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To Whom It May Concern:

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**Nippon Steel Corporation Announces 2030 Medium- to Long-term Management Plan**

Nippon Steel Corporation hereby announces that it has resolved at the Board of Directors' meeting held today to adopt the 2030 Medium- to Long-term Management Plan.

Please refer to the next page for details.



# News Release

December 12, 2025  
Nippon Steel Corporation

## **Nippon Steel Corporation Announces** **2030 Medium- to Long-term Management Plan**

Nippon Steel Corporation (“Nippon Steel”) has formulated the 2030 Medium- to Long-term Management Plan with the aim of continually growing to become “the best steelmaker with world-leading capabilities” and contributing to the realization of a sustainable and prosperous society through the creation of customer value. Details are as follows.

### **I. Planning Policies**

The global economy is expected to continue growing, driven by economic growth in emerging countries and increased investment in AI- and energy-related sectors. At the same time, uncertainty is increasing as the interaction between politics and economy—such as the shift toward protectionism and the imposition of mutual tariffs—intensifies. We need to be mindful of the risk of growth stagnation, among others, in such an environment.

Regarding the steel demand outlook, demand is expected to grow, driven by economic growth in India and other emerging countries, and in the United States the shift to domestic manufacturing is expected to boost demand for high-grade steel. In contrast, demand in Japan is likely to remain on a declining trend against the backdrop of a shrinking population, the relocation of manufacturing industries overseas, and other factors. On the supply side, despite the Chinese economy peaking and a weakening in its domestic demand, China's high-level domestic production and aggressive export stance remain unchanged, raising concerns about escalating trade friction. We anticipate that it will take more time for the current global steel oversupply to be resolved, and that the business environment will remain challenging.

Nippon Steel has significantly improved the breakeven point through production facilities restructuring measures and the improvement in prices and spread mainly for direct sales in Japan. We have also implemented strategic investments. Overseas, while working on selection and concentration of overseas bases, we have been moving forward with securing and expanding production capacity in promising markets, including the capacity expansion of ArcelorMittal Nippon Steel India Private Limited (AM/NS India) and the acquisition of United States Steel Corporation (U. S. Steel). As a result of these initiatives, we have established a profit structure that enables us to generate underlying business profits 600 billion yen or more on a consolidated basis regardless of any business environment.

Under the 2030 Medium- to Long-term Management Plan, we are committed to restoring our position as the world's best steelmaker by further strengthening the earnings base of our domestic operations and implementing a global growth strategy in our overseas operations, assuming a more severe business environment.

## **II. Overview of the Plan**

Nippon Steel will carry out various initiatives based on the following strategies to achieve 1 trillion yen or more in underlying business profit and 100 million tons or more in global crude steel production capacity.

1. Domestic operations: Improve profitability by further strengthening the earnings base  
In our domestic operations, in addition to thoroughly pursuing cost competitiveness, we will develop comprehensive solutions and maximize the comprehensive strengths of the Nippon Steel Group. In doing so, we will strengthen the competitiveness tailored to the needs of each demand field and product type and improve profitability. We will seek to create customer value and capture domestic demand in each field, such as the automotive, infrastructure (construction and civil engineering), energy, and shipbuilding fields.
2. Overseas operations: Dramatically increase profit by implementing the global growth strategy  
In the overseas operations, in the key areas of the United States and Europe, India, and Thailand, we will make capital investment, transfer our technological expertise and know-how to the maximum extent possible, and strengthen our integrated steel production system in these focus areas.  
Through these initiatives, we aim to capture demand for a variety of steel products from high-grade steel to commodity steel to dramatically increase profit.

In order to further strengthen our management foundation that supports these strategies, we will continuously allocate R&D resources to advance development of the world's leading-edge technologies. We will also promote operational reform and streamlining, and strengthen the competitiveness of our human resources.

## **III. Specific Measures**

1. Domestic operations: Improve profitability by further strengthening the earnings base  
[Strengthening competitiveness by demand field and by product type]  
(1) Thoroughly pursue cost competitiveness  
In the steel sheet business—the main business of the steelmaking business, we will promote the launch of new facilities and the realization of the full effect of these investments. We will also clarify the main role of each works and production line, and make centralized production to improve efficiency. At the same time, we intend to establish an optimal production and logistics system that includes group companies. As part of pursuing an optimal production system, we plan to suspend

the operation of a continuous annealing unit at the Kashima Area of the East Nippon Works approximately by the end of fiscal 2027.

We will also make thorough efforts to improve productivity across Nippon Steel and cooperating companies, as well as to promote operational reforms and streamlining in order to secure cost competitiveness to prevail in international competition.

## (2) Develop comprehensive solutions

We will create customer value by proposing NSafe™-AutoConcept in the automotive field and ProStruct™ in the construction and civil engineering field as well as highly functional products and solutions for the energy and shipbuilding fields. In addition, by utilizing the next-generation hot strip mill at the Nagoya Works, increasing the capacity of electrical steel sheets at the Yawata Area of the Kyushu Works and the Hirohata Area and Hanshin Area (Sakai) of the Setouchi Works, and conducting the business alliance with Nakayama Steel Works, Ltd., etc., we will seek to strengthen our ability to respond to various customer needs to capture demand in various fields in Japan.

## (3) Maximize the Nippon Steel Group's comprehensive strength

In the infrastructure (steel products for construction and civil engineering) field, our sales departments, branch offices, and group companies will work together on a regional basis to further strengthen sales activities. At the same time, the Nippon Steel Group will pursue an integrated production and distribution system to enhance its ability to capture domestic demand. Moreover, we will continue to work on further improving profitability through the reorganization of group companies.

