

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

August 7, 2025
Kobe Steel, Ltd.

The KOBELCO logo is displayed in white, bold, uppercase letters against a solid blue background. The letters are thick and blocky, with a slight shadow effect on the right side of the letters.

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Financial Results for the First Quarter of Fiscal 2025

- Demand in the automotive and other key sectors was roughly flat year on year.
- While **quarterly ordinary profit decreased year on year to 28.7 billion yen**, **quarterly profit attributable to owners of parent increased year on year to 38.6 billion yen** due to the recording of extraordinary income on sale of cross-shareholdings and land.

Forecast for Fiscal 2025

- Demand in the second quarter and beyond is expected to remain sluggish, particularly in the construction and civil engineering sectors, along with **an anticipated decline in automotive production due to the impact of U.S. tariffs**. Capital investment is also projected to slow down, due to concerns about the US economy's unpredictability.
- **The forecast for ordinary profit has been revised downward from the previous announcement to 110.0 billion yen**, factoring in **the potential negative impact of U.S. tariffs (a total of 5.0 billion yen)**, and a deterioration in inventory valuation, among other factors. Meanwhile, **the forecast for profit attributable to owners of parent remains at 100.0 billion yen**, primarily due to increased gains in extraordinary income. ROIC is expected to remain at approx. 5%, as previously forecast.
- The forecast for free cash flow has been revised downward to 70.0 billion yen, reflecting the deterioration in ordinary profit and an increase in working capital primarily affected by the amendment to the Subcontract Act, among other factors. The D/E ratio is expected to decrease to approx. 0.7 times compared to the previous forecast.

Return to Shareholders

- The interim and annual dividends remain at 40 and 80 yen respectively, as previously announced.

Summary of Financial Results and Forecast



Financial Results for the First Quarter of Fiscal 2025

		Year on year
Net Sales	569.0 billion yen	(21.6) billion yen
Ordinary Profit(Loss)	28.7 billion yen	(6.2) billion yen
Excluding Inventory Valuation	32.7 billion yen	(1.2) billion yen
Profit(Loss) Attributable to Owners of Parent	38.6 billion yen	14.5 billion yen

Fiscal 2025 Full-Year Earnings Forecast

		Compared to the previous forecast
Net Sales	2,480.0 billion yen	(70.0) billion yen
Ordinary Profit(Loss)	110.0 billion yen	(10.0) billion yen
Excluding Inventory Valuation	115.5 billion yen	(6.0) billion yen
Profit(Loss) Attributable to Owners of Parent	100.0 billion yen	—
Free Cash Flow	70.0 billion yen	(20.0) 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. 0.7 times (approx. 0.65 times in the previous forecast)

Return to Shareholders

- The Company's policy is to pay an interim dividend of 40 yen and an annual dividend of 80 yen per share (as previously announced).

Financial Results for the First Quarter of Fiscal 2025



(Billions of yen)	FY2024 Actual			FY2025 Forecast (Current)			Change ②－①
	1Q ①	1H	Full Year	1Q ②	1H	Full Year	
Net Sales	590.7	1,248.5	2,555.0	569.0	1,210.0	2,480.0	(21.6)
Operating Profit (Loss)	31.0	77.7	158.7	31.3	60.0	130.0	0.2
Ordinary Profit (Loss)	35.0	70.9	157.1	28.7	50.0	110.0	(6.2)
Excluding Inventory Valuation	34.0	66.9	156.1	32.7	54.5	115.5	(1.2)
Extraordinary Income (Losses)	—	5.3	(16.1)	16.7	16.7	20.0	16.7
Profit (Loss) Attributable to Owners of Parent	24.0	56.5	120.1	38.6	55.0	100.0	14.5

Net Sales

Quarterly 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, and a decrease in unit sales in the construction machinery segment, among other factors.

Ordinary Profit (Loss)

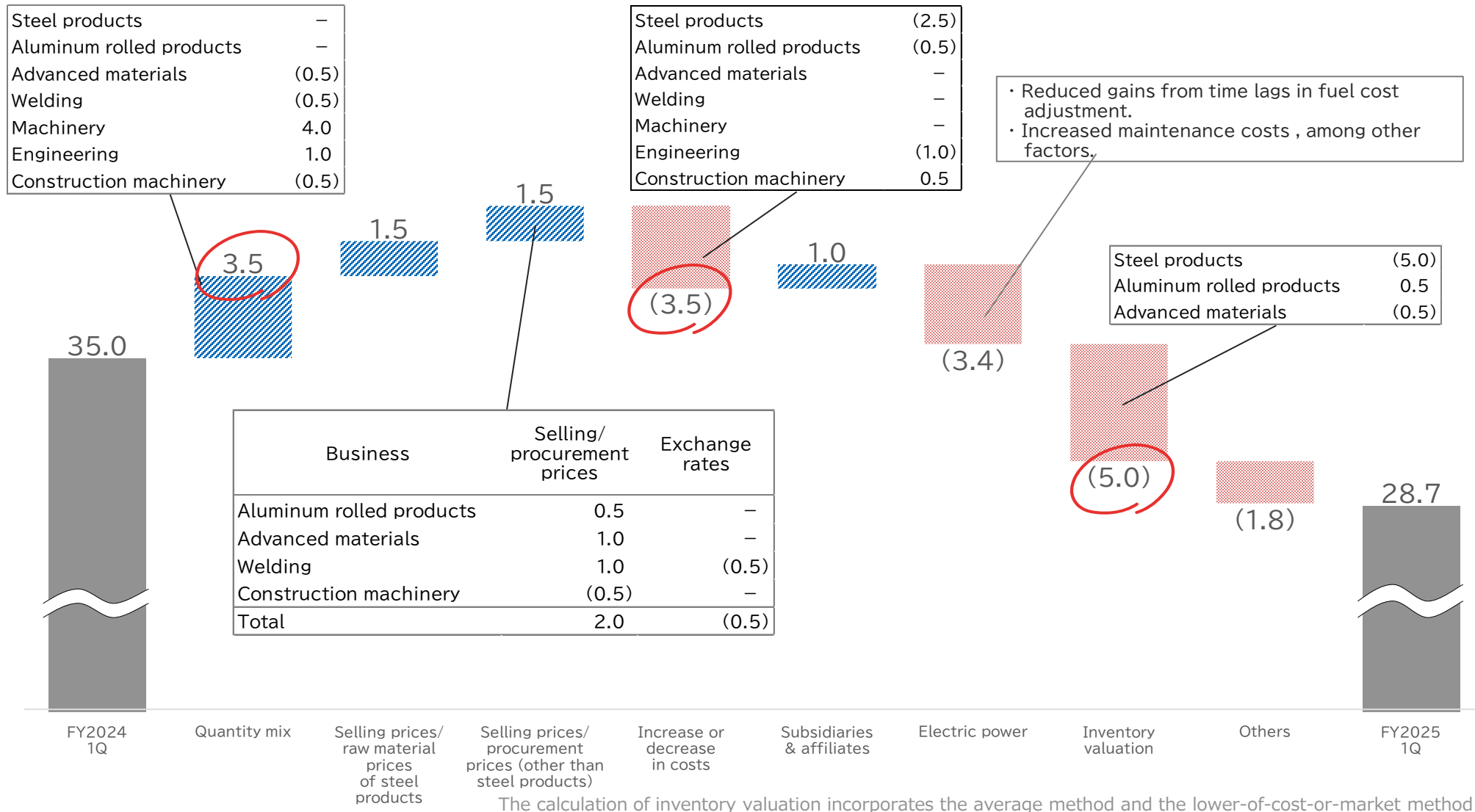
Quarterly ordinary profit decreased year on year due to cost increases centered on fixed costs and a deterioration in inventory valuation despite an increase in sales in the machinery segment and progress of cost pass-through in the materials businesses.

Profit (Loss) Attributable to Owners of Parent

Quarterly profit attributable to owners of the parent increased year on year, despite a decline in ordinary profit, primarily due to the recording of extraordinary income from the sale of cross-shareholdings and land, among other factors.

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

(6.2) billion yen



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

	FY2024 1Q	FY2025 1Q	Change	
Steel Products	12.7	6.0	(6.6)	Down primarily due to a deterioration in inventory valuation and cost increases centered on fixed costs such as labor and maintenance costs despite improvements in metal spreads.
Excluding Inventory Valuation	12.2	10.5	(1.6)	
Aluminum Rolled Products	(1.8)	(0.5)	1.2	Up primarily due to the progress in cost pass-through and an increase in profit at overseas subsidiaries and affiliates in the disk business despite an increase in fixed costs.
Excluding Inventory Valuation	(1.8)	(1.0)	0.7	
Advanced Materials	1.0	0.0	(0.9)	Down primarily due to a decrease in sales volume in the automotive sectors despite the progress in cost pass-through.
Excluding Inventory Valuation	0.5	0.0	(0.4)	
Welding	1.0	0.9	(0.1)	Down primarily due to a decrease in sales volume and a deterioration in export profitability resulting from the appreciation of the yen.
Machinery	6.2	10.5	4.2	Up primarily due to increased sales of machine units and services, particularly in the energy and chemical sectors.
Engineering	1.4	1.1	(0.2)	Down primarily due to changes in the project composition.
Construction Machinery	1.7	1.2	(0.4)	Down primarily due to a decrease in unit sales despite a decrease in fixed costs.
Electric Power	12.0	8.5	(3.4)	Down due to reduced gains from time lags in fuel cost adjustments and an increase in maintenance and other costs.

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

- Extraordinary income was 16.7 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 the recording of gain on sale of cross-shareholdings and land.

