

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

November 10, 2025  
Kobe Steel, Ltd.

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

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## Financial Results for the First Half of Fiscal 2025

- Demand in the automotive, construction, civil engineering and other key sectors was roughly flat year on year.
- While **ordinary profit decreased year on year to 57.6 billion yen primarily due to a loss of 10.5 billion yen from a deterioration in inventory valuation, semi-annual profit attributable to owners of parent increased year on year to 62.8 billion yen** primarily due to the recording of extraordinary income on the sale of cross-shareholdings.

## Forecast for Fiscal 2025

- In the second half, demand in the construction and civil engineering sectors is expected to remain sluggish, while **demand in the automotive sector is expected to exceed the previous forecast due to the reduced impact of U.S. tariffs.**
- Ordinary profit for the first half increased by 7.6 billion yen compared to the previous forecast.
- Despite an increase in profit for the first half and an expected improvement of 2.0 billion yen from a reduction in the risk of U.S. tariffs, **the forecast for full-year ordinary profit and profit attributable to owners of parent remains at 110.0 billion yen and 100.0 billion yen, respectively, as previously forecast,** primarily due to a loss of 8.5 billion yen from a deterioration in inventory valuation.
- ROIC is expected to remain at approx. 5%, as previously forecast.
- The forecast for free cash flow has been revised upward to 100.0 billion yen, reflecting improvements in working capital and the postponement of investments, among other factors. The D/E ratio is expected to increase to approx. 0.65 times compared to the previous forecast.

## Return to Shareholders

- The interim dividend has been set at 40 yen, while the annual dividend remains unchanged at 80 yen, as previously announced.

# Summary of Financial Results and Forecast



## Financial Results for the First Half of Fiscal 2025

	Year on year	
Net Sales	1,181.4 billion yen	(67.1) billion yen
Ordinary Profit(Loss)	57.6 billion yen	(13.2) billion yen
Excluding Inventory Valuation	64.1 billion yen	(2.7) billion yen
Profit(Loss) Attributable to Owners of Parent	62.8 billion yen	6.2 billion yen

## Fiscal 2025 Full-Year Earnings Forecast

	Compared to the previous forecast	
Net Sales	2,465.0 billion yen	(15.0) billion yen
Ordinary Profit(Loss)	110.0 billion yen	—
Excluding Inventory Valuation	124.0 billion yen	8.5 billion yen
Profit(Loss) Attributable to Owners of Parent	100.0 billion yen	—
Free Cash Flow	100.0 billion yen	30.0 billion yen

### Financial Indicators Fiscal 2025 Full-Year Earnings Forecast

- ROIC : Approx. 5% (the same as previously forecast)
- ROE : Approx. 8% (the same as previously forecast)
- Net assets ratio : Approx. 44% (the same as previously forecast)
- Gross D/E ratio : Approx. 0.65 times (approx. 0.7 times in the previous forecast)

### Return to Shareholders

- Interim dividend of 40 yen per share (determined by resolution)
- Annual dividend of 80 yen per share (as previously announced)

# Financial Results for the First Half of Fiscal 2025

	FY2024 Actual			FY2025 Forecast (Current)			Change
	1H ①	2H	Full Year	1H ②	2H	Full Year	
(Billions of yen)							②－①
Net Sales	1,248.5	1,306.4	2,555.0	1,181.4	1,283.5	2,465.0	(67.1)
Operating Profit (Loss)	77.7	81.0	158.7	62.5	67.4	130.0	(15.1)
Ordinary Profit (Loss)	70.9	86.2	157.1	57.6	52.3	110.0	(13.2)
Excluding Inventory Valuation	66.9	89.2	156.1	64.1	59.8	124.0	(2.7)
Extraordinary Income (Losses)	5.3	(21.4)	(16.1)	17.9	2.0	20.0	12.5
Profit (Loss) Attributable to Owners of Parent	56.5	63.5	120.1	62.8	37.1	100.0	6.2

## Net Sales

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

## Ordinary Profit (Loss)

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

## Profit (Loss) Attributable to Owners of Parent

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

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

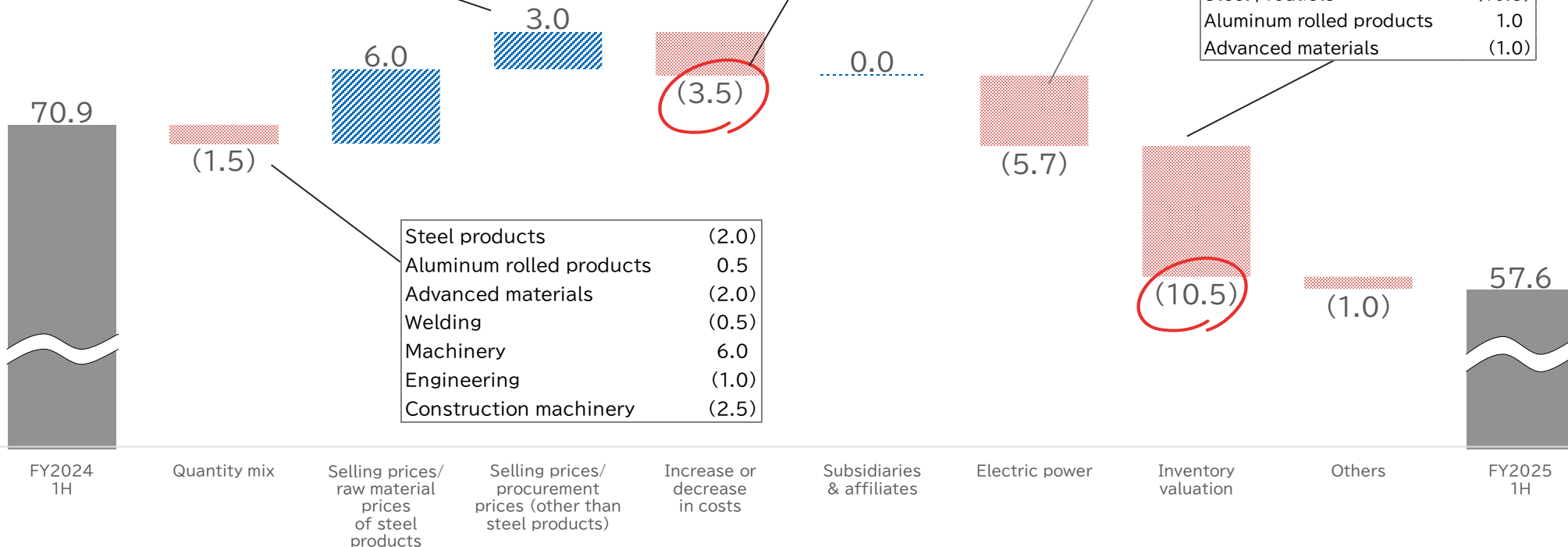
(13.2) billion yen

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

Steel products	(4.5)
Aluminum rolled products	—
Advanced materials	—
Welding	(0.5)
Machinery	—
Engineering	—
Construction machinery	1.5

• Reduced gains from time lags in fuel cost adjustment

Steel products	(10.5)
Aluminum rolled products	1.0
Advanced materials	(1.0)



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

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

	FY2024 1H	FY2025 1H	Change	
Steel Products	18.8	8.5	(10.2)	Down primarily due to cost increases centered on fixed costs and a deterioration in inventory valuation despite improvements in metal spreads.
Excluding Inventory Valuation	16.3	16.5	0.2	
Aluminum Rolled Products	(4.3)	(1.9)	2.3	Up primarily due to an increase in disk sales volume and the progress in cost pass-through.
Excluding Inventory Valuation	(4.3)	(2.9)	1.3	
Advanced Materials	2.3	0.8	(1.4)	Down primarily due to a decrease in sales volume centered on the automotive sector and a deterioration in inventory valuation despite the progress in cost pass-through.
Excluding Inventory Valuation	0.8	0.3	(0.4)	
Welding	2.1	2.0	(0.1)	Down primarily due to a deterioration in quantity mix and cost increases centered on fixed costs despite the progress in cost pass-through.
Machinery	12.3	18.6	6.3	Up primarily due to an increase in sales of machine units, particularly in the general industrial sector.
Engineering	4.6	2.9	(1.6)	Down primarily due to changes in the project composition.
Construction Machinery	6.1	3.6	(2.4)	Down primarily due to a deterioration in the regional sales mix despite cost improvements centered on fixed costs.
Electric Power	29.2	23.5	(5.7)	Down due to reduced gains from time lags in fuel cost adjustments.

# Fiscal 2025 : Assumption of Business Environment for Materials Businesses

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

## Automobile production

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

Demand, both in Japan and overseas, is expected to **exceed the previous forecast** due to a lower risk of a decline in the export volume of finished vehicles to the United States.

