TYO : 5401
OTC : NPSCY(ADR)

NIPPON STEEL

FY2025 Financial Results

May 13, 2026

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, profit represents profit attributable to owners of the parent.

Overview

Results of FY2025 and Summary of the 2025 Medium- to Long-term Management Plan Period

- **Meanwhile we have executed planned initiatives, we faced a deterioration in the business environment beyond initial assumptions. We implemented additional measures to overcome these challenges and to support further growth investments.**
  In Japan, we **lowered the break-even point by 40%** by **structural measures for production facilities, revising prices in direct contract-based sales to customers**, **optimizing the burden of fluctuations in external procurement costs**, and by **advancing our product mix**. In addition, we have achieved a resilient business structure with breadth and depth by maximizing synergies through the reorganization of domestic steel group companies, **deepening and expanding our overseas business** through the acquisition of U. S. Steel and capacity expansion in India, **transforming the raw material "business" from mere procurement**, and **integrating distribution business into our own business domain**. ⇒P7-16
- Against this backdrop, **underlying BP for FY2025 reached ¥650.4 bn., exceeding the previous forecast by ¥30.4 bn.** ⇒P4-6

Business Forecasts for FY2026 and Impact of the Middle East Situation

Business Forecasts (excl. Middle East Impact) **In FY2026**, as a plan based on business environment prior to war in the Middle East (initial forecasts as of February 2026), we will **secure an underlying BP of ¥700.0 bn. (¥300.0 bn. in H1 and ¥400.0 bn. in H2) or more in a deteriorating environment by leveraging earnings recovery of U. S**. Steel. In particular, **for H2 of FY2026, we forecast underlying BP of ¥800.0 bn. or more on an annualized basis**, **laying a solid foundation for growth toward a 1-trillion-yen scale**, driven by the expansion in overseas business earnings from FY2027 and beyond. ⇒P18

Middle East Impact Because **the effects are spreading across the entire world in the globally integrated supply chains**, **the Middle East has become an important export market for each country**, as its economic scale has expanded significantly, **developments in the region have an extremely broad impact on demand across a wide range of industries**. In particular, the steel industry is a core industry that underpins many other sectors, and among steelmakers, **we offers a particularly broad product lineup and serves an exceptionally wide range of industries**. Furthermore, due to the increasingly global expansion of our operations, **the impact of the Middle East situation on our business performance cannot be comprehensively and reasonably assessed at this time**. ⇒P19

Regarding impacts that are already emerging and can be reasonably anticipated, we **anticipate a negative impact of approximately ¥50.0 bn**. In Q1, FY2026 However, there is no prospect of an end to the situation, and even if the situation is resolved, the negative impact will not be resolved immediately. Accordingly, **the impact of the Middle East situation on our business performance for FY2026, cannot be reasonably quantified at this time and has not been reflected in the forecasts**.

Dividends Forecasts Although the impact of the Middle East situation on our business performance cannot be reasonably assessed, based on the minimum dividend, which was introduced in the 2030 Medium- to Long-Term Management Plan, **the dividends for FY2026 is expected to be ¥24 per share** at this time. ⇒P21

Agenda

1. FY2025 Earnings Summary and Review of 2025 Medium- to Long-term Management Plan

2. FY2026 Earnings Forecast

3. FY2026 Initiatives (Progress Toward the 2030 Midterm Plan)

- Domestic Business (Steel Business / Three Non-Steel Segments)
- Overseas Business (Steel Business / Raw Material Business)
- Group Management Strengthening

4. Carbon Neutral Vision 2050

Business Results FY2025 Underlying BP

◆ Despite a more challenging environment including tariff impacts, troubles, and one-off effects (-¥70.0bn.), we exceeded the Feb. 5 forecast, supported by cost reductions at domestic works and improvements at group companies. Underlying consolidated BP reached ¥650.4bn. (+¥30.4bn. from previous forecast).
◆ In addition to underlying BP improvement (+¥30.4bn.), inventory valuation and FX gains driven by higher raw material prices and yen depreciation (+¥63.7bn.) lifted profit to ¥17.1bn. (+¥87.1bn. from previous forecast).
◆ Dividend unchanged from previous forecast: ¥24 per share (to be proposed at the AGM).

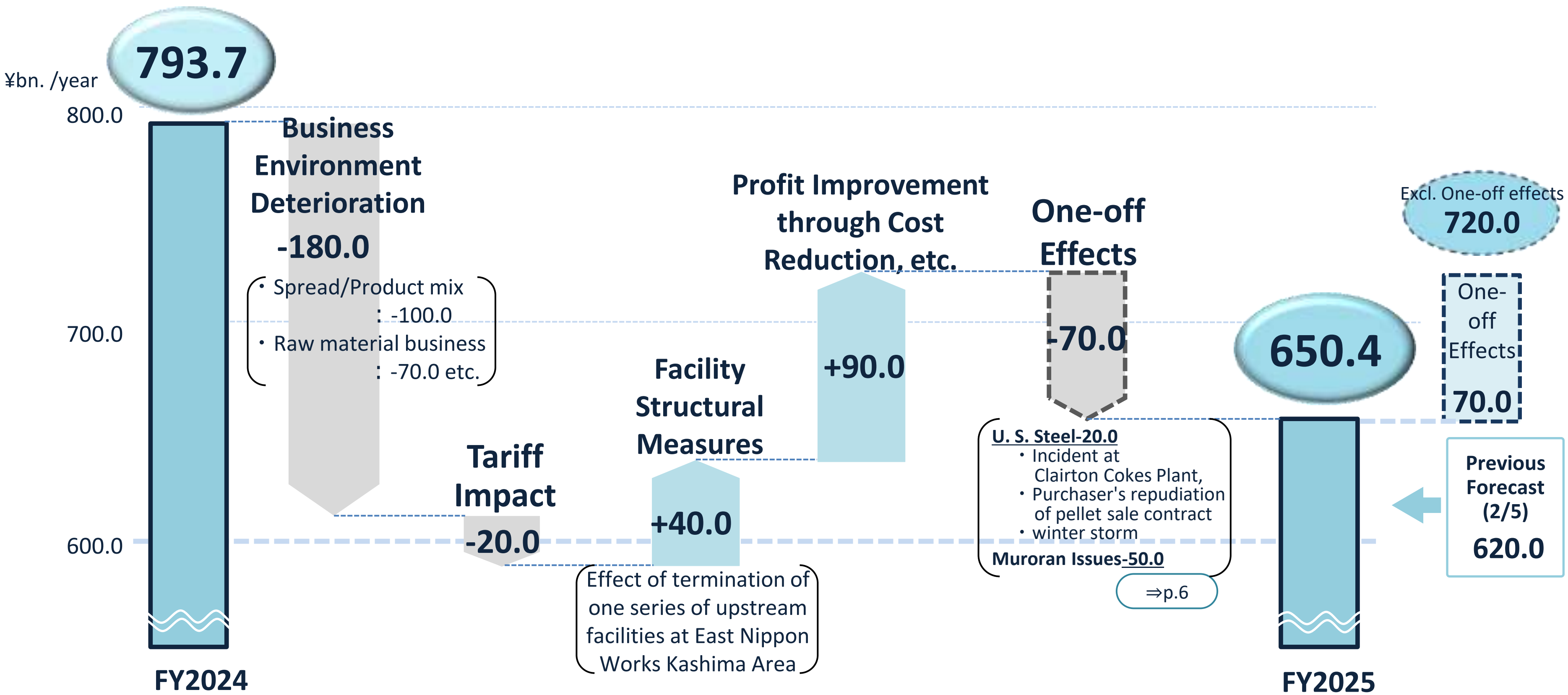
	FY2024	H1	Q3	**Q4**	**H2**	**FY2025**	*Change from prev. forecast as of Feb. 5th*	*Change from FY2024*
Revenue (¥bn.)	8,695.5	4,635.6	2,620.6	2,806.8	5,427.5	10,063.2	*+63.2*	*+1,367.7*
Excl. U. S. Steel	793.7	323.5	170.8	**161.7**	**332.4**	***656.0***	*+36.0*	*-137.7*
U. S. Steel	—	22.2	(18.8)	**(8.9)**	**(27.7)**	**(5.6)**	*-5.6*	*-5.6*
Underlying BP **Excl. Inventory val. etc.**	793.7	345.7	152.0	**152.8**	**304.7**	***650.4***	*+30.4*	*-143.3*
Inventory valuation etc.	(110.5)	(118.2)	(23.4)	5.1	*(18.2)*	*(136.3)*	*+63.7*	*-25.8*
Consol. BP (¥bn.)	683.2	227.5	(128.6)	**157.9**	***286.5***	***514.1***	*+94.1*	*-169.1*
ROS	7.9%	4.9%	4.9%	5.6%	5.3%	5.1%	*+0.9%*	*-2.7%*
Additional Line Items	(135.2)	(230.3)	(18.7)	(22.1)	*(40.8)*	*(271.2)*	*-1.2*	*-136.0*
Profit[*1] **ROE**	350.2 6.9%	(113.3) -4.3%	68.3	**62.1**	**130.5** 4.9%	***17.1*** *0.3%*	*+87.1*	*-333.1*
Dividend[*2]	¥32	¥12			**¥12**	***¥24***	-	*-¥8*
FX (USD/JPY)	153	146	153	155	154	150	-	*3yen app*

*1：Profit attributable to owners of the parent. *2：After stock split

FY2025 Underlying BP Change from FY2024

◆ **Structural Measures and Cost Reductions Driving Earnings Improvement**: Fully realized the benefits of structural measures and investments. Addressed declines in production and shipments as structural challenges and promoted reductions in fixed-cost levels.

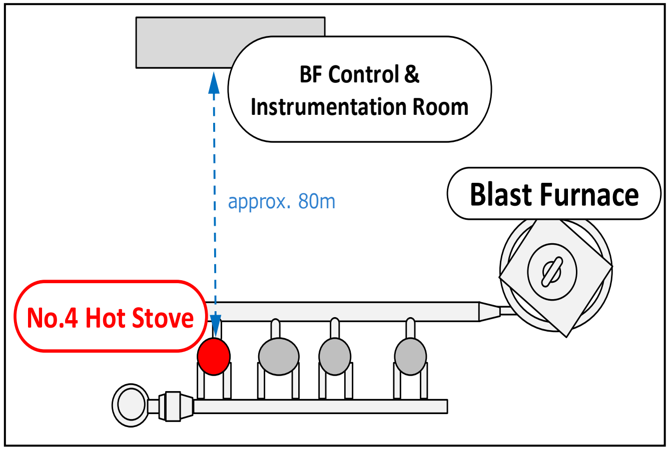
◆ **Deteriorating Business Environment**: The global steel environment remains under sever pressure. In China, a widening supply-demand gap driven by economic slowdown has led to increased exports of low-priced steel due to excess production, weighing on global market conditions.



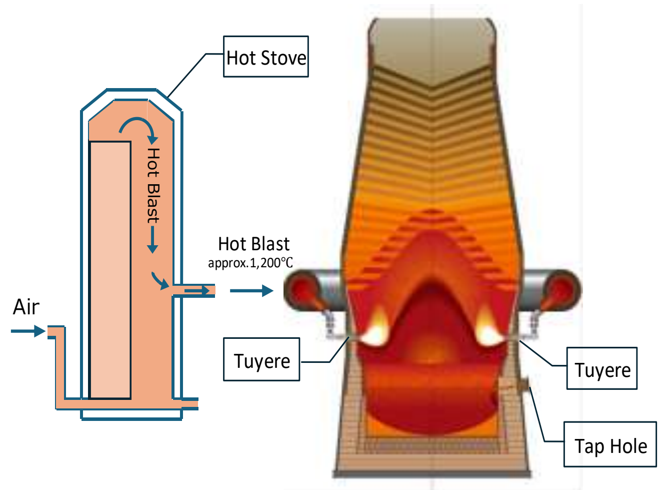
Overview of the Ironmaking Process Issue at the Muroran Area, North Nippon Works

	Blast Furnace Issue (Occurred in 2025.9)	Hot Stove Issue (Occurred in 2025.12)
Abstract of the Issue	・Occurred on September 10, 2025 ・Temperature drop inside the blast furnace impeded tapping, leading to suspension of operations.	・Occurred on December 1, 2025 ・No.4 hot stove, equipment supplying hot blast to the blast furnace, was damaged. ・Refractory materials inside the stove were scattered, causing damage to the BF control and instrumentation room and leading to suspension of operations. ・No injuries were reported.
Status of Actions Taken to Date	・Partial hot blast supply to the blast furnace resumed in late September, followed by a return to normal operations in late November. ・With the understanding and cooperation of customers, the Group ensured stable deliveries by utilizing alternative production at other facilities, including Sanyo Special Steel.	・The remaining Hot Stoves No.1–3 were inspected and partially reinforced, confirming that there are no indications of recurrence risk. ・Hot blast supply to the blast furnace was resumed on April 11, and we are currently working toward stable operations. ・With the continued cooperation of customers, the NSC Group is responding in a coordinated manner, including through Sanyo Special Steel.
Impact on FY2025 Underlying BP	・Approx. ¥10.0 bn. (As reported in FY2025 Q3 release)	・Approx. ¥40.0 bn. (As reported in FY2025 Q3 release)

【Blast Furnace Area Layout (Bird's-eye View)】



【Overview of the Blast Furnace and Hot Stove】

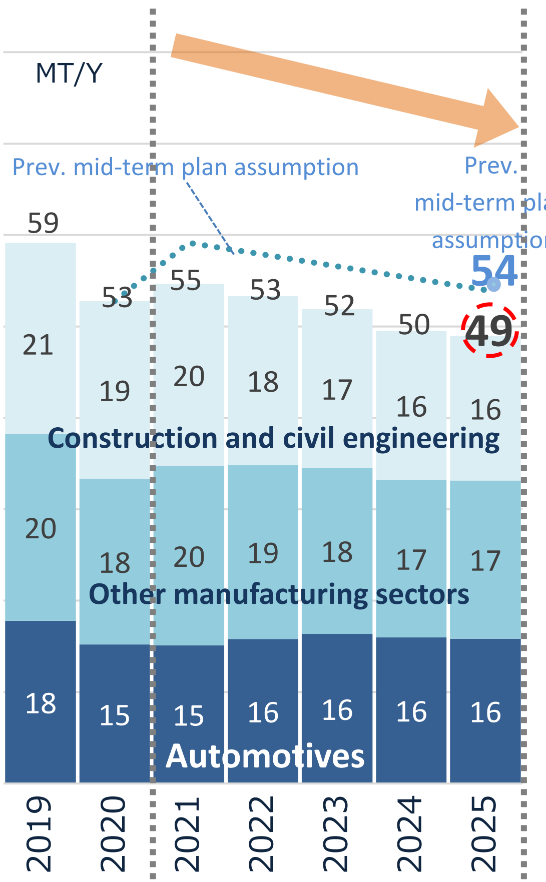


Change of Domestic and Overseas Business Environment

The business environment deteriorated significantly beyond initial mid-term assumptions.

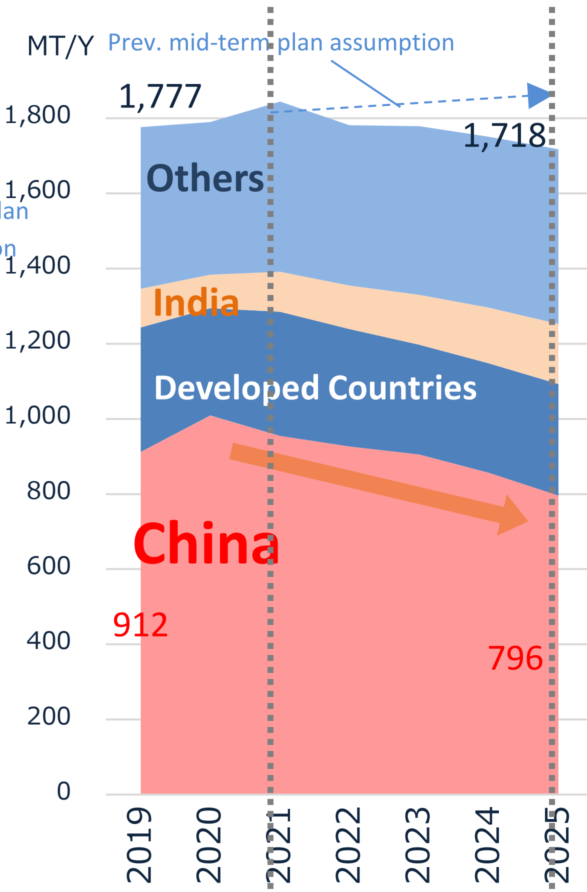
Domestic Steel Demand

<Prev. Assumption>⇒<FY2025>
54mn. t/year ⇒49mn. t/year



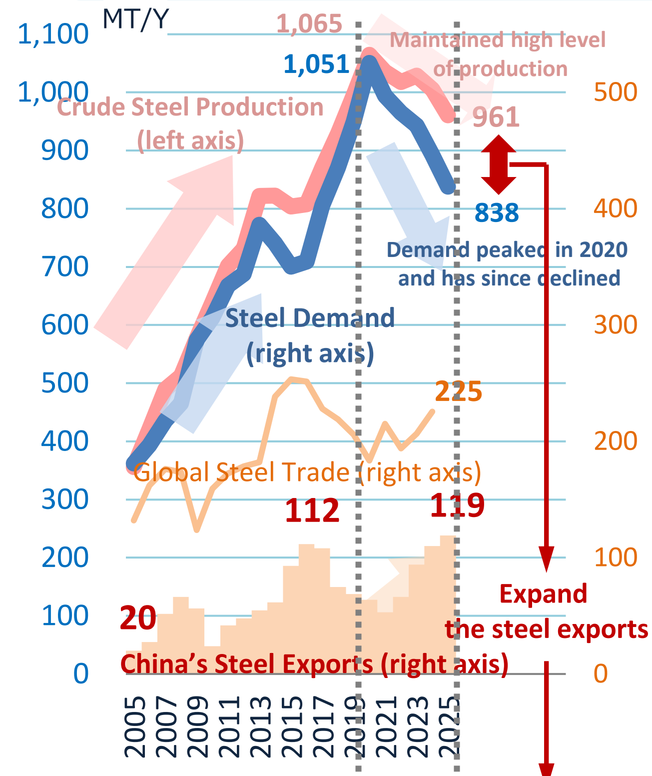
Global Steel Demand

<Prev. Assumption>⇒<FY2025>
Grow moderately ⇒Decline



China's demand/supply, Steel Exports

<Prev. Assumption> ⇒<FY2025>
Exports remained low⇒Reached a record high



ASEAN HRC Steel Spread
<Prev. Assumption>⇒<FY2025>
approx. $200/t ⇒ approx. $140/t

Domestic Steel Business：Build a Lean and Resilient Structure Capable of Withstanding Declining Domestic Demand and Export Difficulties

Facility structural measures

Total number of BFs

2019 → 2026.3E

15 ⇒ 10units -5units

Crude steel production capacity

50 ⇒ 40mn. t/Y -20%

Cost reduction : Approx. ¥150.0 bn./Y

Reduction in fixed cost

Additional Initiatives **Spread improvement in direct contract sales**

- **Reflection in steel prices of our high value-added product qualities and solutions**

&

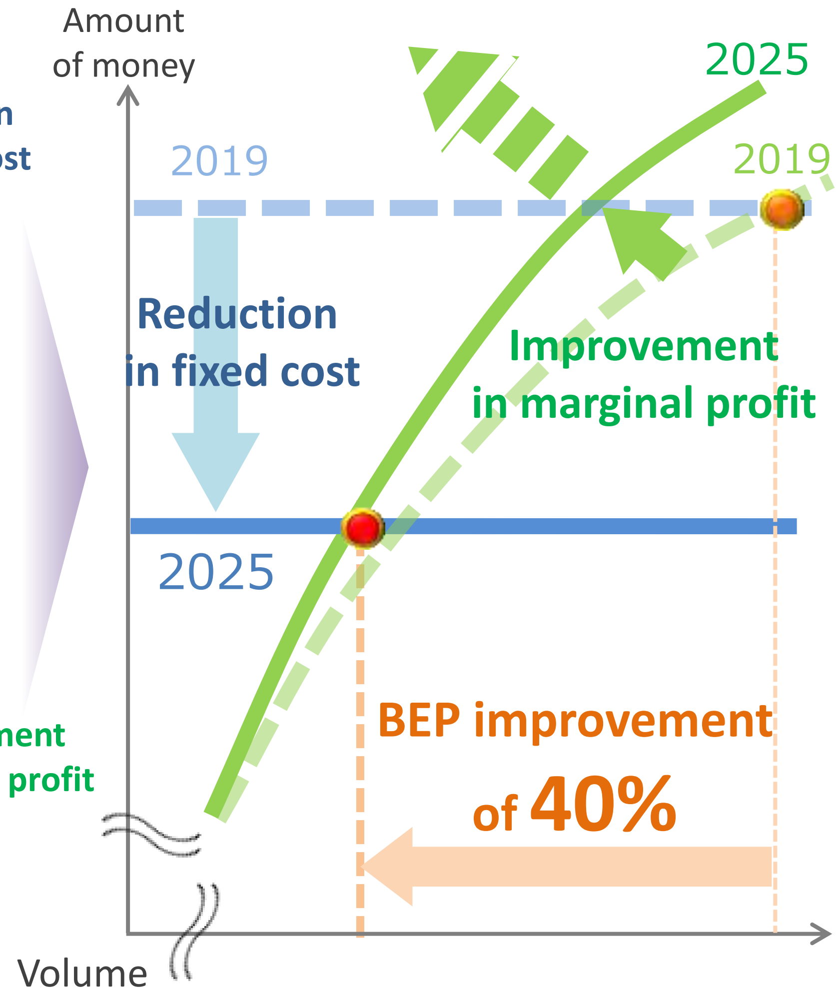
- **A fair allocation of cost burden for raw materials and commodities**