Breakdown of Extraordinary Income (Losses)

(Billions of yen)

	2025 1Q Actual	Description of items
Gain on sale of investment securities	14.4	<ul style="list-style-type: none"> Gain on sale of cross-shareholdings, including shares of Nippon Steel Corporation
Gain on sale of non-current assets	6.1	<ul style="list-style-type: none"> Gain on sale of overseas land
Provision for loss on sale of shares of subsidiaries and associates	(3.8)	<ul style="list-style-type: none"> Provision for the expected loss on sale of shares arising from the transfer of the special steel business of Nippon Koshuha Steel Co., Ltd.
Extraordinary income (losses)	16.7	

Fiscal 2025 : Assumption of Business Environment for Materials Businesses

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 **fall below the previous forecast** with an anticipated 20% decline in the export volume of finished vehicles to the United States.

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, which maintains a moderate recovery trend, is expected to **remain similar to the previous forecast**.

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 remain similar to the previous forecast** due to a continued decline in demand for beer and other beverages.

Construction and civil engineering

(Steel products and welding)

Demand is expected to **fall below the previous forecast**, primarily due to delays in the start of construction for small- and medium- scale projects, affected by labor shortages.

Fiscal 2025 : Assumption of Business Environment for Machinery Businesses

(Machinery)

Energy and Chemistry

Demand is expected to **fall below the previous forecast** due to a slowdown in capital investment related to U.S.-bound products in the United States, China, and neighboring countries.

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 sluggish rental demand, among other factors.

China

Demand is expected to **exceed the previous forecast** driven by a rise in government-led farmland development projects.

North America

Demand is expected to **exceed the previous forecast** driven by robust demand, particularly in the infrastructure sector.

Europe

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

Southeast Asia

Demand is expected to **exceed the previous forecast** due to a recovery in demand in the agricultural and forestry sectors in Indonesia, among other factors.

Forecast for Fiscal 2025

	FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change
	1H	2H	Full Year ①	1H	2H	Full Year ②	
(Billions of yen)							②－①
Net Sales	1,240.0	1,310.0	2,550.0	1,210.0	1,270.0	2,480.0	(70.0)
Operating Profit (Loss)	60.0	80.0	140.0	60.0	70.0	130.0	(10.0)
Ordinary Profit (Loss)	55.0	65.0	120.0	50.0	60.0	110.0	(10.0)
Excluding Inventory Valuation	57.0	64.5	121.5	54.5	61.0	115.5	(6.0)
Extraordinary Income (Loss)	20.0	(5.0)	15.0	16.7	3.3	20.0	5.0
Profit (Loss) Attributable to Owners of Parent	50.0	50.0	100.0	55.0	45.0	100.0	—

Net Sales

Net sales are expected to fall below the previous forecast due to a decrease in sales volume in the materials businesses and 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 is expected to fall below the previous forecast due to the risk of U.S. tariffs, a decrease in sales volume and a deterioration in inventory valuation in the materials businesses, among other factors.

Profit (Loss) Attributable to Owners of Parent

Profit attributable to owners of parent is expected to remain the same as previously forecast, despite a deterioration in ordinary profit, owing to a reduction in the loss on the sale of Nippon Koshuha Steel shares and an increase in extraordinary income resulting from additional asset sales in the second half, among other factors.

- The impact of the U.S. tariff policy on earnings **was not evident in the first quarter.**
- The potential negative impact of U.S tariffs totalling 5.0 billion yen is factored in the earnings forecast for the second quarter and beyond. This includes a deterioration in direct export profitability in the construction machinery segment and **an anticipated decline in the indirect export volume of finished vehicles to the United States in the materials businesses.**

Direct Export (2.0) :	Includes a certain degree of deterioration in profitability, which is anticipated to arise despite efforts to mitigate the impact of tariffs on the U.S. construction machinery distributors by passing the burden of costs to selling prices.
Indirect Export (2.5) :	Includes an anticipated decline in sales volume, based on the assumption of a 20% decrease in the export of finished vehicles to the U.S., in the materials businesses.
Others (0.5) :	Includes an anticipated increase in tariffs on imported goods to be borne by U.S. subsidiaries (excluding distributors.)

Direct export

Segment	In-demand sector	Tariff rate applied (compared to FY2024)	Scale of transactions
Steel Products	Automobile	50% increase for steel & aluminum	Approx. 3% of sales volume
Aluminum Rolled Products	Automobile	50% increase for steel & aluminum	Approx. 3% of sales volume
Construction Machinery	Construction and civil engineering	15% increase in reciprocal tariff	Approx. 10% of net sales*

*Total of excavators and cranes

Indirect export, etc.

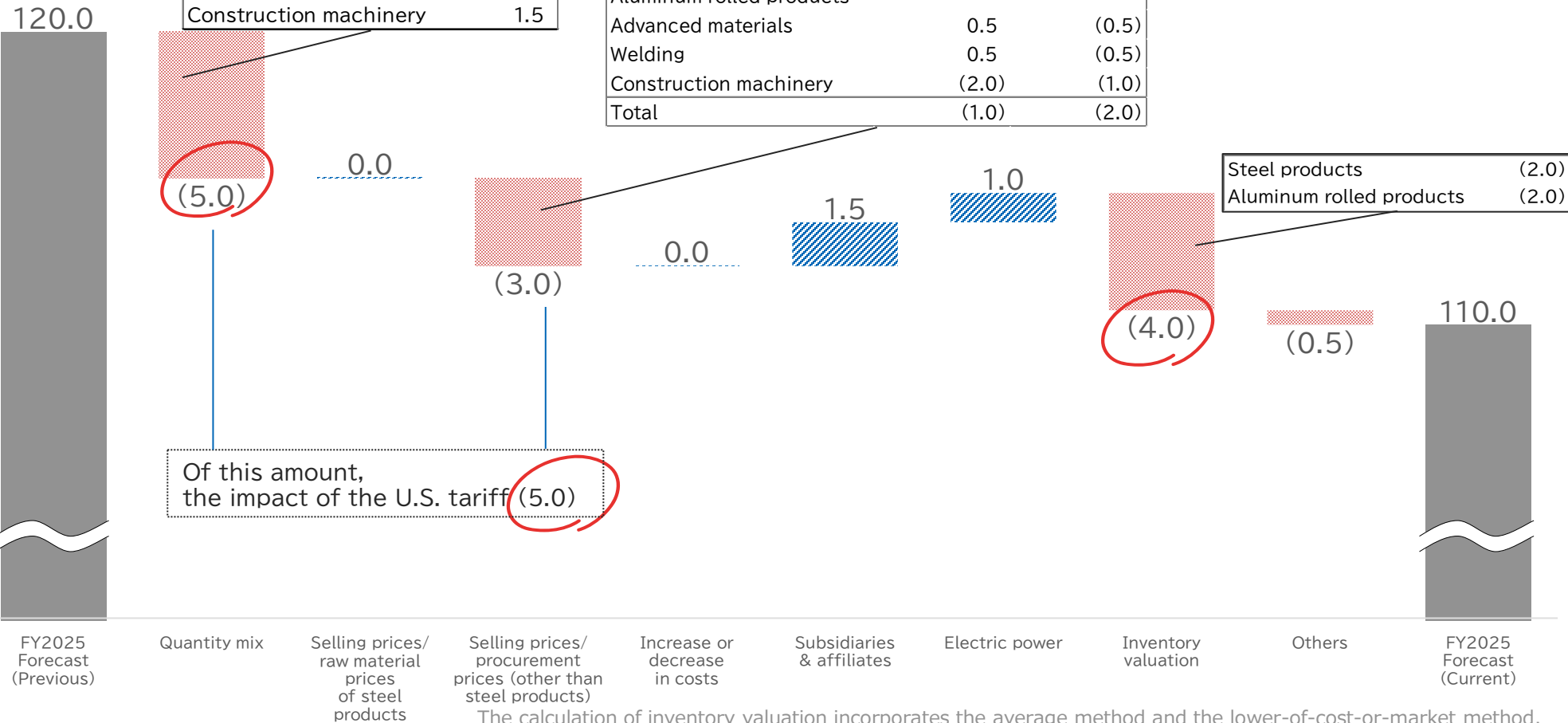
- Some of our customers' products in the automotive and other sectors are exported to the United States across a variety of businesses, including steel products, aluminum rolled products, and advanced materials (extrusions, suspensions, and steel powder). The scale of transactions is larger than that of direct export.
- Sales from the U.S. local subsidiaries account for approx. 7% of total sales of the machinery segment.

