

TYO : 5401

OTC : NPSCY(ADR)



# Nippon Steel

## 2030 Medium- to Long-term Management Plan

Dec. 12, 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.

# Agenda

## 1. Summary

## 2. Domestic: Improve Profitability

by Further Strengthening the Earnings Base

## 3. Overseas: Dramatically Increase Profit

by Implementing the Global Growth Strategy

## 4. Growth Strategies for Non-Steel Segments

## 5. Steady Promotion of the Carbon Neutral Vision 2050

## 6. Strengthening the Management Base

that Supports Our Strategies



**NIPPON STEEL**

**Contribute to the realization of a sustainable and prosperous society through the creation of customer value**

**The Best Steelmaker  
with World-leading Capabilities**

FY2021~2025  
Underlying Business Profit  
**600.0 billion yen  
or more**

**FY2026~2030**  
**Achieve 1 trillion yen  
or more**

FY2031~  
**Leap to the  
Next Profit Level**

Domestic

Facility structural measures  
Spread improvement in  
direct sales  
Execute strategic investments

Overseas

Concentration of resources to  
integrated steelmaking bases  
in key areas

- U. S. Steel transaction
- Capacity expansion in India
- Acquisition of G/GJ Steel

Developing a Robust Business Structure  
with Vertical and Horizontal Expansion

A milestone toward global  
crude steel production  
capacity of  
**100 MT\* or more**

Improve profitability by further  
strengthening the revenue base

Execute global growth strategy

Underlying Business Profit  
**Achieve 1 trillion yen  
or more**

Achieve global crude  
steel production  
capacity of  
**100 MT\* or more**

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

# Recognition of Business Environment

## Risks

Global  
Economy

Increasing uncertainty in the global economy and rising risk of stagnation  
Shift toward protectionism  
Declining workforce

Steel  
Business

Widening global supply-demand gap  
Domestic steel demand on a gradual decline  
Escalating trade friction

## Opportunities

Economic growth in emerging countries  
Increasing investment in AI and energy-related sectors

Japan: Growing demand in energy-related sectors and stronger needs for enhancing customers' international competitiveness  
U. S. : Expansion of manufacturing production and rising demand for high-grade steel  
India: Steady increase in steel demand

(MMT)	FY2024	FY2030
Domestic Steel Consumption	49.50	
Japan Steel Exports	Approx.30.00	
Domestic Crude Steel Production	82.95	

Steel Consumption (MMT)	FY2024	FY2030
U. S.	90.00	
<Incl. Indirect steel imports>	<150.00>	
India	150.00	

## Domestic

Enhancing profitability through further strengthening of the earnings base

Thoroughly pursue cost competitiveness

Develop comprehensive solutions

Maximize the Nippon Steel Group's comprehensive strength

Human Resources & Technology

## Overseas

Driving significant profit growth through execution of the global growth strategy

Strengthen integrated steel production in three key areas

- U. S. and Europe: Execute growth investments
- India : Expand integrated production capacity
- Thailand : Reinforce the entire supply chain

Intensive allocation of human resources overseas

Create new business opportunities including group companies

Strengthening of Management Foundation:

Promote development of cutting edge technologies  
 Advance operational reform and streamlining  
 Enhance human resource competitiveness

**Business Strategy**

# Achieve Underlying Business Profit of 1 trillion yen or more per year

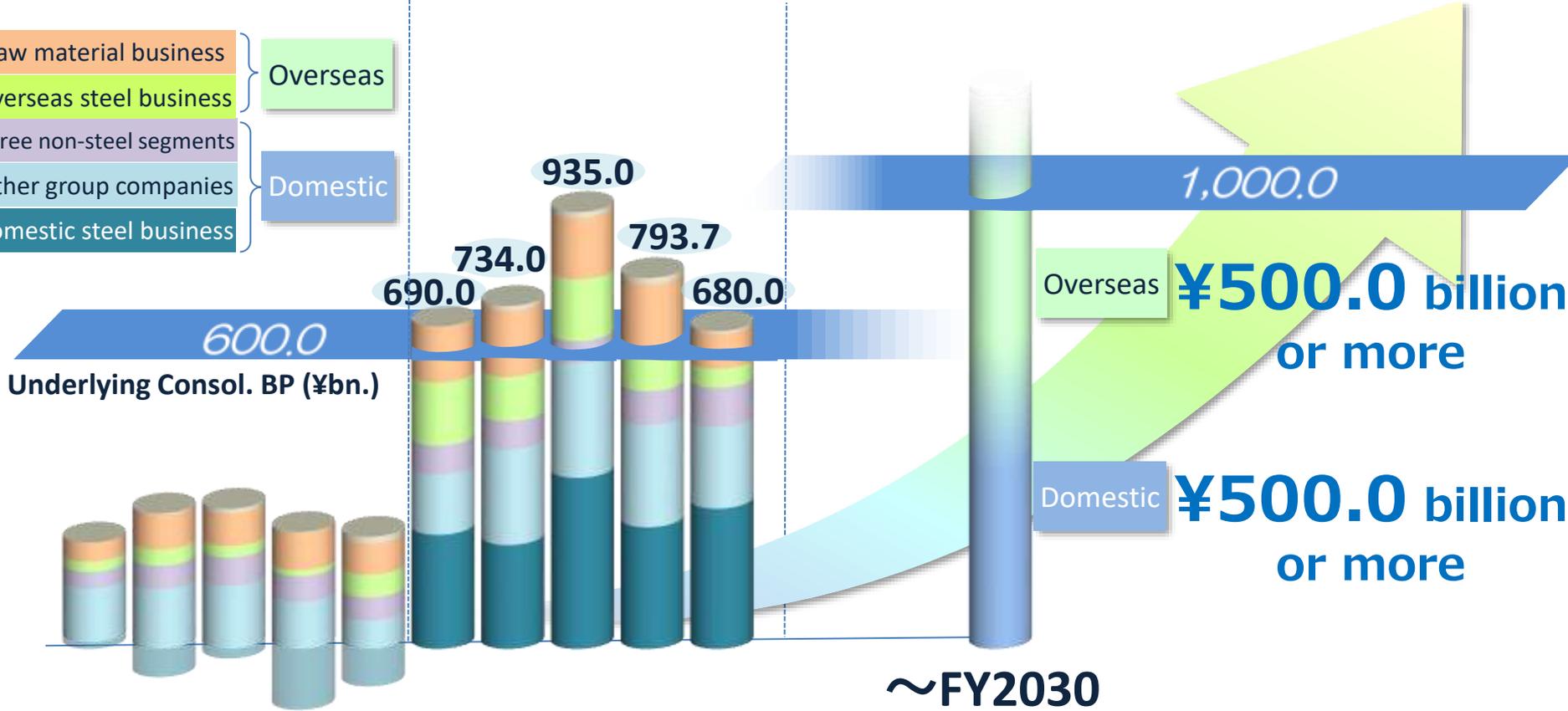
FY2016~2020 average  
Approx. **¥200.0bn.**

FY2021~2025 average  
Approx. **¥770.0bn.**

FY2026~2030  
**Achieve  
¥1 tn.  
or more per year**

FY2031~  
**Leap to the  
Next Profit Level**

- Raw material business
  - Overseas steel business
  - Three non-steel segments
  - Other group companies
  - Domestic steel business
- Overseas
- Domestic



FY 2016 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 FY 2023 FY 2024 FY 2025(f)

