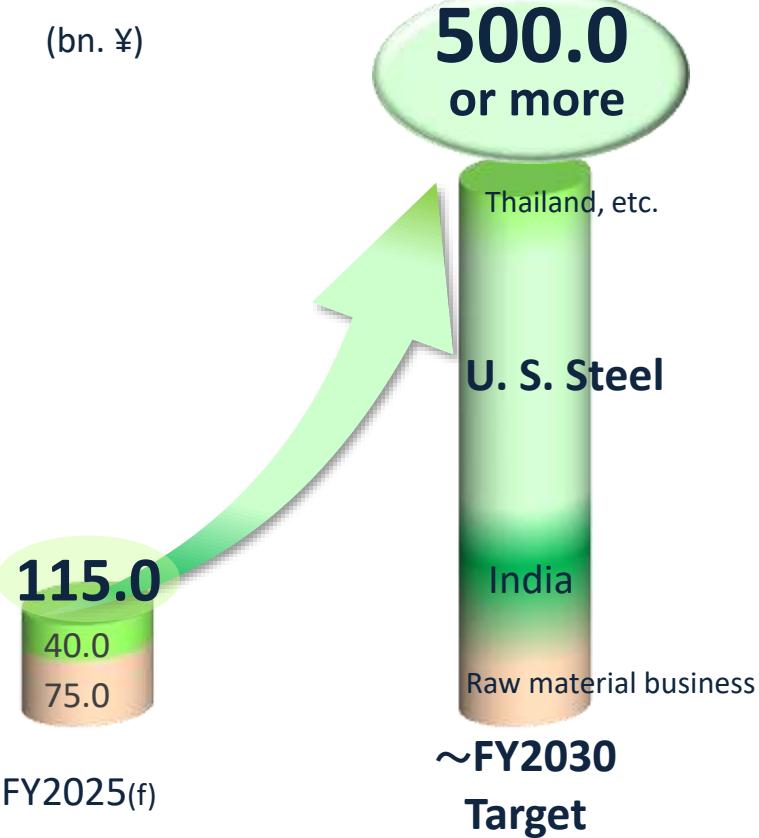
Contribution of Overseas Business to Achieving 1 trillion yen and 100 million tons

Overseas Business Profit

Overseas steel business + Raw material business

Maximize the investment effect of U. S. Steel
and expand capacity at AM/NS India to
dramatically increase profit.

(bn. ¥)



