



# Consolidated Financial Results for the Three Months Ended June 30, 2025 < under IFRS >

August 1, 2025

<b>Company name:</b>	NIPPON STEEL CORPORATION
<b>Stock listing:</b>	Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
<b>Code number:</b>	5401
<b>URL:</b>	<a href="https://www.nipponsteel.com/en/index.html">https://www.nipponsteel.com/en/index.html</a>
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<b>Scheduled date to commence dividend payments:</b>	-
<b>Preparation of supplemental explanatory materials:</b>	Yes
<b>Holding of financial results meeting:</b>	Yes (for investment analysts)

(All amounts have been truncated to the nearest millions of Japanese yen.)

## 1. Consolidated financial results for the three months ended June 30, 2025

(from April 1, 2025 to June 30, 2025)

### (1) Consolidated operating results (cumulative)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Revenue		Business profit (*)		Operating profit		Profit before income taxes		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended <b>June 30, 2025</b>	<b>2,008,749</b>	<b>(8.3)</b>	<b>92,023</b>	<b>(61.2)</b>	<b>(139,559)</b>	<b>—</b>	<b>(145,193)</b>	<b>—</b>	<b>(190,719)</b>	<b>—</b>
June 30, 2024	2,191,509	(0.4)	236,977	(4.7)	236,977	(4.7)	231,549	(5.4)	167,023	(11.4)

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended <b>June 30, 2025</b>	<b>(195,833)</b>	<b>—</b>	<b>(281,044)</b>	<b>—</b>	<b>(187.36)</b>	<b>(187.36)</b>
June 30, 2024	157,559	(11.0)	290,694	9.9	169.32	150.85

(\*)Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling, general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.

### (2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of <b>June 30, 2025</b>	<b>13,824,498</b>	<b>5,496,409</b>	<b>4,987,614</b>	<b>36.1</b>
March 31, 2025	10,942,458	5,903,380	5,383,311	49.2

## 2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	80.00	—	80.00	160.00
<b>Fiscal year ending March 31, 2026</b>	—				
<b>Fiscal year ending March 31, 2026(Forecasts)</b>		<b>60.00</b>	<b>—</b>	<b>12.00</b>	<b>—</b>

Note: Revisions to the forecast of cash dividends most recently announced: Yes

The Company plans to implement a stock split at a ratio of five (5) shares for every one share effective October 1, 2025.

The dividend for the second quarter of the fiscal year ending March 31, 2026, with a record date of September 30, 2025, will apply to the Company's common shares before the stock split. Therefore, the dividend is stated as the amount before the stock split. The year-end dividend for the fiscal year ending March 31, 2026, with a record date of March 31, 2026, will apply to the Company's common shares after the stock split. Therefore, the dividend is stated as the amount after the stock split. Due to the impact of the stock split, the second quarter dividend and the year-end dividend cannot be simply

added together, so the total annual dividend is stated as “—”. Note that if the stock split is not considered, the year-end dividend for the fiscal year ending March 31, 2026, would be 60 yen per share, and the total annual dividend would be 120 yen per share.

### 3. Consolidated Financial Forecasts for Fiscal year ending March 31, 2026

(Percentage figures are changes from the same period of the previous fiscal year.)

	Revenue		Business profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half of Fiscal year ending March 31, 2026	4,500,000	2.7	180,000	(52.1)	(170,000)	—	(33.00)
Fiscal year ending March 31, 2026	10,000,000	15.0	480,000	(29.7)	(40,000)	—	(8.00)

Note: Revisions to the consolidated financial forecasts most recently announced: Yes

For further details, please refer to “Results for the three months ended June 30, 2025” disclosed today.

\* The Company plans to implement a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Basic earnings per share in the consolidated financial forecasts for the first half and fiscal year ending March 31, 2026 are calculated as if the stock split had occurred at the beginning of the fiscal year ending March 31, 2026.

#### \* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

The changes in the scope of consolidation during the period are as follows;

Number of newly consolidated: 92

Company name: United States Steel Corporation and its subsidiaries, total 87 companies

Number of excluded from consolidation: 14

(2) Changes in accounting policies and changes in accounting estimates

(a) Changes in accounting policies required by IFRS: None

(b) Changes in accounting policies other than those in (a) above: None

(c) Changes in accounting estimates: None

(3) Number of shares outstanding (common shares)

(a) Number of shares outstanding at the end of the period (including treasury stock)

As of June 30, 2025 1,074,726,752 shares

As of March 31, 2025 1,074,726,752 shares

(b) Number of treasury stock at the end of the period

As of June 30, 2025 29,445,253 shares

As of March 31, 2025 29,538,220 shares

(c) Weighted average number of shares outstanding

Three months ended June 30, 2025 1,045,211,248 shares

Three months ended June 30, 2024 930,491,678 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Explanation of the appropriate use of performance forecasts and other related items

(Explanation of the appropriate use of performance forecasts)

The forward-looking statements included in this flash report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company’s actual results may differ substantially from such statements due to various risks and uncertainties.

(Financial forecasts after the stock split)

The Company decided at the Board of Directors meeting held on August 1, 2025 to conduct a stock split. The stock split at a ratio of five (5) shares for every one share will be effective on October 1, 2025. Accordingly, Basic earnings per share in the consolidated financial forecasts for the first half and fiscal year ending March 31, 2026 are calculated in consideration of the stock split.

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## **1. Summary of Operating Results**

For the Summary of Operating Results for the three months ended June 30, 2025, please refer to the supplementary explanation materials “Results for the three months ended June 30, 2025” disclosed on TDnet and “IR Briefing: Presentation” posted on our company’s website today.

For the merger between U.S. subsidiary and United States Steel Corporation (“U. S. Steel”), which was completed on June 18, 2025, please refer to “Nippon Steel Corporation and U. S. Steel Finalize Historic Partnership” posted on the company’s website.

Link to IR Briefing: <https://www.nipponsteel.com/en/ir/library/settlement.html>  
(This material is available on the company's website under “IR archive”- “Financial results.”)

Link to U. S. Steel Merger Document: <https://www.nipponsteel.com/en/ir/news/>  
(This material is available on the company's website under “IR Topics”)

## **2.Quarterly Condensed Consolidated Financial Statements and Major Notes**

### **(1) Quarterly Condensed Consolidated Statements of Financial Position**

(Millions of Yen)

<b>ASSETS</b>	<b>March 31, 2025</b>	<b>June 30, 2025</b>
<b>Current assets :</b>		
Cash and cash equivalents	672,526	<b>524,000</b>
Trade and other receivables	1,430,435	<b>1,647,060</b>
Inventories	2,199,096	<b>2,709,460</b>
Other financial assets	41,425	<b>42,462</b>
Other current assets	205,019	<b>263,669</b>
<b>Total current assets</b>	<b>4,548,503</b>	<b>5,186,653</b>
<b>Non-current assets :</b>		
Property, plant and equipment	3,635,585	<b>5,457,482</b>
Right-of-use assets	101,934	<b>139,743</b>
Goodwill	71,639	<b>467,483</b>
Intangible assets	263,231	<b>337,386</b>
Investments accounted for using the equity method	1,600,366	<b>1,450,811</b>
Other financial assets	461,378	<b>496,008</b>
Defined benefit assets	116,415	<b>128,913</b>
Deferred tax assets	135,074	<b>130,200</b>
Other non-current assets	8,329	<b>29,813</b>
<b>Total non-current assets</b>	<b>6,393,955</b>	<b>8,637,844</b>
<b>Total assets</b>	<b>10,942,458</b>	<b>13,824,498</b>

The accompanying notes are integral parts of these statements.