Improvement in marginal profit

Sophistication of order mix

High-value added products | Commodities

High-value added products | Commodities



Additional Initiatives (P.8-10) : Measures implemented in addition to the plan in the previous mid- to long-term period(2021～2025)

Domestic Steel Business: Improving Profitability through Reorganization of Group Companies

Strengthening the earnings base on a group basis: Annual synergies of ¥16.0 bn. (FY2025)

Additional Initiatives

	Category	Project	Timing	
Wholly Owned Subsidiary Conversion /Absorption Mergers of Strategic Companies	Trading Company	Nippon Steel Trading Subsidiarization and privatization	2023.4 Subsidiarization 2023.6 privatization	Enhancing commercial strength and creating value via the entire supply chain
	Specialty Bar /Wire rod	Sanyo Special Steel Wholly Owned Subsidiarization	2025.4	Optimization of Production System Reinforcing integration across sales and logistics functions
	Stainless	NS Stainless Steel Absorption mergers	2025.4	Strengthening human resources and enhancing development, sales, and technical capabilities
	Refractory	Wholly Owned Subsidiarization of Krosaki Harima	2026.4	Enhancing collaboration in global expansion, improving cost competitiveness, and developing refractories for EAF
Enhancing Organizational Resilience through Group Company Integration	Domestic ERW	Business Integration and Reorganization of NS Pipe Pipes for Buildings⇒NS Metal Products Mechanical Pipes⇒Nippon Steel	2025.4	Strengthening the business foundation and efficiency while enhancing sales power and optimizing manufacturing structure
	Mechanical Pipe	NS Finetube NS Katakura Tube・Tsurumi Steel Tube・NS Pipe Finetube ＜96%＞	2026.1	Optimization of production in the mechanical tube drawing sector
	Plate Shearing (Shipbuilding)	TAIYO-SAKAKO CORPORATION Taiyo Shirring/Sakako ＜77%＞	2022.4	Strengthening the business base through resource sharing Diversifying the order mix
	Plate Shearing (Steel Structure/Bridge)	NIPPON STEEL KOBELCO SHEARING CORPORATION NS KOBELCO SHEARING/Fuji Steel Center ＜55%＞	2025.10	Streamlining of management Improving operational efficiency
	bars, wire rods Secondary processing	NS PROCESSING Matsubishi Metal Industry/NS Wire Rods Processing/NS Wire ＜68%＞	2023.10	Strengthening sales capabilities / Enhancing product competitiveness Strengthening supply chain resilience and BCP etc.
<voting rights ownership (%)>	Slag Cement	NS Blast Furnace Slag Cement NS Blast Furnace Slag Cement/NS Cement <90%>	2026.4	Strengthening the business foundation and efficiency Enhancing sales power, technical expertise, and product development capabilities

Overseas Business： Developing a Robust Business Structure with Vertical and Horizontal Expansion

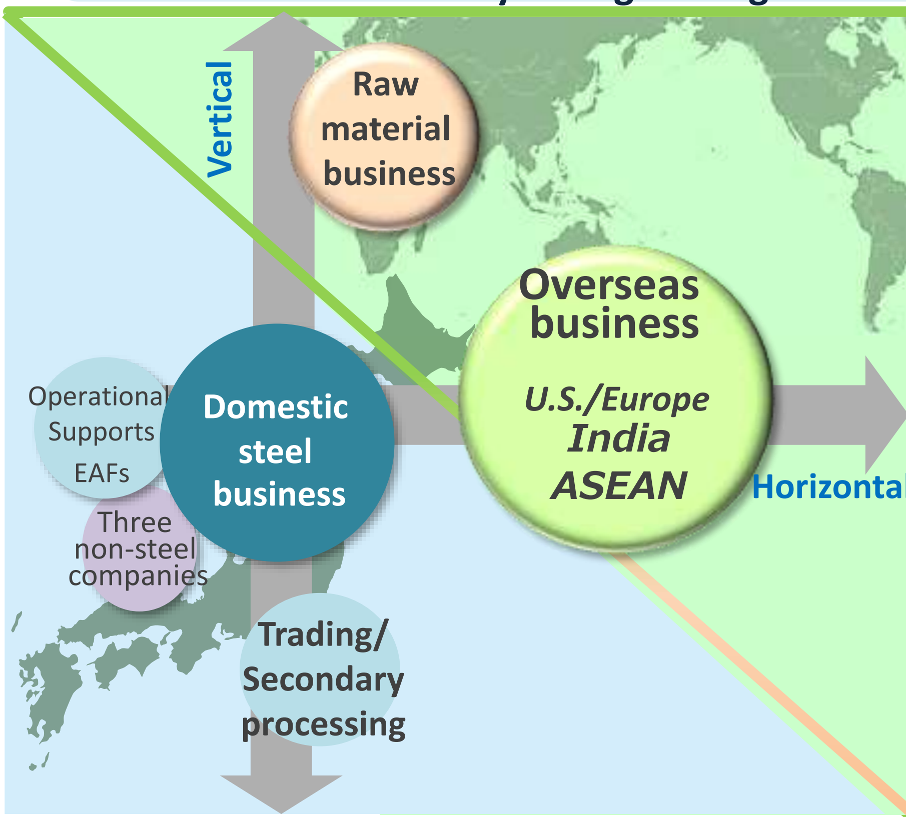
Gradual decline in domestic steel demand
population decrease and challenges
in both direct and indirect exports

Expansion of trade measures worldwide
Long-term downturn in global steel spreads due to supply-demand gap in China

<Overseas Business> Strengthened our presence in key growth regions as an insider, while divesting from non-core businesses lacking long-term economic rationale

<Raw Material Business> Building a raw materials business: ensuring stable access to high-quality raw materials and mitigating cost volatility

Steadily strengthening the foundation for sustainable growth



<Major Initiatives>

Overseas Business
Deepen and expand

Less affected by China steel market
- High-grade steel market: **U.S./Europe**
  ⇒**U. S. Steel Acquisition** (incl. USSK) — Additional Initiatives
- Growing: **India**
  ⇒**AM/NS India, Capacity Expansion in Hazira Works**
  Land acquisition in Rajayyapeta — Additional Initiatives
- Home Market: **ASEAN**
  ⇒**Thailand G/GJ Steel Acquisition** — Additional Initiatives

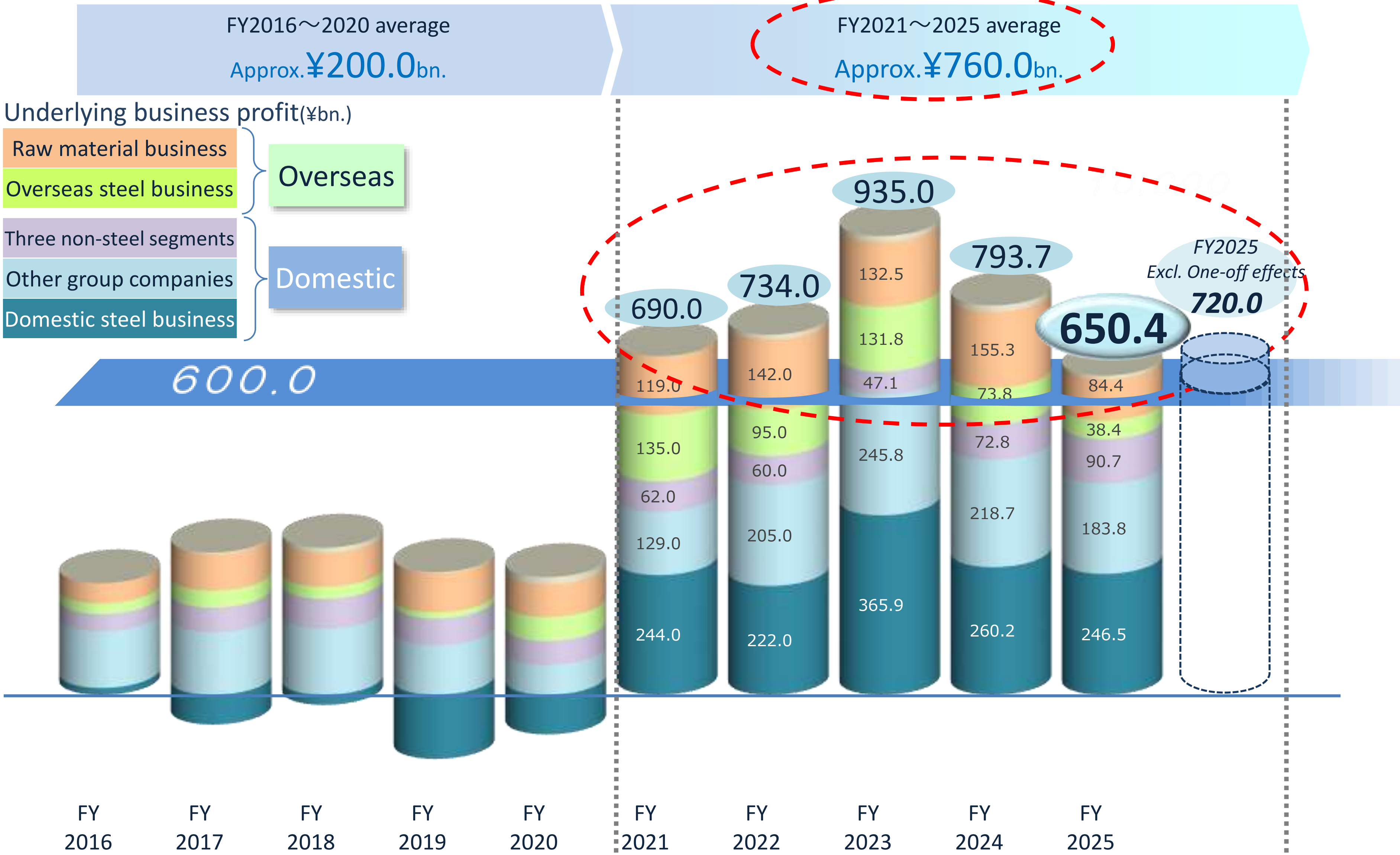
Major divestments
⇒**USIMINAS、 BNA etc.** — Additional Initiatives

Raw Material Business
Vertically-integrated business structure

Raw Material： From procurement to business
From a minority investment to an equity-method investment — Additional Initiatives
(Coal) **Blackwater、 EVR JV**

Summary of the 2025 Medium- to Long-term Management Plan (Underlying BP Trend)

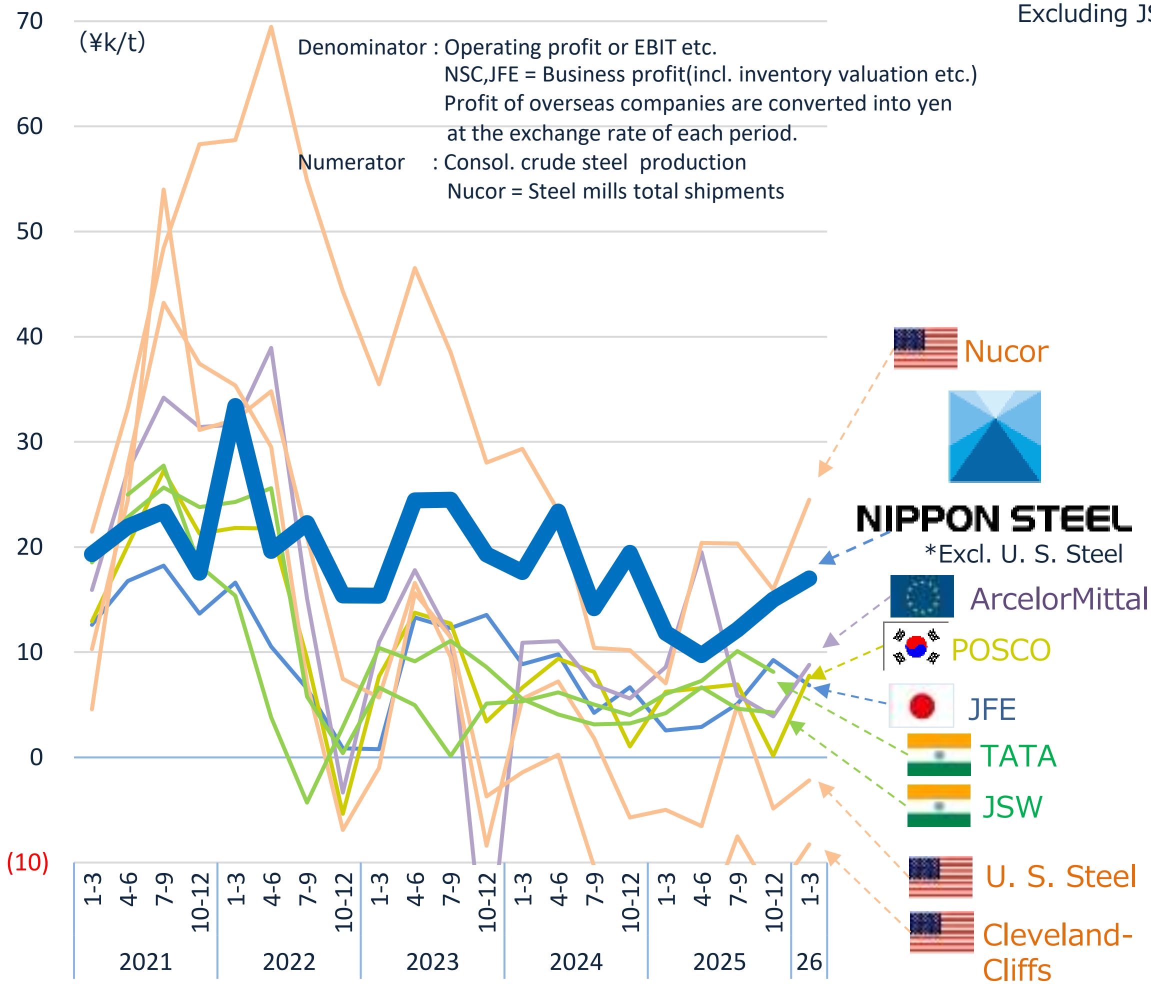
Sustained a high level of underlying BP despite conditions being significantly harsher than initially assumed under the mid-term plan



Stable and High Level of Profits Despite Unprecedentedly Harsh Business Environment

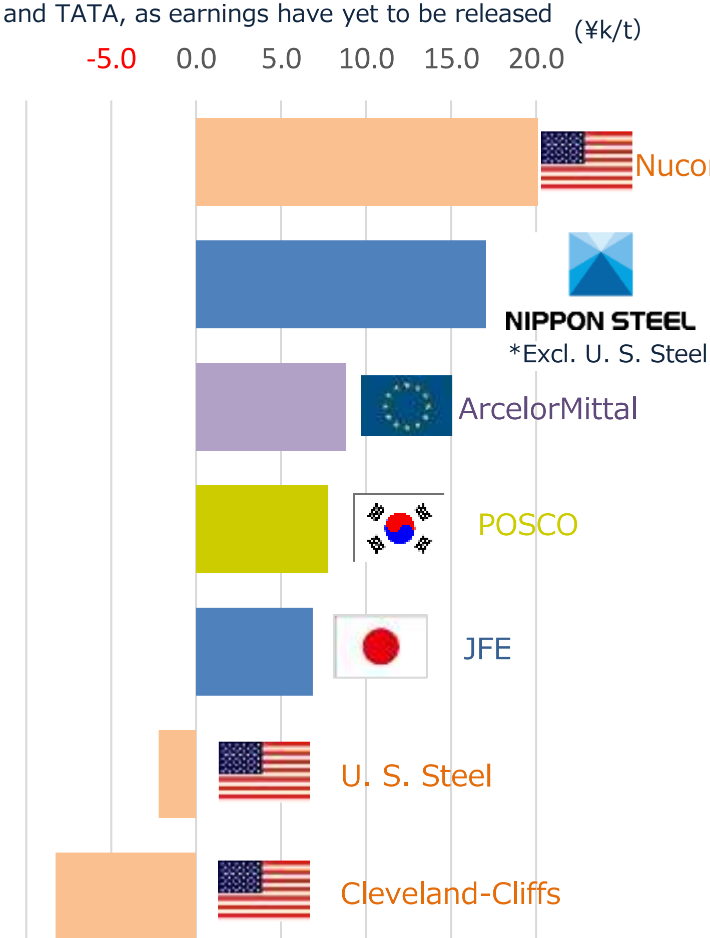
Superior profitability among world-leading steel manufacturers from Apr-Jun 2024

Change in Profit per ton of Crude Steel



Profit per ton of Crude Steel (Jan.-Mar. 2026)

Excluding JSW and TATA, as earnings have yet to be released



Data source : Bloomberg and each company's financial results

Asset Streamlining

Approx.¥100.0 bn. in FY2025

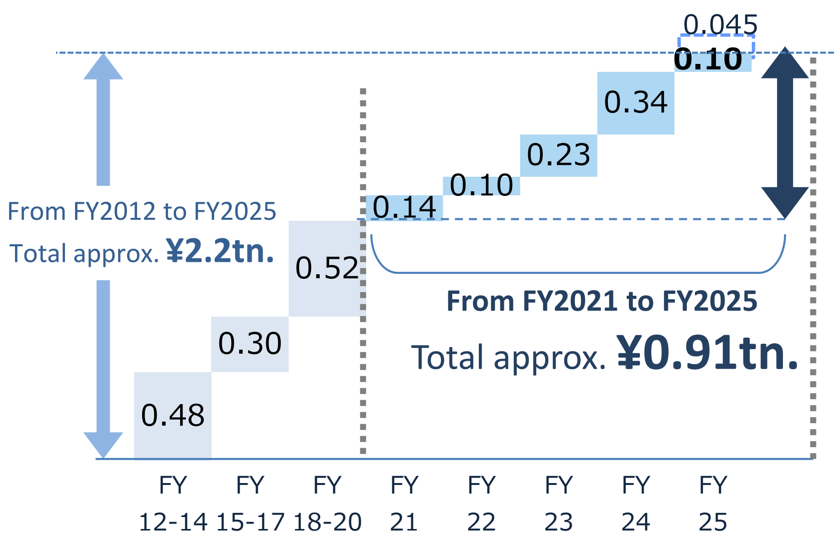
Approx. ¥910.0 bn. in 2025 mid-term (from 2021 to 2025)

Asset Streamlining

FY2025 : Approx. ¥100.0 bn.

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

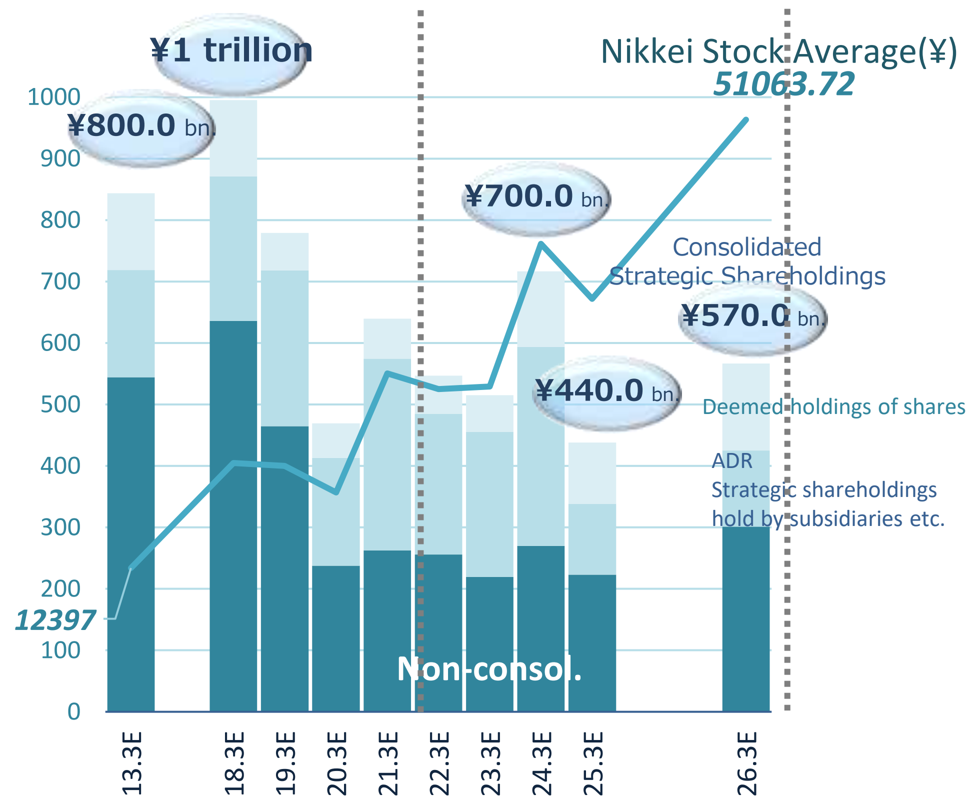
[not included] transfer of stake in USIMINAS : ¥45.0 bn.



