

TYO : 5401

OTC : NPSCY(ADR)



**NIPPON STEEL**

# Q2 FY2025 Financial Results

Nov. 5, 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.

## FY2025 forecast based on current business environment

- ◆ Global steel business environment is in an unprecedented critical situation. Although the U.S. tariffs have been reduced from their initial levels, they remain historically high. The outlook remains uncertain due to the lack of visibility in U.S.-China negotiations, which leads to a cautious sentiment across markets, including the U.S. and Europe. The further expansion of low-priced exports from China is exacerbating the downturn in steel demand. ⇒P17-19
- ◆ Despite these challenging circumstances, NSC has continued to implement strategic cost optimization initiatives to drive profitability improvements. As a result, NSC has secured an Underlying BP-excluding U.S. Steel-of ¥680.0 bn., representing an increase of ¥30.0 bn. compared to the previous announcement. ⇒P4
- ◆ Meanwhile, concerning U.S. Steel, the current U.S. steel market conditions are significantly below the levels initially anticipated. In addition, temporary cost increases caused by equipment-related issues and heightened uncertainty in the U.S. market have led NSC to exclude any contribution from U.S. Steel to this term's Underlying BP. ⇒P9
- ◆ As a result, the Underlying BP for the current term is projected at ¥680.0 bn., indicating a downward revision from the previous announcement on August 1. Going forward, NSC will continue to implement additional profitability enhancement measures to maximize earnings. Especially, regarding U. S. Steel, NSC will make strategic capital investments and introduce their most advanced technologies to U. S. Steel, aiming to strengthen profitability as early as possible through reducing costs, more sophisticated order mix and enhancing added value. ⇒P4,9-12
- ◆ For fiscal year 2025, which marks the final year of the medium- to long-term management plan, the dividend will remain as previously announced: ¥120 per share prior to the stock split effective October 1 (including an interim dividend of ¥60). After the stock split, the annual dividend is expected to be ¥24 per share (including a year-end dividend of ¥12). Excluding one-off expenses and losses associated with the U.S. Steel merger, the cumulative payout ratio for the five-year period from FY2021 to FY2025 is projected to be approximately 30%. ⇒P7

## U. S. Steel Medium- to Long- Term Management Plan

(Outlined on November 4<sup>th</sup>, 2025)

- ◆ By 2030, we aim to realize potential operational synergies of approximately \$0.5 bn. per year.
- ◆ By 2028, we plan to invest \$11.0 bn. in facilities within the United States. Upon full realization, this investment is expected to generate an annual benefit of approximately \$2.5 bn. by 2030 (based on improvements to 2024 EBITDA and reflecting potential synergies). ⇒P10-12

# Agenda

- 1. Q2 FY2025 Earnings Summary and FY2025 Earnings Forecast**
2. Developing a Robust Business Structure with Vertical and Horizontal Expansion
3. Progress Toward Carbon Neutral Vision 2050

- Even in the extremely harsh business environment, **secure Underlying BP of ¥ 680.0 bn.** (change from prev. forecast : +¥ 30.0 bn.), excluding U. S. Steel
- **U.S. Steel is included under the assumption that it will not contribute to Underlying BP in FY2025,** due to the significant decline in the U.S. steel market, one-time cost deterioration caused by facility troubles and other factors, and the high uncertainty in the U.S. market
- **Underlying BP (Including the effects of the U. S. Steel transaction) of ¥680.0 bn. is expected** (change from prev. forecast : -¥50.0 bn.)

	FY2024	Q1	Q2	H1	Change from prev. forecast as of Aug. 1 <sup>st</sup>	H2(f)	FY 2025(f)	Change from prev. forecast as of Aug. 1 <sup>st</sup>	Change from FY2024
Revenue (¥bn.)	8,695.5	2,008.7	2,626.9	4,635.6	+135.6	5,364.4	10,000.0	-	+1,304.5
Excl. U. S. Steel	<b>793.7</b>	<b>173.6</b>	<b>149.9</b>	<b>323.5</b>	+23.5	<b>356.5</b>	<b>680.0</b>	+30.0	-113.7
U. S. Steel	-	-	22.2	22.2	-7.8	(22.2)	0.0	-80.0	-
Underlying BP Excl. Inventory val. etc.	<b>793.7</b>	<b>173.6</b>	<b>172.1</b>	<b>345.7</b>	+15.7	<b>334.3</b>	<b>680.0</b>	-50.0	-113.7
Inventory valuation etc.	(110.5)	(81.6)	(68.4)	(118.2)	+31.8	(121.8)	(230.0)	+20.0	-119.5
Consol. BP (¥bn.)	<b>683.2</b>	<b>92.0</b>	<b>135.5</b>	<b>227.5</b>	+47.5	<b>222.5</b>	<b>450.0</b>	-30.0	-233.2
ROS	7.9%	4.6%	5.2%	4.9%	+0.9%	4.0%	4.5%	-0.3%	-3.4%
Non-consol. crude steel production (MT)	34.25	8.27	8.50	16.77	-0.23	17.50	34.50	-	+0.25
Non-consol. steel shipment (MT)	31.62	7.64	7.83	15.47	-0.03	16.00	31.50	-	-0.12
FX (USD/JPY)	153	145	147	146	1yen dep	150	148	3yen dep	5yen app

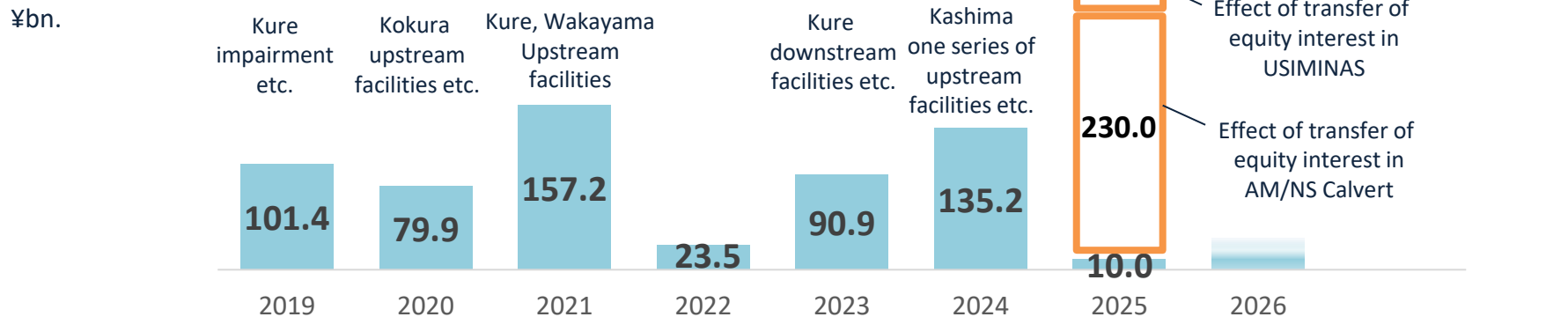
## Business Results

## FY2025(f) Net Profit

Loss on withdrawal from USIMINAS (¥-21.0 bn.) is expected to be recorded in FY2025 as a separately disclosed item.

¥bn.	FY 2024	Q2	H1	H2(f)	FY 2025(f)	Change from prev. forecast as of Aug 1 <sup>st</sup>	(Excl. one-off effects*) FY 2025(f)
Consol. BP	683.2	135.5	227.5	222.5	450.0	-30.0	475.0
Additional Line Items	(135.2)	1.2	(230.3)	(29.7)	(260.0)	-20.0	(30.0)
Net Profit	350.2	82.4	(113.3)	53.3	(60.0)	-20.0	200.0
EPS (¥/share) (Before stock split)	350	15	-21	10	-11	-3	38
ROE(%)	6.9%	6.5%	-4.3%				

### Losses on Inactive Facilities (including impairment loss (in 2019))



# Transfer of Our Equity Stake in Usiminas

(Announced on November 5th, 2025)

**All shares of Usiminas held by NSC under the shareholders' agreement will be transferred to Ternium, based on mutual agreement between Ternium and NSC.**

**Compelled to take a cautious view of the Brazilian market in the coming period**

Usiminas posted a significant Q3 loss  
 Operating profit : R\$ -2.2 bn.  
 Net income : R\$ -3.5 bn.

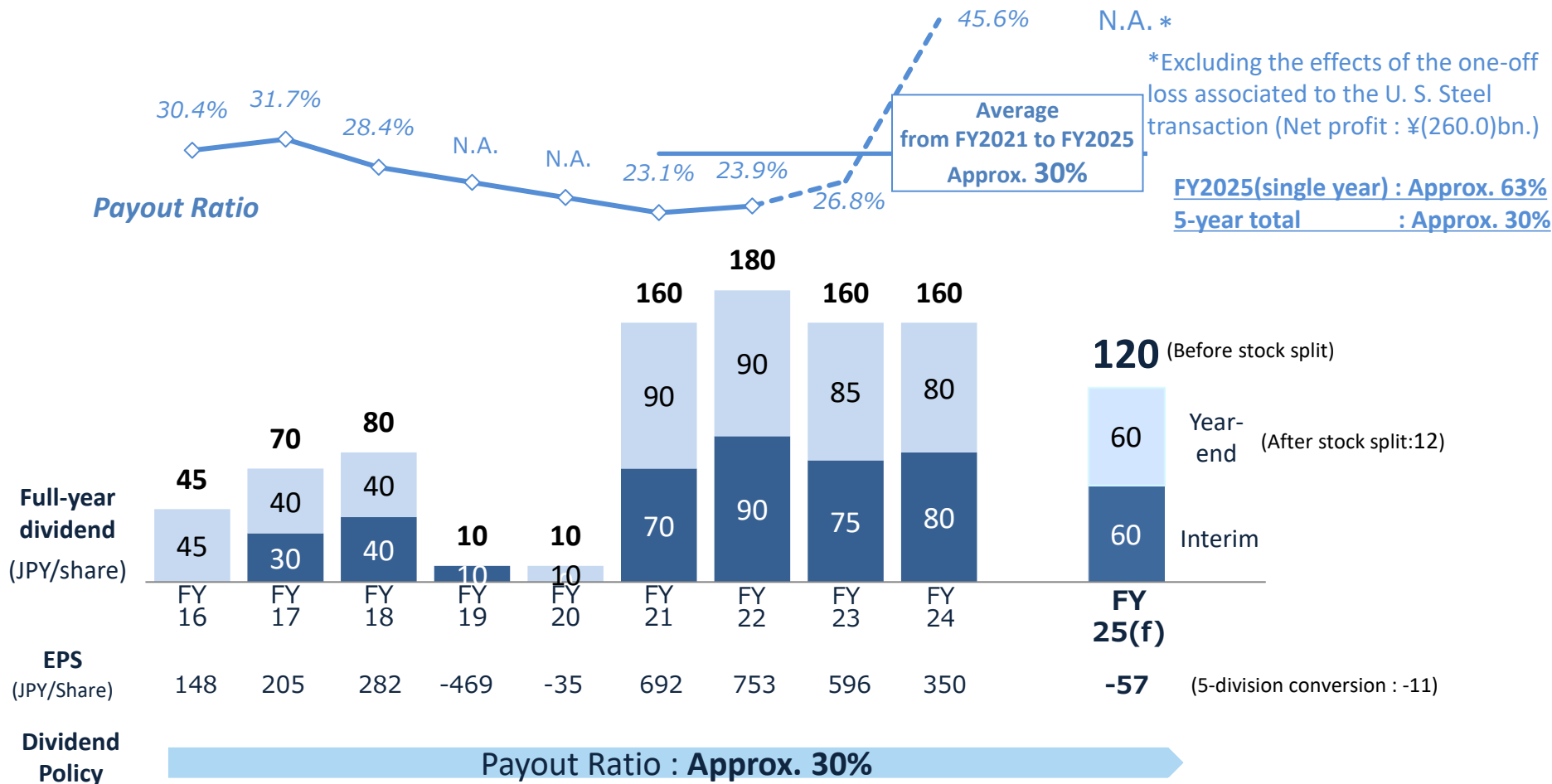
**Strategically allocate management resources to priority regions - the U.S., India, and Thailand -  
 Realization of “¥1 trillion and 100MT,” further sustainable growth**

**Impact on our Performance**

- Transfer Consideration: Around ¥45.0 bn.
- In 2025.3Q, we expect to record a business withdrawal loss of approximately ¥21.0 bn., primarily due to foreign exchange differences from the time of acquisition.