(Millions of Yen)

<b>LIABILITIES</b>	<b>March 31, 2025</b>	<b>June 30, 2025</b>
<b>Current liabilities :</b>		
Trade and other payables	1,671,352	2,177,800
Bonds, borrowings and lease liabilities	473,466	2,553,352
Other financial liabilities	823	8,304
Income taxes payable	126,428	41,231
Other current liabilities	63,421	94,104
<b>Total current liabilities</b>	<b>2,335,493</b>	<b>4,874,793</b>
<b>Non-current liabilities :</b>		
Bonds, borrowings and lease liabilities	2,034,026	2,531,645
Other financial liabilities	35	7
Defined benefit liabilities	111,552	172,129
Deferred tax liabilities	137,014	237,175
Other non-current liabilities	420,955	512,337
<b>Total non-current liabilities</b>	<b>2,703,584</b>	<b>3,453,295</b>
<b>Total liabilities</b>	<b>5,039,077</b>	<b>8,328,088</b>
<b>EQUITY</b>		
Common stock	569,519	569,519
Capital surplus	578,457	580,674
Retained earnings	3,819,934	3,554,233
Treasury stock	(58,236)	(58,052)
Other components of equity	473,635	341,238
<b>Total equity attributable to owners of the parent</b>	<b>5,383,311</b>	<b>4,987,614</b>
Non-controlling interests	520,069	508,795
<b>Total equity</b>	<b>5,903,380</b>	<b>5,496,409</b>
<b>Total liabilities and equity</b>	<b>10,942,458</b>	<b>13,824,498</b>

The accompanying notes are integral parts of these statements.

**(2) Quarterly Condensed Consolidated Statements of Profit or Loss and  
Quarterly Condensed Consolidated Statements of Comprehensive Income**

Quarterly Condensed Consolidated Statements of Profit or Loss		(Millions of Yen)
	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue	2,191,509	2,008,749
Cost of sales	(1,831,495)	(1,710,026)
<b>Gross profit</b>	360,014	298,723
Selling, general and administrative expenses	(196,094)	(206,902)
Share of profit in investments accounted for using the equity method	52,105	27,420
Other operating income	35,437	18,471
Other operating expenses	(14,486)	(45,688)
<b>Business profit</b>	236,977	92,023
Losses on reorganization	—	(231,583)
<b>Operating profit (loss)</b>	236,977	(139,559)
Finance income	3,854	6,318
Finance costs	(9,283)	(11,952)
<b>Profit (loss) before income taxes</b>	231,549	(145,193)
Income tax expense	(64,526)	(45,525)
<b>Profit (loss)</b>	167,023	(190,719)
<b>Profit (loss) attributable to :</b>		
Owners of the parent	157,559	(195,833)
Non-controlling interests	9,464	5,114
<b>Earnings (loss) per share</b>		
Basic earnings (loss) per share (Yen)	169.32	(187.36)
Diluted earnings (loss) per share (Yen)	150.85	(187.36)

The accompanying notes are integral parts of these statements.

Quarterly Condensed Consolidated Statements of Comprehensive Income		(Millions of Yen)
	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	167,023	(190,719)
Other comprehensive income		
Items that cannot be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	755	13,749
Remeasurements of defined benefit plans	15,100	5,019
Share of other comprehensive income of investments accounted for using the equity method	(2,409)	1,117
Subtotal	13,446	19,886
Items that might be reclassified to profit or loss		
Changes in fair value of cash flow hedges	9,269	21,794
Foreign exchange differences on translation of foreign operations	64,497	(105,992)
Share of other comprehensive income of investments accounted for using the equity method	36,457	(26,013)
Subtotal	110,224	(110,211)
<b>Total other comprehensive income, net of tax</b>	123,670	(90,325)
<b>Total comprehensive income</b>	290,694	(281,044)
<b>Comprehensive income attributable to:</b>		
Owners of the parent	269,451	(279,292)
Non-controlling interests	21,242	(1,751)

The accompanying notes are integral parts of these statements.

**(3) Quarterly Condensed Consolidated Statements of Changes in Equity**

Three months ended June 30, 2024

(Millions of Yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of March 31, 2024	419,799	398,914	3,525,585	(58,149)	287,802	—
Changes during the period						
Comprehensive income						
Profit (loss)			157,559		(5,135)	14,682
Other comprehensive income						
Total comprehensive income	—	—	157,559	—	(5,135)	14,682
Transactions with owners and others						
Conversion of convertible bonds	29,980	29,980				
Cash dividends			(78,381)			
Purchases of treasury stock				(16)		
Disposals of treasury stock		0		0		
Changes in ownership interests in subsidiaries		(1,739)				
Transfer from other components of equity to retained earnings			16,428		(1,745)	(14,682)
Transfer to non-financial assets						
Changes in scope of consolidation				2		
Subtotal transactions with owners and others	29,980	28,240	(61,952)	(12)	(1,745)	(14,682)
<b>Balance as of June 30, 2024</b>	<b>449,779</b>	<b>427,154</b>	<b>3,621,191</b>	<b>(58,162)</b>	<b>280,921</b>	<b>—</b>

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of the parent		
	Changes in fair value of cash flow hedges	Foreign exchange differences on translation of foreign operations	Total			
Balance as of March 31, 2024	44,212	159,561	491,576	4,777,727	578,150	5,355,878
Changes during the period						
Comprehensive income						
Profit (loss)			—	157,559	9,464	167,023
Other comprehensive income	16,541	85,803	111,892	111,892	11,778	123,670
Total comprehensive income	16,541	85,803	111,892	269,451	21,242	290,694
Transactions with owners and others						
Conversion of convertible bonds			—	59,960		59,960
Cash dividends			—	(78,381)	(10,160)	(88,541)
Purchases of treasury stock			—	(16)		(16)
Disposals of treasury stock			—	0		0
Changes in ownership interests in subsidiaries			—	(1,739)	1,522	(217)
Transfer from other components of equity to retained earnings			(16,428)	—		—
Transfer to non-financial assets			—	—		—
Changes in scope of consolidation			—	2	(21)	(18)
Subtotal transactions with owners and others	—	—	(16,428)	(20,173)	(8,658)	(28,832)
Balance as of June 30, 2024	60,754	245,365	587,040	5,027,005	590,734	5,617,740

The accompanying notes are integral parts of these statements.