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

(10.0) billion yen

Steel products	(4.0)
Aluminum rolled products	(1.0)
Advanced materials	(1.0)
Welding	(0.5)
Machinery	—
Engineering	—
Construction machinery	1.5

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

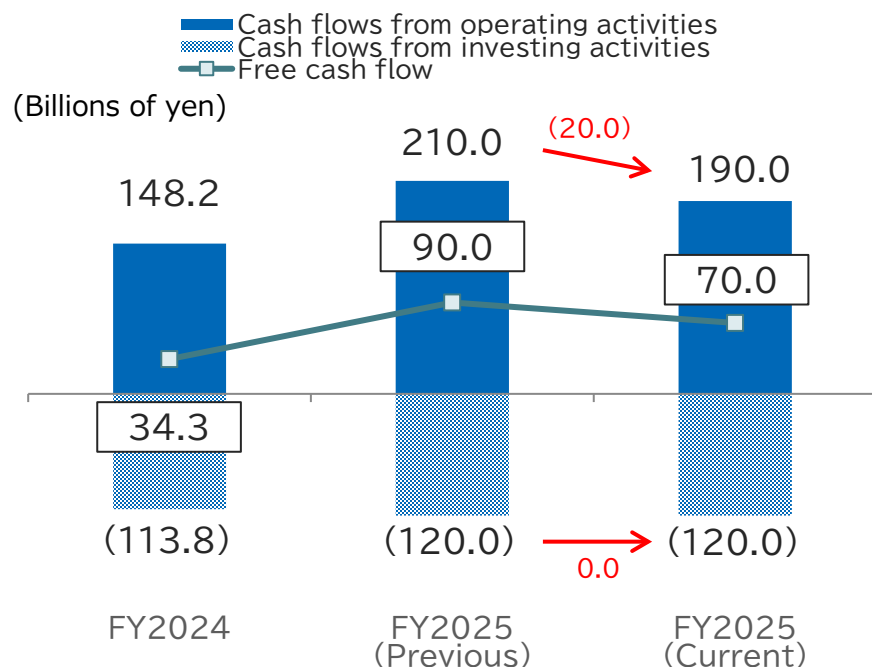


Forecast for Fiscal 2025 : Ordinary Profit (Loss) by Segment

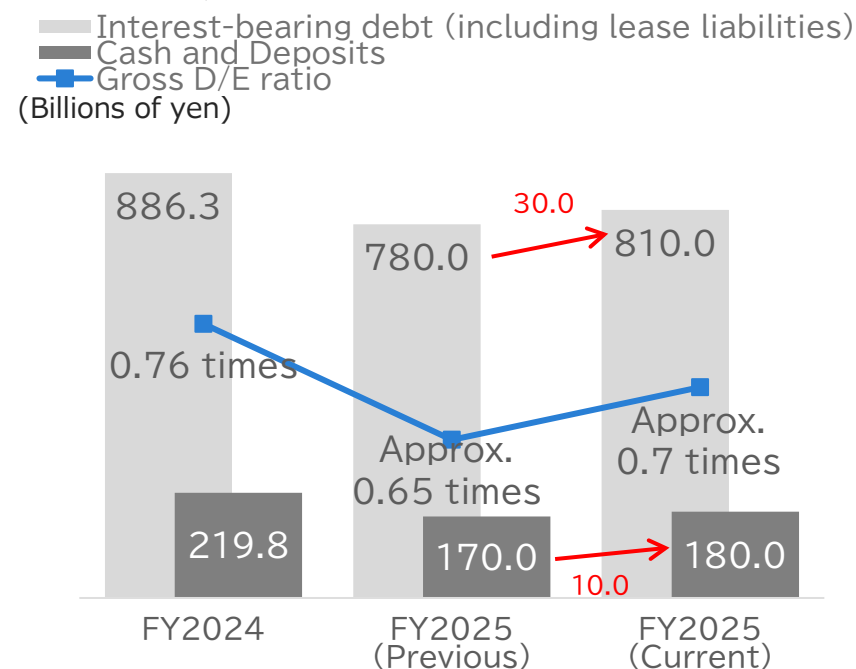
	FY2025 (Previous)	FY2025 (Current)	Change	
Steel Products	13.0	9.0	(4.0)	Down from the previous forecast, primarily due to a decrease in sales volume associated with U.S. tariffs and sluggish demand in the construction and civil engineering sectors and a deterioration in inventory valuation.
Excluding Inventory Valuation	18.5	16.5	(2.0)	
Aluminum Rolled Products	0.0	(2.0)	(2.0)	Down from the previous forecast, primarily due to a decrease in sales volume, centered on the automotive panel sector, and a reduction in inventory valuation gains, despite profit growth expected at subsidiaries and affiliates in China through cost improvements, among other factors.
Excluding Inventory Valuation	(3.0)	(3.0)	—	
Advanced Materials	8.0	7.0	(1.0)	Down from the previous forecast, primarily due to a decrease in sales volume in the automotive sector.
Excluding Inventory Valuation	7.0	6.0	(1.0)	
Welding	5.5	5.0	(0.5)	Down from the previous forecast, primarily due to a deterioration in the sales mix and in export profitability resulting from the appreciation of the yen.
Machinery	40.0	40.0	—	The same as previously forecast.
Engineering	12.0	12.0	—	The same as previously forecast.
Construction Machinery	9.5	8.5	(1.0)	Down from the previous forecast, primarily due to an increase in tariff-related costs, despite an anticipated increase in sales volume.
Electric Power	34.0	35.0	1.0	Up from the previous forecast, primarily due to an increase in gains from time lags in fuel cost adjustments associated with a decline in thermal coal market prices.

- Cash flows from operating activities are expected to decrease by 20.0 billion yen from the previous forecast to 190.0 billion yen primarily due to a decrease in ordinary profit and an increase in working capital, affected by the amendment to the Subcontract Act, which abolished promissory notes. Free cash flow is expected to be positive 70.0 billion yen.
- Balance of interest-bearing debt is expected to increase by 30.0 billion yen primarily due to a deterioration in free cash flow. The D/E ratio is expected to deteriorate by 0.05 points from the previous forecast to approx. 0.7 times.

Cash Flow



Gross D/E ratio



The Company's policy of paying an interim dividend of 40 yen and 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)

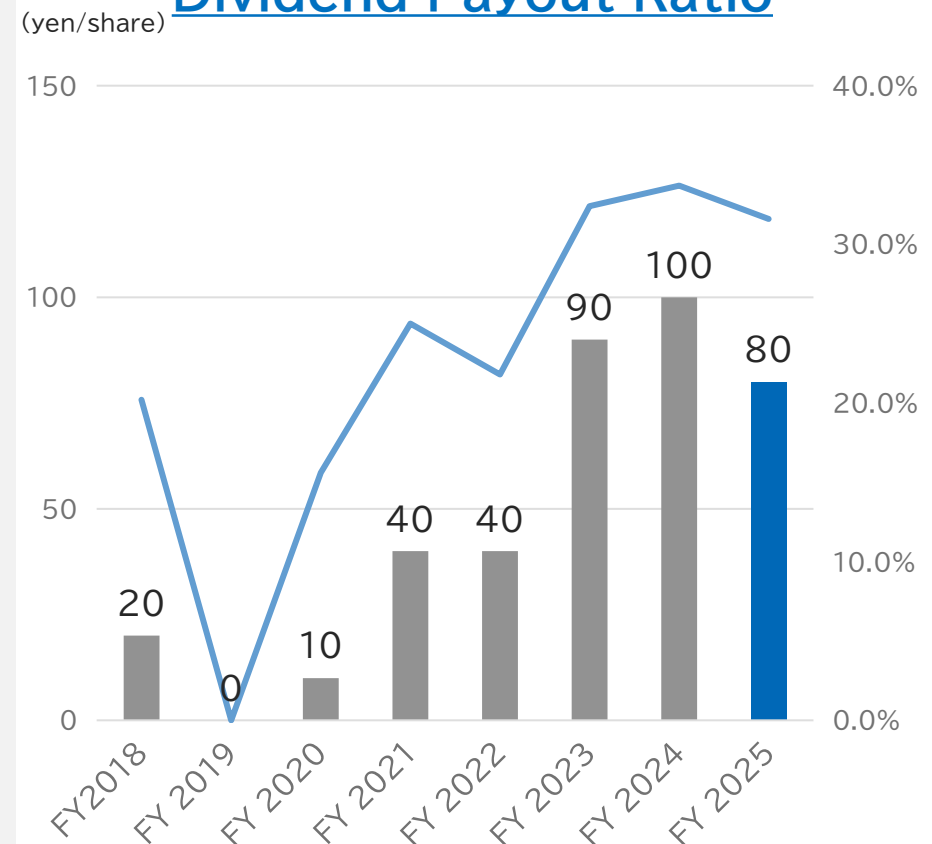
Dividend payout ratio: approx. 30%

Dividend (yen/share)

Dividend Payout Ratio (%)

FY2024		FY2025(policy)	
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 First Quarter of Fiscal 2025 and Forecast for Fiscal 2025