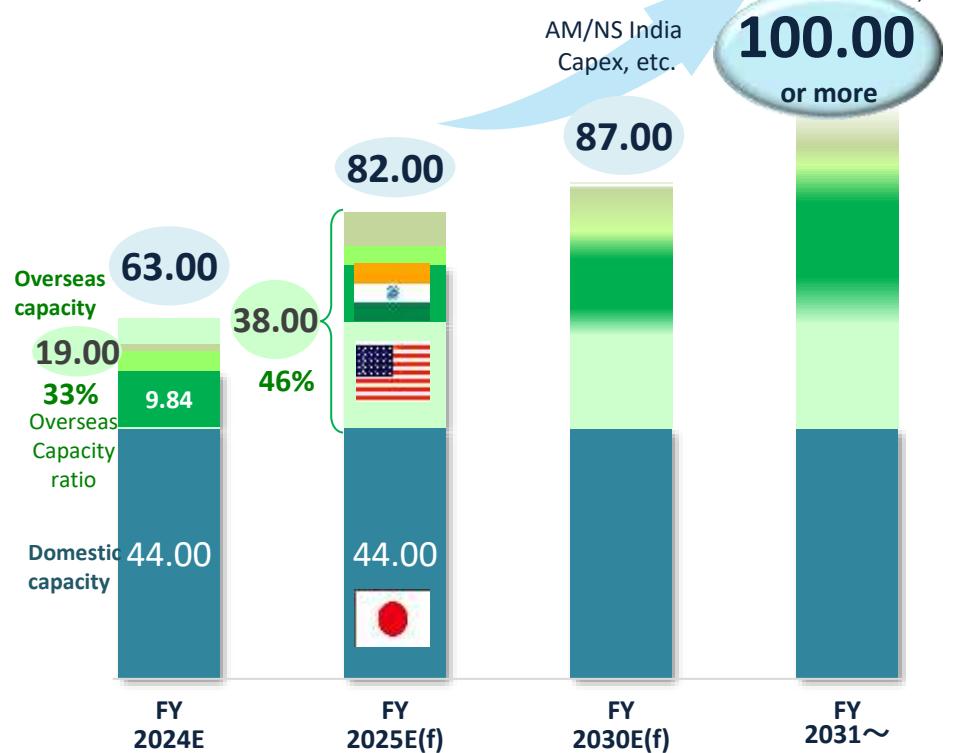
Global Crude Steel Production Capacity

Capture global growth and aim for
100 MT or more of global crude steel
production capacity.

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

Unit: MT/Y

Further capacity expansion
(new integrated steel works
in southern India, etc.)



Supporting the Global Growth Strategy

Technology

Transfer Nippon Steel's advanced technologies and know-how to key strategic bases in tandem with capital investments.

- Cost Reduction technologies
- Automation technologies
- Recycling technologies
- Energy-saving technologies

Manufacturing Technologies

Facility Technologies

Integrated Process Management

Integrated Quality Management

Product Solution Technologies

- Facility Maintenance Technologies
- Facility Engineering Technologies

Our extensive human resources
Approx. 1,600 in-house
facility engineers and
maintenance specialists

U. S. Steel: Wholly owned
Transfer of Nippon Steel's advanced
technologies and know-how

Human Resources

Allocate human resources to overseas
operations, while promoting operational reform
and streamlining in Japan.

