

Financial Results for the Cumulative Third Quarter of Fiscal 2025 and Forecast for the Full Fiscal Year

February 6, 2026
Kobe Steel, Ltd.

KOBELCO

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Financial Results for the Cumulative Third Quarter of Fiscal 2025

- In the materials businesses, demand in key sectors such as automotive, construction, and civil engineering remained roughly at the same level. Demand for construction machinery also continued to be sluggish, particularly in Japan and Europe.
- **Ordinary profit decreased year on year to 89.5 billion yen**, primarily due to cost increases centered on fixed costs and the elimination of compensation income in the construction machinery segment. **Profit attributable to owners of parent decreased year on year to 84.3 billion yen.**

Forecast for Fiscal 2025

- Full-year demand is expected to remain at a level similar to the previous forecast, as a significant recovery in demand is unlikely even in the fourth quarter.
- Despite a projected decrease in profit due to the deterioration in metal spreads and the extended statutory inspection period for the Kobe Power Plant No. 3 unit*, **the forecast for full-year ordinary profit and profit attributable to owners of parent remains unchanged at 110.0 billion yen and 100.0 billion yen respectively as previously forecast, primarily due to an expected increase in profits in the machinery businesses** and improvements in inventory valuation. ROIC is expected to remain at approx. 5%, as previously forecast.
- **The forecast for free cash flow has been revised upward to 110.0 billion yen**, reflecting the postponement of investments and other factors. The D/E ratio is expected to remain at approx. 0.65 times, as previously forecast.

* About the extended statutory inspection period for the Kobe Power Plant No. 3 unit

- A fixture for a large nut securing the high-pressure turbine had to be cut as an emergency measure to remove the nut, which could not be loosened. Considering the time required for the fabrication of a replacement large nut, we have extended the periodic inspection period. Due to the prolonged shutdown, we anticipate a decrease in earnings.
- We are in the process of coordinating with the relevant parties, with plans to resume operation around mid-May (extended from the originally scheduled mid-January).

Return to Shareholders

- The Company's policy of paying a year-end dividend of 40 yen per share (an annual dividend of 80 yen per share, with a dividend payout ratio of 31.5%) remains unchanged from the previous announcement.

Summary of Financial Results and Forecast



Financial Results for the Cumulative Third Quarter of Fiscal 2025

Fiscal 2025 Full-Year Earnings Forecast

	Year on year			Compared to the previous forecast	
Net Sales	1,778.0 billion yen	(105.9) billion yen	Net Sales	2,440.0 billion yen	(25.0) billion yen
Ordinary Profit (Loss)	89.5 billion yen	(43.3) billion yen	Ordinary Profit (Loss)	110.0 billion yen	—
Excluding Inventory Valuation	96.5 billion yen	(33.8) billion yen	Excluding Inventory Valuation	118.0 billion yen	(6.0) billion yen
Profit (Loss) Attributable to Owners of Parent	84.3 billion yen	(32.5) billion yen	Profit (Loss) Attributable to Owners of Parent	100.0 billion yen	—
			Free Cash Flow	110.0 billion yen	10.0 billion yen

Financial Indicators Fiscal 2025 Full-Year Earnings Forecast

- ROIC : Approx. 5% (the same as previously forecast)
- ROE : Approx. 8% (the same as previously forecast)
- Net assets ratio : Approx. 44% (the same as previously forecast)
- Gross D/E ratio : Approx. 0.65 times (the same as previously forecast)

Return to Shareholders

- Year-end dividend of 40 yen per share; annual dividend of 80 yen per share (the same as previously announced)

Financial Results for the Cumulative Third Quarter of Fiscal 2025



	FY2024 Actual		FY2025 Forecast (Current)		Change Cumulative 3Q ②-①
	Cumulative 3Q ①	Full Year	Cumulative 3Q ②	Full Year	
(Billions of yen)					
Net Sales	1,884.0	2,555.0	1,778.0	2,440.0	(105.9)
Operating Profit (Loss)	124.5	158.7	94.4	130.0	(30.0)
Ordinary Profit (Loss)	132.8	157.1	89.5	110.0	(43.3)
Excluding Inventory Valuation	130.3	156.1	96.5	118.0	(33.8)
Extraordinary Income (Losses)	* 22.4	(16.1)	18.1	20.0	(4.2)
Profit (Loss) Attributable to Owners of Parent	116.8	120.1	84.3	100.0	(32.5)

*The gain on bargain purchase included in extraordinary income (loss) has been retroactively revised to reflect the final amount, following the finalization of the provisional accounting at the end of the fourth quarter of fiscal 2024.

Net Sales

Net sales decreased year on year due to a decline in unit selling prices in the steel and electric power segments, affected by lower prices of primary raw materials for steel production and thermal coal for power generation, among other factors.

Ordinary Profit (Loss)

Ordinary profit decreased year on year due to several factors, including a deterioration in quantity mix and cost increases centered on fixed costs in the materials businesses, the elimination of compensation income in the construction machinery segment, reduced gains from time lags in fuel cost adjustment in the electric power segment, a deterioration in inventory valuation, among other factors.

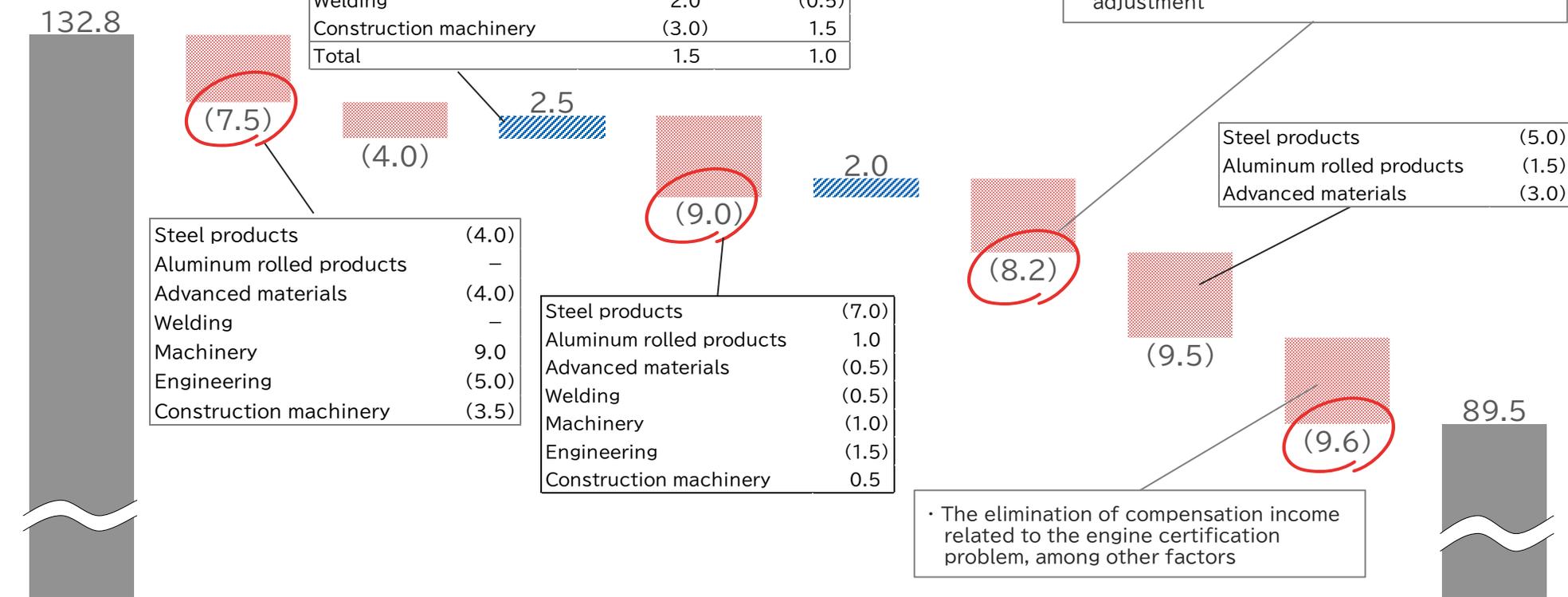
Profit (Loss) Attributable to Owners of Parent

Profit attributable to owners of parent decreased year on year due to a decline in ordinary profit.

Financial Results for the Cumulative Third Quarter of Fiscal 2025: Analysis of Ordinary Profit (Loss) (Year on year)

(43.3) billion yen

Business	Selling/ procurement prices	Exchange rates
Aluminum rolled products	0.5	-
Advanced materials	2.0	-
Welding	2.0	(0.5)
Construction machinery	(3.0)	1.5
Total	1.5	1.0



Steel products	(4.0)
Aluminum rolled products	-
Advanced materials	(4.0)
Welding	-
Machinery	9.0
Engineering	(5.0)
Construction machinery	(3.5)

Steel products	(7.0)
Aluminum rolled products	1.0
Advanced materials	(0.5)
Welding	(0.5)
Machinery	(1.0)
Engineering	(1.5)
Construction machinery	0.5

Steel products	(5.0)
Aluminum rolled products	(1.5)
Advanced materials	(3.0)

FY2024 3Q Quantity mix Selling prices/
raw material
prices
of steel
products Selling prices/
procurement
prices (other than
steel products) Increase or
decrease
in costs Subsidiaries
& affiliates Electric power Inventory
valuation Others FY2025
3Q

The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

Financial Results for the Cumulative Third Quarter of Fiscal 2025: Ordinary Profit (Loss) by Segment



	FY2024 3Q	FY2025 3Q	Change	
Steel Products	28.9	12.0	(16.8)	Down primarily due to a decrease in sales volume, a deterioration in metal spreads, cost increases centered on fixed costs and a deterioration in inventory valuation.
Excluding Inventory Valuation	31.9	20.0	(11.8)	
Aluminum Rolled Products	(2.5)	(2.4)	0.1	Up primarily due to cost improvements and the progress in cost pass-through, despite a reduction in inventory valuation gains.
Excluding Inventory Valuation	(5.0)	(3.4)	1.6	
Advanced Materials	7.6	1.3	(6.3)	Down primarily due to a decrease in sales volume centered on the automotive and semiconductor sectors and a reduction in inventory valuation gains, despite the progress in cost pass-through.
Excluding Inventory Valuation	4.6	1.3	(3.3)	
Welding	3.1	3.5	0.3	Up primarily due to the progress in cost pass-through.
Machinery	21.8	29.8	7.9	Up primarily due to increased sales, particularly in the energy and chemical sectors.
Engineering	13.9	9.1	(4.7)	Down primarily due to changes in the project composition.
Construction Machinery	21.6	6.9	(14.6)	Down primarily due to the elimination of compensation income related to the engine certification problem recorded in the previous fiscal year.
Electric Power	38.1	29.9	(8.2)	Down primarily due to reduced gains from time lags in fuel cost adjustments.

