TYO : 5401 OTC : NPSCY(ADR)



FY2021 3Q Earnings Summary

Feb. 3rd, 2022

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



Agenda



1. FY2021 3Q Earnings Summary and FY2021 Forecast

- **2. Business Environment**
- **3. Supplementary Material for Financial Results**
- 4. Topics
- Appendix 1. Acquisition of G Steel and GJ Steel, integrated steel mills in Thailand (Announcement on Jan. 21st, 2022)
- **Appendix 2. Progress of Management Strategy Measures**
- Appendix 3. Medium- to Long-Term Management Plan: Rebuilding Domestic Steel Business
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- **Appendix 5. Related Indicators**



FY2021.3Q Earnings Summary and FY2021 Forecast



FY2021(f) Consol. business profit: 800.0 bn. JPY

(vs. previous forecast as of Nov. 2nd:±10.0) Underlying profit*: 600.0 bn. JPY

(* excl. inventory valuation, effect of BF relining)

Non-consol. operating profit (excl. inventory valuation): 170.0 bn. JPY (vs. previous forecast as of Nov. 2nd: -40.0 bn. JPY)

3Q result Consol. business profit: 265.9 bn. JPY

almost same as the record-high level (270.4 bn. JPY in FY2006.3Q**) (** ex-Nippon Steel + ex-Sumitomo Metals + ex-Nisshin Steel)

	2H	FY2020	2Q	1H	3Q	2H(f)	Vs. FY2021 1H	FY2021(f)	Vs. FY2020	Vs. forecast as of Nov. 2 nd
Non-consol. crude steel production	18.36	33.00	10.05	20.23	9.64	Approx. 18.60	Approx. -1.65	Approx. 38.80	Approx. +5.80	Approx. -0.90
Non-consol. steel shipment (MMT)	16.77	31.22	9.09	18.28	8.96	Approx. 17.30	Арргох. -0.98	Approx. 35.60	Approx. +4.38	Арргох. -0.60
Revenue (Bn. JPY)	2,587.2	4,829.2	1,660.7	3,163.9	1,778.5	3,436.1	+272.2	6,600.0	+1,770.8	-100.0
Consol. business profit (Bn. JPY)	216.5	110.0	260.8	477.8	265.9	322.2	-155.6	800.0	+690.0	\sim
ROS	8.4%	2.3%	15.7%	15.1%	15.0%	9.4%	-5.7%	12.1%	+9.8%	+0.2%

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FY2021 Forecast: Record-high Profit Despite in the Temporary Demand Adjustment Phase

World's steel demand is in a temporary adjustment phase due to the steel demand declines in China since 2021 2H and to the fall in production especially in auto sector which has been affected by chip shortages, logistics stagnation, labor shortages caused by COVID-19 pandemics.



Improvement of the profit structure to secure 600.0 bn. JPY of consol. business profit (excluding one-off factors) with even worsened business environment is in steady progress.

- Drastic cost reduction in FY2020 (significant improvement of BEP)
- Margin improvement in tied sales
- Selection and concentration of order intake with streamlined capacity
- Earnings improvement in overseas group companies

Consol. business profit in FY2021 is expected to reach a record-high since the integration of ex-Nippon Steel and ex-Sumitomo Metals, even in demand adjustment phase and significantly deteriorated business environment compared to that in FY2014, the previously highest profit year.

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Drastic improvement of BEP in non-consol. steel business has been 5 steadily progressed through production facility structural measures, margin improvement in tied sales, and sophistication of order mix



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Deepening and Expansion of Overseas Businesses

Profit from overseas businesses in FY2021 is expected to reach a record high due to the steady capture of robust demand and completion of withdrawal from unprofitable businesses through thorough selection and concentration.

Trend of consol. business profit from overseas businesses

Ordinary profit (subsidiaries) + share of profit in investments accounted for using equity method (equity method affiliates) Underlying profit excl. one-off factors such as inventory valuation



gn selection an AM/NS EBITDA (Million US\$) EBITDA (Million US\$) 20. '20. '21. '21. 1-6 7-12 1-6 7-12

EBITDA (Million R\$)

AM/NS CALVERT

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'20. '20. '21. '21. 1-6 7-12 1-6 7-12

GSteel GJS

To be consolidated from 2022.1Q (G/GJ's Jan-Mar will be consolidated to Nippon Steel's Apr-Jun)

EBITDA (Million US\$)



Expansion of Overseas Integrated Steel Mills

To Acquire G/GJ Steel, the only integrated steelmakers with EAFs and hot strip mills in **Thailand** (announced on Jan. 21st, 2022) for capturing more of the local demand for general-purpose steel which is promisingly expected to grow



- > Build a domestic strong framework enabling us to manufacture highest grade products
- > Expand integrated steel production framework to capture overseas local demands
- Aim to increase profit through capturing growing steel demands for high-grade steel and in overseas market

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AM/NS India: Capacity Expansion Plans in Progress

Capacity expansion plans in western and eastern India are making steady progress to capture growing steel demand in India

Jan. 27th, 2022 Signed MoU with Gujarat govt. on investment project in Hazira Works located in western India

Investment projects listed in MoU includes expansion of steel making capacity and captive port facilities, renewable power generation, etc. in Hazira Works located in Gujarat. The state govt. provides essential support for those projects.

- > Investment projects listed
- 1) Expansion of integrated steel making capacity
- 2) New coke ovens
- 3) Debottlenecking
- 4) Establishment and expansion of new and existing captive port facilities
- 5) Township, steel city & industrial cluster
- 6) Renewable power generation

Dec. 17th, 2021 Approval from Odisha govt. of land use proposal for a new integrated steel mill in Eastern India Kendrapara

The land use proposal submitted by AM/NS India for a new integrated steel mill in Kendrapara district of Odisha (opposite side of Mahanadi River from Paradeep palletization plant) was approved by High Level Clearance Authority, Odisha govt.





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CO₂ Reduction Scenario

To product high-grade steel in normal size EAFs as transition¹

To product high-grade steel in normal size EAFs as a transition technology toward Carbon Neutrality and to acquire knowledge of EAF operation in parallel with the development of "production of high-grade steel in large scale size EAFs", one of the three main challenges in our Carbon Neutral Vision 2050.



in United States

GSteel **G**JS

Acquisition of G/GJ Steel,

integrated flat steel

producers in Thailand with

EAFs and hot strip mills

steel sheets (980MPa and more) and Interstitial Free steel (for deep-drawing processing for vehicle exterior panels)

To be Acquired in Feb, 2022

Plan to strongly improve productivity and quality of hotrolled steel sheets for general purpose use, while **pursuing possibilities to realize sophisticated order mix**.



Support to Steelmaking Industry from Green Innovation Fund*

Dec. 24th, 2021: "Green Innovation Fund Project / Hydrogen utilization project in the steelmaking process" was accepted, which had been co-proposed to NEDO** by Nippon Steel, JFE Steel, Kobe Steel, and JRCM***. The total amount of support to the 4 proposers is **193.5** bn. JPY. (cf. total budget required for the project is 401.0 bn. JPY)

*Green Innovation Fund: A 2 trillion JPY fund from the govt. to provide continuous support for 10 years to companies that commit to ambitious targets to achieve carbon neutrality by 2050, from R&D and demonstration to social implementation. **NEDO: New Energy and Industrial Technology Development Organization

***JRCM: The Japan Research and Development Center for Metals



4 companies working together on this project to achieve carbon neutrality in steelmaking process



Consol. Business Profit Variance Prev. FY20									
(Bn. JPY)	FY2021 1H 477.8 ↓ FY2021 2H(f) 322.2	FY2020 110.0 ↓ FY2021 (f) 800.0	as of Nov. 2 nd 800.0 ↓ FY2021(f) 800.0						
Consol. Business Profit Variance	-155.6	+690.0	-						
Volume	-40.0	+80.0	-25.0						
Steel prices, product mix, raw materials	+10.0	+200.0	+10.0						
Cost reduction	+5.0	+60.0	-						
Domestic group companies	-5.0	+25.0	-						
Overseas group companies	-20.0	+115.0	-						
Consol. inventory valuation	-50.0	+260.0	+20.0						
Non-steel businesses	+1.0	+2.0	+4.0						
Others	-57.0	-52.0	-9.0						

Additional Line Items, Net Profit

(Bn. JPY)	FY2020	1H	3Q	2H(f)	FY2021(f)	Vs. previous forecast as of Nov. 2 nd
Consol. business profit	110.0	477.8	265.9	322.2	800.0	~
Additional line items	(98.6)	(49.4)	33.8	(30.6)	(80.0)	~
Net profit (loss)*	(32.4)	298.7	209.1	221.3	520.0	~
EPS (JPY/share)	(35)	324	227	240	565	~

* Profit (loss) attributable to owners of the parent

<Additional line items>

FY2020: (98.6) bn. JPY

• Losses on inactive facilities: (79.9) bn. JPY (upstream facilities in Kokura Area (39.8) bn. JPY, Nippon Steel Stainless Steel (Kinuura Plant to be shutdown, etc.) (25.1) bn. JPY, etc.)

• Losses on sale of business: (18.7) bn. JPY (loss on sale of VSB (23.6) bn. JPY, gain on sale of I/N Tek & Kote, etc.)

FY2021(f) additional line items: (80.0) bn. JPY

- Losses on inactive facilities etc.: approx. (145.0) bn. JPY 1H (81.3): Upstream facilities in Kure Area (50.3),
 - A series of upstream facilities in Wakayama Area (23.7) etc.
- 2H(f): Steel plate mill in Nagoya Works

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- Large-shape mill and UO pipe mill in Kimitsu, etc.
- Gain on sale of land (ex-Tokyo Works) etc.

