

# Nippon Steel Corporation to Acquire U. S. Steel

*Moving Forward Together as the 'Best Steelmaker with World-Leading Capabilities'*

December 18, 2023



United States Steel Corporation

# Successful Outcome of U. S. Steel's Strategic Alternatives Review Process

---

Strategic alternatives review process guided by:

Substantial  
value  
maximization

High level  
of closing  
certainty

Timeliness of  
transaction  
close

# Transaction Overview

<p><b>Transaction Terms</b></p>	<ul style="list-style-type: none"> <li>• Nippon Steel Corporation (NSC) and U.S. Steel (USS) have entered into a definitive agreement pursuant to which NSC will acquire USS in an all-cash transaction for \$55.00 per share</li> <li>• Equity value of approximately \$14.1 billion; Enterprise value of \$14.9 billion, including the assumption of debt</li> <li>• Transaction represents a ~40% premium to USS’s closing stock price on December 15, 2023</li> <li>• Transaction provides certainty of value to USS shareholders</li> <li>• Transaction has been unanimously approved by both NSC’s and USS’s Boards of Directors</li> </ul>
<p><b>Transaction Financing</b></p>	<ul style="list-style-type: none"> <li>• Transaction is not subject to any financing conditions</li> <li>• NSC has secured financing for the transaction through bank credit facilities and commitments as well as cash on hand</li> </ul>
<p><b>Additional Considerations</b></p>	<ul style="list-style-type: none"> <li>• USS to continue to operate under the “U.S. Steel” brand name</li> <li>• USS headquarters to remain in Pittsburgh, PA</li> <li>• NSC commits to maintaining strong relationships with USS’s stakeholders, including employees, unions, customers, suppliers and communities, and to honor collective bargaining agreements</li> </ul>
<p><b>Expected Closing</b></p>	<ul style="list-style-type: none"> <li>• Expected to close in the second or third quarter of 2024</li> <li>• Transaction is subject to USS shareholder approval, receipt of regulatory approvals and other customary closing conditions</li> <li>• Not subject to NSC shareholder approval</li> </ul>

# Strong Strategic Alignment

---



**Moving Forward Together as the 'Best Steelmaker with World-Leading Capabilities'**

**Pursue world-leading technologies and manufacturing capabilities and contribute to society by providing excellent products and services**

**Deliver on Best for All<sup>®</sup> strategy, providing customers with profitable steel solutions while creating a more sustainable future for all stakeholders**

# Compelling Strategic Rationale

---

1

**Moving Forward Together as the ‘Best Steelmaker with World-Leading Capabilities.’** Combines cutting-edge technologies across NSC and USS to advance innovation and deliver high-grade steel products to meet the growing demand by customers globally. Strengthens NSC's unwavering dedication to its U.S. customer base over four decades.

2

**Drives the World’s Steel Industry Towards Decarbonization and a Sustainable Society.** A shared commitment to decarbonize; recognizes that solving sustainability challenges is a fundamental pillar of a steelmaker’s existence and growth.

3

**Commits to Maintaining Strong Stakeholder Relations, While Also Creating Significant Value for Both NSC and USS Shareholders Through Higher Growth and Enhanced Profitability.** The combined workforce, including employees represented by the USW, is critical to operations in the United States and globally.

