TYO : 5401
OTC : NPSCY(ADR)

NIPPON STEEL

Q1 FY2025 Financial Results

Aug. 1, 2025

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.

Overview

FY2025 forecast based on current business environment

- **Global steel business environment is deteriorating into an unprecedented crisis due to widening supply/demand gap.** -> P10 - 14
- **Secure underlying BP of ¥650.0 billion (change from the previous announcement: +¥50.0 billion) excluding the effects of the U. S. Steel transaction** while incorporating concerns about the global impact of the Trump administration's tariff policy and the risk of increased export pressure from China on other countries into the earnings forecast, as we will continue to improve profitability mainly through cost reductions. -> P4 - 5
- **Adding Underlying BP of U. S. Steel of ¥80.0 bn.** (earnings for 9 months (Jul. 2025 –Mar. 2026)) **to the above, an overall underlying BP of ¥730.0 billion (change from the previous announcement: +¥130.0 billion) is expected for FY2025** and strive to steadily implement further profit improvement measures in order to maximize profits. -> P4 - 5
- **Plan to distribute a full-year dividend of ¥120 per share** (**same as previously announced**; before stock split) **for FY2025**, the final year of the medium- to long-term management plan. **This makes a cumulative payout ratio of approx. 30% over the five-year period from FY2021 to FY2025 excluding theimpact of the one-off loss associated to the U. S. Steel transaction.** -> P8
- **Decided to conduct a stock split (at a ratio of five shares for every one share)** to further expand our investor base. -> P9

U. S. Steel : Underlying Business Profit

- Since the merger agreement was executed on Jun. 18, 9 months (Jul. 2025 –Mar. 2026) of U. S. Steel's profit is consolidated in **FY2025**. Although the effect of the tariff policies is still uncertain, **underlying BP of U. S. Steel for FY2025 is expected to be ¥80.0 bn.** -> P4
- **From the next year onward, business profit of ¥150.0 bn. is expected** due to annual consolidation and ramp-up of BR2, etc. In addition, **after FY2028**, when the expansion of high value-added products etc. will be progressing in the product mix, **achieve business profit of ¥ 250.0 bn. as soon as possible and add further synergies and full realization of $11.0 billion CAPEX effects** -> P5 - 6

Agenda

1. Q1 FY2025 Earnings Summary and FY2025 Earnings Forecast

2. Developing a Robust Business Structure with Vertical and Horizontal Expansion

3. Progress Toward Carbon Neutral Vision 2050

FY2025(f) Underlying BP and Consolidated BP

- Even in the extremely harsh business environment, **secure Underlying BP of ¥ 650.0 bn. (change from prev. forecast : +¥ 50.0 bn.), excluding the effects of the U. S. Steel transaction**
- **Underlying BP of U. S. Steel is expected to be ¥80.0 billion** (Jul. 2025 – Mar. 2026)
- **Underlying BP (Including the effects of the U. S. Steel transaction) of ¥730.0 bn. is expected (change from prev. forecast : +¥130.0 bn.)**

	FY2024	Q1	H1(f)	H2(f)	FY 2025(f)	*Change from prev. forecast as of May 9th*	*Change from FY2024*	FY 2025(f) as of May 9
Revenue (¥bn.)	8,695.5	2,008.7	4,500.0	5,500.0	10,000.0	*-*	*+1,304.5*	-
Excl. U. S. Steel	**793.7**	**173.6**	**300.0**	**350.0**	**650.0**	***+50.0***	*-143.7*	**600.0** Or more
U. S. Steel	**-**	**-**	**30.0**	**50.0**	**80.0**	***+80.0***	*+80.0*	**-**
Underlying BP Excl. Inventory val. etc.	**793.7**	**173.6**	**330.0**	**400.0**	**730.0**	***+130.0***	*-63.7*	**600.0** Or more
Inventory valuation etc.	(110.5)	(81.6)	(150.0)	(100.0)	(250.0)	*-50.0*	*-139.5*	(200.0)
Consol. BP (¥bn.)	**683.2**	**92.0**	**180.0**	**300.0**	**480.0**	***+80.0***	*-203.2*	**400.0**
ROS	7.9%	4.6%	4.0%	5.5%	4.8%	*-*	*-3.1%*	-
Non-consol. crude steel production (MT)	34.25	8.27	17.00	17.50	34.50	-	*+0.25*	-
Non-consol. steel shipment (MT)	31.62	7.64	15.50	16.00	31.50	-	*-0.12*	-
FX (USD/JPY)	153	145	145	145	145	*5yen dep*	*8yen app*	140

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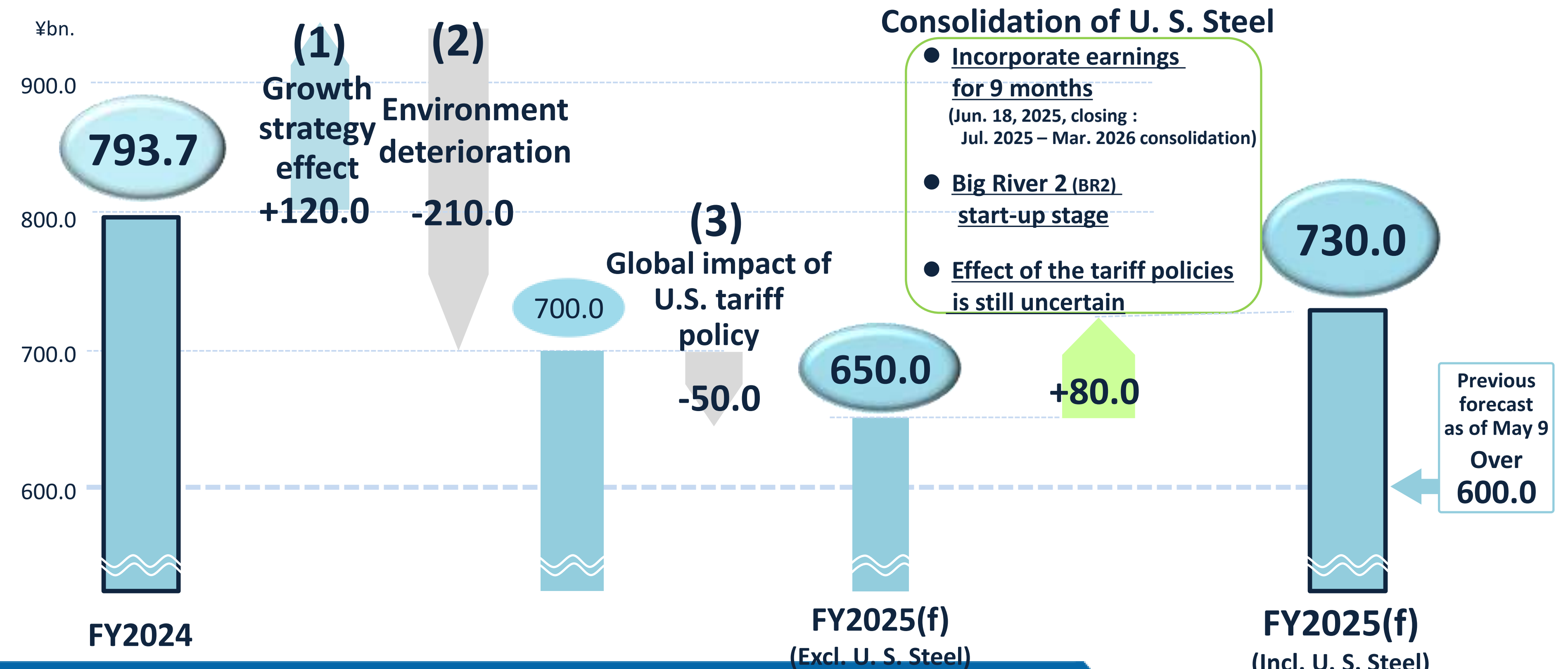
Business Results

FY2025 Underlying BP : Change from previous year

(1) **Growth strategy effect, profit improvement measures :** Full effect of structural measures and CAPEX, and furthermore viewing the decline in production and shipments as a structural issue, working to promote reductions in fixed cost

(2) **Environment deterioration :** Global steel business environment is deteriorating into an unprecedented crisis. Excess production and an increase in exports stemming from the widening Chinese supply/demand gap caused are structural issues, and there are no signs of improvement

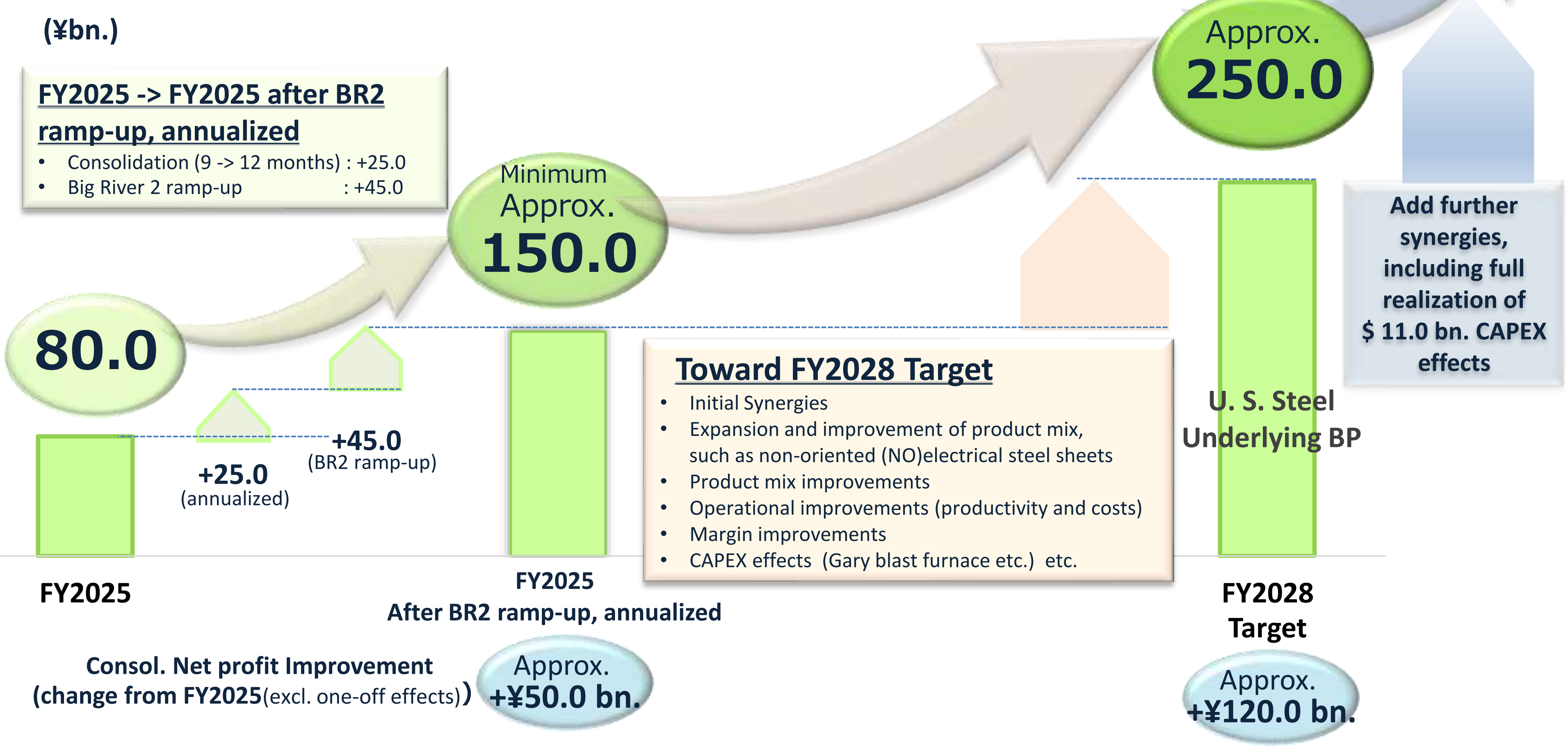
(3) **Global impact of U.S. tariff policy :** Global impact of U.S. tariff policy and the risk of increased export pressure from China on other countries



Projected Profit Contribution from U. S. Steel from FY2026 Onward

- Clarify and specify action plans in the "100-Day Plan" and reflect in the next medium- to long-term management plan.
- Achieve Underlying BP of ¥ 250.0 bn. as soon as possible (FY2028 Target)
- Given the above as the baseline, add further synergies and full realization of $11.0 billion CAPEX effects

-> P31



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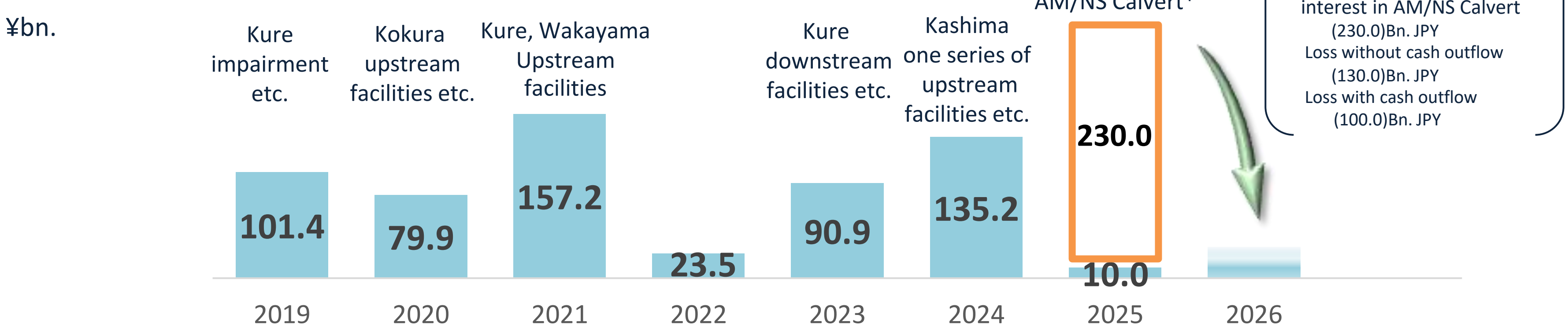
FY2025(f) Net Profit

FY2025 is a transitional period for U.S. Steel profit intake, with only one-time expenses and losses recorded, especially in Q1.

¥bn.	FY 2024	Q1	H1(f)	H2(f)	FY 2025(f)	One-off effects of the USS transaction	Excl. One-off effects	*(Excl. one-off effects) Change from prev. forecast as of May 9th*	*(Excl. one-off effects) Change from FY2024*
Consol. BP	683.2	92.0	180.0	300.0	480.0	-25.0 Closing bonus, Legal fee etc.	*505.0*	*+105.0*	*-178.2*
Additional Line Items	**(135.2)**	**(231.5)**	**(230.0)**	**(10.0)**	**(240.0)**	-230.0	**(10.0)**	*-10.0*	*+125.2*
Net Profit	**350.2**	**(195.8)**	**(170.0)**	**130.0**	**(40.0)**	-260.0	**220.0**	*+20.0*	*-130.2*
EPS (¥/share)*	**350**	**(187)**	**(162)**	**124**	**(38)**	-248	**210**	*+19*	*-140*
ROE(%)	**6.9%**	**(15.1%)**							

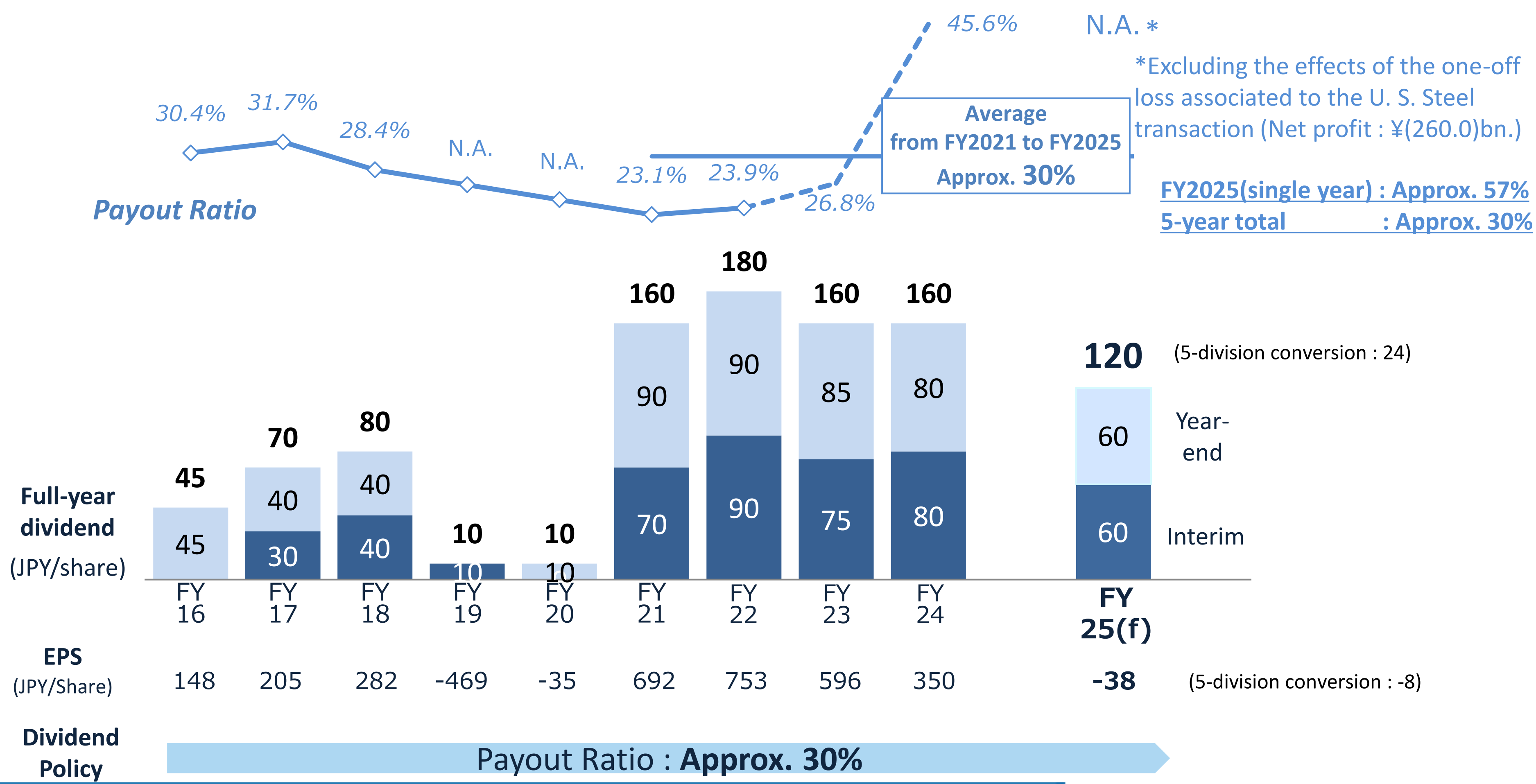
*Before stock split

Losses on Inactive Facilities
(including impairment loss (in 2019))



FY2025(f) Dividend

- For FY2025, the final year of the medium- to long-term management plan, Nippon Steel plans to pay an annual dividend of 120 yen per share ,which will result in a payout ratio of 30% over the five-year period from FY2021 to FY2025, excluding the effects of the one-off loss associated to the U. S. Steel transaction
- Nippon Steel plans to conduct a 5-for-1 stock split effective Oct. 1,2025
  The year-end dividend after the stock split is expected to be 12 yen per share -> Next page



Further expansion of investor base through stock split

- Record date : September 30, 2025
- Effective date : October 1, 2025
- Stock split ratio : Five shares for every one common share
- Purpose of the stock split :

  Stock split for lowering the per-unit investment amount, creating a more accessible investment environment especially for individual investors, and further expanding the investor base

Dividend treatment for the current fiscal year in light of the stock split

The effective date of the stock split is October 1, 2025.

