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OTC : NPSCY(ADR)



NIPPON STEEL

FY2022 Appendix

May 10th, 2023

NIPPON STEEL CORPORATION

Notes on this presentation material

Unless otherwise noted, all volume figures are presented in metric tons.

Unless otherwise noted, all financial figures are on consolidated basis.

Unless otherwise noted, net profit represents net profit attributable to owners of the parent.

Appendix

1. ESG Indicators

2. Key Performance Indicators
3. Business Environment Indicators
4. Market data
5. Progress of Management Strategy Measures

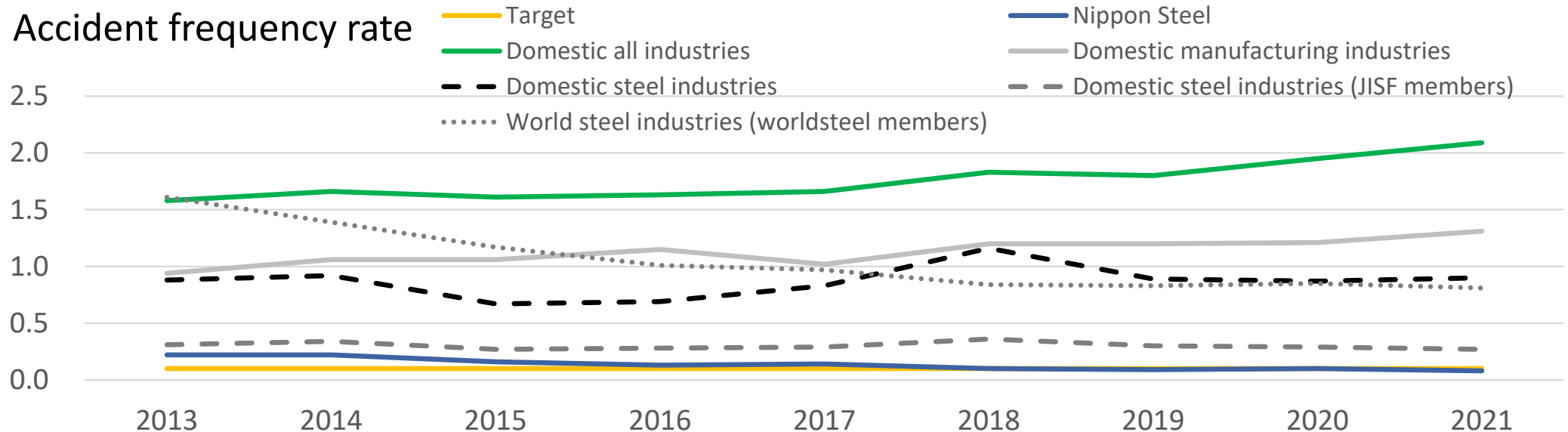
1-1. ESG Indicators (Safety and Health)

“M” represents materiality

(Calendar Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	Accident frequency rate	-	0.10 or less	0.22	0.22	0.16	0.13	0.14	0.10	0.09	0.10	0.08	0.11
	# of lost-time injuries	-	-	40	42	31	26	28	20	18	19	16	21
M	# of fatal accidents	-	0	5	2	4	7	1	3	3	2	2	1

Accident frequency rate



$$\text{Accident frequency rate} = \frac{\text{Number of accidents and recordable incidents, accompanied by lost work time}}{\text{Total number of hours worked by all employees}} \times 1,000,000$$

1-2. ESG Indicators (Environment 1/2)

“M” represents materiality

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	CO ₂ emissions (non-consol.)	MMT	Vs. 2030 -30%	102	101	96	96	93	94	91	74	83	
M	CO ₂ emissions (incl. group companies*)	MMT	Vx. 2030 -30%	107	105	100	99	97	98	94	77	87	
M	Utilization ratio of byproduct gas	%	-	100	100	100	100	100	100	100	100	100	
M	Utilization ratio of waste heat in steam generation	%	-	91	87	86	81	76	76	83	61	67	
M	Utilization ratio of byproduct energy in in-house power generation	%	-	92	90	88	81	78	81	81	71	75	

*Boundary of data collection: Nippon Steel, associated EAF mills (Osaka Steel, Sanyo Special Steel, Nippon Steel Stainless Steel, Oji Steel, Tokai Special Steel, Nippon Steel Structural Shapes Corporation, Tokyo Kohtetsu, Ovako, Sanyo Special Steel Manufacturing India, and Standard Steel), and three Sanso Center companies. The data collection period used is each company’s accounting period. As Ovako has changed its fiscal year end, Ovako’s fiscal 2021 results cover a period from January 1, 2021, to March 31, 2022 (15 months).

1-3. ESG Indicators (Environment 2/2)

“M” represents materiality

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	Cumulative EcoLeaf labels acquired	Units	-	-	-	-	-	-	-	10	15	35	41
M	Cumulative CDQ delivery units [CO ₂ reduction]	Units [million t-CO ₂]	-	87 [15.33]	90 [16.71]	95 [17.80]	96 [18.16]	102 [19.69]	106 [20.74]	114 [22.96]	128 [25.81]	/	/
M	Final waste disposal	kt	263 or less	250	248	380	263	256	266	289	229	307	/
M	Plastic waste treatment [percentage out of total plastic waste in Japan]	kt [%]	-	190 [approx. 30]	210 [approx. 30]	200 [approx. 30]	200 [approx. 30]	210 [approx. 30]	180 [27]	210 [32]	210 [31]	220 [30]	/
M	SOx emissions	Mn. Nm ³	-	13	13	14	14	14	14	14	11	13	/
M	NOx emissions	Mn. Nm ³	-	30	28	29	28	25	26	27	21	25	/
M	VOC emissions	t	1,106 or less	730	728	630	624	573	627	639	524	545	/
M	Benzene discharge	t	172 or less	125	102	111	106	99	83	88	75	95	/
M	Water intake	Bn. m ³	-	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	/

1-4. ESG Indicators (Disaster Prevention, Quality)

“M” represents materiality

Disaster prevention

(Calendar Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	# of serious disaster-related accidents	-	0	0	5	0	2	1	3	0	0	0	0

Quality

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	R&D expenses (consol.)	Bn. JPY	-	64.4	62.9	68.4	69.1	73.0	72.0	77.6	65.3	66.4	
M	# of patents held (non-consol.)	Thousand (approx.)	-	23	25	25	27	30	32	36	32	30	30
M	# of awards from customers, government, and institutions	-	-	22	19	15	15	13	14	15	9	9	

1-5. ESG Indicators (Human Resources, D&I)

“M” represents materiality

Diversity & Inclusion

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
●	# of women in managerial positions (as of April)	-	75 or higher in 2025	21	21	25	26	29	28	28	36	45	55
●	Ratio of paid holidays taken	%	75% or higher	65.0	66.5	72.6	70.1	73.0	77.5	81.3	60.0 ^{*1}	77.8	/
	Ratio of childcare leave taken (male)	%	-	/	/	/	/	/	/	4.6	8.5	25.6	/

*1 Lower than other years due to the mandatory leave policy carried out responding to the rapid decline in steel demand

Human resource development

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
●	Hours of training and education (non-consol.) ^{*1}	Hour / person, year [Million hours / year]	-	/	/	/	/	/	/	68 [1.84]	62 [1.82] ^{*2}	32 [0.90] ^{*3}	/

*1 Numbers for the three recent years have been revised from numbers reported in Sustainability Report 2022 due to reanalysis of past data

*2 Decrease compared to FY2020 due to COVID-19 outbreak in Japan

*3 Decrease compared to FY2021 due to decline in hiring, offsetting an effort to increase the number of training programs

1-6. ESG Indicators (Local Communities, Corporate Value)

“M” represents materiality

Local community engagement

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	Greenery space	ha	-	907	919	961 ^{*1}	906 ^{*2}	897	830 ^{*2}	830	830	840	
M	Expenses for green space development and maintenance ^{*3}	Bn. JPY	-	1.1	1.1	1.3	1.2	1.3	1.3	1.4	1.3	1.3	
M	# of plant visitors	Thousand ppl.	-	140	140	137	141	142	135	130	none [due to COVID]	none [due to COVID]	none [due to COVID]

*1 Increase due to change in calculation of site area *2 Decrease due to change in definition of greenery space

*3 Some numbers have been revised from those reported in Sustainability Report 2022 due to change in environmental accounting analysis policy

Corporate value enhancement and profit distribution

(Fiscal Year)

	Indicator	Unit	Target	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
M	ROS	%	10	6.5	8.1	4.1	3.8	5.1	5.5	△4.8	2.3	13.8	11.5
M	ROE	%	10	9.6	7.6	5.1	4.6	6.0	7.9	△14.7	△1.2	20.5	18.1
M	Base bonus amount	Mn. JPY /capita	-	1.20	1.61	1.70	1.41	1.38	1.53	1.57	1.00	1.05	2.37
M	Revised amount of salary (upward)	K JPY /month	-	-	1.0	1.0	1.5	1.0	1.5	1.5	-	-	3.0
M	Tax payment (consol.)	Bn. JPY	-	56.8	81.4	58.1	41.7	66.4	80.8	92.5	26.7	86.0	214.4
M	Dividend per share	JPY /share	-	50 ^{*1}	55 ^{*1}	45 ^{*1}	45	70	80	10	10	160	<u>180</u> (Forecast)

*1 Adjusted to the current stock basis after the reverse stock split (10 shares to 1 shares on October 1, 2015).

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Appendix

1. ESG Indicators
- 2. Key Performance Indicators**
3. Business Environment Indicators
4. Market data
5. Progress of Management Strategy Measures

2-1-1. Operational Highlights (Quarterly)

(f): forecast as of May 10th

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(prev.(f)): forecast as of Feb. 9th

(MMT)	FY21							FY22							FY23		
	Q1	Q2	H1	Q3	Q4	H2		Q1	Q2	H1	Q3	Q4	H2	Prev.(f)		H1(f)	(f)
Non-Consolidated Pig-iron Production	10.04	9.89	19.93	9.72	8.75	18.48	38.41	8.52	8.29	16.81	8.63	8.52	17.15	34.00	33.96		
Consolidated Crude Steel Production	11.88	11.37	23.25	11.06	10.14	21.20	44.46	10.33	9.87	20.21	10.04	10.07	20.11	40.20	40.32	20.50	41.00
Affiliates' Crude Steel Production	1.70	1.32	3.02	1.42	1.33	2.75	5.78	1.64	1.53	3.17	1.45	1.45	2.90	6.00	6.07	3.00	6.00
Non-Consolidated Crude Steel Production	10.18	10.05	20.23	9.64	8.81	18.45	38.68	8.69	8.34	17.04	8.59	8.62	17.21	34.20	34.25	17.50	35.00
Non-Consolidated Steel Shipments	9.20	9.09	18.28	8.96	8.31	17.28	35.56	8.19	7.49	15.69	7.98	7.80	15.79	31.40	31.47	16.00	32.00
Seamless Pipe Shipments	0.15	0.16	0.31	0.14	0.15	0.29	0.60	0.16	0.18	0.34	0.18	0.19	0.37	0.69	0.70	0.35	
Steel Export Ratio (Value basis (%))	43	45	44	42	39	40	42	48	42	45	41	40	40	42	43		
Average Steel Selling Price(K JPY/ton)	97.2	116.1	106.6	124.4	134.6	129.3	117.7	140.0	152.7	146.0	155.9	147.3	151.7	149	148.9		
FOREX (USD/JPY)	110	110	110	113	115	114	112	126	137	132	144	133	139	134	135	130	130

2-1-2. Operational Highlights (Annual)

(f): forecast as of May 10th

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Apr-1st 2020, Merger of Nippon Steel & Nippon Steel Nisshin

	FY13	FY14	FT15	FY16	FY17	FY18	FY19	*1 FY19	FY20	FY21	FY22	FY23(f)
Non-Consolidated Pig-iron Production	44.80	44.91	42.51	42.15	40.61	40.86	40.09	42.57	33.07	38.41	33.96	
Consolidated Crude Steel Production	48.16	47.32	44.53	45.17	46.82	47.84	47.05	47.05	37.65	44.46	40.32	41.00
Affiliates' Crude Steel Production	2.49	2.36	2.36	2.55	6.15 *2	6.84	7.51	5.20	4.65	5.78	6.07	6.00
Non-Consolidated Crude Steel Production	45.67	44.96	42.17	42.62	40.67	41.00	39.54	41.85	33.00	38.68	34.25	35.00
Non-Consolidated Crude Steel Production *3 (ex-Nippon Steel Sumitomo Metal + ex-Nisshin Steel Kure Works)	48.84	48.23	45.31	45.56	43.45	43.73	41.85					
Non-Consolidated Steel Shipments	42.02	41.88	39.62	39.78	37.79	37.97	36.31	38.70	31.22	35.56	31.47	32.00
Seamless Pipe Shipments	1.20	1.18	0.83	0.93	0.96	1.03	0.97	0.97	0.63	0.60	0.70	0.00
Steel Export Ratio (Value basis (%))	46	47	45	42	41	40	40	38	36	42	43	
Average Steel Selling Price(K JPY/ton)	86.0	87.2	77.1	72.6	84.7	89.9	87.3	88.3	86.1	117.7	148.9	
FOREX (USD/JPY)	100	109	121	109	111	111	109	109	106	112	135	130

*1 Assumption after merger of Nippon Steel & ex-Nippon Steel Nisshin *2 Started consolidation of Nippon Steel Nisshin in Mar. 2017

*3 Ex-Nippon Steel & Sumitomo Metal(FY13~FY18)/Nippon Steel(FY19) + ex-Nippon Steel Nisshin Kure Works

2-2-1. Earnings Summary (Quarterly)

(f): forecast as of May 10th

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(prev.(f)): forecast as of Feb. 9th

(bn.JPY)	FY21							FY22							FY23		
	Q1	Q2	H1	Q3	Q4	H2		Q1	Q2	H1	Q3	Q4	H2	Prev.(f)	H1(f)	(f)	
Revenue	1,503.1	1,660.7	3,163.9	1,778.5	1,866.4	3,644.9	6,808.8	1,919.1	1,955.2	3,874.4	2,087.2	2,013.9	4,101.1	8,000.0	7,975.5	4,500.0	9,000.0
Steelmaking	1,351.5	1,499.8	2,851.4	1,614.8	1,687.4	3,302.2	6,153.6	1,750.2	1,778.3	3,528.6	1,907.2	1,809.7	3,716.9	7,250.0	7,245.5	4,200.0	8,400.0
Engineering & Construction	59.1	64.7	123.8	71.3	84.0	155.3	279.2	70.9	93.0	164.0	84.8	103.2	188.1	360.0	352.2	200.0	400.0
Chemicals & Materials	57.8	64.6	122.5	65.7	61.6	127.3	249.8	74.1	70.7	144.9	66.8	62.8	129.6	280.0	274.5	140.0	280.0
System Solutions	66.4	64.8	131.2	65.1	74.9	140.0	271.3	65.3	69.7	135.0	72.3	85.0	157.4	290.0	292.5	140.0	305.0
share of profit in investments accounted for using the equity method	39.3	77.3	116.6	66.8	31.0	97.8	214.4	45.2	36.1	81.3	7.7	13.7	21.5		102.9		
Business Profit	217.0	260.8	477.8	265.9	194.3	460.2	938.1	338.8	202.8	541.7	220.0	154.6	374.7	870.0	916.4	270.0	650.0
ROS (%)	14.4%	15.7%	15.1%	15.0%	10.4%	12.6%	13.8%	17.7%	10.4%	14.0%	10.5%	7.7%	9.1%	10.9%	11.5%	0.6%	0.7%
Steelmaking	202.5	245.6	448.2	249.8	172.9	422.7	871.0	331.6	184.1	515.8	210.1	135.4	345.6	820.0	861.4	250.0	600.0
Engineering & Construction	(0.5)	(2.4)	(2.9)	2.5	6.7	9.2	6.3	3.3	1.9	5.3	1.2	5.0	6.3	11.0	11.6	7.0	15.0
Chemicals & Materials	6.2	7.3	13.5	6.5	5.3	11.8	25.3	9.2	4.4	13.6	2.5	0.0	2.4	16.0	16.1	2.5	9.5
System Solutions	7.7	6.8	14.6	8.2	8.0	16.2	30.8	6.6	7.3	14.0	8.5	9.5	18.0	31.0	32.1	14.0	33.5
Additional Line Items *1	39.3	(88.7)	(49.4)	33.8	(81.6)	(47.7)	(97.2)	-	-	-	-	(32.8)	(32.8)	-	(32.8)	(60.0)	(70.0)
Net profit attributable to owners of the parent	162.1	136.5	298.7	209.1	129.4	338.5	637.3	230.9	141.4	372.3	144.7	176.8	321.6	670.0	694.0	120.0	370.0
ROE (%) *2	22.6%	17.9%	20.3%	26.1%	15.4%	20.5%	20.5%	25.7%	14.7%	20.1%	14.4%	17.1%	15.8%		18.1%		
EBITDA	297.0	342.1	639.2	350.1	300.8	651.0	1,290.2	420.4	286.5	706.9	305.9	243.7	549.6	1,220.0	1,256.6	450.0	1,010.0

*1 Incl. losses on inactive facilities, losses on business withdrawal etc.