Number of employees
dispatched overseas

Approx. 400 persons

Including
approx. 250
engineers

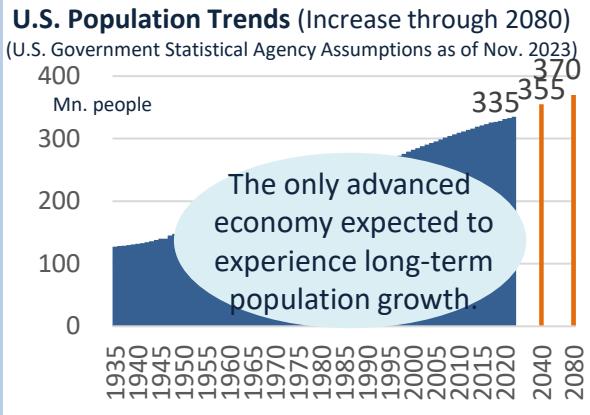
Further active
deployment



Key Area: U. S. Growing High-Grade Steel Market

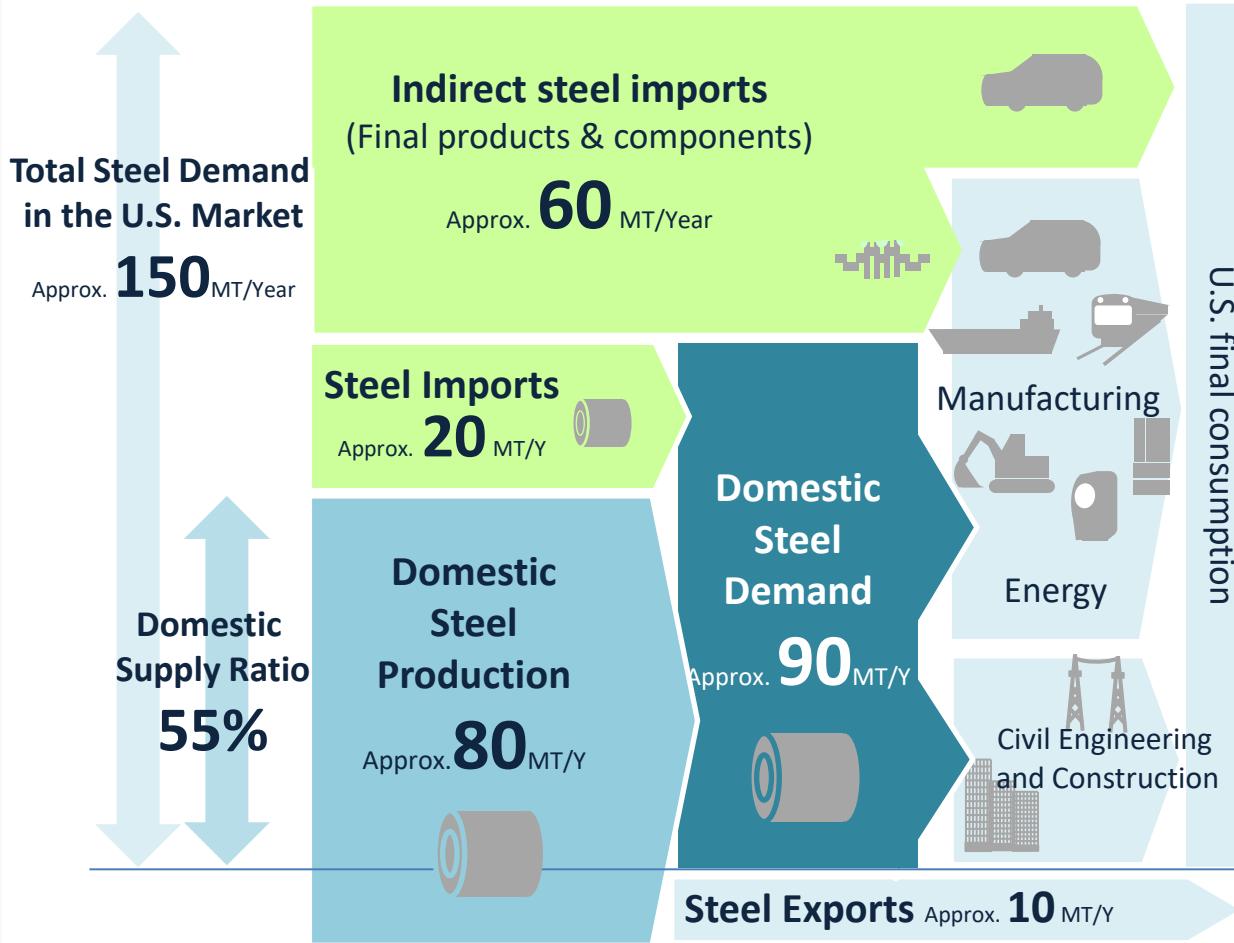
Attractiveness of the U.S. Market

- ◆ The largest steel demand in developed countries, and 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



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

U. S. Steel Supply and Demand Overview Our Estimate





Significant Profit Growth in U.S. Steel

FY2021～2025

Jun. 2025
Became a
wholly owned
subsidiary.

FY2026～2030

2031～

Through acquisitions of EAFs and capital investments, a robust facility configuration was established, organically combining BFs, EAFs, and iron ore mines.

Execute large-scale investments for growth and deploy Nippon Steel's advanced technologies and management resources.

Capital Investment

~2028/E \$11.0bn. in the U.S.

Start-up of facilities and realization of investment effects

Enhance cost competitiveness

Sophistication of Product types

Expand supply capacity

Sample of Strategic Capital Projects underway (★ : Approved and Announced)

BF Mill <Gary>

- Upgrade existing hot strip mill (★) **Reliability**
 - Optimize production costs
 - Expand premium product offerings, incl. heavy gauge line pipe and automotive steel.
- Relining No.14 BF
 - Secure Production capacity
 - Long-term Cost efficiencies
- Additional project, Upgrade Steel shop etc.
 - Enhance Product flexibility
 - Productivity Improvement
 - Quality and Cost Improvement