(1Q: sale of land from NSC to Nippon Steel Kowa Real Estate(NSKRE, group company)

3Q: sale of land from NSKRE to a non-group company and realization of unrealized gain)

Cf. Losses on inactive facilities

including Impairment loss (in 2019)



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(bn. JPY)

Interim Dividend



When the first half results were announced on November 2nd, 2021, we had not determined a yearend dividend distribution amount for the current fiscal year ending March 31, 2022. After due consideration of the earnings forecasts for the year and other factors, we plan to distribute a <u>dividend of ¥70 per share at the end of the second half (year-end)</u>. This would bring <u>the full-year</u> <u>dividend distribution amount to ¥140 per share</u>, reaching a record high as a full-year dividend.



Steady improvement of operation performance

- 1) Stabilization of operations and facilities
- 2) Variable cost reduction with further improvement of operation efficiency

Tenacious negotiation with customers to realize fair appropriate steel prices in tied sales

<u>Correction of steel prices in tied sales to secure fair appropriate margin on an international level</u> has been realized to some extent so far by FY2021 1H and further in FY2021 2H, having negotiated with customers from the following perspectives:

1) A fair allocation of cost burden for raw materials and commodities among players in the supply chain

2) Reflection in steel prices of our high value-added product qualities and solutions.

Improvement of the prices is needed for keeping our stable supply and R&D investment in high-quality products which customers demand, and for initiatives to realize carbon neutrality. We will continue the negotiation at the top priority in FY2022 1H and beyond.

Proposal to change business practice in Japanese tied sales

<Before FY2021 1H> There had been many contracts where prices were negotiated after shipping

<Proposal> <u>Advancement of negotiation period and more efficient negotiation system</u> to fix prices before order intake. We believe our proposal contributes to both customers and ourselves to forecast business environment and performances so that we can steadily tackle long-term and difficult management issues such as carbon neutrality, and most of our clients have agreed with our proposal. We are also discussing <u>shortened contract period</u> etc. as a countermeasure against fluctuation of raw materials and commodities market prices.

Contract prices in FY2021 2H has almost been fixed. We aim for early realization of new optimal contract system, taking into consideration the actual circumstances each customer is in. We are now negotiating with customers for contract prices after Apr 2022.





- Steady Promotion of the Four Major Initiatives in the Medium- to Long-Term Management Plan -

Concentrated Establishment of furtherly more profitable structure by steadily implementing production facility structural measures regardless of short-term upturn in business environment Refer to P.62-65 Effect of structural measures in FY2021: 20.0 bn. JPY/Y (the accumulation of the effects so far: 55.0 bn. JPY out of 150.0 bn. JPY) \blacktriangleright Facilities terminated in FY2021 1H: upstream facilities in Kure Area, production a series of upstream facilities in Wakayama Area, titanium welded pipe production line in Kyushu Works Oita Area, etc. \blacktriangleright Facilities to be terminated in FY2021 2H: steel plate mill in Nagoya Works, #1 CC, large shape mill, UO pipe mill in Kimitsu Area, etc. Sophistication of facilities Aggressive investments in strategic products and in cutting-edge facilities (remodeling of remaining facilities) which will promisingly contribute to the profit by taking advantage of our sophisticated technology and \geq Relining of #3BF in Nagoya 31st Jan. ~ early Jun. 2022 Period : approx. 130days order Investments for capacity increase in electrical steel sheet Capacity increase (NO+GO): approx. +50% (approx. +250% for high grade ESS) Facility operation start: in FY2023 1H (Yawata #1,2 & Hirohata #1,2) mix in FY 2024 1H (Hirohata #3) Major CAPEX within FY2020.4Q~FY2022: Jan. 2021: 6CGL in Kimitsu Area, May 2021: #3 coke oven in Nagoya Works FY2022 1H: relining of #3BF in Nagoya, construction of an EAF in Hirohata Area

Rebuilding domestic steel business

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Thorough selection and concentration of overseas businesses

- Business integration with NS-Siam United Steel(NS-SUS) and Siam Tinplate(STP) (published on Nov. 30th, 2021)
 - -> Strengthen the production management for integrated process

Capturing global steel demand growth

Profit from overseas businesses in FY2021 is expected to reach a record high.

Expansion of global crude steel capacity to 100 mtpa

- To acquire G Steel and GJ Steel, integrated steel mills in Thailand (published Jan. 21st, 2022)
 - -> to become an insider as a local integrated steel mill in Thailand
 - -> to capture promisingly growing local demand for hot-rolled steel sheets for general purpose use.
 - -> to pursue the potential of strategical growth from the perspective of Carbon Neutrality
- Steady promotion of capacity expansion strategy in AM/NS India
 - 1) Jan. 27th, 2022; Signed MoU with Gujarat govt. on investment project in Hazira Works located in western India
 - 2) Dec 17th, 2021; Approval from Odisha govt. of land use proposal for a new integrated steel mill in Eastern India Kendrapara

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Refer to P.41-50

Refer to P.8

- Steady Promotion of the Four Major Initiatives in the Medium- to Long-Term Management Plan -

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Process and Contribution to Carbon Neutral Society **Challenge to Realize Carbon Neutral Steelmaking** Initiatives discussed and lead by a dedicated project which was launched in Apr. 2021 toward development and practical implementation of breakthrough technologies in steelmaking process ahead of peers overseas

 Obtained Green Innovation fund toward 4 companies including ours, aiming at support to the "hydrogen utilization project in steelmaking process" from Ministry of Economy, Trade and Industry. (Total amount : 193.5 bn yen)

Contribution toward realization of Carbon Neutral society with diversified approaches

- Supply "Eco Products[®]," such as ultra-high-tensile steel for lighter body weight of electric vehicles and electric steel sheets which contribute to the efficiency improvement of electric transformers or motors(used for eco-cars, etc.).
- OVACO has set a policy to reduce 80% of CO₂ emissions in the manufacturing process by 2030, using hydrogen for heating steel and fossil-free hydrogen initiative.
- Nippon Steel Engineering is aiming at the expansion of <u>sales ratio regarding</u> <u>decarbonization and low-carbonization from 30% to over 50% in FY2025</u>. (cf. FY2021(f); approx. 40%)
- Review in product strategy in response to the accelerating decarbonization.
 (=re-evaluation of business opportunities and risks)

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- Steady Promotion of the Four Major Initiatives in the Medium- to Long-Term Management Plan -

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Refer to P.37

Refer to P.38

DX strategy

Remote operation support utilizing IoT and AI, productivity improvement by visualization and predictive monitoring in facility maintenance, company-wide optimization of production control by centralized data management on order to manufacturing, etc.

- > DX education to employees to put forward DX strategy
- Acquired Local 5G wireless station license to promote DX in steelworks

Generation of cash flow necessary for growth investment, while returning profits to shareholders as well, and establishment of healthier financial structure (targeted international credit ratings of "A") preparing against possibly further deteriorated business environment in the future and for carbon-neutral steel investment that will start in earnest after FY2025.



Improvement healthiness of financial

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FY

21(f)

Agenda



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Appendix 4. Carbon Neutral Vision 2050

Appendix 5. Related Indicators



World Steel Demand

(Source: World Steel Association forecast as of Oct., 2021, apparent steel use)

