

# Financial Results for Fiscal 2025 and Forecast for Fiscal 2026

May 11, 2026  
Kobe Steel, Ltd.

**KOBELCO**

- Summary of Financial Results and Forecast
- Financial Results for Fiscal 2025
- Forecast for Fiscal 2026
- Return to Shareholders
- Segment Information
- Reference Information

## Financial Results for Fiscal 2025

- Despite the prolonged challenging demand environment, particularly in the materials businesses, the Company **secured an ordinary profit of 121.3 billion yen**, supported by the machinery businesses, which delivered record-high profits. **Profit attributable to owners of parent amounted to 93.7 billion yen, reflecting gains from the sale of strategic shareholdings and other assets, along with an impairment loss of 20.9 billion yen related to assets for manufacturing aluminum rolled products.** ROIC was 5.3%.
- Free cash flow amounted to 128.0 billion yen, driven by asset sales, including strategic shareholdings, while capital investment payments remained comparable to depreciation. The net assets ratio and the D/E ratio stood at 46.4% and 0.61 times, respectively.

## Forecast for Fiscal 2026

- The demand environment, excluding the impact of the Middle East situation, is expected to remain generally at a level similar to fiscal 2025.
- **Based on the assumption that current conditions in the Middle East persist through the end of the first half, the Company factors in an earnings risk of approximately 10.0 billion yen, reflecting anticipated lower regional sales and cost increases resulting from higher crude oil prices.**
- **Ordinary profit, profit attributable to owners of parent, and ROIC are all expected to remain similar to fiscal 2025 levels at 120.0 billion yen, 100.0 billion yen, and approximately 5.5%, respectively.** This projection reflects an anticipated earnings decline in the machinery businesses and potential Middle East-related risks, despite expected earnings improvements in the materials businesses.
- Free cash flow is expected to remain at 10.0 billion yen, as capital investment payments are projected to exceed depreciation. The net assets ratio and the D/E ratio are expected to be approximately 49% and 0.55 times, respectively, both in line with the targets set under the current Medium-Term Management Plan. The Company will continue to maintain financial discipline and prepare for future investments focused on growth and achieving carbon neutrality.

## Return to Shareholders

- Fiscal 2025: As previously announced, the Company maintains its policy of **paying an annual dividend of 80 yen per share** (payout ratio of 33.6%).
- Fiscal 2026: The Company has decided on a policy of **paying an annual dividend of 80 yen per share** (payout ratio of 31.8%).

# Summary of Financial Results and Forecast



## Financial Results for Fiscal 2025

|  | Year on year   |                         |
|--|--|-------------------------|
| Net Sales                                      | 2,436.5 billion yen  | (118.4) billion yen     |
| Ordinary Profit (Loss)                         | 121.3 billion yen  | (35.8) billion yen      |
| Excluding Inventory Valuation                  | 125.8 billion yen  | (30.3) billion yen      |
| Profit (Loss) Attributable to Owners of Parent | 93.7 billion yen   | (26.4) billion yen      |
| Free Cash Flow                                 | 128.0 billion yen  | 93.6 billion yen        |
| Financial Indicators                           | ROIC   | 5.3% (1.6%)             |
|  | ROE  | 7.7% (3.1%)             |
|  | Net Assets ratio   | 46.4% 3.6%              |
|  | Gross D/E ratio  | 0.61 times (0.15 times) |
| Return to Shareholders                         | Year-end dividend: 40 yen per share<br>Annual dividend: 80 yen per share |                         |

## Fiscal 2026 Earnings Forecast

|  | Year on year  |                                 |
|--|---|---------------------------------|
| Net Sales                                      | 2,560.0 billion yen   | 123.4 billion yen               |
| Ordinary Profit (Loss)                         | 120.0 billion yen   | (1.3) billion yen               |
| Excluding Inventory Valuation                  | 115.5 billion yen   | (10.3) billion yen              |
| Profit (Loss) Attributable to Owners of Parent | 100.0 billion yen   | 6.2 billion yen                 |
| Free Cash Flow                                 | 10.0 billion yen  | (118.0) billion yen             |
| Financial Indicators                           | ROIC  | Approx. 5.5% 0.2%               |
|  | ROE   | Approx. 7.5% (0.2%)             |
|  | Net Assets ratio  | Approx. 49% 2.6%                |
|  | Gross D/E ratio   | Approx. 0.55 times (0.06 times) |
| Return to Shareholders                         | Interim and year-end dividends: 40 yen per share<br>Annual dividend: 80 yen per share |                                 |

# Financial Results for Fiscal 2025

| (Billions of yen)                              | FY2024 Actual |         |                | FY2025 Actual |         |                | Change<br>②-① |
|--|---------------|---------|----------------|---------------|---------|----------------|---------------|
|  | 1H            | 2H      | Full Year<br>① | 1H            | 2H      | Full Year<br>② |               |
| Net Sales                                      | 1,248.5       | 1,306.4 | 2,555.0        | 1,181.4       | 1,255.1 | 2,436.5        | (118.4)       |
| Operating Profit (Loss)                        | 77.7          | 81.0    | 158.7          | 62.5          | 67.3    | 129.8          | (28.8)        |
| Ordinary Profit (Loss)                         | 70.9          | 86.2    | 157.1          | 57.6          | 63.6    | 121.3          | (35.8)        |
| Excluding Inventory Valuation                  | 66.9          | 89.2    | 156.1          | 64.1          | 61.6    | 125.8          | (30.3)        |
| Extraordinary Income (Losses)                  | 5.3           | (21.4)  | (16.1)         | 17.9          | (18.4)  | (0.4)          | 15.6          |
| Profit (Loss) Attributable to Owners of Parent | 56.5          | 63.5    | 120.1          | 62.8          | 30.8    | 93.7           | (26.4)        |

## 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, as well as the extended statutory inspection period for the Kobe Power Plant No. 3 unit, among other factors.

## Ordinary Profit (Loss)

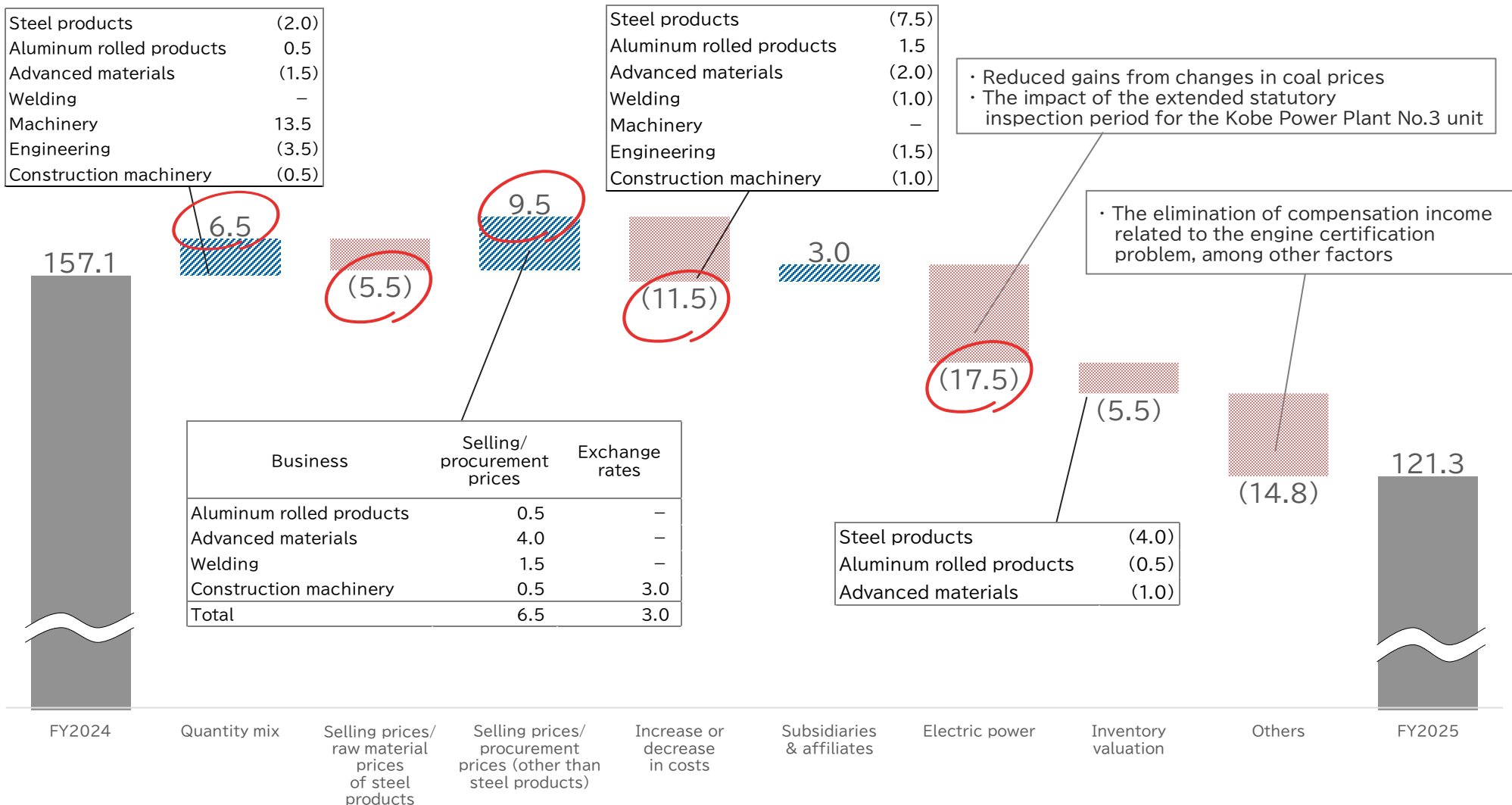
Ordinary profit decreased year on year due to several factors, including cost increases centered on fixed costs, the elimination of compensation income in the construction machinery segment, the extended statutory inspection period for the Kobe Power Plant No. 3 unit in the electric power segment, and 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 from the record-high level of the previous fiscal year, due to a decline in ordinary profit, despite improvements in extraordinary income (losses).

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

(35.8) billion yen



- Reduced gains from changes in coal prices
- The impact of the extended statutory inspection period for the Kobe Power Plant No.3 unit

- The elimination of compensation income related to the engine certification problem, among other factors

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

# Financial Results for Fiscal 2025: Ordinary Profit (Loss) by Segment



|                                       | FY2024<br>Actual | FY2025<br>Actual | Change        |  |
|---------------------------------------|------------------|------------------|---------------|--|
| <b>Steel Products</b>                 | 24.3             | 3.8              | (20.4)        | Down primarily due to a deterioration in metal spreads, cost increases centered on fixed costs and a deterioration in inventory valuation.                                 |
| Excluding<br>Inventory Valuation      | 29.8             | 13.3             | (16.5)        |  |
| <b>Aluminum<br/>Rolled Products</b>   | (0.6)            | (0.9)            | (0.3)         | Down primarily due to a deterioration in inventory valuation, despite the progress in cost pass-through and cost improvements.   |
| Excluding<br>Inventory Valuation      | (3.6)            | (3.4)            | 0.2           |  |
| <b>Advanced<br/>Materials</b>         | 10.7             | 8.7              | (2.0)         | Down primarily due to a decrease in sales volume centered on the automotive sectors and a deterioration in inventory valuation, despite the progress in cost pass-through. |
| Excluding<br>Inventory Valuation      | 7.2              | 6.2              | (1.0)         |  |
| <b>Welding</b>                        | 5.2              | 5.8              | 0.6           | Up primarily due to the progress in cost pass-through.   |
| <b>Materials<br/>Businesses Total</b> | <b>39.6</b>      | <b>17.4</b>      | <b>(22.1)</b> |  |
| <b>Machinery</b>                      | 32.5             | 46.7             | 14.1          | Up primarily due to an increase in net sales and service contracts.  |
| <b>Engineering</b>                    | 16.1             | 12.6             | (3.4)         | Down primarily due to changes in the project mix.  |
| <b>Construction<br/>Machinery</b>     | 18.7             | 12.3             | (6.4)         | Down primarily due to the elimination of compensation income related to the engine certification problem recorded in the previous fiscal year.                             |
| <b>Machinery<br/>Businesses Total</b> | <b>67.4</b>      | <b>71.6</b>      | <b>4.2</b>    |  |
| <b>Electric Power</b>                 | 52.3             | 34.7             | (17.5)        | Down primarily due to reduced gains from changes in coal prices and the extended statutory inspection period for the Kobe Power Plant No. 3 unit.                          |

# Financial Results for Fiscal 2025: Breakdown of Extraordinary Income (Losses)

- Extraordinary losses amounted to a loss of 0.4 billion yen due to the recording of impairment losses on non-current assets, despite gains on the sale of strategic shareholdings and land.