Three months ended June 30, 2025

(Millions of Yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of March 31, 2025	569,519	578,457	3,819,934	(58,236)	164,118	—
Changes during the period						
Comprehensive income						
Profit (loss)			(195,833)			
Other comprehensive income					14,743	4,693
Total comprehensive income	—	—	(195,833)	—	14,743	4,693
Transactions with owners and others						
Conversion of convertible bonds						
Cash dividends			(83,703)			
Purchases of treasury stock				(8)		
Disposals of treasury stock		0		1		
Changes in ownership interests in subsidiaries		2,216				
Transfer from other components of equity to retained earnings			13,835		(9,141)	(4,693)
Transfer to non-financial assets						
Changes in scope of consolidation				191		
Subtotal transactions with owners and others	—	2,217	(69,868)	184	(9,141)	(4,693)
<b>Balance as of June 30, 2025</b>	<b>569,519</b>	<b>580,674</b>	<b>3,554,233</b>	<b>(58,052)</b>	<b>169,719</b>	<b>—</b>

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of the parent		
	Changes in fair value of cash flow hedges	Foreign exchange differences on translation of foreign operations	Total			
Balance as of March 31, 2025	51,808	257,708	473,635	5,383,311	520,069	5,903,380
Changes during the period						
Comprehensive income						
Profit (loss)			—	(195,833)	5,114	(190,719)
Other comprehensive income	17,662	(120,559)	(83,459)	(83,459)	(6,865)	(90,325)
Total comprehensive income	17,662	(120,559)	(83,459)	(279,292)	(1,751)	(281,044)
Transactions with owners and others						
Conversion of convertible bonds			—	—		—
Cash dividends			—	(83,703)	(8,923)	(92,627)
Purchases of treasury stock			—	(8)		(8)
Disposals of treasury stock			—	1		1
Changes in ownership interests in subsidiaries			—	2,216	(14,155)	(11,939)
Transfer from other components of equity to retained earnings			(13,835)	—		—
Transfer to non-financial assets	(35,102)		(35,102)	(35,102)		(35,102)
Changes in scope of consolidation			—	191	13,556	13,747
Subtotal transactions with owners and others	(35,102)	—	(48,937)	(116,404)	(9,523)	(125,927)
Balance as of June 30, 2025	34,369	137,149	341,238	4,987,614	508,795	5,496,409

The accompanying notes are integral parts of these statements.

#### (4) Notes to the Quarterly Condensed Consolidated Financial Statements

##### (Going Concern Assumption)

Not applicable

##### (Cash-Flows)

The company has not prepared the Quarterly Condensed Consolidated Statements of Cash-Flows for the three months ended June 30, 2025. The depreciation and amortization expenses for the three months ended June 30 of fiscal 2025 and fiscal 2024 are as follows.

(Millions of Yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation and amortization	93,422	96,593

##### (Segment Information)

##### Three months ended June 30, 2024

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue							
Revenue from external customers	1,991,318	78,060	64,543	57,586	2,191,509	—	2,191,509
Inter-segment revenue or transfers	13,930	5,877	4,045	19,517	43,371	(43,371)	—
Total	2,005,249	83,938	68,589	77,104	2,234,881	(43,371)	2,191,509
Segment profit (loss) <Business Profit>	230,220	(75)	6,493	9,003	245,641	(8,663)	236,977
Segment liabilities <Interest-bearing debt> Year ended March 31, 2025	2,473,628	8,525	7,086	18,251	2,507,492	—	2,507,492

Note: The adjustments of segment profit of ¥(8,663) million include the Company's share of profit in investments of Nippon Steel Kowa Real Estate Co., Ltd., accounted for using the equity method of ¥5,538 million and elimination of inter-segment revenue or transfers of ¥(14,202) million.

##### Three months ended June 30, 2025

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue							
Revenue from external customers	1,811,239	78,696	58,039	60,774	2,008,749	—	2,008,749
Inter-segment revenue or transfers	11,819	10,323	4,963	22,167	49,273	(49,273)	—
Total	1,823,059	89,019	63,002	82,941	2,058,023	(49,273)	2,008,749
Segment profit (loss) <Business Profit>	85,245	5,450	3,185	8,743	102,624	(10,600)	92,023
Segment liabilities <Interest-bearing debt>	5,048,538	9,908	9,057	17,494	5,084,998	—	5,084,998

Note: The adjustments of segment profit of ¥(10,600) million include the Company's share of profit in investments of Nippon Steel Kowa Real Estate Co., Ltd., accounted for using the equity method of ¥3,006 million and elimination of inter-segment revenue or transfers of ¥(13,607) million.

**(Business combinations)**

**Business combinations consummated for three months ended June 30, 2025**

**Merger of United States Steel Corporation**

**(1) Overview**

**(a) Name of the acquiree and the description of its business**

Name of the acquiree: United States Steel Corporation (U. S. Steel)

Description of Business: Manufacturing and distribution of steel sheets for automotive, home appliances and building materials etc. and tubular for energy industry

**(b) Acquisition date: June 18, 2025**

**(c) Ratio of acquired voting equity interest**

Ratio of voting rights held prior to the acquisition date: 0%

Ratio of voting rights acquired on the acquisition date: 100%

Ratio of voting rights after acquisition: 100%

**(d) Primary reason for business combination**

As the “Best Steelmaker with World-Leading Capabilities,” the Transaction will enable Nippon Steel to move toward 100 million tonnes of global crude steel capacity through expanding its integrated production framework and create value starting from iron/steel-making process in “districts and areas where demand is promisingly expected to grow” and in “sectors in which Nippon Steel’s technologies and products are appreciated.” In doing so, Nippon Steel’s basic strategy is to acquire integrated steel mills through acquisitions and capital participation (brownfield investment) and to expand the capacity of existing bases. Nippon Steel acquired Essar Steel (now AM/NS India) in India in December 2019 and G Steel and GJ Steel in Thailand in February 2022.

The U.S. steel industry is largely driven by domestic demand and U.S. steelmakers are not highly dependent on exports of products. In addition, it has been remarkable that there is a trend to bring operations back to the home U.S. market in downstream sectors such as energy and manufacturing, due to relatively low energy prices in the United States and structural changes in the world economy. Nippon Steel is confident that it can utilize its seasoned technologies and product lineup in the United States, since it expects high level of demand for high-grade steel in this largest market amongst developed countries as well as sustainable growth in domestic steel demand.

Nippon Steel believes that the Merger is a worthwhile investing since the Merger is not only consistent with Nippon Steel’s overseas business strategy but also would enable Nippon Steel to diversify its global footprint by securing integrated steel manufacturing capabilities in the United States, a developed country, adding to existing operational bases in ASEAN and India, where market volume and growth potential are significant. Nippon Steel intends to further enhance its enterprise value by developing and expanding in these three globally important operational bases. Upon completion of the Merger, Nippon Steel group’s global crude steel production capacity will increase to approximately 86 million tonnes per year, making it further expanding its reach. Nippon Steel and U. S. Steel will move forward together as the “Best Steelmaker with World -Leading Capabilities,” providing across the globe products and services made by the technologies across both companies in high-grade steel including electrical steel and automotive steel to broadly contribute to customers and society.