# Building on USS's Strengths

---



**Social and Stakeholder Capital:** Extensive U.S. Client Base, Established Brand Value



**Manufacturing Capital:** Robust facilities organically combining iron ore mines, BF's and EAF's



**Natural Capital:** Low-cost iron ore mines with abundant reserves



**Human Capital:** Excellent management team, dedicated employees, strong union relationships



**Intellectual Capital:** R&D and technology bases across the U.S.



**Financial Capital:** Strong financial structure (Debt/Equity Ratio <0.1), Sufficient retirement benefit reserves

# Acquisition Aligns with NSC's Global Strategy

**NIPPON STEEL**

**Uss United States Steel Corporation**

Manufacturing Base

Upstream

Japan, India, Brazil, Thailand, Sweden, United States, and others

Downstream

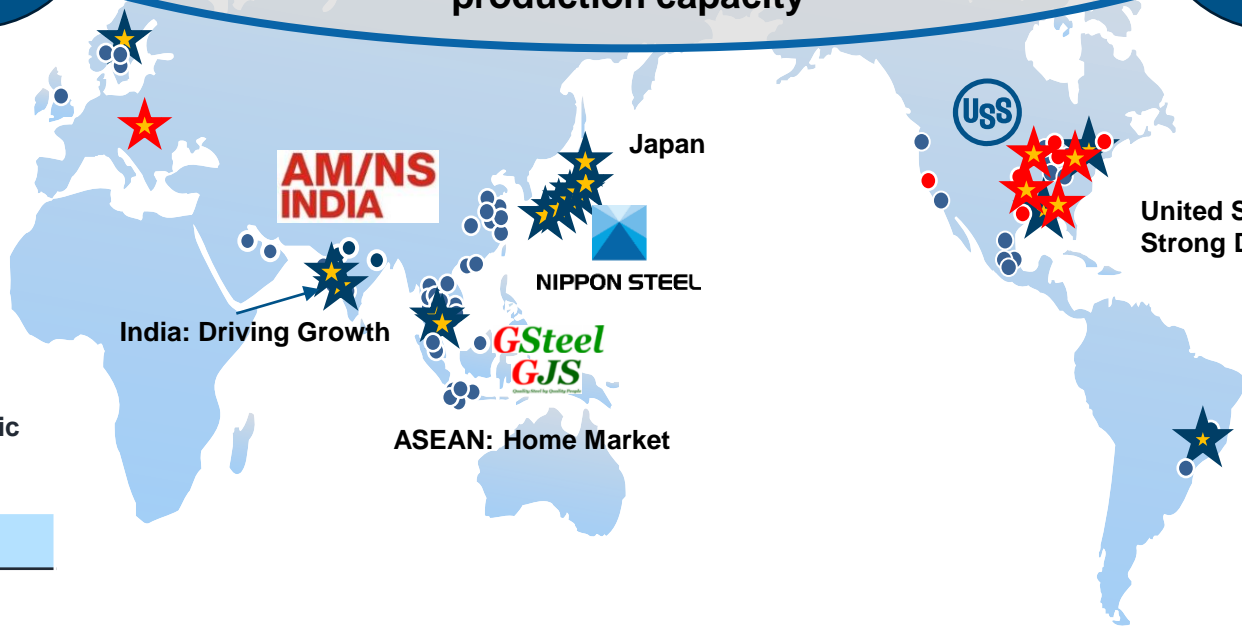
16 Countries

Manufacturing Base

United States, Slovakia



Global Crude steel production capacity* (Mt/Y)			
	2014	2022**	Strategic Goal
Domestic	52	47	
Overseas	6	19	> 60
<b>Global</b>	<b>58</b>	<b>66</b>	<b>&gt; 100</b>



USS NSC   
 Integrated Steel Mill   
 Downstream Base

\*Simple aggregate of nominal capacities of companies in which NSC has at least 30% stake  
 \*\*As of end of March 2023

Accelerates Progress Towards Strategic Goal of 100 Mt of Annual Global Crude Steel Production

# Combines Cutting-Edge Technologies to Advance Innovation in Steelmaking



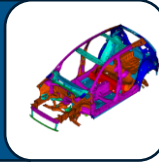
<b>Product Technologies</b>	<ul style="list-style-type: none"> <li>Automotive sheets (high-grade), Processing technologies and solutions</li> <li>Electrical steel sheets (high-grade)</li> <li>Highly corrosion-resistant coated steel sheet for construction materials (high-grade)</li> <li>Nickel-coated steel sheets</li> </ul>	<ul style="list-style-type: none"> <li>Automotive sheets</li> <li>Electrical steel sheets</li> <li>Highly corrosion-resistant plated steel sheet for building materials</li> </ul>
<b>Operational and Equipment Technologies</b>	<ul style="list-style-type: none"> <li>Quality and Cost improvement technologies</li> <li>Energy-saving technologies</li> <li>Automation Technologies</li> <li>Technologies to recycle</li> <li>Equipment Technologies</li> </ul>	<ul style="list-style-type: none"> <li>State-of-the-art thin-slab continuous casting and hot-rolling facilities</li> <li>Maintenance technologies for aged facilities</li> </ul>
<b>R&amp;D Capabilities</b>	<ul style="list-style-type: none"> <li>One of the world's leading research resources</li> <li>Best-in-class products, equipment, and operating technologies</li> <li>R&amp;D organization in Japan as well as overseas in the future</li> </ul>	<ul style="list-style-type: none"> <li>Deep history of R&amp;D, particularly with automotive customers</li> <li>Value-added, sustainably produced steels, including verdeXTM and induXTM</li> <li>R&amp;D facilities in Munhall, PA, Troy, MI, Kosice, Slovakia, and Houston, TX</li> </ul>

Synergies primarily driven by bringing together advanced production technology and know-how between USS and NSC



# NSC's Offerings in Electrical Steel and Automotive Flat Steel Technologies

## Ultra-high Tensile Steel Sheets for Autos



- Lightweight, strong, easy processing
- Possesses both cold high-tensile and hot stamping high-tensile technologies

## Electric Steel Sheets

NO  
(non-oriented)

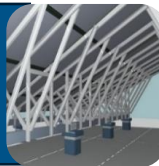


GO  
(grain oriented)



- Steel product that can motor's enhance energy efficiency
- Achieving at the same time mutually conflicting motors' features: high efficiency, high torque, high rotation, lightweight and compact
- Eco-friendly material that can improve energy efficiency of transformers used in power plants, power grids, etc.

