



# Consolidated Financial Results for the Six Months Ended September 30, 2025 < under IFRS >

November 5, 2025

Company name:	NIPPON STEEL CORPORATION
Stock listing:	Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
Code number:	5401
URL:	<a href="https://www.nipponsteel.com/en/index.html">https://www.nipponsteel.com/en/index.html</a>
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Scheduled date to file semi-annual securities report:	November 11, 2025
Scheduled date to commence dividend payments:	December 4, 2025
Preparation of supplemental explanatory materials:	Yes
Holding of financial results meeting:	Yes (for investment analysts)

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

## 1. Consolidated financial results for the six months ended September 30, 2025

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

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

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

	Revenue		Business profit (*1)		Operating profit		Profit before income taxes		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>September 30, 2025</b>	<b>4,635,647</b>	<b>5.8</b>	<b>227,533</b>	<b>(39.4)</b>	<b>(2,835)</b>	<b>—</b>	<b>(30,104)</b>	<b>—</b>	<b>(98,910)</b>	<b>—</b>
September 30, 2024	4,379,735	(0.7)	375,753	(24.0)	375,753	(11.3)	364,254	(12.4)	259,071	(19.5)

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (*2)	Diluted earnings per share (*2)
Six months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
<b>September 30, 2025</b>	<b>(113,380)</b>	<b>—</b>	<b>(111,497)</b>	<b>—</b>	<b>(21.69)</b>	<b>(21.69)</b>
September 30, 2024	243,347	(18.9)	439,571	(21.1)	<b>50.82</b>	<b>46.58</b>

(\*1) 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) The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, basic earnings per share and diluted earnings per share are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.

### (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
As of	Millions of yen	Millions of yen	Millions of yen	%
<b>September 30, 2025</b>	<b>14,001,379</b>	<b>5,664,800</b>	<b>5,147,145</b>	<b>36.8</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>—</b>	<b>60.00</b>			
<b>Fiscal year ending March 31, 2026(Forecasts)</b>			<b>—</b>	<b>12.00</b>	<b>—</b>

Note: Revisions to the forecast of cash dividends most recently announced: No

\*The Company implemented 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, applied 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
Fiscal year ending March 31, 2026	10,000,000	15.0	450,000	(34.1)	(60,000)	—	(11.00)

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

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

\*The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, Basic earnings per share is calculated as if the stock split had occurred at the beginning of the fiscal year ended 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: 102

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

Number of excluded from consolidation: 20

- (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 September 30, 2025 5,373,633,760 shares

As of March 31, 2025 5,373,633,760 shares

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

As of September 30, 2025 147,283,975 shares

As of March 31, 2025 147,691,101 shares

- (c) Weighted average number of shares outstanding

Six months ended September 30, 2025 5,226,194,918 shares

Six months ended September 30, 2024 4,787,848,200 shares

\*The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, the number of shares outstanding at the end of the period, the number of treasury stock at the end of the period, and the weighted average number of shares outstanding are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.

\* These semi-annual financial results are exempt from review conducted by certified public accountants or an audit firm.

\* 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 consolidated financial results 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 was effective on October 1, 2025. Accordingly, basic earnings per share in the consolidated financial forecasts for 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 six months ended September 30, 2025, please refer to the supplementary explanation materials “Results for the six months ended September 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. Condensed Consolidated Financial Statements and Major Notes**

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

(Millions of Yen)

<b>ASSETS</b>	<b>March 31, 2025</b>	<b>September 30, 2025</b>
<b>Current assets :</b>		
Cash and cash equivalents	672,526	<b>458,502</b>
Trade and other receivables	1,430,435	<b>1,685,993</b>
Inventories	2,199,096	<b>2,695,034</b>
Other financial assets	41,425	<b>43,611</b>
Other current assets	205,019	<b>201,535</b>
<b>Total current assets</b>	<b>4,548,503</b>	<b>5,084,677</b>
<b>Non-current assets :</b>		
Property, plant and equipment	3,635,585	<b>5,640,806</b>
Right-of-use assets	101,934	<b>138,689</b>
Goodwill	71,639	<b>507,118</b>
Intangible assets	263,231	<b>368,919</b>
Investments accounted for using the equity method	1,600,366	<b>1,474,890</b>
Other financial assets	461,378	<b>505,065</b>
Defined benefit assets	116,415	<b>142,498</b>
Deferred tax assets	135,074	<b>115,197</b>
Other non-current assets	8,329	<b>23,516</b>
<b>Total non-current assets</b>	<b>6,393,955</b>	<b>8,916,702</b>
<b>Total assets</b>	<b>10,942,458</b>	<b>14,001,379</b>

The accompanying notes are integral parts of these statements.