Highlighted in blue are the business units affected by demand fluctuations.

Automobile production

(Steel products, aluminum rolled products, aluminum extrusions, aluminum suspensions, copper rolled products, steel powder, and welding)

Demand, both in Japan and overseas, is **expected to remain similar to the previous forecast**.

IT and semiconductors

(Aluminum rolled products, aluminum castings and forgings, and copper rolled products)

HDD demand is **expected to remain similar to the previous forecast**, along with continued solid investment in data centers.

Semiconductor demand is **expected to fall below the previous forecast** due to a slower-than-expected recovery.

Shipbuilding

(Steel products, steel castings and forgings, and welding)

Demand is **expected to remain similar to the previous forecast** due to continued labor shortages and other factors, despite steady increase in the amount of construction work in hand.

Aircraft

(Titanium, and aluminum castings and forgings)

Demand is **expected to remain similar to the previous forecast**, along with continued robust demand for aging aircraft replacement and new aircraft construction, among other factors.

Beverage cans

(Aluminum rolled products)

Demand is **expected to fall below the previous forecast** due to higher prices and a network outage at a beverage manufacturer, among other factors.

Construction and civil engineering

(Steel products and welding)

Demand is **expected to remain similar to the previous forecast**, primarily due to continued postponements of construction affected by labor shortages and escalating construction costs.

Fiscal 2025 : Assumption of Business Environment for Machinery Businesses



(Machinery)

Energy and Chemistry

Demand is **expected to remain similar to the previous forecast**, despite continued postponements in investment decision-making due to market uncertainty.

General industry

Domestic demand is expected to remain steady.
Overseas demand is expected to remain sluggish, particularly in the Chinese and Southeast Asian markets.

(Construction machinery—Hydraulic excavators)

Japan

Demand is **expected to fall below the previous forecast** due to prolonged sluggish rental demand, among other factors.

China

Demand is **expected to fall below the previous forecast** due to a slowdown in the growth of demand for construction machinery in government-led farmland development projects, among other factors.

North America

Demand is **expected to exceed the previous forecast**, driven by robust infrastructure investment and other factors.

Europe

Demand is **expected to exceed the previous forecast** due to a recovery in demand mainly in the UK and Italy.

Southeast Asia

Demand is **expected to exceed the previous forecast** due to farmland development projects in Indonesia, among other factors.

Forecast for Fiscal 2025

(Billions of yen)	FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change ②-①
	1H	2H	Full Year ①	1H	2H	Full Year ②	
Net Sales	1,181.4	1,283.5	2,465.0	1,181.4	1,258.5	2,440.0	(25.0)
Operating Profit (Loss)	62.5	67.4	130.0	62.5	67.4	130.0	—
Ordinary Profit (Loss)	57.6	52.3	110.0	57.6	52.3	110.0	—
Excluding Inventory Valuation	64.1	59.8	124.0	64.1	53.8	118.0	(6.0)
Extraordinary Income (Losses)	17.9	2.0	20.0	17.9	2.0	20.0	—
Profit (Loss) Attributable to Owners of Parent	62.8	37.1	100.0	62.8	37.1	100.0	—

Net Sales

Net sales are expected to fall below the previous forecast due to a decrease in sales volume in the construction machinery segment and the extended statutory inspection period for the Kobe Power Plant No. 3 unit in the electric power segment, among other factors.

Ordinary Profit (Loss)

Despite a deterioration in metal spreads in the steel segment and the anticipated impact of the extended statutory inspection period for the Kobe Power Plant No. 3 unit, ordinary profit is expected to remain similar to the previous forecast due to an expected increase in profits in the machinery businesses and improvements in inventory valuation, among other factors.

Profit (Loss) Attributable to Owners of Parent

Profit attributable to owners of parent is expected to remain unchanged from the previous forecast, as are ordinary profit and extraordinary income.

The Risk of the U.S. Tariff

- The impact of the U.S. tariff policy on earnings is expected to be negative 1.5 billion yen for fiscal 2025.
- The current forecast projects an increase of 1.5 billion yen compared to the previous forecast, as there was no significant impact through the third quarter regarding the risk of a decline in the export volume of finished vehicles to the United States in the materials businesses, as previously anticipated.

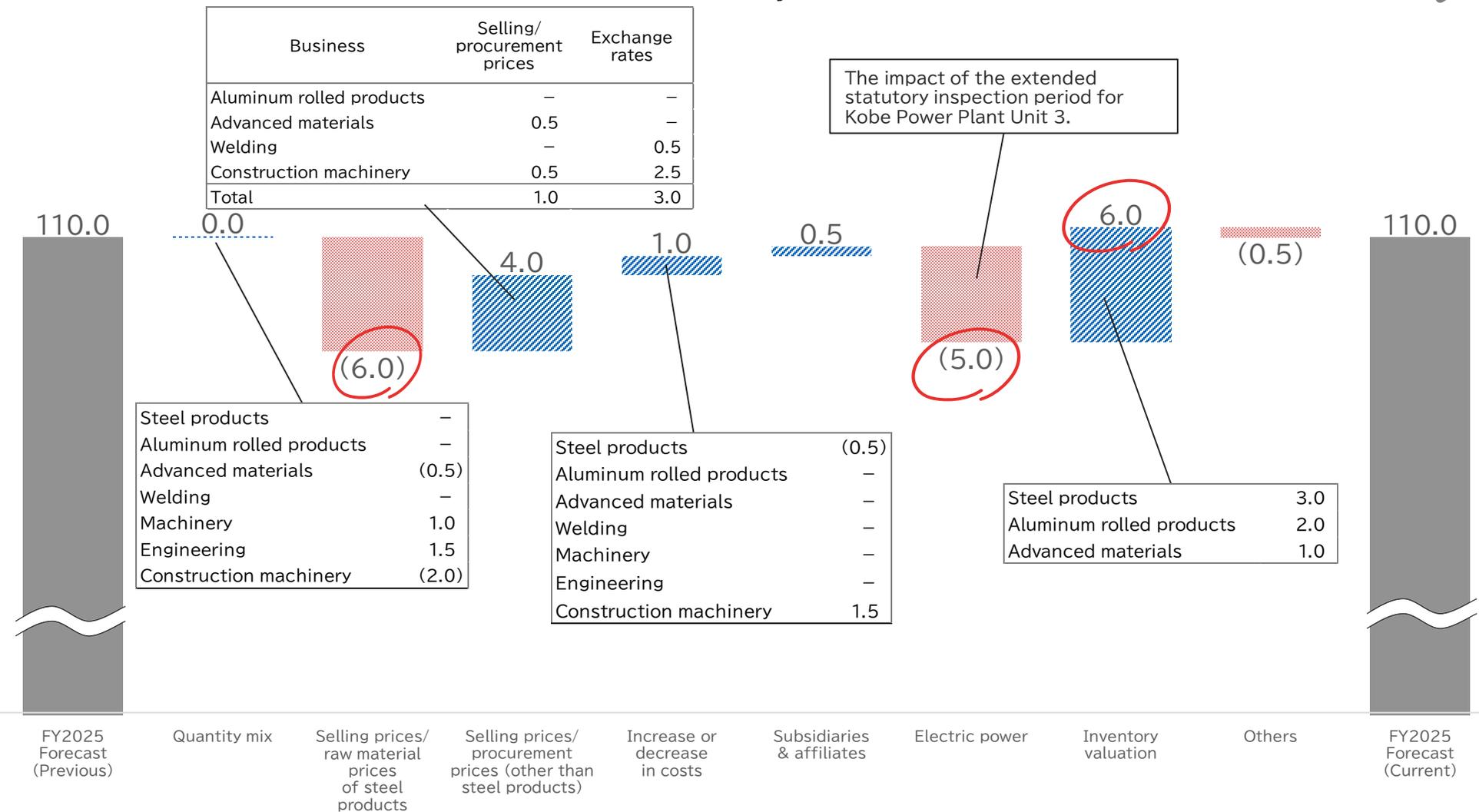
The Impact of the U.S. Tariff

(Billions of yen)

	Forecast (Previous)	Forecast (Current)			Anticipated Impact of the U.S. Tariff
	Full Year	1H	2H	Full Year	
Direct Export	(1.0)	(0.5)	(0.5)	(1.0)	<ul style="list-style-type: none"> • The tariff burden (including the impact of tariffs on steel and aluminum products) imposed on U.S. distributors of construction machinery • The costs associated with the tariff burden passed on to selling prices
Indirect Export	(1.5)	—	—	—	(No significant impact)
Others	(0.5)	(0.5)	—	(0.5)	<ul style="list-style-type: none"> • The tariff burden imposed on imported goods to be borne by U.S. subsidiaries (excluding distributors), among other factors
Total	(3.0)	(1.0)	(0.5)	(1.5)	

Forecast for Fiscal 2025 : Analysis of Ordinary Profit (Loss) (Compared to previous forecast)