CY2020 2019->20 change vs previous year + CY2021(f) 2 vs as of Apr. 2021 2020->21 change vs previous year + CY2022(f) 2 2021->22 change + Others EU28 South Korea China (MMT/Y) 1,320 1,320 1,239 56 50	World 1,775 +1 +0.1% 1,855 -19 +80 +4.5% 1,896 +41 +2.2% Centra USMC Japan		99 +8 +9. 98 -4 -1 -1. 98 + 1 -1. 98 + 1 -1. 98 + 1 -1. -1. 98 -4 -1 -1. -1. -1. -1. -1. -1. -1. -1. -1.	AN5	8 +9	n Korea 49 -4 53 +2 +4 0.1% 54 +1 5%	-1 +(SEAN5 70 -8 10.1% 75 +2 +5 6.6% 79 +4 5.4%	+;	India 89 -13 12.9% 104 -2 +15 16.7% 111 +7 -6.8%	+	USMCA 114 -21 -15.8% 130 +7 +16 +13.79 137 +7 +5.4%	<u>⁄</u>	EU28 141 -18 -11.2% 159 +4 +18 +12.7% 167 +9 +9 +5.5%
2019->20 change vs previous year + CY2021(f) : vs as of Apr. 2021 2020->21 change vs previous year + CY2022(f) : 2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,320 1,32	+1 +0.1% 1,855 -19 +80 +4.5% 1,896 +41 +2.2% Centra USMC	-11 -16.7% 58 +2 +5 +10.2% 59 +1 +2.1% al-South America	++8 +9. 98 -4 -1 -1. 98 + 10. 8 Russia ASEA - India	83 .1% 85 40 10 .0% 85 +0 .0% sia AN5	-8 +9	-4 5.0% 53 +2 +4 0.1% 54 +1	+(-8 10.1% 75 +2 +5 6.6% 79 +4 5.4%	+	-13 12.9% 104 -2 +15 16.7% 111 +7 -6.8%	+	-21 -15.8% 130 +7 +16 +13.79 137 +7 +5.4%	%	-18 -11.2% 159 +4 +18 +12.7% 167 +9 +5.5%
vs previous year + CY2021(f) - vs as of Apr. 2021 - 2020->21 change + CY2022(f) - 2021->22 change - vs previous year + 021->22 change - vs previous year + 0thers - EU28 - South Korea - China (MMT/Y) 1,239 1,320	+0.1% 1,855 -19 +80 +4.5% 1,896 +41 +2.2% Centra USMC	-16.7% 58 +2 +5 +10.2% 59 +1 +2.1% al-South America	+9. 98 -4 -1 -1. 98 + +0. Russia ASEA - India	.1% 85 40 10 .0% 85 ⊦0 .0% sia AN5	8 +9	3.0% 53 +2 +4 0.1% 54 +1	+(10.1% 75 +2 +5 6.6% 79 +4 5.4%	+	12.9% 104 -2 +15 16.7% 111 +7 -6.8%	+	-15.8% 130 +7 +16 +13.79 137 +7 +5.4%	%	-11.2% 159 +4 +18 +12.7% 167 +9 +5.5%
CY2021(f) 2 vs as of Apr. 2021 2020->21 change 2020->21 change + CY2022(f) 2 2021->22 change + Others EU28 South Korea China (MMT/Y) 1,320 1,320 1,239 56 50	1,855 -19 +80 +4.5% 1,896 +41 +2.2% Centra USMC	58 +2 +5 +10.2% 59 +1 +2.1% al-South America	98 -4 -1 -1.0 98 + + 0. = Russia = ASEA - India	85 40 10 .0% 85 ⊦0 .0% sia AN5	+9	53 +2 +4).1% 54 +1	+(75 +2 +5 6.6% 79 +4 5.4%	+	104 -2 +15 16.7% 111 +7 -6.8%	+	130 +7 +16 + 13.7% 137 +7 + 5.4%	%	159 +4 +18 +12.7% 167 +9 +5.5%
vs as of Apr. 2021 2020->21 change vs previous year + CY2022(f) 2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,239 56	-19 +80 +4.5% 1,896 +41 +2.2% Centra USMC	+2 +5 +10.2% 59 +1 +2.1% al-South America	-4 -1 -1. 98 + +0. = Russia = ASEA = India	40 10 .0% 85 +0 .0% sia AN5	+9	+2 +4).1% 54 +1	+(+2 +5 6.6% 79 +4 5.4%	+	-2 +15 16.7% 111 +7 -6.8%		+7 +16 + 13.7% 137 +7 + 5.4%	ó	+4 +18 +12.7% 167 +9 +5.5%
2020->21 change vs previous year + CY2022(f) 2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,320 1,32 1,239	+80 +4.5% 1,896 +41 +2.2% Centra USMC	+5 +10.2% 59 +1 +2.1% al-South America	-1 -1. 98 + +0. Russia ASEA India	10 .0% 85 ⊦0 .0% sia AN5	+9	+4 9 .1% 54 +1	+(+5 6.6% 79 +4 5.4%	+	+15 16.7% 111 +7 -6.8%		+16 + 13.79 137 +7 + 5.4%	ó	+18 +12.7% 167 +9 +5.5%
vs previous year + CY2022(f) : 2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,239 56 50 56 50	+4.5% 1,896 +41 +2.2% Centra USMC	+10.2% 59 +1 +2.1% al-South America	-1.0 98 + +0. = Russia = ASEA = India	.0% 85 ⊦0 .0% sia AN5	+9	9 .1% 54 +1	+(6.6% 79 +4 5.4%	+	16.7% 111 +7 -6.8%		+ 13.7% 137 +7 +5.4%	ó	+12.7% 167 +9 +5.5%
CY2022(f) 2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,239 56 56	1,896 +41 +2.2% © Centra © USMC	59 +1 +2.1% al-South America	98 + + 0. = Russia = ASEA = India	85 ⊦0 .0% sia AN5		54 +1	+5	79 +4 5.4%	+	111 +7 -6.8%		137 +7 +5.4%	ó	167 +9 +5.5%
2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,239 56 50 56 50 50 50 56 50 50 50 50 50 50 50 50 50 50	+41 +2.2% Centra	+1 + 2.1% al-South America	+ + 0. = Russia = ASEA = India	+0 .0% sia AN5		+1	+5	+4 5.4%	!	+7 - 6.8%		+7 +5.4%		+9 +5.5%
2021->22 change vs previous year + Others EU28 South Korea China (MMT/Y) 1,239 56 50 56 50 50 50 56 50 50 50 50 50 50 50 50 50 50	+2.2% Centra USMC	+2.1% al-South America	+ 0. Russia ASEA India	.0% sia AN5			+5	5.4%	!	-6.8%		+5.4%		+5.5%
Others EU28 South Korea China (MMT/Y) 1,239 56 50	Centra USMC	al-South America	Russi ASEA India	sia AN5	+1	5%			!					
Others EU28 South Korea China (MMT/Y) 1,239 56 50	Centra USMC	CA	■ASEA India	AN5	_ I				!					
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World Economic Outlook < Released in Jan. 2022 by IMF >

(GE	OP growth rate)	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY2: (f)	1	CY22 (f)	2
W	orld Total	3.6	3.5	3.4	3.8	3.6	2.8	-3.2	[5.9]	5.9	[4.9]	4.4
	Developed Countries	2.1	2.3	1.7	2.5	2.2	1.7	-4.6	[5.2]	5.0	[4.5]	3.9
	USA	2.5	2.9	1.6	2.4	2.9	2.2	-3.5	[6.0]	5.6	[5.2]	4.0
	EU27	1.4	2.1	1.9	2.5	1.9	1.3	-6.5	[5.0]	5.2	[4.3]	3.9
	Japan	0.4	1.2	0.6	1.9	0.3	0.7	-4.7	[2.4]	1.6	[3.2]	3.3
	merging Countries	4.7	4.3	4.6	4.8	4.5	3.7	-2.1	[6.4]	6.5	[5.1]	4.8
	China	7.3	6.9	6.7	6.8	6.6	6.1	2.3	[8.0]	8.1	[5.6]	4.8
	India	7.4	8.0	8.2	7.2	6.8	4.2	-7.3	[9.5]	9.0	[8.5]	9.0
	Russia	0.7	-2.3	0.3	1.6	2.3	1.3	-3.0	[4.7]	4.5	[2.9]	2.8
	Brazil	0.5	-3.6	-3.3	1.1	1.3	1.1	-4.1	[5.2]	4.7	[1.5]	0.3

Numbers in [parentheses] : Prev. IMF's Outlook as of Oct. 2021

Source : IMF

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Steel S&D in China

The international steel market has become tight due to the steel production cutback in China, a country producing 60% of the world's steel production. We assume that the production cutback policy in China for reducing CO_2 emissions continues for the time being.



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Raw Material Prices

- Raw material prices have largely risen due to temporary factors on supply side like inclement weather.
- > We assume prices will be lower but remain at relatively high level even if the factors are settled.





Necessary to pay close attention to Chinese govt.'s policies and supply side situations.



Commodity Prices Hike

(Dot lines = each fiscal year's average)

Prices of commodities rising recently, while freight costs are dropping.



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Business Profit Variance (FY20 vs. FY21(f))

	(Bn. JPY)	FY20 [A]	FY21(f) [B]	Change [A→B]
ſ	Business Profit	110.0	800.0	+690.0
lŀ	<underlying profit=""></underlying>	<141.0>	<587.0>	<+446.0>
	Steel	63.5	750.0	+686.5
			, 30.0	,000.5
	Non-steel	49.2	51.5	+2.3

***1** Crude steel production: approx. +5.80 MMT (33.00->approx. 38.80) Excl. one-off factor: approx. +6.20 MMT (33.00->approx. 39.20) Steel shipment: approx. +4.38 MMT (31.22->approx. 35.60) Excl. one-off factor: approx. +4.78 MMT (31.22->approx. 36.00) *2 Incl. carry over +91.0 (21.0->112.0)

*3 Incl. increase in depreciation cost -32.0

- *4 Improve: Sanyo Special Steel, stainless steel, operational supports, re-rollers, etc.
- *5 Engineering -16.7, Chemicals & Materials +14.4, System Solutions +4.6



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Business Profit Variance (Prev. FY21(f) as of Nov. 2nd vs. FY21(f))





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Non-Steel Businesses



Engineering &		FY20		Prev.	FY21	FY20→	Prev. FY21(f)→
construction	1-3Q		1-3Q	FY21(f)	(f)	FY21(f)	FY21(f)
Revenue	242.5	324.4	195.2	280.0	280.0	-44.4	~
Business profit	14.4	17.7	(0.4)	0.0	1.0	-16.7	+1.0
Chemicals &	FY20				FY21	FY20→	Prev. FY21(f)→
Materials	1-3Q		1-3Q	FY21 prev. (f)	(f)	FY21(f)	FY21(1) >
Revenue	127.5	178.6	188.2	245.0	250.0	+71.4	+5.0
Business profit	(0.4)	7.6	20.1	21.0	22.0	+14.4	+1.0
	FY20		FY21			FY20→	Prev.
System Solutions	1-3Q		1-3Q	FY21 prev. (f)	(f)	FY21(f)	FY21(f)→ FY21(f)
Revenue	183.7	252.4	196.3	270.0	270.0	+17.6	~
Business profit	16.6	23.9	22.8	27.0	28.5	+4.6	+1.5

Segment	FY2020 vs. FY2021(f)
Engineering & Construction	The revenue and profit are expected to decrease due to a cyclical drop in sales for large-scale construction project in environment and energy sectors such as in waste to energy business, and few large completed construction projects overall. On the other hand, orders intake are expected to largely increase YoY, such as in environment and energy sectors, large-scale construction of offshore wind power mills and overseas offshore projects, etc.
Chemicals & Materials	The revenue and profit are expected to increase due to the recovery of demand and prices of needle coke, currently high market prices of chemicals, and promisingly favorable sales environment of functional and composite materials.
System Solutions	NS Solutions is aiming to increase revenue and profit by steadily capturing needs for DX investment mainly from platformers and Nippon Steel as well, for digital workplace solutions from customers in IT infrastructure sector, etc. While G&A cost is possible to increase due to medium-term growth measures, NS Solutions plans to expand the profit by improving gross profit on sales due to increased revenue.