(Millions of Yen)

<b>LIABILITIES</b>	<b>March 31, 2025</b>	<b>September 30, 2025</b>
<b>Current liabilities :</b>		
Trade and other payables	1,671,352	2,199,446
Bonds, borrowings and lease liabilities	473,466	2,084,105
Other financial liabilities	823	5,064
Income taxes payable	126,428	59,350
Other current liabilities	63,421	87,505
<b>Total current liabilities</b>	<b>2,335,493</b>	<b>4,435,472</b>
<b>Non-current liabilities :</b>		
Bonds, borrowings and lease liabilities	2,034,026	2,990,447
Other financial liabilities	35	134
Defined benefit liabilities	111,552	169,180
Deferred tax liabilities	137,014	246,980
Other non-current liabilities	420,955	494,363
<b>Total non-current liabilities</b>	<b>2,703,584</b>	<b>3,901,106</b>
<b>Total liabilities</b>	<b>5,039,077</b>	<b>8,336,578</b>
<b>EQUITY</b>		
Common stock	569,519	569,519
Capital surplus	578,457	580,831
Retained earnings	3,819,934	3,650,936
Treasury stock	(58,236)	(58,089)
Other components of equity	473,635	403,948
<b>Total equity attributable to owners of the parent</b>	<b>5,383,311</b>	<b>5,147,145</b>
Non-controlling interests	520,069	517,654
<b>Total equity</b>	<b>5,903,380</b>	<b>5,664,800</b>
<b>Total liabilities and equity</b>	<b>10,942,458</b>	<b>14,001,379</b>

The accompanying notes are integral parts of these statements.

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

Condensed Consolidated Statements of Profit or Loss		(Millions of Yen)
	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	4,379,735	4,635,647
Cost of sales	(3,694,990)	(3,983,188)
<b>Gross profit</b>	684,744	652,458
Selling, general and administrative expenses	(391,454)	(457,029)
Share of profit in investments accounted for using the equity method	83,983	47,622
Other operating income	40,601	46,752
Other operating expenses	(42,121)	(62,271)
<b>Business profit</b>	375,753	227,533
Losses on reorganization	—	(230,369)
<b>Operating profit (loss)</b>	375,753	(2,835)
Finance income	9,090	12,585
Finance costs	(20,589)	(39,853)
<b>Profit (loss) before income taxes</b>	364,254	(30,104)
Income tax expense	(105,183)	(68,806)
<b>Profit (loss)</b>	259,071	(98,910)
<b>Profit (loss) attributable to :</b>		
Owners of the parent	243,347	(113,380)
Non-controlling interests	15,723	14,469
<b>Earnings (loss) per share</b>		
Basic earnings (loss) per share (Yen)	50.82	(21.69)
Diluted earnings (loss) per share (Yen)	46.58	(21.69)

The accompanying notes are integral parts of these statements.

Condensed Consolidated Statements of Comprehensive Income		(Millions of Yen)
	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit (loss)	259,071	(98,910)
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	(21,245)	43,465
Remeasurements of defined benefit plans	5,815	18,358
Share of other comprehensive income of investments accounted for using the equity method	(4,892)	3,769
Subtotal	(20,323)	65,593
Items that might be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	—	(61)
Changes in fair value of cash flow hedges	831	23,113
Foreign exchange differences on translation of foreign operations	141,316	(59,279)
Share of other comprehensive income of investments accounted for using the equity method	58,675	(41,952)
Subtotal	200,823	(78,180)
<b>Total other comprehensive income, net of tax</b>	180,500	(12,586)
<b>Total comprehensive income</b>	439,571	(111,497)
<b>Comprehensive income attributable to:</b>		
Owners of the parent	407,281	(119,880)
Non-controlling interests	32,289	8,382

The accompanying notes are integral parts of these statements.

### (3) Condensed Consolidated Statements of Changes in Equity

Six months ended September 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)			243,347			
Other comprehensive income					(30,037)	5,658
Total comprehensive income	—	—	243,347	—	(30,037)	5,658
Transactions with owners and others						
Conversion of convertible bonds	149,720	147,627				
Cash dividends			(78,381)			
Share-based remuneration transactions						
Purchases of treasury stock				(39)		
Disposals of treasury stock		0		1		
Changes in ownership interests in subsidiaries		(96)				
Transfer from other components of equity to retained earnings			61,753		(56,094)	(5,658)
Transfer to non-financial assets						
Changes in scope of consolidation				0		
Subtotal transactions with owners and others	149,720	147,531	(16,627)	(37)	(56,094)	(5,658)
Balance as of September 30, 2024	569,519	546,445	3,752,305	(58,186)	201,669	—