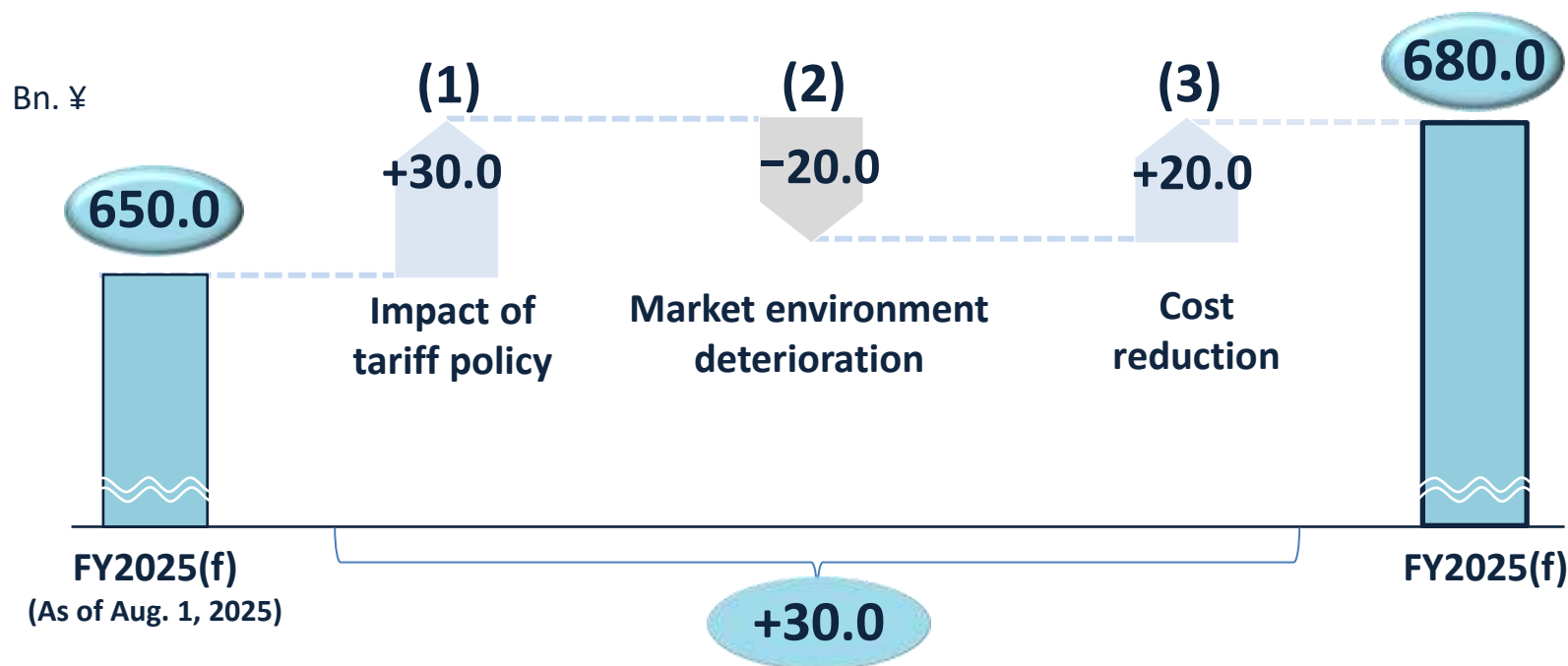
# Business Results FY2025(f) Dividend

- For FY2025, the final year of the medium- to long-term management plan, we plan to pay a dividend of 120 yen per share (before stock split), which would result in a payout ratio of approximately 30% for the five-year period from FY2021 to FY2025, excluding one-time expenses and losses associated with the U.S. Steel merger, as previously announced.  
(Interim dividend is 60 yen, year-end dividend is 12 yen after stock split)



## (1) Excl. U. S. Steel(Change from prev. forecast : + ¥ 30.0 bn.)

- (1) **Impact of tariff policy** : Although the impact of the tariffs has mitigated compared to initial projections when the U.S. initiated a series of tariff policies, there are still many uncertainties, including the future of the U.S.-China negotiations and the situation in Europe.
- (2) **Market environment deterioration** : Unprecedented critical situation. Although securing a certain level of spreads for main raw materials, the impact of the decline in demand, not only in Japan but also in overseas operations, has had a major impact.
- (3) **Cost reduction** : Further improvement in profitability through cost reduction measures, mainly in fixed costs.





**(2) U. S. Steel** (Change from prev. forecast : - ¥ 80.0 bn.)**FY2025(f), Change from previous forecast**➤ **One-off effects, Specific factors etc.**

Effects of Incident at U. S. Steel's Clairton Cokes Plant, Purchaser's repudiation of pellet sale contract

➤ **Market environment and margin deterioration**

Difficult to forecast near-term trends as U. S. steel market is significantly below the level of initial anticipation.

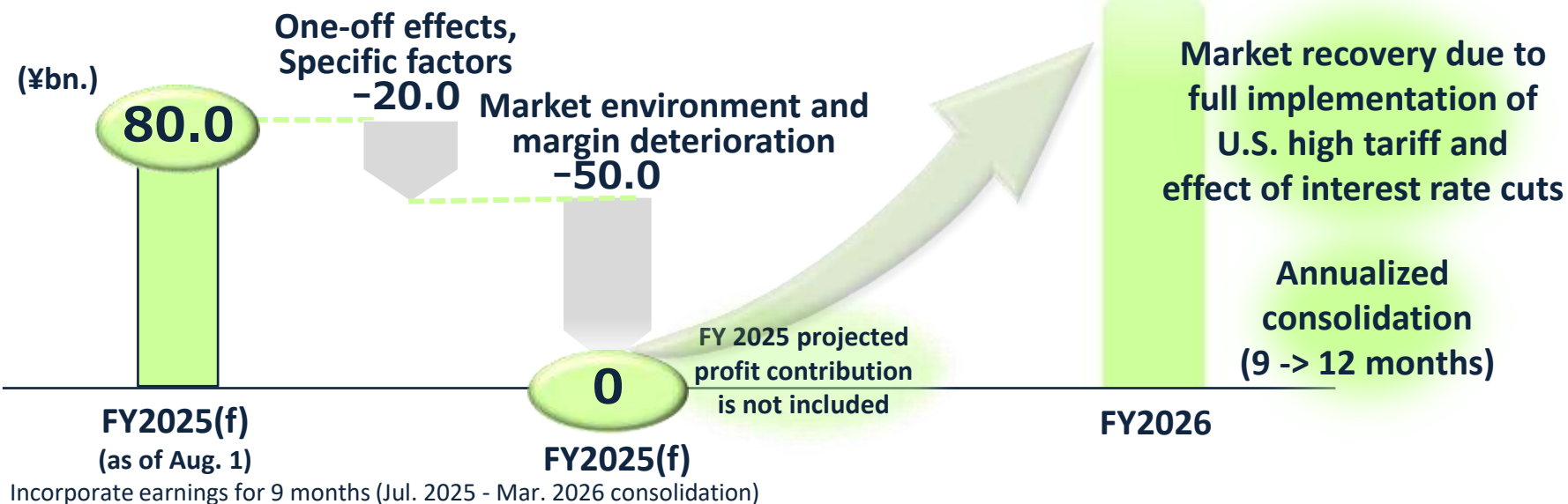
**Strategic capital investments and advanced technology initiatives now fully underway; significant recovery expected in earnings in FY2026 due to the factors listed on the right**

**Full utilization of existing investments**  
**Further profit improvement**

Big River 2 ramp-up  
 Expansion and improvement of product mix, such as non-oriented (NO) electrical steel sheets  
 Operational improvements (productivity and costs)  
 Margin improvement

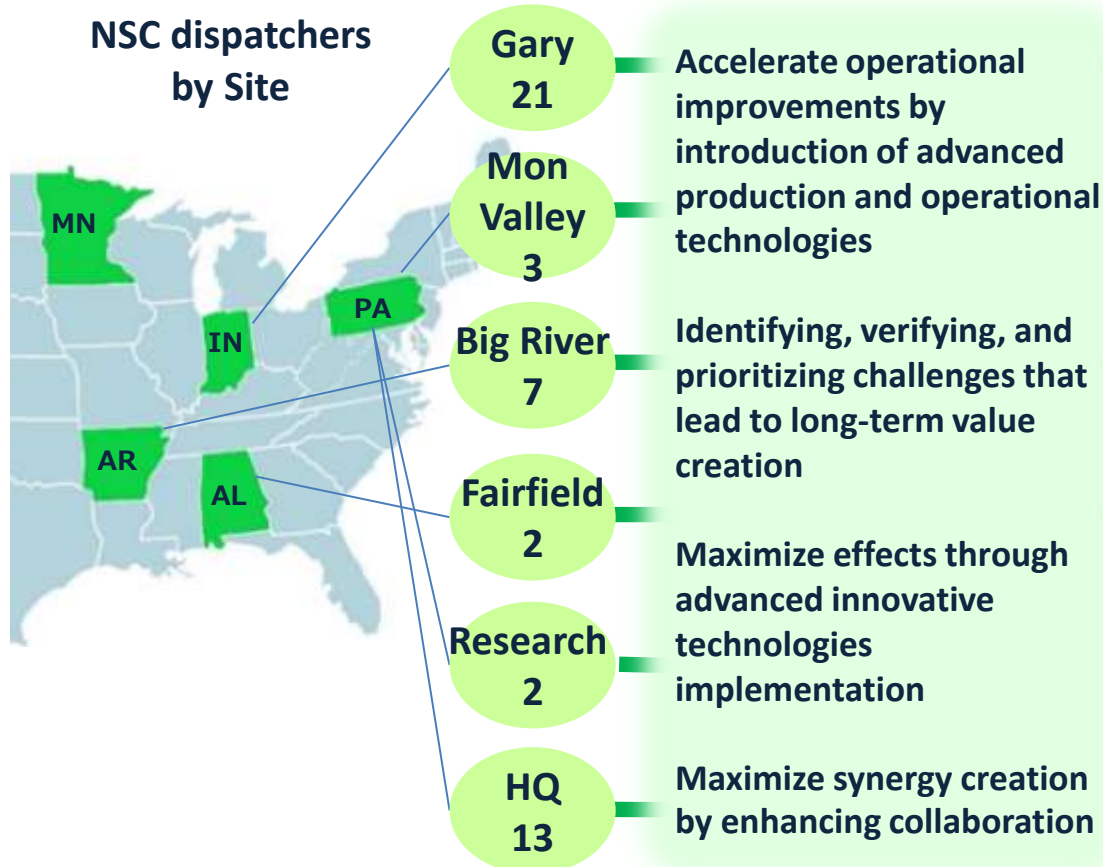
**Market recovery due to full implementation of U.S. high tariff and effect of interest rate cuts**

**Annualized consolidation (9 -> 12 months)**



- ◆ Examination of concrete implementation plans for NSC's advanced operational tech, innovative equipment tech, and product tech, and formulation of capital investment plans
- ◆ Accelerate technology introduction and operational improvements through support by NSC dispatchers (approx. 50, primarily engineers)
- ◆ Strongly advance Mid-to Long-Term Management Plan to execute strategic investments contributing to U.S. Steel's profit growth and maximize synergy realization

## NSC dispatchers by Site



◆ **\$14.0bn. over Capital Investment**

◆ **\$11.0bn.** (out of \$14.0bn.) through the end of 2028 in the U.S.

◆ **Accelerate realization of operational synergies**

**\$3.0bn./Y**

**Return Expectation**

Capital Investment Effects 2.5  
Operational Synergies 0.5

(2030 Run-rate, EBITDA Improvement compared to FY2024)

# Strategic Capital Investment Plan to drive U. S. Steel profit growth

Capital investment of approx. \$11.0 bn. through the end of 2028 in the U.S. to meet growing demand for steel products in the U.S. and increasing need for high-grade steel

Achieve U. S. Steel's profit growth through the introduction of Nippon Steel's advanced technologies and management resource, by enhancing quality and cost competitiveness, refreshment of existing facilities, and increasing added value with sophisticated order mix.

Improvement of  
base  
manufacturing  
abilities  
(quality and  
productivity)

Cost  
reduction

Expansion of  
supplied  
product menu  
(electrical steel  
sheets, etc.)

Sophisticated  
order mix

Expansion of  
supply capacity

Drastically enhance U. S. Steel's competitiveness  
Achieve profit growth

Contribute to the U. S. economy

Economic Impact  
on the U.S.

**30bn.\$**

Creation of U.S. jobs  
(incl. Construction Personnel)

**100 thousands more**

(Source: Parker Strategy Group)

## Capital Investment Plan (bn. \$)

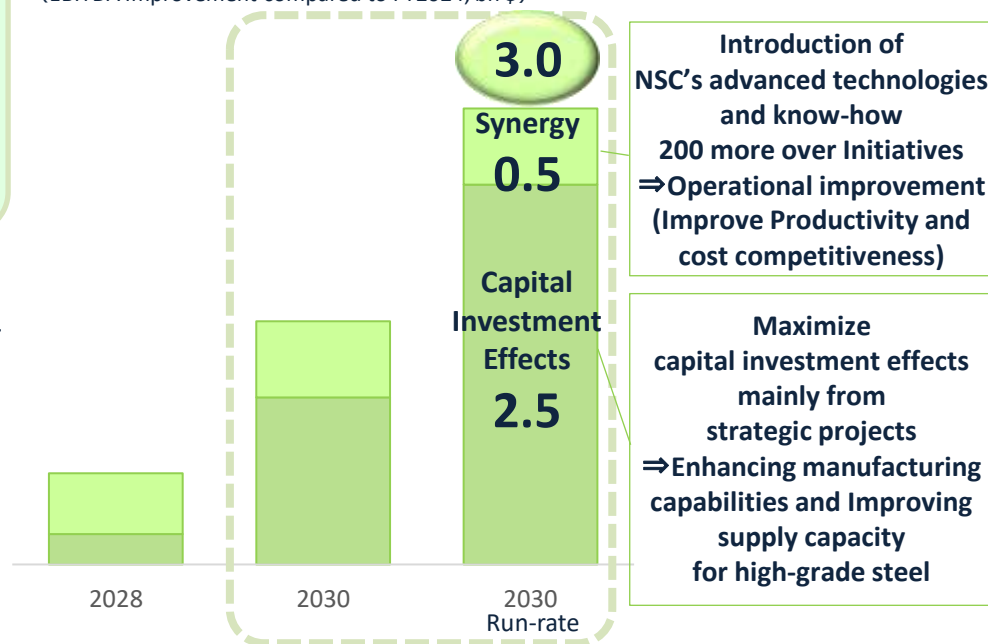
2025 - 2028/E

**11.8** bn\$  
in the U.S.  
**11.0** bn\$

**Over 14** bn\$

## Capital Investment Effects and Synergy

(EBITDA Improvement compared to FY2024, bn \$)



## Execute strategic capital investments across multiple U.S. locations to drive U.S. Steel profit growth

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

### BF mill

#### <Gary>

- Upgrade existing hot strip mill (★)
  - 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

Reliability

Iron ore mine  
DRI grade  
Pellet plant  
expansion etc.