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Topics – ESG Environment-

Created a dedicated site to show advantages of using steel for containers.

A web site has been set up on Nippon Steel HP to demonstrate Nippon Steel's tin plate steel products(used for steel containers such as steel cans, etc.) given "EcoLeaf Environmental Labels" which visualizes the environmental load(CO₂ emissions etc.) in manufacturing and recycling process.

Launched sales of products made of our tin plate with Eco leaf mark printed on

- Nippon Steel Chemical & Material has adopted a newly designed containers (using Nippon Steel's tinplate products) for the lubricating oil, Shinlube[®].
- "EcoLeaf Environmental Labels" and a "two-dimensional barcode" to access the web site mentioned above are printed on the container.

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->The product packed into the container started selling on December 8th, 2021.

Steel bar and wire rod products were given Ecoleaf Environmental Labels

- First company in Japan to obtain comprehensive certification for steel bars and wire rod products.
- By providing a wide range of "high-end steel products" and proposing "processing methods," taking advantage of "SteeLinC[®]," the business brand for Nippon Steel's steel bars and wire rods, we realize reduction of CO₂ and environmental load in customers' processes.



Topics – ESG Environment-

Launched a new solution service for auto-customers;

quantitative assessment of each vehicle components' GHG emissions in its lifecycle

We support customer's decarbonization by quantifying the contribution of each vehicle components to their reduction of GHG emissions from an entire vehicle lifecycle, from production to recycling.

Ex) Evaluation of GHG emissions by LCA(Life Cycle Assessment) for various types of Bumper Beam(*) (bar graph on the right)

Based on Nippon Steel's total solutions for designing future automobiles "NSafe[®]-AutoConcept" ("NSAC"), carried out a LCA assessment of NSAC steel comparing with other materials (calculated with CSB model, which WorldAutoSteel discloses)



Realizing technological development to reduce vehicle weight, improve collision safety, and lower costs, and also making proposals for reduction of GHG over the entire lifecycle of the products, which can accelerate R&D toward carbon neutral society along with clients.

NSAC Steel

Videos of Nippon Steel's Carbon Neutral Vision 2050 on our website and official YouTube channel

The subject of the videos is "To harness the power of hydrogen in steel making"

- Long Ver. (6min. 26sec.): https://youtu.be/vJIRE05DUtE
- Short Ver. (30 sec. & 60 sec.)

30sec:https://youtu.be/ocaWmNX4-Ew 60sec:https://youtu.be/jdYvnklW26g







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Topics – ESG Society -



Two in-house nurseries opened in East Japan Works Kashima area and Muroran Works, 7 nurseries in total

Open Hours : From Mon. to Fri. Kashima 6:00~24:00, Muroran 6:30~20:00
 > Considering 24h operation at each nursery, depending on users' demand. (cf. Nursery in Oita Area is already under 24h. operation. (Jan.2018~))

Kashima Minato-no-kaze Daycare Center in East Japan Works Kashima area

Muroran Kujira-no-uta Daycare Center in Muroran Works





Cf. Support for employees to balance work and family life

- Working-from-home system
- Leave of absence program due to spouse's overseas assignment
- Career return system(reemployment system for the retired)
- Installation of nursery for night care





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Topics – DX Promotion Strategy (1)

To promote production and business process reforms using data and digital technology, training is underway for both "ICT Education" and "Digital Management Education".

ICT Education

Regardless of job categories, train employees to become "Citizen Data Scientists" who can take the initiatives in giving data-oriented solution and to promote DX strategies.

- ➢ Jul. 2021∼ Started training to be Citizen Data Scientist (hybrid training combining in-house lessons and exercises with outsource online lessons and tools)
- > Jan. 2022~ Started output in each division made by first year attendees to the training
- ≻ ~2025 Aim at training about 20% of all office staffs and engineers(more than 1,000 people) as "Citizen Data Scientists"
- > Plan for all the staffs and engineers to be educated up to "Data Science Users"

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Digital Management Education

Train employees in operational divisions to be able to strongly promote business process innovation by acquiring management knowledge to utilize digital technologies

- > Dec. 2021~ Started training for employees in operational division
- > the end of 2022 plan to finish education to all the managers



Topics – DX Promotion Strategy (2)

Obtained a local 5G wireless station license with the largest power output in Japan

- Muroran Works obtained a local 5G wireless station license from Ministry of Internal Affairs and Communications for the first time in Hokkaido, one of the Prefectures in Japan where Muroran Works locates).
 - -> Plan to start verification of 5G installation with Nippon Steel Solutions from Feb. 2022.

Various benefits of local 5G application

- With high-speed and low-latency wireless network for our own, it is possible to perform unlimited data communication,
- Extremely high security can be guaranteed,
- **Possible to communicate to every corner of the large site**, where it is difficult for public wireless network to cover due to the block by buildings, etc.



Estimated image of radio wave coverage from 5G wireless network

The use of 5G networks in manufacturing sites enables us to <u>establish transmission technology for remote operation</u>, <u>Digital Twins on the steel making process</u>, and <u>Smart Platform</u>, which can boost DX Strategies.



Topics – Others



Spread of our Designing Titanium "TranTixxii[®]"

TranTixxii[®] was adopted for "iroiro", a new brand of titanium craft goods launched by Joetsu City-based company Shinwa Mekki Co., Ltd., which contributes to development of the regional economy. (consistent with the SDGs, "9 Industry, Innovation and Infrastructure")

TranTixxii[®] adopted as roof tiles for Jodo-shu Daihonzan Zojoji Temple -> realized the improvement of seismic resistance thorough weigh reduction, high corrosion resistance and design.

(consistent with the SDGs, "11 Sustainable Cities and Communities")

Stared Publication of Annual Securities Report in English

- In addition to financial information(e.g., financial statements and notes), which have been disclosed in English, information on non-financial information (e.g., management policies, management environment, issues to be addressed, business risks, and management's analysis of business results), etc., has also become available in English.
 - (cf. Of the 1,840 companies that plans to select the Prime Market*, only 230 (about 13%) disclose their Annual Securities Report in Enlglish.) *One of the new market segments in japan launching from Apr. 2022

Annual Securities Report : https://www.nipponsteel.com/en/ir/library/pdf/securitiesreport 2020.pdf





INDUSTRY, INNOVATION

AND INFRASTRUCTURI





SUSTAINABLE CITIES

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G/GJ Steel Overview

G Steel

GJ Steel

The only integrated flat steel producers and two of the largest Thai companies producing crude steel and hot-rolled steel sheets in Thailand

Company overview							
	G Steel	GJ Steel	Total				
Company name	Company name G Steel Public Company Limited						
Founded	1995 as Siam Strip Mill	1994 as Nakornthai Strip Mill					
Revenue* (mm THB/yr)	9,314	11,379	20,693				
Sales volume* (mm t/yr)	0.58	0.71	1.29				
Production capacity (mm t/yr)	' ' 00		3.08				
Product types	Hot-rolled coil (Ma	inly for construction,					
manufactured	steel pipes, a	nd wholesale)					
# of employees**	613	680	1,293				
Listing Market	Stock Exchan	ge of Thailand					
	* CY2020) actual, unconsolidated	**As of Dec, 2020				

LHF*

LHF*



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Process of manufacturing

EAF

EAF

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G/GJ Steel Performance Trends

After Ares SSG gained control of G/GJ Steel in 2019 and implemented a management improvement plan, both companies have regained profitability



Notes:

The total figures are the sum of the individual companies, before consolidation adjustments

*1 GJ Steel entered the Tolling agreement with G Steel to increase the normal capacity during off peak power usage commencing in 4th quarter of 2017

*2 EBITDA = Operating Profit + (Depreciation and amortization + Work roll amortization)

*3 Operating Profit = Revenue from sale/service – (Cost of sale/services + Selling/Administrative expenses + Bad and doubtful debts expense) THB/USD: (2017~2021) 31.16, 32.57, 31.23, 31.29, 31.29, respectively



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Acquisition Structure Overview

(1) Acquisition of shares and shareholder loans from Ares SSG's SPCs

Acquire all shares of the SPCs, which holds shares of, and shareholder loans to, G/GJ Steel, from a fund managed by Ares SSG, the largest indirect shareholder of G/GJ Steel (acquisition completion targeted in February 2022, After preconditions for the transaction are satisfied)

(2) Tender offer for shares of G/GJ Steel

Tender offer to be launched promptly after acquisition of shares from Ares SSG's SPC Tender offer price: G Steel: 0.0081USD/share (0.27THB/share*)

GJ Steel: 0.0178USD/share (0.59THB/share*) * Reference value based on the rate announced by Central Bank of Thailand as of January 18, 2022 According to securities laws in Thailand, a tender offer is required when acquiring more than a certain percentage of shares in a company (25%/50%/75%)



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Thailand Steel Market Overview

- Second largest demand after Vietnam (approx. 18 million tons) in ASEAN (approx. 80 million tons)
- As Thailand has developed as a competitive exporter of industrial products, its domestic steel demand from the manufacturing sector and demand for high-quality steel is one of the highest among ASEAN countries
- The steel demand for general purpose from civil engineering and construction etc. accounts for 60% of the steel demand in Thailand



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Thailand Market in our Global Business Strategy

Thailand, a developed manufacturing export base with a high ratio of manufacturing businesses among ASEAN countries, is an important market for NSC.

Since the 1960s, NSC has established downstream mills in Thailand, where NSC has been supplying semi-finished products from Japan to meet demands for high-quality steel from local manufacturing businesses, such as automotive and home appliance businesses.



Majority of steel demand in Thailand is general-purpose steel products, supplied by local manufacturers.

To capture more of the local demand for general-purpose steel, it is important to become an insider as a local integrated steelmaker.



