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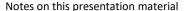
OTC: NPSCY(ADR)



Q3 FY2023 Earnings Summary

Feb. 7th, 2024

NIPPON STEEL CORPORATION



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.

Agenda

1. Q3 FY2023 Earnings Summary and FY2023 Earnings Forecast

Summary / Additional Line Items, Net Profit / Dividend

- 2. Establishing an Enduring Business Structure
 Creating a business framework that maintains consistent
 profitability even in varying external conditions
- Proceeding to Next Phase toward the realization of 100 Mt and ¥1 Tn. Vision Strategy / Domestic Steel Business / Overseas Steel Business /
 Raw Material Business / Other Group Companies / Three Non-steel Segments
- 3. Progress in Carbon Neutral Vision 2050
- 4. HR and PR Initiatives to Recruit from and Retain Diverse Talent
- References (Business Environment & Other Topics)
- 6. Supplementary Materials for Financial Results

Upward revision of Consolidated Business Profit by 60.0bn. JPY, Incl. Underlying BP by 50.0bn. JPY from previous forecast Expected to surpass the previous record-high Underlying BP by 156.0bn. JPY

- > Global steel demand remains unprecedentedly harsh
- ➤ While Asian steel market recovered slightly from the previous forecast, margins remain historically small
- ➤ Underlying BP for FY2023 is expected to reach 890.0 bn. JPY, upward revision by 50.0 bn. JPY from the previous forecast and surpass the previous record-high Underlying BP(FY2022) by 156.0bn. JPY

	FY 2022	H1	Q3	Q4(f)	H2	VS H1 FY23	FY 2023(f)	Vs Prev. forecast as of Nov, 1 st	Vs FY2022
Non-consol. crude steel production (Mt)	34.25	17.44	8.84	Approx. 8.80	Approx. 17.60	+0.16	Approx. 35.00	-	+0.75
Non-consol. steel shipment (Mt)	31.47	16.17	7.95	Approx. 7.80	Approx. 1 5.80	-0.37	Approx. 32.00	-	+0.53
FX (USD/JPY)	135	140	149	Approx.145	Approx.147	7 yen dep.	Approx. 143	2 yen app.	8 yen dep.
Revenue (bn. JPY)	7,975.5	4,412.4	2,229.3	2,358.3	4,587.6	+175.2	9,000.0	-	+1,024.5
Underlying BP Excl. Inventory val. Etc	734.0 rev. Record Hig	499.0	229.0	162.0	391.0	-108.0	890.0 Record High	<u>+50.0</u>	<u>+156.0</u>
Inventory valuation etc.	182.4	(4.8)	(30.9)	(54.3)	(85.2)	-80.4	(90.0)	+10.0	-272.4
Consol. business profit (bn. JPY) ROS	916.4 11.5%	494.2 11.2%	198.1 8.9%	107.7 4.6%	305.8 6.7%	-188.4 -4.5%	800.0 8.9%	<u>+60.0</u> +0.7%	-116.4 -2.6%

Additional Line Items, Net Profit: Upward revision of Net profit by 50.0bn.JPY

Bn. JPY	FY2022	H1	Q3	Q4	H2(f)	FY2023(f)	Vs prev. forecast as of Nov. 1 st	Vs FY2022
Consol. Business Profit	916.4	494.2	198.1	107.7	305.8	800.0	+60.0	-116.4
Additional Line Items	(32.8)	(70.4)	(3.2)	(16.4)	(19.6)	(90.0)	-	-57.2
Net Profit	694.0 Record high	300.2	140.6	29.2	169.8	470.0	+50.0	-224.0
EPS (¥/share)	753	326	152	32	184	510	+54	-243
ROE(%)	18.1%	13.6%	12.1%					

<Additional Line Items>

FY2022: (32.8) bn.JPY

Losses on inactive facilities: (23.5) bn. JPY

• Losses on business withdrawal: (9.3) bn. JPY

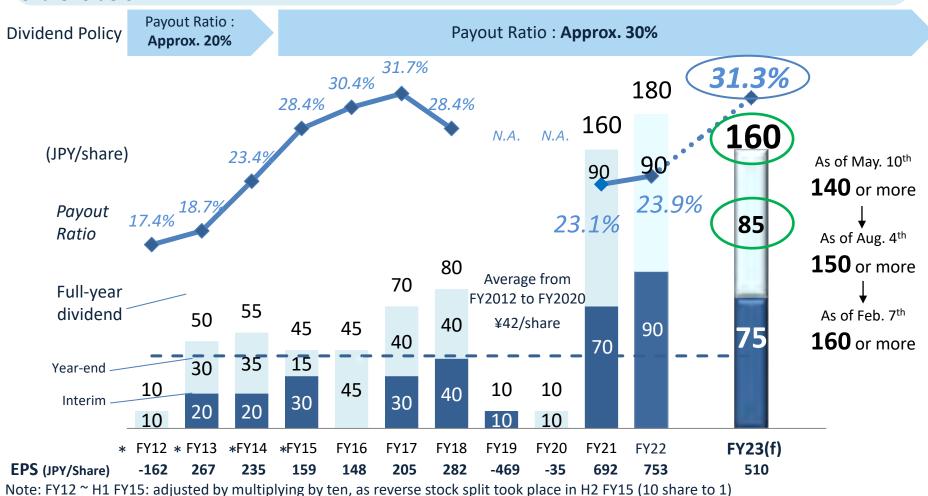
FY2023: (90.0) bn.JPY

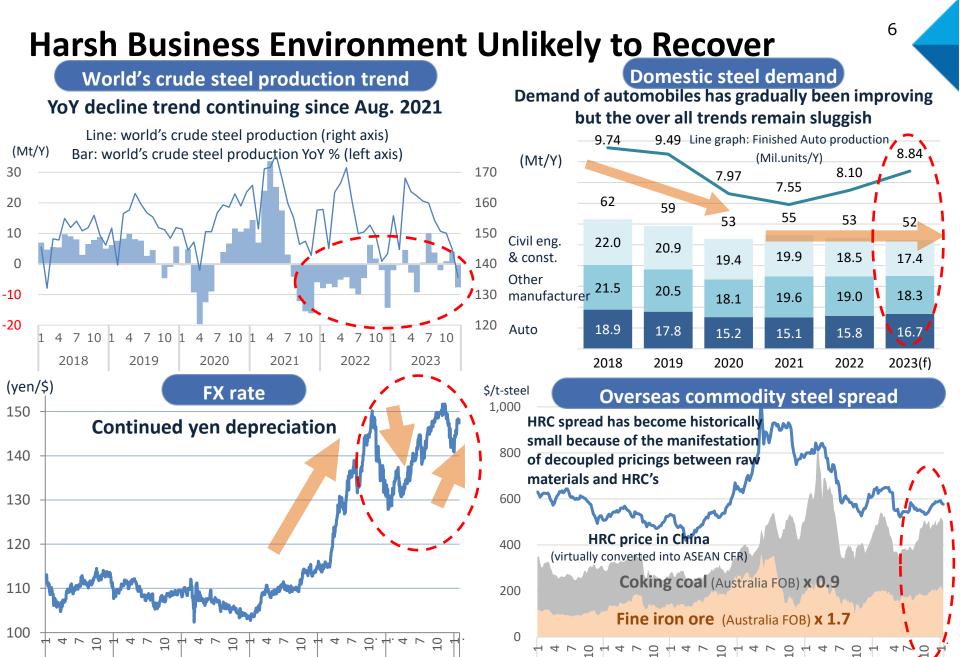
Losses on inactive facilities etc.: (90.0) bn. JPY
 (Kure downstream facilities (64.1), Hanshin (Osaka) etc.)

Cf. Losses on Inactive Facilities (including impairment loss (in 2019) Kure downstream facilities Bn. JPY Wakayama Area, a part of Hanshin (Osaka), etc. #3 CC facility Kashima #3 BF, Hanshin Area, galvanizing large shape mill, and aluminizing lines, etc. steel plate mill, etc. 157.2 101.4 90.0 79.9 32.8 2025 2019 2020 2021 2022 2023 2024

Full-year Dividend(forecast)

Based on the company's increase of profit in the earnings forecasts for FY2023 since the announcement of the previous earnings forecasts on Nov. 1st, 2023, Nippon Steel plans to increase the full-year dividend for FY 2023 by ¥10 from the previous dividend forecasts to ¥160 per share (including a year-end dividend of ¥85) with a view to achieving a continuous high-level return to shareholders.





FY2023 Underlying Consol. Business Profit Variance

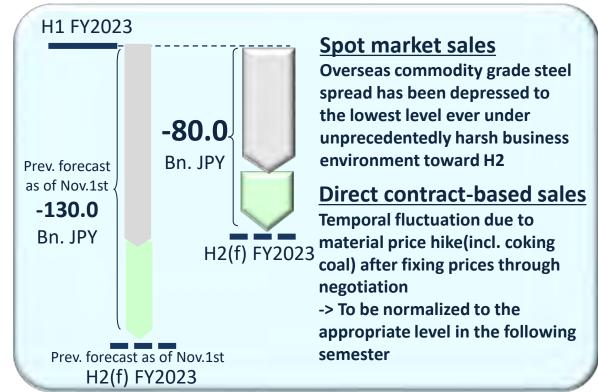
*1 excluding effect of BF relining *2 including impact from FX rate fluctuation Unit: bn. JPY	FY2023(f) as of Nov. 1 st to FY2023(f)	H1 FY2023 to H2(f) FY2023	FY2022 to FY2023(f)
Consol. Business Profit	+60.0	-188.4	-116.4
Variance	<740.0 to 800.0>	<494.2 to 305.8>	<916.4 to 800.0>
Inventory Valuation etc.	+10.0	-80.4	-272.4
Underlying Business Profit Variance	+50.0 <840.0 to 890.0>	-108.0 <499.0 to 391.0>	+156.0 <734.0 to 890.0>
Domestic Steel Business	+50.0	-81.0	+133.0
Volume *1	-	-15.0	+5.0
[in(de)crease of shipment volume]	[- Mt }	[-0.37Mt]	[+0.13Mt]
Spread *2 (Sales price, mix, raw material price) <per of="" steel="" ton=""> [FX rate]</per>	+50.0 <- 2kJPY/t> [2 yen app.]	-80.0 Refer to P8 <-5 kJPY/t> [7 yen dep.]	+60.0 <+2 kJPY/t> [8 yen dep.]
Cost Reduction	+5.0	+15.0	+60.0
Others	-5.0	-1.0	+8.0
Overseas Steel Business	-	-28.0	+25.0 *1
Raw Material Business	-	-5.0	-17.0 ^{*2}
Other Group Companies	-	-4.0	+25.0
Three Non-steel Segments	-	+14.0	*3 -10.0

^{*1} One-off profit in H1 FY2023 from integration of AMIPL in India

^{*2} The impact of change in raw material price reflected

^{*3} The effect of provision in FY2023 for losses of crane failures on offshore work vessels in Engineering segment.

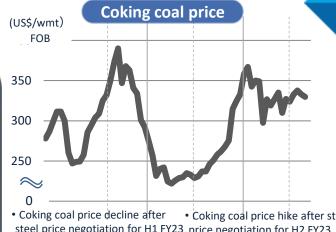
Elaboration of Margin Variance; -80.0bn. JPY from H1 FY2023 to H2(f) FY2023



Temporarily expanded margin due to materials and energy price decline in H1 FY2023 after price negotiation was adjusted downward to the appropriate level Direct Elevated appropriate margin levels through sophistication contract-

of order mix and reflection of high value-added product qualities

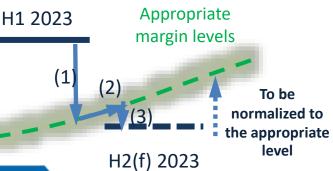
Temporarily shrunk margin due to materials and energy cost hike in H2(f) FY2023 after price negotiation



8

 Coking coal price hike after steel steel price negotiation for H1 FY23 price negotiation for H2 FY23 Yen depreciation fulled





