



## Notice Regarding Issue of Hybrid Bonds (Public Subordinated Bonds)

Nippon Steel Corporation (“Nippon Steel”) hereby announces that today it decided the public issue of up to 300 billion Japanese Yen aggregate principal amount of hybrid bonds (subordinated bonds) (the “Hybrid Bonds”). Nippon Steel filed with the head of the Kanto Local Finance Bureau a shelf registration statement and an amended shelf registration statement regarding this Hybrid Bonds issuance. The details are as follows:

### 1. Purpose and Background of the Hybrid Bond Issue

As one of the key initiatives under its 2020 Mid-term Management Plan, Nippon Steel aims at strengthening and expanding its global business. As a specific measure under this initiative, the company plans to jointly acquire Essar Steel India Limited (“Essar Steel”), an Indian integrated steelmaker, with ArcelorMittal. Nippon Steel has decided on the issue of the Hybrid Bonds as a funding method to finance the acquisition of Essar Steel and other growth investment projects based on the Mid-term Management Plan while maintaining its financial health.

### 2. Features of the Hybrid Bonds

The Hybrid Bonds will be containing features of both equity and liabilities. While their liability aspects will not cause dilution to stockholders, the Hybrid Bonds will have attributes and features resembling equity, such as an option to defer interest payments, extremely long-term redemption periods, and subordination in liquidation or bankruptcy proceedings. Accordingly, Nippon Steel expects that Rating and Investment Information, Inc., Japan Credit Rating Agency, Ltd., and S&P Global Rating Japan Inc. will deem 50% of the funds raised under the Hybrid Bonds as equity for the purposes of their ratings. For a summary of the expected terms and conditions of the Hybrid Bonds, please see the shelf registration statement and the amended shelf registration statement submitted today to the head of the Kanto Local Finance Bureau.

### 3. Schedule

Based on the comprehensive consideration of demand from investors, interest rate trends, and other factors, Nippon Steel plans to determine the terms and conditions of the Hybrid Bonds, including the issue amount, in or after September 2019, and will announce them as soon as the decision has been made.

Note: This press release has been prepared for the sole purpose of publicly announcing Nippon Steel Corporation’s issue of hybrid bonds (subordinated bonds), not for the purpose of soliciting investments or performing any similar act. This document does not constitute an offer to sell or the solicitation of an offer to purchase securities for sale in the United States. Nippon Steel Corporation has not registered and will not register the hybrid bonds under the U.S. Securities Act of 1933 (the “U.S. Securities Act”). No offer or sale of the hybrid bonds in the United States may be made absent registration or an applicable exemption from the registration requirements under the U.S. Securities Act. This document is concerned with Nippon Steel Corporation’s issue of hybrid bonds in Japan, and no securities will be offered or sold in the United States.

For inquiries

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