Furthermore, Nippon Steel and U. S. Steel share a common goal of achieving carbon neutrality by 2050, and each company has made an effort in this field and developed technological edges. Nippon Steel aims to attain carbon neutrality through the development of great innovative technologies: “hydrogen injection into blast furnaces,” “high-grade steel production in large size electric arc furnaces” and “hydrogen direct reduction of iron.”

By combining the advanced technologies of both companies, Nippon Steel and U. S. Steel will together take steps towards achieving carbon neutrality by 2050 and contribute to building a sustainable society.

**(e) Form of control acquisition of the acquirees**

By way of a merger between U. S. Steel and a wholly-owned subsidiary established by Nippon Steel for the merger (reverse triangular merger)

**(2) Consideration transferred**

	(Millions of Yen)
Cash consideration transferred	2,001,541
Other payables	60,971
Total consideration transferred	2,062,513

**(3) Fair value of the assets acquired and liabilities assumed, non-controlling interests and goodwill**

The Company has not completed the recognition and the fair value measurement of identifiable assets and liabilities and accordingly the computation of the fair value of the assets acquired and liabilities assumed, non-controlling interests, and goodwill, so the purchase price allocations are on a provisional basis based on the most current information available.

	(Millions of Yen)
Current assets	986,783
Non-current assets	2,092,683
Total assets	3,079,467
Current liabilities	605,600
Non-current liabilities	828,996
Total liabilities	1,434,596
Total identifiable net assets acquired	1,644,870
Non-controlling interests (Note 1)	13,498
Total equity attributable to owners of the parent	1,631,371
Total consideration transferred	2,062,513
Basis adjustments (Note 2)	(35,102)
Goodwill (Note 3)	396,039

Note:

1. Non-controlling interests are due to an Option Agreement granted by U. S. Steel to Stelco.
2. The Company enters into forward exchange contracts to hedge the foreign exchange risk associated with the acquisition consideration and applies hedge accounting. The basis adjustment is the fair value of the hedging instruments at the acquisition date and is included in the initially recognized goodwill adjustment.
3. The goodwill recognized in the three months ended June 30, 2025, represents a provisional estimate of fair value, which may change upon completion of the accounting for the business combination. The goodwill is not tax-deductible.

**(4) Net cash used in the transaction**

	(Millions of Yen)
Cash consideration transferred	2,001,541
Cash and cash equivalents held by the acquirees at the acquisition date	(62,048)
Basis adjustments	(35,102)
Net cash used in the transaction	1,904,390

**(Additional Information)**

**(Stock split)**

The Company resolved to approve a stock split and a partial amendment to the Articles of Incorporation associated with the stock split (splitting at a ratio of 5 shares for every one share and changing the total number of authorized shares to be issued from 2 billion shares to 10 billion shares) at the Meeting of the Board of Directors held on August 1, 2025. The stock split and partial amendment to the Articles of Incorporation will be effective on October 1, 2025.

## 1. Results for the three months ended June 30, 2025 : Including only one-off loss associated to the U. S. Steel transaction

The Company recorded consolidated revenue of ¥2,008.7 billion, business profit of ¥92.0 billion and profit attributable to owners of the parent of ¥(195.8) billion in the three months ended June 30, 2025.

### <Consolidated Operating Result>

(Billions of Yen)

	FY 2025 1st quarter	FY 2024 1st quarter	Q1 FY 2024 →Q1 FY 2025
<b>Revenue</b>	2,008.7	2,191.5	- 182.8
<b>Underlying Business Profit</b> ※1	173.6	195.0	- 21.3
<b>Business Profit</b> ※2	92.0	236.9	※7 - 144.9
<b>[ R O S ]</b>	[4.6%]	[10.8%]	[-6.2%]
<b>Additional line items</b> ※3	(231.5)	—	- 231.5
<b>Profit attributable to owners of the parent</b>	(195.8)	157.5	- 353.3
<b>&lt; Earnings per share (Yen) &gt;</b> ※4	< -187 >	< 169 >	< -356 >
<b>[ R O E ]</b> ※5	[-15.1%]	[12.9%]	[-28.0%]
<b>EBITDA</b> ※6	188.6	330.4	- 141.8
<b>Interest-bearing debt</b>	5,084.9	3,124.2	+ 1,960.7

D/E ratio  
After adjusting for equity credit attributes of subordinated loans and subordinated bonds

0.85

0.48

+ 0.37

D/E ratio  
After financing

0.7 level

... After procurement of ¥500.0 billion in committed subordinated loans (with 50% of the amounts deemed as our equity by Credit Rating Agency)

(※1) Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability.

In the three months ended June 30, 2025, Underlying Business Profit excludes losses of ¥81.6 billion.

(※2) Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.

(※3) Additional line items refer to the items that are not recurrent and are remotely related to operational activities, but have a material impact in terms of amount.

(※4) The Company plans to implement a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. The above earnings per share is based on the amount before the stock split.

(※5) Annualized (※6) Business Profit + Depreciation

(※3) Additional line items (Billions of Yen)

	FY 2025 1st quarter	FY 2024 1st quarter	Q1 FY 2024 →Q1 FY 2025
<b>Additional line items Total</b>	(231.5)	—	- 231.5
Losses on reorganization	(231.5)	—	- 231.5

<Q1 FY 2025>

• Losses on business withdrawal: ¥231.5 billion  
(the transfer of the Company's equity interest in AM/NS Calvert)

(※7) Analysis in Business Profit (Billions of Yen)

Q1 FY 2024

→Q1 FY 2025

<b>Change in Business Profit</b>	<b>-145.0</b>
<b>1. Steel business</b>	<b>-145.0</b>
① Manufacturing shipment volume	- 15.0
② Spread	+ 25.0
(including impact from FX rate fluctuation)	
③ Cost reduction	+ 10.0
④ Overseas steel business	- 12.0
⑤ Raw material business	- 27.0
⑥ Other group companies	- 9.0
⑦ Inventory valuation impact etc.	- 107.0
(including group companies)	
⑧ Others	- 10.0
<b>2. Three non-steel segments</b>	<b>+ 2.0</b>
<b>3. Adjustments</b>	<b>- 2.0</b>

### <Factors Influencing Performance>

(※) The figures for Non-Consolidated crude steel output volume, Steel materials shipment volume, and Steel materials price for the first quarter of fiscal year ending March 31, 2025 do not include former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd. The figures for the first quarter of fiscal year ending March 31, 2026 include former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

#### (1) NIPPON STEEL CORPORATION

	FY2025 1st quarter	FY2024 1st quarter	Q1 FY2024 →Q1 FY2025
Consolidated crude steel output volume (10,000 tons)	946	1,014	- 68
Non-Consolidated crude steel output volume (10,000 tons)	827	870	- 44
Steel materials shipment volume (10,000 tons)	764	801	- 37
Steel materials price (¥1,000/ton)	139.7	146.2	- 6.5
Exchange rate (¥/\$)	145	155	- 10

#### (2) All Japan

	FY2025 1st quarter	FY2024 1st quarter	Q1 FY2024 →Q1 FY2025
Crude steel output volume (10,000 tons)	2,015	2,125	- 110
Steel consumption (10,000 tons)*1	1,213	1,236	- 23