Research &  
Technology  
Center

### 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

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 NSC tech introduction
  - Product differentiation by advancing capabilities in high-performance electrical steel

Growth

FS for  
Green Field  
new integrated  
steel mill

Growth

### 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

## ➤ Continue asset streamlining in FY2025 (Change from prev. forecast : + ¥10.0 bn.)

### Asset streamlining

**FY2025(f) : Approx. ¥70.0 bn.**

As of May 9

As of Aug. 1

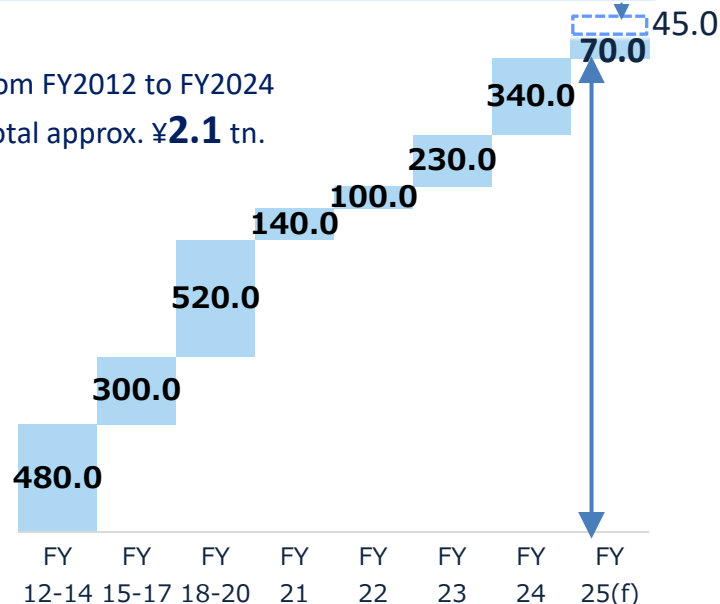
As of Nov. 5

Over ¥50.0 bn. -> Over ¥60.0 bn. -> Approx. ¥70.0 bn.

- Sales of equity-method affiliate shares  
(Part of Nippon Steel Kowa Real Estate) : ¥50.0 bn.
- Sales of strategic shareholdings : ¥20.0 bn.
- [not included] transfer of stake in USIMINAS : ¥45.0 bn.

From FY2012 to FY2024

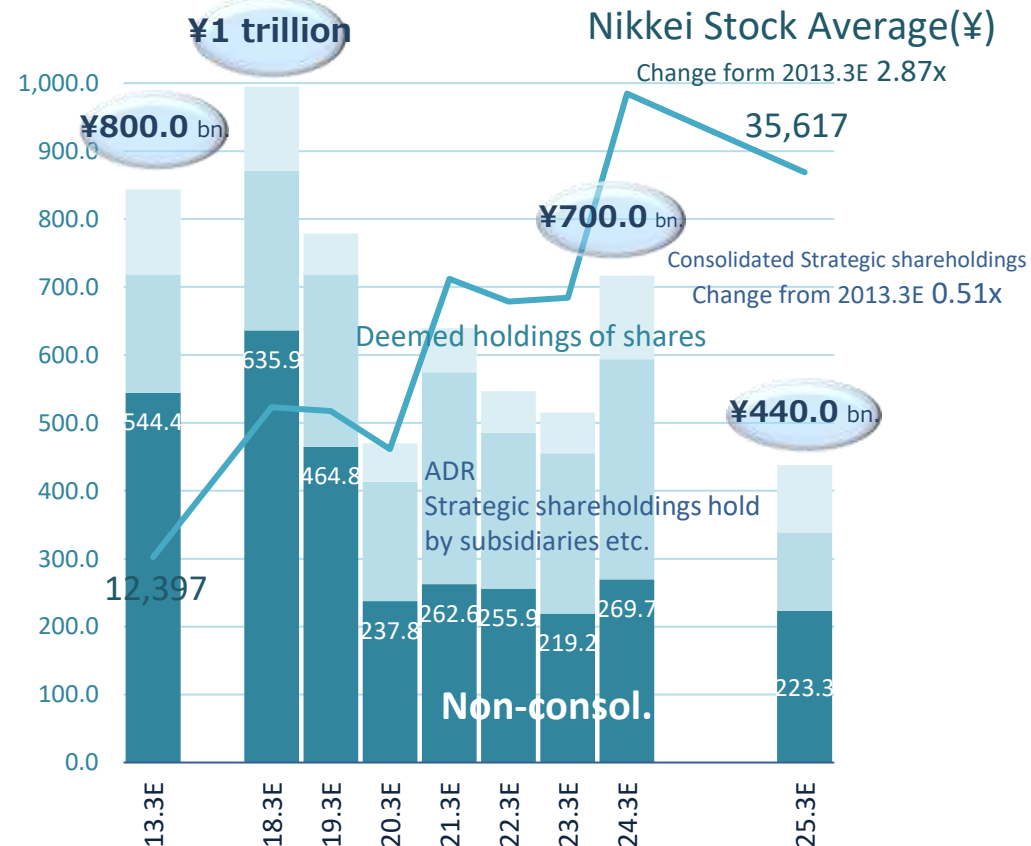
Total approx. **¥2.1 tn.**



### Consolidated Strategic shareholdings

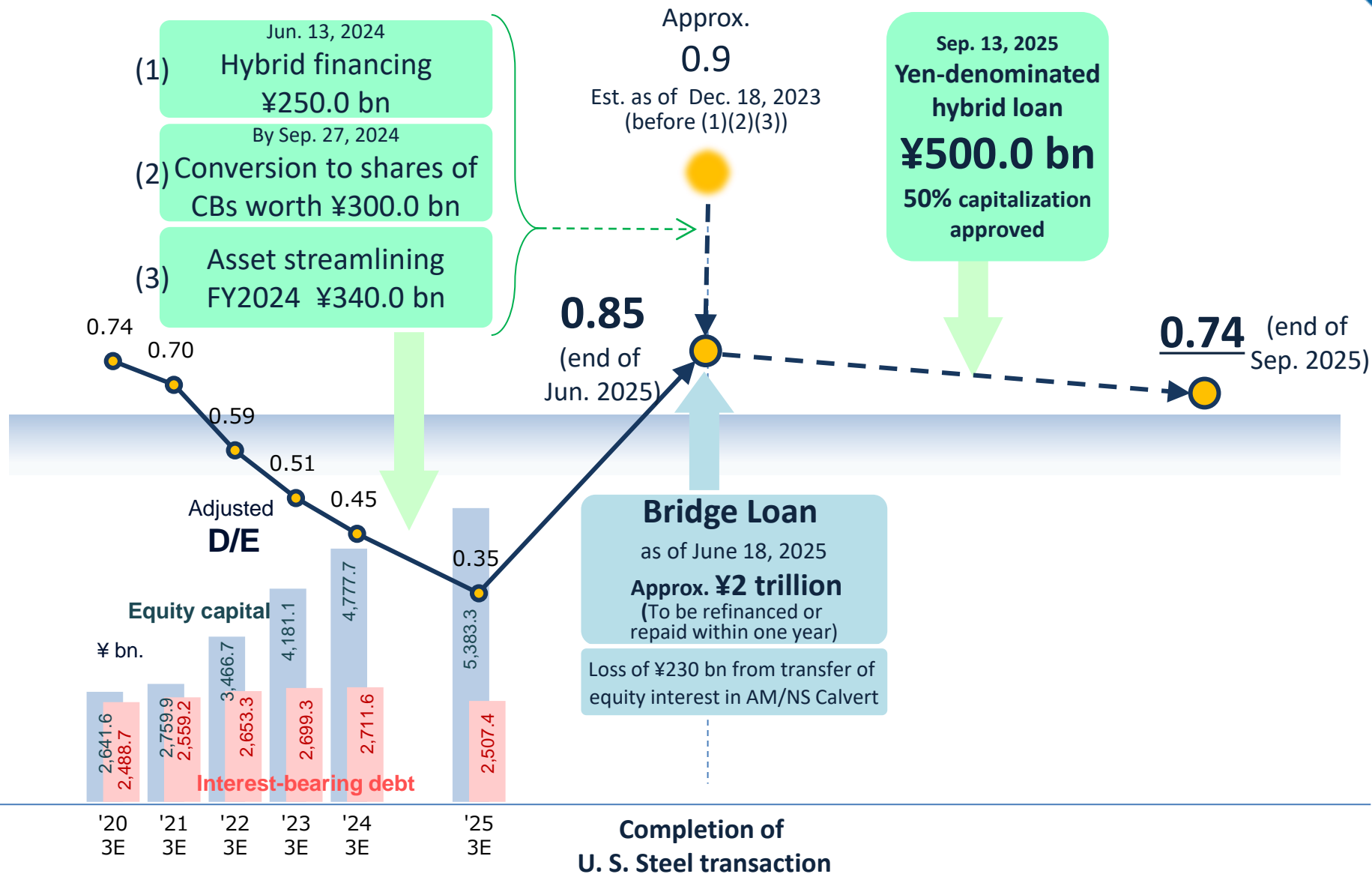
**Reduced strategic shareholdings by approx. 80% in real terms since FY2013\***

\*Simple correction for the impact of stock price fluctuations by the Nikkei Stock Average fluctuation



