



# Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 < under IFRS >

May 13, 2026

<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 of annual general meeting of shareholders:</b>	June 23, 2026
<b>Scheduled date to commence dividend payments:</b>	June 24, 2026
<b>Scheduled date to file annual securities report:</b>	June 23, 2026
<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 Fiscal Year Ended March 31, 2026

(from April 1, 2025 to March 31, 2026)

### (1) Consolidated Operating Results

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

Fiscal year ended	Revenue		Business profit (*1)		Operating profit		Profit before income taxes		Profit for the year		Profit for the year attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>March 31, 2026</b>	<b>10,063,216</b>	<b>15.7</b>	<b>514,128</b>	<b>(24.8)</b>	<b>242,903</b>	<b>(55.7)</b>	<b>172,814</b>	<b>(67.0)</b>	<b>44,754</b>	<b>(88.3)</b>	<b>17,158</b>	<b>(95.1)</b>
March 31, 2025	8,695,526	(1.9)	683,237	(21.4)	547,960	(29.6)	524,377	(31.4)	382,972	(34.9)	350,227	(36.2)

Fiscal year ended	Total comprehensive income for the year		Basic earnings per share (*2)	Diluted earnings per share (*2)	Ratio of profit to total equity attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of business profit to revenue	Ratio of operating profit to revenue
	Millions of yen	%	Yen	Yen	%	%	%	%
<b>March 31, 2026</b>	<b>358,595</b>	<b>(27.1)</b>	<b>3.28</b>	<b>3.28</b>	<b>0.3</b>	<b>1.3</b>	<b>5.1</b>	<b>2.4</b>
March 31, 2025	491,606	(39.4)	70.18	67.03	6.9	4.8	7.9	6.3

(For reference) Share of profit in investments accounted for using the equity method : Fiscal year ended March 31, 2026 ¥85,412 million  
Fiscal year ended March 31, 2025 ¥126,900 million

(\*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

As of	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	Total equity attributable to owners of the parent per share (*)
	Millions of yen	Millions of yen	Millions of yen	%	Yen
<b>March 31, 2026</b>	<b>14,660,583</b>	<b>6,024,560</b>	<b>5,530,448</b>	<b>37.7</b>	<b>1,058.19</b>
March 31, 2025	10,942,458	5,903,380	5,383,311	49.2	1,030.11

\* The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, total equity attributable to owners of the parent per share is calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.

### (3) Consolidated Statements of Cash-Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>March 31, 2026</b>	<b>716,939</b>	<b>(2,837,181)</b>	<b>1,886,301</b>	<b>461,262</b>
March 31, 2025	978,593	(462,428)	(313,334)	672,526

### 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 ended March 31, 2026</b>	—	<b>60.00</b>	—	<b>12.00</b>	—
Fiscal year ending March 31, 2027 (Forecasts)	—	12.00	—	12.00	24.00

	Cash dividends	Ratio of cash dividends to profit	Ratio of cash dividends to total equity attributable to owners of the parent
	Millions of yen	%	%
Fiscal year ended March 31, 2025	167,407	45.6	3.1
<b>Fiscal year ended March 31, 2026</b>	<b>125,592</b>	<b>731.0</b>	<b>2.3</b>
Fiscal year ending March 31, 2027 (Forecasts)		57.1	

\* 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 ended March 31, 2026, with a record date of September 30, 2025, was 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 ended March 31, 2026, with a record date of March 31, 2026, will be applied 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 considered, the annual dividend for the fiscal year ended March 31, 2026, would be 24 yen per share.

### 3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027

(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	%	
Six months ending September 30, 2026	5,400,000	16.5	220,000	(3.3)	90,000	—	17.00
Fiscal year ending March 31, 2027	11,000,000	9.3	530,000	3.1	220,000	—	42.00

As the impact of the situation in the Middle East on our business performance cannot be reasonably quantified at this time, it has not been reflected in the earnings forecast.

For further details, please refer to page 9, “1. Summary of Operating Results (2) Outlook for the Fiscal Year Ending March 31, 2027 (Fiscal 2026)” and “Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to 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: 109  
Company name: United States Steel Corporation and its subsidiaries, total 87 companies  
Number of excluded from consolidation: 35

- (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 March 31, 2026	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 March 31, 2026	147,339,771 shares
As of March 31, 2025	147,691,101 shares

(c) Weighted average number of shares outstanding

Fiscal year ended March 31, 2026	5,226,245,904 shares
Fiscal year ended March 31, 2025	4,990,068,380 shares

(\*1) 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.

(\*2) The Company has adopted a Performance-linked Stock Compensation System utilizing a trust. Shares of the Company held by the trust are included in treasury stock at the end of the period.

(As of March 31, 2026 3,130,300 shares)

## (For Reference)

### 1. A Summary of Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Non-Consolidated Operating Results

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit for the year	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	4,542,013	(3.6)	168,108	(33.7)	177,904	(39.5)	340,997	66.0
March 31, 2025	4,712,292	(3.4)	253,378	(23.6)	294,242	(35.1)	205,364	(36.7)

Fiscal year ended	Earnings per share (*)	Diluted earnings per share (*)
	Yen	Yen
March 31, 2026	65.18	64.48
March 31, 2025	41.10	39.26

\*The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, 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) Non-Consolidated Financial Position

As of	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share (*)
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	9,056,495	2,905,810	31.9	551.63
March 31, 2025	6,775,951	2,646,011	39.1	505.78

(For reference) Shareholders' equity: As of March 31, 2026 ¥2,885,839 million  
As of March 31, 2025 ¥2,646,011 million

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

## 2. Non-Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

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

	Net sales		Ordinary profit		Profit for the year		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	4,700,000	3.5	120,000	(32.5)	70,000	(79.5)	13.00

As the impact of the situation in the Middle East on our business performance cannot be reasonably quantified at this time, it has not been reflected in the earnings forecast.

\* This report is exempt from audit 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 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.

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

### **(1) Summary of Operating Results and Financial Position for the Fiscal Year Ended March 31, 2026 (Fiscal 2025)**

#### **(Overview of Conditions in Fiscal 2025)**

In fiscal 2025, except for certain sectors such as AI, electric power, and defense, base demand in the manufacturing and construction industries in Japan and overseas is sluggish, and the global steel business environment remains in a critical situation. In China, the widening supply / demand gap caused by the slowdown of the Chinese economy has led to continuous excess production. Accordingly, an increase in exports of low-priced steel products resulted in a downturn in the global market. Under these circumstances, the imposition of trade measures in various countries and regions increases the risk of an inflow of low-priced steel products into Japan. Therefore, the importance of strongly advancing the examination and implementation of trade countermeasures in Japan is increasing.

Having anticipated the unfolding of such a severe business environment, the Nippon Steel Group (“the Group”) formulated the Medium- to Long-term Management Plan (“the previous MLTMP”) in March 2021 with the following four pillars: “Rebuilding the domestic steel business and strengthening the Group’s management,” “Promoting a global strategy to deepen and expand the overseas business,” “Taking on the challenge of carbon neutrality,” and “Promoting digital transformation strategies.” At the same time, we have implemented various measures to respond to business environmental deteriorations that exceeded our initial expectations. In Japan, we lowered the break-even point fundamentally through both reducing fixed costs by structural measures for production facilities and raising marginal profit by revising prices in direct contract-based sales to customers, optimizing the burden of fluctuations in external procurement costs, and advancing our product mix, and we have steadily realized the effects of these measures. In addition, we have achieved a resilient business structure with breadth and depth by maximizing synergies through the reorganization of domestic steel group companies, deepening and expanding our overseas business through the acquisition of U. S. Steel and capacity expansion in India, transforming the raw material “business” from mere procurement, and integrating distribution business into our own business domain. Through these initiatives, while demand declined more than initially expected and we face intensifying competition in the market, by taking preemptive steps to address the deteriorating steel business environment, we have established competitive advantages by which we secured underlying business profit\* of ¥600.0 billion or more. As a result, we believe that we have also maintained a relatively high level of profitability compared to our global competitors.

\* Underlying Business Profit is Business Profit excluding inventory valuation impact and other items and recognized as representing the Group's actual profitability.

#### **(Operating Results by Segment in Fiscal 2025)**

The Group’s business segments strived to respond to their changing business environments and have applied their utmost management effort. The operating results by business segment are as follows.

(Billions of yen)

	Revenue		Business Profit	
	Fiscal 2025	Fiscal 2024	Fiscal 2025	Fiscal 2024
Steelmaking and Steel Fabrication	9,221.7	7,874.3	439.9	621.0
Engineering and Construction	394.4	400.4	23.1	14.6
Chemicals and Materials	257.9	269.1	21.9	18.9
System Solutions	382.8	339.3	43.3	38.8
Total	10,257.0	8,883.3	528.3	693.4
Adjustments	(193.7)	(187.8)	(14.2)	(10.2)
Consolidated total	10,063.2	8,695.5	514.1	683.2

### [Steelmaking and Steel Fabrication]

The Steelmaking and Steel Fabrication segment has advanced the following initiatives during fiscal 2025.

In the domestic business, we have promoted further strengthening of our overwhelming competitiveness. We have worked to thoroughly pursue cost competitiveness, promote advanced product mix, and develop comprehensive solutions through a steady improvement of base operation performance and maximization of the effects of the production facility structural measures set out in the previous MLTMP and of newly-launched advanced equipment. At the same time, we have made continuous efforts to optimize the burden of the impact of external procurement cost fluctuations in the direct contract-based business. In addition, with the aim of the pursuit of synergies from reorganization of other domestic steel group companies for maximizing the Group's comprehensive strengths, we have promoted strengthening the corporate structure by making strategic companies wholly owned subsidiaries, merging them by absorption, and integrating group companies. As part of these efforts, in April 2025, we implemented an absorption-type merger of Nippon Steel Stainless Steel Co., Ltd. and Nippon Steel Pipe Co., Ltd.; in April 2026, made Krosaki Harima Corporation a wholly-owned subsidiary; and, in May 2026, decided the integration of Sanyo Special Steel Co., Ltd. and the Company by absorption-type merger, with the aim of further expanding synergies in the bars, wire rods and specialty steel products business.