\* 1 The Company estimates

### <Segment Information>

(Billions of Yen)

	FY2025 1st quarter	FY2024 1st quarter	Q1 FY2024 →Q1 FY2025
<b>Revenue</b>	<b>2,008.7</b>	<b>2,191.5</b>	<b>- 182.8</b>
Steelmaking and Steel Fabrication	1,823.0	2,005.2	- 182.2
Engineering and Construction	89.0	83.9	+ 5.1
Chemicals and Materials	63.0	68.5	- 5.5
System Solutions	82.9	77.1	+ 5.8
Adjustment	(49.2)	(43.3)	- 5.9

	FY2025 1st quarter	FY2024 1st quarter	Q1 FY2024 →Q1 FY2025
<b>Business Profit</b>	<b>92.0</b>	<b>236.9</b>	<b>- 144.9</b>
Steelmaking and Steel Fabrication	85.2	230.2	- 145.0
Engineering and Construction	5.4	(0.0)	+ 5.4
Chemicals and Materials	3.1	6.4	- 3.3
System Solutions	8.7	9.0	- 0.3
Adjustment	(10.6)	(8.6)	- 2.0

## 2. Forecasts for the six months ended Sep 30, 2025 and Fiscal year ending March 31, 2026 :FY 2025, U. S. Steel is in a transitional phase to profit improvement

The Company is forecasting a revenue of ¥4,500.0 billion, business profit of ¥180.0 billion and profit attributable to owners of the parent of ¥(170.0) billion on its consolidated financial statements in the first half of the fiscal year ending March 31, 2026.  
Also the Company is forecasting a revenue of ¥10,000.0 billion, business profit of ¥480.0 billion and profit attributable to owners of the parent of ¥(40.0) billion on its consolidated financial statements in the fiscal year ending March 31, 2026.

<Forecasts of Consolidated Operating Result>

	FY 2025 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2024	1st half	2nd half	H1 FY2024 → H1 FY2025 forecasts	H1 FY2025 forecasts → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on May 9, 2025)
<b>Revenue</b>	<b>10,000.0</b>		<b>4,500.0</b>	<b>5,500.0</b>	<b>8,695.5</b>	<b>4,379.7</b>	<b>4,315.7</b>	<b>+ 120.3</b>	<b>+ 1,000.0</b>	<b>+ 1,304.5</b>	
Except U. S. Steel	650.0	+ 50.0	300.0	350.0	793.7	371.9	421.8	- 71.9	+ 50.0	- 143.7	600.0 or more
U. S. Steel	188.6	+ 80.0	30.0	50.0	—	—	—	+ 30.0	+ 20.0	+ 80.0	—
<b>Underlying Business Profit ※1</b>	<b>730.0</b>	<b>+ 130.0</b>	<b>330.0</b>	<b>400.0</b>	<b>793.7</b>	<b>371.9</b>	<b>421.8</b>	<b>- 41.9</b>	<b>+ 70.0</b>	<b>- 63.7</b>	<b>600.0 or more</b>
<b>Business Profit ※2</b>	<b>480.0</b>	<b>+ 80.0</b>	<b>180.0</b>	<b>300.0</b>	<b>683.2</b>	<b>375.7</b>	<b>307.4</b>	<b>※6 - 195.7</b>	<b>※6 + 120.0</b>	<b>※6 - 203.2</b>	<b>400.0 or more</b>
Profit attributable to owners of the parent	[4.8%]		[4.0%]	[5.5%]	[7.9%]	[8.6%]	[7.1%]	[-4.6%]	[-1.5%]	[-3.1%]	
<b>Additional line items ※3</b>	<b>(240.0)</b>	<b>- 240.0</b>	<b>(230.0)</b>	<b>(10.0)</b>	<b>(135.2)</b>	<b>—</b>	<b>(135.2)</b>	<b>- 230.0</b>	<b>+ 220.0</b>	<b>- 104.8</b>	—
Profit attributable to owners of the parent	(40.0)	- 240.0	(170.0)	130.0	350.2	243.3	106.8	- 413.3	+ 300.0	- 390.2	200.0 or more
< Earnings per share (Yen) > ※4	< -8 >	< -46 >	< -33 >	< 25 >	< 70 >	< 50 >	< 20 >	< -83 >	< +58 >	< -78 >	< 38 or more >
<b>EBITDA ※5</b>	<b>1,030.0</b>		<b>425.0</b>	<b>605.0</b>	<b>1,068.4</b>	<b>564.6</b>	<b>503.8</b>	<b>- 139.6</b>	<b>+ 180.0</b>	<b>- 38.4</b>	

- (※1) Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability. In fiscal 2025, Underlying Business Profit excludes losses of ¥250.0 billion.  
(※2) Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.  
(※3) Additional line items refer to the items that are not recurrent and are remotely related to operational activities, but have a material impact in terms of amount.  
(※4) The Company plans to implement a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. The above earnings per share in the consolidated financial forecasts are calculated as if the stock split had occurred at the beginning of the fiscal year ending March 31, 2025.  
(※5) Business Profit + Depreciation

### (※6) Analysis in Business Profit

	H1 FY 2024 → H1 FY 2025 forecasts	H1 FY 2025 forecasts → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts
<b>Change in Business Profit</b>	<b>- 196.0</b>	<b>+ 120.0</b>	<b>- 203.0</b>
<b>1. Steel business</b>	<b>- 204.0</b>	<b>+ 110.0</b>	<b>- 211.0</b>
①Manufacturing shipment volume	- 20.0	+ 20.0	- 5.0
②Spread (including impact from FX rate fluctuation)	- 35.0	- 55.0	- 105.0
③Cost reduction	+ 50.0	+ 25.0	+ 100.0
④Overseas steel business	+ 10.0	+ 25.0	+ 51.0
Of these, U. S. Steel influence	+ 30.0	+ 20.0	+ 80.0
⑤Raw material business	- 57.0	+ 5.0	- 80.0
⑥Other group companies	- 22.0	+ 25.0	- 44.0
⑦Inventory valuation impact etc. (including group companies)	- 118.0	+ 75.0	- 83.0
⑧Others	- 12.0	- 10.0	- 45.0
<b>2. Three non-steel segments</b>	<b>+ 6.0</b>	<b>+ 11.0</b>	<b>+ 9.0</b>
<b>3. Adjustments</b>	<b>+ 2.0</b>	<b>- 1.0</b>	<b>- 1.0</b>

### (※3) Additional line items

	FY 2025 forecasts	FY 2024	FY 2024 → FY 2025 forecasts
<b>Additional line items Total</b>	<b>(240.0)</b>	<b>(135.2)</b>	<b>- 104.8</b>
Losses on reorganization	(240.0)	(135.2)	- 104.8

<FY 2025>

•Losses on business withdrawal and others: ¥240.0 billion (the transfer of equity interests in AM/NS Calvert LLC, etc.)

<FY 2024>

•Losses on inactive facilities and others: ¥(135.2) billion

(Kashima One series of upstream facilities, steel plate mill, large shape mill, Wakayama #4 coke oven, etc.)

