IMPORTANT NOTICE

THIS DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A OF THE SECURITIES ACT (AS DEFINED BELOW) OR (2) NON-U.S. PERSONS WITH ADDRESSES OUTSIDE OF THE UNITED STATES.

IMPORTANT: *You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments*. The following applies to the offering circular following this page (the "Offering Circular"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

THE SECURITIES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. ACCORDINGLY, THE SECURITIES MAY NOT BE OFFERED, DELIVERED OR SOLD, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS ACT OF KOREA AND THE REGULATIONS THEREUNDER) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE SECURITIES, THE SECURITIES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A QUALIFIED INSTITUTIONAL BUYER (OR A "KOREAN QIB," AS DEFINED IN THE REGULATION ON ISSUANCE, PUBLIC DISCLOSURE, ETC. OF SECURITIES OF KOREA) REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE SECURITIES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NO MORE THAN 20% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE SECURITIES.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, investors must be either (I) a Qualified Institutional Buyer ("QIB") (within the meaning of Rule 144A under the Securities Act) or (II) a non-U.S. person (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) a QIB or (b) a non-U.S. person and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and (2) you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the Offering Circular to any other person. If this is not the case, you must return the Offering Circular to us immediately.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of POSCO in such jurisdiction. The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of BNP PARIBAS, Citigroup Global Markets Inc., Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank (collectively, the "Initial Purchasers") nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.

The Initial Purchasers are acting exclusively for POSCO and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the offer and will not be responsible to anyone other than POSCO for providing the protections afforded to their clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

You should not reply by e-mail to this transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR



(incorporated with limited liability under the laws of the Republic of Korea)

US$400,000,000 4.500% Notes due 2031
US$300,000,000 5.000% Notes due 2036

We are offering US$400,000,000 aggregate principal amount of 4.500% notes due 2031 (the "2031 Notes") and US$300,000,000 aggregate principal amount of 5.000% notes due 2036 (the "2036 Notes," and together with the 2031 Notes, the "Notes"). Until redemption or maturity, interest on each of the Notes will be payable in arrear on January 16 and July 16 of each year, commencing July 16, 2026. We may not redeem the Notes in whole or in part prior to maturity except upon the occurrence of certain events related to Korean tax law as described herein.

The Notes will be our unsecured senior obligations and will rank *pari passu* with all of our other unsecured senior indebtedness.

Applications will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering circular (the "Offering Circular"). Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of POSCO or the Notes.

The Notes are expected to be rated Baa1 by Moody's Investors Service ("Moody's") and A- by S&P Global Ratings, a division of S&P Global, Inc. ("S&P"). Such ratings do not constitute a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by such rating organizations.

The Notes will be issued in registered form in minimum denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. The Notes will be represented on issuance by one or more global notes registered in the name of a nominee of The Depository Trust Company ("DTC"), as depositary. It is expected that delivery of the Notes will be made through the book-entry facilities of DTC, in each case on or about January 16, 2026.

Investing in the Notes involves risks. See the section entitled "Risk Factors" beginning on page 8 of this Offering Circular for a discussion of certain factors to be considered in connection with investing in the Notes.

Issue Price

2031 Notes: 99.947%

2036 Notes: 99.340%

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or any state securities laws and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S under the Securities Act ("Regulation S"). The Notes may be offered for sale only (i) in the United States, to qualified institutional buyers ("QIBs") within the meaning of, and in reliance on, Rule 144A under the Securities Act ("Rule 144A"); or (ii) outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives. See "Plan of Distribution — Selling Restrictions" and "Transfer Restrictions."

Joint Bookrunners and Joint Lead Managers

BNP PARIBAS	**Citigroup**	**Crédit Agricole CIB**	**HSBC**	**Standard Chartered Bank**

The date of this Offering Circular is January 12, 2026.

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You should rely only on the information contained in this Offering Circular. We have not and the Initial Purchasers have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to offer and sell these Notes. The information in this document may only be accurate as of the date of this Offering Circular.

IN CONNECTION WITH THIS OFFERING, TO THE EXTENT PERMITTED BY, AND IN ACCORDANCE WITH, APPLICABLE LAWS AND REGULATIONS, ANY OF THE INITIAL PURCHASERS APPOINTED AS A STABILIZATION MANAGER (THE "STABILIZATION MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZATION MANAGER) WILL UNDERTAKE SUCH STABILIZATION. ANY STABILIZATION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA (THE "FSCMA"). ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, DELIVERED OR SOLD, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS ACT OF KOREA AND THE REGULATIONS THEREUNDER) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A QUALIFIED INSTITUTIONAL BUYER (OR A "KOREAN QIB," AS DEFINED IN THE REGULATION ON ISSUANCE, PUBLIC DISCLOSURE, ETC. OF SECURITIES OF KOREA) REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION (THE "KOFIA") AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NO MORE THAN 20% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES.