*2 Annualized

2-2-2. Earnings Summary (Annual)

(f): forecast as of May 10th

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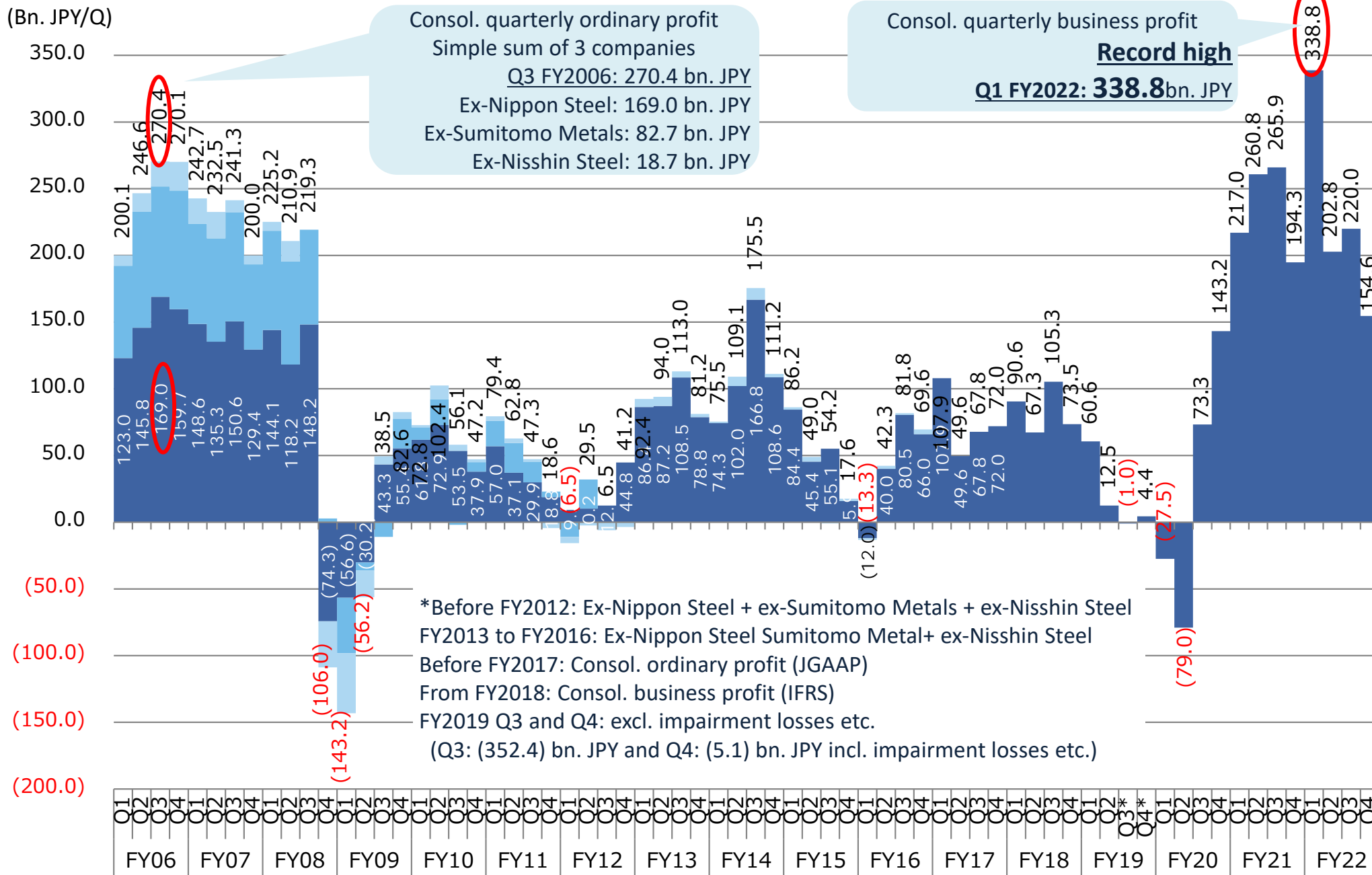
(bn.JPY)	FY13 (JGAAP)	FY14 (JGAAP)	FT15 (JGAAP)	FY16 (JGAAP)	FY17 (JGAAP)	FY17 (IFRS)	FY18 (IFRS)	FY19 (IFRS)	FY19 (excl. impairment loss)	FY20 (IFRS)	FY21 (IFRS)	FY22 (IFRS)	FY23(f) (IFRS)
Revenue *1	5,516.1	5,610.0	4,907.4	4,632.8	5,668.6	5,712.9	6,177.9	5,921.5	5,921.5	4,829.2	6,808.8	7,975.5	9,000.0
Steelmaking	4,877.9	4,939.2	4,283.9	4,052.2	5,017.2	5,017.2	5,454.5	5,257.3	5,257.3	4,228.4	6,153.6	7,245.5	8,400.0
Engineering & Construction	314.1	348.6	315.7	267.5	294.2	294.2	356.7	340.4	340.4	324.4	279.2	352.2	400.0
Chemicals & Materials	267.3	249.1	218.0	208.7	237.7	237.8	247.0	215.7	215.7	178.6	249.8	274.5	280.0
System Solutions	179.8	206.0	218.9	232.5	244.2	244.2	267.5	273.2	273.2	252.4	271.3	292.5	305.0
share of profit in investments accounted for using the equity method	62.7	82.7	44.2	79.2	122.7	65.7	86.4	38.4	38.4	55.2	214.4	102.9	
Business Profit *2	361.0	451.7	200.9	174.5	297.5	288.7	336.9	(284.4)	76.5	110.0	938.1	916.4	650.0
ROS (%)	6.5%	8.1%	4.1%	3.8%	5.2%	5.1%	5.5%	(4.8%)	1.3%	2.3%	13.8%	11.5%	7.2%
Steelmaking	321.2	401.9	160.0	138.0	245.7	245.7	274.6	(325.3)	35.6	63.5	871.0	861.4	600.0
Engineering & Construction	17.7	18.7	12.1	6.8	9.1	9.1	9.4	10.7	10.7	17.7	6.3	11.6	15.0
Chemicals & Materials	11.3	9.2	4.0	6.2	17.3	17.3	25.0	18.4	18.4	7.6	25.3	16.1	9.5
System Solutions	12.7	16.5	19.4	22.1	23.2	23.2	26.5	26.1	26.1	23.9	30.8	32.1	33.5
Additional Line Items	38.0	(75.5)	29.8	7.1	(7.6)	-	(71.8)	(121.7)		(98.6)	(97.2)	(32.8)	(70.0)
Losses on reorganization *3	(18.6)	(89.8)	(32.7)	(19.1)	(33.3)	-	(49.4)	(121.7)		(98.6)	(97.2)	(32.8)	(70.0)
Losses on inactive facilities *4	(18.6)	(21.2)	(19.0)	(12.7)	(11.6)	-	(15.1)	(22.7)		(79.9)		(23.5)	(70.0)
Losses on business withdrawal	-	(68.6)	-	(6.4)	(6.1)	-	(17.4)	(20.2)		(18.7)		(9.3)	-
Impairment loss	-	-	(13.7)	-	(15.6)	-	(16.8)	(78.7)		-		-	-
Losses on disaster	-	-	-	(7.8)	-	-	(22.3)	-		-	-	-	-
Net profit attributable to owners of the parent *5	242.7	214.2	145.4	130.9	195.0	180.8	251.1	(431.5)		(32.4)	637.3	694.0	370.0
ROE (%)	9.6%	7.6%	5.1%	4.6%	6.4%	6.0%	7.9%	(14.7%)		(1.2%)	20.5%	18.1%	
ROIC (%) *6	4.1%	5.2%	2.7%	2.6%	4.0%	-	4.0%	(5.0%)		1.4%	10.6%	9.2%	
EBITDA	630.2	669.5	475.9	418.9	658.0	655.3	745.5	466.8		400.9	1,290.2	1,256.6	1,010.0

*1 JGAAP : Net sales *2 JGAAP : Ordinary Profit *3 JGAAP : Extraordinary Profit(Incl. Gain on sales of shares of subsidiaries and associates) & Loss

*4 JGAAP : Extraordinary Loss(excl. Losses on disaster) *5 JGAAP : Profit attributable to owners of parent

*6 NOPAT [Business Profit x (1 – Effective Tax Rate)] / Invested Capital [Total Equity including Non-controlling Interests + Interest-bearing Debt]

2-2-3. Business Profit Trend (Quarterly)

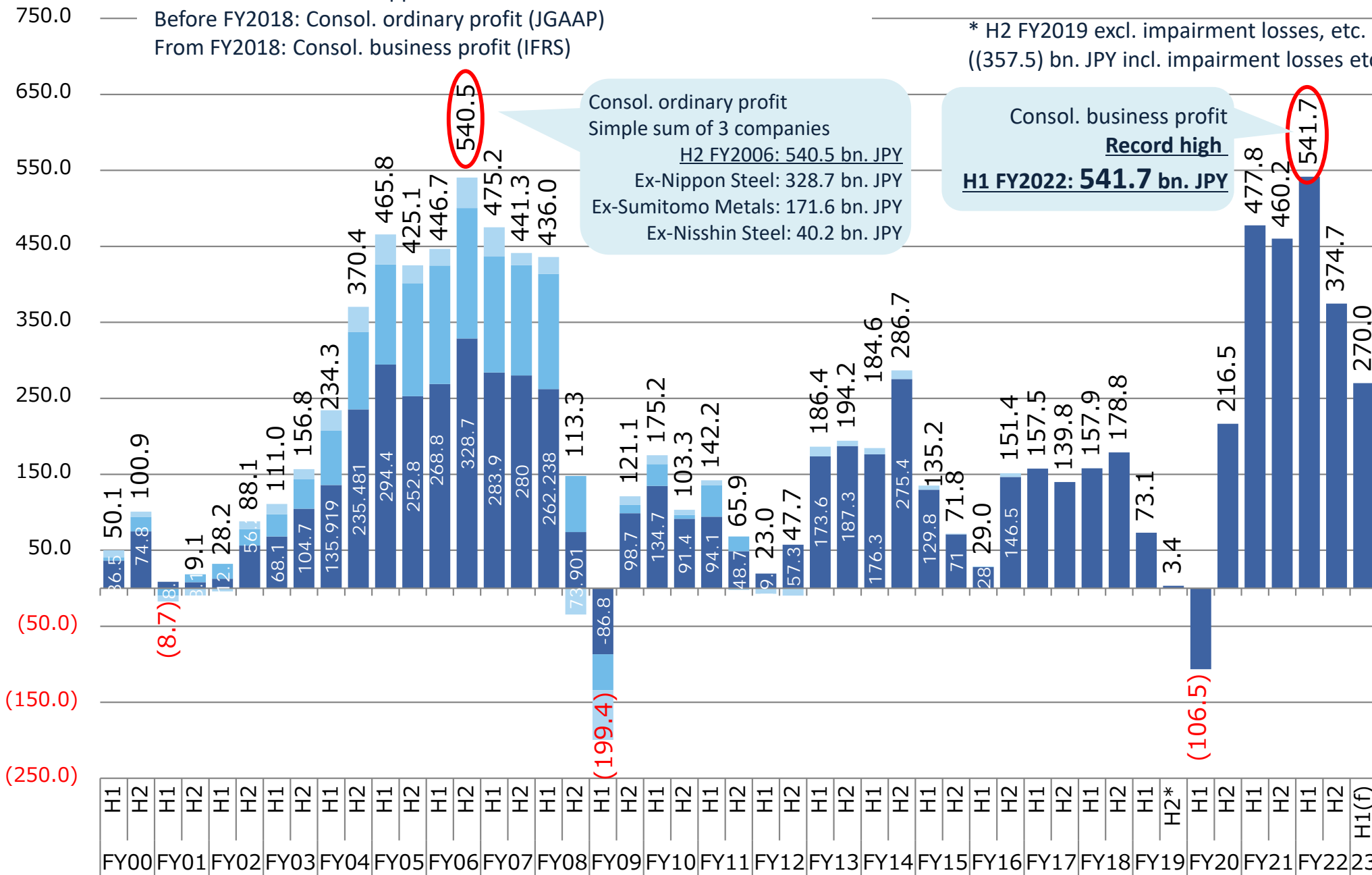


2-2-3. Business Profit Trend (Half-year)

(Bn. JPY/HY)

*Before FY2013: Ex-Nippon Steel + ex-Sumitomo Metals + ex-Nisshin Steel
 FY2013 to FY2016: Ex-Nippon Steel Sumitomo Metal+ ex-Nisshin Steel
 Before FY2018: Consol. ordinary profit (JGAAP)
 From FY2018: Consol. business profit (IFRS)

* H2 FY2019 excl. impairment losses, etc.
 ((357.5) bn. JPY incl. impairment losses etc.)