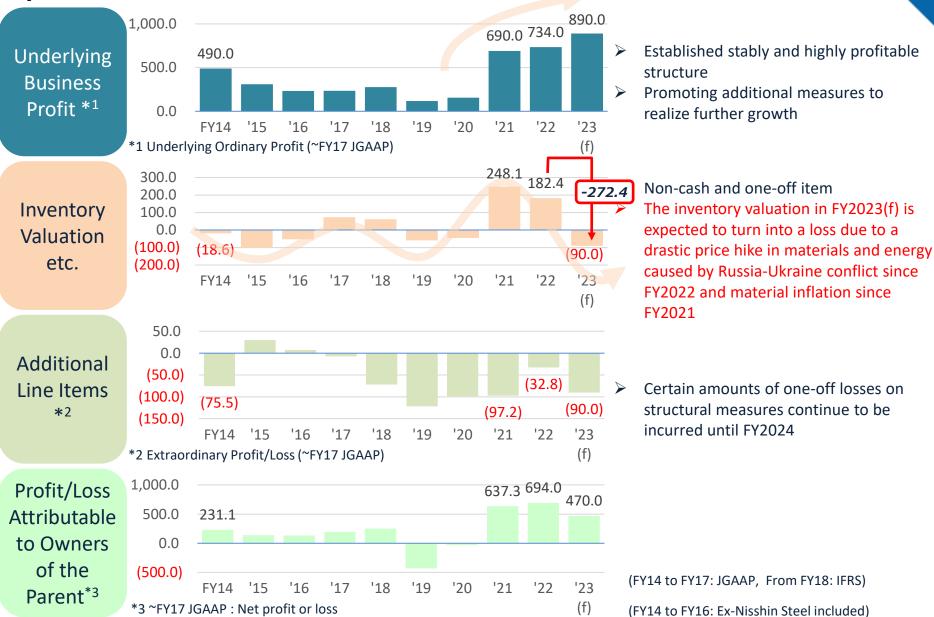


based sales

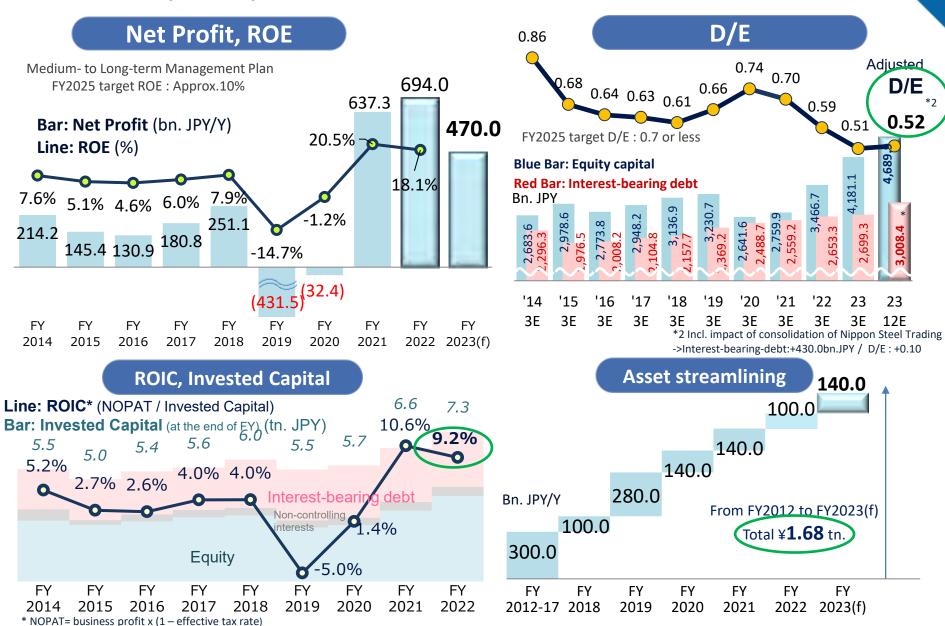
FY2023 Earnings Forecast

(Bn. JPY)	H1	H2	FY2022	H1	H2 (f)	FY2023 (f)	Vs. Prev. forecast as of Nov 1 st	Vs FY2022
Consol. business profit	541.7	374.7	916.4	494.2	305.8	800.0	+60.0	-116.4
ROS	14.0%	9.1%	11.5%	11.2%	6.7%	8.9%	+0.7%	-2.6%
Underlying business profit	300.0	434.0	734.0	499.0	391.0	890.0	+50.0	+156.0
ROS	7.7%	10.6%	9.2%	11.3%	8.5%	9.9%	+0.6%	+0.7%
1) Domestic steel business	45.0	177.0	222.0	218.0	137.0	355.0	+50.0	+133.0
2) Overseas steel business	63.0	32.0	95.0	74.0	46.0	120.0	-	+25.0
3) Raw material business	67.0	75.0	142.0	65.0	60.0	125.0	-	-17.0
4) Other group companies	89.0	116.0	205.0	117.0	113.0	230.0	-	+25.0
5) Three Non-steel segments	33.0	27.0	60.0	18.0	32.0	50.0	-	-10.0
Inventory valuation, etc.	241.7	(59.3)	182.4	(4.8)	(85.2)	(90.0)	+10.0	-272.4





Net Profit, ROE, Financial Health Indicators



Invested Capital(*1) = Total equity attributable to owners of the parent + Non-controlling interests + Interest bearing debt (*1) the average of the beginning and end of the period

Agenda

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- 2. Establishing an Enduring Business Structure

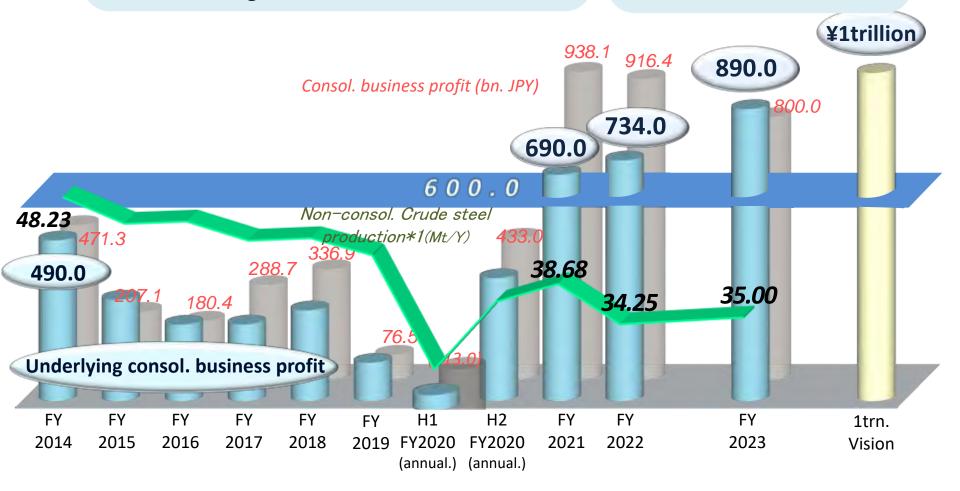
Creating a business framework that maintains consistent profitability even in varying external conditions

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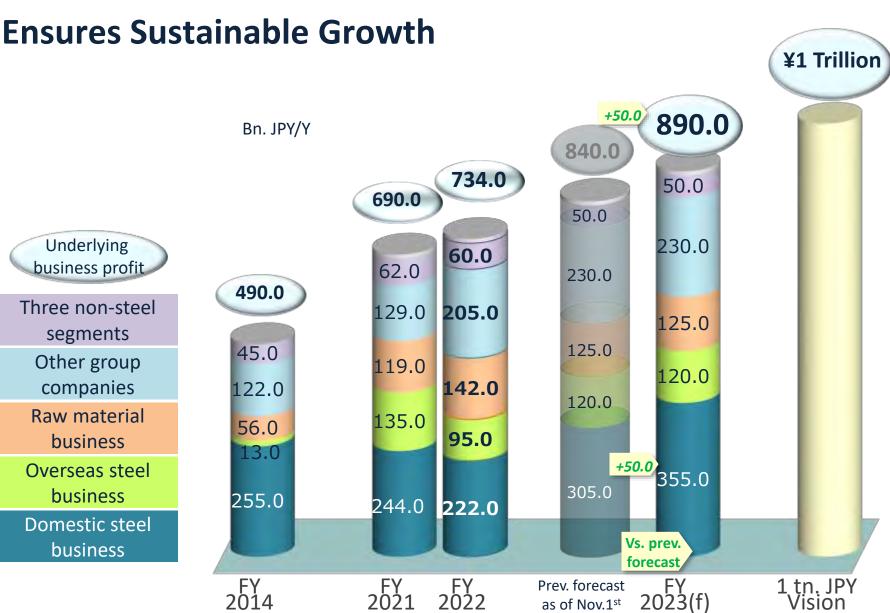
Toward the realization of ¥1 trillion underlying consol. business profit and 100 Mt/Y of global crude steel capacity

Nippon Steel has already secured a profit structure that ensures **underlying business profit of ¥600.0 bn.** regardless of the externalities

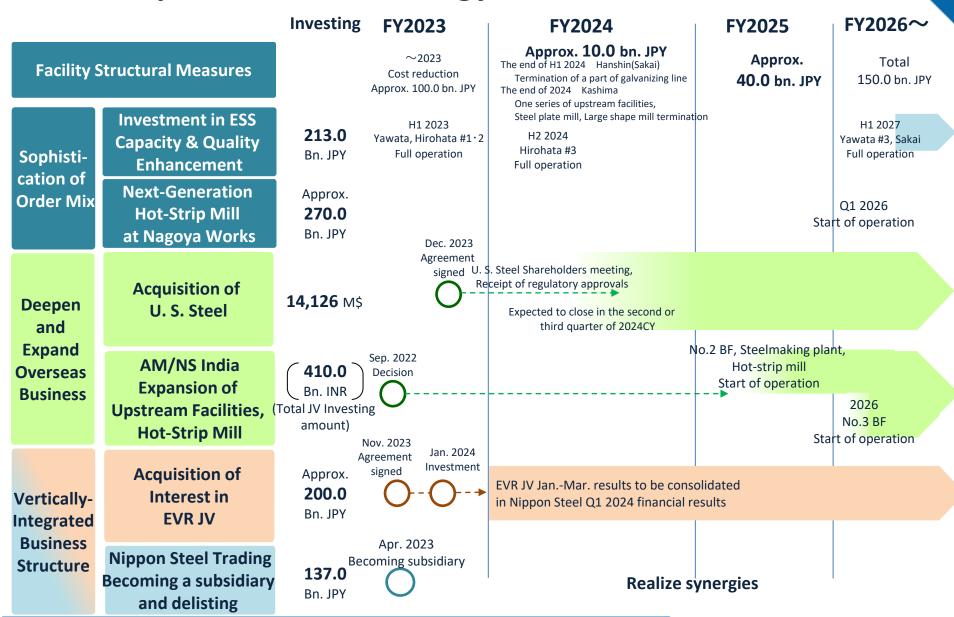
Proceeding to the next phase toward the realization of 100 Mt and ¥1 tn. model



Establishment of a Resilient Business Portfolio that

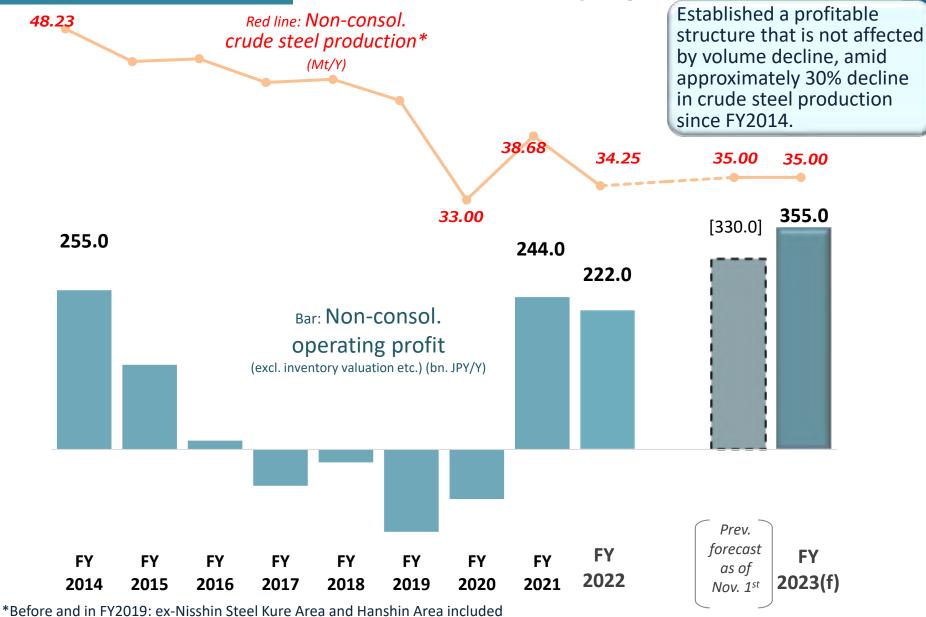


Roadmap for Growth Strategy



Domestic Steel Business

P/L Trend (Underlying Basis)



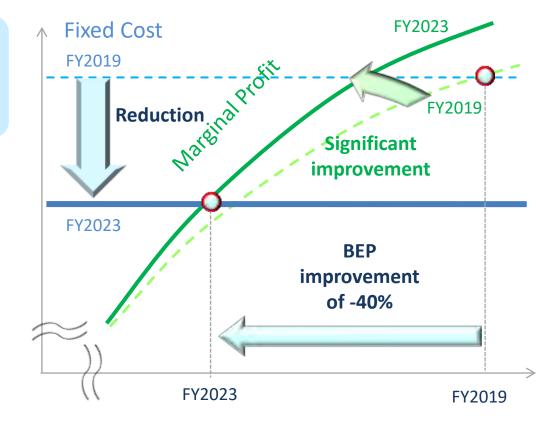
To establish a business structure that ensures stably high profit regardless of the external environment by drastically lowering the break even point

- 1) Sophistication of order mix
- 2) Margin improvement in direct contract sales
- 3) Facility structural measures

Improvement in marginal profit

Significant reduction in fixed cost

Drastic improvement in BEP



1)Sophistication of Order Mix

Response to increasing demand for high grade steel including Electric Steel Sheet or Ultra High-tensile steel Sheet

- ➤ Improvement of production capacity and product quality of Electrical Steel Sheets
- ->Full-capacity operation: starts in H1 FY2023Establishment of next-generation hot strip mill
 - ->Start of operation: Q1 FY2026 (planned)

High-value Commodities added products

High-value added products

Commodities

approx. -20%
->Selective concentration on certain products

cf. Outline

of shipment mix

Production Capacity

2) Margin improvement in direct contract sales

FY 2021

FY

2022 FY

2024

Realized appropriate level of margin by continuously asking customers for;

- Substantial correction of steel prices which had been relatively low revel compared with international peers
- > A fair allocation of cost burden for raw materials and commodities
- ➤ Reflection in steel prices of our high value-added product qualities and solutions

Changed in price negotiation system for direct contract-based sales

Although labor and distribution costs are expected to increase, pursue appropriate margins by reflecting these costs on selling prices.