No person has been authorized in connection with any offering of the Notes to give any information or make any representation other than as contained in this Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorized by us or by the Initial Purchasers (as defined in "Plan of Distribution"). This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy any Notes by any person except in compliance with all applicable laws and regulations. No representation or warranty, express or implied, is made by the Initial Purchasers or any of their affiliates or advisers as to the accuracy or completeness of the information contained in this Offering Circular or any other information provided by us in connection with the offering of the Notes or the Notes or their distribution or for any other statement made or purported to be made by any Initial Purchaser or on its behalf in connection with us or the offering of the Notes. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise or representation by the Initial Purchasers or their affiliates or advisers. To the fullest extent permitted by law, none of the Initial Purchasers accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by any of the Initial Purchasers or on its behalf in connection with us, or the issue and offering of the Notes. Each Initial Purchaser accordingly disclaims any and all responsibility or liability whether arising in tort or contract or otherwise which it might otherwise have in respect of the information contained in this Offering Circular, any other

information provided by us in connection with the offering of the Notes or any other such statement. Neither the delivery of this Offering Circular nor any sale made in connection with this Offering Circular shall under any circumstances imply that the information in this Offering Circular is correct as of any date subsequent to the date of this Offering Circular or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in our affairs since the date of this Offering Circular.

We, having made all reasonable inquiries, confirm that this Offering Circular contains all information with respect to us and the Notes which is material in the context of the issue and offering of the Notes, that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts, the omission of which would, in the context of the issue and offering of the Notes, make this Offering Circular as a whole or any information or the expression of any opinions or intentions expressed in this Offering Circular misleading in any material respect. We accept responsibility accordingly.

The Notes have not been registered with or approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

Notice to investors in Singapore: By accepting this Offering Circular, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the "SFA")) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described herein.

MiFID II product governance / Retail investors, professional investors and ECPs target market — Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients each as defined in Directive 2014/65/EU (as amended, "MiFID II") and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

This Offering Circular is for distribution only to, and is only directed at, persons who (i) are outside of the United Kingdom, (ii) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (iii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, or (iv) are persons to whom, in connection with the issue or sale of any securities, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offering Circular or any of its contents.

This Offering Circular does not constitute, and may not be used for purposes of, an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer,

invitation or solicitation is not authorized or to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular may come are required by us and the Initial Purchasers to inform themselves about and to observe the relevant restrictions. For a description of certain restrictions on offers and sales of the Notes and distribution of this Offering Circular, see "Plan of Distribution" and "Transfer Restrictions." No action is being taken in any jurisdiction to permit an offering to the general public of the Notes or the distribution of this Offering Circular in any jurisdiction where action would be required for those purposes.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offering of the Notes, including the merits and risks involved. We are not making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including all Initial Purchasers, are "capital market intermediaries" (together, the "CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "OCs") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an association (an "Association") with us, the CMI or the relevant group company (as the case may be). Prospective investors associated with us or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Initial Purchaser, such prospective investor should so indicate when placing an order if it is for a fund or portfolio where the Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." If a prospective investor is otherwise affiliated with any Initial Purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should so indicate to the relevant Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Initial Purchasers and/or any other third parties as may be required by the SFC Code, including to us, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL INFORMATION

Our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements") included in this Offering Circular have been prepared in accordance with the Korean International Financial Reporting Standards ("K-IFRS"), which may differ in certain respects from generally accepted accounting principles in other countries, including generally accepted accounting principles in the United States and International Financial Reporting Standards applied in other countries. Our unaudited condensed consolidated interim financial statements as of September 30, 2025 and for the nine months ended September 30, 2025 and 2024 (the "Interim Financial Statements") included in this Offering Circular have been prepared in accordance with K-IFRS No. 1034 "*Interim Financial Reporting*."

All financial information, descriptions and other information regarding us are, unless indicated otherwise, given on a consolidated basis. Discrepancies pertaining to certain tables in this Offering Circular are due to rounding.

CERTAIN DEFINED TERMS AND CONVENTIONS

All references to "we," "us," "our," "our company" or "the Company" refer to POSCO and its consolidated subsidiaries, unless otherwise specified or the context otherwise requires. See "Presentation of Financial Information" for the basis of preparation of our financial information for the periods prior to the spin-off.

References to "Korea" or the "Republic" are references to The Republic of Korea. References to the "Government" are references to the government of the Republic of Korea. References to the "United States" or the "U.S." are references to the United States of America. We publish our financial statements in Won. References to "Won" or "₩" are to Korean Won, which is the legal tender currency of Korea. References to "US$," "U.S. dollars" or "cents" are to the currency of the United States of America. References to "Euro" are to the currency of the European Union. References to ''Japanese Yen'' are to the currency of Japan. References to ''Chinese Yuan'' are to the currency of the People's Republic of China. References to "Indian Rupee" are to the currency of the Republic of India. For a discussion of historical information regarding the rate of exchange between Won and the U.S. dollar, see "Exchange Rates." Unless otherwise specified, all conversions of U.S. dollars into Won and vice versa appearing in this Offering Circular were made at the applicable base rate under the market average exchange rate system, announced by Seoul Money Brokerage Services, Ltd., rounded down to the nearest tenth of a Won (the "Market Average Exchange Rate"), in effect on September 30, 2025, which was Won 1,402.2 to US$1.00. No representation is made that the Won or U.S. dollar amounts referred to in this Offering Circular could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements," as defined in Section 27A of the Securities Act and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"). Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "believes," "expects," "anticipates," "estimates," "projects," "plans," "intends," "targets," "seeks," "aims," "contemplates," "goal," "should," "can," "may," "will" and similar expressions or the negatives thereof. Those statements include, among other things, the discussions of our business strategy and expectations concerning its market position, future operations, cash flows, margins, profitability, liquidity and capital resources. Reliance on any forward-looking statement involves risks and uncertainties, and although we believe that the assumptions on which the forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and, as a result, the forward-looking statements based on those assumptions could be incorrect. The uncertainties in this regard include, but are not limited to, those identified in the risk