Consol. ordinary profit
 Simple sum of 3 companies
 H2 FY2006: 540.5 bn. JPY
 Ex-Nippon Steel: 328.7 bn. JPY
 Ex-Sumitomo Metals: 171.6 bn. JPY
 Ex-Nisshin Steel: 40.2 bn. JPY

Consol. business profit
Record high
H1 FY2022: 541.7 bn. JPY

2-2-3. Business Profit Trend (Annual)

Consol. ordinary profit
Simple sum of 3 companies

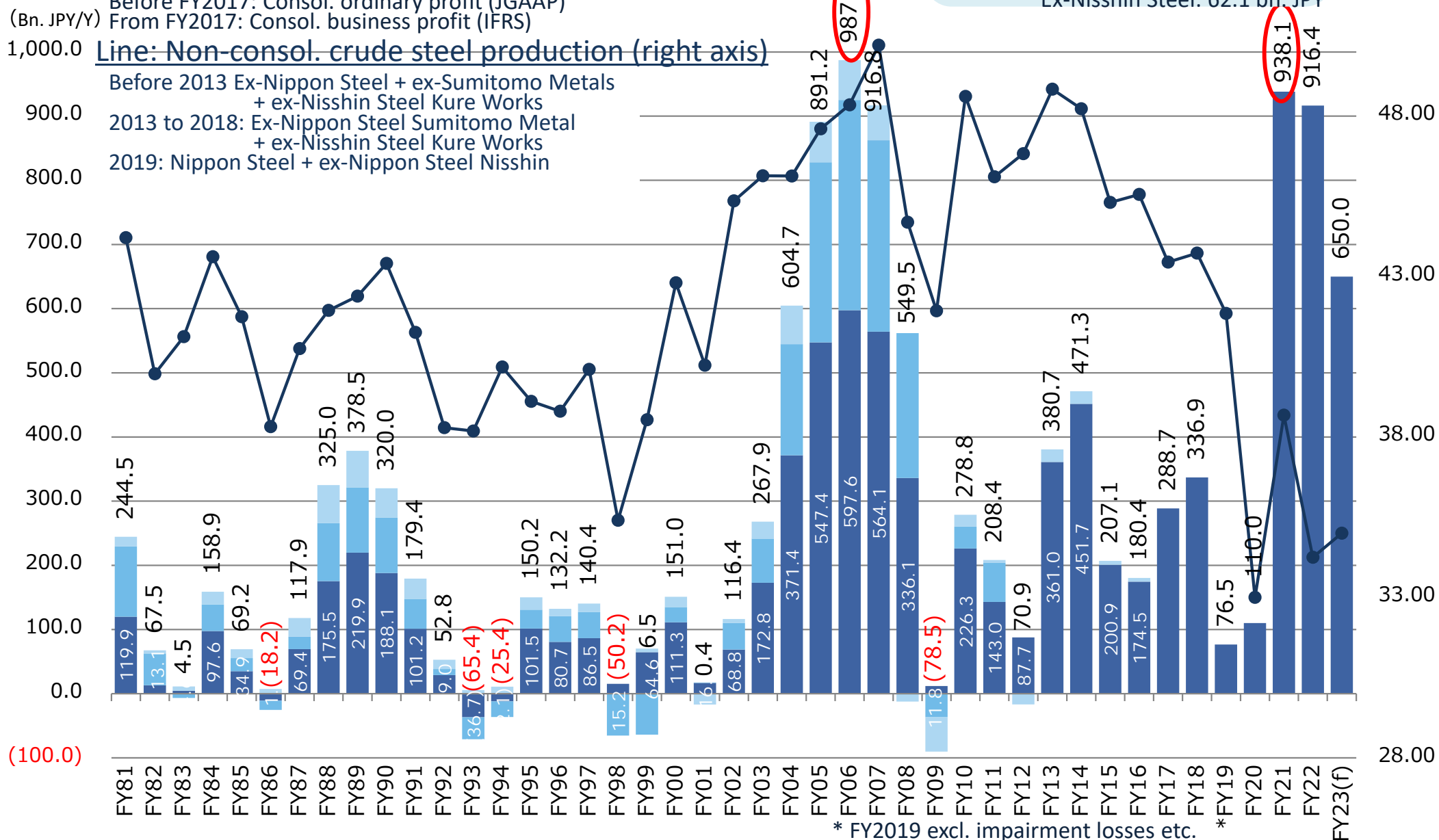
Record high FY2006: **987.3** bn. JPY
Ex-Nippon Steel: 597.6 bn. JPY
Ex-Sumitomo Metals: 327.6 bn. JPY
Ex-Nisshin Steel: 62.1 bn. JPY

Bars: Consol. business profit (left axis)

Before FY2013: Ex-Nippon Steel + ex-Sumitomo Metals + ex-Nisshin Steel
FY2013 to FY2016: Ex-Nippon Steel Sumitomo Metal+ ex-Nisshin Steel
Before FY2017: Consol. ordinary profit (JGAAP)
From FY2017: Consol. business profit (IFRS)

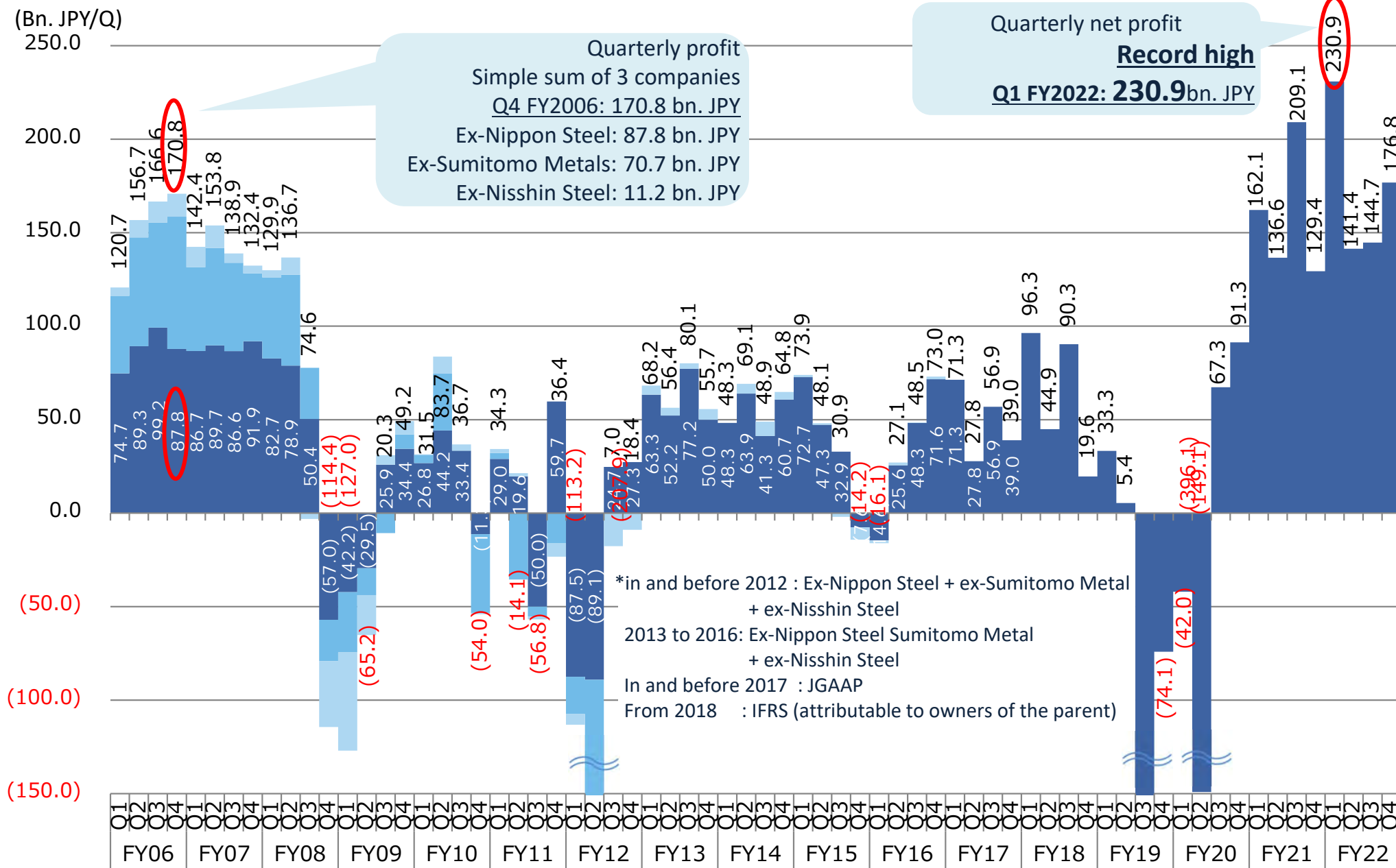
Line: Non-consol. crude steel production (right axis)

Before 2013 Ex-Nippon Steel + ex-Sumitomo Metals + ex-Nisshin Steel Kure Works
2013 to 2018: Ex-Nippon Steel Sumitomo Metal + ex-Nisshin Steel Kure Works
2019: Nippon Steel + ex-Nippon Steel Nisshin



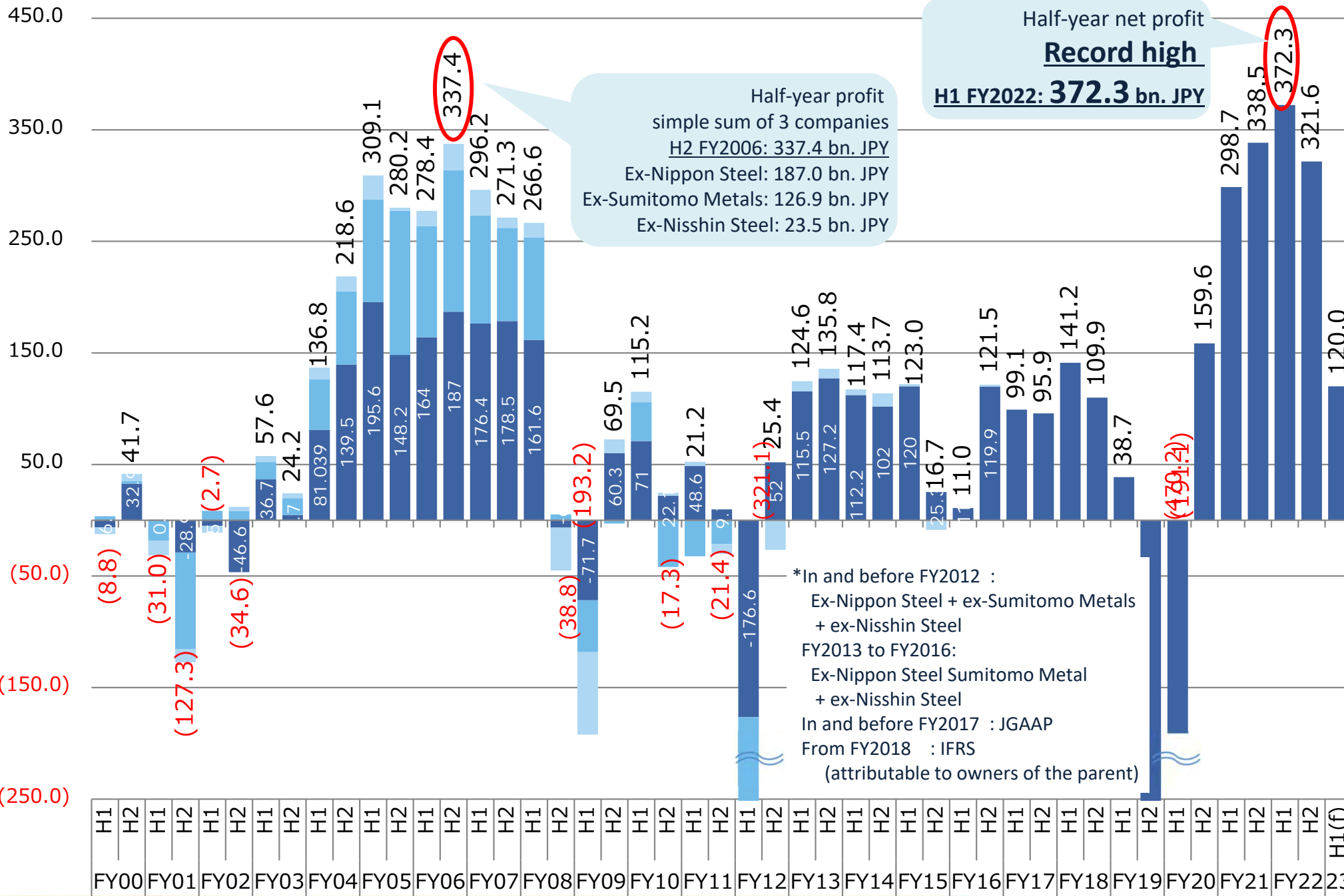
* FY2019 excl. impairment losses etc.
((284.4) bn. JPY/Y incl. impairment losses etc.)

2-2-4. Net Profit Trend (Quarterly)



2-2-4. Net Profit Trend (Half-year)

(Bn. JPY/HY)

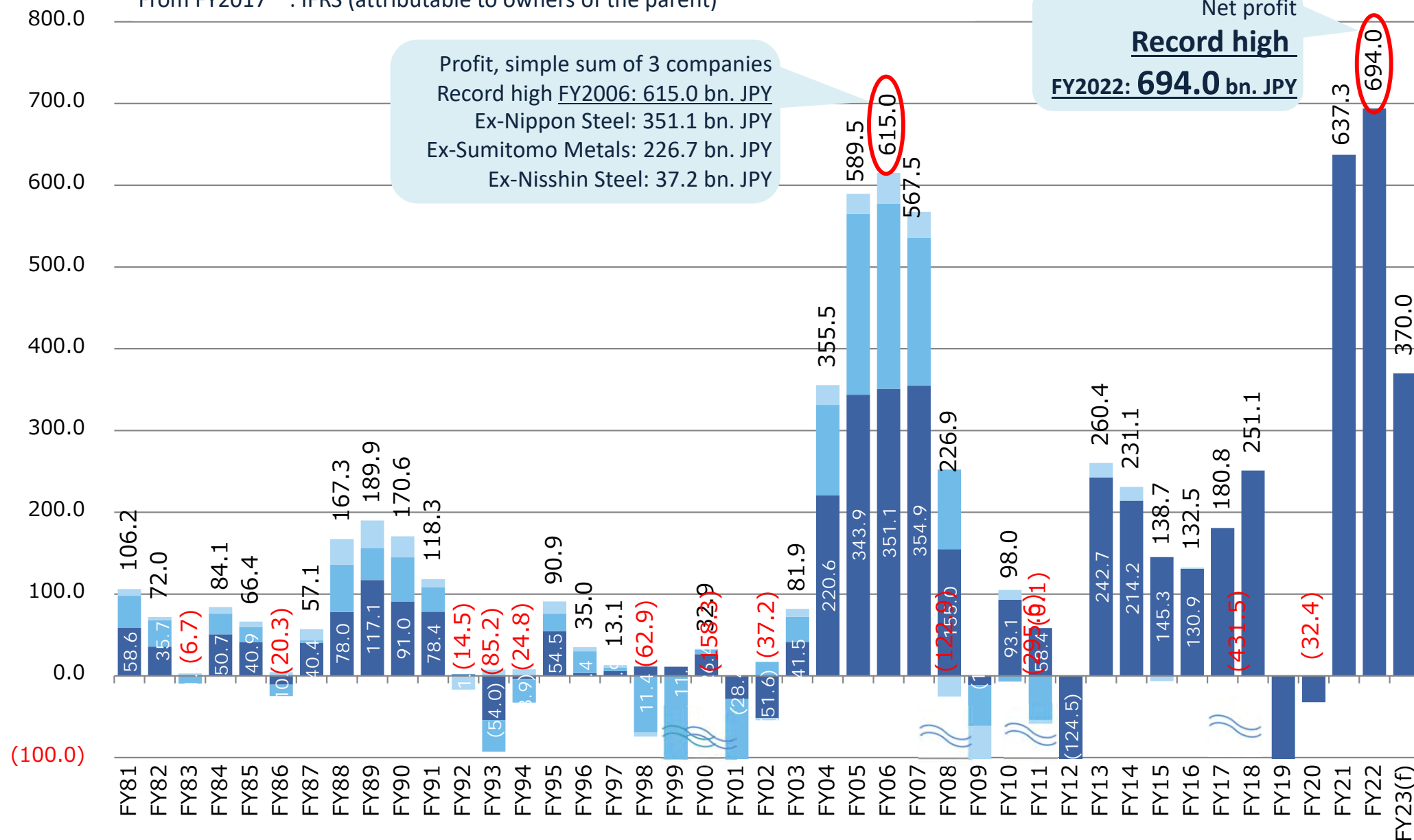


2-2-4. Net Profit Trend (Annual)

