TYO: 5401

OTC: NPSCY(ADR)



## **Acquisition of U.S.Steel**

Dec 18, 2023

NIPPON STEEL CORPORATION

## Agenda

- 1. Overview
- 2. Rationale
- 3. Strengths of U.S.Steel
- 4. Appendix (Strengths of Nippon Steel)
- 5. Appendix (Data of U.S.Steel)

#### **Moving Forward Together as the**

#### "Best Steelmaker with World-Leading Capabilities"

Combines world-leading technologies and manufacturing capabilities to better serve customers worldwide

Drives the global steel industry towards decarbonization and a sustainable world with a shared commitment to decarbonize by 2050

Brings together two storied companies with rich histories of industry-leading innovation





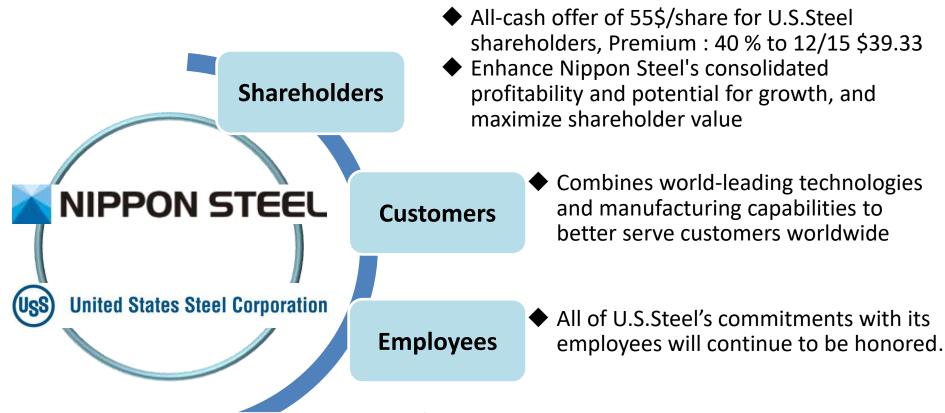
## **United States Steel Corporation**

U.S.Steel to retain its brand name and headquarters in Pittsburgh, PA

"Best Steelmaker with World-Leading Capabilities"

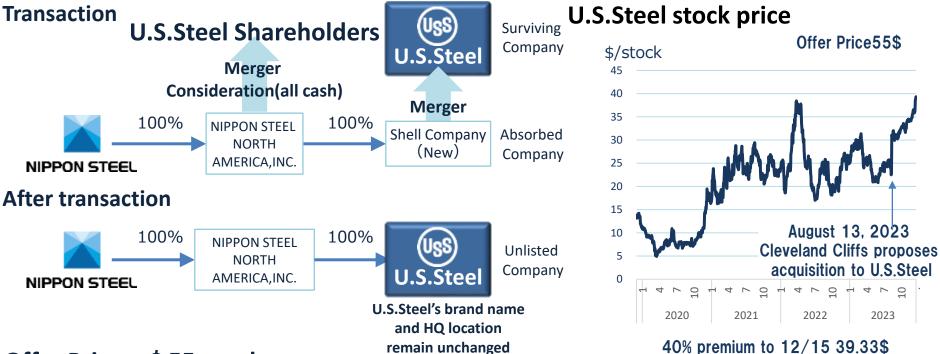
Delivering Best for All®

#### **Contributions for stakeholders**



- Environment /Sustainability
- ◆ Values continuity in strong relationships with U.S.Steel's suppliers, customers, the surrounding communities and people that support U.S.Steel's operations and is committed to being a productive member of these communities.
- Drivies the global steel industry toward decarbonization and a sustainable society

## **Subsidiary Structure**



Offer Price: \$55per share

Total Amounts: \$14,126 million (approx. 2,010 billion of yen)

Enterprise value including debt \$14,868 million (approx. 2,120 billion of yen)

Financing for the transaction has been secured with commitment letters from Japanese banking institutions.

#### Approximate timetable

- December 18, 2023: Merger Agreement signed
- Approx. Mar. 2024: U.S.Steel Shareholder Vote
   The transaction is expected to close in the second or third quarter of calendar year 2024, subject to approval by stockholders of U.S.Steel and receipt of U.S. and foreign regulatory approvals and other customary closing conditions

#### Impact on Nippon Steel's Financial Statements

## **Cash flows**

- Payment of the Amount for the merger consideration to existing U.S.Steel shareholders after approval of U.S.Steel shareholders, receipt of regulatory approvals and other closing conditions as specified in the merger agreement [Second or third quarter of calendar year 2024 (Estimate)]
- > Total amounts \$14,126 million(approx. 2,010 billion yen)
- Financing for the transaction has been secured with commitment letters from Japanese banking institutions.

#### Balance Sheet

\*based on 9/30/23 and include any other assumptions Upon consummation of the transaction, U.S.Steel's asset and debt will be consolidated onto Nippon Steel's balance sheet.

Cf. Total assets: approx.\$+20,395 million (approx. 29,000 billion yen)\*

Interest-bearing debt:

Increase in amount equivalent to the payment \$+14,126 million (approx. 2,010 billion yen)

U.S.Steel's interest-bearing debt will be added on \$+ 4,159 million (approx. 590 billion yen)\*

Total \$+18,285 million (approx. 2,600 billion yen) \*

\* Estimated using 2023.9E balance

Debt/equity ratio to go to 0.9 (from 0.5) due to transaction

Since then, recovery due to U.S.Steel 's EBITDA and debt reduction

P/L

- In case of closing by mid-August:
- NSC will commence consolidation from the 3Q FY2024 (U.S.Steel's July-September 2024 period will be consolidated).
- In case of mid-Aug mid-Nov closing :

NSC will commence consolidation from the 4Q FY2024 (U.S.Steel's October-December 2024 period will be consolidated).