Strategic Rationale for the Acquisition

wide applicatio	ral-purpose hot-rolled steel demand for n, which accounts for the largest steel market and is expected to grow
To be an insider as a local integrated steelmaker with EAFs and hot strip mills	 Become an insider in Thailand as a local integrated steelmaker as countries all over the world are shifting towards protectionism Capture total added value from integrated operation Upstream capacity matching the steel demand in Thailand Future potential development base for promoting "High-grade steel production in large-sized EAFs", as our Carbon Neutral Vision 2050
Acquisition of capacity in brown field	 Enter the Thailand market without changing the S&D balance Avoid risks such as in ramping up green field facilities and sales network

Acquisition of G/GJ Steel,

integrated steelmakers with EAFs and hot strip mills

Utilize existing management resources for manufacturing and distribution etc.; Improve the operations and product quality in integrated steelworks with EAFs and hot strip mills; Seek possibility of high-quality steel manufacturing with EAFs in ASEAN; and Contribute to economic growth in Thailand by supplying wide range of steel needed in its market

Secure new options in global business strategy

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Impact on Consolidated Financial Statement



Cash Flow

- Total consideration for share purchase agreement with Ares SSG: 419mm USD (Approx. 48bn JPY)
 ⇒ Expected Closing in February 2022
- Total consideration for the tender offer: Maximum purchase amount ~344mm USD (Approx. 40bn JPY) (Expected)
 Settlement after completion of the tender offer

Balance Sheet

It is expected to reflect the target companies' assets and liabilities in our consolidated BS at the end of the fourth quarter of FY2021

Approx. 7bn JPY interest-bearing debt will be consolidated

Income Statement

As consolidated subsidiaries, their profits and losses will be reflected in our consolidated PL from the first quarter of FY2022

Plans to reflect G/GJ Steel's January to March 2022 results in NIPPON STEEL's April to June 2022 consolidated financial results





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NSC Group's major manufacturing base in ASEAN

	* Scheduled to be integrated with NS-SUS in April, 2022			- , ,			NSC's
	Product	ct Company name		Process	10K t/yr	Founded	Investment
	Sheets	NS-SUS	NS-Siam United Steel	Cold strip/ Galvanizing	100	1995	80%
	Tinplate	STP*	Siam Tinplate	Plating	27	1988	99%
Thailand	Pipe	NSPT	NIPPON STEEL PIPE(Thailand)	Pipe welding/ Cold forging/ Heat treatment	16	1963	58%
		NSSPT	NIPPON STEEL Steel Processing(Thailand)	Wire drawing	10	1997	67%
	Bar & Wire	TSW	Thai Special Wire	Wire drawing	2	1974	51%
		TPP	THAI PRECISION PRODUCTS	Precision processing	1	2012	80%
Thai/Vietnam Indonesia/Malaysia	Sheets	NSBS	NS Bluescope	Pickling/Cold strip/ Galvanizing/Coating	92	2013 joined	50%
	Sheets	CSVC	China steel and NIPPON STEEL Vietnam joint stock Company	Annealing/Galvanizing	120	2009	30%
Vietnam	Pipe	NPV	NIPPON STEEL Spiral Pipe Vietnam	Pipe welding	6	2011	76%
	•	VNSP	Vietnam NIPPON STEEL Pipe	Pipe welding	4.8	1997	60%
	Sheets	KNSS	PT Krakatau NIPPON STEEL Synergy	Annealing/Galvanizing	48	2017	80%
	Tinplate	LATINUSA	P.T. Pelat Timah Nusantara Tbk.	Plating	16	2006 joined	35%
Indonesia	Shaped steel	KOS	PT Krakatau Osaka Steel	Combined mill (Shaped steel/rod/thin plate)	50	2017	80%
	Pipe	INSP	PT. Indonesia NIPPON STEEL Pipe	Pipe welding/ Cold forging/ Heat treatment	4.2	2007	90%
Brunei	Pipe	VAM®BRN	VAM® BRN SDN BHD	Pipe threading		2016	60%

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Progress: Selection and Concentration of Facilities, Products, and Businesses *BF = Blast Furnace

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*BF = Blast Furnace **Early transition to domestic optimal production system and strengthening of competitiveness**

	Action	Publication	~FY19	FY20	FY21	. FY22	FY23~
	(Yawata) Optimization of upstream processes (Tobata) New continuous casting (Tobata) Closure of a continuous casting (Kokura) Closure of the upstream processes	Mar-16	★ May-19: co	v	★ End of ★ End of	FY20: full-scale op FY20: closure FY20: closure	eration started
	- Schedule moved up (Kure) Closure of the upstream processes	Feb-20		★ Sep	-20: closure		sure 🙀 End of FY23 1H:
Сþ	and the hot-rolling lines	Feb-20				of upstream proces	
Upstream	(Wakayama) Closure of a BF and related facilities	Feb-20			Γ	₩ FY22 1 → FY22 1	H: c bsur eof parts of #3 CC, etc
ر	- Schedule partially changed	Nov-21					The end of FY24: closure of #4 coke oven
	- Schedule partially moved up	Mar-21				The end of FY21 1	I: closure of #1BF,#5 coke oven, #5-1 sintering
	(Kimitsu) Closure of a continuous caster	Mar-21				🛧 The end of F	
	(Kashima) Closure of one series of upstream facilities	Mar-21					The end of FY24: closure
Steel plate	(Nagoya) Closure of the steel plate mill	Feb-20				The second se	22 2H: closure
al pla	- Schedule moved up	Nov-20				🔀 The end of F	Y21: closure
ate	(Kashima) Closure of the steel plate mill	Mar-21					🛠 FY24 2H: closure
<u>Shapes</u>	(Kimitsu) Closure of the large-shape mill	Mar-21				🛠 The end of F	
Sec	(Kashima) Closure of the large-shape mill	Mar-21					The end of FY24: closure
	(Kashima) Closure of the UO pipe line	May-19	\star Oct	-19: closure			
Pipe	(Kimitsu) Closure of the UO pipe line	Mar-21				The end of I	FY21: closure drawal from UO pipe business
8 tube	(Kimitsu Tokyo) Closure of the small- diameter seamless pipe mill	Mar-18		★May-	20: closure		
Ð	(Wakayama Kainan) Closure of a small- diameter seamless pipe mill (west)	Mar-21					The end of FY25: closure

Early transition to domestic optimal production system and strengthening of competitiveness

	Action	Publication	~FY19	FY20	FY21	FY22	FY23~
	(Hirohata) Closure of the tinplate line	Nov19	FY21 2H: closure				
	- Schedule moved up	Feb20			📩 The end of	FY20: closure	
	(Hanshin Sakai)Closure of some sheet lines	Feb20			★ The end of	FY20: closure	A
Steel	Closure of some hot-dip galvanizing lines	Mar21					The end of FY22: closure (1GAL) The end of FY24: closure (1CGL)
el s	(Kashima) Closure of a pickling lines	Mar21				🖈 The e	end of FY22 1H: closure
shee	(Kure) Closure of hot strip mill and pickling lines	Feb20					The end of FY23 1H: closure
et	(Hanshin Osaka) Closure of the site	Mar21					The end of FY23 1H to the end of FY23: closure
	(Wakayama) Closure of all steel sheet lines	Mar21					The end of FY24 1H: closure
	(Kimitsu) Closure of a hot-dip galvanizing line	Mar21					The end of FY24:
spec	(Oita Hikari Pipe & Tube) Closure of titanium welded pipe production line	Feb20			★ The	end of Sep21	: closure
ial sta	(Oita Hikari Pipe & Tube) Closure of titanium welded pipe production line (Naoetsu) Closure of a special stainless steel line (Kansai Osaka) Closure of the titanium raw material plant (Kansai Osaka) Closure of the special equipment for titanium round	Mar21				🛧 The end of	FY21: closure
inless	(Kansai Osaka) Closure of the titanium raw material plant	Mar21				🛧 The e	end of FY22 1H: closure
steel	bar manufacturing	Feb20				7	The end of FY22: closure
	(Nippon Steel Stainless Steel Kinuura)	Feb20			ne end of Dec	20. closuro	
	Closure of the hot strip mill - Schedule moved up	Feb20 Nov20		V			
St	Closure of the dedicated facility for	NOV20		× ine	end of Oct20): closure	
ain	production of precision products	Feb20		★ Sep	-20: closure		
less	Closure of all other facilities	Mar21		-		🗙 The end of	FY21: closure
Stainless stee	(Nippon Steel Stainless Steel Kashima)	Mar21			★ Jun21:	closure	
eel	Closure of a part of annealing lines (Nippon Steel Stainless Steel Shunan) Closure of some cold-rolling and annealing lines	Mar21			The end of		☆~Jun26: closure
	Closure of an EAF	Mar21					The end of FY23: closure

Legend : New measure 🛠 Plan ★ Done 🛠 Cancelled

Early transition to domestic optimal production system and strengthening of competitiveness

Action	Publication	~FY19	FY20	FY21	FY22	FY23~
(Wakayama) BF Switch	Mar-18	★ Mid Feb-:	19 : Switch	from 5BF	to New 2BF	
(HOKKAI IRON & COKE CORP. in Muroran) Reline 2BF	Nov-18		*	Nov-20: Co	ompletion	
(Nagoya) Reline 2BF	Jun-20				🔆 FY22.	1H: Completion
Coke Oven Construction (Kashima) 2E Coke Oven Coke Oven Refurbishment	Sep-15	★ May-18 :	Completic	'n		
(Kimitsu) 5 Coke Oven	Apr-16	★ Feb-19 : (Completio	า		
(Hokkai) 5 Coke Oven	Jun-17	 ★ Sep-19 : Completion (Completed refurbishment for all coke ovens in Hokkai ★ May-21: Completion 				oke ovens in Hokkai)
(Nagoya) 3 Coke Oven	Nov-18					
(Yawata) New Continuous Casting Facility	Mar-16	★ May-19 : Completion				
(Hirohata) Scrap Melting Process	Nov-19				🔆 FY22	1H: EAF Completion ☆FY23 1H: Melting furnace termination
(NIPPON STEEL Structural Shapes) Termination of Steelmaking Mill	Mar-18	*			-steelmakin Vakayama V	g facility and transfe Vorks
Cancellation	Feb-20	Can	ncelled the	e termina		steelmaking facilit
(Nagoya) Installment of a Next Generation Hot Strip Mill	Mar-21				(after the operatio	✓ FY26.1Q: Start operation e start of facility n of the new mill, th hot strip mill will be



