

September 16, 2021

To Whom It May Concern,

Company name:	NIPPON STEEL CORPORATION
Representative:	Eiji Hashimoto Representative Director and President
Stock listing:	First Section of the Tokyo Stock Exchange, and Nagoya, Fukuoka and Sapporo Stock Exchange
Code number:	5401
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**Announcement Regarding the Issuance of Zero Coupon Convertible Bonds Due 2024 and Zero Coupon Convertible Bonds Due 2026**

NIPPON STEEL CORPORATION (the “Company”) hereby announces that the Company has decided to issue Zero Coupon Convertible Bonds (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) due 2024 (the “Bonds with Stock Acquisition Rights due 2024”) and Zero Coupon Convertible Bonds due 2026 (the “Bonds with Stock Acquisition Rights due 2026;” together with Bonds with Stock Acquisition Rights due 2024, collectively, the “Bonds with Stock Acquisition Rights”) pursuant to the decision of the Representative Director and President of the Company, upon a delegation by a resolution of its Board of Directors at a meeting held on September 14, 2021.

**Background and Purposes of the Issuance of the Bonds with Stock Acquisition Rights**

In order to continue growing with the aim of becoming “the Best Steelmaker with World-Leading Capabilities,” that contributes to Japan’s industrial competitiveness from the present and into the future, in accordance with the “our value to pursue the world’s best technology and strength in manufacturing and contribute to the development of society by providing world class products and services,” the Company published a new management plan developed with the following four pillars of our business strategies on March 5, 2021:

1. Rebuilding its domestic steel business and strengthening its group’s management;
2. Promoting a global strategy to deepen and expand its overseas business;
3. Taking on the challenge of zero-carbon steel; and
4. Promoting digital transformation strategies.

Going forward, by steadily promoting the management plan, the Company plans to achieve 100 million tons of global crude steel capacity per annum (Note 1) through the combined efforts of its strong mother mills in Japan (Note 2) and local mills overseas, and to achieve business growth and reduce its impact on the environment, by taking on the challenge of the “Nippon Steel Carbon Neutral Vision 2050 - The Challenge of Zero-Carbon Steel.”

In connection with the promoting the pillars of its management plan, the Company plans to make 2,400 billion yen of capital expenditures, 600 billion yen of business investments and 100 billion yen or more of investments in digital transformation for FY 2021-25 (consolidated, on an approval basis). In order to achieve 2050 zero-carbon steel, the Company estimates that it will require, in the best-case scenario, approximately 500 billion yen in R&D and approximately 4,000-5,000 billion yen in capital expenditure for the foreseeable future.

In order to realize the Company’s growth strategies, it is expected that a large amount of funding will be required for the initiatives above in the future. The Company has decided to issue the Bonds with Stock Acquisition Rights based on the belief that it is necessary to strengthen its financial base in order

to secure funds for investment in growth while curbing procurement costs and to flexibly and firmly implement its growth strategies over the medium to long term.

- (Note) 1 Simple sum of the respective capacity of i) the Company, ii) subsidiaries, affiliates or investees where the Company owns 30% or more of voting interests and included in the World Steel Association's crude steel production statistics and iii) equity method affiliates where the Company owns less than 30% of the voting interests but to which the Company provides semi-finished products
- 2 The mother mills in Japan mean the manufacturing sites in Japan.

#### **Issuance of the Bonds with Stock Acquisition Rights due 2024**

1. Securities Offered	¥150,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2024 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> )
2. Issue Price	100.0%
3. Closing Date	October 4, 2021
4. Coupon	0%
5. Redemption at Maturity	100%

#### **Issuance of the Bonds with Stock Acquisition Rights due 2026**

1. Securities Offered	¥150,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2026 (bonds with stock acquisition rights, <i>tenkanshasaigata shinkabu yoyakuken-tsuki shasai</i> )
2. Issue Price	100.0%
3. Closing Date	October 4, 2021
4. Coupon	0%
5. Redemption at Maturity	100%

Note: This press release has been prepared for the sole purpose of publicly announcing the issue and sale of the Bonds with Stock Acquisition Rights, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release is not an offer of the Bonds with Stock Acquisition Rights for sale in any jurisdiction, including the United States, and nothing in this press release shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful. The Bonds with Stock Acquisition Rights may not be offered or sold in the United States absent registration or an exemption from registration under United States Securities Act of 1933 (the "Securities Act"). The Bonds with Stock Acquisition Rights have not been, and will not be registered under the Securities Act. The Company does not intend to register the Bonds with Stock Acquisition Rights in the United States or to conduct an offering of the Bonds with Stock Acquisition Rights in the United States.