0.0 billion yen



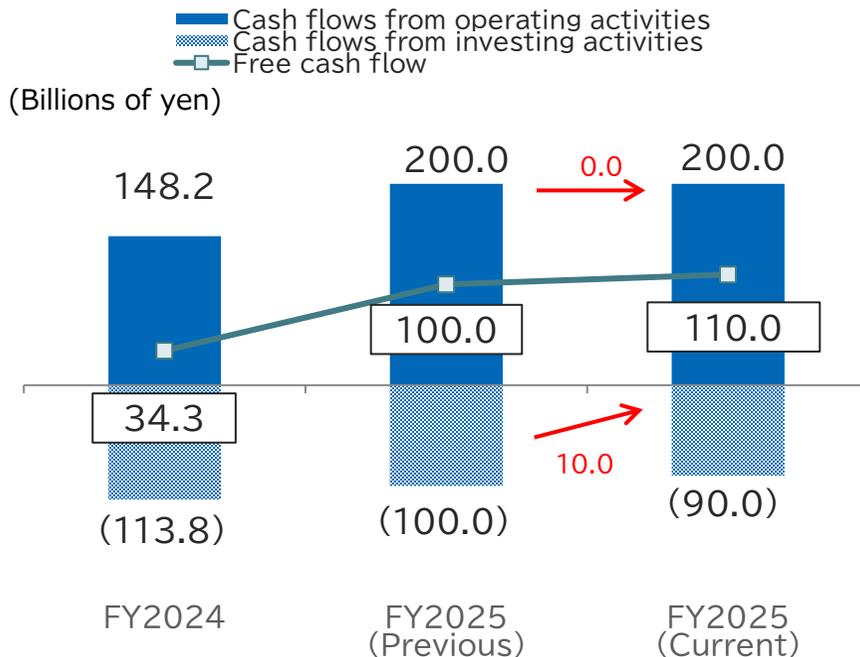
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

Forecast for Fiscal 2025 : Ordinary Profit (Loss) by Segment

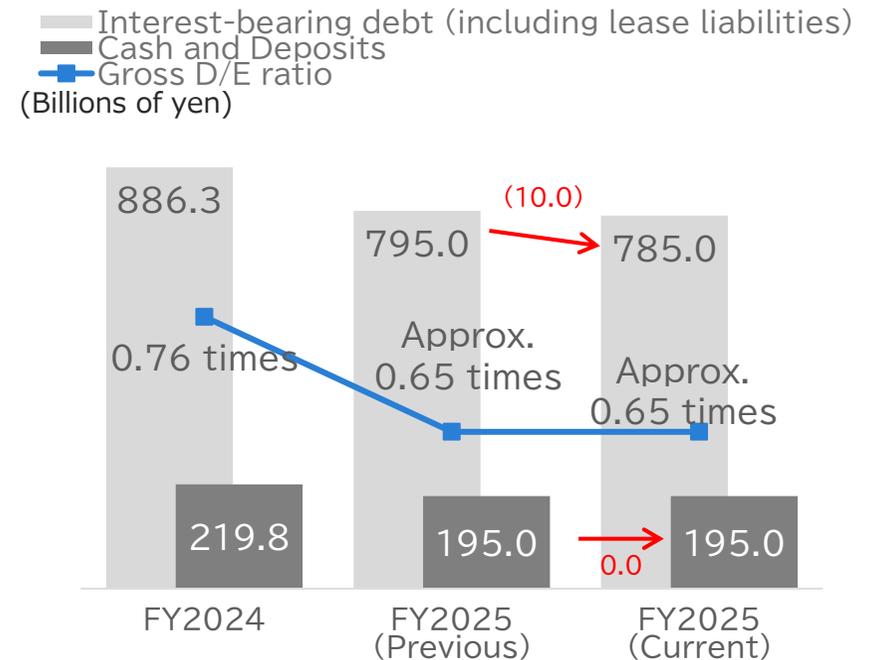
	FY2025 (Previous)	FY2025 (Current)	Change	
Steel Products	4.5	2.5	(2.0)	Down from the previous forecast, primarily due to a deterioration in metal spreads resulting from higher raw material prices, despite improvements in inventory valuation.
Excluding Inventory Valuation	18.0	13.0	(5.0)	
Aluminum Rolled Products	(4.5)	(2.5)	2.0	Up from the previous forecast, primarily due to improvements in inventory valuation resulting from higher aluminum ingot market prices.
Excluding Inventory Valuation	(3.5)	(3.5)	—	
Advanced Materials	5.0	6.0	1.0	Up from the previous forecast, primarily due to improvements in selling prices and inventory valuation, despite an anticipated decrease in sales volume for the semiconductor sector.
Excluding Inventory Valuation	4.5	4.5	—	
Welding	5.0	5.5	0.5	Up from the previous forecast, primarily due to improvements in export profitability resulting from the depreciation of the yen.
Machinery	40.0	41.0	1.0	Up from the previous forecast, primarily due to improvements in project profitability, particularly in the energy and chemical sectors.
Engineering	12.0	13.5	1.5	Up from the previous forecast, primarily due to improvements in project profitability, mainly at consolidated subsidiaries.
Construction Machinery	8.5	12.5	4.0	Up from the previous forecast, primarily due to improvements in export profitability resulting from the depreciation of the yen and cost improvements centered on fixed costs, despite an anticipated decrease in sales volume.
Electric Power	36.0	31.0	(5.0)	Down from the previous forecast, primarily due to the extended statutory inspection period for the Kobe Power Plant No. 3 unit.

- Free cash flow is expected to increase by 10.0 billion yen from the previous forecast to 110.0 billion yen due to a decrease in cash flows from investing activities resulting from a change in the timing of payments for capital investments, among other factors.
- Balance of interest-bearing debt is expected to decrease by 10.0 billion yen from the previous forecast, primarily due to improvements in free cash flow. The D/E ratio is expected to be approx. 0.65 times.

Cash Flow



Gross D/E ratio



The Company's policy of paying a year-end dividend of 40 yen (an annual dividend of 80 yen) per share remains unchanged from the previous announcement.

Return policy

Kobe Steel determines dividends taking its financial condition, business performance, future capital needs and other factors into overall consideration with the aim of paying dividends on a continuous and steady basis in principle.

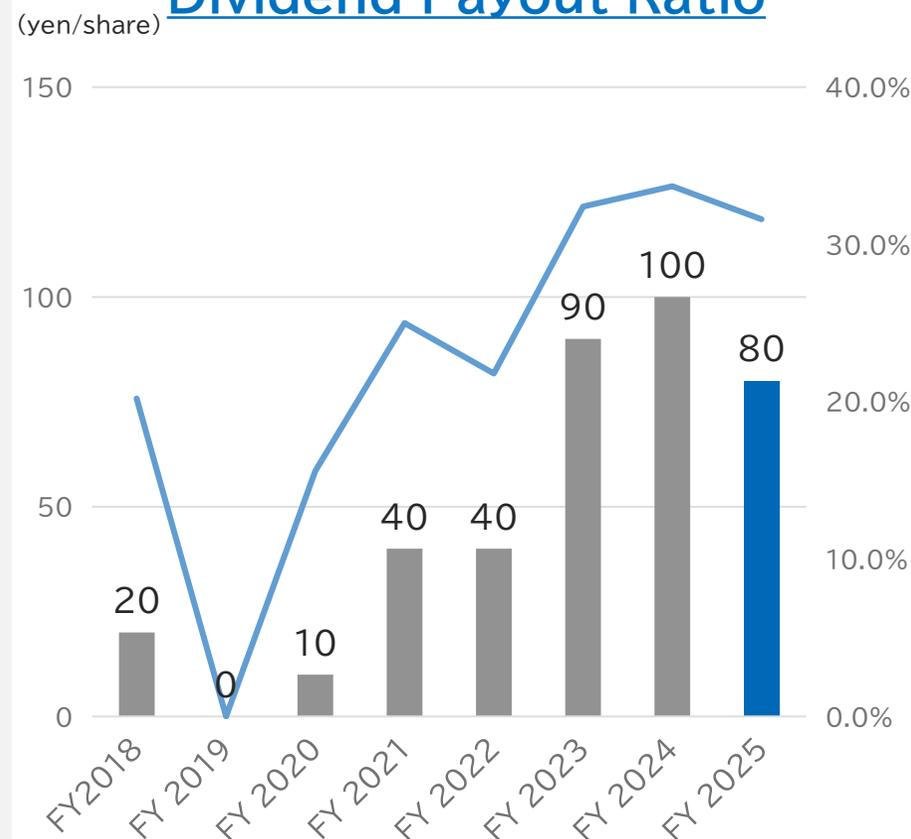
Medium-Term Management Plan (Fiscal 2024–2026)

Dividend payout ratio: approx. 30%

Dividend (yen/share)
Dividend Payout Ratio (%)

FY2024		FY2025	
Interim	Year-end	Interim	Year-end
45 yen	55 yen	40 yen	40 yen
100 yen		80 yen	
32.8%		31.5%	

Dividend and Dividend Payout Ratio



Segment Information

Financial Results for the Cumulative Third Quarter of Fiscal 2025 and Forecast for Fiscal 2025



(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year ①	1H	3Q	4Q	2H	Full Year ②	Cumulative 3Q	Full Year ②-①
Steel & Aluminum	845.7	1,116.1	506.0	493.9	1,000.0	506.0	245.8	244.1	489.9	996.0	751.8	(4.0)
Advanced Materials	233.7	317.1	154.3	178.6	333.0	154.3	83.4	94.2	177.6	332.0	237.7	(1.0)
Welding	69.9	93.9	46.1	48.8	95.0	46.1	24.5	24.3	48.8	95.0	70.6	–
Machinery	180.8	265.1	129.0	161.9	291.0	129.0	64.8	92.1	156.9	286.0	193.8	(5.0)
Engineering	111.2	174.8	73.9	119.0	193.0	73.9	49.1	69.9	119.0	193.0	123.0	–
Construction Machinery	293.9	388.0	188.0	210.9	399.0	188.0	99.1	102.7	201.9	390.0	287.2	(9.0)
Electric Power	190.8	258.8	113.4	100.5	214.0	113.4	44.1	47.4	91.5	205.0	157.5	(9.0)
Other Businesses	6.5	8.9	2.5	3.9	6.5	2.5	1.7	1.6	3.4	6.0	4.3	(0.5)
Adjustment	(48.8)	(67.9)	(32.0)	(34.4)	(66.5)	(32.0)	(16.1)	(14.8)	(30.9)	(63.0)	(48.1)	3.5
Net Sales	1,884.0	2,555.0	1,181.4	1,283.5	2,465.0	1,181.4	596.6	661.9	1,258.5	2,440.0	1,778.0	(25.0)
Operating Profit (Loss)	124.5	158.7	62.5	67.4	130.0	62.5	31.8	35.5	67.4	130.0	94.4	–
Steel & Aluminum	26.4	23.6	6.5	(6.5)	0.0	6.5	3.0	(9.6)	(6.5)	0.0	9.6	–
Advanced Materials	7.6	10.7	0.8	4.1	5.0	0.8	0.4	4.6	5.1	6.0	1.3	1.0
Welding	3.1	5.2	2.0	2.9	5.0	2.0	1.5	1.9	3.4	5.5	3.5	0.5
Machinery	21.8	32.5	18.6	21.3	40.0	18.6	11.1	11.1	22.3	41.0	29.8	1.0
Engineering	13.9	16.1	2.9	9.0	12.0	2.9	6.1	4.3	10.5	13.5	9.1	1.5
Construction Machinery	21.6	18.7	3.6	4.8	8.5	3.6	3.3	5.5	8.8	12.5	6.9	4.0
Electric Power	38.1	52.3	23.5	12.4	36.0	23.5	6.3	1.0	7.4	31.0	29.9	(5.0)
Other Businesses	3.2	3.8	1.3	3.6	5.0	1.3	1.1	2.9	4.1	5.5	2.5	0.5
Adjustment	(3.2)	(6.0)	(1.9)	0.4	(1.5)	(1.9)	(1.5)	(1.4)	(3.0)	(5.0)	(3.5)	(3.5)
Ordinary Profit (Loss)	132.8	157.1	57.6	52.3	110.0	57.6	31.8	20.4	52.3	110.0	89.5	–
Excluding Inventory Valuation	130.3	156.1	64.1	59.8	124.0	64.1	32.3	21.4	53.8	118.0	96.5	(6.0)
Extraordinary Income (Losses)	22.4	(16.1)	17.9	2.0	20.0	17.9	0.2	1.8	2.0	20.0	18.1	–
Profit (Loss) Attributable to Owners of Parent	116.8	120.1	62.8	37.1	100.0	62.8	21.5	15.6	37.1	100.0	84.3	–