Dividends will be determined as follows:

- ■ **Interim dividend**: based on shares **before** the stock split (record date: September 30, 2025)
- ■ **Year-end dividend**: based on shares **after** the stock split (record date: March 31, 2026)

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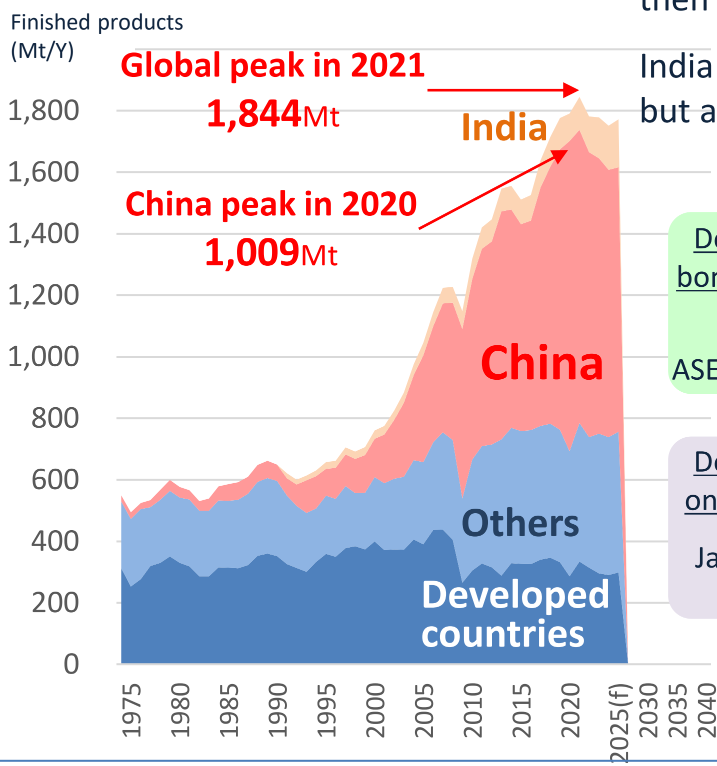
Adjustment page

Business Environment — Global Steel Demand

Global steel demand peaked in 2021, and level off or decline slightly

Global steel demand



China peaked in 2020, then decline

India will grow steadily but at slower pace

Demographic bonus countries

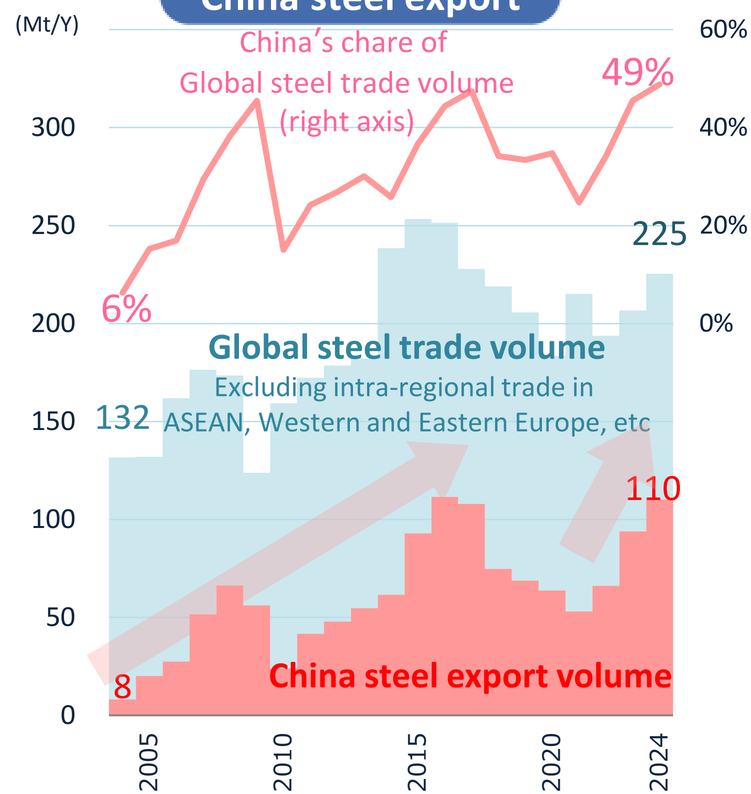
India, US, ASEAN, Australia

Demographic onus countries

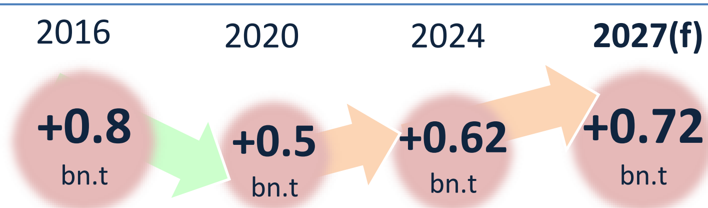
Japan, China, EU

While global steel trade volume remains at roughly 200Mt/Y, exports from China are increasing sharply

China steel export



Overcapacity in the global steel industry expanded due to new investment in China, etc.



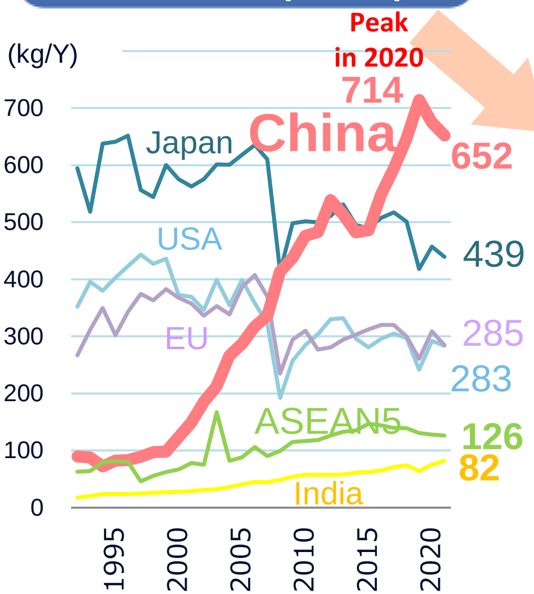
New capacity of 165 MT is expected to be added in 2025-27 due to new cross-border investments by Chinese capital

Data source : 2025.4 OECD Steel Committee

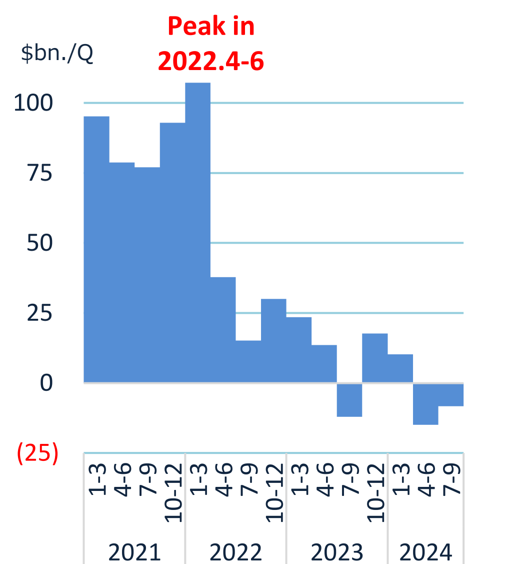
China's Steel Supply-Demand Gap Structure

While demand is expected to continue to decline over the long term, past its peak in 2020, China will continue high levels of production and export large volumes of excess steel products to maintain employment

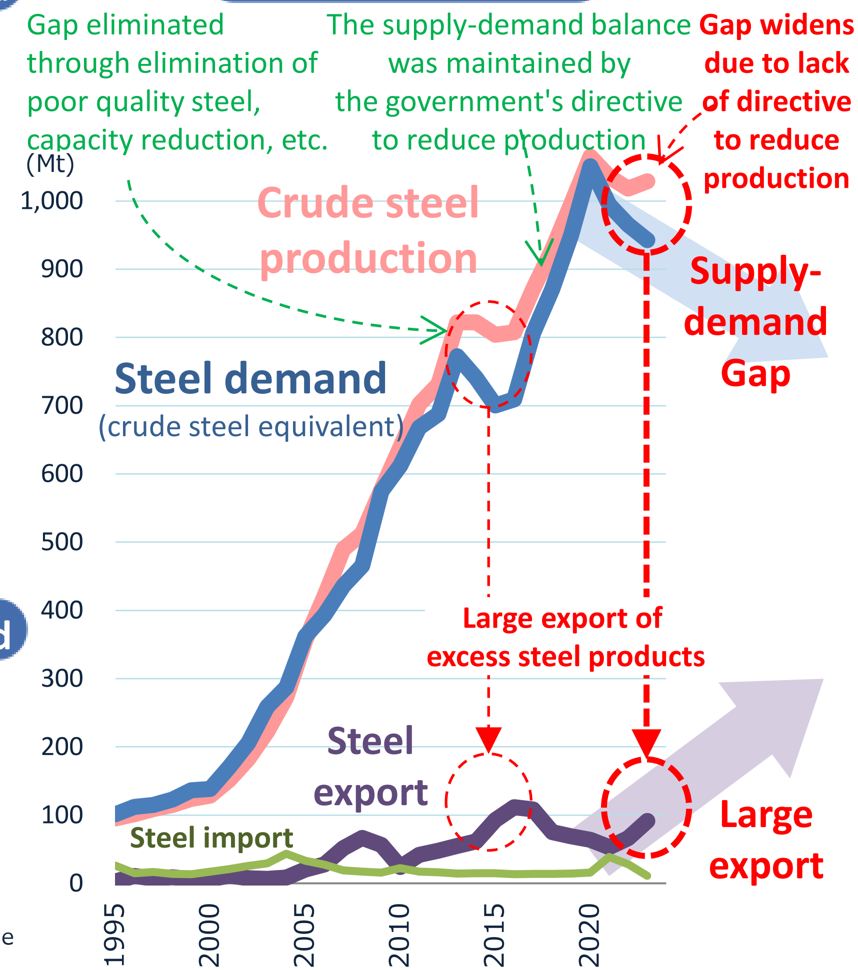
Steel Demand per Capita



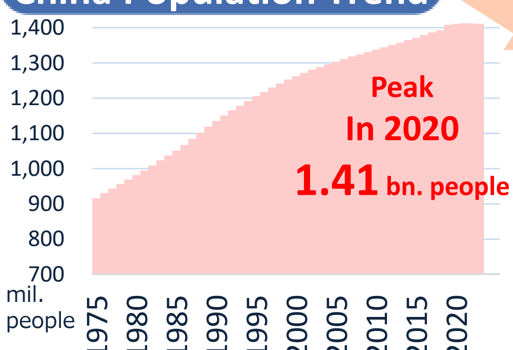
New Direct Investment in China



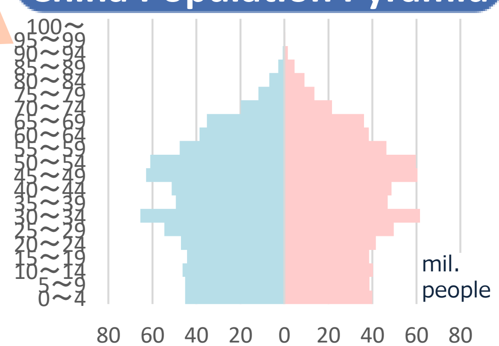
China steel demand



China Population Trend



China Population Pyramid

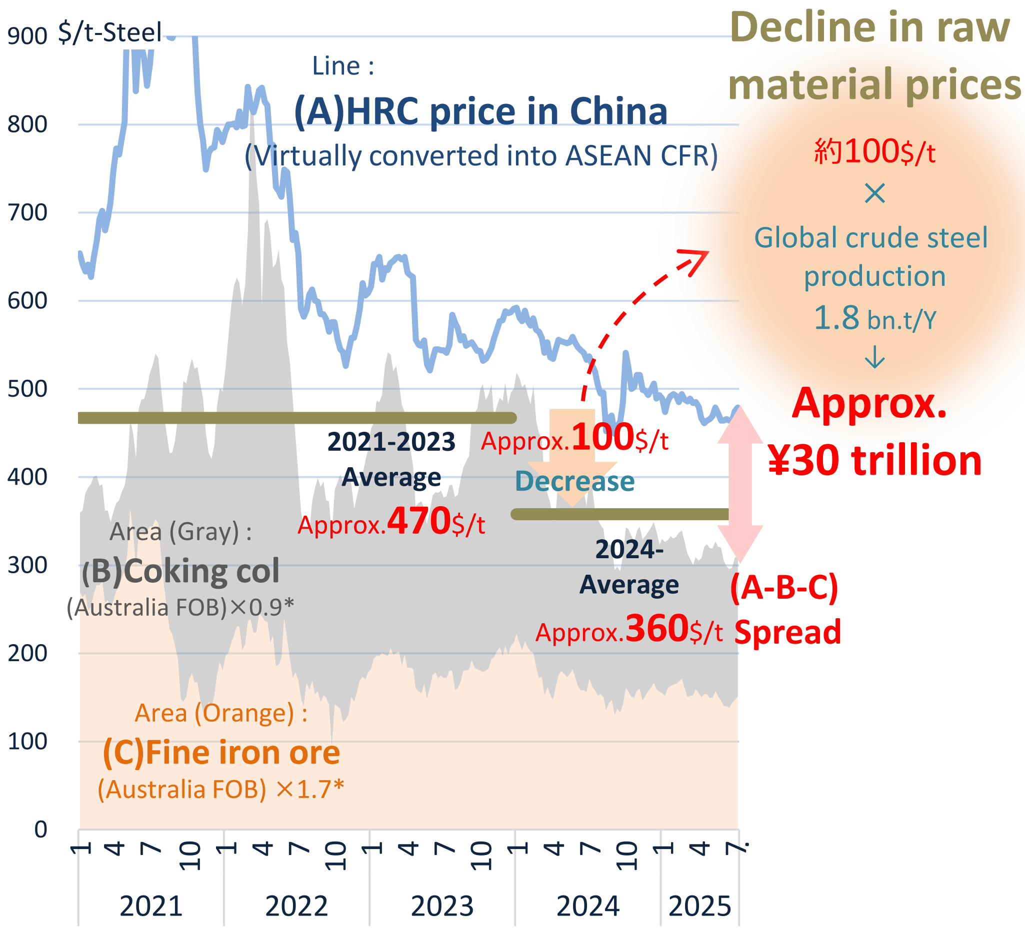


Decline in both steel spread and raw material business profit

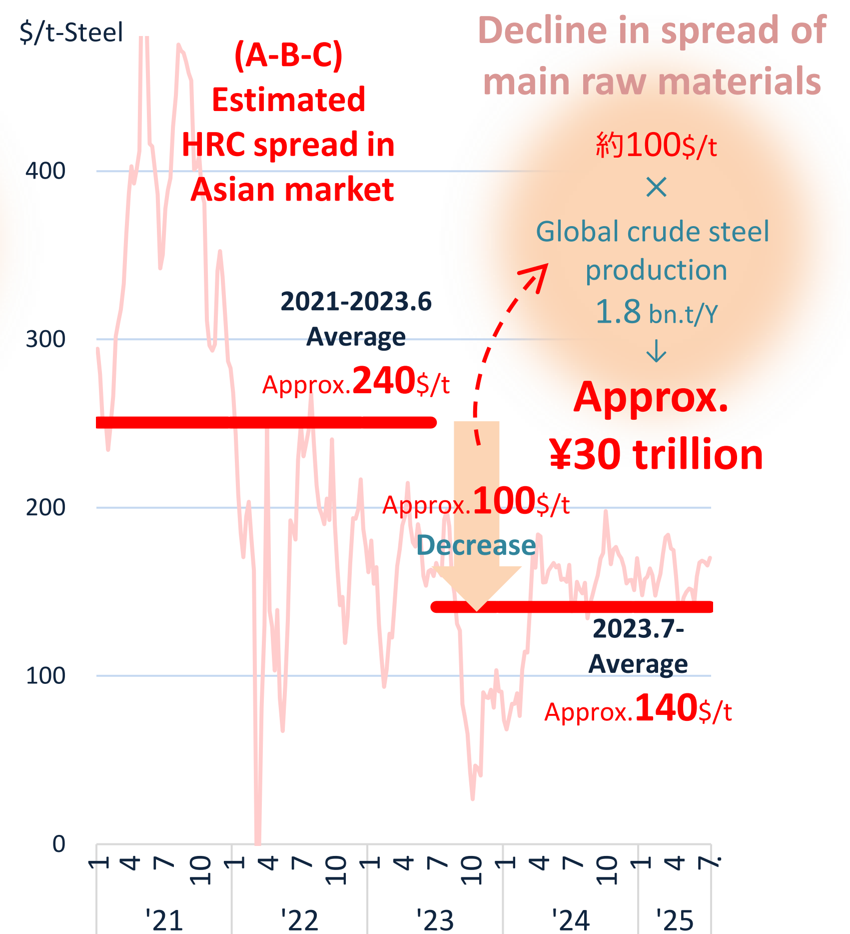
The global steel market and raw material slumped due to China's overproduction and large exports