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

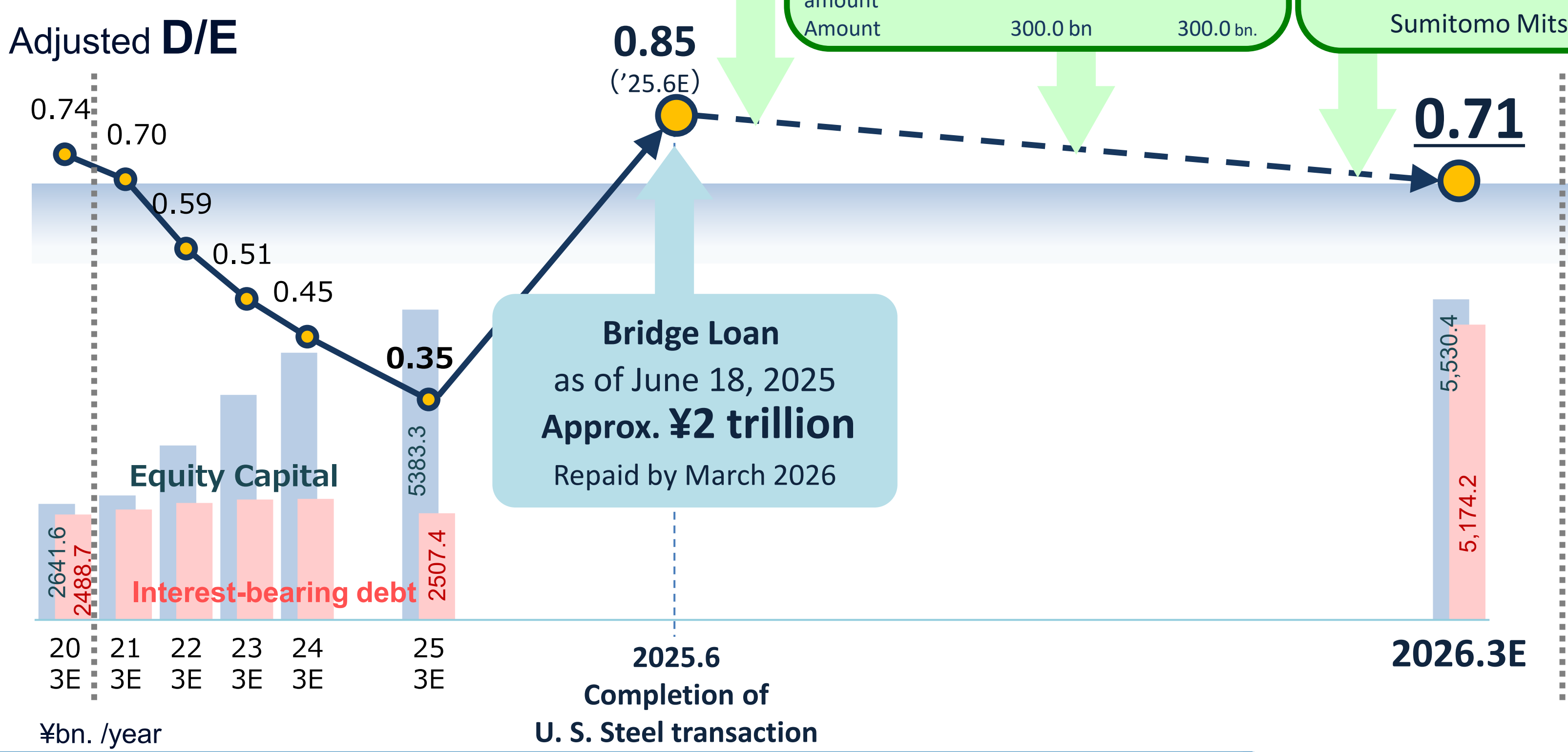
Completion of Permanent Financing Arrangement for the Bridge Loan for the Acquisition of U. S. Steel

Sep. 18, 2025
Yen-denominated hybrid loan
¥500.0 bn
50% capitalization approved

Announced on 2026.2.24
3.12 Payment completed
Convertible Bond
¥600.0 bn.

Redemption date	2029.2.14	2031.2.14
Conversion price	730.3yen/share	737.0 yen/share
Redemption amount	104.16%	104.1%
Amount	300.0 bn	300.0 bn.

Announced on 2026.3.18
JBIC Co-financing
¥900.0 bn.
Japan Bank for International Cooperation
MUFG Bank
Sumitomo Mitsui Banking Corporation
Mizuho Bank
Sumitomo Mitsui Trust Bank



Key Finacail Indicators

- **Temporary decline in profitability and capital efficiency due to a greater-than-expected deterioration in domestic and overseas business environments and the front-loaded implementation of overseas growth strategies and domestic group restructuring investments to achieve profit growth** (->(1)(2)(3)(5)(6))
- **While maintaining financial discipline through optimal financing** (->(4))

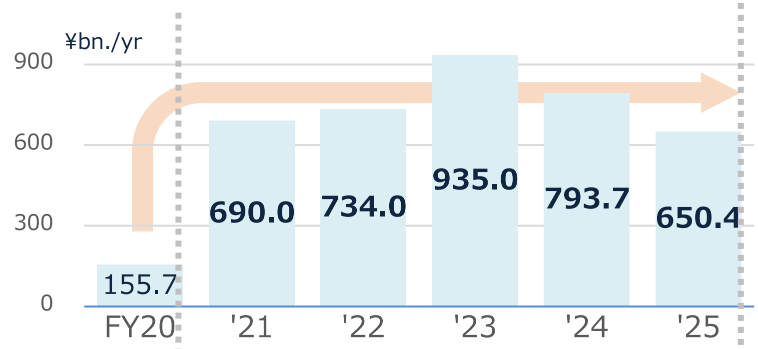
Finance Indicators

	2025 Medium- to Long-term Management Plan	*FY2025*	2030 Medium- to Long-term Management Plan
(1) **Underlying BP**	Not disclosed	*¥650.4 bn.*	¥1 tn. /Y or more (Domestic ¥500.0 bn. or more; Overseas ¥500.0 bn. or more)
(2) **ROS** (Return on Sales)	Approx. 10%	*5.1%*	Not disclosed
(3) **ROE** (Return on Equity)	Approx. 10%	*0.3%* Excl. One-off effects approx. *6*%	Approx. 10%
(4) **D/E** * (Debt/Equity Ratio)	0.7 or less	*0.71*	Approx. 0.7
(5) **DEBT/EBITDA** *	Not disclosed	*4x*	3.5x or less
(6) **Capital & Business Investment**	FY2021~2025 ¥3 tn./5yr	*FY2021~2025 Approx.¥7.5tn./5yr*	Approx. ¥6 tn./5yr

*Adjusted for capitalization, etc.

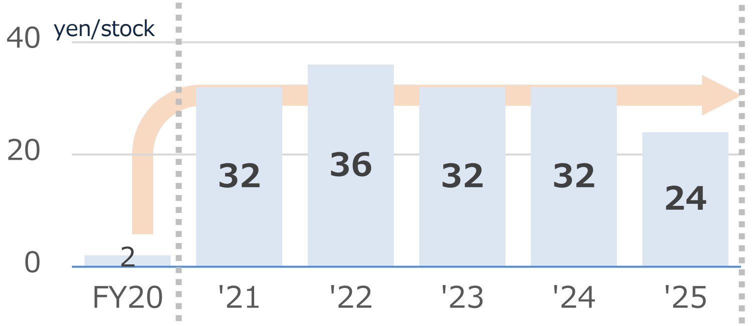
Shareholder Returns and Market Valuation

Underlying BP



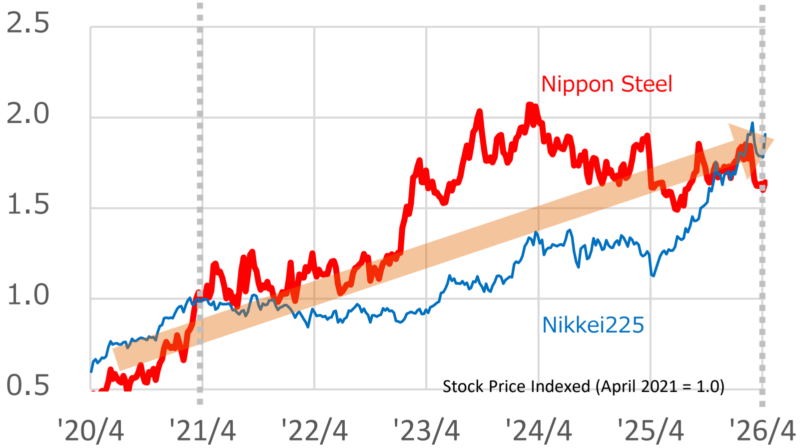
- Establishing a profit structure that ensures stable and high level of profit
- Promoting strategies for further growth

Dividend



- Maintaining a high level of dividends in response to earnings fluctuations, backed by a stable earnings base, in line with the dividend policy (target consolidated payout ratio of 30%)

Stock Price



- Market valuation has improved, supported by a stable earnings base and high level of shareholder returns
- Currently under pressure, reflecting the challenging business environment affecting the steel industry as a whole
- While strengthening the earnings base for future growth

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4. Carbon Neutral Vision 2050

FY2026(f) Earnings Forecast (Excl. Middle East Impact)

- FY2026 forecast for underlying BP is **¥700.0 bn** or more**(H1:¥300.0bn. ,H2:¥400.0bn.,H2 on an annualized basis ¥800.0bn.** or more**)**
- **U. S. Steel is expected to post a significant increase in underlying BP(+¥106.0 bn. vs. FY2025)**
  Even excluding U. S. Steel, underlying BP is expected to reach ¥600.0 bn.
- FY2026 forecast for **Profit is ¥220.0 bn.** ,reflecting a substantial reduction in one-off, additional line items recorded in FY2025.
- **Impact of the situation in the Middle East on FY2026 results cannot be reasonably quantified at this time and is therefore excluded from the forecast** =>next page

Excl. Impact of the situation in the Middle East

¥bn.	H1	H2	FY 2025	H1(f)	H2(f)	FY 2026(f)	vs. FY2025
Revenue (¥bn.)	4,635.6	5,427.5	10,063.2				
Excl. U. S. Steel	323.5	332.4	*656.0*	*230.0*	*370.0*	**600.0**	*-56.0*
U. S. Steel	22.2	(27.7)	(5.6)	*70.0*	*30.0*	**100.0** or more	*+105.6*
Underlying BP Excl. Inventory val. etc.	345.7	304.7	*650.4*	***300.0***	***400.0***	**700.0** or more	*+49.6*
Inventory valuation etc.	(118.2)	*(18.2)*	*(136.3)*	*(80.0)*	*(90.0)*	(170.0)	*-33.7*
Consol. BP (¥bn.)	227.5	*286.5*	*514.1*	*220.0*	*310.0*	**530.0**	*+15.9*
ROS	4.9%	5.3%	5.1%	*4.1%*	*5.5%*	4.8%	*-0.3%*
Additional Line Items	(230.3)	(40.8)	*(271.2)*	-	*(30.0)*	(30.0)	*+241.2*
Profit*1	(113.3)	130.5	*17.1*	*90.0*	*130.0*	**220.0**	*+202.9*
Dividend (¥/share) *2	12	12	*24*	*12*	*12*	**24**	-
FX (JPY/USD)	146	154	150	*155*	*155*	155	*5 yen dep*

*1 : Profit attributable to owners of the parent　*2 : After stock split

Impact of the situation in the Middle East

- **Owing to the globalization and functional specialization of supply chains,** developments in the Middle East can **ripple across the global economy**. In addition, as the Middle East has become an **increasingly important export market for many countries due to the expansion of its economic scale**, these factors are expected to have an **extremely significant impact on demand across a wide range of industries**.
- In the steel industry, which underpins many other industries, **NSC serves an exceptionally broad range of industries and regions**, reflecting its **diverse product portfolio and global footprint**.As a result, **the overall impact cannot be comprehensively or reasonably assessed at this point in time**.

Expected Impact

(1) Impact on Costs and Production

Rising costs of thermal coal / heavy fuel oil / LNG, electricity, ferroalloys, materials and equipment, petroleum products, as well as higher freight costs driven by elevated energy prices, among others.

Impact on production across the Company and its domestic and overseas group companies, including for example:Suspension of processes such as coating and cleaningSuspension of testing and analysis due to difficulties in procuring heliumReduced production resulting from procurement difficulties for naphtha and other inputs, leading to shortages of materials and equipment, among others.

(2) Impact on Steel Shipments and Steel Supply–Demand Balance

NSC's direct exports, including flat products such as HRC and seamless pipes.

Impact on NSC Group arising from reduced production and shipments by customers, including:Declines in exports of automobiles, machinery, and other products destined for the Middle East(i.e., indirect exports of steel products), Reduced demand for steel products due to a slowdown in the global economy, etc.

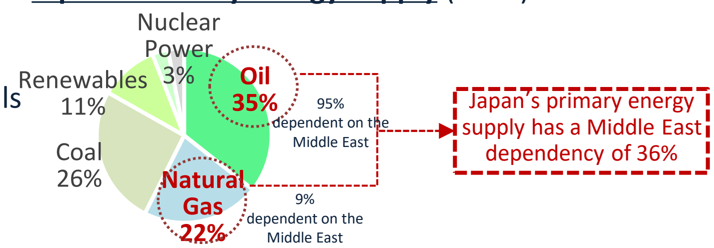
Deterioration of the supply–demand balance resulting from the inflow of Chinese steel products originally destined for the Middle East into other regions.

Impact on Business Profit

As a direct impact on NSC that has already begun to materialize, an impact of **approx. -¥50.0 bn. is expected in the Q1**.

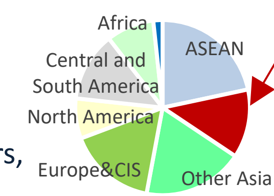
However, as there is no clear outlook for the resolution of the situation, **the impact on NSC's full-year FY2026 performance cannot be quantitatively assessed at this time**.

Japan's Primary Energy Supply (2022)



Global Steel Trade Volume (231 Mn. t/Y), (2025)

[Steel imports by region]



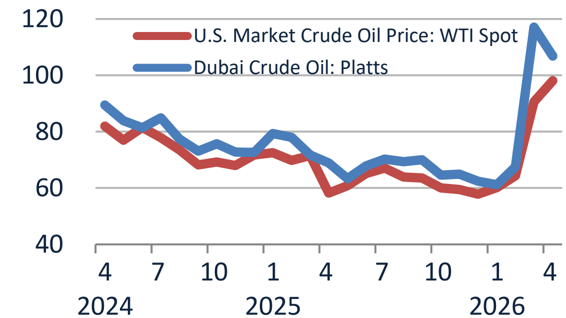
Middle East approx.**29**Mn.t/Y

(approx. 13% of global trade)

[Major sources of imports]

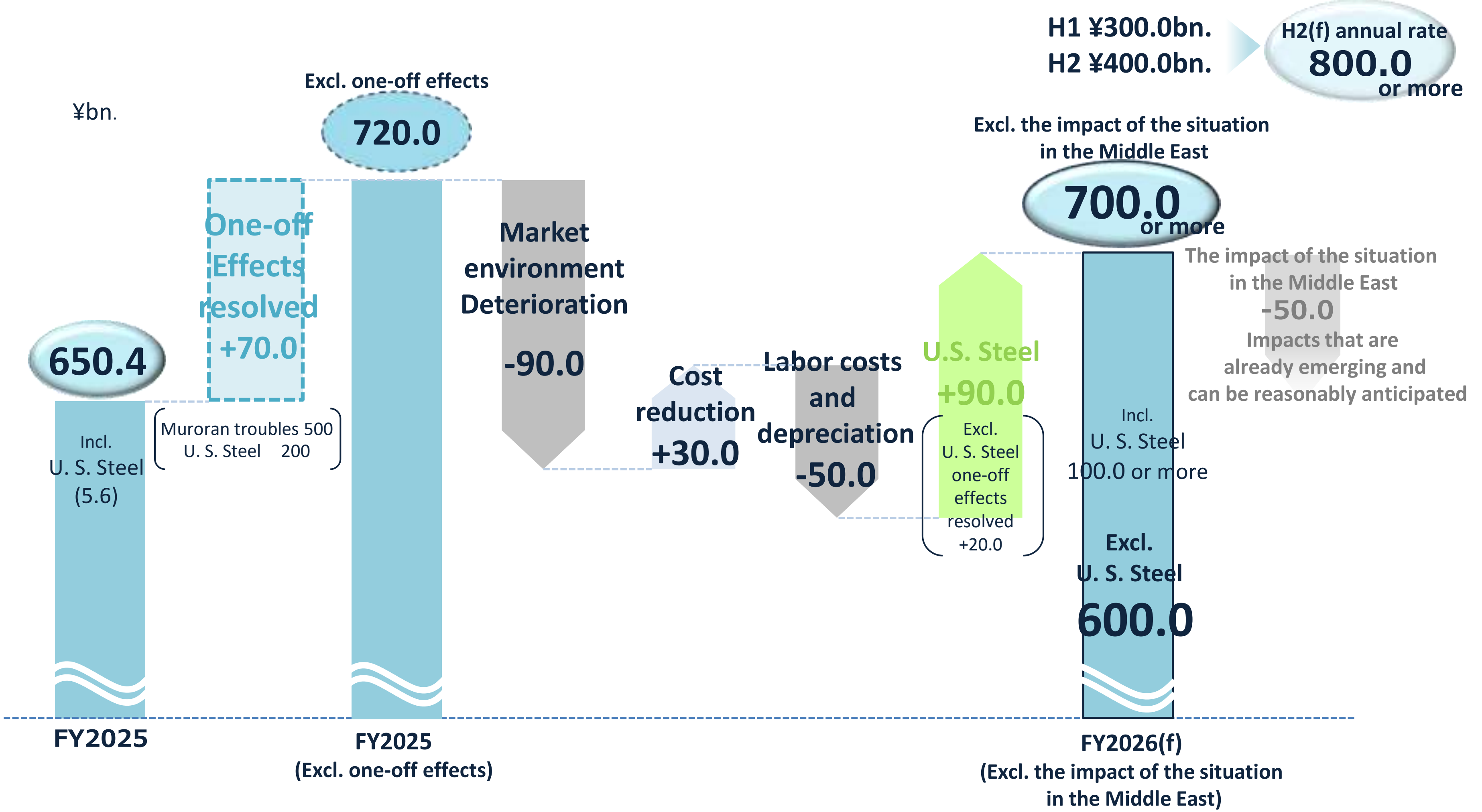
China	**68%**
Europe&CIS	10%
South Korea	8%
Other Asia	7%
Japan	6%

Trends in Crude Oil Prices



FY2026(f) Underlying BP : Change from FY2025

● **FY2026(f) Underlying BP : Excluding the impact of the situation in the Middle East, underlying BP is expected to reach ¥700.0 bn., with the H2 projected at an annualized rate of ¥800.0 bn. ,** of which U. S. Steel is expected to contribute more than ¥100.0 bn.

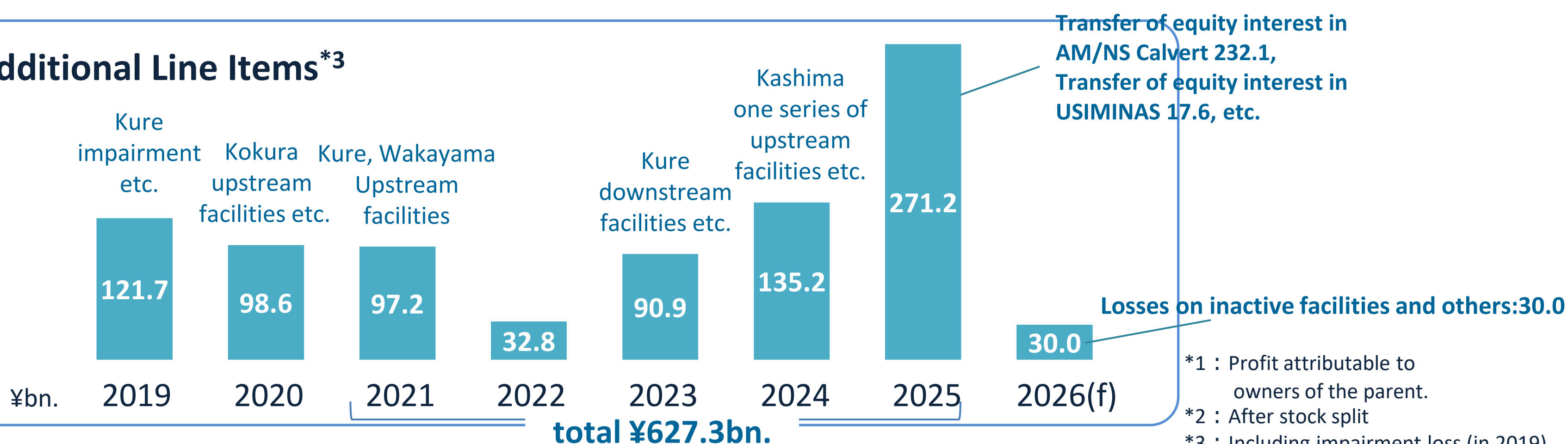


FY2026(f) Profit (Excl. Middle East Impact)

Large-scale losses on inactive facility have largely run their course by FY2024. Profit for FY2026 is projected to be ¥220.0 bn., reflecting the absence of large-scale losses on inactive facility, while interest expenses are expected to increase due to rising interest rates and other factors.