	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)			—	243,347	15,723	259,071
Other comprehensive income	8,997	179,315	163,933	163,933	16,566	180,500
Total comprehensive income	8,997	179,315	163,933	407,281	32,289	439,571
Transactions with owners and others						
Conversion of convertible bonds			—	297,347		297,347
Cash dividends			—	(78,381)	(11,856)	(90,237)
Share-based remuneration transactions			—	—		—
Purchases of treasury stock			—	(39)		(39)
Disposals of treasury stock			—	2		2
Changes in ownership interests in subsidiaries			—	(96)	(3,020)	(3,117)
Transfer from other components of equity to retained earnings			(61,753)	—		—
Transfer to non-financial assets			—	—		—
Changes in scope of consolidation			—	0	(30)	(29)
Subtotal transactions with owners and others	—	—	(61,753)	218,832	(14,906)	203,925
Balance as of September 30, 2024	53,210	338,877	593,757	5,403,841	595,533	5,999,375

The accompanying notes are integral parts of these statements.



Six months ended September 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)			(113,380)			
Other comprehensive income					46,353	18,132
Total comprehensive income	—	—	(113,380)	—	46,353	18,132
Transactions with owners and others						
Conversion of convertible bonds						
Cash dividends			(83,703)			
Share-based remuneration transactions		107				
Purchases of treasury stock				(27)		
Disposals of treasury stock		1		3		
Changes in ownership interests in subsidiaries		2,264				
Transfer from other components of equity to retained earnings			28,085		(9,953)	(18,132)
Transfer to non-financial assets						
Changes in scope of consolidation				170		
Subtotal transactions with owners and others	—	2,373	(55,617)	147	(9,953)	(18,132)
Balance as of September 30, 2025	569,519	580,831	3,650,936	(58,089)	200,518	—

	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)			—	(113,380)	14,469	(98,910)
Other comprehensive income	11,854	(82,840)	(6,499)	(6,499)	(6,087)	(12,586)
Total comprehensive income	11,854	(82,840)	(6,499)	(119,880)	8,382	(111,497)
Transactions with owners and others						
Conversion of convertible bonds			—	—		—
Cash dividends			—	(83,703)	(10,897)	(94,601)
Share-based remuneration transactions			—	107		107
Purchases of treasury stock			—	(27)		(27)
Disposals of treasury stock			—	5		5
Changes in ownership interests in subsidiaries			—	2,264	(14,246)	(11,982)
Transfer from other components of equity to retained earnings			(28,085)	—		—
Transfer to non-financial assets	(35,102)		(35,102)	(35,102)		(35,102)
Changes in scope of consolidation			—	170	14,347	14,517
Subtotal transactions with owners and others	(35,102)	—	(63,187)	(116,284)	(10,797)	(127,082)
Balance as of September 30, 2025	28,561	174,868	403,948	5,147,145	517,654	5,664,800

The accompanying notes are integral parts of these statements.

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

##### (Going Concern Assumption)

Not applicable

##### (Cash-Flows)

The depreciation and amortization expenses for the six months ended September 30, 2025 and 2024 are as follows.

(Millions of Yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Depreciation and amortization	188,897	240,746

##### (Segment Information)

###### Six months ended September 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	3,962,350	168,979	131,187	117,218	4,379,735	—	4,379,735
Inter-segment revenue or transfers	28,231	14,359	9,225	39,840	91,657	(91,657)	—
Total	3,990,581	183,339	140,412	157,058	4,471,392	(91,657)	4,379,735
Segment profit (loss) <Business Profit>	353,807	(1,247)	12,262	18,383	383,206	(7,452)	375,753
Segment assets Year ended March 31, 2025	10,115,166	349,700	254,630	412,336	11,131,834	(189,375)	10,942,458
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 ¥(7,452) 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 ¥7,805 million and elimination of inter-segment revenue or transfers of ¥(15,257) million.

###### Six months ended September 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	4,221,373	161,333	118,836	134,104	4,635,647	—	4,635,647
Inter-segment revenue or transfers	22,547	20,899	9,336	44,986	97,769	(97,769)	—
Total	4,243,920	182,232	128,172	179,091	4,733,416	(97,769)	4,635,647
Segment profit (loss) <Business Profit>	201,838	7,448	9,815	17,570	236,672	(9,139)	227,533
Segment assets	13,150,552	331,773	255,575	396,506	14,134,408	(133,029)	14,001,379
Segment liabilities <Interest-bearing debt>	5,041,246	9,694	6,504	17,107	5,074,553	—	5,074,553

Note: The adjustments of segment profit of ¥(9,139) 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 ¥4,942 million and elimination of inter-segment revenue or transfers of ¥(14,081) million.

## (Business Combinations)

### Business combinations consummated for the six months ended September 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 Merger 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 82 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	2,053,333
Other payables	9,179
Total consideration transferred	2,062,513

Note: The acquisition-related costs of ¥21,984 million related to business combination were recorded in the consolidated statements of profit or loss for the year ended March 31, 2025. The acquisition-related costs of ¥7,816 million were recorded as “Selling, general and administrative expenses” in the consolidated statements of profit or loss for the six months ended September 30, 2025.

