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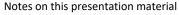
OTC: NPSCY(ADR)



FY2022 1Q Earnings Summary

August 4th, 2022

NIPPON STEEL CORPORATION



Unless otherwise noted, all volume figures are presented in metric tons Unless otherwise noted, all financial figures are on consolidated basis

Agenda

- 1. FY2022 1Q Earnings Summary and FY2022 Earnings Forecast
- 2. Initiatives for Sustainable Growth
- 3. Supplementary Material for Financial Results
- 4. Topics
- 5. Supplemental data

FY2022 1Q Earnings Summary and FY2022 Forecast

1Q FY2022 Consolidated business profit: 338.8 bn. JPY (incl. inventory valuation etc. approx. 160.0 bn. JPY) cf. previous record high: 270.4 bn. JPY in 3Q FY2006 (ex-Nippon Steel 169.0 + ex-Sumitomo Metals 82.7 + ex-Nisshin Steel 18.7) Aim at generating consol. business profit of more than 800.0 bn. JPY in total and more than 600 bn. JPY in underlying consol. business profit in FY2022, even if the business environment remains sluggish

	4Q	2Н	FY2021	1Q	1H(f)	Vs. 2H FY21	2H(f)	Vs. 1H(f)	FY2022 (f)	Vs. FY2021	FY2022(f) as of May 10 th
Non-consol. crude steel production	8.81	18.45	38.68	8.69	Approx. 17.50	-0.95	More than 17.50	+0	More than 35.00	-3.68	
Non-consol. steel shipment (MMT)	8.31	17.28	35.56	8.19	Approx. 16.00	-1.28	More than 16.00	+0	More than 32.00	-3.56	
Forex (USD/JPY)	115	114	112	126	Approx.	+18 Yen dep	Approx.	+8 Yen dep	Арргох. 136	+24 Yen dep	
Revenue (Bn. JPY)	1,866.4	3,644.9	6,808.8	1,919.1	4,000.0	+355.1	4,000.0	-	8,000.0	+1,191.2	
Consol. business profit (Bn. JPY) ROS	194.3 10.4%	460.2 12.6%	938.1 13.8%	338.8 17.7%	450.0 11.3%	-10.2	More than 350.0 8.8%	-100.0	More than 800.0	-138.1	
Underlying profit excl. inventory valuation etc.	200.0	350.0	690.0	180.0	250.0	-100.0	More than 350.0	+100.0	More than 600.0	-90.0	Aim over 600.0

Business Environment (World)

- China's economy clearly slowing down
- ➤ Global supply chain remaining unstable and unforeseeable even after the termination of the lockdown in China
- Sluggish world steel demand and market prices, not exceptionally in ASEAN, one of our main targeted markets, and in China
- Aggressive monetary restraint taken by central banks of leading countries in preparation for or to combat inflation

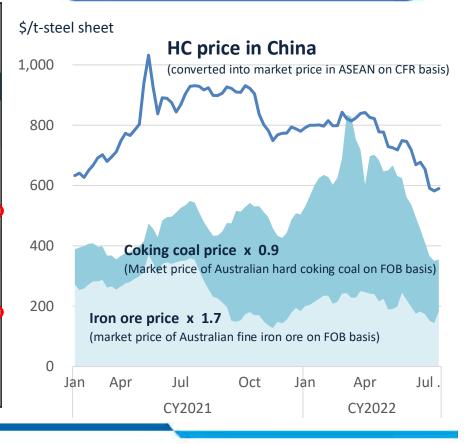
Economic slowdown and downturn anticipated

Outlook for economic growth in the world

		CY21		CY	'22 fore	cast		
	Source : IMF Unit : %		As of Oct. 12 th	As of Jan.25 th	As of Apr.19 th	As of July 26 th	Vs. prev. CY22(f)	Vs. CY21
	World	6.1	4.9	4.4	3.6	3.2	-0.4	-2.9
	Developed Countries	5.2	4.5	3.9	3.3	2.5	-0.7	-2.7
,	USA	5.7	5.2	4.0	3.7	2.3	-1.4	-3.4
	EU27	5.3	4.3	3.9	2.8	2.6	-0.2	-2.7
	Japan	1.6	3.2	3.3	2.4	1.7	-0.7	+0.1
	Emerging Countries	6.8	5.1	4.8	3.8	3.6	-0.2	-3.2
,	China	8.1	5.6	4.8	4.4	3.3	-1.1	-4.8
	ASEAN-5*	3.4	5.8	5.6	5.3	5.3	- (+1.9
	India	8.9	8.5	9.0	8.2	7.4	-0.8	-1.5
	Russia	4.7	2.9	2.8	-8.5	-6.0	+2.5	-10.7
	Brazil	4.6	1.5	0.3	0.8	1.7	+0.9	-2.9

*Indonesia, Malaysia, Philippines, Thailand, and Vietnam

Prices in hot coil and raw material



Business Environment (Japan)

Two concerns that may offset robust actual demand for steel

- > Supply chain disruption
- Price hikes in energy and materials and Yen depreciation that leads to the aggravation in Japan's trade deficit

The recovery of steel demand may be delayed

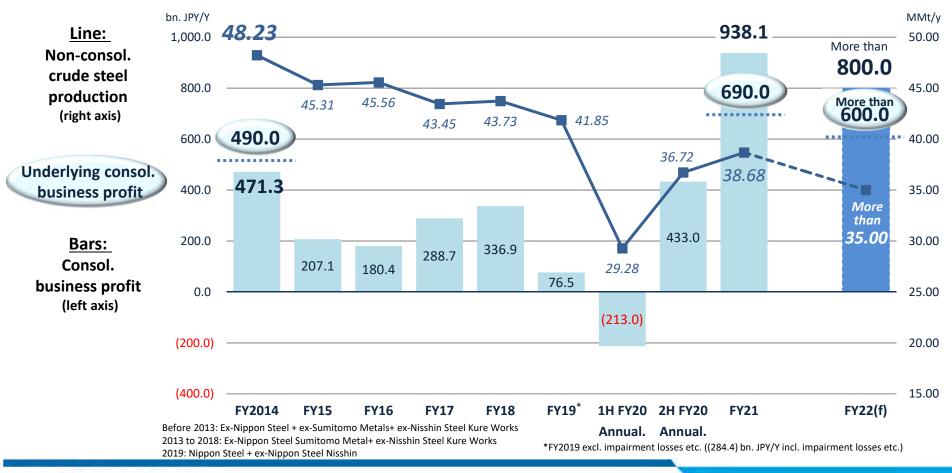


Trend in Business profit and non-consolidated crude steel production

Under the current sluggish business environment, in order to maximize the profit, we have been taking the following initiatives;

- Continuing promotion of establishing furtherly more profitable structure,
- Improvement of production management to flexibly respond to rapid significant business environment change,
- Securing fair appropriate margin reflecting cost increases in raw material and energy including the impact of Yen depreciation, and so on

Aim at generating underlying profit of more than 600bn. JPY even if it is not expected that the economic recovery will happen before the end of FY2022.



Breakdown of Underlying Consol. Business Profit

Supported with robust profit from overseas steel business, raw material interests, other group companies, and three non-steel segments, we aim at generating underlying consol. business profit of more than 600.0 bn. JPY even if the business environment for domestic business remains sluggish.

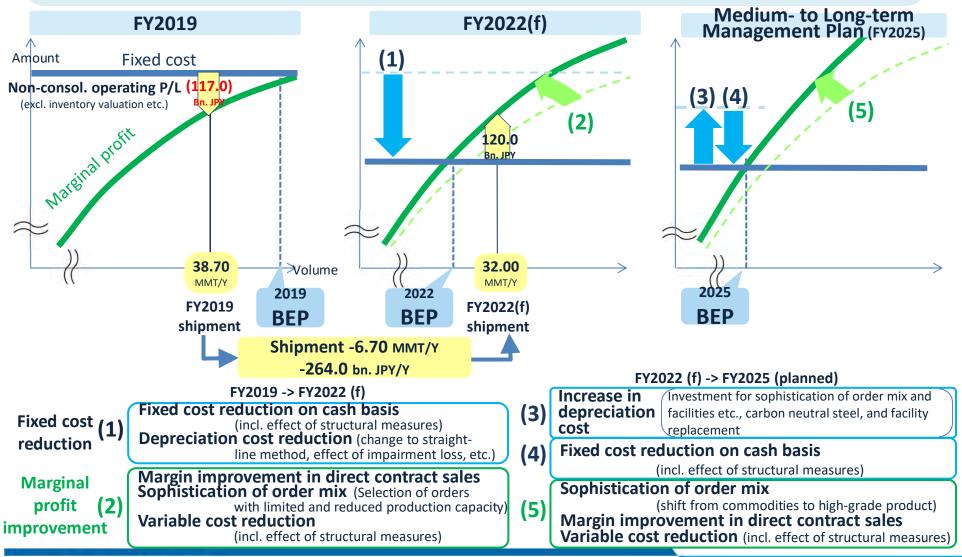


FY2022 Earnings Forecast

(Bn. JPY)	FY2021	1H (f)	2H (f)	FY2022 (f)	Vs. FY2021	FY2025 minimum target
Consol. business profit	938.1	450.0	More than 350.0	More than 800.0	-138.1	
ROS	13.8%	11.3%	8.8%	10.0%	-3.8%	
Underlying business profit	690.0	250.0	More than 350.0	More than 600.0	-90.0	600.0
ROS	10.1%	6.3%	8.8%	7.5%	-2.6%	10%
1) Domestic steel business	244.0	30.0	90.0	120.0	-124.0	250.0
2) Overseas steel business	135.0	65.0	45.0	110.0	-25.0	100.0
3) Raw material interests	119.0	60.0	90.0	150.0	+31.0	100.0
4) Other group companies	129.0	57.0	82.0	140.0	+10.0	100.0
5) Three Non-steel segments	62.0	33.5	36.5	70.0	+8.0	50.0
BF relining, inventory valuation, etc.	248.1	200.0	-	200.0	-48.1	

Break Even Point of Domestic Steel Business

Having drastically improved the break even point by structural measures, direct-contract price improvement, and sophistication of order mix, we are confident to secure more than 120.0 bn. JPY of underlying operating profit this year, even in the situation where steel demand may continue to be low and overseas market prices to drop

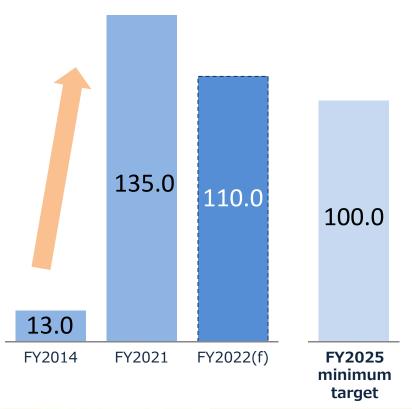


Deepening and Expansion of Overseas Steel Businesses 10

Profit from overseas steel business in FY2021 reached to its record high. Profit in FY2022 is expected to be approx. 110.0 bn. JPY, negatively affected by sluggish world economy and steel market prices but positively by consolidation of G/GJ Steel.

Contribution of Overseas Steel Businesses

Ordinary profit (subsidiaries) + share of profit in investments accounted for using equity method (equity method affiliates) Underlying profit excl. inventory valuation

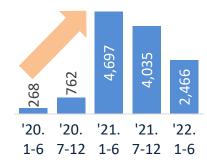


AM/NS

EBITDA (Million US\$)







'21.Jan.-Jun. and '21.Jul.-Dec. include 1,414 and 666 tax refund etc., respectively.

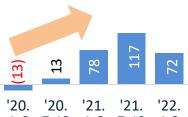
EBITDA (Million US\$)



1-6 7-12 1-6 7-12 1-6



Consolidated from 1Q FY2022



7-12 1-6 7-12 1-3

x 2



^(*1) Excl. BF Relining impact	4Q FY2021 194.3	2H FY2021 460.2	1H FY2022 (f) 450.0	FY2021 938.1
(*2)Incl. forex variance (Bn. JPY)	1Q FY2022 338.8	1H FY2022 (f) 450.0	2H FY2022 (f) 350.0	FY2022 (f) 800.0
Consol. Business Profit Variance	+144.5	-10.2	-100.0	-138.1
<underlying consol.<br="">Business Profit Variance></underlying>	<-20.0>	<-100.0>	<+100.0>	<-90.0>
Volume*1	-5.0	-40.0	-15.0	-110.0
Steel prices, product mix, raw materials*2	-55.0 (-7 kJPY/t)	-100.0 (-6 kJPY/t)	+80.0 (+5kJPY/t)	-70.0 (-2kJPY/t)
Cost reduction	+5.0	+15.0	+10.0	+50.0
Overseas steel companies	+6.0	+5.0	-20.0	-25.0
Raw material interests	-1.0	-5.0	+30.0	+31.0
Other group companies	-7.0	-10.0	+25.0	+10.0
Three Non-steel segments	-1.0	-3.0	+3.0	+8.0
Others	+38.0	+38.0	-13.0	+16.0
Inventory valuation etc.	+165.0	+95.0	-200.0	-45.0

Additional Line Items, Net Profit

		.		··· ·	
	1H	FY2021	1Q	1H(f)	FY2022 (f)
Consol. business profit	477.8	938.1	338.8	450.0	800.0
Additional line items	(49.4)	(97.2)	-	-	-
	L			<u> </u>	•
Net profit (loss)* * Profit (loss) attributable to owners of the parent	298.7	637.3	230.9	300.0	600.0
Net profit (loss)* * Profit (loss) attributable to owners of the parent EPS (JPY/share)	298.7 324	637.3 692	230.9 251	300.0 326	600.0 652

<Additional line items>

FY2022: Not applicable

FY2021: (97.2) bn. JPY

• Losses on inactive facilities etc.: (157.2) bn. JPY (1H (81.3), 2H (75.8)) (Upstream facilities in Kure Area (69.6),

A series of upstream facilities in Wakayama Area (23.7),

Steel plate mill in Nagoya Works (21.2),

Large-shape mill and UO pipe mill in Kimitsu (15.8) etc.)