Overseas, we are expanding and enhancing integrated steel mills in “markets with promising growth in steel demand” and “markets where Nippon Steel's technologies and products are highly appreciated.” By making such efforts, we strive to ensure the capturing of local demand and securing high integrated added value.

In June 2025, the U. S. Steel transaction was completed, whereupon we made a full-scale entry into the U.S. and Europe, where demand mainly for high-grade steel is expected to grow. Positioning the improvement of manufacturing capability as a key issue, we are proceeding with necessary capital investment and with enhancing cost competitiveness through the full transfer of our operational and quality control technologies. Over 100 personnel, mainly technical staff including short-term assignees, have already been dispatched to local operations, and we will continue to increase their numbers as needed to improve the profitability of U. S. Steel.

Furthermore, in May 2026, in order to strengthen our management and operational structure in Europe, we decided to transition our European integrated steelmaking base U. S. Steel Košice, s.r.o. and Ovako AB to direct ownership\*. Through this, we aim to develop the European business, including the planning and execution of growth strategies in product segments from a long-term perspective.

\* U. S. Steel Košice, s.r.o.: Transition from U. S. Steel's subsidiary to Nippon Steel's directly owned company and change its name to NIPPON STEEL SLOVAKIA s.r.o.

Ovako AB: Transition to direct ownership by Nippon Steel due to Nippon Steel's merger with Sanyo Special Steel Co., Ltd.

In the Indian market, where future market expansion and further development of domestic production are expected, we are currently undertaking capacity expansion and product sophistication at the Hazira Works, which is the existing base of ArcelorMittal Nippon Steel India Limited. In addition, at Rajayapeta in southern India, where new land has been acquired, the company is moving forward with plans to construct an integrated steelworks. In March 2026, a groundbreaking ceremony was held and land reclamation work began. Through these initiatives, we are aiming to raise our presence in the market.

In Thailand, which we recognize as our offshore home market, we are focusing on restructuring G Steel Public Company Limited and G J Steel Public Company Limited, which are the only integrated electric furnace sheet steel manufacturers in Thailand, and are strengthening integrated operations with NS-Siam United Steel Co., Ltd. to build a robust supply chain capable of competing with imported materials.

As of the end of fiscal 2025, Nippon Steel's global crude steel production capacity came to 82 million tons (a simple sum of the production capacity of the parent company and companies in which we hold 30% or more). Going forward, we aim to move toward the realization of 100 million tons in global crude steel capacity by focusing on strengthening integrated production systems in the U.S., Europe, India, and Thailand to improve profitability.

In the raw materials business, we ensure a resilient profit structure that is less affected by market volatility through investments in raw material interests.

Regarding our efforts to achieve carbon neutrality, we have implemented various measures to realize the Nippon Steel Carbon Neutral Vision 2050. In May 2025, we decided on capital investment to newly install, expand, and restart three EAFs by fiscal 2029 at the Kyushu Works (Yawata Area), Setouchi Works (Hirohata Area), and Yamaguchi Works (Shunan), and these investments were selected for government support under the GX Promotion Act. In addition, in the Super COURSE50 development testing of using a small-scale test blast furnace at the Kimitsu Area of the East Nippon Works, we achieved a world-leading CO2 emissions reduction of 45%, renewing the world best level, between February and March 2026. Furthermore, at the Hasaki R&D Center, we constructed a test reduction furnace for producing reduced iron from low-grade iron ore using hydrogen, and began operations in March 2026. We have thus been making steady progress in technology development for achieving carbon neutrality using three breakthrough technologies: "high-

grade steel production in large-scale EAFs,” “hydrogen direct reduction of iron” and “hydrogen injection into blast furnaces.” In addition, looking to the formation of a market for GX Steel, we are advancing the creation of demand and the establishment of international rules and standards to ensure that the value of CO<sub>2</sub> reductions in the steel production process is appropriately reflected in steel prices.

Moreover, through the realization of carbon neutrality, we provide two products of value to our customers: NSCarbolex™ Neutral (a steel product that is certified to reduce CO<sub>2</sub> emissions in the steelmaking process) and NSCarbolex™ Solution (a high-performance product and solution technology that contributes to reducing CO<sub>2</sub> emissions in society). By providing the value of these products, we respond to our customers’ needs for decarbonization and to support their international competitiveness. While the importance of the steel industry’s role in decarbonization initiatives have been reaffirmed, we are working to accelerate and move forward development and practical implementation of breakthrough technologies for achieving carbon neutrality. It is worth noting that our climate change risk information based on our CO<sub>2</sub> emission reduction targets and the framework of the Task Force on Climate-related Financial Disclosures (TCFD) are disclosed in the Integrated Report 2025 ([https://www.nipponsteel.com/en/ir/library/annual\\_report.html](https://www.nipponsteel.com/en/ir/library/annual_report.html)). Also of note is that we held a Green Transformation (GX) information session in March 2026. The main purpose of these event was to provide a better understanding of the progress of our measures toward carbon neutrality and the formation of the GX steel market. Many people from institutional investors, financial institutions, analysts, environmental groups, and the media participated in the briefing. ([https://www.nipponsteel.com/en/ir/library/strategy/pdf/20260324\\_100.pdf](https://www.nipponsteel.com/en/ir/library/strategy/pdf/20260324_100.pdf))

As part of our DX strategy, we have promoted business and production process reforms that make full use of data and digital technologies. As a specific example of initiatives in fiscal 2025, in the construction of the integrated data platform "NS-Lib" that we have been working on, in addition to data necessary for management, we completed the aggregation of key process data that had been accumulated individually at each works. With this, we are working to enable rapid and advanced decision-making and problem-solving through the utilization of centrally integrated, corporate-wide data. Within steelworks, in addition to the crane automation and the introduction of automated guided vehicles (AGVs) that have been ongoing for some time, starting with the Nagoya Works, we are actively promoting the unmanned operation (automation) and remote operation of large specialized vehicles and rail systems for transporting products and semi-finished goods. Remote operation has already been implemented in some areas, and we are also aiming to achieve real-world deployment of unmanned operations from fiscal 2026 onward, as part of ongoing efforts to improve the efficiency and advancement of in-plant logistics. Furthermore, with a view to sustainable growth, we have also begun initiatives to reform and streamline operations by eliminating operational barriers, overlaps, and waste that do not generate added value, in order to transform our processes into ones that enable us to focus on core issues. In addition, together with our subsidiary NS Solutions Corporation, we became the first in the steel industry to serve as a platinum sponsor of the Annual Conference of the Japanese Society for Artificial Intelligence, and is promoting the active utilization of AI, including encouraging its adoption at the individual level. Going forward, we will continue to pursue various digital transformation (DX) initiatives by leveraging internal and external data and AI, including the advancement, automation, productivity improvement, and acceleration of operations.

The Steelmaking and Steel Fabrication segment recorded revenue of ¥9,221.7 billion (compared to ¥7,874.3 billion in fiscal 2024) and a business profit of ¥ 439.9 billion (compared to ¥621.0 billion in fiscal 2024).

### **[Engineering and Construction]**

At Nippon Steel Engineering Co., Ltd., despite fluctuations due to factors such as project scale and construction progress across its businesses, revenue remained broadly in line with the previous fiscal year. This was underpinned by a solid order backlog steadily accumulated in prior years, steady progress in large-scale projects including waste-to-energy power generation plant business in the EPC field, and an expansion in transaction scale in the power business within the Operation & Maintenance and service fields. Business profit increased year-on-year, supported by steady progress in construction in the EPC domain and improvements in profitability in the O&M and service fields, including the power business.

The Engineering and Construction segment recorded revenue of ¥394.4 billion (compared to ¥400.4 billion in fiscal 2024) and a business profit of ¥ 23.1 billion (compared to ¥14.6 billion in fiscal 2024).

### **[Chemicals and Materials]**

Despite a challenging business environment affected by uncertainty in the global economy due to U.S. tariff measures and rising raw material prices, Nippon Steel Chemical & Material Co., Ltd. worked to reduce costs and improve selling prices, and the business as a whole remained broadly steady by capturing AI-related demand. In the Coal Tar Chemicals business, demand for needle coke—the mainstay product used in graphite electrodes—remained weak and inventory adjustments for pitch coke continued, while carbon black for tires remained at levels comparable to the previous year. In the Chemicals business, market conditions remained weak due to stagnant demand for benzene and styrene monomer and continued new construction and expansion of production facilities in China. In the Functional Materials and Composite Materials business, functional resins, substrate materials, and semiconductor materials performed strongly, driven by expanding demand for AI servers and data centers.

The Chemicals and Materials segment recorded revenue of ¥257.9 billion (compared to ¥269.1 billion in fiscal 2024) and a business profit of ¥ 21.9 billion (compared to ¥18.9 billion in fiscal 2024).

### **[System Solutions]**

NS Solutions Corporation worked on initiatives centered on the four fundamental transformations in our "2025–2027 Medium-Term Management Plan" and the first year proceeded largely according to the plan. With respect to "transformation of its business revenue model," various measures were implemented to expand the TAM-type\* model, advancing structural transformation, and the transformation of the business structure is progressing. Regarding the "transformation of customer approach," the company has launched the offering brand "Corepeak" to support corporate

digital transformation, and has begun engaging with customers. Regarding the "transformation of technology acquisition and application processes," the company has adopted the "Nestorium" development and operations integration platform as the standard company-wide IT service platform, and is working to improve development productivity. With regard to the transformation of internal operations and management, the company is undertaking initiatives to integrate administrative departments, overhaul internal systems, improve operational productivity through measures such as promoting the adoption of generative AI, and advance management practices. In addition, NS Solutions is actively pursuing external growth strategies and global strategies. These include making Infocom Corporation and Indonesia's PT. WCS Abyakta Nawasena group companies, as well as entering capital and business alliance agreements aimed at strengthening functions, enhancing value provided, and expanding business domains.