In addition, a closing bonus of ¥14,288 million for U. S. Steel employees was recorded as “Other operating expenses” in the consolidated statements of profit or loss for the six months ended September 30, 2025.

**(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 six months ended September 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	2,053,333
Cash and cash equivalents held by the acquirees at the acquisition date	(62,048)
Basis adjustments	(35,102)
Net cash used in the transaction	1,956,183

**(5) Revenue and profit or loss of the acquirees after the acquisition date**

	(Millions of Yen)
Revenue	647,996
Profit or loss	19,594

**(6) Revenue and profit or loss of the Group if the business combination had been completed at the beginning of the year**

	(Millions of Yen)
Revenue	5,249,769
Profit or loss	(123,760)

## 1.Results for the six months ended September 30, 2025

The Company recorded consolidated revenue of ¥4,635.6 billion, business profit of ¥227.5 billion and profit attributable to owners of the parent of ¥(113.3) billion in the six months ended September 30, 2025.

### <Consolidated Operating Result>

		FY 2025 1st half		Changes from the previous forecasts		FY 2024 1st half		H1 FY 2024 →H1 FY 2025		Previous Forecasts (Released on August 1, 2025)	
Revenue		4,635.6		+ 135.6		4,379.7		+ 255.9		4,500.0	
	Except U. S. Steel	323.5		+ 23.5		371.9		- 48.4		300.0	
	U. S. Steel	22.2		- 7.8		—		+ 22.2		30.0	
	Underlying Business Profit ※1	345.7		+ 15.7		371.9		- 26.2		330.0	
Business Profit ※2		227.5		※7 + 47.5		375.7		※7 - 148.2		180.0	
[ R O S ]		[4.9%]		[+0.9%]		[8.6%]		[-3.7%]		[4.0%]	
Additional line items ※3		(230.3)		- 0.3		—		- 230.3		(230.0)	
Profit attributable to owners of the parent		(113.3)		+ 56.7		243.3		- 356.6		(170.0)	
< Earnings per share (Yen) > ※4		< -21 >		< +12 >		< 50 >		< -71 >		< -33 >	
[ R O E ] ※5		[-4.3%]				[9.6%]		[-13.9%]			
EBITDA ※6		468.2		+ 43.2		564.6		- 96.4		425.0	
Interest-bearing debt		5,074.5				2,795.7		+ 2,278.8			
D/E ratio		0.74				0.40		+ 0.34			
After adjusting for equity credit attributes of subordinated loans and subordinated bonds											

After adjusting for equity credit attributes of subordinated loans and subordinated bonds

(※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 six months ended September 30, 2025, Underlying Business Profit excludes losses of ¥118.2 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 implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. The above earnings per share are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.

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

### (※7) Analysis in Business Profit

#### (※3) Additional line items

(Billions of Yen)

	FY 2025 1st half	FY 2024 1st half	H1 FY 2024 →H1 FY 2025
Additional line items Total	(230.3)	-	- 230.3
Losses on reorganization	(230.3)	-	- 230.3

<H1 FY 2025>

• Losses on business withdrawal: ¥(230.3) billion  
(the transfer of the Company's equity interest in AM/NS Calvert and others)

(Billions of Yen)  
H1 FY 2024  
→H1 FY 2025

Change in Business Profit	-148.0	+48.0
<b>1. Steel business</b>	<b>-152.0</b>	<b>+52.0</b>
① Manufacturing shipment volume	-20.0	~
② Spread	-35.0	~
(including impact from FX rate fluctuation)		
③ Cost reduction	+65.0	+15.0
④ Overseas steel business	+7.0	-3.0
Of these, U. S. Steel	+22.0	-8.0
⑤ Raw material business	-51.0	+6.0
⑥ Other group companies	-17.0	+5.0
⑦ Inventory valuation impact etc.	-108.0	+10.0
⑧ Others	+7.0	+19.0
<b>2. Three non-steel segments</b>	<b>+5.0</b>	<b>~</b>
<b>3. Adjustments</b>	<b>-1.0</b>	<b>-4.0</b>

### <Factors Influencing Performance>

#### (1)NIPPON STEEL CORPORATION

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

	FY2025 1st quarter	FY2025 2nd quarter	FY2025 1st half	FY2024 1st half	H1 FY2024 →H1 FY2025	Previous Forecasts (Released on August 1, 2025)
Consolidated crude steel output volume (10,000 tons)	946	1,348	2,293	1,993	+ 301	Approx. 2,300
Non-Consolidated crude steel output volume (10,000 tons)	827	850	1,677	1,720	- 43	Approx. 1,700
Steel materials shipment volume (10,000 tons)	764	783	1,547	1,591	- 44	Approx. 1,550
Steel materials price (¥1,000/ton)	139.7	137.4	138.6	145.0	- 6.4	Approx. 140
Exchange rate (¥/\$)	145	147	146	154	- 8	Approx. 145