(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change	
	Cumulative 3Q	Full Year	1H	2H	Full Year ①	1H	3Q	4Q	2H	Full Year ②	Cumulative 3Q	Full Year ②-①	
Net Sales	695.4	914.4	417.8	406.1	824.0	417.8	204.8	194.3	399.1	817.0	622.6	(7.0)	
Ordinary Profit (Loss)	28.9	24.3	8.5	(4.0)	4.5	8.5	3.5	(9.5)	(6.0)	2.5	12.0	(2.0)	
Excluding Inventory Valuation	31.9	29.8	16.5	1.4	18.0	16.5	3.5	(7.0)	(3.5)	13.0	20.0	(5.0)	
Crude steel production*1	(Millions of tons)	4.53	5.96	2.93	2.87	5.80	2.93	1.43	1.45	2.87	5.80	4.35	-
Sales volume of steel products*2	(Millions of tons)	3.56	4.72	2.31	2.29	4.60	2.31	1.17	1.12	2.29	4.60	3.48	-
Domestic		2.73	3.63	1.85		1.85	0.92				2.76		
Exports		0.83	1.09	0.46		0.46	0.25				0.72		
Export ratio (value basis)		23%	23%	20%		20%	22%				21%		
Average steel selling price	(Thousands of yen/ton)	147	144	135		135	132				134		

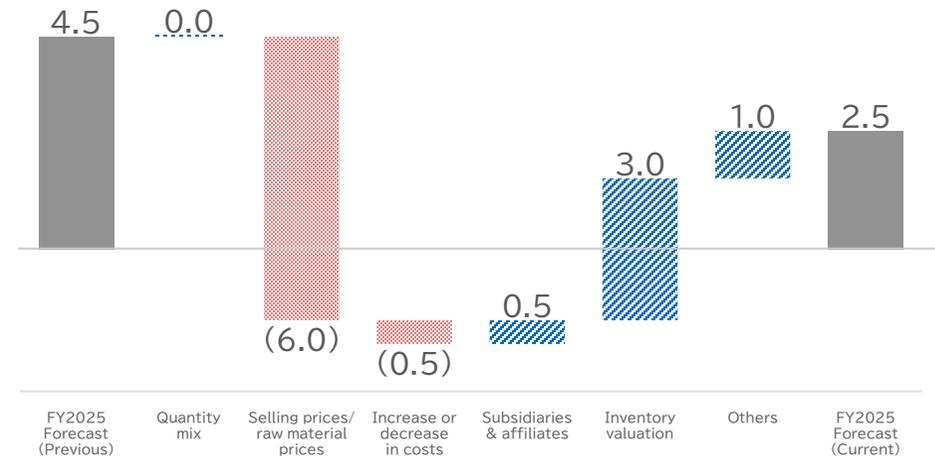
*1 Includes production volume through electric arc furnaces at Takasago Works

*2 Non-consolidated basis

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)



Forecast for Fiscal 2025 (Compared to the previous forecast)



The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

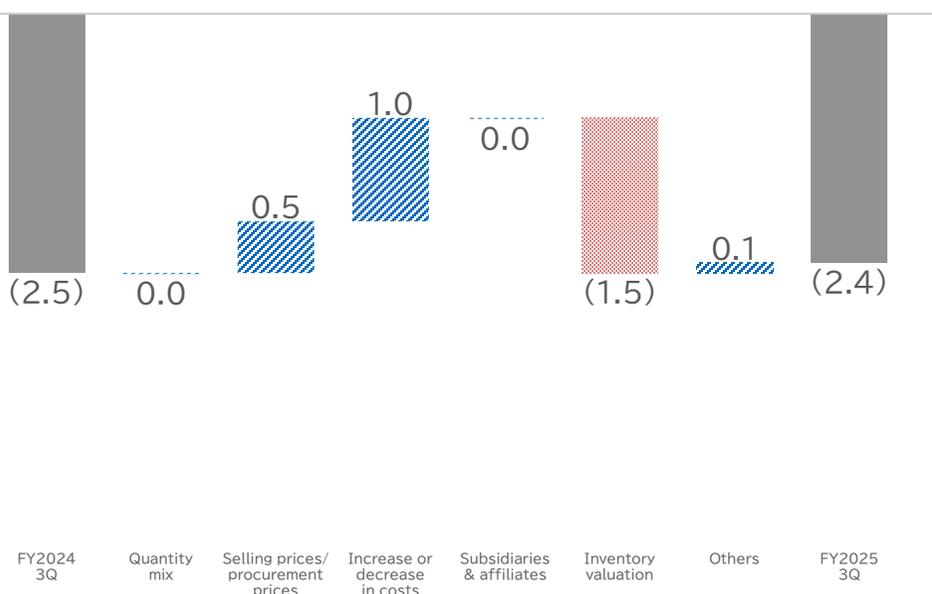
Aluminum Rolled Products

(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year ①	1H	3Q	4Q	2H	Full Year ②	Cumulative 3Q	Full Year ②-①
Net Sales	150.3	201.7	88.1	87.8	176.0	88.1	40.9	49.8	90.8	179.0	129.1	3.0
Ordinary Profit (Loss)	(2.5)	(0.6)	(1.9)	(2.5)	(4.5)	(1.9)	(0.4)	(0.0)	(0.5)	(2.5)	(2.4)	2.0
Excluding Inventory Valuation	(5.0)	(3.6)	(2.9)	(0.5)	(3.5)	(2.9)	(0.4)	(0.0)	(0.5)	(3.5)	(3.4)	-
Sales volume of aluminum rolled products* (Thousands of tons)	231	307	135	135	270	135	61	74	135	270	196	-
Domestic	163	219	111			111	50				162	
Exports	67	88	23			23	11				34	

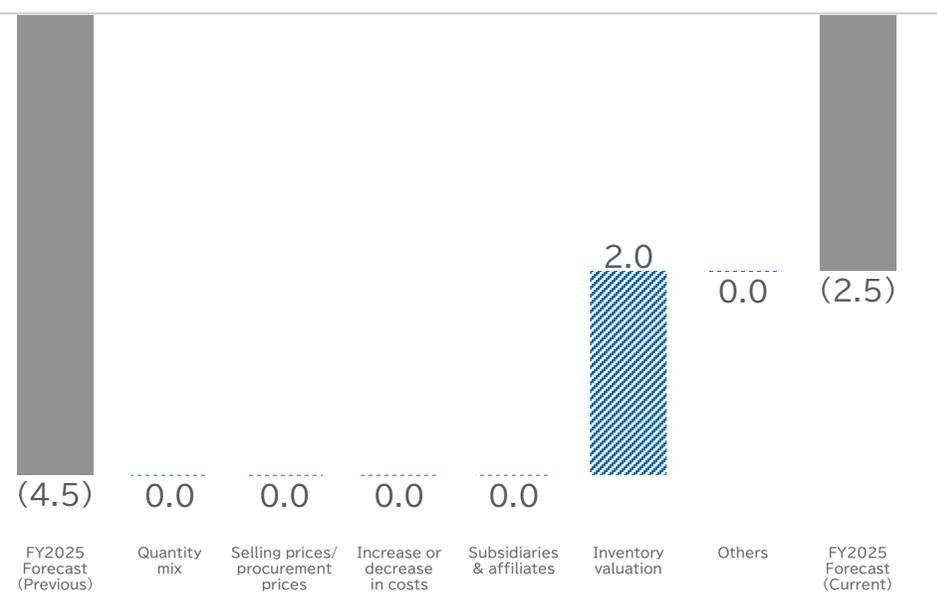
* Consolidated basis

Note: In 2025, Kobelco Automotive Aluminum Rolled Products (China) Co., Ltd. transitioned from a subsidiary to an affiliate (not included in net sales and sales volume).