## Impairment Loss on Assets for Manufacturing Aluminum Rolled Products

- An impairment loss of 20.9 billion yen was recorded on assets used in manufacturing aluminum rolled products, due to a decline in profitability, resulting from sluggish sales volumes of materials for automotive panels, as well as delays in passing on increased procurement costs.
- The Company will work to improve profitability by lowering fixed cost levels in line with demand levels, while continuing efforts to improve selling prices.

## Breakdown of Extraordinary Income (Losses)

(Billions of yen)

|   | 2024<br>Actual<br>results | 2025<br>Previous<br>forecast | 2025<br>Actual<br>results | Description of items   |
|---|---------------------------|------------------------------|---------------------------|--|
| Gain on sale of investment securities                         | —                         | 17.6                         | 21.8                      | • Gain on the sale of strategic shareholdings, including shares of Nippon Steel Corporation                            |
| Gain on sale of non-current assets                            | 5.4                       | 6.7                          | 7.0                       | • Gain on the sale of overseas land  |
| Loss on sale of shares of subsidiaries and associates         | —                         | (4.3)                        | (5.2)                     | • Loss on the sale of shares arising from the transfer of the special steel business of Nippon Koshuha Steel Co., Ltd. |
| Impairment loss on non-current assets                         | (27.4)                    | —                            | (24.1)                    | • Impairment loss on assets for manufacturing aluminum rolled products(20.9), etc.                                     |
| Gain on bargain purchase, Dismantlement-related expenses, etc | 5.8                       | —                            | —                         |  |
| <b>Extraordinary income (losses)</b>                          | <b>(16.1)</b>             | <b>20.0</b>                  | <b>(0.4)</b>              |  |

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 roughly flat year on year**.

### IT and semiconductors

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

Demand for both HDDs and semiconductors is **expected to increase year on year**, along with strong investment in data centers.

### Shipbuilding

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

Despite strong shipbuilding demand, demand for shipbuilding components is **expected to remain roughly flat year on year**, affected by continued labor shortages and other factors.

### Aircraft

(Titanium, and aluminum castings and forgings)

Demand is **expected to increase year on year**, 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 roughly flat year on year**, as the economy stays sluggish amid rising prices.

### Construction and civil engineering

(Steel products and welding)

Demand is **expected to remain roughly flat year on year**, primarily due to continued postponements of construction affected by labor shortages and escalating construction costs.

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(Machinery)

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Energy and  
Chemistry

Demand is **expected to remain roughly flat year on year**, as investment decisions continue to be deferred amid global economic uncertainty.

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General industry

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

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(Construction machinery—Hydraulic excavators)

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Japan

Demand is **expected to decrease year on year**, due to sluggish replacement demand caused by rising construction machinery prices, among other factors.

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China

Demand is **expected to increase year on year**, due to increased government investment, among other factors.

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North America

Demand is **expected to increase year on year**, driven by steady demand for construction.

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Europe

Demand is **expected to increase year on year**, due to a recovery in demand mainly in the UK and Italy.

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Southeast Asia

Demand is **expected to decrease year on year**, due to a slowdown in agricultural-related demand in Indonesia, among other factors.

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# Forecast for Fiscal 2026

| (Billions of yen)                              | FY2025 Actual |         |                | FY2026 Forecast |         |                | Change<br>②-① |
|--|---------------|---------|----------------|-----------------|---------|----------------|---------------|
|  | 1H            | 2H      | Full Year<br>① | 1H              | 2H      | Full Year<br>② |               |
| Net Sales                                      | 1,181.4       | 1,255.1 | 2,436.5        | 1,240.0         | 1,320.0 | 2,560.0        | 123.4         |
| Operating Profit (Loss)                        | 62.5          | 67.3    | 129.8          | 60.0            | 90.0    | 150.0          | 20.1          |
| Ordinary Profit (Loss)                         | 57.6          | 63.6    | 121.3          | 45.0            | 75.0    | 120.0          | (1.3)         |
| Excluding Inventory Valuation                  | 64.1          | 61.6    | 125.8          | 41.5            | 74.0    | 115.5          | (10.3)        |
| Extraordinary Income (Losses)                  | 17.9          | (18.4)  | (0.4)          | 3.0             | 7.0     | 10.0           | 10.4          |
| Profit (Loss) Attributable to Owners of Parent | 62.8          | 30.8    | 93.7           | 35.0            | 65.0    | 100.0          | 6.2           |

## Net Sales

Net sales are expected to increase year on year, due to an increase in sales volume in the materials businesses and the construction machinery segment, as well as higher selling prices in the materials businesses resulting from increased raw material costs, among other factors.

## Ordinary Profit (Loss)

Despite an increase in sales volume in the construction machinery segment, ordinary profit is expected to remain roughly flat year on year, due to a deterioration in metal spreads in the steel segment, a decrease in machine unit sales in the machinery segment, and the incorporation of risks associated with the Middle East situation, among other factors.

## Profit (Loss) Attributable to Owners of Parent

Profit attributable to owners of parent is expected to increase year on year, due to an increase in extraordinary income arising from the sale of land and other assets, as well as the liquidation of subsidiaries, among other factors.

## Middle East-Related Transactions of Our Group

- Sales to the Middle East account for only about 1% of consolidated net sales (fiscal 2025 actual). Transactions in the region are primarily conducted by the machinery businesses.
- Procurement from the Middle East involves the import of raw materials in the aluminum businesses. Higher crude oil prices are expected to increase costs for marine fuel, energy, and other materials.

## Potential Risks Identified: Annual Impact of Negative 20.0 Billion Yen

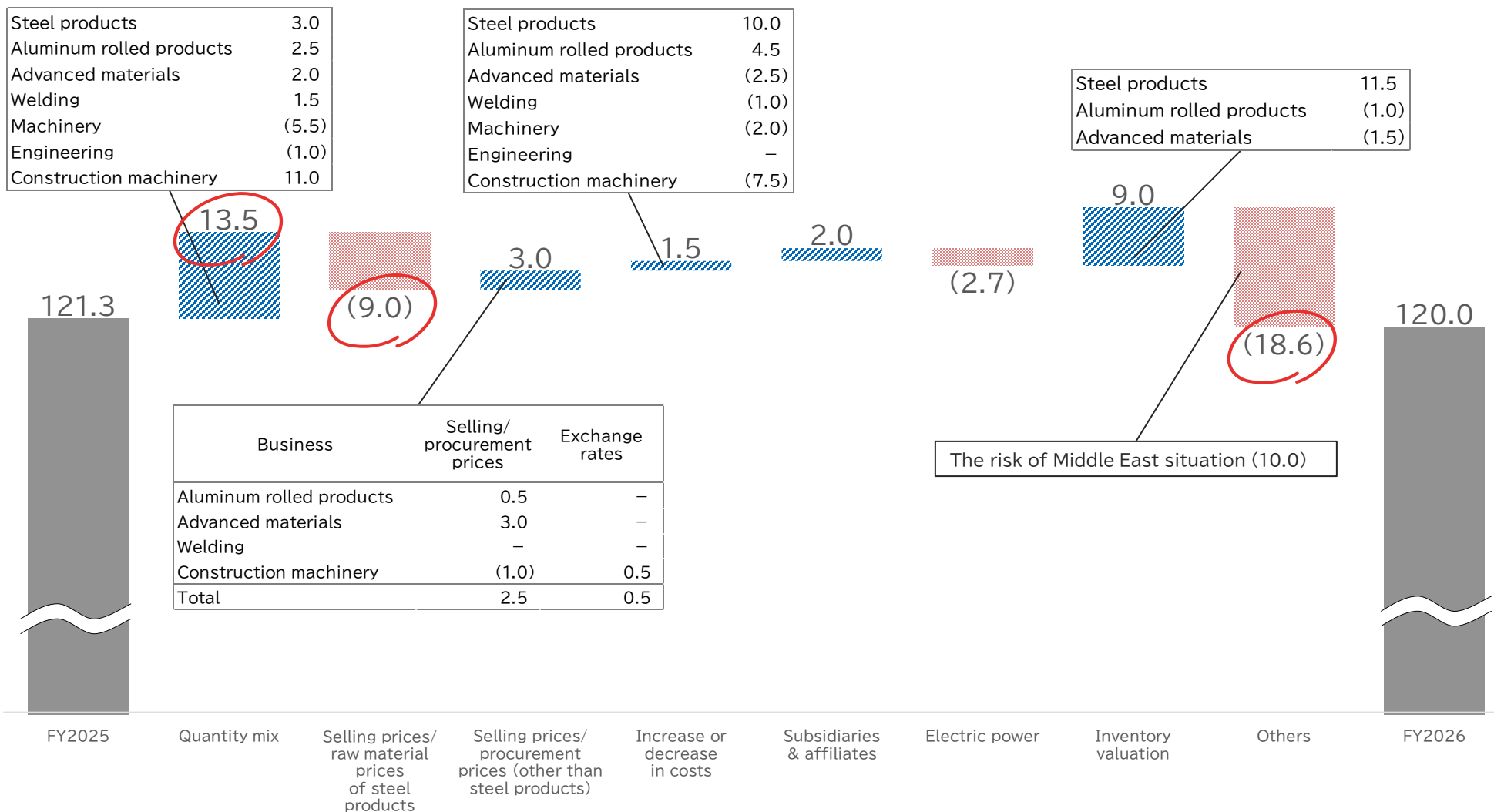
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|---|--------|
| ① Middle East-related sales declines and timing delays in the machinery businesses  | (6.0)  |
| ② Higher procurement costs for alternative raw materials in the aluminum businesses   | (1.0)  |
| ③ Elevated crude oil price, driving higher logistics costs, rising energy and other material prices and cost pass-through pressures | (10.0) |
| ④ Reduced supply of oil-related products and logistics disruptions, leading to increased constraints in our production and shipment | (α)    |
| ⑤ Emergence of negative impacts on the production and sales activities of customers and business partners.                          | (α)    |



Regarding ①-③, our Group has factored in an earnings risk of 10.0 billion yen, based on the assumption that the current situation continues through the end of the first half of the fiscal year.