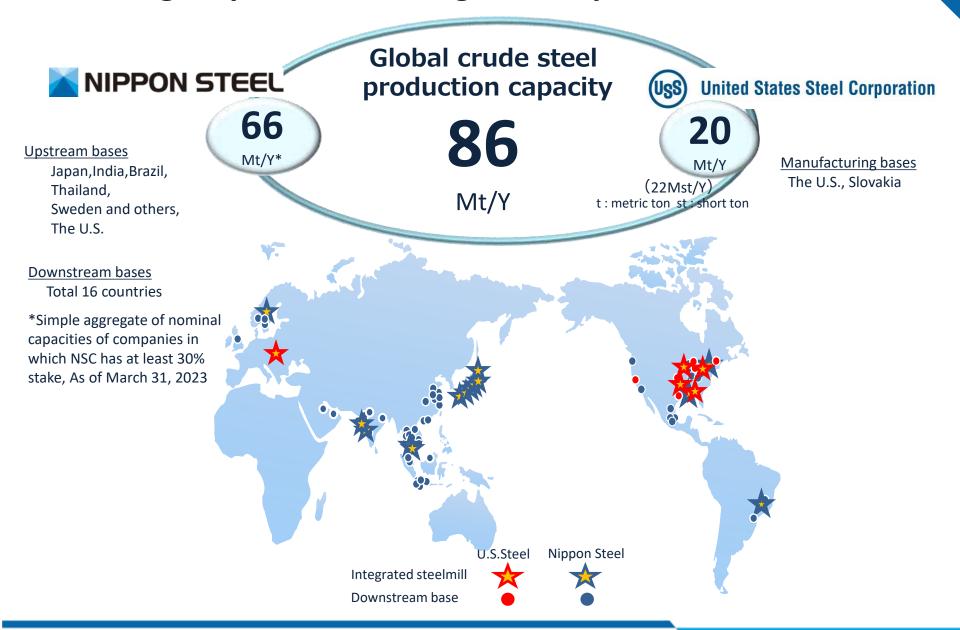
Cf. 2023.1-9result

net profit before tax \$1,212million/Y (approx.¥170billion/Y) net profit after tax \$975million/Y (approx.¥140billion/Y)

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## Toward a group with a more global expansion



## This acquisition aligns with Nippon Steel's global strategy

**Overseas Business Expansion Policy** 

To expand steel production into:

- Markets where steel demand growth is promising
- Markets where Nippon Steel's technologies and products are highly appreciated

**To expand integrated steel mill** and create added value from the upstream

**To acquire brownfield production bases** through M&A

Diversify Nippon Steel's global footprint by three primary geographies



#### Attractiveness of the U.S. Steel Market

The market with the largest steel demand in developed countries and where high-grade steel demand is expected and our technologies and products are highly appreciated

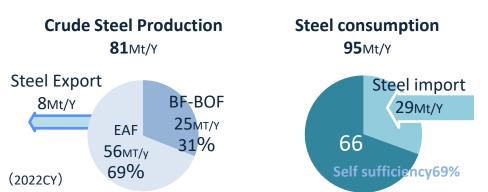
#### High level of domestic demand

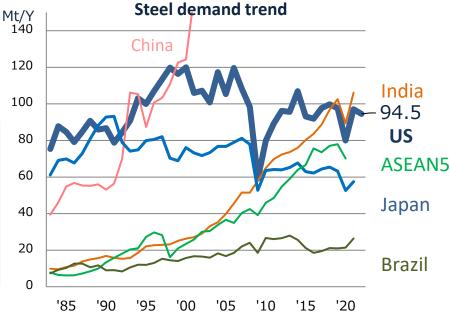
- ➤ The U.S. is the only developed country whose population continues to grow over the long term
- energy and manufacturing industries to return to the U.S. under changes in the world economy structure and cheap energy in the U.S.
- the infrastructure bill and spending is expected to drive steel demand uptick moving forward

Supply-demand balance not depending on exports, based on domestic demand

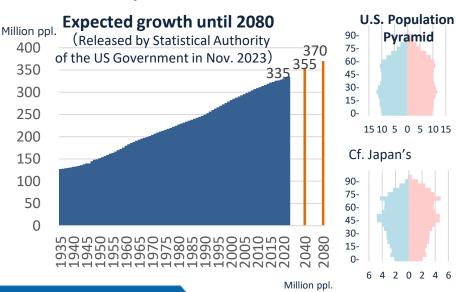
#### Steel demand structure

U.S. demand for steel outpaces domestic supply





**U.S. Population Trend** 



# Creating new value by combining the technologies of both Nippon Steel and U.S.Steel

	NIPPON STEEL	USS United States Steel Corporation			
	<ul> <li>Automotive sheets (high-grade), Processing technologies and solutions</li> </ul>	◆ Automotive sheets			
Product	◆ Electrical steel sheets (high-grade)	◆ Electrical steel sheets			
Technologies	<ul> <li>Highly corrosion-resistant plated steel sheet for building materials (high-grade)</li> <li>Nickel-coated steel sheets</li> </ul>	<ul> <li>Highly corrosion-resistant steel sheet for building materials</li> </ul>			
Operational, Equipment Technologies	<ul> <li>Quality and Cost improvement technologies</li> <li>Energy-saving technologies</li> <li>Automation Technologies</li> <li>Technologies to recycle</li> </ul>	<ul> <li>State-of-the-art thin-slab continuous casting and hot rolling facilities</li> <li>Maintenance technologies for integrated blast furnace facilities</li> </ul>			
Decarbonization Technologies	<ul> <li>EAF process technologies (Mass production of high-grade steels)</li> <li>BF Hydrogen Reduction Technologies</li> <li>"NSCarbolex<sup>TM</sup> Neutral" steel products CO<sub>2</sub> emissions</li> </ul>	<ul> <li>EAF Process Technologies</li> <li>Decarbonized raw material production technologies</li> <li>"verdexTM" has a reduced carbon footprint of 70-</li> </ul>			
	savings in the steelmaking process are allocated	80%			

#### After acquisition, study the detail of the potential synergy

## **Shared Commitment: to decarbonize by 2050**

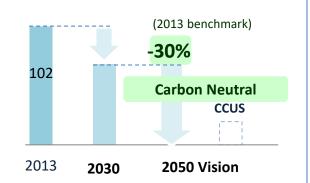
- Both companies are strategically investing in R&D to achieve net zero by 2050.
- > Together, NSC and U.S.Steel will accelerate technology developments and commercialization



Leads the world through the development of 3 innovative technologies

Total CO<sub>2</sub>
emissions
(million t-CO<sub>2</sub>/year)

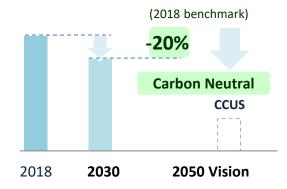
Domestic: SCOPE1+2





Leads the world through mini-mill

<u>CO<sub>2</sub> emissions</u> <u>per ton of steel</u> (t-CO<sub>2</sub>/t-steel)



~2030

- Hydrogen injection into blast furnaces (Implementation of COURSE50)
- Reduction of CO<sub>2</sub> emissions in existing processes
- Establishment of an efficient production framework etc.