# Optimal financing to simultaneously achieve sound financials and improved shareholder value

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Adjustment page



# Agenda

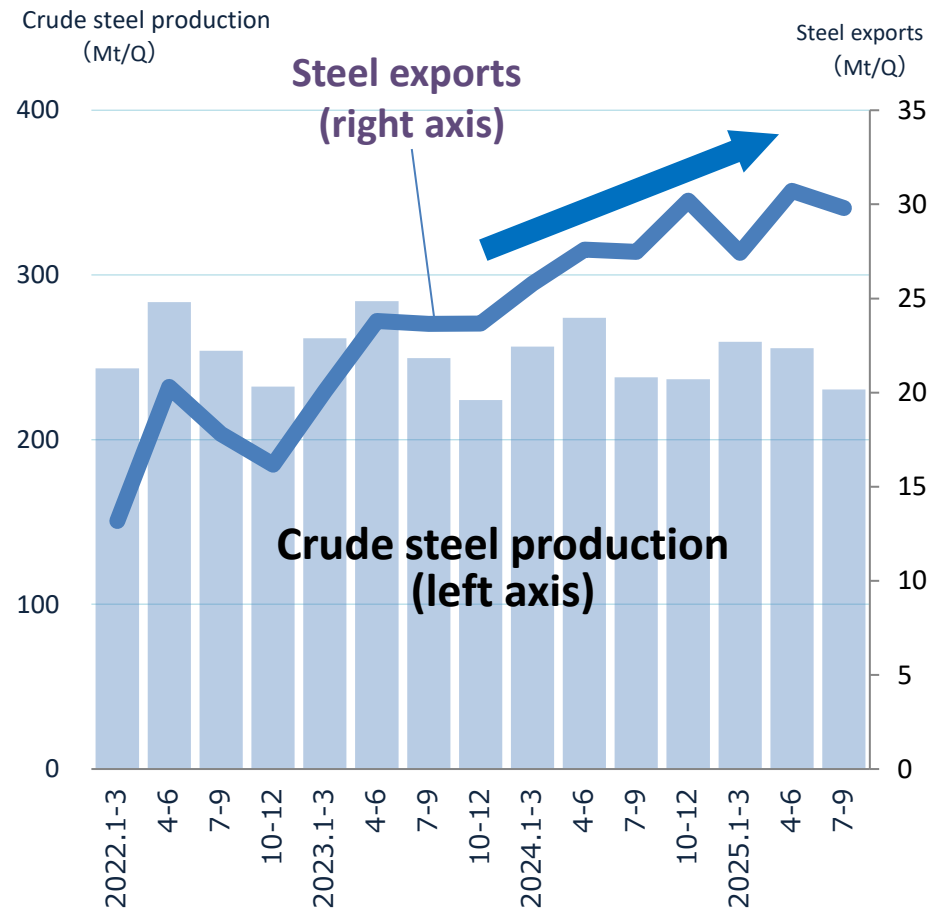
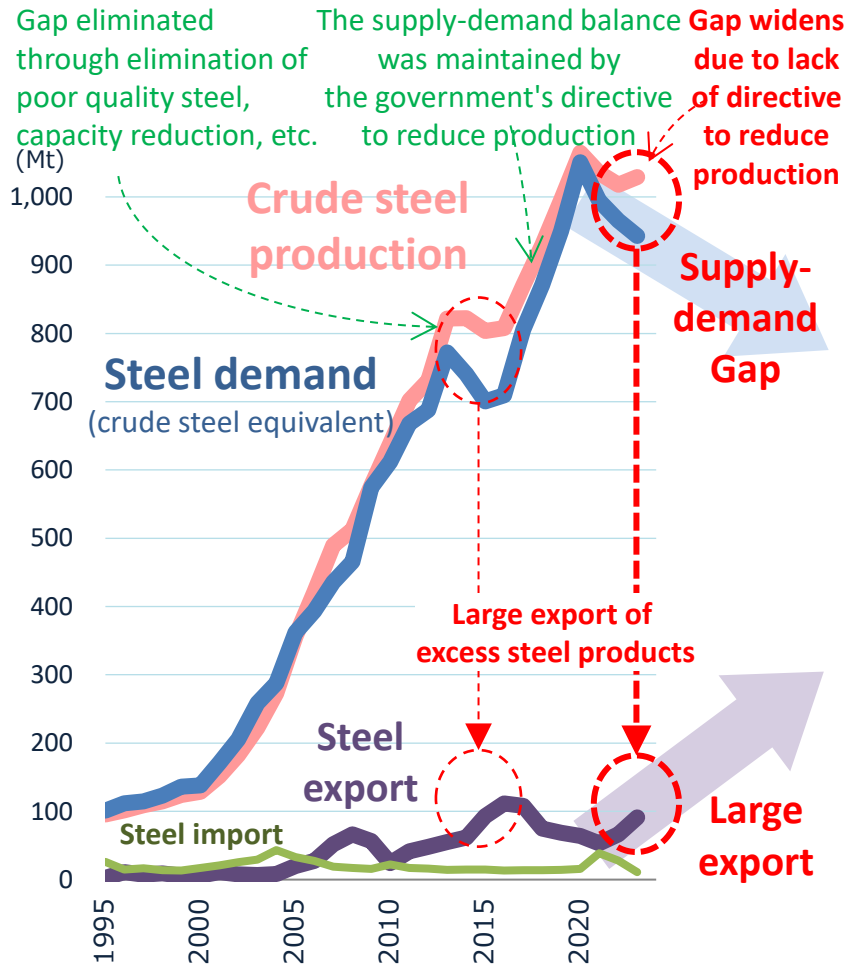
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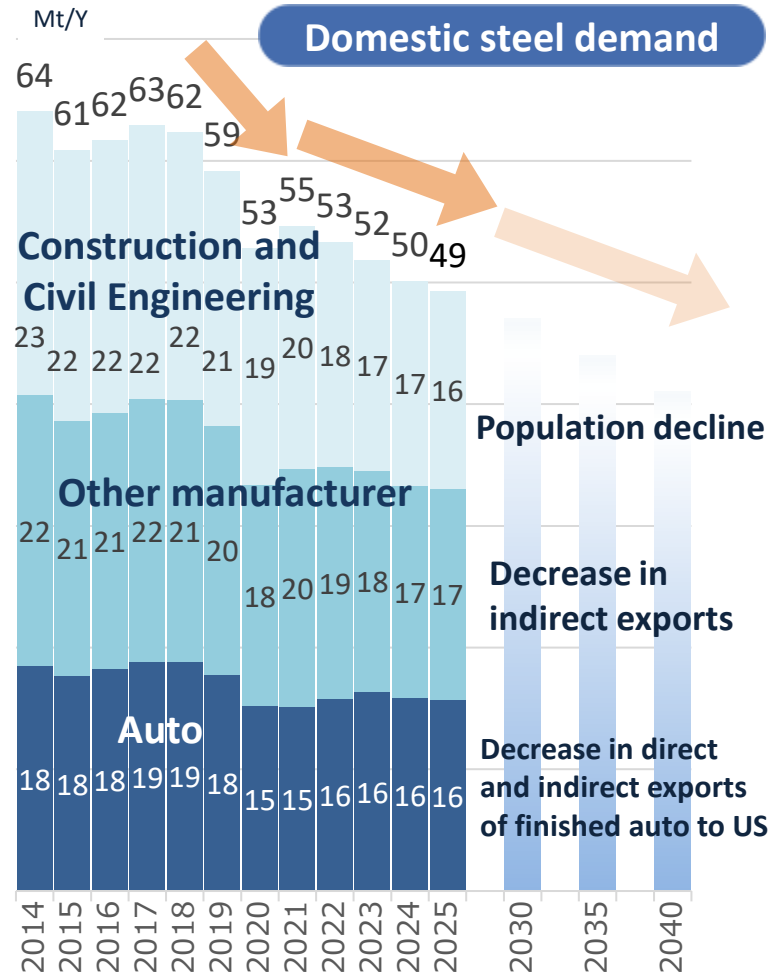
China's steel exports have further increased in the most recent period, as production has not declined as much as domestic demand

## China Steel demand

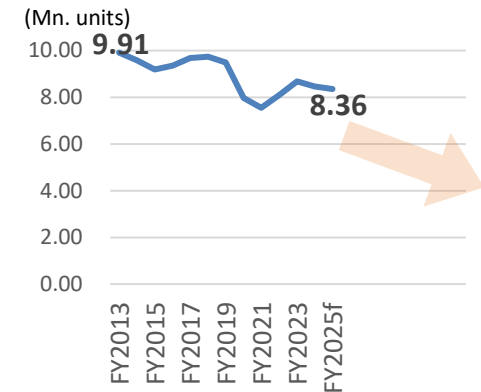
## Recent trends in steel exports and crude steel production



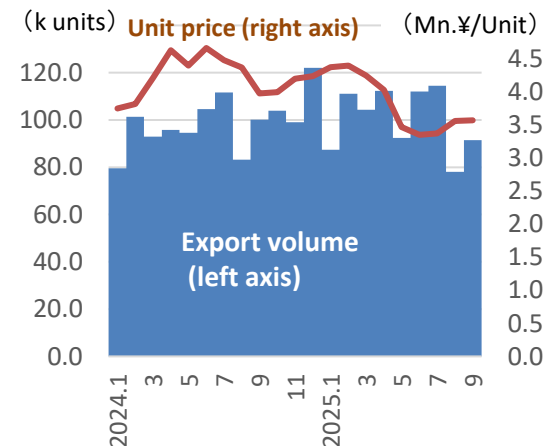
**Weakness in current demand has become more severe than expected**  
**The downward trend in domestic steel demand will continue due to population decline,**  
**decrease in exports of finished auto to US and decrease in indirect exports by other**  
**manufacturing industries**



**Finished auto production**

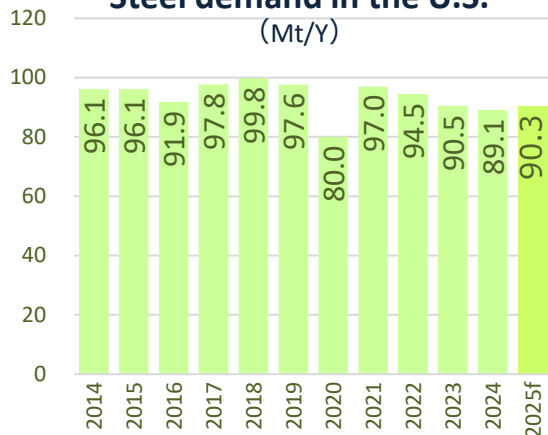


**Export of finished autos to the U.S.**



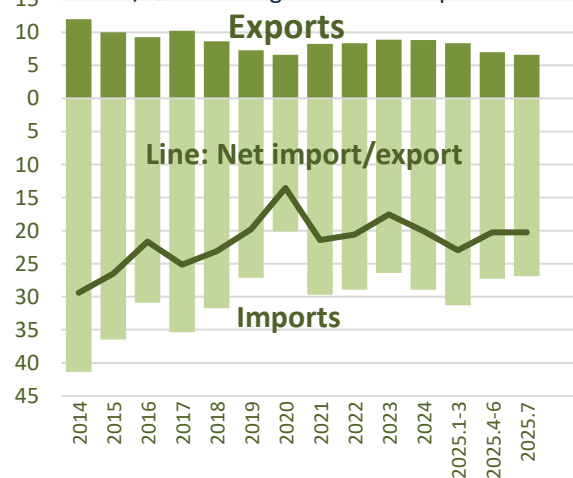
**U.S. demand:** Demand is stable  
**U.S. steel exports and imports:**  
 Both steel exports and imports declined

**Steel demand in the U.S.**  
 (Mt/Y)



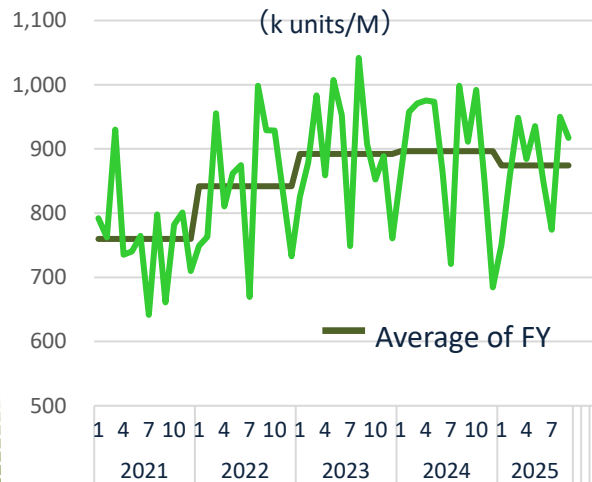
**Steel Import/Export in the U.S.**

(Mt/Y) Including semi-finished products

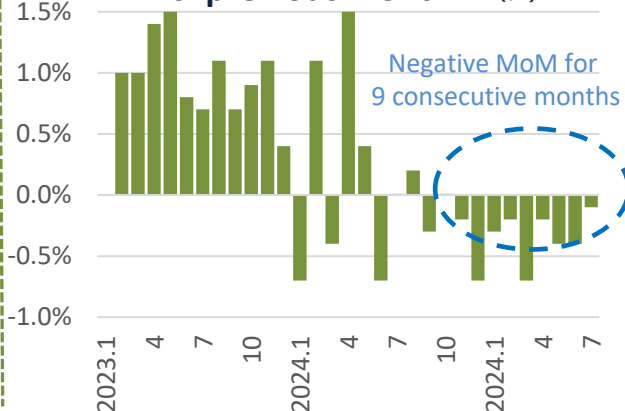


**Trends in demand sectors:** Automotive sector is firm, but construction sector is sluggish due to labor shortage caused by immigration restrictions, high mortgage rates, etc.

**Automobile Production in the U.S.**  
 (k units/M)



**Construction spending in the U.S.**  
 vs. previous month (%)

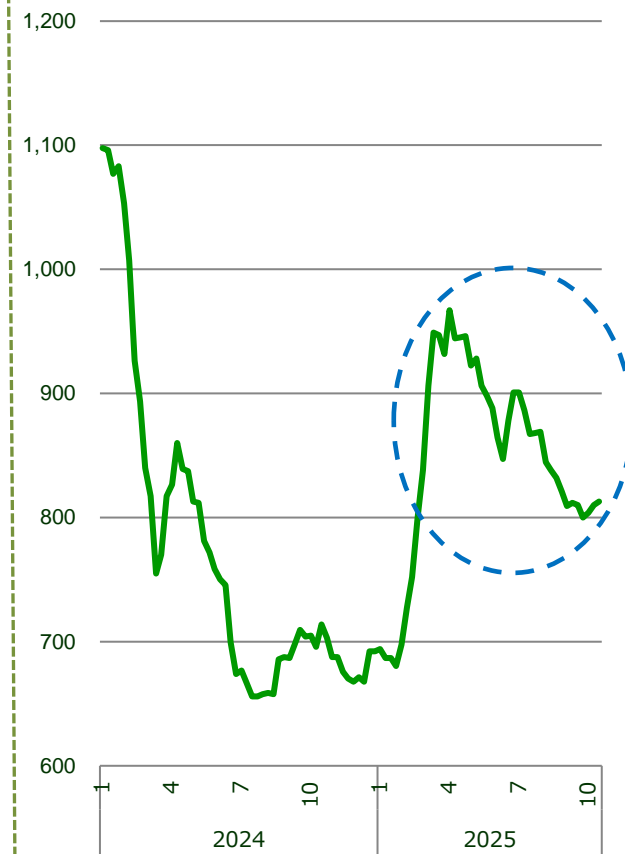


**U.S. Market Trends:**

Weak against a backdrop of weak demand in addition to uncertainty over the U.S. government's tariff policy

(\$/st)