# Forecast for Fiscal 2026 : Analysis of Ordinary Profit (Loss) (Compared to fiscal 2025)

(1.3) billion yen



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

# Forecast for Fiscal 2026 : Ordinary Profit (Loss) by Segment

|   | FY2025<br>Actual | FY2026<br>Forecast | Change       |  |
|---|------------------|--------------------|--------------|--|
| <b>Steel Products</b>                   | 3.8              | 19.5               | 15.6         | Up primarily due to improvements in costs and inventory valuation, despite an anticipated deterioration in metal spreads.  |
| Excluding Inventory Valuation           | 13.3             | 17.5               | 4.2          |  |
| <b>Aluminum Rolled Products</b>         | (0.9)            | 5.5                | 6.4          | Up primarily due to an increase in sales volumes for beverage can and IT/semiconductor sectors, as well as cost improvements and a decrease in depreciation.   |
| Excluding Inventory Valuation           | (3.4)            | 4.0                | 7.4          |  |
| <b>Advanced Materials</b>               | 8.7              | 10.0               | 1.2          | Up primarily due to an increase in sales volumes mainly for aircraft and semiconductor sectors, as well as improvements in selling prices, despite anticipated cost increases centered on fixed costs. |
| Excluding Inventory Valuation           | 6.2              | 9.0                | 2.8          |  |
| <b>Welding</b>                          | 5.8              | 6.5                | 0.6          | Up primarily due to an increase in sales volume driven by recovering both domestic and overseas demand.  |
| <b>Materials Businesses Total</b>       | <b>17.4</b>      | <b>41.5</b>        | <b>24.1</b>  |  |
| <b>Machinery</b>                        | 46.7             | 40.0               | (6.7)        | Down primarily due to a decrease in machine unit sales and cost increases centered on fixed costs.   |
| <b>Engineering</b>                      | 12.6             | 11.5               | (1.1)        | Down primarily due to changes in the project mix.  |
| <b>Construction Machinery</b>           | 12.3             | 16.0               | 3.6          | Up primarily due to an increase in sales volume, mainly overseas, despite anticipated cost increases centered on fixed costs.  |
| <b>Machinery Businesses Total</b>       | <b>71.6</b>      | <b>67.5</b>        | <b>(4.1)</b> |  |
| <b>Electric Power</b>                   | 34.7             | 32.0               | (2.7)        | Down primarily due to the elimination of gains from changes in coal prices, despite a reduced impact of the extended statutory inspection period for the Kobe Power Plant No. 3 unit.                  |
| <b>Others Businesses and Adjustment</b> | (2.5)            | (21.0)             | (18.4)       | The risk of Middle East situation, and others.   |

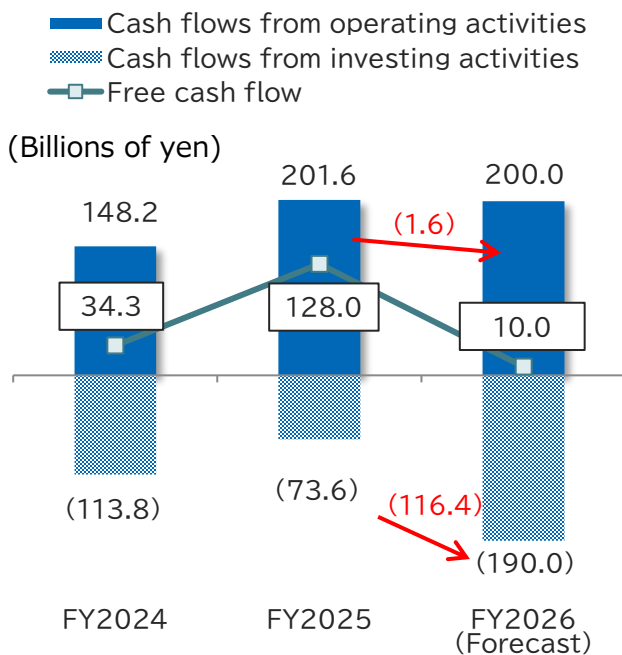
## Fiscal 2025

- Cash flows from operating activities amounted to 201.6 billion yen. Free cash flow amounted to 128.0 billion yen, primarily due to the sale of strategic shareholdings, while capital investment payments remained comparable to depreciation expense (123.9 billion yen). The net assets ratio and the D/E ratio stood at 46.4% and 0.61 times, respectively.

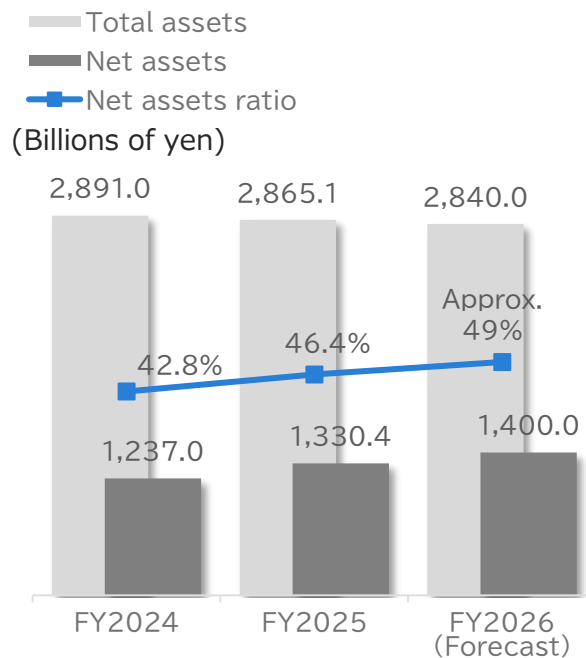
## Fiscal 2026

- While cash flows from operating activities are expected to be approx. 200.0 billion yen, free cash flow is expected to remain at approx. 10.0 billion yen, as capital investment payments are projected to exceed depreciation expense (approx. 125.0 billion yen). The net assets ratio and the D/E ratio are expected to be approx. 49% and 0.55 times, respectively.

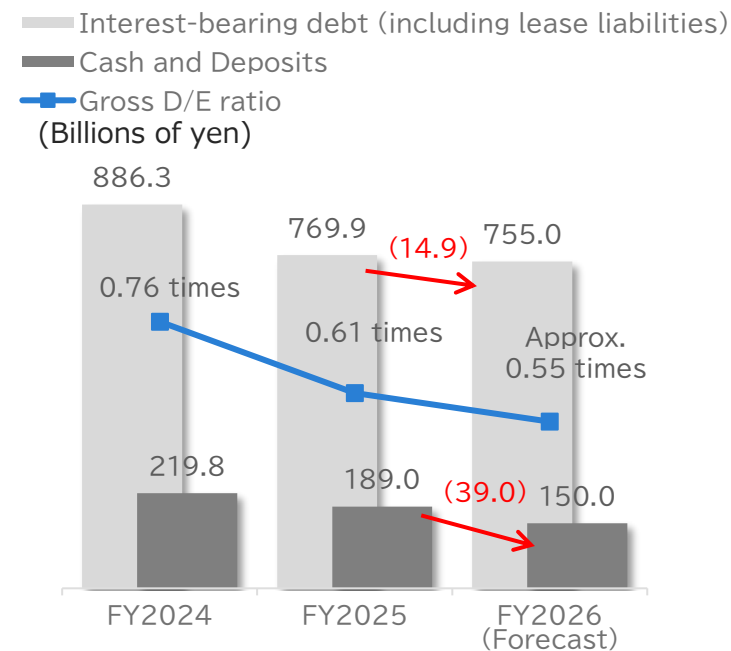
### Cash Flow



### Net Assets ratio



### Gross D/E ratio



The Board of Directors resolved a policy to pay the year-end dividend of 40 yen (annual total: 80 yen) per share for fiscal 2025, as previously announced, and an interim dividend of 40 yen and a year-end dividend of 40 yen (annual total: 80 yen) per share for fiscal 2026.

## 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)

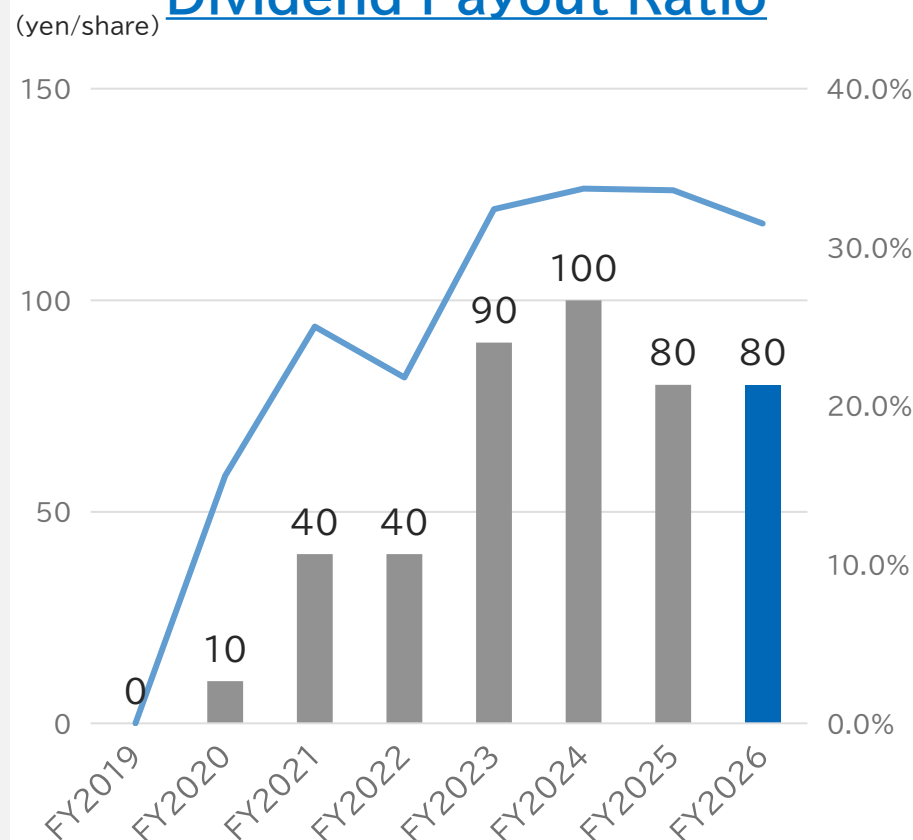
**Dividend payout ratio: approx. 30%**

Dividend (yen/share)

Dividend Payout Ratio (%)

| FY2025        |          | FY2026(policy) |               |
|---------------|----------|----------------|---------------|
| Interim       | Year-end | Interim        | Year-end      |
| 40 yen        | 40 yen   | <b>40 yen</b>  | <b>40 yen</b> |
| <b>80 yen</b> |          | <b>80 yen</b>  |               |
| <b>33.6%</b>  |          | <b>31.8%</b>   |               |