## Highly Corrosion-resistant Coated Steel Sheet for Construction Materials



- Materials with five to ten times higher corrosion resistance than galvanized coated steel sheets
- Contributing to lifecycle cost reduction and longer service lifespan when used in outside facilities e.g.) solar panel mounts

## Nickel Coated Steel Sheets



- Used for battery cell cases for electric vehicles, etc.
- Thinner wall thickness realizes weight reduction equivalent to aluminum
- High-temperature strength of iron can reduce fire spread

# USS's State-of-the-Art Mini-Mill



## Big River Steel

- EAF :2 (3.3Mt/Y)
- RH Degasser :1
- CSP (Compact Strip Process) :1
- Compact Hot Mill :1
- Galvanizing line :1 (525kt/Y)
- Non-grain oriented electrical steel line :1 (200kt/Y)
- Under construction
  - Galv/galvalume :1 (325kt/Y)
  - Paint line :1 (165kt/Y)



## Big River 2

- EAF :2 (3Mt/Y)
- ESP (Endless casting & rolling line ) :1
- Galvanizing line :2 (1mt/Y)
- 62% of project execution has been completed\*
- 92% of project spend has been committed \*
- Production to start in the second half of 2024; full financial contribution by 2026\*

- Location: Osceola, Arkansas
- GHG emissions intensity: 0.4t- CO2/t-steel (Scope 1 & 2)
- 250MW Driver solar field will add renewable power to BRS EAF electrical supply

*Note: Tons data is in net tons*

*\*As of USS Q3 2023 earnings call*

# NSC: Operating in the U.S. For Nearly 40 Years

Developed deep understanding of the U.S. industry and mutual trust with U.S. stakeholders



Approximately 4,000 employees in NSC's production base in the U.S.

Product	NIPPON STEEL Group company	Equity Ratio	Capacity	State
Sheets	1  WHEELING-NIPPON STEEL 1984 Establishment	100%	0.60 Mt/Y	WV Founded as a JV with Wheeling-Pittsburgh steel, became a wholly-owned subsidiary in 2008
	2  steelscape 2013 Capital participation	50%	0.44 Mt/Y	WA, CA, etc. JV with Bluescope
	3  AM/NS CALVERT 2014 Acquisition	50%	5.3 Mt/Y	AL JV with Arcelor – acquired from Thyssenkrupp
Bar & Wire	4 <b>IPF</b> 1996 Establishment	100%	0.04 Mt/Y	IN
	5 <b>Suzuki Garphyttan</b> 2008 Investment	100%		IN
Pipes & Tubing	6 <b>Nippon Steel Pipe America</b> 1989 Establishment	80%	0.08 Mt/Y	IN
Wheels	7  STANDARD STEEL 2011 Acquisition	80%	0.20 Mt/Y	PA Integrated EAF mill; founded in 1795 as Freedom Forge
Crank-shaft	8  INTERNATIONAL CRANKSHAFT INC. 1990 Establishment	80%	4.00 M Units	KY

# Driving the World's Steel Industry Towards Decarbonization

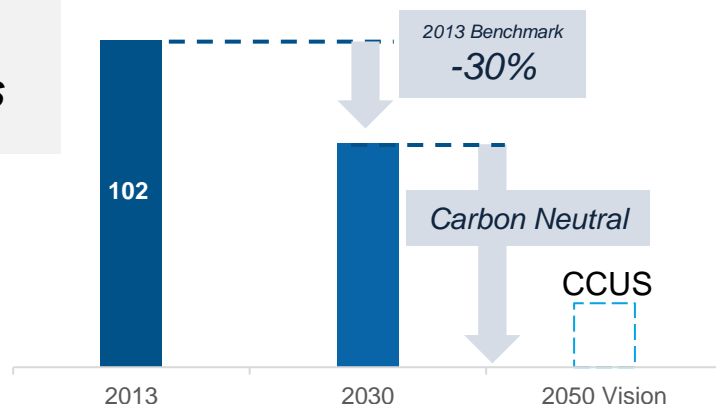
Both companies share a commitment to decarbonization and are strategically investing to achieve targets



**Target: Carbon Neutral by 2050**

**Target: Net Zero by 2050**

**Total CO2 Emissions**  
(million t-CO2/yr)



*[Scope of scenario]  
Domestic: SCOPE1+2  
(Receipt of raw materials to product shipment + CO<sub>2</sub> emitted by power suppliers)*

