



Consolidated Financial Results for the Six Months Ended September 30, 2025 < under IFRS >

November 5, 2025

Company name:	NIPPON STEEL CORPORATION
Stock listing:	Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange / Sapporo Securities Exchange
Code number:	5401
URL:	https://www.nipponsteel.com/en/index.html
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Scheduled date to file semi-annual securities report:	November 11, 2025
Scheduled date to commence dividend payments:	December 4, 2025
Preparation of supplemental explanatory materials:	Yes
Holding of financial results meeting:	Yes (for investment analysts)

(All amounts have been truncated to the nearest millions of Japanese yen.)

1. Consolidated financial results for the six months ended September 30, 2025

(from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

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

	Revenue		Business profit (*1)		Operating profit		Profit before income taxes		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	4,635,647	5.8	227,533	(39.4)	(2,835)	—	(30,104)	—	(98,910)	—
September 30, 2024	4,379,735	(0.7)	375,753	(24.0)	375,753	(11.3)	364,254	(12.4)	259,071	(19.5)

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share (*2)	Diluted earnings per share (*2)
Six months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
September 30, 2025	(113,380)	—	(111,497)	—	(21.69)	(21.69)
September 30, 2024	243,347	(18.9)	439,571	(21.1)	50.82	46.58

(*1)Business Profit on Consolidated Statements of Profit or Loss indicates the results of sustainable business activities, and is an important measure to compare and evaluate the Company's consolidated performance continuously. It is defined as being deducted Cost of sales, Selling, general and administrative expenses and Other operating expenses from Revenue, and added Share of profit in investments accounted for using the equity method and Other operating income. Other operating income and expenses are composed mainly of Dividend income, Foreign exchange gains or losses, and Losses on disposal of fixed assets.

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

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of total equity attributable to owners of the parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2025	14,001,379	5,664,800	5,147,145	36.8
March 31, 2025	10,942,458	5,903,380	5,383,311	49.2

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	80.00	—	80.00	160.00
Fiscal year ending March 31, 2026	—	60.00			
Fiscal year ending March 31, 2026(Forecasts)			—	12.00	—

Note: Revisions to the forecast of cash dividends most recently announced: No

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

The dividend for the second quarter of the fiscal year ending March 31, 2026, with a record date of September 30, 2025, applied to the Company's common shares before the stock split. Therefore, the dividend is stated as the amount before the stock split. The year-end dividend for the fiscal year ending March 31, 2026, with a record date of March 31, 2026, will apply to the Company's common shares after the stock split. Therefore, the dividend is stated as the amount after the stock split. Due to the impact of the stock split, the second quarter dividend and the year-end dividend cannot be simply added together, so the total annual dividend is stated as “—”. Note that if the stock split is not considered, the year-end dividend for the fiscal year ending March 31, 2026, would be 60 yen per share, and the total annual dividend would be 120 yen per share.

3. Consolidated Financial Forecasts for Fiscal year ending March 31, 2026

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

	Revenue		Business profit		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	10,000,000	15.0	450,000	(34.1)	(60,000)	—	(11.00)

Note: Revisions to the consolidated financial forecasts most recently announced: Yes

For further details, please refer to “Results for the six months ended September 30, 2025” disclosed today.

*The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, Basic earnings per share is calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2026.

* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes

The changes in the scope of consolidation during the period are as follows;

Number of newly consolidated: 102

Company name: United States Steel Corporation and its subsidiaries, total 87 companies

Number of excluded from consolidation: 20

- (2) Changes in accounting policies and changes in accounting estimates

(a) Changes in accounting policies required by IFRS: None

(b) Changes in accounting policies other than those in (a) above: None

(c) Changes in accounting estimates: None

- (3) Number of shares outstanding (common shares)

- (a) Number of shares outstanding at the end of the period (including treasury stock)