In and before FY2012 : Ex-Nippon Steel + ex-Sumitomo Metals + ex-Nisshin Steel
 FY2013 to FY2016 : Ex-Nippon Steel Sumitomo Metal+ ex-Nisshin Steel

(Bn. JPY/Y)

In and before FY2016 : JGAAP
 From FY2017 : IFRS (attributable to owners of the parent)



2-3. Cash Flow & Financial Structure (Annual)

20

(f): forecast as of May 10th

(bn.JPY)	FY13 (JGAAP)	FY14 (JGAAP)	FT15 (JGAAP)	FY16 (JGAAP)	FY17 (JGAAP)	FY17 (IFRS)	FY18 (IFRS)	FY19 (IFRS)	FY20 (IFRS)	FY21 (IFRS)	FY22 (IFRS)	FY23(f) (IFRS)
CF from operating activities	512.0	660.5	562.9	484.2	485.5	485.5	447.3	424.3	318.1	615.6	661.2	
CF from investing activities	(364.1)	(363.2)	(322.2)	(493.7)	(433.2)	(433.2)	(476.8)	(555.6)	(444.0)	(518.9)	(466.6)	
Asset streamlining	230.0	150.0	80.0	150.0	70.0	70.0	100.0	280.0	140.0	140.0	100.0	
FCF	377.9	447.3	320.7	140.5	122.3	122.3	70.5	148.7	14.1	236.7	294.6	
CAPEX *1	257.0	304.3	304.6	351.0	411.9		440.8	481.3	474.4	407.4	437.6	450.0
Depreciation & amortization	331.8	320.0	308.2	304.7	340.7	366.5	408.6	417.3	290.8	330.6	340.2	360.0
Consol. total assets	7,082.3	7,157.9	6,425.0	7,261.9	7,592.4	7,756.1	8,049.5	7,445.0	7,573.9	8,752.3	9,567.0	
Interest bearing debt	2,296.3	1,976.5	2,008.2	2,104.8	2,068.9	2,157.7	2,369.2	2,488.7	2,559.2	2,653.3	2,699.3	
Equity capital	2,683.6	2,978.6	2,773.8	2,948.2	3,145.4	3,136.9	3,230.7	2,641.6	2,759.9	3,466.7	4,181.1	
D/E *2	0.86	0.68	0.64	0.63		0.61	0.66	0.74	0.70	0.59	0.51	
Capital adequacy ratio(%)	37.9	41.6	43.2	40.6	41.4	40.4	40.1	35.5	36.4	39.6	43.7	
D/EBITDA	3.6	3.0	4.2	5.0	3.1	3.3	3.2	5.3	6.4	2.1	2.1	

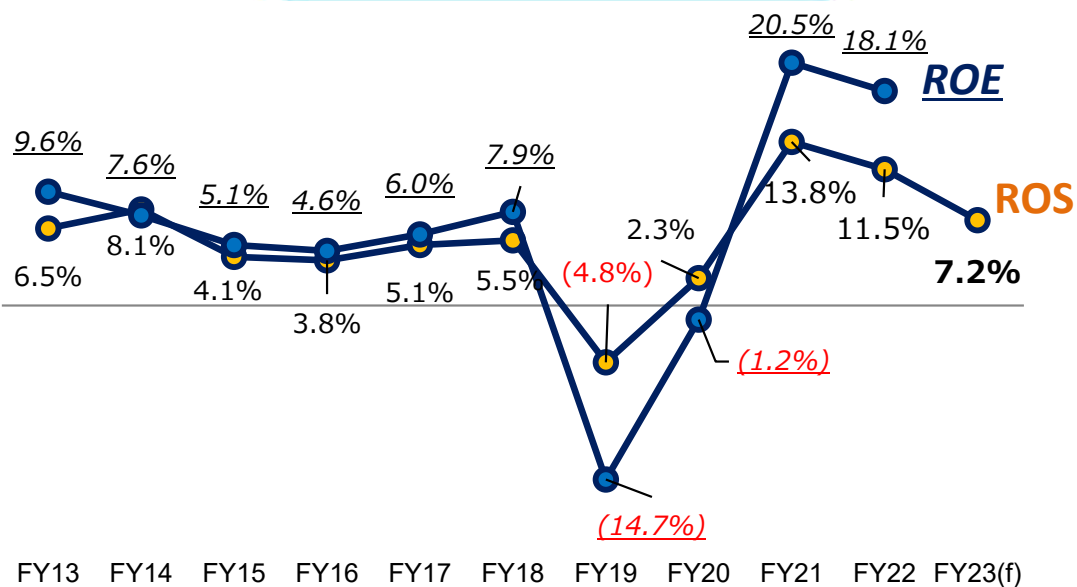
*1 On an accrual basis, FY18~

*2 Adjusted D/E

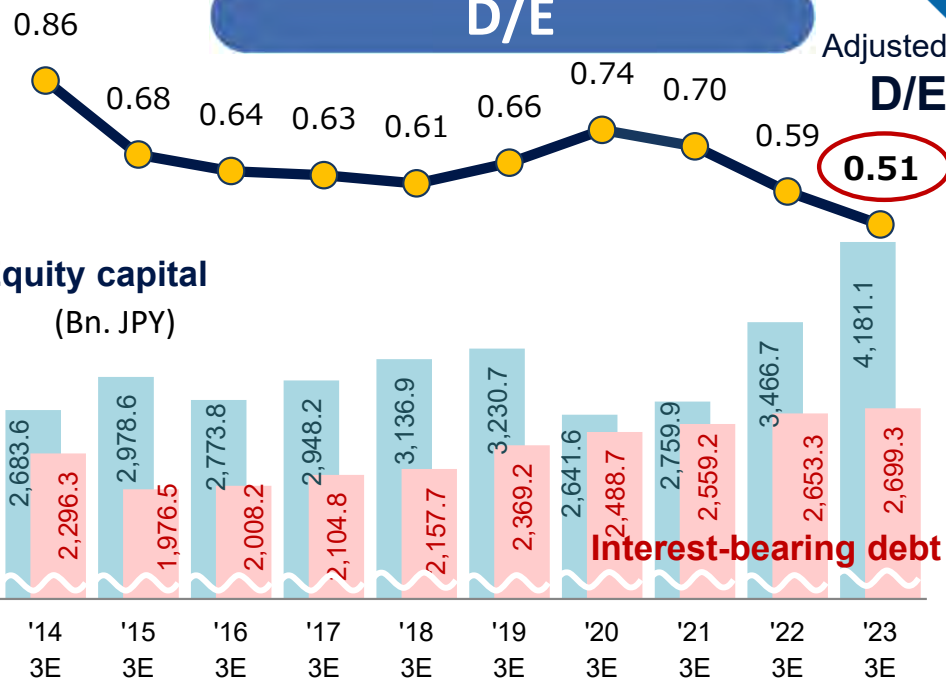
2-4. Key Financial Indicators

(f): forecast as of May 10th

ROS & ROE

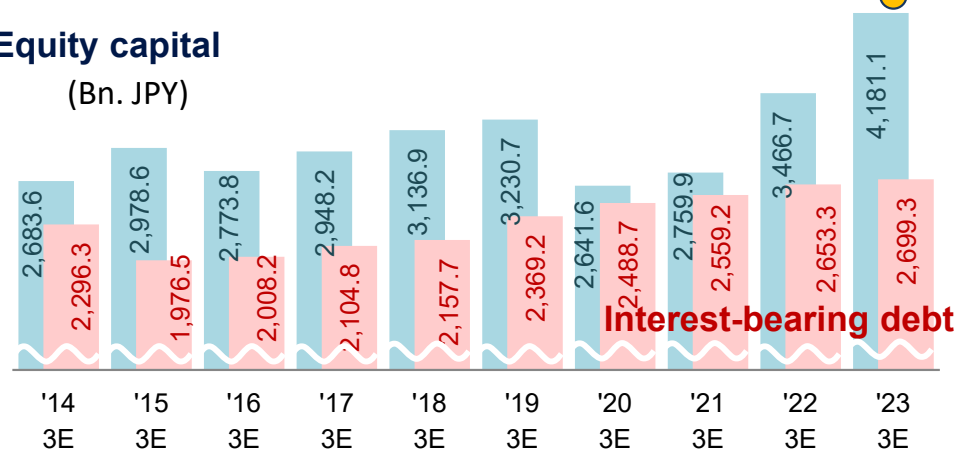


D/E



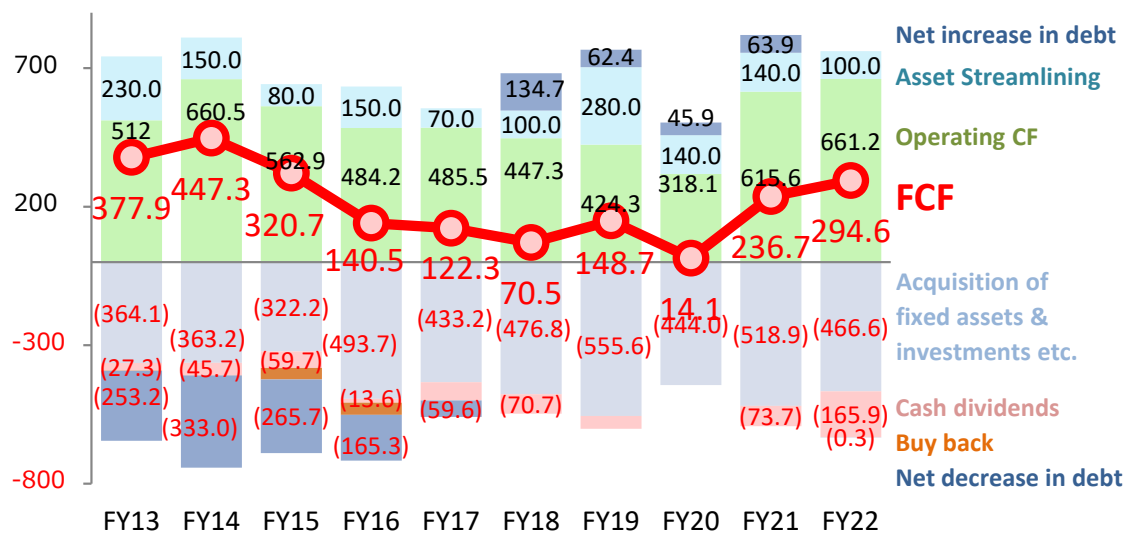
Equity capital

(Bn. JPY)



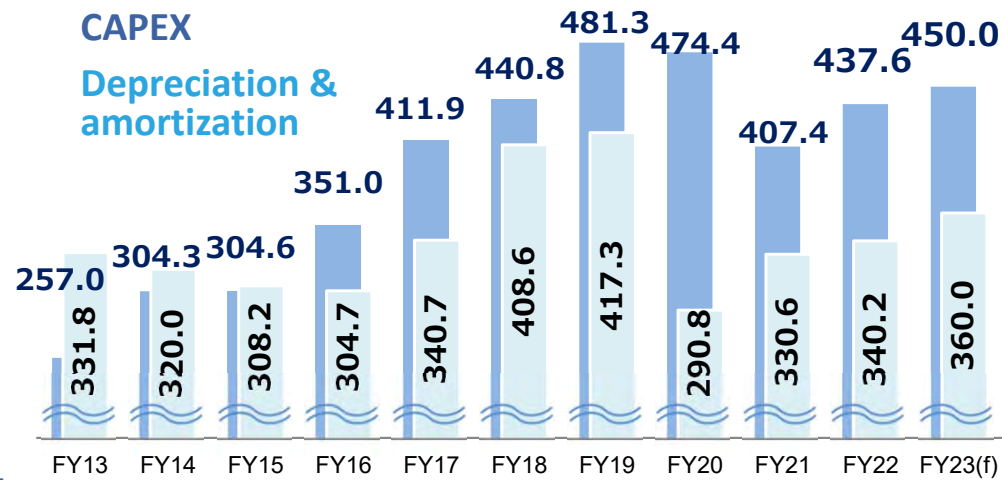
(Bn. JPY)

Cash Flow



CAPEX & Depreciation

(Bn. JPY)



FY20 DEP effect of change in depreciation method: 70.0 bn. JPY decrease
effect of impairment loss: 60.0 bn. JPY decrease

2-5. Dividend & Per share information (Annual)

22

(f): forecast as of May 10th

		FY13 (JGAAP)	FY14 (JGAAP)	FT15 (JGAAP)	FY16 (JGAAP)	FY17 (JGAAP)	FY17 (IFRS)	FY18 (IFRS)	FY19 (IFRS)	FY20 (IFRS)	FY21 (IFRS)	FY22 (IFRS)	FY23(f) (IFRS)
Stock Price (at the end of each FY)	(JPY)	2,820	3,025	2,162	2,565	2,337	2,337	1,954	925	1,887	2,171	3,120	
EPS *2 (Earnings Per Share)	(JPY)	267	235	159	148	221	205	282	(469)	(35)	692	754	402
PER *3 (Price Earnings Ratio)		10.6	12.9	13.6	17.3	10.6	11.4	6.9	(2.0)	(53.6)	3.1	4.1	
BPS *4 (Book value Per Share)	(JPY)	2,941	3,263	3,074	3,340	3,564	3,554	3,510	2,869	2,998	3,765	4,541	
PBR *5 (Price Book-value Ratio)		1.0	0.9	0.7	0.8	0.7	0.7	0.6	0.3	0.6	0.6	0.7	
Full-year Dividend	(JPY)	50	55	45	45	70	70	80	10	10	160	180	140+
Pay-out Ratio	(%)	19%	23%	28%	30%	32%	34%	28%	-	-	23%	24%	35%
Dividend Yield *6	(%)	1.8%	1.8%	2.1%	1.8%	3.0%	3.0%	4.1%	1.1%	0.5%	7.4%	5.8%	

*1 Adjusted to the current stock basis after the reverse stock split (10 shares to 1 shares on October 1, 2015).