At the

end of

Direct contractbased sales to
customers

Domestic

Export

3) Facility
Structural
Measures



Total number of domestic BFs

15 -> 11 ->

end of FY2024

10
Units
-5Units

-20%

20

At the

Cost reduction

FY2020 to FY2023

100.0 Bn. JPY/Y

35.0

20.0

FY FY FY FY FY FY FY FY



Annual crude steel production capacity

50 -> 43 -> 40 Mt/Y

(Non consol. + Nippon Steel Stainless Steel)

23(f)

25 plan

22

21

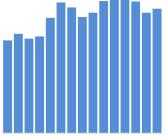
Domestic Steel Business

Sophistication of Order Mix (Examples of High-value Added Products)

Steadily increasing the number of high value-added products

GO Hi-B (High grade grain-oriented electrical steel sheet)



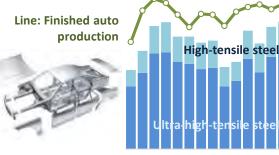


NO-H, M (High or Middle grade nonoriented electrical steel sheet)









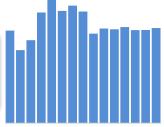
20.10 20.10 20.10 20.10 20.10 20.11

ZEXEEDTM, ZAM[®], SuperDymaTM (Corrosion resistant coated steel sheet)

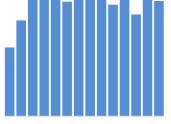
ALSHEETTM
(Hot-dipped Al/Si alloy steel sheet)

13Cr, high alloy seamless pipe

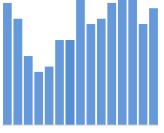






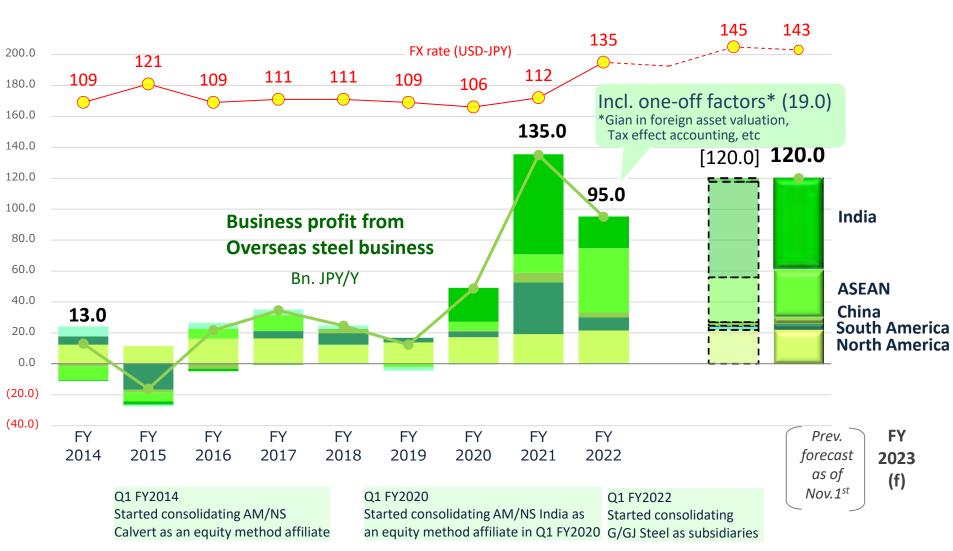








Overseas Steel Business P/L Trend (Underlying Basis)



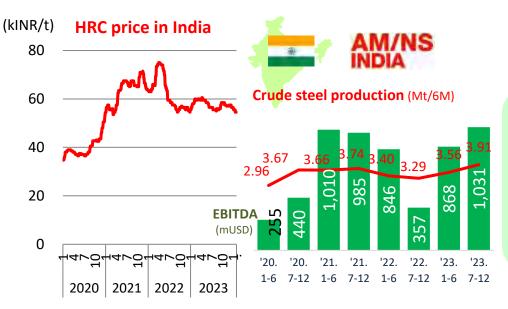
Ordinary profit (subsidiaries) + share of profit in investments accounted for using equity method (equity method affiliates), both underlying profit excl. inventory valuation

Note. Most of overseas businesses are operated in Jan.-Dec. term and consolidated to Nippon Steel's Apr. -Mar.

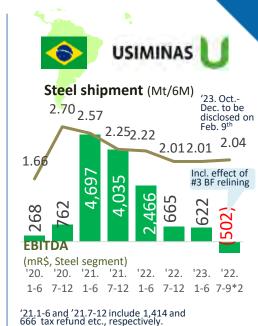


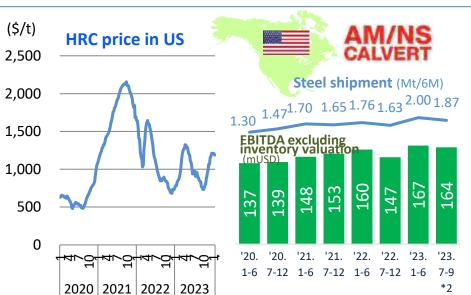
Overseas Steel Business

EBITDA Trends of Main Overseas Businesses



- Recovery in demand and market prices
- Gain in sale of excess inventory of natural gas (in hedged price)
- Cost reduction by use of key infrastructure assets acquired







Overseas Steel Business

Toward the vision of "Global Crude Steel Capacity 100Mt"

To expand steel production into:

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

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

To acquire brownfield production bases through M&A

Diversify Nippon Steel's global footprint by three primary geographies

Global Steel
Production Capacity*

As of Mar. 2023

Unit: Mt/Y

Upstream Downstream

Domestic 47 4 43

Local mills of 17

Growing India

AM/NS NIPPOI

NIPPON STEEL

USS Larges

the US

Largest market of high-grade steel

Home market

ASEAN

Downstream

Responding to local demand for highgrade steel products from Japanese customers extending their business overseas

Integrated steel mills

Aiming at thoroughly capturing overseas local demand for steel and added-value of the integrated steel-making process

In addition to capacities of 30-50% ownership companies as defined by World Steel Association, equity method affiliates less than 30% ownership (AGIS) are both included on a 100% capacity basis.

Progress toward the vision of Global Crude Steel Capacity 100Mt

Acquisition of U. S. Steel

GJS

- Further capacity expansion in AM/NS India
- Further vision of M&A, equity participation or expansion of existing steel mills
- Further capacity expansion in Existing facilities

		2014	2022	After acquisition of USS	Long-term Vision
	Domestic	52	47	47	
	Overseas	6	19	39	>60
SS	Total	58	66	86	>100



80

66

Total

Overseas Steel Business

Realize further growth of U. S. Steel by combining 23 strengths of both companies

Contribute to benefits for all the stakeholders of U. S. Steel by expanding its cash flow

Honor the history and brand

Continuation of the "United States Steel" name, brand, and the Pittsburgh, PA headquarters after acquisition

Contribute technologies as well as R&D progress as a wholly-owned subsidiary

Bring fresh investment and innovation to U.S. blast-furnace facilities and BRS and to strengthen its current products and services





Product Technologies

Enhance product qualities of U. S. Steel by sharing cuttingedge technologies of automotive sheets and electric steel sheets



Abundant operational experiences: 6 domestic Steelworks, 11 units of BFs And 51 production sites in 15 countries



Decarbonization **Technologies**

Share technologies including BF Hydrogen Reduction Technologies, etc



Solid financial structure

Cf. NSC. U.S. Steel Moody's Baa2 Ba3 S&P BBB+ BB-



United States Steel Corporation



Extensive U.S. Customer bases Well-established history Brand value



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



Excellent Management and employees Strong relationship with unions Good retention ratio



Well-developed, customer-oriented R&D system and bases



Employees

Customers

Overseas Steel Business Contribute to benefits for all stakeholders

Shareholders

All-cash offer of 55\$/share for U. S. Steel shareholders

Enhance Nippon Steel's consolidated profitability and potential for growth, and maximize shareholder value

> All of U. S. Steel's commitments with its employees will continue to be honored.

Employment and remuneration will be stabilized by enhancing profitability and financial soundness

No layoffs and no shift from existing production supply chain resilience in overseas will be conducted as a result of the transaction

- Access to Nippon Steel's world-leading product technologies and know-hows enabling to provide highest-grade products and service including automotive sheets and electric steel sheet
- Continuation of supply of products and services to existing customers

Enhance the whole the U.S. including not only the steel industry but primary industries such as automotive

Contribute to enhancing competitiveness of U.S. industries

Environment /Sustainability

- Becoming the cleanest steelmaker
- No change to existing manufacturing facilities as a result of the acquisition

Acquisition of U. S. Steel

(Released on Dec. 18th, 2023)



NIPPON STEEL



MOVING FORWARD TOGETHER AS THE BEST STEELMAKER WITH WORLD-LEADING CAPABILITIES



Acquisition Scheme

• Dec. 18, 2023 Merger Agreement signed

Establishing a wholly-owned subsidiary of Nippon Steel, merging it with U. S. Steel, which will become
the surviving company. U. S. Steel shareholders will receive cash in exchange for U. S. Steel shares.
 -> U. S. Steel will become a wholly-owned subsidiary of Nippon Steel.

\$55 per share

• 40% premium over \$39.33 per share on the business day prior to announcement (12/15)

Offer price

Equity \$14.1 bn

Value (approx.¥2,010 bn)

- All-cash offer for U. S. Steel shareholders
- Enterprise value of \$14.9 bn (approx.¥2,120 bn), including the assumption of debt
- 744\$/one ton of crude steel production capacity (=\$14.9bn / 20 Mnt)

Financing, Impact on financial strength

- Bridge Finance for the transaction has been committed by leading Japanese banking institutions, and, in connection with the closing, these banking institutions may fund the financing in a combination of U.S. dollars and yen
- Debt/equity ratio to go to 0.9 (from 0.5(*)) due to transaction payment (*) based on 9/30/23 balance sheet
- Nippon Steel will aim to quickly recover to a debt/equity ratio of 0.7 or less through consolidated earnings and cash flow including U. S. Steel, and appropriate financing.

Exchange rate: 142 yen/\$ (as of 12/18)

Progress

Working towards a successful closing of the acquisition

Dialogue with U. S. Steel's Stakeholders

- Our proposed acquisition of U. S. Steel was announced on December 18, 2023
- ➤ Since then, we have been engaging with U. S. Steel's stakeholders through activities led by NSC executives focused on the benefits to all stakeholders
- The acquisition will enhance U. S. Steel's operations, the broader U.S. steel competitive landscape and the many industries that rely on it

U. S. Steel Shareholders Meeting ➤ On January 24, 2024, U. S. Steel filed its Preliminary Proxy Statement with the SEC for the requisite approval of the acquisition at a shareholders meeting to be held on a future date

Regulatory process

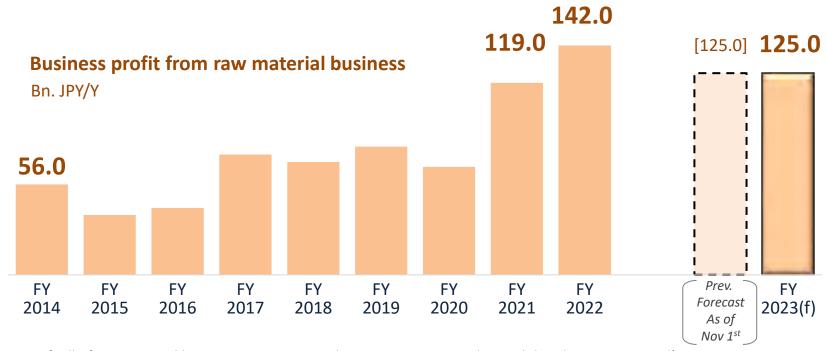
➤ We and U. S. Steel are pursuing required regulatory approvals in the United States and other jurisdictions

Closing upon receipt of regulatory approvals (Expected to close in the second or third quarter of 2024)

Raw Material business

P/L Trend (Underlying Basis)





Cf. All of raw material businesses are operated in Jan.-Dec. term and consolidated to Nippon Steel's Apr.-Mar.