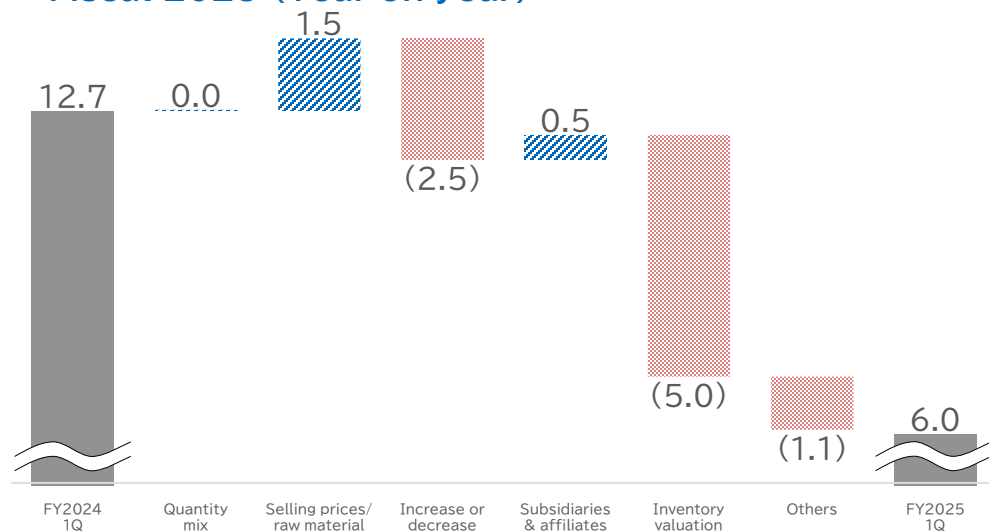
(Billions of yen)	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change
	1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year
	①	②	③			④	⑤			④－①	⑤－②	⑤－③
Steel & Aluminum	272.7	1,116.1	517.0	533.0	1,050.0	257.8	510.0	506.0	1,016.0	(14.9)	(100.1)	(34.0)
Advanced Materials	76.1	317.1	169.0	179.0	348.0	75.9	165.0	178.0	343.0	(0.1)	25.8	(5.0)
Welding	23.1	93.9	47.0	50.0	97.0	22.6	46.0	49.0	95.0	(0.4)	1.0	(2.0)
Machinery	58.0	265.1	141.0	150.0	291.0	66.1	136.0	155.0	291.0	8.1	25.8	—
Engineering	27.7	174.8	85.0	110.0	195.0	32.3	82.0	113.0	195.0	4.6	20.1	—
Construction Machinery	92.9	388.0	197.0	203.0	400.0	83.5	188.0	203.0	391.0	(9.3)	2.9	(9.0)
Electric Power	54.6	258.8	120.0	110.0	230.0	45.8	112.0	102.0	214.0	(8.7)	(44.8)	(16.0)
Other Businesses	1.5	8.9	2.5	3.3	5.8	1.4	3.0	4.0	7.0	(0.1)	(1.9)	1.2
Adjustment	(16.2)	(67.9)	(38.5)	(28.3)	(66.8)	(16.8)	(32.0)	(40.0)	(72.0)	(0.6)	(4.0)	(5.2)
Net Sales	590.7	2,555.0	1,240.0	1,310.0	2,550.0	569.0	1,210.0	1,270.0	2,480.0	(21.6)	(75.0)	(70.0)
Operating Profit (Loss)	31.0	158.7	60.0	80.0	140.0	31.3	60.0	70.0	130.0	0.2	(28.7)	(10.0)
Steel & Aluminum	10.8	23.6	7.5	5.5	13.0	5.4	6.0	1.0	7.0	(5.4)	(16.6)	(6.0)
Advanced Materials	1.0	10.7	3.0	5.0	8.0	0.0	2.0	5.0	7.0	(0.9)	(3.7)	(1.0)
Welding	1.0	5.2	2.5	3.0	5.5	0.9	2.0	3.0	5.0	(0.1)	(0.2)	(0.5)
Machinery	6.2	32.5	18.5	21.5	40.0	10.5	18.5	21.5	40.0	4.2	7.4	—
Engineering	1.4	16.1	4.0	8.0	12.0	1.1	2.5	9.5	12.0	(0.2)	(4.1)	—
Construction Machinery	1.7	18.7	2.0	7.5	9.5	1.2	2.0	6.5	8.5	(0.4)	(10.2)	(1.0)
Electric Power	12.0	52.3	18.5	15.5	34.0	8.5	20.5	14.5	35.0	(3.4)	(17.3)	1.0
Other Businesses	1.2	3.8	2.0	2.5	4.5	0.2	1.5	3.0	4.5	(0.9)	0.6	—
Adjustment	(0.5)	(6.0)	(3.0)	(3.5)	(6.5)	0.5	(5.0)	(4.0)	(9.0)	1.1	(2.9)	(2.5)
Ordinary Profit (Loss)	35.0	157.1	55.0	65.0	120.0	28.7	50.0	60.0	110.0	(6.2)	(47.1)	(10.0)
Excluding Inventory Valuation	34.0	156.1	57.0	64.5	121.5	32.7	54.5	61.0	115.5	(1.2)	(40.6)	(6.0)
Extraordinary Income (Losses)	—	(16.1)	20.0	(5.0)	15.0	16.7	16.7	3.3	20.0	16.7	36.1	5.0
Profit (Loss) Attributable to Owners of Parent	24.0	120.1	50.0	50.0	100.0	38.6	55.0	45.0	100.0	14.5	(20.1)	—

		FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change
		1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year
		①	②	③			④	1H	2H	⑤	④-①	⑤-②	⑤-③
(Billions of yen)													
Net Sales		224.4	914.4	426.0	439.0	865.0	212.0	421.0	415.0	836.0	(12.3)	(78.4)	(29.0)
Ordinary Profit (Loss)		12.7	24.3	8.5	4.5	13.0	6.0	9.0	0.0	9.0	(6.6)	(15.3)	(4.0)
Excluding Inventory Valuation		12.2	29.8	14.0	4.5	18.5	10.5	15.0	1.5	16.5	(1.6)	(13.3)	(2.0)
Crude steel production *1	(Millions of tons)	1.50	5.96	2.95	2.95	5.90	1.46	2.95	2.85	5.80	(0.04)	(0.16)	(0.10)
Sales volume of steel products *2	(Millions of tons)	1.15	4.72	2.35	2.35	4.70	1.15	2.30	2.30	4.60	(0.00)	(0.12)	(0.10)
Domestic		0.90	3.63				0.93				0.03		
Exports		0.26	1.09				0.23				(0.03)		
Export ratio (value basis)		23%	23%				20%				(3) %		
Average steel selling price	(Thousands of yen/ton)	147	144				138				(9)		

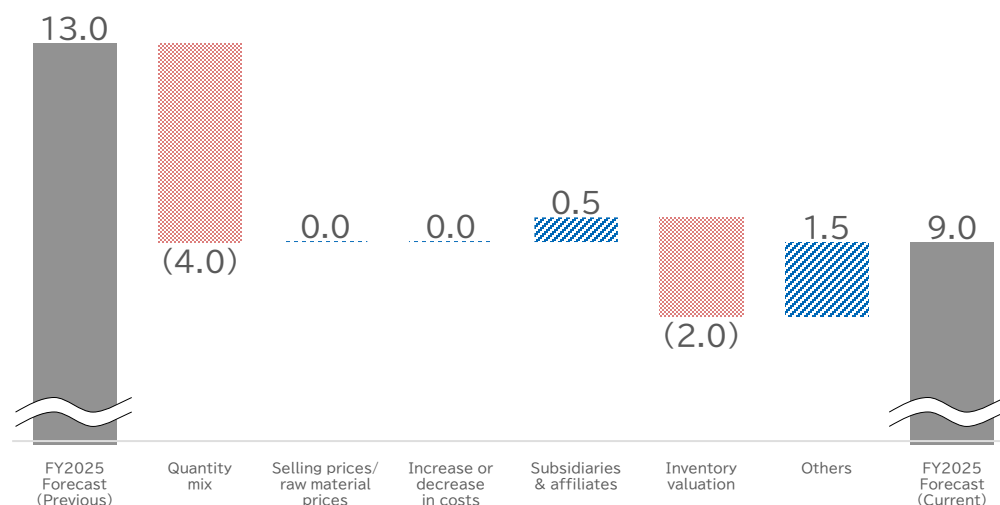
*1 Includes production volume through electric arc furnaces at Takasago Works

*2 Non-consolidated basis

Financial Results for the First 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)				Change		Change
	1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year
	①	②	③			④	⑤			④-①	⑤-②	⑤-③
Net Sales	48.3	201.7	91.0	94.0	185.0	45.7	89.0	91.0	180.0	(2.5)	(21.7)	(5.0)
Ordinary Profit (Loss)	(1.8)	(0.6)	(1.0)	1.0	0.0	(0.5)	(3.0)	1.0	(2.0)	1.2	(1.3)	(2.0)
Excluding Inventory Valuation	(1.8)	(3.6)	(2.5)	(0.5)	(3.0)	(1.0)	(3.0)	0.0	(3.0)	0.7	0.6	-
Sales volume of aluminum rolled products * (Thousands of tons)	78	307	140	135	275	70	135	135	270	(8)	(37)	(5)
Domestic	57	219				57				1		
Exports	21	88				12				(9)		

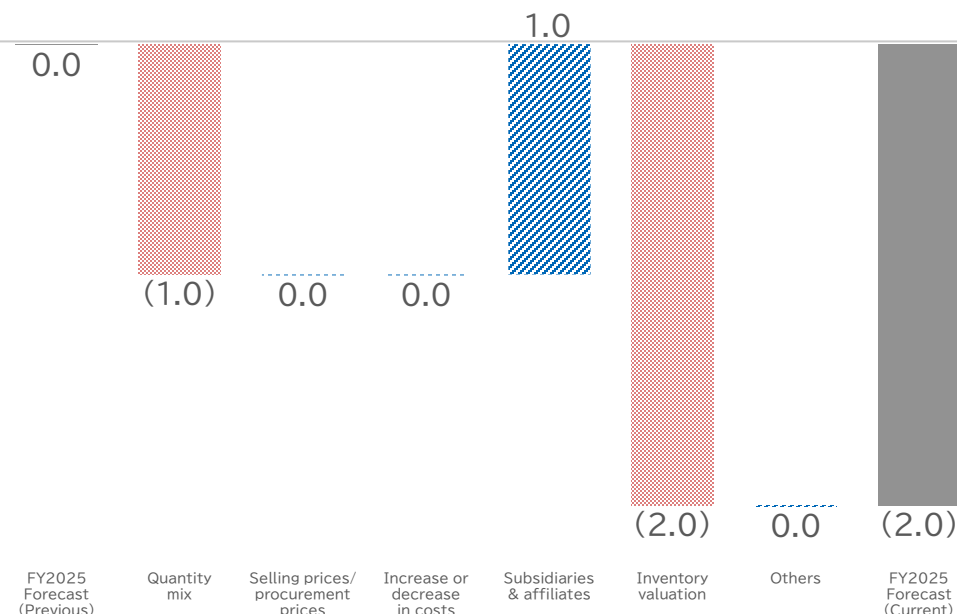
* Consolidated basis

* 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 First Quarter of Fiscal 2025 (Year on year)