# Achieve Underlying Business Profit of 1 Trillion Yen or More per Year

**Domestic**

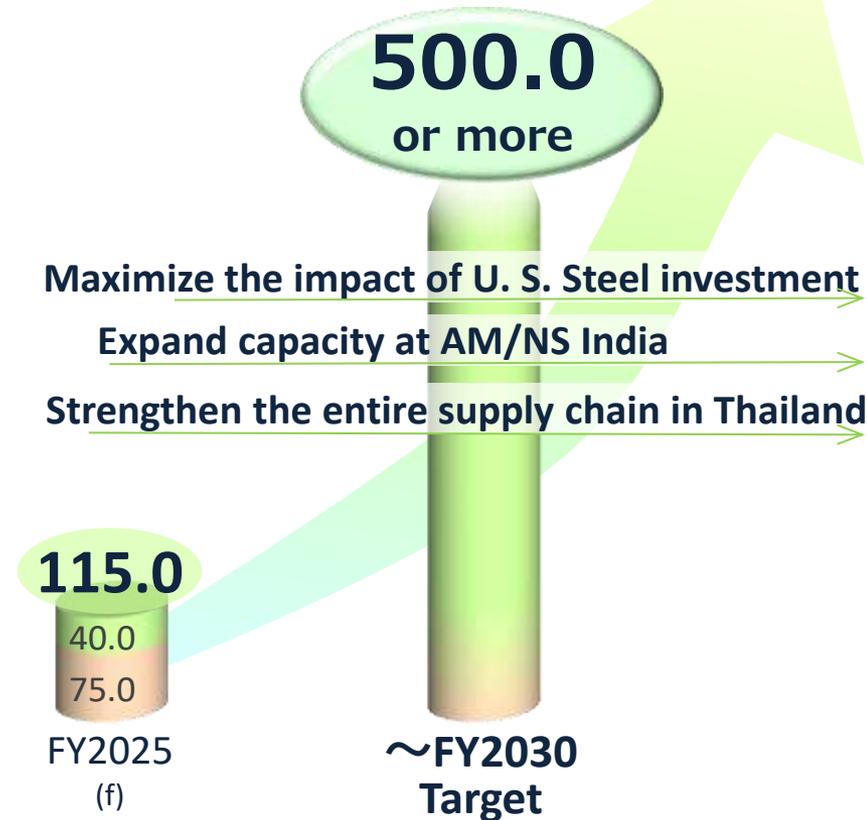
**1 trillion yen or more**

**Overseas**

Domestic steel business  
+ Other group companies  
+ Three non-steel segments

Overseas steel business  
+ Raw material business

Underlying business profit (bn. ¥)



FY2016~2020

FY2021~2025(f)

FY2026~2030

2031  
~

Approx. ¥3.1tn./5Y

Capital Investment ¥2.1tn.  
Business Investment ¥1.0tn.

Approx. ¥7.5tn./5Y

Capital Investment ¥3.5tn.  
Business Investment ¥4.0tn.

Approx. ¥6tn./5Y

Focus investments overseas  
Secure profitability above capital cost

Complete Investments and Fully Maximize Their Impact

Domestic

Strengthen Domestic Steel Business

¥2.2 tn.

¥2.6 tn.

¥4.0 tn.

Next-Generation Hot-Strip Mill at Nagoya Works  
Investment in ESS Capacity & Quality Enhancement

Strengthen strategic product lines, enhance competitiveness, and continue renewal investments

Group-Wide Strategy

¥0.4 tn.

Consolidated Nisshin Steel  
Consolidated Sanyo Special Steel

¥0.8 tn.

Consolidated Nippon Steel Trading  
Full Ownership of Sanyo Special Steel  
Full Ownership of Krosaki Harima

Invest to realize the Group's comprehensive strength

GX Investments

¥0.6 tn.

Invest in EAF Conversion (Incl. ¥0.3tn. Government Subsidies)

Advance development of innovative technologies while ensuring predictable investment returns

Overseas

U. S. Steel

¥0.5 tn.

¥3.5 tn.

¥2.7 tn.

Stock Price: ¥2.0 tn.  
Interest-Bearing Debt: ¥0.5 tn.  
Capital Investment: ¥0.2 tn.

Invest \$11.0 bn. in the U.S. by end of 2028 to sophisticate product types and improve cost competitiveness

AM/NS India

¥0.4 tn.

Acquisition

¥0.3 tn.

Expand Integrated Capacity at Hazira  
Enhance Sheet Production Facilities

Expand capacity in line with growing demand and continue investments for future high-grade demand

Other overseas steel business

¥0.1 tn.

Acquisition of OVAKO  
Consolidated STP(Thailand)

¥0.1 tn.

Acquire G/GJ Steel and Invest to Strengthen Profitability

Explore expansion in areas with growing demand and fields where our technologies can be leveraged

Raw material business

¥0.03 tn.

¥0.4 tn.

Acquired interests in Elk Valley JV  
Acquired interests in Blackwater

Consider securing high-quality raw materials required for carbon neutrality and stabilizing profitability

# Business Strategy

## Enhancing Attractiveness of Our Shares through Improved Shareholder Returns and Other Measures

**Consolidated Annual Payout Ratio: Approx. 30%**  
(maintain)

Achieve an appropriate balance among investments for medium- to long-term growth, shareholder returns, and financial soundness

**Stock Split: 5 Shares for every 1 Share**  
(Oct. 1, 2025)

Establishing a more accessible investment environment, particularly for individual investors, and further expanding the investor base.

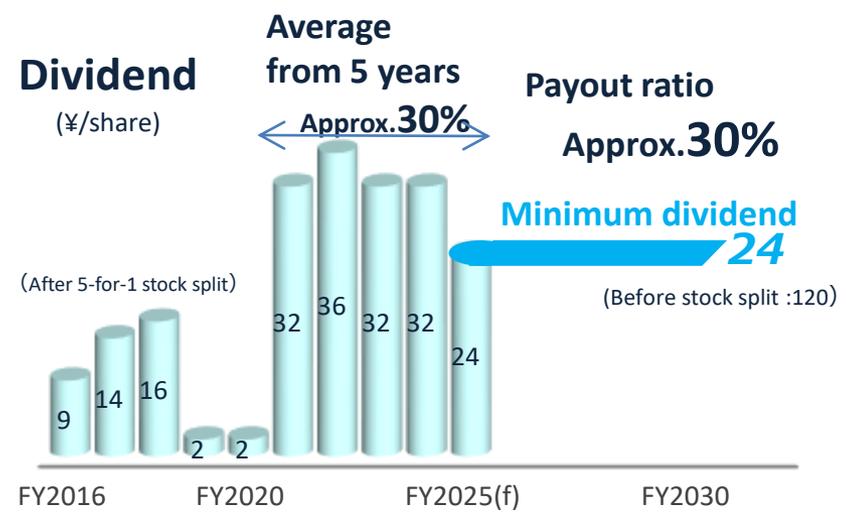
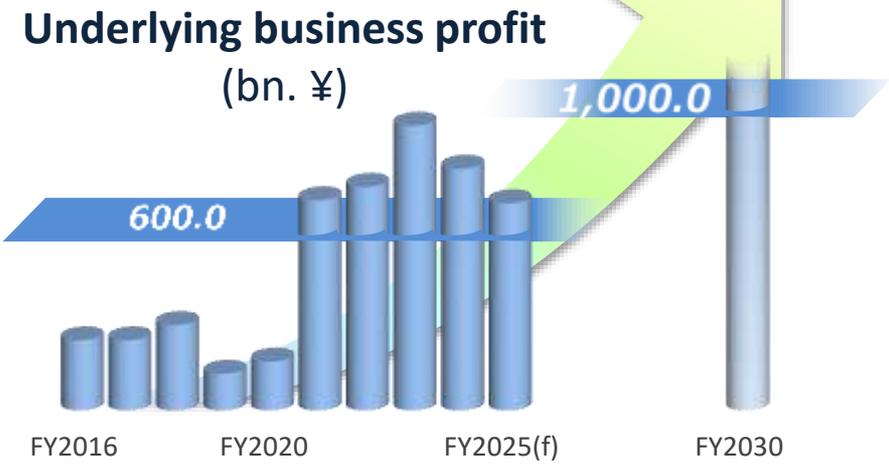
**Minimum Annual Dividend: ¥24 per share**  
(¥120 per share before stock split)

Build a robust earnings structure to secure high-level profitability regardless of external environment  
=>Set minimum dividend to increase predictability of shareholder returns and enhance attractiveness of Nippon Steel shares

**FY2026~30 Minimum annual dividend: ¥24 per share**

### Higher Returns through Profit Growth

Aim to further increase profit levels in a new growth stage and achieve higher shareholder returns



# Key Indicators of 2030 Medium- to Long-term Management Plan

Financial Indicators

**Underlying Business Profit**

FY2025(f)  
¥680.0 bn.

**¥1 tn. or more/yr**

Domestic  
¥500.0 bn. or more  
Overseas  
¥500.0 bn. or more

**ROE**  
(Return on Equity)

FY2025 H1  
-4.3%  
(Incl. one-off effects)

**Approx. 10%**

After FY2031  
**Over 10%**

**D/E\***  
(Debt/Equity Ratio)

FY2025 H1  
0.74

**Approx. 0.7**

**DEBT/EBITDA\***

FY2025 H1  
4x

**3.5x or less**

\*Adjusted for capitalization, etc.