factors discussed elsewhere in this Offering Circular. See “Risk Factors.” In light of these and other uncertainties, you should not conclude that we will necessarily achieve any plans and objectives or projected financial results referred to in any of the forward-looking statements. We do not undertake to release the results of any revisions of these forward-looking statements to reflect future events or circumstances, except as required by law.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with sales of the Notes, we will be required under the Fiscal Agency Agreements (as defined herein) to furnish, upon request, to a holder of a Note and a prospective investor designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, we are neither a reporting company under Section 13 or Section 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder. In accordance with the Fiscal Agency Agreements, the Fiscal Agent (as defined herein) also will make available for inspection by holders of the Notes, or, in certain cases, arrange for the mailing to such holders certain reports or communications received from us.

ENFORCEMENT OF CIVIL LIABILITIES

We are a corporation with limited liability organized under the laws of Korea. Many of our directors and officers named herein reside in Korea, and a significant portion of the assets of the directors and officers and substantially all of our assets are located in Korea. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or us or to enforce against any of them or against us in the United States court judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States. There is also doubt as to the enforceability in Korea, either in original actions or in actions for enforcement of judgments of United States courts, of civil liabilities predicated on the securities laws of the United States or any State or territory within the United States.

SUMMARY

We are the largest fully-integrated steel producer in Korea, and one of the largest steel producers in the world, based on annual crude steel production. Our Pohang Works and Gwangyang Works in aggregate produced approximately 35.7 million tons of crude steel and stainless steel in 2023, 35.0 million tons in 2024 and 25.8 million tons in the first nine months of 2025. In 2024, our Pohang Works and Gwangyang Works in aggregate had approximately 40.5 million tons of annual crude steel and stainless steel production capacity. We believe Pohang Works and Gwangyang Works are two of the most technologically-advanced integrated steel facilities in the world. We manufacture and sell a diversified line of steel products, including cold rolled and hot rolled products, stainless steel products, plates, wire rods and silicon steel sheets, and we are able to meet a broad range of customer needs from manufacturing industries that consume steel, including the automotive, shipbuilding, home appliance, engineering and machinery industries. We also engage in the production of a wide range of coated steel sheets through POSCO STEELEON Co., Ltd. ("POSCO Steeleon"), a subsidiary in which we hold a 56.9% interest. Since December 2022, we have also acquired POSCO HOLDINGS INC.'s interests in some of its subsidiaries and investments related to steel manufacturing and sales, including POSCO HOLDINGS INC.'s 74.6% interest in POSCO Thainox Public Company Limited ("POSCO Thainox"), 100.0% interest in POSCO (Thailand) Company Ltd., 51.0% interest in POSCO YAMATO VINA STEEL JOINT STOCK COMPANY, 50.0% interest in PT. KRAKATAU POSCO and 83.3% interest in POSCO MEXICO S.A. DE C.V.

Korea is our most important market. Domestic sales accounted for 44.8% of our total revenue in 2024 and 43.5% in the first nine months of 2025. We believe that our steel products constituted approximately 46.0% of the total sales volume of steel products sold in Korea in 2024 and approximately 46.3% in the first nine months of 2025. Our sales to customers abroad accounted for 55.2% of our total revenue in 2024 and 56.5% in the first nine months of 2025. Our major export market is Asia, with Asia other than China and Japan accounting for 27.0%, Japan accounting for 12.3%, and China accounting for 7.3% of our total export revenue in 2024, and Asia other than China and Japan accounting for 24.3%, Japan accounting for 10.0%, and China accounting for 6.6% of our total export revenue in the first nine months of 2025.

We were incorporated on March 2, 2022 following a vertical spin-off of its domestic steel business by the former POSCO in accordance with Articles 530-2 through 530-12 of the Korean Commercial Code. As part of the spin-off, POSCO became a holding company and renamed itself POSCO HOLDINGS INC., and we were named POSCO. POSCO HOLDINGS INC. holds a 100.0% interest in us.