As of September 30, 2025 5,373,633,760 shares

As of March 31, 2025 5,373,633,760 shares

- (b) Number of treasury stock at the end of the period

As of September 30, 2025 147,283,975 shares

As of March 31, 2025 147,691,101 shares

- (c) Weighted average number of shares outstanding

Six months ended September 30, 2025 5,226,194,918 shares

Six months ended September 30, 2024 4,787,848,200 shares

*The Company implemented a stock split at a ratio of five (5) shares for every one share effective October 1, 2025. Accordingly, the number of shares outstanding at the end of the period, the number of treasury stock at the end of the period, and the weighted average number of shares outstanding are calculated as if the stock split had occurred at the beginning of the fiscal year ended March 31, 2025.

* These semi-annual financial results are exempt from review conducted by certified public accountants or an audit firm.

* Explanation of the appropriate use of performance forecasts and other related items

(Explanation of the appropriate use of performance forecasts)

The forward-looking statements included in this consolidated financial results are based on the assumptions, forecasts, and plans of the Company as of the date on which this document is made public. The Company's actual results may differ substantially from such statements due to various risks and uncertainties.

(Financial forecasts after the stock split)

The Company decided at the Board of Directors meeting held on August 1, 2025 to conduct a stock split. The stock split at a ratio of five (5) shares for every one share was effective on October 1, 2025. Accordingly, basic earnings per share in the consolidated financial forecasts for fiscal year ending March 31, 2026 are calculated in consideration of the stock split.

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1. Summary of Operating Results

For the Summary of Operating Results for the six months ended September 30, 2025, please refer to the supplementary explanation materials “Results for the six months ended September 30, 2025” disclosed on TDnet and “IR Briefing: Presentation” posted on our company’s website today.

For the merger between U.S. subsidiary and United States Steel Corporation (“U. S. Steel”), which was completed on June 18, 2025, please refer to “Nippon Steel Corporation and U. S. Steel Finalize Historic Partnership” posted on the company’s website.

Link to IR Briefing: <https://www.nipponsteel.com/en/ir/library/settlement.html>
(This material is available on the company's website under “IR archive”- “Financial results.”)

Link to U. S. Steel Merger Document: <https://www.nipponsteel.com/en/ir/news/>
(This material is available on the company's website under “IR Topics”)

2. Condensed Consolidated Financial Statements and Major Notes

(1) Condensed Consolidated Statements of Financial Position

(Millions of Yen)

ASSETS	March 31, 2025	September 30, 2025
Current assets :		
Cash and cash equivalents	672,526	458,502
Trade and other receivables	1,430,435	1,685,993
Inventories	2,199,096	2,695,034
Other financial assets	41,425	43,611
Other current assets	205,019	201,535
Total current assets	4,548,503	5,084,677
Non-current assets :		
Property, plant and equipment	3,635,585	5,640,806
Right-of-use assets	101,934	138,689
Goodwill	71,639	507,118
Intangible assets	263,231	368,919
Investments accounted for using the equity method	1,600,366	1,474,890
Other financial assets	461,378	505,065
Defined benefit assets	116,415	142,498
Deferred tax assets	135,074	115,197
Other non-current assets	8,329	23,516
Total non-current assets	6,393,955	8,916,702
Total assets	10,942,458	14,001,379

The accompanying notes are integral parts of these statements.

(Millions of Yen)

LIABILITIES	March 31, 2025	September 30, 2025
Current liabilities :		
Trade and other payables	1,671,352	2,199,446
Bonds, borrowings and lease liabilities	473,466	2,084,105
Other financial liabilities	823	5,064
Income taxes payable	126,428	59,350
Other current liabilities	63,421	87,505
Total current liabilities	2,335,493	4,435,472
Non-current liabilities :		
Bonds, borrowings and lease liabilities	2,034,026	2,990,447
Other financial liabilities	35	134
Defined benefit liabilities	111,552	169,180
Deferred tax liabilities	137,014	246,980
Other non-current liabilities	420,955	494,363
Total non-current liabilities	2,703,584	3,901,106
Total liabilities	5,039,077	8,336,578
EQUITY		
Common stock	569,519	569,519
Capital surplus	578,457	580,831
Retained earnings	3,819,934	3,650,936
Treasury stock	(58,236)	(58,089)
Other components of equity	473,635	403,948
Total equity attributable to owners of the parent	5,383,311	5,147,145
Non-controlling interests	520,069	517,654
Total equity	5,903,380	5,664,800
Total liabilities and equity	10,942,458	14,001,379

The accompanying notes are integral parts of these statements.