Forecast for Fiscal 2025 (Compared to the previous forecast)



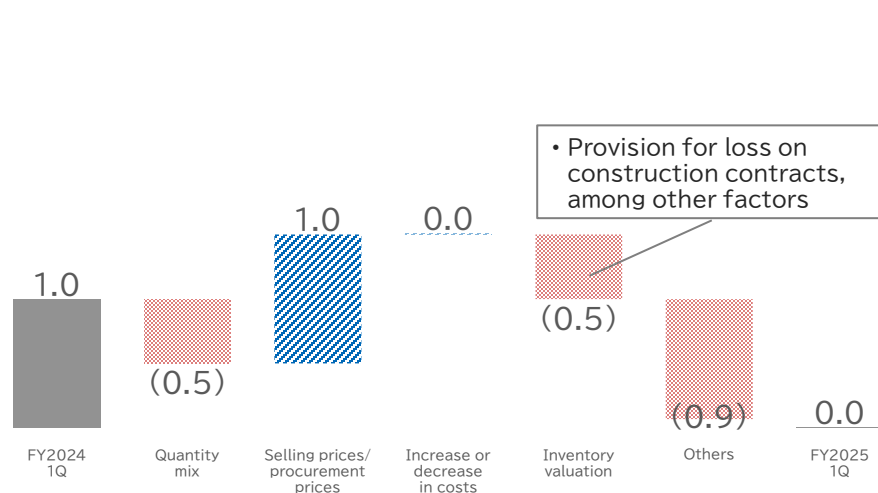
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

		FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change	
		1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year	
(Billions of yen)		①	②	③			④	⑤				④-①	⑤-②	⑤-③
Net Sales		76.1	317.1	169.0	179.0	348.0	75.9	165.0	178.0	343.0	(0.1)	25.8	(5.0)	
Ordinary Profit (Loss)		1.0	10.7	3.0	5.0	8.0	0.0	2.0	5.0	7.0	(0.9)	(3.7)	(1.0)	
Excluding Inventory Valuation		0.5	7.2	1.0	6.0	7.0	0.0	0.5	5.5	6.0	(0.4)	(1.2)	(1.0)	
Sales volume of aluminum extrusions*1	(Thousands of tons)	10	38	19	20	39	9	17	20	37	(1)	(1)	(2)	
Domestic		7	30				7					(0)		
Exports		2	8				2					(1)		
Copper rolled products *2	(Thousands of tons)	13	53	28	30	58	13	27	31	58	(1)	5	-	

*1 Consolidated basis

*2 Non-consolidated basis

Financial Results for the First 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)				Change		Change	
		1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year	
(Billions of yen)		①	②	③			④	⑤				④-①	⑤-②	⑤-③
Net Sales		23.1	93.9	47.0	50.0	97.0	22.6	46.0	49.0	95.0	(0.4)	1.0	(2.0)	
Ordinary Profit (Loss)		1.0	5.2	2.5	3.0	5.5	0.9	2.0	3.0	5.0	(0.1)	(0.2)	(0.5)	
Sales volume of welding materials* (Thousands of tons)		57	227	110	120	230	56	115	120	235	(1)	8	5	
Domestic		24	92				21					(3)		
Exports		33	134				35					2		

* Consolidated basis

Financial Results for the First 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	Decreased due to yen appreciation, 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 increase due to growing demand in China, among other factors.
Selling Prices	Expected to decrease due to dwindling high-priced products and yen appreciation, among other factors.
Cost	Expected to increase centered on fixed costs such as labor costs.

	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change	
	1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year	
(Billions of yen)	①	②	③			④	⑤				④-①	⑤-②	⑤-③
Net Sales	58.0	265.1	141.0	150.0	291.0	66.1	136.0	155.0	291.0	8.1	25.8	-	
Ordinary Profit (Loss)	6.2	32.5	18.5	21.5	40.0	10.5	18.5	21.5	40.0	4.2	7.4	-	
Orders	60.6	262.5	140.0	140.0	280.0	59.3	140.0	130.0	270.0	(1.3)	7.4	(10.0)	
Backlog of Orders	254.2	254.4				238.9					(15.2)		

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

Orders Remained steady year on year.

Ordinary Profit (Loss) Increased primarily due to an increase in sales of machine units and service contracts, centered on the energy and chemical sectors.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Orders Expected to decrease in the energy and chemical sectors due to an anticipated slowdown in capital investment, stemming from concerns about the US economy's unpredictability.

Ordinary Profit (Loss) Expected to remain the same as previously forecast.

	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change	
	1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year	
(Billions of yen)	①	②	③			④	⑤				④-①	⑤-②	⑤-③
Net Sales	27.7	174.8	85.0	110.0	195.0	32.3	82.0	113.0	195.0	4.6	20.1	-	
Ordinary Profit (Loss)	1.4	16.1	4.0	8.0	12.0	1.1	2.5	9.5	12.0	(0.2)	(4.1)	-	
Orders	34.7	164.7	95.0	100.0	195.0	64.9	95.0	100.0	195.0	30.2	30.2	-	
Backlog of Orders	448.1	441.9				470.1					21.9		

Financial Results for the First 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 project composition.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Orders

Expected to remain the same as previously forecast.

Ordinary Profit (Loss)

Expected to remain the same as previously forecast.

Construction Machinery



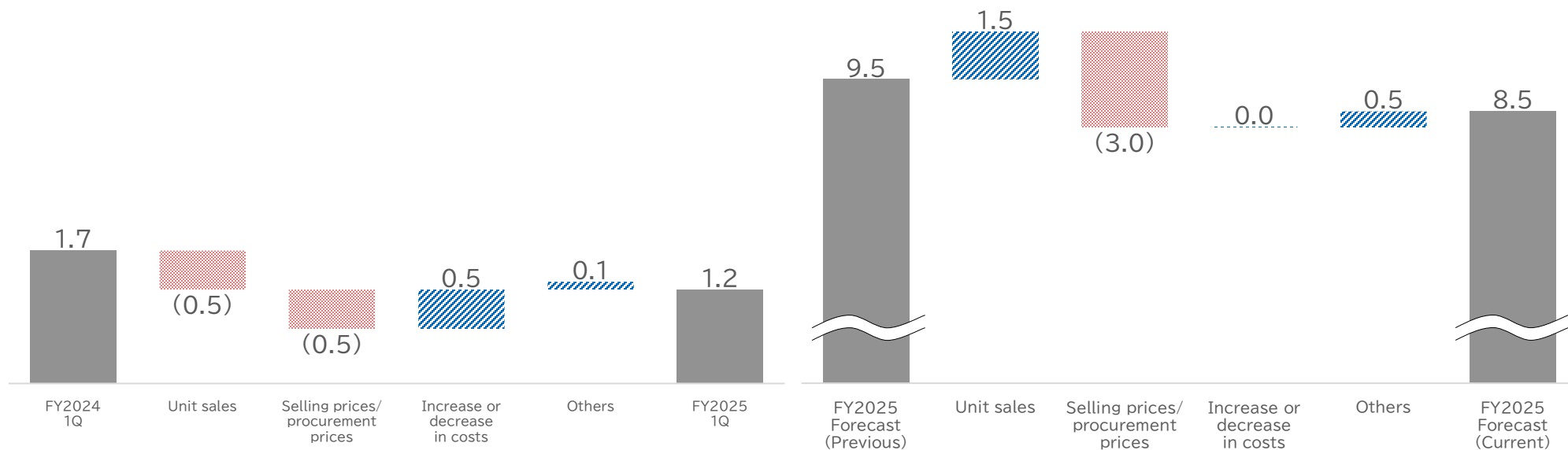
		FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change		
		1Q	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year	1Q	Full Year	Full Year		
(Billions of yen)		①	②	③			④	⑤				④-①	⑤-②	⑤-③	
Net Sales		92.9	388.0	197.0	203.0	400.0	83.5	188.0	203.0	391.0	(9.3)	2.9	(9.0)		
Ordinary Profit (Loss)		1.7	18.7	2.0	7.5	9.5	1.2	2.0	6.5	8.5	(0.4)	(10.2)	(1.0)		
Unit sales of hydraulic excavators *1		(Thousands of units)		5.0	20.3	10.5	11.5	22.0	4.5	10.5	12.0	22.5	(0.5)	2.2	0.5
Domestic		1.1	6.6				0.9					(0.2)			
Exports		3.8	13.7				3.6					(0.3)			
Unit sales of crawler cranes *2		(Units)		77	374	175	165	340	68	175	165	340	(9)	(34)	-

*1 Consolidated basis (including mini-excavators)

*2 Consolidated basis

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

Forecast for Fiscal 2025 (Compared to the previous forecast)



	FY2024 Actual		FY2025 Forecast (Previous)			FY2025 Forecast (Current)				Change		Change
(Billions of yen)	1Q ①	Full Year ②	1H	2H	Full Year ③	1Q ④	1H	2H	Full Year ⑤	1Q ④-①	Full Year ⑤-②	Full Year ⑤-③
Net Sales	54.6	258.8	120.0	110.0	230.0	45.8	112.0	102.0	214.0	(8.7)	(44.8)	(16.0)
Ordinary Profit (Loss)	12.0	52.3	18.5	15.5	34.0	8.5	20.5	14.5	35.0	(3.4)	(17.3)	1.0
Time lags in fuel cost adjustments	2.0	5.0	-	-	-	1.0	1.0	-	1.0	(1.0)	(4.0)	1.0
Effect of temporary gains/losses from changes in electricity selling prices	-	5.0	-	-	-	-	-	-	-	-	(5.0)	-

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

Sales Volume	Decreased.
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 and an increase in maintenance costs.