We are a member company of the POSCO Group, which consists of companies controlled by POSCO HOLDINGS INC. The POSCO Group engages in businesses that complement our steel manufacturing operations in Korea and carefully seeks out promising investment opportunities to diversify its businesses both vertically and horizontally. POSCO International is a global trading company that primarily engages in trading of steel and raw materials as well as investing in energy and mineral development projects throughout the world. POSCO E&C is one of the leading engineering and construction companies in Korea that primarily engages in the planning, design and construction of industrial plants and architectural works and civil engineering. The POSCO Group has also made investments in the past decade to secure new growth engines by diversifying into new businesses related to our steel operations that it believes will offer greater potential returns, as well as entering into new businesses not related to our steel operations such as hydrogen-related businesses, production of anode and cathode materials for rechargeable batteries, alternative energy solutions, LNG and agricultural trading, and production of comprehensive materials such as lithium.

We generated revenue of Won 43,135 billion in 2023, Won 44,644 billion in 2024, Won 33,487 billion in the first nine months of 2024 and Won 33,228 billion in the first nine months of 2025.

We recorded profit of Won 1,422 billion in 2023, Won 1,079 billion in 2024, Won 718 billion in the first nine months of 2024 and Won 1,056 billion in the first nine months of 2025. We had total assets of Won 51,413 billion and total equity of Won 33,367 billion as of December 31, 2024, compared to total assets of Won 49,382 billion and total equity of Won 33,874 billion as of September 30, 2025.

THE OFFERING

Terms used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Notes."

Issuer	POSCO
Notes Offered	US$400,000,000 aggregate principal amount of 4.500% notes due 2031 (the "2031 Notes") and US$300,000,000 aggregate principal amount 5.000% notes due 2036 (the "2036 Notes," and together with the 2031 Notes, the "Notes")
Maturity	2031 Notes: January 16, 2031 2036 Notes: January 16, 2036
Issue Price	2031 Notes: 99.947% 2036 Notes: 99.340%
Interest Payment Dates	Until redemption or maturity, interest on each of the Notes will be payable in arrear on January 16 and July 16 of each year, commencing July 16, 2026. For a further description of payments of interest on the Notes, see "Description of the Notes — Payments."
Ranking of the Notes	The Notes will be unsecured and will be our direct, unconditional and unsubordinated general obligations and will rank *pari passu* among themselves without any preference of one over the other by reason of priority of date of issue or otherwise and at least equally with all of our other outstanding unsecured and unsubordinated general obligations (subject to certain statutory exceptions under the laws of Korea).
Denomination and Form	The Notes will be issued in denominations of US$200,000 principal amount and integral multiples of US$1,000 in excess thereof. We will issue the Notes in the form of one or more fully registered global notes, registered in the name of a nominee of DTC. Except as described in "Description of the Notes," the global notes will not be exchangeable for the Notes in definitive registered form and will not be issued in definitive registered form. Any secondary market trading of book-entry interests in the Notes will take place through DTC participants, including Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream"). The Notes may not be sold or otherwise transferred except in accordance with the restrictions described under "Transfer Restrictions."
Certain Covenants	The Notes contain certain limitations on the creation, incurrence, issuance or assumption or the guarantee by us or certain of our subsidiaries of certain debt secured by any mortgage, charge, pledge, or other security interest on certain

	of our properties or assets or those of such subsidiaries. The Notes also contain certain limitations on sale and leaseback transactions by us or certain of our subsidiaries. See "Description of the Notes — Certain Covenants."
Optional Tax Redemption	We may, at our option, redeem the Notes, in whole but not in part, at their principal amount plus accrued interest to the date fixed for redemption, if we have or would become obligated to pay Additional Amounts in respect of certain Korean taxes imposed in respect of payments of principal of or interest on the Notes. See "Description of the Notes — Optional Tax Redemption."
Use of Proceeds	The net proceeds from the issuance of the 2031 Notes are expected to be approximately US$397,788,000, and the net proceeds from the issuance of the 2036 Notes are expected to be approximately US$296,520,000, in each case after deducting underwriting commissions but not estimated expenses of the offering. An amount equivalent to the net proceeds from the 2031 Notes and the 2036 Notes will be used for refinancing existing indebtedness and other general corporate purposes. See "Use of Proceeds."
Rating of the Notes	The Notes are expected to be rated Baa1 by Moody's and A- by S&P. Such ratings do not constitute a recommendation to buy, sell or hold the Notes and may be subject to revision or withdrawal at any time by such rating organizations. Each such rating should be evaluated independently of any other rating of the Notes.
Listing	Applications will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). Accordingly, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a global note is exchanged for the Notes in definitive registered form, we will appoint and maintain a paying agent in Singapore, where the Notes in definitive registered form may be presented or surrendered for payment or redemption. In addition, in the event that a global note is exchanged for the Notes in definitive registered form, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive registered form, including details of the paying agent in Singapore.