Steel product : Equivalent to about ¥30 trillion of earnings pressure for all global steelmakers

Raw material : Equivalent to about ¥30 trillion of earnings pressure for all global raw material business

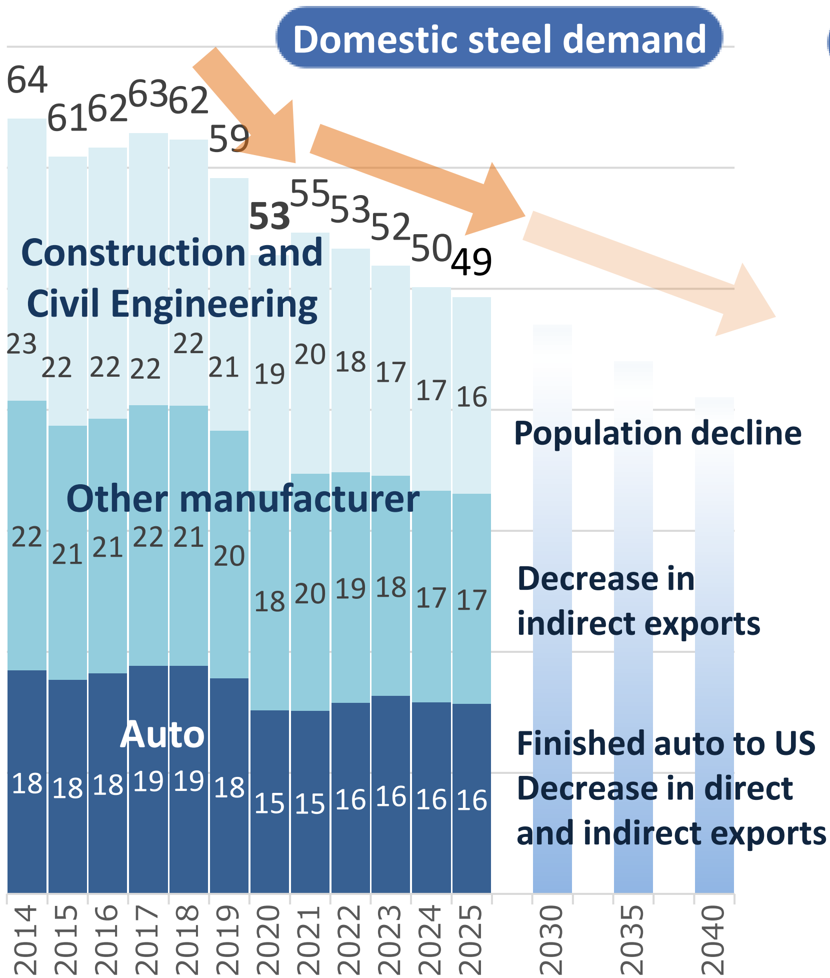


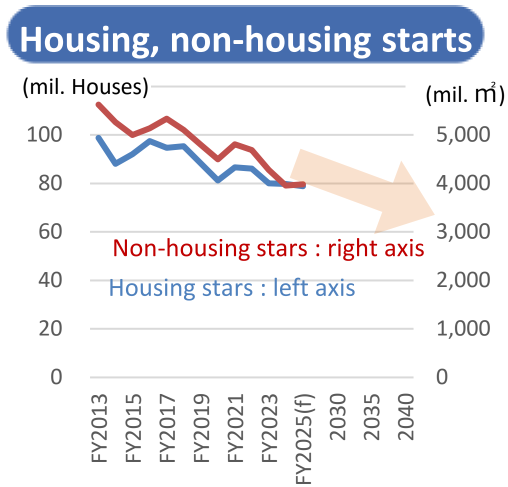
*Intensity unit in steel production

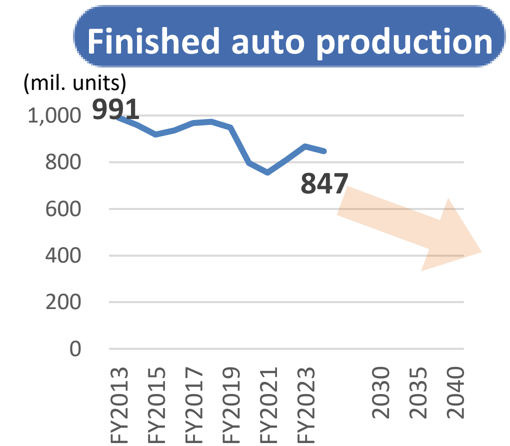


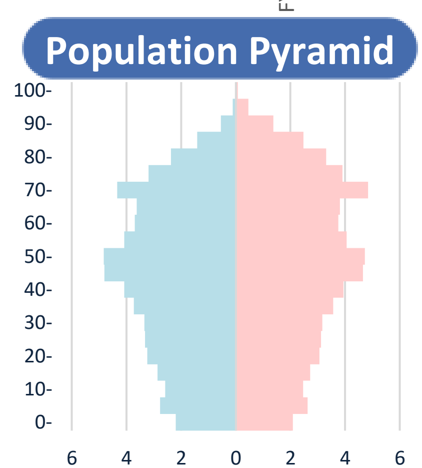
Domestic Steel Demand

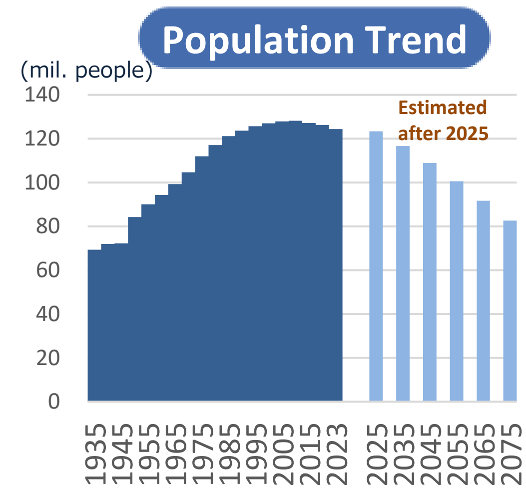
Weakness in current demand has become more severe than expected
The downward trend in domestic steel demand will continue due to population decline, decrease in exports of finished auto to US and decrease in indirect exports by other manufacturing industries











Data source : Statistics Bureau of Japan, National Institute of Population and Social Security Research

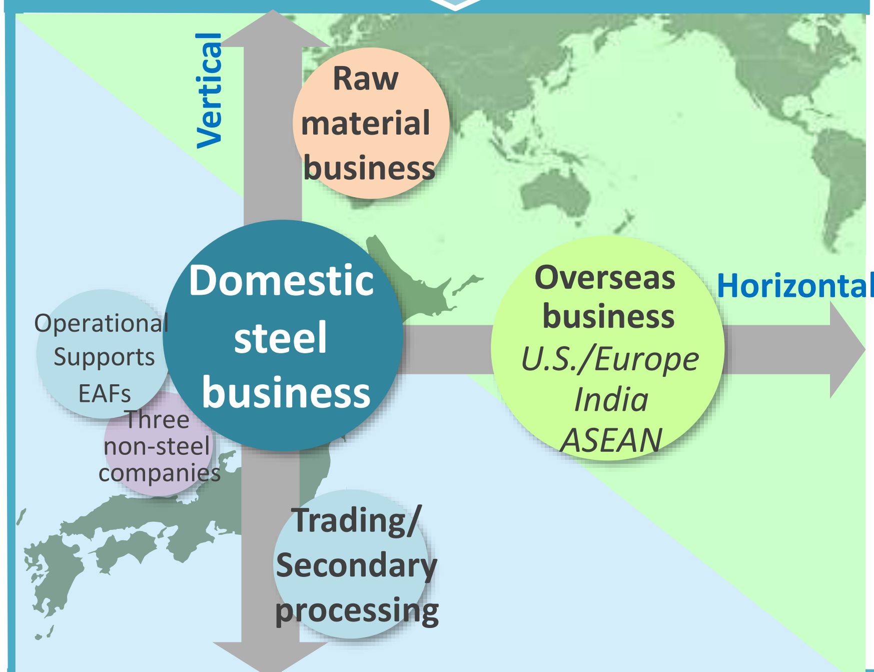
Developing a Robust Business Structure with Vertical and Horizontal Expansion

For realization of "¥1 trillion and 100MT" vision, further sustainable growth

Steel business environment

Gradual decline in domestic steel demand in Japan
population decrease and challenges in both direct and indirect exports

Long-term downturn in global steel margins due to supply-demand gap in China



Strategy (1)
Strengthen and rebuild domestic Steel business

Further strengthen competitiveness of the company and the group as a whole

- **Drastic improvement of BEP**
  - Facility Structural measures, Cost Reduction
  - Sophistication of order mix
  - Ensure appropriate margins
- **Synergies from group company reorganization**

Strategy (2)
Deepen and expand overseas business

Realizing the "Global 100 MT Vision"

[Key Areas]

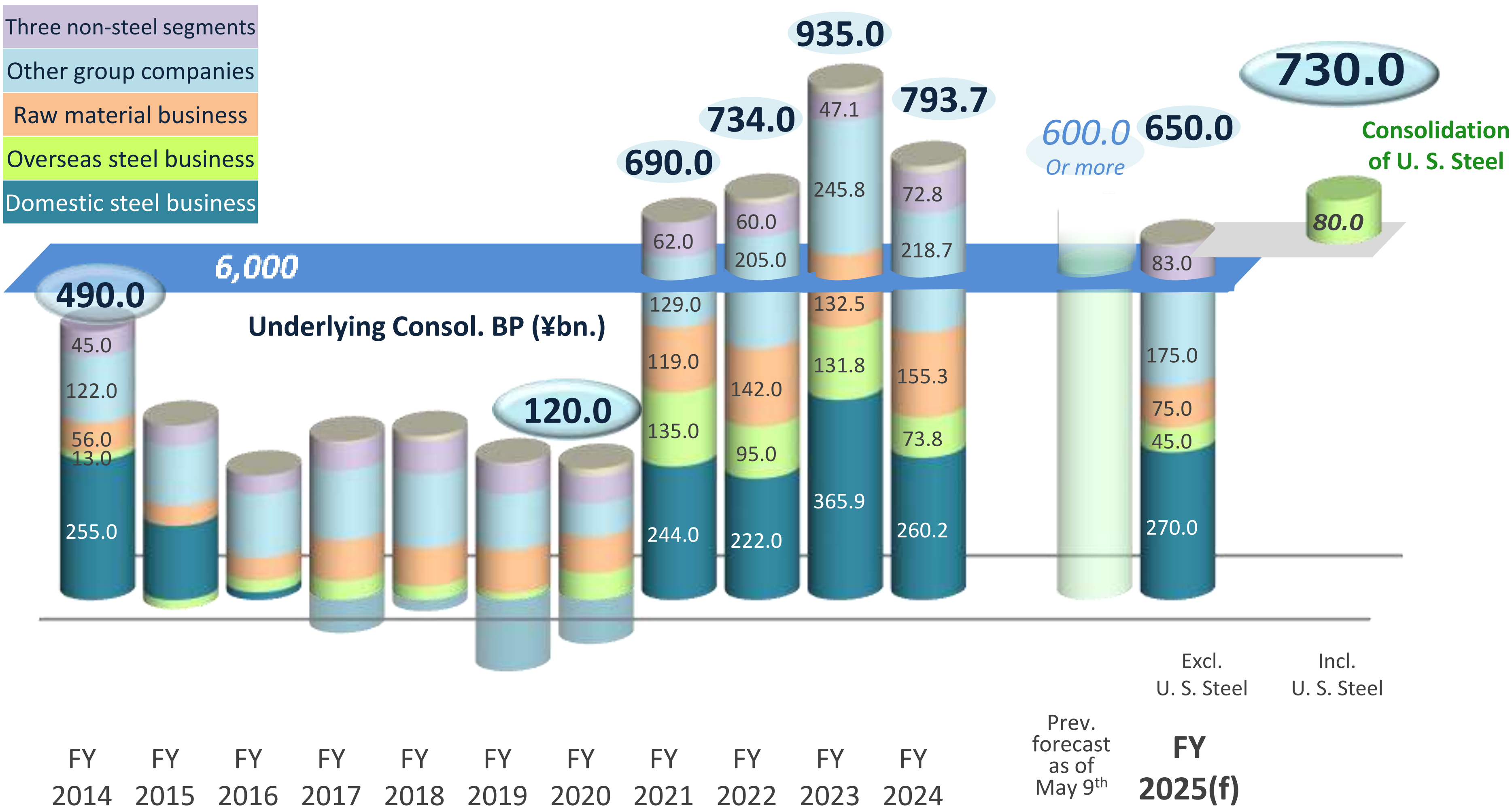
- **U.S. /Europe : High-grade steel market**
- **India : Growing**
- **ASEAN : Home market**

Strategy (3)
Vertically-integrated business structure

- **Raw material : From procurement to business**
  - Mitigation of raw material cost fluctuations
  - Further improvement of self-sufficiency ratio
- **Distribution : To own business domain**
  - Maximize synergy of NS Trading

Establishment of a Resilient Business Portfolio that Ensures Sustainable Growth

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

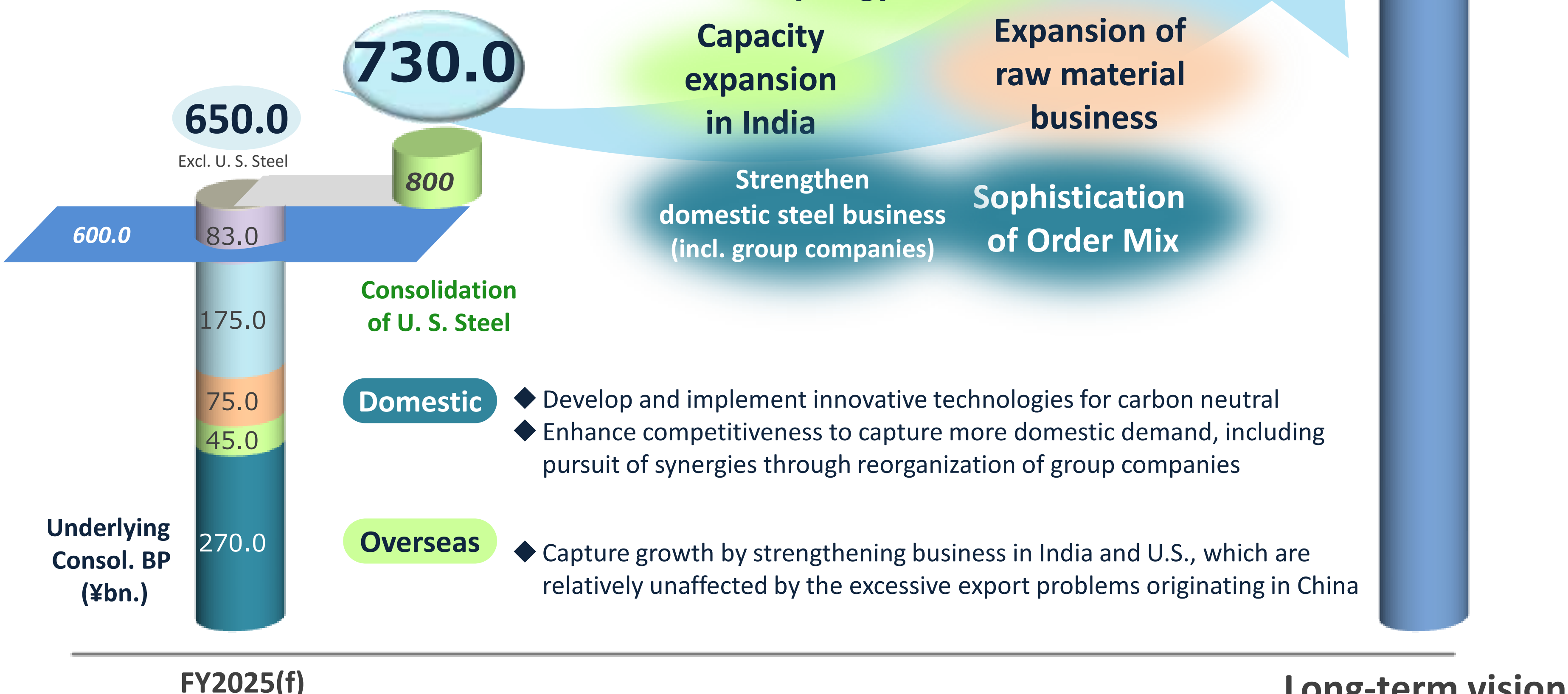


Next Medium- to Long-term Management Plan in progress for further growth

To be announced by the end of 2025

Early realization of "¥1 trillion and 100MT vision"