## Dividend and Dividend Payout Ratio



## Segment Information

# Financial Results for Fiscal 2025 and Forecast for Fiscal 2026

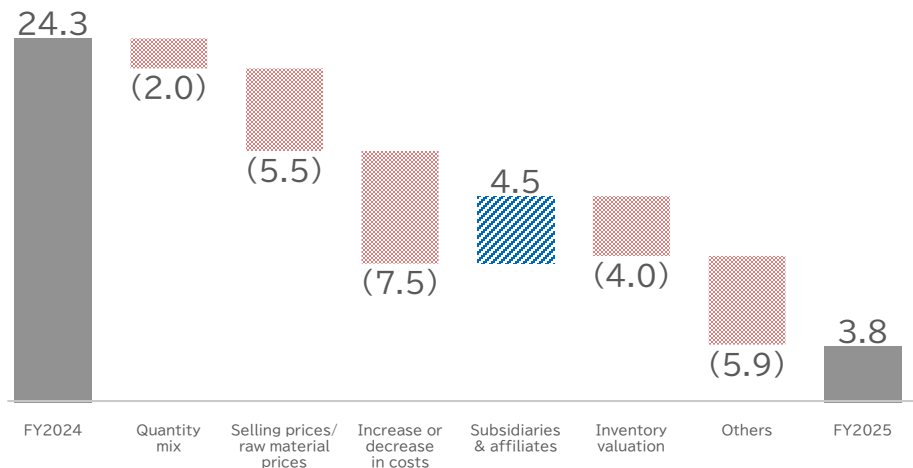
|  | FY2024 Actual |         |           | FY2025 Actual |         |           | FY2026 Forecast |         |           | Change    | Change    |
|--|---------------|---------|-----------|---------------|---------|-----------|-----------------|---------|-----------|-----------|-----------|
|  | 1H            | 2H      | Full Year | 1H            | 2H      | Full Year | 1H              | 2H      | Full Year | Full Year | Full Year |
| (Billions of yen)                              |               |         | ①         |               |         | ②         |                 |         | ③         | ②-①       | ③-②       |
| Steel & Aluminum                               | 560.4         | 555.6   | 1,116.1   | 506.0         | 490.8   | 996.9     | 499.0           | 523.0   | 1,022.0   | (119.2)   | 25.0      |
| Advanced Materials                             | 152.9         | 164.2   | 317.1     | 154.3         | 178.5   | 332.8     | 174.0           | 185.0   | 359.0     | 15.7      | 26.1      |
| Welding  | 46.8          | 47.0    | 93.9      | 46.1          | 50.3    | 96.4      | 49.0            | 51.0    | 100.0     | 2.5       | 3.5       |
| Machinery                                      | 120.0         | 145.0   | 265.1     | 129.0         | 153.7   | 282.7     | 144.0           | 135.0   | 279.0     | 17.5      | (3.7)     |
| Engineering                                    | 65.3          | 109.5   | 174.8     | 73.9          | 119.9   | 193.8     | 88.0            | 108.0   | 196.0     | 19.0      | 2.1       |
| Construction Machinery                         | 197.5         | 190.5   | 388.0     | 188.0         | 201.4   | 389.5     | 206.0           | 223.0   | 429.0     | 1.5       | 39.4      |
| Electric Power                                 | 133.6         | 125.1   | 258.8     | 113.4         | 89.7    | 203.2     | 107.0           | 112.0   | 219.0     | (55.6)    | 15.7      |
| Other Businesses                               | 3.7           | 5.2     | 8.9       | 2.5           | 3.3     | 5.8       | 3.0             | 3.0     | 6.0       | (3.0)     | 0.1       |
| Adjustment                                     | (31.9)        | (35.9)  | (67.9)    | (32.0)        | (32.9)  | (64.9)    | (30.0)          | (20.0)  | (50.0)    | 2.9       | 14.9      |
| Net Sales                                      | 1,248.5       | 1,306.4 | 2,555.0   | 1,181.4       | 1,255.1 | 2,436.5   | 1,240.0         | 1,320.0 | 2,560.0   | (118.4)   | 123.4     |
| Operating Profit (Loss)                        | 77.7          | 81.0    | 158.7     | 62.5          | 67.3    | 129.8     | 60.0            | 90.0    | 150.0     | (28.8)    | 20.1      |
| Steel & Aluminum                               | 14.4          | 9.2     | 23.6      | 6.5           | (3.7)   | 2.8       | 8.5             | 16.5    | 25.0      | (20.7)    | 22.1      |
| Advanced Materials                             | 2.3           | 8.3     | 10.7      | 0.8           | 7.8     | 8.7       | 5.0             | 5.0     | 10.0      | (2.0)     | 1.2       |
| Welding  | 2.1           | 3.0     | 5.2       | 2.0           | 3.8     | 5.8       | 3.0             | 3.5     | 6.5       | 0.6       | 0.6       |
| Machinery                                      | 12.3          | 20.2    | 32.5      | 18.6          | 28.0    | 46.7      | 18.5            | 21.5    | 40.0      | 14.1      | (6.7)     |
| Engineering                                    | 4.6           | 11.4    | 16.1      | 2.9           | 9.6     | 12.6      | 5.0             | 6.5     | 11.5      | (3.4)     | (1.1)     |
| Construction Machinery                         | 6.1           | 12.6    | 18.7      | 3.6           | 8.7     | 12.3      | 5.5             | 10.5    | 16.0      | (6.4)     | 3.6       |
| Electric Power                                 | 29.2          | 23.0    | 52.3      | 23.5          | 11.2    | 34.7      | 12.0            | 20.0    | 32.0      | (17.5)    | (2.7)     |
| Other Businesses                               | 2.0           | 1.8     | 3.8       | 1.3           | 3.7     | 5.0       | 2.5             | 2.5     | 5.0       | 1.2       | (0.0)     |
| Adjustment                                     | (2.3)         | (3.6)   | (6.0)     | (1.9)         | (5.6)   | (7.6)     | (15.0)          | (11.0)  | (26.0)    | (1.6)     | (18.3)    |
| Ordinary Profit (Loss)                         | 70.9          | 86.2    | 157.1     | 57.6          | 63.6    | 121.3     | 45.0            | 75.0    | 120.0     | (35.8)    | (1.3)     |
| Excluding Inventory Valuation                  | 66.9          | 89.2    | 156.1     | 64.1          | 61.6    | 125.8     | 41.5            | 74.0    | 115.5     | (30.3)    | (10.3)    |
| Extraordinary Income (Losses)                  | 5.3           | (21.4)  | (16.1)    | 17.9          | (18.4)  | (0.4)     | 3.0             | 7.0     | 10.0      | 15.6      | 10.4      |
| Profit (Loss) Attributable to Owners of Parent | 56.5          | 63.5    | 120.1     | 62.8          | 30.8    | 93.7      | 35.0            | 65.0    | 100.0     | (26.4)    | 6.2       |

|                                  | FY2024 Actual          |       |                | FY2025 Actual |       |                | FY2026 Forecast |       |                | Change Full Year<br>②-① | Change Full Year<br>③-② |      |
|----------------------------------|------------------------|-------|----------------|---------------|-------|----------------|-----------------|-------|----------------|-------------------------|-------------------------|------|
|                                  | 1H                     | 2H    | Full Year<br>① | 1H            | 2H    | Full Year<br>② | 1H              | 2H    | Full Year<br>③ |                         |                         |      |
| (Billions of yen)                |                        |       |                |               |       |                |                 |       |                |                         |                         |      |
| Net Sales                        | 461.6                  | 452.8 | 914.4          | 417.8         | 404.3 | 822.2          | 402.0           | 421.0 | 823.0          | (92.1)                  | 0.7                     |      |
| Ordinary Profit (Loss)           | 18.8                   | 5.5   | 24.3           | 8.5           | (4.6) | 3.8            | 6.5             | 13.0  | 19.5           | (20.4)                  | 15.6                    |      |
| Excluding Inventory Valuation    | 16.3                   | 13.5  | 29.8           | 16.5          | (3.1) | 13.3           | 6.0             | 11.5  | 17.5           | (16.5)                  | 4.2                     |      |
| Crude steel production*1         | (Millions of tons)     | 3.01  | 2.95           | 5.96          | 2.93  | 2.88           | 5.81            | 3.00  | 2.90           | 5.90                    | (0.15)                  | 0.09 |
| Sales volume of steel products*2 | (Millions of tons)     | 2.34  | 2.38           | 4.72          | 2.31  | 2.32           | 4.63            | 2.35  | 2.35           | 4.70                    | (0.09)                  | 0.07 |
| Domestic                         |                        | 1.79  | 1.84           | 3.63          | 1.85  | 1.84           | 3.69            |       |                |                         | 0.06                    |      |
| Exports                          |                        | 0.55  | 0.54           | 1.09          | 0.46  | 0.47           | 0.94            |       |                |                         | (0.15)                  |      |
| Export ratio (value basis)       |                        | 24%   | 22%            | 23%           | 20%   | 21%            | 21%             |       |                |                         | (2%)                    |      |
| Average steel selling price      | (Thousands of yen/ton) | 148   | 140            | 144           | 135   | 131            | 133             |       |                |                         | (11)                    |      |

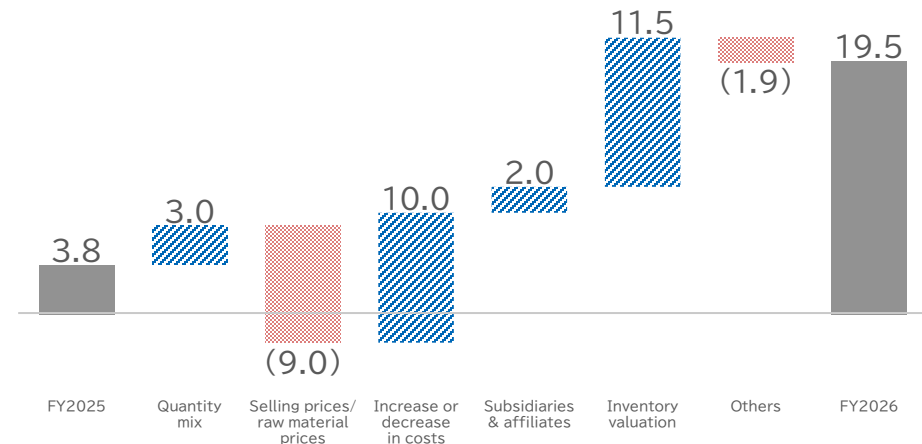
\*1 Includes production volume through electric arc furnaces at Takasago Works

\*2 Non-consolidated basis

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)



## Forecast for Fiscal 2026 (Compared to Fiscal 2025)



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

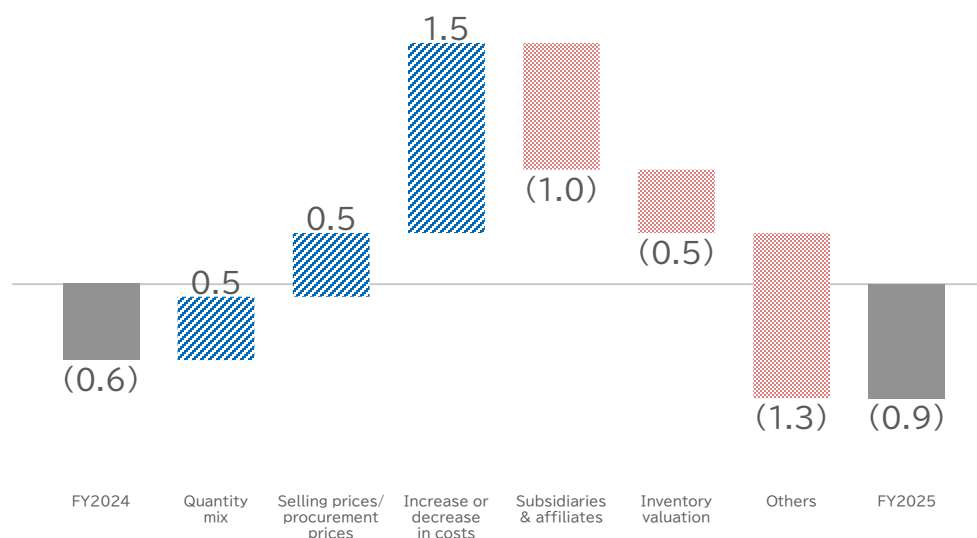
# Aluminum Rolled Products

| (Billions of yen)   | FY2024 Actual |       |                | FY2025 Actual |       |                | FY2026 Forecast |       |                | Change           | Change           |
|---|---------------|-------|----------------|---------------|-------|----------------|-----------------|-------|----------------|------------------|------------------|
|   | 1H            | 2H    | Full Year<br>① | 1H            | 2H    | Full Year<br>② | 1H              | 2H    | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |
| Net Sales   | 98.8          | 102.8 | 201.7          | 88.1          | 86.4  | 174.6          | 97.0            | 102.0 | 199.0          | (27.0)           | 24.3             |
| Ordinary Profit (Loss)  | (4.3)         | 3.6   | (0.6)          | (1.9)         | 0.9   | (0.9)          | 2.0             | 3.5   | 5.5            | (0.3)            | 6.4              |
| Excluding Inventory Valuation                                 | (4.3)         | 0.6   | (3.6)          | (2.9)         | (0.6) | (3.4)          | 1.0             | 3.0   | 4.0            | 0.2              | 7.4              |
| Sales volume of aluminum rolled products* (Thousands of tons) | 154           | 153   | 307            | 135           | 128   | 263            | 140             | 145   | 285            | (44)             | 22               |
| Domestic  | 110           | 109   | 219            | 111           | 107   | 218            |                 |       |                | (1)              |                  |
| Exports   | 44            | 43    | 88             | 23            | 21    | 45             |                 |       |                | (43)             |                  |

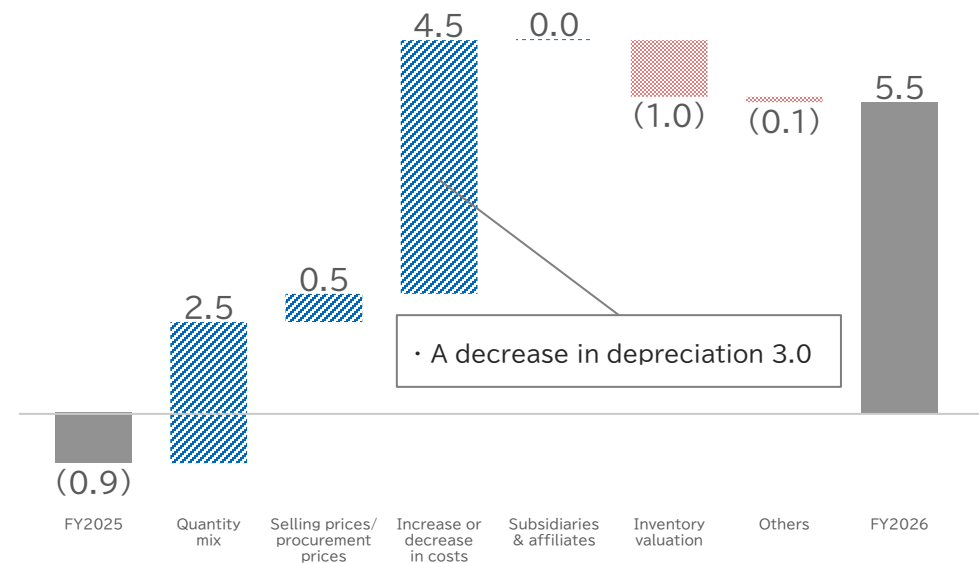
\* Consolidated basis

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 Fiscal 2025 (Compared to Fiscal 2024)