**Capital & Business Investment**

FY2021~2025(f)  
Approx. ¥7.5tn./5Y

**Approx. ¥6tn./5yr**

**Carbon-Neutral**

CY2030 (compared to 2013)  
**30% reduction**

CY2050  
**Carbon-Neutral**

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FY2021~2025

BEP Improvement through  
Reduction in Fixed Cost and  
Price Optimization

**Establishing Optimal  
Production System**

Facility Structural Measures

BF 15→10units -5units

Crude Steel Production Capacity  
50⇒40Mt/Y -20%

Sophistication of Product Types

Decision and Implementation of  
investments to enhance capabilities  
and quality for strategic product categories

**Optimizing Direct Sales Price  
and Marginal Profit**

**BEP improvement of 40%**

FY2026~2030

**Fully Utilizing the Established Production Capacity,  
Enhancing and Maximizing the Competitiveness  
according to Demand Sectors and Product Types**

**Thorough Pursuit of Cost  
Competitiveness**

- ◆ Initiate and maximize the impact of new equipment investments
- ◆ Define production line roles and enhance efficiency through concentrated manufacturing
- ◆ Continue to optimize the production framework

**Expand Comprehensive Solution**

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

**Maximize Comprehensive Strength**

- ◆ Enhance profit throughout Nippon Steel Group
- ◆ Enhance operational efficiency through group company reorganization

**Pursuit of  
Technological Advancement**



FY2021~2025

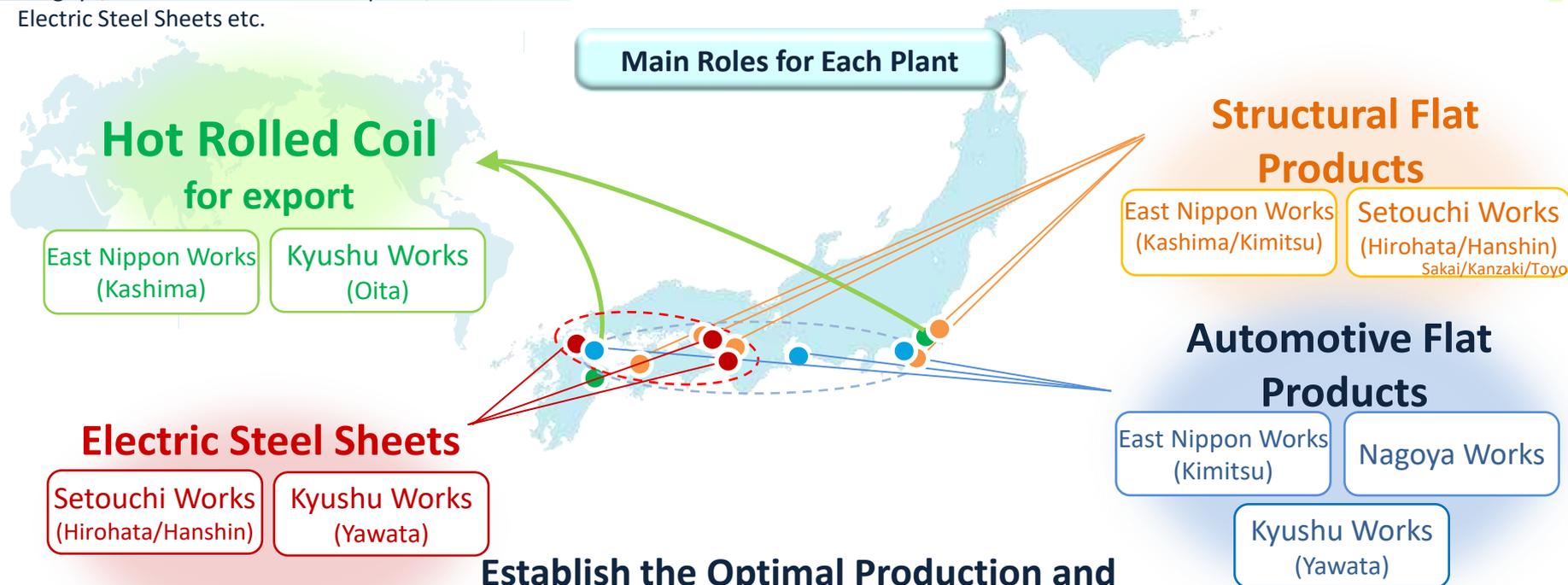
Reduction in Fixed Cost through  
Facilities Structural Measures  
Accelerating Investments  
in New Facilities\*

\*Nagoya/Next-Generation Hot-Strip Mill,  
Electric Steel Sheets etc.

FY2026~2030

Promote the Launch of New Facilities  
and the Realization of the Full Effect of Investment  
Clarify the Main Role of Each Works and Production Line,  
and Make Centralized Production to Improve Efficiency

Main Roles for Each Plant



**Hot Rolled Coil  
for export**

East Nippon Works  
(Kashima)

Kyushu Works  
(Oita)

**Structural Flat  
Products**

East Nippon Works  
(Kashima/Kimitsu)

Setouchi Works  
(Hirohata/Hanshin)  
Sakai/Kanzaki/Toyo

**Electric Steel Sheets**

Setouchi Works  
(Hirohata/Hanshin)

Kyushu Works  
(Yawata)

**Automotive Flat  
Products**

East Nippon Works  
(Kimitsu)

Nagoya Works

Kyushu Works  
(Yawata)

Establish the Optimal Production and  
Logistics System including Group Companies

Nippon Steel Metal Products

Nippon Steel Coated Sheet

Nippon Steel Logistics



FY2021~2025

Facility Structural Measures  
 Facility Investment  
 • Sophistication of Product Types  
 Expansion of Products and Solutions

- Nagoya/Next-Generation Hot-Strip Mill  
 2022 Decision Made
- Capability Expansion of Electric Steel Sheets  
 2019~2023 Decision Made

FY2026~2030

Concentrated Manufacturing in Main Plants

Initiate and Maximize the Impact  
 of New Equipment Investments

Further Advancement of Comprehensive Solutions

→ Targeted start of operations: 2026

→ Phased implementation ongoing since 2021

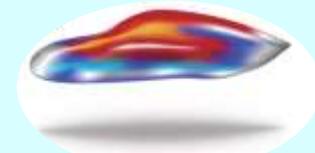
Innovation of New Product  
 and Enhance the Cost  
 Competitiveness  
 Through Utilizing Next-  
 Generation Hot-Strip Mill



Expansion of Market of NO  
 for Eco-Friendly Car



Integrated Solution  
 Deepen Engagement  
 with Customers



*N*Safe®-AutoConcept

Suspension of the Operation, as a part of pursuing optimal production system :  
 Continuous annealing unit (2KAP) at East Nippon Works (Kashima)/by 2027E



### Maximize the Group's Comprehensive Strength (Sales, Distribution, Production) to Provide Greater Customer Value

1. Improve product differentiation and solution-oriented proposals to respond to social needs (Corrosion resistant coated steel sheet (ZEXEED, ZAM, SD, SGL, etc.), Design-oriented steel sheets, NSCarbolex® Solution, Construction method proposal, etc.)
2. Maximize our group's integrated capabilities to enhance production, sales, and supply chain

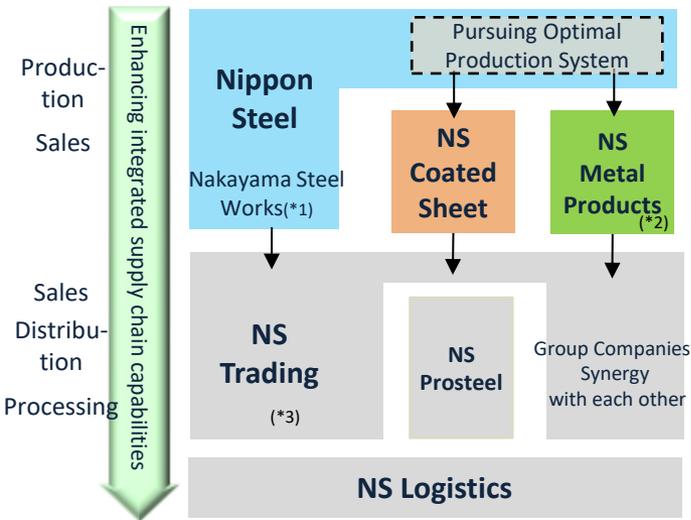
#### Major Demand Sectors



#### Enhance the integrated Cost Competitiveness

#### Creating and Providing greater customer value

### Pursuing Integrated Sales, Distribution, and Production System

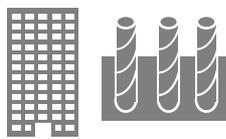


(\*1) Establish JV in 2026, new EAF under operation in 2030  
 (\*2) Commercial rights of NS Pipes transferred in Feb. 2025  
 (\*3) Flat steel segment of NS Metal Products integrated in Oct. 2024