Forecast for Fiscal 2025 (Compared to the previous forecast)

Sales Volume	Expected to remain similar to the previous forecast.
Unit Selling Price	Expected to decrease due to fluctuations in coal prices.
Ordinary Profit (Loss)	Expected to increase primarily due to an increase in gains from time lags in fuel cost adjustments.

Reference Information

Exchange Rate Assumption

	FY2024 Actual				FY2025 Forecast (Previous)	FY2025 Forecast (Current)		
	1Q	1H	2H	Full Year	Full Year	1Q	2-4Q	Full Year
1 U.S. dollar to yen	158.2	152.4	152.7	152.6	150.0	143.8	145.0	144.7
1 Chinese yuan to yen	21.8	21.2	21.1	21.1	21.0	19.9	20.0	20.0
1 euro to yen	170.1	165.8	161.5	163.7	160.0	165.1	170.0	168.8

Analysis of exchange rate sensitivity

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

Steel products : Approx. (0.3) billion yen

(Impact of dollar balance: (0.8) billion yen

Inventory valuation, cost pass-through to selling prices, etc.: 0.5 billion yen)

Construction machinery : Approx. 0.2 billion yen (Impact of dollar balance)

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

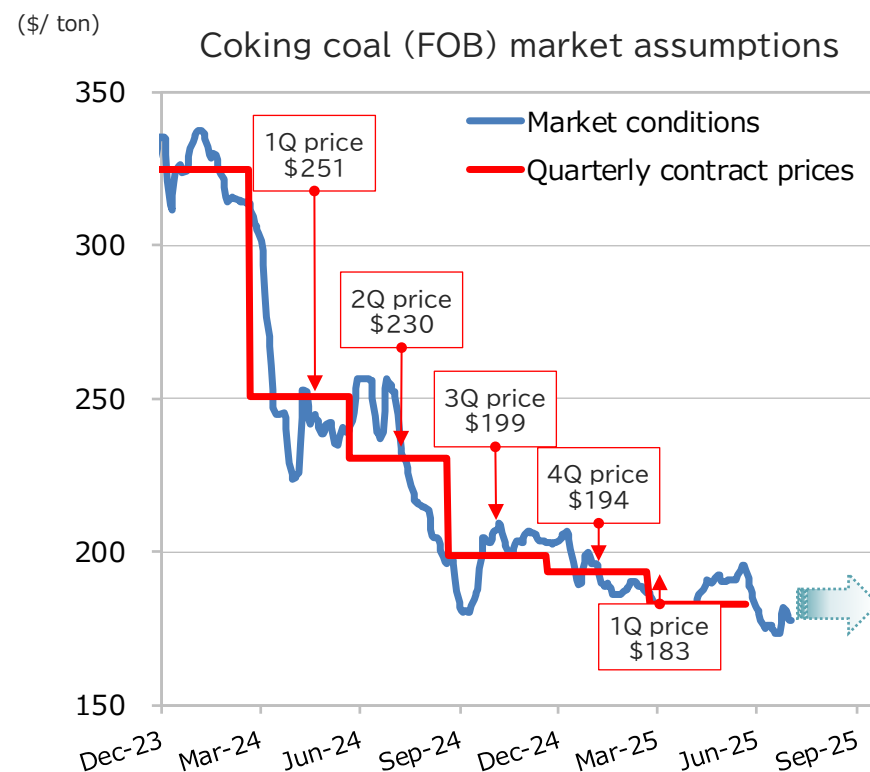
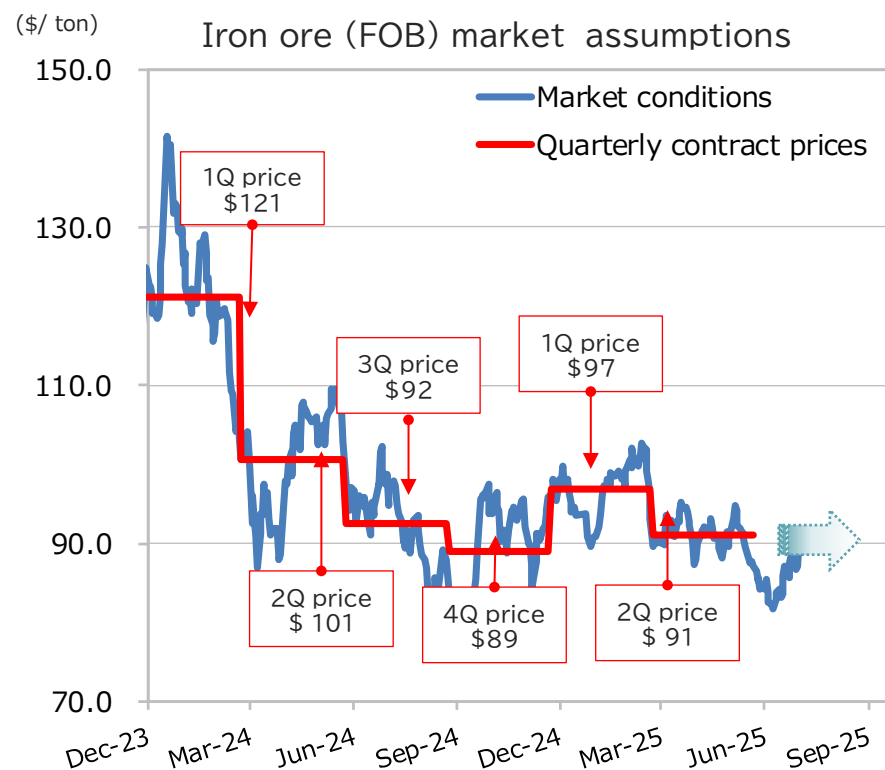
Construction machinery : Approx. 0.2 billion yen (Impact of euro balance)

Raw Material Market Assumption

Iron ore The price for fiscal 2025 2Q has been settled at \$91.
The price level for fiscal 2025 3Q onward is assumed to remain at the current level.

Coking coal The price for fiscal 2025 1Q has been settled at \$183.
The price level for fiscal 2025 2Q onward is assumed to remain at the current level.

Thermal coal From April to June 2025, the price was around \$100.
The price level for fiscal 2025 2Q onward is assumed to remain at the current level.



Inventory Valuation



(Billions of yen)

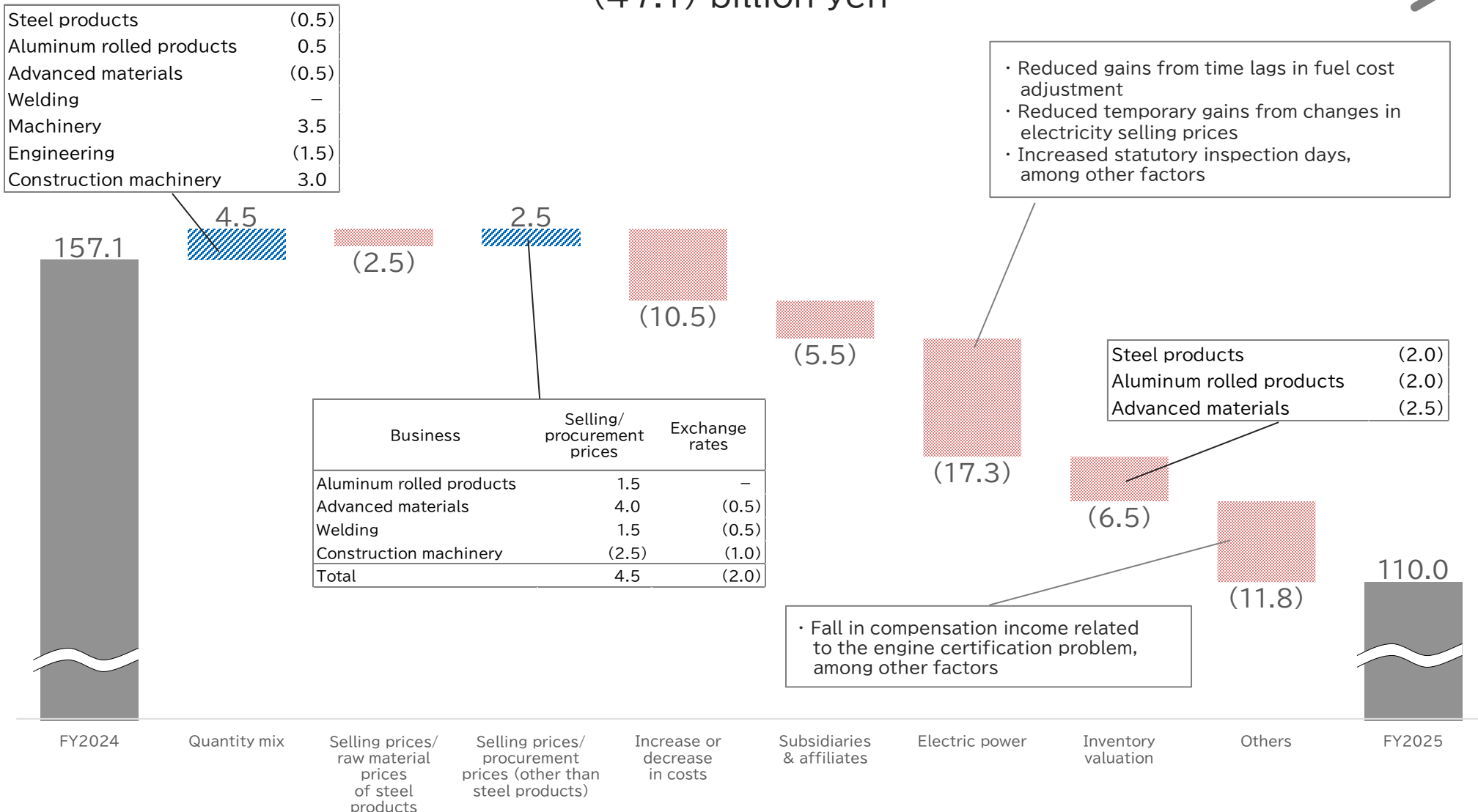
Steel Products	FY2024 Actual				FY2025 Forecast (Previous)			FY2025 Forecast (Current)			
	1Q	1H	2H	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year
Iron ore	1.5	(1.5)	(2.0)	(3.5)	0.0	0.0	0.0	1.5	0.5	(1.0)	(0.5)
Coal	(2.0)	(2.5)	(1.0)	(3.5)	0.0	0.0	0.0	(0.5)	(0.5)	0.0	(0.5)
Carry over	(0.5)	(4.0)	(3.0)	(7.0)	0.0	0.0	0.0	1.0	0.0	(1.0)	(1.0)
Average method	0.5	3.5	(7.0)	(3.5)	(4.0)	(1.0)	(5.0)	(5.5)	(5.0)	(2.5)	(7.5)
Lower-of-cost-or-market method	0.0	(1.0)	(1.0)	(2.0)	(1.5)	1.0	(0.5)	1.0	(1.0)	1.0	0.0
Inventory valuation	0.5	2.5	(8.0)	(5.5)	(5.5)	0.0	(5.5)	(4.5)	(6.0)	(1.5)	(7.5)