¥bn.	FY 2024	H1	H2	FY 2025	Excl. One-off effects associated with U. S. Steel transaction FY 2025	H1(f)	H2(f)	FY 2026 (f)
Consol. BP	683.2	227.5	286.5	514.1	Approx. 540.0	220.0	310.0	530.0
Additional Line Items	**(135.2)**	**(230.3)**	**(40.8)**	**(271.2)**	**(39.1)**	**-**	**(30.0)**	**(30.0)**
Profit*1	**350.2**	**(113.3)**	**130.5**	**17.1**	Approx. **270.0**	**90.0**	**130.0**	**220.0**
EPS (¥/share) *2	**70**	**-21**	**24**	**3**	Approx. **50**	**17**	**25**	**42**

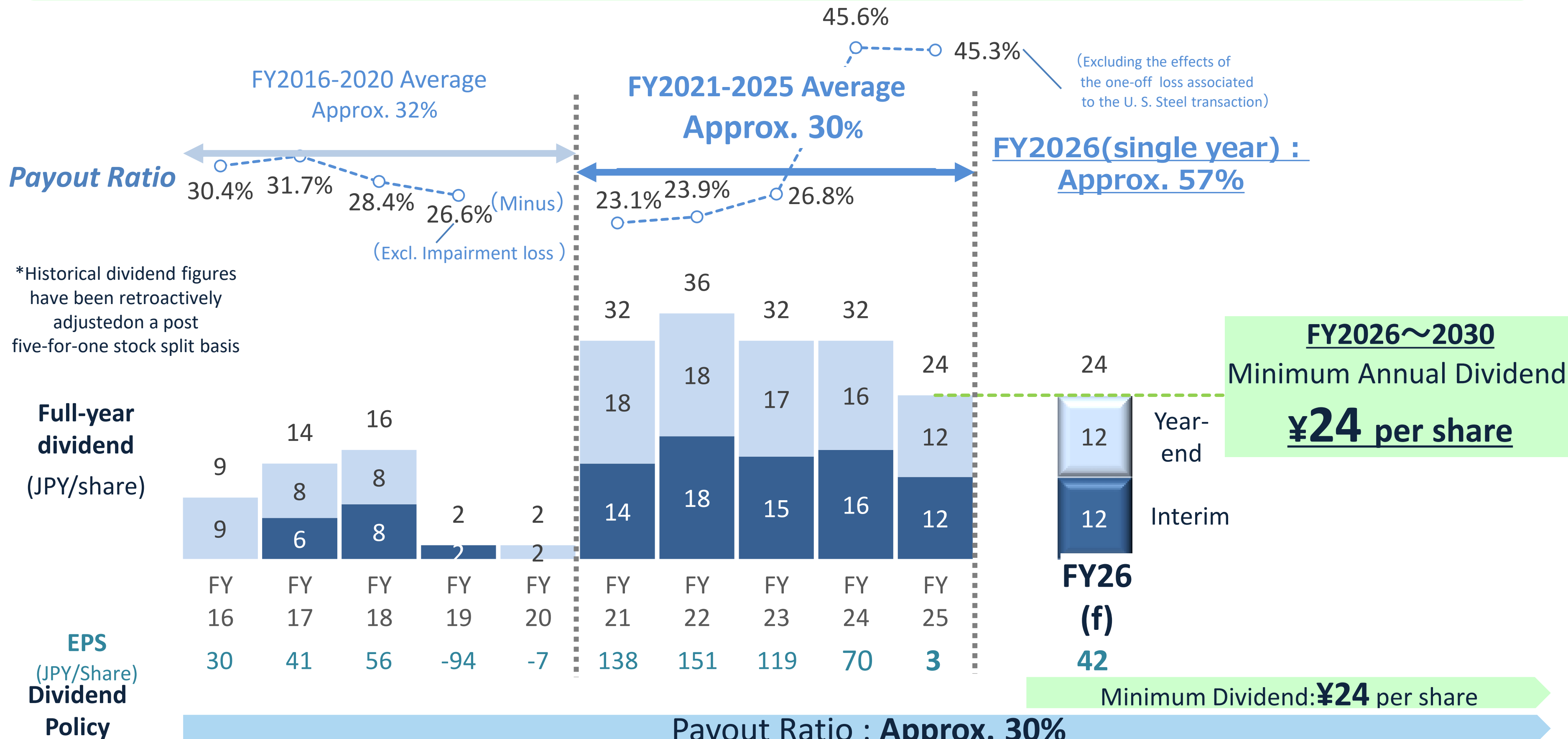
Additional Line Items*3



*1：Profit attributable to owners of the parent.
*2：After stock split
*3：Including impairment loss (in 2019)

FY2026(f) Dividend

- **2030 Medium- to Long-Term Management Plan (FY2026–FY2030)**
  Maintain the current dividend policy (target payout ratio of approx. 30%) while introducing a **minimum dividend (¥24 per share)**
- **FY2026(f) Dividend**
  Although the impact of the Middle East situation on business results cannot be reasonably assessed, based on the minimum dividend level outlined above and other considerations, **a dividend of ¥24 per share is currently planned**



Agenda

1. FY2025 Earnings Summary and Review
 of 2025 Medium- to Long-term Management Plan

2. FY2026 Earnings Forecast

3. FY2026 Initiatives (Progress Toward the 2030 Midterm Plan)
 - Domestic Business (Steel Business / Three Non-Steel Segments)
 - Overseas Business (Steel Business / Raw Material Business)
 - Group Management Strengthening

4. Carbon Neutral Vision 2050

Accelerating Execution from the First Year of the 2030 Medium- to Long-Term Management Plan

Maximizing the Impact of Measures Implemented to Date and Front-Loading Initiatives under the 2030 Medium- to Long-Term Plan

Domestic
Enhancing profitability through further strengthening of the earnings base

Overseas
Driving significant profit growth through execution of the global growth strategy

Further Accelerating the Enhancement of the Group-wide Profitability

1. Further Strengthening the Competitive Advantage of the Domestic Steel Business

3. Maximizing Synergies from Group Restructuring

2. Enhancing Profitability of Existing Businesses and Further Expanding Scale in Key Overseas Regions

↓

Strengthening the Management Structure toward Establishing a New Local Production for Local Consumption Model

Promoting operational reform and streamlining

Strengthening the competitiveness of human resources

4. Operational Reform and Streamlining (Optimization of Domestic Organization and HR Structure)

↓

Achieving Overwhelming Competitivenessthrough Enhanced Productivity and Strengthened Technological and Sales Capabilities

Agile Allocation of Human Resources

↓

Expanding the Deployment of Domestic Human Resources to Overseas Operations
Strengthening Global Talent Capabilities

Establishing a Strong Competitive Advantage and Restoring Our Position as the World's Best Steelmaker

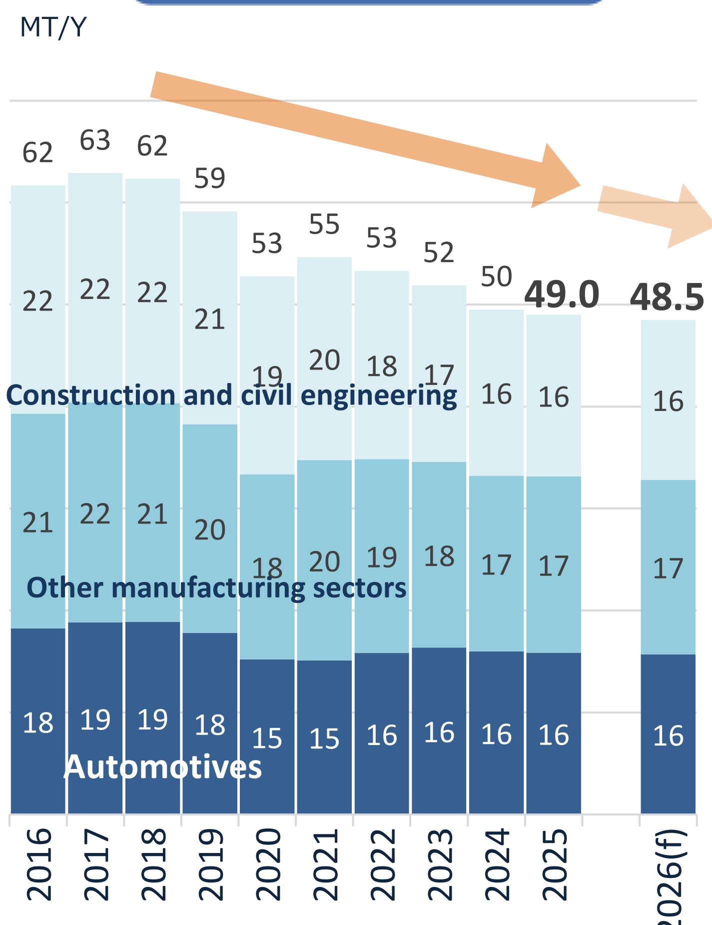
Outlook for Underlying Business Profit by Domestic and Overseas Business

(¥ bn.)	H1	H2	FY2025	Change From FY2024	H1(f)	FY2026 (f)	2030 Mid- to long-term Management plan
Consol. BP	227.5	286.5	**514.1**	*-169.1*	220.0	530.0	
ROS	4.9%	5.3%	5.1%	*-2.8%*	4.1%	4.8%	
Underlying BP	345.7	304.7	**650.4**	*-143.3*	300.0	Excl. the impact of the situation in the Middle East **700.0** or more	**1,000.0** or more
ROS	7.5%	5.6%	6.5%	*-2.6%*	5.6%	6.4%	
Domestic	257.9	269.7	**527.6**	*-37.0*	170.0	**470.0**	**500.0** or more
Domestic Steel Business	136.6	109.9	**246.5**	*-13.7*	60.0	**190.0**	
Other Group Companies	80.3	103.5	**183.8**	*-34.9*	75.0	**185.0**	
3 Non-steel Segments	36.0	54.6	**90.6**	*+17.8*	37.0	**95.0**	
Overseas	87.8	35.0	**122.8**	*-106.3*	130.0	**230.0**	**500.0** or more
Overseas Steel Business	47.3	(8.9)	**38.4**	*-35.4*	90.0	**155.0**	
Raw Material Business	40.5	43.9	**84.4**	*-70.9*	40.0	**75.0**	
Inventory valuation, etc.	(118.2)	(18.2)	(136.3)	*-25.8*			

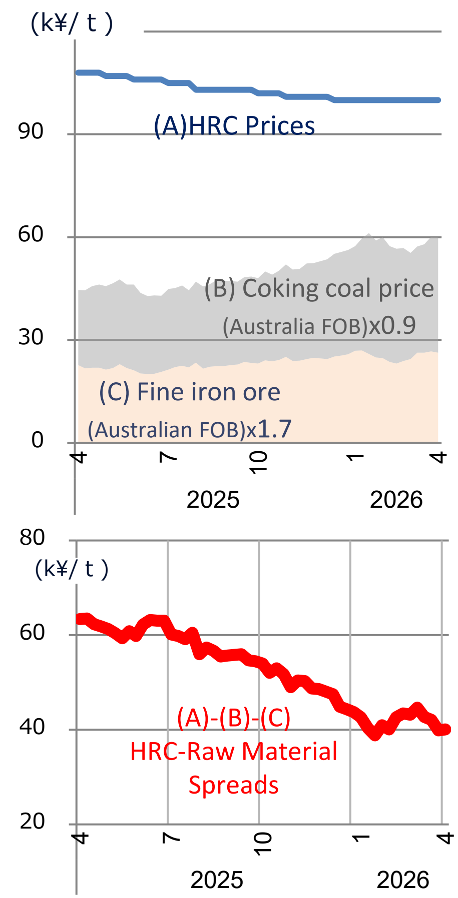
Domestic Steel Business Environment

- ◆Domestic demand is expected to continue declining.
- ◆FY2025: Market conditions and margins declined consistently throughout the year
  As a result, current spread levels (≈ FY2026 levels) are significantly lower than the previous year's average.
- ◆Finished auto exports remained generally flat. Continued close monitoring of trends in U.S. auto exports is required.

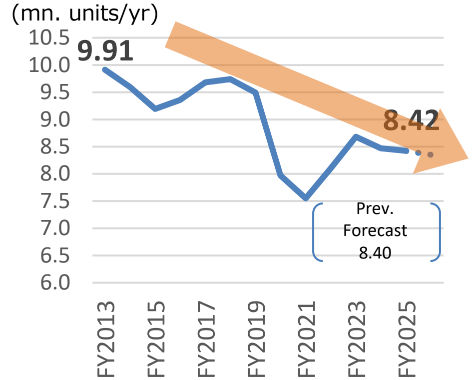
Domestic Steel Demand



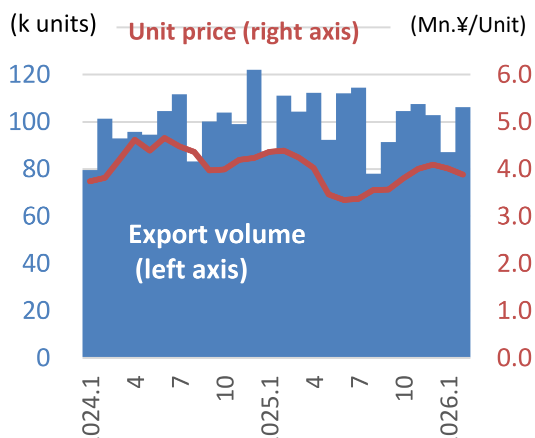
Domestic HRC Prices/Spreads



Finished auto production



Export of finished autos to the U.S.



Further Enhance the Overwhelming Competitiveness (1)

Thorough Pursuit of Cost Competitiveness

Fully utilizing the established production capacity, enhancing the competitiveness according to demand sectors and product types

- ◆ **Clarify the main role of flat roll production line, and make centralized production to improve efficiency**

Automotive Flat Products
Kimitsu/Nagoya/Yawata

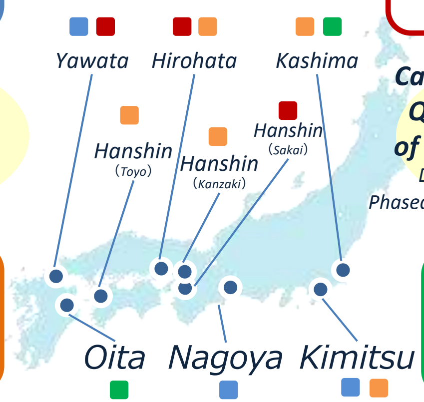
Nagoya/ Next-Generation Hot-Strip Mill
Decision Made: 2022
Start of operations: 2026

Structural Flat Products
Kashima/Kimitsu/Hirohata/Hanshin

Electric Steel Sheets
Yawata/Hirohata/Hanshin

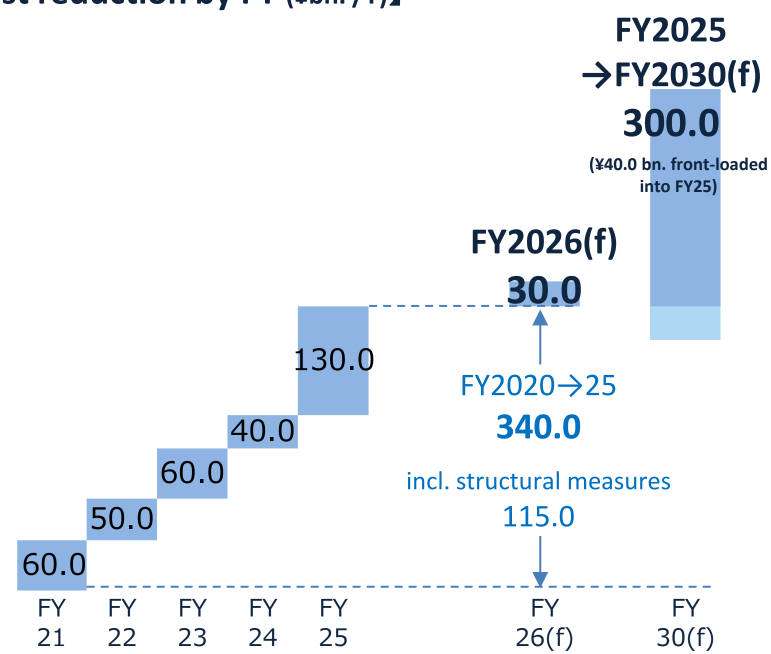
Capacity Expansion and Quality Improvement of Electrical Steel Sheets
Decision Made: 2019～2023
Phased implementation ongoing: 2021~

Hot Rolled Coil for Exports
Kashima/Oita



- ◆ **Realizing benefits from capital expenditures (e.g., Nagoya new hot strip mill)**
- ◆ **Further optimizing production across the group**
- ◆ **Fundamentally reviewing domestic logistics based on the optimized production system**

【Cost reduction by FY (¥bn. /Y)】



◆ **Strengthening a cost structure resilient to changes in the external environment**
- **Pursuing Technologies for Utilizing Low-Cost Raw Materials and Fuel and Reducing Consumption**
- **Developing and Advancing Recycling Technologies**
- **Enhancing Labor Productivity**
- **Exploring and Demonstrating Advanced Energy**
- **Saving Processes Comprehensively, etc.**

Enhance the Overwhelming Competitiveness (2)

Develop Comprehensive Solutions

- **Enhance technological leadership by sophisticating of product types and reinforcing solution proposal capabilities**
- **Strengthen the supply chain**

Next-Generation Automotive Concept Addressing Diverse Needs in Safety, Lightweight Design, Comfort, and Environmental Performance

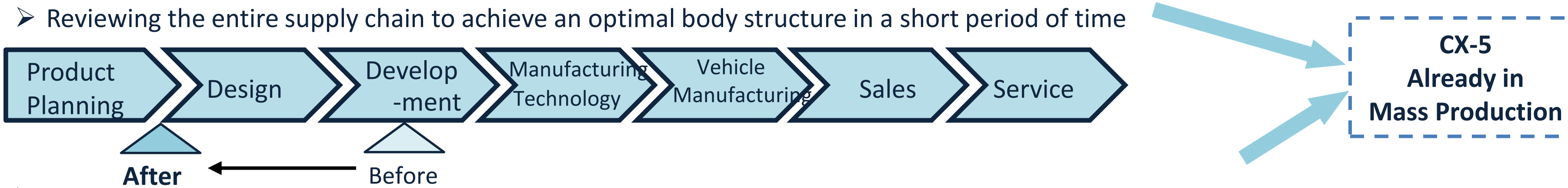
NSafe®-AutoConcept

Architectural and Civil Engineering Solutions Contributing to Shorter Construction Periods and Reduced Environmental Impact (ProStruct®: Steel Materials × Application Technologies)

ProStruct®
Open your future with Structural Steel & Technology

【Co-Creation Result with Mazda Motor Corporation ～ Optimal body structure was developed in a short period of time to reduce weight】

- Our participation from the early stages of automobile development
- Reviewing the entire supply chain to achieve an optimal body structure in a short period of time



- Utilizing our next-generation steel automobile concept*, proprietary analysis technology, and Mazda's model-based development, the weight of steel materials has been reduced by 10% while ensuring vehicle body performance such as rigidity and collision safety.

*NSafe®-AutoConcept ECO3

Topics

Nagoya/Next-Generation Hot-Strip Mill： (Announced on 8th April 2026)

High-temperature test operation started on 1st April, followed by the start of commercial operation scheduled for August 2026.

・World-leading Load-Bearing Capacity
・Significantly Enhanced Rolling Control and Temperature Control

・Nanometer-level Control of Metallurgical Structure
・Stable, High-Volume Production of High-grade Steel, Including Ultra-High-Tensile Steel for Automotive Applications, with Consistent Quality

The first Hot commissioning (in April)

Decision made: May 2022
Capacity: approx. 6MT/Y
Capital Expenditure: approx. ¥270.0 bn.
(Current hot strip mill: scheduled for shut down during FY2026)

Domestic Steel Business
Nippon Steel (Non-consol.)

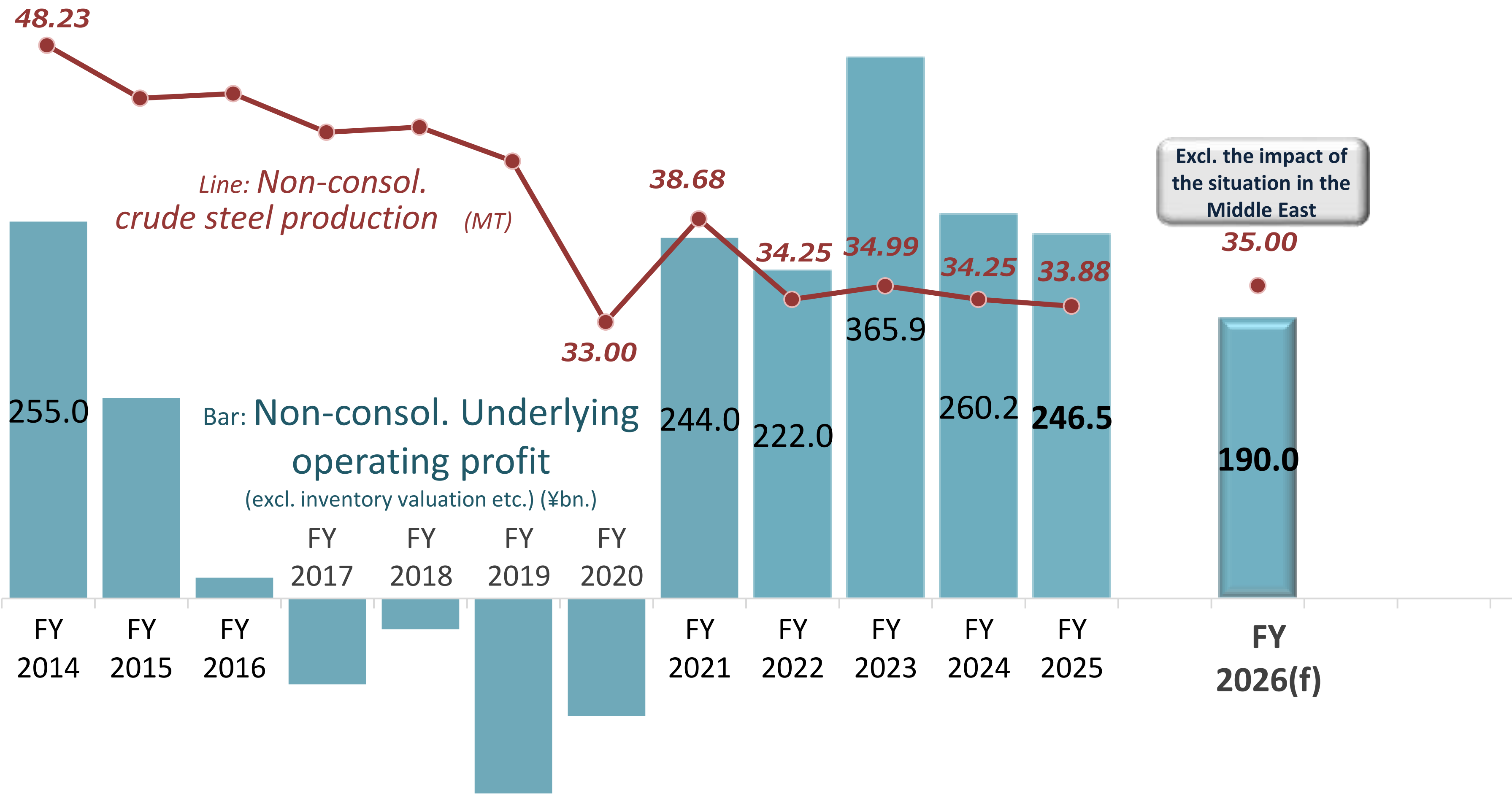
Non-consol. P/L Trend (Underlying Operating Profit)

◆Established a profitable structure that is not affected by volume decline, amid approx. 30% decline in crude steel production since FY2014.