#### Manufacturing site(incl. Group Companies)

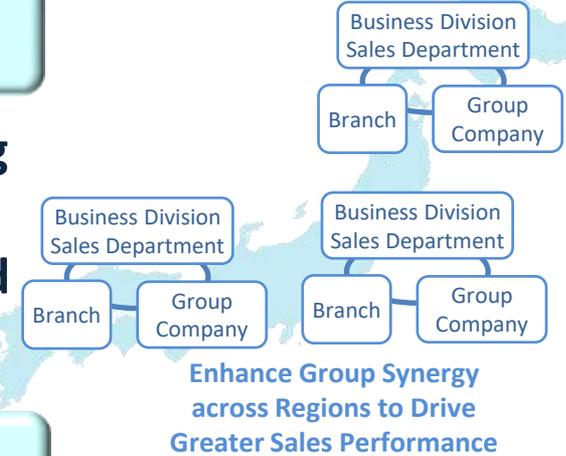
##### • Nippon Steel Sales branch





Enhance Group Synergy on a Regional Basis  
to Further Strengthen Sales Activities

Strengthening collaboration on a regional basis among business units, sales organizations, regional branches, and group companies including NS Metal Products and NS Coated Sheet



Identifying Demand Aligned  
with Market Segments and Applications

Direct Sales

(Incl. Project-Based Sales)

Distribution Sales

Shapes/Spiral Pipes

Structural Flat Product

EAF Steel

Construction and Civil Engineering Solutions  
Designed to Reduce Project Duration  
and Environmental Impact  
(ProStruct® : Steel×Utilization)



Providing Greater Value  
to Customers

Pursuing Integrated  
Sales, Distribution,  
and Production System

Expand a Competitive Product Lineup  
of EAF steel  
through a Business Alliance  
with Nakayama Steel Works



Capture demand across the entire supply chain through a diverse range of high-grade steel products

New energy manufacturing, Resource mining, power generation,

Hydrogen production, ammonia, and methanation



New Energy, Maritime and land transport



New Energy Storage, Sequestration, utilization



Develop and supply a cross-category range of steel products with superior heat resistance, corrosion resistance, and hydrogen embrittlement resistance for various harsh environments, including high temperature and high pressure, etc.

Product

Sheets Plates Pipes

×

Steel Type

Carbon Steel

High-Alloy

Stainless

Titanium

Shipbuilding Field

New Energy Transportation  
Zero-emission Shipbuilding

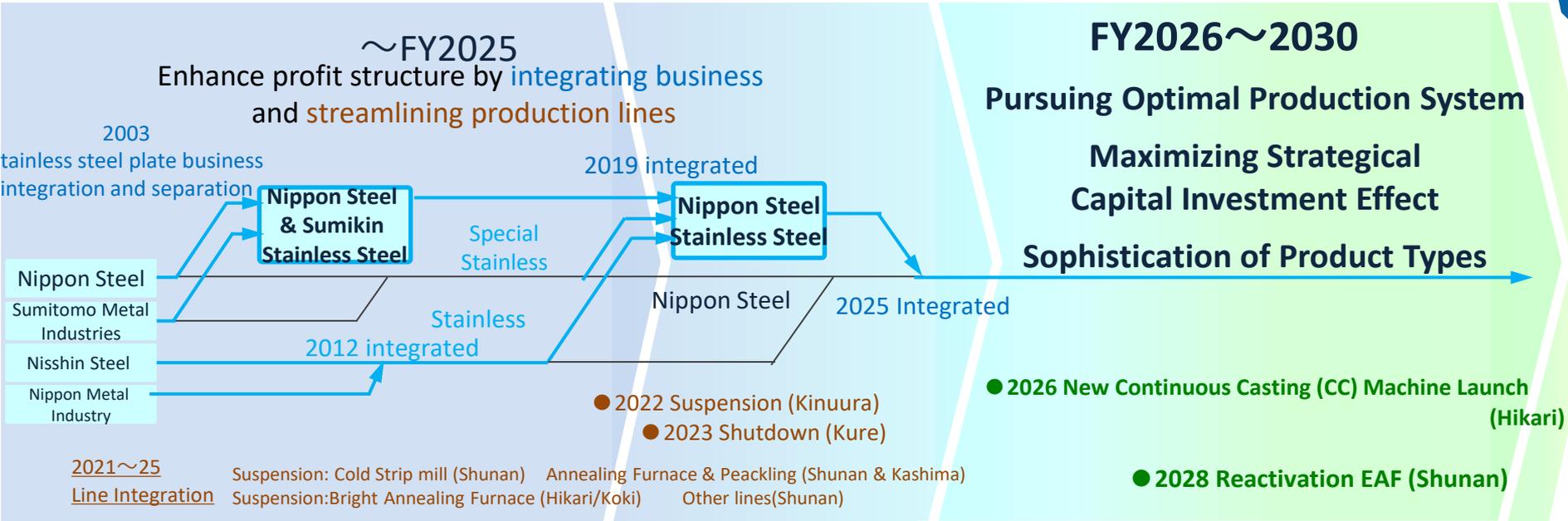
Improvement of shipbuilding productivity

Enhance proposal capabilities for high-function products and integrated solutions

Steel for Low-pressure CO<sub>2</sub> storage tank

Enhance efficiency and automation in welding through advanced processing technologies for plates and welding materials

Contribution to the revitalization of Japan's shipbuilding industry



**Pursuing Optimal Production System**

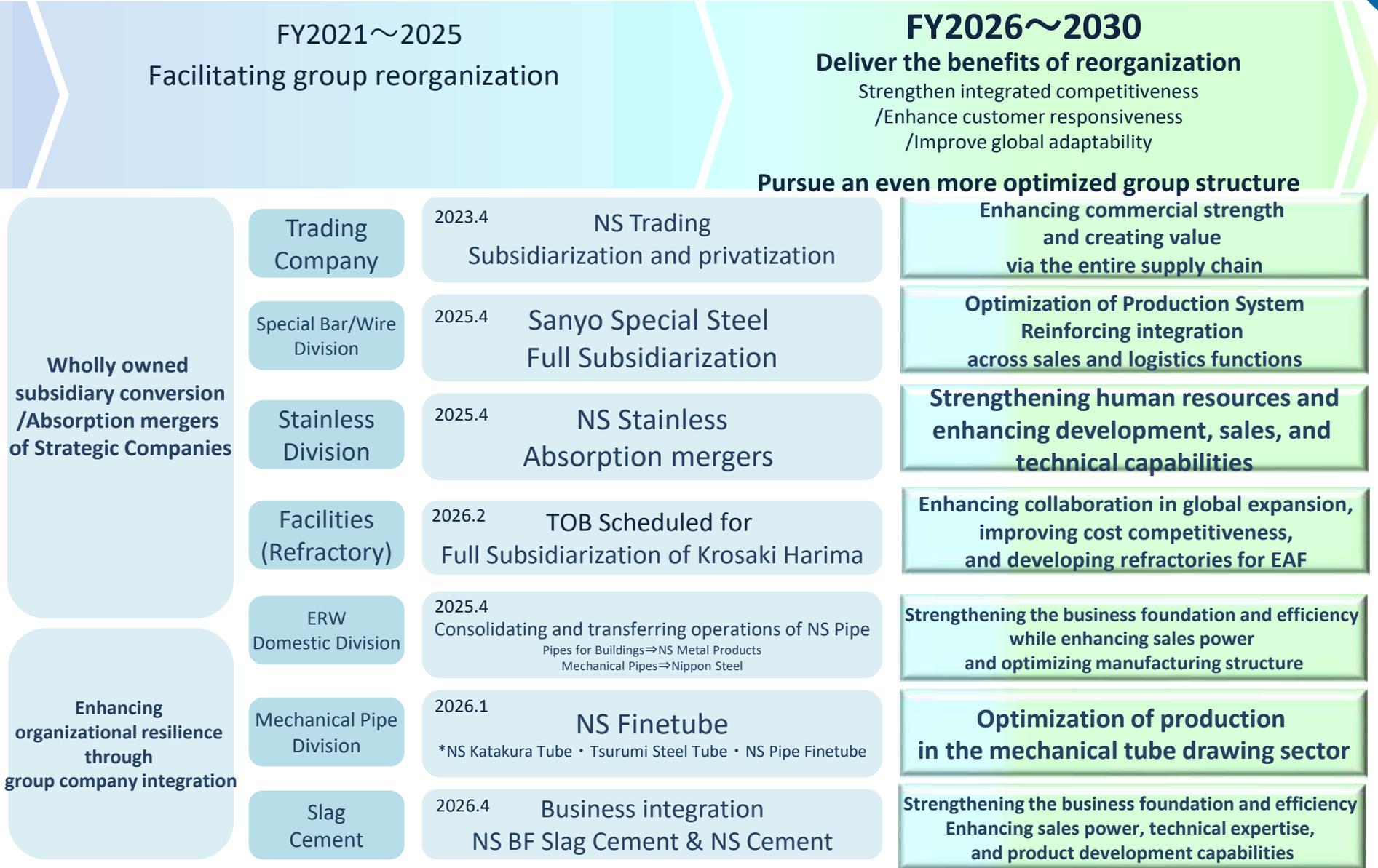
- Upstream : **Consolidation of Cr from Yawata to Shunan EAF (H2 of 2028~)**
- SUS Sheets : **Examining production strategies to improve competitiveness of commodity products**  
(Yamaguchi : Hikari/Shunan, East Nippon : Kashima, Kyushu : Yawata)