Raw Material business

Completion to Invest in Steelmaking Coal Business in Canada

Nippon Steel to indirectly acquire a 20% interest in Elk Valley Resources ("EVR JV") (the "Investment"), a newly-formed partnership sold by Teck, the second largest producer of high-quality steelmaking coal in the world

Head Office Vancouver, British Columbia, CANADA

mines

Major coal Fording River, Elkview, Greenhills, Line Creek

Production capacity

Approx. 25-27 million tons / year

Acquisition Value

1.34bn.USD (approx. 200bn.JPY)

(Nippon Steel's existing interest in Elkview (2.5%) will be exchanged as part of the Investment)

Jan. 2024 Completion of acquisition

Investment amount paid ⇒plan to incorporate EVR JV Jan.-Mar. profits into Nippon Steel's consolidated business profit On the basis of its equity interest from Q1 FY2024

- Participate in decision making process of the steelmaking coal business (holding a right of veto over important decisions)
- Enter into a long-term coal offtake rights agreement upon completion of the Investment, enabling long-term and stable hard coking coal procurement





Large scale open pit coal mine

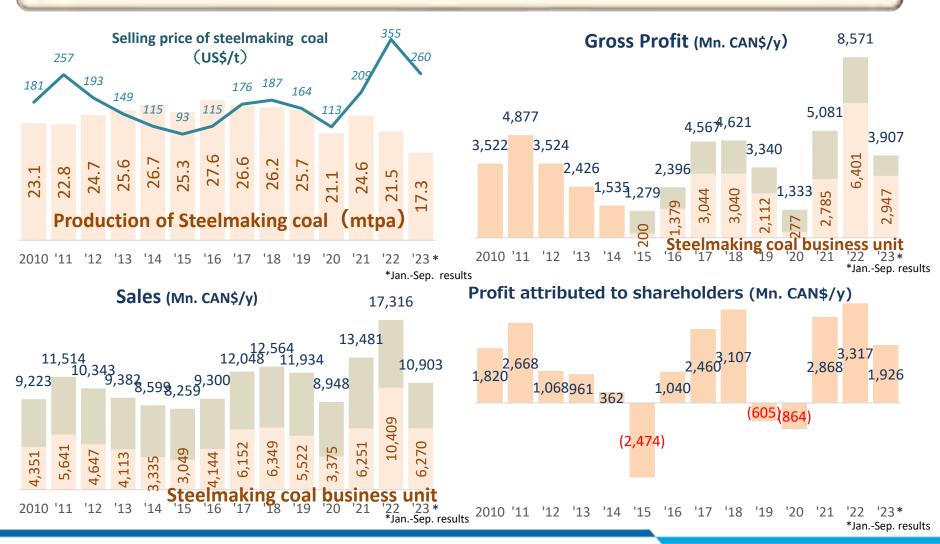
Access to rail transportation

<Investment Structure>



*Jan.-Sep. results

Jan.-Sep. 2023 Gross Profit (Steelmaking coal business unit) : approx. 2.9 bn. CAN\$/9м (approx. 300bn. JPY/9м)



Raw material business

Vertical Expansion of the Core Businesses

- Establishing stable procurement structure and easing fluctuation in operating profit of domestic steel business caused by raw material cost variance
- > Aiming further growth in the ratios of raw materials procured from invested mines

	Currently Investing	Mines	ра	Year rticipated	Equity ratio	Major shareholder	Capacity Mt/Y				
	Iron oro mollot	Australia	Robe River	1977	14.0%	Rio Tinto 53.0%	70				
	Iron ore, pellet	Brazil	NIBRASCO	1974	33.0%	VALE 51.0%	10				
			Moranbah North *1	1997	6.25%*2	Anglo American 88.0%	12				
			Warkworth	1990	9.5%	Yancoal 84.5%	8				
	Cool						Bulga	1993	12.5%	Glencore 85.9%	7
	Coal	Australia	Foxleigh	2010	10.0%	Middlemount South70.0%	3				
	Carbon Noutral		Boggabri	2015	10.0%	Idemitsu Kosan 80.0%	7				
	Carbon Neutral production processes will require a certain		Coppabella and Moorvale	1998	2.0%*2	Peabody 73.3%	5				
	amount of coking coal	Canada	Elk Valley Resources	2024	20.0%	Glencore(prospective) 77.0%	27				
(Others(Niobium)	Brazil	СВММ	2011	2.5%	Moreira Salles 70.0%	0.15				

Ratios of raw materials procured from invested mines

Total procurement

-> Aiming further growth in the ratios of raw

Iron ore An

Approx. 20%

Approx. 50 Mt

*1 Grosvenor mine was integrated with Moranbah North in 2020

materials procured from invested mines

Coal

Approx. 20% -> 30%

Approx. 25 Mt

^{*2} Incl. the following increase in Equity ratio of Nippon Steel Trading Moranbah North 1.25%, Coppabella and Moorvale 2.00%

Other Group Companies P/L Trend (Underlying Basis)



Excluding inventory valuation, and including group companies of ex-Nisshin Steel and stainless steel business of ex-Nisshin Steel

Other Group Companies Initiatives of Nippon Steel Trading



Pursue synergies by further strengthening collaboration with our group

Streamline and strengthen the trading company's functions across the group

Strengthen direct sales capabilities by integrally utilizing sales know-hows and infrastructure

Further sophisticate the supply chain

Measures under consideration and efforts

- > Priority allocation of sales forces of both companies to **new demand fields**
- **Enhancement of the efficiency** of sales administration works
- > Accelerating the collaboration in **Overseas Offices**
- > Started portal site (NST Business Online) for information collaboration with business partners
- ➤ Establishment of steel service center for high-grade ESS in Mexico (Jan. 17th,2023 released)
 NIPPON STEEL TRADING COIL CENTER MEXICO S.A. DE C.V. is established on Oct-2023
 4 slitting lines(Production capacity: 0.12M tons/year) are under construction->To be in operation in Apr. 2025
- Expansion of steel service center in India (Oct. 11th,2023 released)

 Expanded Factory No.2 with Slitters, levelers,and presses (9 pieces of equipment in total), to be in operation in Aug-2023
- ➤ Merger of NS Kenzai Hanbai Co., Ltd with SK Co., Ltd (Temporary Seating Manufacturer)
 (Jan. 10th,2024 released)
- ➤ Transfer of automotive steel tube cutting and processing business from SAKAISHIN, Ltd to NST Mechanical Tubular Products Sales Co., Ltd (Dec. 1st, 2023 released)
- > Investment in Norwegian company HYSTAR, manufacturer of water electrolysers for hydrogen production (Jan. 17th,2023 released)









P/L Trend (Underlying Basis)

Business profits of three non-steel segments



*excl. inventory valuation from FY2023(f) as of Aug. 4th FY2022(excl. inventory valuation) :11.4bn.JPY



3 Non-steel Segments

Earnings Summary

Nippon Steel Engineering

Bn. JPY	H2	FY 2022	H1	Q3	H2 (f)	Prev. forecast	FY 2023 (f)	Prev. forecast
Order intake	259.3	431.4	157.5	69.3	162.5	[182.5]	320.0	[340.0]
Revenue	188.1	352.2	175.4	109.6	244.6	[224.6]	420.0	[400.0]
Business profit	6.3	11.6	(5.4)	0.6	10.4	[10.4]	5.0	[5.0]

Although sales is expected to improve from the previous year due to progress of large projects ordered up to the previous year, including offshore wind power generation facilities, waste power generation facility and logistics facilities, BP is expected to decrease from the previous year due to impact of crane failures on offshore work vessels owned by the company.

Nippon Steel Chemical & Material

Bn. JPY	H2	FY 2022	H1	Q3	H2 (f)	Prev. forecast	FY 2023 (f)	Prev. forecast
Revenue	129.6	274.5	132.8	64.2	127.2	[127.2]	260.0	[260.0]
Business profit	2.4	16.1	10.8	1.5	3.7	[3.7]	14.5	[14.5]
Underlying	4.1	11.4	7.9	1.5	3.1	[3.1]	11.0	[11.0]

- ➤ Sales decreased from the previous year due to sluggish market conditions for needle coke and prolonged adjustment phase in the electronic materials field.
- ➤ Despite the severe demand environment, sales and profit expected to equal to the previous year due to an impact from Yen depreciation and cost improvement efforts.

NS Solutions

Bn. JPY	H2	FY 2022	H1	Q3	H2 (f)	Prev. forecast	FY 2023 (f)	Prev. forecast
Revenue	157.4	292.5	145.0	75.6	160.0	[160.0]	305.0	[305.0]
Business profit	18.0	32.1	15.1	8.8	18.4	[18.4]	33.5	[33.5]

Despite a decrease from the previous year's largescale infrastructure construction projects for public agencies and an increase in SG&A expenses, the company expects an increase in sales and profit from the previous year due to the capture of DX needs in the manufacturing industry (including Nippon Steel) and an increase in sales of consulting and digital services, etc.

3 Non-steel Segments

Maximizing Synergies with Non-Steel Segments and Expanding Businesses in Growing Market



PPON STEEL ENGINEERING





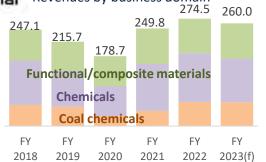
Expansion of decarbonization and low-carbon related businesses

<Focus areas and products>

Offshore wind power, CCUS, hydrogen infrastructure, geothermal energy, sewage sludge fueling, biomass energy, Coke Dry Quenching (CDQ), EPC for waste power generation etc., high-efficiency energy supply service (natural gas cogeneration system), etc.

Revenues by business domain NIPPON STEEL Chemical & Material

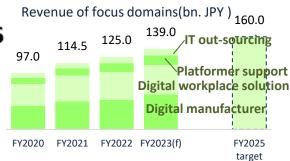




- Establishment of optimal framework for production and sales through facility improvement, and cost reduction through manufacturing process improvement and reduction of fuel and energy use.
- Development of new technologies and new products aimed at the expansion in sales of products related to growing semi-conductor demand, especially for high-grade products for high-speed telecommunication and automobiles

NS Solutions





FY2020->FY2025 CAGR* target: **+5~6%/year**

Incl. CAGR in focus area: Over +10%/year

(*Compound annual growth rate for revenue growth)

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Providing two types of values by progressing toward carbon neutrality





Nippon Steel + Carbon dioxide less + X **Nippon Steel offers**

Products and technical solutions that contribute to reducing CO₂ emissions

For realizing a sustainable future



Advanced products and technical solutions that contribute to reducing CO₂ emissions in society



steel products CO₂ emissions savings in the steelmaking process are allocated.

Reduce CO₂ emissions at Reduce CO₂ emissions the time of production and processing by customers

at the time of use of customers' products made from our steel

Contribute to energy conversion in society

Reduce CO₂ emissions as a steel supplier for our customers

Sales started in H1 FY2023

By providing the two types of values, we support international competitiveness of our customers (including approx. 6,000 companies in Japan)



Order Status

Increase in order intakes for NSCarbolexTM Neutral, a steel product that contribute to CO₂ emission reduction at the customer's upstream process(SCOPE3)

NSCarbolexTM Neutral steel products CO₂ emissions savings in the steelmaking process are allocated

Release	Order from	Usage	Products Applied
Sep. 21 st , 2023	Sobajima Can Company	Canday Can	Tinfree Steel
Sep. 28 th , 2023	85 Degrees Renewables(Netherland)	Geothermal development project in Netherland	Super 13Cr(Chrome) for Line Pipe
Oct. 19 th , 2023	Hisaka Works	Plate-type heat exchanger to be used at the Osaka- Kansai Japan Expo	Plates(frame), Bar(tightening bolt), Titanium steel sheets(plate)
Oct. 23 rd , 2023	Atago-Body	Container for transporting recycled resources "Ecology Box(E/B)"	Abrasion resistant steel plate "ABREXTM"
Oct. 30 th , 2023	GE Vernova	Converter to be utilized in Grid Solution business	Grain-Oriented Electrical Steel sheets
Dec. 11 th , 2023	STEELARIS (steel wholesaler in Singapore)	Oil & Gas projects, Construction, Offshore structures	Plate

Diamond wires

to quarry wafers, such as photovoltaic wafers from silicon ingots.

SHTBTM

YANGLING METRON Dec. 21st, 2023 NEW MATERIAL (China)

Torsia-type ultra-high strength bolt



Bar, Wire

Wire

, and many others...