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

Condensed Consolidated Statements of Profit or Loss		(Millions of Yen)
	Six months ended September 30, 2024	Six months ended September 30, 2025
Revenue	4,379,735	4,635,647
Cost of sales	(3,694,990)	(3,983,188)
Gross profit	684,744	652,458
Selling, general and administrative expenses	(391,454)	(457,029)
Share of profit in investments accounted for using the equity method	83,983	47,622
Other operating income	40,601	46,752
Other operating expenses	(42,121)	(62,271)
Business profit	375,753	227,533
Losses on reorganization	—	(230,369)
Operating profit (loss)	375,753	(2,835)
Finance income	9,090	12,585
Finance costs	(20,589)	(39,853)
Profit (loss) before income taxes	364,254	(30,104)
Income tax expense	(105,183)	(68,806)
Profit (loss)	259,071	(98,910)
Profit (loss) attributable to :		
Owners of the parent	243,347	(113,380)
Non-controlling interests	15,723	14,469
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)	50.82	(21.69)
Diluted earnings (loss) per share (Yen)	46.58	(21.69)

The accompanying notes are integral parts of these statements.

Condensed Consolidated Statements of Comprehensive Income		(Millions of Yen)
	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit (loss)	259,071	(98,910)
Other comprehensive income		
Items that cannot be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	(21,245)	43,465
Remeasurements of defined benefit plans	5,815	18,358
Share of other comprehensive income of investments accounted for using the equity method	(4,892)	3,769
Subtotal	(20,323)	65,593
Items that might be reclassified to profit or loss		
Changes in fair value of financial assets measured at fair value through other comprehensive income	—	(61)
Changes in fair value of cash flow hedges	831	23,113
Foreign exchange differences on translation of foreign operations	141,316	(59,279)
Share of other comprehensive income of investments accounted for using the equity method	58,675	(41,952)
Subtotal	200,823	(78,180)
Total other comprehensive income, net of tax	180,500	(12,586)
Total comprehensive income	439,571	(111,497)
Comprehensive income attributable to:		
Owners of the parent	407,281	(119,880)
Non-controlling interests	32,289	8,382

The accompanying notes are integral parts of these statements.

(3) Condensed Consolidated Statements of Changes in Equity

Six months ended September 30, 2024

(Millions of Yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of March 31, 2024	419,799	398,914	3,525,585	(58,149)	287,802	—
Changes during the period						
Comprehensive income						
Profit (loss)			243,347			
Other comprehensive income					(30,037)	5,658
Total comprehensive income	—	—	243,347	—	(30,037)	5,658
Transactions with owners and others						
Conversion of convertible bonds	149,720	147,627				
Cash dividends			(78,381)			
Share-based remuneration transactions						
Purchases of treasury stock				(39)		
Disposals of treasury stock		0		1		
Changes in ownership interests in subsidiaries		(96)				
Transfer from other components of equity to retained earnings			61,753		(56,094)	(5,658)
Transfer to non-financial assets						
Changes in scope of consolidation				0		
Subtotal transactions with owners and others	149,720	147,531	(16,627)	(37)	(56,094)	(5,658)
Balance as of September 30, 2024	569,519	546,445	3,752,305	(58,186)	201,669	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of the parent		
	Changes in fair value of cash flow hedges	Foreign exchange differences on translation of foreign operations	Total			
Balance as of March 31, 2024	44,212	159,561	491,576	4,777,727	578,150	5,355,878
Changes during the period						
Comprehensive income						
Profit (loss)			—	243,347	15,723	259,071
Other comprehensive income	8,997	179,315	163,933	163,933	16,566	180,500
Total comprehensive income	8,997	179,315	163,933	407,281	32,289	439,571
Transactions with owners and others						
Conversion of convertible bonds			—	297,347		297,347
Cash dividends			—	(78,381)	(11,856)	(90,237)
Share-based remuneration transactions			—	—		—
Purchases of treasury stock			—	(39)		(39)
Disposals of treasury stock			—	2		2
Changes in ownership interests in subsidiaries			—	(96)	(3,020)	(3,117)
Transfer from other components of equity to retained earnings			(61,753)	—		—
Transfer to non-financial assets			—	—		—
Changes in scope of consolidation			—	0	(30)	(29)
Subtotal transactions with owners and others	—	—	(61,753)	218,832	(14,906)	203,925
Balance as of September 30, 2024	53,210	338,877	593,757	5,403,841	595,533	5,999,375