The System Solutions segment recorded revenue of ¥382.8 billion (compared to ¥339.3 billion in fiscal 2024) and a business profit of ¥43.3 billion (compared to ¥38.8 billion in fiscal 2024).

\* TAM-type refers to a new business model consisting of the following three revenue models

- SI Transformation ("T-type" next-generation SI model): Delivering high productivity using innovative technologies
- Asset Driven ("A-type" asset utilization model): Delivering core strengths as assets
- Multi Company Platform ("M-type" PF delivery model): Delivering shared-use platforms

### **(Revenue and Profit)**

For fiscal 2025, the Company recorded consolidated revenue of ¥10,063.2 billion (compared to ¥8,695.5 billion in fiscal 2024), underlying business profit of ¥650.4 billion (compared to ¥793.7 billion in fiscal 2024), business profit of ¥514.1 billion (compared to ¥683.2 billion in fiscal 2024), and profit attributable to owners of the parent of ¥17.1 billion (compared to ¥350.2 billion in fiscal 2024).

### **(Assets, Liabilities, Equity, and Cash Flows)**

Consolidated total assets as of March 31, 2026 were ¥14,660.5 billion, an increase of ¥3,718.1 billion from ¥10,942.4 billion as of March 31, 2025 primarily as a result of the merger between the Company's U.S. subsidiary and U. S. Steel (the "Merger"). The factors included an increase in items such as trade and other receivables (¥337.7 billion), inventories (¥576.9 billion), property, plant and equipment (¥2,263.9 billion), goodwill (¥188.1 billion), and intangible assets (¥569.5 billion), which more than offset a decrease in cash and cash equivalents (¥211.2 billion) and other items.

Consolidated total liabilities as of March 31, 2026 were ¥8,636.0 billion, an increase of ¥3,596.9 billion from ¥5,039.0 billion as of March 31, 2025. This was primarily attributable to an increase in interest-bearing debt to ¥5,174.2 billion, up ¥2,666.8 billion from ¥2,507.4 billion as of March 31, 2025, mainly due to permanent financing arrangement for the acquisition consideration related to the Merger, as well as an increase in trade and other payables of ¥668.7 billion.

Consolidated total equity as of March 31, 2026 was ¥6,024.5 billion, an increase of ¥121.1 billion from ¥5,903.3 billion as of March 31, 2025. This was primarily contributed by an increase from profit attributable to owners of the parent of ¥17.1 billion, a decrease in dividend payment (¥146.4 billion), an increase in changes in fair value of financial assets measured at fair value through other comprehensive income (¥57.9 billion), and an increase in the foreign exchange differences on translation of foreign operations (¥175.3 billion). As a result, total equity attributable to owners of the parent as of March 31, 2026 amounted to ¥5,530.4 billion, and the ratio of interest-bearing debt to total equity attributable to owners of the parent (D/E ratio) was 0.94 times (0.71 times after adjusting for equity credit attributes of subordinated loans and subordinated bonds).

Cash flows from operating activities in fiscal 2025 amounted to an inflow of ¥716.9 billion (compared to an inflow of ¥978.5 billion in fiscal 2024). The main inflow factors were profit before income taxes of ¥172.8 billion, depreciation and amortization (¥573.9 billion), and losses on reorganization (¥271.2 billion), while the outflow factors included deduction adjustment for share of profit in investments accounted for using the equity method (¥85.4 billion) and income taxes paid (¥223.3 billion).

Cash flows from investing activities amounted to an outflow of ¥2,837.1 billion (compared to an outflow of ¥462.4 billion in fiscal 2024). The main inflow factors included sales of investment in affiliates (¥100.5 billion), while the outflow factors included purchases of property, plant and equipment and intangible assets (¥863.1 billion), purchases of shares of subsidiaries resulting in change in scope of consolidation mainly related to the Merger (¥2,015.5 billion).

As a result, free cash flow was an outflow of ¥2,120.2 billion (compared to an inflow of ¥516.1 billion in fiscal 2024).

Cash flows from financing activities amounted to an inflow of ¥1,886.3 billion (compared to an outflow of ¥313.3 billion in fiscal 2024). The main inflow factors included the increase in interest-bearing debt through the financing, including committed subordinated term loans, convertible bonds with stock acquisition rights, and JBIC co-financing, for the purpose of permanent financing arrangement for the acquisition consideration related to the Merger (¥2,005.2 billion), while the outflow factors included dividends paid for the year-end dividend for fiscal 2024 and the interim dividend for fiscal 2025 paid (¥146.4 billion). As a result of these cash flows, the cash and cash equivalents at the end of fiscal 2025 were ¥461.2 billion.

#### **(Basic Policy on Profit Distribution and Fiscal 2025 Dividend)**

Nippon Steel's basic profit distribution policy is to pay dividends from distributable funds at the end of the first half (interim) and second half (year-end) of the fiscal year, in consideration of the consolidated operating results and such factors as capital requirements for investment and other activities aimed at raising corporate value and performance prospects, while also considering the financial structure of the Company on both consolidated and non-consolidated bases. We have adopted a consolidated annual payout ratio target of around 30% as the benchmark for the "payment of dividends from distributable funds in consideration of the consolidated operating results." For the five years of the 2030 Medium- to Long-term Management Plan (from fiscal 2026 to fiscal 2030), we plan to distribute a full-year dividend

of at least ¥24 per share. The level of the interim dividend is determined in consideration of the first-half performance results and forecasts for the full fiscal year.

We paid a dividend of ¥60 per share (¥12 per share after taking into account the five-for-one stock split conducted with October 1, 2025 as an effective date) at the end of the first half. Regarding the fiscal year-end dividend, as disclosed at the third quarter results announcement (February 5, 2026), the management has decided to propose a year-end dividend of ¥12 per share at the General Meeting of Shareholders. As a result, the annual dividend for fiscal 2025—the final year of the previous MLTMP—will be ¥24 per share when converted based on the stock split. The cumulative dividend payout ratio for the five-year period from fiscal 2021 to fiscal 2025, excluding the one-time loss associated with the U. S. Steel transaction, is approximately 30%.

## **(2) Outlook for the Fiscal Year Ending March 31, 2027 (Fiscal 2026)**

### **(Implementation of the “2030 Medium- to Long-term Management Plan”)**

In December 2025, we formulated the 2030 Medium- to Long-term Management Plan with the aim of continually growing to become “the best steelmaker with world-leading capabilities” and contributing to the realization of a sustainable and prosperous society through the creation of customer value. Under the Plan, which started in fiscal 2026, we are committed to restoring our position as the world's best steelmaker by further strengthening the earnings base of our domestic operations and implementing a global growth strategy in our overseas operations, assuming a more severe business environment.

With the aim to achieve 1 trillion yen or more in underlying business profit and 100 million tons or more in global crude steel production capacity, we are implementing various initiatives to improve profitability of the domestic business by further strengthening the earnings base, and to dramatically increase profit of the overseas business by implementing the global growth strategy.

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

### **(Outlook for Operating Performance in Fiscal 2026)**

In fiscal 2026, under such severe circumstances, in the domestic business, we will continue to accelerate strengthening of the Group's overall business, and in the overseas business, we will speed up the enhancement of the management structure toward establishment of a new local production for local consumption system (U.S., Europe, India, and ASEAN) by strengthening the profitability and further expanding the scale of existing businesses, including U. S. Steel. To advance these initiatives concurrently, we will further review and reform its domestic organizational structure, human resources, and business processes, and expand the allocation of domestic personnel to overseas operations.

Concerning the outlook for operating performance in fiscal 2026, based on the business environment prior to war in the Middle East, we aim to secure underlying business profit of ¥700.0 billion (¥300.0 billion in H1 and ¥400.0 billion in H2) or more in an environment that is deteriorating compared to fiscal 2025 by leveraging earnings recovery of U. S. Steel. In particular, for H2 of fiscal 2026, we forecast underlying BP of ¥800.0 billion or more on an annualized basis, laying a solid foundation for growth toward a 1-trillion-yen scale, driven by the expansion in overseas business earnings from fiscal 2027 and beyond.

U. S. Steel is expected to contribute more than ¥100.0 billion to underlying BP, driven by the effects of earnings improvement measures centered on synergies.

The impact of the situation in the Middle East on economic activity is no longer limited to energy supply disruptions, such as those observed during past oil shocks. Under the current economic structure, which is built by globally integrated supply chains, the effects are spreading across the entire world. In addition, the Middle East has become an important export market for Asian countries, including Japan, as its economic scale has expanded significantly. Therefore, the Middle East situation has an extremely broad impact on demand across a wide range of industries. In particular, the steel industry is a core industry that underpins many other sectors, and among steelmakers, we offer a particularly broad product lineup and serve an exceptionally wide range of industries. Furthermore, due to the increasing global expansion of our operations, the impact of the Middle East situation on our business performance cannot be comprehensively and reasonably assessed at this time.

Regarding impacts that can be reasonably anticipated, we anticipate a negative impact of approximately ¥50.0 billion due to an increase in raw materials, fuels, and other costs, along with a decrease in direct exports of steel products to the Middle East in Q1. However, there is no prospect of an end to the situation, and even if the situation is resolved, the negative impact on steel demand and costs will not be resolved immediately. Accordingly, the impact of the Middle East situation on our business performance for fiscal 2026, including from Q2 onward, cannot be reasonably quantified at this time and has not been reflected in the forecasts.

#### **(Outlook for Dividends for Fiscal 2026)**

Although the impact of the Middle East situation on our business performance cannot be reasonably assessed, based on the minimum dividend, which was introduced in the 2030 Medium- to Long-Term Management Plan, the dividends for fiscal 2026 is expected to be ¥24 per share at this time.