Nittetsu Bolten

Jan. 18th, 2024

Hydrogen injection into BF Progress of Super COURSE50 Technology Development

Super COURSE50 development test in a small test furnace at Kimitsu area in East Nippon Works verified the world's highest level of CO₂ emissions reduction effect of heated hydrogen

injection by 33%. (Feb. 6th, 2024 Released) rate 20 Aiming to realize 50% or more reduction in CO₂ emissions, *Demonstration of Hydrogen accelerate the verification of the principle and development of scale-up reduction injection into BF using technology, and aim to establish implementation technology around 2040. heated hydrogen is an Verified 33% reduction in CO2 emissions industry-leading approach emission (Feb. 2024 released) Verified 22% reduction in CO2 emissions (Aug. 2023 released) COURSE50 Iron ore Coking DRI Hydrogen input (Nm3/t-pig iron) Approx. 400 times scale Coke oven gas etc. **Demonstration Development and test furnace** that is hydrogen rich **Implementation** CO₂ actual sized BF $(12m^3)$ In-house Carbon hydrogen Feb. FY2022: Launched reduction CCUS COURSE50 a demonstrative Start demonstration temperature Start actual Hydrogen Started testing in FY2008 facility to inject gas at the Kimitsu #2 BF In-house H_2O implementation reduction Complete testing in FY2022 containing hydrogen to in Jan. FY2026 hydrogen by 2030 the #2 BF in Kimitsu area Modified test furnace **Super-COURSE50** May 2022~: Started testing DRI Iron ore Coking Super Complete actual COURSE50 implementation 2022: Verified 22% reduction **Heating** by around 2040 Mid-scale tests **Hydrogen from** CO in CO₂ emissions Hydrogen

2023: Verified 33% reduction

in CO₂ emissions

Maximum

hydrogen

reduction

CCUS

 H_2O

external source

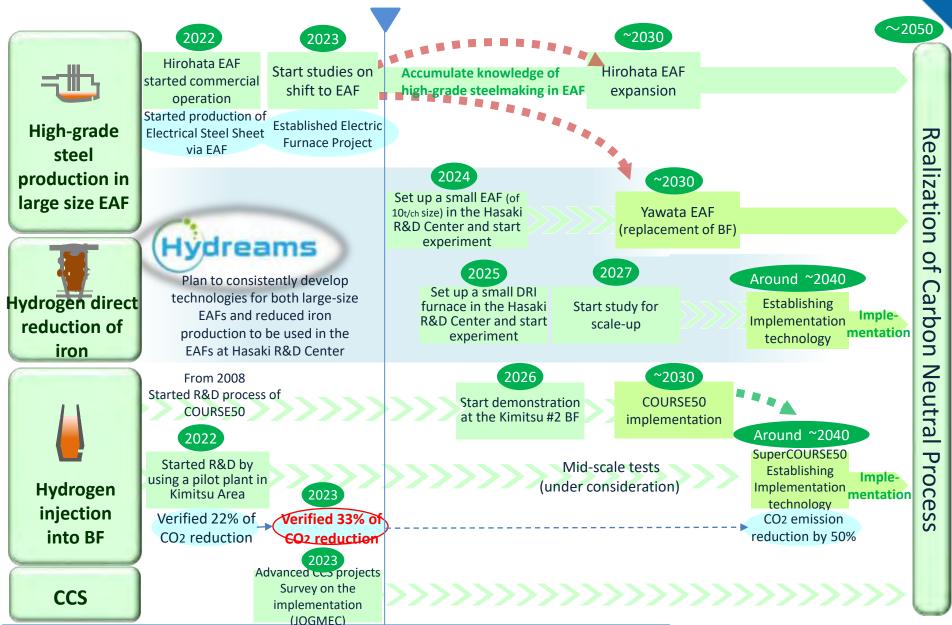
from external

50% decrease

in CO₂ emissions

(under consideration)

Carbon Neutral Vision 2050



Increased Support to Steelmaking Industry from Green Innovation Fund

With the growing awareness that the steel industry will play an essential role in achieving decarbonization, the fund greatly increased its allotment to the steel industry

Empowered by increased support from Green Innovation Fund, the company is to accelerate development and implementation of technologies

in Dec,2021

Use of hydrogen in steelmaking process

¥193.5 + ¥233.4 bn. = ¥426.9 bn.

Additional

The company's breakthrough technology development projects

Development of hydrogen reduction technology utilizing onsite hydrogen



In total

Development of low-carbon technology utilizing hydrogen from external sources and CO₂ contained in BF gas



Development of direct hydrogen reduction technology



Development of impurity removal technology for EAFs using direct reduced iron

$${}^{23.6}_{Bn.}$$
 + ${}^{20.7}_{Bn.}$ = ${}^{20.6}_{Bn.}$

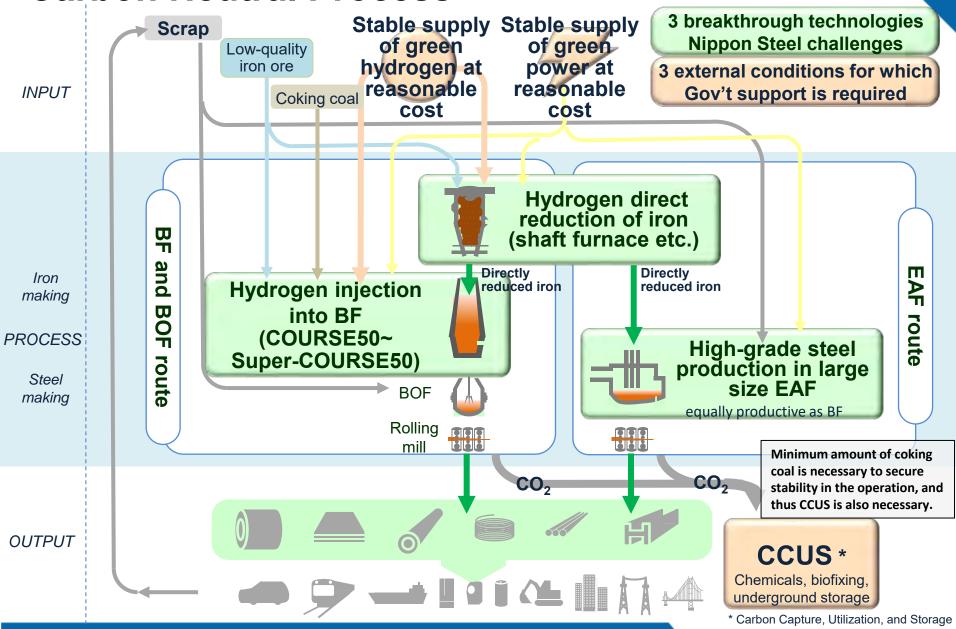
On Dec. 24^{th,} 2021, the Green Innovation Fund Project was accepted, which had been co-proposed to NEDO* by Nippon Steel, JFE Steel, Kobe Steel, and JRCM**.

<u>Green innovation fund</u>: fund by the government to continuously support companies, etc. that are committed to their ambitious goals toward the realization of carbon neutrality in 2050 from research and development to demonstration and implementation for 10 years.

^{*}NEDO: New Energy and Industrial Technology Development Organization

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

Carbon Neutral Process



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HR and PR Initiatives to Recruit from and Retain Diverse Talent

Progress in Nippon Steel's corporate strategy

Promoting various strategies toward 100 Mt and ¥1 tn. Vision

- Rebuild domestic steel business
- Promote a global strategy to deepen and expand overseas business.
- > Evolution to further vertically-integrated business structure Involving "raw material business" not just as procurement Insourcing steel distribution as a new business domain
- Take on the challenge of carbon neutral steel
- Promote digital transformation strategies

Change in the labor market

- Intensified competition in recruitment due to population decline
- Diversification of individuals' career targets and higher mobilization of labor market
- Sluggish degree of recognition to steelmaking industry

To secure and support workforce, Nippon Steel will promote various HR and PR measures as one of the highest-priority management challenges

<Major initiatives already taken>

Recruitment

- •Increasing the mandatory retirement age to 65 (since FY2021)
- Recruitment of post doctors (since FY2006)

Employee support

Working hour

- •24-hour available as necessary childcare centers at steelworks (Oita, Kimitsu, Yawata, Nagoya, Hirohata, Kashima, and Muroran as of end of FY2021)
- Accompany leave system for employees whose spouse is transferred to other countries (since FY2016)
- •Working from home system and core-flextime system (since FY2019)
- •Temporary exemption from the transfer (since FY2020)

•Recommendation to all male employees to take child-care leave (since FY2021)

- •Temporary leave system for employees who wish to take a reeducation (since FY2022)
- •Increasing maximum capacity for "Family holidays" (reserved paid holidays) to 100 days (since FY2022)

development

- **Human capital** Digital transformation training (since FY2021)
 - •Reinforcement of English language training programs (since FY2021)

<Major initiatives going forwards>

- Public relations activities aimed to enhance recognition of Nippon Steel from not only job applicants such as students but also wide range of generation
- Promotion of mid-career recruitment (including alumni hiring) on top of stable recruitment of fresh graduates
- Increasing starting salary
- Promoting employee engagement (e.g. promotion of open feedback culture, creating opportunities for challenge and development such as overseas assignment for mid-career and junior employees, etc.)



Progress of HR and PR measures

To further develop strengthening and diversification of recruiting approaches

Recruitment of Freshmen

Expansion and strengthening of internships (5 days or more) and workshops (2 days) (common to administrative and technical staff members)

- Accepted 500 internship students (vs prev. year: +60)
- Workshops: 1,250 accepted (vs. prev. year: +400)
- Newly implemented 1-day plant tour events (24 events in total at every steel mill)

Recruitment of experienced personnel Promotion of mid-career recruitment (those with experiences of working at other companies)

Start alumni hiring

Continue recruitment of post doctors(PhDs and other specialized personnel)

Plan to launch full-scale career recruiting website (from late February)
In order to build a network with alumni, those who have left Nippon Steel,
the company launched "Alumni Network," an online platform for alumni on
Aug. 31st

Sharing information Held alumni party

from the company

Held alumni party on 30th Jan.

Alumni Network

Communication between the company's employees and alumni

Communication among alumni

Started in-house entrepreneurship and in-house recruitment systems for appropriate placement and personnel training

- In-house recruitment: started from Oct. 2023
- In-house entrepreneurship: Implementing a trial of entrepreneurship from Oct. 2023 by utilizing the system of METI

Improving the conditions of treatment of employees

Even in the midst of unprecedentedly severe business environment, NSC plans to raise compensation conditions to "secure human resources and promote their active roles" (under consideration)

-> Aiming to maximize the potential of employees and further improve their productivity and abilities

Naoetsu Station

"Morning Exercise" Episode

HR & PR initiatives

- As part of measures to increase awareness among a wide range of generations "The World is Made of Steel," a corporate commercial was intensively aired in Feb., following Oct..
- > Various activities are underway, including advertising measures closely tailored to each region.

1. Nationwide and metropolitan advertising measures

- TV ads: Feb.1st ~ Nationwide commercial broadcast
 - * Continue to be broadcast on the programs below:

 Every Wednesdays "Hodo Station" on TV-Asahi affiliate

 Every Wednesdays "Umikoi: What we can do for the sea now,"

a new program on Nippon Television Network Corp.

- Digital ads: Feb. 1^{st~} Commercial on YouTube、Tver, etc.
- Transportation ads: Feb. 5^{th~} Ads on trains(each line of JR and Metros)

2. Advertising measures in each area of Japan (major ones below:)

• Kyushu Steelworks area:

Kokura Station Digital Signage Kyushu University Gakkentoshi Station escalator jack Oita Airport signage Fukuoka International Airport signage, etc.

East Nippon Steelworks area:
 Digital signage at Naoetsu and Takada stations
 Monitors at Ibaraki Airport

3: Cooperation in the publication of a book related to the Company

- For the publication of Nikkei BP's book, "The Reincarnation of Nippon Steel Corporation: How a Giant Ship Was Revived", NSC provided full cooperation in interviews with internal personnel and coverage of manufacturing bases, including those overseas.
- Additionally printed on January 22, immediately after release.



Fukuoka Airport



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Business Environment World Economy, Steel Demand

- Western countries: Continued downward pressure on the economy due to prolonged inflation and interest rate hikes
- China: Prolonged real estate market slump due to insufficient effects of economic stimulus measures
- India/ASEAN: Growth slows YoY, but demand for steel products continues to increase

Outlook for GDP growth rate (As of January 2024)

Source: IMF, released on Jan. 30th, 2024

	300100	CY22	Lasca on Ja	CY23(f)	
	Unit:%	CIZZ	As of Jan. 2024	Vs. CY22	VS.as of Oct. 2023
S	World	3.5	3.1	-0.4	+0.1
tion	Japan	1.0	1.9	+0.9	-0.1
Developed Nations	US	2.1	2.5	+0.4	+0.4
dole	Europe	3.3	0.5	-2.8	-0.2
Dev	Korea	2.6	1.4	-1.2	±0
S	China	3.0	5.2	+2.2	+0.2
ation	ASEAN*	5.5	4.2	-1.3	±0
ng N	India	7.2	6.5	-0.7	+0.2
Emerging Nations	Brazil	2.9	3.1	+0.2	±0
En	Russia	-2.1	3.0	+5.1	+0.8

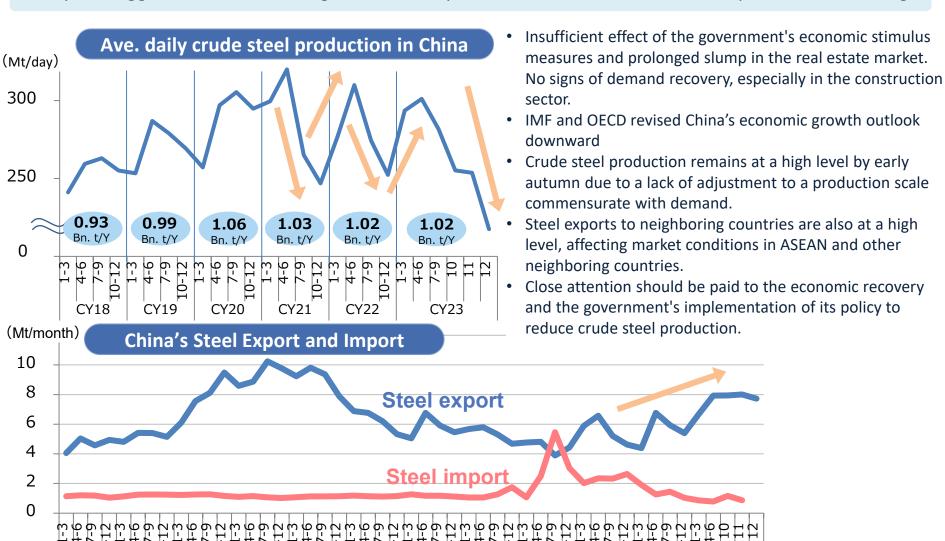
Steel Demand Outlook (As of October 2023)