• Gain on sale of land (ex-Tokyo Works)

(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 (bn. JPY)

including Impairment loss (in 2019)

Kokura Area upstream facilities
NSSC Kinuura Works, etc.

Kure Area (impairment loss)
Kashima Area UO pipe mill
NSSC Kinuura Works, etc.

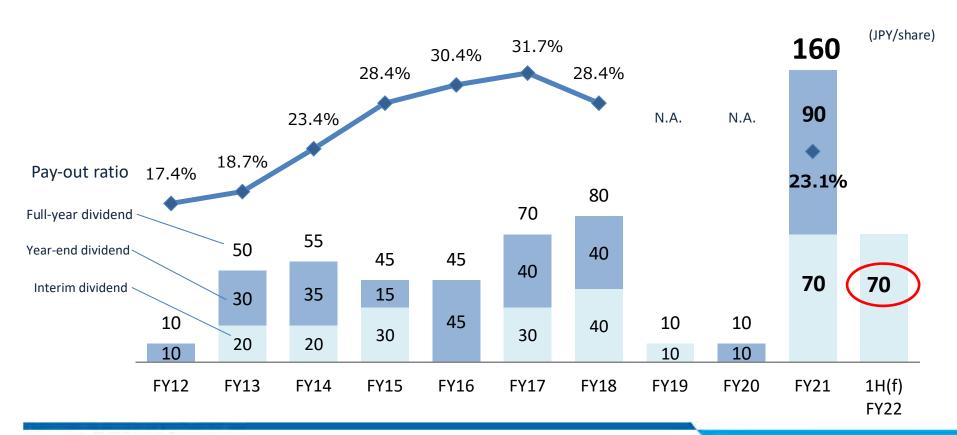
Up company)
unrealized gain)

Kure Area upstream facilities
Wakayama Area upstream facilities
Nagoya Works steel plate mill
Kimitsu Area large shape mill, UO
pipe mill etc.

2019 2020 2021 2022

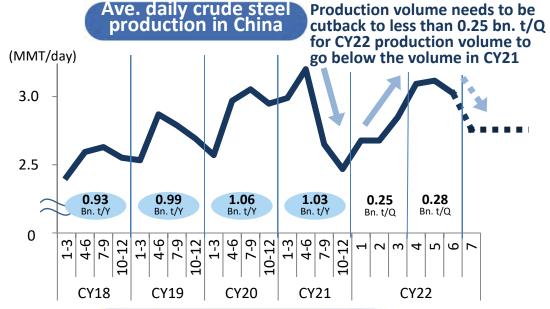
Interim Dividend

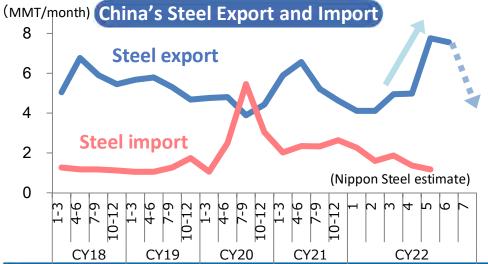
With a view to maintaining a high-level return to shareholders hereafter, and after due consideration of the earnings forecasts for the year and other factors, Nippon Steel plans to distribute a dividend of <u>70 yen per share</u> at the end of the first half, <u>reaching a record high, the same as Fiscal 2021, as an interim dividend</u>.



Steel S&D in China

Carefully watching crude steel production cutback and steel product export from China and how positively the termination of the lockdown in China and economic stimulation by Chinese government would affect steel demand.





!<Up until now>

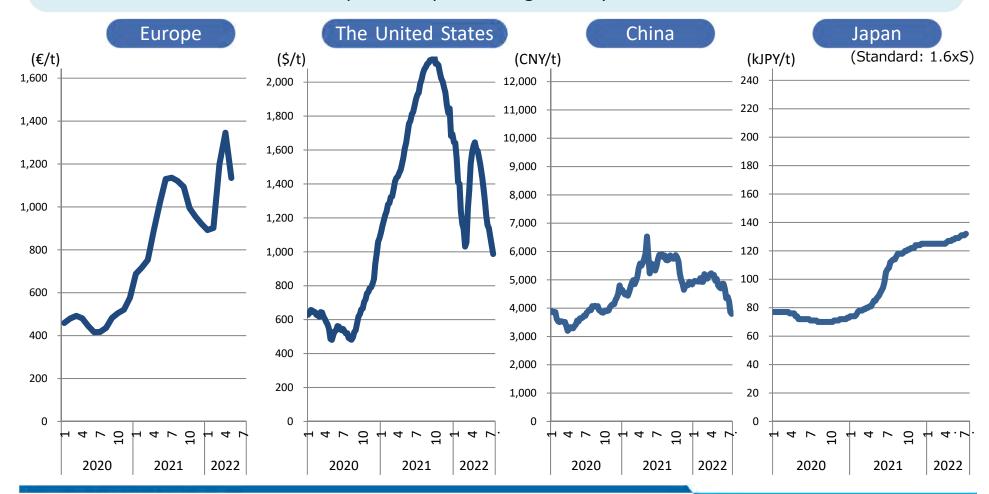
- Steel demand has decreased, negatively affected by slowdown in the construction sector, production and logistic disruption in manufacturing sector due to the lockdown, and seasonal demand decrease in summer.
- On the other hand, daily crude steel production in China remained high until mid-June.
- Consequently, steel product export from China was high in May and June.

<Going forward>

- Under the govt.'s directive for continual crude steel production cutback in 2022 along with steel demand decline, daily crude steel production* in China has decreased to below CY2021 average.
 - * CISA members' total daily production (MMT/day)
 CY21 Latest peak Most recent
 average late-Apr. Mid-Jun Mid-July
 2.12 2.36 2.26 2.04
- If the economic stimulation by the govt.
 succeeds and economic recovery from the lockdown takes place, steel demand is likely to recover after summer.
- It is unlikely that steel export will remain as high as May-June.

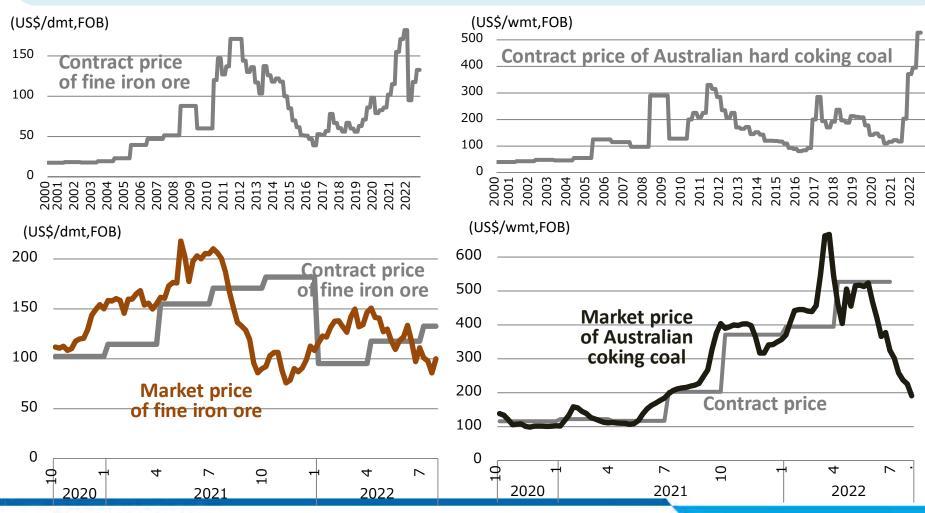
HRC Prices

- > Steel market prices in Europe and North America, which had risen in anticipation of steel supply shortage from Ukraine and Russia and manufacturing cost increase, in turn passed their peak in anticipation of economic slowdown caused by inflation and interest rate hikes.
- Steel market price in China, whose crude steel production had been extremely high until mid June even though steel demand had been shrinking, also fell. As a result, increased steel export from China caused negative impact on Asian market steel prices.
- On the other hand, steel market price in Japan is rising robustly.



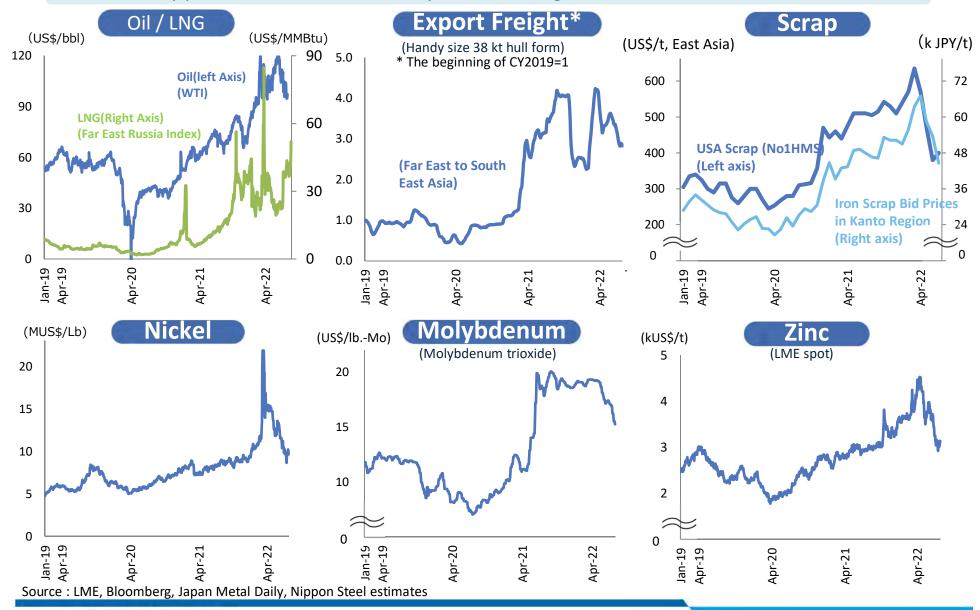
Raw Material Prices

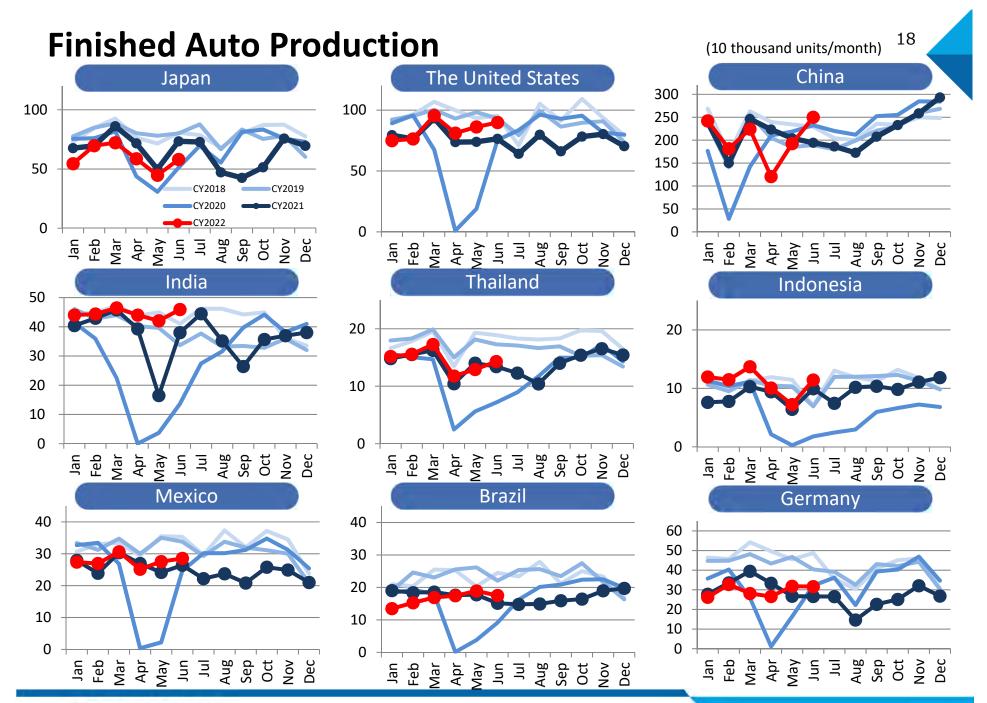
- Market prices of iron ore and coking coal soared due to Russia-Ukraine conflict and intermittent weather-related supply disruption, which led the contract prices in the first quarter to be at a record high levels.
- Although the prices turned to fall because of the concern of decline in global steel demand (particularly in China), careful attention must also be paid to supply and demand of raw materials, which may negatively be affected by weather-related risks and positively by possible recovery of steel demand.