◆In a Critical Business Environment

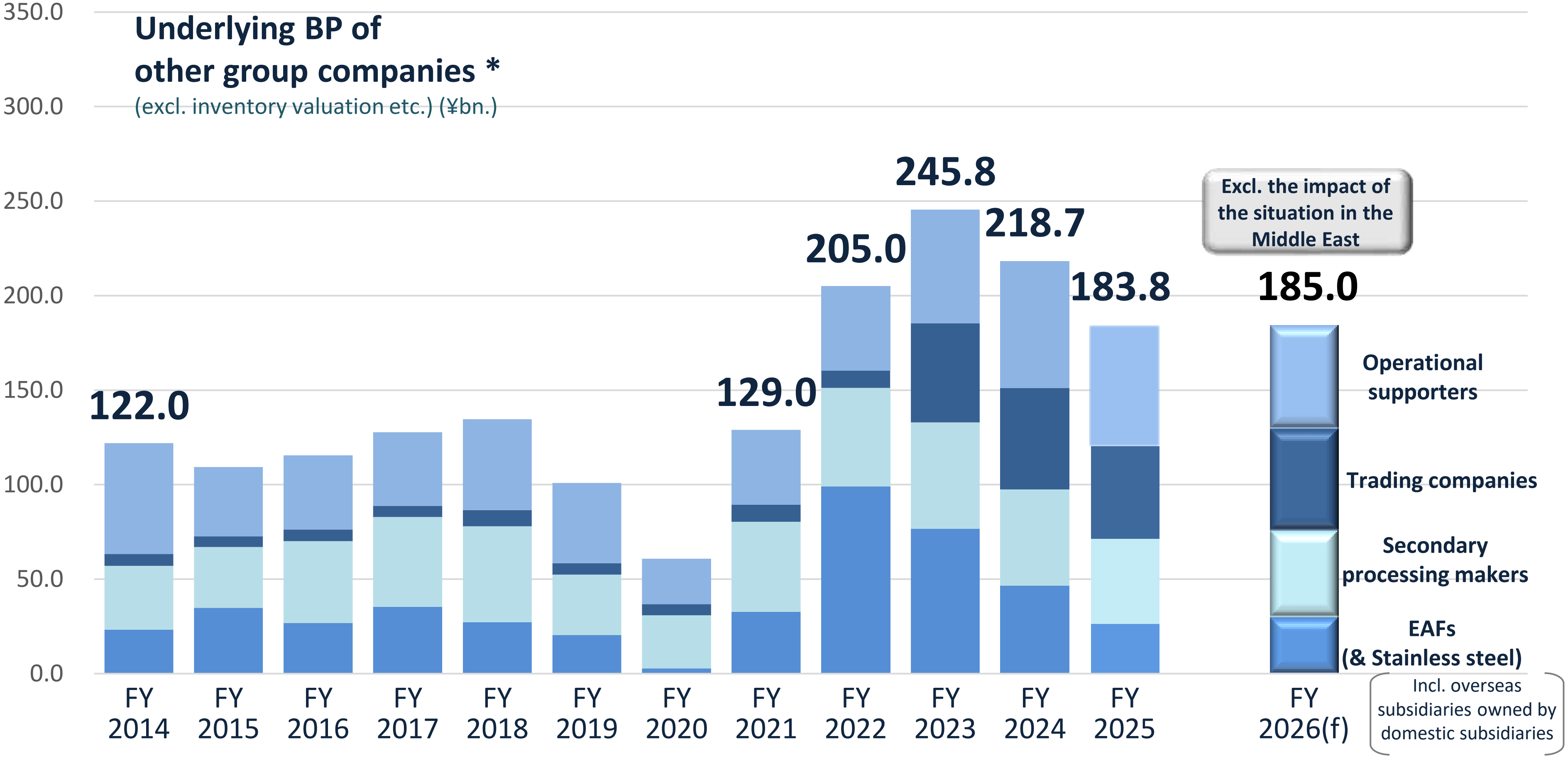
1) Further strengthening of the profitable structure with a focus on cost improvement

2) Pursuit of synergies through reorganization of group companies



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

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)

Incl. the group companies and the stainless steel business of former Nisshin Steel

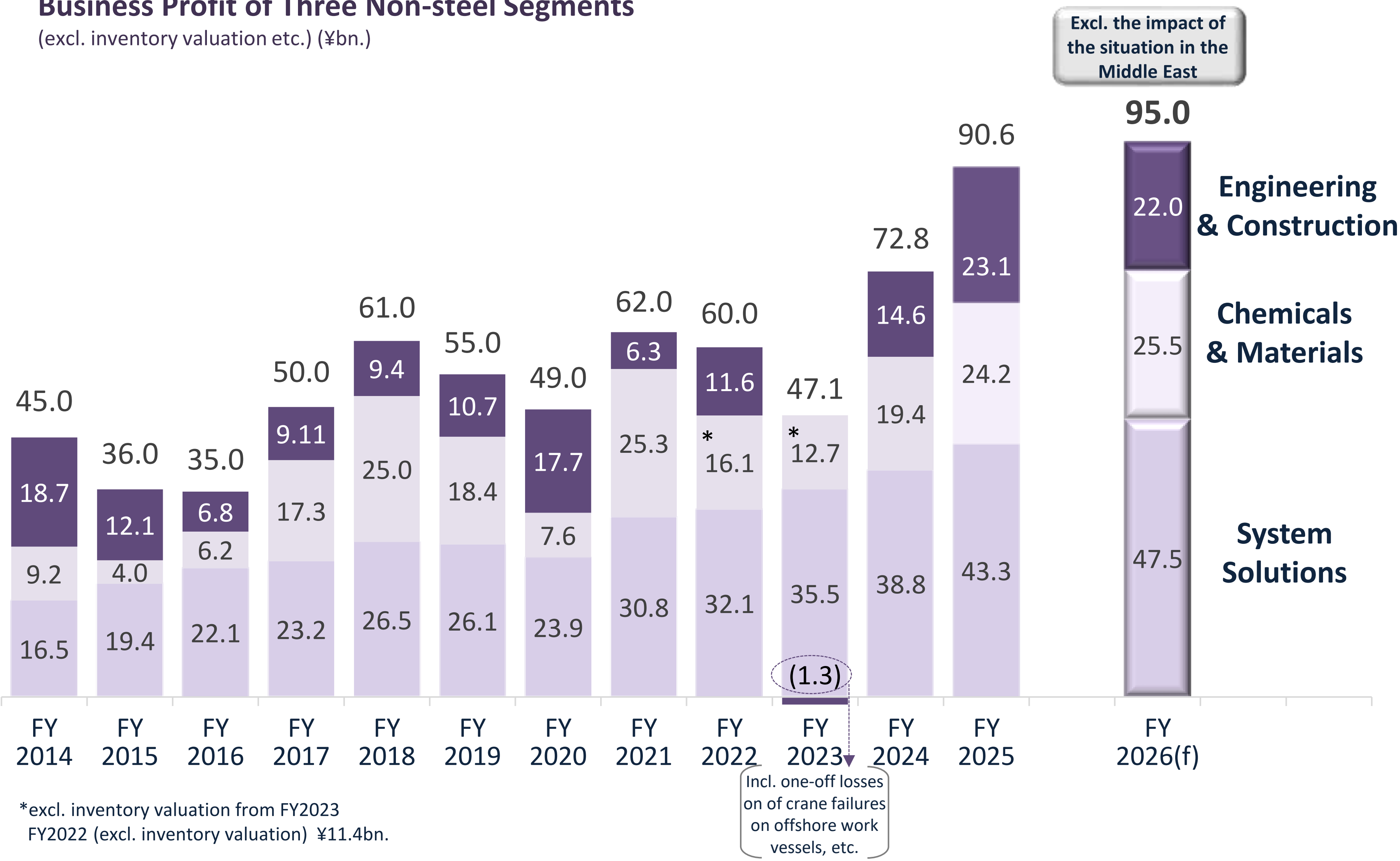
Before and in FY2024: incl. ex-NS Stainless Steel and ex-NS Pipe

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

Earnings expansion mainly in growth areas

Business Profit of Three Non-steel Segments

(excl. inventory valuation etc.) (¥bn.)



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

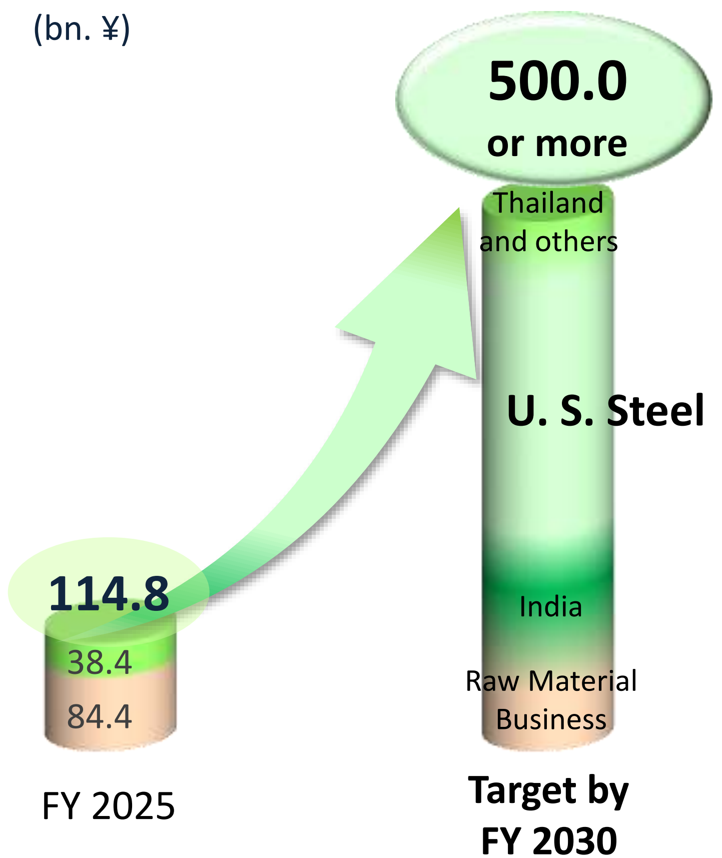
Overseas Business
(2030 Medium- to Long-Term Management Plan)

Contribution of Overseas Business to Achieving ¥1 Trillion / 100 Million Tons

Overseas Business BP

Overseas Steel Business + Raw Material Business

Maximize the investment effect of U. S. Steel and expand capacity at AM/NS India to dramatically increase profit.

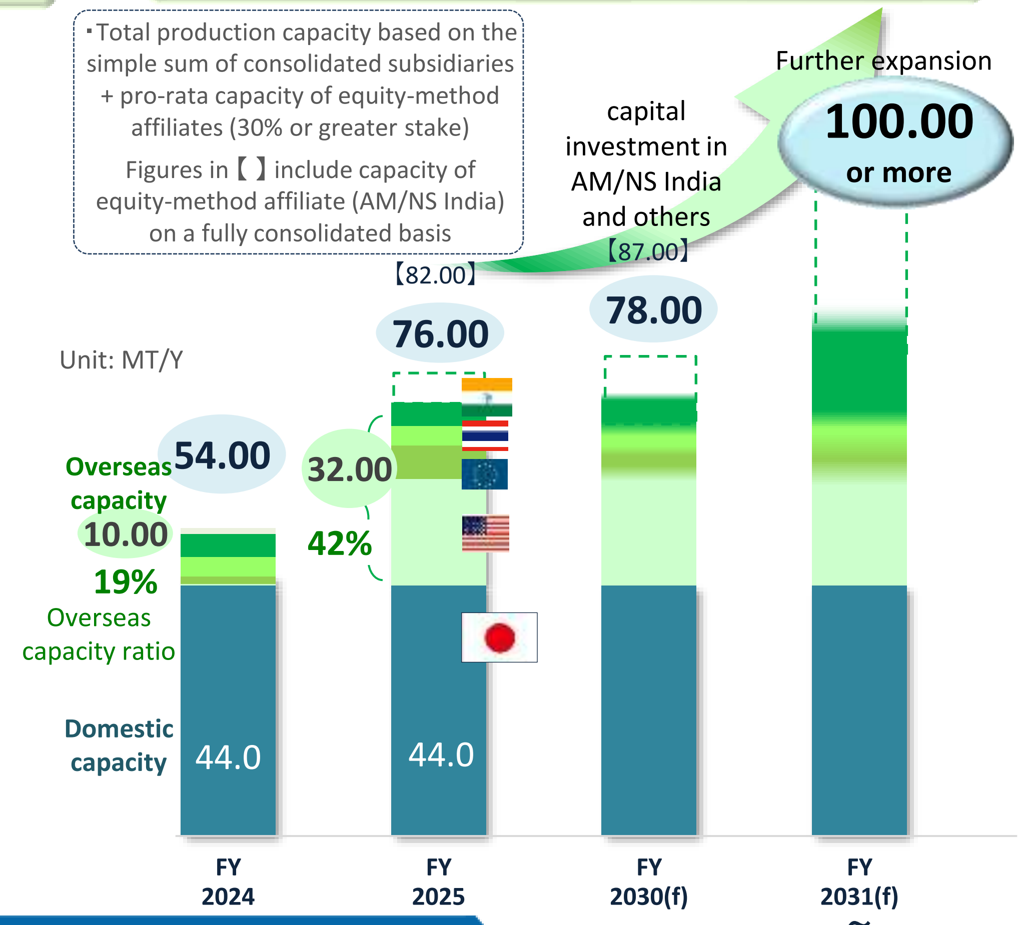


Global Crude Steel Production Capacity

Capture global growth and aim for 100 MT or more of global crude steel production capacity.

・Total production capacity based on the simple sum of consolidated subsidiaries + pro-rata capacity of equity-method affiliates (30% or greater stake)

Figures in【 】include capacity of equity-method affiliate (AM/NS India) on a fully consolidated basis



Large-Scale Growth Investments and Concentration of Management Resources in Four Key Overseas Regions

Strengthening integrated steel production in key regions, the U.S., Europe, India, and Thailand

Overseas Business Strategy

Expansion of overseas manufacturing bases in markets:

With strong growth potential

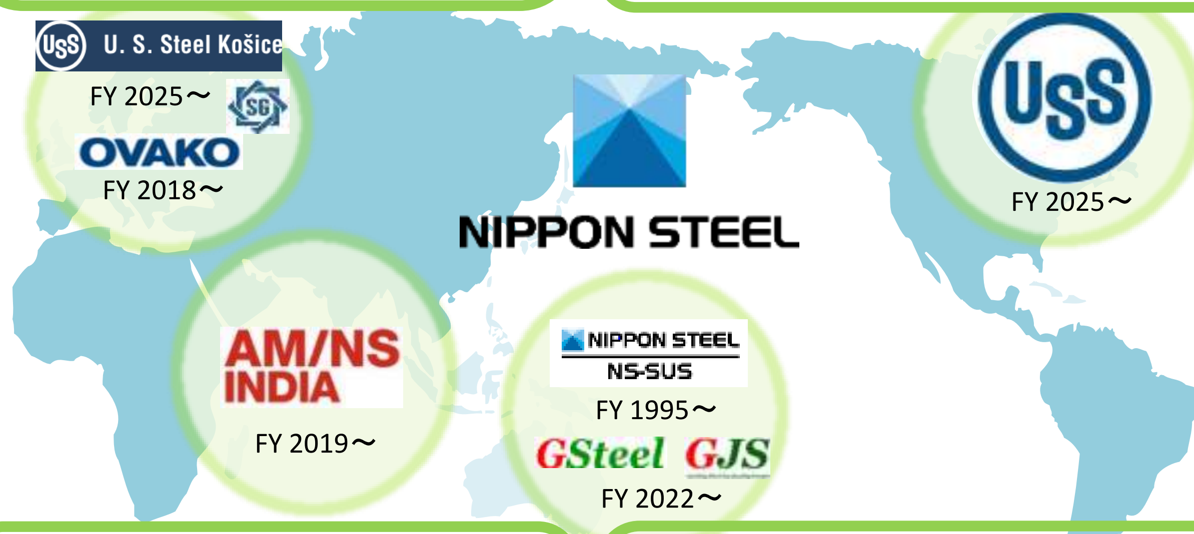
Suited to Nippon Steel's technology and product strengths

Expand integrated steel mill to create added value from the upstream

Acquire brownfield production bases through M&A

Mature high-grade steel market
Europe
Direct ownership of integrated ironmaking operation, including flat and long products

Growing high-grade steel market
United States
Execute strategic capital investments to drive U. S. Steel profit growth
Sophistication of Product Types and Cost Competitiveness



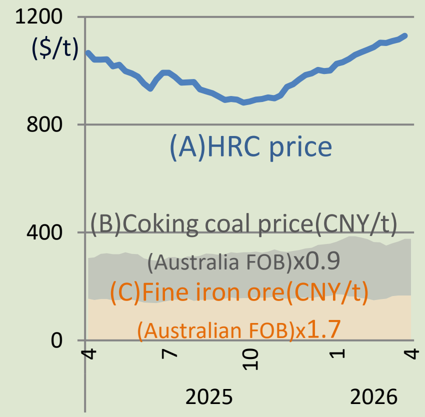
High-growth market
India
Capacity expansion in Hazira
Construction of new integrated steel mill in southern India

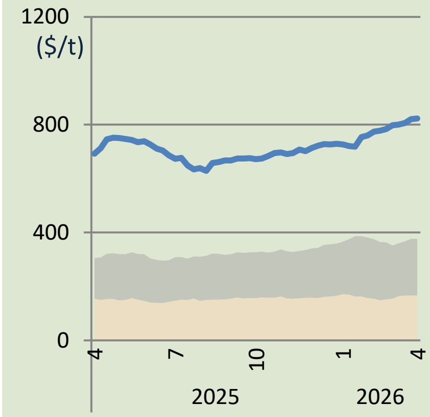
Home Market
Thailand
Market share expansion in Thailan steel sheet market

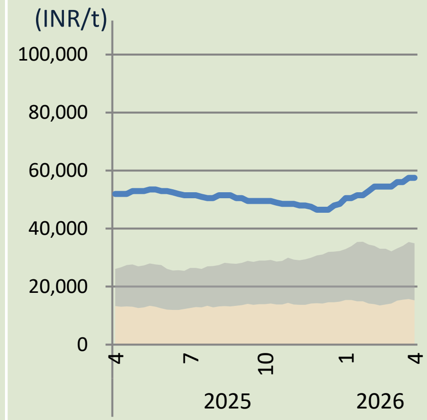
Overview of Business Footprint in Four Key Overseas Regions

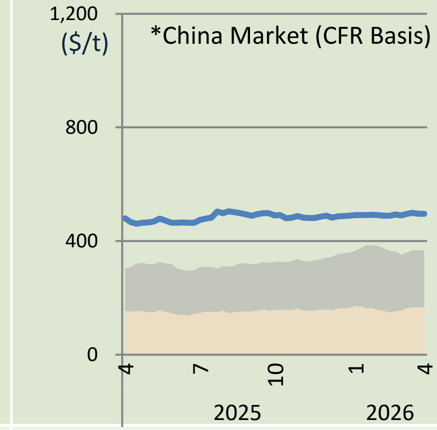
	United States <U. S. Steel・Standard Steel・ICI and others>	Europe <USSK・Ovako・Suzuki Garphyttan>	India <AM/NS India・SSMI・SMAC>	Thailand <NS-SUS・G/GJ Steel・NSBS Thai and others>

Macro Environment (HC price)









Business Environment

United States

◆IMF World Economic Outlook (GDP Growth Forecast, %)

FY25 Actual	FY26 (April 2026 Release) Forecast	vs. FY2025	vs. Jan. Forecast
2.1	2.3	+0.2	-0.1

Europe

◆IMF World Economic Outlook (GDP Growth Forecast, %)

FY25 Actual	FY26 (April 2026 Release) Forecast	vs. FY2025	vs. Jan. Forecast
1.4	1.1	-0.3	-0.2

India

◆IMF World Economic Outlook (GDP Growth Forecast, %)

FY25 Actual	FY26 (April 2026 Release) Forecast	vs. FY2025	vs. Jan. Forecast
7.6	6.5	-1.1	+0.1

Thailand

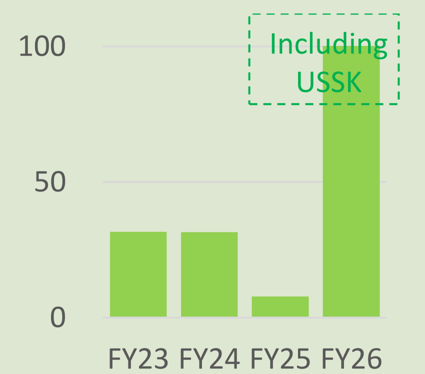
◆IMF World Economic Outlook (GDP Growth Forecast, %)

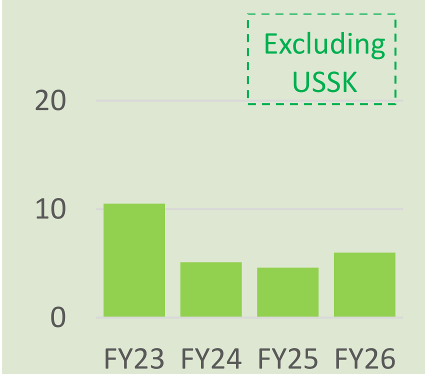
FY25 Actual	FY26 (April 2026 Release) Forecast	vs. FY2025	vs. Jan. Forecast
4.5	4.1	-0.4	-0.1

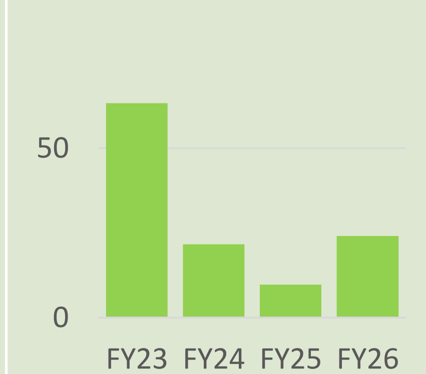
(ASEAN-5 GDP Growth Forecast)

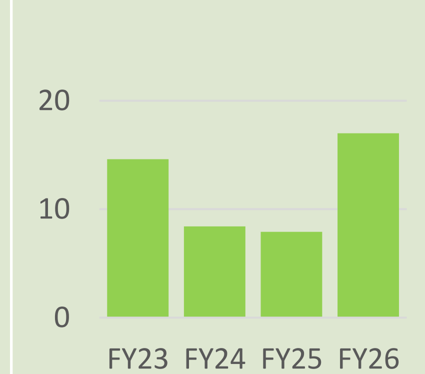
Underlying Business Profit

¥bn.