Source: World Steel Association, estimated on Oct. 17th, 2023

		CY22		,	CY23(f)	
Unit: Mt/Y	Steel demand	Vs. CY2021	Vs. CY2021 (%)	Steel demand	Vs. CY2022	Vs. CY2022 (%)	Vs. as of Apr. 2023
World	1,782	-59	-3.2%	1,814	+33	+1.8%	-8
Japan	55	-2	-4.2%	54	-1	-2.0%	-3
US	95	-2	-2.6%	94	-1	-1.1%	-2
Europe	152	-13	-7.9%	144	-8	-5.1%	-7
Korea	51	-5	-8.6%	53	+2	+3.3%	-
China	921	-33	-3.5%	939	+18	+2.0%	-
ASEAN*	73	-	-0.3%	75	+3	+3.8%	-2
India	116	+10	+9.2%	126	+10	+8.6%	+3
Brazil	24	-3	-11.0%	23	-1	-2.6%	-1
Russia	42	-2	-5.0%	44	+2	+5.0%	+4

Business Environment Steel Demand in China

Despite sluggish steel demand, high crude steel production continues and steel exports are increasing



CY19

CY23

CY21

(Nippon Steel estimate)

Business Environment Raw Materials Market Prices

[Fine iron ore]

- The price rose to the \$140 range in Nov. due to continuance of high level of pig-iron production in Chinese steel companies and announcement of additional government bond issuance in the amount of 1 trillion RMB
- It turned to drop around \$130 due to production decline and prospective views toward deflation.

[Coking coal]

- The price soared to the level of \$360(Currently around \$330) from Aug. due to the increase in spot purchases made by Indian companies to capture growing and robust demand in India and the manifested unstable operations in coal mines in Australia.
- The company expects the current tightened S&D of coking coal not to be easily normalized, considering steadily expanding steel demand in India, chronic labor force shortage in coal supplying counties, and etc..





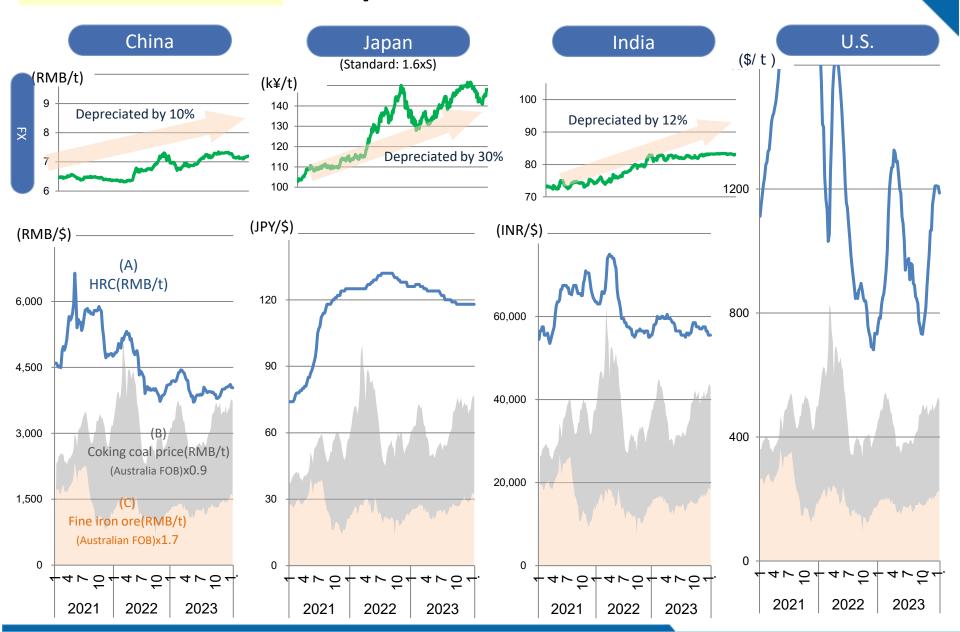
Business Environment

Historically-low level of steel spreads on overseas commodity-grade products

- Steel export from China has increased since the production level has remained constantly high despite depressed demand in Chinese market
- > The excess in export has adversely affected steel market conditions in ASEAN or other neighboring countries
- > Decoupled pricing mechanism of commodity-grade steel products from raw materials has been manifested
- > HRC spread has been slightly recovered from that of last Oct., but it remains historically small.
- The profitability of HRC for Asian steelmakers seems to be severely low.

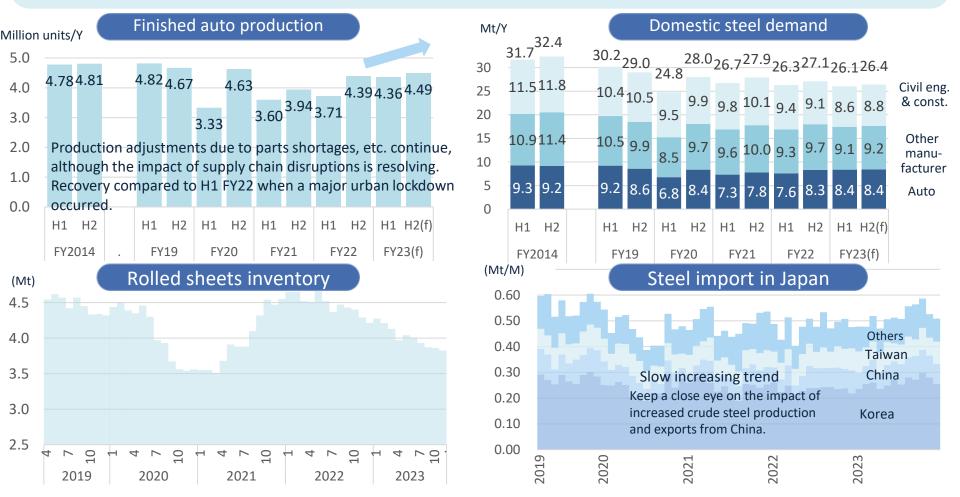


Business Environment HRC prices in main markets



Business Environment Steel S&D in Japan

- The Japanese economy is slowly recovering, driven by inbound demand and service consumption, etc.
- However, the construction and manufacturing sectors still remain below the level of the previous year in many applications.
- A certain level of recovery is expected in the automotive application due to the easing of supply chain disruptions, but shipbuilding, industrial machinery, and other applications remain weak.
- Construction starts is not expected to increase due to labor shortage, shipment and construction cost hike.



Business Environment The Balance of Trade and FX Sensitivity

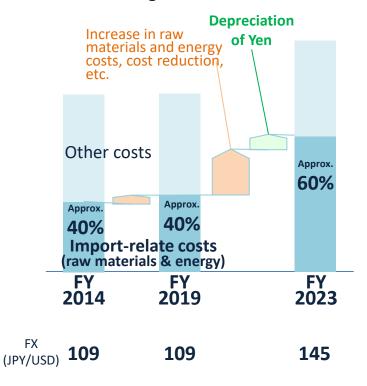
Domestic steel business: The proportion of import-related costs to steel manufacturing cost has risen due to the recent surge in prices of raw materials and energy, and because the amount of import exceeds export, the impact of Yen depreciation to our domestic steel business is negative.

Consol. business profit: The impact of Yen depreciation is neutral or slightly positive due to increase in profit in overseas business and raw material business translated into Yen basis, and valuation gains for inventories and foreign assets.

> **Impact from Yen** depreciation

Domestic Steel Business	-) Negative	Excess of import to export Q3 FY2023 0.9 bn. USD/Q (import 4.2 – export 3.3)
Overseas Steel Business Raw Material business	+) Positive	Increase in profit translated into Yen basis
Other Group Companies Three Non-Steel Segments	+) Positive	Excess in export, gain in foreign asset valuation
Underlying consol. business P/L	-) Negative	
Inventory valuation Non-operating P/L	+) Positive	Gain in valuation for imported materials, gain in foreign asset valuation
Consol. business P/L	Neutral or slightly positive	

Cf. Rough figure for our steel manufacturing cost structure



U. S. Steel Acquisition Overview of U. S. Steel

* End of 2023CY, **2023CY t: metric ton st: short ton

- > Leading integrated BF and EAF manufacturer in the U.S. mainly Flat-Rolled sheets including for auto
- > Currently constructing Big River 2, which will increase EAF capacity and capability
- Leveraging own iron ore mines, self-sufficient in pellets for BFs and EAFs, and pig iron for EAFs

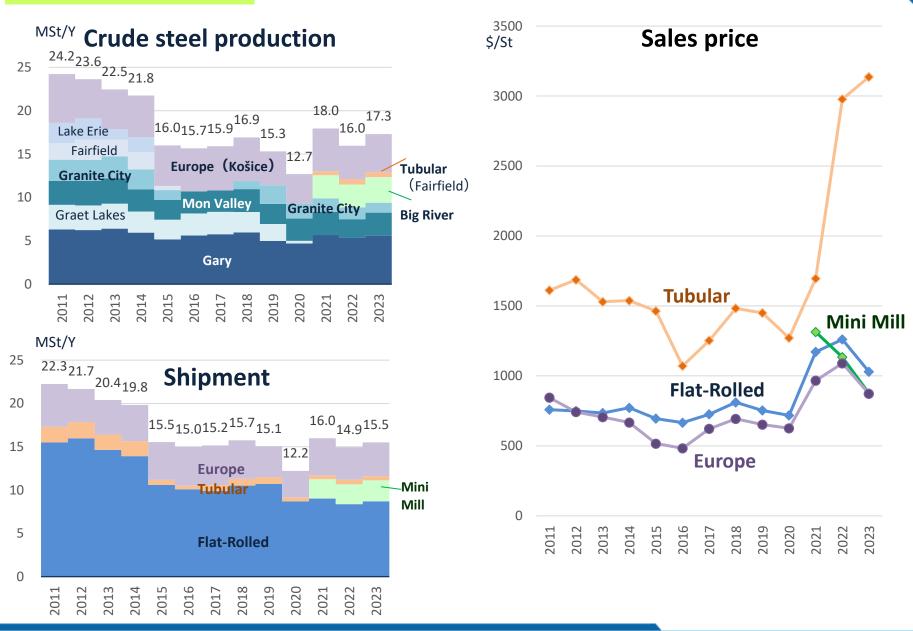
	U.S.	Europe	Total
Headquarters	Pittsburgh, Pennsylvania, USA (remain unchanged	after acquisit	ion)
Manufacturing bases	<pre><flat-rolled> : Gary (Indiana), Mon Valley (Pennsylvania),</flat-rolled></pre>	Košice (Slovakia)	
Product types	Steel sheets(Hot-rolled sheets, Cold-rolled sheets, Galvar Electrical steel sheets), Pipes and tubes(Seam	_	Γin plate,
Raw Steel Production Capability	15.8 _{Mt/Y} 8 BFs (Including 2 BFs idle) (17.4Mst/Y) 3 EAFs (+2 EAFs under construction)	4.5 Mt/Y (5.0Mst/Y)	20.3 Mt/Y (22.4Mst/Y)
Raw Steel Production *	11.7 Mt/Y (12.9Mst/Y incl. EAF 3.0Mst, EAF ratio 17% to be expanded in the future)	4.0 Mt/Y (4.4Mst/Y)	15.7 Mt/Y (17.3Mst/Y)
Steel shipments *	10.5 Mt/Y (11.6Mst/Y)	3.5 Mt/Y (3.9Mst/Y)	14.1 Mt/Y (15.5Mst/Y)
Iron ore mines owned	Minntac, Keetac(Minnesota)		
Pellet Production	20.0 Mt/Y(22.1Mst/Y) All iron ore used in the U.S. is procured from in-house mined pellets.		
Net sales *	14,528 M\$/Y	3,525 M\$/Y	18,053 M\$/Y
Earnings before income taxes *	1,047 M\$/Y		
Net earnings *	895 M\$/Y		
Active Employees **	13,995	7,808	21,803