- ~2050
- ◆ 3 breakthrough technologies
  - 1. Hydrogen injection into blast furnaces (Super COURSE50)
  - 2. High-grade steel production in large size EAF
  - 3. Hydrogen direct reduction of iron
- CCUS\* and other carbon offset measures

- ~2030
- Expansion of EAF production capacity
- Optimization of production
- ~2050
- ◆ Future mini mill development
- ◆ DRI with natural gas
- Development of cutting-edge technologies
  - 1. CCUS\*
  - 2. DRI with hydrogen
  - 3. Electric grid improvements
  - 4. Electrification and hydrogen use
  - Offsets/Credits



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#### **Overview of U.S.Steel**

- Leading integrated BF and EAF manufacturer in the U.S. mainly Flat-Rolled sheets including for auto
- > Currently promoting a plan to increase EAF capability
- > Leveraging own iron ore mines, self-sufficient in pellets for BFs and EAFs, and pig iron for EAFs

	U.S.	Europe	Total
Headquarters	Pittsburgh, Pennsylvania, USA (remain unchanged	after acquisit	ion)
Manufacturing bases	<pre><flat-rolled> : Gary (Indiana), Mon Valley (Pennsylvania),</flat-rolled></pre>	<b>Košice</b> (Slovakia)	
Product types	Steel sheets(Hot-rolled sheets, Cold-rolled sheets, Galvar Electrical steel sheets), Pipes and tubes(Seam	-	in plate,
Raw Steel Production Capability	15.8 <sub>Mt/Y</sub> 8 BFs (Including 2 BFs idle) (17.4Mst/Y) 3 EAFs (+2 EAFs under construction)	<b>4.5</b> Mt/Y (5.0Mst/Y)	<b>20.3</b> Mt/Y (22.4Mst/Y)
Raw Steel Production *	<b>11.0</b> Mt/Y (12.2Mst/Y incl. EAF 3.3Mst, EAF ratio 21% to be expanded in the future)	<b>3.5</b> Mt/Y (3.8Mst/Y)	<b>14.5</b> Mt/Y (16.0Mst/Y)
Steel shipments *	<b>10.2</b> Mt/Y (11.2Mst/Y)	<b>3.4</b> Mt/Y ( 3.8Mst/Y)	<b>13.6</b> Mt/Y (14.9Mst/Y)
Iron ore mines owned	Minntac, Keetac(Minnesota)		
Pellet Production	<b>20.0</b> Mt/Y(22.1Mst/Y) All iron ore used in the U.S. is procured from in-house mined pellets.		
Net sales *	<b>16,814</b> M\$/Y	<b>4,243</b> M\$/Y	<b>21,065</b> M\$/Y
Earnings before income taxes *	<b>3,259</b> M\$/Y		
Net earnings *	<b>2,524</b> M\$/Y		
Active Employees **  * End of 2022CY, **2022CY	14,487 t:metric ton st:short ton	8,253	22,740

#### Strengths of U.S.Steel



Social and Relationship Capital

Extensive U.S. Client bases

Well-established history Brand value

Company brand name will remain unchanged after acquisition



Robust facilities organically combining iron ore mines,
BFs, and EAFs



Low cost iron ore mines with abundant reserves



#### **United States Steel Corporation**



**Human** Capital

Excellent Management and employees

Strong relationship with unions

**Good retention ratio** 



<u>Intellectual</u>

**Capital** 

Well-developed, customeroriented R&D system and bases

> Munhall, Pennsylvania Houston, Texas Troy, Michigan, etc.



Excellent financial structure D/E Ratio<0.1

(Net interest-bearing debt / Shareholders' equity)

Sufficient retirement benefit reserves

#### **Strengths of U.S.Steel - Strategic Investments**

**Expected Run-**

rate EBITDA\*

million/Y

million

**Investing** 

On-time and on-budget, investments focused on expanding the competitive advantages from the raw material process to the finished product process are in progress.

Keetac Mine	DR-grade pellets facility	<b>\$150</b> million		Construction started in 2022, Production start in 2024	<ul> <li>In addition to DR-grade pellets supplied to EAF, BF-grade pellets can also be produced</li> <li>Produced pellets can also be sold to third-party DRI or HBI producers</li> </ul>
Gary Works	Pig Iron Caster	\$60 million	\$30 million/Y	Construction started in 2022, Shipment started in 4Q.2022	<ul> <li>Tons of Pig Iron Capability: 500k/Y</li> <li>provide nearly 50% of Big River</li> <li>Steel's ore-based metallics needs</li> </ul>
Big	Non-grain oriented electrical steel line	\$450 million	\$140 million/Y	Construction started in 2022, Production started in Oct. 2023	<ul> <li>Tons of Finishing Capability: 200k/Y</li> <li>Meeting the growing electric vehicle demand</li> </ul>
River	Galvanize/Gal valume® line	\$280 million	\$60 million/Y	Construction started in 2021, Production start in 2024	<ul> <li>Tons of Finishing Capability: 325k/Y</li> <li>Manufactures Galvalume@ steel for exposed building panels and hot-dipped galvanizing steel for appliance and construction</li> </ul>
Big River	Integrated line from EAF to	\$3,000	\$650	Construction started in 2022, Production	<ul> <li>◆ Tons of EAF Capability : 3м/ү</li> <li>◆ Installing state-of-the-art Endless</li> </ul>

start in 2024

**Steel Sheets** 

Casting & Rolling Line

\*Average assumed EBITDA if the current

environment continues

- U.S.Steel acquired a 49.9% equity interest of Big River Steel in 2019 and the remaining 51.1% in 2021
- ➤ New production line for non-oriented electrical steel sheets began operations in Oct-2023, and Coating line schedules to start operation in 2024
- ➤ Big River 2 is currently under construction, which will nearly double mini mill steel capacity