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)



Forecast for Fiscal 2025 (Compared to the previous forecast)



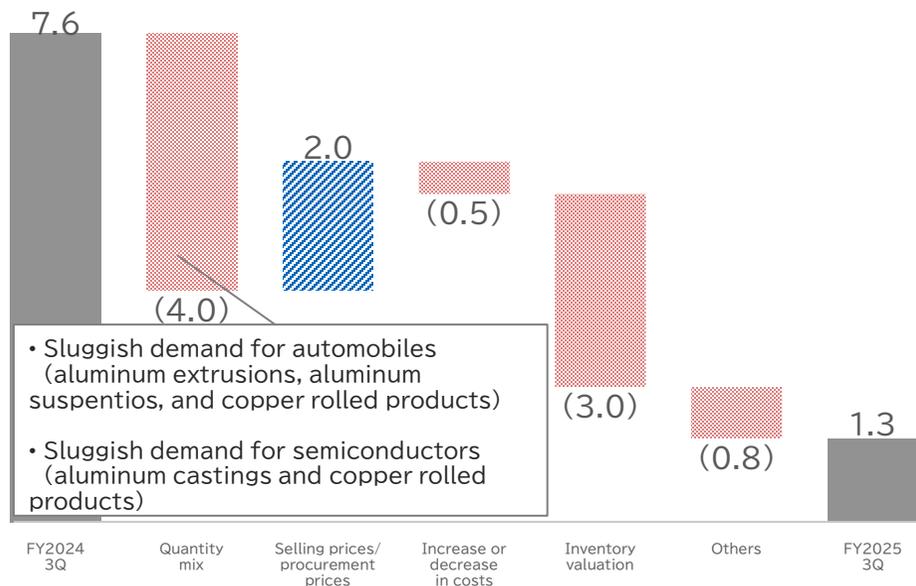
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q	Full Year
(Billions of yen)					①					②		②-①
Net Sales	233.7	317.1	154.3	178.6	333.0	154.3	83.4	94.2	177.6	332.0	237.7	(1.0)
Ordinary Profit (Loss)	7.6	10.7	0.8	4.1	5.0	0.8	0.4	4.6	5.1	6.0	1.3	1.0
Excluding Inventory Valuation	4.6	7.2	0.3	4.1	4.5	0.3	0.9	3.1	4.1	4.5	1.3	-
Sales volume of aluminum extrusions*1 (Thousands of tons)	29	38	17	19	36	17	10	10	20	37	27	1
Domestic	22	30	13			13	7				21	
Exports	6	8	4			4	2				6	
Sales volume of copper rolled products*2 (Thousands of tons)	40	53	25	31	56	25	15	15	30	55	40	(1)

*1 Consolidated basis

*2 Non-consolidated basis

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)



Forecast for Fiscal 2025 (Compared to the previous forecast)



The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year ①	1H	3Q	4Q	2H	Full Year ②	Cumulative 3Q	Full Year ②-①
Net Sales	69.9	93.9	46.1	48.8	95.0	46.1	24.5	24.3	48.8	95.0	70.6	-
Ordinary Profit (Loss)	3.1	5.2	2.0	2.9	5.0	2.0	1.5	1.9	3.4	5.5	3.5	0.5
Sales volume of welding materials* (Thousands of tons)	168	227	112	119	230	112	58	56	114	225	170	(5)
Domestic	70	92	45			45	23				68	
Exports	98	134	67			67	35				102	

* Consolidated basis

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)

Sales Volume Domestic :
Decreased due to declining demand for construction and automobiles.
Export :
Increased due to an increase in demand in China, among other factors.

Selling Prices Increased due to the progress in cost pass-through, among other factors.

Cost Increased centered on fixed costs such as labor costs.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Sales Volume Domestic :
Expected to remain similar to the previous forecast.
Export :
Expected to decrease due to declining demand in Thailand, Europe and the U.S.

Selling Prices Expected to increase due to the depreciation of the yen.

Cost Expected to remain similar to the previous forecast.

(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year ①	1H	3Q	4Q	2H	Full Year ②	Cumulative 3Q	Full Year ②-①
Net Sales	180.8	265.1	129.0	161.9	291.0	129.0	64.8	92.1	156.9	286.0	193.8	(5.0)
Ordinary Profit (Loss)	21.8	32.5	18.6	21.3	40.0	18.6	11.1	11.1	22.3	41.0	29.8	1.0
Orders	177.3	262.5	123.3	146.6	270.0	123.3	58.9	77.7	136.6	260.0	182.2	(10.0)
Backlog of Orders	245.6	254.4	238.5			238.5	232.3					

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)

Orders

Increased due to strong demand for isostatic pressing (IP) equipment.

Ordinary Profit (Loss)

Increased primarily due to increased sales, particularly in the energy and chemical sectors.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Orders

Expected to decrease primarily due to delays in projects in the energy and chemical sectors.

Ordinary Profit (Loss)

Expected to increase primarily due to improvements in project profitability, particularly in the energy and chemical sectors.

(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q	Full Year
					①					②		②-①
Net Sales	111.2	174.8	73.9	119.0	193.0	73.9	49.1	69.9	119.0	193.0	123.0	-
Ordinary Profit (Loss)	13.9	16.1	2.9	9.0	12.0	2.9	6.1	4.3	10.5	13.5	9.1	1.5
Orders	82.4	164.7	88.4	106.5	195.0	88.4	21.5	59.9	81.5	170.0	110.0	(25.0)
Backlog of Orders	411.1	441.9	445.0			445.0	427.8					

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)

Orders

Increased primarily due to orders for large-scale projects in the DRI-related business.

Ordinary Profit (Loss)

Decreased primarily due to changes in the project composition.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Orders

Expected to decrease primarily due to a change in the timing of orders for large-scale projects in the DRI-related business.

Ordinary Profit (Loss)

Expected to increase primarily due to improvements in project profitability, mainly at consolidated subsidiaries.

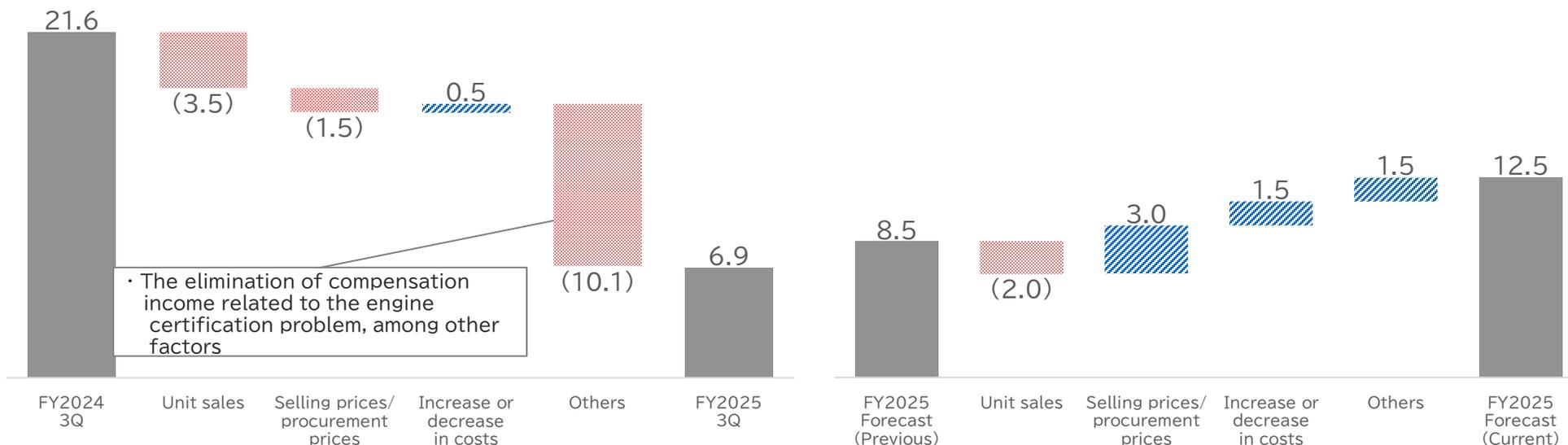
(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q	Full Year
Net Sales	293.9	388.0	188.0	210.9	399.0	188.0	99.1	102.7	201.9	390.0	287.2	(9.0)
Ordinary Profit (Loss)	21.6	18.7	3.6	4.8	8.5	3.6	3.3	5.5	8.8	12.5	6.9	4.0
Unit sales of hydraulic excavators*1 (Thousands of units)	15.4	20.3	10.3	11.7	22.0	10.3	5.1	5.6	10.6	20.9	15.4	(1.1)
Domestic	4.8	6.6	2.6			2.6	1.3				3.9	
Exports	10.6	13.7	7.8			7.8	3.8				11.5	
Unit sales of crawler cranes*2 (Units)	257	374	154	186	340	154	84	92	176	330	238	(10)

*1 Consolidated basis (including mini-excavators)

*2 Consolidated basis

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)

Forecast for Fiscal 2025 (Compared to the previous forecast)



(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025	Change
	Cumulative 3Q	Full Year	1H	2H	Full Year ①	1H	3Q	4Q	2H	Full Year ②	Cumulative 3Q	Full Year ②-①
Net Sales	190.8	258.8	113.4	100.5	214.0	113.4	44.1	47.4	91.5	205.0	157.5	(9.0)
Ordinary Profit (Loss)	38.1	52.3	23.5	12.4	36.0	23.5	6.3	1.0	7.4	31.0	29.9	(5.0)
Time lags in fuel cost adjustments	4.0	5.0	1.0	0.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	-
Effect of temporary gains/losses from changes in electricity selling prices	2.0	5.0	1.0	0.0	1.0	1.0	0.0	0.0	0.0	1.0	1.0	-

Financial Results for the Cumulative Third Quarter of Fiscal 2025 (Year on year)

Sales Volume Decreased primarily due to increased statutory inspection days at the Moka Power Plant, as required by law.

Unit Selling Price Decreased due to fluctuations in coal prices.

Ordinary Profit (Loss) Decreased primarily due to reduced gains from time lags in fuel cost adjustments.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Sales Volume Expected to decrease primarily due to the extended statutory inspection period for the Kobe Power Plant No. 3 unit.

Unit Selling Price Expected to remain similar to the previous forecast.

Ordinary Profit (Loss) Expected to decrease primarily due to a decrease in sales volume resulting from the extended statutory inspection period for the Kobe Power Plant No. 3 unit.