**HRC price in the U.S.**

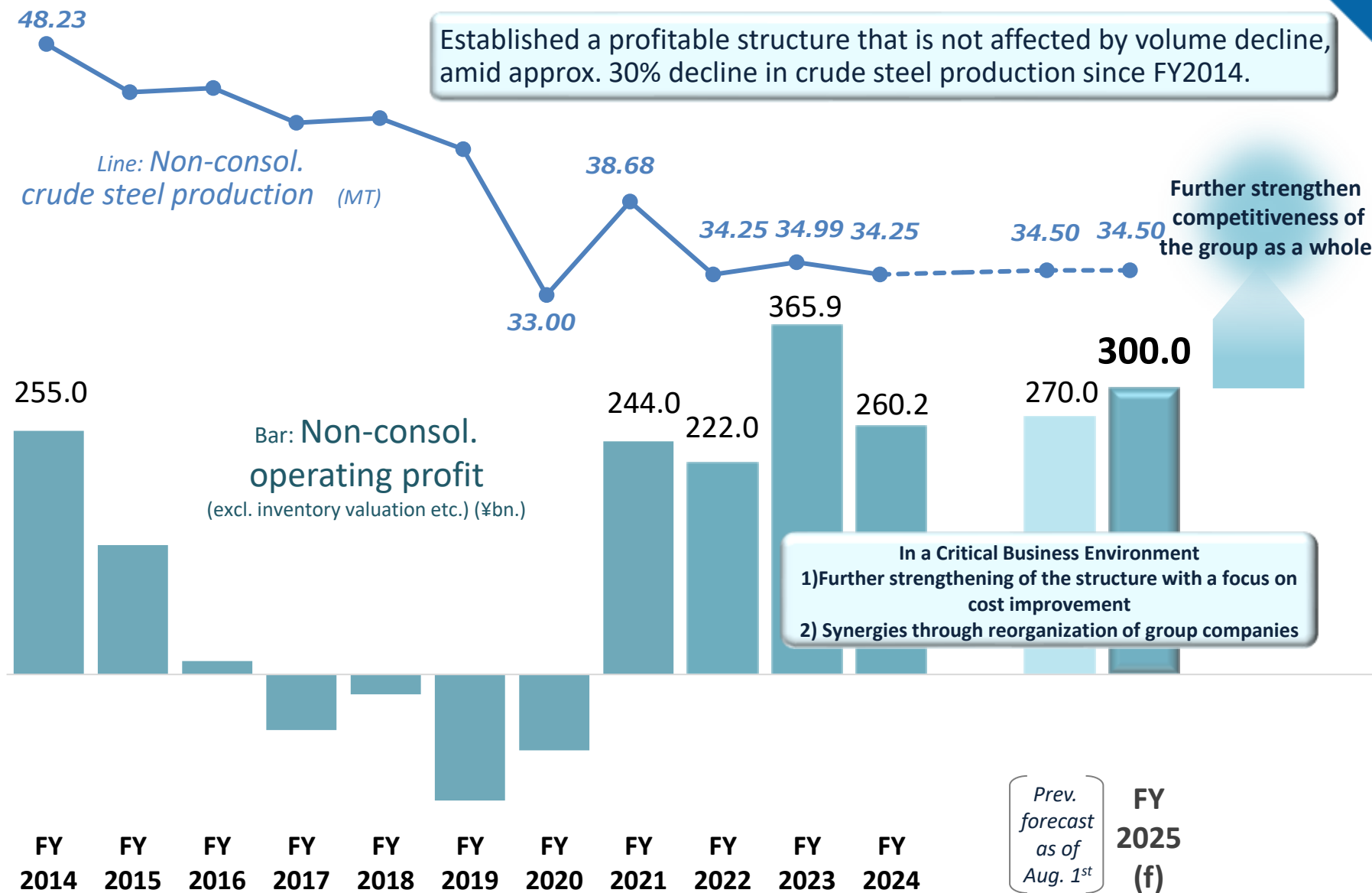


## Underlying Business Profit (half-yearly)

(¥bn.)	H1	H2	FY2023	H1	H2	FY2024	H1	H2 (f)	FY2025 (f)	Change form FY2024	Change form Prev. forecast as of Aug. 1
<b>Consol. business profit</b>	494.2	375.4	869.6	375.7	307.4	683.2	227.5	222.5	<b>450.0</b>	-233.2	-30.0
ROS	11.2%	8.4%	9.8%	8.6%	7.1%	7.9%	4.9%	4.1%	4.5%	-3.4%	-0.3%
<b>Underlying business profit</b>	498.5	436.4	935.0	371.9	421.8	793.7	345.7	334.3	<b>680.0</b>	-113.7	-50.0
ROS	11.3%	9.8%	10.5%	8.5%	9.8%	9.1%	7.5%	6.2%	<b>6.8%</b>	-2.3%	-0.5%
<b>1) Domestic steel business</b>	218.0	147.9	365.9	107.9	152.1	260.2	136.6	163.4	<b>300.0</b>	+40.0	+30.0
<b>2) Overseas steel business</b>	73.8	58.0	131.8	40.1	33.7	73.8	47.3	(7.3)	<b>40.0</b>	-34.0	-85.0
<b>3) Raw material business</b>	64.7	67.7	132.5	92.0	63.3	155.3	40.5	34.5	<b>75.0</b>	-80.0	-
<b>4) Other group companies</b>	117.4	128.4	245.8	96.9	121.9	218.7	80.3	94.7	<b>175.0</b>	-44.0	-
<b>5) 3 Non-steel segments</b>	17.6	29.5	47.1	27.2	45.6	72.8	36.0	48.0	<b>84.0</b>	+11.0	+1.0
Inventory valuation, etc.	(4.3)	(61.1)	(65.5)	3.8	(114.4)	(110.5)	(118.1)	(111.9)	(230.0)	-119.5	+20.0

## Domestic Steel Business

## P/L Trend (Underlying Business Profit)



## Strategy (1) Domestic Steel Business

# Drastic Improvement in Break Even Point

Before the measures -> The end of FY2024

### Facility Structural measures



Total number of BF's

15 -> **10** -5 units

Crude steel production capacity  
(Non consol. + Nippon Steel Stainless Steel)

50 -> **40** -20%  
Mt/Y

Cost Reduction : Approx. ¥150.0 bn./Y

### Spread improve- ment in direct contract sales

- ✓ Reflection in steel prices of our high value-added product qualities and solutions

Significant price increase in H2 2021 against a backdrop of capacity reductions

- ✓ A fair allocation of cost burden for raw materials and commodities

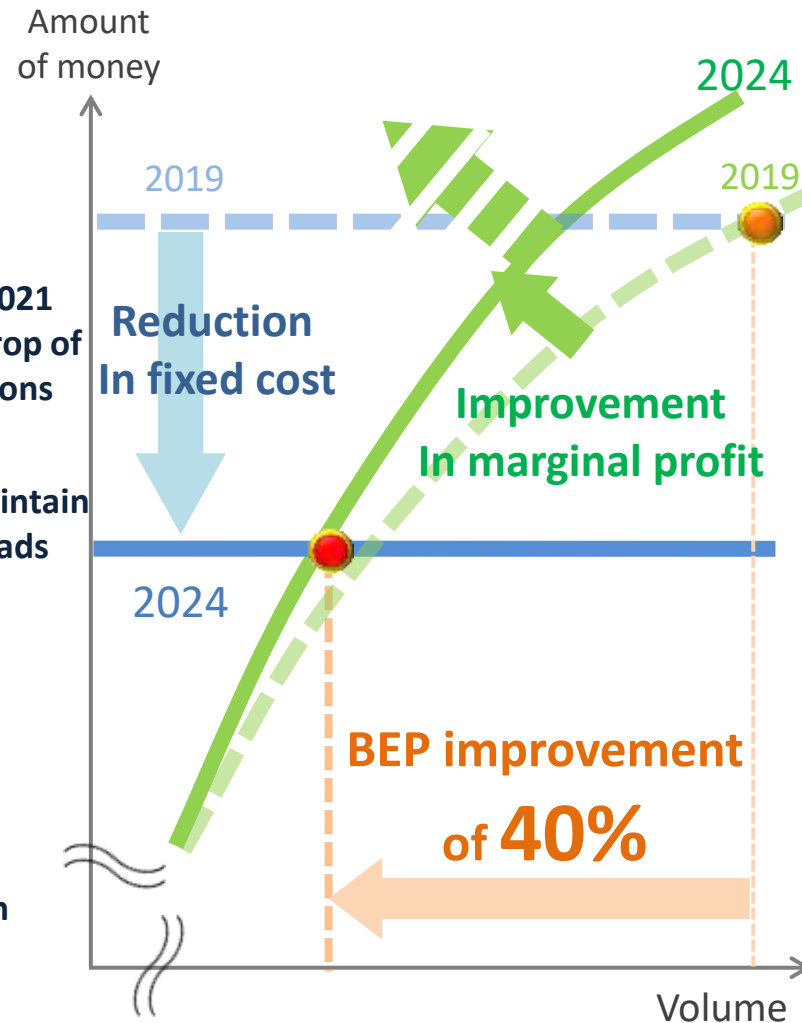
Price negotiation schemes that maintain appropriate spreads

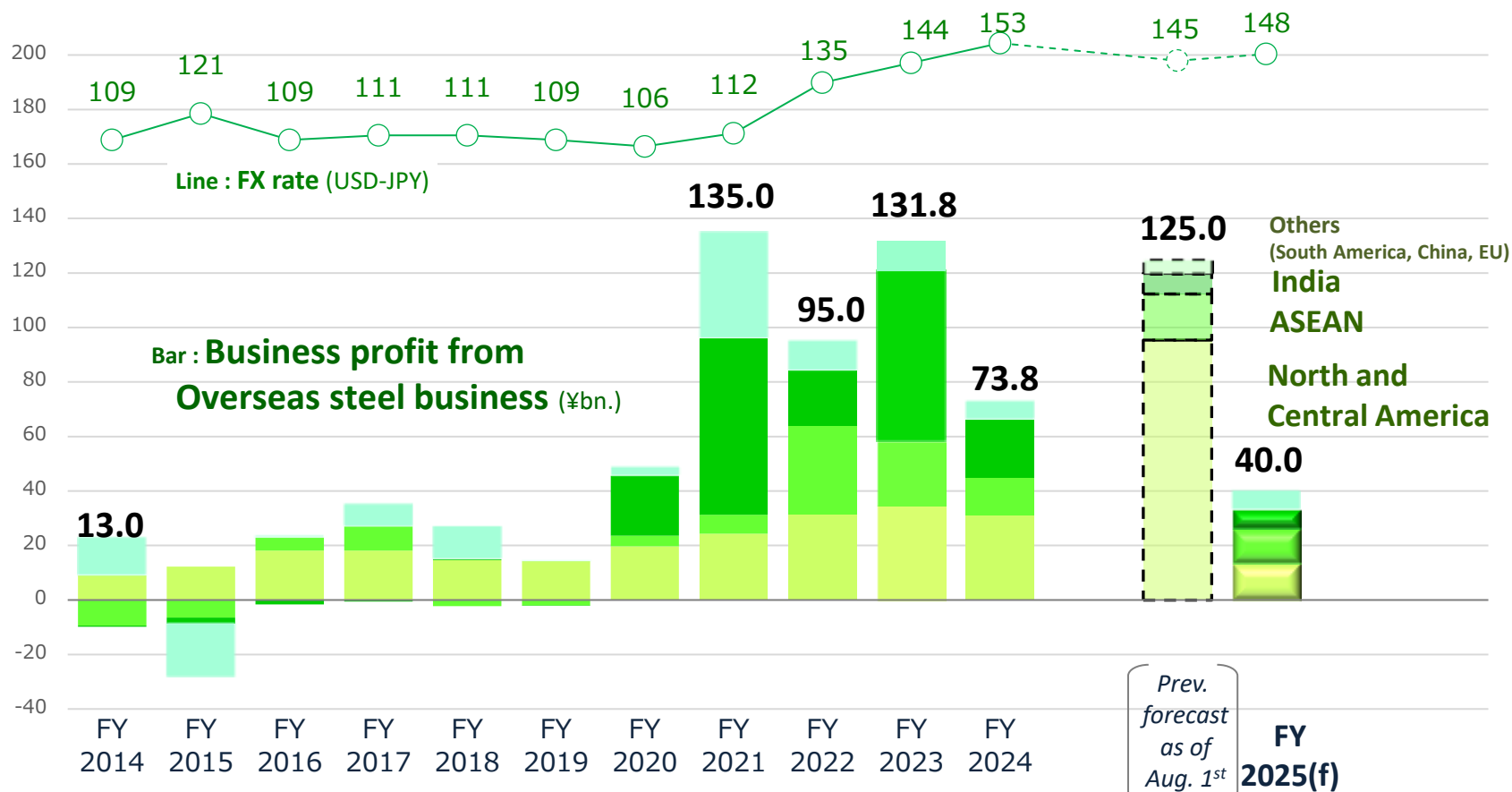


Investing in capacity and quality improvement of high value-added products such as ultra-high-tensile steel sheets for automobiles and electric steel sheets

### Sophisti- cation of order mix

Further increase marginal profit  
by sophistication  
of order mix in the future





● Equity method consolidation of AM/NS Calvert, Q1 2014

● Equity method consolidation of AM/NS India, Q1 2020

● Consolidation of G/GJ Steel as a subsidiary, Q1 2022

● BNA deconsolidation, Q4 FY2024

● AM/NS Calvert deconsolidation, Q1 FY2025

● Consolidation of U. S. Steel as a subsidiary, Q2 2025

● USIMINAS deconsolidation, Q3 FY2025

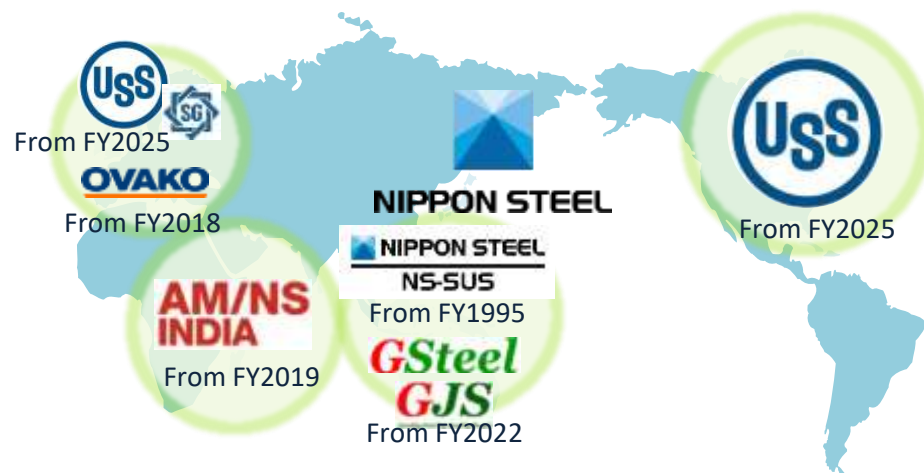
Ordinary profit (subsidiaries) + share of profit in investments accounted for using equity method (equity method affiliates), both underlying profit excl. inventory valuation  
Overseas companies other than USS and NS SUS are consolidated Jan. - Dec. results to Nippon Steel's Apr. - Mar.  
NS BlueScope US operations are included in "ASEAN"

## Overseas Business Expansion Policy

**Key Areas : In "U.S. / Europe " "India" "Thailand",  
expand integrated steel production**

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

- Increasing market share by strengthening product responsiveness
- Construction of new steel mill



### Growing India

- Capacity expansion in Hazira
- Construction of new Eastern Steel Mill etc.