**Maximizing Strategical Capital Investment Effect**  
**Sophistication of Product Types**

- Capture demand through Group collaboration (Sanyo Special Steel, etc.)
- **Energy** : **New CC line launch (Hikari) (H2 of 2026~)** , Enhance the plate competitiveness
  - **Infrastructure** : Utilization of product lineups, engagement with customers  
Enhance the lineups for duplex SUS Plate,  
Reducing weight and wall thickness through high corrosion resistance and high strength

# Domestic Steel Business

## Improving Profitability through Reorganization of Group Companies



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that Supports Our Strategies

Key Areas : In "U.S. / Europe" "India" "Thailand", Expand Integrated Steel Production

## 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

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

Execute strategic capital investments to drive U.S. Steel profit growth  
Sophistication of Product Types and Cost Competitiveness



## Growing India

Capacity expansion in Hazira  
Construction of new southern steel mill etc.

## Home market Thailand

Market share expansion in Thailand steel sheet market

Deploy human resources intensively to overseas operations and create new business opportunities, including through collaboration with group companies.

# Contribution of Overseas Business to Achieving 1 trillion yen and 100 million tons

## Overseas Business Profit

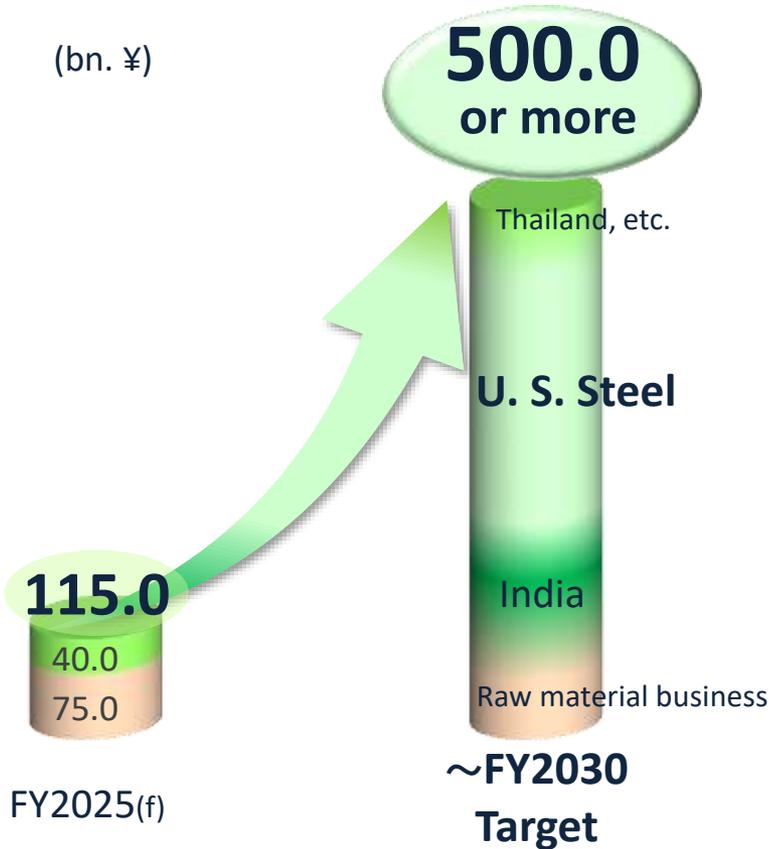
Overseas steel business + Raw material business

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

## Global Crude Steel Production Capacity

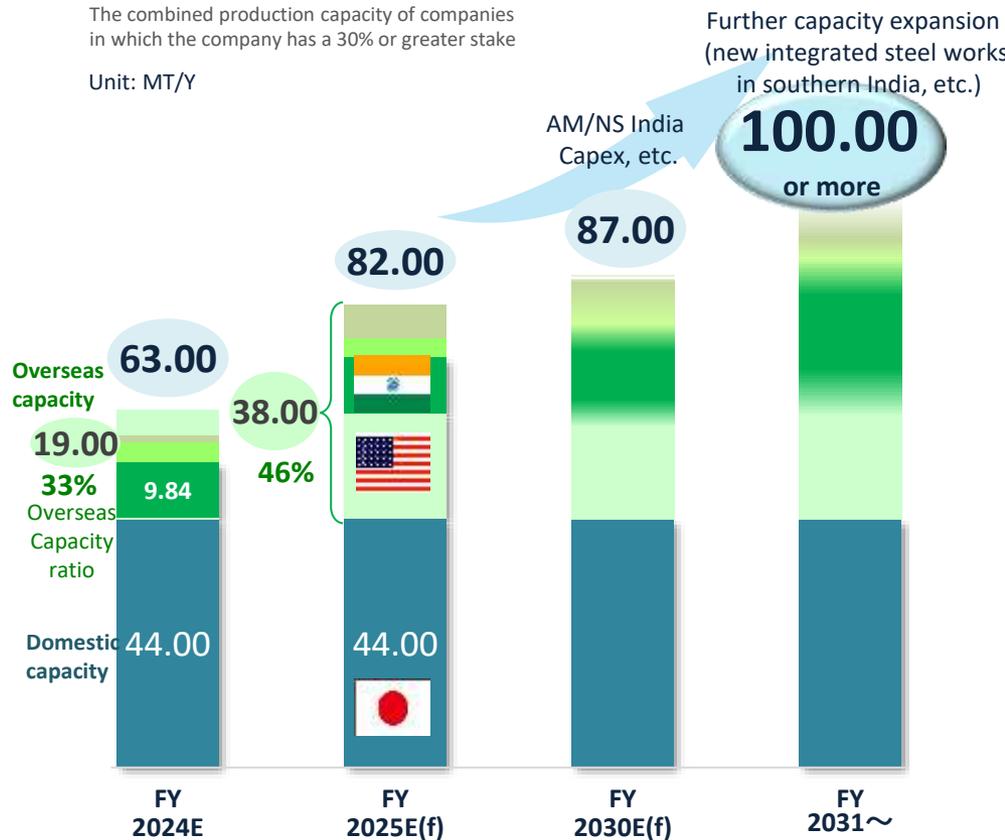
Capture global growth and aim for 100 MT or more of global crude steel production capacity.

(bn. ¥)



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

Unit: MT/Y



# Nippon Steel's Strengths

## Supporting the Global Growth Strategy

### Technology

Transfer Nippon Steel's advanced technologies and know-how to key strategic bases in tandem with capital investments.