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



Domestic
- Develop and implement innovative technologies for carbon neutral
- Enhance competitiveness to capture more domestic demand, including pursuit of synergies through reorganization of group companies

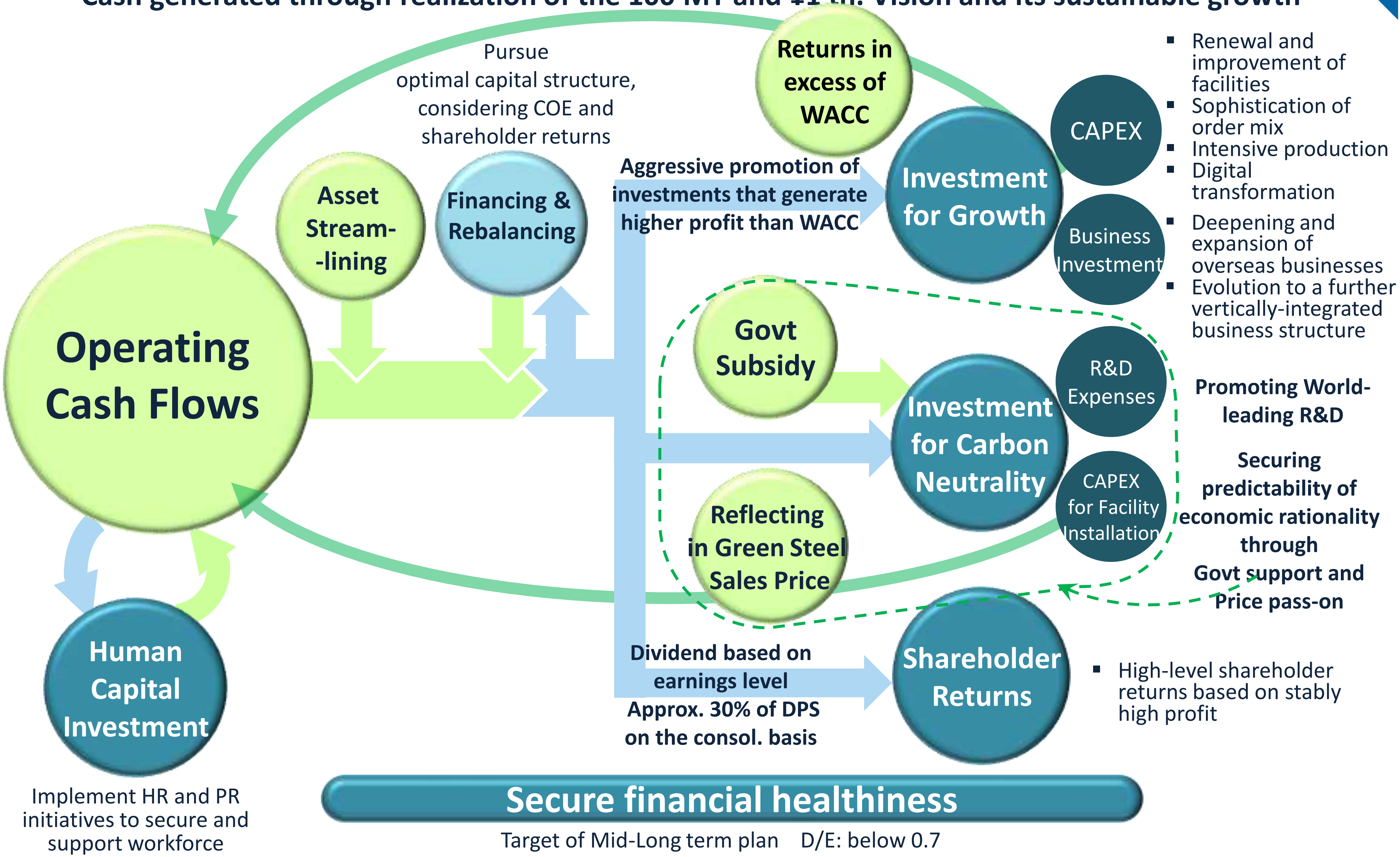
Overseas
- Capture growth by strengthening business in India and U.S., which are relatively unaffected by the excessive export problems originating in China

Roadmap of Growth Strategy

		Investment Amount	FY2023	FY2024	FY2025	FY2026～
Facility Structural Measures			～2023 Cost reduction Approx. ¥100.0 bn	Approx. ¥10.0 bn. The end of 2024 Kashima One series of upstream facilities etc. termination	Approx. ¥40.0 bn.	Total ¥150.0 bn.
Sophistication of Order Mix	Investment in ESS Capacity & Quality Enhancement	¥213.0 bn.	H1 2023 Yawata, Hirohata #1･2 Full operation	H2 2024 Hirohata #3 Full operation		H1 2027 Yawata #3, Sakai Full operation
	Next-Generation Hot-Strip Mill at Nagoya Works	Approx. ¥270.0 bn.				Q1 2026 Test operation start
Strengthen the Group	Reorganized the Electric-Welded pipe business	Approx. ¥70.5 bn.			2025.4 Execute	
	Merged Nippon Steel Stainless Steel					
	Made Sanyo Special Steel Mfg. a subsidiary					
Deepen and expand overseas business	U. S. Steel	$14,189 mil.	Dec. 2023 Merger Agreement signed	H2 2024 Big River2 Start-Up	Jun.18,2025 : Closing Q2 : Consolidated	2026 Big River2 Full Ramp-Up; Committed CAPEX Effects (Big River 2 etc.); Operational Improvement Effects(productivity, cost etc.); $11.0 bn. CAPEX Effects
	AM/NS India Expansion of Upstream Facilities, Hot-Strip Mill	410.0 bn. INR (Total JV Investing amount)	Sep. 2022 Decision			After 2026 No.2 BF, Steelmaking plant, Hot-strip mill Operation start; After 2026 No.3 BF Operation start
Vertically-integrated business structure	Coal mine: EVR JV	Approx. ¥200.0 bn.	Nov. 2023 Agreement signed	Jan. 2024 Investment; Q1 2024 : Consolidated		
	Coal mine: Blackwater	Approx. ¥108.0 bn.		Aug. 2024 Agreement signed	Mar. 31, 2025 Closing; Q2 2025 : Consolidated	
	Nippon Steel Trading a subsidiary	¥137.0 bn.	Apr. 2023 Becomes subsidiary	Realize synergies		

Realizing Sound Cash in/Outflows

Cash generated through realization of the 100 MT and ¥1 tn. Vision and its sustainable growth



Target of Mid-Long term plan D/E: below 0.7

Credit rating of BB or higher to ensure flexible access to financing and rebalancing

Asset streamlining

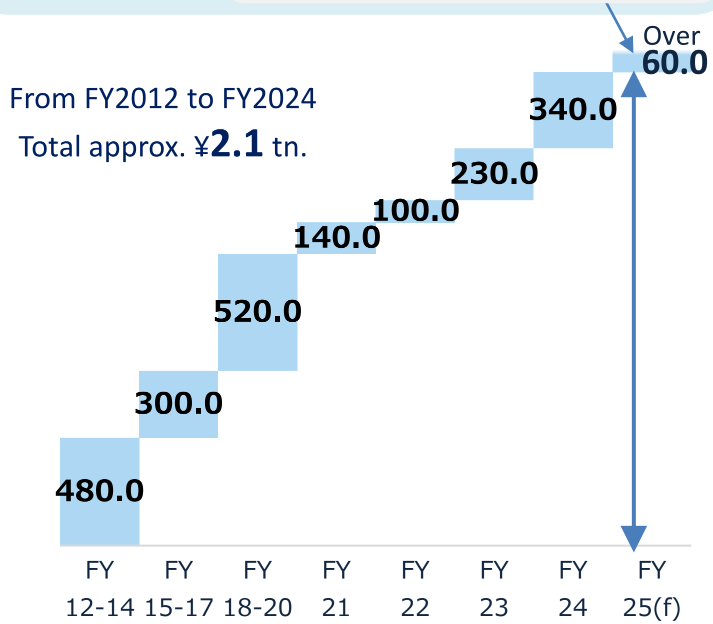
➢ **Continue asset streamlining in FY2025 (Change from prev. forecast : + ¥10.0 bn.)**

Asset streamlining

FY2025(f) : Over ¥60.0 bn.

- Sales of equity-method affiliate shares (Part of Nippon Steel Kowa Real Estate) : ¥50.0 bn.
- Sales of strategic shareholdings : ¥10.0 bn.

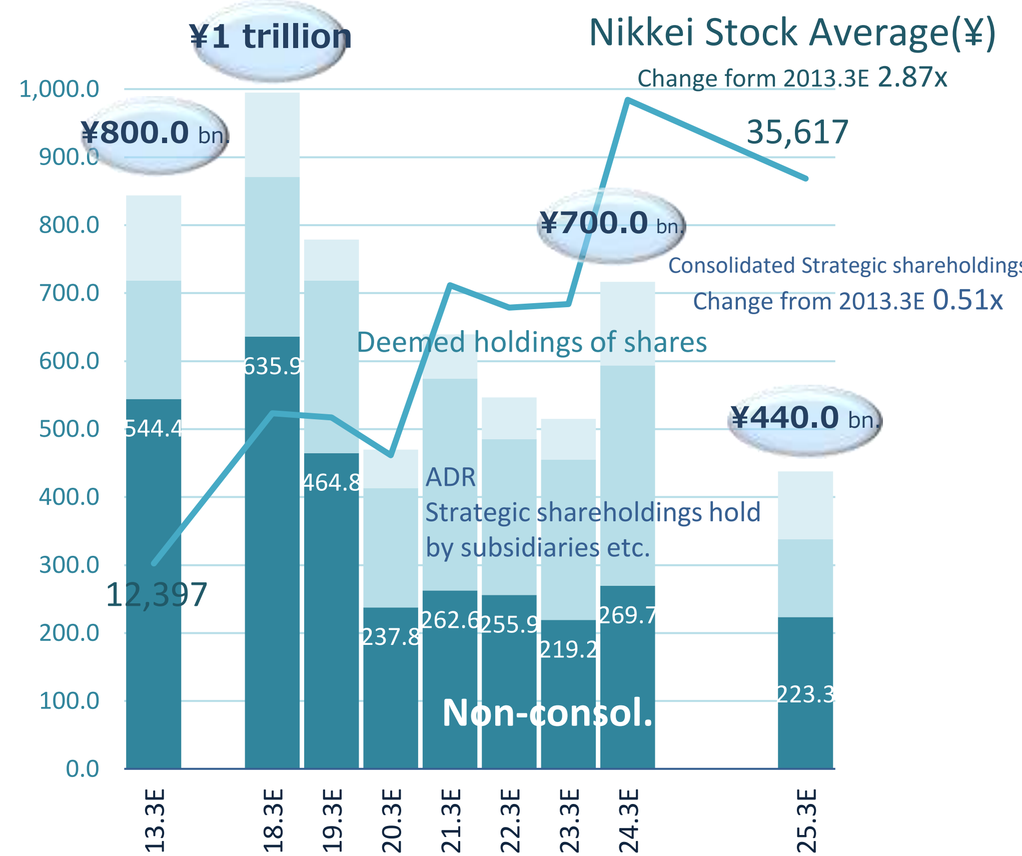
As of May 9		As of Aug. 1
Over ¥50.0 bn.	->	Over ¥60.0 bn.



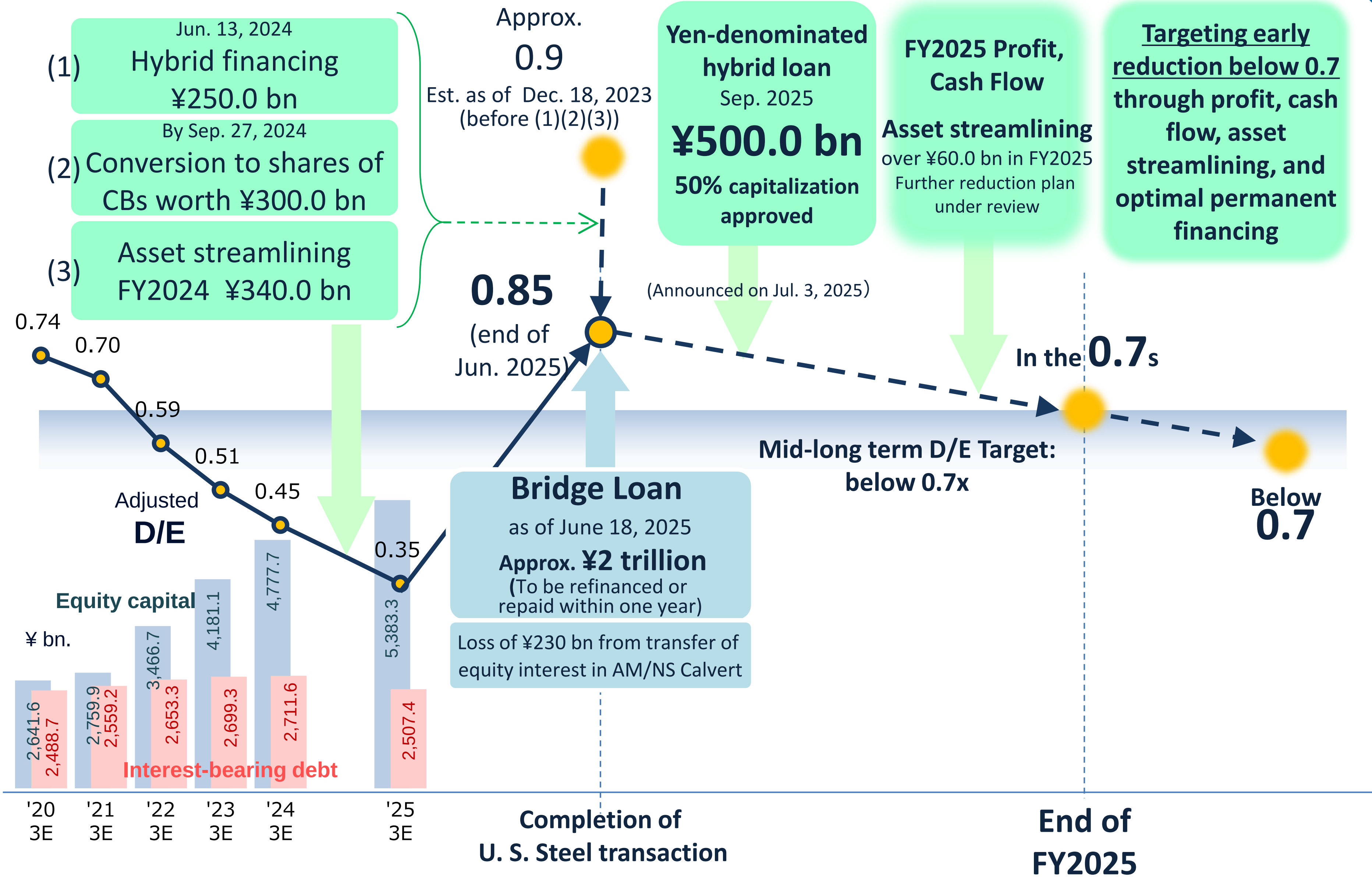
Consolidated Strategic shareholdings

Reduced strategic shareholdings by approx. 80% in real terms since FY2013*

*Simple correction for the impact of stock price fluctuations by the Nikkei Stock Average fluctuation



Optimal financing to simultaneously achieve sound financials and improved shareholder value