The accompanying notes are integral parts of these statements.

Six months ended September 30, 2025

(Millions of Yen)

	Equity attributable to owners of the parent					
	Common stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Changes in fair value of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of March 31, 2025	569,519	578,457	3,819,934	(58,236)	164,118	—
Changes during the period						
Comprehensive income						
Profit (loss)			(113,380)			
Other comprehensive income					46,353	18,132
Total comprehensive income	—	—	(113,380)	—	46,353	18,132
Transactions with owners and others						
Conversion of convertible bonds						
Cash dividends			(83,703)			
Share-based remuneration transactions		107				
Purchases of treasury stock				(27)		
Disposals of treasury stock		1		3		
Changes in ownership interests in subsidiaries		2,264				
Transfer from other components of equity to retained earnings			28,085		(9,953)	(18,132)
Transfer to non-financial assets						
Changes in scope of consolidation				170		
Subtotal transactions with owners and others	—	2,373	(55,617)	147	(9,953)	(18,132)
Balance as of September 30, 2025	569,519	580,831	3,650,936	(58,089)	200,518	—

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total equity attributable to owners of the parent		
	Changes in fair value of cash flow hedges	Foreign exchange differences on translation of foreign operations	Total			
Balance as of March 31, 2025	51,808	257,708	473,635	5,383,311	520,069	5,903,380
Changes during the period						
Comprehensive income						
Profit (loss)			—	(113,380)	14,469	(98,910)
Other comprehensive income	11,854	(82,840)	(6,499)	(6,499)	(6,087)	(12,586)
Total comprehensive income	11,854	(82,840)	(6,499)	(119,880)	8,382	(111,497)
Transactions with owners and others						
Conversion of convertible bonds			—	—		—
Cash dividends			—	(83,703)	(10,897)	(94,601)
Share-based remuneration transactions			—	107		107
Purchases of treasury stock			—	(27)		(27)
Disposals of treasury stock			—	5		5
Changes in ownership interests in subsidiaries			—	2,264	(14,246)	(11,982)
Transfer from other components of equity to retained earnings			(28,085)	—		—
Transfer to non-financial assets	(35,102)		(35,102)	(35,102)		(35,102)
Changes in scope of consolidation			—	170	14,347	14,517
Subtotal transactions with owners and others	(35,102)	—	(63,187)	(116,284)	(10,797)	(127,082)
Balance as of September 30, 2025	28,561	174,868	403,948	5,147,145	517,654	5,664,800

The accompanying notes are integral parts of these statements.

(4) Notes to the Condensed Consolidated Financial Statements

(Going Concern Assumption)

Not applicable

(Cash-Flows)

The depreciation and amortization expenses for the six months ended September 30, 2025 and 2024 are as follows.