## IT and semiconductors

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

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

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

## Shipbuilding

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

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

## Aircraft

(Titanium, and aluminum castings and forgings)

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

## Beverage cans

(Aluminum rolled products)

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

## Construction and civil engineering

(Steel products and welding)

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



# Fiscal 2025 : Assumption of Business Environment for Machinery Businesses



## (Machinery)

Energy and Chemistry	Demand is expected to remain <b>similar to the previous forecast</b> , despite negative factors such as a decline in domestic demand in China and uncertainty regarding investment timing due to U.S. tariffs.
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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)

Japan	Demand is expected to <b>fall below the previous forecast</b> due to prolonged sluggish rental demand, among other factors.
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China	Demand is expected to <b>fall below the previous forecast</b> due to a slowdown in the growth of government-led farmland development projects.
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North America	Demand is expected to <b>remain similar to the previous forecast</b> , driven by robust demand, particularly in the infrastructure sector.
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Europe	Demand is expected to <b>fall below the previous forecast</b> due to a continued slowdown demand in the construction sector, affected by the economic downturn, among other factors.
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Southeast Asia	Demand is expected to <b>fall below the previous forecast</b> due to a decline in demand, affected by lower resource prices in Indonesia, among other factors.
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# Forecast for Fiscal 2025

(Billions of yen)	FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change ②－①
	1H	2H	Full Year ①	1H	2H	Full Year ②	
Net Sales	1,210.0	1,270.0	2,480.0	1,181.4	1,283.5	2,465.0	(15.0)
Operating Profit (Loss)	60.0	70.0	130.0	62.5	67.4	130.0	—
Ordinary Profit (Loss)	50.0	60.0	110.0	57.6	52.3	110.0	—
Excluding Inventory Valuation	54.5	61.0	115.5	64.1	59.8	124.0	8.5
Extraordinary Income (Losses)	16.7	3.3	20.0	17.9	2.0	20.0	—
Profit (Loss) Attributable to Owners of Parent	55.0	45.0	100.0	62.8	37.1	100.0	—

## Net Sales

Net sales are expected to fall below the previous forecast due to a decline in unit selling prices in the steel segment, affected by a decline in steel market prices, among other factors.

## Ordinary Profit (Loss)

Despite an increase in profit for the first half and an expected reduction in the risk of U.S. tariffs, ordinary profit is expected to remain similar to the previous forecast due to a deterioration in inventory valuation.

## Profit (Loss) Attributable to Owners of Parent

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

# The Risk of the U.S. Tariff

- The impact of the U.S. tariff policy on earnings was negative 1.0 billion yen for the first half.
- In the second half, we expect an improvement of 2.0 billion yen compared to the previous forecast, mainly due to changes in the estimated number of units subject to additional tariffs in the construction machinery segment, as well as a reduction in the risk of a decline (from negative 20% to negative 10%) in the indirect export volume of finished vehicles to the United States in the materials businesses.

## The Impact of the U.S. Tariff

(Billions of yen)

	FY 2025 Forecast (Current)			Anticipated Impact of the U.S. Tariff	FY 2025 Forecast (Previous)
	1H	2H	Full Year		
Direct Export	(0.5)	(0.5)	(1.0)	<ul style="list-style-type: none"> <li>• The tariff burden (including the impact of tariffs on steel and aluminum products) imposed on U.S. distributors of construction machinery</li> <li>• The costs associated with the tariff burden passed on to selling prices</li> </ul>	(2.0)
Indirect Export	—	(1.5)	(1.5)	<ul style="list-style-type: none"> <li>• The risk of a decline in the export volume of automotive and other products in the materials businesses</li> </ul>	(2.5)
Others	(0.5)	—	(0.5)	<ul style="list-style-type: none"> <li>• The tariff burden imposed on imported goods to be borne by U.S. subsidiaries, among other factors</li> </ul>	(0.5)
Total	(1.0)	(2.0)	(3.0)		(5.0)

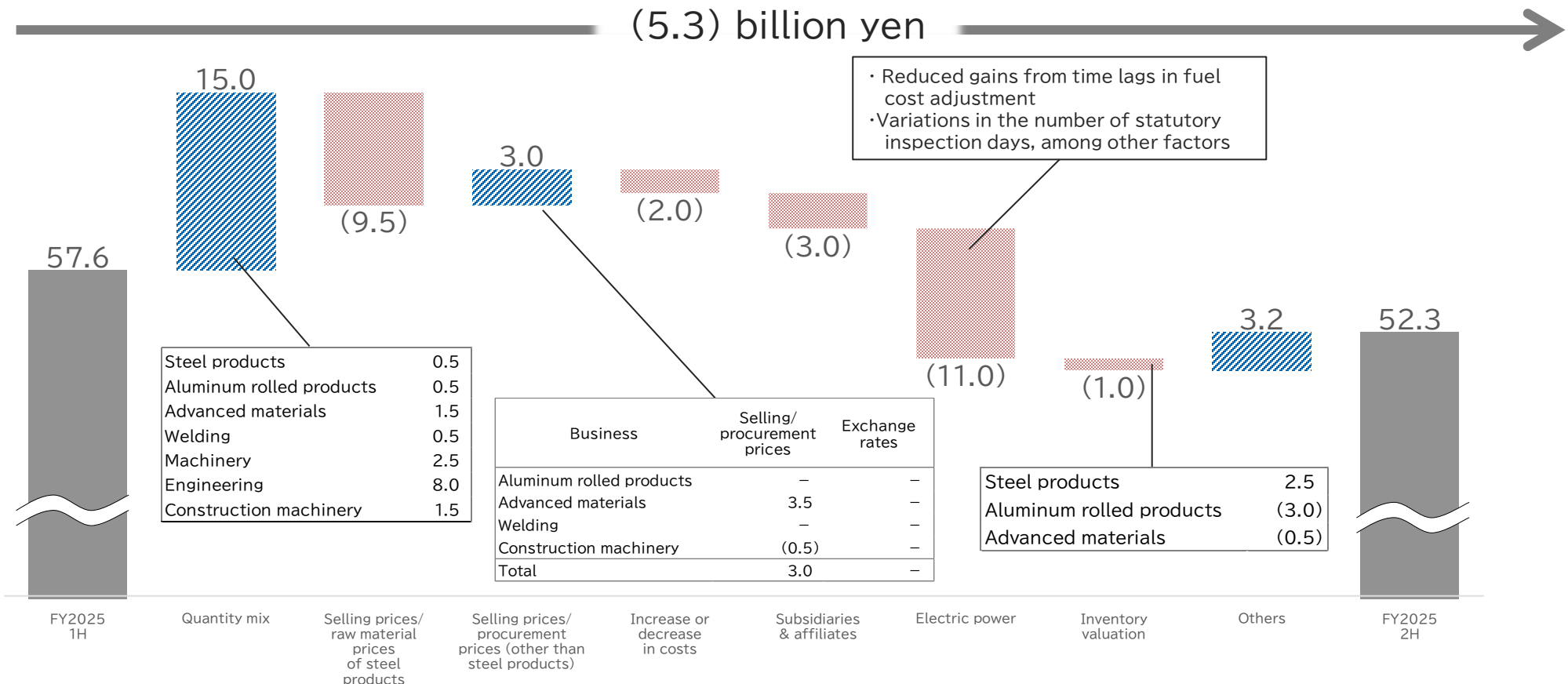
**KOBELCO**

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

	FY2025 (Previous)	FY2025 (Current)	Change	
Steel Products	9.0	4.5	(4.5)	Down from the previous forecast, primarily due to a deterioration in inventory valuation, despite an expected reduction in the risk of U.S. tariffs.
Excluding Inventory Valuation	16.5	18.0	1.5	
Aluminum Rolled Products	(2.0)	(4.5)	(2.5)	Down from the previous forecast, primarily due to cost increases and a deterioration in inventory valuation.
Excluding Inventory Valuation	(3.0)	(3.5)	(0.5)	
Advanced Materials	7.0	5.0	(2.0)	Down from the previous forecast, primarily due to a decrease in sales volume for specific vehicle models.
Excluding Inventory Valuation	6.0	4.5	(1.5)	
Welding	5.0	5.0	—	The same as previously forecast.
Machinery	40.0	40.0	—	The same as previously forecast.
Engineering	12.0	12.0	—	The same as previously forecast.
Construction Machinery	8.5	8.5	—	The same as previously forecast, despite an expected reduction in the risk of U.S. tariffs, in anticipation of other factors, such as potential fluctuations in exchange rates of non-major currencies.
Electric Power	35.0	36.0	1.0	Up from the previous forecast due to temporary gains from changes in electricity selling prices.
Other Businesses, Adjustment	(4.5)	3.5	8.0	Up from the previous forecast, primarily due to a reduction in risk factors for profit decline in the first half and cost improvements in the second half, among other factors.