### Home market Thailand

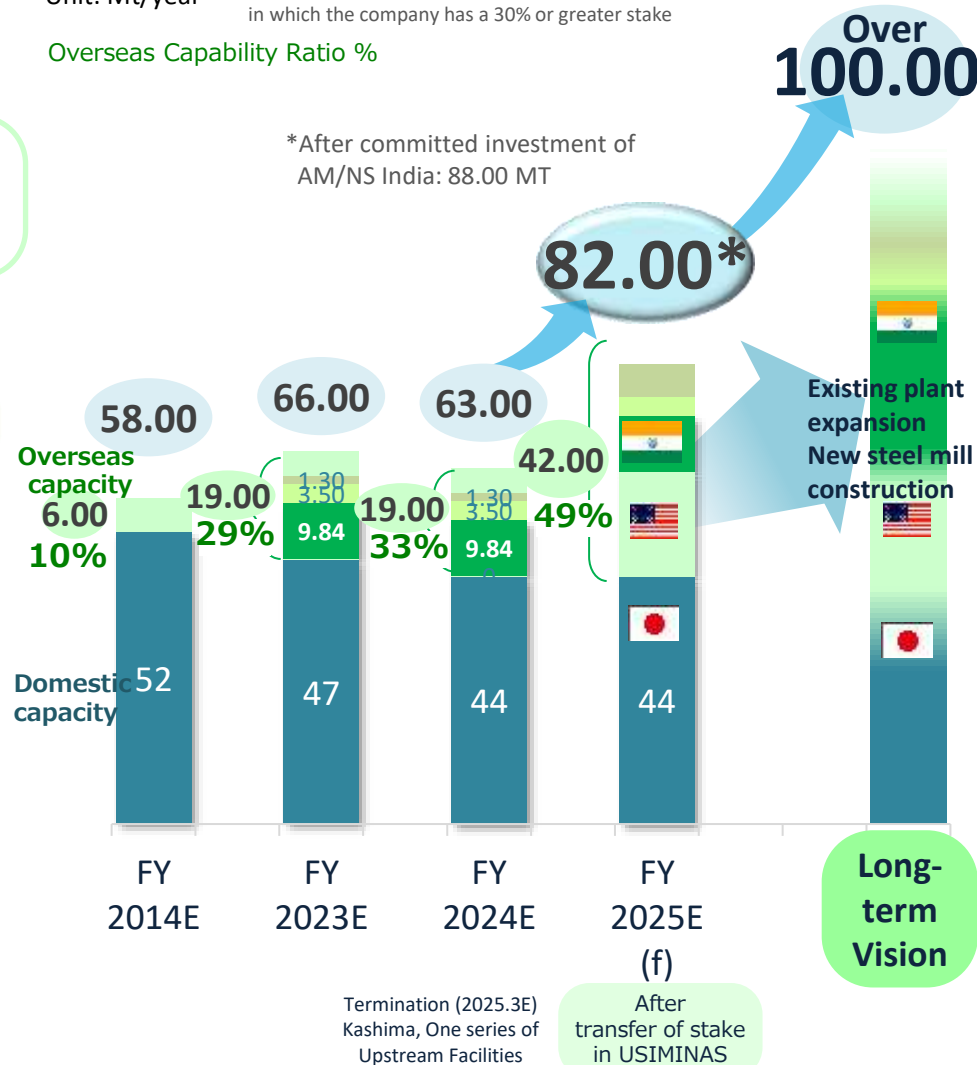
Market share expansion in  
Thailand steel sheet market  
30% -> 50% etc.

## Global Steel Production Capacity

Unit: Mt/year

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

Overseas Capability Ratio %





## Business environment and Performance

## [Medium-to Long-term Environment]

- Steel demand increase by population growth and industrialization
- No rapid capacity expansion is expected due to difficulty in acquiring land, and the supply-demand situation will remain tight
- High percentage of homegrown products based on “Make in India” policy

## [Current Environment]

- Continued high level of economic growth and steel demand exceeding the previous year's level
- Softening of domestic market amid strong demand and increased competition from capacity expansion by major domestic mills

## [Performance]

- July–September domestic shipments up 9% QoQ; EBITDA up 9% QoQ

## Initiatives for Capacity Expansion and Product Sophistication

- **Capacity expansion to capture growing steel demand and enhance high-value-added product mix**

Existing plant expansion (Hazira Works)

- Full-scale entry into the automotive market through expansion of steel sheets facility (decided in April 2022), with coating line operation started in July 2025 and cold rolling and others scheduled for second half of FY2025

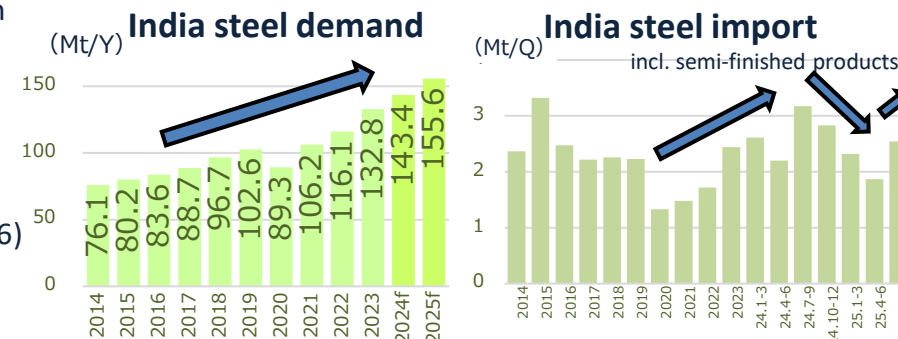
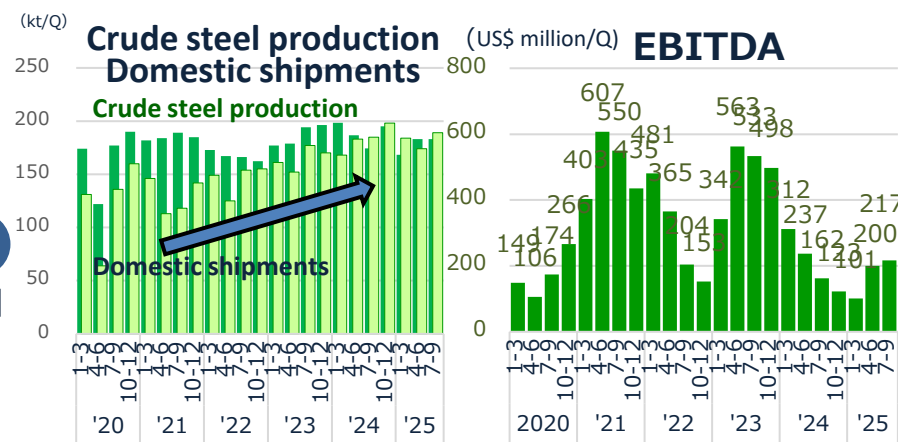
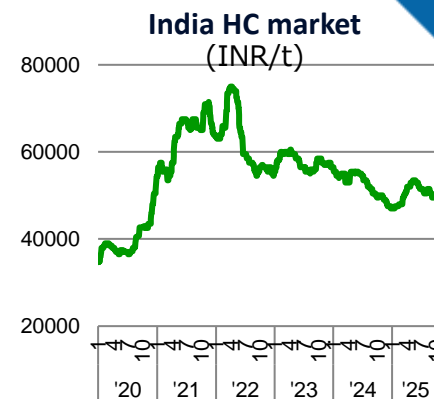
Start of supply of corrosion resistant coated steel for construction materials (operation started January 2024)

- Under construction for expansion of upstream facilities, hot-strip mill (decided in Sep. 2022) (Scheduled to start operation in 2nd half of FY2026)

Crude steel capacity approx. +6Mt/Y (approx. 9 → 15Mt/Y)

**Consideration of investment plan for new integrated steel works in the state of Andhra Pradesh in southern India**

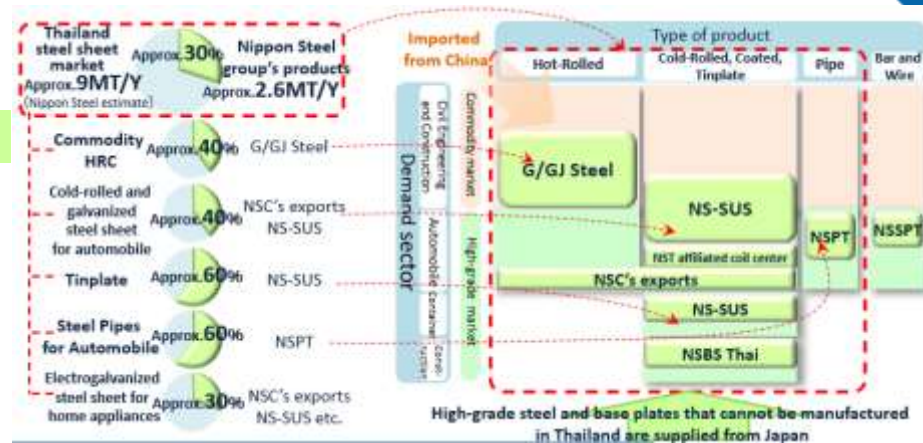
India Indicators	2024	2025f	2026f
GDP growth rate	+ 6.5%	+ 6.6%	+ 6.2%
Steel demand	0.15 bn. t	0.16 bn. t	0.18 bn. t



### Strategic positioning of the Thai market within our global operations

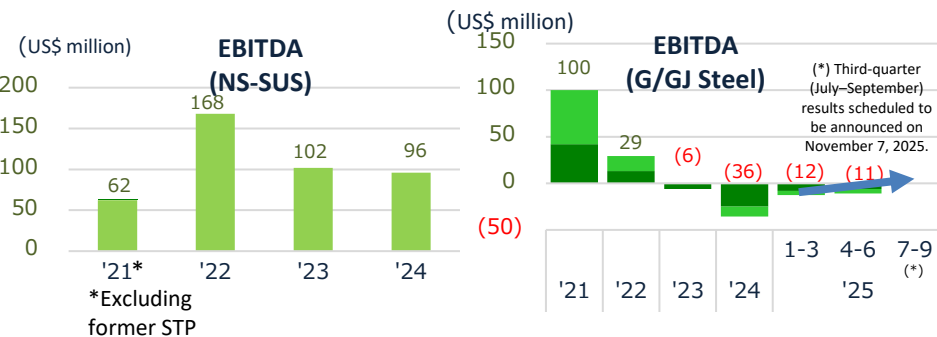
The top-priority key market within ASEAN, considered our 'home market' in our overseas expansion  
Target to expand flat steel share from 30% to 50%

- Established presence since 1963 with 30 companies and approximately 8,000 employees
- High grade steel market for automotive and a 9-million-ton flat steel market dominated by two-thirds commodity steel
- Current Group share of approximately 30%



### Performance and Initiatives of NS-SUS

- Steady performance supported by high grade steel demand for automotive, home appliances, and can manufacturing
- Expansion of tinplate production capacity for can manufacturing from 280,000 to 350,000 tons/year to meet future demand growth  
Investment of approx. 2 billion baht (approx. 8.9 billion yen), scheduled completion March 2027



### Performance and Initiatives of G/GJ\* Steel

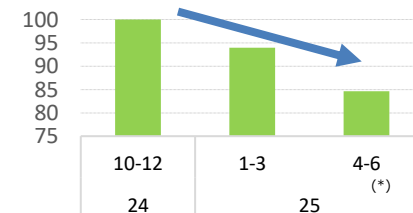
\*The only integrated EAF hot-rolled mill in Thailand, acquired by Nippon Steel in 2022

- Facing a challenging business environment amid continued significant compression of metal spreads due to market declines
- Profitability showing signs of improvement through enhanced intra-group collaboration within the Nippon Steel Group in sales and procurement of steel scrap and other cold metal sources, and ongoing initiatives to reduce variable costs including energy expenses.