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Legend : New info 🛠 Plan 🛧 Done 🛠 Cancelled

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Strengthen Quality and Volume of Globally-competitive Strategic Products



Strengthen Overseas Business Responding to Local Consumption Trend

Action	Publi- cation	~FY19	FY20	FY21	FY22~		
AM/NS India	Mar-18	 Mar-18: Basic agreement Oct-18: CoC declared AM as the successful applicant Mar-19 : AM's resolution plan was conditionally approved by NCLT. Nov-19 : AM's resolution plan was approved by Indian Supreme Court. Dec-19: Joint acquisition completed Mar-20: Loan agreement with JBIC Jul-20: Acquisition of OSPIL* Dec-21: Approval from Odisha govt. of land use proposal for a new integrated steel mill in Kendrapara Jan-22: Signed MoU with Gujarat govt. on investment project in Hazira Works 					
AM/NS Calvert New EAF	Nov-20				☆FY23.1H: Completion		
Acquisition of G/GJ Steel	Jan-21	★ Jan-22:Signed a share tra agreement ★Tender offer to be laur					

*OSPIL: Odisha Slurry Pipeline Infrastructure Limited

Company managing the Odisha state slurry pipeline which AM/NS India uses to transport fine ore from a beneficiation plant to a pelletization plant owned by AM/NS India

Legend : New info 🛠 Plan 🛧 Done 🛠 Cancelled

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Withdrawal from or realignment of businesses that have already completed their roles, or businesses that no longer have any synergies with Nippon Steel

Action	~FY19	FY20	FY21	FY22~		
Sale of Partnership Interest in Bahru Stainless (Stainless steel sheet business in Malaysia)	★ Dec-18: Sold					
Dissolution of ZNW (Special cold rolled steel sheet business in China)	★ Dec-19: Stopped production					
Sale of Partnership Interest in NAT (Stainless steel pipe business in the US)	★ Feb-20: Sold					
Dissolution of N-EGALV (Electrogalvanized steel sheet business in Malaysia)	★ Jun-20: Stopped production					
Sale of Partnership Interests in I/N Tek and Kote (Cold rolled and galvanized steel sheet business in the US)	★ Dec-20: Sold					
Sale of Partnership Interest in PATIN (Tinplate business in China)	★ Dec-20: Sold					
Sale of Partnership Interest in VSB (Seamless pipe business in Brazil)	★ Mar-21: Sold					
Sale of VAM USA (OCTG threading business in the US)	★ Jul-21: Sold					
Withdrawal of NSCI (Steel wire for cold heading business in the US)						

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Progress: Actions for Tackling the Climate Change Through Innovation

Legend : New info 🛧 Plan 🛧 Done 🛠 Cancelled

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Action	~FY19	FY20	FY21~					
Eco-Products [®] High-Tensile Steel Sheet	 ★ Jan-19: Established ★ Jan-21: Operation of 6CGL in Kimitsu Area started "NSafe[®]-AutoConcept" ★ May-21: Expansion of "NSafe[®]-AutoConcept" solution lineup ★ Oct-21: New press forming technology "NSafe[®]-RORM-SS" establish 							
Electrical Steel Sheet			★ FY23 1H: Hirohata #1,2 and Yawata#1,2 Facility operation start ★ FY24 1H: Hirohata #3 Facility operation start					
Others	★ Dec-	19: 9 H-beams prod /ar-20: Mega NSHYF	he Excellence Award in EcoPro 2019 (Japanese preeminent environmental exhibition) ucts were given EcoLeaf environmental label PER BEAM ™ was given EcoLeaf tinplate products were given EcoLeaf ★ Dec-21: Started selling tinplate products with EcoLeaf mark printed on					
		★ Feb-21: NSafe™-F ★ Mar-21: NSafe [™] ★ Apr-21: Ultra	 ★ Feb-22: 3 Bar &Wire products were given EcoLeaf ★ May-21: OCTGs and line pipes were given EcoLeaf ★ Jul-21: SMart BEAM [™] was given EcoLeaf ★ Sep-21: Steel plates for building structure were given EcoLeaf I was awarded Okochi Memorial Production Prize Hull was awarded Japan Open Innovation Prize ™-Hull was awarded Naoji Iwatani Memorial Award a-high-tensile strength steel wire for bridge cables was arded Commendation for Science and Technology 					
Aiming for Carbon-free and Circular Society		ec-19: Held the 1 st s ★Jun-20 : Expre	oport for recommendations of TCFD ustainability briefing ssed support for "Challenge Zero" program of Japan ess Federation, and released 10 innovative challenges ★Jul-21 : Was selected for "FTSE4Good Index Series" & "FTSE Blossom Japan Index", Leading Indices for ESG Investment 4 years in a row					
2030		<u>r more reductio</u>	nissions reduction scenario n in total CO ₂ emissions vs 2013					

Progress: Digital Transformation, Responses to Work Style Change 58

Enhancement of Digital Transformation Legend : New info 🛠 Plan ★ Done 🛠 Cancelled

Action	~FY19	FY20	FY21~			
Reorganization to Enhance Digital Transformation	 ★ Apr-16: Newly-created "Advanced Application Technology Planning Dep." ★ Apr-16: NSSOL newly-created "IoX Solution Business promotion Dep." ★ Oct-17: NSSOL newly-created "AI Research & Development Center" ★ Apr-18: Newly-created Intelligent Algorithm Research Center ★ Apr-20: Newly-created "Digital Innovation Div." 					
Utilizing Advanced IT in Steelmaking Process	 ★ Sep-18: Company-wide Safety Support Project (Installment of smart devices to manufacturing front-lines) ★ Apr-19: Introduction of NS-DIGTM ★ Jun-20: Implementation of AI image recognition system ★ Apr-20: Full-scale system for WFH prepared ★ Dec-20: Demonstration for establishment of basis for operation monitoring in steelworks utilizing NEC's AI technology started in Kimitsu 					
Local 5G Private Network	★ Aug-20: Started FS of local 5G network system demonstration provided by NSSOL in Muroran Works ★ Nov-21:Obtained a Local 5G wireless station license					
Utilizing drones at steelworks	★ Aug-21: Submitted an application for permission to use drones in Wakayama Area Likewise in other areas going forward ★ Nov-21: Practical experiment for the wall repair utilizing drones					

Responses to Work Style Change

Action	~FY19	FY20	FY21~				
24 Hour Nursery	★ Apr-19 : The 5 th 24 hour in-house nursery in Hirohata Area (Oita, Kimitsu, Yawata, Nagoya, <u>Hirohata</u>) ★ Dec-21 : The 6 th 24 hour in-house nursery in <u>Kashima</u> Area opened ★ Jan-22 : The 7 th 24 hour in-house nursery in <u>Muroran</u> Works opened						
Work System	 ★ Apr-16: Career return system and accompany leave system started ★ Apr-19: Trial introduction of WFH system (official introduction in November) ★ Apr-20: Transfer exemption system started ★ Apr-19: Retirement age 65 years old policy determined →★ Apr-21: application 						
System Improvement to support WFH							

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Toward Medium- to Long-Term Management Plan FY2025 Targets ⁶⁰ To secure ROS 10% and ROE 10%, Nippon Steel will establish optimal production framework with "concentrated production", "higher-level order mix", and "renewal and improvement of facilities" assuming medium- to long-term change: decrease in domestic demand, deterioration of export profitability, and increase in high grade steel demand.

Nippon Steel will steadily implement production facility structural measures regardless of short-term improvement of business environment.

Further improve BEP by establishing optimal production framework

Improve group companies' profits

Improve non-steel business profits

Improvement of marginal profit per ton

- Higher-level order mix
- Improvement of tied sales prices and margins
- Variable cost reduction
- Avoiding cost increase due to low production

Maintaining low fixed cost

- Fixed cost reduction including the effect of production facility structural measures, which offsets cost increase in DEP and other cost temporarily been reduced during pandemic
- Boosting profits in overseas businesses
- Strengthening group companies' competitiveness and profitability
- Enhancement of collaboration with group companies and reinforcement of the management system
- > Boosting profitability in consolidated basis including group company re-rollers
- > Optimization of group company structure by selection and concentration
- Engineering & Construction: Expansion of stable earnings from O&M business, reinforcement of EPC business in renewable energy sector and infrastructure sector
- Chemicals & Materials: Concentration of resources to electronic materials field and expand the businesses of products with their specialty
- System Solutions: Steady growth through concentration to DX business



Medium- to Long-Term Steel S&D Change Assumption



- 1) World steel demand increase mainly in Asia
- 2) High grade steel demand increase, including emerging needs for carbon neutrality
- 3) Domestic demand decrease, deterioration of export profitability, and intensification of competition in overseas market



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Production Facility Structural Measures

Restructuring the domestic steel business based on the assumption of medium- to long-term S&D changes

Promoting production facility structural measures and selective concentration onproducts and facilityTotal number of domestic BFs



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Outline of Production Facility Structural Measures (1/2)