BF Mill <Mon Valley>

- Upgrade existing hot strip mill
 - Productivity improvement
 - Quality and Cost improvement
 - Expansion of high-grade steel manufacturing capabilities
- Install New Slag Recycler (★)
 - Revenue expansion through slag sales

Reliability

Capability

EAF mini mill <Big River>

- DRI Plant Construction
 - Enhance raw material flexibility
 - Cost reduction
- New Grain-Oriented(GO) Electrical Steel facilities
 - Expansion of supplied product menu by Nippon Steel tech introduction
 - Product differentiation by advancing capabilities in high-performance electrical steel

Growth

Iron ore mine
DR grade
Pellet plant expansion etc.

Research & Development center

Pipe and Tube mill <Fairfield>

- Install New Premium Thread Line (★)
 - Cost reduction through in-house thread cutting
- Upgrade tubular facilities
 - Expansion of integrated capacity by eliminating bottleneck processes
 - Expansion of high-value tubular capabilities

Throughput

FS for
green field
new integrated
steel mill

Investment effects

\$3.0bn.

Synergy
0.5

Capital
Investment
Effects
2.5



(EBITDA Improvement compared to FY2024)



Growth Strategy for European Bases

Acquisition of an integrated BF-based

flat steel production site

U. S. Steel Košice (USSK)

<Slovakia>

(The largest steelmaker in Central and Eastern Europe)

Crude steel production capacity: 4.5 MT/Y

 =>Considering conversion to EAF

Product Portfolio: Hot-rolled sheets, cold-rolled sheets, tinplate, galvanized steel, non-oriented electrical steel sheet, etc.

Main Customers: Automotive, electrical, container, energy, and construction sectors

Nippon Steel group existing bases



Suzuki
Garphyttan

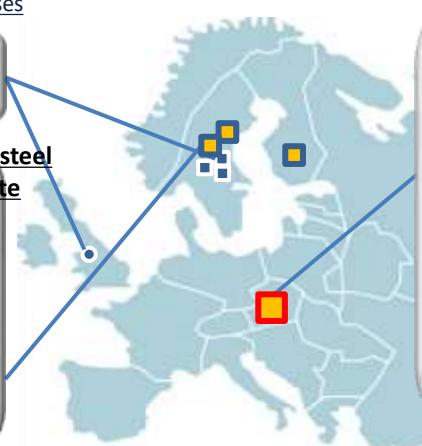
Integrated EAF-based special steel bar and wire production site

OVAKO

<Sweden and Finland>

Crude steel production capacity
: 1 MT/Y

 Special steel bar and wire
(bearing steel)



U. S. Steel Košice



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

Business Opportunities in the European Market

The world's third-largest steel demand region

Protection of regional industries through tariffs, safeguard measures, CBAM, and other policies

In Central and Eastern Europe, USSK's main markets*, steel demand is expected to increase in the medium to long term due to factors such as the relocation of customer bases to the eastern regions

Strengths of USSK

Strategic location advantage

Diverse portfolio of sheet products

(incl. automotive-coated steel, tinplate, and non-oriented electrical steel sheet)

Competitive labor costs and highly skilled workforce

Sound facility conditions

Capture regional demand and drive profit growth through **maximizing synergies** with Nippon Steel and advancing **product types sophistication**

Explore future decarbonization initiatives, such as evaluation of EAF technologies, with government support

*Core Six Countries: Poland, Czech Republic, Slovakia, Hungary, Romania, and Austria

Acquisition
(Dec. 2019)

FY2021～2025

**Capture steadily growing steel demand in India
and promote capacity expansion
aimed at product types sophistication.**

Expansion of steel sheets
facility in Hazira Works
Expansion of upstream
facilities, hot-strip mill

Apr. 2022
decided
Sep. 2022
decided
Land acquisition for construction of
integrated steel works in Rajayyapeta
Apr. 2025