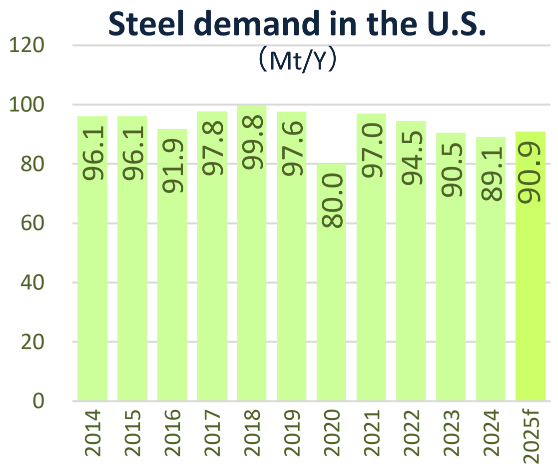


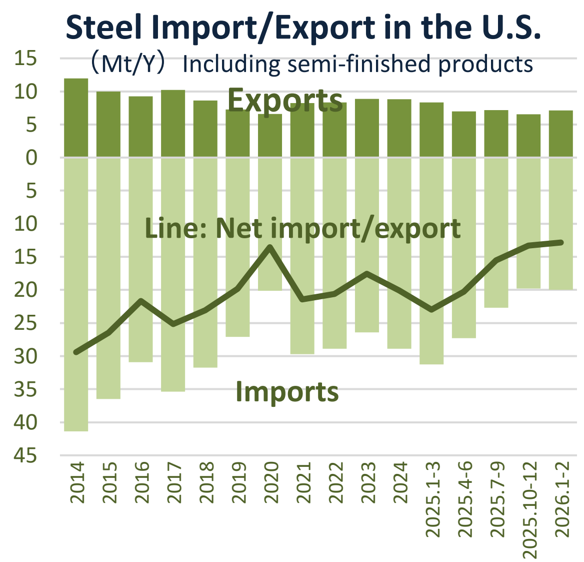


Business Environment

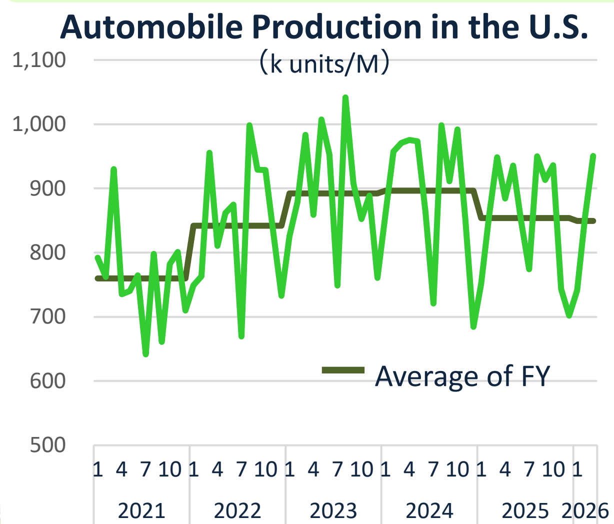
Steel Business Environment in the U.S.

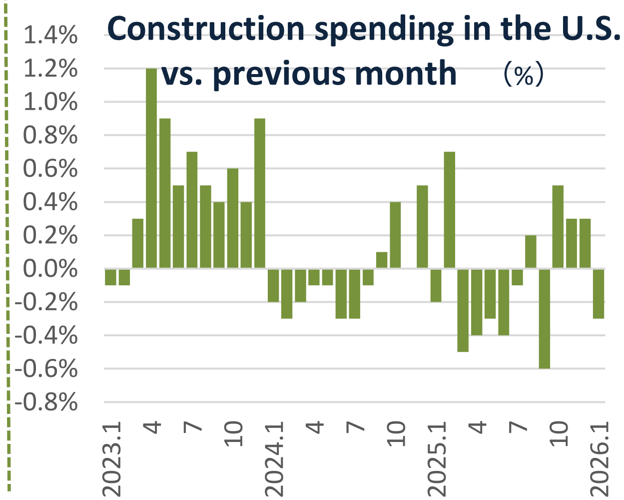
U.S. demand: Demand is stable
U.S. steel exports and imports: Both steel exports and imports declined



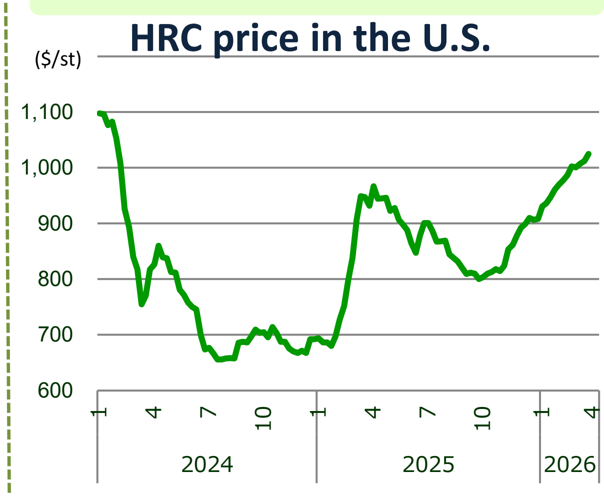


Trends in demand sectors: The automotive sector remains unchanged. In the construction sector, private investment remains weak despite increased data center construction.

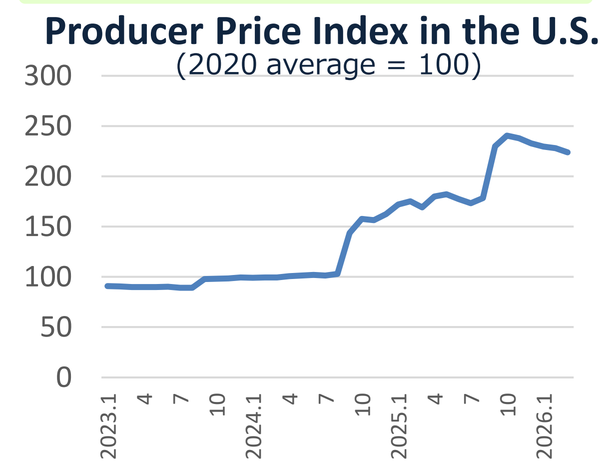




U.S. Market Trends: Prices continue to rise, supported by firm pricing by U.S. domestic mills amid declining steel imports



Price trends: Further inflation since the second half of last year



U. S. Steel FY2026 Underlying Profit Forecast

(including USSK)

FY2026(f): Change vs. FY2025: +¥110.0 billion

◆One-off Impacts / Non-recurring Items: -¥10.0 billion

FY2025: Resolution of impacts (Cokes plant incident, Purchaser's repudiation of pellet sales contract, severe winter weather: +¥20.0 bn

FY2026: Gary BF relining and strategic investment-related expenses, etc.: -¥30.0 bn

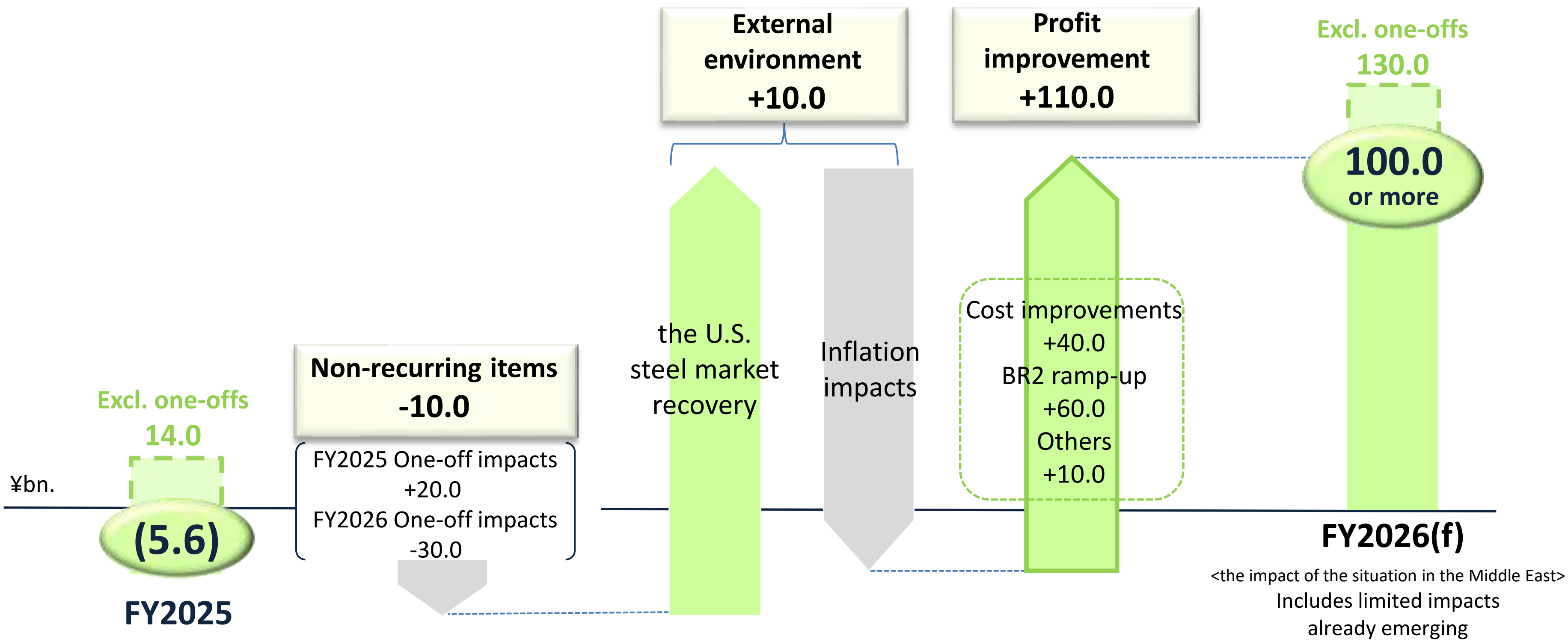
◆External Environment: +¥10.0 billion

U.S. steel market recovery: +¥120.0 billion,

Inflation impacts (higher procurement costs etc., incl. impact of reduced free CO_2 allocations in Europe): -¥110.0 bn

◆Earnings Improvement Initiatives: +¥110.0 billion

Cost improvements mainly driven by synergies, and full-year contribution from past investments (e.g., ramp-up of Big River 2), etc.



*Consolidated from FY2025 FY2025: 9 months (Jul. 2025 – Mar. 2026)
FY2026: 12 months (Apr. 2026 – Mar. 2027)

Significant Profit Growth at U. S. Steel

Jun. 2025 Closing

Development of the 100-Day Plan

Advancing evaluation of 66 initiatives across 8 pillars

NSC dispatchers (approx. 50, Primarily engineers)

Nov. 2025 U. S. Steel Mid- to Long-Term Management Plan Outlined

FY2026-FY2030

Deployment of our advanced technologies and management resources

Maximization of synergies and acceleration/execution of strategic investments

Expansion of dispatchers to approx. 100 (including short-term assignments)

Introduction of NSC's Advanced Tech

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

8 Pillars / 66 Initiatives

1. Renewal of production facilities / Enhancement of competitiveness
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 North American Flat Roll (NAFR) and Mini Mill
6. Incorporate synergy with NSC
7. Construction of new plant / Expansion of business area
8. Carbon neutrality

U. S. Steel Mid- to Long-Term Management Plan (Outlined Nov. 4, 2025)

Operational synergies

<u>Introduction of our advanced technologies and know-how</u>
<u>260 improvement initiatives</u>

- ◆ Quality improvement
- ◆ Operational improvement (productivity and cost)
- ◆ Fuel cost, yield, and energy efficiency improvements
- ◆ Raw material-related initiatives

--> Enhancement of cost competitiveness and manufacturing capabilities, etc.

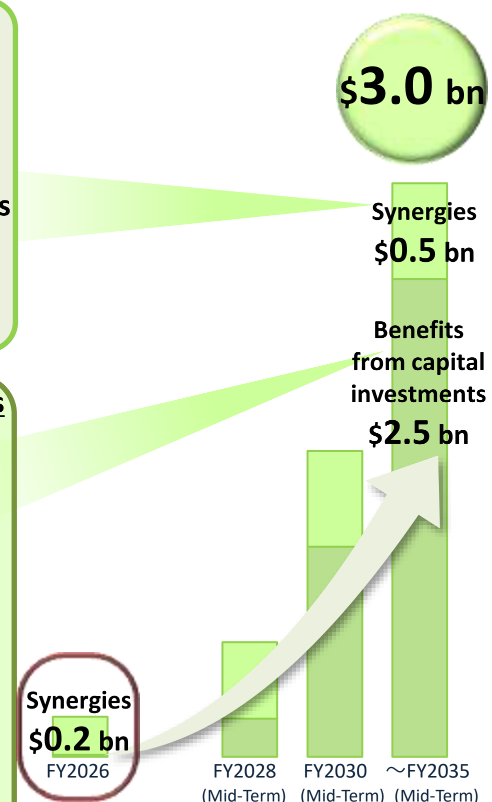
Capital investments

<u>Planned large-scale growth investments of over $ 14 bn (of which $ 11 bn in the U.S. by the end of 2028)</u>

Realization of investment benefits centered on strategic projects

- ◆ Throughput improvement
- ◆ Energy efficiency improvement
- ◆ Productivity improvement
- ◆ Quality improvement

--> Upgrading product mix, expansion of product offerings, and expansion of supply capacity



EBITDA Improvement vs. FY2024 ($ bn)

Strengthening manufacturing capabilities and maximizing synergies at U. S. Steel

Accelerating the introduction of advanced technologies and operational /cost improvements at each site with support from our dispatched technical personnel

Actively driving the mid- to long-term management plan to strengthen manufacturing capabilities and maximize synergies

BF sites <Gary, Indiana / Mon Valley, Pennsylvania>

On-site initiatives at Nippon Steel /Introduction of know-how

Collaboration with dispatched personnel PDCA for operational and cost improvements

Integrated Quality Control Management
"Ikkan QC"

Integrated improvement of production and sales
"SEIHAN"

Collaboration between dispatched personnel and on-site teams
Issue identification by site and process
Sequential execution of **260 specific improvement initiatives**

Development of countermeasures
Implementation of improvement initiatives
Execution

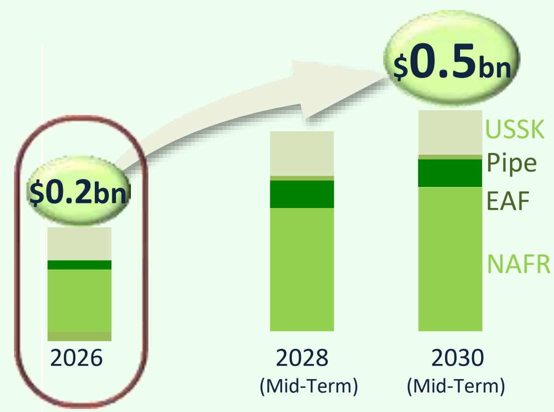
Issue identification
Proposal of improvement initiatives

Execution on-site

Monthly KPI monitoring

Synergy effects

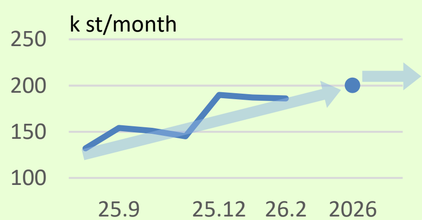
EBITDA Improvement vs. FY2024 ($ bn)



EAF site <Big River, Arkansas>

Stable production ramp-up of Big River 2

- Stabilization of the continuous casting-to-rolling production process
  Full annualized ESP production achieved in Feb. 2026
  FY2025: 1.4 million st -->FY2026 plan: 2.5 million st
  (ESP: Endless Strip Production)
- **Contributing to operational and cost improvements through energy saving and high-efficiency production**
- Standardization in progress to ensure **the implementation of technologies and know-how**



BF site <Granite City, Illinois>

Restart of #B BF on 25 March **New**

(Announced Dec. 4, 2025)

- In response to Solid demand expected in FY2026
- Considering Gary Works No. 14 BF relining (May-Aug. 2026), etc.

Restart of #B BF (capacity: 1.4 MT/year), which has been idled since September 2023

- **Supported by dispatched Nippon Steel personnel for start-up**
- **Job creation: approx. 400 positions**

U. S. : Progress of U. S. Steel Strategic Capital Investment Plan

Accelerating efforts to finalize plans and start construction on strategic capital investments across multiple U. S. locations that will contribute to U. S. Steel's profit growth

Cumulative approved projects (as of May 2026) Approx. **$3.2** bn.

Major approved projects (already announced)

BF mill ＜Gary＞

● **Upgrade existing hot strip mill**

Enabling production of heavy gauge line pipe steel sheets and automotive high-strength steel sheets (announced on Sep. 25, 2025)

Investment: $0.23 bn.

Completion of work: Scheduled for FY2026 Q3 (Jul. - Sep.)

● **Relining No.14 BF**

Secure Production capacity

Long-term Cost efficiencies

(announced on Dec. 23, 2025)

Investment: $0.35 bn.

Construction period: 2026.May-Aug. (100 days)

EAF ＜Big River＞ New

● **New DRI plant construction**

Stable production of high-quality, cost-competitive direct reduced iron (DRI), the primary raw material for EAFs, utilizing own-mined ore suitable for high-grade pellet production (Execution approved on Apr. 2026)

Investment: $1.88 bn.

Completion of work: Scheduled for Q1 2029

* DRI: Direct Reduced Iron

BF mill ＜Mon Valley＞

● **Install New Slag Recycler**

Revenue expansion through slag sales (announced on Sep. 25, 2025)

Investment: $0.09 bn.

Construction period: 2026 - early 2028

Pipe and Tube mill ＜Fairfield＞

● **Install New Premium Thread Line**

Cost reduction through in-house thread cutting (announced on Nov. 4, 2025)

Investment: $0.07 bn.

Major projects under development

＜Gary＞ : Update of steelmaking process and other equipment ->Productivity improvement, Enhance Product flexibility, Quality and Cost improvement

＜Gary＞ : Upgrade of hot strip mill ->Productivity, Quality and Cost improvement

＜Mon Valley＞ : Upgrade of hot strip mill ->Productivity, Quality and Cost improvement, Expansion of high-grade steel manufacturing capabilities

＜Fairfield＞ : Expansion of steel pipe heat treatment facilities -> Expansion of integrated capacity by eliminating bottleneck processes, Expansion of high-value tubular capabilities

Overseas Business
(2030 Medium- to Long-Term Management Plan)

Key Area: India —AM/NS India

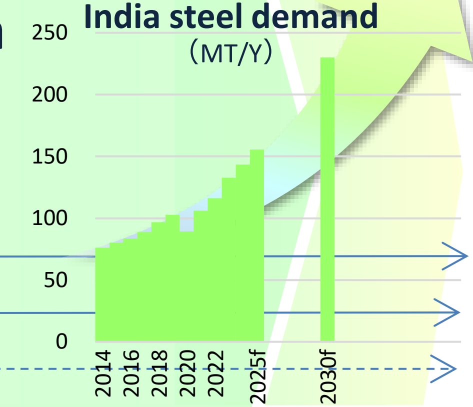
Acquisition (Dec. 2019)

FY2021～2025

FY2026～2030

2031～

Capture steadily growing steel demand in India and promote capacity expansion aimed at product types sophistication.