(Millions of Yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Depreciation and amortization	188,897	240,746

(Segment Information)

Six months ended September 30, 2024

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue							
Revenue from external customers	3,962,350	168,979	131,187	117,218	4,379,735	—	4,379,735
Inter-segment revenue or transfers	28,231	14,359	9,225	39,840	91,657	(91,657)	—
Total	3,990,581	183,339	140,412	157,058	4,471,392	(91,657)	4,379,735
Segment profit (loss) <Business Profit>	353,807	(1,247)	12,262	18,383	383,206	(7,452)	375,753
Segment assets Year ended March 31, 2025	10,115,166	349,700	254,630	412,336	11,131,834	(189,375)	10,942,458
Segment liabilities <Interest-bearing debt> Year ended March 31, 2025	2,473,628	8,525	7,086	18,251	2,507,492	—	2,507,492

Note: The adjustments of segment profit of ¥(7,452) million include the Company's share of profit in investments of Nippon Steel Kowa Real Estate Co., Ltd., accounted for using the equity method of ¥7,805 million and elimination of inter-segment revenue or transfers of ¥(15,257) million.

Six months ended September 30, 2025

(Millions of Yen)

	Reportable segments				Total	Adjustments	Consolidated
	Steelmaking and Steel Fabrication	Engineering and Construction	Chemicals and Materials	System Solutions			
Revenue							
Revenue from external customers	4,221,373	161,333	118,836	134,104	4,635,647	—	4,635,647
Inter-segment revenue or transfers	22,547	20,899	9,336	44,986	97,769	(97,769)	—
Total	4,243,920	182,232	128,172	179,091	4,733,416	(97,769)	4,635,647
Segment profit (loss) <Business Profit>	201,838	7,448	9,815	17,570	236,672	(9,139)	227,533
Segment assets	13,150,552	331,773	255,575	396,506	14,134,408	(133,029)	14,001,379
Segment liabilities <Interest-bearing debt>	5,041,246	9,694	6,504	17,107	5,074,553	—	5,074,553

Note: The adjustments of segment profit of ¥(9,139) million include the Company's share of profit in investments of Nippon Steel Kowa Real Estate Co., Ltd., accounted for using the equity method of ¥4,942 million and elimination of inter-segment revenue or transfers of ¥(14,081) million.

(Business Combinations)

Business combinations consummated for the six months ended September 30, 2025

Merger of United States Steel Corporation

(1) Overview

(a) Name of the acquiree and the description of its business

Name of the acquiree: United States Steel Corporation (U. S. Steel)

Description of Business: Manufacturing and distribution of steel sheets for automotive, home appliances and building materials etc. and tubular for energy industry

(b) Acquisition date: June 18, 2025

(c) Ratio of acquired voting equity interest

Ratio of voting rights held prior to the acquisition date: 0%

Ratio of voting rights acquired on the acquisition date: 100%

Ratio of voting rights after acquisition: 100%

(d) Primary reason for business combination

As the “Best Steelmaker with World-Leading Capabilities,” the Merger will enable Nippon Steel to move toward 100 million tonnes of global crude steel capacity through expanding its integrated production framework and create value starting from iron/steel-making process in “districts and areas where demand is promisingly expected to grow” and in “sectors in which Nippon Steel’s technologies and products are appreciated.” In doing so, Nippon Steel’s basic strategy is to acquire integrated steel mills through acquisitions and capital participation (brownfield investment) and to expand the capacity of existing bases. Nippon Steel acquired Essar Steel (now AM/NS India) in India in December 2019 and G Steel and GJ Steel in Thailand in February 2022.

The U.S. steel industry is largely driven by domestic demand and U.S. steelmakers are not highly dependent on exports of products. In addition, it has been remarkable that there is a trend to bring operations back to the home U.S. market in downstream sectors such as energy and manufacturing, due to relatively low energy prices in the United States and structural changes in the world economy. Nippon Steel is confident that it can utilize its seasoned technologies and product lineup in the United States, since it expects high level of demand for high-grade steel in this largest market amongst developed countries as well as sustainable growth in domestic steel demand.