  The site is approx. twice larger than East Nippon Works Kimitsu Area of Nippon Steel

## **Big River Steel**



#### Big River 2



EAF :2(3.3Mst/Y)

RH Degasser:1

CSP (Compact Strip Production):1

Galvanizing line :1(525kst/Y)

Non-grain oriented electrical steel line:1(200kst/Y)

[Under construction]

Galv/galvalume:1(325kst/Y)

Paint line:1(165kst/Y)

EAF :2(3Mst/Y)

ESP (Endless Strip Production):1

Galvanizing line:2(1Mst/Y)

62% of project execution has been completed\*

92% of project spend has been committed\*

Production to start in 2H 2024 and expected to achieve full-production levels by 2026

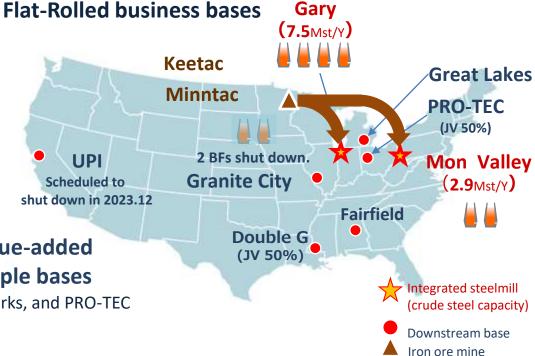
\*As of Q3.2023 Earnings Call

- ➤ Location : Osceola, Arkansas
- ➤ GHG emissions intensity: ~ 0.4t-CO<sub>2</sub>/t-steel (scope 1 & 2)
- > 250MW Driver solar field will add renewable power to BRS EAF electrical supply

#### **Strengths of U.S.Steel - Flat-Rolled Business Profitability**

#### Stable earnings with high level of quality and cost competitiveness

- ◆ 100% self-sufficient in iron ore at Minntac and Keetac mine for use in BFs
  - ➤ Highly cost-competitive strip mining
  - Ore grade suitable for high grade pellet production
  - Largest pellet production capabilities in North America



 Enable manufacturing of high value-added automotive steel sheets at multiple bases

Manufactures at Gary Works, Great Lakes Works, and PRO-TEC

- Enhanced Cost Competitiveness by Streamlining Facilities
- > 2015 Fairfield Works: permanent closure of iron making to steel sheet line (galvanizing line remains in operation)
- 2021-2022 Great Lakes Works: permanent closure of iron making to hot rolling line (cold rolling plating line remains in operation)
- > 2022 Gary Works: permanent closure of East Chicago Tin plant
- **2023** Granite City Works: 2 BFs shut down
- Dec. 2023 UPI: scheduled to close in December

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#### **Overview of Nippon Steel**

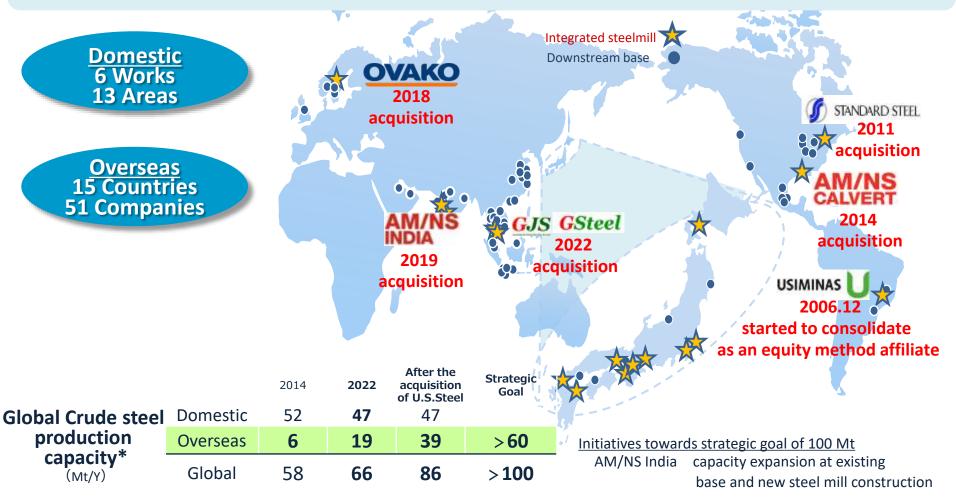
- Japan's largest steelmaker and one of the world's leading steel manufacturers
- Manufacturing a wide range of steel products, mainly steel sheets, with strength in high-grade steel products technologies.

	Japan	Overseas	Total								
Headquarters	Chiyoda-ku Tokyo, Japan										
Manufacturing bases	(Kimitsu, Kashima, Naoetsu), <b>Nagoya, Kansai</b> (Wakayama, Osaka, Amagasaki), <b>Setouchi</b> (Hirohata,	<integrated steelmill=""> India, Brazil, Thailand, Sweden and others, U.S.A. <downstream base=""> In addition to the above, 10 countries including Indonesia, Vietnam, Mexico, etc.</downstream></integrated>									
	•	Steel sheets(Hot-rolled sheets, Cold-rolled sheets, Galvanized Sheets, Tin plate,									
Product types	Electrical steel sheets), Plates, Bars & wire rods, Structural shapes, Pipes and tubes(Seamless & welded), Stainless steel, Titanium										
Raw Steel Production Capability *	<b>47</b> Mt/Y 11 BFs (Including 1 BF scheduled to shut down) 3 EAFs	<b>19</b> Mt/Y (Including JVs)	<b>66</b> Mt/Y								
Raw Steel Production **	<b>37.9</b> Mt/Y	<b>2.3</b> Mt/Y <b>40.3</b> Mt/									
_	Approx. 20% of iron ore and coking coal used are procured from the mines invested in.	d <iron ore=""> Robe River (Australia) etc. <coking coal=""> Moranbah North (Australia), etc.</coking></iron>									
Net sales **	<b>7,975.5</b> Billion ¥/Y										
Earnings before income taxes **	<b>866.8</b> Billion ¥/Y										
Net earnings **	<b>694.0</b> Billion ¥/Y										
Active Employees *	<b>106,068</b> people										