#### (2)All Japan

	FY2025 1st quarter	FY2025 2nd quarter	FY2025 1st half	FY2024 1st half	H1 FY2024 →H1 FY2025	Previous Forecasts (Released on August 1, 2025)
Crude steel output volume (10,000 tons)	2,015	1,993	4,008	4,184	- 176	Approx. 4,030
Steel consumption (10,000 tons)*1	1,208	1,229	2,437	2,476	- 39	Approx. 2,440

\*1 The Company estimates

### <Segment Information>

	FY2025 1st quarter	FY2025 2nd quarter	FY2025 1st half	FY2024 1st half	H1 FY2024 →H1 FY2025	Previous Forecasts (Released on August 1, 2025)		FY2025 1st quarter	FY2025 2nd quarter	FY2025 1st half	FY2024 1st half	H1 FY2024 →H1 FY2025	Previous Forecasts (Released on August 1, 2025)
<b>Revenue</b>	<b>2,008.7</b>	<b>2,626.8</b>	<b>4,635.6</b>	<b>4,379.7</b>	<b>+ 255.9</b>	<b>4,500.0</b>	<b>Business Profit</b>	<b>92.0</b>	<b>135.5</b>	<b>227.5</b>	<b>375.7</b>	<b>- 148.2</b>	<b>180.0</b>
Steelmaking and Steel Fabrication	1,823.0	2,420.8	4,243.9	3,990.5	+ 253.4	4,100.0	Steelmaking and Steel Fabrication	85.2	116.5	201.8	353.8	- 152.0	150.0
Engineering and Construction	89.0	93.2	182.2	183.3	- 1.1	190.0	Engineering and Construction	5.4	1.9	7.4	(1.2)	+ 8.6	7.0
Chemicals and Materials	63.0	65.1	128.1	140.4	- 12.3	130.0	Chemicals and Materials	3.1	6.6	9.8	12.2	- 2.4	9.0
System Solutions	82.9	96.1	179.0	157.0	+ 22.0	168.0	System Solutions	8.7	8.8	17.5	18.3	- 0.8	19.0
Adjustment	(49.2)	(48.4)	(97.7)	(91.6)	- 6.1	(88.0)	Adjustment	(10.6)	1.4	(9.1)	(7.4)	- 1.7	(5.0)

## 2. Forecasts for Fiscal year ending March 31, 2026

The Company is forecasting a revenue of ¥10,000.0 billion, business profit of ¥450.0 billion and profit attributable to owners of the parent of ¥(60.0) billion on its consolidated financial statements in the fiscal year ending March 31, 2026.

<Forecasts of Consolidated Operating Result>

					(Billions of Yen)			
	FY 2025 forecasts	Changes from the previous forecasts	1st half	2nd half forecasts	FY 2024	H1 FY2025 → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on August 1, 2025)
<b>Revenue</b>	<b>10,000.0</b>	—	<b>4,635.6</b>	<b>5,364.4</b>	<b>8,695.5</b>	<b>+ 728.8</b>	<b>+ 1,304.5</b>	<b>10,000.0</b>
Except U. S. Steel	680.0	+ 30.0	323.5	356.5	793.7	+ 33.1	- 113.7	650.0
U. S. Steel	0.0	- 80.0	22.2	(22.2)	—	- 44.4	—	80.0
<b>Underlying Business Profit ※1</b>	<b>680.0</b>	<b>- 50.0</b>	<b>345.7</b>	<b>334.3</b>	<b>793.7</b>	<b>- 11.3</b>	<b>- 113.7</b>	<b>730.0</b>
<b>Business Profit ※2</b>	<b>450.0</b>	※6 - 30.0	<b>227.5</b>	<b>222.5</b>	<b>683.2</b>	※6 - 5.0	※6 - 233.2	<b>480.0</b>
<b>[ R O S ]</b>	[4.5%]	[-0.3%]	[4.9%]	[4.1%]	[7.9%]	[-0.8%]	[-3.4%]	[4.8%]
<b>Additional line items ※3</b>	<b>(260.0)</b>	<b>- 20.0</b>	<b>(230.3)</b>	<b>(29.7)</b>	<b>(135.2)</b>	<b>+ 200.6</b>	<b>- 124.8</b>	<b>(240.0)</b>
<b>Profit attributable to owners of the parent</b>	<b>(60.0)</b>	<b>- 20.0</b>	<b>(113.3)</b>	<b>53.3</b>	<b>350.2</b>	<b>+ 166.6</b>	<b>- 410.2</b>	<b>(40.0)</b>
< Earnings per share (Yen) > ※4	< -11 >	< -3 >	< -21 >	< 10 >	< 70 >	< +31 >	< -81 >	< -8 >
<b>EBITDA ※5</b>	<b>1,000.0</b>	<b>- 30.0</b>	<b>468.2</b>	<b>531.8</b>	<b>1,068.4</b>	<b>+ 63.6</b>	<b>- 68.4</b>	<b>1,030.0</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 ¥230.0 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 implemented 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 ended March 31, 2025.