## **2. Basic Rationale for Selection of Accounting Standards**

The Group has applied the International Financial Reporting Standards (IFRS) to financial statements for purposes of increasing corporate value through enhancement of global business development and improving international comparability of financial information in capital markets.

### **3. Consolidated Financial Statements and Major Notes**

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

(Millions of Yen)

<b>ASSETS</b>	March 31, 2025	<b>March 31, 2026</b>
<b>Current assets :</b>		
Cash and cash equivalents	672,526	<b>461,262</b>
Trade and other receivables	1,430,435	<b>1,768,226</b>
Inventories	2,199,096	<b>2,776,012</b>
Other financial assets	41,425	<b>54,705</b>
Other current assets	205,019	<b>229,363</b>
<b>Total current assets</b>	4,548,503	<b>5,289,570</b>
<b>Non-current assets :</b>		
Property, plant and equipment	3,635,585	<b>5,899,583</b>
Right-of-use assets	101,934	<b>139,478</b>
Goodwill	71,639	<b>259,746</b>
Intangible assets	263,231	<b>832,800</b>
Investments accounted for using the equity method	1,600,366	<b>1,465,536</b>
Other financial assets	461,378	<b>536,875</b>
Defined benefit assets	116,415	<b>162,276</b>
Deferred tax assets	135,074	<b>42,280</b>
Other non-current assets	8,329	<b>32,436</b>
<b>Total non-current assets</b>	6,393,955	<b>9,371,013</b>
<b>Total assets</b>	10,942,458	<b>14,660,583</b>

The accompanying notes are integral parts of these statements.

(Millions of Yen)

<b>LIABILITIES</b>	March 31, 2025	March 31, 2026
<b>Current liabilities :</b>		
Trade and other payables	1,671,352	2,340,108
Bonds, borrowings and lease liabilities	473,466	506,004
Other financial liabilities	823	5,493
Income taxes payable	126,428	39,285
Other current liabilities	63,421	81,792
<b>Total current liabilities</b>	<u>2,335,493</u>	<u>2,972,686</u>
<b>Non-current liabilities :</b>		
Bonds, borrowings and lease liabilities	2,034,026	4,668,249
Other financial liabilities	35	884
Defined benefit liabilities	111,552	160,207
Deferred tax liabilities	137,014	335,144
Other non-current liabilities	420,955	498,851
<b>Total non-current liabilities</b>	<u>2,703,584</u>	<u>5,663,337</u>
<b>Total liabilities</b>	<u>5,039,077</u>	<u>8,636,023</u>
<b>EQUITY</b>		
Common stock	569,519	569,519
Capital surplus	578,457	588,011
Retained earnings	3,819,934	3,752,153
Treasury stock	(58,236)	(59,023)
Other components of equity	473,635	679,786
<b>Total equity attributable to owners of the parent</b>	<u>5,383,311</u>	<u>5,530,448</u>
Non-controlling interests	520,069	494,111
<b>Total equity</b>	<u>5,903,380</u>	<u>6,024,560</u>
<b>Total liabilities and equity</b>	<u>10,942,458</u>	<u>14,660,583</u>

The accompanying notes are integral parts of these statements.

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

Consolidated Statements of Profit or Loss		(Millions of Yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	
Revenue	8,695,526	10,063,216	
Cost of sales	(7,323,874)	(8,618,408)	
<b>Gross profit</b>	<b>1,371,651</b>	<b>1,444,808</b>	
Selling, general and administrative expenses	(815,817)	(993,968)	
Share of profit in investments accounted for using the equity method	126,900	85,412	
Other operating income	79,845	108,782	
Other operating expenses	(79,343)	(130,906)	
<b>Business profit</b>	<b>683,237</b>	<b>514,128</b>	
Losses on reorganization	(135,277)	(271,225)	
<b>Operating profit</b>	<b>547,960</b>	<b>242,903</b>	
Finance income	20,841	31,132	
Finance costs	(44,423)	(101,222)	
<b>Profit before income taxes</b>	<b>524,377</b>	<b>172,814</b>	
Income tax expense	(141,405)	(128,059)	
<b>Profit for the year</b>	<b>382,972</b>	<b>44,754</b>	
<b>Profit for the year attributable to :</b>			
Owners of the parent	350,227	17,158	
Non-controlling interests	32,744	27,596	
<b>Earnings per share</b>			
Basic earnings per share (Yen)	70.18	3.28	
Diluted earnings per share (Yen)	67.03	3.28	

The accompanying notes are integral parts of these statements.

Consolidated Statements of Comprehensive Income		(Millions of Yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	
Profit for the year	382,972	44,754	
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	(22,747)	72,502	
Remeasurements of defined benefit plans	14,546	45,643	
Share of other comprehensive income of investments accounted for using the equity method	(4,613)	6,167	
Subtotal	(12,815)	124,313	
Items that might be reclassified to profit or loss			
Changes in fair value of financial assets measured at fair value through other comprehensive income	-	(290)	
Changes in fair value of cash flow hedges	10,222	23,987	
Foreign exchange differences on translation of foreign operations	108,222	204,930	
Share of other comprehensive income of investments accounted for using the equity method	3,004	(39,099)	
Subtotal	121,449	189,527	
<b>Total other comprehensive income, net of tax</b>	<b>108,634</b>	<b>313,841</b>	
<b>Total comprehensive income for the year</b>	<b>491,606</b>	<b>358,595</b>	
<b>Comprehensive income for the year attributable to:</b>			
Owners of the parent	438,493	319,952	
Non-controlling interests	53,113	38,643	

The accompanying notes are integral parts of these statements.

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

Fiscal year ended March 31, 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, 2024	419,799	398,914	3,525,585	(58,149)	287,802	—
Changes of the year						
Comprehensive income						
Profit for the year			350,227			
Other comprehensive income					(32,317)	14,840
Total comprehensive income	—	—	350,227	—	(32,317)	14,840
Transactions with owners and others						
Issuance of convertible bonds						
Conversion of convertible bonds	149,720	147,627				
Cash dividends			(162,085)			
Share-based payment transactions						
Purchases of treasury stock				(69)		
Disposals of treasury stock		1		2		
Changes in ownership interests in subsidiaries		31,914				
Transfer from other components of equity to retained earnings			106,207		(91,366)	(14,840)
Transfer to non-financial assets						
Changes in scope of consolidation				(20)		
Subtotal transactions with owners and others	149,720	179,543	(55,878)	(87)	(91,366)	(14,840)
<b>Balance as of March 31, 2025</b>	<b>569,519</b>	<b>578,457</b>	<b>3,819,934</b>	<b>(58,236)</b>	<b>164,118</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 of the year						
Comprehensive income						
Profit for the year			—	350,227	32,744	382,972
Other comprehensive income	7,595	98,147	88,266	88,266	20,368	108,634
Total comprehensive income	7,595	98,147	88,266	438,493	53,113	491,606
Transactions with owners and others						
Issuance of convertible bonds			—	—		—
Conversion of convertible bonds			—	297,347		297,347
Cash dividends			—	(162,085)	(16,783)	(178,869)
Share-based payment transactions			—	—		—
Purchases of treasury stock			—	(69)		(69)
Disposals of treasury stock			—	3		3
Changes in ownership interests in subsidiaries			—	31,914	(94,466)	(62,551)
Transfer from other components of equity to retained earnings			(106,207)	—		—
Transfer to non-financial assets			—	—		—
Changes in scope of consolidation			—	(20)	55	35
Subtotal transactions with owners and others	—	—	(106,207)	167,090	(111,194)	55,895
<b>Balance as of March 31, 2025</b>	<b>51,808</b>	<b>257,708</b>	<b>473,635</b>	<b>5,383,311</b>	<b>520,069</b>	<b>5,903,380</b>

The accompanying notes are integral parts of these statements.

Fiscal year ended March 31, 2026

(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 of the year						
Comprehensive income						
Profit for the year			17,158			
Other comprehensive income					74,940	44,580
Total comprehensive income	—	—	17,158	—	74,940	44,580
Transactions with owners and others						
Issuance of convertible bonds		19,971				
Conversion of convertible bonds						
Cash dividends			(146,480)			
Share-based payment transactions		318				
Purchases of treasury stock				(39)		
Disposals of treasury stock		901		4		
Changes in ownership interests in subsidiaries		(11,637)				
Transfer from other components of equity to retained earnings			61,541		(16,961)	(44,580)
Transfer to non-financial assets						
Changes in scope of consolidation				(750)		
Subtotal transactions with owners and others	—	9,553	(84,939)	(786)	(16,961)	(44,580)
<b>Balance as of March 31, 2026</b>	<b>569,519</b>	<b>588,011</b>	<b>3,752,153</b>	<b>(59,023)</b>	<b>222,097</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 of the year						
Comprehensive income						
Profit for the year			—	17,158	27,596	44,754
Other comprehensive income	7,925	175,347	302,794	302,794	11,046	313,841
Total comprehensive income	7,925	175,347	302,794	319,952	38,643	358,595
Transactions with owners and others						
Issuance of convertible bonds			—	19,971		19,971
Conversion of convertible bonds			—	—		—
Cash dividends			—	(146,480)	(14,110)	(160,591)
Share-based payment transactions			—	318		318
Purchases of treasury stock			—	(39)		(39)
Disposals of treasury stock			—	905		905
Changes in ownership interests in subsidiaries			—	(11,637)	(65,894)	(77,532)
Transfer from other components of equity to retained earnings			(61,541)	—		—
Transfer to non-financial assets	(35,102)		(35,102)	(35,102)		(35,102)
Changes in scope of consolidation			—	(750)	15,404	14,653
Subtotal transactions with owners and others	(35,102)	—	(96,643)	(172,815)	(64,601)	(237,416)
<b>Balance as of March 31, 2026</b>	<b>24,632</b>	<b>433,056</b>	<b>679,786</b>	<b>5,530,448</b>	<b>494,111</b>	<b>6,024,560</b>

The accompanying notes are integral parts of these statements.