## 2. Overseas operations: Dramatically increase profit by implementing the global growth strategy

To support aggressive capital investments in the key areas of the United States, Europe, India, and Thailand, we will make maximum use of the facility engineering technologies we have cultivated in Japan to date, along with transferring technological capabilities such as of operations and products together with know-how such as in quality control and process management, thereby pursuing profit expansion in overseas operations. In addition, to ensure the effectiveness concerning transfer of technology and know-how, we will intensively allocate our human resources and ensure proper execution of our global growth strategy.

### (1) United States

Through the acquisition of U. S. Steel, Nippon Steel has obtained an integrated steel production system in the United States, the world's largest market for high-grade steel. By implementing capital investment of 11 billion U.S. dollars by the end of 2028 and transferring Nippon Steel's leading-edge operational, equipment, and product technologies, we plan to maximize the capital investment and synergy effect and drastically strengthen the competitiveness of U. S. Steel to meet the growing demand for high-grade steel in the United States.

## (2) India

In India, where demand for steel products is expected to increase, driven by economic growth on the back of population growth, AM/NS India will promote measures for high-grade steel production and further expansion of production scale. Specifically, we will steadily expand the capacity of the Hazira Works on India's west coast, including the state-of-the-art sheet manufacturing facilities, whose construction is already underway. We will also start construction of an integrated steel works in the southern India (Rajayyapeta in the State of Andhra Pradesh) to expand our market share in India.

## (3) Thailand

The steel sheet market in Thailand is expected to continue growing steadily for both high-grade steel and commodity steel. Nippon Steel, mainly through G Steel Public Company Limited and G J Steel Public Company Limited (G/GJ Steel) and NS-Siam United Steel Co., Ltd. (NS-SUS), holds an approximately 30% market share in Thailand. We will further expand our position in the steel sheet market in Thailand, a top-priority market in ASEAN, by strengthening the entire operations from the upstream process to the supply chain and making the most of our strengths as a market insider.

## 3. Promoting GX

Regarding our carbon neutrality initiatives, we will introduce large-scale electric arc furnaces in Japan by 2030, and at the same time promote institutionalization and international standardization for the formation of a GX Steel market. Our aim is to achieve carbon neutrality by 2050 by accelerating the development of breakthrough technologies through government support and enhanced industry-government-academia collaboration.

## 4. Strengthening the management base

As a foundation for steadily implementing key measures in Japan and overseas, we will promote development of leading-edge technologies, operational reforms and streamlining, and strengthen human resource competitiveness.

### (1) Promote development of leading-edge technologies

We will continuously allocate our research resources in promoting process development that realizes stable production and cost competitiveness, as well as product development that contributes to the sophistication of product types. In addition, we will continue to develop breakthrough technologies to achieve carbon neutrality. We will also strengthen the global R&D system, such as by collaborating with U. S. Steel, accelerating development of leading-edge technologies.

## (2) Promote operational reform and streamlining

Through operational reform and streamlining, including the use of DX, we will focus on work that directly drives business growth and creates added value, and achieve overwhelming competitiveness by improving productivity and strengthening technological and sales capabilities. We will respond quickly, appropriately and flexibly to issues from the perspective of corporate-wide optimization, including through allocation of human resources to overseas bases, , and establish a corporate culture that enables us to achieve sustainable growth.

## (3) Strengthen the competitiveness of human resources

In order to advance human resource development and empowerment, we will continue to promote the diversification of human resources and further enhance measures to develop global talent, including the use of overseas assignment. While various systems are already in place to support employees' balancing of work with childcare and other life stage events, we will accelerate efforts to maximize the effectiveness of these systems. In addition, we will implement measures to improve productivity including operational reform and streamlining, strengthen the capability of each employee, and maximize organizational performance.

# **IV. Financial Targets and Shareholder Return**

## 1. Management resource allocation policy and investment plan

With the aim of achieving sustainable improvement in corporate value, we will strategically allocate management resources while pursuing an appropriate balance among growth investment, shareholder returns, and financial soundness.

In order to improve profitability by further strengthening our earnings base in Japan, and to dramatically increase profit by implementing our global growth strategy overseas, our plan is to make capital and business investments totaling 6 trillion yen<sup>1</sup> over the next five years.

<sup>1</sup> Includes approximately 11 billion U.S. dollar investment in U. S. Steel (up to the end of 2028)

## 2. Profit and financial target, and shareholder return policy

### (1) Profit and financial target

By implementing the various measures set out in the management plan, we will work to improve our medium- to long-term profitability and capital efficiency, and strengthen our financial base. Through these efforts, we aim to achieve the following financial targets, setting fiscal 2030 as a milestone.

#### Key Financial Indicators (Fiscal 2030 Targets)

Underlying business profit (consolidated)	1 trillion yen or more per year
ROE	Approximately 10% (over 10% from fiscal 2031)
D/E ratio <sup>2</sup>	Approximately 0.7
D/EBITDA <sup>2</sup>	3.5 or less

<sup>2</sup> Capital adjusted for subordinated debt and similar instruments

(2) Shareholder return policy (Introduction of a minimum dividend)

From the perspective of achieving an appropriate balance among investments for medium- to long-term growth, shareholder returns, and financial soundness, we will maintain our current dividend policy of a consolidated annual payout ratio target of around 30%.

In addition, in light of the fact that we have built a stable earnings base and from the perspective of increasing the predictability of dividends for shareholders and investors and enhancing the attractiveness of Nippon Steel's shares, we will incorporate into our dividend policy a minimum annual dividend of 24 yen per share for the five-year period of the 2030 Medium- to Long-term Management Plan (fiscal 2026 through fiscal 2030).

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.

End

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