(※5) Business Profit + Depreciation

### (※6) Analysis in Business Profit

					(Billions of Yen)			
	H1 FY 2025 → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Changes from the previous forecasts					
<b>Change in Business Profit</b>	<b>-5.0</b>	<b>-233.0</b>	<b>-30.0</b>					
<b>1. Steel business</b>	<b>-24.0</b>	<b>-241.0</b>	<b>-30.0</b>					
① Manufacturing shipment volume	+ 20.0	- 5.0	~					
② Spread (including impact from FX rate fluctuation)	- 30.0	- 95.0	+ 10.0					
③ Cost reduction	+ 20.0	+ 120.0	+ 20.0					
④ Overseas steel business	- 55.0	- 34.0	- 85.0					
Of these, U. S. Steel	- 44.0	~	- 80.0					
⑤ Raw material business	- 6.0	- 80.0	~					
⑥ Other group companies	+ 14.0	- 44.0	~					
⑦ Inventory valuation impact etc. (including group companies)	+ 61.0	- 78.0	+ 5.0					
⑧ Others	- 48.0	- 25.0	+ 20.0					
<b>2. Three non-steel segments</b>	<b>+14.0</b>	<b>+11.0</b>	<b>+2.0</b>					
<b>3. Adjustments</b>	<b>+5.0</b>	<b>-3.0</b>	<b>-2.0</b>					

(※3) Additional line items

(Billions of Yen)

	FY 2025 forecasts	Changes from the previous forecasts	FY 2024	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on August 1, 2025)
<b>Additional line items Total</b>	<b>(260.0)</b>	<b>- 20.0</b>	<b>(135.2)</b>	<b>- 124.8</b>	<b>(240.0)</b>
Losses on reorganization	(260.0)	- 20.0	(135.2)	- 124.8	(240.0)

<FY 2025>

• Losses on business withdrawal and others: ¥(260.0) billion  
(the transfer of equity interests in AM/NS Calvert LLC: ¥(232.0) billion, the transfer of equity interests in USIMINAS: ¥(21.0) billion, 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 Q1 FY 2025 financial results (August 1, 2025), the annual dividend for fiscal 2025, the final year of the medium-to long-term management plan, we plan to distribute a full-year dividend of ¥120<sup>\*1</sup> per share before consideration of the stock split<sup>\*2</sup>, including an interim dividend of ¥60 per share (a full-year dividend of ¥24 per share in consideration of the stock split).

<sup>\*1</sup>A cumulative payout ratio of approximately 30% over the five-year period from FY 2021 to FY 2025, excluding temporary losses resulting from the merger between the Company's subsidiary in the U.S. and U. S. Steel

<sup>\*2</sup>The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025.

<Factors Influencing Performance>

(1) NIPPON STEEL CORPORATION

	FY 2025 forecasts	Changes from the previous forecasts	1st half	2nd half forecasts	FY 2024	H1 FY2025 → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on August 1, 2025)
Consolidated crude steel output volume (10,000 tons)	Approx. 5,050	-	2,293	Approx. 2,760	3,959	+467	+1,091	Approx. 5,050
Non-Consolidated crude steel output volume (10,000 tons)	Approx. 3,450	-	1,677	Approx. 1,770	3,425	+93	+25	Approx. 3,450
Steel materials shipment volume (10,000 tons)	Approx. 3,150	-	1,547	Approx. 1,600	3,162	+53	- 12	Approx. 3,150
Steel materials price (¥1,000/ton)	Approx. 138		138.6	Approx. 138	142.1	- 1	- 4	
Exchange rate (¥/\$)	Approx. 148	+3	146	Approx. 150	153	+ 4	- 5	Approx. 145

(2) All Japan

Crude steel output volume (10,000 tons)		4,008		8,295				
Steel consumption (10,000 tons)*1	Approx. 4,930	-	2,437	Approx. 2,490	4,951	+ 53	- 21	Approx. 4,930