\* End of 2022FY, \*\* 2022FY

## Nippon Steel's global production framework - strategic goal of 100 Mt

- Contribute to customers and society globally by leveraging technologies and products
- > Acquired local steelmakers around the world and established JVs with major steelmakers



<sup>\*</sup> Sum of the nominal full production capacity of companies in which the Company has 30% or more of equity interests, which is the same methodology as the World Steel Association's crude steel production statistics

#### Operating in the U.S. for nearly 40 years

#### Since 1980s, Nippon Steel

- has established several downstream bases and equity participation through JVs or M&A in the U.S.,
- has focused on building cooperative and good relationships with employees, labor unions, suppliers, customers, and communities.



Number of employees in Nippon Steel's production bases in the U.S. is Approx.

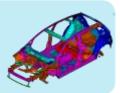
**4,000** including JVs

NIPPON STEEL				owne		atata	
K	<u></u>	Group company		rship	capacity	state	
1	1984 Establishment	Wheeling Nippon Steel	Sheets	100%	0.60 Mt/Y	West Virginia	Initial: JV with Wheeling- Pittsburgh steel -> Made it a subsidiary in 2008
2	1989 Establishment	NIPPON STEEL PIPE AMERICA	Pipes &Tubes	80%	0.08 Mt/Y	Indiana	
3	1990 Establishment	International Crankshaft	Crank- shaft	80%	4.00 M Units	Kentucky	
4	1996 Establishment	INDIANA PRECISION FORGE	Bar & Wire	100%	0.04 Mt/Y	Indiana	
5	2008 Investment	Suzuki Garphyttan	Bar & Wire	100%		Indiana	
6	2011 Acquisition	Standard Steel	Wheels	80%	0.20 Mt/Y	Pennsyl- -vania	founded in <b>1795</b> as Freedom Forge Integrated EAF mill
7	2013 Capital participation	NS BLUESCOPE Steelscape ASC Profiles	Sheets	50%	0.44 Mt/Y	Washing- -ton, Califor- -nia, etc.	JV with Bluescope
8	2014 Acquisition	AM/NS Calvert	Sheets	50%	5.3 Mt/Y	Alabama	Joint acquisition with ArcelorMittal from Thyssenkrupp

#### **Products competitiveness**

## World leading and high value-added product lineups that can contribute to realizing sustainable society

Ultra-high tensile steel sheets for autos



- Achieves following features at a high level:
  - a. Lightweight equivalent to that of aluminum -> CO<sub>2</sub> emission reduction
  - b. Strength -> Collision safety
  - c. Easy processing
- Possesses both cold high-tensile and hot stamping high-tensile technologies

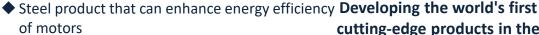
**Electric Steel Sheets** 

NO (Non-oriented)



GO (Grain-oriented)



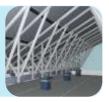


- Achieving at the same time mutually conflicting motors' features: high efficiency, high torque, high rotation, lightweight and compact
- Eco-friendly material that can improve energy efficiency of transformers used in power plants, power grids, etc.

cutting-edge products in the field of electric steel sheets for more than 70 years

In 2022, manufactured highgrade electrical products by integrated EAF steelmaking process for the first time in the world

**Highly corrosion-resistant** plated steel sheet for building materials



- ◆ Materials with five to ten times higher corrosion resistance than galvanize coated steel sheets
- ◆ Contributing to lifecycle cost reduction and longer service lifespan when used in outside facilities e.g.) solar panel mounts

**Nickel-coated steel sheets** 

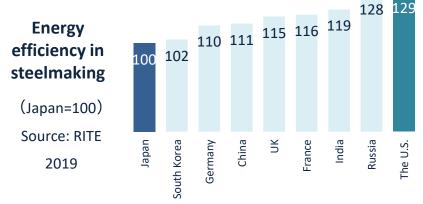


- ◆ Used for battery cell cases for electric vehicles, etc.
- ◆ Thinner wall thickness realizes weight reduction equivalent to aluminum
- ◆ High-temperature strength of iron can reduce fire spread due to melting of cell case at abnormal heat generation of battery.

#### Operational and equipment technologies of Nippon Steel

# Operational and equipment technologies

 World's leading level in energy-saving technologies



- Quality and Cost improvement technologies
- Automation Technologies
- Technologies to recycle
- Equipment Technologies

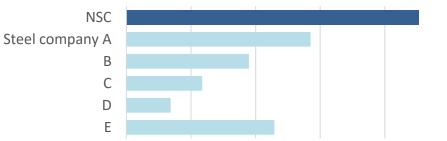
Approx. 1,600 inhouse plant engineering and maintenance engineers contribute to stable operation, quality assurance and cost reduction

#### **R&D** capabilities

- One of the world's leading research resources Best-in-class products, equipment, and operating technologies
- R&D organization in Japan as well as overseas in the future