Lock-up	We have agreed that we will not issue, offer, sell or contract to sell, or announce the offering of, any U.S. dollar-denominated debt securities issued or guaranteed by us (other than the Notes), without the prior written consent of the Initial Purchasers for a period of 30 days following the date of the Purchase Agreement (as defined below). For the avoidance of doubt, we may, during such period, issue, offer, sell or contract to sell, or announce the offering of, any debt securities issued or guaranteed by us other than U.S. dollar-denominated debt securities. See "Plan of Distribution."
Further Issues	Subject to the lock-up provisions, we may from time to time, without the consent of the existing holders of the Notes, create and issue additional notes to the extent permitted under the applicable laws, having the same terms and conditions as the Notes in all respects except for issue date and/or issue price; provided, however, that such additional notes shall be issued under a separate CUSIP, ISIN and Common Code unless the additional notes are issued pursuant to a "qualified reopening" of the Notes, are otherwise treated as part of the same "issue" of debt instruments as the Notes or are issued with less than a de minimis amount of original issue discount, in each case for U.S. federal income tax purposes. Additional notes issued in this manner (other than additional notes issued under a separate CUSIP, ISIN or Common Code) may be consolidated with and form a single series with the Notes outstanding at the time of such further issuance.
Selling Restrictions	There are certain restrictions on the offer, sale and transfer of the Notes. See "Plan of Distribution — Selling Restrictions."
Transfer Restrictions	The Notes have not been and will not be registered under the Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S. The Notes may be offered for sale only (i) in the United States, to QIBs within the meaning of, and in reliance on, Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; or (ii) outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives. See "Plan of Distribution — Selling Restrictions" and "Transfer Restrictions."
Governing Law	The Notes and each of the Fiscal Agency Agreements will be governed by New York law.

Security Codes		Restricted Notes	Unrestricted Notes
	2031 Notes		
	CUSIP:	73730E AH6	Y7S272 AL6
	ISIN:	US73730EAH62	USY7S272AL69
	2036 Notes		
	CUSIP:	73730E AJ2	Y7S272 AM4
	ISIN:	US73730EAJ29	USY7S272AM43

SUMMARY FINANCIAL AND OTHER INFORMATION

The following tables present our summary financial and other information. The summary financial information presented as of and for the years ended December 31, 2023 and 2024 are derived from the Annual Financial Statements included elsewhere in this Offering Circular. The summary financial information presented as September 30, 2025 and for the nine months ended September 30, 2024 and 2025 are derived from the Interim Financial Statements included elsewhere in this Offering Circular.

Our results of operations for the nine months ended September 30, 2025 may not be indicative of our results of operations for the full year 2025.

Statement of Comprehensive Income Information

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
	(in billions of Won)			
Revenue	₩ 43,135	₩ 44,644	₩ 33,487	₩ 33,228
Cost of sales	39,418	41,410	31,082	30,280
Gross profit	3,717	3,234	2,405	2,948
Selling and administrative expenses:				
Other administrative expenses	1,136	1,176	859	898
Selling expenses	275	326	216	241
Operating profit	2,305	1,732	1,330	1,809
Share of loss of equity-accounted investees, net	(0)	(12)	(2)	(6)
Finance income and costs:				
Finance income	1,278	2,407	1,445	880
Finance costs	1,338	2,532	1,503	1,116
Other non-operating income and expenses:				
Other non-operating income	112	208	36	63
Other non-operating expenses	430	430	341	215
Profit before income tax	1,927	1,373	965	1,416
Income tax expense	504	294	246	359
Profit	₩ 1,422	₩ 1,079	₩ 718	₩ 1,056
Other comprehensive income (loss), net of tax	(52)	272	156	17
Total comprehensive income	₩ 1,370	₩ 1,351	₩ 874	₩ 1,074
Total comprehensive income attributable to:				
Owners of the controlling company	₩ 1,366	₩ 1,354	₩ 926	₩ 1,120
Non-controlling interests	4	(3)	(52)	(46)

Statement of Financial Position Information

	As of December 31,		As of September 30,
	2023	2024	2025
	(in billions of Won)		
Working capital [1]	₩ 14,137	₩ 11,955	₩ 11,830
Total current assets	22,486	21,899	20,453
Property, plant and equipment, net	23,602	25,195	24,458
Total non-current assets	27,448	29,514	28,929
Total assets	49,934	51,413	49,382
Short-term borrowings and current installments of long-term borrowings	3,009	3,522	3,435
Long-term borrowings, excluding current installments	7,956	7,313	6,190
Total liabilities	17,083	18,045	15,508
Total equity	32,851	33,367	33,874

(1) "Working capital" means current assets minus current liabilities.

RISK FACTORS

An investment in the Notes is subject to numerous risks, including those listed below. Investors should carefully consider the following risks as well as the other information contained in this Offering Circular before purchasing the Notes. These risks could materially affect our ability to meet our obligations under the Notes. In such case, investors may lose all or part of their investment in, and the expected return on, the Notes.

Risks Relating to the Company

The global economic downturn may adversely affect our business and performance. The global economic outlook for the near future remains uncertain.