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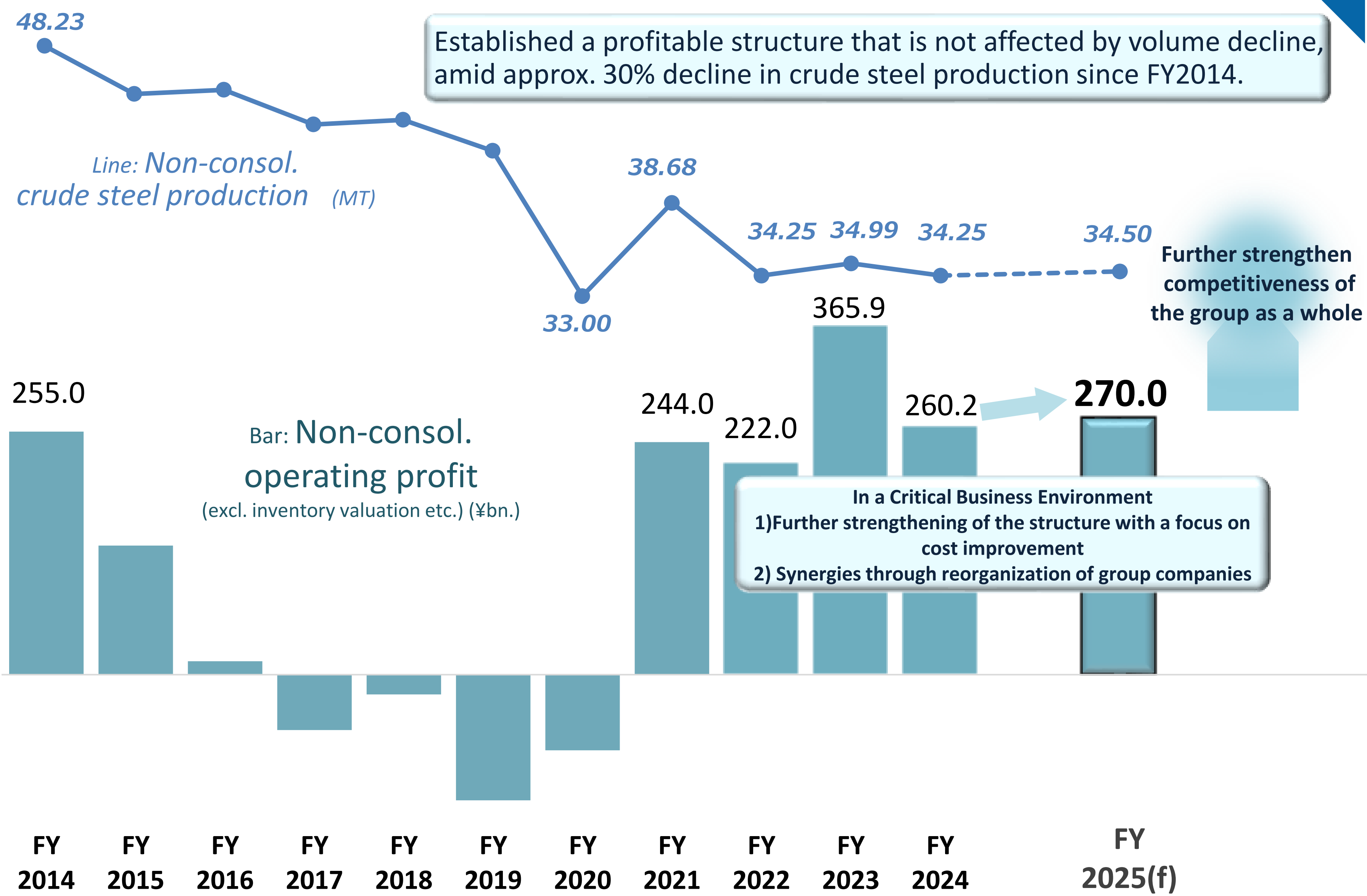
Domestic Steel Business P/L Trend (Underlying Business Profit)



Before and in FY2019: ex-Nisshin Steel Kure Area and Hanshin Area included   After FY2025 : ex-NS Stainless Steel and ex-NS Pipe included

Drastic Improvement in Break Even Point

Facility Structural measures

Before the measures -> Mar. 2023 -> The end of FY2024

Total number of BFs

15 -> 11 -> 10 units **-5**units

Crude steel production capacity
(Non consol. + Nippon Steel Stainless Steel)

50 -> 43 -> 40 Mt/Y **-20%**

Cost Reduction : Approx. ¥150.0 bn./Y

Spread improvement in direct contract sales

- ✓ Reflection in steel prices of our high value-added product qualities and solutions — Significant price increase in H2 2021 against a backdrop of capacity reductions
- ✓ A fair allocation of cost burden for raw materials and commodities — Price negotiation schemes that maintain appropriate spreads

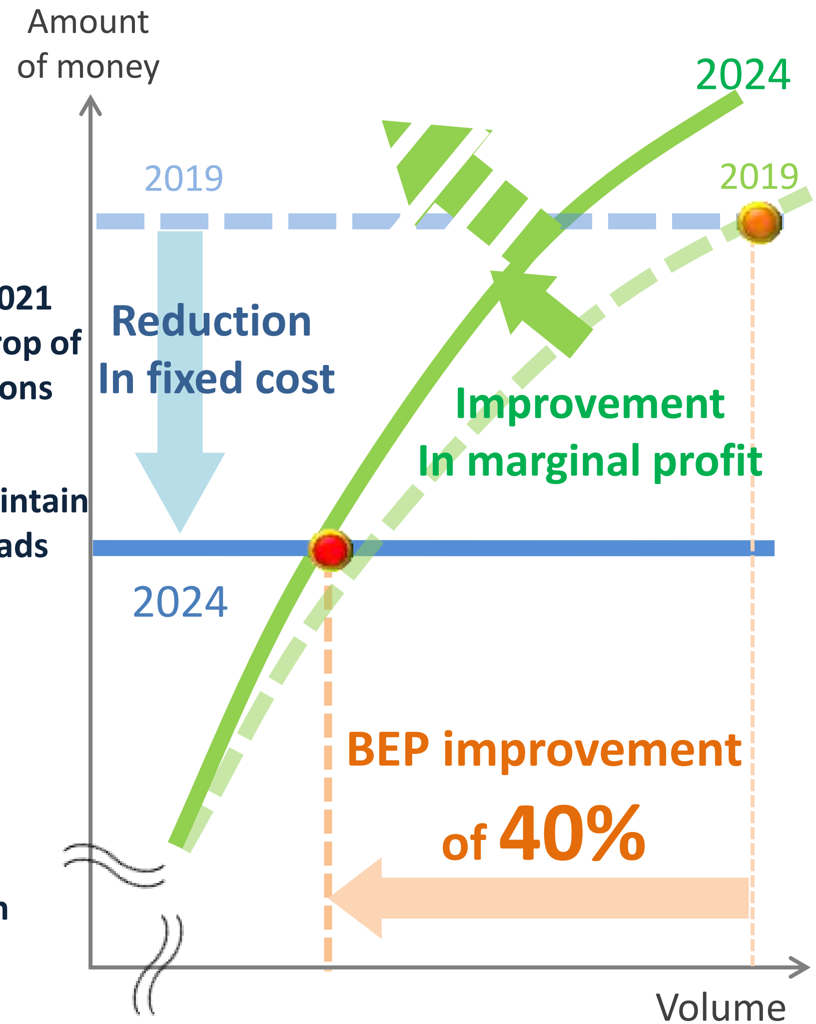
Sophistication of order mix

High-value added products | Commodities

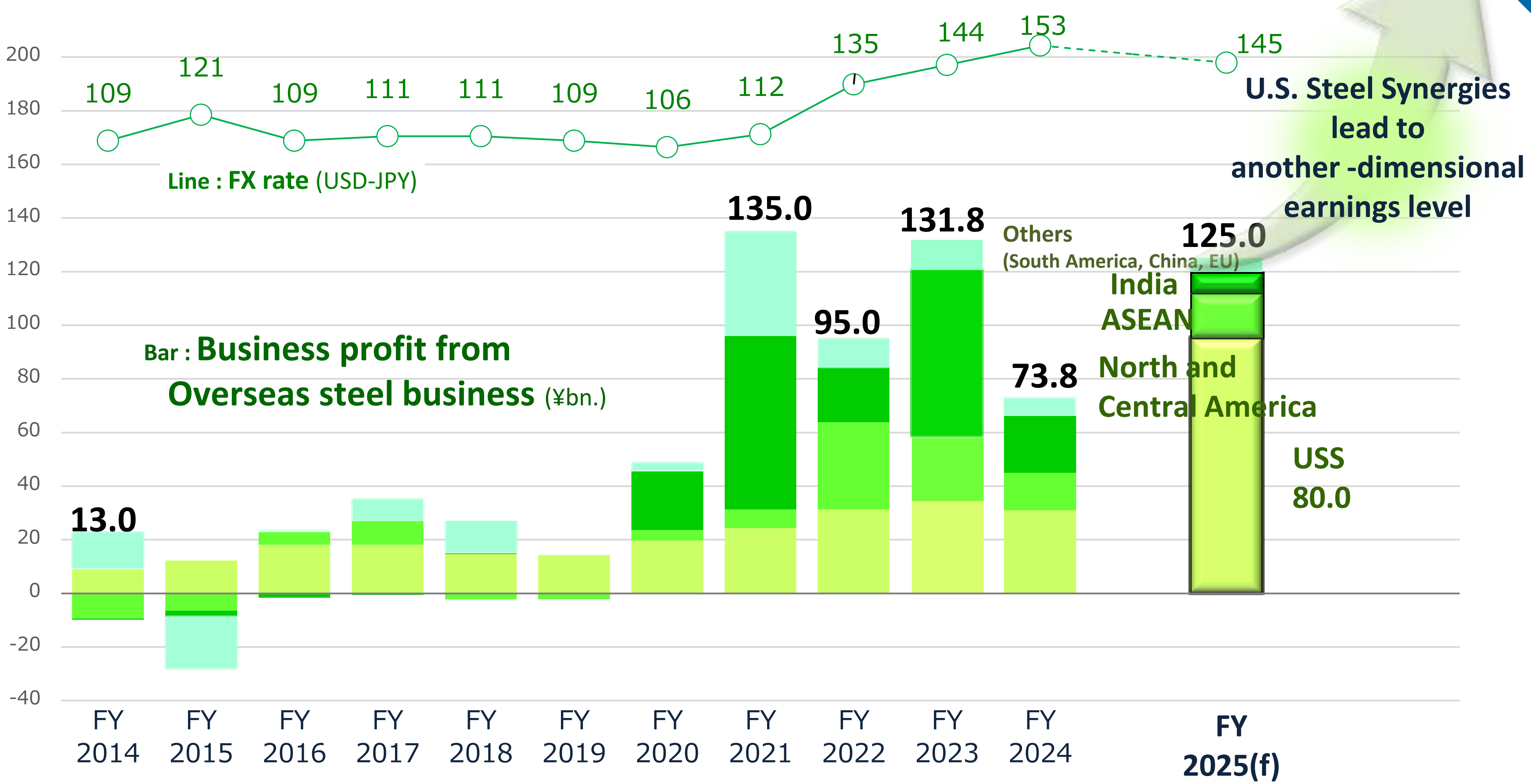
High-value added products | Commodities

Investing in capacity and quality improvement of high value-added products such as ultra-high-tensile steel sheets for automobiles and electric steel sheets

Further increase marginal profit by sophistication of order mix in the future



P/L Trend (Underlying Business Profit)



- Equity method consolidation of AM/NS Calvert, Q1 2014
- Equity method consolidation of AM/NS India, Q1 2020
- Consolidation of G/GJ Steel as a subsidiary, Q1 2022
- BNA Exclusion, Q4 FY2024
- AM/NS Calvert Exclusion, Q1 FY2025
- Consolidation of U. S. Steel as a subsidiary, Q2 2025

Ordinary profit (subsidiaries) + share of profit in investments accounted for using equity method (equity method affiliates), both underlying profit excl. inventory valuation
Overseas companies other than USS and NS SUS are consolidated Jan. - Dec. results to Nippon Steel's Apr. - Mar.
NS BlueScope US operations are included in "ASEAN"

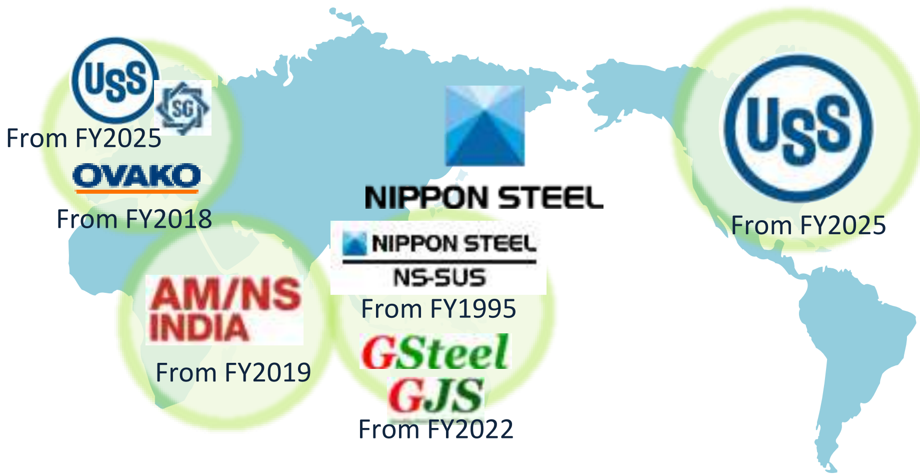
Capturing Global Growth and Realizing the Global 100 MT Vision

Overseas Business Expansion Policy

Key Areas : In ”U.S. / Europe “ ”India” ”ASEAN”, expand integrated steel production

U.S. / Europe : Largest high-grade steel market

- Increasing market share by strengthening product responsiveness
- Construction of new steel mill



Growing India

- Capacity expansion in Hazira
- Construction of new Eastern Steel Mill etc.

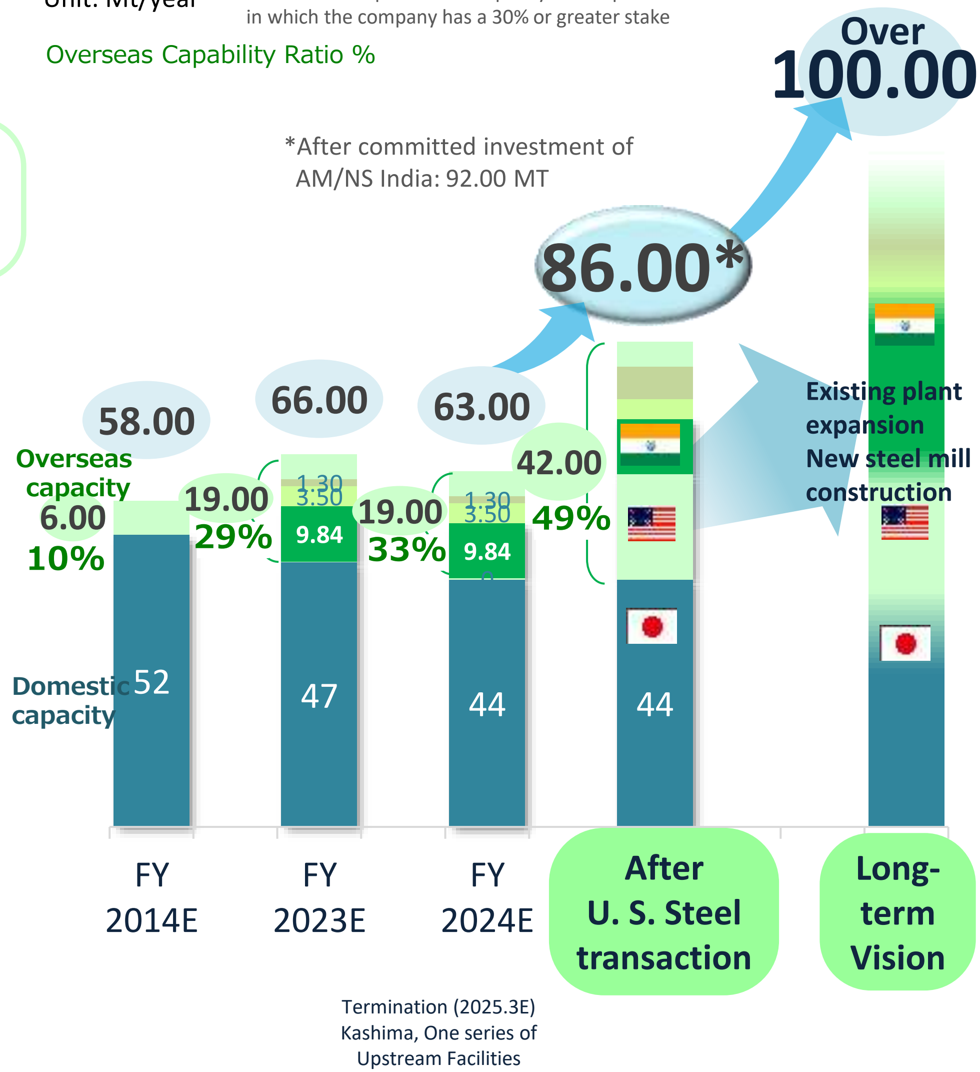
Home market ASEAN

Market share expansion in Thailand steel sheet market 30% -> 50% etc.