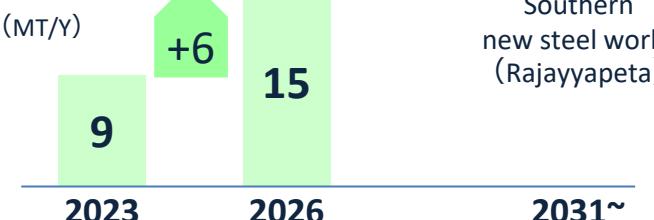
2025
Operation start
2026
Operation start
Consideration of investment plan
for new integrated steel works



Production Capacity Expansion

Construction of a New Integrated Steel Works

Expansion of Integrated Steelmaking Capacity at Hazira Works



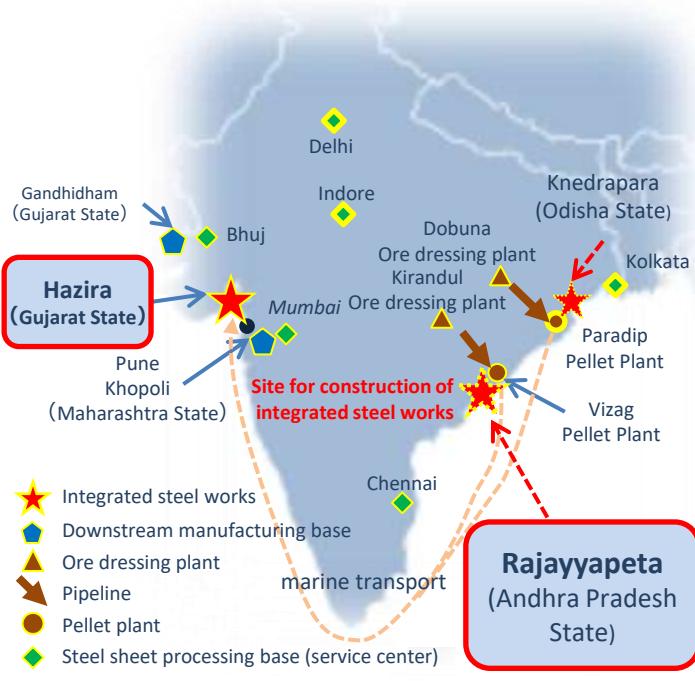
Sophistication of Product Types

Full-scale entry into automotive segment

From Jul. 2025:
Start-up of galvanizing line
From H2 of 2025:
Planned start-up of cold-rolling and other facilities

Start of supply of highly corrosion-resistant galvanized steel for construction

From January 2024:
Operation start





Key Area: Home Market Thailand

~2020

Mar. 2022
G/GJ Steel
acquisition

2021～2025

Entered Thailand in 1963 and has invested significant time and resources, operating 30 companies and employing approx. 8,000 people 30% share in the sheet market Established a strong position

FY2026～2030

Centered on G/GJ Steel and NS-SUS, while competing against imports from China, aim to expand market share by strengthening the entire supply chain, including upstream processes.

Thailand steel sheet market

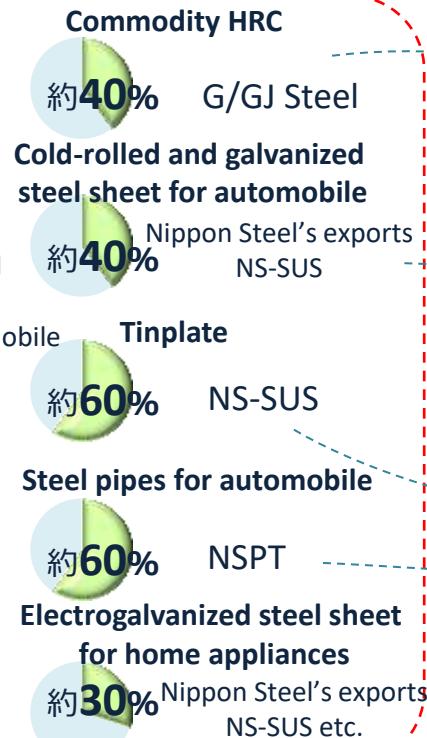
Approx. 9MT/Y
(Nippon Steel estimate)

The top-priority key market within ASEAN

- Two-thirds commodity steel
- High grade steel market for automobile

Aim to expand market share

Approx. 30%
Nippon Steel Group's products
Approx. 2.6MT/Y



Demand sector

Commodity market
High-grade market

Civil
Engineering
and
Construction

Automobile
etc.