*2 Net profit for the year attributable to owners of the parent / weighted average number of ordinary shares outstanding

*3 Stock price at the end of each FY / EPS

*4 Equity attributable to owners of the parent / number of ordinary shares outstanding at the end of the period

*5 Stock price at the end of each FY / BPS

*6 Stock price at the end of each FY / Full-year dividend

2-6-1. Profit Trend of Group companies* (Annual)

23

* Of the "Other group companies," extracted disclosed profit of large companies defined in Corporate Law

(bn. JPY / Y)		*1 Incl. inventory valuation	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Secondary-processing	Nippon Steel Coated Sheet *1	[Consol. Ordinary Profit]	3.1	1.1	2.0	3.5	2.5	2.3	1.4	2.6	11.6	To be disclosed
	Nippon Steel Nisshin A&C	[Non-Consol. Ordinary Profit]	0.7	0.6	0.1	0.3	1.3	1.9				
	Nippon Steel Metal Products *1	[Non-Consol. Ordinary Profit]	3.0	1.2	2.1	3.4	3.5	5.2	5.5	5.4	3.2	
	Nippon Steel Pipe *1	[Non-Consol. Ordinary Profit]	3.4	5.5	3.8	5.4	6.2	6.1	3.9	3.1	6.1	
	Nippon Steel Welding & Engineering	[Non-Consol. Ordinary Profit]	0.8	1.1	0.7	0.8	0.2	0.4	0.7	0.8	1.0	
	Nippon Steel SG Wire	[Non-Consol. Ordinary Profit]	1.2	1.4	1.2	1.9	1.9	1.6	0.4	0.2	1.1	
	Nippon Steel Drum	[Non-Consol. Ordinary Profit]	1.7	1.7	1.6	2.0	2.0	2.0	1.5	1.9	2.8	
	GEOSTER	[Consol. Ordinary Profit]	0.3	(0.3)	1.1	2.8	3.4	3.5	1.4	1.8	2.2	
	<Subtotal: Secondary-processing companies>			14.3	12.5	12.7	20.0	21.0	22.8	14.6	15.8	
Stainless Steel & EAFs	Nippon Steel Stainless Steel *1	[Non-Consol. Ordinary Profit]	7.2	13.4	5.2	13.1	21.5	14.8	5.6	(2.1)	43.4	To be disclosed
	Osaka Steel *1	[Consol. Ordinary Profit]	5.2	9.1	8.3	5.9	6.7	6.9	6.7	1.3	4.0	6.4
	Sanyo Special Steel	[Consol. Ordinary Profit]						9.4	(1.5)	(4.8)	21.7	28.9
		[Equity gains of Affiliated Companies]	0.5	0.9	1.2	1.2	1.0					
	OVAKO	[Consol. Ordinary Profit]							(1)	(2)	13	21
<Subtotal: Stainless & EAFs companies>			12.8	23.5	14.6	20.3	29.3	31.2	10.8	(5.5)	69.0	
Trading	Nippon Steel Trading	[Equity gains of Affiliated Companies]	2.3	5.5	5.2	5.3	5.0	7.7	5.2	5.6	8.3	To be disclosed
	<Subtotal: Trading company>			2.3	5.5	5.2	5.3	5.0	7.7	5.2	5.6	8.3
Operational support	Nippon Steel TEXENG	[Consol. Ordinary Profit]	4.8	12.6	17.5	18.0	17.6	19.9	18.1	14.2	12.8	To be disclosed
	Nippon Steel Logistics	[Consol. Ordinary Profit]	5.2	5.1	3.7	3.9	4.0	4.8	3.8	5.5	6.3	
	Krosaki Harima	[Consol. Ordinary Profit]						11.3	9.8	6.4	8.6	
[Equity gains of Affiliated Companies]		1.0	0.8	1.7	2.1	2.5						
<Subtotal: Operational support companies>			11.0	18.5	22.9	24.0	24.1	36.0	31.7	26.1	27.7	
<Total of the above companies>			<40.5>	<60.0>	<55.4>	<69.5>	<79.5>	<97.7>	<62.2>	<41.8>	<133.0>	

2-6-2. Outline of Major Group Companies

Category	Company name*	Business domain	Major customer
Secondary-processing	NS Coated Sheet	Galvanized sheets, colored galvanized sheets, coated steel sheets, construction materials, etc.	Construction
	NS Metal Products	Construction materials, civil engineering materials, surface designed sheets, guardrails, fences, scaffolding product, corrugated pipe, disaster prevention products	Civil engineering and construction
	NS Pipe	Carbon steel pipes for building structure/ automobiles/ civil&engineering, stainless steel pipe, etc.	Automobiles, civil engineering and construction
	NS Coated Steel Pipe	Steel pipes for automobiles, polygon steel pipe for construction	Automobiles, construction
	NS Welding & Engineering	Welding materials and apparatuses	Automobiles, shipbuilding, construction
	NS SG Wire	Wire rods	Automobiles, home appliances, civil engineering
	NS Drum	Drums	
	Geoster	Cement products, metal products	Civil engineering
Stainless Steel & EAFs	NS Stainless Steel	Stainless steel sheet, steel plate, bar & wire	Home appliances, railway, construction, automobiles, manufacturing machinery
	Osaka Steel	Shapes, bar, etc.	Civil engineering and construction, shipbuilding, manufacturing machinery
	Sanyo Special Steel	Special steel bar & wire, pipe, formed & fabricated materials, metal powders, etc.	Automobiles, railways, construction machinery, electronics
Trading	NS Trading	Steel, machinery, infrastructure, fiber, food, etc.	
Operational support	NS TexEng	Engineering and maintenance of steel production facilities (e.g. machinery, electrical circuit, IT system)	
	NS Logistics	Domestic shipping, plant logistics, port operation, warehouse operation, land transportation, etc.	
	Kurosaki Harima	Refractory, construction of furnaces	

*"Nippon Steel" included in company name is abbreviated as "NS"

Appendix

1. ESG Indicators
2. Key Performance Indicators
- 3. Business Environment Indicators**
4. Market data
5. Progress of Management Strategy Measures

3-1-2. Domestic Steel Consumption by Industrial Sector (Quarterly)

(f): forecast as of May 10th

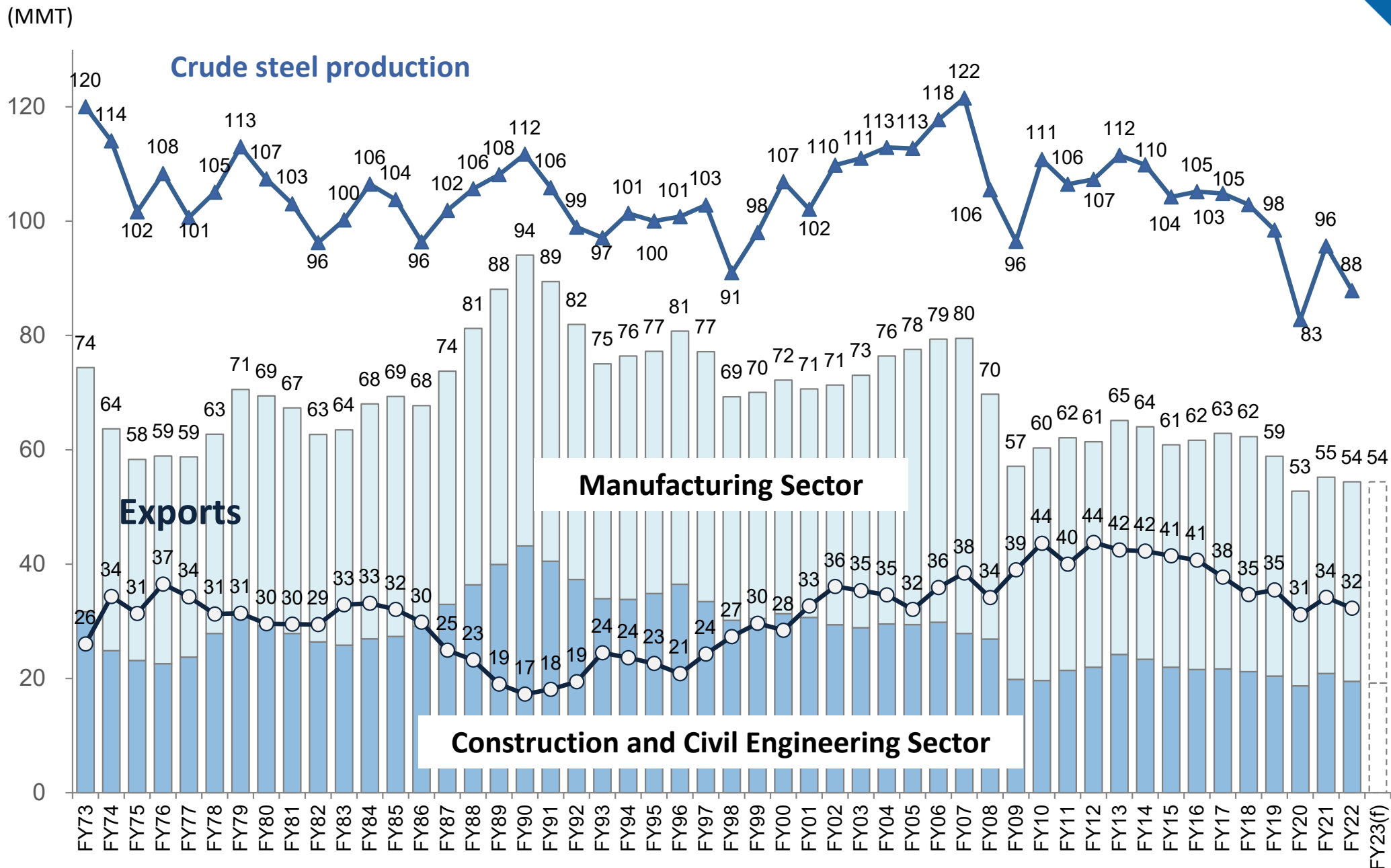
(MMT)																	FY23 (f)
	Q1	Q2	H1	Q3	Q4	H2	FY21	Q1	Q2	H1	Q3	Q4	H2	Prev. FY22(f)	FY22	H1(f)	
Domestic Crude Steel Production	24.35	24.07	48.42	24.20	23.01	47.21	95.64	22.98	21.82	44.80	21.42	21.61	43.03	88.30	87.84		
Domestic Steel Consumption (A)+(B)	13.51	13.20	26.71	14.23	13.72	27.94	54.65	13.14	13.83	26.97	14.10	13.33	27.43	54.80	54.40	26.80	54.40
% for manufacturing sector	65	62	63	64	64	64	64	63	63	63	65	66	65	64	64	65	65
Ordinary Steel Consumption (A)	10.63	10.36	20.99	11.12	10.94	22.06	43.05	10.29	10.93	21.22	11.05	10.53	21.58	43.20	42.80		
Construction	4.58	4.82	9.40	4.94	4.83	9.77	19.17	4.69	4.87	9.57	4.77	4.46	9.23	19.00	18.80		
Manufacturing	6.06	5.53	11.59	6.18	6.11	12.29	23.88	5.60	6.06	11.66	6.28	6.06	12.34	24.20	24.00		
Shipbuilding	0.75	0.73	1.49	0.79	0.81	1.60	3.08	0.74	0.67	1.41	0.69	0.70	1.39	2.80	2.80		
Automotive	2.36	1.92	4.28	2.36	2.33	4.69	8.97	2.09	2.41	4.50	2.48	2.41	4.90	9.45	9.40		
Industrial Machine	1.21	1.19	2.40	1.28	1.27	2.56	4.96	1.20	1.28	2.48	1.35	1.27	2.62	5.10	5.10		
Electronic Machine	0.75	0.72	1.46	0.72	0.71	1.43	2.89	0.63	0.77	1.40	0.76	0.74	1.49	2.90	2.90		
Special Steel Consumption (B)	2.87	2.84	5.72	3.11	2.77	5.88	11.60	2.84	2.90	5.74	3.05	2.80	5.86	11.60	11.60		

3-1-2. Domestic Steel Consumption by Industrial Sector (Annual)

(f): forecast as of May 10th

(MMT)	FY13	FY14	FT15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23(f)
Domestic Crude Steel Production	111.52	109.84	104.23	105.17	104.84	102.89	98.43	82.78	95.64	87.84	
Domestic Steel Consumption (A)+(B)	65.14	64.03	60.88	61.67	62.89	62.32	59.14	52.77	54.65	54.40	54.40
% for manufacturing sector	62.8	63.3	63.9	63.7	64.2	64.7	64.8	63.2	63.6	64.2	65
Ordinary Steel Consumption (A)	51.82	50.92	48.43	49.00	49.74	49.28	46.69	41.90	43.05	42.80	
Construction	23.01	22.36	21.15	21.57	21.67	21.19	20.07	18.70	19.17	18.80	
Manufacturing	28.80	28.56	27.28	27.43	28.08	28.09	26.62	23.19	23.88	24.00	
Shipbuilding	4.16	4.34	4.32	4.33	4.08	4.00	4.06	3.25	3.08	2.80	
Automotive	11.48	11.14	10.76	10.95	11.31	11.42	10.69	9.17	8.97	9.40	
Industrial Machine	5.05	5.18	4.61	4.58	5.04	5.17	4.68	4.26	4.96	5.10	
Electronic Machine	3.11	3.07	2.92	2.97	3.10	3.07	2.95	2.76	2.89	2.90	
Special Steel Consumption (B)	13.32	13.11	12.45	12.67	13.14	13.04	12.45	10.87	11.60	11.60	

3-1-3. Domestic Steel Consumption Trend(Annual)



Source : Nippon Steel

3-2-1. Key Indicators of Steel Demand(Quarterly)

(f): forecast as of May 10th

(prev.(f): forecast as of Feb. 9th)

																Prev. FY22(f)	FY22
		Q1	Q2	H1	Q3	Q4	H2	FY21	Q1	Q2	H1	Q3	Q4	H2			
Housing Starts	(mil. houses)	0.22	0.22	0.45	0.22	0.20	0.42	0.87	0.22	0.22	0.44	0.22	0.20	0.42	0.85	0.86	
Non-residential Construction Starts	(mil.m)	12.76	10.91	23.67	13.81	10.58	24.39	48.06	13.57	12.55	26.13	10.50	10.27	20.77	48.48	46.90	
Public Works Orders	(bn .JPY)	332.3	383.2	715.6	296.4	432.9	729.4	1,444.9	292.3	402.6	694.9	314.2	437.9	752.1	1,417.7	1,447.0	
Finished Auto Production	(mil. units)	1.96	1.64	3.60	1.98	1.96	3.94	7.55	1.67	2.04	3.71	2.16	2.22	4.38	8.08	8.10	
Export of Finished Auto	(mil. units)	0.98	0.83	1.81	0.97	0.90	1.87	3.68	0.83	1.02	1.85	1.06	0.95	2.01	4.08	3.86	
Overseas Auto Production (8 Japanese car makers)	(thou- sand units)	3.93	3.50	7.43	4.26	4.24	8.50	15.93	3.77	4.36	8.12	3.93	4.17	8.10		16.22	
large & Middle Sized Shovel Production	(thou- sand units)	23	21	44	24	25	49	93	20	24	44	28	24	52	97	95	
Metal Machine Tool Production	(thou- sand tons)	79	77	157	81	96	177	334	88	98	186	94	100	194	385	380	
Keel-laid new Ships	(mill. Gross tons)	2.41	1.91	4.32	2.36	2.15	4.51	8.83	2.43	1.88	4.31	2.00	1.99	3.99	8.36	8.30	