\*1 The Company estimates

<Segment Information>

					(Billions of Yen)			
	FY 2025 forecasts	Changes from the previous forecasts	1st half	2nd half forecasts	FY 2024	H1 FY2025 → H2 FY 2025 forecasts	FY 2024 → FY 2025 forecasts	Previous Forecasts (Released on August 1, 2025)
<b>Revenue</b>	<b>10,000.0</b>	-	<b>4,635.6</b>	<b>5,364.4</b>	<b>8,695.5</b>	<b>+ 728.8</b>	<b>+ 1,304.5</b>	<b>10,000.0</b>
Steelmaking and Steel Fabrication	9,200.0	-	4,243.9	4,956.1	7,874.3	+ 712.2	+ 1,325.7	9,200.0
Engineering and Construction	400.0	-	182.2	217.8	400.4	+ 35.6	- 0.4	400.0
Chemicals and Materials	260.0	-	128.1	131.9	269.1	+ 3.8	- 9.1	260.0
System Solutions	377.0	+ 20.0	179.0	198.0	339.3	+ 19.0	+ 37.7	357.0
Adjustment	(237.0)	- 20.0	(97.7)	(139.3)	(187.8)	- 41.6	- 49.2	(217.0)
<b>Business Profit</b>	<b>450.0</b>	<b>- 30.0</b>	<b>227.5</b>	<b>222.5</b>	<b>683.2</b>	<b>- 5.0</b>	<b>- 233.2</b>	<b>480.0</b>
Steelmaking and Steel Fabrication	380.0	- 30.0	201.8	178.2	621.0	- 23.6	- 241.0	410.0
Engineering and Construction	20.0	-	7.4	12.6	14.6	+ 5.2	+ 5.4	20.0
Chemicals and Materials	20.0	+ 2.0	9.8	10.2	18.9	+ 0.4	+ 1.1	18.0
System Solutions	43.0	-	17.5	25.5	38.8	+ 8.0	+ 4.2	43.0
Adjustment	(13.0)	- 2.0	(9.1)	(3.9)	(10.2)	+ 5.2	- 2.8	(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 the global steel business environment is in an unprecedented critical situation. 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; and the impact of trade measures on imported products is becoming apparent in various countries. **Although U.S. tariffs have been reduced from their initial levels, they remain historically high. Furthermore, negotiations with China continue to lack visibility. A cautious sentiment is spreading across markets, including the U.S. and Europe. As a result, uncertainty surrounding the outlook is increasing. The further expansion of low-priced exports from China is exacerbating the downturn in steel demand. Market conditions are also deteriorating.**

### 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.**

#### ➤ Forecasts for fiscal 2025

- Even in the extremely harsh situation stated above, **we intend to secure underlying BP of ¥680.0 billion (change from the previous announcement: +¥30.0 billion) excluding the effects of the U. S. Steel transaction** by continuing to make further improvements in profitability mainly through cost reduction.
- **Concerning U. S. Steel** (earnings being incorporated since July 2025), **its contribution to Nippon Steel's underlying BP is not factored in for fiscal 2025** because of temporary deterioration in its costs caused by equipment trouble and other factors and high market uncertainties in the U.S., in addition to the U. S. steel market being much weaker than initially anticipated.
- Based on the above, **overall underlying BP for fiscal 2025 is expected to decline from the previously-announced (August 1) level to ¥680.0 billion**, but we will strive to steadily implement further profit improvement measures in order to maximize profits. **Especially regarding U. S. Steel, we will make strategic capital investments and introduce our most advanced technologies to U. S. Steel to reduce costs and to launch our strategic products, aiming to achieve a more sophisticated order mix and enhance added value. We will thereby seek to strengthen profitability as early as possible.**

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

- BP of ¥450.0 billion and a net loss are expected for fiscal 2025, due to the impact of inventory valuation losses, a one-off loss incurred in connection with the U. S. Steel transaction (loss of ¥232.0 billion associated with 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 with the U. S. Steel transaction: BP: ¥475.0 billion / Net profit: ¥200.0 billion)

- **For fiscal 2025, the final year of the medium- to long-term management plan, we plan to distribute a full-year dividend of ¥120 per share** (including an interim dividend of ¥60 per share) **before taking into account the stock split that became effective on October 1, 2025, the same as previously announced.** A full-year dividend reflecting the stock split is estimated to be ¥24 per share (including a year-end dividend of ¥12 per share).

(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 with the U. S. Steel transaction.)