Global Steel Production Capacity

Unit: Mt/year

The combined production capacity of companies in which the company has a 30% or greater stake



Win-Win Partnership Aligned with the Objectives of U. S. Steel, Nippon Steel, and the U.S. Government

NSA
National Security Agreement

NIPPON STEEL

Enhancing U. S. Steel's competitiveness and leveraging U.S. market growth to become the best steelmaker with world-leading capabilities

U.S. Government

Revival of U.S. manufacturing
Protection and creation of domestic employment
Reduction in trade deficit

Sharing Advanced Tech

Capex $11B by 2028

100% Ownership of Common Stock

A Golden Share

Right to Appoint One Independent Director
No Right to Receive Dividends
Right of Consent on Certain Matters

United States Steel Corporation

Strengthening product portfolio and supply capacity through growth investment
Improved operations through the introduction of advanced technologies
Fundamental enhancement of market responsiveness
Toward further growth and enhanced corporate value

Secure Management Flexibility

Alignment with the US government's purposes
The rights granted to the U.S. government are not in conflict with management policy

	Key Commitments under the National Security Agreement (NSA)	Main Rights Granted to the U.S. Government
Governance	◆ Majority of the directors are U.S. citizens ◆ Key management roles held by U.S. citizens	◆ Appoint one independent director
Capital Investments	◆ Approx. $11.0 billion by 2028	Requires U.S. Government Consent: ◆ Reductions in the committed capital investments under the NSA
Corporation's name, Headquarters	◆ Retention of Pittsburgh headquarters	◆ Changing U. S. Steel's name and headquarters ◆ Redomiciling U. S. Steel outside of the U.S.
Facilities, Production	◆ Maintain Production and Capacity in the U.S.	◆ Transfer of production or jobs outside of the United States ◆ Certain decisions on closure or idling of U. S. Steel's existing U.S. manufacturing facilities (except ordinary course, temporary idling)
Others	◆ No interference in U. S. Steel's decisions on trade measures	◆ Certain decisions on material acquisitions of competing businesses in the U.S., sourcing outside of the U.S., labor, etc.

Initiatives for Earnings Growth through the Introduction of Advanced Technologies

Capital investment of approximately $11 bn. through the end of 2028 to meet growing demand for steel products in the U.S. and increasing need for high-grade steel

(1) Improvement of base manufacturing abilities (quality and productivity)

Cost reduction

(2) Expansion of supplied product menu (electrical steel sheets, etc.)

Sophisticated order mix

(3) Expansion of supply capacity

Drastically enhance U. S. Steel's competitiveness
Achieve profit growth

Ensure sufficient return on investment

Profitability Judged Pre-Trump Tariff Policy

- Investment to be primarily funded through U. S. Steel's enhanced cash generation
- If support by Nippon Steel is required, optimal funding method will be considered, taking into account shareholder interests and financial soundness

Overview of capital investment of approx. $11 bn.

BF mill

Maintaining competitiveness and refreshment of existing facilities, Measures for high-grade steel production

- Replacement of the existing hot strip mill and other facilities at Mon Valley Works
- Strengthening the productivity and competitiveness of blast furnaces and steelmaking, including the revamping of blast furnace #14 in Gary Works

Iron ore mine
Expansion of DR-grade Pellet Plant etc.

Establishment of Research & Development Center

EAF mini mill
Construction of DRI facilities, Enhancement of state-of-the-art electrical sheet facilities

Pipe & tube mill
Boosting competitiveness of quality

Construction of greenfield steel mill

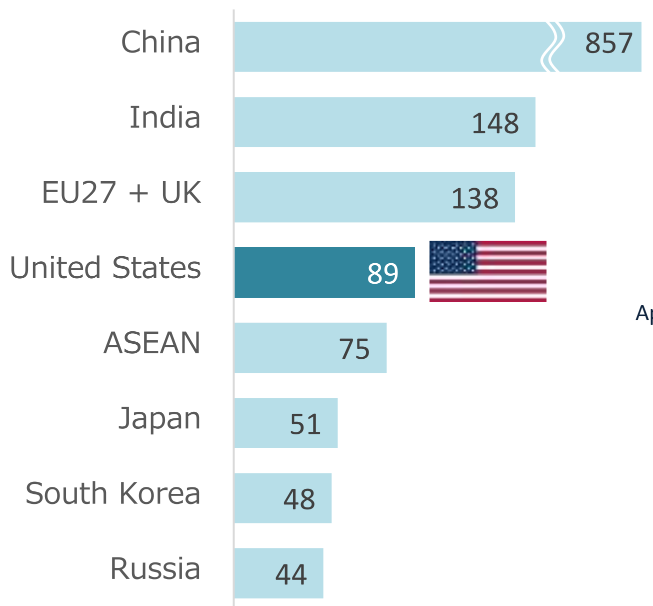
Capturing the Growing Demand of the U.S. Steel Market Including Indirect Imports

The largest steel demand in developed countries, and the largest market for high-grade steel leveraging our technology and products

Estimated domestic demand including indirect imports: 150 million tons
Tariff policies expected to shift direct and indirect steel imports to domestic production

Steel Demand

2024 CY (Million Tons/Year)

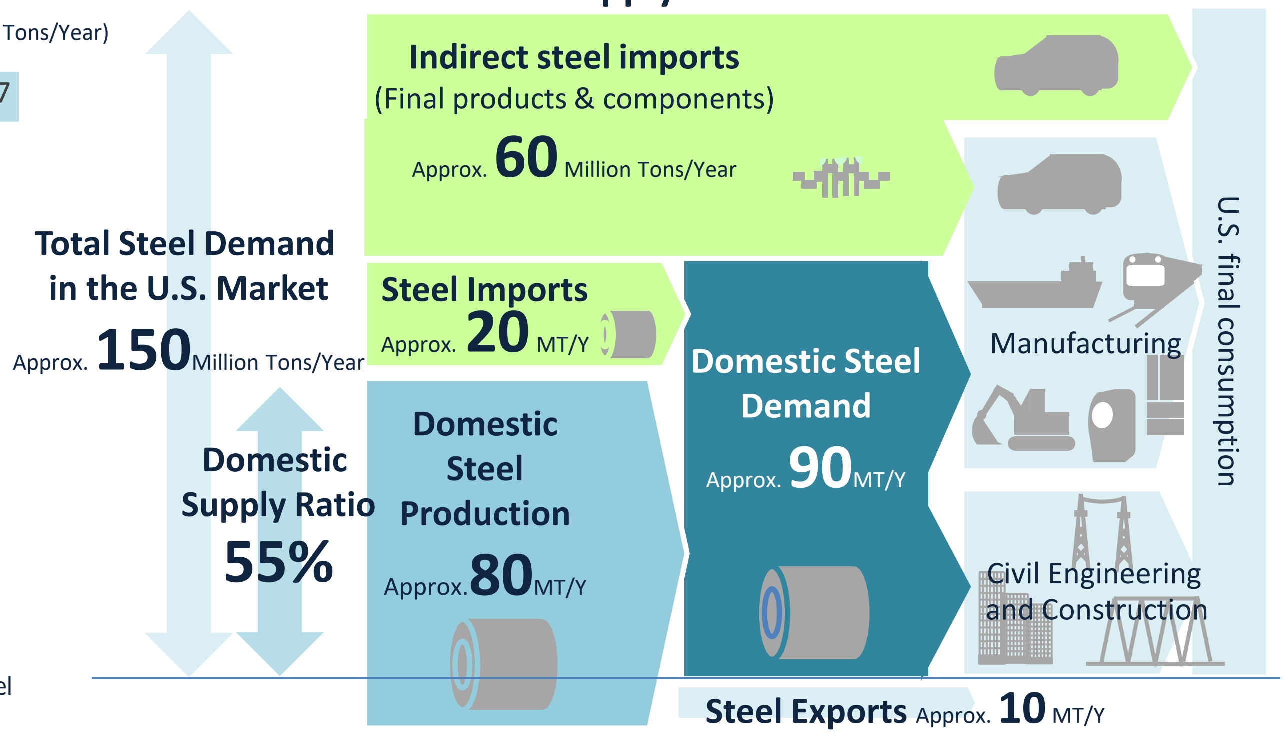


Other countries: 294

Source: worldsteel

U. S. Steel Supply and Demand Overview

Our Estimate



Only developed country with sustained long-term population growth

Reshoring of steel demand in energy and manufacturing driven by low-cost U.S. energy and global economic shifts

Supply-demand structure centered on domestic demand, not export-dependent

Initiatives to Realize Synergies

- Dispatch of 40 Engineers
- Over a period of approx. three months until August 2025, the team will engage in concrete planning and evaluation for the introduction of Nippon Steel's advanced operational technologies, innovative equipment technologies, and product technologies, as well as the formulation of capital investment plans.

Introduction of Nippon Steel's Advanced Tech

- Operational Tech
- Equipment Tech
- Product Tech
- Decarbonization Tech

100-Day Plan

Driving Progress on 8 Pillars & 66 Initiatives

1. Enhance competitiveness of production facilities in upstream and HSM
2. Advance cost competitiveness
3. Improve productivity and quality in relation to existing facilities
4. Enhance steel products (including upgrading downstream facilities)
5. Collaboration between NAFR and Mini Mill
6. Incorporate synergy with NSC
7. Expand business area
8. Carbon neutrality

U. S. Steel

Maximize Synergies Early

Create New Value by Combining the Strengths of Both Companies

Toward Further Growth and Enhanced Corporate Value

First board meeting held under the new structure to promote implementation (July 28-29 in Pittsburgh)

Overseas business

India： AM/NS India

Business environment and Performance

[Medium-to Long-term Environment]

- Steel demand increase by population growth and industrialization
- No rapid capacity expansion is expected due to difficulty in acquiring land, and the supply-demand situation will remain tight
- High percentage of homegrown products based on “Make in India” policy

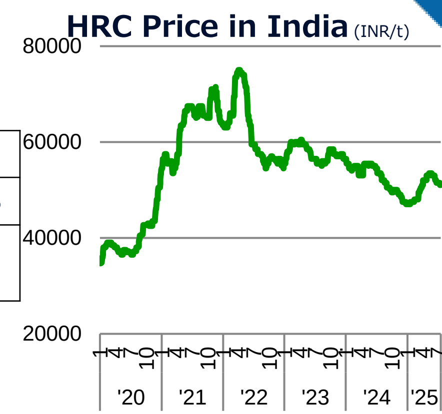
[Current Environment]

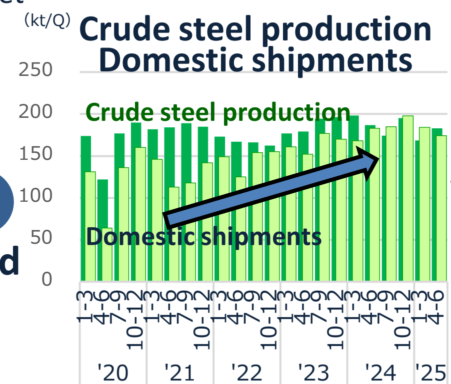
- Continued high level of economic growth and steel demand exceeding the previous year’s level
- Bottoming out of domestic market driven by Indian safeguard tariff (12%) on imported steel, with limited strength amid sluggish international market

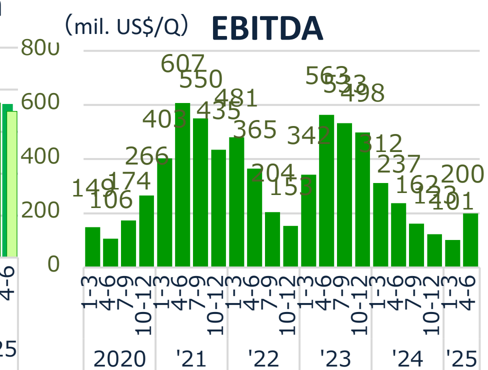
[Performance]

- 5% decrease in domestic sales volume from January–March due to seasonal factors including monsoon, yet profit increase from margin improvement driven by market recovery

India Indicators	2024	2025f
GDP growth rate	＋6.5%	＋6.4%
Steel demand	0.14 bn. t	0.16 bn. t







Initiatives for Capacity Expansion and Product Sophistication

- **Capacity expansion to capture growing steel demand and enhance high-value-added product mix**

Existing plant expansion (Hazira Works)

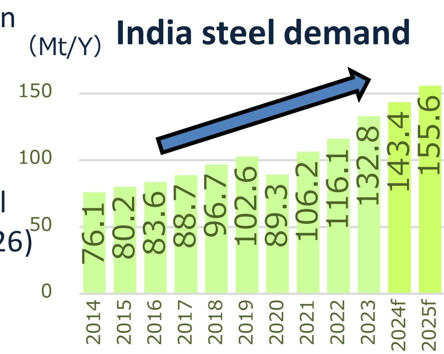
・Full-scale entry into the automotive market through expansion of steel sheets facility (decided in April 2022), with coating line operation started in July 2025 and cold rolling and others scheduled for second half of FY2025

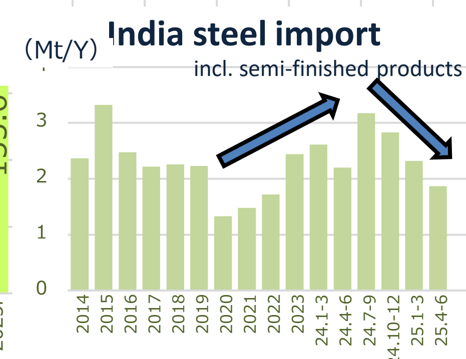
Start of supply of corrosion resistant coated steel for construction materials (operation started January 2024)

・Under construction for expansion of upstream facilities, hot-strip mill (decided in Sep. 2022) (Scheduled to start operation in 2nd half of FY2026)

Crude steel capacity approx. +6Mt/Y(approx. 9 -> 15Mt/Y)

Consideration of investment plan for new integrated steel works in the state of Andhra Pradesh in southern India





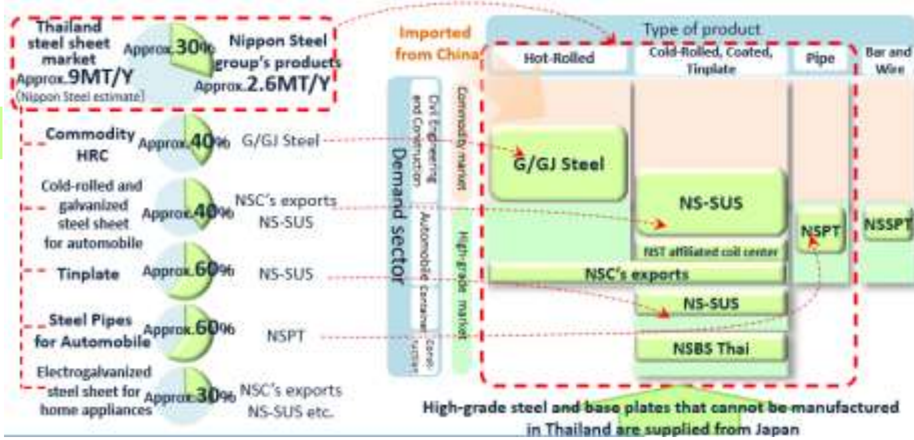
Overseas business

Our business development in Thailand ： NS-SUS、 G/GJ Steel

Strategic positioning of the Thai market within our global operations

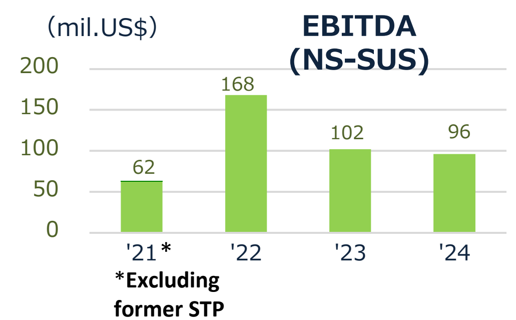
The top-priority key market within ASEAN, considered our ‘home market’ in our overseas expansion
Target to expand flat steel share from 30% to 50%

- Established presence since 1963 with 30 companies and approximately 8,000 employees
- High grade steel market for automotive and a 9-million-ton flat steel market dominated by two-thirds commodity steel
- Current Group share of approximately 30%



Performance and Initiatives of NS-SUS

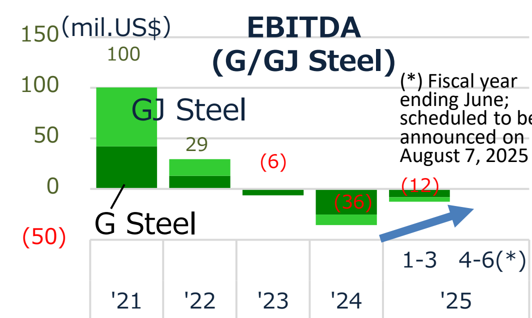
- Steady performance supported by high grade steel demand for automotive, home appliances, and can manufacturing
- Expansion of tinplate production capacity for can manufacturing from 280,000 to 350,000 tons/year to meet future demand growth
  Investment of approx. 2 billion baht (approx. 8.9 billion yen), scheduled completion March 2027



Efforts Toward G/GJ* Steel Turnaround： Integrated Management with NS-SUS

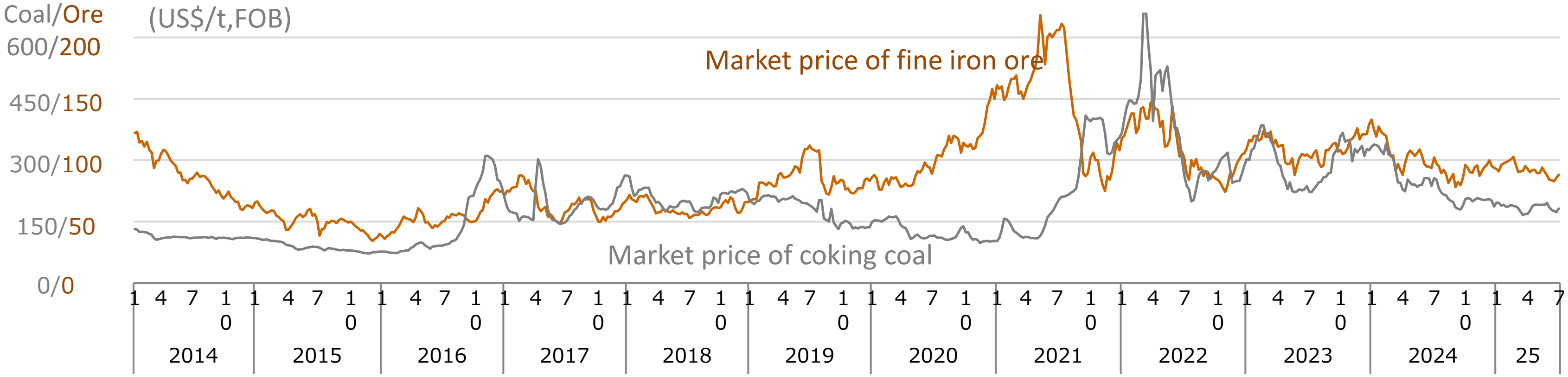
*The only integrated EAF hot-rolled mill in Thailand, acquired by our company in 2022