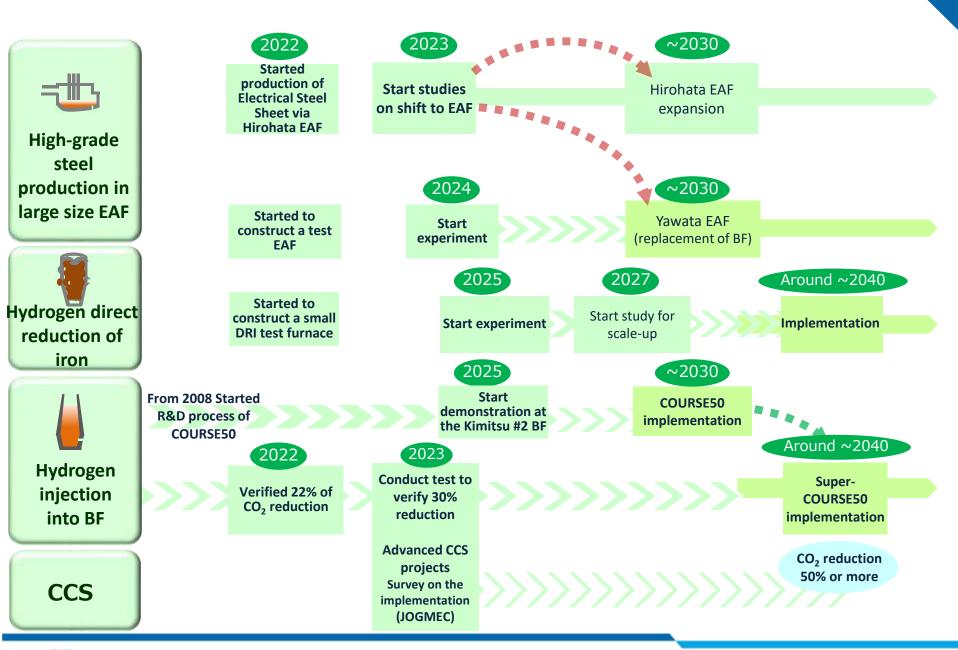
#### Patent Value Patent Asset Index \*

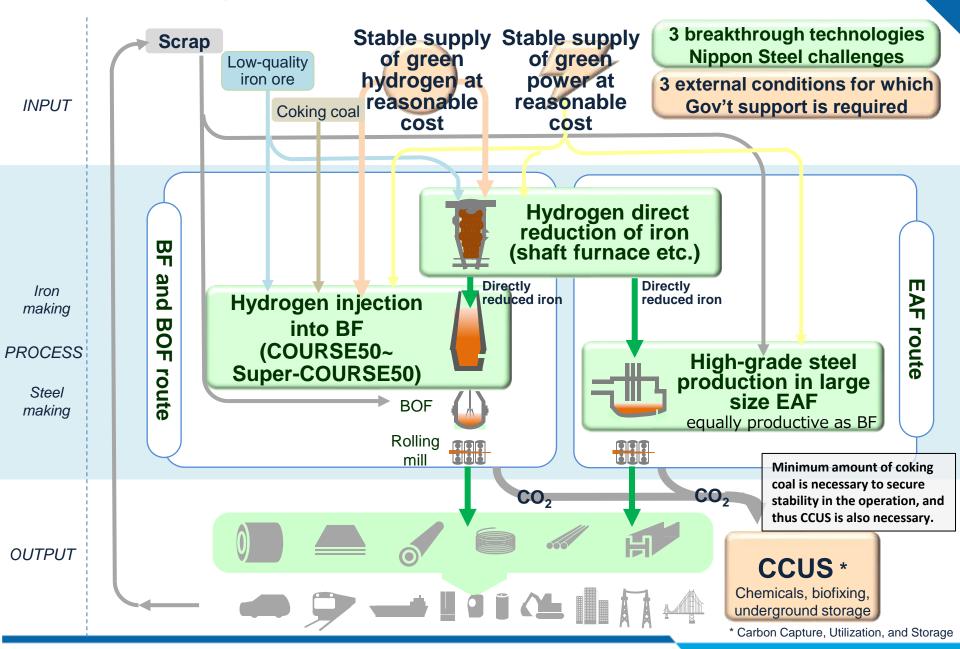


\*Calculated using PatentSight™, a patent analysis tool of LexisNexis.

Comprehensive evaluation index of patent calculated by multiplying "technical value" calculated based on the number of citations of patents and "market value" calculated based on the country of application for patents with valid legal status (patents pending and granted).