**(4) Consolidated Statements of Cash-Flows**

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities :</b>		
Profit before income taxes	524,377	172,814
Depreciation and amortization	385,243	573,916
Finance income	(20,841)	(31,132)
Finance costs	44,423	101,222
Share of profit in investments accounted for using the equity method	(126,900)	(85,412)
Losses on reorganization	135,277	271,225
(Increase) decrease in trade and other receivables	204,644	9,096
(Increase) decrease in inventories	95,656	77,671
Increase (decrease) in trade and other payables	(104,577)	(109,301)
Other, net	(13,806)	(41,315)
Subtotal	1,123,496	938,782
Interest received	20,834	20,367
Dividends received	51,512	71,067
Interest paid	(36,354)	(89,955)
Income taxes paid	(180,895)	(223,322)
<b>Net cash flows provided by operating activities</b>	<b>978,593</b>	<b>716,939</b>
<b>Cash flows from investing activities :</b>		
Purchases of property, plant and equipment and intangible assets	(597,938)	(863,176)
Proceeds from sales of property, plant and equipment and intangible assets	13,616	39,131
Payments for disposal of property, plant and equipment	(20,256)	(26,479)
Purchases of investment securities	(6,031)	(2,492)
Proceeds from sales of investment securities	231,023	33,340
Proceeds from sales of investments in affiliates	39,241	100,502
Purchases of shares of subsidiaries resulting in change in scope of consolidation	(35)	(2,015,572)
Proceeds from (payments for) sales of shares of subsidiaries resulting in change in scope of consolidation	—	(92,521)
Loans to associates and others	(5,464)	(1,098)
Collection of loans from associates and others	2,189	104
Other, net	(118,774)	(8,921)
<b>Net cash flows used in investing activities</b>	<b>(462,428)</b>	<b>(2,837,181)</b>
<b>Cash flows from financing activities :</b>		
Increase (decrease) in short-term borrowings, net	44,108	(32,721)
Proceeds from long-term borrowings	160,503	2,052,693
Repayments of long-term borrowings	(159,090)	(544,743)
Proceeds from issuance of bonds	166,284	611,327
Redemption of bonds	(140,010)	(81,327)
Purchases of treasury stock	(58)	(29)
Cash dividends paid	(162,085)	(146,480)
Dividends paid to non-controlling interests	(16,783)	(14,110)
Purchases of shares of subsidiaries that do not result in change in scope of consolidation	(64,586)	(79,300)
Other, net	(141,615)	120,993
<b>Net cash flows provided by (used in) financing activities</b>	<b>(313,334)</b>	<b>1,886,301</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>20,803</b>	<b>22,676</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>223,634</b>	<b>(211,264)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>448,892</b>	<b>672,526</b>
<b>Cash and cash equivalents at end of the year</b>	<b>672,526</b>	<b>461,262</b>

The accompanying notes are integral parts of these statements.

**(5) Notes to the Consolidated Financial Statements**

**(Going Concern Assumption)**

Not applicable

**(Segment Information)**

**1) Summary of reportable segment**

The Company engages in the Steelmaking and Steel Fabrication business and acts as the holding company of the Group. The Group has four operating segments determined mainly based on products and services, which are Steelmaking and Steel Fabrication, Engineering and Construction, Chemicals and Materials, and System Solutions. Each operating segment shares the management strategy of the Group, while conducting its business activities independently from and in parallel with other segments of the Group. The following summary describes the operations of each reportable segment:

Reportable segments	Principal businesses
Steelmaking and Steel Fabrication	Manufacturing and sale of steel products
Engineering and Construction	Design, manufacture, sale, construction and supervision of various plants and facilities, energy pipelines, water facilities, industrial machinery and equipment, buildings, building materials and equipment, steel structures, etc.; operation, management and maintenance of plants and facilities, etc.; Waste treatment and recycling business; and supply business of electricity, gas, heat, etc.
Chemicals and Materials	Manufacturing and sale of coal-based chemical products, petrochemicals, electronic materials, materials and components for semiconductors and electronic parts, carbon fiber and composite products, and products that utilize technologies for metal processing
System Solutions	Computer systems engineering and consulting services; IT-enabled outsourcing and other services

## 2) Information on the amounts of revenue and profit or loss for reportable segments

### Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 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	7,819,748	371,309	250,873	253,594	8,695,526	—	8,695,526
Inter-segment revenue or transfers	54,629	29,165	18,255	85,781	187,830	(187,830)	—
Total	7,874,377	400,474	269,128	339,376	8,883,356	(187,830)	8,695,526
Segment profit <Business Profit>	621,005	14,628	18,938	38,888	693,461	(10,223)	683,237
Segment assets	10,115,166	349,700	254,630	412,336	11,131,834	(189,375)	10,942,458
Segment liabilities <Interest-bearing debt>	2,473,628	8,525	7,086	18,251	2,507,492	—	2,507,492

Note: The adjustments of segment profit of ¥(10,223) 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 ¥12,808 million and elimination of inter-segment revenue or transfers of ¥(23,032) million.

### Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	9,173,227	357,517	239,835	292,636	10,063,216	—	10,063,216
Inter-segment revenue or transfers	48,477	36,936	18,125	90,257	193,797	(193,797)	—
Total	9,221,705	394,453	257,961	382,893	10,257,014	(193,797)	10,063,216
Segment profit <Business Profit>	439,961	23,105	21,951	43,315	528,334	(14,205)	514,128
Segment assets	13,770,053	367,724	260,924	409,091	14,807,794	(147,211)	14,660,583
Segment liabilities <Interest-bearing debt>	5,139,779	8,058	10,919	15,508	5,174,266	(12)	5,174,253

Note: The adjustments of segment profit of ¥(14,205) 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 ¥6,590 million and elimination of inter-segment revenue or transfers of ¥(20,796) million.

## (Business Combinations)

### Business combinations consummated for the fiscal year ended March 31, 2026

#### 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	2,058,018
Other payables	4,494
<u>Total consideration transferred</u>	<u>2,062,513</u>

Note: The acquisition-related costs of ¥21,984 million related to the business combination were recorded in the consolidated statements of profit or loss for the year ended March 31, 2025. The acquisition-related costs of ¥7,814 million were recorded as “Selling, general and administrative expenses” in the consolidated statements of profit or loss for the fiscal year ended March 31, 2026.

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 fiscal year ended March 31, 2026.

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

The provisional accounting treatment applied during the consolidated financial results for the nine months ended December 31, 2025 has been finalized in the consolidated financial results for the three months ended March 31, 2026. Mainly due to the recognition of intangible assets and the associated deferred tax liabilities, current assets increased by ¥16,861 million, non-current assets increased by ¥308,163 million, non-current liabilities increased by ¥75,063 million, while current liabilities decreased by ¥5,726 million from the provisional amounts.

	(Millions of Yen)
Current assets	1,003,644
Non-current assets	2,400,847
<u>Total assets</u>	<u>3,404,492</u>
Current liabilities	599,873
Non-current liabilities	904,060
<u>Total liabilities</u>	<u>1,503,933</u>
Total identifiable net assets acquired	1,900,558
Non-controlling interests (Note 1)	13,498
Total equity attributable to owners of the parent	1,887,059
Total consideration transferred	2,062,513
Basis adjustments (Note 2)	(35,102)
<u>Goodwill (Note 3)</u>	<u>140,351</u>

Note:

1. Non-controlling interests are due to an Option Agreement granted by U. S. Steel to Stelco.
2. The Company entered into forward exchange contracts to hedge the foreign exchange risk associated with the acquisition consideration and applied 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 is attributable mainly to an excess earning power expected to be achieved from the synergies between the Group and the acquirees. The goodwill is not tax-deductible.

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

	(Millions of Yen)
Cash consideration transferred	2,058,018
Cash and cash equivalents held by the acquirees at the acquisition date	(62,048)
Basis adjustments	(35,102)
<u>Net cash used in the transaction</u>	<u>1,960,868</u>

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

	(Millions of Yen)
Revenue	1,933,070
<u>Profit or loss</u>	<u>21,249</u>

(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	10,677,338
Profit or loss	19,904

(Earnings per Share)

1) Basic earnings per share

Profit for the year attributable to common shares of the parent

(Millions of Yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Profit for the year attributable to owners of the parent	350,227	17,158
Profit for the year not attributable to ordinary equity holders of the parent	—	—
Profit for the year used to calculate basic earnings per share	350,227	17,158

Weighted average number of ordinary shares outstanding

(Shares)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Weighted average number of ordinary shares outstanding	4,990,068,380	5,226,245,904

Note:

1. The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, weighted average number of ordinary shares outstanding is calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.
2. Upon calculation of basic earnings per share, the Company's ordinary shares held by a trust bank in connection with Performance-linked Stock Compensation System are included in the treasury stock which is deducted from the number of shares outstanding when the average number of shares during the period are calculated.

2) Diluted earnings per share

Profit for the year attributable to common shares of the parent after adjustment for the effects of dilutive potential shares

(Millions of Yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Profit for the year used to calculate basic earnings per share	350,227	17,158
Adjustment to profit	—	—
Profit for the year used to calculate diluted earnings per share	350,227	17,158

Weighted average number of ordinary shares outstanding

(Shares)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Weighted average number of ordinary shares outstanding	4,990,068,380	<b>5,226,245,904</b>
Dilutive effect		
Convertible bonds with stock acquisition rights	234,722,390	—
Performance-linked stock compensation system	—	<b>182,105</b>
Weighted average number of ordinary shares used to calculate diluted earnings per share	5,224,790,770	<b>5,226,428,009</b>

Note:

1. The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, dilutive effects are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.
2. The potential shares (62,911,209 shares) related to convertible bonds with stock acquisition rights outstanding during the fiscal year ended March 31, 2026, have an anti-dilutive effect and are therefore excluded from the calculation of diluted earnings per share.