Commodity Prices Hike

Commodity prices such as of oil and alloys remain at high levels due to Russia-Ukraine Conflict.



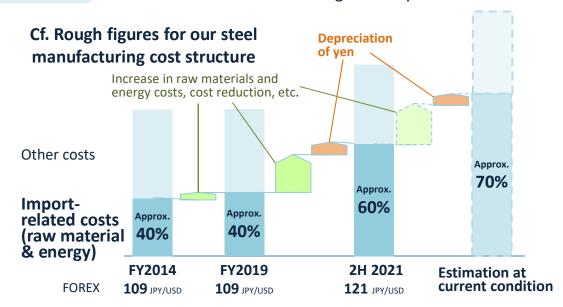


The Balance of Trade and FOREX Sensitivity

Cost structure

The proportion of import-related costs to steel manufacturing cost has risen due to the recent surge in prices of raw materials and energy

-> The negative impact of Yen depreciation to our domestic steel business has increased significantly.





FOREX balance of trade

The balance of trade on imports of raw materials and energy and steel exports in our steel business depends on the prices of raw materials and energy and exported steel products and export/domestic sales ratio. The Domestic Steel Business has been in excess in import since FY2017 due to the increase in the prices.

Impact of FOREX change on earnings

[Impact of depreciated yen]

Non-consol. underlying operating profit -> [Negative]: excess in import boosts cost more than sales

Inventory valuation and non-operating profit -> [Positive] : valuation gain in raw material and

foreign currency denominated assets

Group companies -> [Positive] : gain in foreign currency translation

Consolidated business profit -> [Positive]

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Initiatives for Sustainable Growth

Shortening management cycle

➤ Shortened management cycle from FY2022 in order to flexibly respond to rapid and significant business environment change

Steady improvement of operation performance

- > Stabilization of facilities; further cost reduction and stable steel production in upstream facilities
- Further improvement of operation efficiency; variable cost reduction and flexible response to rapid change in demand
- Careful examination of optimal timing to restart relined Nagoya #3 BF taking the steel demand trend into consideration

Negotiation with customers to realize fair steel prices in direct contract-based sales

- Substantial correction of steel prices in direct contract sales to secure fair appropriate margin on an international level was realized in FY2021, having been 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.
- ➤ To stably secure fair level of margin, we need to reflect cost increases such as of raw materials and energy including the impact of Yen depreciation to steel prices, and are now negotiating 2H FY2022 direct contract steel prices with customers.

Proposal to change Japanese business practice in direct contract sales

- Considering the situation each customer is in, we are proposing a business practice best-fit for each customer, a proposal including revision of contract terms, negotiation timing and pricing systems.
- ➤ In 2H FY2022 steel price negotiation, we aim to standardize the new pricing systems and also to shorten contract terms with customers to cope with higher ever volatility of uncontrollable costs such as of raw materials.

Rebuilding domestic steel business

Initiatives for Sustainable Growth

Concentrated production

Establishment of furtherly more profitable structure; steady implementation of production facility structural measures, regardless of short-term upturn in business environment

Figure 2.2021: 55.0 bn. JPY/Y in FY2022(f): 35.0 bn. JPY/Y

(the accumulation of the effects so far: 90.0 bn. JPY out of 150.0)

- Facilities terminated in 1H FY2021: upstream facilities in Kure Area, a series of upstream facilities in Wakayama Area, titanium welded pipe production line in Kyushu Works, etc.
- Facilities terminated in 2H FY2021: steel plate mill in Nagoya Works, #1 CC, large shape mill, UO pipe mill in Kimitsu Area, etc.
- Facilities to be terminated in FY2022:

#3 CC in Kansai Works Wakayama Area, galvanizing and aluminizing line in Setouchi Works Sakai Area, etc.

Facilities

Order mix

 Nagoya Works #3 BF relining completed in June 2022 (Carefully examining optimal timing to restart operation, taking the current low demand into consideration)

➤ Life warranty launched for ZEXEEDTM, high corrosion resistant coated steel sheet

Refer to P.35

➤ Super large-sized H-shapes beam with uniform outer dimension MEGA NSHYPER BEAMTM series fully lined up

➤ A lightweight B-pillar jointly developed with Mazda was adopted in the new SUV for the first time in the world

Refer to P.36

> 1180MPa hot-rolled high-tensile steel sheet was first in Japan adopted by Isuzu Motor for rear under-run protection device of large size trucks and medium size trucks



Initiatives for Sustainable Growth

Deepening and expansion of overseas business

- Consolidation of profit from G/GJ steel, Thailand EAF subsidiaries acquired in February 2022, started in 1Q FY2022 Aiming to capture growing demand in Thailand for general-purpose hot rolled steel sheet
- ➤ Vigorous promotion of capacity expansion strategy in AM/NS India (Hazira Works expansion and construction of a new steelworks on the east coast of India) to realize global crude steel capacity 100 MMT/Y

Challenge to realize carbon neutral steelmaking process and carbon neutral society

- Started test operation of Hirohata EAF in June 2022 Preparing for commercial operation by the end of CY2022
- MoU for decarbonization solutions with Anglo American (Refer to P32)
- Three new cross-organizational collaborations for CCUS R&D (CO₂ capturing, LP gas production from CO₂, and platform chemical production using microorganisms)

 Refer to P33

DX strategy

Improvement of financial health

Integrated data platform "NS-Lib" developed and installed, which contributes to collection of company-wide data and realization of prompt and sophisticated management determination process
Refer to P38

Asset streamlining

FY2022(f): 60.0 bn. JPY

-> continuing effort to sell inefficient assets including cross-share holdings and inventories.

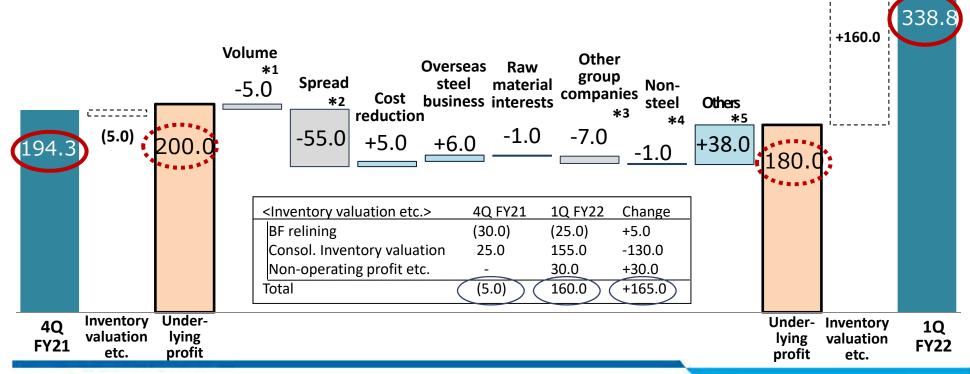
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Business Profit Variance (4Q FY21 vs. 1Q FY22)

	(Bn. JPY)	4Q FY21	1Q FY22	Change
Business Profit		194.3	338.8	+144.5
<	Underlying Profit>	200.0	180.0	-20.0
	Steel	173.0	331.6	+158.6
	Non-steel	19.9	19.1	-0.8
	Adjustment	1.4	(12.0)	-13.4

- *1 Crude steel production: -0.12 MMT(8.81 -> 8.69) Excl. one-off factors: -0.12 MMT (9.21 -> 9.09) Steel shipment: -0.12 MMT (8.31 -> 8.19) Excl. one-off factors: -0.12 MMT (8.71 -> 8.59)
- *2 Incl. the impact of FOREX, and carry over +110.0 (-8.0 -> 102.0)
- *3 Deteriorate: Operational support, stainless steel, re-rollers, etc.
- ***4** Engineering -3.4, Chemicals & Materials +4.0, System Solutions -1.3
- *5 Incl. decrease in depreciation cost +4.0



Business Profit Variance (1Q FY22 vs. 2Q FY22 (f))

	(Bn. JPY)	1Q FY22	2Q FY22 (f)	Change
В	usiness Profit	338.8	111.2	-227.6
<	Underlying Profit>	180.0	70.0	-110.0
	Steel	331.6	88.4	-243.2
	Non-steel	19.1	14.4	-4.7
	Adjustment	(12.0)	8.5	+20.5

*1 Crude steel production:

approx. +0.12 MMT(8.69 -> approx. 8.81)

Excl. one-off factors:

approx. -0.28 MMT (9.09 -> approx. 8.81)

Steel shipment:

approx. -0.38 MMT (8.19 -> approx. 7.81)

Excl. one-off factors:

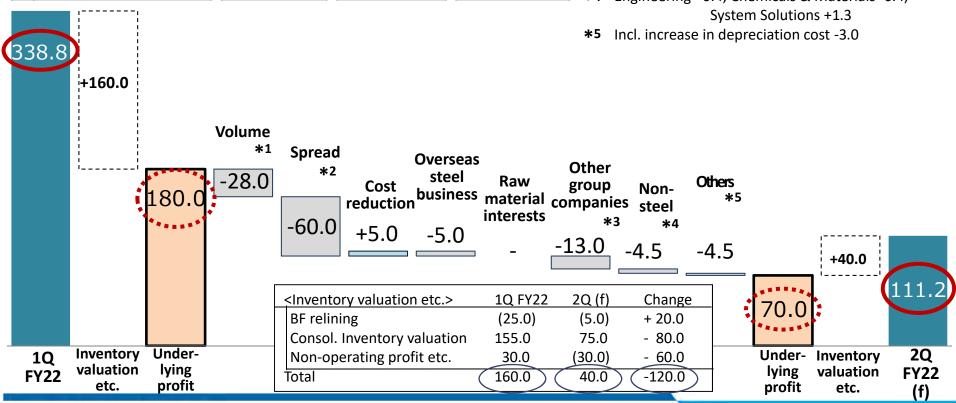
approx. -0.78 MMT (8.59 -> 7.81)

*2 Incl. the impact of FOREX, and

carry over -120.0 (102.0 -> -18.0)

*3 Deteriorate: Re-rollers, Sanyo Special Steel, etc.

*4 Engineering +0.4, Chemicals & Materials -6.4,



Business Profit Variance (2H FY21 -> 1H FY22 (f))

	(Bn. JPY)	2H FY21	1H FY22 (f)	Change
В	Business Profit	460.2	450.0	-10.2
	Underlying profit	350.0	250.0	-100.0
	1) Domestic	120.0	30.0	-90.0
	2) Overseas	60.0	65.0	+5.0
	3) Raw material	65.0	60.0	-5.0
	4) Other group	67.0	57.0	-10.0
	5) Non-steel	36.5	33.5	-3.0

***1** Crude steel: approx. -0.95 MMT (18.45 -> approx. 17.50)

Excl. one-off factors: approx. -0.95 MMT

(18.85 -> approx. 17.90)

Steel shipment: approx. -1.28 MMT

(17.28 -> approx. 16.00)

Excl. one-off factors: approx. -1.28 MMT

(17.68 -> approx. 16.40)

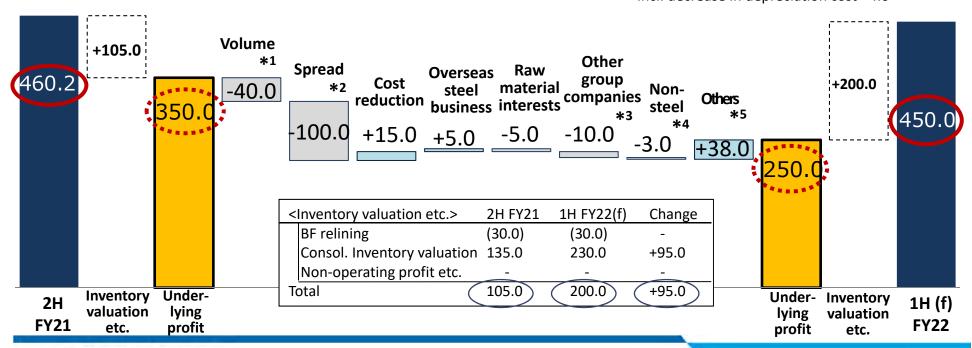
 $\fine *2$ Incl. the impact of FOREX, and

carry over +33.0 (51.0 -> 84.0)