### 【Dividends】

As announced at the time of the announcement of the fiscal year ending March 31, 2025 financial results (May 9, 2025), the annual dividend for fiscal 2025, the final year of the medium- to long-term management plan, excluding temporary losses resulting from the merger between U.S. subsidiary and U. S. Steel, we plan to distribute a full-year dividend of ¥120 per share (before consideration of the stock split\*; including an interim dividend of ¥60 per share), which makes a cumulative payout ratio of approximately 30% over the five-year period from fiscal 2021 to fiscal 2025.

\*The Company plans to implement a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. We plan to distribute a year-end dividend of ¥12 per share in consideration of the stock split.

<Factors Influencing Performance>

(1)NIPPON STEEL CORPORATION

	FY 2025 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2024	1st half	2nd half	H1 FY2024 → H1 FY2025 forecasts	H1 FY2025 forecasts → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on May 9, 2025)
Consolidated crude steel output volume (10,000 tons)	Approx. 5,050		Approx. 2,300	Approx. 2,750	3,959	1,993	1,966	+307	+450	+1,091	
Non-Consolidated crude steel output volume (10,000 tons)	Approx. 3,450		Approx. 1,700	Approx. 1,750	3,425	1,720	1,705	- 20	+50	+25	
Steel materials shipment volume (10,000 tons)	Approx. 3,150		Approx. 1,550	Approx. 1,600	3,162	1,591	1,571	- 41	+50	- 12	
Steel materials price (¥1,000/ton)			Approx. 140		142.1	145.0	139.1	- 5			
Exchange rate (¥/\$)	Approx. 145	+5	Approx. 145	Approx. 145	153	154	152	- 9	-	- 8	Approx. 140

(2)All Japan

Crude steel output volume *1 (10,000 tons)		Approx. 4,030		8,295	4,184	4,112	- 154				
Steel consumption (10,000 tons)*2	Approx. 4,930		Approx. 2,440	Approx. 2,490	4,954	2,476	2,478	- 36	+ 50	- 24	

\*1METI forecast \*2 The Company estimates

<Segment Information>

	FY 2025 forecasts	Changes from the previous forecasts	1st half forecasts	2nd half forecasts	FY 2024	1st half	2nd half	H1 FY2024 → H1 FY2025 forecasts	H1 FY2025 forecasts → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on May 9, 2025)
<b>Revenue</b>	<b>10,000.0</b>		<b>4,500.0</b>	<b>5,500.0</b>	<b>8,695.5</b>	<b>4,379.7</b>	<b>4,315.7</b>	<b>+ 120.3</b>	<b>+ 1,000.0</b>	<b>+ 1,304.5</b>	
Steelmaking and Steel Fabrication	9,200.0		4,100.0	5,100.0	7,874.3	3,990.5	3,883.7	+ 109.5	+ 1,000.0	+ 1,325.7	
Engineering and Construction	400.0		190.0	210.0	400.4	183.3	217.1	+ 6.7	+ 20.0	- 0.4	
Chemicals and Materials	260.0		130.0	130.0	269.1	140.4	128.7	- 10.4	-	- 9.1	
System Solutions	357.0		168.0	189.0	339.3	157.0	182.3	+ 11.0	+ 21.0	+ 17.7	
Adjustment	(217.0)		(88.0)	(129.0)	(187.8)	(91.6)	(96.1)	+ 3.6	- 41.0	- 29.2	
<b>Business Profit</b>	<b>480.0</b>	<b>+ 80.0</b>	<b>180.0</b>	<b>300.0</b>	<b>683.2</b>	<b>375.7</b>	<b>307.4</b>	<b>- 195.7</b>	<b>+ 120.0</b>	<b>- 203.2</b>	<b>400.0 or more</b>
Steelmaking and Steel Fabrication	410.0	+ 76.0	150.0	260.0	621.0	353.8	267.1	- 203.8	+ 110.0	- 211.0	334.0
Engineering and Construction	20.0	+ 3.0	7.0	13.0	14.6	(1.2)	15.8	+ 8.2	+ 6.0	+ 5.4	17.0
Chemicals and Materials	18.0	+ 1.0	9.0	9.0	18.9	12.2	6.6	- 3.2	-	- 0.9	17.0
System Solutions	43.0	-	19.0	24.0	38.8	18.3	20.5	+ 0.7	+ 5.0	+ 4.2	43.0
Adjustment	(11.0)	-	(5.0)	(6.0)	(10.2)	(7.4)	(2.7)	+ 2.4	- 1.0	- 0.8	(11.0)

Note: The forward-looking statements included in this report are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public.  
The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

## Nippon Steel's Current Business Environment, and Actions Taken and To Be Taken

### 1. Overview of business environment for fiscal 2025

- In fiscal 2025, the manufacturing and construction industries in Japan and overseas are sluggish, and global steel business environment is deteriorating into an unprecedented crisis. The global economy is extremely uncertain as excess production and an increase in exports stemming from the widening supply/demand gap caused by the slowdown of the Chinese economy are structural issues, and there are no signs of improvement; the impact of trade measures on imported materials is becoming apparent in various countries; the tariff policies of U.S. President Trump's administration remain uncertain; and geopolitical risks in the Middle East and elsewhere are increasing. As a result, the trend toward favoring domestic production is further accelerating, and it is expected to have a significant direct/indirect impact on the domestic and overseas steel industry.

### 2. Forecasts for fiscal 2025

During the fiscal 2021-2025 medium-to long-term management plan period, we have been **establishing an earnings structure that enables us to secure underlying business profit (BP) of ¥600.0 billion or more regardless of business environment**. Since fiscal 2024, although the business environment has deteriorated at a scale and speed that exceed the expectations at the time of formulating the management plan, **we have maintained a relatively high-level earnings power compared to competitors around the world** thanks to the successful implementation of various structural measures and profit improvement measures we have undertaken ahead of other companies. **In addition, the transaction for a partnership with U. S. Steel was completed in June 2025. Securing management flexibility and profitability, we are making a full-scale entry into the U. S. and Europe, where demand mainly for high-grade steel is expected to grow.**

#### ➤ Fiscal 2025 forecasts

- Even in the extremely harsh situation stated above, we strive to boost profit through the full demonstration of the effects of structural measures and capital investments, which had been completed by fiscal 2024. In addition, **we will consolidate U. S. Steel from the current fiscal year, and profit growth will be pursued through the early implementation of our earnings improvement measures, which are under consideration in the next medium-to long-term management plan.**
- **We intend to secure underlying BP of ¥650.0 billion (change from the previous announcement: +¥50.0 billion) excluding the effects of the U. S. Steel transaction** while incorporating concerns about the global impact of the Trump administration's tariff policy and the risk of increased export pressure from China on other countries into the earnings forecast, as we will continue to improve profitability mainly through cost reductions.
- **Underlying BP of U. S. Steel for fiscal 2025 is expected to be ¥80.0 billion**, for only incorporates earnings for 9 months (July 2025 – March 2026), in addition to the fact that Big River 2 is still in the start-up stage in fiscal 2025, although the effect of the tariff policies is still uncertain.  
(Once Big River 2 is fully operational, the structural annualized underlying BP is projected to reach ¥150.0 billion scale per year.)
- Based on the above, **an overall underlying BP of ¥730.0 billion (change from the previous announcement: +¥130.0 billion) is expected for fiscal 2025** and we will strive to steadily implement further profit improvement measures in order to maximize profits.