**(Significant Subsequent Events)**

There are no significant subsequent events.

**1.Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)**

The Company recorded consolidated revenue of ¥10,063.2 billion, business profit of ¥514.1 billion and profit attributable to owners of the parent of ¥17.1 billion in the fiscal year ended March 31, 2026.

	FY 2025	Changes from the previous forecasts	H1	H2	FY 2025 H1 →FY 2025 H2	FY 2024	FY 2024 →FY 2025	Previous Forecasts (Released on February 5, 2026)
<b>Revenue</b>	10,063.2	+ 63.2	4,635.6	5,427.5	+ 791.9	8,695.5	+ 1,367.7	10,000.0
Excluding U. S. Steel	656.0	+ 36.0	323.5	332.4	+ 9.0	793.7	- 137.7	620.0
U. S. Steel	(5.6)	- 5.6	22.2	(27.7)	- 49.9	—	- 5.6	0.0
<b>Underlying Business Profit</b> ※1	650.4	+ 30.4	345.7	304.7	- 41.0	793.7	- 143.3	620.0
<b>Business Profit</b> ※2	514.1	+ 94.1	227.5	286.5	+ 59.0	683.2	- 169.1	420.0
[ R O S ]	[5.1%]	[+0.9%]	[4.9%]	[5.3%]	[+0.4%]	[7.9%]	[-2.7%]	[4.2%]
<b>Additional line items</b> ※3	(271.2)	- 1.2	(230.3)	(40.8)	+ 189.5	(135.2)	- 136.0	(270.0)
<b>Profit attributable to owners of the parent</b>	17.1	+ 87.1	(113.3)	130.5	+ 243.8	350.2	- 333.1	(70.0)
< Earnings per share (Yen) >※4	< 3 >	< +16 >	< -21 >	< 24 >	< +45 >	< 70 >	< -67 >	< -13 >
[ R O E ] ※5	[0.3%]		[-4.3%]	[4.9%]	[+9.2%]	[6.9%]	[-6.6%]	
<b>EBITDA</b> ※6	1,088.0	+ 118.0	468.2	619.7	+ 151.5	1,068.4	+ 19.6	970.0
<b>Interest-bearing debt</b>	5,174.2		5,074.5	5,174.2	+ 99.7	2,507.4	+ 2,666.8	
D/E ratio	0.71		0.74	0.71	-0.03	0.35	+0.36	

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 fiscal year ended March 31, 2026, Underlying Business Profit excludes losses of ¥136.3 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 and amortization

(※7) Analysis in Business Profit

	FY 2025 H1 →FY 2025 H2	FY 2024 →FY 2025	Changes from the previous forecasts		FY 2025	Changes from the previous forecasts	FY 2024	FY 2024 →FY 2025	Previous Forecasts (Released on February 5, 2026)
<b>Change in Business Profit</b>	<b>+59.0</b>	<b>-169.0</b>	<b>+94.0</b>						
<b>Underlying Business Profit</b>	<b>-41.0</b>	<b>-143.0</b>	<b>+30.0</b>						
①Manufacturing shipment volume	+ 5.0	- 20.0	+ 5.0		(271.2)	- 1.2	(135.2)	- 136.0	(270.0)
②Spread	- 50.0	- 115.0	~		(271.2)	- 1.2	(135.2)	- 136.0	(270.0)
(including impact from FX rate fluctuation)									
③Cost reduction	+ 30.0	+ 130.0	+ 10.0						
④Overseas steel business	- 56.0	- 35.0	- 1.0						
Of these, U. S. Steel	- 50.0	- 6.0	- 6.0						
⑤Raw material business	+ 3.0	- 71.0	+ 9.0						
⑥Other group companies	+ 23.0	- 35.0	+ 9.0						
⑦Three non-steel segments	+ 19.0	+ 18.0	+ 7.0						
⑧Others	- 15.0	- 15.0	- 9.0						
<b>Inventory valuation impact</b>	<b>+128.0</b>	<b>-11.0</b>	<b>+36.0</b>						
<b>Non-operating profit and loss, consolidation eliminations, etc.</b>	<b>-28.0</b>	<b>-15.0</b>	<b>+28.0</b>						

(※3) Additional line items

<FY 2025>

•Losses on business withdrawal and others: ¥(271.2) billion  
(the transfer of equity interests in AM/NS Calvert LLC: ¥(232.1) billion, the transfer of equity interests in USIMINAS: ¥(17.6) 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 released on February 5, 2026, with respect to the dividend for the fiscal year ended March 31, 2026, the final year of the medium- to long-term management plan, the Board of Directors has decided to propose a year-end dividend of ¥12 per share (resulting in an annual dividend of ¥24<sup>※1</sup> per share after consideration of the stock split<sup>※2</sup>) at the General Meeting of Shareholders.

※1 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.  
※2 The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025.

**<Factors Influencing Performance >**

(※)The figures for Non-Consolidated crude steel production volume, Steel materials shipment volume, and Steel materials price for the 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 fiscal year ended March 31, 2026 include former Nippon Steel Stainless Steel Corporation and former Nippon Steel Pipe Co., Ltd.

**(1)NIPPON STEEL CORPORATION**

	FY 2025	Changes from the previous forecasts	H1	H2	FY 2025 H1 →FY 2025 H2	FY 2024	FY 2024 →FY 2025	Previous Forecasts (Released on February 5, 2026)
Consolidated crude steel production volume (10,000 tons)	5,048	+ 48	2,293	2,755	+ 462	3,959	+ 1,089	Approx. 5,000
Non-Consolidated crude steel production volume (10,000 tons)	3,388	- 12	1,677	1,711	+ 34	3,425	- 37	Approx. 3,400
Steel materials shipment volume (10,000 tons)	3,116	+ 16	1,547	1,568	+ 21	3,162	- 46	Approx. 3,100
Steel materials price (¥1,000/ton)	139.6	+ 0.6	138.6	140.7	+ 2.1	142.1	- 2.5	Approx. 139
Exchange rate (¥/\$)	150	—	146	154	+ 8	153	- 3	Approx. 150

**(2)All Japan**

	FY 2025	Changes from the previous forecasts	H1	H2	FY 2025 H1 →FY 2025 H2	FY 2024	FY 2024 →FY 2025	Previous Forecasts (Released on February 5, 2026)
Crude steel production volume (10,000 tons)	8,031	+ 1	4,008	4,024	+ 16	8,295	- 264	Approx. 8,030
Steel consumption (10,000 tons) <sup>*1</sup>	4,900	—	2,417	2,483	+ 66	4,957	- 57	Approx. 4,900

\*1 The Company estimates

**<Segment Information >**

	FY 2025	Changes from the previous forecasts	H1	H2	FY 2025 H1 →FY 2025 H2	FY 2024	FY 2024 →FY 2025	Previous Forecasts (Released on February 5, 2026)
<b>Revenue</b>	<b>10,063.2</b>	<b>+ 63.2</b>	<b>4,635.6</b>	<b>5,427.5</b>	<b>+ 791.9</b>	<b>8,695.5</b>	<b>+ 1,367.7</b>	<b>10,000.0</b>
Steelmaking and Steel Fabrication	9,221.7	+ 21.7	4,243.9	4,977.7	+ 733.8	7,874.3	+ 1,347.4	9,200.0
Engineering and Construction	394.4	- 5.6	182.2	212.2	+ 30.0	400.4	- 6.0	400.0
Chemicals and Materials	257.9	- 2.1	128.1	129.7	+ 1.6	269.1	- 11.2	260.0
System Solutions	382.8	+ 5.8	179.0	203.8	+ 24.8	339.3	+ 43.5	377.0
Adjustment	(193.7)	+ 43.3	(97.7)	(96.0)	+ 1.7	(187.8)	- 5.9	(237.0)
<b>Business Profit</b>	<b>514.1</b>	<b>+ 94.1</b>	<b>227.5</b>	<b>286.5</b>	<b>+ 59.0</b>	<b>683.2</b>	<b>- 169.1</b>	<b>420.0</b>
Steelmaking and Steel Fabrication	439.9	+ 89.9	201.8	238.1	+ 36.3	621.0	- 181.1	350.0
Engineering and Construction	23.1	+ 3.1	7.4	15.6	+ 8.2	14.6	+ 8.5	20.0
Chemicals and Materials	21.9	+ 1.9	9.8	12.1	+ 2.3	18.9	+ 3.0	20.0
System Solutions	43.3	+ 0.3	17.5	25.7	+ 8.2	38.8	+ 4.5	43.0
Adjustment	(14.2)	- 1.2	(9.1)	(5.0)	+ 4.1	(10.2)	- 4.0	(13.0)

2.Forecasts for Fiscal Year Ending March 31, 2027

○Plan based on the business environment prior to the outbreak of the war in the Middle East (initial outlook as of February 2026)  
In fiscal year 2026, the Company aims to achieve underlying business profit of at least ¥700.0 billion (¥300.0 billion in the first half and ¥400.0 billion in the second half [annualized ¥800.0 billion]).

○Impact of the situation in the Middle East on business performance  
The impact of the Middle East situation on the Company's business performance for fiscal year ending March 31, 2027, cannot be reasonably quantified at this time and has not been reflected in the forecast.