***3** Deteriorate: Re-rollers, operational support, stainless steel, etc.

*4 Engineering -2.2, Chemicals & Materials +0.2, System Solutions -1.7

*5 Incl. decrease in depreciation cost +4.0



Business Profit Variance (1H FY22 (f) -> 2H FY22 (f))

	(Bn. JPY)	1H FY22 (f)	2H FY22 (f)	Change
В	Business Profit	450.0	350.0	-100.0
	Underlying profit	250.0	350.0	+100.0
	1) Domestic	30.0	90.0	+60.0
	2) Overseas	65.0	45.0	-20.0
	3) Raw material	60.0	90.0	+30.0
	4) Other group	57.0	82.0	+25.0
	5) Non-steel	33.5	36.5	+3.0

*1 Crude steel: +0 MMT

(approx. 17.50 -> more than 17.50)

Excl. one-off factors: approx. -0.40 MMT

(approx. 17.90 -> more than 17.50)

Steel shipment: +0 MMT

(approx. 16.00 -> more than 16.00)

Excl. one-off factors: approx. -0.40 MMT

(approx. 16.40 -> more than 16.00)

 $*2$ Incl. the impact of FOREX, and

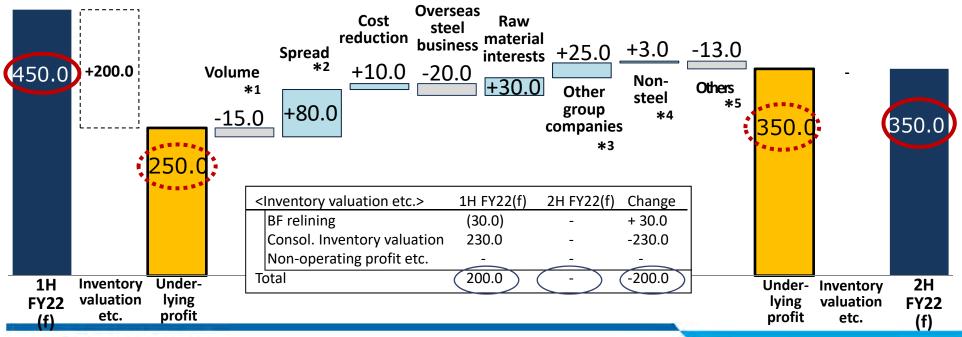
carry over -83.0 (84.0 -> 1.0) ***3** Improve: Stainless steel, Re-rollers,

operational support, etc.

*4 Engineering +1.0, Chemicals & Materials +0,

System Solutions +2.0

*5 Incl. increase in depreciation cost -8.0



Business Profit Variance (FY21 -> FY22 (f))

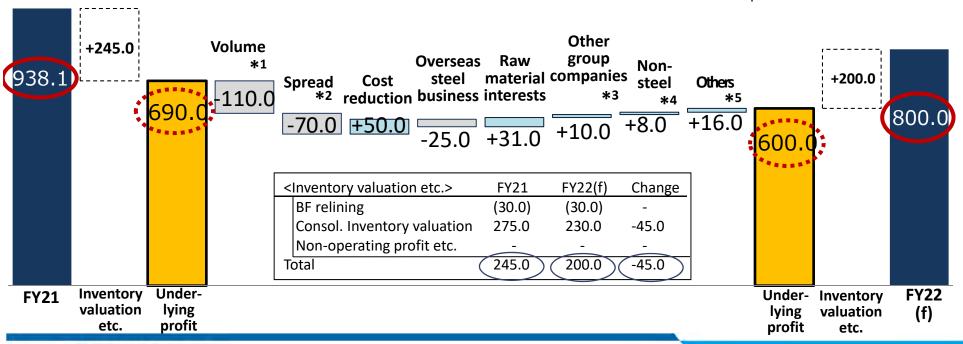
(Bn. JPY)		FY21	FY22 (f)	Change
Business Profit		938.1	800.0	-138.1
	Underlying profit	690.0	600.0	-90.0
	1) Domestic	244.0	120.0	-124.0
	2) Overseas	135.0	110.0	-25.0
	3) Raw material	119.0	150.0	+31.0
	4) Other group	129.0	140.0	+10.0
	5) Non-steel	62.0	70.0	+8.0

*1 Crude steel: approx. -3.68 MMT
(38.68 -> more than 35.00)
Excl. one-off factors: approx. -3.68 MMT
(39.08 -> more than 35.40)
Steel shipment: approx. -3.56 MMT
(35.56 -> more than 32.00)
Excl. one-off factors: approx. -3.56 MMT
(35.96 -> more than 32.40)
*2 Incl. the impact of FOREX, and carry over -37.0 (122.0 -> 85.0)

***3** Improve: EAFs, stainless steel, operational support, etc.

*4 Engineering +8.7, Chemicals & Materials -1.3, System Solutions +0.2

*5 Incl. increase in depreciation cost -9.0



Non-Steel Businesses

Revenue & Business Profit

(Three non-steel businesses total) (bn. JPY) 499.0 Revenue 413.8 457.3 403.4 377.5 352.2 70.0 62.5 55.3 49.2 37.3 36.5 35.0 33.5 31.5 25.2 23.8 **Business** profit 1H 2H 1H 2H 1H 2H 1H(f) 2H(f)

						30
Engineering &		FY21		FY22	2H FY21	FY21
construction	2H		1H(f)	(f)	→ 1H FY22 (f)	→ FY22(f)
Revenue	155.3	279.2	190.0	360.0	+34.7	+80.8
Business profit	9.2	6.3	7.0	15.0	-2.2	+8.7
Chemicals &		FY21		FY22	2H FY21	FY21
Materials	2H		1H(f)	(f)	→ 1H FY22 (f)	→ FY22(f)
Revenue	127.3	249.8	165.0	330.0	+37.7	+80.2
Business profit	11.8	25.3	12.0	24.0	+0.2	-1.3
		FY21		FY22	2H FY21	FY21
System Solutions	2H		1H(f)	(f)	→ 1H FY22 (f)	→ FY22(f)
Revenue	140.0	271.3	144.0	295.0	+4.0	+23.7
Business profit	16.2	30.8	14.5	31.0	-1.7	+0.2

Segment	FY2021 vs. FY2022(f)
Engineering & Construction	The total revenue and profit are expected to increase, with robust sales in each sector including environment and energy sector supported by large projects of such as overseas offshore, waste to energy plants, and offshore wind power mills.
Chemicals & Materials	The revenue is expected to increase due to sales price increase reflecting depreciated yen and raw material prices. On the other hand, although functional and composite materials sales are robust, profit is expected to decline due to a cyclical drop of chemical market prices.
System Solutions	Revenue is expected to further increase as NS Solutions steadily captures needs for DX investment mainly from platformers as well as from Nippon Steel, expands digital workplace solutions business, and works on government projects. Profit is also expected to increase due to increasing revenue, despite the increased G&A cost associated with pursuit of medium-term growth.

FY19

FY19

FY20

FY20

FY21

FY21

FY22

FY22

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Cooperation with Anglo American

Nippon Steel and Anglo American signed a Memorandum of Understanding regarding Decarbonization Solutions

Aiming to jointly deliberate and discuss solutions for accelerating the transition toward the carbon neutral steelmaking, including the reduction of CO₂ emissions

Reduction of CO₂ emissions for the current blast furnace process through the optimal use of



- Oct. 2021; Anglo America issued Climate change report and presented its ambition of <u>a 50% reduction in Scope 3 carbon emissions by 2040</u>
 - -> Offered a Multilayered approach such as;
 - developing high-quality products that correspond to more efficient, low-carbon manufacturing processes,
 - · minimizing emissions while improving efficiency, and
 - working with customers to boost initiatives toward decarbonization



Beneficiation plant



Anglo American high-grade iron ore



CCUS Collaborations

Green Innovation Fund project R&D on technology to capture CO2 out of lowconcentration gas using innovative separating agent

- > Joint R&D with Showa Denko on technology to capture CO₂ at low cost out of waste gas under low pressure and in low concentration, and on technology to produce chemical products from CO₂
- Period: from FY2022 to FY2030 (9 years)
- > Target: to realize carbon capture cost of less than 2 kJPY/t-CO₂ for low-pressured and low-concentrated gas* containing CO₂ by 2030 * At normal pressure and CO₂ concentration less than 10% https://www.nipponsteel.com/news/20220513 100.html (only in Japanese)

NEDO* Project R&D on technology and processes to produce LP gas from CO₂

- > Joint R&D with ENEOS GLOBE and the Univ. of Toyama, funded by NEDO*
- R&D on catalyst technology, manufacturing process, and social infrastructure model for LP gas production from CO₂
- Period: from FY2022 to FY2024 (3 years) https://www.nipponsteel.com/news/20220613_100.html (only in Japanese)

*NEDO: New Energy and Industrial Technology Development Organization

Joint R&D on technology to produce MCCs* from CO₂ using microorganisms

- > Joint R&D with the Univ. of Queensland and Urban Utilities (both in Australia), funded by the Australian Research Council (ARC) through the Linkage Project scheme
- > We leverage our microorganism technologies which we have researched and developed for over 20 years for treatment of wastewater from steelmaking process
- Period: from FY2022 to FY2024 (3 years) https://www.nipponsteel.com/en/news/20220722 100.html

*MCCs: medium-chain carboxylates (important platform chemicals for various applications in the nutraceuticals and agriculture industries, and that can potentially be converted into fuels)

Collaborations toward Carbon Neutrality

We will take on the challenge to develop and implement breakthrough technologies for carbon neutrality ahead of other countries by collaborating with other industries.

Organizations

Government, domestic peers (GI Fund projects)

JFE Steel Kobe Steel NEDO* JRCM*

Universities, research organizations

Hokkaido Univ., Tohoku Univ., The Univ. of Tokyo, Waseda Univ., Kyoto Univ., Osaka Univ., Kyushu Univ., RITE*

Raw material suppliers

Rio Tinto Anglo American VALE

Energy suppliers

Idemitsu Kosan

Municipalities, public-private initiatives

Tokyo Zero-emission Innovation Bay Carbon Neutral Port Initiatives JH2A: JAPAN Hydrogen Association Methanation Promotion Council



NIPPON STEEL

NET ZERO
NIPPON STEEL
Green Transformation
initiative

Carbon free hydrogen

ARPChem: Artificial Photosynthetic Chemical Process Project

Carbon neutral coal

JOGMEC: Japan Oil, Gas and Metals National Corp.

Projects

CO₂ separation and recovery

NS Engineering Showa Denko

CCS / underground storage

deepC store: Australian offshore CCS hub project
GCS: Geological Carbon Dioxide Storage
Technology Research Association
Tomakomai CCS Demonstration Project

CCS / fixation in the marine ecosystem

MPAT: National Institute of Maritime,

<u>Blue carbon</u> Port and Aviation Technology

<u>Marine Biomass</u>

Algae Biomass

CCU

Polycarbonate diol Mitsubishi Gas Chemical

<u>Paraxylene</u> The Univ. of Toyama

LP gas The Univ. of Toyama, ENEOS GLOBE

Medium chain triglyceride

The University of Queensland

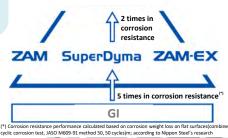


^{*}NEDO: New Energy and Industrial Technology Development Organization *RITE: Research Institute of Innovative Technology for the Earth

^{*}JRCM: The Japan Research and Development Center for Metals

Launched service to offer life warranty for ZEXEED™, high corrosion resistant coated steel sheet

Rapid acceleration of transitions to renewable energies, photovoltaic projects in particular. Few available areas with suitable mild natural environments for solar panel installation
-> growing number of installations in harsher corrosive environments



Growing need for high corrosion-resistant coated steel sheets with a guaranteed service lifespan that is equivalent to the lifespan of solar panels (approx. 25 years) as a material for solar panel mounts

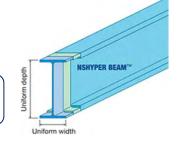
offer a 30-year service life warranty program for ZEXEED™

(*) for products with coating adhesion of 300 g/m2 on both sides, even if it is used in harsh environments classified as C5 under the corrosivity classification system of ISO 9223, as long as certain requirements are met.