#### ➤ Dividends (forecasts) for fiscal 2025

- A BP of ¥480.0 billion and a net loss are expected for fiscal 2025, due to the impact of inventory valuation losses, a one-off loss generated due to the U. S. Steel transaction (loss of ¥231.5 billion associated to transfer of equity interests in AM/NS Calvert), and other factors, in addition to the above-mentioned situation.  
(Excluding the impact of the one-off loss associated to the U. S. Steel transaction: BP: ¥505.0 billion (change from the previous period: +¥105.0 billion)/Net profit: ¥220.0 billion (change from the previous period: +¥20.0 billion))
- **We plan to distribute a full-year dividend of ¥120 per share** (same as previously announced; before taking into account the stock split that will become effective on October 1, 2025) **for fiscal 2025, the final year of the medium- to long-term management plan. This makes a cumulative payout ratio of approximately 30% over the five-year period from fiscal 2021 to fiscal 2025 excluding the impact of the one-off loss associated to the U. S. Steel transaction.**

		FY2025 Forecasts				One-off loss associated to the USS transaction (Approx.)	Excluding the impact of the one-off loss associated to the USS transaction	
		(¥ billion)			(Chg. from May 9 forecasts)		Full year	(Chg. from May 9 forecasts)
		First half	Second half	Full year				
	Excluding USS	300.0	350.0	650.0	(+50.0)		650.0	(+50.0)
	USS	30.0	50.0	80.0	(+80.0)		80.0	(+80.0)
	Underlying business profit	330.0	400.0	730.0	(+130.0)		730.0	(+130.0)
	Consolidated business profit	180.0	300.0	480.0	(+80.0)	-25.0	505.0	(+105.0)
	Net profit	-170.0	130.0	-40.0	(-240.0)	-260.0	220.0	(+20.0)
	DPS	Full-year DPS of ¥120* (including interim DPS of ¥60)					Same as left	
	Payout ratio	- (deficit) for FY 2025; FY2021-FY2025 cumulative payout ratio of approx. 33%					Payout ratio of approx. 57% for FY 2025; FY2021-FY2025 cumulative payout ratio of approx. 30%	

\* Before consideration of the stock split to be effective on October 1, 2025. The year-end DPS after the stock split is estimated to be ¥12.

### 3. Actions to improve earnings at present and achieve medium- to long-term growth

#### (0) Progress of the medium- to long-term management plan and long-term vision under development

We have begun to formulate a plan for further growth, and intend to announce it once finalized (by the end of 2025). The following measures are currently being implemented. Specifically, with demand for steel products declining both in Japan and in other countries, we will develop and implement breakthrough technologies for carbon neutrality in our domestic steelmaking business, while working to drastically strengthen our competitiveness, such as by pursuing synergies through the reorganization of group companies, and strengthening our ability to capture domestic demand. On top of that, we will strengthen business development in India and the U.S., which are less likely to be affected by the issue of excessive exports that started from China, thereby capturing profit growth.

Our aim is to achieve the “100 million tons/1 trillion yen Vision” as early as possible by evolving toward a robust business structure.

#### (1) Strengthening and restructuring the domestic steelmaking business

- 1) Steady improvement of base operation performance and continuous efforts in business of direct contract-based sales to customers
- 2) Maximization of the effects of the completed structural measures for production facilities based on the current medium- to long-term management plan, promotion of renewal and improvement of facilities, and sophistication of order mix
  - Maximization of the effects of the structural measures for production facilities completed by fiscal 2024. Measures to enhance the capacity and quality of electrical steel sheets. Ensured launch and demonstration of the effects of a next-generation hot-strip mill.
- 3) Further strengthening of the domestic steelmaking business (including electric furnace steel) of Nippon Steel and its group companies, and pursuit for synergies from reorganization and consolidation
  - Restructured the domestic electro-resistance welded pipe business, conducted an absorption-type merger of Nippon Steel Stainless Steel Corporation, and successfully completed the Tender Offer Bid (TOB) for Sanyo Special Steel Co., Ltd. to make it a wholly owned subsidiary. Seeking to generate synergies through reorganization and consolidation.
  - **Today, we announced the planned commencement of tender offer aiming to make Krosaki Harima Corporation a wholly owned subsidiary.**
- 4) Promotion of multifaceted productivity improvement measures through business reform and efficiency improvement, and implementation of personnel measures to secure and promote the active participation of human resources
  - Promote various management strategies such as raising awareness, mid-career recruitment, revising treatment, and improving engagement, in preparation for the future decline in the working population and the increasing mobility of human resources.
- 5) Promotion of hydrogen reduction steelmaking in large blast furnaces (BFs) and conversion to electric arc furnaces (EAFs), and realization of “Comprehensive Scrap Strategy” from the perspective of a circular economy
  - **Decided to invest in the conversion of the BF process to the EAF process (¥868.7 billion). Selected as a government-supported project based on the GX Promotion Law (maximum support: ¥251.4 billion)**



- Steady efforts to develop and implement breakthrough technologies, and to spread and standardize GX Steel
- Started implementation of the “Comprehensive Scrap Strategy” centered on the use of low-grade scrap and the expansion of market procurement (utilization for EAF in Thailand is also underway)

6) Digital transformation (DX) strategies

- Remote management, predictive monitoring, and automation of operation and facility maintenance using IoT and AI. Centralized and accelerated performance management and integrated production planning to be aligned with DX measures.

**(2) Acceleration of global strategy to deepen and expand overseas business: Aiming to achieve “100 million tons of global crude steel capacity per year”**

- **U. S. Steel: Full-scale entry into the U.S. and Europe, where demand mainly for high-grade steel is expected to grow, by securing management flexibility and profitability.**

By fiscal 2028, we will make capital investments of US\$11 billion to meet the growing demand for steel products and the growing needs for high-grade steel, by introducing our advanced production technologies and increasing added value through cost reductions and the introduction of strategic products.

- ✓ Through the realization of initial synergies, expansion and improvement of product mix, such as non-oriented (NO) electrical steel sheets, progress in operational improvements (productivity and costs) and margin improvements, and investment effects (such as the Gary blast furnace), we aim to increase our operating income to ¥250 billion/year on a full-scale basis by the early stage (targeted for fiscal 2028).
- ✓ Given the above as the baseline, we will add further synergies and the effects of profit improvement investments of US\$11 billion.