Nippon Steel believes that the Merger is a worthwhile investing since the Merger is not only consistent with Nippon Steel’s overseas business strategy but also would enable Nippon Steel to diversify its global footprint by securing integrated steel manufacturing capabilities in the United States, a developed country, adding to existing operational bases in ASEAN and India, where market volume and growth potential are significant. Nippon Steel intends to further enhance its enterprise value by developing and expanding in these three globally important operational bases. Upon completion of the Merger, Nippon Steel group’s global crude steel production capacity will increase to approximately 82 million tonnes per year, making it further expanding its reach. Nippon Steel and U. S. Steel will move forward together as the “Best Steelmaker with World -Leading Capabilities,” providing across the globe products and services made by the technologies across both companies in high-grade steel including electrical steel and automotive steel to broadly contribute to customers and society.

Furthermore, Nippon Steel and U. S. Steel share a common goal of achieving carbon neutrality by 2050, and each company has made an effort in this field and developed technological edges. Nippon Steel aims to attain carbon neutrality through the development of great innovative technologies: “hydrogen injection into blast furnaces,” “high-grade steel production in large size electric arc furnaces” and “hydrogen direct reduction of iron.”

By combining the advanced technologies of both companies, Nippon Steel and U. S. Steel will together take steps towards achieving carbon neutrality by 2050 and contribute to building a sustainable society.

(e) Form of control acquisition of the acquirees

By way of a merger between U. S. Steel and a wholly-owned subsidiary established by Nippon Steel for the merger (reverse triangular merger)

(2) Consideration transferred

	(Millions of Yen)
Cash consideration transferred	2,053,333
Other payables	9,179
Total consideration transferred	2,062,513

Note: The acquisition-related costs of ¥21,984 million related to business combination were recorded in the consolidated statements of profit or loss for the year ended March 31, 2025. The acquisition-related costs of ¥7,816 million were recorded as “Selling, general and administrative expenses” in the consolidated statements of profit or loss for the six months ended September 30, 2025.

In addition, a closing bonus of ¥14,288 million for U. S. Steel employees was recorded as “Other operating expenses” in the consolidated statements of profit or loss for the six months ended September 30, 2025.

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

The Company has not completed the recognition and the fair value measurement of identifiable assets and liabilities and accordingly the computation of the fair value of the assets acquired and liabilities assumed, non-controlling interests, and goodwill, so the purchase price allocations are on a provisional basis based on the most current information available.

	(Millions of Yen)
Current assets	986,783
Non-current assets	2,092,683
Total assets	3,079,467
Current liabilities	605,600
Non-current liabilities	828,996
Total liabilities	1,434,596
Total identifiable net assets acquired	1,644,870
Non-controlling interests (Note 1)	13,498
Total equity attributable to owners of the parent	1,631,371
Total consideration transferred	2,062,513
Basis adjustments (Note 2)	(35,102)
Goodwill (Note 3)	396,039

Note:

1. Non-controlling interests are due to an Option Agreement granted by U. S. Steel to Stelco.
2. The Company enters into forward exchange contracts to hedge the foreign exchange risk associated with the acquisition consideration and applies hedge accounting. The basis adjustment is the fair value of the hedging instruments at the acquisition date and is included in the initially recognized goodwill adjustment.
3. The goodwill recognized in the six months ended September 30, 2025 represents a provisional estimate of fair value, which may change upon completion of the accounting for the business combination. The goodwill is not tax-deductible.

(4) Net cash used in the transaction

	(Millions of Yen)
Cash consideration transferred	2,053,333
Cash and cash equivalents held by the acquirees at the acquisition date	(62,048)
Basis adjustments	(35,102)
Net cash used in the transaction	1,956,183

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

	(Millions of Yen)
Revenue	647,996
Profit or loss	19,594

(6) Revenue and profit or loss of the Group if the business combination had been completed at the beginning of the year

	(Millions of Yen)
Revenue	5,249,769
Profit or loss	(123,760)