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

Advanced Materials	FY2024 Actual				FY2025 Forecast (Previous)			FY2025 Forecast (Current)			
	1Q	1H	2H	Full Year	1H	2H	Full Year	1Q	1H	2H	Full Year
Average method	1.0	2.5	1.0	3.5	1.5	(1.0)	0.5	1.0	2.0	(1.0)	1.0
Lower-of-cost-or-market method	(0.5)	(1.0)	1.0	0.0	0.5	0.0	0.5	(1.0)	(0.5)	0.5	0.0
Inventory valuation	0.5	1.5	2.0	3.5	2.0	(1.0)	1.0	0.0	1.5	(0.5)	1.0

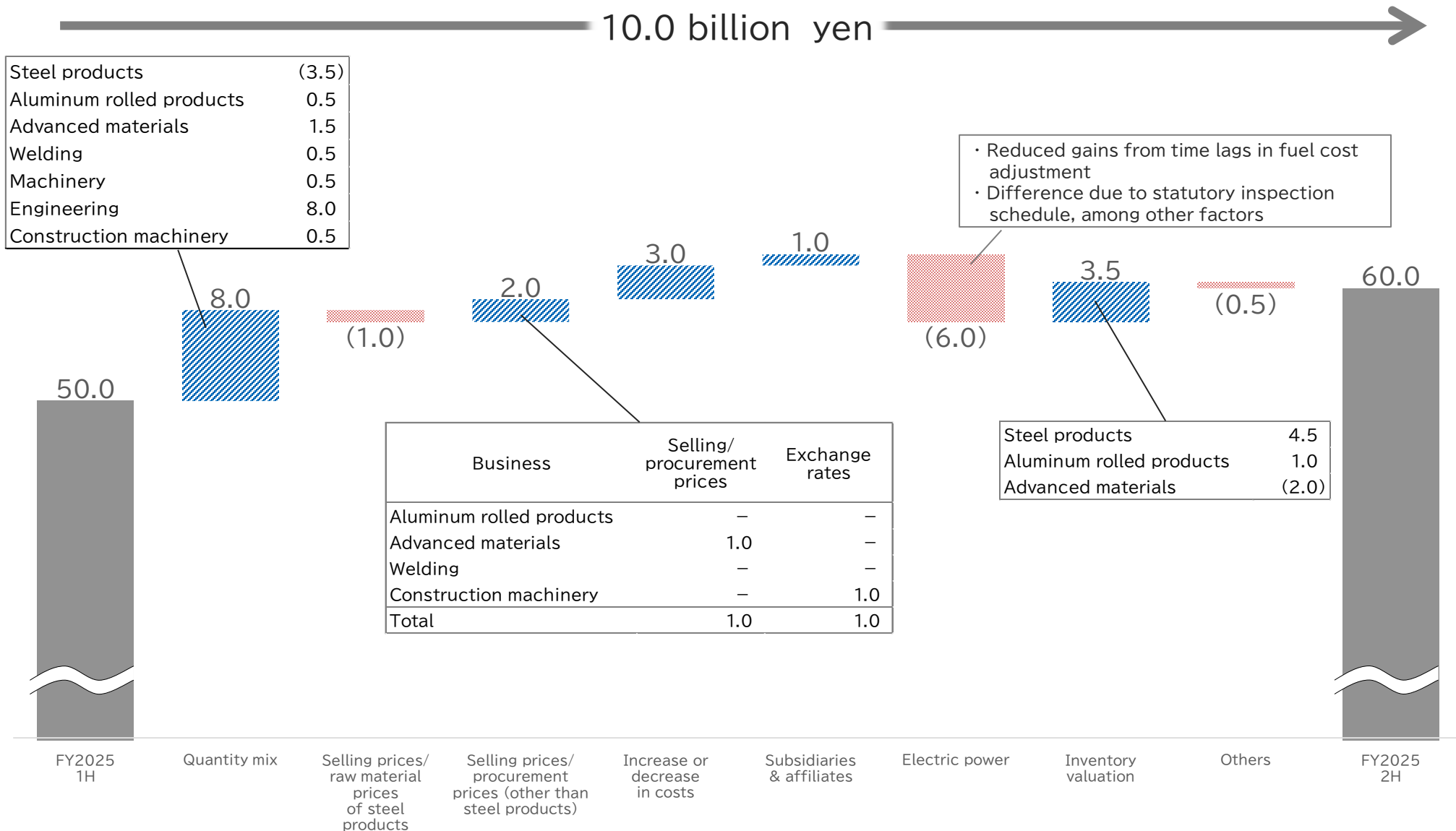
Forecast for Fiscal 2025 : Analysis of Ordinary Profit (Loss) (Compared to fiscal 2024)

(47.1) billion yen



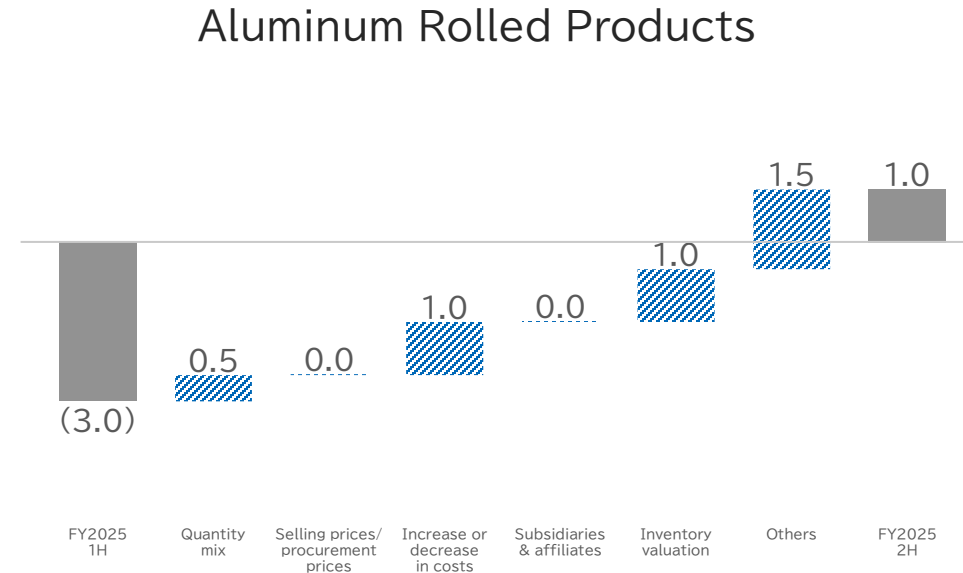
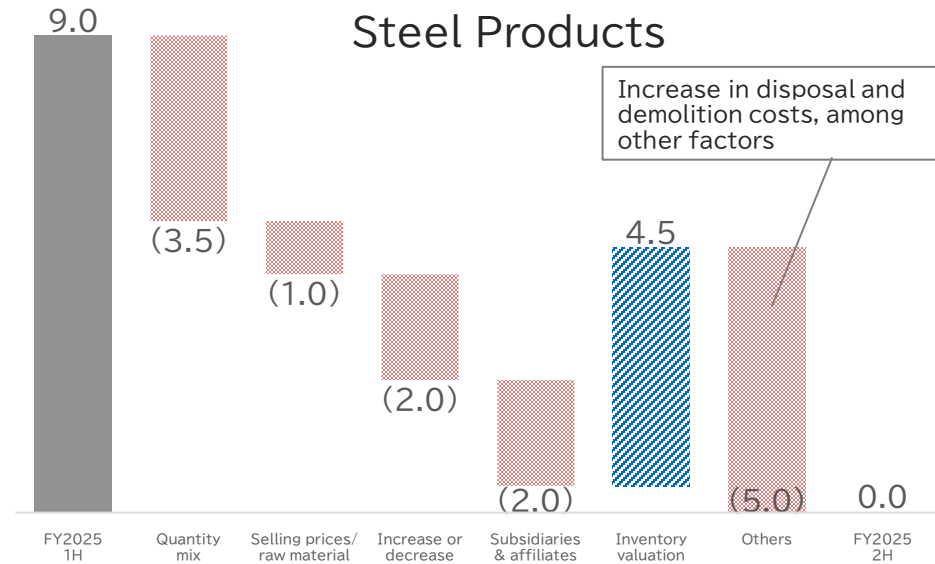
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