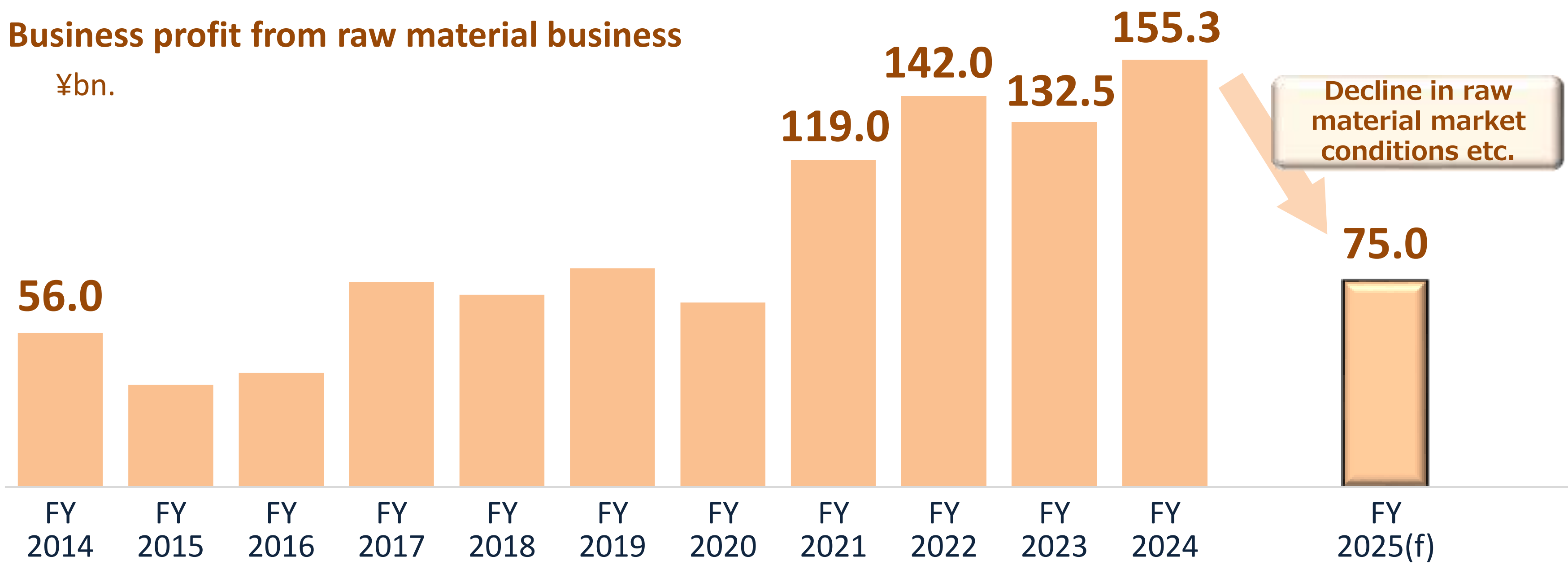
- Improvement trend supported by measures including strengthened collaboration within our Group
  ･Consolidation of the roles of Managing Executive Officer overseeing our Thailand operations, NS-SUS President, and G/GJ Steel President
  ･G/GJ Steel and NS-SUS Integration of sales and technical service departments
  ･Effective utilization of scrap within our Group
- G Steel installation of new skin pass equipment and streamlining of scrap yard operation
  Investment: approx. 1.5 billion baht (approx. 6 billion yen)
  Scheduled completion: April 2026



Raw Material business

P/L Trend (Underlying Business profit)





Equity method consolidation of Boggabri in 2015

Equity method consolidation of EVR in Q1 FY2024

Equity method consolidation of Blackwater in Q2 FY2025

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

Raw Material business — Vertical Expansion of the Core Businesses

Establish stable procurement structure to mitigate operating profit volatility in the domestic steel business caused by raw material cost fluctuation
Aim to further raise the self-sufficiency in the ratio of major raw materials

Invested Mines

			Year of participation	Equity ratio	Major shareholder	Capacity (MT/Y)
Iron ore and pellet	Australia	**Robe River**	1977	14.0%	Rio Tinto 53.0%	70
	Brazil	**NIBRASCO**	1974	33.0%	VALE 51.0%	10
	Canada	Jul. 2025 FA Agreement FS in process **Kami**	**2024**	**30.0%**	**Champion Iron 51.0% Sojitz19%**	**9**
Coal	Australia	**Moranbah North** *1	1997	6.25%*2	Anglo American 88.0%	12
		Warkworth	1990	9.5%	Yancoal 84.5%	8
		Bulga	1993	12.5%	Glencore 87.5%	7
		Foxleigh	2010	10.0%	Middlemount South 70.0%	3
		Boggabri	2015	10.0%	Idemitsu Kosan 80.0%	7
		Coppabella and Moorvale	1998	2.0%*2	Peabody 73.3%	5
		Equity method consolidation in Q2 FY2025 **Blackwater**	**2025**	**20.0%**	**Whitehaven 70%, JFE10%**	**10**
	Canada	**Elk Valley Resources**	**2024**	**20.0%**	**Glencore 77.0%**	**27**
Others(Niobium)	Brazil	**CBMM**	2011	2.5%	Moreira Salles 70.0%	0.15

*1 Grosvenor mine was integrated with Moranbah North in 2020

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

Iron Ore

Total procurement
(FY2024)
Approx. 50Mt

Self-sufficiency ratio
(Procurement ratio from invested mines)

Approx. 20%
(For BFs-use)

Aim to raise self-sufficiency ratio of raw materials

Coal

Total procurement
(FY2024)
Approx. 26Mt

Self-sufficiency ratio
(Procurement ratio from invested mines)

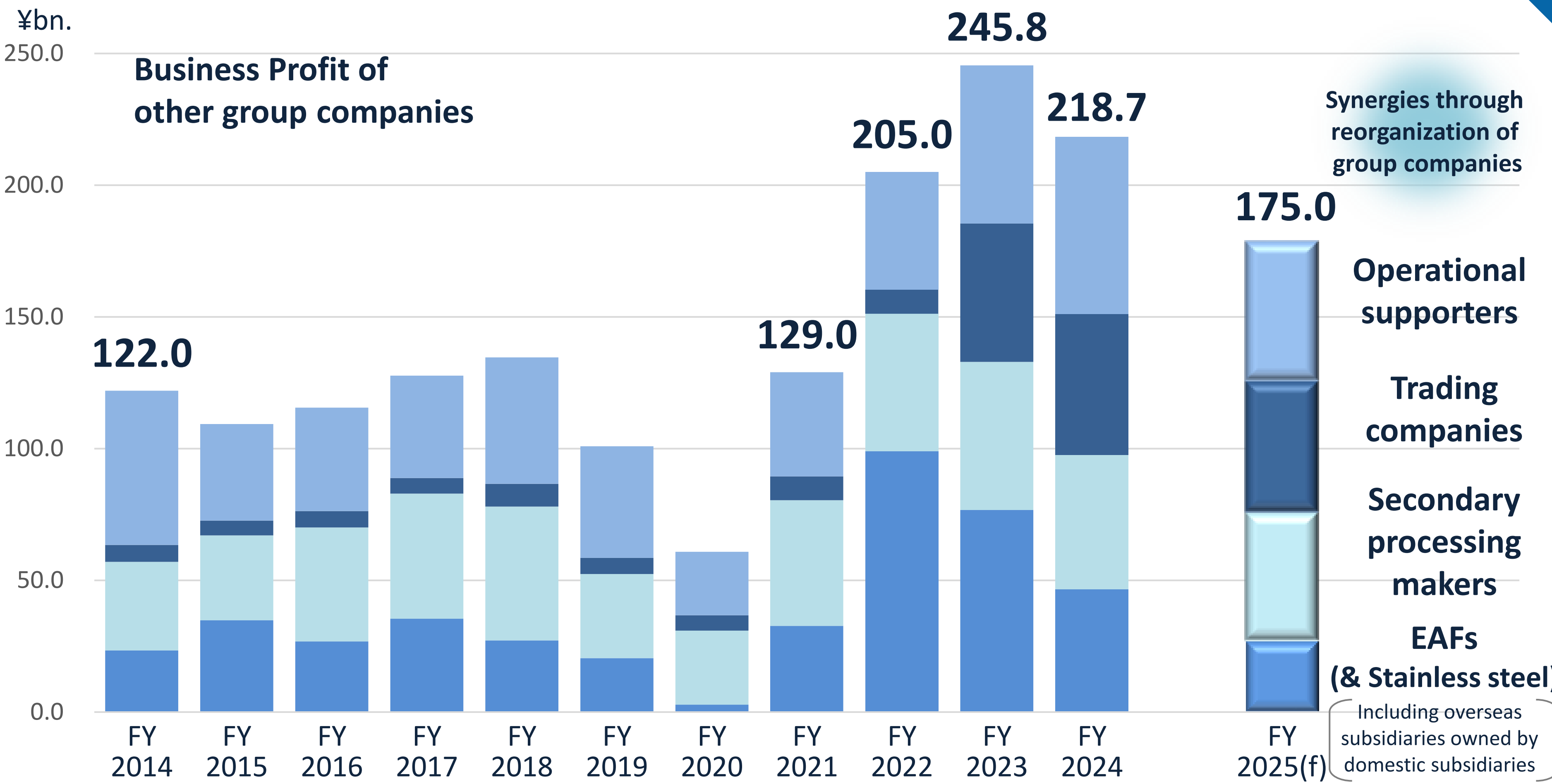
2023
Approx. 20%

Jan. 2024
After inv. In EVR JV
Approx. 30%

Approx. 35%
After inv. in Blackwater JV

Ratio of coal procured from mines in which NSC an investor to increase in long term (shift to carbon neutral process /decrease total amount of coal in use)

Other Group Companies P/L Trend (Underlying Business Profit)



Consolidation of Tokyo Kohtetsu as a subsidiary under Osaka Steel in Q1 FY2016

Consolidation of Sanyo Special Steel as a subsidiary in Q1 FY2019

Consolidation of Nippon Steel Trading (NST) as a subsidiary in Q1 FY2023

[Stainless steel] In Q1 2025 Merged NS Stainless Steel (-> To Domestic steel business)

[Secondary processing] In Q1 2025 Dissolution of NS Pipe (-> Mechatubes go to Domestic steel business)

Excludes inventory valuation and includes group companies of former Nisshin Steel and the stainless steel business of former Nisshin Steel

Before and in FY2024: ex-NS Stainless Steel and ex-NS Pipe included

Overview of the Transaction

Full acquisition of a group subsidiary, Krosaki Harima Corporation, through a two-tier tender offer (TOB and squeeze-out)

Current — Two-tier tender offer → **After Transaction**

Current

NIPPON STEEL → **Consolidated Subsidiary (46.6%)** → KROSAKI

Other Shareholders → 53.4% → KROSAKI

※The ratio above is based on the number of shares excluding treasury share held by Krosaki Harima.

(1) TOB

<u>Commencement Period</u>	Early February 2026 (20 business days)
<u>Offer Price</u>	4,200 yen per share

(2) Squeeze-Out

If unable to acquire all the shares through the TOB, Nippon Steel plans to delist and make Krosaki Harima a wholly owned subsidiary through a special controlling shareholder's request for a sale of shares or a reverse share split.

(1)(2)Total Purchase Amount: approx. **75.8** billion yen

After Transaction

NIPPON STEEL → **Wholly Owned Subsidiary (100%)** → KROSAKI

Cf. Chronology of making Krosaki Harima Corporation a consolidated subsidiary

Oct. 1956: Yawata Iron & Steel Co., Ltd. made a capital investment in Krosaki Refractories CO., LTD.

Apr. 2000: Krosaki Refractories CO., LTD changed its name to Krosaki Harima Corporation as a result of its merger with Harima Ceramic Co., Ltd.

Mar. 2019: Krosaki Harima Corporation became a consolidated subsidiary of Nippon Steel Corporation as a result of our adoption of International Financial Reporting Standards (IFRS).

Objective of the Transaction

Currently recognized issues

Given the severe business environment, **further integration and optimization of both companies' management resources are essential**.

Current constraints

Both companies **are listed companies and operate independently**.

⇒ Certain constraints exist regarding:

- **Sharing technical information**
- **Supplementation and mutual use of management resources, etc.**

Objective of full acquisition

Maximizing overseas business profits across the entire group

- Cooperation with Nippon Steel's overseas business operations
- Expansion of the use of Nippon Steel Group's resources, etc.

Krosaki Harima has developed business in **India, Europe, and Brazil, etc.**

＋

Targeting **North America**

Strengthening the competitiveness of iron sources throughout the entire group

◆Refractory products

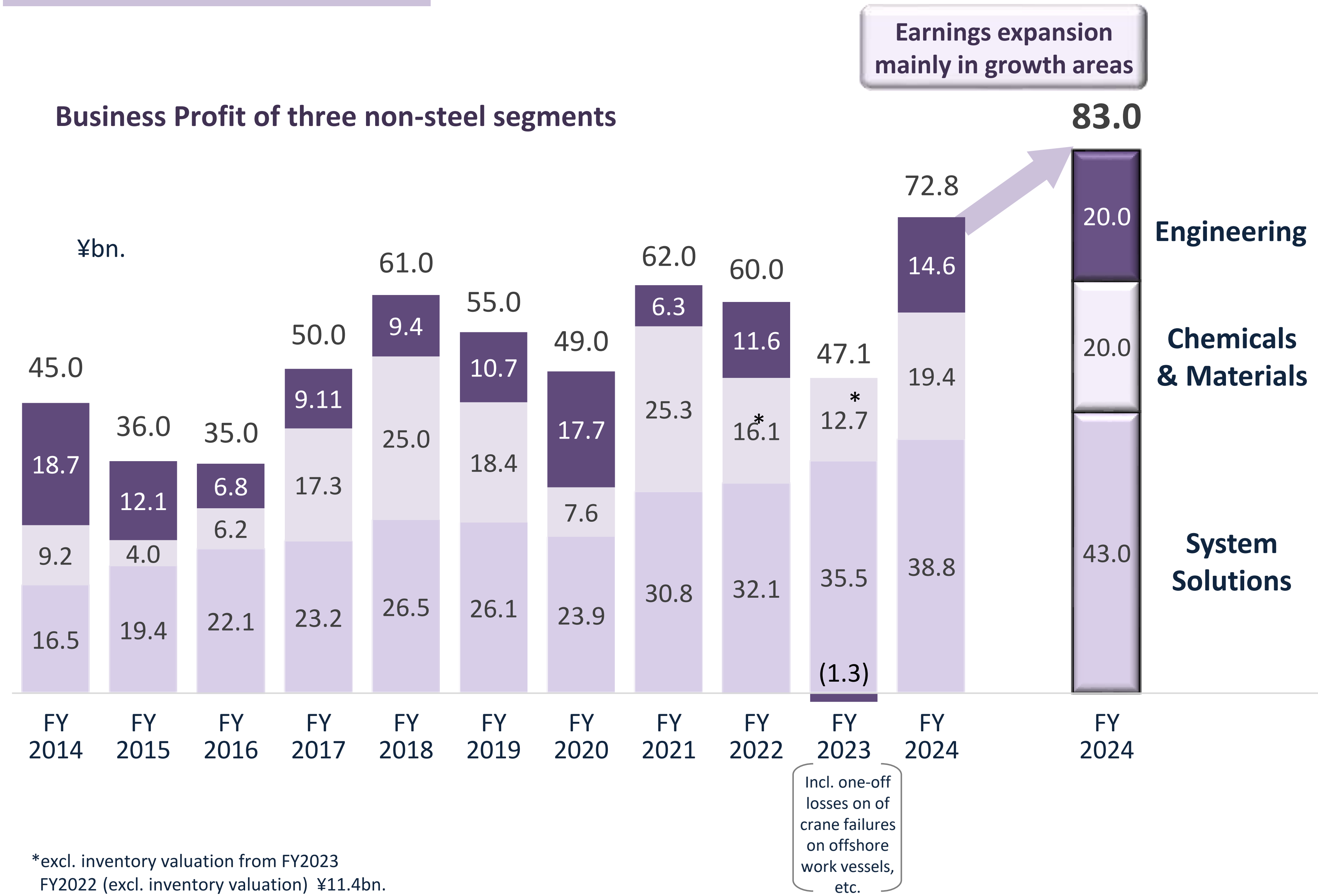
- ➢ Improvement of competitiveness by strengthening cooperation between both companies
- ➢ Acceleration of the development of refractories, such as electric furnaces, while understanding changes in manufacturing processes, for achieving carbon neutrality.

◆Refractory maintenance work

Issues such as reduced workload and labor shortages are becoming more serious and apparent.