- Cost Reduction technologies
- Automation technologies
- Recycling technologies
- Energy-saving technologies

Manufacturing Technologies

Facility Technologies

- Facility Maintenance Technologies
- Facility Engineering Technologies

Our extensive human resources  
Approx. 1,600 in-house facility engineers and maintenance specialists

**U. S. Steel: Wholly owned**  
Transfer of Nippon Steel's advanced technologies and know-how

**NIPPON STEEL**

Integrated Process Management

Integrated Quality Management

Product Solution Technologies

Number of employees dispatched overseas

Approx. **400** persons

**Further active deployment**

Including approx. **250** engineers

### Human Resources

Allocate human resources to overseas operations, while promoting operational reform and streamlining in Japan.



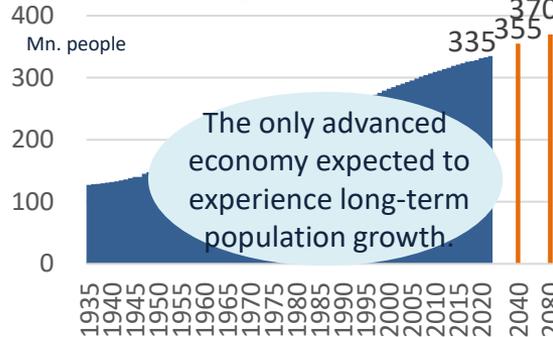
# Key Area: U. S. Growing High-Grade Steel Market

## Attractiveness of the U.S. Market

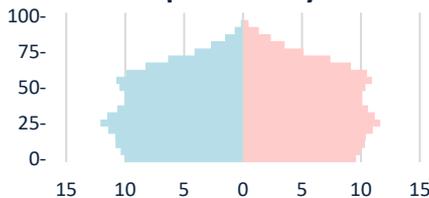
- ◆ The largest steel demand in developed countries, and market with expected growth in demand for high-grade steel
- ◆ Supply structure centered on domestic demand, less reliant on exports
- ◆ Markets protected from imports by tariffs

### U.S. Population Trends (Increase through 2080)

(U.S. Government Statistical Agency Assumptions as of Nov. 2023)

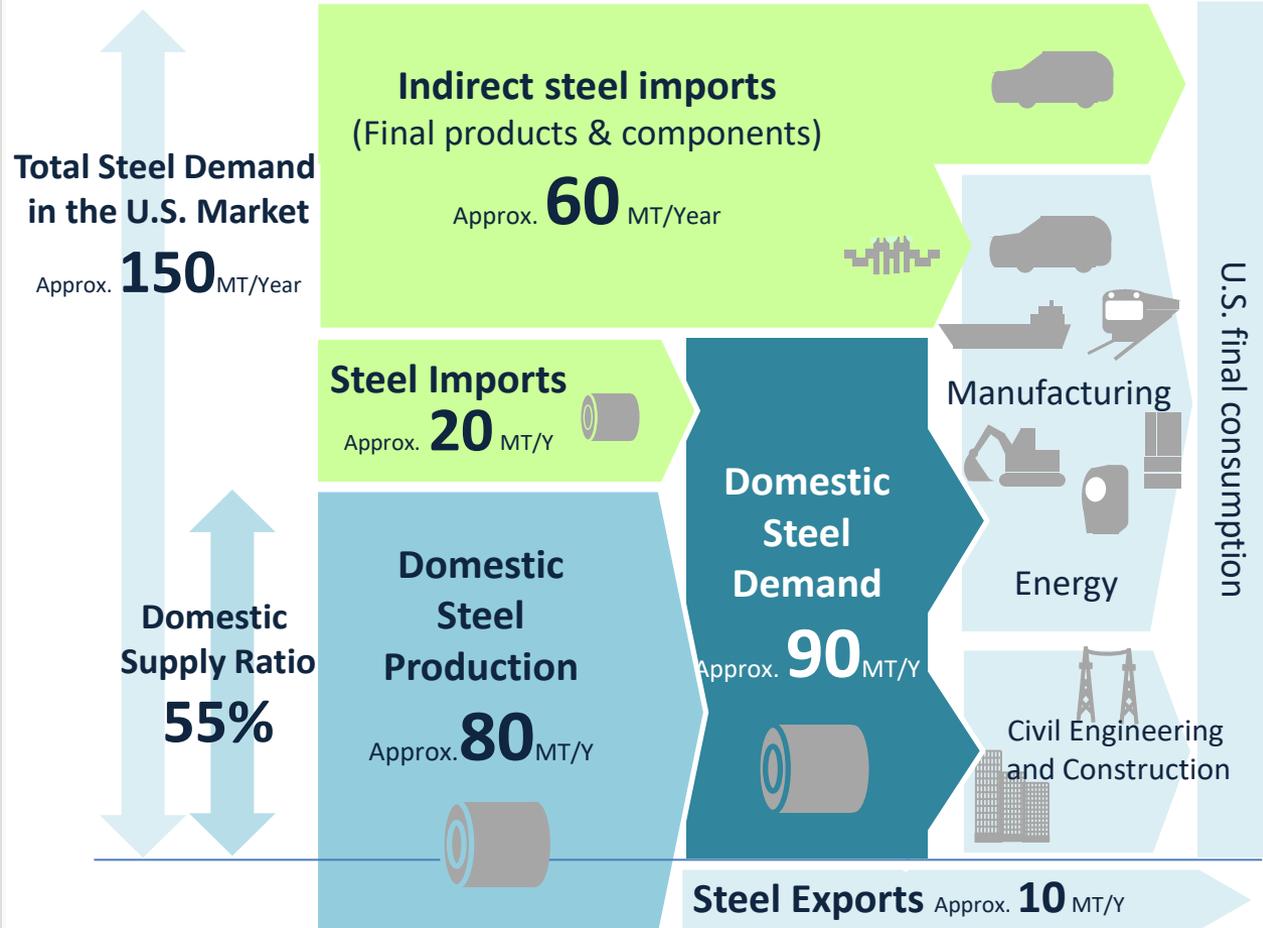


### U.S. Population Pyramid



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

## U. S. Steel Supply and Demand Overview Our Estimate





# Significant Profit Growth in U.S. Steel

FY2021~2025

Through acquisitions of EAFs and capital investments, a robust facility configuration was established, organically combining BF, EAFs, and iron ore mines.

Jun. 2025  
Became a wholly owned subsidiary.

FY2026~2030

2031~

Execute large-scale investments for growth and deploy Nippon Steel's advanced technologies and management resources.

Capital Investment ~2028/E \$11.0bn. in the U.S.

Start-up of facilities and realization of investment effects

Enhance cost competitiveness

Sophistication of Product types

Expand supply capacity

## Sample of Strategic Capital Projects underway (★ : Approved and Announced)

### Investment effects

#### BF Mill <Gary>

● Upgrade existing hot strip mill (★) **Reliability**

- Optimize production costs
- Expand premium product offerings, incl. heavy gauge line pipe and automotive steel.

● Relining No.14 BF

- Secure Production capacity
- Long-term Cost efficiencies

● Additional project, Upgrade Steel shop etc.

- Enhance Product flexibility
- Productivity Improvement
- Quality and Cost Improvement

#### BF Mill <Mon Valley>

● Upgrade existing hot strip mill

- Productivity improvement
- Quality and Cost improvement
- Expansion of high-grade steel manufacturing capabilities

● Install New Slag Recycler (★)

- Revenue expansion through slag sales

Capability

#### EAF mini mill <Big River>

Growth

● DRI Plant Construction

- Enhance raw material flexibility
- Cost reduction

● New Grain-Oriented(GO)

#### Electrical Steel facilities

- Expansion of supplied product menu by Nippon Steel tech introduction
- Product differentiation by advancing capabilities in high-performance electrical steel

#### Iron ore mine

DR grade  
Pellet plant expansion etc.

Research & Development center

#### Pipe and Tube mill <Fairfield>

Throughput

● Install New Premium Thread Line (★)

- Cost reduction through in-house thread cutting

● Upgrade tubular facilities

- Expansion of integrated capacity by eliminating bottleneck processes
- Expansion of high-value tubular capabilities

Growth

FS for green field new integrated steel mill

\$3.0bn.