## Forecast for Fiscal 2026 (Compared to Fiscal 2025)

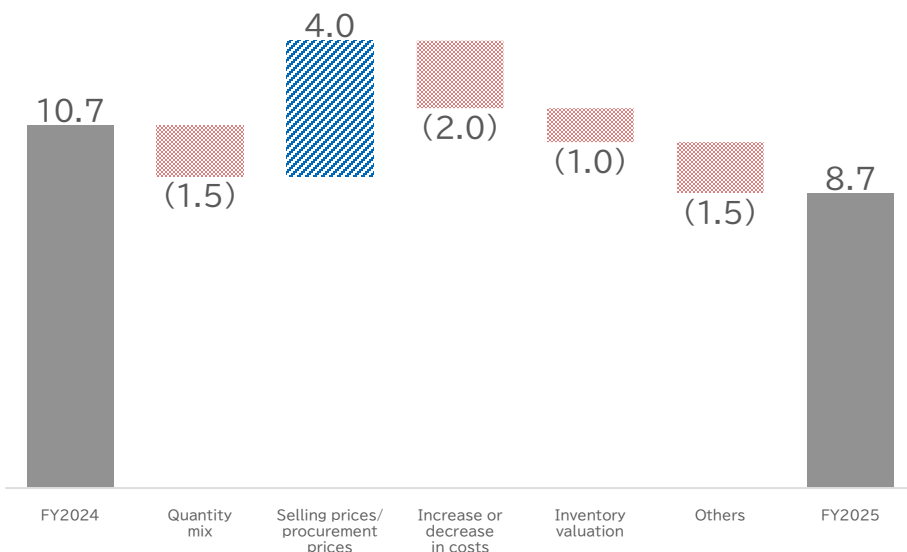


|  | FY2024 Actual |       |                | FY2025 Actual |       |                | FY2026 Forecast |       |                | Change           | Change           |
|--|---------------|-------|----------------|---------------|-------|----------------|-----------------|-------|----------------|------------------|------------------|
|  | 1H            | 2H    | Full Year<br>① | 1H            | 2H    | Full Year<br>② | 1H              | 2H    | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |
| (Billions of yen)  |               |       |                |               |       |                |                 |       |                |                  |                  |
| Net Sales  | 152.9         | 164.2 | 317.1          | 154.3         | 178.5 | 332.8          | 174.0           | 185.0 | 359.0          | 15.7             | 26.1             |
| Ordinary Profit (Loss)                                       | 2.3           | 8.3   | 10.7           | 0.8           | 7.8   | 8.7            | 5.0             | 5.0   | 10.0           | (2.0)            | 1.2              |
| Excluding Inventory Valuation                                | 0.8           | 6.3   | 7.2            | 0.3           | 5.8   | 6.2            | 3.0             | 6.0   | 9.0            | (1.0)            | 2.8              |
| Sales volume of aluminum extrusions*1 (Thousands of tons)    | 19            | 19    | 38             | 17            | 19    | 36             | 19              | 19    | 38             | (2)              | 2                |
| Domestic   | 15            | 15    | 30             | 13            | 15    | 28             |                 |       |                | (2)              |                  |
| Exports  | 4             | 4     | 8              | 4             | 4     | 8              |                 |       |                | (0)              |                  |
| Sales volume of copper rolled products*2 (Thousands of tons) | 26            | 27    | 53             | 25            | 29    | 54             | 29              | 30    | 59             | 1                | 5                |

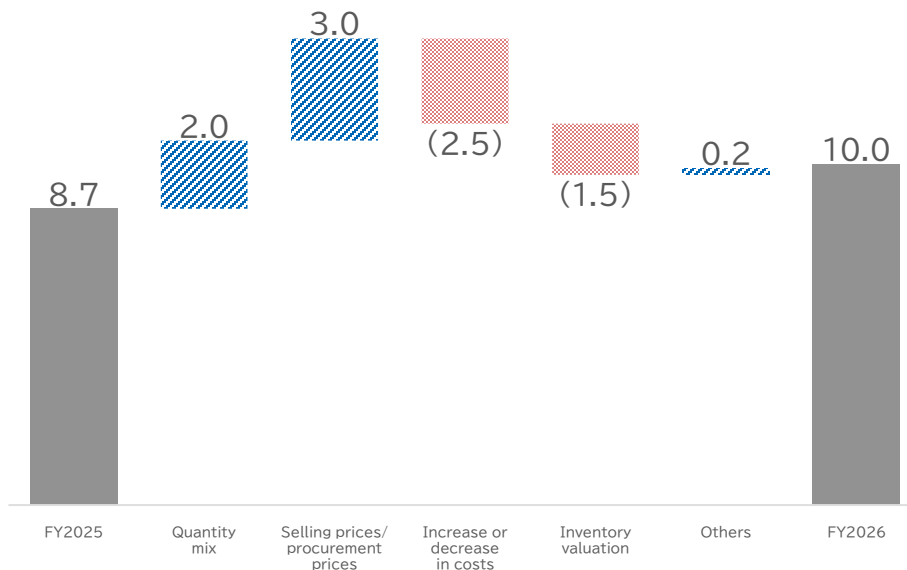
\*1 Consolidated basis

\*2 Non-consolidated basis

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)



## Forecast for Fiscal 2026 (Compared to Fiscal 2025)



|   | FY2024 Actual |      |                | FY2025 Actual |      |                | FY2026 Forecast |      |                | Change           | Change           |
|---|---------------|------|----------------|---------------|------|----------------|-----------------|------|----------------|------------------|------------------|
|   | 1H            | 2H   | Full Year<br>① | 1H            | 2H   | Full Year<br>② | 1H              | 2H   | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |
| (Billions of yen)   |               |      |                |               |      |                |                 |      |                |                  |                  |
| Net Sales   | 46.8          | 47.0 | 93.9           | 46.1          | 50.3 | 96.4           | 49.0            | 51.0 | 100.0          | 2.5              | 3.5              |
| Ordinary Profit (Loss)                                    | 2.1           | 3.0  | 5.2            | 2.0           | 3.8  | 5.8            | 3.0             | 3.5  | 6.5            | 0.6              | 0.6              |
| Sales volume of welding materials*<br>(Thousands of tons) | 112           | 115  | 227            | 112           | 116  | 227            | 115             | 120  | 235            | 0                | 8                |
| Domestic  | 48            | 45   | 92             | 45            | 46   | 91             |                 |      |                | (1)              |                  |
| Exports   | 64            | 70   | 134            | 67            | 69   | 136            |                 |      |                | 2                |                  |

\* Consolidated basis

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)

**Sales Volume**      Roughly flat year on year both in domestic and export markets.

**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 2026 (Compared to Fiscal 2025)

**Sales Volume**      Domestic :  
Expected to increase due to a gradual demand recovery.  
Export :  
Expected to increase, particularly in China.

**Selling Prices**      Expected to remain roughly flat year on year.

**Cost**      Expected to increase centered on fixed costs such as labor costs.

| (Billions of yen)      | FY2024 Actual |       |                | FY2025 Actual |       |                | FY2026 Forecast |       |                | Change           | Change           |
|------------------------|---------------|-------|----------------|---------------|-------|----------------|-----------------|-------|----------------|------------------|------------------|
|                        | 1H            | 2H    | Full Year<br>① | 1H            | 2H    | Full Year<br>② | 1H              | 2H    | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |
| Net Sales              | 120.0         | 145.0 | 265.1          | 129.0         | 153.7 | 282.7          | 144.0           | 135.0 | 279.0          | 17.5             | (3.7)            |
| Ordinary Profit (Loss) | 12.3          | 20.2  | 32.5           | 18.6          | 28.0  | 46.7           | 18.5            | 21.5  | 40.0           | 14.1             | (6.7)            |
| Orders                 | 119.3         | 143.2 | 262.5          | 123.3         | 146.7 | 270.1          | 130.0           | 135.0 | 265.0          | 7.5              | (5.1)            |
| Backlog of Orders      |               |       | 254.4          |               |       | 241.2          |                 |       |                | (13.2)           |                  |

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)

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

**Ordinary Profit (Loss)** Increased primarily due to an increase in net sales and service contracts.

## Forecast for Fiscal 2026 (Compared to Fiscal 2025)

**Orders** Expected to remain roughly flat year on year with no significant change in the demand environment.

**Ordinary Profit (Loss)** Expected to decrease due to a decrease in machine unit sales and cost increases centered on fixed costs.

| (Billions of yen)      | FY2024 Actual |       |                | FY2025 Actual |       |                | FY2026 Forecast |       |                | Change           | Change           |
|------------------------|---------------|-------|----------------|---------------|-------|----------------|-----------------|-------|----------------|------------------|------------------|
|                        | 1H            | 2H    | Full Year<br>① | 1H            | 2H    | Full Year<br>② | 1H              | 2H    | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |
| Net Sales              | 65.3          | 109.5 | 174.8          | 73.9          | 119.9 | 193.8          | 88.0            | 108.0 | 196.0          | 19.0             | 2.1              |
| Ordinary Profit (Loss) | 4.6           | 11.4  | 16.1           | 2.9           | 9.6   | 12.6           | 5.0             | 6.5   | 11.5           | (3.4)            | (1.1)            |
| Orders                 | 59.5          | 105.2 | 164.7          | 88.4          | 43.6  | 132.1          | 145.0           | 90.0  | 235.0          | (32.6)           | 102.8            |
| Backlog of Orders      |               |       | 441.9          |               |       | 386.0          |                 |       |                | (55.9)           |                  |

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)

### Orders

Decreased from fiscal 2024, which saw orders for several projects in the waste treatment-related business.

### Ordinary Profit (Loss)

Decreased primarily due to changes in the project mix.

## Forecast for Fiscal 2026 (Compared to Fiscal 2025)

### Orders

Expected to increase primarily due to anticipated orders for several projects in the DRI-related and waste treatment-related businesses.

### Ordinary Profit (Loss)

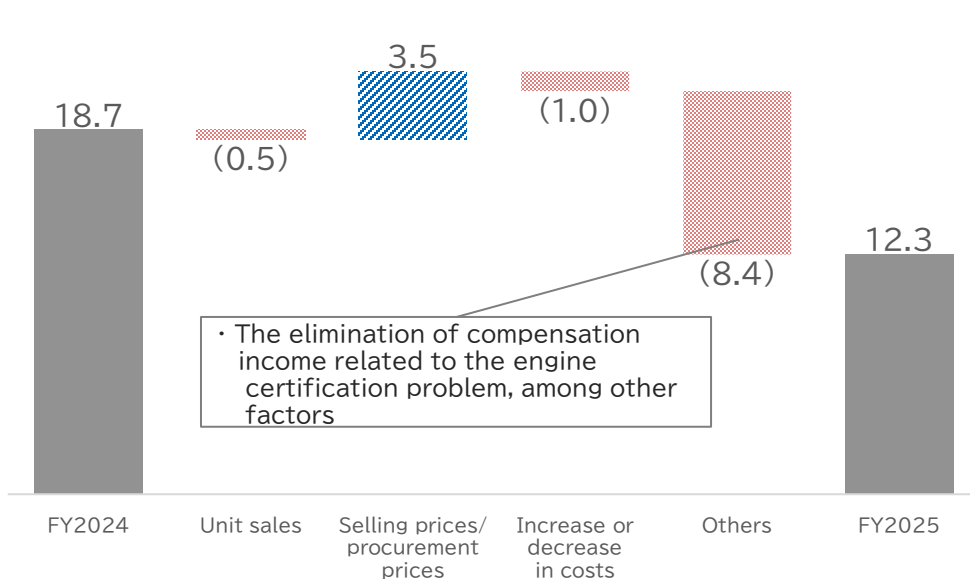
Expected to decrease primarily due to changes in the project mix.