Reference Information

Exchange Rate Assumption

	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q
1 U.S. dollar to yen	153.0	152.6	146.1	145.0	145.6	146.1	155.8	150.0	152.9	149.5	149.3
1 Chinese yuan to yen	21.2	21.1	20.3	20.0	20.2	20.3	22.1	21.0	21.6	20.9	20.9
1 euro to yen	165.1	163.7	168.7	170.0	169.3	168.7	181.4	175.0	178.2	173.4	172.9

Analysis of exchange rate sensitivity

Impact of the 1 yen depreciation against the U.S. dollar on future business performance

Steel products : No significant impact

(Impact of dollar balance: (0.1) billion yen

Inventory valuation, cost pass-through to selling prices, etc.: 0.1 billion yen)

Construction machinery : No significant impact

Impact of the 1 yen depreciation against the euro on future business performance

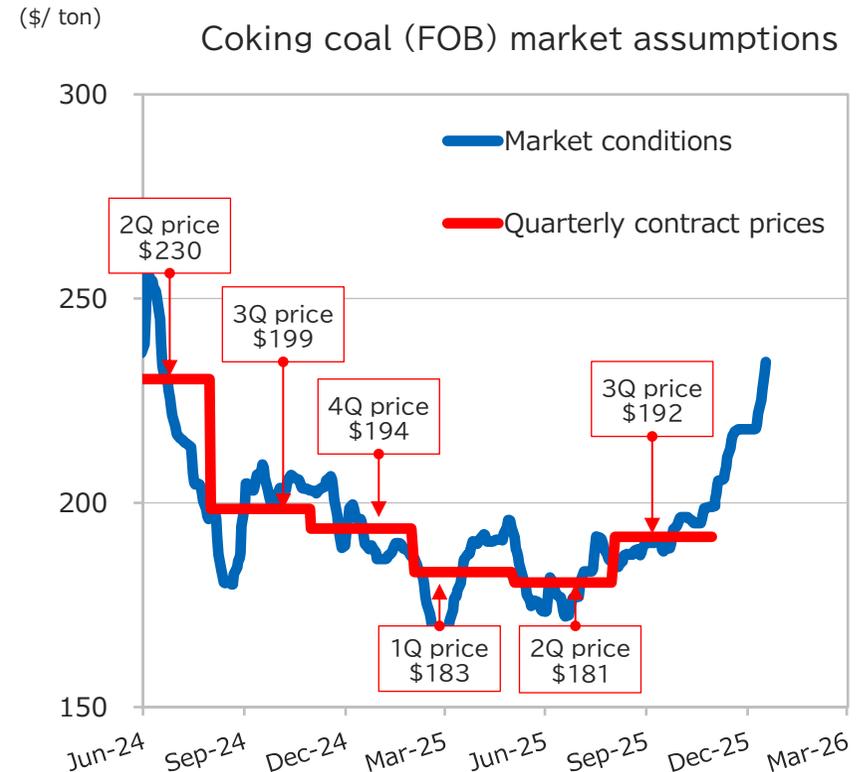
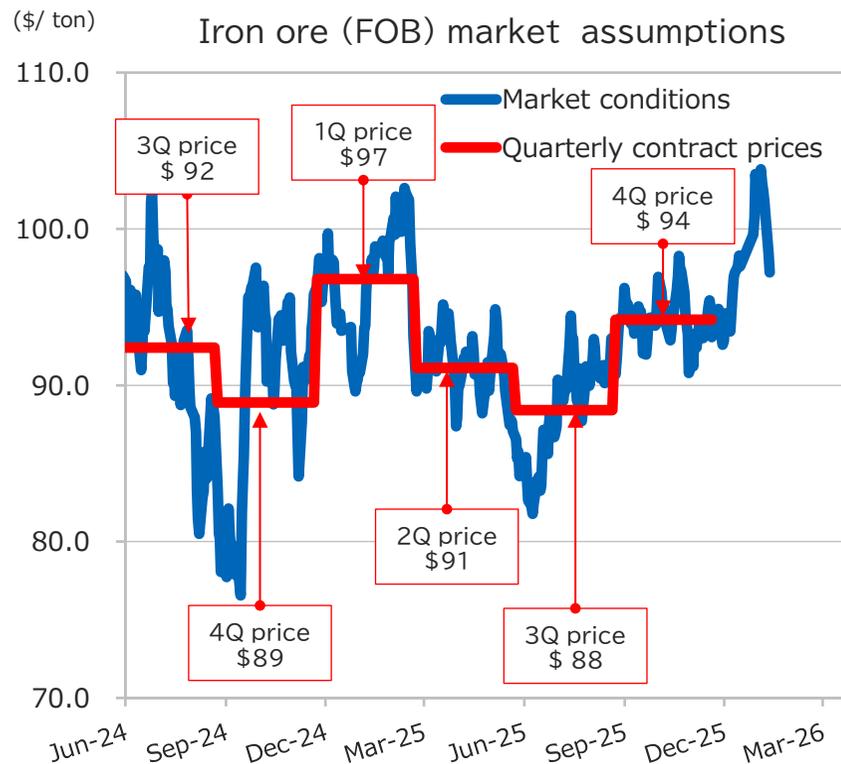
Construction machinery : No significant impact

Raw Material Market Assumption

Iron ore The price for fiscal 2025 4Q has been settled at \$94.

Coking coal The price for fiscal 2025 3Q has been settled at \$192.
The price level for fiscal 2025 4Q is assumed to be similar to the fiscal 2025 3Q level.

Thermal coal From October to December 2025, the price was around \$110.
The price level for fiscal 2025 4Q is assumed to remain at the current level.



Inventory Valuation



(Billions of yen)

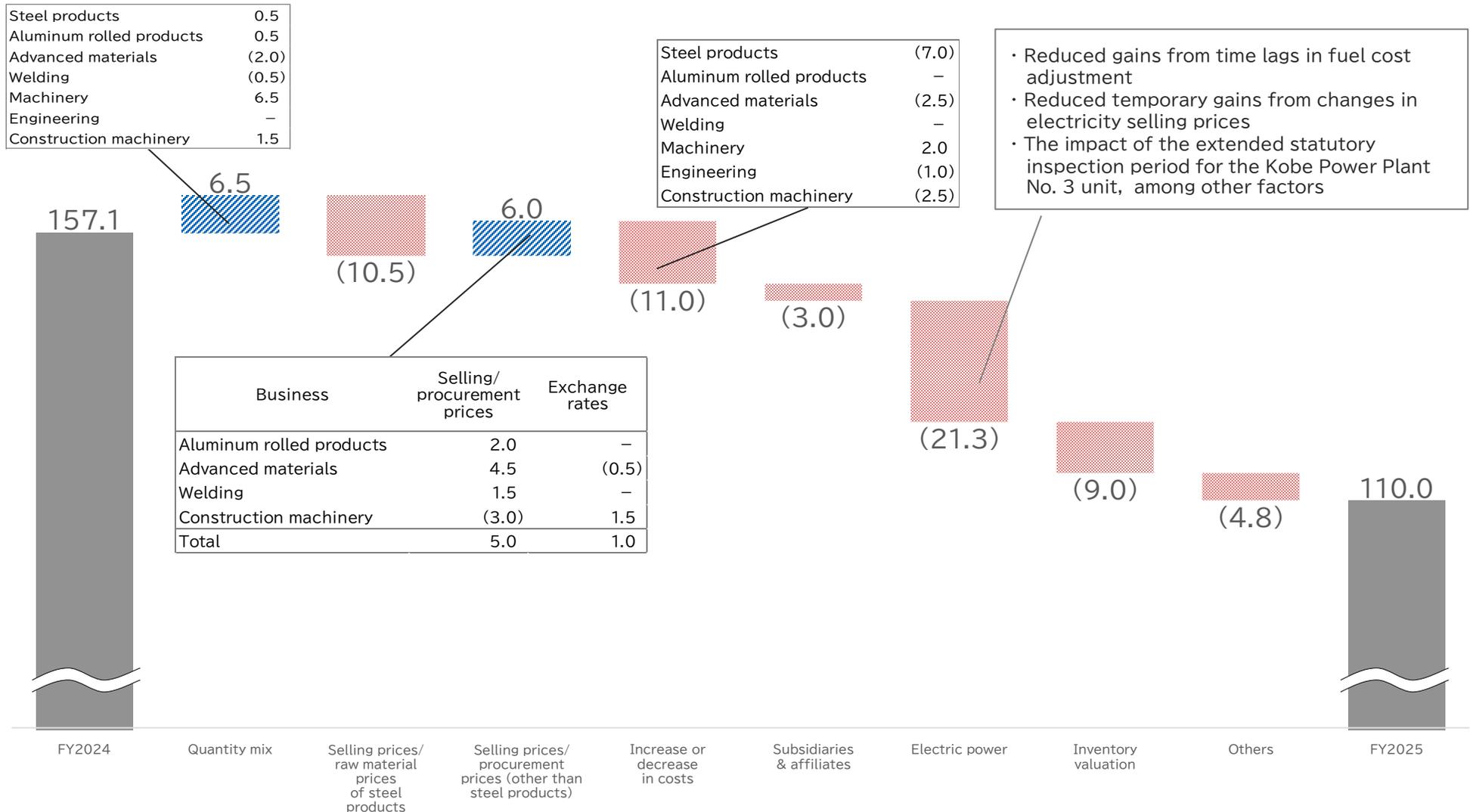
Steel Products	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q
Iron ore	(3.0)	(3.5)	0.5	(1.0)	(0.5)	0.5	(0.5)	1.0	0.5	1.0	0.0
Coal	(3.5)	(3.5)	(0.5)	0.0	(0.5)	(0.5)	0.5	0.0	0.5	0.0	0.0
Carry over	(6.5)	(7.0)	0.0	(1.0)	(1.0)	0.0	0.0	1.0	1.0	1.0	0.0
Average method	(1.5)	(3.5)	(8.0)	(4.5)	(12.5)	(8.0)	(1.5)	0.0	(1.5)	(9.5)	(9.5)
Lower-of-cost-or market method	(1.5)	(2.0)	0.0	(1.0)	(1.0)	0.0	1.5	(2.5)	(1.0)	(1.0)	1.5
Inventory valuation	(3.0)	(5.5)	(8.0)	(5.5)	(13.5)	(8.0)	0.0	(2.5)	(2.5)	(10.5)	(8.0)

Aluminum Rolled Products	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q
Average method	2.0	2.5	1.5	(2.0)	(0.5)	1.5	(0.5)	0.5	0.0	1.5	1.0
Lower-of-cost-or market method	0.5	0.5	(0.5)	0.0	(0.5)	(0.5)	0.5	(0.5)	0.0	(0.5)	0.0
Inventory valuation	2.5	3.0	1.0	(2.0)	(1.0)	1.0	0.0	0.0	0.0	1.0	1.0