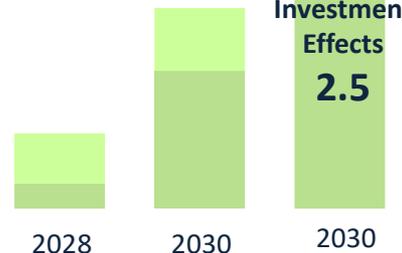
Synergy

0.5

Capital Investment Effects

2.5

Run-rate



(EBITDA Improvement compared to FY2024)

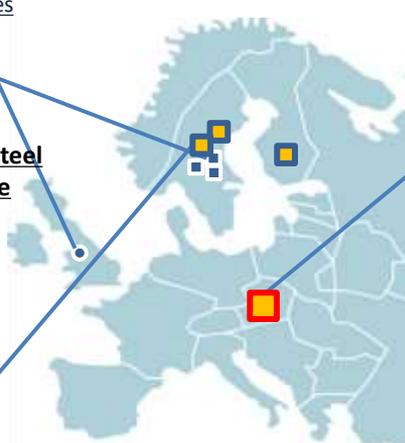


Nippon Steel group existing bases



**Integrated EAF-based special steel bar and wire production site**

**OVAKO**  
 <Sweden and Finland>  
 Crude steel production capacity : 1 MT/Y  
 Special steel bar and wire (bearing steel)



**U.S. Steel Košice**

Site area comparable to the Kimitsu Area of East Nippon Works (approx. 12 million m<sup>2</sup>; crude steel production capacity approx. 10 million tons)

**Acquisition of an 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

=>Considering conversion to EAF

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

## Strengths of OVAKO

World-class technology for **high-grade special steel bar and wire**

**Leading the way in carbon-neutral steel production**

## Business Opportunities in the European Market

The world's third-largest steel demand region

**Protection of regional industries** through tariffs, safeguard measures, CBAM, and other policies

In Central and Eastern Europe, USSK's main markets\*, **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**

## Strengths of USSK

Strategic location advantage

**Diverse portfolio of sheet products**

(incl. automotive-coated steel, tinplate, and non-oriented electrical steel sheet)

**Competitive labor costs and highly skilled workforce**

**Sound facility conditions**

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

Explore future decarbonization initiatives, such as evaluation of EAF technologies, with government support

\*Core Six Countries: Poland, Czech Republic, Slovakia, Hungary, Romania, and Austria





~2020

Mar. 2022  
G/GJ Steel acquisition

2021~2025

FY2026~2030

Entered Thailand in 1963 and has invested significant time and resources, operating 30 companies and employing approx. 8,000 people  
30% share in the sheet market  
Established a strong position

Centered on G/GJ Steel and NS-SUS, while competing against imports from China, aim to expand market share by strengthening the entire supply chain, including upstream processes.

### Thailand steel sheet market

Approx. **9MT/Y**  
(Nippon Steel estimate)

#### Commodity HRC

約**40%** G/GJ Steel

Cold-rolled and galvanized steel sheet for automobile

約**40%** Nippon Steel's exports NS-SUS

#### Tinplate

約**60%** NS-SUS

Steel pipes for automobile

約**60%** NSPT

Electrogalvanized steel sheet for home appliances

約**30%** Nippon Steel's exports NS-SUS etc.

### The top-priority key market within ASEAN

- Two-thirds commodity steel
- High grade steel market for automobile

Aim to expand market share

Approx. **30%**

Nippon Steel Group's products  
Approx. **2.6MT/Y**

Imported from China

Type of Product

Hot-Rolled

Cold-Rolled, Coated, Tinplate

Pipe

Bar and Wire

Demand sector

Civil Engineering and Construction

Automobile, etc.

Container

Construction

G/GJ Steel

NS-SUS

NST affiliated coil center

Nippon Steel's exports

NS-SUS

NSBS Thai

NSPT

NSSPT

High-grade steel and base plates are supplied from Japan

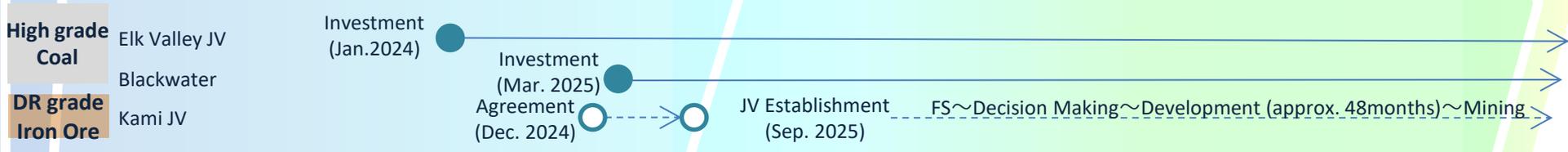
Raw Material

# Enhancing Raw Material Business

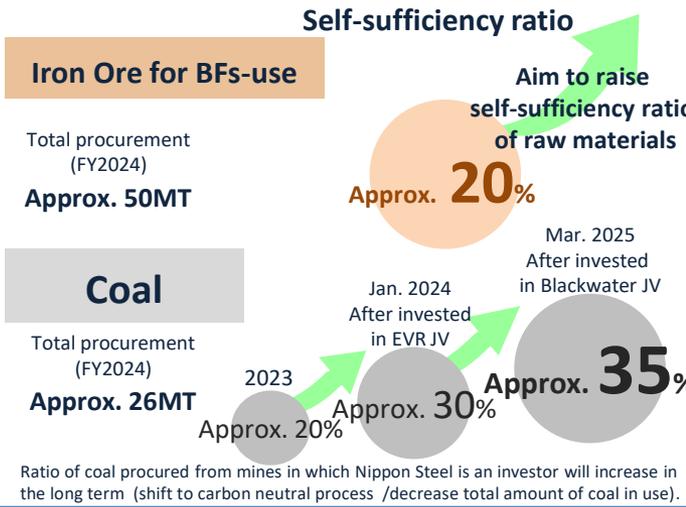
FY2021~2025

FY2026~2030

Secure the high-grade raw materials necessary for carbon neutral steelmaking and improve the self-sufficiency ratio from the perspective of stable consolidated earnings



			Equity Ratio	Capacity (MT/Y)
Iron Ore Pellet	Australia	Robe River	14%	70
	Brazil	NIBRASCO	33%	10
	Canada	Kami <small>Sep. 2025 JV Established(FS in process)</small>	30%	(9)
Coal	Australia	Moranbah North	6%	12
		Warkworth	10%	8
		Bulga	13%	7
		Foxleigh	10%	3
		Boggabri	10%	7
		Coppabella and Moorvale	2%	5
	Blackwater	20%	10	
Canada	Elk Valley Resources	20%	27	
Alloy(Niobium)	Brazil	CBMM	3%	0.15



Iron Ore Pellet	U. S.	Minntac	Wholly-Owned	16
		Keetac		6

Ore grade suitable for high grade (DR grade) pellet production



Iron Ore Pellet	India	Sagasahi	Wholly-Owned Mining rights	5
		Thakurani		2



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3. Overseas: Dramatically Increase Profit  
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- 4. Growth Strategies for Non-Steel Segments**
5. Steady Promotion of the Carbon Neutral Vision 2050
6. Strengthening the Management Base  
that Supports Our Strategies

## Three Non-steel Segments

# Advancing growth strategy: Supporting the steel business and maximizing synergies

### NS Solutions

#### Capture the IT Demand, Establishing High-profit Structure

- **NSSOL 2030 Vision**
  - Transitioning from a customer partnership model to a value-driven proposal model (Transformation to more profitable business model)
  - Proactive execution of M&A
- **Contribution to NS Group**
  - Advancing DX, strengthening security measures
  - Improving productivities through AI utilization (development, Optimizing maintenance and operational workflows)

#### NSSOL 2030 Vision

Social Value “Producer”  
with Digital

**Operating Profit  
¥100bn.**

In the early 2030s

**Achieving profit growth  
beyond market expansion**

#### Domestic IT demand Outlook

Annual Growth Rate



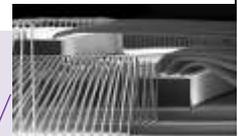
### NS Chemicals & Materials

#### Strengthening business structure

#### and executing growth strategies in Semiconductor-related Sector

- **Functional Materials** : Capture the expanding Semi-conductor market (Annual rate 6% in average)
- **Coal Chemicals • Chemicals** : Optimal production and sales response based on the reduction of raw materials (tar)