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

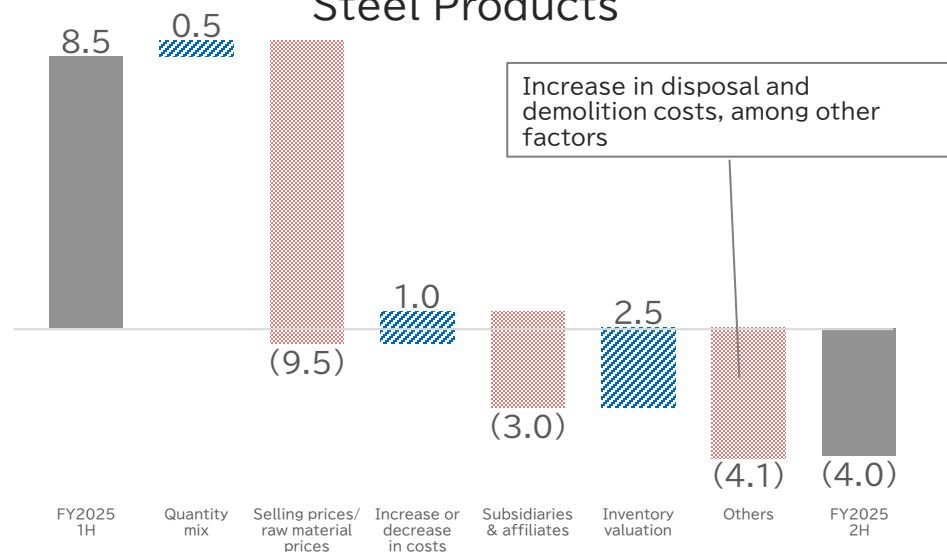
Despite a potential increase in sales in the machinery businesses, particularly projected for the second half of the fiscal year, ordinary profit is expected to decrease by 5.3 billion yen in the second half compared to the first half due to several negative factors, including a deterioration in metal spreads in the steel segment, as well as reduced gains from time lags in fuel cost adjustment and variations in the number of statutory inspection days in the electric power segment.



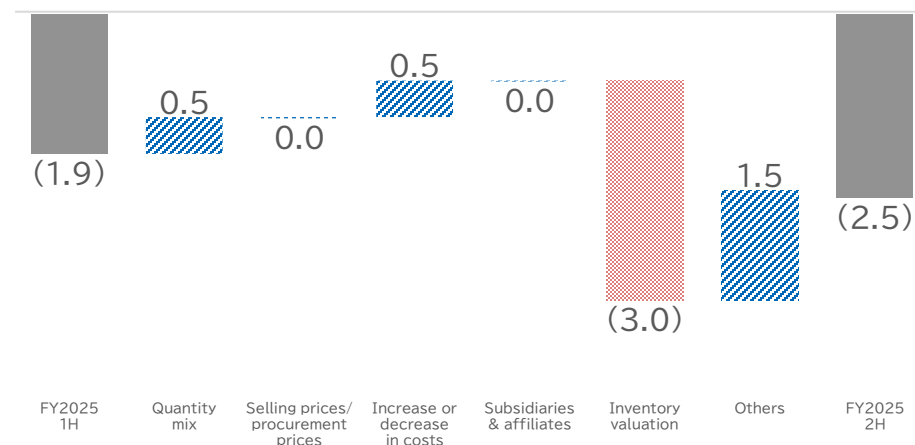
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

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

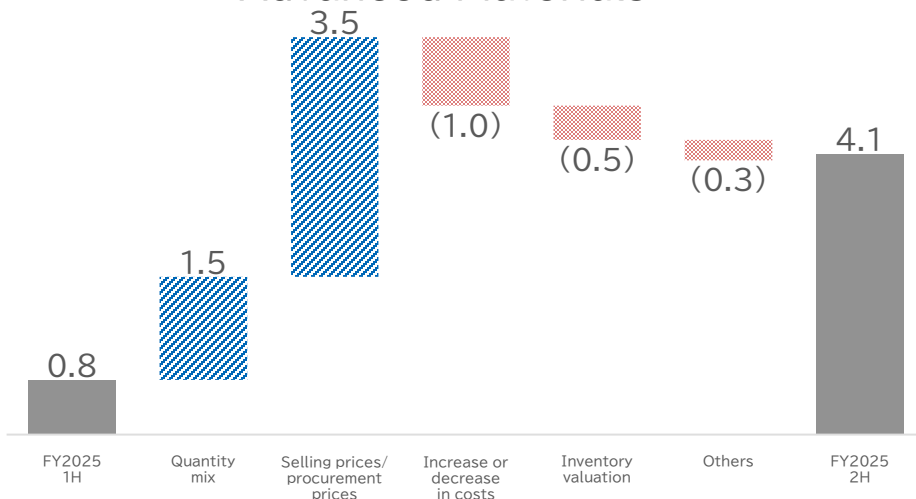
## Steel Products



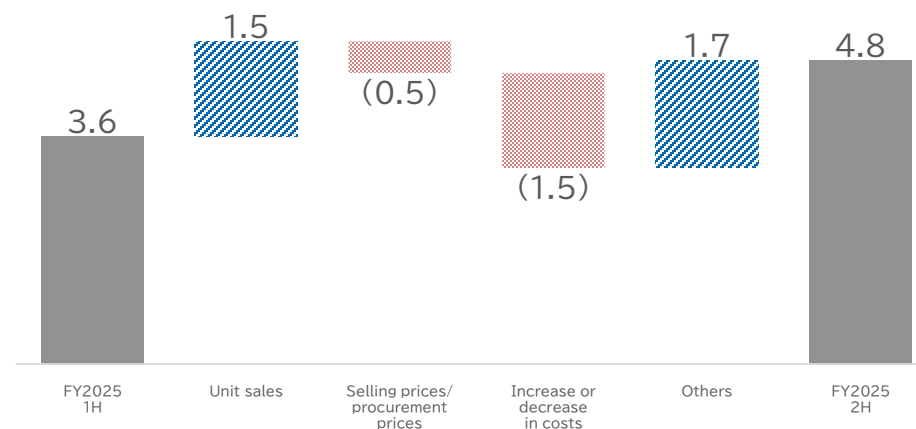
## Aluminum Rolled Products



## Advanced Materials



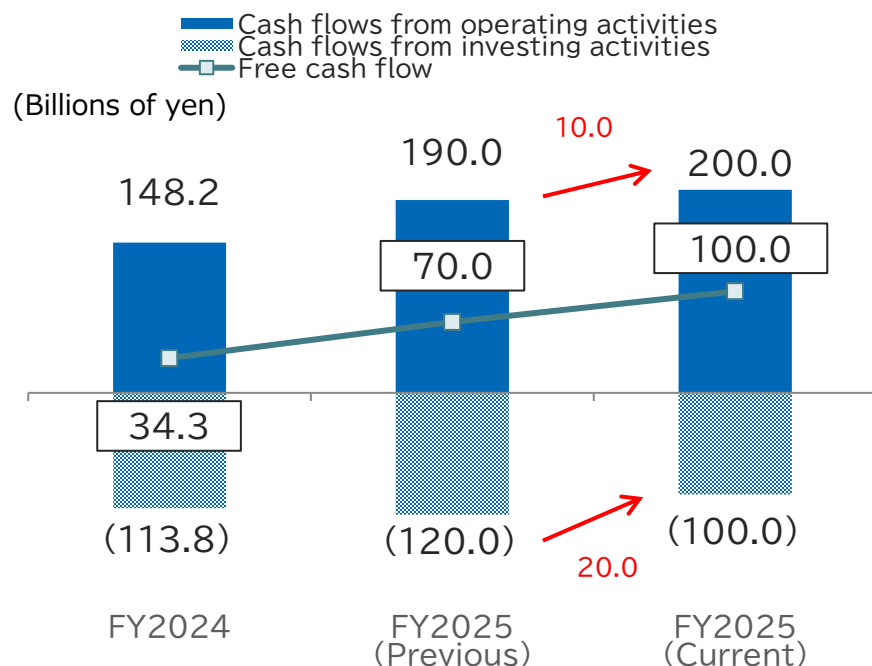
## Construction Machinery



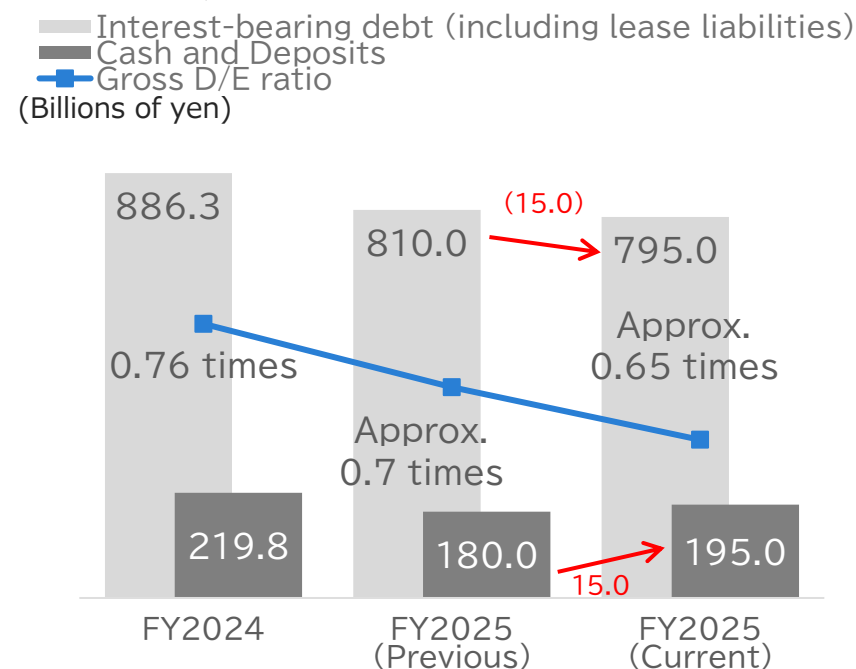
The calculation of inventory valuation incorporates the average method and the lower-of-cost-or-market method.