Breakdown of Differences between the First Half and the Second Half of Fiscal 2025

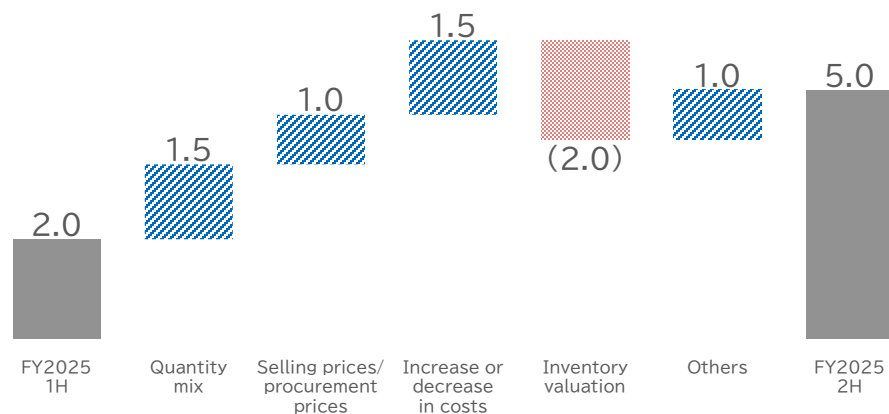


The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

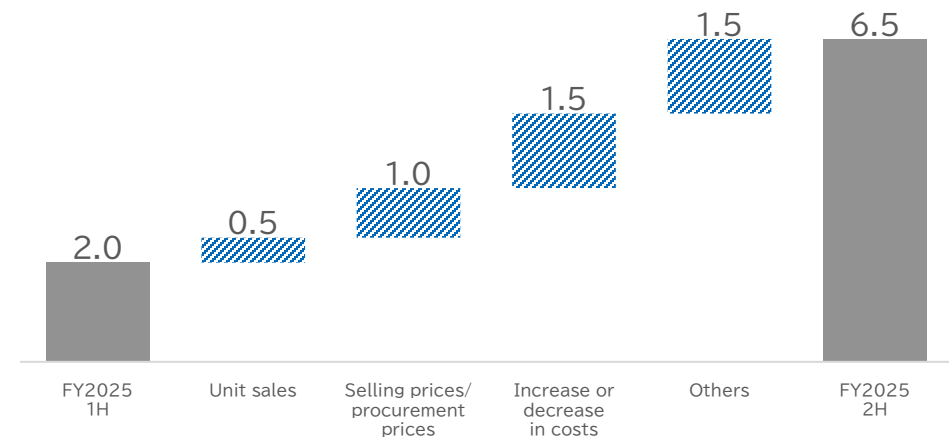
Breakdown of Differences between the First Half and the Second Half of Fiscal 2025(Primary Segments)



Advanced Materials



Construction Machinery



	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	150.0 billion yen	150.0 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	780.0 billion yen	810.0 billion yen
Gross D/E ratio* ¹	1.00 times	0.83 times	0.76 times	approx. 0.65 times	approx. 0.7 times
Cash flows from operating activities	119.6 billion yen	205.2 billion yen	148.2 billion yen	210.0 billion yen	190.0 billion yen
Cash flows from investing activities	(97.2) billion yen	(53.7) billion yen	(113.8) billion yen	(120.0) billion yen	(120.0) billion yen
Free cash flow	22.4 billion yen	151.5 billion yen	34.3 billion yen	90.0 billion yen	70.0 billion yen
Cash and deposits	203.3 billion yen	278.7 billion yen	219.8 billion yen	170.0 billion yen	180.0 billion yen
Profit (loss) per share	183.80 yen	277.38 yen	304.64 yen	253.15 yen	253.99 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

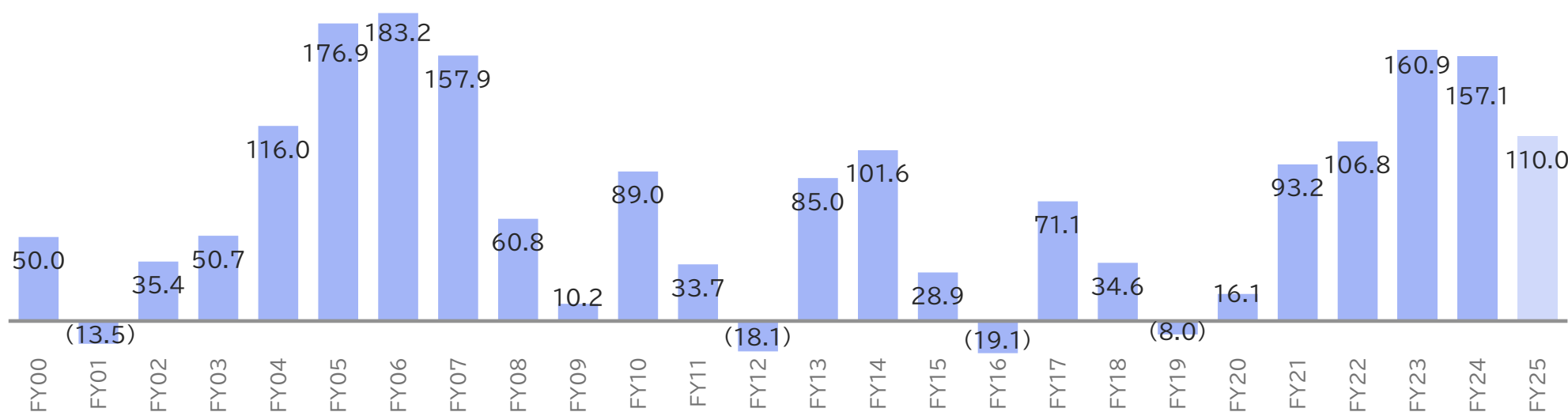
*3 ROIC : After tax operating income divided by invested capital

Consolidated Results

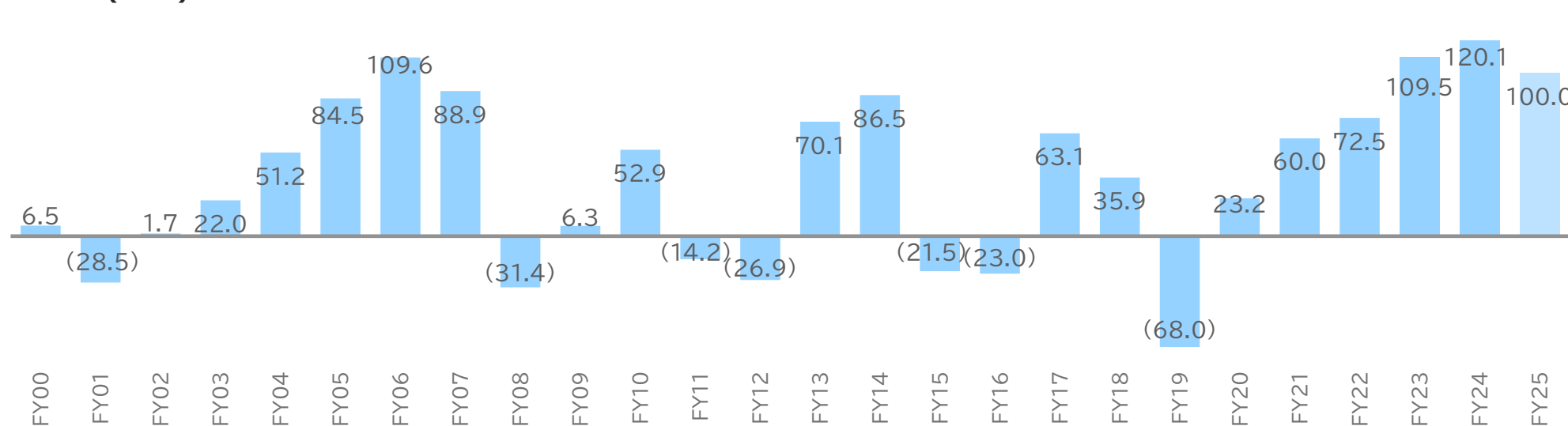


(Billions of yen)

Ordinary Profit (Loss)



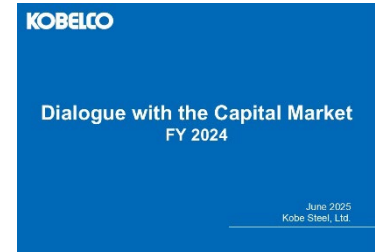
Profit (Loss) Attributable to Owners of Parent



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 FY2024, announced in June 2025: [capital markets 24 e.pdf](#)



External Evaluations (Listed below are only major ones)

◆ FTSE4Good Index Series



FTSE4Good

◆ FTSE Blossom Japan Sector Relative Index



FTSE Blossom
Japan Sector
Relative Index

◆ FTSE Blossom Japan Index



FTSE Blossom
Japan Index

◆ DX Stocks 2025



Noteworthy
DX Companies 2025
Digital Transformation

◆ MSCI JAPAN ESG SELECT LEADERS INDEX*

2025 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

◆ MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)*

2025 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

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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 Professionalism 2. Contribute to the Society by Providing Superior Products and Services Quality Charter 3. Establish a Comfortable but Challenging Work Environment 4. Live in Harmony with the Local Community 5. Contribute to a Sustainable Environment 6. 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