Source : Nippon Steel

3-2-2. Key Indicators of Steel Demand(Annual)

		FY13	FY14	FT15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Housing Starts	(mil. houses)	0.99	0.88	0.92	0.97	0.95	0.95	0.88	0.81	0.87	0.86
Non-residential Construction Starts	(mil.m ²)	56.27	52.61	49.99	51.33	53.31	51.02	47.98	44.92	48.06	46.90
Public Works Orders	(bn .JPY)	1,030.5	1,086.4	1,014.2	1,079.0	1,050.8	1,024.6	1,105.9	1,185.0	1,444.9	1,447.0
Finished Auto Production	(mil. units)	9.91	9.59	9.19	9.36	9.68	9.74	9.49	7.97	7.55	8.10
Export of Finished Auto	(mil. units)	4.63	4.49	4.58	4.64	4.79	4.86	4.74	3.68	3.68	3.86
Overseas Auto Production (8 Japanese car makers)	(thou- sand units)	16.34	17.08	17.84	18.90	19.29	19.25	17.30	15.51	15.93	16.22
large & Middle Sized Shovel Production	(thou- sand units)	80	78	63	66	79	86	78	74	93	95
Metal Machine Tool Production	(thou- sand tons)	344	481	452	366	458	438	341	249	334	380
Keel-laid new Ships	(mill. Gross tons)	12.22	12.58	12.83	12.51	12.06	11.46	12.49	9.50	8.83	8.30

Source : Nippon Steel *1 From Apr. 2021 Ministry of Land, Infrastructure and Transport has changed an estimation method

3-3. World Economic Outlook < Released on Apr. 11th, 2023 by IMF >

Numbers in [parentheses] : Prev. IMF's Outlooks for CY2022 and CY2023

	CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY22			CY23(f)				
										As of Jan. 23.		vs. prev. forecast	vs. CY21	As of Jan. 23.	As of Apr. 23.	vs. prev. forecast	vs. CY22
World	3.5	3.6	3.5	3.4	3.8	3.6	2.8	-3.1	6.2	[3.4]	3.4	-	-2.8	[2.9]	2.8	-0.1	-0.6
Developed Countries	1.4	2.1	2.3	1.7	2.4	2.2	1.7	-4.5	5.4	[2.7]	2.7	-	-2.7	[1.2]	1.3	+0.1	-1.4
U.S.	1.8	2.5	2.9	1.6	2.2	2.9	2.2	-3.4	5.9	[2.0]	2.1	+0.1	-3.8	[1.4]	1.6	+0.2	-0.5
Euro Area	-0.3	1.4	2.1	1.9	2.4	1.9	1.3	-6.3	5.3	[3.5]	3.5	-	-1.8	[0.7]	0.8	+0.1	-2.7
Japan	2.0	0.4	1.2	0.6	1.9	0.3	0.7	-4.6	2.1	[1.4]	1.1	-0.3	-1.0	[1.8]	1.3	-0.5	+0.2
Emerging Countries	5.1	4.7	4.3	4.6	4.7	4.5	3.7	-2.1	6.7	[3.9]	4.0	+0.1	-2.7	[4.0]	3.9	-0.1	-0.1
China	7.8	7.3	6.9	6.7	6.9	6.6	6.1	2.3	8.4	[3.0]	3.0	-	-5.4	[5.2]	5.2	-	+2.2
ASEAN-5 *1	5.0	4.7	5.0	5.1	5.5	5.4	4.9	-3.4	3.4	[5.2]	5.5	+0.3	+1.4	[4.3]	4.5	+0.2	-1.0
India	6.4	7.4	8.0	8.2	6.7	6.8	4.2	-7.3	8.7	[6.8]	6.8	-	-1.9	[6.1]	5.9	-0.2	-0.9
Russia	1.8	0.7	-2.3	0.3	1.5	2.3	1.3	-3.0	4.7	[-2.2]	-2.1	+0.1	-6.8	[0.3]	0.7	+0.4	+2.8
Brazil	3.0	0.5	-3.6	-3.3	1.1	1.3	1.1	-4.1	5.0	[3.1]	2.9	-0.2	-2.1	[1.2]	0.9	-0.3	-2.0

Source : IMF *1 CY13 ~ CY21 : Indonesia, Malaysia, Philippines, Thailand and Vietnam
 CY22 ~ : Indonesia, Malaysia, Philippines, Singapore and Thailand

3-4. World Steel Demand

<World Steel Association forecast as of April, 2023>

(MMT/Y)	CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	As of Oct. 22	CY 23 (f)	vs. prev.	vs.CY22	
	World	1,546	1,551	1,506	1,519	1,637	1,712	1,779	1,790	1,841	1,782	<i>[1,815]</i>	1,822	+8	+41
USMCA	131	146	134	131	138	140	135	116	137	133	<i>[141]</i>	135	-6	+2	+2%
EU28 *1	179	149	154	158	164	168	158	140	165	152	<i>[157]</i>	151	-6	-1	-0%
Japan	65	68	63	62	64	65	63	53	57	55	<i>[59]</i>	57	-1	+2	+4%
South Korea	52	56	56	57	56	54	53	49	56	51	<i>[55]</i>	53	-2	+1	+3%
China	741	711	672	681	774	836	912	1,008	954	921	<i>[914]</i>	939	+25	+18	+2%
India	74	76	80	84	89	97	103	89	106	115	<i>[120]</i>	123	+3	+8	+8%
ASEAN -5 *2	59	62	67	76	74	77	78	70	73	73	<i>[81]</i>	77	-4	+4	+6%
Russia	60	43	40	39	41	41	44	42	44	42	<i>[37]</i>	40	+2	-2	-4%

Source : World Steel Association *1 EU 27 countries + UK *2 Indonesia, Malaysia, Philippines, Thailand and Vietnam

3-5. World Crude Steel Production

(MMT)		CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22 [A]	CY23				CY23 [C] (B* 12/3)	Cha- nge [A] →[C]
												Jan.	Feb.	Mar.	Jan. - Mar. [B]		
World Total *	World total	1,582	1,644	1,598	1,587	1,712	1,789	1,844	1,842	1,913	1,830	154	143	165	462	1,849	+18
[YoY]	(YOY)	(+4.0%)	(+3.9%)	(-3.0%)	[-0.7%]	[+7.9%]	[+4.5%]	[+3.1%]	[-0.1%]	[+3.9%]	[-4.3%]	[-1.4%]	[-0.7%]	[+1.7%]	[-0.1%]		
Japan	Japan	111	111	105	105	105	104	99	84	96	89	7	7	7	22	86	-3
[YoY]	(YOY)	(+3.1%)	(+0.1%)	(-5.0%)	[-0.4%]	[-0.1%]	[-0.3%]	[-4.8%]	[-15.6%]	[+14.9%]	[-7.4%]	[-6.9%]	[-5.3%]	[-5.9%]	[-6.0%]		
South Korea	Korea	66	72	70	69	71	72	71	67	70	66	6	5	6	17	67	+1
[YoY]	(YOY)	(-4.4%)	(+8.4%)	(-1.9%)	[-1.6%]	[+3.6%]	[+2.0%]	[-1.5%]	[-6.1%]	[+5.0%]	[-6.5%]	[-7.0%]	[+1.2%]	[+1.9%]	[-1.5%]		
U.S	USA	87	88	79	78	82	87	88	73	86	81	7	6	7	19	78	-3
EU28	EU27	166	169	166	162	169	168	157	139	160	142	11	11	13	35	138	-4
Russia	Russia	69	71	71	70	71	72	72	72	77	72	6	6	7	19	75	+3
Brazil	Brazil	34	34	33	31	34	35	33	31	36	34	3	3	3	8	32	-2
India	India	81	87	89	95	101	109	111	100	118	125	11	10	11	33	133	+7
China	China	779	820	804	787	871	923	996	1,065	1,034	1,014	89	80	96	264	1,058	+44
[YoY]	(YOY)	(+8.7%)	(+5.2%)	(-2.3%)	[-2.1%]	[+10.7%]	[+6.0%]	[+7.9%]	[+6.9%]	[-2.9%]	[-1.9%]	[+5.6%]	[+5.6%]	[+6.9%]	[+6.1%]		

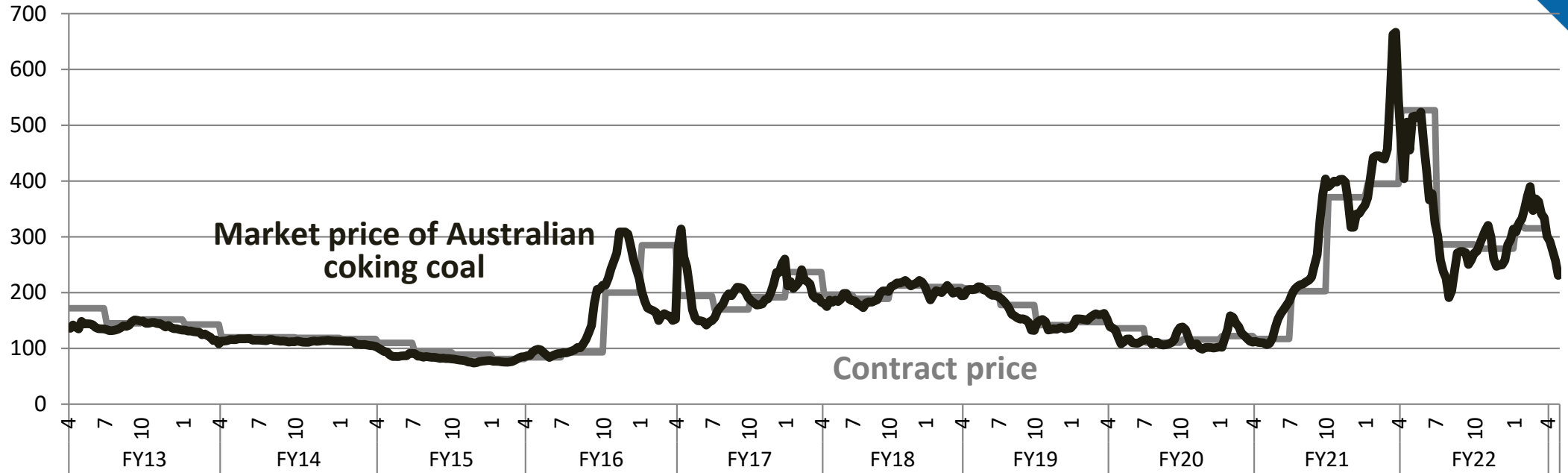
Source : World Steel Association * Total of 64 countries

Appendix

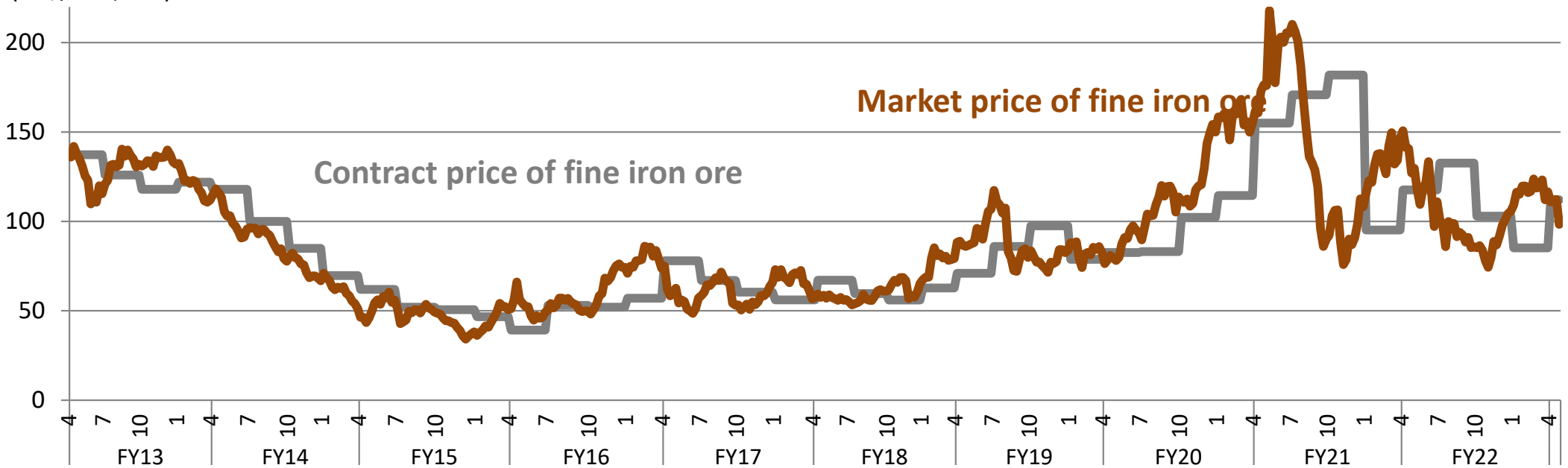
1. ESG Indicators
2. Key Performance Indicators
3. Business Environment Indicators
4. Market data
5. Progress of Management Strategy Measures

4-1. Raw Material Prices

(US\$/wmt,FOB)

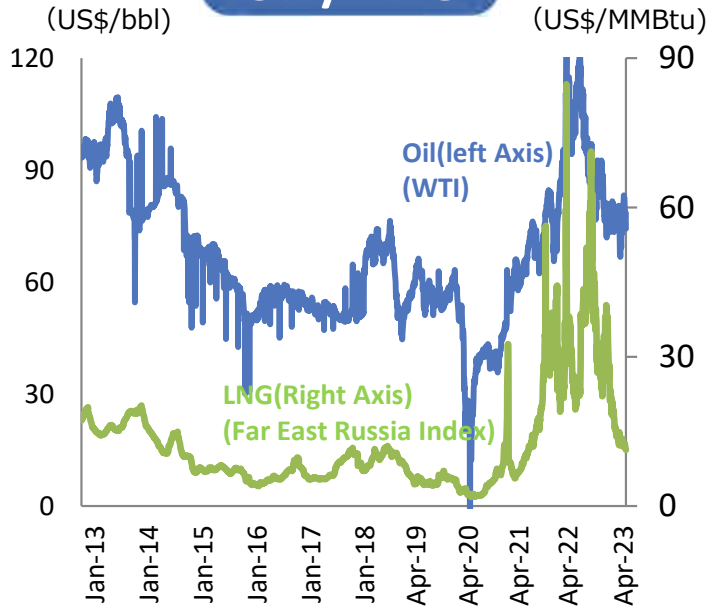


(US\$/dmt,FOB)