|                                      | FY2024 Actual        |       |                | FY2025 Actual |       |                | FY2026 Forecast |       |                | Change           | Change           |       |     |
|--------------------------------------|----------------------|-------|----------------|---------------|-------|----------------|-----------------|-------|----------------|------------------|------------------|-------|-----|
|                                      | 1H                   | 2H    | Full Year<br>① | 1H            | 2H    | Full Year<br>② | 1H              | 2H    | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |       |     |
| (Billions of yen)                    |                      |       |                |               |       |                |                 |       |                |                  |                  |       |     |
| Net Sales                            | 197.5                | 190.5 | 388.0          | 188.0         | 201.4 | 389.5          | 206.0           | 223.0 | 429.0          | 1.5              | 39.4             |       |     |
| Ordinary Profit (Loss)               | 6.1                  | 12.6  | 18.7           | 3.6           | 8.7   | 12.3           | 5.5             | 10.5  | 16.0           | (6.4)            | 3.6              |       |     |
| Unit sales of hydraulic excavators*1 | (Thousands of units) |       | 10.4           | 9.9           | 20.3  | 10.3           | 10.6            | 21.0  | 10.5           | 11.5             | 22.0             | 0.7   | 1.0 |
| Domestic                             |                      |       | 3.0            | 3.6           | 6.6   | 2.6            | 3.3             | 5.9   |                |                  |                  | (0.8) |     |
| Exports                              |                      |       | 7.4            | 6.3           | 13.7  | 7.8            | 7.3             | 15.1  |                |                  |                  | 1.4   |     |
| Unit sales of crawler cranes*2       | (Units)              |       | 157            | 217           | 374   | 154            | 175             | 329   | 160            | 170              | 330              | (45)  | 1   |

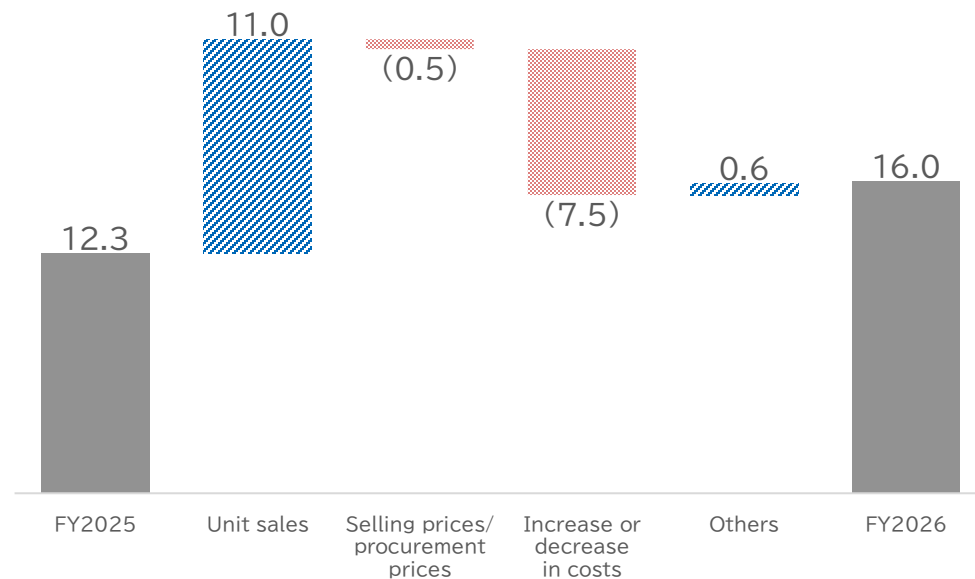
\*1 Consolidated basis (including mini-excavators)

\*2 Consolidated basis

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)



## Forecast for Fiscal 2026 (Compared to Fiscal 2025)



|   | FY2024 Actual |       |                | FY2025 Actual |      |                | FY2026 Forecast |       |                | Change           | Change           |
|---|---------------|-------|----------------|---------------|------|----------------|-----------------|-------|----------------|------------------|------------------|
|   | 1H            | 2H    | Full Year<br>① | 1H            | 2H   | Full Year<br>② | 1H              | 2H    | Full Year<br>③ | Full Year<br>②-① | Full Year<br>③-② |
| (Billions of yen)   |               |       |                |               |      |                |                 |       |                |                  |                  |
| Net Sales   | 133.6         | 125.1 | 258.8          | 113.4         | 89.7 | 203.2          | 107.0           | 112.0 | 219.0          | (55.6)           | 15.7             |
| Ordinary Profit (Loss)  | 29.2          | 23.0  | 52.3           | 23.5          | 11.2 | 34.7           | 12.0            | 20.0  | 32.0           | (17.5)           | (2.7)            |
| Time lags in fuel cost adjustments  | 4.0           | 1.0   | 5.0            | 1.0           | 0.0  | 1.0            | 0.0             | 0.0   | 0.0            | (4.0)            | (1.0)            |
| Effect of temporary gains/losses from changes in electricity selling prices | 2.0           | 3.0   | 5.0            | 1.0           | 2.0  | 3.0            | 0.0             | 0.0   | 0.0            | (2.0)            | (3.0)            |

## Financial Results for Fiscal 2025 (Compared to Fiscal 2024)

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

**Unit Selling Price**      Decreased due to fluctuations in coal prices.

**Ordinary Profit (Loss)**      Decreased primarily due to reduced gains from changes in coal prices and the extended statutory inspection period for the Kobe Power Plant No. 3 unit.

## Forecast for Fiscal 2026 (Compared to Fiscal 2025)

**Sales Volume**      Expected to increase primarily due to a reduced impact of the extended statutory inspection period for the Kobe Power Plant No. 3 unit.

**Unit Selling Price**      Expected to decrease due to fluctuations in coal prices.

**Ordinary Profit (Loss)**      Expected to decrease primarily due to the elimination of gains from changes in coal prices, despite a reduced impact of the extended statutory inspection period for the Kobe Power Plant No. 3 unit.

## Reference Information

# Exchange Rate Assumption

|                       | FY2024 Actual |       |              | FY2025 Actual |       |              | FY2026 Forecast |
|-----------------------|---------------|-------|--------------|---------------|-------|--------------|-----------------|
|                       | 1H            | 2H    | Full Year    | 1H            | 2H    | Full Year    | Full Year       |
| 1 U.S. dollar to yen  | 152.4         | 152.7 | <b>152.6</b> | 146.1         | 156.2 | <b>151.1</b> | <b>150.0</b>    |
| 1 Chinese yuan to yen | 21.2          | 21.1  | <b>21.1</b>  | 20.3          | 22.4  | <b>21.3</b>  | <b>21.0</b>     |
| 1 euro to yen         | 165.8         | 161.5 | <b>163.7</b> | 168.7         | 182.5 | <b>175.6</b> | <b>175.0</b>    |

## Analysis of Exchange Rate Sensitivity

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

Steel products : Approx. (0.4) billion yen

(Impact of dollar balance: (1.1) billion yen

Inventory valuation, cost pass-through to selling prices, etc.: 0.7 billion yen)

Construction machinery : Approx. 0.4 billion yen (Impact of dollar balance)

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

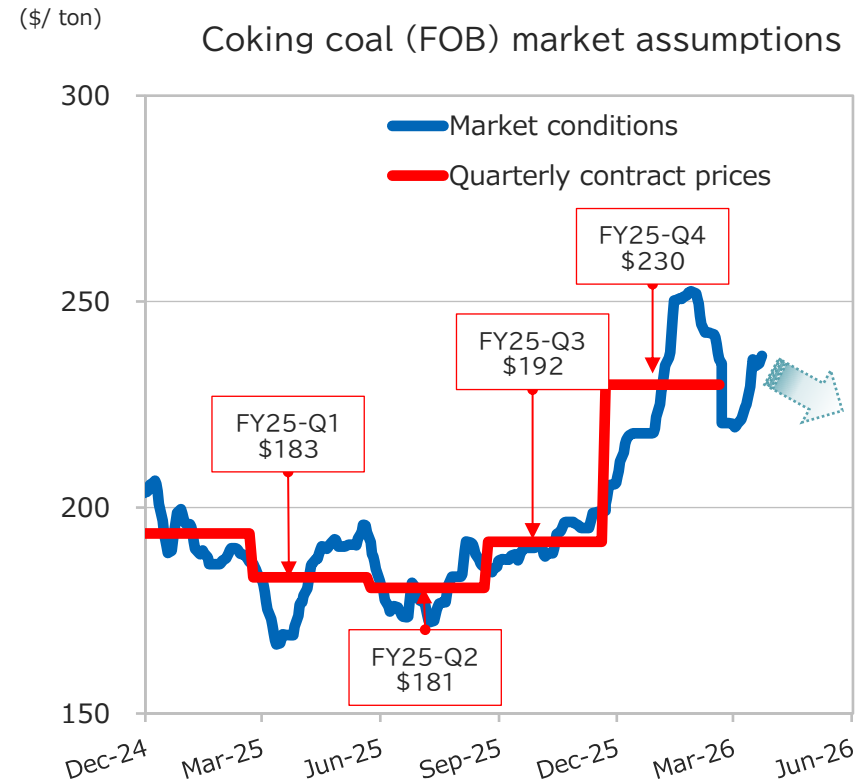
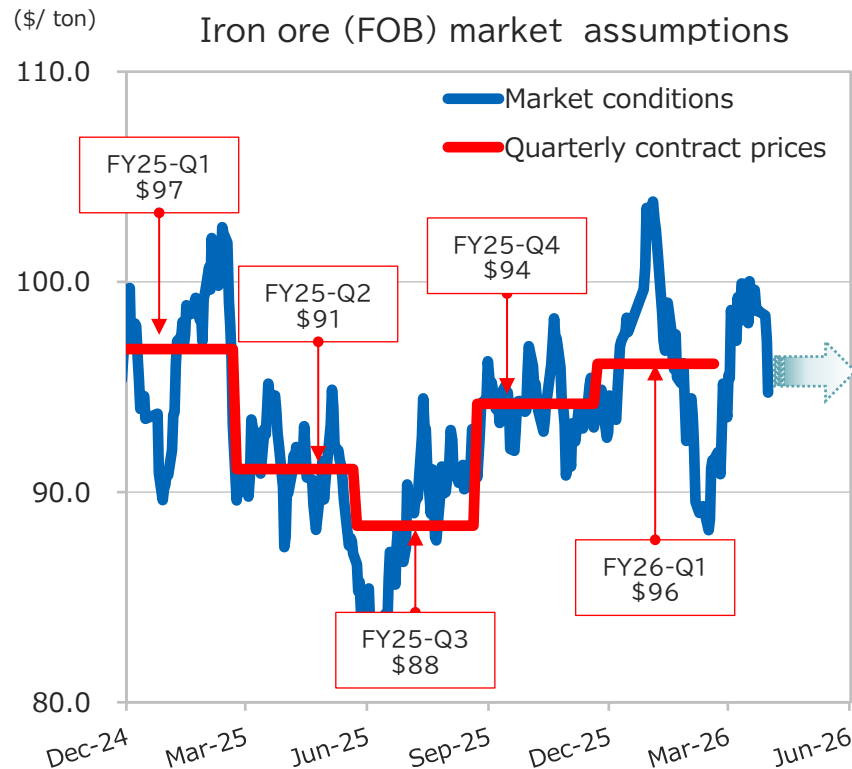
Construction machinery : Approx. 0.3 billion yen (Impact of euro balance)

# Raw Material Market Assumption

**Iron ore**      The price for fiscal 2026 1Q has been settled at \$96.  
The price level for fiscal 2026 2Q onward is assumed to be similar to the fiscal 2026 1Q level.

**Coking coal**      The price level for fiscal 2026 is assumed to slightly decline from the current level.

**Thermal coal**      From January to March 2026, the price ranged roughly from \$110 to \$130.  
The price level for fiscal 2026 is assumed to slightly decline from the current level.