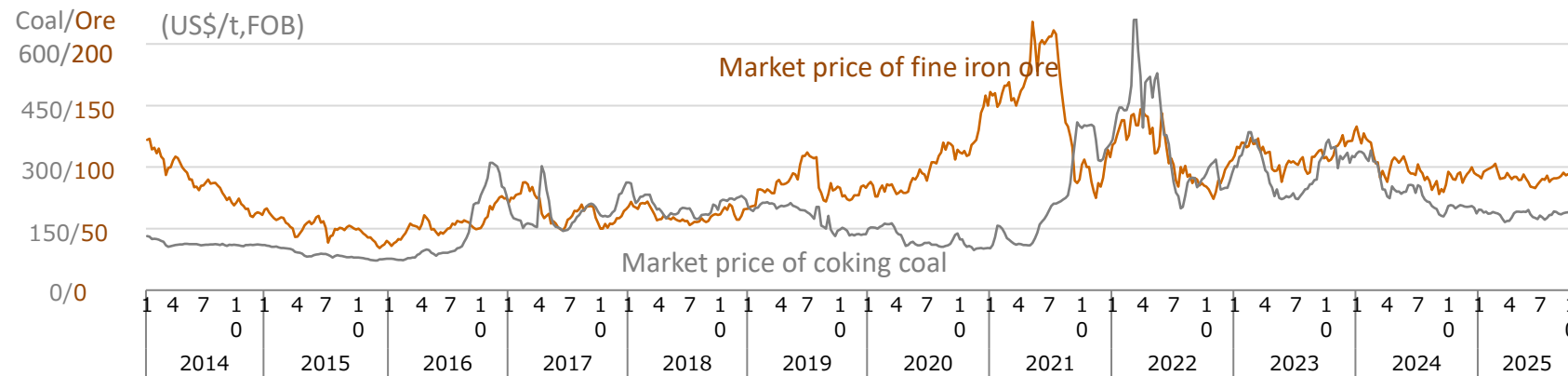
### G Steel Yield Improvement and Variable Cost Reduction

(Index: Oct–Dec 2024 = 100)



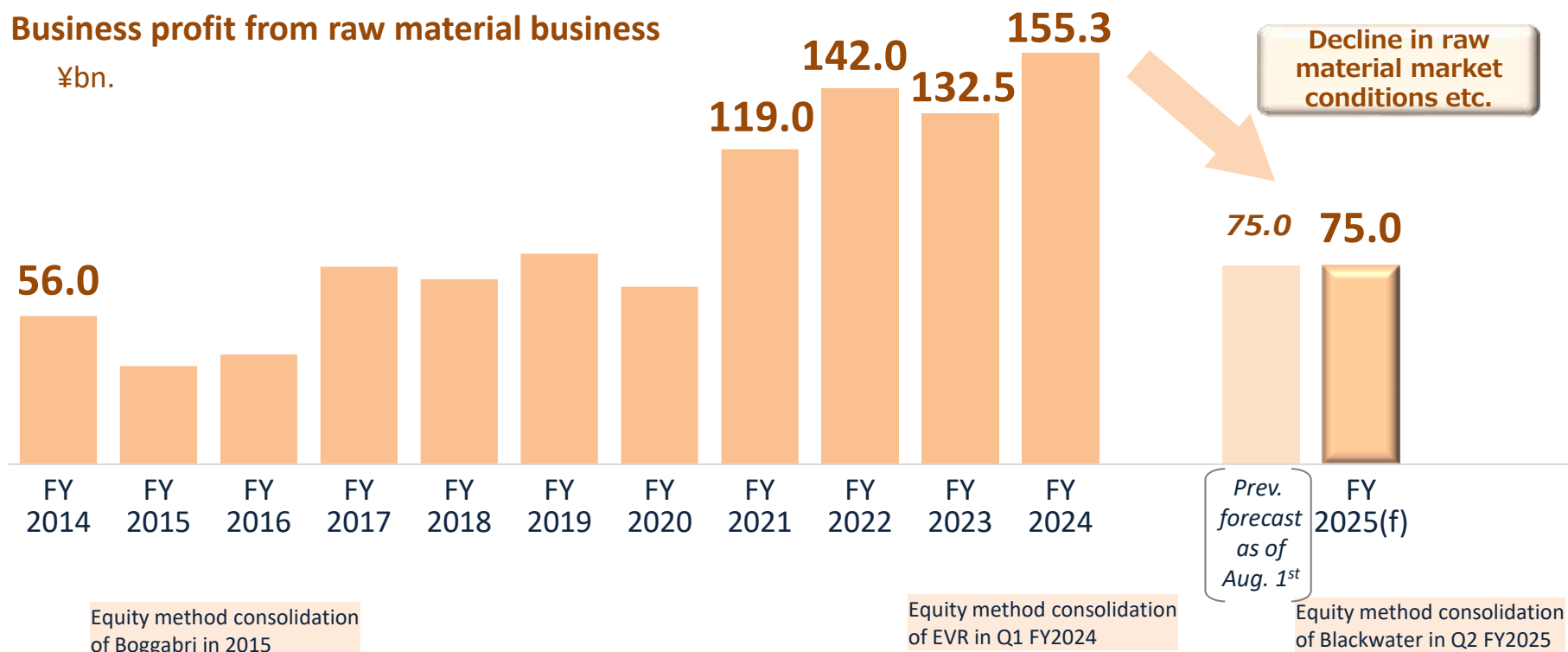
# Raw Material business

## P/L Trend (Underlying Business profit)



### Business profit from raw material business

¥bn.



Cf. All of raw material businesses are operated in Jan.-Dec. term and consolidated to Nippon Steel's Apr.-Mar.

## Raw Material business

# Vertical Expansion of the Core Businesses

Establish stable procurement structure to mitigate operating profit volatility in the domestic steel business caused by raw material cost fluctuation

Aim to further raise the self-sufficiency in the ratio of major raw materials

### Invested Mines

			Year of participation	Equity ratio	Major shareholder	Capacity (MT/Y)
Iron ore and pellet	Australia	Robe River	1977	14.0%	Rio Tinto 53.0%	70
	Brazil	NIBRASCO	1974	33.0%	VALE 51.0%	10
	Canada	Kami	2024	30.0%	Champion Iron 51.0% Sojitz19%	9
Coal	Australia	Moranbah North <sup>*1</sup>	1997	6.25% <sup>*2</sup>	Anglo American 88.0%	12
		Warkworth	1990	9.5%	Yancoal 84.5%	8
		Bulga	1993	12.5%	Glencore 87.5%	7
		Foxleigh	2010	10.0%	Middlemount South 70.0%	3
		Boggabri	2015	10.0%	Idemitsu Kosan 90.0%	7
		Coppabella and Moorvale	1998	2.0% <sup>*2</sup>	Peabody 73.3%	5
		Blackwater	2025	20.0%	Whitehaven 70%, JFE10%	10
	Canada	Elk Valley Resources	2024	20.0%	Glencore 77.0%	27
Others(Niobium)	Brazil	CBMM	2011	2.5%	Moreira Salles 70.0%	0.15

\*1 Grosvenor mine was integrated with Moranbah North in 2020

\*2 Incl. the following increase in Equity ratio of Nippon Steel Trading  
Moranbah North 1.25%, Coppabella and Moorvale 2.00%

### Iron Ore

#### Self-sufficiency ratio

(Procurement ratio from invested mines)

Total procurement  
(FY2024)  
Approx. 50Mt

Approx. 20%

(For BF's-use)

Aim to raise  
self-sufficiency ratio  
of raw materials

### Coal

#### Self-sufficiency ratio

(Procurement ratio from invested mines)

Total procurement  
(FY2024)  
Approx. 26Mt

Approx. 20%

2023

After inv. In EVR JV

Approx. 30%

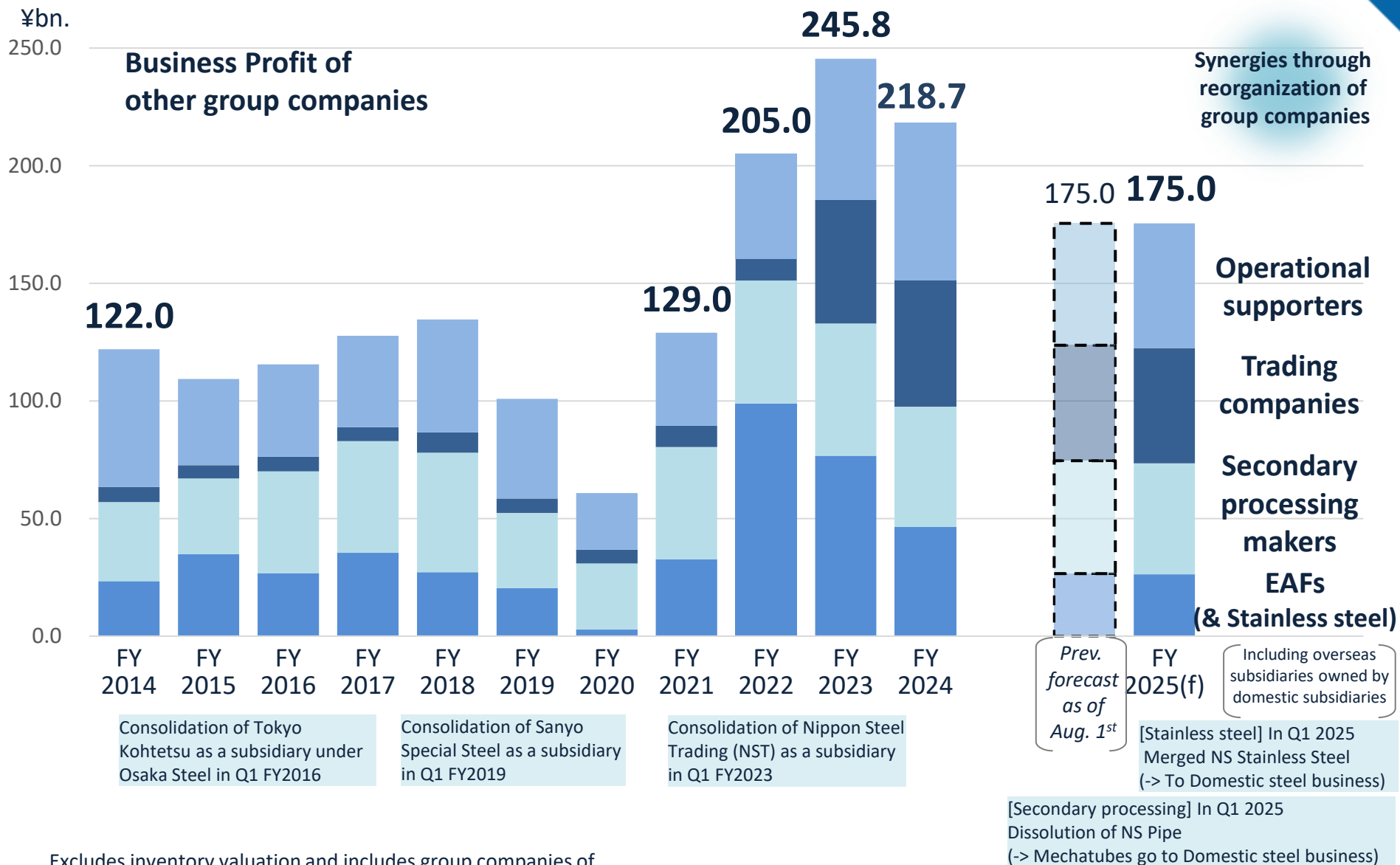
Approx. 35%

After inv. in Blackwater JV

Ratio of coal procured  
from mines in which  
NSC an investor to  
increase in long term  
(shift to carbon neutral  
process /decrease total  
amount of coal in use)

## Other Group Companies

## P/L Trend (Underlying Business Profit)



(Announced on November 5th, 2025)

**Following the full acquisition of Sanyo Special Steel Co., Ltd.,  
NSC has decided to consolidate the production of certain products  
from the the Kansai Works (Osaka) into Sanyo Special Steel.**

From the perspective of pursuing an optimal production framework, NSC has decided to consolidate the production of steelmaking and open-die forging products —currently manufactured using similar facilities by both companies— from the Kansai Works (Osaka) into Sanyo Special Steel.

## Suspended Facilities

Electric furnace to ingot casting facilities, Open-die forging facilities,  
Special melting facilities

## Consolidated Product Categories

Steelmaking products (ingots),  
Open-die forged products (plastic molding dies, rolling mill rolls, etc.)