⇒In the future, Krosaki Harima, which is competitive in the industry, is expected to expand its business and ensure the sustainability of Nippon Steel's refractory maintenance work.

Three Non-steel Segments P/L Trend (Underlying Business Profit)



*excl. inventory valuation from FY2023
FY2022 (excl. inventory valuation) ¥11.4bn.

Three Non-steel Segments Earnings Summary

Engineering

¥bn.	H1	H2	FY 2024	Q1	H1(f)	H2(f)	FY 2025(f)
Order intake	127.2	253.6	380.8	69.0	215.0	185.0	400.0
Revenue	183.3	217.1	400.4	89.0	190.0	210.0	400.0
Business profit	(1.2)	15.8	14.6	5.4	7.0	13.0	20.0

- The order intake is expected to increase due to plans to receive orders for large-scale projects in environmental plants etc. Sales are expected to be at the same level as the previous year.
- Profitability in the EPC field is expected to improve due to thorough project management, and fixed costs are expected to decrease due to structural measures, resulting in a YoY increase in profit.

Chemicals and Materials

¥bn.	H1	H2	FY 2024	Q1	H1(f)	H2(f)	FY 2025(f)
Revenue	140.4	128.7	269.1	63.0	130.0	130.0	260.0
Business profit	12.2	6.6	18.9	3.1	9.0	9.0	18.0
Underlying	*10.1*	*9.3*	*19.4*	*4.4*	*9.0*	*11.0*	*20.0*

- Coal Chemicals and Chemicals business environment is difficult due to sluggish product market conditions.
- In Functional/composite materials, AI-related products continued to perform well.
- Underlying BP is expected to be on par with the previous year.

System Solutions

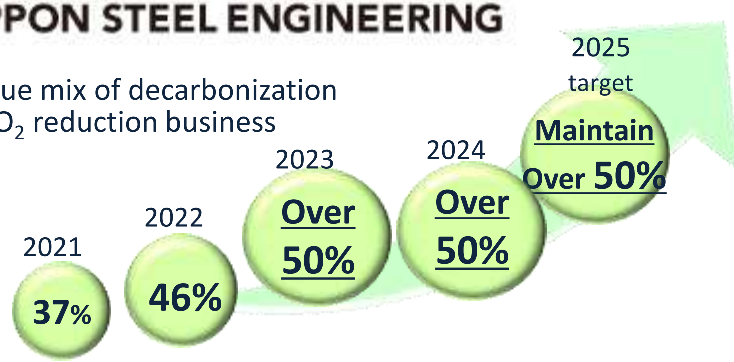
¥bn.	H1	H2	FY 2024	Q1	H1(f)	H2(f)	FY 2025(f)
Revenue	157.0	182.3	339.3	82.9	168.0	189.0	357.0
Business profit	18.3	20.5	38.8	8.7	19.0	24.0	43.0

- Revenues are expected to increase YoY due to strong performance in all business areas.
- Business profit is expected to increase due to higher sales and improved gross profit margins, despite higher SG&A expenses, mainly for technological R&D.

Three Non-steel Segments Initiatives to Expand Profits in Growth Sectors

NIPPON STEEL ENGINEERING

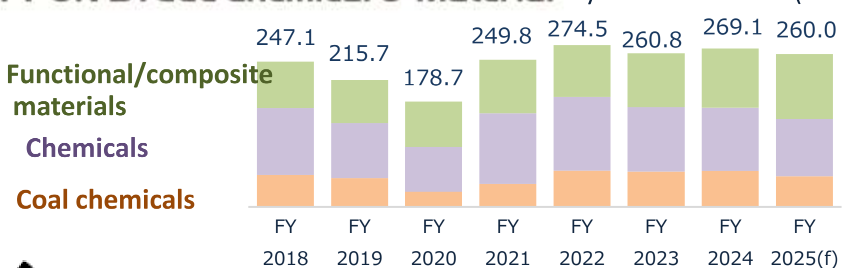
Revenue mix of decarbonization and CO_2 reduction business



- Contribution to Energy Transition／Expand sales of decarbonization and low-carbon related businesses
  - Completed delivery of jackets for the Hibikinada Project (25 jackets in total)
  - Construction of world-class manufacturing capacity for “floating foundations” for offshore wind power generation by2030
  - Decision to commercialize the supply of renewable energy to the Shin-Etsu Chemical Group using biomass cogeneration in Thailand

NIPPON STEEL Chemical & Material

Revenues by business domain(¥bn)



- Expand capacity for functional materials* and develop new technologies, products, and grades to capture growing demand for semiconductors and electronic devices, such as for AI servers and data centers.

*Established a new production facility for resins for circuit board materials used in high-speed telecommunications equipment.

NS Solutions

Medium-Term Business Plan (Released on Feb 28, 2025)	FY2024	2025-2027 Mid-Term Plan	NSSOL 2030 Vision
Revenue	¥339.3 bn.	¥450.0 bn.	¥500.0 bn.
Operating Profit	¥38.5 bn.	**¥60.0 bn.**	**¥100.0 bn.**
ROS	11.4%	**13%**	**20%**
ROE	10.9%	Approx. **13%**	Approx. **15%**
M&A	Approx. ¥10.0 bn./ 3 years (2022-24)	**¥150.0 bn.** / 3 years	Creating business of the scale of ¥100.0 bn.

- Transformation of the business revenue model from the conventional SI model based on individual contracting to the three revenue models (TAM type) that embody the Social Value Producer concept.

➡Jul. 1st Acquired all shares of INFOCOM

SI Transformation	Asset Driven	Multi Company Platform
Next Generation IT Model	Asset utilization type	PF provision model

Agenda

1. Q1 FY2025 Earnings Summary and FY2025 Earnings Forecast

2. Developing a Robust Business Structure with Vertical and Horizontal Expansion

3. Progress Toward Carbon Neutral Vision 2050

CNV2050 Efforts to Surmount the Four Challenges [Summary of recent results]

Steady efforts to develop and implement innovative technologies and to promote and standardize GX steel

Technology development	Development planning and testing	Establishment of technology to reduce CO2 emissions in test blast furnaces using hydrogen (-43%) Started testing of a test EAF (2024) and scheduled to start testing of a test reduction furnace (2nd half of 2025)	
	Gov't support	Increase in Green Innovation (GI) Fund for "Utilization of hydrogen in the steelmaking process" to ¥449.9 bn. …	Budgeting completed
Predictability of investment recovery	Gov't support for capital expenditures	Government to cover one-third of the investment amount under the GX Promotion Act; **EAF transition investment projects at Yawata, Hirohata, and Shunan adopted and approved for implementation** …	Approved for adoption
	Gov't support for operating costs	Establishment of a strategic materials and production base tax system (Green Steel) …	Institutionalization completed
	Creation of economic value from the environmental value (CO_2 reduction)	GX Product Market Study Group [METI], GX 2040 Vision and Sector-Specific Investment Strategies [Government] **In Study Group on Green Steel for GX [METI], GX steel is organized as a target for the government to provide priority procurement and purchasing support.** … **Revision of the Act on Promoting Green Procurement and CEV subsidies** **→ advancing efforts toward GX market formation**	Currently working on GX market formation
Institutionalization Standardization	Standardization	Active participation in JISF guideline development to evolve standards for greater customer usability …	Under formulation and discussion
		worldsteel Guideline ver.1 issued (Nov. 2024) …	Guideline issued
		Lobbying for revision of ISO, GHG protocol, etc. GX League [METI] -> Growth-oriented carbon pricing … Study group on CFP utilization for GX realization [METI] -> Progress toward CFP standardization …	Implementing and preparing
Infrastructure	Energy infrastructure development	Safe use of nuclear and other energy sources for the 7th Strategic Energy Plan …	Ongoing committee recommendations
		Hydrogen and Ammonia: Revised Basic Hydrogen Strategy, Hydrogen Society Promotion Law …	Bill passed
		CCS: JOGMEC/Advanced CCS Support Program …	Project participation

CNV2050

Carbon Neutral Vision 2050

present >>>>>>>>>>>>>>>>> 2030 >>>>>>> 2040 >>>> 2050

High-grade steel production in large size EAF

2022
Hirohata No.1 EAF starts commercial operation

Accumulate knowledge of high-grade steelmaking using EAF

2023
Start studies on shift to EAF

2025
Decided to invest in shift to EAF

2029
Hirohata No.2 EAF started operation

2024
Start experimental tests at small-scale EAF (of 10t/ch size) at Hasaki R&D Center

2029
Yawata, Shunan EAF started operation

Hydrogen direct reduction of iron

Continuously develop technologies for large-scale EAFs and DR grade iron production and usage in EAFs at Hasaki R&D Center

Under construction

H2 2025
Start experimental tests at small-scale DRI furnace at Hasaki R&D Center

2027
Start study for scale-up

by 2030
Establish practical Implementation technology

by around 2040
Establish practical Implementation technology

Implement

Electric melting furnace

Hydrogen injection into BF

From 2008
Started R&D process of COURSE50

Under construction of hydrogen injection facility

2026
Start demonstration at Kimitsu #2 BF

by 2030
COURSE50 implementation

2022
R&D starts using a pilot plant in Kimitsu Area

Scale-up Assessment

by around 2040
SuperCOURSE50 Establish practical Implementation technology

Implement

CO_2 Reduction

2022	2023	2024
22%	33%	43%

2025
Further reduction by improving heat balance, etc.

Promoting technological development through repeated testing

CO2 emission reduction by 50%

CCS

Advanced CCS projects
Survey on the implementation (JOGMEC)

30% Reduction

Fully Achieve Carbon Neutral Production Process

CNV2050

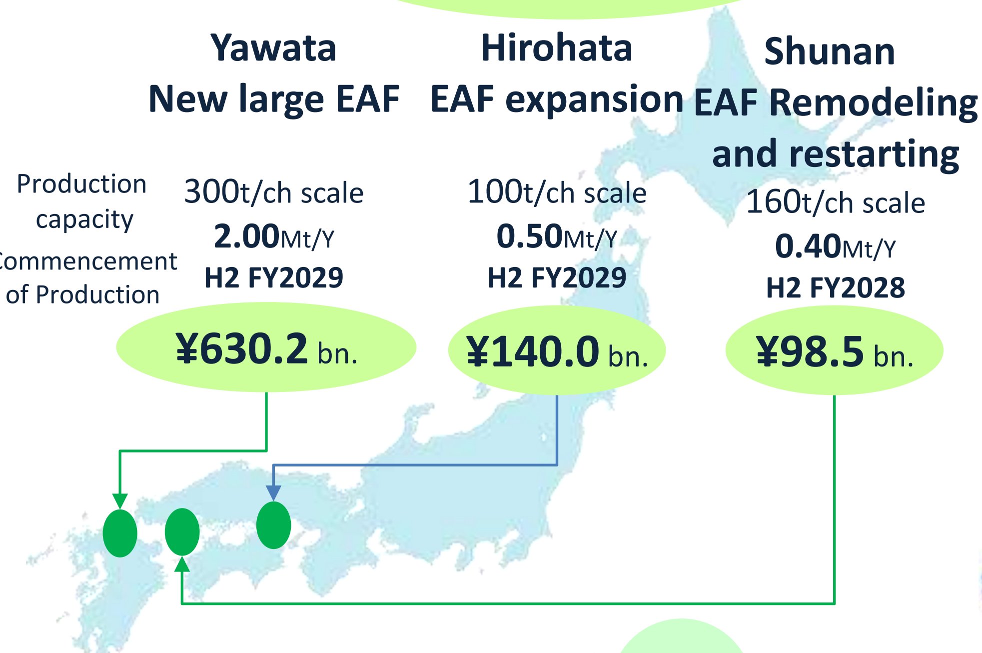
Decision is Made to Invest in the Conversion from the BF Process to the EAF Process

(Announced on May 30, 2025)

Convert EAFs by FY2029 to achieve the 2030 CO_2 reduction target of 30%.

Total ¥868.7 bn.

	Yawata New large EAF	Hirohata EAF expansion	Shunan EAF Remodeling and restarting
Production capacity	300t/ch scale 2.00Mt/Y	100t/ch scale 0.50Mt/Y	160t/ch scale 0.40Mt/Y
Commencement of Production	H2 FY2029	H2 FY2029	H2 FY2028
	¥630.2 bn.	¥140.0 bn.	¥98.5 bn.



EAF ratio

28% → 33%

Global crude steel production capacity : 86Mtt

EAFs	BFs
24 -> **27**Mt	62 -> 59Mt
28 -> **33%**	72 -> 67%

Government support — Maximum ¥251.4 bn.

May 30, 2025 : Selected for government support project business based on the GX Promotion Act

CO_2 emission reduction — -3.70 Mt/Y

Appropriate valuation of CO_2 reduction value

GX Steel supply capacity — +1.60 Mt/Y

NSCarbolex Neutral

Monetizing the CO_2 reduction value in GX Steel pricing

Working to Create the GX Steel Market, Obtaine government OPEX support etc. Ensure predictability of GX Investment Recovery

CNV2050

Initiatives to create the GX Steel market

Challenges for the creation of the GX Steel market

1. Valorization of GX (CO_2 reduction) in the steel industry
2. Diffusion and penetration of GX value (-> Mass-balancing method enables provision to all customers)
3. Reflection on products at customers (Carbon Footprint of Products: CFP)

Concept of supporting Green Steel (GX Steel) for GX promotion

Based on the Summary of the 5th Research Group on Green Steel for GX Promotion by METI in January 2025

Green Steel for GX promotion

At the corporate level, significant reductions in environmental load can be achieved through additional emission reduction actions. **Consequently, products incorporating the costs associated with such emission reduction measures will experience a substantial price increase compared to conventional products.**

Low CFP* steel products

* Carbon Footprint of Products

Demand expansion support through focused implementation of:

(a) government priority procurement

(e.g., Act on promoting green Procurement); and

(b) government purchase assistance

(inclusion of subsidies as eligibility criteria), and other measures

* Combination with other measures such as **production cost reduction support**

Promotion through of adoption CFP utilization support and other initiatives

-> Progress has been made for preferential procurement and purchase support for GX Steel by the government

[Act on Promoting Green Procurement]

Goods and services The basic policy has been revised (The revision was approved by the Cabinet on January 28, 2025)

The Basic Policy of the Act on Promoting Green Procurement has been revised to **prioritize the procurement of products utilizing Green Steel**

GX Steel was used Steel furniture manufactured by Okamura Corporation was adopted by Tokai City, Aichi Prefecture
-> Promote the spread and expansion of goods in which GX Steel is used (Announced on Apr. 21, 2025)

Public works

The four products, A, B, C and D are currently classified as a ‘further consideration item’ (long list) for public civil engineering works which was announced in May 2025, and promote consideration for adoption again in FY2025

The committee discussed the appropriateness of cost per emission reduction, and decided to specify the use of materials and products (e.g., green steel), etc., and expand the scope of use in principle.

Continue to promote efforts to adopt GX steel in public works

(Decarbonization action plan for civil works of MLIT (April 2025))

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Toward Creating the GX Steel Market, -Standardization-

Compilation of the direction of measures in the study group sponsored by the METI

Research Group on Green Steel for GX Promotion (Jan. 2025 Summary)

- **Promotion of GX value**, Promoting understanding at domestic and overseas, working with **worldsteel and international initiatives**
- Facilitate discussion **on the methodology by which GX Steel is internationally recognized as having a low CFP for its products**
- **Formulate product-specific CFP calculation rules for steel products,** reflect them in **national CFP guidelines,** and consider adopting them in national policies such as **LCA for buildings**

Study Group on CFP Utilization for GX Realization (Jun. 2025 Interim guidelines)

- Clear direction for **creating a market for GX products through inter-industry collaboration**
- Presented the need for **calculation rules such as CFP(Allocated CFP) that take into account the appropriate allocation of emission reduction benefits**

Steel Industry Initiatives

Actively participate in the formulation of rules across the steel industry, such as rules for calculating CFP for steel products by product and rules that enable customers to reflect their CFP in their product CFP, by the Japan Iron and Steel Federation.Working to publish guidelines by fall 2025. Discussions have begun at worldsteel to reflect the same content in the revised guidelines.

Adoption Cases of GX Steel

NSCarbolex® Neutral

- Sales of "NSCarbolex™ Neutral" have been increasing due to its adoption in mass-produced vehicles in the automotive sector, in office furniture triggered by the review of the Green Purchasing Law, and in the construction work sector.
- In anticipation of an increase in supply volume due to the start-up of the innovative electric furnace, the company will work with the government to promote the expansion and penetration of the GX steel market.

[Recent adoption cases]

Industrial machinery | **AIRMAN CORPORATION**

Adopted for **compressors and generators**

Exhibited at the "7th International Construction & Survey Productivity Improvement Expo (CSPI-EXPO) "

(Announced on May 30, 2025)

Hydrogen-fired engine compressors

Beverage cans | **MOJIKO RETRO BEER CO, LTD** / **Daiwa Can Company**

Adopted for **Mojiko Beer's steel can beer**

Steel can manufacturing : Daiwa Can, Kyushu plant

Brewing and filling beer : Mojiko Beer

(Announced on Jun. 12, 2025)

Plant Shipbuilding | **HH Stainless Pte Ltd**

Largest stainless steel wholesaler in Singapore, specializing in petrochemical, construction, marine, and offshore sectors, HH Stainless Pte Ltd adopts NSCarbolex™ Neutral

(Announced on Jul. 31, 2025)

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