<Forecasts of Consolidated Operating Result>

	FY 2026 forecasts			FY 2025 forecasts		FY 2025 H2 →FY 2026 H1 forecasts		FY 2025 →FY 2026 forecasts
		H1 forecasts	H2 forecasts	FY 2025	H2			
<b>Revenue</b>	11,000.0	5,400.0	5,600.0	10,063.2	5,427.5	- 27.5		+ 936.8
Excluding U. S. Steel	600.0	230.0	370.0	656.0	332.4	- 102.4		- 56.0
U. S. Steel	100.0	70.0	30.0	(5.6)	(27.7)	+ 97.7		+ 105.6
<b>Underlying Business Profit</b> ※1	700.0	300.0	400.0	650.4	304.7	- 4.7		+ 49.6
<b>Business Profit</b> ※2	530.0	220.0	310.0	514.1	286.5	※6 - 66.5	※6	+ 15.9
[ R O S ]	[4.8%]	[4.1%]	[5.5%]	[5.1%]	[5.3%]	[-1.2%]		[-0.3%]
<b>Additional line items</b> ※3	(30.0)	—	(30.0)	(271.2)	(40.8)	+ 40.8		+ 241.2
<b>Profit attributable to owners of the parent</b>	220.0	90.0	130.0	17.1	130.5	- 40.5		+ 202.9
< Earnings per share (Yen) > ※4	<42>	<17>	<25>	<3>	<24>	<-7>		<+39>
<b>EBITDA</b> ※5	1,200.0	555.0	645.0	1,088.0	619.7	- 64.7		+ 112.0

(Billions of Yen)

- (※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 fiscal year ending March 31, 2027, Underlying Business Profit excludes losses of ¥170.0 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 are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2026.  
(※5) Business Profit + Depreciation and amortization  
(※6) Analysis in Business Profit

Change in Business Profit	(Billions of Yen)	
	FY 2025 H2 →FY 2026 H1 forecasts	FY 2025 →FY 2026 forecasts
<b>Change in Business Profit</b>	<b>- 67.0</b>	<b>+ 16.0</b>
<b>Underlying Business Profit</b>	<b>- 5.0</b>	<b>+ 50.0</b>
①Manufacturing shipment volume	- 5.0	+ 15.0
②Spread (including impact from FX rate fluctuation)	- 50.0	- 85.0
③Cost reduction	~	+ 30.0
④Overseas steel business	+ 99.0	+ 117.0
Of these, U. S. Steel	+ 98.0	+ 106.0
⑤Raw material business	- 4.0	- 9.0
⑥Other group companies	- 29.0	+ 1.0
⑦Three non-steel segments	- 17.0	+ 4.0
⑧Others	+ 1.0	- 23.0
<b>Inventory valuation impact</b>	<b>- 22.0</b>	<b>+ 53.0</b>
<b>Non-operating profit and loss, consolidation eliminations, etc.</b>	<b>- 40.0</b>	<b>- 87.0</b>

(※3) Additional line items

(Billions of Yen)

	FY 2026 forecasts	FY 2025	FY 2025 →FY 2026 forecasts
<b>Additional line items Total</b>	<b>(30.0)</b>	<b>(271.2)</b>	<b>+ 241.2</b>
Losses on reorganization	(30.0)	(271.2)	+ 241.2

<FY 2026>

•Losses on inactive facilities and others: ¥(30.0) billion

【Dividends】

Although the impact of the situation in the Middle East on business performance cannot be reasonably quantified, regarding the dividend for the fiscal year ending March 31, 2027, while the Company has introduced a minimum annual dividend for the five years of the 2030 Medium- to Long-Term Management Plan, the Company plans to distribute an annual dividend of ¥24 per share (including an interim dividend of ¥12 per share) at this time.

<Factors Influencing Performance> \*The impact of the situation in the Middle East on business performance has not been reflected in the forecast.

(1)NIPPON STEEL CORPORATION

	FY 2026 forecasts			FY 2025 forecasts		FY 2025 H2 →FY 2026 H1 forecasts		FY 2025 →FY 2026 forecasts
		H1 forecasts	H2 forecasts	FY 2025	H2			
Consolidated crude steel production volume (10,000 tons)	Approx. 5,750	Approx. 2,850	Approx. 2,900	5,048	2,755	+ 95		+ 702
Non-Consolidated crude steel production volume (10,000 tons)	Approx. 3,500	Approx. 1,750	Approx. 1,750	3,388	1,711	+ 39		+ 112
Steel materials shipment volume (10,000 tons)	Approx. 3,150	Approx. 1,550	Approx. 1,600	3,116	1,568	- 18		+ 34
Exchange rate (¥/\$)	Approx. 155	Approx. 155	Approx. 155	150	154	+ 1		+ 5

(2)All Japan

	FY 2026 forecasts	H1 forecasts	H2 forecasts	FY 2025 forecasts	H2	FY 2025 H2 →FY 2026 H1 forecasts	FY 2025 →FY 2026 forecasts
Steel consumption (10,000 tons)*1	Approx. 4,850	Approx. 2,380	Approx. 2,470	4,900	2,483	- 103	- 50

\* 1 The Company estimates

<Segment Information> \*The impact of the situation in the Middle East on business performance has not been reflected in the forecast.

	FY 2026 forecasts			FY 2025 forecasts		FY 2025 H2 →FY 2026 H1 forecasts		FY 2025 →FY 2026 forecasts
		H1 forecasts	H2 forecasts	FY 2025	H2			
<b>Revenue</b>	<b>11,000.0</b>	<b>5,400.0</b>	<b>5,600.0</b>	<b>10,063.2</b>	<b>5,427.5</b>	- 27.5		+ 936.8
Steelmaking and Steel Fabrication	10,100.0	5,000.0	5,100.0	9,221.7	4,977.7	+ 22.3		+ 878.3
Engineering and Construction	370.0	160.0	210.0	394.4	212.2	- 52.2		- 24.4
Chemicals and Materials	280.0	130.0	150.0	257.9	129.7	+ 0.3		+ 22.1
System Solutions	417.0	198.0	219.0	382.8	203.8	- 5.8		+ 34.2
Adjustment	(167.0)	(88.0)	(79.0)	(193.7)	(96.0)	+ 8.0		+ 26.7
<b>Business Profit</b>	<b>530.0</b>	<b>220.0</b>	<b>310.0</b>	<b>514.1</b>	<b>286.5</b>	- 66.5		+ 15.9
Steelmaking and Steel Fabrication	453.0	203.0	250.0	439.9	238.1	- 35.1		+ 13.1
Engineering and Construction	22.0	6.0	16.0	23.1	15.6	- 9.6		- 1.1
Chemicals and Materials	23.5	9.0	14.5	21.9	12.1	- 3.1		+ 1.6
System Solutions	47.5	20.5	27.0	43.3	25.7	- 5.2		+ 4.2
Adjustment	(16.0)	(18.5)	2.5	(14.2)	(5.0)	- 13.5		- 1.8

(Billions of Yen)

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. Summary of the 2025 Medium- to Long-term Management Plan period

- During the 2025 Medium- to Long-term Management Plan period, we have implemented various measures to respond to business environmental deteriorations that exceeded our initial expectations. In Japan, we **lowered the break-even point by 40%** through **both reducing fixed costs by structural measures for production facilities and raising marginal profit by revising prices in direct contract-based sales to customers, optimizing the burden of fluctuations in external procurement costs, and advancing our product mix**. In addition, we have achieved a resilient business structure with breadth and depth by **maximizing synergies through the reorganization of domestic steel group companies, deepening and expanding our overseas business** through the acquisition of U. S. Steel and capacity expansion in India, **transforming the raw material “business” from mere procurement, and integrating distribution business into our own business domain**.
- While demand declined more than initially expected, **by taking preemptive steps to address the deteriorating steel business environment, we have established competitive advantages by which we secured underlying business profit (BP) of ¥600.0 billion or more even if facing intensifying competition in the market.** As a result, we have also maintained a relatively high level of profitability compared to our global competitors.
- **In fiscal 2025, we secured underlying BP of ¥650.4 billion, BP of ¥514.1 billion and profit of ¥17.1 billion, which exceeded our previous forecasts.**

### 2. Overview of business environment for fiscal 2026

- Except for certain sectors such as AI, electric power, and defense, base demand in the manufacturing and construction industries in Japan and overseas is sluggish, and the global steel business environment remains in a critical situation. In China, the widening supply / demand gap caused by the slowdown of the Chinese economy has led to excess production. Accordingly, an increase in exports of low-priced steel products resulted in a downturn in the global market. Under these circumstances, the imposition of trade measures in various countries increases the risk of an inflow of low-priced steel products into Japan. Therefore, the importance of strongly advancing the examination and implementation of trade countermeasures in Japan is increasing.

### 3. Forecasts for fiscal 2026

- **Forecasts for fiscal 2026: Plan based on business environment prior to war in the Middle East (initial forecasts as of February 2026)**
  - **In fiscal 2026, we aim to secure an underlying BP of ¥700.0 billion (¥300.0 billion in H1 and ¥400.0 billion in H2) or more in an environment that is deteriorating compared to fiscal 2025 by leveraging earnings recovery of U. S. Steel. In particular, for H2 of fiscal 2026, we forecast underlying BP of ¥800.0 billion or more on an annualized basis, laying a solid foundation for growth toward a 1-trillion-yen scale, driven by the expansion in overseas business earnings from fiscal 2027 and beyond.**
  - **U. S. Steel is expected to contribute more than ¥100.0 billion to underlying BP, driven by the effects of earnings improvement measures centered on synergies.**
- **Impact of the Middle East situation on business performance**
  - **The impact of the situation in the Middle East on economic activity is no longer limited to energy supply disruptions, such as those observed during past oil shocks. Under the current economic structure, which is built by globally integrated supply chains, the effects are spreading across the entire world. In addition, the Middle East has become an important export market for Asian countries, including Japan, as its economic scale has expanded significantly. Therefore, the Middle East situation has an extremely broad impact on demand across a wide range of industries. In particular, the steel industry is a core industry that underpins many other sectors, and among steelmakers, we offer a particularly broad product lineup and serve an exceptionally wide range of industries. Furthermore, due to the increasing global expansion of our operations, the impact of the Middle East situation on our business performance cannot be comprehensively and reasonably assessed at this time.**

- Regarding impacts that are already emerging and can be reasonably anticipated, **we anticipate a negative impact of approximately ¥50.0 billion** due to an increase in raw materials, fuels, and other costs, along with a decrease in direct exports of steel products to the Middle East in Q1. However, there is no prospect of an end to the situation, and even if the situation is resolved, the negative impact on steel demand and costs will not be resolved immediately. Accordingly, **the impact of the Middle East situation on our business performance for fiscal 2026**, including from Q2 onward, **cannot be reasonably quantified at this time and has not been reflected in the forecasts.**

➤ **Dividends (forecasts) for fiscal 2026**

- Although the impact of the Middle East situation on our business performance cannot be reasonably assessed, mainly based on the minimum dividend, which was introduced in the 2030 Medium- to Long-Term Management Plan, **the dividends for fiscal 2026** is expected to be **¥24 per share** at this time.