Advanced Materials	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)					FY2025
	Cumulative 3Q	Full Year	1H	2H	Full Year	1H	3Q	4Q	2H	Full Year	Cumulative 3Q
Average method	4.0	3.5	2.0	(0.5)	1.5	2.0	0.0	1.0	1.0	3.0	2.0
Lower-of-cost-or market method	(1.0)	0.0	(1.5)	0.5	(1.0)	(1.5)	(0.5)	0.5	0.0	(1.5)	(2.0)
Inventory valuation	3.0	3.5	0.5	0.0	0.5	0.5	(0.5)	1.5	1.0	1.5	0.0

Forecast for Fiscal 2025 : Analysis of Ordinary Profit (Loss) (Compared to fiscal 2024)

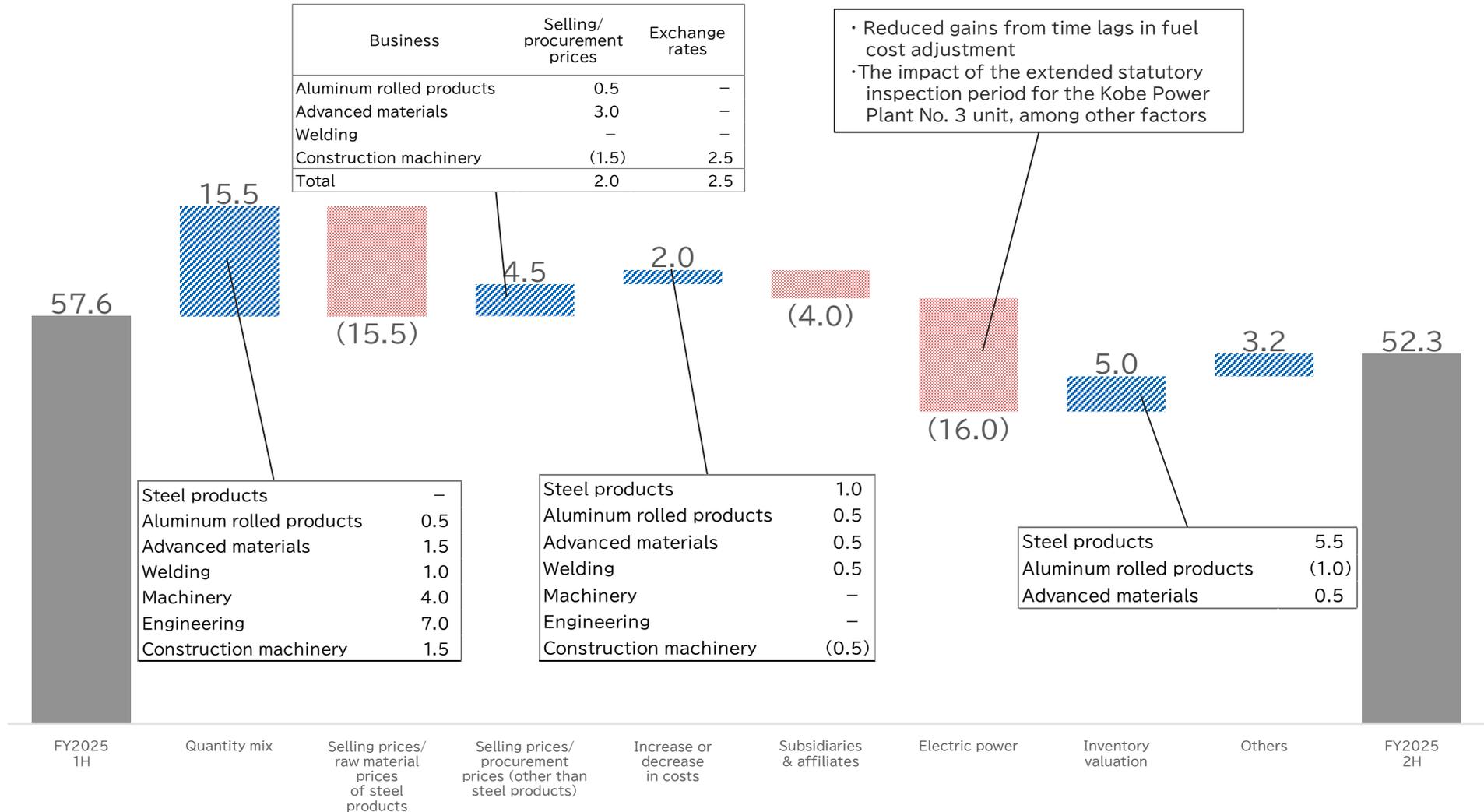
(47.1) billion yen



The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

Forecast for Fiscal 2025 : Breakdown of Differences Between the First and Second Half

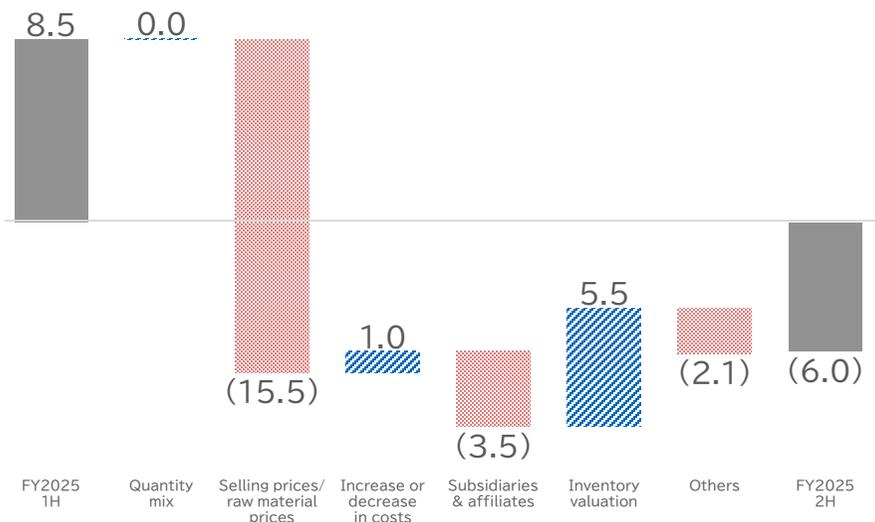
(5.3) billion yen



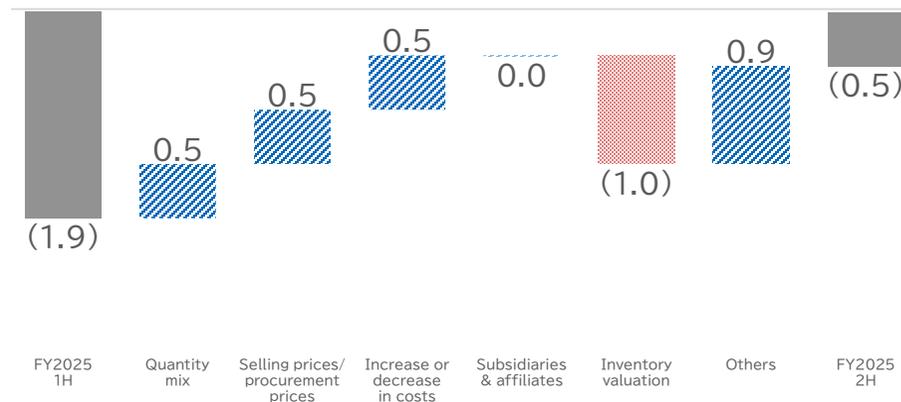
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

Breakdown of Differences between the First Half and the Second Half of Fiscal 2025 (Primary Segments)

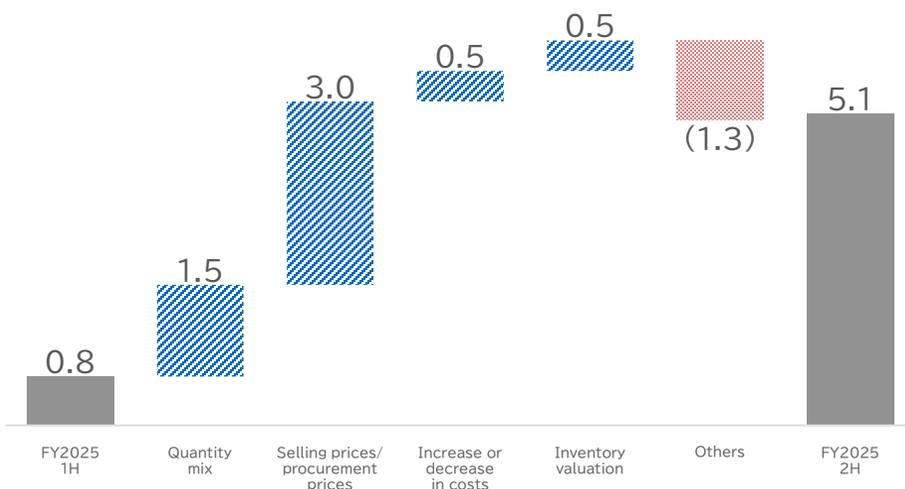
Steel Products



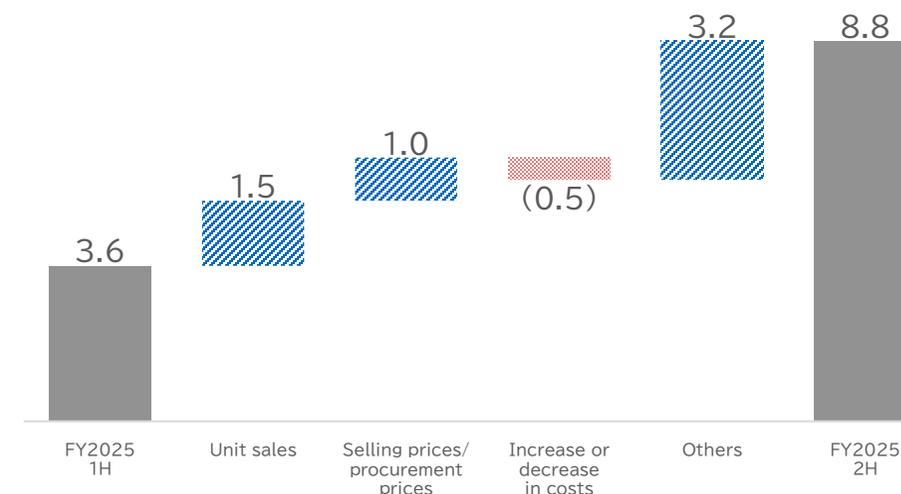
Aluminum Rolled Products



Advanced Materials



Construction Machinery



The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

Financial Results for the Cumulative Third Quarter of Fiscal 2025: Breakdown of Extraordinary Income (Losses)

- In the cumulative third quarter, extraordinary income amounted to 18.1 billion yen due to the provision for the expected loss on sale of shares arising from the transfer of the special steel business of Nippon Koshuha Steel Co., Ltd., despite gains on the sale of cross-shareholdings and lands.
- In the fourth quarter, a gain on the sale of cross-shareholdings is expected.