- Cash flows from operating activities are expected to increase compared to the previous forecast, primarily due to inventory reduction in the materials businesses and early collection of receivables in the machinery businesses. Cash flows from investing activities are expected to decrease due to a change in the timing of payments for renewal investments, among other factors. Free cash flow is expected to increase by 30.0 billion yen compared to the previous forecast.
- Balance of interest-bearing debt is expected to decrease by 15.0 billion yen compared to the previous forecast, primarily due to improvements in free cash flow. The D/E ratio is expected to be approx. 0.65 times.

## Cash Flow



## Gross D/E ratio





The Board of Directors has passed a resolution to pay an interim dividend of 40 yen per share in line with the previously announced policy. There is no change in the year-end dividend policy from the previous announcement.

## Return policy

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

Medium-Term Management Plan (Fiscal 2024–2026)

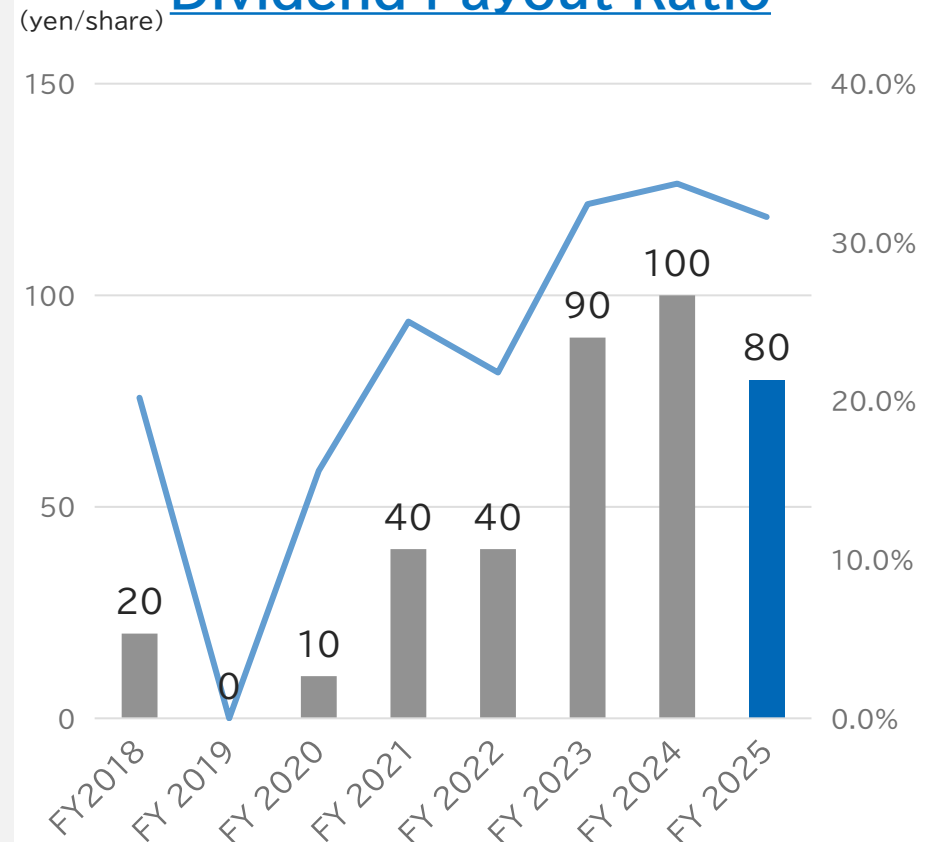
**Dividend payout ratio: approx. 30%**

Dividend (yen/share)

Dividend Payout Ratio (%)

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

## Dividend and Dividend Payout Ratio



## Segment Information

# Financial Results for the First Half of Fiscal 2025 and Forecast for Fiscal 2025



	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
(Billions of yen)												
Steel & Aluminum	560.4	555.6	1,116.1	510.0	506.0	1,016.0	506.0	493.9	1,000.0	(54.4)	(116.1)	(16.0)
Advanced Materials	152.9	164.2	317.1	165.0	178.0	343.0	154.3	178.6	333.0	1.4	15.8	(10.0)
Welding	46.8	47.0	93.9	46.0	49.0	95.0	46.1	48.8	95.0	(0.7)	1.0	—
Machinery	120.0	145.0	265.1	136.0	155.0	291.0	129.0	161.9	291.0	8.9	25.8	—
Engineering	65.3	109.5	174.8	82.0	113.0	195.0	73.9	119.0	193.0	8.6	18.1	(2.0)
Construction Machinery	197.5	190.5	388.0	188.0	203.0	391.0	188.0	210.9	399.0	(9.4)	10.9	8.0
Electric Power	133.6	125.1	258.8	112.0	102.0	214.0	113.4	100.5	214.0	(20.1)	(44.8)	—
Other Businesses	3.7	5.2	8.9	3.0	4.0	7.0	2.5	3.9	6.5	(1.1)	(2.4)	(0.5)
Adjustment	(31.9)	(35.9)	(67.9)	(32.0)	(40.0)	(72.0)	(32.0)	(34.4)	(66.5)	(0.0)	1.4	5.5
Net Sales	1,248.5	1,306.4	2,555.0	1,210.0	1,270.0	2,480.0	1,181.4	1,283.5	2,465.0	(67.1)	(90.0)	(15.0)
Operating Profit (Loss)	77.7	81.0	158.7	60.0	70.0	130.0	62.5	67.4	130.0	(15.1)	(28.7)	—
Steel & Aluminum	14.4	9.2	23.6	6.0	1.0	7.0	6.5	(6.5)	0.0	(7.8)	(23.6)	(7.0)
Advanced Materials	2.3	8.3	10.7	2.0	5.0	7.0	0.8	4.1	5.0	(1.4)	(5.7)	(2.0)
Welding	2.1	3.0	5.2	2.0	3.0	5.0	2.0	2.9	5.0	(0.1)	(0.2)	—
Machinery	12.3	20.2	32.5	18.5	21.5	40.0	18.6	21.3	40.0	6.3	7.4	—
Engineering	4.6	11.4	16.1	2.5	9.5	12.0	2.9	9.0	12.0	(1.6)	(4.1)	—
Construction Machinery	6.1	12.6	18.7	2.0	6.5	8.5	3.6	4.8	8.5	(2.4)	(10.2)	—
Electric Power	29.2	23.0	52.3	20.5	14.5	35.0	23.5	12.4	36.0	(5.7)	(16.3)	1.0
Other Businesses	2.0	1.8	3.8	1.5	3.0	4.5	1.3	3.6	5.0	(0.6)	1.1	0.5
Adjustment	(2.3)	(3.6)	(6.0)	(5.0)	(4.0)	(9.0)	(1.9)	0.4	(1.5)	0.4	4.5	7.5
Ordinary Profit (Loss)	70.9	86.2	157.1	50.0	60.0	110.0	57.6	52.3	110.0	(13.2)	(47.1)	—
Excluding Inventory Valuation	66.9	89.2	156.1	54.5	61.0	115.5	64.1	59.8	124.0	(2.7)	(32.1)	8.5
Extraordinary Income (Losses)	5.3	(21.4)	(16.1)	16.7	3.3	20.0	17.9	2.0	20.0	12.5	36.1	—
Profit (Loss) Attributable to Owners of Parent	56.5	63.5	120.1	55.0	45.0	100.0	62.8	37.1	100.0	6.2	(20.1)	—