(Reference)

Dividends per share for fiscal 2025: ¥24 (including year-end dividend of ¥12)

Cumulative payout ratio for the five-year period from fiscal 2021 to fiscal 2025: approximately 30% (excluding the impact of the one-off loss associated with the U. S. Steel acquisition: Approximately ¥260.0 billion on profit)

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

In the domestic business, we will continue to accelerate **strengthening of the Group's overall business**, and in the overseas business, we will speed up the enhancement of the management structure toward **establishment of a new local production for local consumption system (U.S., Europe, India, and ASEAN)** by **strengthening the profitability and further expanding the scale of existing businesses, including U. S. Steel**. To advance these initiatives concurrently, we will further **review and reform its domestic organizational structure, human resources, and business processes**, and **expand the allocation of domestic personnel to overseas operations**.

##### **(1) Domestic: Further strengthening of our overwhelming competitiveness**

###### **1) Thorough pursuit of cost competitiveness and development of comprehensive solutions**

- Steady improvement of base operation performance and continuous efforts in the business of direct contract-based sales to customers
- Start-up of new, state-of-the-art equipment, maximization of its effects, and promotion of an advanced product mix.

**The next-generation hot strip mill at the Nagoya Works: High-temperature test operation started on April 1, 2026**

**Start of commercial operation scheduled for August 2026**

###### **2) Maximize the Group's comprehensive strengths**

- Strengthening the corporate structure by making strategic companies wholly owned subsidiaries, merging them by absorption, and integrating group companies

Pursuit of synergies in the measures implemented by fiscal 2025: Nippon Steel Trading becoming a subsidiary; Sanyo Special Steel becoming a wholly owned subsidiary; business integration of Nippon Steel Stainless Steel and of Nippon Steel Pipe; and Krosaki Harima becoming a wholly owned subsidiary (**tender offer completed in March 2026**)

**In the bars, wire rods and specialty steel products business, we decided on the integration of Sanyo Special Steel with us, with the aim of further expanding synergies.**

###### **3) Shifting management resources to growth areas in the non-steel segments to enhance its earnings structure**

- Nippon Steel Engineering Co., Ltd. started to consider the feasibility of a business integration with Kanadevia Corporation with the aim of profit growth in engineering business.

###### **4) Steady progress in initiatives toward carbon neutrality**

- Conversion of blast furnaces (BF) process to electric arc furnaces (EAF) process:

**The conversion project from the BF process to the EAF process in the Yawata Area: the groundbreaking ceremony was held on April 15, 2026**

- Market development initiatives to ensure predictable investment recovery: To spread and standardize GX Steel
- Implementing breakthrough technologies: **Kimitsu Area / Establishment of CO<sub>2</sub> reduction technology of hydrogen injection into BFs at the experimental BF(45% reduction), Hasaki R&D Center / Start-up of the experimental reduction furnace**

**(2) Overseas: Dramatically increase profit by implementing the global growth strategy****1) U. S. Steel**

- Plan to improve EBITDA by US\$3.0 billion per year from 2024 on a 2030 structural basis (operating synergies: US\$0.5 billion, impact of new capital expenditures: US\$2.5 billion). **Operational synergies of US\$0.2 billion per year are expected in 2026.**
- **A decision was made in April 2026 to build a new Big River / DRI plant. By May 2026, a strategic investment plan for approximately US\$3.2 billion was finalized.**

**2) Nippon Steel Slovakia / Ovako**

- **Transitioning integrated steel production bases to a direct equity investment structure to strengthen management and operations in Europe.**

**Nippon Steel Slovakia (NSSK): Transition from a U. S. Steel subsidiary to a directly owned our subsidiary and dispatch a CEO**

**Ovako: Transition to a directly owned subsidiary through integration of Sanyo Special Steel and the Company**

Aim to develop the European business, including the planning and execution of growth strategies in product segments from a long-term perspective

**3) AM/NS India**

- Capacity expansion at Hazira works (annual crude steel production capacity: Increase of approx. 6 million tons, from approx. 9 million tons to approx. 15 million tons per year)
- Upgrading product mix (Full-scale entry into the automotive market)
- **Construction of integrated Steel Plant in Andhra Pradesh, Southern India (Phase1 crude steel production capacity: 7 million tons): The groundbreaking ceremony was held on March 23, 2026**

**4) Raw material business**

- Ensuring a resilient profit structure that is less affected by market volatility through investments in raw material interests (Blackwater, EVR J/V etc.)

**(3) Promotion of operational reform and streamlining, and strengthening the competitiveness of human resources**

- Further review and reform of the organization, personnel, and work methods in Japan, and expanding the allocation of young personnel to overseas operations

**Currently dispatched more than 100 personnel, including short-term dispatch, to U. S. Steel**

Through organizational changes (sales, technology, overseas, etc.), promotion of cross-organizational measures, integration of operations, and implementation of shared services

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

- **Completed permanent financing arrangement for the acquisition of U. S. Steel through a series of fundraising activities including the committed subordinated term loan of ¥500.0 billion (September 2025), convertible bonds of ¥600.0 billion (March 2026), and JBIC co-financing of approx. ¥900.0 billion (March 2026)**
- Decided to set a minimum annual dividend of ¥24 per share (after the stock split) for the five years (fiscal 2026 - fiscal 2030) of the “2030 Medium- to Long-term Management Plan” from the perspective of increasing the predictability of dividends for shareholders and investors and enhancing the attractiveness of Nippon Steel’s shares.

End

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 Fiscal Year Ended March 31, 2026

### Japanese Steel Industry

#### 1. Crude Steel Production

(million tons)

	Q1		Q2		H1		Q3		Q4		H2		total
	Q1	Q2	H1	Q3	Q4	H2	Q3	Q4	H2	total			
FY 2024	21.25	20.59	41.84	20.72	20.40	41.12	82.95						
FY 2025	20.15	19.93	40.08	20.20	20.04	40.24	80.31						
FY 2026	(*)Approx.20.00												

(\*)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)
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.	2025	5.05	(170.7)	4.04	0.194
Oct.	2025	5.05	(169.4)	3.94	0.189
Nov.	2025	5.11	(182.5)	3.93	0.191
Dec.	2025	5.12	(185.6)	3.93	0.198
Jan.	2026	5.21	(188.1)	4.03	0.208
Feb.	2026	5.18	(184.9)	4.05	0.224
Mar. *3	2026	5.12	(161.1)	3.99	0.228

\*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)

	Q1		Q2		H1		Q3		Q4		H2		total
	Q1	Q2	H1	Q3	Q4	H2	Q3	Q4	H2				
FY 2024	8.58	8.39	16.98	8.52	8.35	16.87						33.85	
FY 2025	8.01	8.12	16.12	8.13	8.09	16.22						32.34	

Including Hokkai Iron & Coke Co., Ltd.

### 4. Crude Steel Production

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

(million tons)

	Q1		Q2		H1		Q3		Q4		H2		total
	Q1	Q2	H1	Q3	Q4	H2	Q3	Q4	H2				
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	13.68	13.87	27.55						50.48	
FY 2026(*2) (*3)			Approx.28.50			Approx.29.00						Approx.57.50	

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

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

(\*3) Not reflecting the impact of the Middle East situation.

(Non-consolidated basis)

(million tons)

	Q1		Q2		H1		Q3		Q4		H2		total
	Q1	Q2	H1	Q3	Q4	H2	Q3	Q4	H2				
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	8.60	8.51	17.11						33.88	
FY 2026(*2) (*3)			Approx.17.50			Approx.17.50						Approx.35.00	

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

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

(\*3) Not reflecting the impact of the Middle East situation.

### 5. Steel Products Shipment

(million tons)

	Q1		Q2		H1		Q3		Q4		H2		total
	Q1	Q2	H1	Q3	Q4	H2	Q3	Q4	H2				
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	7.84	7.84	15.68						31.16	
FY 2026(*2) (*3)			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.

(\*3) Not reflecting the impact of the Middle East situation.

## 6. Average Price of Steel Products

(thousands of yen / ton)

	Q1		H1	Q3		H2	total
	Q2	Q4					
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	138.3	143.0	140.7	139.6

(\*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)

(%)

	Q1		H1	Q3		H2	total
	Q2	Q4					
FY 2024(*1)	44	46	45	42	43	43	44
FY 2025(*2)	40	42	41	42	40	41	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

(¥/\$)

	Q1		H1	Q3		H2	total
	Q2	Q4					
FY 2024	155	153	154	149	154	152	153
FY 2025	145	147	146	153	155	154	150
FY 2026(*1)			Approx.155			Approx.155	Approx.155

(\*1) Not reflecting the impact of the Middle East situation.

## 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)	942.9	573.9
FY 2026(*2)	Approx. 1,430.0	Approx. 670.0

(\*1) The "Depreciation" includes amortization expenses related to intangible assets, excluding goodwill.

(\*2) Not including U. S. Steel in FY 2024. Including U. S. Steel in FY 2025 and FY 2026.