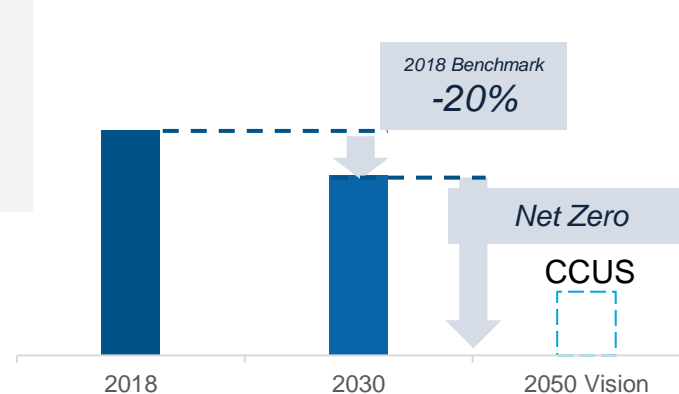
**~2030**

- Hydrogen injection into blast furnaces
- Reduction of CO2 emissions in existing processes
- Establishment of an efficient production framework

**~2050**

- Three breakthrough technologies:
  1. Hydrogen injection into blast furnaces
  2. High-grade steel production in large-size EAF
  3. Hydrogen direct reduction of iron
- CCUS\* and other carbon offset measures

**CO2 Emissions / Ton of Steel**  
(t-CO2/t-steel)



**~2030**

- Expansion of EAF production capacity
- Optimization of production

**~2050**

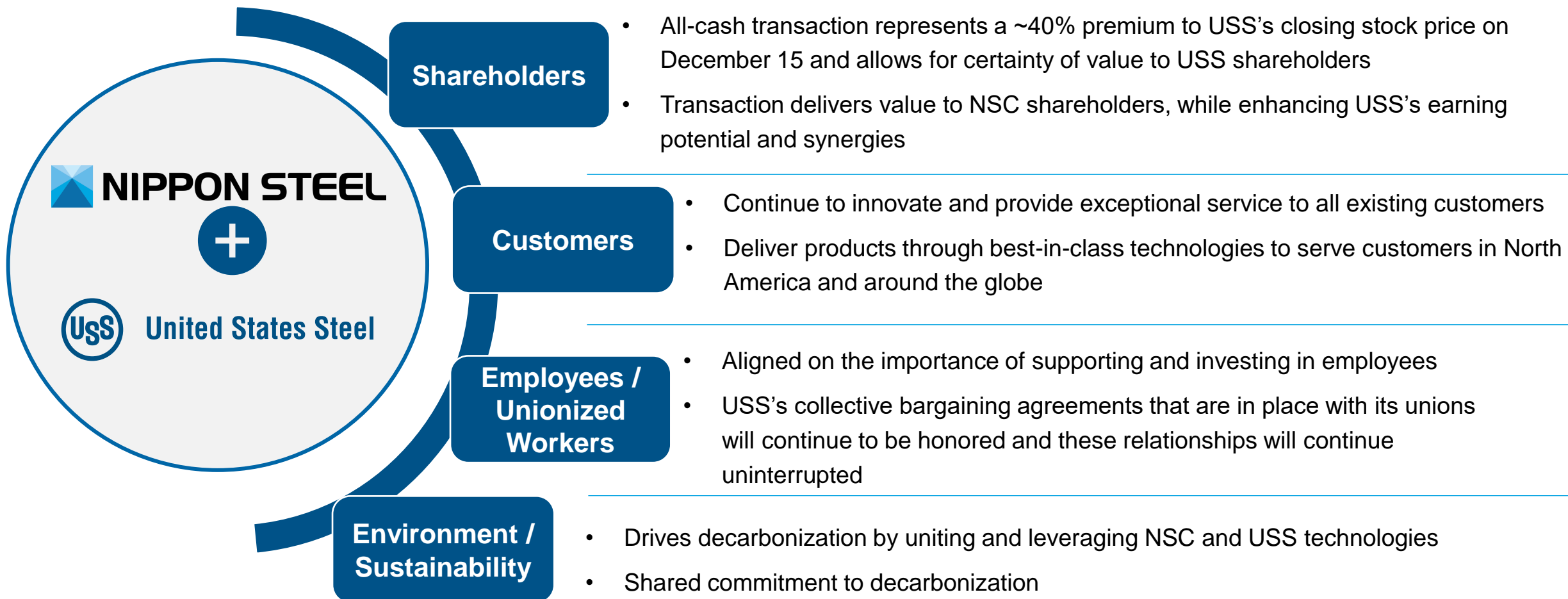
- Future mini mill development
- DRI with natural gas
- Development of cutting-edge technologies
  1. CCUS\*
  2. DRI with hydrogen
  3. Electric grid improvements

\* Carbon Capture, Utilization and Storage

Accelerates technological development and commercialization by combining both companies' technologies