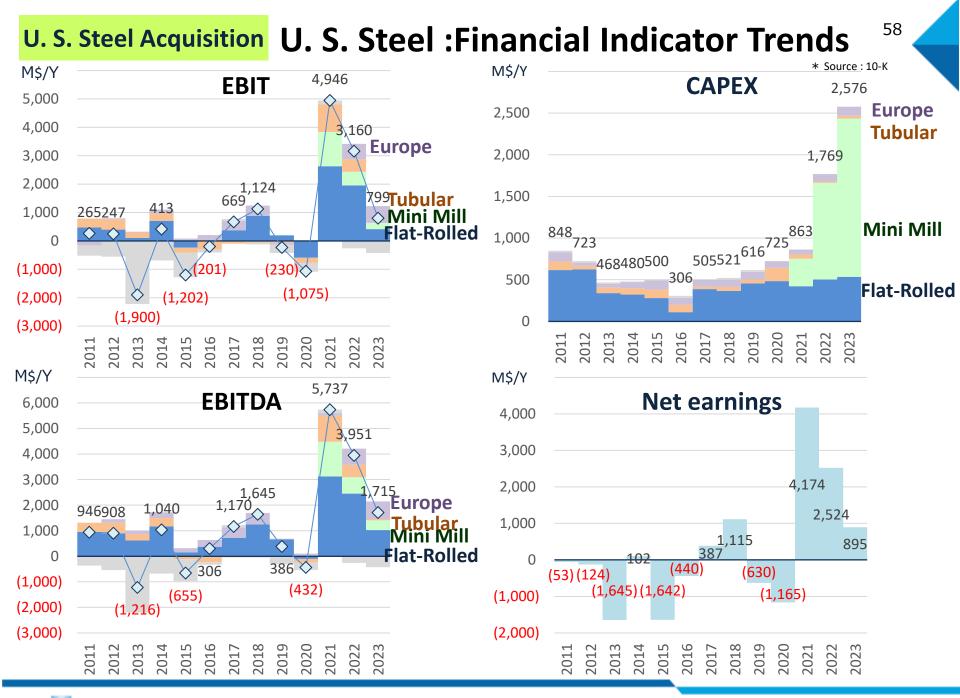
U. S. Steel Acquisition Creating new value by combining the technologies of both Nippon Steel and U. S. Steel

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

After acquisition, study the detail of the potential synergy

U. S. Steel Acquisition U. S. Steel: Volume, Price Trend Source: 10-K









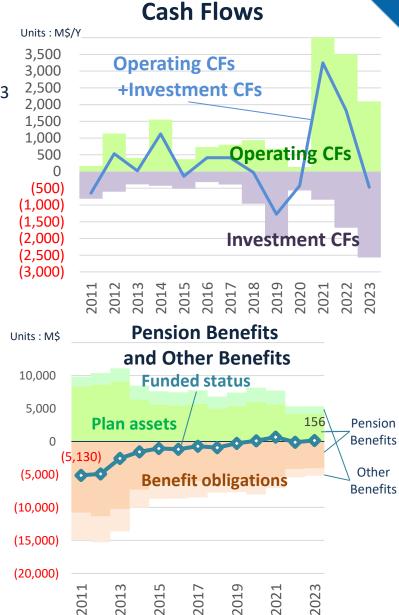
(The end of Dec. 2023) Units: M\$

Total assets: 20,451

Liabilities: 9,311 Shareholders' Equity: 11,047 Minority Interest: 93

Current assets 6,943	Cash 2,948 Accounts Receivable 1,548 Inventories 2,128 Other 319
Noncurrent assets 13,508	Machinery& Equipment, Lands 10,393 Goodwill 920 Other 2,195

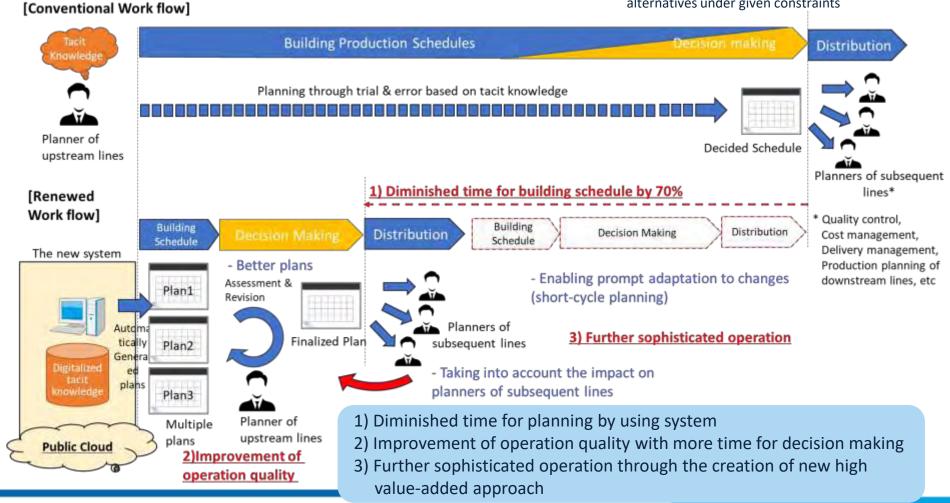




DX Promotion - Steel casting scheduling system

As an initiative in "Production Planning DX," NSC constructed steel casting scheduling system by utilizing mathematical optimization technology*

- Full-scale operation started at Kimitsu Area of East Nippon Works.
- Plans to sequentially expand to mills with refining and casting processes.
- * Mathematical optimization technology A mathematical method to select the best of many alternatives under given constraints



1470MPa grade cold-rolled high tensile steel is adopted for the first time in the integrated lightweight A-pillars of Suzuki's new models.

[Conventional approach]
5 parts to be molded and welded



Lightweight A-pillarsPhoto provided by Suzuki Corp.

New model "SPCIA"

Photo provided by Suzuki Corp.



Advanced products and technical solutions that contribute to reducing CO₂ emissions in society

NSafe - Auto Concept

ntal Amusen of Nippon Steel's Technologies Contributing to the Sevelopment of Next-generation Automobiles



Enabled processes that previously required forming and welding of five parts to be formed in a ONE part by realizing both high strength and processability through precise composition design and microstructure control of steel materials.

Worked with Suzuki and Bellsonica* to solve delayed fracture and spot weldability issues

*Auto parts supplier

Contributed to weight reduction of vehicle bodies and reduction of secondary processes

Reduction of CO₂ emissions during parts manufacturing

Reduction of CO₂ emissions when driving

Significant cost decrease



"Creation of Sea Forest"

Regeneration of Seaweed Bed by Steel Slag Launched on 21 sites nationwide in FY2023

Creation of **Sea Forest**

With the aim of regenerating seaweed bed as a countermeasure to sea desertification across Japan's coasts, Nippon Steel has used steel slag, or a byproduct from steelmaking process, to supply iron nutrition to the sea.

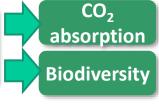






Supply Units





In FY2023, Iron Supply Units were installed at 21 locations (15 are new cooperative partners: marked with ★). Continuous surveys of changes in iron concentration in seawater and seaweed growth before and after installation will be conducted to accumulate basic data. Further promotion of seaweed bed creation is planned.

[Some installations in FY2022]

Just after installation (Oct. 2022)

Shikabe town, Hokkaido

Cooperation with Shikabe Japan Fisheries cooperatives(JF)

Shima-City, Mie Pref.

Cooperation with Mie Outer Bay JF







About half an year later



Cf.) Nippon Steel Official Youtube: Videos on Blue Carbon/ UMIMORI(Creation of Sea Forest) Project(Japanese only) https://youtu.be/Eg7n19kEnK4

Creation of Positive Cycle of Cash Flows

Cash generated through sustainable growth toward the 100 Mt and ¥1 tn. Vision

Operating

Human Capital Investment

Cash Flows

HR and PR Initiatives to Recruit from and Retain Diverse Talent Financing & Repayment

Asset

Stream-

-lining

Pursue optimal capital structure taking into account WACC and shareholders' return Mid-term plan D/E: below 0.7 Aggressive promotion of investments that generate higher profit than WACC

Creation of social consensus to share cost burden

Decision-making based on enhanced predictability of economic rationality

Dividend based on earnings level Dividend per share: approx. 30%

Investment for Growth Business

Invest--ment

Investment Expenses for Carbon

Neutrality

Shareholder

Returns

CAPEX for Facility Installation

Renewal and improvement of facilitiesSophistication of

order mixDigitaltransformation

Deepening and expansion of overseas business Evolution to a further verticallyintegrated business structure

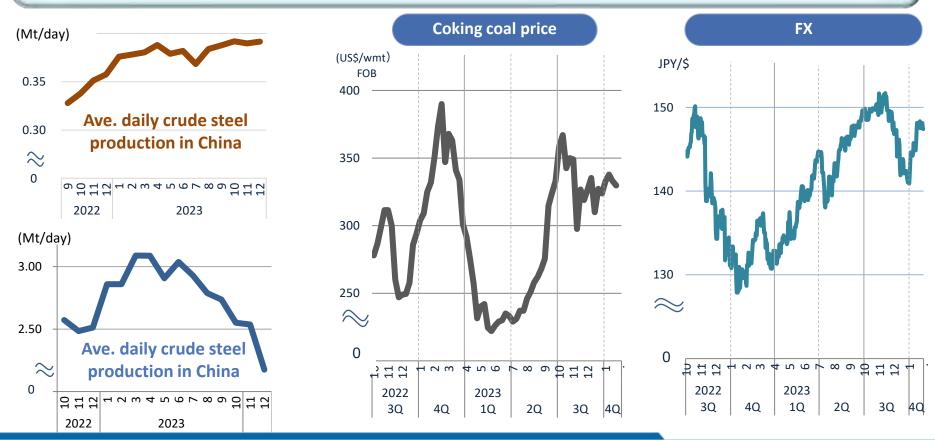
Development and practical implementation of three breakthrough technologies

 High-level shareholder returns based on stably high profit



Sharp cost hike due to coking coal price soar and progress of yen depreciation

- Coking coal market price has been on the rise since;
 - Indian companies' spot purchase of coking coal continues
 - Chinese companies' high-levels of steel production continues
- Decoupled pricing mechanism of commodity-grade steel products from raw materials has been manifested
- Combined with sharp depreciation, the raw material cost in JPY has soared



Secured margin in direct contract-based sales & Sophistication of order mix

<Steel margin shifts in direct contract-based sales>

Appropriate margin level per ton elevated through sophistication of order mix and reflection of high value-added product qualities

Improvement of production capacity and product quality of Electrical Steel Sheets

->Full-capacity operation: starts in H1 FY2023(Yawata #1,2 & Hirohata #1,2) in H1 FY 2024 (Hirohata #3) in H1 FY2027(Yawata #3, Hanshin(Sakai)

Establishment of next-generation hot strip mill -> Start of operation: Q1 FY2026 (planned)

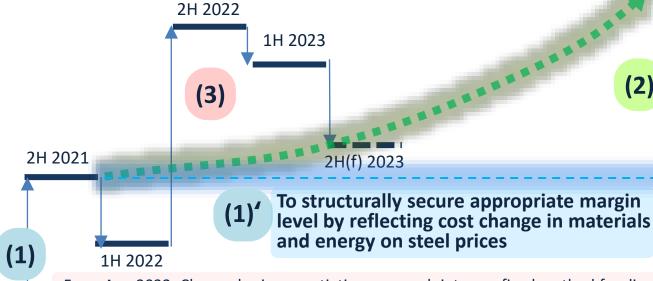
(1)

Until 2H 2021

- A fair allocation of cost burden for raw materials and commodities
- Reflection in steel prices of our high value-added product qualities and solutions

With the points above reflected in negotiations with customers, margin has greatly improved

2H 2020



From Apr. 2022: Changed price negotiation approach into pre-fixed method for direct contract-based sales

Steel margin temporarily fluctuated due to changes in raw materials(incl. coking coal) and energy cost after price negotiation

		1H22	2H22	1H23	2H23
(3)	Change in the cost after negotiation	Rise	Drop	Drop	Rise
107	Difference from appropriate level of margin	Smaller	Larger	Lager	Smaller

(2)

Agenda

- 1. Q3 FY2023 Earnings Summary and FY2023 Earnings Forecast Summary / Additional Line Items, Net Profit / Dividend
- 2. Establishing an Enduring Business Structure
 Creating a business framework that maintains consistent
 profitability even in varying external conditions
- Proceeding to Next Phase toward the realization of 100 Mt and ¥1 Tn. Vision Strategy / Domestic Steel Business / Overseas Steel Business /
 Raw Material Business / Other Group Companies / Three Non-steel Segments
- 3. Progress in Carbon Neutral Vision 2050
- 4. HR and PR Initiatives to Recruit from and Retain Diverse Talent
- 5. References (Business Environment & Other Topics)
- 6. Supplementary Materials for Financial Results

Business Profit Variance (prev. FY23(f) -> FY23(f))

	(Bn. JPY)	Prev. FY23(f)	FY23(f)	Change
В	Business Profit	740.0	800.0	+60.0
	Underlying profit	840.0	890.0	+50.0
	1) Domestic	305.0	355.0	+50.0
	2) Overseas	120.0	120.0	±o
	3) Raw material	125.0	125.0	±0
	4) Other group	230.0	230.0	±0
	5) Non-steel	50.0	50.0	±ο

Spread

+50.0

*1

*1 Crude steel production: approx. ±0 Mt (approx. 35.00 -> approx. 35.00) Steel shipment volume : approx. ±0 Mt (approx. 32.00 -> approx. 32.00)

*2 Incl. the impact of FX, and carry over -4.0 (58.0 -> 54.0)

Others

-5.0

*****5

Non-

steel

±0

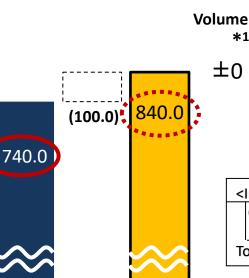
士()

Other

group

*4

*3 Incl. decrease in depreciation cost +2.0



companies *3 <Inventory valuation etc.> prev.FY23(f) FY23(f) Change Consol. Inventory valuation (60.0)+10.0 (70.0)Non-operating profit etc. (30.0)(30.0) ± 0 Total (100.0)(90.0)+ 10.0

Overseas

steel

reduction business business

士()

Cost

+5.0

Raw

material

士()

Under- Inventory FY23(f) lying valuation

profit etc.