Our business is affected by highly cyclical market demand for our products. In particular, our production activities are affected by market demand from a number of industries, including the construction, automotive, shipbuilding and electrical appliances industries as well as downstream steel processors, which are sensitive to general conditions in the global economy. Macroeconomic factors, such as the economic growth rate, employment levels, interest rates, inflation rates, exchange rates, commodity prices, demographic trends and fiscal policies of governments can have a significant effect on such industries. From time to time, these industries have experienced significant and sometimes prolonged downturns, which in turn have negatively impacted our business. Global economic conditions have deteriorated in recent years, with global financial and capital markets experiencing substantial volatility. In particular, the COVID-19 pandemic that began in late 2019 and rapid increases in interest rates globally starting in the second half of 2021 to combat inflation have materially and adversely affected the global economy and financial markets. See "— Earthquakes, tsunamis, floods, severe health epidemics (including the global COVID-19 pandemic and any possible occurrences of other types of widespread infectious diseases) and other natural calamities could materially and adversely affect our business, results of operations or financial condition." Such uncertainties have been caused by, and continue to be exacerbated by, among other things, deterioration in economic and trade relations between major economies (particularly between the United States and China), the outbreak of the Russia-Ukraine war in February 2022 that has destabilized the global energy sector, the slowdown of economic growth in China and other major emerging market economies, adverse economic and political conditions in Europe and Latin America and continuing geopolitical and social instability in North Korea and various parts of the Middle East, including the Israel-Hamas war. See "— Korea is our most important market, and our current business and future growth could be materially and adversely affected if economic conditions in the region deteriorate."

Actual or anticipated further deterioration of global economic conditions may result in a decline in demand for our products. In the case of a prolonged decrease in demand, we may need to rationalize our production capacity and reduce fixed costs, and we will likely face pressure to reduce prices of our products. From time to time, we have adjusted our crude steel production levels and sales prices in response to sluggish demand from our customers in industries adversely impacted by the deteriorating economic conditions. At our Pohang Works and Gwangyang Works, we decreased our aggregate production level from 35.7 million tons of crude steel in 2023 to 35.0 million tons in 2024. We further decreased our aggregate production level from 25.9 million tons in the first nine months of 2024 to 25.8 million tons in the first nine months of 2025. During such periods, the weighted average unit sales price for our semi-finished and finished steel products decreased from Won 1,144 thousand in 2023 to Won 1,126 thousand in 2024 and Won 1,083 thousand in the first nine months of 2025 primarily reflecting general deterioration of the global steel market conditions, which was partially offset by general depreciation of the Won against the U.S. dollar that increased our export prices in Won terms.

We expect fluctuation in demand for our steel products to continue at least in the near future. We may decide to further adjust our future crude steel production or our sales prices on an ongoing

basis subject to market demand for our products, the production outlook of the global steel industry and global economic conditions in general. In addition, economic downturns in the Korean and global economies could result in market conditions characterized by weaker demand for steel products from a number of industries as well as falling prices for export and import products and reduced trade levels. Deterioration of market conditions may result in changes in assumptions underlying the carrying value of certain assets, which in turn could result in impairment of such assets, including intangible assets such as goodwill. Our ability to reduce expenditures for production facilities and research and development during an industry downturn is limited because of the need to maintain our competitive position. If we are unable to reduce our expenses sufficiently to offset reductions in price and sales volume, our margins will suffer and our business, financial condition and results of operations may be materially and adversely affected.

Korea is our most important market, and our current business and future growth could be materially and adversely affected if economic conditions in the region deteriorate.

Significantly all of our assets are located in Korea, and Korea is our most important market. Domestic sales represented 44.8% of our total revenue in 2024 and 43.5% in the first nine months of 2025. Domestic demand for steel products is affected by the conditions in the major steel-consuming industries, such as construction, shipbuilding, automotive, electrical appliances and downstream steel processors, and the Korean economy in general. As a result, we are subject to political, economic, legal and regulatory risks specific to Korea, and our performance and successful fulfillment of our operational strategies are largely dependent on the overall Korean economy.

Following a period of deterioration due to the debilitating effects of the COVID-19 pandemic on the Korean economy as well as on the economies of Korea's major trading partners in 2020, the overall Korean economy showed signs of recovery in 2021. However, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the increasing weakness of the global economy, as well as significant fluctuations in policy interest rates globally (including Korea), have contributed to the uncertainty of global economic prospects in recent years and have adversely affected, and may continue to adversely affect, the Korean economy. The value of the Won relative to major foreign currencies, in particular the U.S. dollar, has fluctuated significantly and, as a result of uncertain global and Korean economic, social and political conditions, there has been significant volatility in the stock prices of Korean companies recently. Future declines in the Korea Composite Stock Price Index (the "KOSPI"), and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea, and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect our business, financial condition and results of operations and the market price of the Notes.