# Transaction is in Best Interest of All Stakeholders

Aligns with USS's Best for All<sup>®</sup> strategy



# Question & Answer



# Closing Remarks



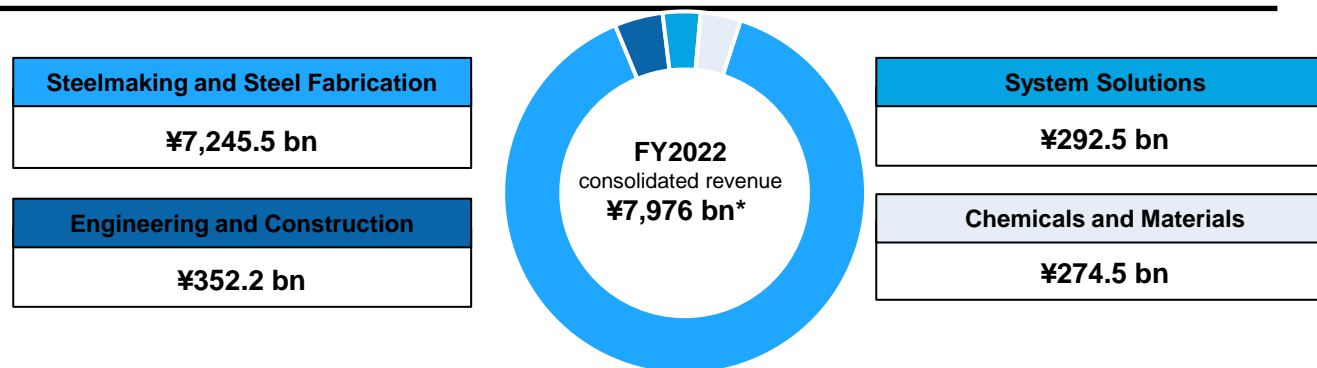
# Appendix



# NSC Overview

## One of the World's Leading Steel Manufacturers

At a Glance:	
<b>Headquarters:</b>	Chiyoda-ku, Tokyo
<b>Employees:</b>	~106,000
<b>Fiscal 2022 Revenue:</b>	¥ 7,976 bn
<b>Fiscal 2022 Business Profit:</b>	¥ 916 bn
<b>Core Sectors:</b>	<ul style="list-style-type: none"> <li>• Automobiles</li> <li>• Shipbuilding</li> <li>• Energy</li> <li>• Household appliances</li> <li>• Containers</li> <li>• Industrial machinery</li> <li>• Civil engineering</li> <li>• Construction</li> </ul>
<b>Areas of Operation</b>	<ul style="list-style-type: none"> <li>• Japan, US, India, Thailand, Indonesia, Vietnam, Brazil, Mexico, Sweden, China and others</li> <li>• Integrated steelworks in Japan, US, India, Thailand, Brazil and Sweden</li> </ul>
<b>Patents:</b>	~14,000 (Japan) ~16,000 (Overseas)
<b>R&amp;D Spend*:</b>	¥70.5 bn



### Sales composition by region

<b>Japan</b>	<b>59%</b>
<b>International</b>	<b>41%</b>

Regional composition:		Crude steel production capacity:		
Asia	58%	(mm. tons/year)	Japan	47.0
Europe	13%		India	9.8
North America	12%		South America	4.4
South America	10%		ASEAN	3.5
Middle East	5%		Europe	1.3
Africa	2%		North and Central America	0.2
Pacific	0.4%			

\*Year ended March 31, 2023

# NSC's Global Operations

Manufacturing Bases

**In Japan**  
6 Works  
13 Areas

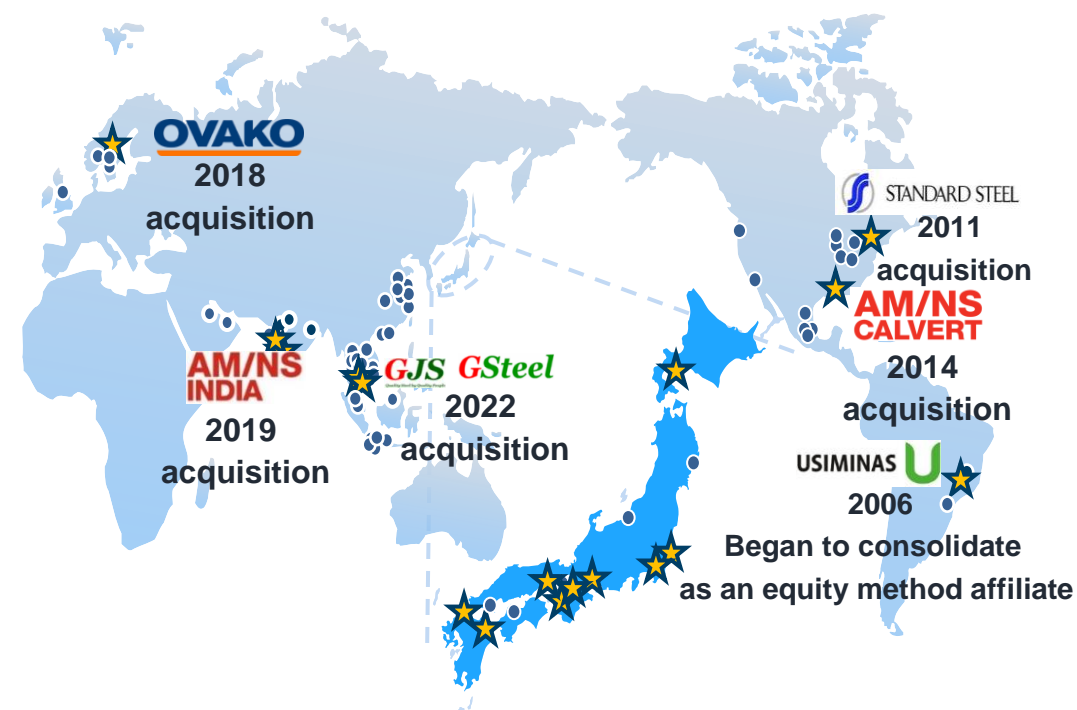
**Overseas**  
15 Countries  
51 Companies