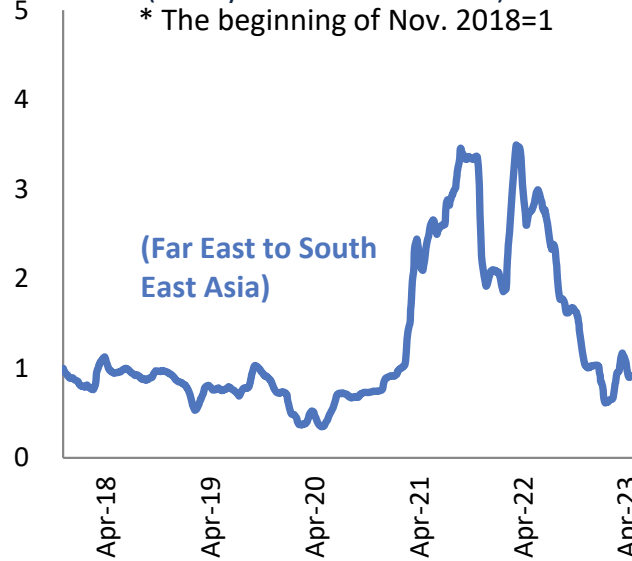
4-2. Commodity Prices

Oil / LNG

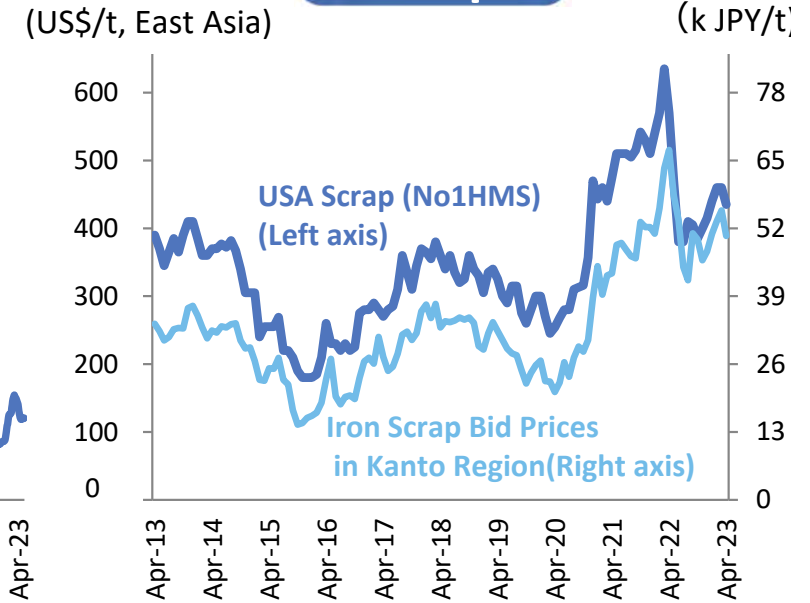


Export Freight*

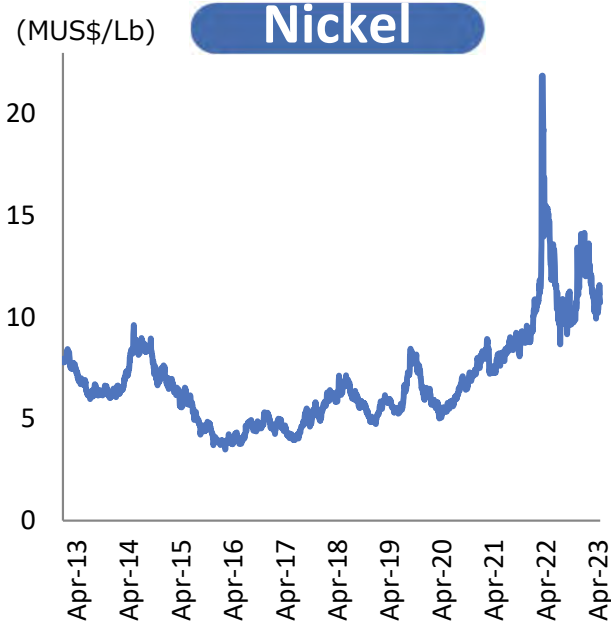
(Handy size 38 kt hull form)
* The beginning of Nov. 2018=1



Scrap



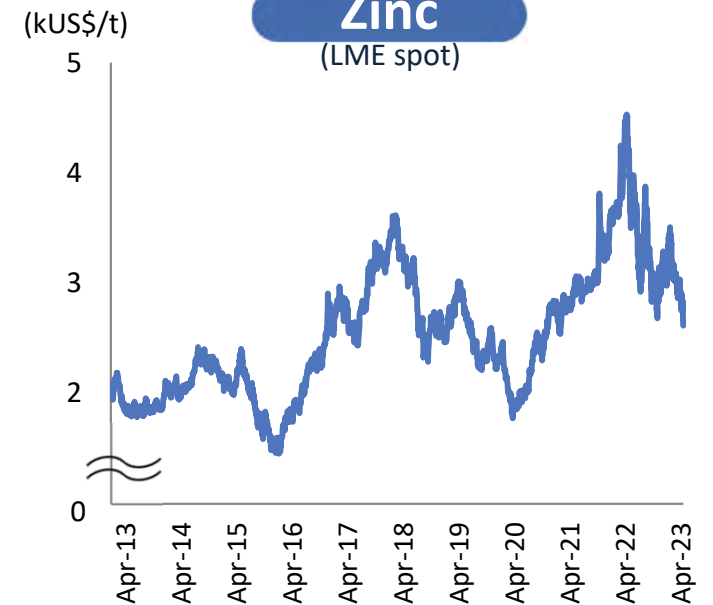
Nickel



Molybdenum



Zinc



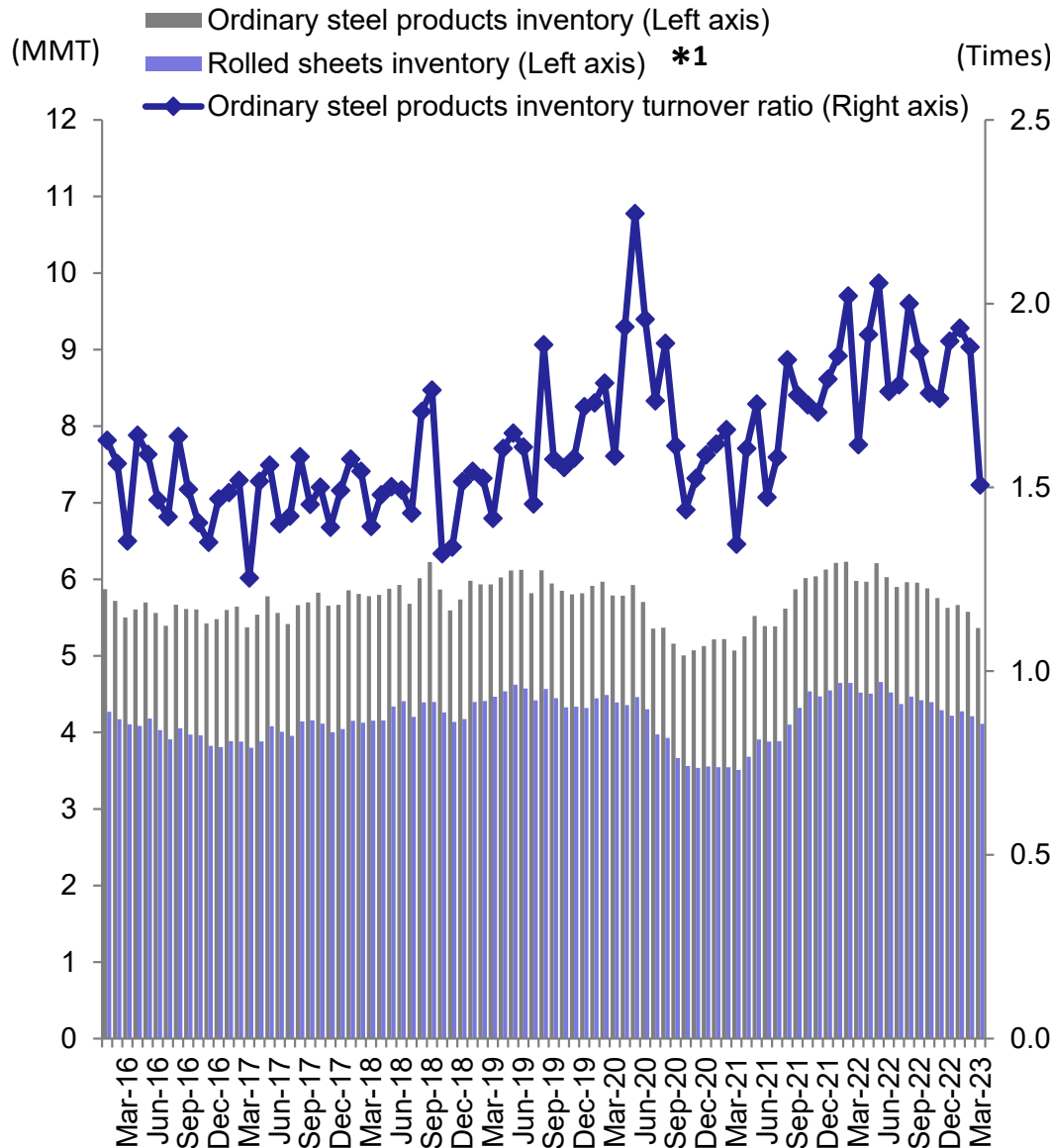
Source : LME, Bloomberg, Japan Metal Daily, Nippon Steel estimates

4-3. USD-JPY Trend



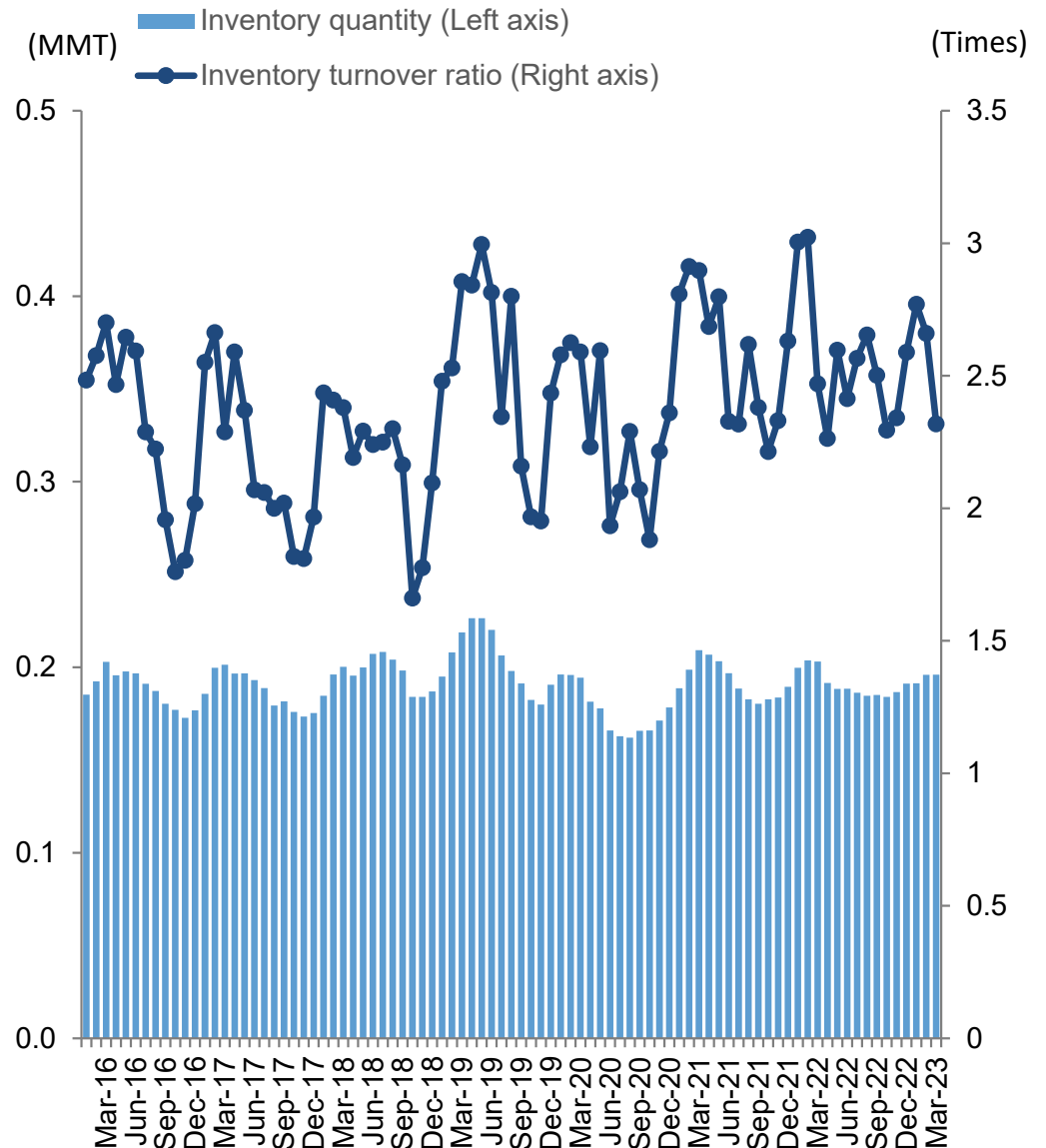
4-4. Domestic Steel Inventory

Rolled Sheets Inventory *1



Source : Japan Iron and Steel Federation *1 Hot-rolled, Cold-rolled and Coated sheets

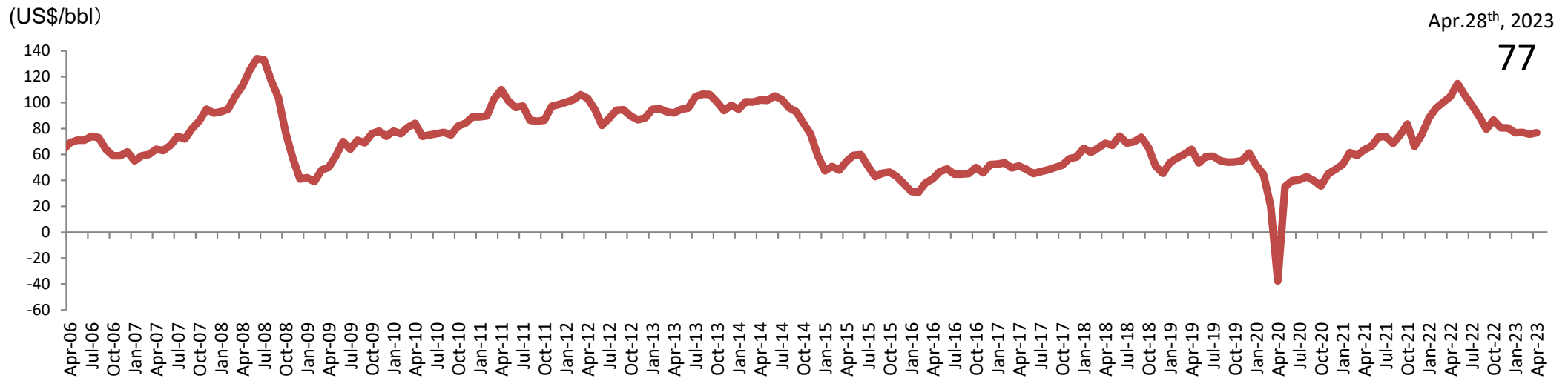
H-flange beams*2 Inventory



*2 Inventories of the distributors dealing with H-flange beams manufactured by Nippon Steel

