



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

August 1, 2025

Company name:	NIPPON STEEL CORPORATION
Stock listing:	Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
Code number:	5401
URL:	https://www.nipponsteel.com/en/index.html
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Scheduled date to commence dividend payments:	-
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 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	2,008,749	(8.3)	92,023	(61.2)	(139,559)	—	(145,193)	—	(190,719)	—
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
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2025	(195,833)	—	(281,044)	—	(187.36)	(187.36)
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
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	13,824,498	5,496,409	4,987,614	36.1
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
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026(Forecasts)		60.00	—	12.00	—

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)

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

The accompanying notes are integral parts of these statements.

(Millions of Yen)

LIABILITIES	March 31, 2025	June 30, 2025
Current liabilities :		
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
Total current liabilities	2,335,493	4,874,793
Non-current liabilities :		
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
Total non-current liabilities	2,703,584	3,453,295
Total liabilities	5,039,077	8,328,088
EQUITY		
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
Total equity attributable to owners of the parent	5,383,311	4,987,614
Non-controlling interests	520,069	508,795
Total equity	5,903,380	5,496,409
Total liabilities and equity	10,942,458	13,824,498

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)
Gross profit	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)
Business profit	236,977	92,023
Losses on reorganization	—	(231,583)
Operating profit (loss)	236,977	(139,559)
Finance income	3,854	6,318
Finance costs	(9,283)	(11,952)
Profit (loss) before income taxes	231,549	(145,193)
Income tax expense	(64,526)	(45,525)
Profit (loss)	167,023	(190,719)
Profit (loss) attributable to :		
Owners of the parent	157,559	(195,833)
Non-controlling interests	9,464	5,114
Earnings (loss) per share		
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)
Total other comprehensive income, net of tax	123,670	(90,325)
Total comprehensive income	290,694	(281,044)
Comprehensive income attributable to:		
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)
Balance as of June 30, 2024	449,779	427,154	3,621,191	(58,162)	280,921	—

	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)
Balance as of June 30, 2025	569,519	580,674	3,554,233	(58,052)	169,719	—

	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.