## Global Crude steel production capacity\* (Mt/Y)

	2014	2022*	Future vision
Japan	52	47	
Overseas	6	19	> 60
Global	58	66	> 100

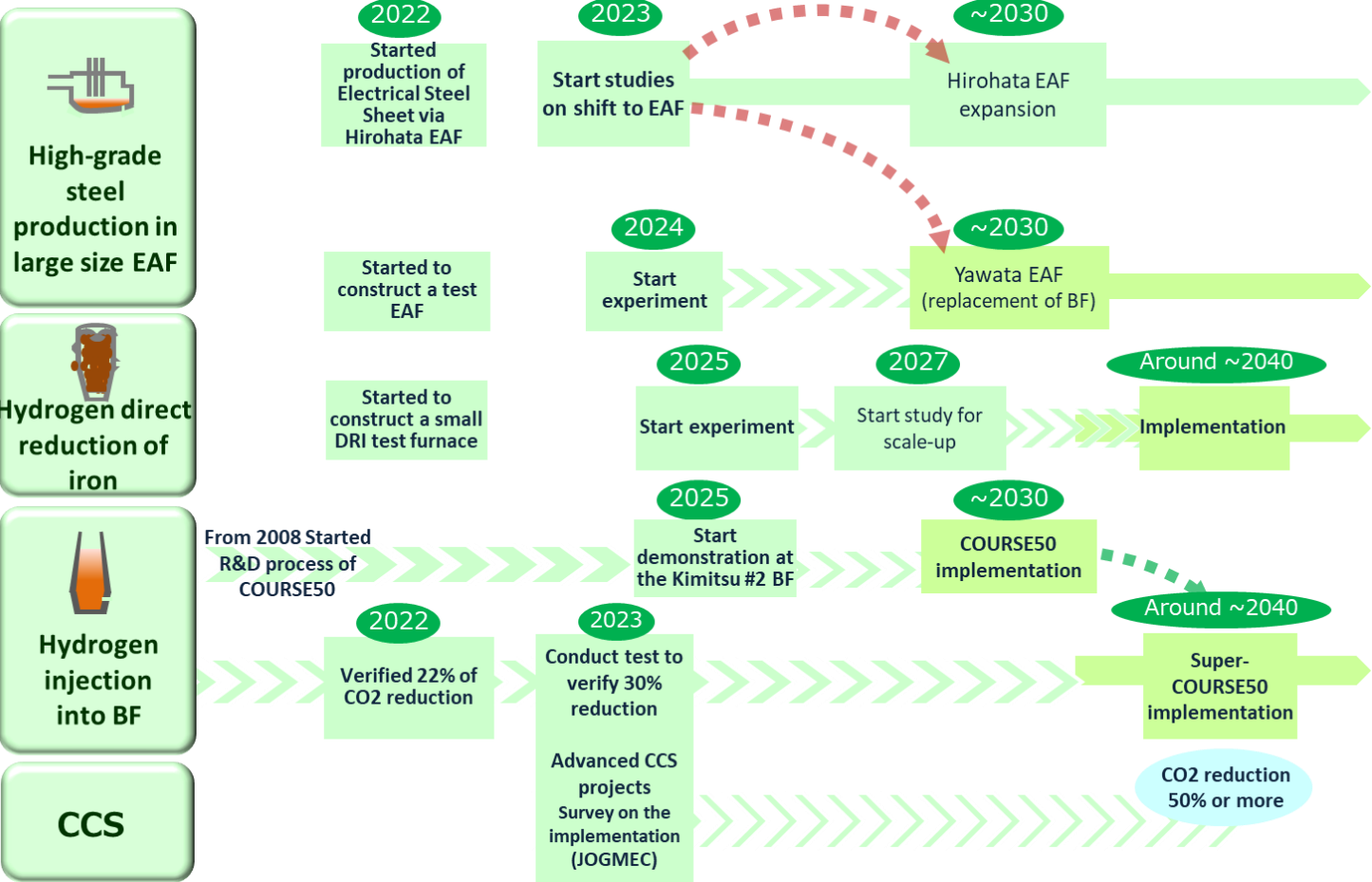
### Key Initiatives toward 100 million tons