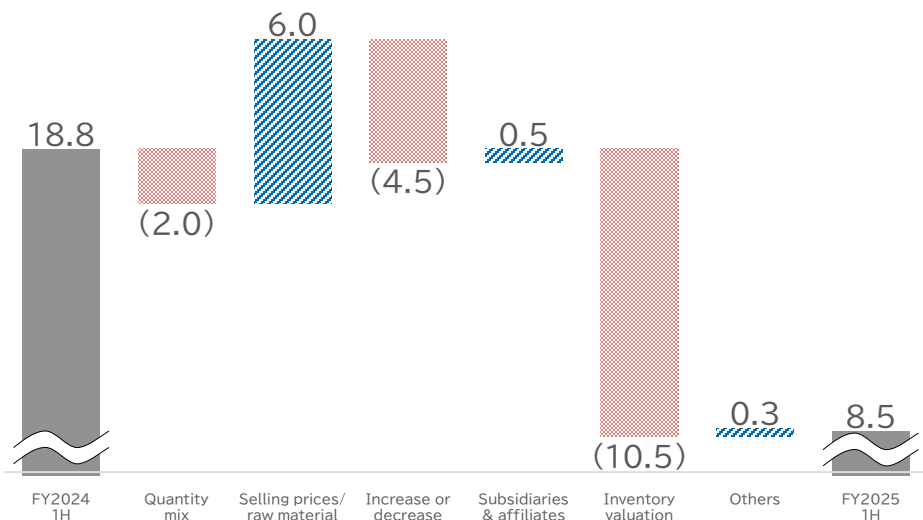
(Billions of yen)

		FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change	
		1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④－①	Full Year ⑤－②	Full Year ⑤－③	
(Billions of yen)														
Net Sales		461.6	452.8	914.4	421.0	415.0	836.0	417.8	406.1	824.0	(43.7)	(90.4)	(12.0)	
Ordinary Profit (Loss)		18.8	5.5	24.3	9.0	0.0	9.0	8.5	(4.0)	4.5	(10.2)	(19.8)	(4.5)	
Excluding Inventory Valuation		16.3	13.5	29.8	15.0	1.5	16.5	16.5	1.4	18.0	0.2	(11.8)	1.5	
Crude steel production*1		(Millions of tons)	3.01	2.95	5.96	2.95	2.85	5.80	2.93	2.87	5.80	(0.08)	(0.16)	－
Sales volume of steel products*2		(Millions of tons)	2.34	2.38	4.72	2.30	2.30	4.60	2.31	2.29	4.60	(0.03)	(0.12)	－
Domestic			1.79	1.84	3.63			1.85			0.05			
Exports			0.55	0.54	1.09			0.46			(0.08)			
Export ratio (value basis)			24%	22%	23%			20%			(3) %			
Average steel selling price		(Thousands of yen/ton)	148	140	144			135			(14)			

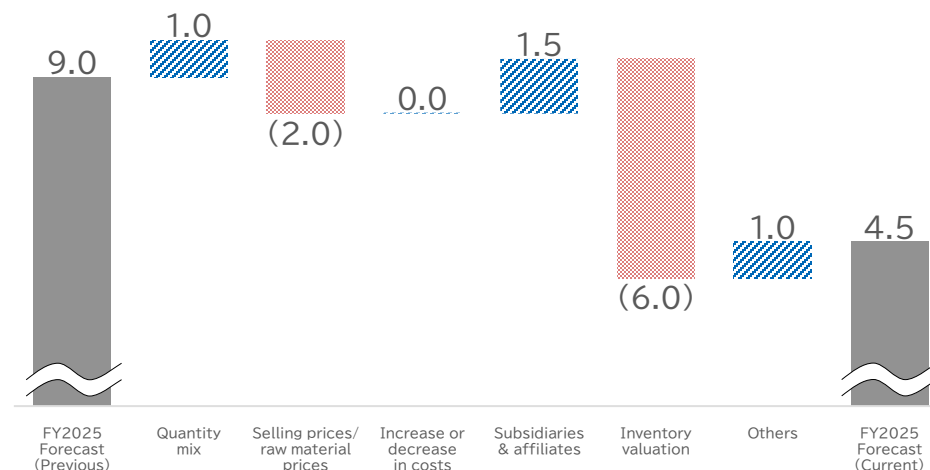
\*1 Includes production volume through electric arc furnaces at Takasago Works

\*2 Non-consolidated basis

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



## Forecast for Fiscal 2025 (Compared to the previous forecast)



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

# Aluminum Rolled Products



(Billions of yen)

	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
Net Sales	98.8	102.8	201.7	89.0	91.0	180.0	88.1	87.8	176.0	(10.6)	(25.7)	(4.0)
Ordinary Profit (Loss)	(4.3)	3.6	(0.6)	(3.0)	1.0	(2.0)	(1.9)	(2.5)	(4.5)	2.3	(3.8)	(2.5)
Excluding Inventory Valuation	(4.3)	0.6	(3.6)	(3.0)	0.0	(3.0)	(2.9)	(0.5)	(3.5)	1.3	0.1	(0.5)
Sales volume of aluminum rolled products* (Thousands of tons)	154	153	307	135	135	270	135	135	270	(19)	(37)	-
Domestic	110	109	219				111			2		
Exports	44	43	88				23			(21)		

\* Consolidated basis

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

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



## Forecast for Fiscal 2025 (Compared to the previous forecast)



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

(Billions of yen)	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
Net Sales	152.9	164.2	317.1	165.0	178.0	343.0	154.3	178.6	333.0	1.4	15.8	(10.0)
Ordinary Profit (Loss)	2.3	8.3	10.7	2.0	5.0	7.0	0.8	4.1	5.0	(1.4)	(5.7)	(2.0)
Excluding Inventory Valuation	0.8	6.3	7.2	0.5	5.5	6.0	0.3	4.1	4.5	(0.4)	(2.7)	(1.5)
Sales volume of aluminum extrusions*1 (Thousands of tons)	19	19	38	17	20	37	17	19	36	(2)	(2)	(1)
Domestic	15	15	30				13			(1)		
Exports	4	4	8				4			(0)		
Sales volume of copper rolled products*2 (Thousands of tons)	26	27	53	27	31	58	25	31	56	(1)	3	(2)

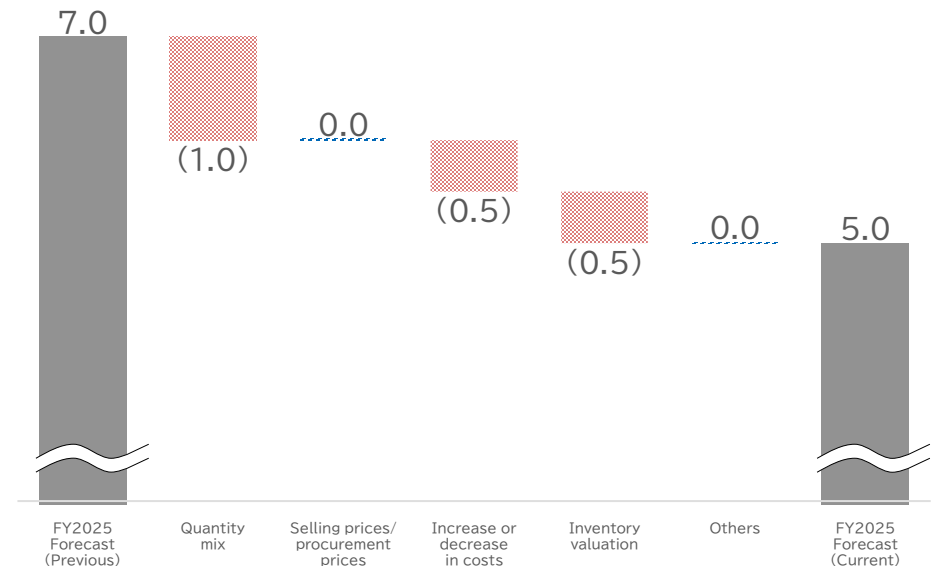
\*1 Consolidated basis

\*2 Non-consolidated basis

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



## Forecast for Fiscal 2025 (Compared to the previous forecast)



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

		FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change	
		1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year	1H	Full Year	Full Year	
(Billions of yen)		①		②			③	④		⑤	④－①	⑤－②	⑤－③	
Net Sales		46.8	47.0	93.9	46.0	49.0	95.0	46.1	48.8	95.0	(0.7)	1.0	－	
Ordinary Profit (Loss)		2.1	3.0	5.2	2.0	3.0	5.0	2.0	2.9	5.0	(0.1)	(0.2)	－	
Sales volume of welding materials* (Thousands of tons)		112	115	227	115	120	235	112	119	230	(1)	3	(5)	
Domestic		48	45	92				45				(3)		
Exports		64	70	134				67				2		

\* Consolidated basis

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

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

Selling Prices	Increased due to the progress in cost pass-through, among other factors.
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Cost	Increased centered on fixed costs such as labor costs.
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## Forecast for Fiscal 2025 (Compared to the previous forecast)

Sales Volume	Domestic :
	Expected to decrease due to declining demand for construction and automobiles.
Export :	Expected to remain similar to the previous forecast.