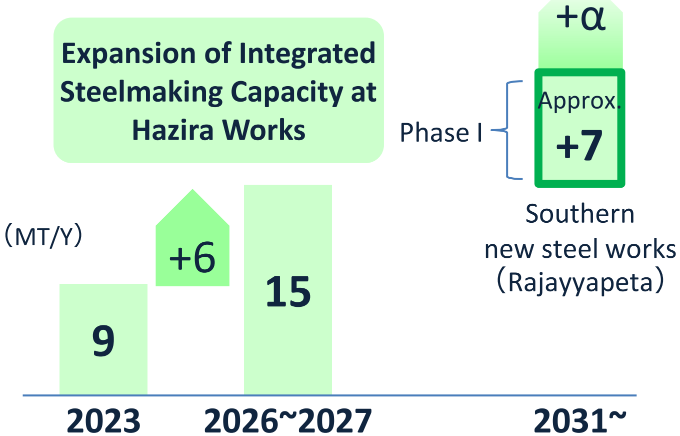


- Expansion of steel sheets facility in Hazira Works: Apr. 2022 decided → 2025 Operation start
- Expansion of upstream facilities, hot-strip mill: Sep. 2022 decided → 2026 Operation start
- **Land acquisition for construction of integrated steel works in Rajayyapeta Apr.2025** → **Groundbreaking ceremony Mar.2026** → **Consideration of investment plan for new integrated steel works**

Production Capacity Expansion

Construction of a New Integrated Steel Works

Expansion of Integrated Steelmaking Capacity at Hazira Works



Sophistication of Product Types

Full-scale entry into automotive segment

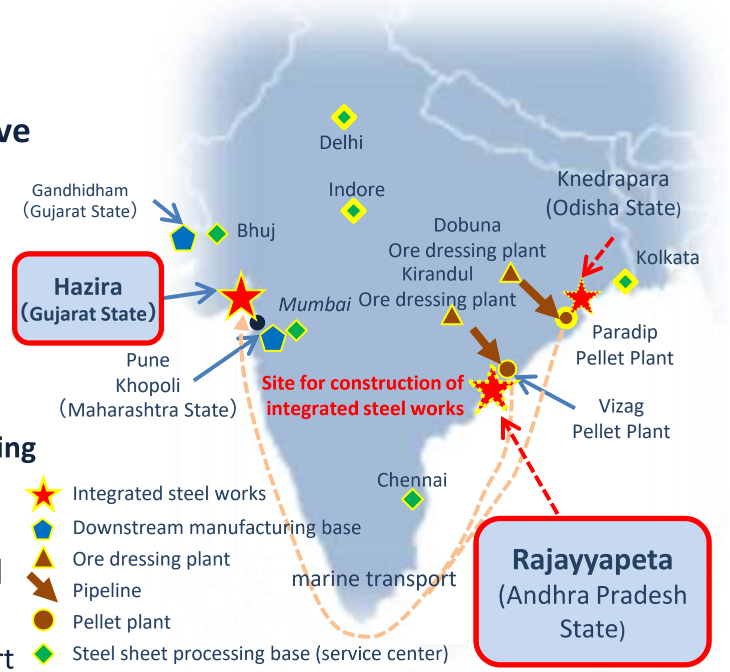
From Jul. 2025:
Start-up of galvanizing line

From Apr. 2026:
start-up of pickling and cold rolling line

From H2 of 2026:
Planned start-up of cold rolling and aluminum coating line

Start of supply of highly corrosion-resistant galvanized steel for construction

From January 2024: Operation start



Key Area: 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

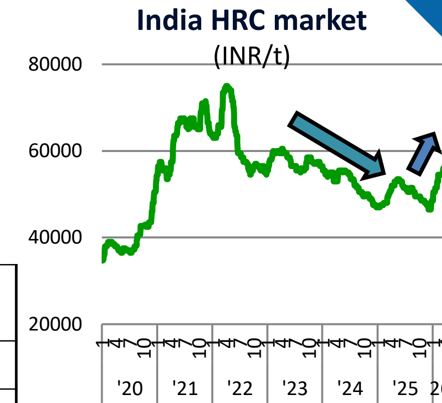
[Current Environment]

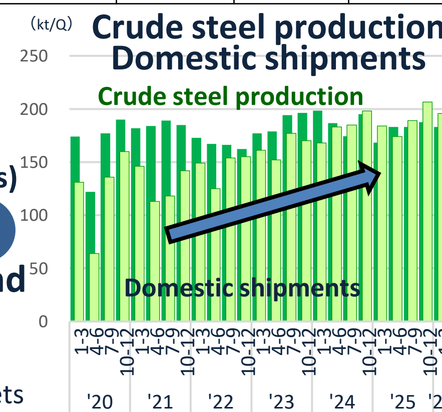
- **Continued high level of economic growth and steel demand exceeding the previous year's level**
- Domestic market conditions have **remained on an upward trend since early December 2025**, supported by solid underlying demand, supply constraints due to maintenance at major mills, and rising raw material costs

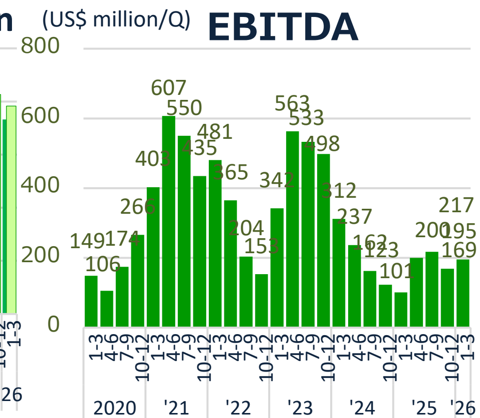
[Performance]

- **Jan. –Mar. 2026 domestic shipments remained at a high level**
- **EBITDA +15% vs. Oct.–Dec. 2025 (due to market price improvements)**

India Indicators	2024	2025	2026f
GDP growth rate	+6.5%	+7.6%	+6.5%
Steel demand	0.15 bn. t	0.16 bn. t	0.17 bn.t







Initiatives for Capacity Expansion and Product Sophistication

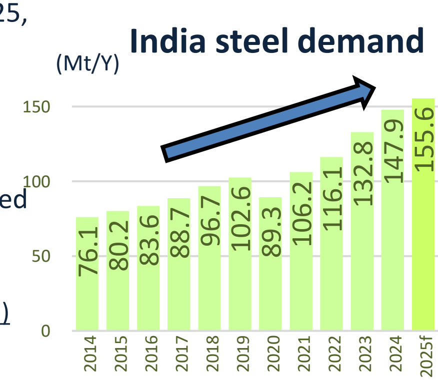
- **Capacity expansion to capture growing steel demand and enhance high-value-added product mix**

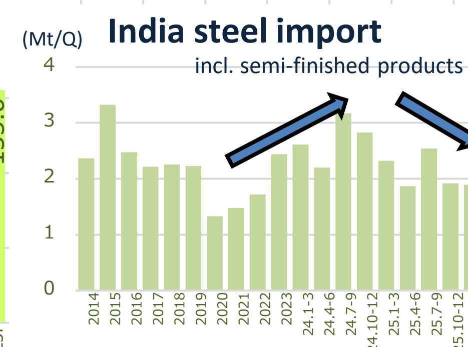
<u>Existing plant expansion (Hazira Works)</u>

- 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, **pickling and cold rolling line started-up in Apr. 2026, and cold rolling and aluminum coating line planned start-up in 2nd half of FY2026**
  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)

<u>New integrated steel works</u> (the state of Andhra Pradesh in southern India)

- **Mar. 2026 Environmental approval obtained and land development commencedOngoing evaluation of investment plans**





Key Area: India —AM/NS India Groundbreaking Ceremony for Integrated Steel Plant in Andhra Pradesh, Southern India

(Announced on March 24, 2026)

In the presence of a large audience, the Chief Minister of Andhra Pradesh and the Union Minister of Steel attended the groundbreaking ceremony

Mar. 2026 Environmental approvals obtained; land development commenced following the groundbreaking ceremony

【Overview of integrated ironmaking steel plant site】

- Location: Rajayyapeta, Andhra Pradesh
- Site area: 890 ha (coastal)(vs. Hazira Works: approx. 950 ha / Kimitsu Works: 1,211 ha) Acquisition of a large coastal site owned by the state enables early project start
- Capacity: Approx. **7.0 MT**/year **crude steel** (Phase I)
- Investment plan: Ongoing review of detailed specifications (facilities, completion timing, etc.)

Significant contribution to the Indian government's "Make in India" and "Atmanirbhar Bharat" initiatives

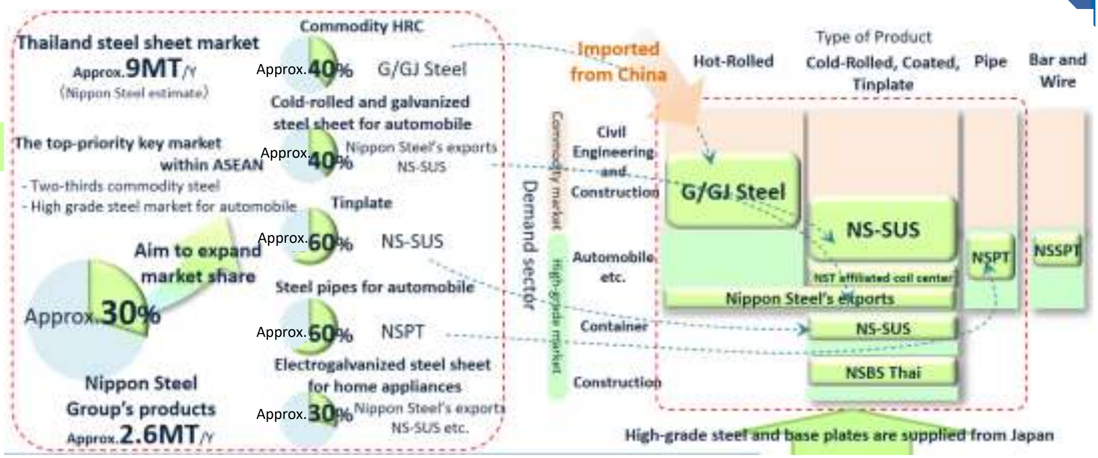
- **Providing maximum support, including the deployment of our expertise and know-how, as well as dispatch of technical personnel** from investment planning through construction
- Capturing growing demand in the Indian market through this project, in addition to expansion investments at Hazira Works

Key Area: 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 aiming to expand market share by strengthening the entire supply chain, from iron source

- 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 approx. 30%

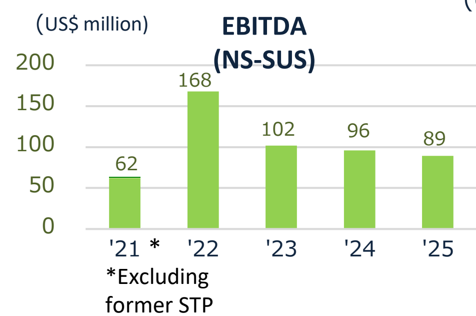


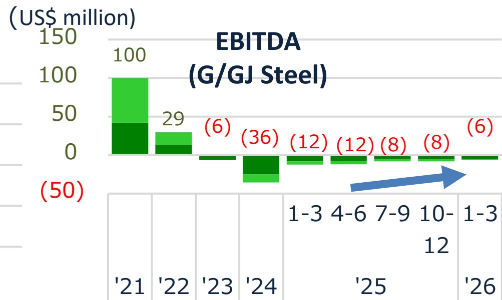
Launch of the Thailand Project

- From Apr. 2026Launch of the Thailand Project as an organization responsible for centrally driving Nippon Steel's overall business in Thailand on a regional basis

Performance and Initiatives of NS-SUS

- **Steady performance** supported by high grade steel demand for automotive, home appliances, and can manufacturing

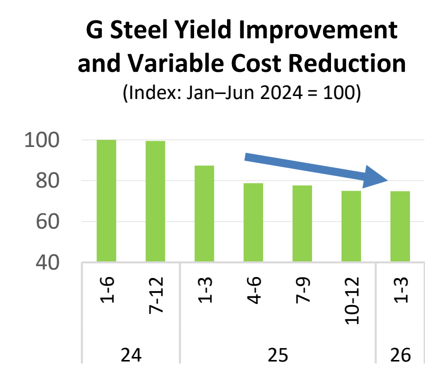




Performance and Initiatives of G/GJ* Steel

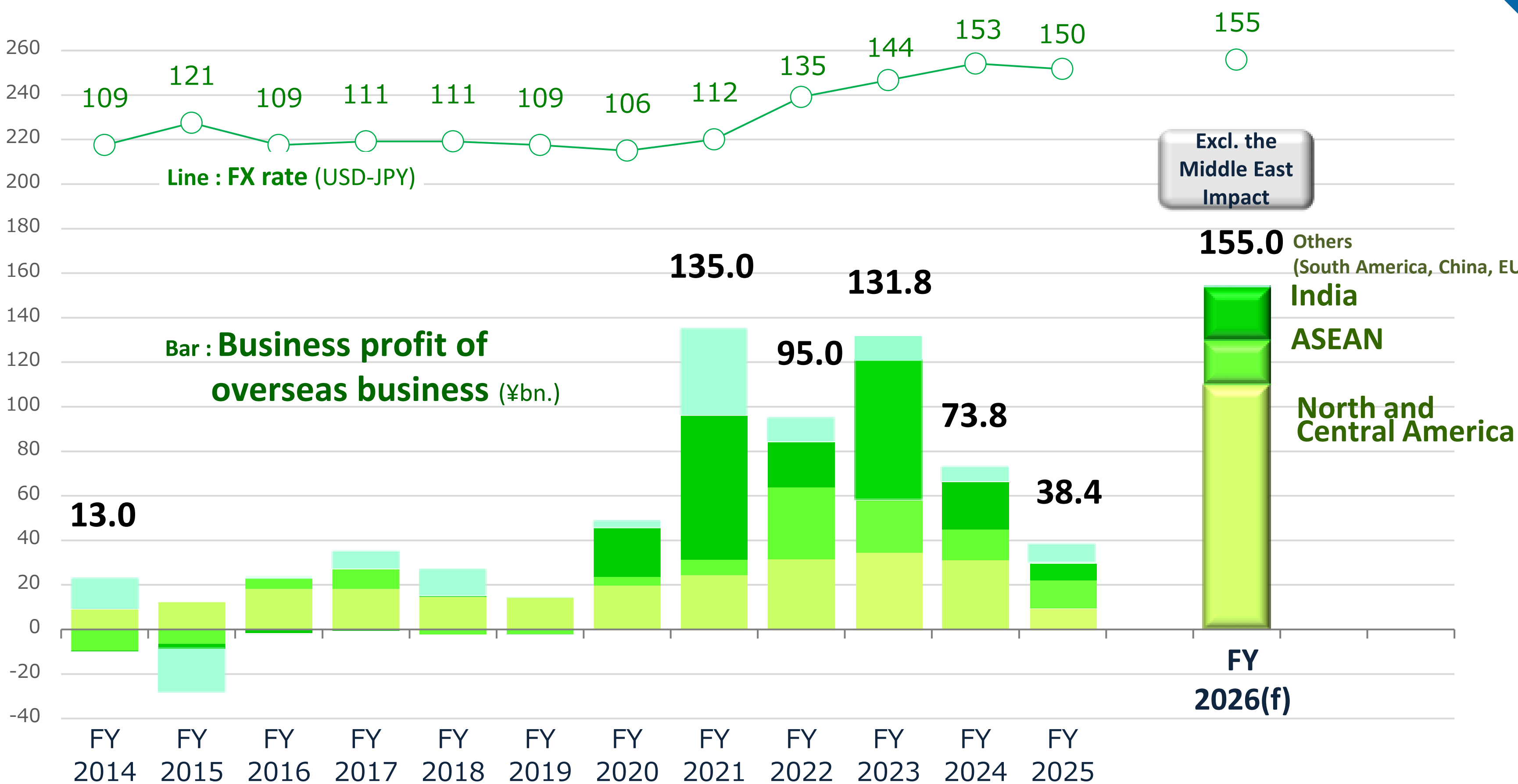
*The only integrated EAF hot-rolled mill in Thailand, acquired by Nippon Steel in 2022

- **Challenging business environment continues,** including a significant compression of metal spread
- **Profitability is improving**, supported by strengthened Group collaboration in sales and scrap procurement, cost reduction in operations, and volume expansion measures such as trade remedy effects and the start of exports to Europe



Overseas Business

P/L Trend (Underlying Business Profit)

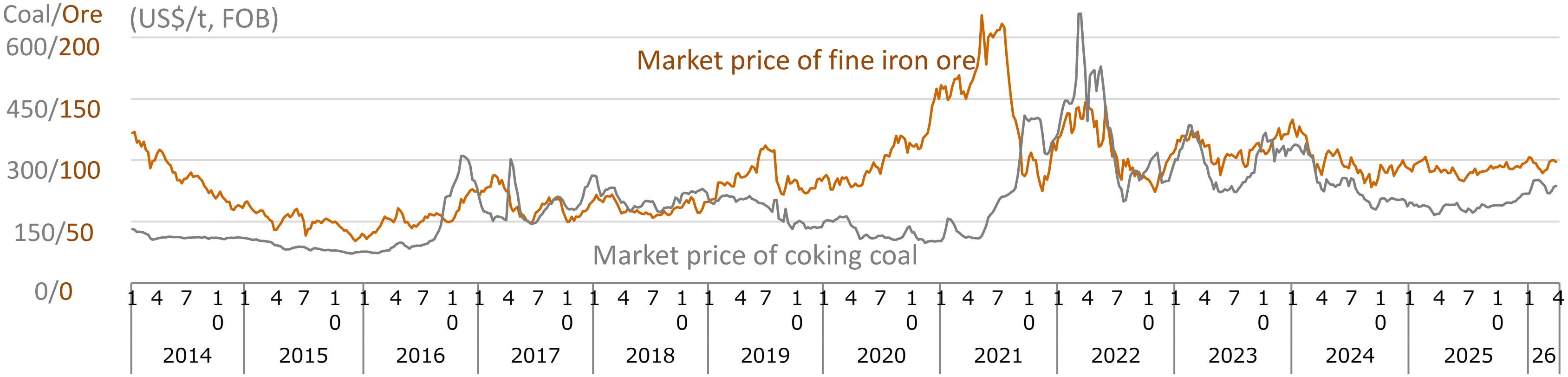


- Equity method consolidation of AM/NS Calvert, Q1 2014
- Equity method consolidation of AM/NS India, Q1 2020
- Consolidation of G/GJ Steel as a subsidiary, Q1 2022
- BNA deconsolidation, Q4 FY2024
- AM/NS Calvert deconsolidation, Q1 FY2025
- Consolidation of U. S. Steel as a subsidiary, Q2 2025
- USIMINAS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

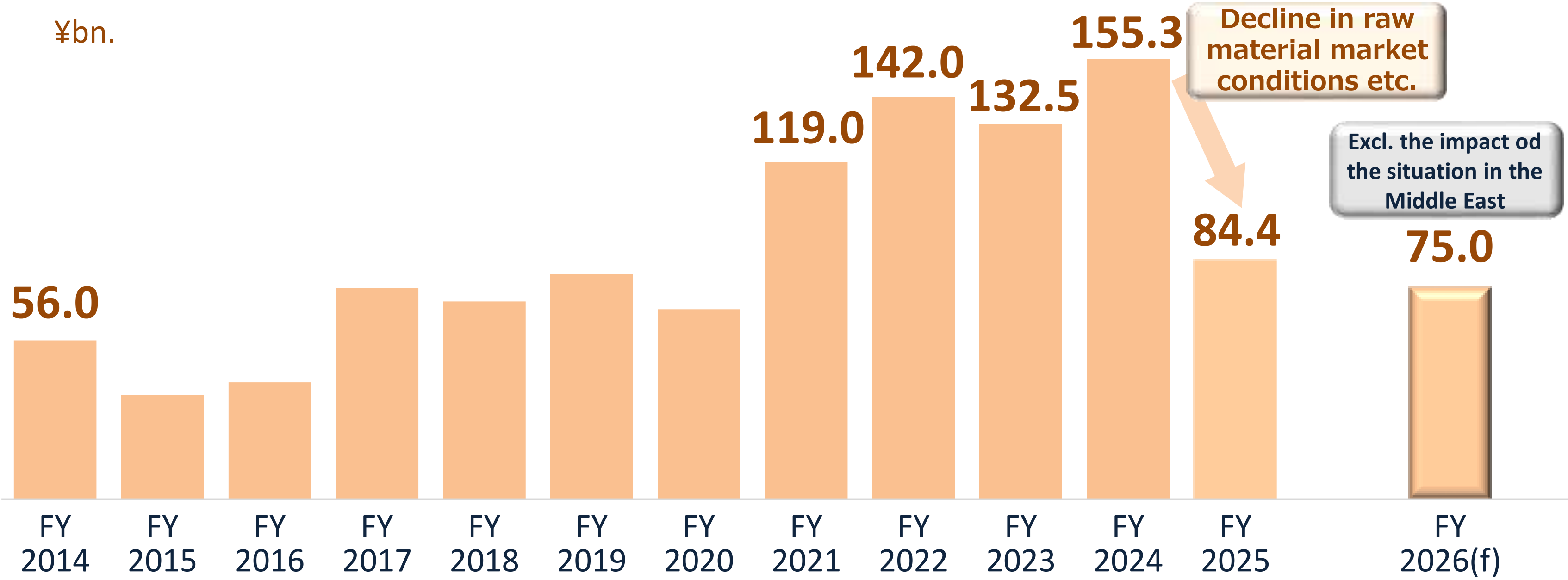
Ordinary profit (subsidiaries) + share of profit in investments accounted for using equity method (equity method affiliates), both underlying profit excl. inventory valuation
Overseas companies other than USS and NS SUS are consolidated Jan. - Dec. results to Nippon Steel's Apr. - Mar.
NS BlueScope US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

NIPPON STEEL

P/L Trend (Underlying Business profit)



Business profit of raw material business



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.