Breakdown of Extraordinary Income (Losses)

(Billions of yen)

	Forecast (Previous)	Forecast (Current)		Description of items
	Full Year	Cumulative 3Q	Full Year	
Gain on sale of investment securities	17.5	15.7	17.6	• Gain on the sale of cross-shareholdings, including shares of Nippon Steel Corporation
Gain on sale of non-current assets	6.6	6.7	6.7	• Gain on the sale of overseas lands
Loss on sale of shares of subsidiaries and associates	(4.1)	(4.3)	(4.3)	• Loss on the sale of shares arising from the transfer of the special steel business of Nippon Koshuha Steel Co., Ltd.
Extraordinary income (losses)	20.0	18.1	20.0	

	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast (Previous)	FY2025 Forecast (Current)
Capital investment (accrual basis)	97.3 billion yen	105.2 billion yen	115.8 billion yen	130.0 billion yen	130.0 billion yen
Capital investment (payment basis)	98.9 billion yen	94.8 billion yen	113.2 billion yen	140.0 billion yen	130.0 billion yen
Depreciation	112.5 billion yen	119.0 billion yen	122.4 billion yen	125.0 billion yen	125.0 billion yen
Net assets ratio	34.0%	38.6%	42.8%	approx. 44%	approx. 44%
Interest-bearing debt (including lease liabilities)	917.2 billion yen	873.5 billion yen	886.3 billion yen	795.0 billion yen	785.0 billion yen
Gross D/E ratio* ¹	1.00 times	0.83 times	0.76 times	approx. 0.65 times	approx. 0.65 times
Cash flows from operating activities	119.6 billion yen	205.2 billion yen	148.2 billion yen	200.0 billion yen	200.0 billion yen
Cash flows from investing activities	(97.2) billion yen	(53.7) billion yen	(113.8) billion yen	(100.0) billion yen	(90.0) billion yen
Free cash flow	22.4 billion yen	151.5 billion yen	34.3 billion yen	100.0 billion yen	110.0 billion yen
Cash and deposits	203.3 billion yen	278.7 billion yen	219.8 billion yen	195.0 billion yen	195.0 billion yen
Profit (loss) per share	183.80 yen	277.38 yen	304.64 yen	253.75 yen	253.74 yen
ROE* ²	8.4%	11.1%	10.8%	approx. 8%	approx. 8%
ROIC* ³	4.9%	6.7%	6.9%	approx. 5%	approx. 5%

*1 Gross D/E ratio : Interest bearing debt (including lease liabilities) divided by shareholders' equity

*2 ROE : Profit (loss) attributable to owners of parent divided by stockholders' equity

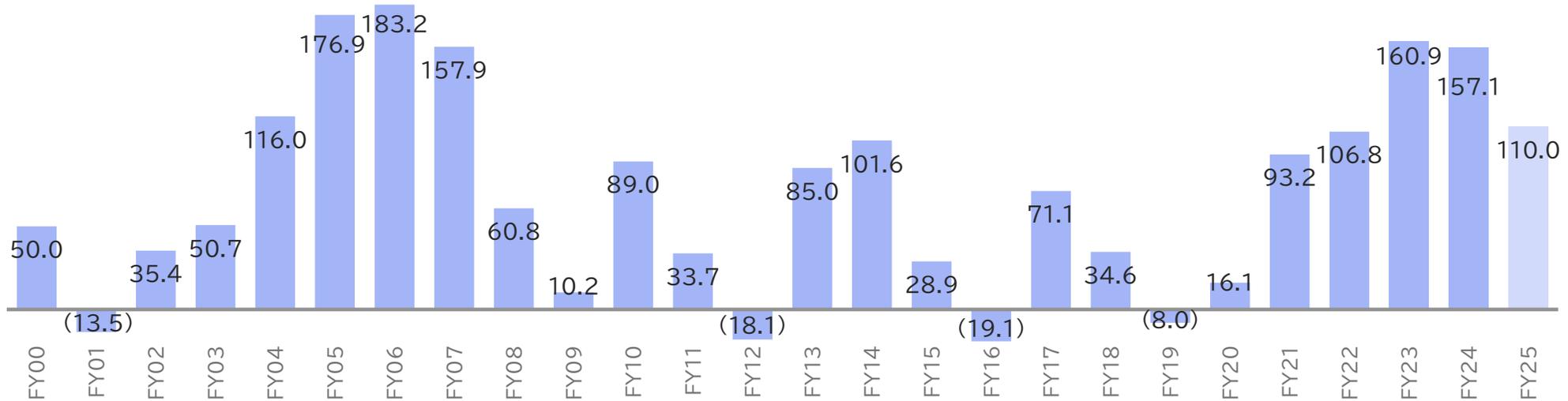
*3 ROIC : After tax operating income divided by invested capital

Consolidated Results

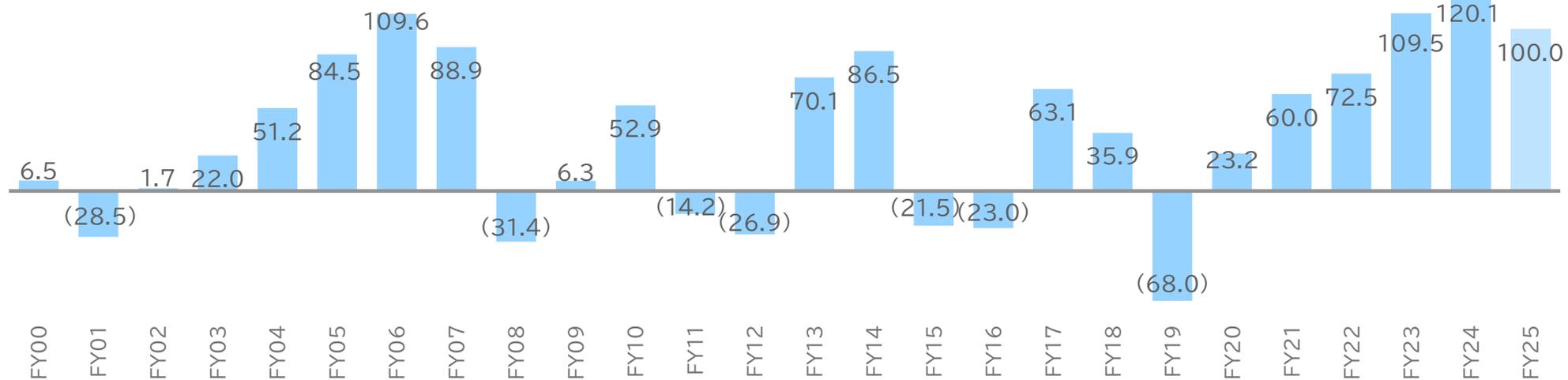


(Billions of yen)

Ordinary Profit (Loss)



Profit (Loss) Attributable to Owners of Parent



Dialogue with the Capital Market

Our Company is actively engaged in dialogue with capital markets to achieve sustainable growth and increase corporate value over the medium to long term. The details of our dialogue are disclosed on our corporate website.

Dialogue with the Capital Market FY 2024, announced in June 2025: [capital markets 24 e.pdf](#)



External Evaluations (Listed below are only major ones)

◆ FTSE4Good Index Series



FTSE4Good

◆ FTSE JPX Blossom Japan Sector Relative Index



FTSE JPX Blossom Japan Sector Relative Index

◆ FTSE JPX Blossom Japan Index



FTSE JPX Blossom Japan Index

◆ CDP



Received an 'A' rating in the climate change category

◆ MSCI JAPAN ESG SELECT LEADERS INDEX*

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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◆ MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)*

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

◆ DX Stocks 2025



Noteworthy DX Companies 2025
Digital Transformation

KOBELCO's View of the Future	<p>Our view of a society and future to be attained as we carry out KOBELCO's mission</p> <p>We envision a world in which people, now and in the future, can fulfill their hopes and dreams while enjoying safe, secure, and prosperous lives.</p>
KOBELCO's Mission	<p>Our mission and the social significance of the KOBELCO Group that we must fulfill</p> <p>Our mission is to provide solutions to the needs of society, by making the best use of the talents of our employees and our technologies.</p>
Core Values of KOBELCO	<p>The commitments of the KOBELCO Group to society and the values shared by the entire KOBELCO Group</p> <ol style="list-style-type: none">1. We provide technologies, products and services that win the trust and confidence of our customers we serve and the society in which we live.2. We value, and support the growth of, each employee on an individual basis, while creating a cooperative and harmonious environment.3. Through continuous and innovative changes, we create new values for the society of which we are a member.
Six Pledges of KOBELCO	<p>Code of Conduct for all Group employees to follow to fulfill the Core Values of KOBELCO and the Quality Charter</p> <ol style="list-style-type: none">1. Uphold the Highest Sense of Ethics and Professionalism2. Contribute to the Society by Providing Superior Products and Services Quality Charter3. Establish a Comfortable but Challenging Work Environment4. Live in Harmony with the Local Community5. Contribute to a Sustainable Environment6. Respect Each Stakeholder

- This document contains forward-looking statements about the Company's forecasts, beliefs, expectations, aims, and strategies. These statements are based on the Company's judgements and assumptions using currently available information and may differ substantially from actual results due to uncertainties within its judgements and assumptions and a variety of factors that may change over time, such as future business operations and changes in internal and external circumstances. Kobe Steel assumes no responsibility for revising these statements or other contents in this presentation.

- Below is a list of factors of uncertainties and changes. This includes, but is not limited to:
 - Changes in economic conditions, demand, and prices in major markets
 - Political situations and trade and other regulations in major markets
 - Fluctuations in foreign exchange rates
 - Availability and prices of raw materials
 - Products and services of competitors, price strategies, alliances, and other business developments such as M&As
 - Changes in strategies of the Company's alliance partners