- **US\$ +20 metric tons**
- Expanding production in India (Will be 30 MMt in 2030)



\*Sum of the nominal full production capacity of companies in which the Company has 30% or more of equity interests, which is the same methodology as the World Steel Association's crude steel production statistics

# NSC's Carbon-Neutral Technologies



# NSC's Operational and Equipment Technologies

## Operational and equipment technologies of Nippon Steel

### Operational and equipment technologies

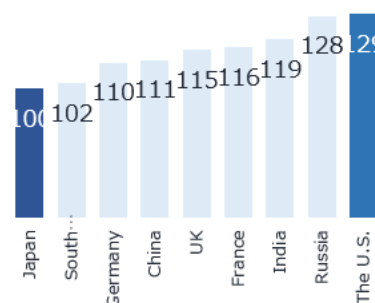
- ◆ World's leading level in energy-saving technologies

#### Energy efficiency in steelmaking

(Japan=100)

Source: RITE

2019



- ◆ Quality and Cost improvement technologies
- ◆ Automation Technologies
- ◆ Technologies to recycle
- ◆ Equipment Technologies

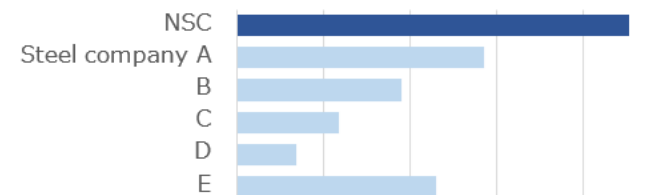
Approx. 1,600 inhouse plant engineering and maintenance engineers contribute to stable operation, quality assurance and cost reduction

### R&D capabilities

- ◆ One of the world's leading research resources  
Best-in-class products, equipment, and operating technologies
- ◆ R&D organization in Japan as well as overseas in the future

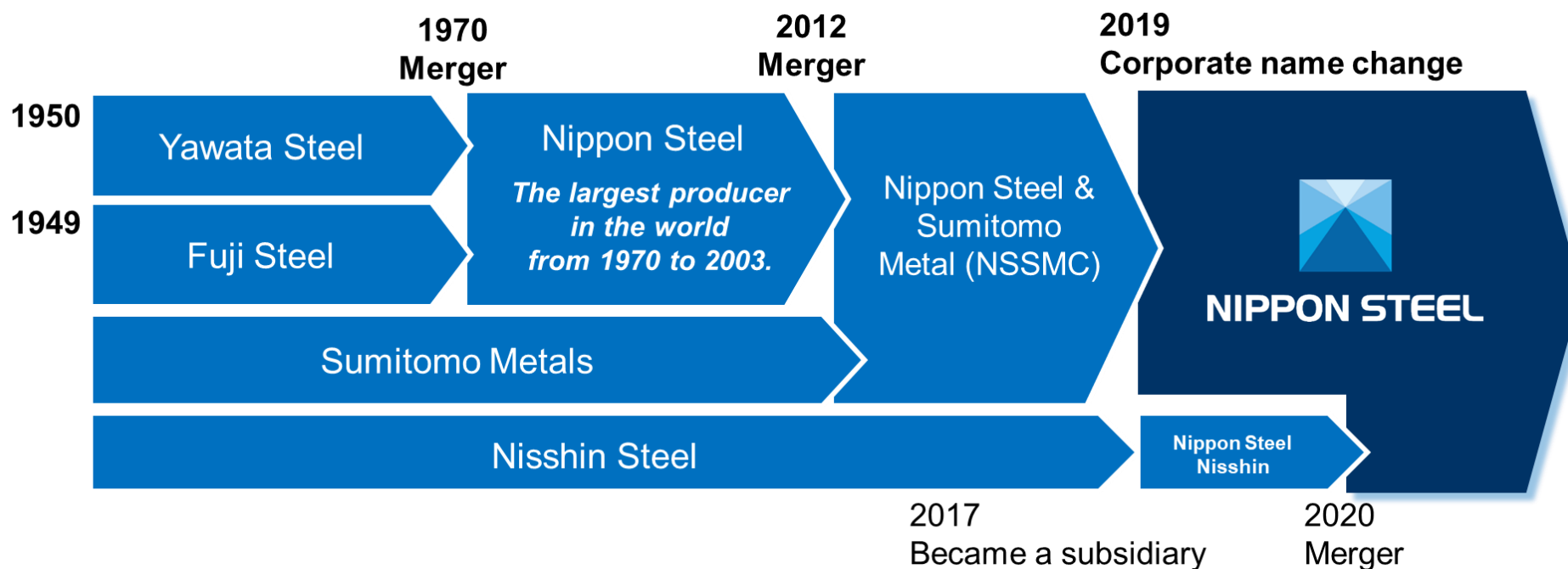


#### Patent Value Patent Asset Index \*



\*Calculated using PatentSight™, a patent analysis tool of LexisNexis. Comprehensive evaluation index of patent calculated by multiplying "technical value" calculated based on the number of citations of patents and "market value" calculated based on the country of application for patents with valid legal status (patents pending and granted).