#### Nippon Steel's Carbon Neutral Technologies Development



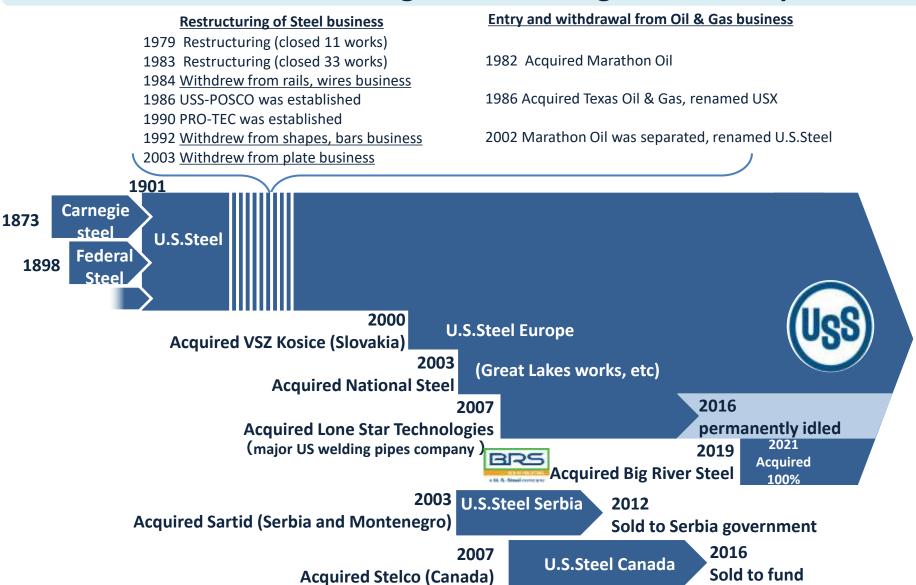


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#### **U.S.Steel: History**

#### To a resilient structure through restructuring and asset replacement



## U.S.Steel: Primary Manufacturing bases

\* Mst/Y

			[ ] is scheduled ( ) is idle or scheduled to close	Crude steel capacity*	BFs	EAFs	Hot-rolled sheets	Cold-rolled sheets	Coated sheets	Tin plate	Steels	Seamless tubular	
Int		Flat-	Gary	7.5	4		•	•	•	•			Chicago suburbs, manufacturing auto sheet including outer panel, supplying semi-products to downstream bases
egrat	ntegrated	Rolled	Mon Valley	2.9	2		•	•	•			•	Pittsburgh suburbs Edgar Thompson Area / Clairton Area / Irvin Area / Fairless Area
	_		Fairfield						•				2012 iron making-flat steel shut down
_	steel	Tubular	Fairfield	0.9		1							Birmingham suburbs 2020 EAF newly built
	el mill	Mini Mill	Big river	<b>3.3</b> [->6.3]		2 [->4]	•	•	•		•		2014: Established, 2019: Acquisition, Non-grain oriented (NGO) electrical steel line started operation in Oct.2023, Two EAFs & ESP are under construction. (To be finished at the end of 2024)
	Downs	Flat- Rolled	Granite City	(2.8)	(2) Idle		•	•	•				Ex.National Steel,One BF is being idled from 2023, Considering sale of BF facilities to SunCoke Energy and establishment of granulated pig iron facility by SunCoke.
			Great Lakes					•	•				Detroit suburbs, Ex.National Steel, manufacturing auto sheet including outer panel, 2021 iron making - hot strip shut down
	bases		PRO-TEC						•				IV with KOBE Steel, ownership: 50%, manufacturing auto sheet including outer panel, 2Mst/Y, 3 hot dip galvanizing lines and 1 continuous annealing line
			Double G						•				IV with Cleveland Cliffs, ownership: 50%, 1 hot dip galvanizing line with a capacity of 0.35 million st/year
Europe		pe	Košice	5.0	3 [->1]	[->2]	•	•	•		•		5

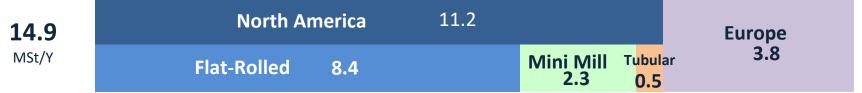
## **U.S.Steel Primary manufacturing bases**