(90.0)

800.0

Under-

lying

profit

Inventory

etc.

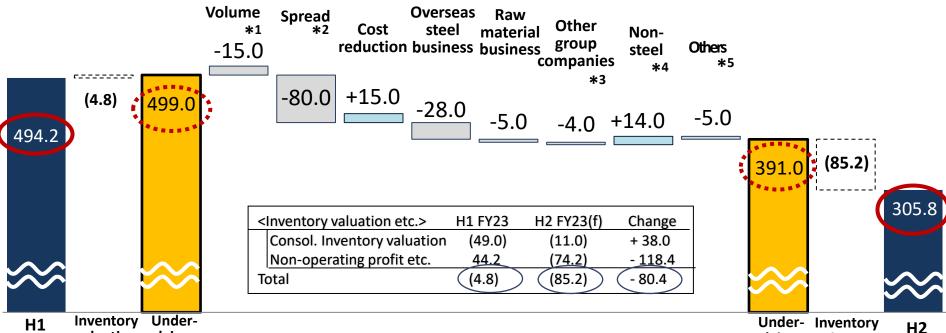
prev.

FY23(f) valuation

Business Profit Variance (H1 FY23 -> H2 FY23(f))

	(Bn. JPY)	H1 FY23	H2 FY23(f)	Change
В	usiness Profit	494.2	305.8	-188.4
	Underlying profit	499.0	391.0	-108.0
	1) Domestic	218.0	137.0	-81.0
	2) Overseas	74.0	46.0	-28.0
	3) Raw material	65.0	60.0	-5.0
	4) Other group	117.0	113.0	-4.0
	5) Non-steel	18.0	32.0	+14.0

- *1 Crude steel production : approx. +0.16 Mt (17.44 -> approx. 17.60)
 Steel shipment volume : approx. -0.37Mt (16.17 -> approx. 15.80)
- *2 Incl. the impact of FX, and carry over +46.0 (4.0 -> 50.0)
- *3 Deteriorate: Stainless steel & EAFs, trading
- *4 Engineering +15.8(Stripped loss in H1 FY23 from provision for losses of crane failures),
- Chemicals & Materials -4.9, Solutions +3.3 ***5** Incl. Increase in depreciation cost -5.0



lying

profit

valuation

etc.

FY23

valuation

etc.

FY23(f)

lying

profit

Business Profit Variance (FY22 -> FY23(f))

(Bn. JPY)		FY22	FY23(f)	Change	
Business Profit		916.4	800.0	-116.4	
	Underlying profit	734.0	890.0	+156.0	
	1) Domestic	222.0	355.0	+133.0	
	2) Overseas	95.0	120.0	+25.0	
	3) Raw material	142.0	125.0	-17.0	
	4) Other group	205.0	230.0	+25.0	
	5) Non-steel	60.0	50.0	-10.0	

*1 Crude steel production : +0.75 Mt

(34.25 -> approx.35.00)

Excl. BF relining impact: +0.35Mt

(34.65 -> approx.35.00)

Steel shipment volume : +0.53 Mt

(31.47 -> approx. 32.00)

Excl. BF relining impact: +0.13Mt

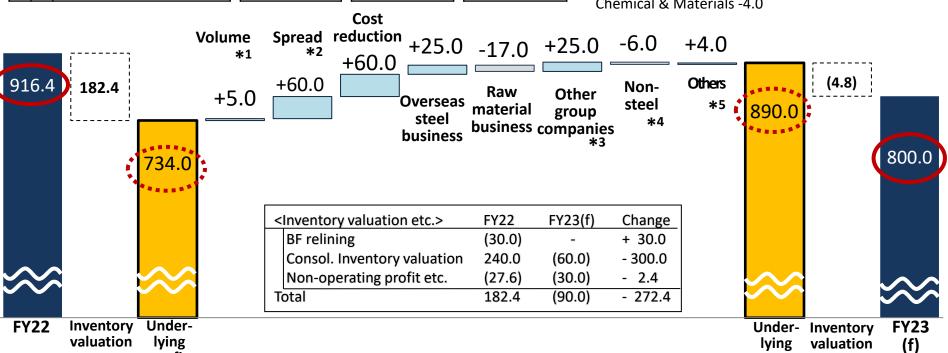
(31.87 -> approx. 32.00)

***2** Incl. the impact of FX, and carry over -9.0 (63.0 -> 54.0)

*3 Improve: Trading, etc.

*4 Engineering -6.6, etc.

*5 Incl. increase in depreciation cost -13.0, Impact of definition change in underlying profit of Chemical & Materials -4.0



etc.

profit

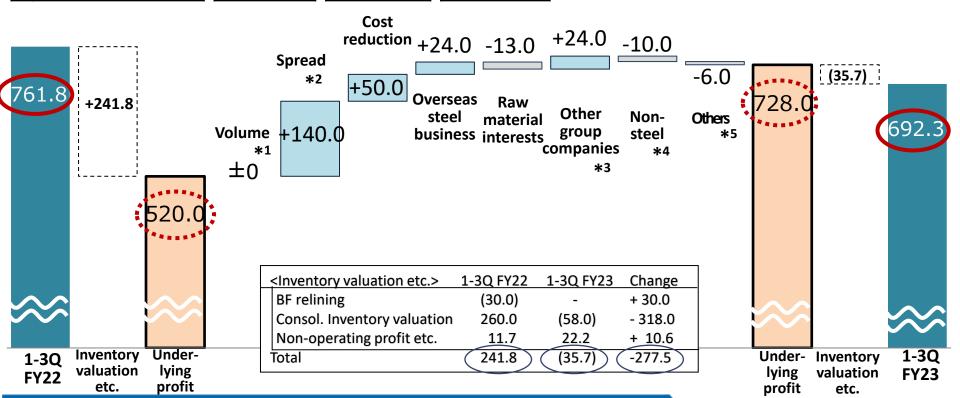
etc.

profit

Business Profit Variance (1-3Q FY22 vs. 1-3Q FY23)

(Bn. JPY)		1-3Q FY22	1-3Q FY23	Change
Business Profit		761.8	692.3	-69.5
<underlying profit=""></underlying>		520.0	728.0	+208.0
	Steel	725.9	665.8	-60.1
	Non-steel	45.3	31.5	-13.8
	Adjustment	(9.5)	(5.0)	+4.5

- *1 Crude steel production: +0.65 MMT(25.63 -> 26.28)
 Excl. BF relining impact: +0.25 MMT (26.03 -> 26.28)
 Steel shipment: +0.46 MMT (23.67 -> 24.13)
 - Excl. BF relining impact: +0.06 MMT (24.07-> 24.13)
- ***2** Incl. the impact of FOREX, and carry over -23.0 (59.0 -> 36.0)
- *3 Improve: Trading, Operational support, etc.
- *4 Engineering -11.3, Chemicals & Materials -0.05,
- *5 Incl. increase in depreciation cost -9.0, Impact of definition change in underlying profit of Chemical & Materials -6.0



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This presentation relates to the proposed transaction between the United States Steel Corporation ("U. S. Steel") and Nippon Steel Corporation ("NSC"). In connection with the proposed transaction, U. S. Steel has filed and will file relevant materials with the United States Securities and Exchange Commission ("SEC"), including U. S. Steel's proxy statement on Schedule 14A (the "Proxy Statement"), a preliminary version of which was filed with the SEC on January 24, 2024. The information in the preliminary Proxy Statement is not complete and may be changed. The definitive Proxy Statement will be filed with the SEC and delivered to stockholders of U. S. Steel. U. S. Steel may also file other documents with the SEC regarding the proposed transaction. This presentation is not a substitute for the Proxy Statement or for any other document that may be filed with the SEC in connection with the proposed transaction. The proposed transaction will be submitted to U. S. Steel's stockholders for their consideration. BEFORE MAKING ANY VOTING DECISION, U. S. STEEL'S STOCKHOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT (A PRELIMINARY FILING OF WHICH HAS BEEN MADE WITH THE SEC), AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT U. S. STEEL, NSC AND THE PROPOSED TRANSACTION.

U. S. Steel's stockholders will be able to obtain free copies of the preliminary Proxy Statement and the definitive Proxy Statement (the latter if and when it is available), as well as other documents containing important information about U. S. Steel, NSC and the proposed transaction once such documents are filed with the SEC, without charge, at the SEC's website (www.sec.gov). Copies of the Proxy Statement and the other documents filed with the SEC by U. S. Steel can also be obtained, without charge, by directing a request to United States Steel Corporation, 600 Grant Street, Pittsburgh, Pennsylvania 15219, Attention: Corporate Secretary; telephone 412-433-1121, or from U. S. Steel's website www.ussteel.com.

Participants in the Solicitation

NSC, U. S. Steel and their directors, and certain of their executive officers and employees may be deemed to be participants in the solicitation of proxies from U. S. Steel's stockholders in respect of the proposed transaction. Information regarding the directors and executive officers of U. S. Steel who may, under the rules of the SEC, be deemed participants in the solicitation of U. S. Steel's stockholders in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy Statement, a preliminary version of which was filed with the SEC on January 24, 2024. Information about these persons is included in each company's annual proxy statement and in other documents subsequently filed with the SEC, and was included in the preliminary version of the Proxy Statement filed with the SEC. Free copies of the Proxy Statement and such other materials may be obtained as described in the preceding paragraph.

Forward-Looking Statements

This presentation contains information regarding U. S. Steel and NSC that may constitute "forward-looking statements," as that term is defined under the Private Securities Litigation Reform Act of 1995 and other securities laws, that are subject to risks and uncertainties. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words "believe," "expect," "intend," "estimate," "anticipate," "project," "target," "forecast," "aim," "should," "plan," "goal," "future," "will," "may" and similar expressions or by using future dates in connection with any discussion of, among other things, statements expressing general views about future operating or financial results, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements and changes in the global economic environment, the construction or operation of new or existing facilities or capabilities, statements regarding our greenhouse gas emissions reduction goals, as well as statements regarding the proposed transaction, including the timing of the completion of the transaction. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only U. S. Steel's beliefs regarding future goals, plans and expectations about our prospects for the future and other events, many of which, by their nature, are inherently uncertain and outside of U. S. Steel's or NSC's control. It is possible that U. S. Steel's or NSC's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management of U. S. Steel or NSC, as applicable, believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forwardlooking statements because such statements speak only as of the date when made. In addition, forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from U. S. Steel's or NSC's historical experience and our present expectations or projections. Risks and uncertainties include without limitation: the ability of the parties to consummate the proposed transaction on a timely basis or at all; the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive agreement and plan of merger relating to the proposed transaction (the "Merger Agreement"): the possibility that U. S. Steel's stockholders may not approve the proposed transaction: the risks and uncertainties related to securing the necessary stockholder approval; the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; certain restrictions during the pendency of the proposed transaction that may impact U. S. Steel's ability to pursue certain business opportunities or strategic transactions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of U. S. Steel's common stock or NSC's common stock or American Depositary Receipts; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of U. S. Steel or NSC to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of U. S. Steel. U. S. Steel directs readers to its Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 and Form 10-K for the year ended December 31, 2023, and the other documents it files with the SEC for other risks associated with U. S. Steel's future performance. These documents contain and identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements. Risks related to NSC's forward-looking statements include, but are not limited to. changes in regional and global macroeconomic conditions, particularly in Japan, China and the United States; excess capacity and oversupply in the steel industry; unfair trade and pricing practices in NSC's regional markets; the possibility of low steel prices or excess iron ore supply; the possibility of significant increases in market prices of essential raw materials; the possibility of depreciation of the value of the Japanese yen against the U.S. dollar and other major foreign currencies; the loss of market share to substitute materials; NSC's ability to reduce costs and improve operating efficiency; the possibility of not completing planned alliances, acquisitions or investments, or such alliances, acquisitions or investments not having the anticipated results; natural disasters and accidents or unpredictable events which may disrupt NSC's supply chain as well as other events that may negatively impact NSC's business activities; risks relating to CO2 emissions and NSC's challenge for carbon neutrality; the economic, political, social and legal uncertainty of doing business in emerging economies; the possibility of incurring expenses resulting from any defects in our products or incurring additional costs and reputational harm due to product defects of other steel manufacturers; the possibility that we may be unable to protect our intellectual property rights or face intellectual property infringement claims by third parties; changes in laws and regulations of countries where we operate, including trade laws and tariffs, as well as tax, environmental, health and safety laws; and the possibility of damage to our reputation and business due to data breaches and data theft. 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