# History of NSC and Steel Making in Japan



## **Brief History of Steelmaking in Japan:**

- **1901:** State-owned Yawata Steelworks inauguration, the first modern steelworks in Japan (Located in the premises of the present Kyushu Steelworks of NSC)
- **1857:** Western-style steel making started in Kamaishi (Located near the premises of the present North Nippon Steelworks of NSC)

# Additional Information and Where to Find It

---

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

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

# Participants in the Solicitation

---

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

# Forward-Looking Statements

---

This presentation contains information regarding U. S. Steel and NSC that may constitute “forward-looking statements,” as that term is defined under the Private Securities Litigation Reform Act of 1995 and other securities laws, that are subject to risks and uncertainties. We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in those sections. Generally, we have identified such forward-looking statements by using the words “believe,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “target,” “forecast,” “aim,” “should,” “plan,” “goal,” “future,” “will,” “may” and similar expressions or by using future dates in connection with any discussion of, among other things, statements expressing general views about future operating or financial results, operating or financial performance, trends, events or developments that we expect or anticipate will occur in the future, anticipated cost savings, potential capital and operational cash improvements and changes in the global economic environment, as well as statements regarding the proposed transaction, including the timing of the completion of the transaction. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. Forward-looking statements include all statements that are not historical facts, but instead represent only U. S. Steel’s beliefs regarding future goals, plans and expectations about our prospects for the future and other events, many of which, by their nature, are inherently uncertain and outside of U. S. Steel’s or NSC’s control. It is possible that U. S. Steel’s or NSC’s actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Management of U. S. Steel or NSC, as applicable, believes that these forward-looking statements are reasonable as of the time made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from U. S. Steel’s or NSC’s historical experience and our present expectations or projections. Risks and uncertainties include without limitation: the ability of the parties to consummate the proposed transaction on a timely basis or at all; the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could cause the parties to terminate the definitive agreement and plan of merger relating to the proposed transaction (the “Merger Agreement”); the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; the possibility that U. S. Steel’s stockholders may not approve the proposed transaction; the risks and uncertainties related to securing the necessary stockholder approval; the risk that the parties to the Merger Agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; certain restrictions during the pendency of the proposed transaction that may impact U. S. Steel’s ability to pursue certain business opportunities or strategic transactions; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of U. S. Steel’s common stock or NSC’s common stock or American Depositary Receipts; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; and the risk that the proposed transaction and its announcement could have an adverse effect on the ability of U. S. Steel or NSC to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of U. S. Steel. U. S. Steel directs readers to its Form 10-K for the year ended December 31, 2022 and Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, and the other documents it files with the SEC for other risks associated with U. S. Steel’s future performance. These documents contain and identify important factors that could cause actual results to differ materially from those contained in the forward-looking statements. Risks related to NSC’s forward-looking statements include, but are not limited to, changes in regional and global macroeconomic conditions, particularly in Japan, China and the United States; excess capacity and oversupply in the steel industry; unfair trade and pricing practices in regional markets; the possibility of low steel prices or excess iron ore supply; the possibility of significant increases in market prices of essential raw materials; the possibility of depreciation of the value of the Japanese yen against the U.S. dollar and other major foreign currencies; the loss of market share to substitute materials; NSC’s ability to reduce costs and improve operating efficiency; the possibility of not completing planned alliances, acquisitions or investments, or such alliances, acquisitions or investments not having the anticipated results; natural disasters and accidents or unpredictable events which may disrupt NSC’s supply chain as well as other events that may negatively impact NSC’s business activities; risks relating to CO2 emissions and NSC’s challenge for carbon neutrality; the economic, political, social and legal uncertainty of doing business in emerging economies; the possibility of incurring expenses resulting from any defects in our products or incurring additional costs and reputational harm due to product defects of other steel manufacturers; the possibility that we may be unable to protect our intellectual property rights or face intellectual property infringement claims by third parties; changes in laws and regulations of countries where we operate, including trade laws and tariffs, as well as a tax, environmental, health and safety laws; and the possibility of damage to our reputation and business due to data breaches and data theft. All information in this presentation is as of the date above. Neither U. S. Steel nor NSC undertakes any duty to update any forward-looking statement to conform the statement to actual results or changes in U. S. Steel’s or NSC’s expectations whether as a result of new information, future events or otherwise, except as required by law.