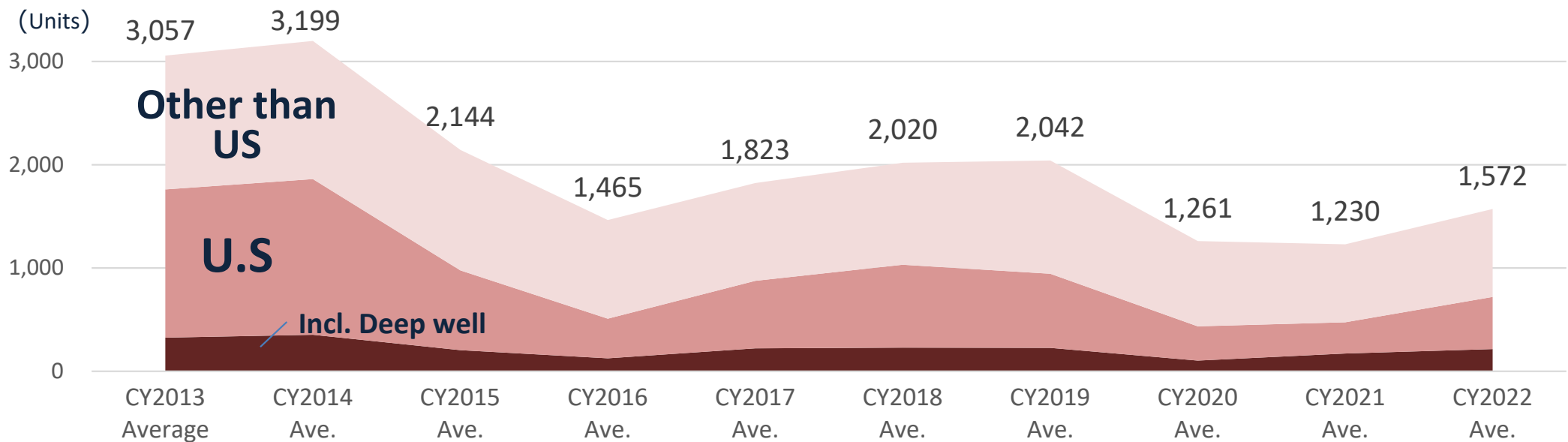
4-5. Trend in Energy Sector : Oil Price / Rig Count

US Oil Price (WTI Spot)



Rig Counts*

(*) excl. Canada, China and CIS



Appendix

1. ESG Indicators
2. Key Performance Indicators
3. Business Environment Indicators
4. Market data
- 5. Progress of Management Strategy Measures**

Improved profitability by deepening and expanding overseas businesses; strengthening integrated steelmakers and downstream facilities, concentrated on “areas of promising demand growth” and “fields for our technology and product quality to be valued” and withdrawal from or realignment of businesses that have already completed their roles, or businesses that no longer have any synergies with Nippon Steel

Legend : **New info**

Acquisition of integrated steelmakers

- Joint acquisition of Essar Steel(Integrated steelmaker in India) with ArcelorMittal and establishment of AM/NS India<2019>
- Acquisition of G/GJ Steel(Integrated steelmakers with EAFs and hot strip mills in Thailand)<2022>

Acquisition of downstream steelmakers

- Acquisition of ThyssenKrupp Steel USA and establishment of AM/NS Calvert<2014>
- Start production of ultra-high tensile steel in AM/NS Calvert AM/NS Calvert<2016>

Launch of acquired downstream companies

- Start operation of JCAPCPL(cold-rolled steel sheet business for automobile use in India)<2014>
- Start operation of KNSS(cold-rolled galvanized steel sheet business for automobile use in Indonesia)<2017>

Strengthening of existing companies

- Termination of upstream facilities in Cubatão in USIMINAS, and recapitalization and debt restructuring<2016>
- Business integration of NSGT(Zinc-galvanized steel sheet business in Thailand) and NS-SUS (Cold-rolled and galvanized steel sheet business in Thailand)<2016>
- Start consolidation of STP(Tinplate business in Thailand)<2020>
- Business integration of STP and NS-SUS<2022>

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

- FY2016 Sale of WTC (conduit business in U.S.)
- FY2017 Sale of Baoji-SMI Petroleum Steel Pipe(heat treatment business for OCTG in China)
Sale of STL (heat treatment business for OCTG in U.S.)
Sale partnership interest in Bahru Stainless (Stainless steel sheets businesses in Malaysia)
- FY2019 Dissolution of ZNW(Special cold rolled steel sheet business in China)
Sale of Partnership Interest in NAT(Stainless steel pipe business in the US)
- FY2020 Dissolution of N-EGALV (Electrogalvanized steel sheet business in Malaysia)
Sale of partnership interests in PATIN (Tinplate business in China)
Sale of stock for Acerinox(Stainless steel sheet business in Spain)
Sale of partnership interest in VSB (Seamless pipe business in Brazil)
- FY2021 Sale of VAMUSA (OCTG threading business in the US)
Sale of partnership interests in I/N Tek Kote (Cold rolled and galvanized steel sheet business in U.S.)
- FY2022 Sale of partnership interest in PEXCO (OCTG business in the U.S.)
Withdrawal from NSCI (manufacturing site of steel wire for cold heading and forging in the U.S.)
Sale of partnership interest in NSI (precision-machined crankshafts business in the U.S.)

Raw Material Business Initiatives of raw material business so far

42

- Developed succeeding mining in Bulga coal mine in Australia <start development in 2014, start production in 2016-18>
- Acquired interests in Boggabri coal mine in Australia <2015>
- Sold partnership interest in Integra coal mine in Australia <2015>
- Completed phase 2 for expanding capacity in iron ore shipping port(Cape Lambert) in Rove River in Australia, Completed expansion of mining area in West Angels<2015>
- Decided development of new mining area in Robe River in Australia<2018>
- Acquired interests in Grosvenor being located next to Moranbah North coal mine in Australia<2019>
- Pursuing capital participation in Canadian coal business of Teck Resources <2023>

Legend : New info

Other Group Companies

Initiatives of strengthening management in group companies so far

“Nippon Steel” included in company name is abbreviated as “NS”

Merger of Nisshin Steel with NS Sumitomo Metal and reorganization

- **NS stainless Steel** Integrated of Stainless steel sheet business in NS Nisshin, NS & Sumikin Stainless Steel and NS & Sumitomo Metal and established NS Stainless<2019>
- **NS stainless steel pipe** Reorganized stainless steel welded pipe business<2019>
- Integrated and reorganized companies regarding Trading, Plant engineering, Building material processing, Steel sheet and stainless steel sheet sales business and etc.

Rationalization of management and business integration aiming at adaptation to change in business environment

- **Osaka Steel** Consolidated Tokyo Kohtetsu using a TOB<2016>, Merged with Nihon Steel<2021>
- **Sanyo Special Steel** NS's equity method affiliate company -> subsidiary<2018>, NS & Sumitomo Metal consolidate OVAKO <2018>, Sanyo Special Steel, Consolidated OVAKO which had been a subsidiary of NS & Sumitomo Metal<2018>
- **NS Coated Sheet** Consolidated Tokai Color <2019>, Reorganized steel sheets processing sites in Western Japan <2022>
- **NS Pipe** Spined out electric resistance-welded pipe business for automobile and transferred it to Nippon Steel <2023>
- **NS Metal Products** Integrated with NS & Sumikin Metal Products with NS Sumikin Column<2016>, Integrated road-construction-related business with Kobelco Metal Products and established NS Kobelco Metal Products<2021>
- **NS SG Wire** Became a wholly-owned subsidiary of NS & Sumitomo Metal through a stock swap<2015>
- **Taiyo Sakako** Consolidated Taiyo Shirring<2015>,Integrated Taiyo Shirring and Sakako and established Taiyo Sakako<2022>
- **NS TexEng** Integrated Taihei Kogyo and Nittetsu Elex and established NS TexEng<2013>, Integrated 9 companies of plant engineering and maintenance <2014>, Became a wholly-owned subsidiary of NS through a stock swap<2015>
- **NS Slag Products** Established NS & Sumikin Slag through integration of 5 slag selling companies <2014>
- **NS Engineering** Split and transfer a part of the steel plant business to Nippon Steel to strengthen its engineering system

Consolidation and termination of facilities

- **NS Stainless Steel** Terminated Kinuura Works <~2021>, Partially terminated Shunan<2021~>
- **Osaka Steel** Terminated Okajima Works and concentrated production on Sakai Works<Upstream:2016, Downstream:2022>
- **Oji Steel** Acquired commercial rights and equipment of Chuo Atsuen<2014>, Terminated downstream facilities in Saitama (ex-Chuo Atsuen)<2015>
- **NS Coated Sheet** Terminated pickling & cold-rolling facilities in Higashi-Nihon Works Funabashi and Nishi-Nihon Works Amagasaki<2014>, Terminated Shimotsuma Area and concentrated processing lines for steel sheets on Higashi-Nihon Ichikawa<2021>

Progress<Domestic>: Selection and Concentration of Facilities, Products, and Businesses 43

Early transition to domestic optimal production system and strengthening of competitiveness

Action	Public ation	~FY19	FY20	FY21	FY22	FY23~	Legend : New info ★ Plan ★ Done ★ Cancelled
*BF = Blast Furnace							
(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: Completion					
(Nagoya) Reline 2BF	Jun-20	★ Aug-22 : Completion					
Coke Oven Construction (Kashima) 2E Coke Oven	Sep-15	★ May-18 : Completion					
Coke Oven Refurbishment (Kimitsu) 5 Coke Oven	Apr-16	★ Feb-19 : Completion					
(Hokkai) 5 Coke Oven	Jun-17	★ Sep-19 : Completion					
(Nagoya) 3 Coke Oven	Nov-18	(Completed refurbishment for all coke ovens in Hokkai)					
(Oita) 2 Coke Oven	Aug-22	★ May-21: Completion					★ H2 FY25: Completion
(Kimitsu) 3 Coke Oven	Jun-22						★ H1 FY26: Completion
(Yawata) New Continuous Casting Facility	Mar-16	★ May-19 : Completion					
(Hirohata) Scrap Melting Process	Nov-19	★ Oct-22 EAF operation start					★ H1 FY23: Melting furnace shutdown

Strengthen Quality and Volume of Globally-competitive Strategic Products

Action	Publi- cation	~FY19	FY20	FY21	FY22	FY23~
Electrical Steel Sheets Investments for capacity & quality improvement	Yawata #1	Aug-19/May-20				} ★ H1 FY23: Full operation
	Hirohata #1	Nov-19/Nov-20				
	Hirohata #3	Mar-21				★ H1 FY24: Full operation
	Hanshin (Sakai), Yawata	May-23				★ H1 FY27: Full operation
Super High-tensile Steel Sheets	(Kimitsu) 6CGL	Apr-18				★ Jan-21: Completion
	(Nagoya) a next generation hot strip mill	Mar-21				

Strengthen Overseas Business Responding to Local Consumption Trend




Action	Publication	~FY19	FY20	FY21	FY22	FY23~	Legend : New info ★ Plan ★ Done
AM/NS India	Mar-18	★ Dec-19: Joint acquisition completed		★ Dec-21: Land use proposal for a new integrated steel mill in Kendrapara approved from Odisha govt.		★ Apr-22: Installation & Expansion plan of downstream processes at Hazira steel plant (by 2024) published ★ Apr-22: Secured renewable energy power annually ★ Sept-22: Investd in capacity expansion in Hazira, and acquired Port and Power related Equipment Companies ★ Nov-22: Acquired Uttam Galva Steels, downstream steel mill ★ Dec-22: Signed an MOU with Odisha gov't regarding land use -> stepping forward to the construction of a new steelworks on the east coast of India ★ Mar-23: Loan agreement entered into by AMNS Lux	
AM/NS Calvert New EAF	Nov-20						★ H1 FY24: Completion
Acquisition of G/GJ Steel	Jan-21					★ Mar-22: Tender offer completion	

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	FY23~
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 steel pipe business in Brazil)			★ Mar-21: Sold		
Dissolution of NSCI (manufacturing site of Steel wire for cold heading and forging in the US)			★ Mar-21: stopped production		
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	
Sale of NSI (manufacturing site of Steel wire for cold heading and forging in the US)					★ Dec-22: Sold

Progress: Actions for Tackling the Climate Change Through Innovation

Legend : New info ★ Plan ★ Done ★ Cancelled

Action	~FY19	FY20	FY21	FY22	FY23~
NSCarbolex™ Solution	 ★ Nov.-22: New Brand “NSCarbolex™ Solution” and its logo were launched				
High-Tensile Steel Sheet	★ Jan-19: Established “NSafe® AutoConcept” ★ Jan-21: Operation of 6CGL in Kimitsu Area started ★ May-21: Expansion of “NSafe®-AutoConcept” solution lineup ★ Oct-21: New press forming technology “NSafe®-RORM-SS” established ★ FY26: New hot-rolling mill in Nagoya starts operation				
Electrical Steel Sheet	★ H1 FY23: Hirohata #1,2 and Yawata#1,2 full operation ★ H1 FY24: Hirohata #3 full operation ★ H1 FY27: Hanshin (Sakai) and Yawata full operation				
Products given Ecoleaf Environmental Label	 ★ Dec-19: 9 H-beams products, Mar-20: Mega NSHYPER BEAM™, Oct-20: 3 tinsplate products, May-21: OCTGs and line pipes, Jul-21: Smart BEAM™, Sep-21: Steel plates for building structure, Dec-21: Started selling tinsplate 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, and ★ Jul-22: the Ecoleaf mark started to be printed on various steel containers ★ Oct-22: Steel products for Railways were given Ecoleaf ★ Dec-22: Electric Steel sheets and Nikkel plate steel sheets were given Ecoleaf ★ Apr-23: Steel sheet piles were given Ecoleaf <small>Sustainable Management Promotion Organization</small>				
NSCarbolex™ Neutral	 ★ Nov-22: Brand logo of “NSCarbolex™ Neutral” was launched ★ Sep-23: Sales launch				
Aiming for Carbon-free and Circular Society	★ → ★ 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” & “MSCI ESG Leaders Indexes, leading Indices for ESG Investment for the first time				

Enhancement of Digital Transformation

Legend : New info ★ Plan ★ Done ★ Cancelled

Action	~FY19	FY20	FY21	FY22	FY23~
Reorganization to Enhance Digital Transformation					<ul style="list-style-type: none"> ★ 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					<ul style="list-style-type: none"> ★ Sep-18: Company-wide Safety Support Project (Installment of smart devices to manufacturing front-lines) ★ Apr-19: Introduction of NS-DIG™ ★ Apr-20: Full-scale system for WFH prepared <ul style="list-style-type: none"> ★ Mar-22: AI 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					<ul style="list-style-type: none"> ★ Aug-20: 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					<ul style="list-style-type: none"> ★ 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" at large structural facilities->enables high-resolution pictures in narrow space

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	FY23~
24 Hour Nursery					<ul style="list-style-type: none"> ★ Apr-19 : The 5th 24 hour in-house nursery in Hirohata Area (Oita, Kimitsu, Yawata, Nagoya, <u>Hirohata</u>) ★ Dec-21 : The 6th 24 hour in-house nursery in <u>Kashima</u> Area opened ★ Jan-22 : The 7th 24 hour in-house nursery in <u>Muroran</u> Works opened
Work System					<ul style="list-style-type: none"> ★ 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-22: Recurrent Leave System launched

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