Other developments that could have an adverse impact on Korea's economy include:

- declines in consumer confidence and a slowdown in consumer spending, including as a result of fluctuating levels of market interest rates;
- rising inflationary pressures leading to increases in costs of goods and services and a decrease in purchasing power;
- political uncertainty or increasing strife among or within political parties in Korea following the declaration of martial law by former President Yoon Suk-yeol in December 2024 that led to his impeachment and subsequent removal in April 2025 and the election of Mr. Lee Jae-myung as President in June 2025;
- hostilities or political or social tensions involving Russia (including the Russia-Ukraine war and the ensuing actions against Russia) and any resulting adverse effects on the global supply of oil and other natural resources or the global financial markets;

- adverse conditions or developments in the economies of countries and regions that are important export markets for Korea, such as China, the United States, Europe and Japan, or in emerging market economies in Asia or elsewhere, including as a result of the deterioration of economic and trade relations among such countries (including escalations of tariffs) and increased uncertainties in the global financial markets and industry;
- adverse changes or volatility in foreign currency reserve levels, interest rates, inflation rates, commodity prices (including oil prices), exchange rates (including fluctuations of the U.S. dollar, Euro or Japanese Yen exchange rates or revaluation of the Chinese Yuan) or stock markets;
- the occurrence of severe health epidemics in Korea or other parts of the world;
- deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy;
- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;
- increased sovereign default risks in select countries and the resulting adverse effects on the global financial markets;
- deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea;
- investigations of large Korean business groups and their senior management for possible misconduct;
- continuing rise in the level of household debt and increasing delinquencies and credit defaults by retail and small- and medium-sized enterprise borrowers in Korea;
- shortages of imported raw materials, natural resources, rare earth minerals or component parts due to disruptions to the global supply chain;
- social and labor unrest;
- substantial changes in the market prices of Korean real estate;
- a substantial decrease in tax revenues and a substantial increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs, which would likely lead to a national budget deficit as well as an increase in the Government's debt;
- financial problems or lack of progress in the restructuring of Korean business groups, other large troubled companies, their suppliers or the financial sector;
- loss of investor confidence arising from corporate accounting irregularities or corporate governance issues concerning certain Korean companies;
- increases in social expenditures to support an aging population in Korea or decreases in economic productivity due to the declining population size in Korea;
- a continued decrease in the population and birthrates in Korea;
- geopolitical uncertainty and the risk of further attacks by terrorist groups around the world;
- hostilities or political or social tensions involving countries in the Middle East (including those resulting from the hostilities in the Middle East following the Israel-Hamas war and the Iran-Israel conflict) and Northern Africa and any material disruption in the global supply of oil or sudden increase in the price of oil;

- natural or man-made disasters that have a significant adverse economic or other impact on Korea or its major trading partners; and
- an increase in the level of tensions or an outbreak of hostilities between North Korea and Korea or the United States.

We operate in the highly competitive global steel industry, and our failure to successfully compete would adversely affect our market position and business.

We operate in the highly competitive steel industry and face intense global competition. China is the largest steel-producing country in the world by a significant margin, with the balance between its domestic production and demand being an important factor in the determination of global steel prices. In recent years, a slowdown in domestic demand for steel products in China resulting from slowed economic growth as well as the impact from the COVID-19 pandemic, combined with an expansion in steel production capacity, has led to production over-capacity in the Chinese steel industry, which in turn has led the Chinese government to pursue aggressive consolidation in the Chinese steel industry that has resulted in fewer but larger steel manufacturers that are able to compete more effectively in the global steel industry. Competition from such global steel manufacturers with expanded production capacity as well as competitors from emerging markets, especially from China and India, has resulted in significant price competition and may result in declining margins and reductions in revenue in the future. Our larger competitors may use their resources against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products.

Increased production capacity, combined with decreased demand resulting from a slowdown of the global economy, has from time to time resulted in production over-capacity in the global steel industry which in turn has resulted in downward pressure on global steel prices. In 2023, 2024 and the first nine months of 2025, global demand for steel products remained weak reflecting general deterioration of the global steel market conditions. Production over-capacity in the global steel industry may further intensify if global economic recovery slows or demand from developing countries, particularly from China, continues to lag behind the growth in production capacity. Production over-capacity in the global steel industry is likely to:

- reduce export prices in U.S. dollar terms of our principal products, which in turn may reduce our sales prices in Korea;
- increase competition in the Korean market as foreign producers seek to export steel products to Korea as other markets experience a slowdown;
- negatively affect demand for our products abroad and our ability to expand export sales; and
- affect our ability to increase steel production in general.

Steel also competes with other natural and synthetic materials that may be used as steel substitutes, such as aluminum, cement, composites, glass, plastic and wood. Government regulatory initiatives mandating the use of such materials instead of steel, whether for environmental or other reasons, as well as the development of attractive alternative substitutes for steel products, may reduce demand for steel products and increase competition in the global steel industry.

As part of our strategy to compete in this challenging landscape, we will continue to invest in developing innovative products that offer the greatest potential returns and enhance the overall quality of our products, as well as make additional investments in the development of new manufacturing technologies. However, there is no assurance that we will be able to continue to compete successfully in this economic environment or that the prolonged slowdown of the global economy or production over-capacity will not have a material adverse effect on our business, results of operations or financial condition.

Impositions of anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs may have an adverse impact on our export sales.