## Production Consolidation Timeline

Facility suspension: Target by the end of Q3 FY2028

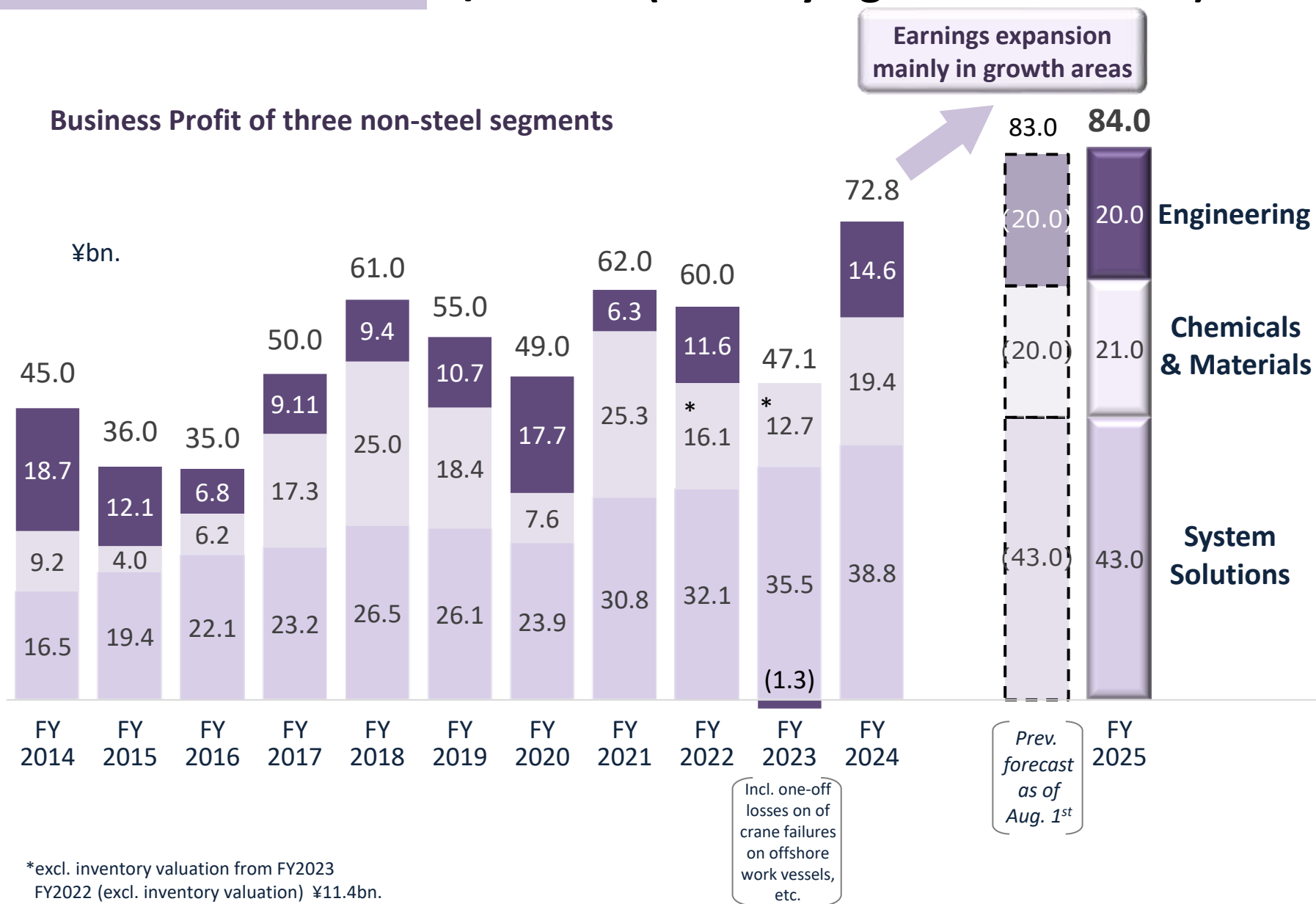
Relocation completion: Target by the first half of FY2030



NSC will continue to pursue synergy effects from various perspectives in optimizing the production framework, aiming to enhance corporate value across the NSC group.

- As strategic initiatives to enhance market responsiveness by leveraging the combined strengths of both companies, NSC is considering and implementing the following measures:
- Development of products through the integration of Sanyo Special Steel's advanced high-cleanliness and high-alloy manufacturing capabilities with Nippon Steel's wire rod technology
  - Strengthening customer proposal capabilities by sharing and mutually utilizing technical information, as well as combining with other product lines

Business Profit of three non-steel segments





## Three Non-steel Segments

# Earnings Summary

### Engineering

(Previous guidance: released on Aug. 1, 2025)

¥bn.	H1	H2	FY 2024	Q2	H1	H2(f)	FY 2025(f)	Prev. forecast
Order intake	127.2	253.6	380.8	65.3	134.3	185.0	400.0	[400.0]
Revenue	183.3	217.1	400.4	93.2	182.2	217.8	400.0	[400.0]
Business profit	(1.2)	15.8	14.6	1.9	7.4	12.6	20.0	[20.0]

- The order intake is expected to increase due to plans to receive orders for large-scale projects in environmental plants etc. Sales are expected to be at the same level as the previous year.
- Profitability in the EPC field is expected to improve due to thorough project management, and fixed costs are expected to decrease due to structural measures, resulting in a YoY increase in profit.

### Chemicals and Materials

¥bn.	H1	H2	FY 2024	Q2	H1	H2(f)	FY 2025(f)	Prev. forecast
Revenue	140.4	128.7	269.1	65.1	128.1	131.9	260.0	[260.0]
Business profit	12.2	6.6	18.9	3.1	9.8	10.2	20.0	[18.0]
Underlying	10.1	9.3	19.4	4.4	11.0	10.0	21.0	[20.0]

- Coal Chemicals and Chemicals business environment is difficult due to sluggish product market conditions.
- In Functional materials, AI-related products continued to perform well.
- Business profit is expected to increase due to volume growth in the functional materials field.

### System Solutions

¥bn.	H1	H2	FY 2024	Q2	H1	H2(f)	FY 2025(f)	Prev. forecast
Revenue	157.0	182.3	339.3	96.1	179.0	198.0	377.0	[357.0]
Business profit	18.3	20.5	38.8	8.8	17.5	25.5	43.0	[43.0]

- Revenues are expected to increase YoY due to strong performance in all business areas and the inclusion of consolidated Infocom.
- Business profit is expected to increase due to higher sales and improved gross profit margins, despite higher SG&A expenses, mainly for technological R&D.



**Co-creation that transcends the conventional relationship and domain between complete vehicle manufacturers and material suppliers to create a holistically optimized supply chain that combines value creation and cost reduction.**

## Co-Creation Result (1):

**Optimal body structure was developed in a short period of time to reduce weight**

- Our participation from the early stages of automobile development  
Reviewing the entire supply chain to achieve an optimal body structure in a short period of time



- Utilizing our next-generation steel automobile concept\*, proprietary analysis technology, and Mazda's model-based development, the weight of steel materials has been reduced by 10% while ensuring vehicle body performance such as rigidity and collision safety. \*NSafe®-AutoConcept ECO3

## Co-Creation Result (2):

**Reduction of costs and environmental impact by streamlining the procurement system**

- Jointly selected steel sheet materials from the early stages of automobile development, enabling the selection of steel mills close to Mazda's plant and simplifying the procurement structure.
- Contributes to transportation cost and CO<sub>2</sub> emission reduction, inventory reduction, geopolitical risk reduction and stable supply, and indirect production cost reduction

**Continue to promote collaboration in a wide range of areas,  
deepen technological integration, and pursue value enhancement**

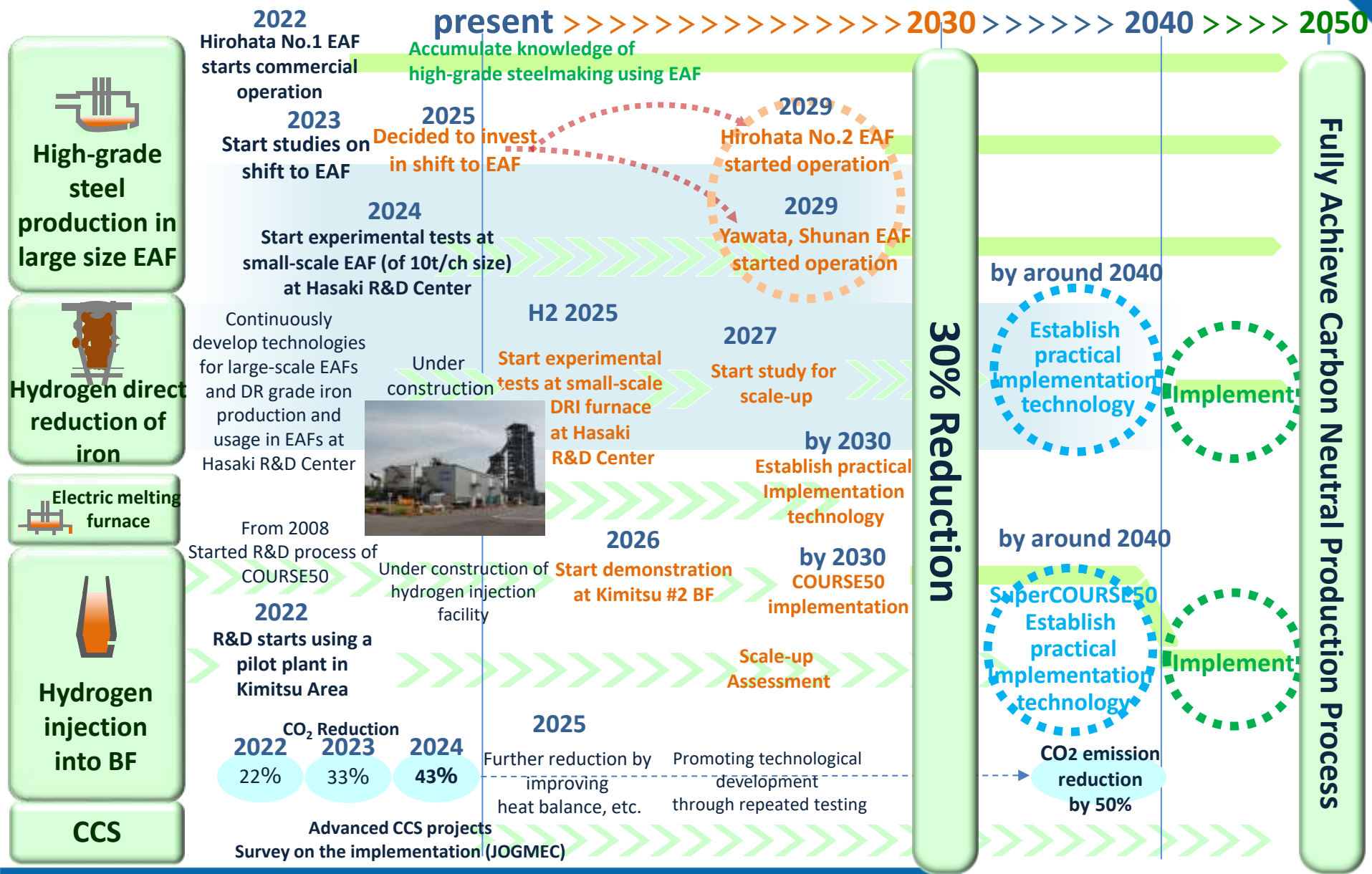
# Agenda

1. Q2 FY2025 Earnings Summary and FY2025 Earnings Forecast
2. Developing a Robust Business Structure with Vertical and Horizontal Expansion
- 3. Progress Toward Carbon Neutral Vision 2050**

# Efforts to Surmount the Four Challenges [Summary of recent results]

## Steady efforts to develop and implement innovative technologies and to promote and standardize GX steel

Technology development	Development planning and testing	Establishment of technology to reduce CO2 emissions in test blast furnaces using hydrogen (-43%) Started testing of a test EAF (2024) and scheduled to start testing of a test reduction furnace (2nd half of 2025)		
	Gov't support	Increase in Green Innovation (GI) Fund for "Utilization of hydrogen in the steelmaking process" to ¥449.9 bn.	...	Budgeting completed
Predictability of investment recovery	Gov't support for capital expenditures	Government to cover one-third of the investment amount under the GX Promotion Act; <b>EAF transition investment projects at Yawata, Hirohata, and Shunan adopted and approved for implementation</b>	...	Approved for adoption
	Gov't support for operating costs	Establishment of a strategic materials and production base tax system (Green Steel)	...	Institutionalization completed
	Creation of economic value from the environmental value (CO <sub>2</sub> reduction)	GX Product Market Study Group [METI], GX 2040 Vision and Sector-Specific Investment Strategies [Government] <b>In Study Group on Green Steel for GX [METI], GX steel is organized as a target for the government to provide priority procurement and purchasing support.</b> Revision of the Act on Promoting Green Procurement and CEV subsidies → advancing efforts toward GX market formation	...	Currently working on GX market formation
Institutionalization Standardization	Standardization	<b>The Japan Iron and Steel Federation issued "CFP Product-Specific Calculation Guidelines for Steel Products" and "GX Steel Guidelines" (Oct. 2025)</b> ->Establish rules to enable customers to reflect actual reductions in their product CFPs.	...	Active participation and leadership ->issued
		worldsteel Guideline ver.1 issued (Nov. 2024)	...	Guideline issued
		Lobbying for revision of ISO, GHG protocol, etc.	...	Implementing and preparing
		GX League [METI] -> Growth-oriented carbon pricing Study group on CFP utilization for GX realization [METI] -> Progress toward CFP standardization	...	
Infrastructure	Energy infrastructure development	Safe use of nuclear and other energy sources for the 7 <sup>th</sup> Strategic Energy Plan	...	Ongoing committee recommendations
		Hydrogen and Ammonia: Revised Basic Hydrogen Strategy, Hydrogen Society Promotion Law	...	Bill passed
		CCS: JOGMEC/Advanced CCS Support Program	...	Project participation



- Sales of “NSCarbolex™ Neutral” have been increasing due to its adoption in mass-produced vehicles in the automotive field, adoption in office furniture triggered by the revision of the basic policy of the Green Purchasing Law, as well as its adoption in cans used in the construction field and in collaboration with companies and organizations.
- GX Steel is registered in the Ministry of Land, Infrastructure, Transport and Tourism's New Technology Information System (NETIS), and is eligible for points in the general evaluation method for public works bids. (Announced on Sep. 11, 2025)
- In anticipation of an increase in supply volume due to the start-up of the innovative electric furnace, the company will work with the government to promote the expansion and penetration of the GX steel market.

## [Recent adoption cases]

Commercial  
Facility

Sumitomo Corporation  
Swarovski Japan

Adopted for multiple base materials such as H-beams, NSHYPER BEAMs™, Steel plates, Roll columns(Nippon Steel Metal Products), etc.  
Owner: Sumitomo Corporation  
Tenant: Swarovski Japan (Announced on Sep. 1, 2025)



Tin Cans

Tokai City  
BANKAKU

Adopted as a collaboration can of BANKAKU and Nippon Steel, the Hometown tax donation return gift from Tokai City.  
(Announced on Sep. 24, 2025)



MOCHIKICHI

Adopted for the can of “Kimarite Rice Cracker,” a collaboration between the Japan Sumo Association and MOCHIKICHI

(Announced on Oct. 1, 2025)





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