Approach to Group Company Management

Establishing a framework to maximize group corporate value across the steel industry supply chain

Assessing and implementing the optimal structure for each company based on its strategic positioning, functions, and roles

Management Approach

Domain Business

Provision of high-value-added products and solutions through integrated steelmaking operations

Source of differentiation and competitive advantage (technology, quality, cost)

Essential functions supporting the domain business

Secondary processing

Trading companies

Functional companies

Operational efficiency as independent companies

Maximizing benefits through strategy sharing and collaboration

Effective utilization of external management resources

Domestic **Parent**

Overseas

Integrated Group Management with the Parent Company

Wholly-Owned Subsidiaries

Subsidiaries

Affiliates (Equity-Method Companies)

Recent Group Reorganization Initiatives

Nippon Steel Stainless Steel
100% ownership in FY2025 → merger in April 2025

Sanyo Special Steel
Full ownership achieved in 2025 → merger planned for April 2027

U. S. Steel Acquired 100% in 2025

Nippon Steel Slovakia
(former U. S. Steel Košice) Planned to be directly owned in October 2026

Ovako
Planned to be directly owned following merger with Sanyo Special Steel in April 2027

Nippon Steel Pipe
Business to be split and transferred to the parent company and Nippon Steel Building Materials (100%), followed by dissolution in 2025

Krosaki Harima
Full ownership to be achieved in 2026 (46% → 100%)

Nippon Steel Fine Tube
Integration of three tube companies in 2026 → 96% ownership

Nippon Steel Trading
Subsidiarization and delisting in 2023 (35% → 80%)

Blackwater Investment in 2024 (20%)

EVR Investment in 2023 (20%)

Domestic | Enhancement of Group Management

Maximizing Synergies through Reorganization of Domestic Group Companies

Plan to Fully Realize Benefits of Implemented Initiatives

Total synergies generated from the standalone domestic steel business and steel group companies (¥bn./ year)

Synergies: ¥30.0 bn./ year
(On a full-run basis)
(+¥14.0 bn./year vs. FY2025)

Excludes additional profit contributions from increased equity stakes

Wholly Owned Subsidiary Conversion /Absorption Mergers of Strategic Companies	Nippon Steel Trading: Subsidiarization and delisting	**・Further optimization of production across the Group** **・Synergy creation through integration and optimization of product-specific businesses** **・Strengthening and optimization of human resources across the Group, and efficiency improvement in technology, product, and process development**
	Sanyo Special Steel: Transition to Wholly owned subsidiaries	
	NS Stainless Steel: Merger with Nippon Steel	
	Krosaki Harima: Transition to Wholly owned subsidiaries	
	NS Pipe: Business integration and reorganization	
Enhancing Organizational Resilience through Group Company Integration	NS Fine Tube: Integration of NS Katakura Tube ,Tsurumi Steel Tube, and NS Pipe Fine Tube	**・Enhancement of competitiveness, strengthening of procurement and purchasing capabilities, and improvement in productivity through integration of expertise and technological capabilities**
	Establishment of Taiyo Sakako: Integrated Taiyo Shirring and Sakako	
	NS KOBELCO Shearing: Integration of NS KOBELCO Shearing and Fuji Steel Center	
	NS Processing: Integration of Matsubishi Metal Industry, NS Wire Rods Processing, and NS Wire	
	NS Blast Furnace Slag Cement : Integration of NS Blast Furnace Slag Cement and NS Cement	

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

Integration with Sanyo Special Steel Co., Ltd. – Direct Management of the Entire Bars, Wire Rods and Specialty Steel Products Business to Strengthen Competitiveness (Announced on May 13, 2026)

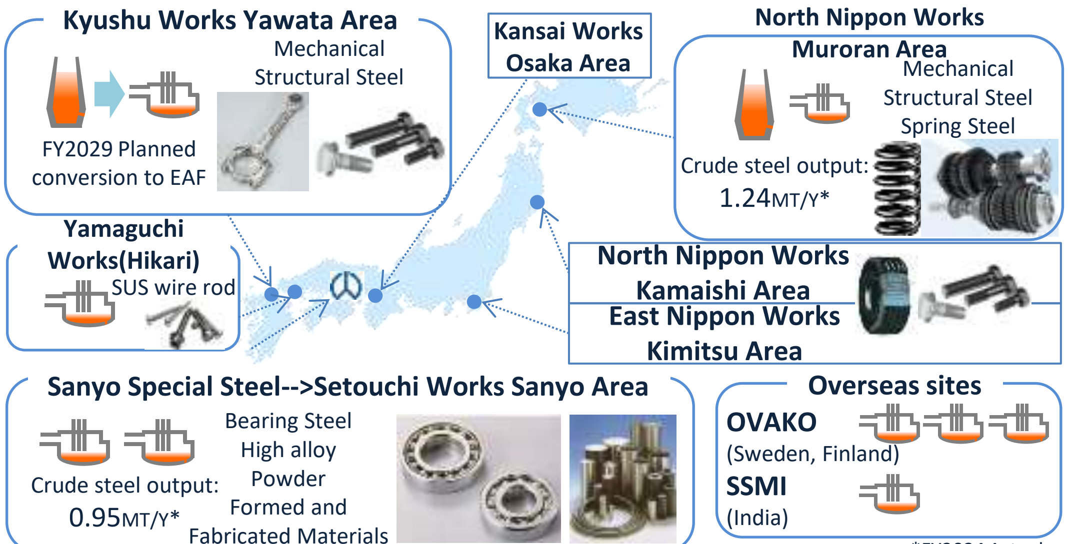
Establishing a Dominant Global Presence in the Bars, Wire Rods and Specialty Steel Products Business through Maximizing Synergies

- ◆Maximizing synergies through the integration of both companies' existing bars and wire rods businesses, including open-die forging and SUS/titanium products, under a new integrated organization and operating model
- ◆Establishing a dominant position in Japan in the bars, wire rods and specialty steel segment, including expanding presence in growth sectors such as semiconductors, energy, and aerospace
- ◆Enhancing the execution of global growth strategies through the integration of both companies' resources

Swift and Steady Execution of Initiatives under the 2030 Mid- to Long-Term Plan

- ◆Relocation of specialty melting and open-die forging from Kansai Works(Osaka area) to Sanyo Special Steel
- ◆Further volume expansion and cost reductions through deeper integration of sales, production, and R&D, and the unification of resources
- ◆Enhanced inter-area collaboration within Setouchi Works

Nippon Steel Group's specialty steel bar and wire rod production sites



- **Integration timing: Apr. 1, 2027 (planned)**
- **Integration method: Absorption-type merger with Nippon Steel as the surviving company**

Cf. History of collaboration with Sanyo Special Steel

Feb. 2006	Became an equity-method affiliate (15%)
Mar. 2019	Became a consolidated subsidiary (53%)
Apr. 2025	Became a wholly owned subsidiary (100%)
Apr. 2027 (planned)	Integration

Key Overseas Region: Importance of European Operations

Integrated EAF-based specialty steel bar and wire rod production site

OVAKO

<Sweden / Finland>

Crude steel production capacity 1.0 MT/Y

Special steel bars and wire (bearing steel)

Suzuki Garphyttan

U. S. Steel Košice

Integrated BF-based flat steel production site

U. S. Steel Košice (USSK)

<Slovakia>

(The Largest steelmaker in Central and Eastern Europe)

Crude steel production capacity **4.5** MT/Y

Product Portfolio: Hot-rolled sheets, cold-rolled sheets, tinplate, galvanized steel, non-oriented electrical steel sheet, etc.

Main Customers: Automotive, electrical, container, energy, and construction sectors

Alignment with our overseas business strategy

Regions with expected demand growth

Business opportunities in the European market

- **The world's third-largest** steel demand region*1
- **Protection of regional industries** through tariffs, safeguard measures, CBAM, and other policies.--> **A market with a high level of regional self-sufficiency**
- In Central and Eastern Europe, USSK's main markets*2, **steel demand is expected to increase** in the medium to long term due to factors such as the **relocation of customer bases to the eastern regions**

Areas where we can leverage our technological and product strengths

Ovako

- World-class **technology for high-grade special steel bar and wire**
- **Leading the way** in carbon-neutral steel production

USSK

- **Diverse** portfolio **of sheet products**
- **Competitive labor costs and Sound facility conditions**

, etc.

Capture regional demand and drive profit growth through **maximizing synergies** with Nippon Steel **and advancing product types sophistication**

*1: Europe = EU27 + U.K.

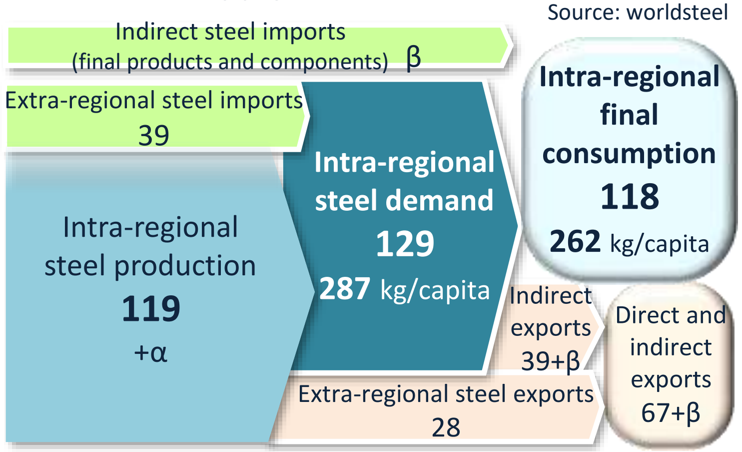
*2: Six key countries: Poland, Czech Republic, Slovakia, Hungary, Romania, and Austria

Key Overseas Region: Attractiveness of the European Market

A market with strong demand for high-grade steel, where our technological strengths can be effectively leveraged
A market protected by tariffs, safeguard measures, and CBAM, etc.

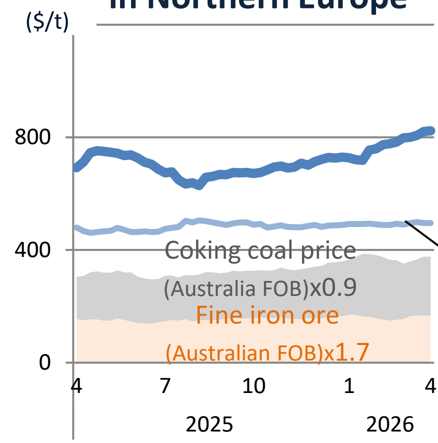
EU steel supply-demand structure (2023)

Source: worldsteel

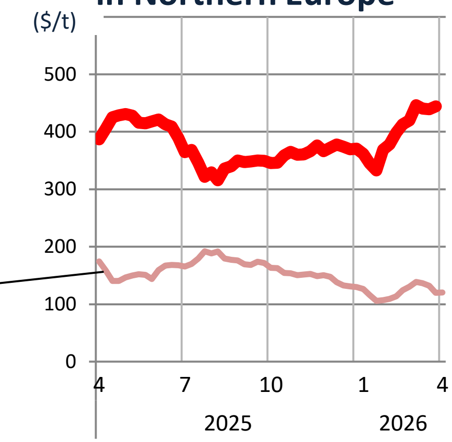


Intra-regional steel trade: approx. **90** mt/year

HC spot price in Northern Europe

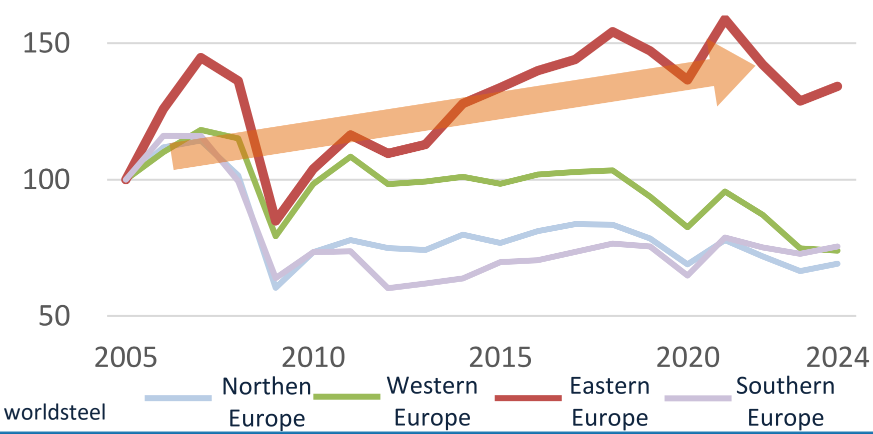


Main raw materials margin in Northern Europe



The share of steel demand is shifting toward Eastern Europe, USSK's core market

Per-capita steel consumption (2005 = 100)



Source: worldsteel

Real GDP growth rate

Source: IMF

CAGR(%)	2001-2010	2011-2020	2021-2025	2026-2030(f)
Germany	0.9	1.1	0.9	1.0
France	1.3	0.4	2.6	1.0
Italy	0.3	-0.9	3.1	0.7
Spain	2.1	0.0	4.3	1.8
Poland	**3.8**	**3.2**	**3.8**	**2.7**
Czech Republic	**3.1**	**1.7**	**2.1**	**2.0**
Hungary	**2.1**	**2.3**	**2.3**	**2.2**
Slovakia	**5.0**	**2.1**	**2.2**	**1.9**

Direct Ownership of Nippon Steel Slovakia and Ovako

(Announced on May 13, 2026)

Transition to a direct ownership of integrated ironmaking operations in Europe
Strengthening the management and operational structure of our Group in the region

- Strengthening the consolidated management structure
- Deployment of Group management resources Maximization of synergies
- Coordinated operations of businesses in Europe
- Promotion of decarbonization initiatives
- Initiatives for sustainable growth of our European business

Strengthening the regional management foundation
Faster decision-making
Leveraging Group management resources

Aiming to develop our European business through the formulation and execution of a growth strategy from a long-term perspective, including maximizing synergies with Nippon Steel, upgrading product mix, and strengthening products and distribution channels

Current

NIPPON STEEL
- 100% → U. S. Steel
  - 100% → **U. S. Steel Košice**
- 100% → Sanyo Special Steel
  - 100% → **Ovako**
- 100% → NIPPON STEEL SG WIRE
  - 100% → **Suzuki Garphyttan**

Oct. 1, 2026 (planned)
Transition to a direct ownership structure
Renamed to NIPPON STEEL SLOVAKIA (NSSK)

Apr. 1, 2027 (planned)
Integration with Sanyo Special Steel

Post-transition to direct ownership

NIPPON STEEL
- 100% → U. S. Steel
- 100% → **NIPPON STEEL SLOVAKIA**
- 100% → **Ovako**
- 100% → NIPPON STEEL SG WIRE
  - 100% → **Suzuki Garphyttan**

Direct ownership of integrated ironmaking operations in Europe

Agenda

1. FY2025 Earnings Summary and Review
   of 2025 Medium- to Long-term Management Plan

2. FY2026 Earnings Forecast

3. FY2026 Initiatives (Progress Toward the 2030 Midterm Plan)
   - Domestic Business (Steel Business / Three Non-Steel Segments)
   - Overseas Business (Steel Business / Raw Material Business)
   - Group Management Strengthening

4. Carbon Neutral Vision 2050

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	GI Fund Eligible Project Hydrogen Reduction in Blast Furnaces：CO2 emission reduction at pilot-scale blast furnace (Dec. 2024▽43%→Mar. 2026▽45%) Production of Direct Reduced Iron Using Hydrogen： Commissioning of the Test Reduction Furnace (Mar. 2026), 72-Hour Continuous Hydrogen Reduction Operation Achieved
Predictability of investment recovery	Implementation	EAF conversion Kyushu Works Yawata Area: Preparatory infrastructure works completed; construction commenced (April 2026) Setouchi Works Hirohata Area/Yamaguchi Works Shunan Area：Progressing as planned
	Creation of economic value from the environmental value (CO_2 reduction)	**Additional CEV subsidy* measures for vehicles using GX Steel: Continued application for FY2026 (April 2026)** Utilization of GX Steel in public works (incl. local governments) In the FY2026 National Resilience Annual Plan (draft, April 2026), it was indicated that: ・the policy direction will be clarified through the “MLIT Decarbonization Action Plan for Civil Engineering Works,” and ・active dissemination of pilot projects (from FY2026 onward) will be promoted.
Institutionali-zation Standardization	Institutionali-zation Standardization	Japan Iron and Steel Federation (JISF) compiled the GX Steel Guideline etc. (Oct. 2025) Worldsteel Guidelines ver. 1.2 issued (Feb. 2026) Engaged in efforts to contribute to global standard (ISO/GHG Protocol/SBTi etc.)
Infrastructure	Infrastructure	Hydrogen and ammonia: Working in collaboration with governments, local governments, and hydrogen supply companies CCS: In the metropolitan area CCS pipeline project, engineering work and storage potential assessments are being carried out in advance, and METI has approved exploratory drilling offshore Kujukuri, Chiba.(Apr. 2026)

CNV2050

Carbon Neutral Vision 2025 Roadmap

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

High-grade steel production in large-scale EAF

2022 Hirohata No.1 EAF starts commercial operation

Accumulate expertise of high-grade steelmaking using EAF

2023 Commence in-depth study for EAF conversion

2025 Investment decision for EAF conversion

2029 Hirohata No.2 EAF starts operation

Yawata and Shunan EAF goes onstream

2024 Hasaki R&D Center Pilot-scale EAF (10t/ch) Commencement of testing

Hasaki R&D Center to carry out integrated technology development of both large-scale EAF and reduced iron production for use in EAF

Production of Direct Reduced Iron using hydrogen

2026.3 Pilot-scale reduction furnace at Hasaki R&D Center starts test operation

2027 Verification research for scaling up

by around 2040 Establish Implementation technology

Installation

Electric melting furnace

~2030 Establish implementation technology

Hydrogen reduction in blast furnaces

2008~ COURSE50 Start development

2022

Construction underway of hydrogen injection facility at Kimitsu No. 2 BF

2026 Start of COURSE50 demonstration test at Kimitsu No. 2 BF

~2030 Commenced COURSE50 Installation

Commence Super COURSE50 test at the Kimitsu pilot-scale furnace

Reduction in CO_2 emissions confirmed

2022	2023	2024	2026
▽22%	▽33%	▽43%	▽45%

Scale-up assessment

Additional reduction with improved heat balance and other measures

Advance technological development with multiple testing

by around 2040 Super COURSE50 Establish implementation technology

CO_2 emissions reduction by 50% or more

Installation

CCS

Advanced CCS project implementation survey (JOGMEC)

A 30% reduction

Achievement of Fully Carbon Neutral Production Process

CNV2050

Topics on EAF/GX Steel

Implementa-tion

EAF Conversion
(High-grade steel production in large-scale EAF)

EAF Conversion Construction Commencement at Kyushu Works, Yawata Area

(Announced on April 15th,2026)

- Preliminary infrastructure development works have been completed, construction commenced following the groundbreaking ceremony on April 15
- Operations are scheduled to commence in the second half of FY2029

GX Steel

GX steel Adoption Driven by Government Early Demand Creation Initiatives

- Additional CEV subsidy* measures for vehicles using GX Steel Ongoing initiatives in Utilization of GX Steel in public works (incl. local government)
  The draft National Resilience Annual Plan 2026 indicates that, with a view to the full-scale implementation in public works projects from FY2030 onward, the government will clarify its policy direction for consideration through the MLIT "Decarbonization Action Plan for Civil Engineering Works", and will proactively disseminate information on trial projects (from FY2026 onward) and their details.
- OKAMURA CORPORATION's steel furniture* using Nippon Steel's GX Steel "NSCarbolex® Neutral" were first adopted by the national government (Ministry of the Environment) (Announced on March 27th ,2026)

*OKAMURA allocates the environmental value of NSCarbolex® Neutral to selected products within the company using a mass balance approach based on ISO 22095, and markets them as steel furniture made with 100% GX steel (first initiative in the steel furniture industry).

GX Briefing Session and Site Tour
(March-April, 2026)

- GX briefing sessions were held (for domestic audience: March 25, for overseas audience: May 14)
- GX site tour (Kyushu Works, Yahata Area) conducted on April 15

Links⇒ Briefing Materials

NIPPON STEEL

CNV2050

Topic on Hydrogen Reduction

Technology Development

Hydrogen Reduction in Blast Furnaces

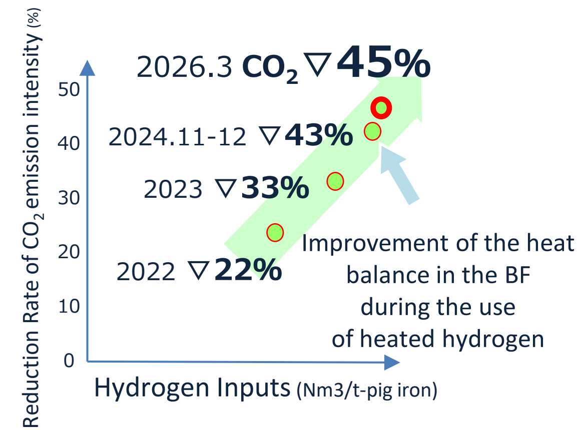
45% Reduction in CO_2 Emissions

At East Japan Works, Kimitsu Area, Pilot-scale BF

(March 2026)

- In March 2026, confirmed a 45% reduction in CO_2 emissions through hydrogen reduction tests (Super COURSE50) at the Kimitsu pilot-scale BF

→Accelerate development for commercialization into life-size BFs to to achieve target of over 50% CO2 reduction, including scaling-up initiatives.



Technology Development

Production of Direct Reduced Iron Using Hydrogen

Start of Operation of Pilot-scale Shaft Furnace

Hasaki R&D Center

(March 2026)

- Completion of construction of the pilot-scale shaft furnace; start of operation in March 2026
  Integrated evaluation under a process flow and equipment configuration equivalent to life-size BF (reduction–cooling–briquetting)
- Conducted tests to produce reduced iron from iron ore using hydrogen
  Achieved 72-hour continuous hydrogen reduction operation

→Pursuing optimal operating conditions going forward

Pilot-scale shaft furnace
- Production Capacity: 1t/h
- Width approx. 80m×200m
- Height approx. 60m

Cf. commercial plant: approx. 100-150m

Direct Reduced Iron produced through hydrogen reduction at the Hasaki pilot-scale shaft furnace

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