# Inventory Valuation



(Billions of yen)

| Steel Products                 | FY2024 Actual |       |           | FY2025 Actual |       |           | FY2026 Forecast |     |           |
|--------------------------------|---------------|-------|-----------|---------------|-------|-----------|-----------------|-----|-----------|
|                                | 1H            | 2H    | Full Year | 1H            | 2H    | Full Year | 1H              | 2H  | Full Year |
| Iron ore                       | (1.5)         | (2.0) | (3.5)     | 0.5           | 0.5   | 1.0       | (0.5)           | 0.0 | (0.5)     |
| Coal                           | (2.5)         | (1.0) | (3.5)     | (0.5)         | 1.5   | 1.0       | (0.5)           | 0.0 | (0.5)     |
| <b>Carry over</b>              | (4.0)         | (3.0) | (7.0)     | 0.0           | 2.0   | 2.0       | (1.0)           | 0.0 | (1.0)     |
| Average method                 | 3.5           | (7.0) | (3.5)     | (8.0)         | (1.0) | (9.0)     | (2.0)           | 0.5 | (1.5)     |
| Lower-of-cost-or market method | (1.0)         | (1.0) | (2.0)     | 0.0           | (0.5) | (0.5)     | 2.5             | 1.0 | 3.5       |
| <b>Inventory valuation</b>     | 2.5           | (8.0) | (5.5)     | (8.0)         | (1.5) | (9.5)     | 0.5             | 1.5 | 2.0       |

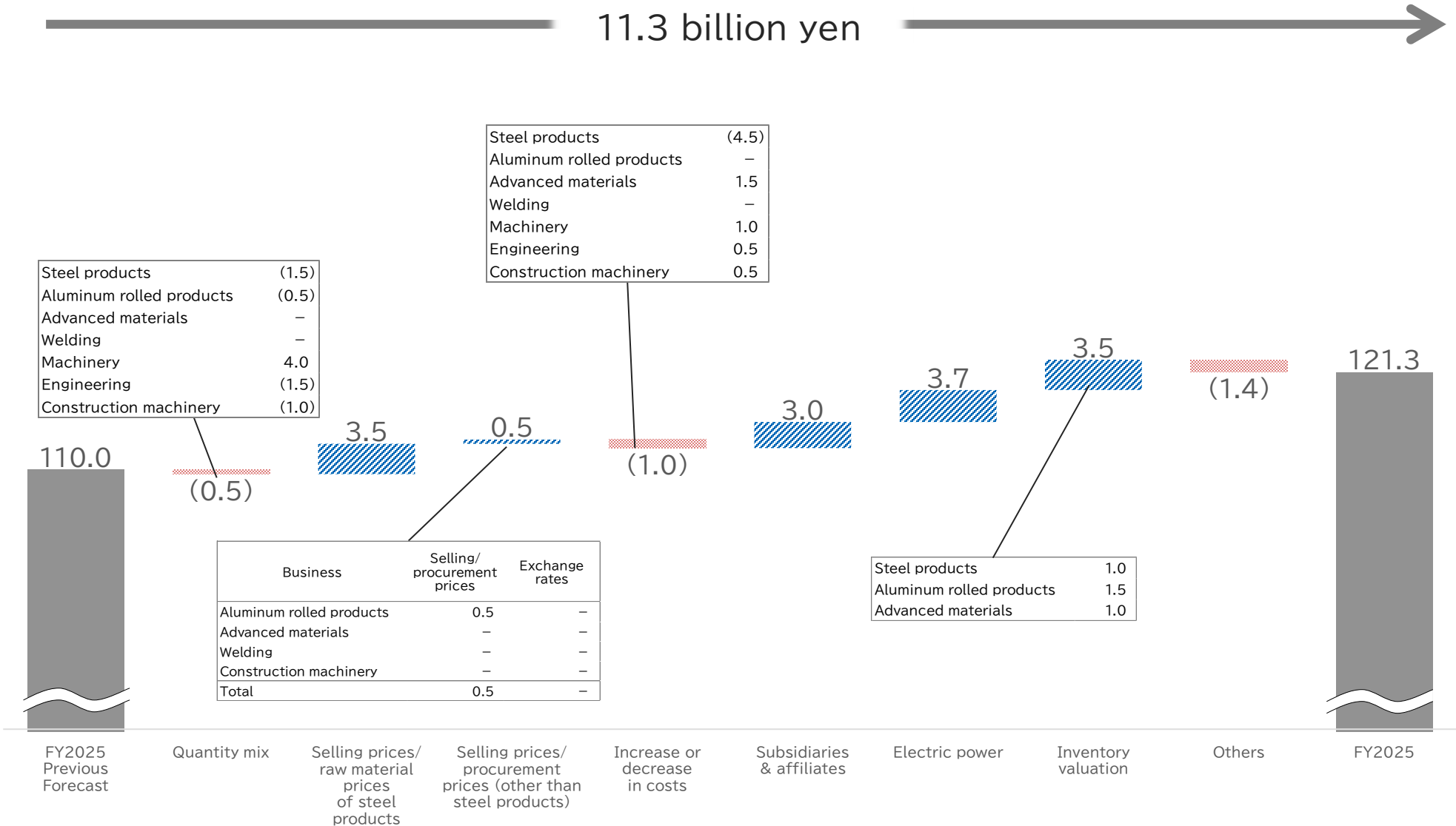
| Aluminum Rolled Products       | FY2024 Actual |     |           | FY2025 Actual |     |           | FY2026 Forecast |     |           |
|--------------------------------|---------------|-----|-----------|---------------|-----|-----------|-----------------|-----|-----------|
|                                | 1H            | 2H  | Full Year | 1H            | 2H  | Full Year | 1H              | 2H  | Full Year |
| Average method                 | (0.5)         | 3.0 | 2.5       | 1.5           | 1.0 | 2.5       | 1.0             | 0.5 | 1.5       |
| Lower-of-cost-or market method | 0.5           | 0.0 | 0.5       | (0.5)         | 0.5 | 0.0       | 0.0             | 0.0 | 0.0       |
| <b>Inventory valuation</b>     | 0.0           | 3.0 | 3.0       | 1.0           | 1.5 | 2.5       | 1.0             | 0.5 | 1.5       |

| Advanced Materials             | FY2024 Actual |     |           | FY2025 Actual |     |           | FY2026 Forecast |       |           |
|--------------------------------|---------------|-----|-----------|---------------|-----|-----------|-----------------|-------|-----------|
|                                | 1H            | 2H  | Full Year | 1H            | 2H  | Full Year | 1H              | 2H    | Full Year |
| Average method                 | 2.5           | 1.0 | 3.5       | 2.0           | 1.5 | 3.5       | 3.0             | (2.0) | 1.0       |
| Lower-of-cost-or market method | (1.0)         | 1.0 | 0.0       | (1.5)         | 0.5 | (1.0)     | (1.0)           | 1.0   | 0.0       |
| <b>Inventory valuation</b>     | 1.5           | 2.0 | 3.5       | 0.5           | 2.0 | 2.5       | 2.0             | (1.0) | 1.0       |

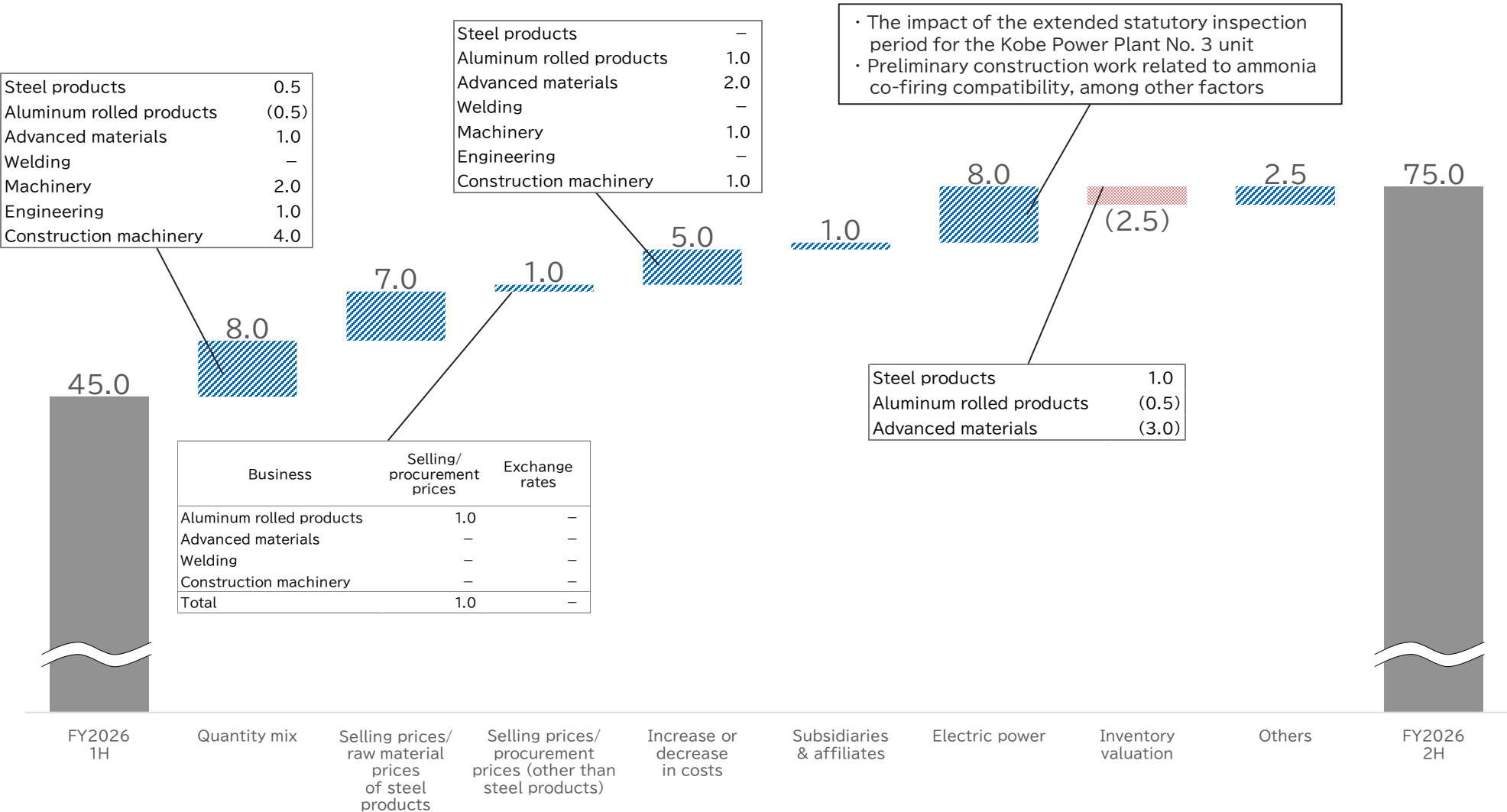
# Financial Results for Fiscal 2025: Analysis of Ordinary Profit (Loss) (Compared to the previous forecast)

11.3 billion yen



# Forecast for Fiscal 2026 : Breakdown of Differences Between the First and Second Half

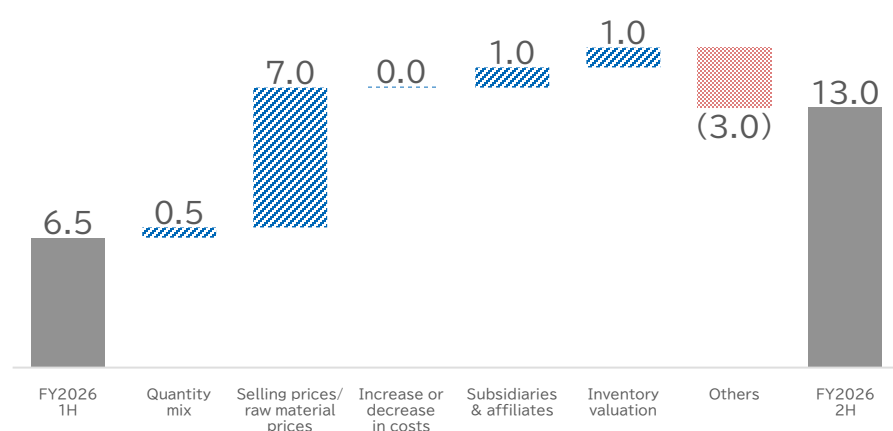
30.0 billion yen



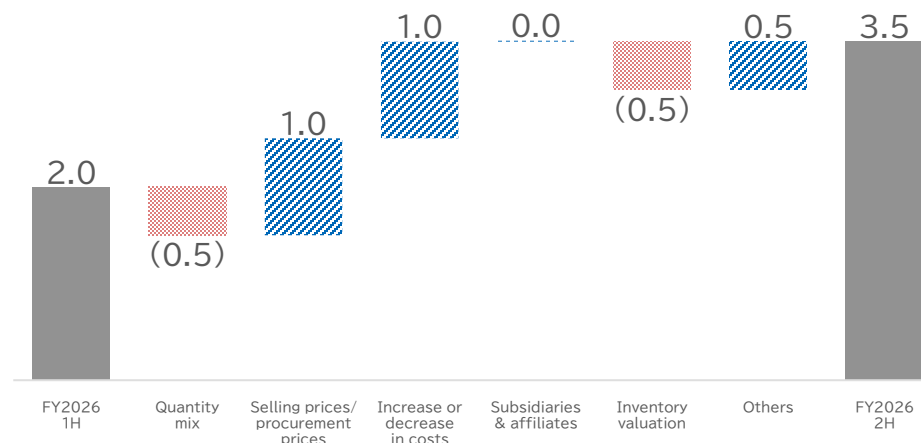
\*The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