Super large sized H-shapes beam with uniform outer dimension MEGA NSHYPER BEAMTM series fully lined up

Larger steel sections for larger building

Needs for minimizing construction period due to lack of manpower



In addition to production series with existing depth and width, started to offer Hyper Beam with depth; 800mm $^{\sim}$ 1050mm and width; 800mm $^{\sim}$ 1050mm

-> increase the series of production from 18 to 30, which made it cover broader demand from customers

Enables design without changing the length and height of beams, even where large loads are applied

More adoption is expected for large logistics warehouses and data centers whose demand has been growing

Topics – Sophistication of Order Mix (2)

A lightweight B-pillar jointly developed with Mazda was adopted in the new SUV for the first time in the world

Aluminum-coated steel sheet for hot stamping

Steel sheets that enables higher strength of vehicle components by heating and cooling and by preventing generation of scale in hot stamping process

Tailored welded blank (TWB)

Press forming technology with which steel sheets of different thickness and tension can be welded

Prevents aluminum contamination into the welded part, which can cause strength degrade

Hot stamping technology with direct water quench system

Technology to cool steel sheet fast by cooling water that flows into the gap between mold surface and steel sheet

- Improves quality control of such as hardenability and dimensional accuracy
- Improves productivity (+300%)

- No need to use conventional components to reinforce B-pillar
 - -> 34% lighter weight and higher safety
- **Reduction in GHG emissions from production** and driving







The new large SUV (CX-60) (Image provided by Mazda)

1180 MPa hot-rolled high-tensile steel sheet was adopted by Isuzu Motor for rear under-run protection device of large size trucks and medium size trucks for the first time in Japan

For under-run protection device (RUP*), hot-rolled steel sheet which is thicker than cold-rolled steel sheet is favored in order to secure safety Due to tightened regulation requiring even higher safety,

replacement of conventional 590, 780, 980MPa sheets with 1180MPa sheets is now realized

Adoption of 1180MPa hot-rolled high-tensile steel sheet

Lightweight, and yet strong and safe vehicle



RUP made of 1180 MPa hightensile steel sheet (image provided by Press Kogyo)

Contribution to reduction in GHG emissions on life-cycle basis

*RUP (image provided

by Isuzu Motors)



Topics - Award and Selection

Published the EcoLeaf Environmental Product Declarations (EPDs) for the Process Omission Steel Bar and Wire Products, verified by Sustainable Management Promotion Organization

The process-omission steel bar and wire products are high-performance steel materials that enable customers to streamline some of the multiple and diverse steel processing steps (heat treatment, wire drawing, finishing, etc.).
Benefit: CO₂ emissions reduction throughout the supply chain including Nippon Steel and our customers



Sustainable Management Promotion Organization

Since December 2019 when we published the EcoLeaf EPDs for H-shapes, we have published 35 EcoLeaf EPDs in total for variety of products covering majority of our steel products.

Selected for the first time as a constituent of "MSCI Japan ESG Select Leaders Index*" and the "MSCI ESG Leaders Indexes*", leading indices for ESG investment

* ESG investment indices developed by Morgan Stanley Capital International (MSCI) and constituents of which are selected based on ESG performance. (MSCI Japan ESG Select Leaders Index is one of the ESG indices adopted by the Government Pension Investment Fund (GPIF) of Japan.)

We have also continuously been selected as a constituent of the following ESG indices which GPIF adopts, and "FTSE4Good Index Series", a well-renowned ESG index.

- FTSE Blossom Japan Index
- > FTSE Blossom Japan Sector Relative Index
- ➤ S&P/JPX Carbon Efficient Index

2022 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

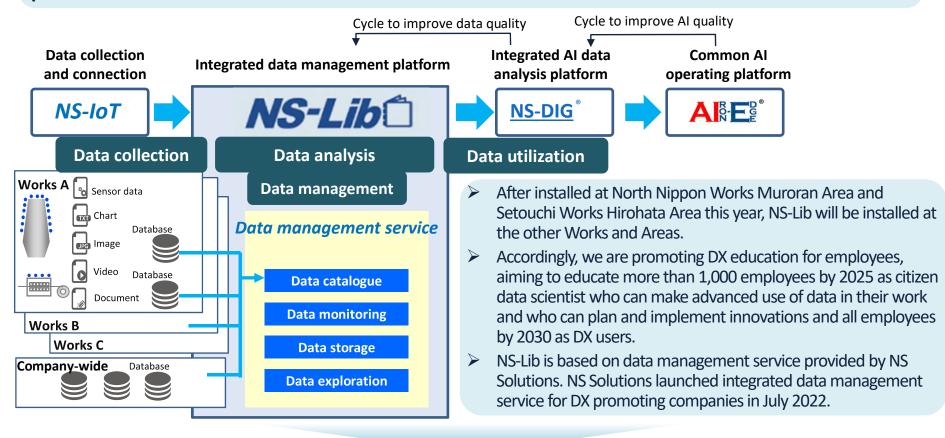
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MSCI ESG Leaders Indexes Constituent

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Topics - DX Promotion

Integrated data platform "NS-Lib" established in corporation with NS Solutions: platform with which we convert company-wide raw data into a data catalogue to accelerate decision-making speed and enhance solution



Strength in connecting

Conversion of accumulated data into data catalogue and integration of data



Strength in maneuvering

<u>Agile and sophisticated decision-making</u> based on the same database shared throughout the company from management level to manufacturing site



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Definitions for the breakdown of underlying consolidated business profit

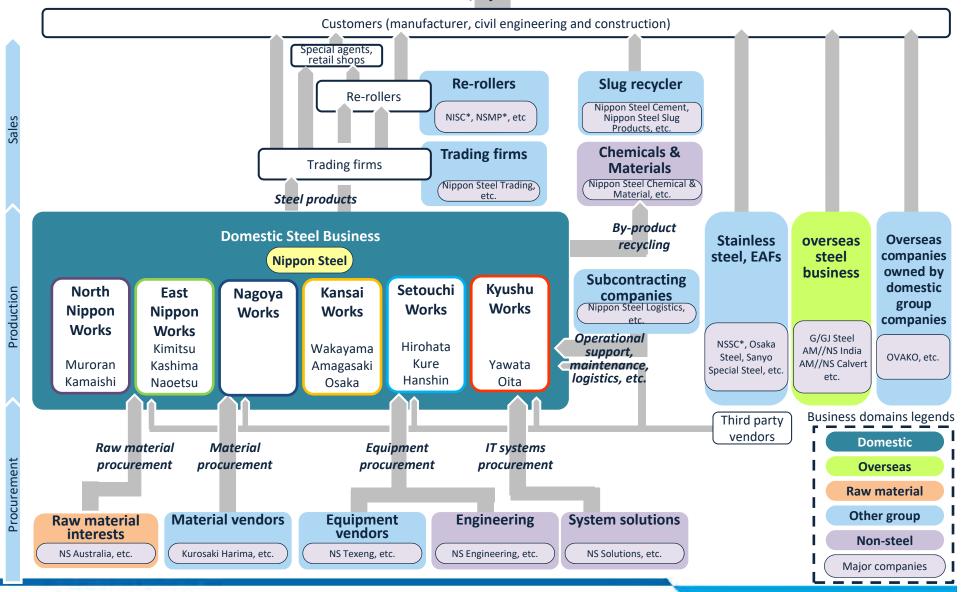
1) Domestic steel business	Parent company's non-consolidated operating profit, running business of producing and selling steel products etc. to domestic and foreign customers in domestic steelworks. (excl. BF relining, inventory valuation, etc.)	Nippon Steel
2) Overseas steel business	Profit generated by foreign group companies, directly managed by Nippon Steel, producing, processing and selling steel products (excl. inventory valuation)	NS-SUS, G/GJ Steel, AM/NS India, AM/NS Calvert, etc.
3) Raw material interests	Profit generated by group companies of mining and processing raw material including iron ore, coking coal, etc. or by raw-material-related business	NS Australia NS United Kaiun Kaisha, etc.
4) Other group companies	Profit generated by group companies other than abovementioned 2) and 3) in the steel segment (excl. inventory valuation)	 <u>Secondary processing</u>; NS^(*) Coated Sheet, NS Metal Products, etc. (*)NS=Nippon Steel <u>Operational support</u>; NS TEXENG, NS Trading, etc. <u>Stainless, EAFs</u>; NS Stainless Steel, Osaka Steel, Sanyo Special Steel, etc <u>Overseas bases for production and selling affiliated by Nippon Steel 's group Companies</u>; OVAKO, Suzuki Garphyttan, KOS, etc.
5) Three non-steel segments	Consolidated business profit made up of three non-steel segments; Engineering, Chemicals & Materials, and System Solutions	NS Engineering NS Chemical & Material NS Solutions

Steelmaking Value Chain and the Nippon Steel Group's Business Domains

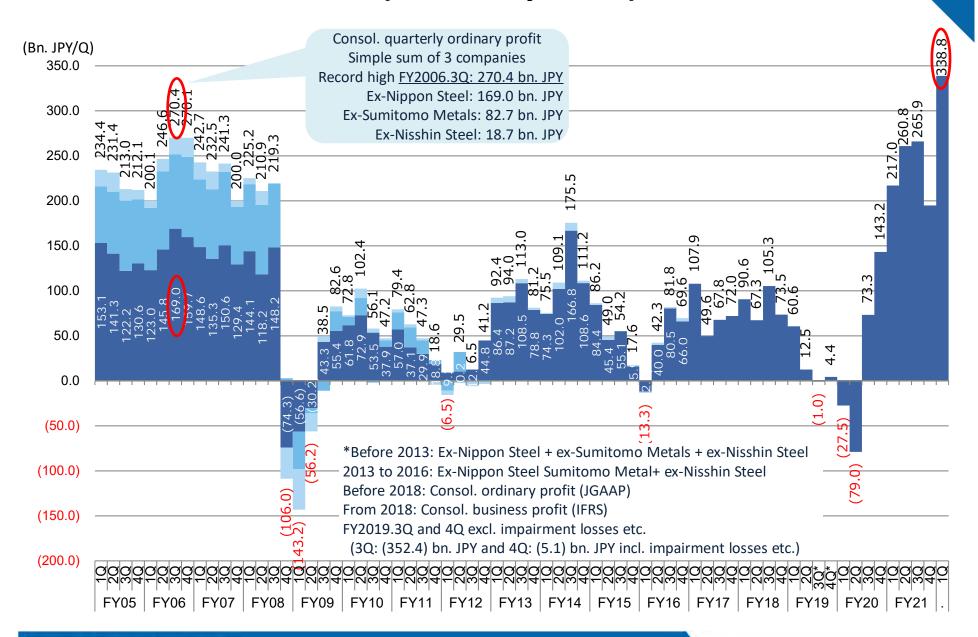
Society

Products / infrastructure

*NISC: Nippon Steel Coated Sheet
*NSMP: Nippon Steel Metal Products
*NSSC: Nippon Steel Stainless Steel



Business Profit Trend (Quarterly Basis)



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Any statements in this document. other than those of historical facts, are forward-looking statements about future performance of Nippon Steel Corporation and its group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.

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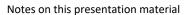
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FY2022 1Q Appendix

Aug 4th, 2022

NIPPON STEEL CORPORATION

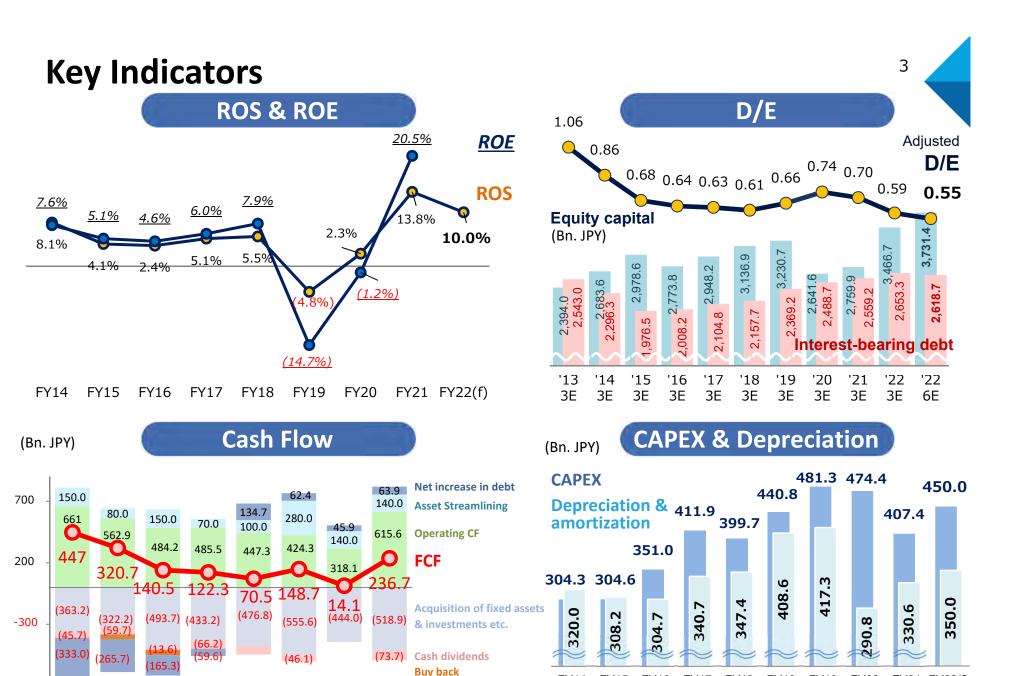


Unless otherwise noted, all volume figures are presented in metric tons Unless otherwise noted, all financial figures are on consolidated basis

Appendix

- 1. Key Performance Indicators
- 2. Business Environment Indicators
- 3. Progress of Management Strategy Measures