Selling Prices	Expected to remain similar to the previous forecast.
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Cost	Expected to decrease due to cost control, among other factors.
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(Billions of yen)	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
Net Sales	120.0	145.0	265.1	136.0	155.0	291.0	129.0	161.9	291.0	8.9	25.8	-
Ordinary Profit (Loss)	12.3	20.2	32.5	18.5	21.5	40.0	18.6	21.3	40.0	6.3	7.4	-
Orders	119.3	143.2	262.5	140.0	130.0	270.0	123.3	146.6	270.0	4.0	7.4	-
Backlog of Orders	252.2	254.4	254.4				238.5			(13.6)		

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

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

**Ordinary Profit (Loss)** Increased primarily due to an increase in sales of machine units, particularly in the general industrial sector.

## Forecast for Fiscal 2025 (Compared to the previous forecast)

**Orders** Expected to remain the same as previously forecast.

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



(Billions of yen)	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
Net Sales	65.3	109.5	174.8	82.0	113.0	195.0	73.9	119.0	193.0	8.6	18.1	(2.0)
Ordinary Profit (Loss)	4.6	11.4	16.1	2.5	9.5	12.0	2.9	9.0	12.0	(1.6)	(4.1)	-
Orders	59.5	105.2	164.7	95.0	100.0	195.0	88.4	106.5	195.0	28.9	30.2	-
Backlog of Orders	443.1	441.9	441.9				445.0			1.8		

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

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

**Ordinary Profit (Loss)** Decreased primarily due to changes in the project composition.

## Forecast for Fiscal 2025 (Compared to the previous forecast)

**Orders** Expected to remain the same as previously forecast.

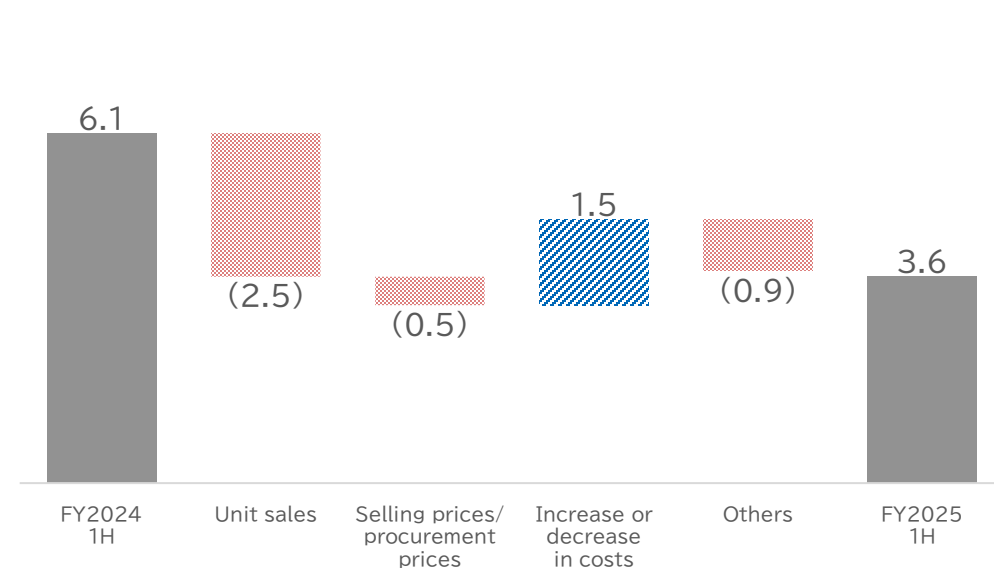
**Ordinary Profit (Loss)** Expected to remain the same as previously forecast.

	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
(Billions of yen)												
Net Sales	197.5	190.5	388.0	188.0	203.0	391.0	188.0	210.9	399.0	(9.4)	10.9	8.0
Ordinary Profit (Loss)	6.1	12.6	18.7	2.0	6.5	8.5	3.6	4.8	8.5	(2.4)	(10.2)	-
Unit sales of hydraulic excavators*1	(Thousands of units)											
Domestic	10.4	9.9	20.3	10.5	12.0	22.5	10.3	11.7	22.0	(0.1)	1.7	(0.5)
Exports	3.0	3.6	6.6				2.6			(0.5)		
	7.4	6.3	13.7				7.8			0.4		
Unit sales of crawler cranes*2	(Units)											
	157	217	374	175	165	340	154	186	340	(3)	(34)	-

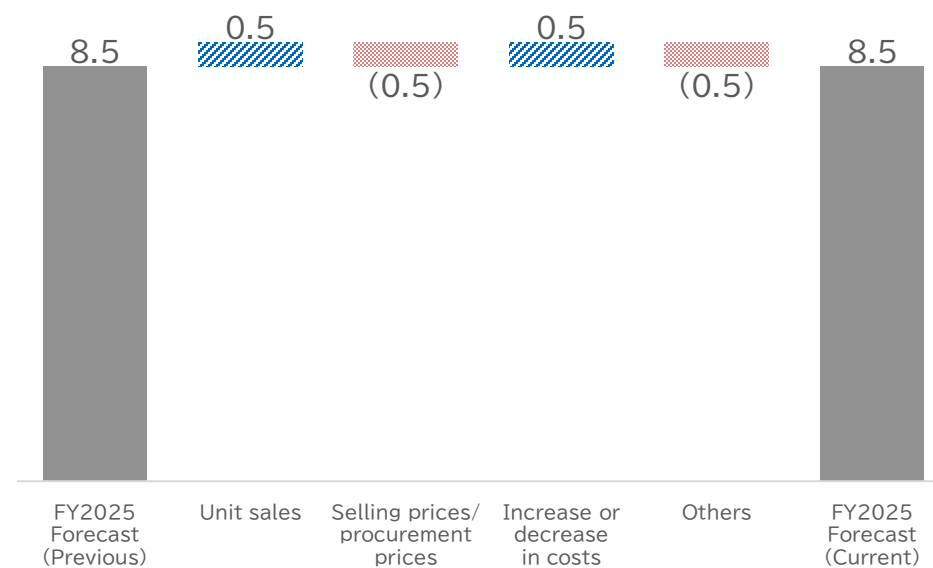
\*1 Consolidated basis (including mini-excavators)

\*2 Consolidated basis

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



## Forecast for Fiscal 2025 (Compared to the previous forecast)



(Billions of yen)	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)			Change		Change
	1H ①	2H	Full Year ②	1H	2H	Full Year ③	1H ④	2H	Full Year ⑤	1H ④-①	Full Year ⑤-②	Full Year ⑤-③
Net Sales	133.6	125.1	258.8	112.0	102.0	214.0	113.4	100.5	214.0	(20.1)	(44.8)	-
Ordinary Profit (Loss)	29.2	23.0	52.3	20.5	14.5	35.0	23.5	12.4	36.0	(5.7)	(16.3)	1.0
Time lags in fuel cost adjustments	4.0	1.0	5.0	1.0	-	1.0	1.0	-	1.0	(3.0)	(4.0)	-
Effect of temporary gains/losses from changes in electricity selling prices	2.0	3.0	5.0	-	-	-	1.0	-	1.0	(1.0)	(4.0)	1.0

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

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

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

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

## Forecast for Fiscal 2025 (Compared to the previous forecast)

**Sales Volume** Expected to remain similar to the previous forecast.

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

**Ordinary Profit (Loss)** Expected to increase primarily due to temporary gains from changes in electricity selling prices.

## Reference Information

# Exchange Rate Assumption

	FY2024 Actual			FY2025 Forecast (Previous)	FY2025 Forecast (Current)		
	1H	2H	Full Year	Full Year	1H	2H	Full Year
1 U.S. dollar to yen	152.4	152.7	152.6	144.7	<b>146.1</b>	145.0	<b>145.6</b>
1 Chinese yuan to yen	21.2	21.1	21.1	20.0	<b>20.3</b>	20.0	<b>20.2</b>
1 euro to yen	165.8	161.5	163.7	168.8	<b>168.7</b>	170.0	<b>169.3</b>

## Analysis of exchange rate sensitivity

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

Steel products : Approx. (0.1) billion yen

(Impact of dollar balance: (0.3) billion yen

Inventory valuation, cost pass-through to selling prices, etc.: 0.2 billion yen)

Construction machinery : Approx. 0.1 billion yen (Impact of dollar balance)