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	Announ- cement	Steelworks	Facilities for shutdown	Approximate time of shutdown (●: completed)
	Mar. 2021	East Nippon Works Kashima Area	One series of upstream facilities East Nippon Works Kashima Area (No.3 BF, No.2-A,B,C,D coke ovens, No.3 sintering machine, and No.1 steelmaking plant)	
	Mar. 2021	East Nippon Works Kimitsu Area	No.1 continuous casting machine	The end of FY2021
	Feb. 2020 → Moved up		No.1 BF, No.5 coke oven, No.5-1 sintering machine	FY2022 1H →●Sep. 2021
Upstream	Mar. 2021 \rightarrow Partially	Kansai Works Wakayama Area	Parts of No.3 continuous casting machine	FY2022 1H
facilities	changed Nov. 2021		No.4 coke oven	FY2022 1H → The end of FY2024
	Feb. 2020	Setouchi Works Kure Area	All upstream facilities (including BF, sintering, steelmaking)	●Sep. 2021
	Feb. 2020	Setouchi Works Hirohata Area	Termination: Melting furnace Establishment: New EAF	FY2023 1H FY2022 1H
	Mar. 2015	Kyushu Works Yawata Area (Kokura)	Upstream facilities (BF, sintering, steelmaking)	• Sep. 2020
<u> </u>	Mar. 2021	East Nippon Works Kashima Area	Steel plate mill	FY2024 2H
Steel plate	Feb. 2020	Nagoya Works	Steel plate mill	The end of FY2021
Construc-	Mar. 2021	East Nippon Works Kimitsu Area	Large Shape mill	The end of FY2021
tion product	Mar. 2021	East Nippon Works Kashima Area	Large shape mill	The end of FY2024
	Mar. 2021	Kansai Works Wakayama Area (Kainan)	Small-diameter seamless pipe mill (West)	The end of FY2025
Pipe &	Mar. 2021	East Nippon Works Kimitsu Area	UO pipe line	The end of FY2021
tube	May 2019	East Nippon Works Kashima Area	UO pipe line	• Oct. 2019
	Mar. 2018	East Nippon Works Kimitsu Area (Tokyo)	Small-diameter seamless pipe mill	●May 2020



Outline of Production Facility Structural Measures (2/2)

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	Announce -ment	Steelworks	Facilities for shutdown	Approximate time of shutdown (●: completed)
Steel sheet	Mar. 2021	East Nippon Works Kimitsu Area	No.1 hot-dip galvanizing line (No.1 CGL)	The end of FY2024
	Mar. 2021	East Nippon Works Kashima Area	No.1 pickling line	The end of FY2022 1H
	Mar. 2021	Setouchi Works Hanshin Area (Sakai)	No.1 hot-dip galvanizing line (No.1 CGL) No.1 hot-dip galvanizing and aluminizing line (No.1 GAL)	The end of FY2024 The end of FY2022
	Mar. 2021	Kansai Works Wakayama Area	All steel sheet lines	The end of FY2024 1H
	Mar. 2021	Setouchi Works Hanshin Area (Osaka)	All facilities	The end of FY2023 1H the end of FY2023
	Feb. 2020	Setouchi Works Kure Area	Hot strip mill, pickling line	The end of FY2023 1H
	Feb. 2020	Setouchi Works Hanshin Area (Sakai)	Continuous annealing line, electro-galvanizing line, No.1 hot-dip aluminizing line (No.1 CAL)	●The end of FY2020
	Nov. 2019	Setouchi Works Hirohata Area	Tinplate mill	●The end of FY2020
Titanium & special stainless steel	Mar. 2021	East Nippon Works Naoetsu Area	Special stainless steel line	The end of FY2021
	Mar. 2021	Kansai Works Osaka Area	Titanium raw material plant	The end of FY2022 1H
	Feb. 2020	Kansai Works Osaka Area	Special equipment for titanium round bar manufacturing	The end of FY2022
	Feb. 2020	Kyushu Works Oita Area (Hikari Pipe & Tube)	Titanium welded pipe production line	●Sep. 2021
Stainless steel	Mar. 2021	Nippon Steel Stainless Steel Kinuura Works	All lines (the cold-rolling line and all other lines thereafter)	The end of FY2021
	Mar. 2021	Nippon Steel Stainless Steel Kashima Works	A part of annealing lines	●The end of June 2021
	Mar. 2021	Nippon Steel Stainless Steel Shunan Area Yamaguchi Works	A part of cold-rolling and annealing lines	The end of March 2021 the end of June 2026
			1 EAF	The end of FY2023
	Feb. 2020	Nippon Steel Stainless Steel Kinuura Works	Hot strip mill/ dedicated facility for production of precision products	●Sep. and Oct. 2020



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Technological Challenges and Required External Conditions

1) Production of high-grade steel in large scale EAF

Scrap: Elimination of the effect of hazardous impurities using DRI Technological

EAF: Improvement of productivity with larger scale and higher efficiency

Cost-effective fossil-free power

2) Hydrogen injection into BF (COURSE50, Super-COURSE50)

- Preheating and injection of high-temp hydrogen for endothermic reactions
- Stable gas flow in BF with less coke \succ
- Technological \succ Scaling-up from experimental to actual super-large-scale BF
 - Establishment of the technology to offset remaining CO₂ emissions (CCUS)
 - Implementation of CCU and CCS
 - Large supply of carbon-free hydrogen

3) 100% hydrogen use in direct reduction (shaft furnace etc.)

Technological challenge External conditions

challenge

External

conditions

challenge

External

conditions

- Establishment of the technology of hydrogen direct reduction
- Large-amount supply of carbon-free hydrogen

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Challenges to Realize Carbon Neutral Steel and Collaborations with Society

Take on the challenge to <u>develop and practically implement breakthrough technologies ahead of</u> <u>the other countries</u> to realize carbon neutrality as Nippon Steel's top priority issue, which is essential for Japan's steel industry to continue to lead the world and to maintain and strengthen the competitiveness of Japanese industry in general.

3 factors to increase costs for the carbon neutral steel project

1) Huge R&D costs

2) Huge CAPEX for practical implementation

3) Increase in operational cost, even if inexpensive carbon free hydrogen and zero-emission power are to be secured

The production cost of crude steel may more than double the current cost.

3 collaborations required for realizing carbon neutrality

Images of R&D cost and CAPEX for the realization of carbon neutrality

CAPEX for practical implementation **¥4 to ¥5 trillion** R&D cost Approx. **500.0 billion** 2021.....

* Minimum level estimated to be required for the time being

1) A national strategy to realize a "virtuous cycle of environment and growth"

- Long-term and continuous government support for R&D in the field of breakthrough innovation etc.
- Establishment of inexpensive and stable large-scale hydrogen supply infrastructure
- Realization of carbon free power at an international competitive cost
- Promotion of national projects for the development and commercialization of CCUS
- 2) Realization of government's comprehensive policies to secure equal-footing in international competition, strengthen industrial competitiveness, and lead to business chances
- 3) Formation of consensus on the issue of cost bearing by society
- Establishing a system for society as a whole to bear the enormous costs of realizing carbon neutrality, such as R&D costs, CAPEX for replacing existing facilities, and significant increase in production costs.

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Tectonic Shift to Secure Non-consol. Operating Profit [2016] Over capacity in China resulting



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enormous steel export from China, and coal

Raw Material Prices



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FY2021 Earnings Summery

								change						
(bn. JPY)	1-3Q	2H	FY2020	1H	1-3Q	2H (f) _{*5}	Prev. FY2021(f) * 4	FY2021 (f) _{*5}	20.1-3Q →21.1-3Q	FY21.1H →FY21.2H(f) *5	FY20 →FY21(f) *5	*4 Prev. FY21(f) →FY21(f) *5		
Sales	3,449.8	2,587.2	4,829.2	3,163.9	4,942.4		6,700.0	6,600.0	+1,492.6	+272.2	+1,770.8	-100.0		
Business Profit	(33.1)	216.5	110.0	477.8	743.7	322.2	800.0	800.0	+776.8	-155.6	+690.0	-		
Additional Line Items	(34.2)	(56.3)	(98.6)	(49.4)	(15.6)	(30.6)	(80.0)	(80.0)	+18.6	+18.8	+18.6	-		
Net Profit *1	(123.8)	158.7	(32.4)	298.7	507.8	221.3	520.0	520.0	+631.6	-77.4	+552.4	-		
ROS	-1.0%	8.4%	2.3%	15.1%	15.0%	9.4%	11.9%	12.1%	+16.0%	-5.7%	+9.8%	+0.2%		
Earning per Share (JPY/ share)	(135)	172	(35)	324	552	240	565	565	+686	-84	+600	-		
EBITDA *2	183.4	364.2	400.9	639.2	989.3	490.8	1,130.0	1,130.0	+805.9	-148.4	+729.1	-		
EBITDA/Sales	5.3%	14.1%	8.3%	20.2%	20.0%	14.3%	16.9%	17.1%	+14.7%	-5.9%	+8.8%	+0.3%		
EBITDA/t *3 (Thousand JPY/t)	6.9	17.5	10.6	27.5	28.8	22.7	24.7	25.2	+21.9	-4.8	+14.6	+0.5		

*1 Profit attributable to owners of the parent

*2 Business profit + depreciation cost

*3 EBITDA/ consolidated crude steel production

*4 Forecast as of Nov. 2nd, 2021 *5 Forecast as of Feb. 3rd, 2022





Operational Highlights

Forecasts are rough figures .