		FY2025 Forecasts (¥ billion)			
		First half	Second half	Full year	(Chg. from Aug. 1 forecasts)
	Excluding USS	323.5	356.5	680.0	+30.0
	USS	22.2	(22.2)	0.0	-80.0
	Underlying business profit	345.7	334.3	680.0	-50.0
Consolidated business profit		227.5	222.5	450.0	-30.0
Net profit		(113.3)	53.3	(60.0)	-20.0
DPS		Full-year DPS of ¥120* (including interim DPS of ¥60)			
Payout ratio		- (deficit) for FY 2025;			
		FY2021-FY2025 cumulative payout ratio: approx. 33%			

		Excluding the impact of the one-off loss associated with the USS transaction
		Full year
		680.0
		0.0
	-	680.0
	(25.0)	475.0
	(260.0)	200.0
		Same as left
		Payout ratio for FY2025: approx. 63%;
		FY2021-FY2025 cumulative payout ratio: approx. 30%

\* Before consideration of the stock split effective on October 1, 2025. The full-year DPS after the stock split is estimated to be ¥24.

### 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 are formulating a plan for further growth, and intend to announce it once finalized (by the end of 2025).**  
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” as early as possible by evolving toward a robust business structure.
- **Regarding our business in the U.S., a key region in our global strategy, U. S. Steel has outlined its medium-to long-term management plan (as of November 4, 2025), reflecting the deployment of our advanced technologies and management resources.**
  - **An operational cost synergy of approximately US\$500 million per year on a 2030 structural basis has been formulated into an execution plan.**
  - **By 2028, US\$11.0 billion will be invested in facilities within the U.S., aiming to achieve an EBITDA improvement of US\$2.5 billion per year on a 2030 structural basis (compared to 2024 levels).**  
cf. Gary Works: Hot strip mill renewal, revamping of blast furnace #14, etc. Mon Valley Works: New slag processing facility, hot strip mill renewal.  
EAF mini mill: New DRI plant, new GO production facilities. Fairfield Works: New premium threading equipment, new steel pipe processing facilities, etc.

#### (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 made Sanyo Special Steel Co., Ltd. a wholly owned subsidiary.
  - We plan to commence tender offer aiming to make Krosaki Harima Corporation a wholly owned subsidiary from early February



2026.

- **Decided to consolidate the production of steel products and free forged products manufactured at Kansai Works Osaka Area into Sanyo Special Steel: Pursuit of efficiency through centralized production.**
- 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
- 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” as early as possible**

- **U. S. Steel: Strategic capital investments and advanced technology initiatives now fully underway.** (Approved approx. US\$300 million for the Gary Works hot strip mill and the Mon Valley Works slag recycling facility in September 2025.)
- **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: from 9 to 15 million tons/year).
- **USIMINAS: Decided to transfer all shares under our agreement in USIMINAS to Ternium, aiming to concentrate management resources on our key regions: the U.S, India, and Thailand.**

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

- **Raw material business: Acquired** a 20% interest in Blackwater Coal Mine in Australia effective in March 2025, and **a 30% interest in Kami Iron Ore Mine in Canada effective in September 2025.**  
 → 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 investments in raw material interests.

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

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

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

- **Fiscal 2025:** Plan to streamline assets by approximately ¥70.0 billion (**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).
- **Reduced the D/E ratio**, which increased to 0.85 after the U. S. Steel transaction, **to 0.74 by the end of September 2025** 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, executed in September 2025).**

**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 six months ended September 30, 2025**

### **Japanese Steel Industry**

#### **1. Crude Steel Production**

(million tons)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY 2024	21.25	20.59	41.84	20.72	20.40	41.12	82.95
FY 2025	20.15	19.93	40.08	(*)Approx.20.23			

(\*)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)
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	2025	5.12	(175.5)	4.01	0.208
July	2025	4.93	(163.0)	3.91	0.202
Aug.	2025	5.13	(210.8)	4.06	0.198
Sep. *3	2025	5.03	(171.1)	4.03	0.194

\*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)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY 2024	8.58	8.39	16.98	8.52	8.35	16.87	33.85
FY 2025	8.01	8.12	16.12			Approx. 16.90	Approx. 33.00

Including Hokkai Iron & Coke Co., Ltd.

### 4. Crude Steel Production

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

(million tons)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY 2024(*1)	10.14	9.79	19.93	9.78	9.89	19.66	39.59
FY 2025(*2)	9.46	13.48	22.93			Approx. 27.60	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)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY 2024(*1)	8.70	8.49	17.20	8.55	8.50	17.05	34.25
FY 2025(*2)	8.27	8.50	16.77			Approx. 17.70	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)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY 2024(*1)	8.01	7.90	15.91	7.98	7.73	15.71	31.62
FY 2025(*2)	7.64	7.83	15.47			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)

							total
	1st quarter	2nd quarter	1st half	3rd quarter	4th quarter	2nd half	
FY 2024(*1)	146.2	143.8	145.0	139.0	139.2	139.1	142.1
FY 2025(*2)	139.7	137.4	138.6			Approx. 138	Approx. 138

(\*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	42	41			Approx. 40	Approx. 41

(\*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	147	146			Approx. 150	Approx. 148

## 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 FY 2024. Including U. S. Steel in FY 2025.