Net decrease in debt



FY16

FY18

FY19 FY20 FY21

-800

FY19

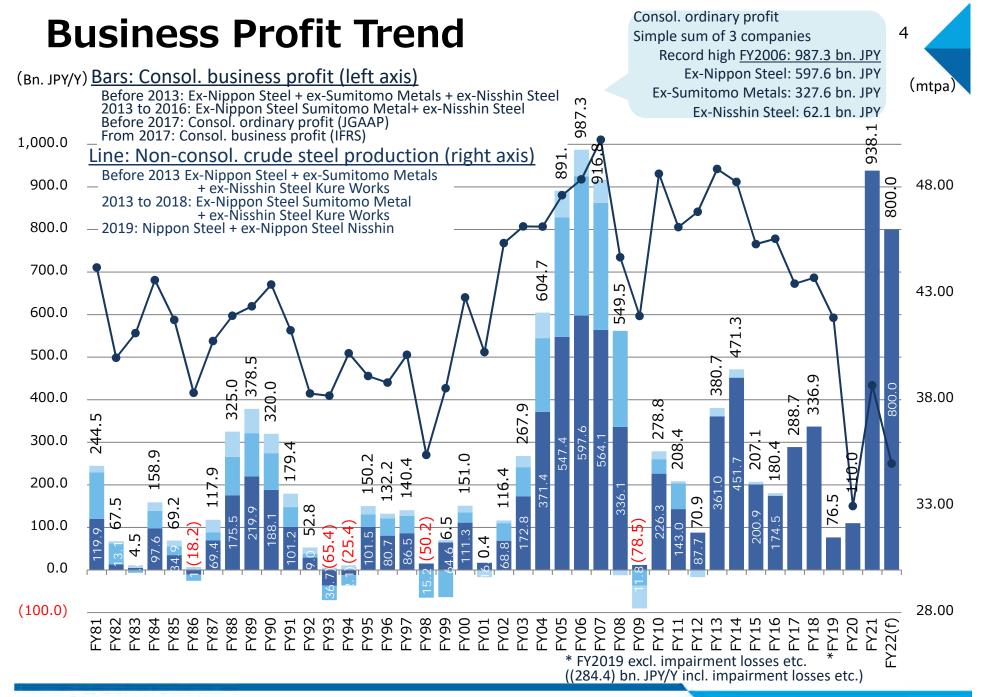
FY16

FY20 DEP effect of change in depreciation method: 70.0 bn. JPY decrease

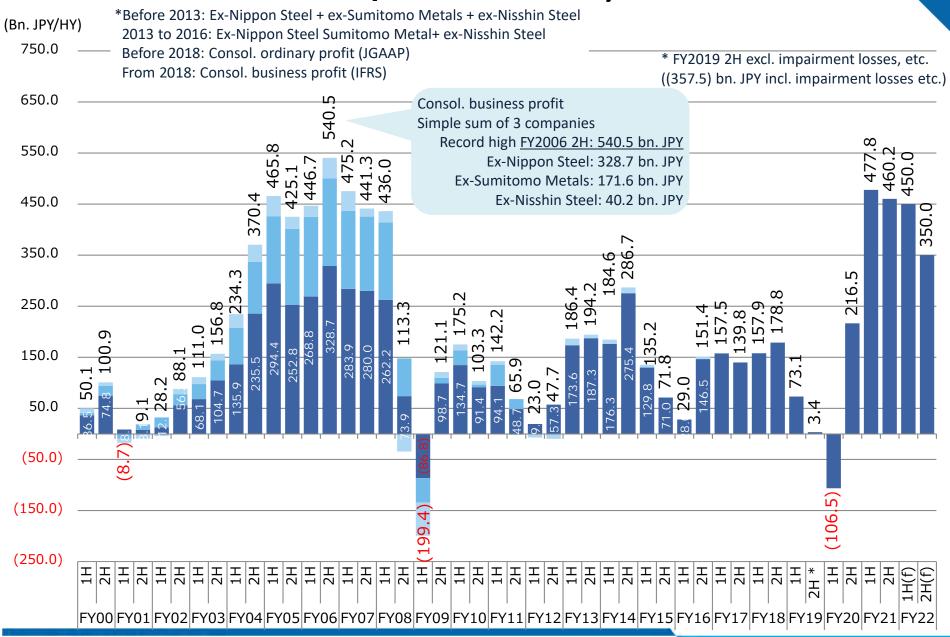
effect of impairment loss: 60.0 bn. JPY decrease

FY18

FY18



Business Profit Trend (Half Year Basis)



FY2022.1Q Earnings Summery

	FY21					FY22				cha	nge	
(bn. JPY)	4Q	2H		1Q	2Q (f) _{*4}	1H (f) _{*4}	2H (f) _{*4}	(f) *4	4Q. 21 → 1Q. 22	2H FY21 → 1H(f) FY22	1H(f). FY22 → 2H(f) FY22	FY21 → FY22(f)
Sales	1,866.4	3,644.9	6,808.8	1,919.1	2,080.9	4,000.0	4,000.0	8,000.0	+52.7	+355.1	-	+1,191.2
Business Profit	194.3	460.2	938.1	338.8	111.2	450.0	350.0	800.0	+144.5	-10.2	-100.0	-138.1
Additional Line Items	(81.6)	(47.7)	(97.2)	-	-	-	-	-	+81.6	+47.7	-	+97.2
Net Profit *1	129.4	338.5	637.3	230.9	69.1	300.0	300.0	600.0	+101.5	-38.5	-	-37.3
ROS	10.4%	12.6%	13.8%	17.7%	5.3%	11.3%	8.8%	10.0%	+7.2%	-1.4%	-2.5%	-3.8%
Earning per Share (JPY/ share)	141	368	692	251	75	326	326	652	+110	-42	-	-40
EBITDA *2	300.8	651.0	1,290.2	420.4	199.6	620.0	530.0	1,150.0	+119.6	-31.0	-90.0	-140.2
EBITDA/Sales	16.1%	17.9%	18.9%	21.9%	9.6%	15.5%	13.3%	14.4%	+5.8%	-2.4%	-2.3%	-4.6%
EBITDA/t *3 (K JPY/ton)	29.6	30.7	29.0	40.7	19.6	30.2	25.9	28.0	+11.1	-0.5	-4.4	-1.0

^{*1} Profit attributable to owners of the parent



^{*3} EBITDA/ consolidated crude steel production

^{*2} Business profit + depreciation cost + impairment loss

^{*4} Forecast as of Aug. 4th, 2022

Operational Highlights

Forecasts are rough figures .

		FY21				FY22			Change				
(MMT)	4Q	2H		1Q	2Q(f) *1	1H(f) *1	2H(f) *1	(f) *1	4Q. FY21 → 1Q. FY22	2H. FY21 → 1H(f). FY22	1H(f). FY22 → 2H(f). FY22	FY21 → FY22(f)	
Non-Consolidated Pig-iron Production	8.75	18.48	38.41	8.52	8.68	17.20			-0.23	-1.28			
Consolidated Crude Steel Production	10.14	21.20	44.46	10.33	10.17	20.50	20.50	41.00	+0.19	-0.70	+0.00	-3.46	
Non-Consolidated Crude Steel Production	8.81	18.45	38.68	8.69	8.81	17.50	17.50	35.00	-0.12	-0.95	+0.00	-3.68	
Non-Consolidated Steel Shipments	8.31	17.28	35.56	8.19	7.81	16.00	16.00	32.00	-0.12	-1.28	+0.00	-3.56	
Seamless Pipe Shipments	0.15	0.29	0.60	0.16	0.18	0.34			+0.01	+0.05			
Average Steel Selling Price (k JPY/ton)	134.6	129.3	117.7	140.0	154	147			+5.4	+18			
Steel Export Ratio (Value basis (%))	39	40	42	48	41	44			+9	+4			
FOREX (USD•JPY)	115	114	112	126	137	132	140	136			Depreciated Yen +8	Depreciated Yen +24	

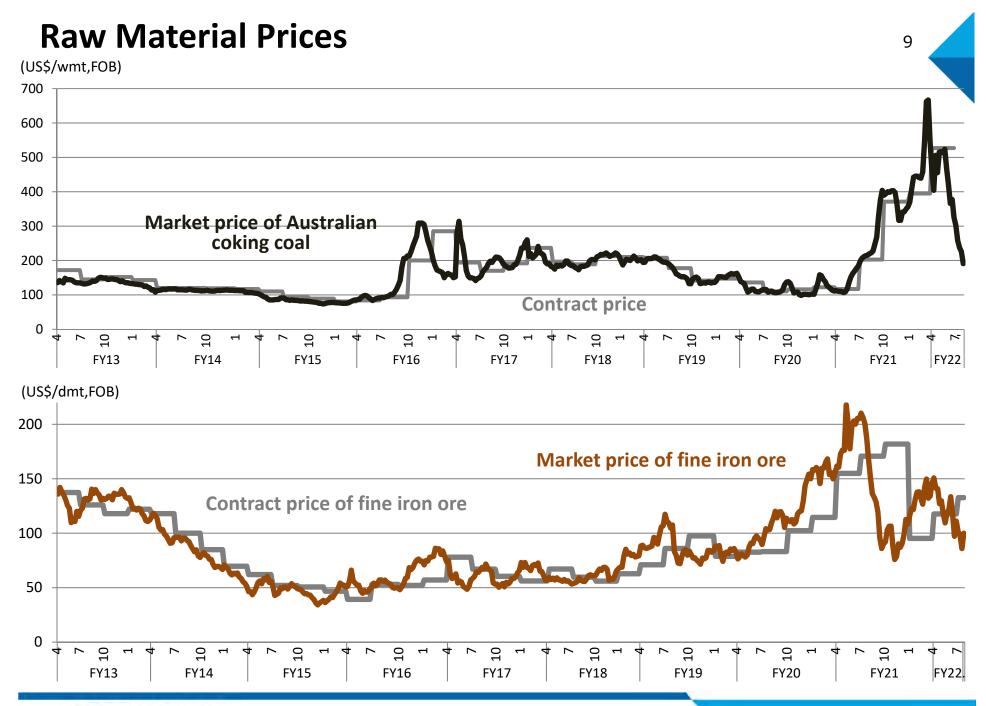
^{*1} Forecasts as of Aug. 4th, 2022



Appendix

- 1. Key Performance Indicators
- 2. Business Environment Indicators
- 3. Progress of Management Strategy Measures





USD-JPY Trend





Key Indicators of Demand

					F۱	/21		FY22					Change			
[Domestic]			30	Q	4Q	2Н			10	2	2Q (f) *1	1H (f) *1	4Q. FY21 → 1Q. FY22	1Q. FY22. → 2Q(f). FY22	2H. FY21 → 1H(f). FY22	
Housing Starts	(mil	. houses)	0.	.22	0.20	0.	42	0.87	0.	.22	0.22	0.44	+0.02	_	+0.02	
Non-residential Construction Starts		(mil. m²)	13.	.81 ′	10.58	24.	39	48.06	13.	.57	12.79	26.36	+3.00	-0.78	+1.97	
Public Works Orders		(bn. JPY)	2,3	399	3,468	5,8	67	11,546	2,6	000	3,000	5,600	-868	+400	-267	
Finished Auto Production	on (n	nil. units)	1.	.98	1.96	3.	94	7.54	1.	.67	2.03	3.70	-0.29	+0.36	-0.24	
Export of Finished Auto) (n	nil. units)	0.	.97	0.90	1.	87	3.68	0.	.83	1.01	1.84	-0.07	+0.18	-0.03	
Overseas Auto Producti (8 Japanese car makers)	-	nil. units)	4.	.26	4.24	8.	50	15.93	3.	.77			-0.47			
Large & Middle Sized Shovel Production	thousa	nd units)		24	25		49	93		24	24	48	-1	-	-1	
Metal Machine Tool Production	(thous	and tons)		81	96	1	73	329		79	82	161	-17	+3	-12	
Keel-laid New Ships	(mil. gr	oss tons)	2.	.35	2.15	4.	50	8.81	2.	.25	1.98	4.23	+0.10	-0.27	-0.27	
Rig Count C	Y12	CY13	CY14	CY15	CY16	CY17	CY1	8 CY19	CY20	CY21	CY22	Lates	t	Peak	Bottom	
USA 1	1,919	1,761	1,862	977	510	875	1,03	2 944	436	475	674	752 ⁽	Jul.1st) 2,0 3	31 (Sep-08)	244 (Aug-20	
	324	326	354	205	126	222	23	0 227	104	172	261	200	Jul.1st) 4	13 ^(Nov-11)	55 (Sep-20	

Source: Baker Hughes, Smith international, Nippon Steel's estimate *1 Forecasts as of Aug 4th, 2022

1,167

955

948

988 1,098

825

755

819

824

1,234 | 1,296 | 1,337



World total

(Jun.22) **1,382**

656 (Oct-20)