Container
Construction

Hot-Rolled

Type of Product
Cold-Rolled, Coated, Tinplate
Pipe
Bar and Wire

G/GJ Steel

NS-SUS

NSPT

NSSPT

Nippon Steel's exports

NS-SUS

NSBS Thai

High-grade steel and base plates are supplied from Japan

Raw Material

Enhancing Raw Material Business

FY2021～2025

FY2026～2030

Secure the high-grade raw materials necessary for carbon neutral steelmaking
and improve the self-sufficiency ratio from the perspective of stable consolidated earnings

High grade
Coal
Elk Valley JV
Blackwater

DR grade
Iron Ore
Kami JV

Investment
(Jan. 2024)

Investment
(Mar. 2025)
Agreement
(Dec. 2024)

JV Establishment
(Sep. 2025)

FS～Decision Making～Development (approx. 48months)～Mining

			Equity Ratio	Capacity (MT/Y)
Iron Ore Pellet	Australia	Robe River	14%	70
	Brazil	NIBRASCO	33%	10
	Canada	Kami	30%	(9)
Coal	Australia	Moranbah North	6%	12
		Warkworth	10%	8
		Bulga	13%	7
		Foxleigh	10%	3
		Boggabri	10%	7
		Coppabella and Moorvale	2%	5
		Blackwater	20%	10
	Canada	Elk Valley Resources	20%	27
Alloy(Niobium)	Brazil	CBMM	3%	0.15

Iron Ore for BFs-use

Total procurement
(FY2024)
Approx. 50MT

Self-sufficiency ratio

Aim to raise
self-sufficiency ratio
of raw materials
Approx. 20%

Mar. 2025
After invested
in Blackwater JV
Jan. 2024
After invested
in EVR JV
2023
Approx. 20%
Approx. 30%
Approx. 35%

Coal

Total procurement
(FY2024)
Approx. 26MT

Approx. 20%

Approx. 30%

Approx. 35%

2023

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Agenda

1. Summary

2. Domestic: Improve Profitability

by Further Strengthening the Earnings Base

3. Overseas: Dramatically Increase Profit

by Implementing the Global Growth Strategy

4. Growth Strategies for Non-Steel Segments

5. Steady Promotion of the Carbon Neutral Vision 2050

6. Strengthening the Management Base

that Supports Our Strategies

Three Non-steel Segments

Advancing growth strategy: Supporting the steel business and maximizing synergies

NS Solutions

Capture the IT Demand, Establishing High-profit Structure

- **NSSOL 2030 Vision**
 - Transitioning from a customer partnership model to a value-driven proposal model (Transformation to more profitable business model)
 - Proactive execution of M&A
- **Contribution to NS Group**
 - Advancing DX, strengthening security measures
 - Improving productivities through AI utilization (development, Optimizing maintenance and operational workflows)

NSSOL 2030 Vision

Social Value “Producer”
with Digital

Operating Profit
¥100bn.