- **AM/NS India: Acquired land for an integrated steel mill from the state government in April 2025 (7 million tons of crude steel per year under consideration). Considering the construction of an integrated steelworks in East India, in addition to capacity expansion work at the Hazira Works (approximate crude steel production capacity expansion: from 9 to 15 million tons/year).**

**(3) Measures for evolution to a further vertically integrated business structure**

- Raw material business

Acquisition of a 20% interest in Blackwater Coal Mine in Australia on March 31, 2025, which will **contribute to earnings from the second quarter of fiscal 2025.**

Acquisition of a 30% interest in Kami Iron Ore Mine in Canada. Basic agreement to establish a JV to develop and operate a new mining block.

→ We aim to ensure stable purchasing of steelmaking coal, which is indispensable for future carbon-neutral steel production, and high-grade iron ore suitable for direct reduction iron production, which is necessary for the production of high-grade steel with large EAFs. We also strive to enhance the consolidated profit structure that is less susceptible to the external environment through investment in raw material interests.

**(4) Shifting management resources to growth areas in the non-steel segment to enhance its earnings structure**

- NS Solutions acquired all shares of Infocom (¥55.0 billion) to strengthen the asset business for the manufacturing industry and medium-sized companies.

**(5) Maintaining and strengthening a solid financial base and financial structure**

- Maintain a healthy financial structure through asset reduction, including the sale of shares and inventory appropriation, in order to continually implement a flexible and robust growth strategy over the medium-to long-term.

Fiscal 2025: Streamline assets by ¥60.0 billion or more (**change from the previous announcement +¥10.0 billion**). Sold a portion of shares of our equity-method affiliate, Nippon Steel Kowa Real Estate Co., Ltd. (approximate sale amount: ¥50.0 billion).

- Plan to reduce the D/E ratio, which increased to 0.85 after the U. S. Steel transaction, to the 0.7 level through measures to streamline assets and further optimization of fund procurement such as the **procurement of ¥500.0 billion in commitment-type subordinated loans (with 50% of the amounts deemed as our equity by Credit Rating Agency).**
- **Decided to conduct a stock split (at a ratio of five (5) shares for every one common share) on October 1, 2025. By lowering the amount per investment unit, we will create an environment that makes it easier, particularly for individual investors to invest and further expand our investor base.**

NIPPON STEEL CORPORATION

Code Number: 5401

Listings: Tokyo Stock Exchange / Nagoya Stock Exchange /  
Fukuoka Stock Exchange / Sapporo Securities Exchange

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## Supplementary Information on the Financial Results for the three months ended June 30, 2025

### Japanese Steel Industry

#### 1. Crude Steel Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024	21.25	20.59	41.84	20.72	20.40	41.12	82.95
FY 2025	20.15	(*)Approx. 20.10	Approx. 40.30				

(\*)METI forecast

#### 2. Inventory Volume

At the end of:		Inventory at manufacturers and distributors (million tons)	Inventory /shipment ratio (%)	Rolled sheets *1 (million tons)	H-flange beams *2 (million tons)
June	2023	5.33	(165.4)	4.01	0.196
July	2023	5.19	(162.3)	3.94	0.197
Aug.	2023	5.31	(194.3)	4.00	0.191
Sep.	2023	5.18	(161.2)	3.87	0.194
Oct.	2023	5.15	(159.9)	3.86	0.189
Nov.	2023	5.11	(163.1)	3.82	0.191
Dec.	2023	5.08	(170.5)	3.80	0.202
Jan.	2024	5.37	(191.9)	4.02	0.208
Feb.	2024	5.40	(183.5)	4.07	0.216
Mar.	2024	5.46	(170.0)	4.15	0.220
Apr.	2024	5.38	(175.6)	4.13	0.220
May	2024	5.38	(179.8)	4.13	0.221
June	2024	5.31	(178.8)	4.08	0.221
July	2024	5.02	(161.8)	3.96	0.220
Aug.	2024	5.30	(222.7)	4.10	0.216
Sep.	2024	5.32	(183.0)	4.15	0.210
Oct.	2024	5.11	(162.7)	4.01	0.206
Nov.	2024	4.95	(169.5)	3.92	0.205
Dec.	2024	4.98	(178.5)	3.91	0.206
Jan.	2025	4.97	(174.5)	3.94	0.210
Feb.	2025	4.98	(181.8)	3.86	0.211
Mar.	2025	4.98	(162.4)	3.84	0.215
Apr.	2025	5.02	(179.0)	3.90	0.209
May	2025	5.14	(181.7)	4.00	0.210
June *3	2025	5.11	(176.6)	4.01	0.208

\*1 Hot-rolled, cold-rolled, and coated sheets

\*2 Inventories at distributors dealing with H-flange beams manufactured by NIPPON STEEL CORPORATION

\*3 Preliminary report

## NIPPON STEEL CORPORATION

### 3. Pig Iron Production

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024	8.58	8.39	16.98	8.52	8.35	16.87	33.85
FY 2025	8.01	Approx. 8.20	Approx. 16.20				

Including Hokkai Iron & Coke Co., Ltd.

### 4. Crude Steel Production

(Consolidated basis (The Company and its consolidated subsidiaries))

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024(*1)	10.14	9.79	19.93	9.78	9.89	19.66	39.59
FY 2025(*2)	9.46	Approx. 13.50	Approx. 23.00			Approx. 27.50	Approx. 50.50

(\*1) Not Including United States Steel Corporation ("U. S. Steel").

(\*2) Including U. S. Steel from 2nd quarter FY 2025.

(Non-consolidated basis)

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024(*1)	8.70	8.49	17.20	8.55	8.50	17.05	34.25
FY 2025(*2)	8.27	Approx. 8.70	Approx. 17.00			Approx. 17.50	Approx. 34.50

(\*1) Not Including former Nippon Steel Stainless Steel Corporation.

(\*2) Including former Nippon Steel Stainless Steel Corporation.

### 5. Steel Products Shipment

(million tons)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024(*1)	8.01	7.90	15.91	7.98	7.73	15.71	31.62
FY 2025(*2)	7.64	Approx. 7.90	Approx. 15.50			Approx. 16.00	Approx. 31.50

(\*1) Not Including former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

(\*2) Including former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

### 6. Average Price of Steel Products

(thousands of yen / ton)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024(*1)	146.2	143.8	145.0	139.0	139.2	139.1	142.1
FY 2025(*2)	139.7	Approx. 140	Approx. 140				

(\*1) Not Including former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

(\*2) Including former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

## 7. Export Ratio of Steel Products (Value basis)

(%)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024(*1)	44	46	45	42	43	43	44
FY 2025(*2)	40	Approx. 40	Approx. 40				

(\*1) Not Including former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

(\*2) Including former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

## 8. Foreign Exchange Rate

(¥/\$)

	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	total
FY 2024	155	153	154	149	154	152	153
FY 2025	145	Approx. 145	Approx. 145			Approx. 145	Approx. 145

## 9. Amount of Capital Expenditure and Depreciation

(Consolidated basis)

(billions of yen)

	Capital Expenditure	Depreciation(*1)
FY 2024(*2)	583.4	385.2
FY 2025(*2)	Approx. 980.0	Approx. 550.0

(\*1) The “Depreciation” is including amortization expenses related to intangible assets, excluding goodwill.

(\*2) Not Including U. S. Steel in FY2024. Including U. S. Steel in FY 2025.