Semiconductor chip



Bonding Wire

### NS Engineering

#### Concentration of business resources on growing segments, such as Environmental segments and Carbon Neutral

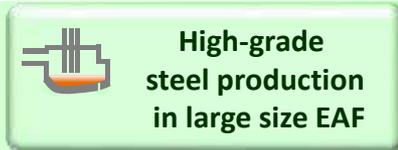
- **Existing Domains** : Enhancing productivity through DX utilization in waste management and construction, and expanding on-site supply bases
- **Growth Area** : Securing steady orders for offshore wind power generation, establishing an integrated execution framework for the CCS value chain



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**Implementation of large size EAF**



High-grade steel production in large size EAF

Technologies Establishment of High-grade steel production in EAF Large-scale integrated steelmaking in large size EAF

Execution of implementation construction in Yawata/Shunan/Hirohata

**2030**

**CO<sub>2</sub> emissions**  
(compared to 2013)

▽ **30% reduction**

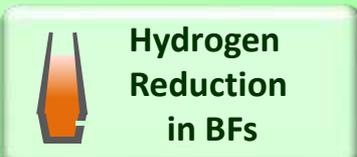
▽ **31Mt/Y**

**Creation of GX Steel Market**

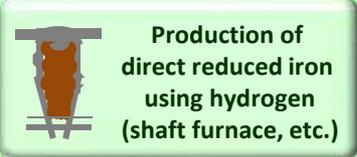
**Promoting the creation of a GX steel market Where 'CO<sub>2</sub> reduction value' is shared across the entire value chain**

**Development of Breakthrough Technologies (Hydrogen Steelmaking)**

Promoting Global-Pioneering technology development



Hydrogen Reduction in BFs



Production of direct reduced iron using hydrogen (shaft furnace, etc.)

up to around 2040 Technological readiness for full-scale implementation

**2050**

**Carbon Neutral**

## Creation of GX Steel Market

Rules must be established to ensure proper evaluation of marketing GX Steel and valuing CO<sub>2</sub> reduction.

A social framework is necessary to recover rising cost, including large-scale investments.

**Institutionalization and international standardization of GX Steel**

**Predictability of GX investment recovery**

- ① Government Support(CAPEX,OPEX)
- ② Creation of 'GX Steel Market'

Further demand creation in public procurement  
Further expansion of procurement by private companies etc.

## Technology Development

No readily available decarbonization technologies in steelmaking exists; unlike renewable energy and nuclear power to transition the power sector

Huge quantities of cost-effective hydrogen and decarbonized energy is required for carbon-neutral steel production process.

**Development of Breakthrough Technologies**

- ① Government Support (GI Fund)
- ② Enhancing collaboration among industry, academia, and government

**Social infrastructure development**

- ① Hydrogen/Decarbonization Energy
- ② CCUS

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**that Supports Our Strategies**

**Allocate world-class research resources**  
**Develop advanced process technologies, product technologies, and CN technologies**

Scale of R&D expenses  
 (consolidated basis Bn.¥/5years)

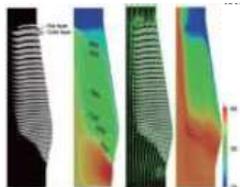
2016-2020  
 350.0

2021-2025  
 450.0

2026-2030  
**500.0**

## Process development to achieve stable production and cost competitiveness

- World's largest offline blast furnace testing facility
- Expansion of low-cost raw material utilization using blast furnace mathematical models



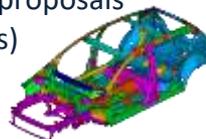
Blast furnace mathematical models



One-third scale blast furnace burden distribution testing facility

## Strategic product development for sophisticated product types and carbon neutral society

- Developing Ultra-High-Tensile Steel Sheets through utilizing world leading hot-strip mill
- Lightweighting of automotive steel through proprietary solution proposals (Collaborating with customers)
- Development of world leading high-efficiency electrical steel sheets



## Breakthrough technologies development to accomplish carbon neutrality

Securing multiple technological options as a front-runner

- High-grade steel production in large size EAF
- Production of direct reduced iron using hydrogen (shaft furnace, etc.)
- Hydrogen reduction in BFs (COURSE50 ~ SUPER COURSE50)

**Global transfer of advanced technologies developed domestically**

**Enhance the global research and development framework**

Collaborating with U. S. Steel R&D center, expand and reduce costs of strategic products (high-tensile steel sheet, electric steel sheets)

# Targets for promoting operational reform and streamlining

Nippon Steel will promote operational reform and streamlining as a mechanism to solidify the foundation for sustainable growth that supports our corporate strategy

Domestic: Improve profitability by further strengthening the earnings base

Overseas: Dramatically increase profit by implementing the global growth strategy

- Respond proactively to the expansion and strategic enhancement of overseas businesses
- Address increasingly sophisticated and complex management strategies and challenges
- Respond to the shrinking labor force

Operating with a compact team of top performers becoming essential

Operational reform and streamlining

- Focus our human resources on work that directly drives business growth and creates added value
- Improve productivity and strengthen technological and sales capabilities to secure overwhelming competitiveness
- Respond quickly, accurately, and flexibly to issues from the perspective of corporate-wide optimization, including the enhancement of global capabilities

Establish a corporate culture that enables us to achieve sustainable growth

## Initiatives to promote operational reform and streamlining

As a first step toward operational reform, Nippon Steel began in October 2025 to streamline inter-organizational functions, role allocations, reporting lines, and business processes, focusing mainly on the technical divisions

We aim to build an organizational structure that enables rapid, accurate, and flexible allocation of management resources from the perspective of corporate-wide optimization

**Clarify the functional and role allocation between headquarters and steelworks, and streamline reporting lines and business processes**

**Headquarters**

Review the roles of each steelworks and production process from the perspective of company-wide optimization, and jointly examine and execute corporate strategies in close collaboration with the steelworks



**Close collaboration**

**Steelworks**

Center management on line leadership, sharpen operational focus, and build a highly competitive manufacturing workplace

Improve productivity by reviewing functional design to match roles and by promoting operational reform and streamlining

**Deploy human resources in a timely and flexible manner, including to overseas operations**

Promote human resource development and the active engagement of employees

<Developing Global Talent>

Strengthen international education, including language training, and expand overseas assignments starting in employees' twenties

<Diversification of Human Resources>

Expand mid-career recruitment (career hires, alumni, postdoctoral talent) and promote DEI and gender equality

<Growth Support>

Enhance learning opportunities that support autonomous development, including expanded on-demand programs

Improve productivity

<Staff Personnel>

Promote operational reform and streamlining, and accelerate DX initiatives

<Manufacturing and Maintenance Personnel>

Promote automation and mechanization, Improve total productivity across internal and partner operations and build an optimal operating structure, including effective utilization of partner companies

Strengthen the capabilities of each employee and maximize organizational performance

# Human Resource Competitiveness Initiatives

## (a) Develop global talent

### Support employee growth

- Increase growth opportunities by expanding overseas assignments.
- Strengthen international education, including language training, and enhance development programs for overseas assignees.

Expand the number of overseas assignees beyond the current level of about 400

(Across 18 countries: approx. 100 in the U.S., 85 in Thailand, 45 in India, etc.; about 250 of the 400 are engineers.)

Actively assign employees overseas from their twenties

## (b) Promote the diversification of human resources, advance DEI, and ensure gender equality

### Diversify recruitment

- Actively hire from non-new-graduate talent pools, including career hires, alumni, and postdoctoral candidates
- Hiring women from each university broadly reflects the proportion of female students

FY2025 Results

Staff positions Administrative positions **44%**

Engineering positions **16%**

Manufacturing and maintenance positions **11%**

- Ongoing initiatives to enhance brand awareness

### Support for balancing work with childcare and other life events

- Enhance systems related to childbirth, childcare, and family care

#### <Male parental leave utilization rate>

2019 20 21 22 23 24  
4 → 8 → 25 → 56 → 66 → **77%\***

(\* ) Including regular paid leave and other leave taken for childcare purposes, the overall utilization rate has remained at 100% since 2022

- Accelerate efforts to maximize the effectiveness of these systems
  - Increase the number of days taken for male childcare leave (average 47 days in 2024)
  - Support leave and time-off utilization through multi-skilling training, improved workplace operations, and reinforcement of staffing



# NIPPON STEEL

**By achieving the 2030 Medium- to Long-term Management Plan, Nippon Steel will restore its position as the world's best steelmaker, contributing to the resurgence of the Japanese economy**



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