In the early 2030s

Achieving profit growth
beyond market expansion

Domestic IT demand Outlook



NS Chemicals & Materials

Strengthening business structure and executing growth strategies in Semiconductor-related Sector

- **Functional Materials** : Capture the expanding Semi-conductor market (Annual rate 6% in average)
- **Coal Chemicals • Chemicals** : Optimal production and sales response based on the reduction of raw materials (tar)



Bonding Wire

NS Engineering

Concentration of business resources on growing segments, such as Environmental segments and Carbon Neutral

- **Existing Domains** : Enhancing productivity through DX utilization in waste management and construction, and expanding on-site supply bases
- **Growth Area** : Securing steady orders for offshore wind power generation, establishing an integrated execution framework for the CCS value chain



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Implementation of large size EAF



High-grade
steel production
in large size EAF

Technologies Establishment of
High-grade steel production in EAF
Large-scale integrated steelmaking
in large size EAF

Execution of implementation construction
in Yawata/Shunan/Hirohata

2030

CO₂ emissions
(compared to 2013)

▽ 30% reduction

▽ 31 Mt/Y

Creation of GX Steel Market

Promoting the creation of a GX steel market
Where 'CO₂ reduction value' is shared
across the entire value chain

Development of Breakthrough Technologies (Hydrogen Steelmaking)

Promoting Global-Pioneering
technology development



Hydrogen
Reduction
in BF



Production of
direct reduced iron
using hydrogen
(shaft furnace, etc.)

up to around 2040
Technological readiness
for full-scale
implementation

2050
Carbon
Neutral

Challenges and Initiatives for Achieving Carbon Neutrality

Creation of GX Steel Market

Rules must be established to ensure proper evaluation of marketing GX Steel and valuing CO₂ reduction.

Institutionalization and international standardization of GX Steel

A social framework is necessary to recover rising cost, including large-scale investments.

Predictability of GX investment recovery

- ① Government Support(CAPEX,OPEX)
- ② Creation of 'GX Steel Market'

Further demand creation in public procurement
Further expansion of procurement by private companies
etc.

Technology Development

No readily available decarbonization technologies in steelmaking exists; unlike renewable energy and nuclear power to transition the power sector

Development of Breakthrough Technologies

- ① Government Support (GI Fund)
- ② Enhancing collaboration among industry, academia, and government

Huge quantities of cost-effective hydrogen and decarbonized energy is required for carbon-neutral steel production process.

Social infrastructure development

- ① Hydrogen/Decarbonization Energy
- ② ccus

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Allocate world-class research resources

Develop advanced process technologies,
product technologies, and CN technologies

Scale of R&D expenses

(consolidated basis Bn.¥/5years)

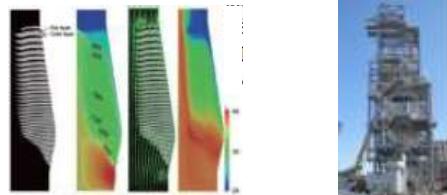
2016-2020
350.0

2021-2025
450.0

2026-2030
500.0

Process development to achieve stable production and cost competitiveness

- World's largest offline blast furnace testing facility
 - Expansion of low-cost raw material utilization using blast furnace mathematical models

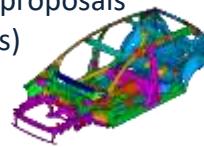


Blast furnace
mathematical models

One-third scale blast furnace
burden distribution
testing facility

Strategic product development for sophisticated product types and carbon neutral society

- Developing Ultra-High-Tensile Steel Sheets through utilizing world leading hot-strip mill
- Lightweighting of automotive steel through proprietary solution proposals (Collaborating with customers)



- Development of world leading high-efficiency electrical steel sheets

Breakthrough technologies development to accomplish carbon neutrality

Securing multiple technological options
as a front-runner

- High-grade steel production in large size EAF
- Production of direct reduced iron using hydrogen (shaft furnace, etc.)
- Hydrogen reduction in BFs (COURSE50 ~ SUPER COURSE50)

Global transfer of advanced technologies developed domestically

Enhance the global research and development framework

Collaborating with U. S. Steel R&D center,
expand and reduce costs of strategic products
(high-tensile steel sheet, electric steel sheets)

Targets for promoting operational reform and streamlining

Nippon Steel will promote operational reform and streamlining as a mechanism to solidify the foundation for sustainable growth that supports our corporate strategy