Domestic Steel Consumption by Industrial Sector

		F	Y21			FY22			Change	
(MMT)	3Q	4Q	2H		1Q	2Q(f)	1H(f)	4Q. FY21 → 1Q. FY22	1Q. FY22 → 2Q(f). FY22	2H FY21 → 1H(f). FY22
Domestic Crude Steel Production	24.20	23.01	47.21	95.64	22.99	23.51	46.50	-0.02	+0.52	-0.71
Domestic Steel Consumption (A + B)	14.33	13.74	28.08	55.21	13.34	13.96	27.30	-0.41	+0.63	-0.78
% for manufacturing sector	62.8	62.3	62.6	62.0	62.6	63	63	+0.3	+0	+0
Ordinary Steel Consumption (A)	11.23	10.99	22.22	43.75	10.47	11.03	21.50	-0.52	+0.55	-0.72
Construction	5.14	5.02	10.15	20.21	4.80	5.00	9.80	-0.22	+0.20	-0.35
Manufacturing	6.09	5.98	12.07	23.54	5.67	6.03	11.70	-0.30	+0.35	-0.37
Shipbuilding	0.76	0.73	1.49	2.82	0.71	0.69	1.40	-0.02	-0.02	-0.09
Automotive	2.34	2.24	4.58	8.97	2.06	2.44	4.50	-0.18	+0.37	-0.08
Industrial Machine	1.27	1.27	2.54	4.95	1.22	1.18	2.40	-0.05	-0.04	-0.14
Electronic Machine	0.71	0.73	1.44	2.81	0.72	0.68	1.40	-0.01	-0.04	-0.04
Special Steel Consumption (B)	3.11	2.75	5.86	11.46	2.86	2.94	5.80	+0.11	+0.08	-0.06

Source: Nippon Steel's estimation

*1 Forecasts as of Aug. 4th, 2022



World Economic Outlook < Released on Jul. 26th, 2022 by IMF >

Numbers in [parentheses]: Prev. IMF's Outlooks for CY2022

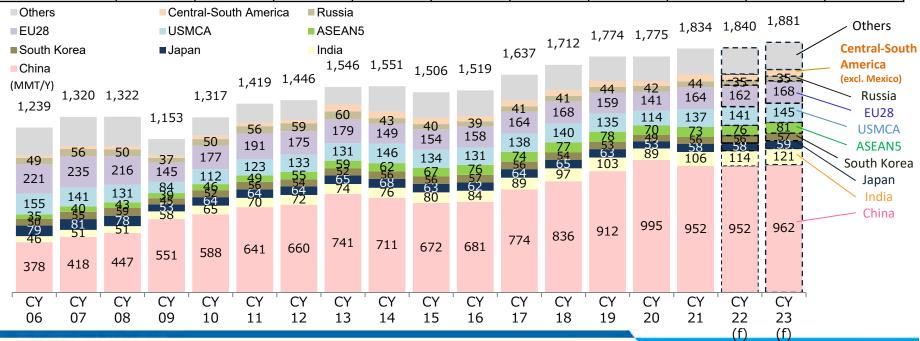
								CY2	2 (f)			
(0	GDP growth rate)	CY17	CY18	CY19	CY20	CY21	As of Oct.21	As of Jan.22	As of Apr.22	As of Jul.22	vs. prev. forecast	vs.CY21
W	Vorld Total	3.8	3.6	2.8	-3.1	6.1	[4.9]	[4.4]	[3.6]	3.2	-0.4	-2.9
	Developed Countries	2.4	2.2	1.7	-4.5	5.2	[4.5]	[3.9]	[3.3]	2.5	-0.8	-2.7
	USA	2.2	2.9	2.2	-3.4	5.7	[5.2]	[4.0]	[3.7]	2.3	-1.4	-3.4
	EU27	2.4	1.9	1.3	-6.3	5.3	[4.3]	[3.9]	[2.8]	2.6	-0.2	-2.7
	Japan	1.9	0.3	0.7	-4.6	1.6	[3.2]	[3.3]	[2.4]	1.7	-0.7	+0.1
	Emerging Countries	4.7	4.5	3.7	-2.1	6.8	[5.1]	[4.8]	[3.8]	3.6	-0.2	-3.2
	China	6.9	6.6	6.1	2.3	8.1	[5.6]	[4.8]	[4.4]	3.3	-1.1	-4.8
	ASEAN-5 (*)	5.3	5.2	4.9	-3.4	3.4	[5.8]	[5.6]	[5.3]	5.3	+0.0	+1.9
	India	6.7	6.8	4.2	-7.3	8.9	[8.5]	[9.0]	[8.2]	7.4	-0.8	-1.5
	Russia	1.5	2.3	1.3	-3.0	4.7	[2.9]	[2.8]	[-8.5]	-6.0	+2.5	-10.7
	Brazil	1.1	1.3	1.1	-4.1	4.6	[1.5]	[0.3]	[0.8]	1.7	+0.9	-2.9

(*)Indonesia, Malaysia, Philippines, Thailand and Vietnam Source: IMF



World Steel Demand: World Steel Association forecast as of Apr. 14th, 2022

(apparent steel use) MMT/Y	World	Japan	China	South Korea	ASEAN5	India	USMCA	EU28	Russia	Other CIS + Ukraine
CY2021	1,834	58	952	56	73	106	137	164	44	15
2020->21 change	+58	+5	-43	+7	+3	+17	+23	+23	+2	N.A.
vs previous year	+2.7%	+9.3%	-5.4%	+13.5%	+3.5%	+18.8%	+20.5%	+16.8%	+3.8%	N.A.
CY2022(f)	1,840	58	952	56	76	114	141	162	35	10
vs as of Oct. 2021	-5 6	-1	-33	+2	-3	+3	+4	-6	-10	N.A.
2021->22 change	+6	+1		+1	+4	+8	+4	-2	-9	-5
vs previous year	+0.4%	+1.2%	_)	+1.2%	+4.8%	+7.5%	+2.9%	-1.3%	-20.0%	-34.9%
CY2023(f)	1,881	59	962	57	81	121	145	168	35	10
2022->23 change	+41	+1	+10	+1	+5	+7	+4	+6	-	+1
vs previous year	+2.2%	+1.0%	+1.0%	+1.0%	+6.1%	+6.0%	+2.7%	+4.0%	-	+5.3%



World Crude Steel Production

	CY20	CY21			С	722			CY22	
(MMT)	[A]	[B]	Jan - Mar	Apr	May	Jun	Apr - Jun	Jan - Jun [C]	[D] (C*12/6)	Change [B] →[D]
World Total *	1,842.4	1,909.5	459.3	163.2	168.3	158.1	489.6	948.9	1,897.9	-11.6
[YoY]	[-0.1%]	[+3.6%]	[-5.8%]	[-4.8%]	[-4.2%]	[-5.9%]	[-4.9%]	[-5.4%]		
Japan	83.8	96.3	23.0	7.5	8.1	7.4	23.0	46.0	92.0	-4.3
[YoY]	[-15.6%]	[+14.9%]	[-2.9%]	[-4.4%]	[-4.2%]	[-8.1%]	[-5.6%]	[-4.3%]		
Korea	67.1	70.4	16.9	5.5	5.8	5.6	16.9	33.8	67.7	-2.7
[YoY]	[-6.1%]	[+5.0%]	[-3.8%]	[-4.2%]	[-1.4%]	[-6.0%]	[-3.9%]	[-3.9%]		
USA	72.7	85.8	20.2	7.0	7.1	6.9	20.9	41.1	82.3	-3.5
EU28	139.3	159.8	38.3	13.2	13.1	12.3	38.6	76.9	153.8	-6.0
Russia	71.6	75.2	18.3	6.1	6.0	5.0	17.1	35.4	70.9	-4.3
Ukraine	31.4	21.4	3.7	0.3	0.3	0.3	0.9	4.5	9.1	-12.3
Brazil	31.4	36.1	8.6	2.9	3.0	2.9	8.8	17.4	34.8	-1.3
India	100.3	118.2	32.2	10.4	10.7	10.0	31.0	63.2	126.4	+8.2
China	1,064.9	1,032.6	246.3	92.8	96.6	90.7	280.1	526.4	1,052.8	+20.2
[YoY]	[+6.9%]	[-3.0%]	[-8.7%]	[-5.2%]	[-3.5%]	[-3.4%]	[-4.0%]	[-6.3%]		

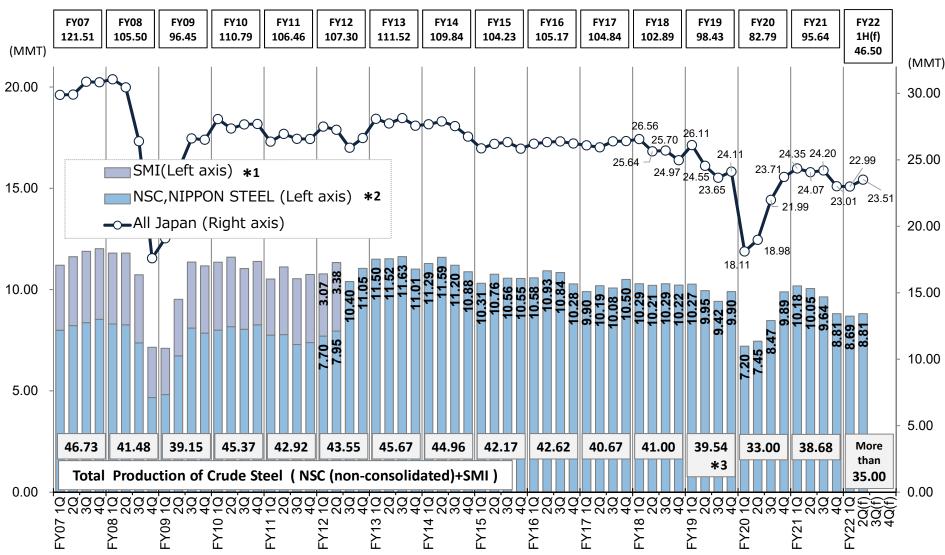
Source: World Steel Association

* Total of 64 countries



Domestic Crude Steel Production

All Japan (MMT)



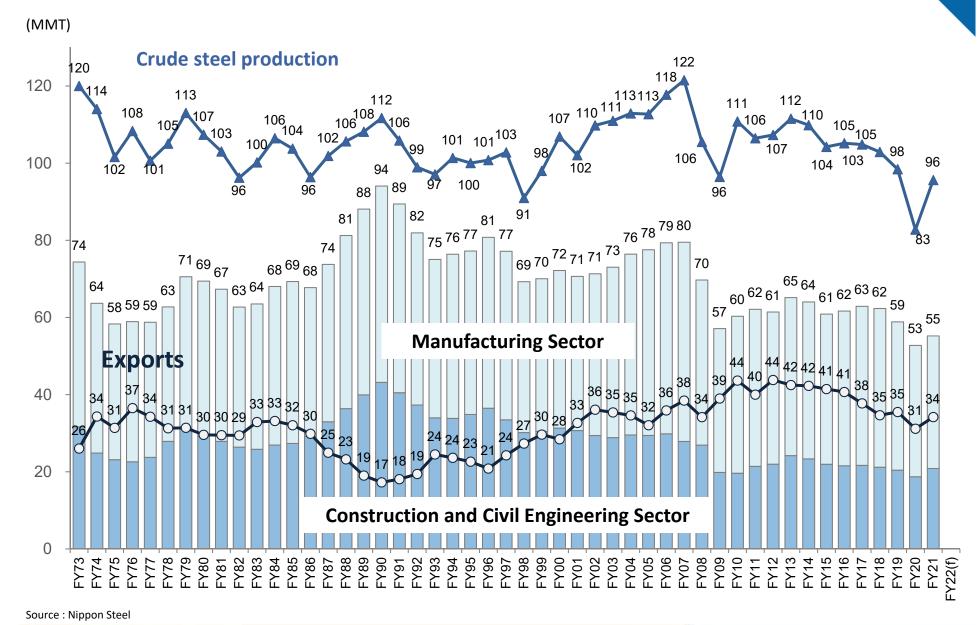
*1 Includes Sumitomo Metals(Kokura), Sumitomo Metals(Naoetsu) and Sumikin Iron & Steel Co.