		FY20		FY21					Change					
(MMT)	1-3Q	2Н		1H	1-3Q	2H(f) *2	Prev.(f) *1	(f) *2	FY20.1-3Q → FY21.1-3Q	FY21 1H → FY21 2H(f) *2	FY20 → FY21(f) * 2	Prev. FY21(f) → *1 FY21(f) *2		
Non-Consolidated Pig-iron Production	23.14	18.25	33.07	19.93	29.65	18.60	39.20	38.50	+6.51	-1.33	+5.43	-0.70		
Consolidated Crude Steel Production	26.42	20.87	37.65	23.25	34.31	21.60	45.70	44.80	+7.89	-1.65	+7.15	-0.90		
Non-Consolidated Crude Steel Production	23.11	18.36	33.00	20.23	29.87	18.60	39.70	38.80	+6.76	-1.63	+5.80	-0.90		
Non-Consolidated Steel Shipments	22.38	16.77	31.22	18.28	27.25	17.30	36.20	35.60	+4.86	-0.98	+4.38	-0.60		
Seamless Pipe Shipments	0.47	0.29	0.63	0.31	0.45	0.28	0.59	0.59	-0.02	-0.03	-0.04	-		
Average Steel Selling Price (k JPY/ton)	84.7	88.3	86.1	106.6	112.5	127	117	117	+27.7	+20	+31	-		
Steel Export Ratio (Value basis (%))	36	35	36	44	43	39	42	41	+6.7	-5	+5	-1		
Forex (USD•JPY)	106	105	106	110	111	114	110	112	Depreciated Yen +5	Depreciated Yen +4	Depreciated Yen +6	Depreciated ^{Yen} +2		

***1** Forecasts as of Nov. 2nd, 2021

***2** Forecasts as of Feb. 3rd, 2022



Key Indicators of Demand

		FY20					FY	/21		Change					
[Domestic]	1-3Q	2H			1H	1-3Q	21 (f	F	Prev. (f) *1	(f) *2	FY20.1-3Q → FY21.1-3Q	FY21 1H → FY21 2H(f) *2	FY20 → FY21(f) *2	Prev. FY21(f) → *1 FY21(f) *2	
Housing Starts (mil. houses)	0.62	0.4	0	0.81	0.45	0.6	7 0	.40	0.86	0.86	+0.04	-0.05	+0.05	-	
Non-residential Construction Starts (mil. m ²)	33.94	21.5	5 4	14.92	23.67	37.4	8 23	.50	46.20	47.20	+3.54	-0.17	+2.28	+1.00	
Public Works Orders (bn. JPY)	8,355	6,38	3 12	2,037	5,679	8,08	5 5,8	380	12,580	11,560	-270	+201	-477	-1,020	
Finished Auto Production (mil. units)	5.71	4.6	3	7.97	3.60	5.5	8 4	.10	8.20	7.70	-0.13	+0.50	-0.27	-0.50	
Export of Finished Auto (mil. units)	2.64	2.2	2	3.68	1.81	2.7	B 2	.00	4.00	3.80	+0.14	+0.19	+0.12	-0.20	
Overseas Auto Production (8 Japanese car makers) (mil. units)	11.23	9.0	1 1	15.51	7.43	11.69	9				+0.46				
Large & Middle Sized Shovel Production _(thousand units)	53	4	2	74	44	6	8	45	90	90	+16	+1	+16	-	
Metal Machine Tool Production (thousand tons)	173	13	7	249	157	23	9 1	170	340	330	+66	+13	+81	-10	
Keel-laid New Ships (mil. gross tons)	7.80	4.6	8	9.50	4.11	6.3 [,]	1 4	.50	8.60	8.60	-1.49	+0.39	-0.90	-	
Rig Count CY1	2 CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20) CY21	Late	est	Peak	B	ottom	
USA 1,91	9 1,761	1,862	977	510	875	1,032	944	436	6 475	588	(Jan.7th)	2,031 (Se	ep-08) 2	44 (Aug-20)	
Deep well(≧15,000ft) 32	4 326	354	205	126	222	230	227	104	4 172	252	(Jan.7th)	413 (No	ov-11)	55 ^(Sep-20)	
World total 1,23	4 1,296	1,337	1,167	955	948	988	1,098	825	5 755	834	(Dec.21)	1,382 ^{(J}	ul-14) 6	56 (Oct-20)	

Source: Baker Hughes, Smith international, Nippon Steel's estimate ***1** Forecasts as of Nov 2nd, 2021 ***2** Forecasts as of Feb 3rd, 2022

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Domestic Steel Consumption by Industrial Sector

		FY20				FY21	_	Change					
(MMT)	1-3Q	2H		1H	1-3Q	2H(f) *2	Prev. (f) *1	(f) *2	FY20.1-3Q → FY21.1-3Q	FY21. 1H → FY21. 2H(f) _{*2}	FY20 → FY21(f) _{*2}	Prev. FY21(f) → *1 FY21(f) _{*2}	
Domestic Crude Steel Production	59.07	45.70	82.78	48.42	72.62	48.30		96.70	+13.55	-0.12	+13.92		
Domestic Steel Consumption (A + B)	38.93	27.99	52.77	27.09	41.41	28.60	56.80	55.70	+2.48	+1.51	+2.93	-1.10	
% for manufacturing sector	62.7	64.6	63.2	61.5	62.0	64	63	63	-0.7	+3	-0	-	
Ordinary Steel Consumption (A)	30.77	22.28	41.90	21.50	32.59	22.30	44.60	43.80	+1.83	+0.80	+1.90	-0.80	
Construction	13.96	9.54	18.70	10.04	15.13	10.00	20.20	20.00	+1.17	-0.04	+1.30	-0.20	
Manufacturing	16.81	12.74	23.19	11.45	17.46	12.30	24.40	23.80	+0.65	+0.85	+0.61	-0.60	
Shipbuilding	2.50	1.57	3.25	1.33	2.06	1.50	2.90	2.80	-0.44	+0.17	-0.45	-0.10	
Automotive	6.55	5.25	9.17	4.38	6.73	4.80	9.65	9.20	+0.18	+0.42	+0.03	-0.45	
Industrial Machine	3.10	2.31	4.26	2.39	3.63	2.50	4.90	4.90	+0.53	+0.11	+0.64	-	
Electronic Machine	1.96	1.55	2.76	1.38	2.06	1.45	2.90	2.80	+0.10	+0.07	+0.04	-0.10	
Special Steel Consumption (B)	8.17	5.71	10.87	5.60	8.82	6.30	12.20	11.90	+0.66	+0.70	+1.03	-0.30	

Source : Nippon Steel's estimation

***1** Forecasts as of Nov. 2nd, 2021 ***2** Forecasts as of Feb. 3rd, 2022



World Crude Steel Production

	CY19			CY20			CY21								
(MMT)		Jan - Mar	Apr - Jun	Jul - Sep	Oct Dec.	[A]	Jan - Mar	Apr - Jun	Jul - Sep	Oct.	Nov.	Dec.	Oct Dec.	[B]	Change [A] →[B]
World * Total	1,844.1	443.0	439.1	474.7	485.5	1,842.4	486.9	514.3	460.3	146.8	143.1	158.7	448.6	1,910.2	+67.8
[YoY]	[+3.1%]	[-1.1%]	[-8.6%]	[+2.3%]	[+7.5%]	[-0.1%]	[+9.9%]	[+17.1%]	[-3.0%]	[-9.9%]	[-10.0%]	[-3.0%]	[-7.6%]	[+3.7%]	
Japan	99.3	24.1	18.8	19.0	22.0	83.8	23.7	24.3	24.1	8.2	8.0	7.9	24.2	96.3	+12.5
[YoY]	[-4.8%]	[-3.4%]	[-28.2%]	[-22.7%]	[-7.0%]	[-15.6%]	[-1.7%]	[+29.8%]	[+26.9%]	[+14.2%]	[+10.7%]	[+5.4%]	[+10.1%]	[+14.9%]	
Korea	71.4	16.9	15.6	17.1	17.5	67.1	17.6	17.6	17.7	5.8	5.9	6.0	17.7	70.6	+3.5
[YoY]	[-1.5%]	[-4.8%]	[-14.7%]	[-3.3%]	[-1.2%]	[-6.1%]	[+3.9%]	[+13.2%]	[+3.6%]	[-1.3%]	[+2.9%]	[+1.1%]	[+0.9%]	[+5.2%]	
USA	87.8	21.7	14.7	17.3	19.0	72.7	20.4	21.7	22.2	7.4	7.2	7.2	21.8	86.0	+13.3
EU28	157.4	38.4	30.8	31.8	38.2	139.3	40.0	42.1	38.3	14.2	13.4	11.7	39.4	159.8	+20.6
Russia	71.7	18.1	17.1	17.9	18.5	71.6	18.9	19.3	18.4	6.5	6.4	6.6	19.4	76.0	+4.3
Brazil	32.6	8.2	6.3	8.0	8.8	31.4	8.7	9.3	9.4	2.9	3.1	2.6	8.6	36.0	+4.6
India	111.4	26.8	17.3	26.7	29.5	100.3	30.1	28.0	29.6	10.2	9.9	10.4	30.5	118.1	+17.9
China	995.8	233.9	272.1	284.3	274.7	1,064.9	269.0	291.2	243.8	71.6	69.3	86.2	227.1	1,031.0	-33.9
[YoY]	[+7.9%]	[+1.5%]	[+4.2%]	[+10.8%]	[+10.9%]	[+6.9%]	[+15.0%]	[+7.0%]	[-14.2%]	[-23.3%]	[-22.0%]	[-6.8%]	[-17.3%]	[-3.2%]	

Source : World Steel Association

* Total of 64 countries



Domestic Crude Steel Production



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Domestic Steel Consumption Trend

(MMT)



Source : Nippon Steel



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Domestic Steel Products Spot Prices



Source : Japan Metal Daily



Domestic Steel Inventory

Rolled Sheets Inventory^{*1}

H-flange beams*² Inventory







NIPPON STEEL

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