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

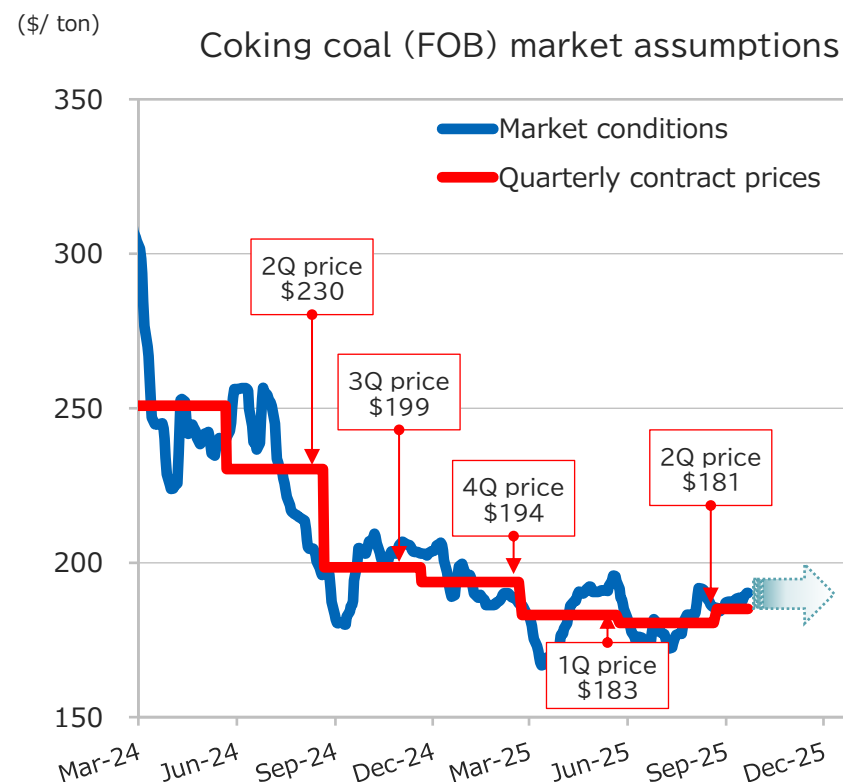
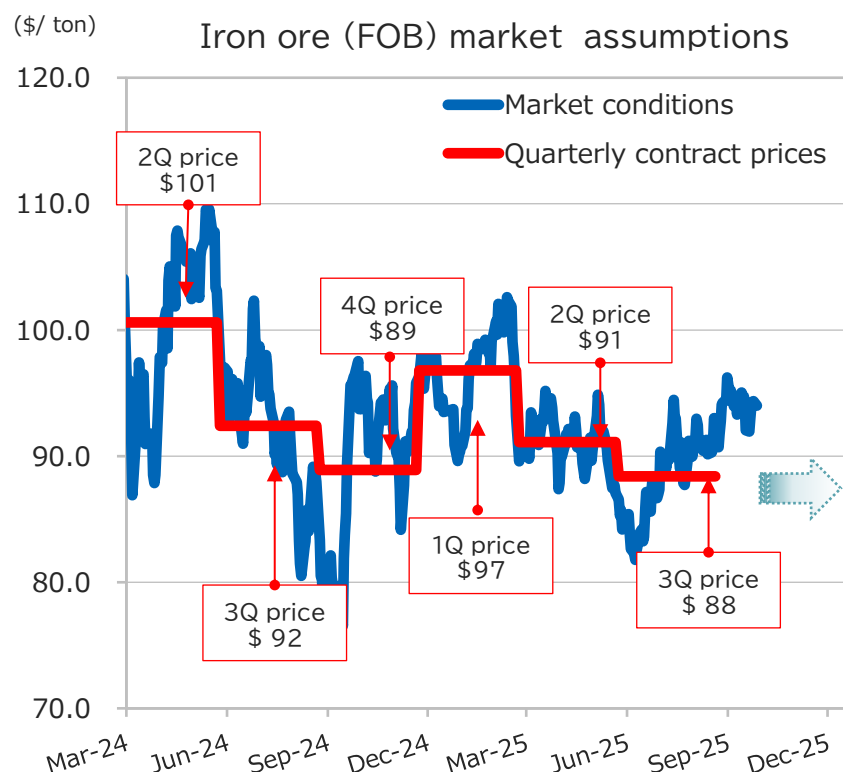
Construction machinery : Approx. 0.1 billion yen (Impact of euro balance)

# Raw Material Market Assumption

Iron ore The price for fiscal 2025 3Q has been settled at \$88.  
The price level for fiscal 2025 4Q is assumed to remain at the current level.

Coking coal The price for fiscal 2025 2Q has been settled at \$181.  
The price level for fiscal 2025 3Q onward is assumed to remain at the current level.

Thermal coal From July to September 2025, the price was around \$110.  
The price level for fiscal 2025 3Q onward is assumed to remain at the current level.



# Inventory Valuation

(Billions of yen)

## Steel Products

	FY2024 Actual			FY2025 Forecast (Previous)			FY2025 Forecast (Current)		
	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year
Iron ore	(1.5)	(2.0)	(3.5)	0.5	(1.0)	(0.5)	<b>0.5</b>	(1.0)	(0.5)
Coal	(2.5)	(1.0)	(3.5)	(0.5)	0.0	(0.5)	(0.5)	0.0	(0.5)
Carry over	(4.0)	(3.0)	(7.0)	<b>0.0</b>	(1.0)	(1.0)	<b>0.0</b>	(1.0)	(1.0)
Average method	3.5	(7.0)	(3.5)	(5.0)	(2.5)	(7.5)	(8.0)	(4.5)	(12.5)
Lower-of-cost-or market method	(1.0)	(1.0)	(2.0)	(1.0)	1.0	0.0	<b>0.0</b>	(1.0)	(1.0)
Inventory valuation	<b>2.5</b>	(8.0)	(5.5)	(6.0)	(1.5)	(7.5)	(8.0)	(5.5)	(13.5)

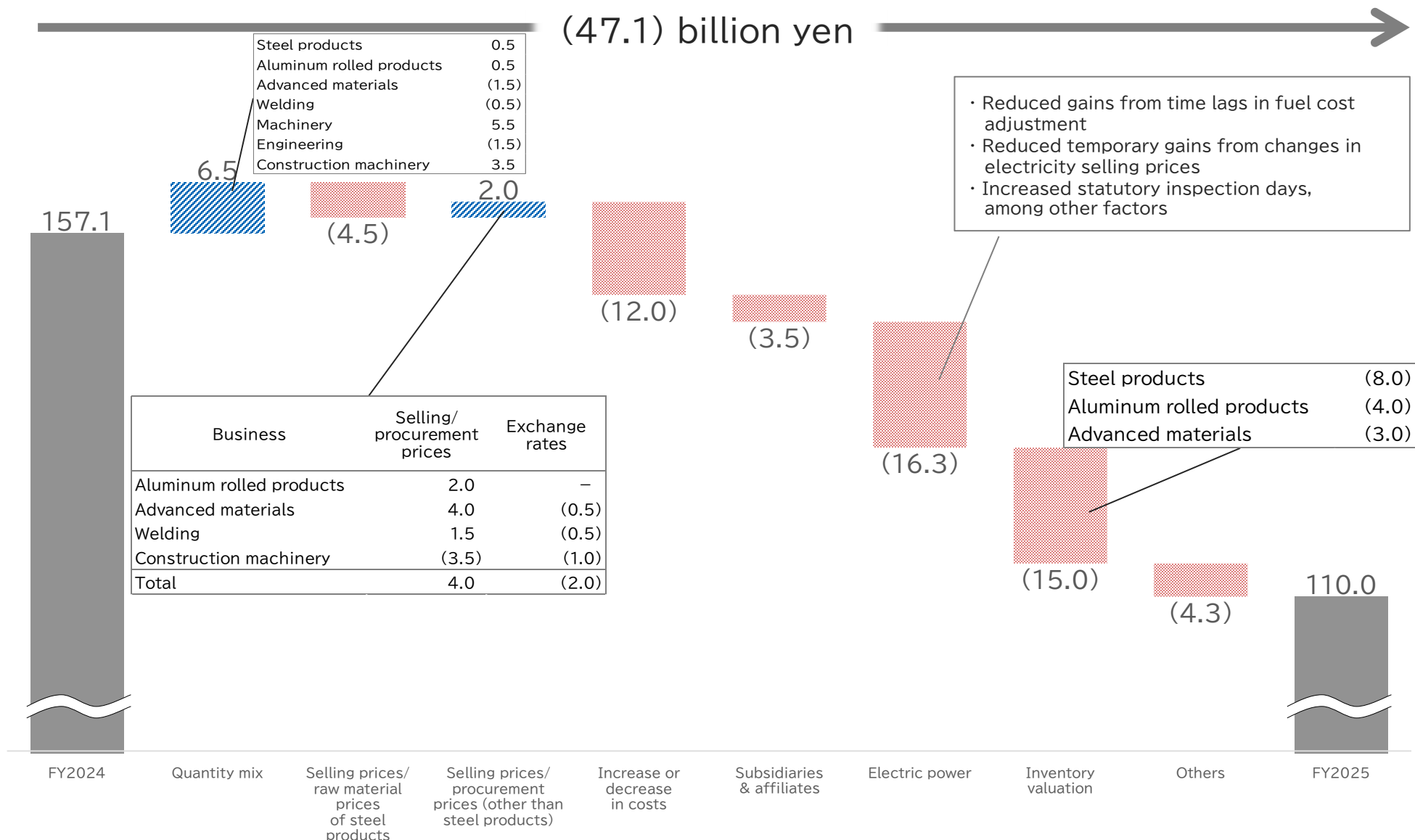
## Aluminum Rolled Products

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

## Advanced Materials

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

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



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



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

- In the first half, extraordinary income amounted to 17.9 billion yen due to the provision for the expected loss on sale of shares arising from the transfer of the special steel business of Nippon Koshuha Steel Co., Ltd., despite gains on the sale of cross-shareholdings and lands.
- In the second half, a gain on the sale of cross-shareholdings is expected.