*2 Includes NIPPON STEEL & SUMIKIN KOUTETSU WAKAYAMA CORP (~FY2017)



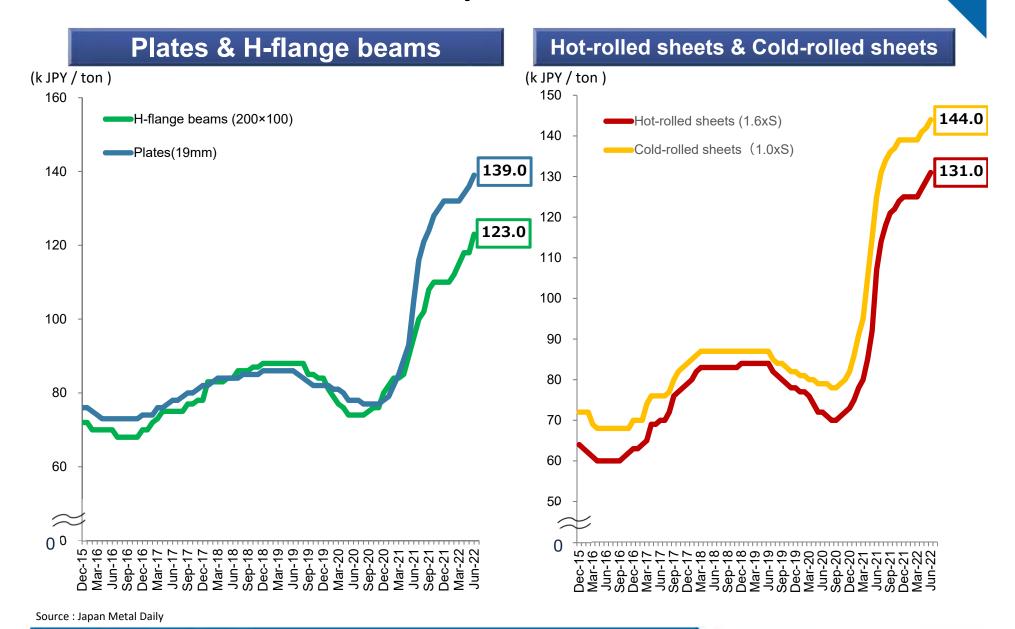
*3 41.85 MMT including ex-Nippon Steel Nisshin

Domestic Steel Consumption Trend

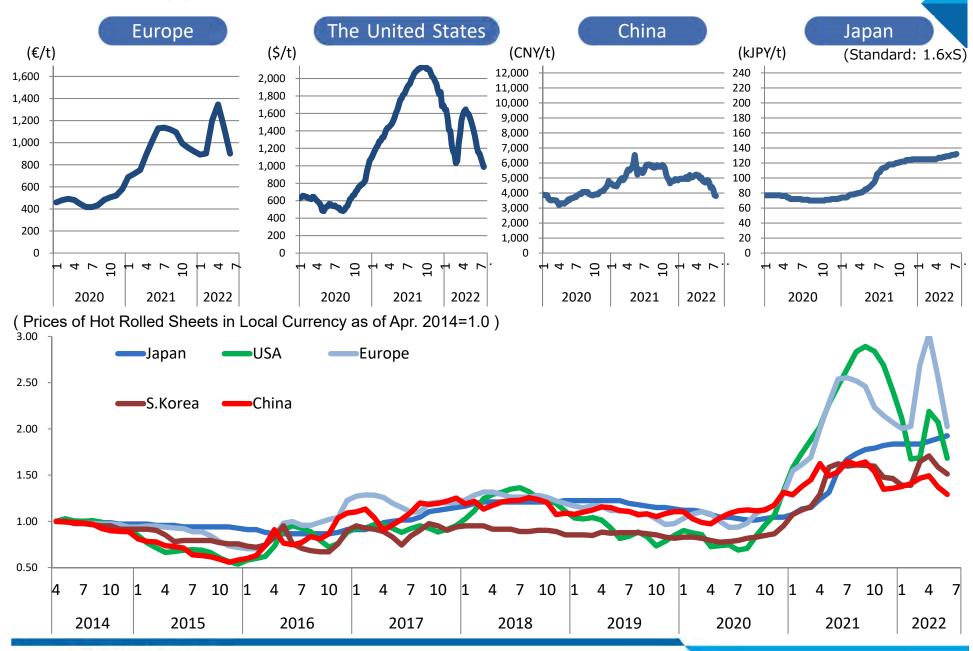




Domestic Steel Products Spot Prices



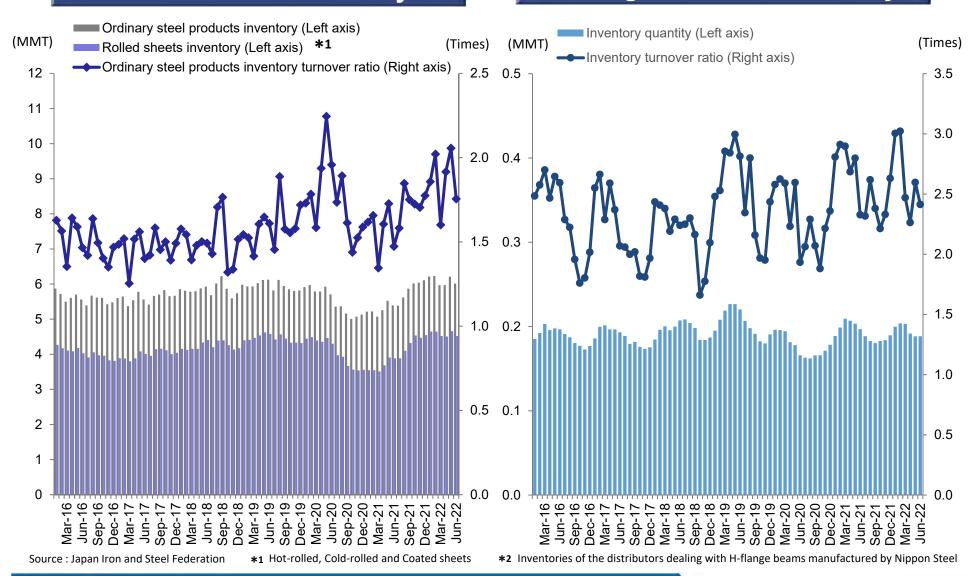
HRC Prices



Domestic Steel Inventory

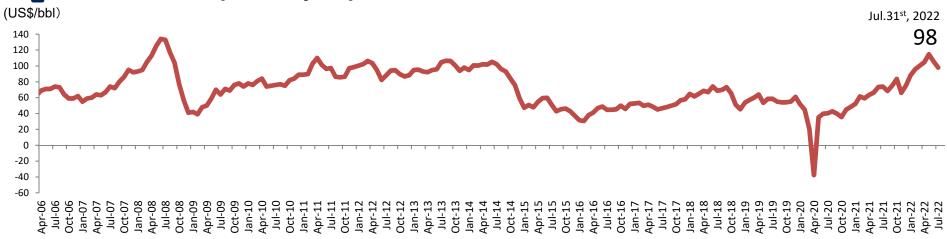
Rolled Sheets Inventory *1

H-flange beams*2 Inventory



Energy Sector : Oil Price / Rig Count

US Oil Price (WTI Spot)



Rig Counts (Jan. 2005=100)



Appendix

- 1. Key Performance Indicators
- 2. Business Environment Indicators
- 3. Progress of Management Strategy Measures

Progress<Domestic>: Selection and Concentration of Facilities, Products, and Businessess Early transition to domestic optimal production system and strengthening of competitiveness

*BF = Blast Furnace	Public ation	~FY19	FY20	FY21	FY22	FY23~		New info ☆ Plan Done ☆ Cancelled
(Wakayama) BF Switch	Mar-18	★ Mid Fe	b-19: Sw	itch from	5BF to No	ew 2BF		
(HOKKAI IRON & COKE CORP. in Muroran) Reline 2BF	Nov-18		★N	ov-20: Co	mpletion			
(Nagoya) Reline 2BF	Jun-20				☆ FY	22. 1H: (Completion	r
Coke Oven Construction (Kashima) 2E Coke Oven Coke Oven Refurbishment (Kimitsu) 5 Coke Oven (Hokkai) 5 Coke Oven (Nagoya) 3 Coke Oven (Oita) 2 Coke Oven (Kimitsu) 3 Coke Oven	Sep-15 Apr-16 Jun-17 Nov-18 Aug-22 Jun-22		9 : Compl 9 : Comp	etion letion rbishment	for all cok ay-21: Cor		☆ FY	25. 2H: Completion FY26. 1H: Completion
(Yawata) New Continuous Casting Facility	Mar-16	★Ma	y-19 : Coı	mpletion				
(Hirohata) Scrap Melting Process	Nov-19				\Rightarrow	A	operation 1H: Meltir	start ng furnace termination

Strengthen Quality and Volume of Globally-competitive Strategic Products

Strengthen Que	anty and volun	C OI G	iobuily	compc	CICIVC	otiate fie i ioaaets
Act	ion	Publi- cation	~FY19	FY20	FY21	FY22~
Electrical Steel Sheets Investments	Yawata #1 Hirohata #1	Aug-19/M Nov-19/N	•			FY23 1H: Facility operation start
for capacity & quality improvement	Hirohata #3	Mar-21				FY24 1H: Facility operation start
Super High-tensile	(Kimitsu) 6CGL (Nagoya) a next	Apr-18		*	์ Jan-21: Co	ompletion
Steel Sheets	generation hot strip mill	Mar-21				FY26.1Q: Start operation

Progress<Overseas>: Selection and Concentration of Facilities, Products, and Businesses 24
Strengthen Overseas Business Responding to Local Consumption Trend

Action	Publi- cation	~FY19	FY20	FY21	FY22~		<mark>nfo ☆</mark> Plan ☆ Cancelled
AM/NS India	Mar-18	*	Dec-19:	*D st *J F	quisition completed ec-21: Land use proposal eel mill in Kendrapara ap an-22: MoU with Gujara project in Hazira steel pla Apr-22: Installation & processes at Hazira stee Apr-22: Secured renev	proved from Odi at govt. on invest ant Expansion plan d eel plant (by 202	isha govt. tment of downstream (4) published
AM/NS Calvert New EAF	Nov-20					☆ FY23.1⊦	H: Completion
Acquisition of G/GJ Steel	Jan-21				★Jan-22:Share trar ★Mar-22:Tende	_	

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)	★ De	ec-19: Stop	ped produ	ıction	
Sale of Partnership Interest in NAT (Stainless steel pipe business in the US)	*	Feb-20: S	old		
Dissolution of N-EGALV (Electrogalvanized steel sheet business in Malaysia)		★Jun-2	20: Stoppe	d production	
Sale of Partnership Interests in I/N Tek and Kote		*	Dec-20: So	ld	
(Cold rolled and galvanized steel sheet business in the US)					
Sale of Partnership Interest in PATIN (Tinplate business in China)		*	Dec-20: So	old	
Sale of Partnership Interest in VSB (Seamless steel pipe business in Brazil)			★ Mar-2	1: Sold	
Sale of VAM USA(OCTG threading business in the US)	★ Jul-21: Sold				
Sale of PEXCO (Seamless stainless steel pipe business in the US)	★ Apr-22: Sold				
Withdrawal of NSCI (Steel wire for cold heading business in the US)					

Progress: Actions for Tackling the Climate Change Through Innovation

Legend : New info ☆ Plan ★ Done ☆ Cancelled

Action	~FY19	FY20	FY21	FY22~		
Eco-Products® High-Tensile Steel Sheet	★ Jan-19: ★ Jan-21: Operation of 6CGL in Kimitsu Area started Established ★ May-21: Expansion of "NSafe®-AutoConcept" solution lineup "NSafe® AutoConcept" ★ Oct-21: New press forming technology "NSafe®-RORM-SS" established					
Electrical Steel Sheet	FY23 1H: Hirohata #1,2 and Yawata#1,2 full operation					
Products given Ecoleaf Environmental Label	Dec-19: 9 H-beams products, Mar-20: Mega NSHYPER BEAM ™, Oct-20: 3 tinplate products, May-21: OCTGs and line pipes, Jul-21: SMart BEAM ™, Sep-21: Steel plates for building structure Dec-21: Started selling tinplate products with EcoLeaf mark printed on ★ Feb-22: 3 Bar & Wire products, ★ Apr-22: steel sheets of Nippon Steel and H-beams of Nippon Steel Structural Shapes Co. and Jun-22: process omission steel bar and wire were given Ecoleaf ★ Jul-22:the Ecoleaf mark started to be printed on various steel containe					
Environmental Awards						
Aiming for Carbon-free and Circular Society	 ★ May-19: Expressed our support for recommendations of TCFD ★ Dec-19: Held the 1st sustainability briefing ★ Jun-20: Expressed support for "Challenge Zero" program of Japan Business 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 ★ Jul-22: Was selected for "MSCI Japan Select Leader's Index" & "NESG Leaders Indexes, leading Indices for ESG Investment for the formal program of Japan 					

Progress: Digital Transformation, Responses to Work Style Change

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

Action	~FY19	FY20	FY21	FY22~		
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-DIG TM ★ Apr-20: Full-scale system for WFH prepared ★ Mar-22: Al technology application to heavy machine manipulation ★ Apr-22: Installation of "NS-IoT," enabling to remotely manage sensor data in multiple areas ★ May-22: Implementation of integrated data platform "NS-Lib"					
Local 5G Private Network	★ Aug-20: FS of local 5G network system demonstration provided by NSSOL in Muroran V ★ 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 ★ Jul-22: Practically implemented small-type drone "IBIS"					

100.0 bn. JPY of Investment in DX promotion is planned for 2021 to 2025. Human resource training for DX promotion in progress

Responses to Work Style Change

		•					
Action	~FY19	FY20	FY21	FY22~			
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 						



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