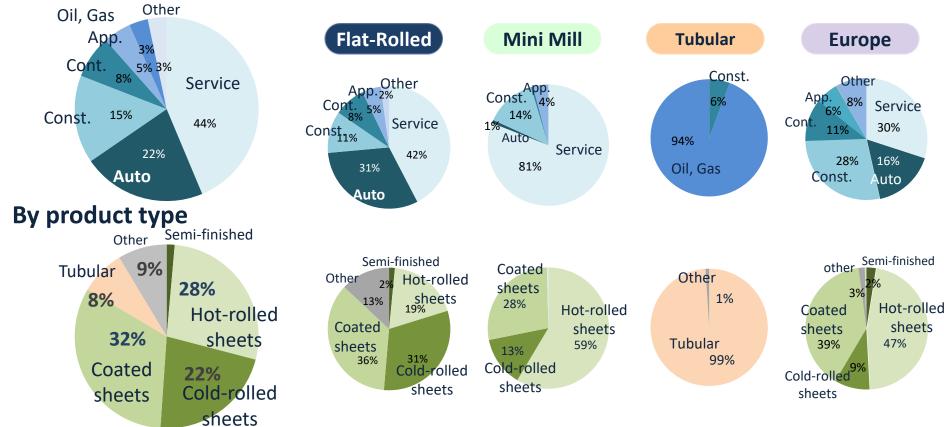
#### **U.S.Steel: Product Mix**

Source: 10-K for 2022CY



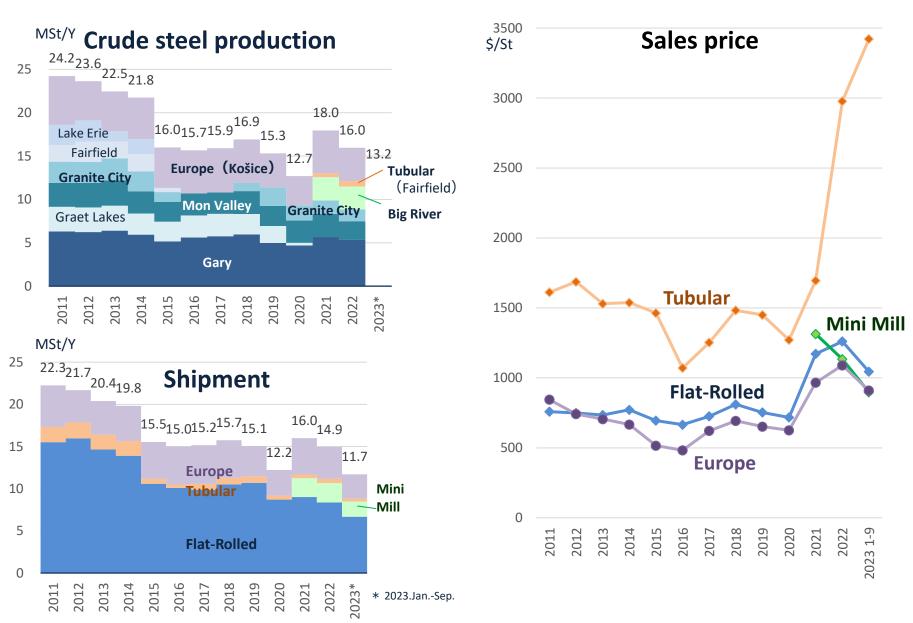


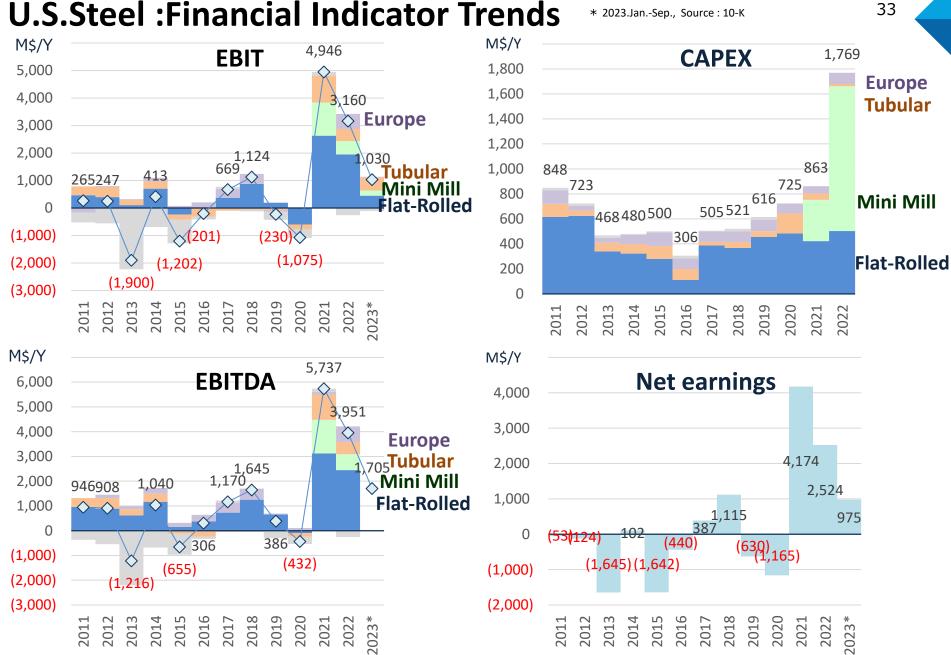
#### By demand category



#### **U.S.Steel: Volume, Price Trend**

Source: 10-K for 2022CY





Other

Benefits

## **U.S.Steel: Balance Sheet, Cash Flows**



(The end of Sep. 2023) Units: M\$

Total assets: 20,395

Liabilities: 9,298 Shareholders' Equity: 11,004 Minority Interest: 93

Cash 3,222 Current Accounts assets Receivable 1,541 7,395 **Inventories** 2,304 Other 328 Machinery& Equipment, Lands Noncurrent 9,911 assets 13,000 Goodwill 920 Other 2,169

Current liabilities 3,801

Noncurrent Liabilities 5,497

Accounts Payable 2,939
Other 862

Interest-bearing debt 4,129
Other 1,368

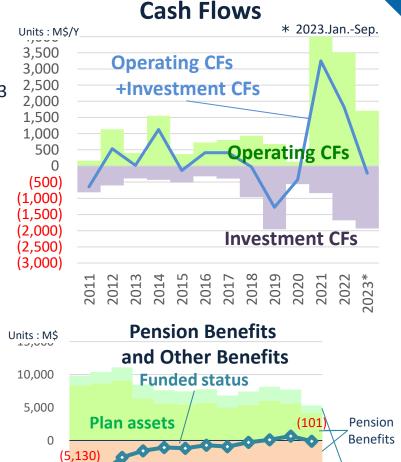
Shareholders' Equity 11,004

(5,000)

(10,000)

(15,000)

(20,000)



**Benefit obligations** 

2015 2016

2017

# NIPPON STEEL

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#### Additional Information and Where to Find It

This presentation relates to the proposed transaction between the United States Steel Corporation ("<u>U. S. Steel</u>") and NSC. In connection with the proposed transaction, U. S. Steel will file relevant materials with the United States Securities and Exchange Commission ("<u>SEC</u>"), including U. S. Steel's proxy statement on Schedule 14A (the "<u>Proxy Statement</u>"). The information in the preliminary Proxy Statement will not be complete and may be changed. The definitive Proxy Statement will be delivered to stockholders of U. S. Steel. U. S. Steel may also file other documents with the SEC regarding the proposed transaction. This presentation is not a substitute for the Proxy Statement or for any other document that may be filed with the SEC in connection with the proposed transaction. The proposed transaction will be submitted to U. S. Steel's stockholders for their consideration. BEFORE MAKING ANY VOTING DECISION, U. S. STEEL'S STOCKHOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT U. S. STEEL, NSC AND THE PROPOSED TRANSACTION.

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NSC, U. S. Steel and their directors, and certain of their executive officers and employees may be deemed to be participants in the solicitation of proxies from U. S. Steel's stockholders in respect of the proposed transaction. Information regarding the directors and executive officers of U. S. Steel who may, under the rules of the SEC, be deemed participants in the solicitation of U. S. Steel's stockholders in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy Statement when it is filed with the SEC. Information about these persons is included in each company's annual proxy statement and in other documents subsequently filed with the SEC, and will be included in the Proxy Statement when filed. Free copies of the Proxy Statement and such other materials may be obtained as described in the preceding paragraph.

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This presentation contains information regarding U. S. Steel and NSC that may constitute "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995 and other securities laws, that are subject to risks and uncertainties. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target," "forecast," "aim," "should," "plan," "goal," "future," "will," "may" and similar expressions or by using future dates in connection with any discussion of, among other things, statements expressing general views about future operating or financial results, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements and changes in the global economic environment, as well as statements regarding the proposed transaction, including the timing of the completion of the transaction. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only U. S. Steel's beliefs regarding future goals, plans and expectations about our prospects for the future and other events, many of which, by their nature, are inherently uncertain and outside of U. S. Steel's or NSC's control. It is possible that U. S. Steel's or NSC's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management of U. S. Steel or NSC, as applicable, believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from U. S. Steel's or NSC's historical experience and our present expectations or projections. Risks and uncertainties include without limitation: the ability of the parties to consummate the proposed transaction on a timely basis or at all; the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could cause the parties to terminate the definitive agreement and plan of merger relating to the proposed transaction (the "Merger Agreement"); the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; the possibility that U. S. Steel's stockholders may not approve the proposed transaction; the risks and uncertainties related to securing the necessary stockholder approval; the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; certain restrictions during the pendency of the proposed transaction that may impact U. S. Steel's ability to pursue certain business opportunities or strategic transactions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of U. S. Steel's common stock or NSC's common stock or American Depositary Receipts; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; and the risk that the proposed transaction and its announcement could have an adverse effect on the ability of U.S. Steel or NSC to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of U. S. Steel, U. S. Steel directs readers to its Form 10-K for the year ended December 31, 2022 and Quarterly Report on Form 10-Q for the guarter ended September 30, 2023, and the other documents it files with the SEC for other risks associated with U. S. Steel's future performance. 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