## Breakdown of Extraordinary Income (Losses)

(Billions of yen)

		FY 2025 Forecast		Description of items
		1H	Full Year	
	Gain on sale of investment securities	15.4	17.5	• Gain on the sale of cross-shareholdings, including shares of Nippon Steel Corporation
	Gain on sale of non-current assets	6.6	6.6	• Gain on the sale of overseas lands
	Loss on sale of shares of subsidiaries and associates	(4.1)	(4.1)	• Loss on the sale of shares arising from the transfer of the special steel business of Nippon Koshuha Steel Co., Ltd. (the loss for the first half was recorded as a provision)
Extraordinary income (losses)		17.9	200	

# Indicators

	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Forecast (Previous)	FY2025 Forecast (Current)
Capital investment (accrual basis)	97.3 billion yen	105.2 billion yen	115.8 billion yen	130.0 billion yen	130.0 billion yen
Capital investment (payment basis)	98.9 billion yen	94.8 billion yen	113.2 billion yen	150.0 billion yen	140.0 billion yen
Depreciation	112.5 billion yen	119.0 billion yen	122.4 billion yen	125.0 billion yen	125.0 billion yen
Net assets ratio	34.0%	38.6%	42.8%	approx. 44%	approx. 44%
Interest-bearing debt (including lease liabilities)	917.2 billion yen	873.5 billion yen	886.3 billion yen	810.0 billion yen	795.0 billion yen
Gross D/E ratio* <sup>1</sup>	1.00 times	0.83 times	0.76 times	approx. 0.7 times	approx. 0.65 times
Cash flows from operating activities	119.6 billion yen	205.2 billion yen	148.2 billion yen	190.0 billion yen	200.0 billion yen
Cash flows from investing activities	(97.2) billion yen	(53.7) billion yen	(113.8) billion yen	(120.0) billion yen	(100.0) billion yen
Free cash flow	22.4 billion yen	151.5 billion yen	34.3 billion yen	70.0 billion yen	100.0 billion yen
Cash and deposits	203.3 billion yen	278.7 billion yen	219.8 billion yen	180.0 billion yen	195.0 billion yen
Profit (loss) per share	183.80 yen	277.38 yen	304.64 yen	253.99 yen	253.75 yen
ROE* <sup>2</sup>	8.4%	11.1%	10.8%	approx. 8%	approx. 8%
ROIC* <sup>3</sup>	4.9%	6.7%	6.9%	approx. 5%	approx. 5%

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

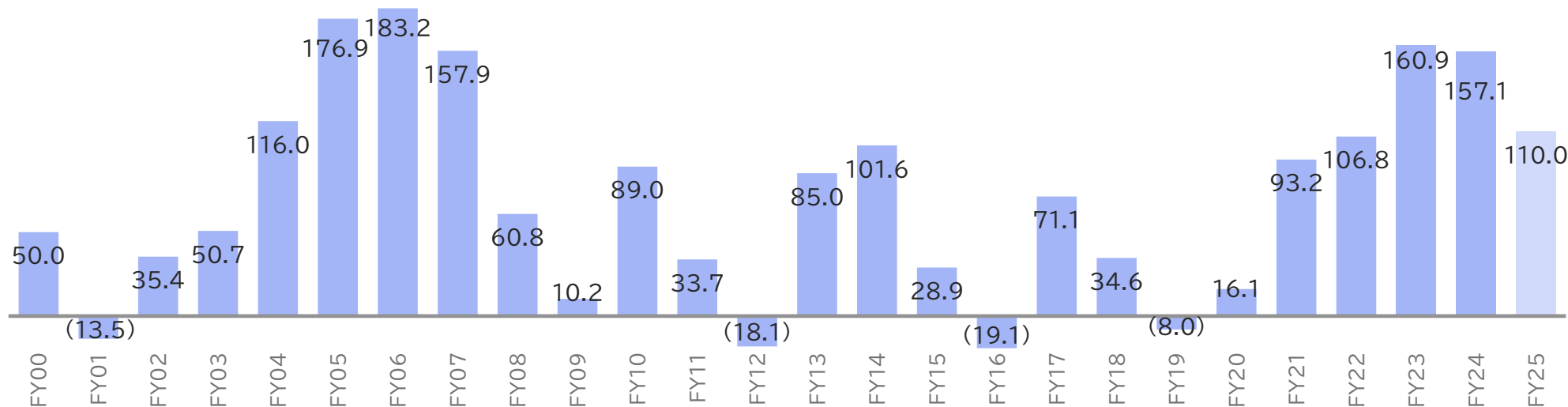
\*2 ROE : Profit (loss) attributable to owners of parent divided by stockholders' equity

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

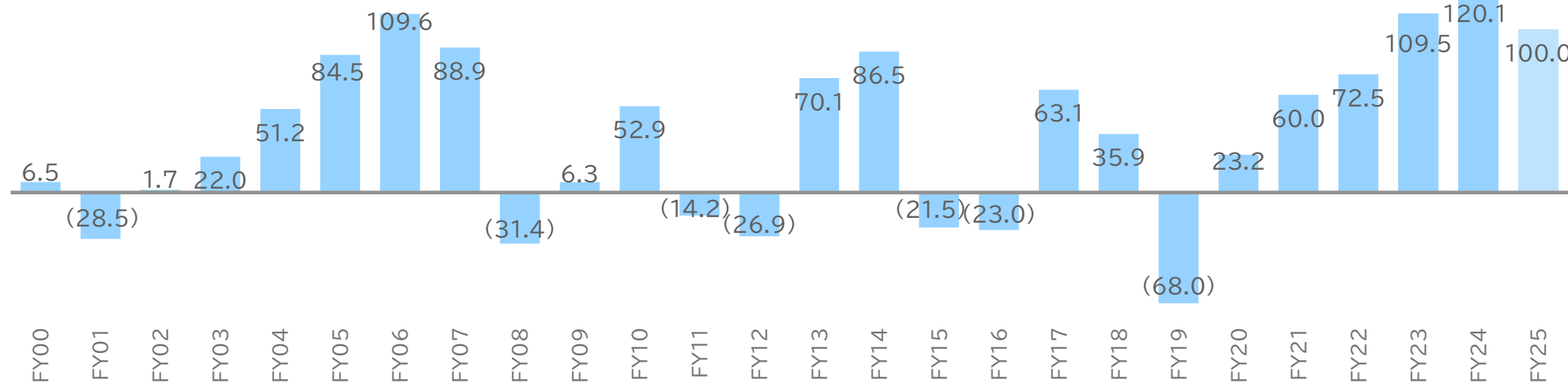
# Consolidated Results

(Billions of yen)

## Ordinary Profit (Loss)



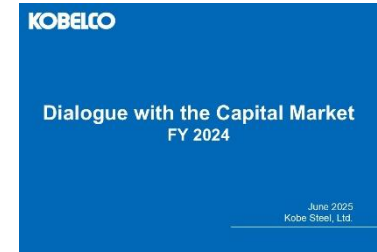
## Profit (Loss) Attributable to Owners of Parent



## Dialogue with the Capital Market

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

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



## External Evaluations (Listed below are only major ones)

### ◆ FTSE4Good Index Series



FTSE4Good

### ◆ FTSE Blossom Japan Sector Relative Index



FTSE Blossom  
Japan Sector  
Relative Index

### ◆ FTSE Blossom Japan Index



FTSE 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)

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### ◆ DX Stocks 2025



Noteworthy  
DX Companies 2025  
Digital Transformation

<b>KOBELCO's View of the Future</b>	<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>
<b>KOBELCO's Mission</b>	<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>
<b>Core Values of KOBELCO</b>	<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>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.</li> <li>2. We value, and support the growth of, each employee on an individual basis, while creating a cooperative and harmonious environment.</li> <li>3. Through continuous and innovative changes, we create new values for the society of which we are a member.</li> </ol>
<b>Six Pledges of KOBELCO</b>	<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>1. Uphold the Highest Sense of Ethics and Professionalism</li> <li>2. Contribute to the Society by Providing Superior Products and Services <b>Quality Charter</b></li> <li>3. Establish a Comfortable but Challenging Work Environment</li> <li>4. Live in Harmony with the Local Community</li> <li>5. Contribute to a Sustainable Environment</li> <li>6. Respect Each Stakeholder</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