Domestic: Improve profitability by further strengthening the earnings base

Overseas: Dramatically increase profit by implementing the global growth strategy

Respond proactively to the expansion and strategic enhancement of overseas businesses

Address increasingly sophisticated and complex management strategies and challenges

Respond to the shrinking labor force

Operating with a compact team of top performers becoming essential

Operational reform and streamlining

Focus our human resources on work that directly drives business growth and creates added value

Improve productivity and strengthen technological and sales capabilities to secure overwhelming competitiveness

Respond quickly, accurately, and flexibly to issues from the perspective of corporate-wide optimization, including the enhancement of global capabilities

Establish a corporate culture that enables us to achieve sustainable growth

Initiatives to promote operational reform and streamlining

As a first step toward operational reform, Nippon Steel began in October 2025 to streamline inter-organizational functions, role allocations, reporting lines, and business processes, focusing mainly on the technical divisions

We aim to build an organizational structure that enables rapid, accurate, and flexible allocation of management resources from the perspective of corporate-wide optimization

Clarify the functional and role allocation between headquarters and steelworks, and streamline reporting lines and business processes

Headquarters

Review the roles of each steelworks and production process from the perspective of company-wide optimization, and jointly examine and execute corporate strategies in close collaboration with the steelworks



Steelworks

Center management on line leadership, sharpen operational focus, and build a highly competitive manufacturing workplace

Close
collaboration

Improve productivity by reviewing functional design to match roles and by promoting operational reform and streamlining

Deploy human resources in a timely and flexible manner,
including to overseas operations

Promote human resource development
and the active engagement of employees

<Developing Global Talent>

Strengthen international education, including
language training, and expand overseas
assignments starting in employees' twenties

<Diversification of Human Resources>

Expand mid-career recruitment (career hires,
alumni, postdoctoral talent) and promote DEI
and gender equality

<Growth Support>

Enhance learning opportunities that support
autonomous development, including
expanded on-demand programs

Improve productivity

<Staff Personnel>

Promote operational reform and
streamlining, and accelerate DX initiatives

**<Manufacturing and Maintenance
Personnel>**

Promote automation and mechanization,
Improve total productivity across internal
and partner operations and build an
optimal operating structure, including
effective utilization of partner companies

Strengthen the capabilities of each employee
and maximize organizational performance

Human Resource Competitiveness Initiatives

(a) Develop global talent



Support employee growth

- Increase growth opportunities by expanding overseas assignments.
- Strengthen international education, including language training, and enhance development programs for overseas assignees.

Expand the number of overseas assignees beyond the current level of about 400

(Across 18 countries: approx. 100 in the U.S., 85 in Thailand, 45 in India, etc.; about 250 of the 400 are engineers.)

Actively assign employees overseas from their twenties

(b) Promote the diversification of human resources, advance DEI, and ensure gender equality

Diversify recruitment

- Actively hire from non-new-graduate talent pools, including career hires, alumni, and postdoctoral candidates
- Hiring women from each university broadly reflects the proportion of female students

FY2025 Results

Staff positions Administrative positions **44%**

Engineering positions **16%**

Manufacturing and maintenance positions **11%**

- Ongoing initiatives to enhance brand awareness

Support for balancing work with childcare and other life events

- Enhance systems related to childbirth, childcare, and family care

<Male parental leave utilization rate>

2019 20 21 22 23 24

4 → 8 → 25 → 56 → 66 → **77% (*)**

(*) Including regular paid leave and other leave taken for childcare purposes, the overall utilization rate has remained at 100% since 2022

- Accelerate efforts to maximize the effectiveness of these systems

- Increase the number of days taken for male childcare leave (average 47 days in 2024)
- Support leave and time-off utilization through multi-skilling training, improved workplace operations, and reinforcement of staffing



NIPPON STEEL

By achieving the 2030 Medium- to Long-term Management Plan,
Nippon Steel will restore its position as the world's best steelmaker,
contributing to the resurgence of the Japanese economy



NIPPON STEEL

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