# Breakdown of Differences Between the First and Second Half of Fiscal 2026 (Primary Segments)

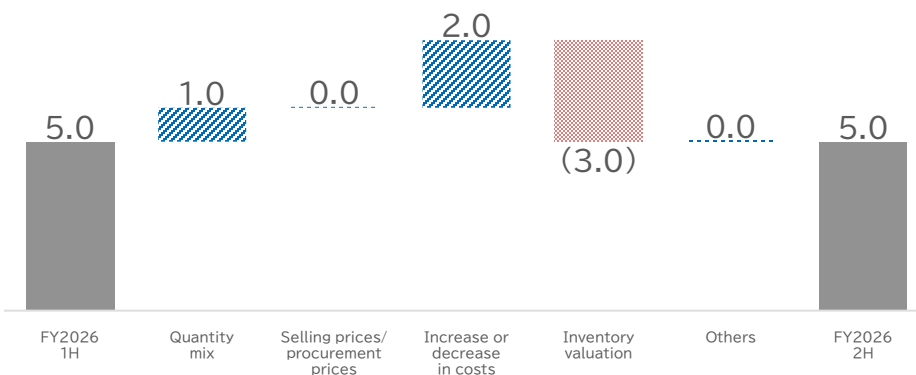
## Steel Products



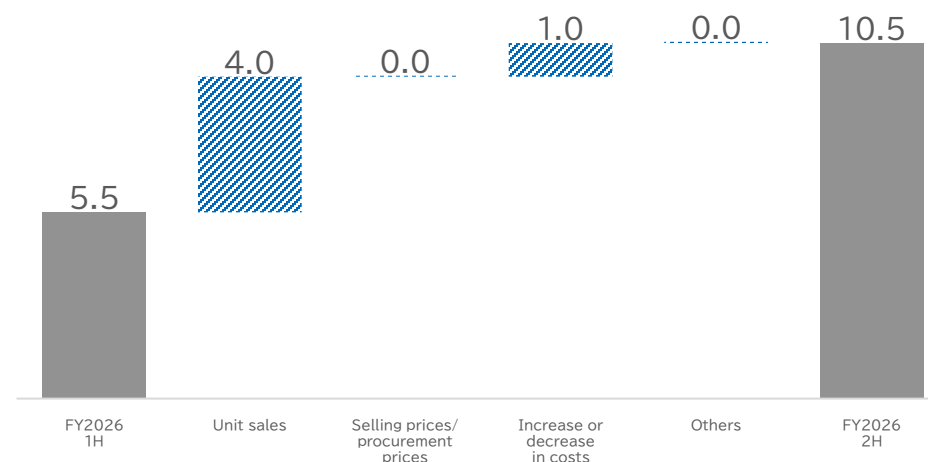
## Aluminum Rolled Products



## Advanced Materials



## Construction Machinery



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

|   | FY2022 Actual      | FY2023 Actual      | FY2024 Actual       | FY2025 Actual      | FY2026 Forecast            |
|---|--------------------|--------------------|---------------------|--------------------|----------------------------|
| Capital investment (accrual basis)                  | 97.3 billion yen   | 105.2 billion yen  | 115.8 billion yen   | 128.5 billion yen  | <b>160.0 billion yen</b>   |
| Capital investment (payment basis)                  | 98.9 billion yen   | 94.8 billion yen   | 113.2 billion yen   | 124.4 billion yen  | <b>170.0 billion yen</b>   |
| Depreciation  | 112.5 billion yen  | 119.0 billion yen  | 122.4 billion yen   | 123.9 billion yen  | <b>125.0 billion yen</b>   |
| Net assets ratio                                    | 34.0%              | 38.6%              | 42.8%               | 46.4%              | <b>approx. 49%</b>         |
| Interest-bearing debt (including lease liabilities) | 917.2 billion yen  | 873.5 billion yen  | 886.3 billion yen   | 769.9 billion yen  | <b>755.0 billion yen</b>   |
| Gross D/E ratio*1                                   | 1.00 times         | 0.83 times         | 0.76 times          | 0.61 times         | <b>approx. 0.55 times</b>  |
| Cash flows from operating activities                | 119.6 billion yen  | 205.2 billion yen  | 148.2 billion yen   | 201.6 billion yen  | <b>200.0 billion yen</b>   |
| Cash flows from investing activities                | (97.2) billion yen | (53.7) billion yen | (113.8) billion yen | (73.6) billion yen | <b>(190.0) billion yen</b> |
| Free cash flow                                      | 22.4 billion yen   | 151.5 billion yen  | 34.3 billion yen    | 128.0 billion yen  | <b>10.0 billion yen</b>    |
| Cash and deposits                                   | 203.3 billion yen  | 278.7 billion yen  | 219.8 billion yen   | 189.0 billion yen  | <b>150.0 billion yen</b>   |
| Profit (loss) per share*2                           | 183.80 yen         | 277.38 yen         | 304.64 yen          | 237.80 yen         | <b>251.80 yen</b>          |
| ROE*3   | 8.4%               | 11.1%              | 10.8%               | 7.7%               | <b>approx. 7.5%</b>        |
| ROIC*4  | 4.9%               | 6.7%               | 6.9%                | 5.3%               | <b>approx. 5.5%</b>        |

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

\*2 Profit (loss) per share reflects the impact of the issuance of new shares related to the "Notice Concerning Execution of Share Exchange Agreement (Simplified Share Exchange) for Making KOBELCO WIRE COMPANY, LTD. a Wholly Owned Subsidiary of Kobe Steel, Ltd." announced today (May 11).

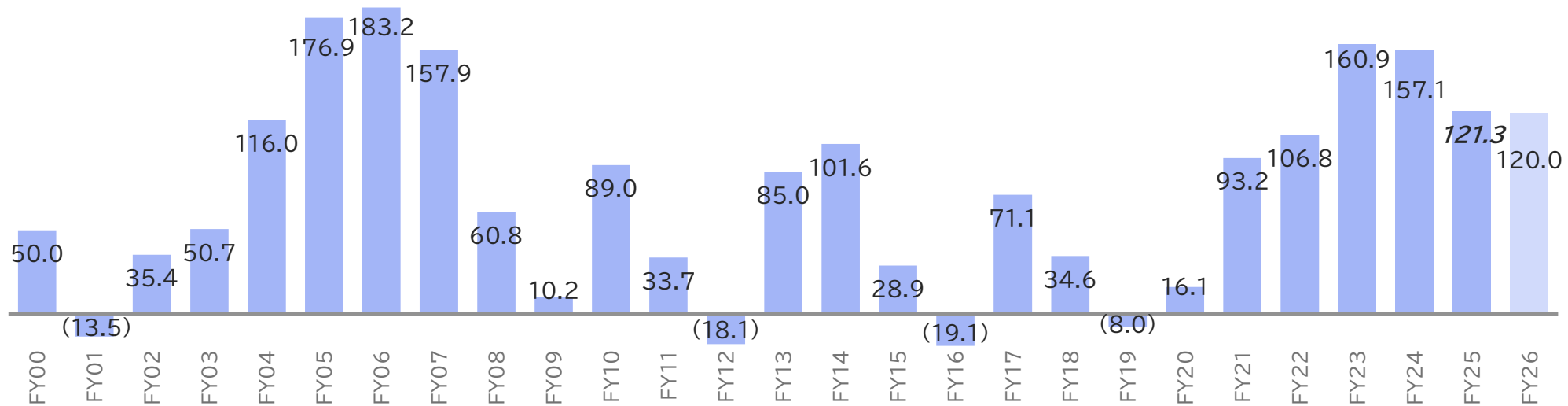
\*3 ROE : Profit (loss) attributable to owners of parent divided by stockholders' equity

\*4 ROIC : After tax operating income divided by invested capital

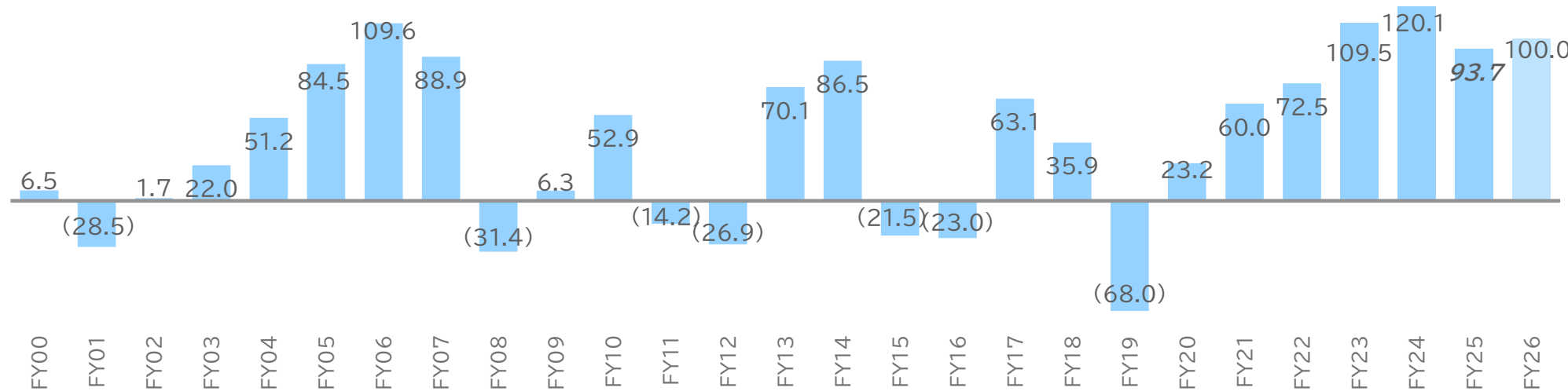
# Consolidated Results

(Billions of yen)

## Ordinary Profit (Loss)



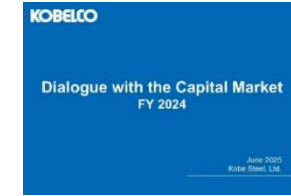
## Profit (Loss) Attributable to Owners of Parent



## 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

### ◆ MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)\*

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

### ◆ NIKKEI Integrated Report Award



Received the 'Excellence Award' for the first time



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|                                       |   |
|---------------------------------------|---|
| <h2>KOBELCO's View of the Future</h2> | <p>Our view of a society and future to be attained as we carry out KOBELCO's mission</p> <p><b>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.</b></p>  |
| <h2>KOBELCO's Mission</h2>            | <p>Our mission and the social significance of the KOBELCO Group that we must fulfill</p> <p><b>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.</b></p>  |
| <h2>Core Values of KOBELCO</h2>       | <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"> <li><b>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.</b></li> <li><b>2. We value, and support the growth of, each employee on an individual basis, while creating a cooperative and harmonious environment.</b></li> <li><b>3. Through continuous and innovative changes, we create new values for the society of which we are a member.</b></li> </ol>   |
| <h2>Six Pledges of KOBELCO</h2>       | <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"> <li><b>1. Uphold the Highest Sense of Ethics and Professionalism</b></li> <li><b>2. Contribute to the Society by Providing Superior Products and Services</b> <span style="background-color: #0056b3; color: white; padding: 2px;">Quality Charter</span></li> <li><b>3. Establish a Comfortable but Challenging Work Environment</b></li> <li><b>4. Live in Harmony with the Local Community</b></li> <li><b>5. Contribute to a Sustainable Environment</b></li> <li><b>6. Respect Each Stakeholder</b></li> </ol> |

- 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