We engage in global operations, and we are involved in trade remedy proceedings in markets worldwide, including in the United States. We actively participate in such proceedings to minimize any adverse effects and associated risks. While there has been an increase in the number of trade cases in recent years, and an increased focus on trade issues by government officials, such cases have been limited in scope relative to our global sales and operations. Through our trade affairs office, we continue to carefully monitor developments with respect to trade remedy policies, including anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs in all major markets in which we sell our products and seek to mitigate the related risks by adjusting supply and export arrangements as necessary and, where necessary, vigorously defend our rights. However, there can be no assurance that the free trade agreements between Korea and its major trading partners will not be amended or that anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs will not be imposed on our sales of products abroad in the future. The occurrence of any such events, including those described below, may have a material adverse impact on our business, financial condition and results of operations.

In February 2025, the U.S. President signed proclamations to eliminate exemptions available to Korea and certain other countries and restore the 25% tariff on steel as well as elevate the tariff on aluminum to 25%, which measures became effective on March 12, 2025. In June 2025, the U.S. President signed proclamations to further raise the tariff on steel and aluminum from 25% to 50%, which measures became effective on June 4, 2025. For a discussion of our export sales and overseas sales to customers in North America, which includes the United States and Canada, see "Business — Markets — Exports."

In April 2025, the U.S. government also imposed a universal "reciprocal" tariff which applies to all imports from all of its trading partners (including those with free trade agreements with the United States), with a base rate of 10%, subject to certain exceptions. In addition, the U.S. government announced higher rates to be imposed on imports from certain enumerated countries (including Korea at 15%) on a country-by-country basis, subject to certain exceptions, which implementation became effective on August 7, 2025. The imposition of, or increases in, any such tariffs may have a material adverse effect on our sales of steel products in the United States as well as on our downstream customers that produce finished products using our steel products in countries subject to such tariffs and export those products to the United States. The increases in costs and prices due to the imposition of any such tariffs may reduce consumer demand for such products in the United States, which may in turn adversely affect the demand for our steel products.

Historically, tariffs have led to increased trade and political tensions. In response to the recent tariffs imposed by the U.S. government, various countries have implemented, or have announced plans to implement, retaliatory tariffs on goods produced in the United States. Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. If further tariffs are imposed on our exports or our customers' exports, or if further retaliatory trade measures are taken by impacted foreign countries in response to additional tariffs, we or our customers may be required to adjust our respective prices or incur additional expenses, which may have a material adverse impact on our business, financial condition and results of operations.

We rely on export sales for a significant portion of our total sales. Adverse economic and financial developments in Asia in the future may have an adverse effect on demand for our products in Asia and increase our foreign exchange risks.

We rely on export sales for a significant portion of our total sales. Our sales to customers abroad accounted for 55.2% of our total revenue in 2024 and 56.5% in the first nine months of 2025.

Our sales to customers in Asia, including Japan, China, Indonesia, Thailand and Malaysia, accounted for 46.6% of our sales to customers abroad in 2024 and 40.9% in the first nine months of 2025, and we expect our sales to these countries to remain important in the future. Accordingly, adverse economic and financial developments in these countries may have an adverse effect on demand for our products. Unfavorable or uncertain economic and market conditions can be caused by, among other factors, difficulties in the financial sector, corporate, political or other scandals that may reduce confidence in the markets, declines in business confidence, increases in inflation, natural disasters or pandemics and outbreaks of hostilities or other geopolitical instability. Deterioration in economic or diplomatic relations between Korea and its trading partners or allies, including deterioration resulting from territorial or trade disputes or disagreements in foreign policy (such as the ongoing trade disputes with Japan), or a combination of these or other factors, has in the past adversely affected, and may in the future adversely affect, demand for our products.

Economic weakness in Asia may also adversely affect our sales to the Korean companies that export to the region, especially companies in the construction, shipbuilding, automotive, electrical appliances and downstream steel processing industries. Weaker demand in these countries, combined with an increase in global production capacity, may also reduce export prices in U.S. dollar terms of our principal products sold to customers in Asia. For a discussion of production over-capacity in the global steel industry, see "— We operate in the highly competitive global steel industry, and our failure to successfully compete would adversely affect our market position and business." We attempt to maintain and expand our export sales to generate foreign currency receipts to cover our foreign currency purchases and debt service requirements. Consequently, any decrease in our export sales could also increase our foreign exchange risks.

Depreciation of the value of the Won against the U.S. dollar and other major foreign currencies may have a material adverse effect on the results of our operations and on the price of the Notes.

A substantial portion of our consolidated financial results is accounted for in currencies other than the Won. Accordingly, our consolidated financial results and assets and liabilities may be materially affected by changes in the exchange rates of foreign currencies. We generated 55.2% of our revenue from overseas markets outside of Korea in 2024 and 56.5% in the first nine months of 2025. To the extent that we incur costs in one currency and make sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies. Since the currency in which sales are recorded may not be the same as the currency in which expenses are incurred, foreign exchange rate fluctuations may materially affect our results of operations.

Depreciation of the Won may materially affect the results of our operations because, among other things, it causes:

- an increase in the amount of Won required for us to make interest and principal payments on our foreign currency-denominated debt;
- an increase in Won terms in the costs of raw materials and equipment that we purchase from overseas sources and a substantial portion of our freight costs, which are denominated primarily in U.S. dollars; and
- foreign exchange translation losses on foreign currency-denominated liabilities, which lower our earnings for accounting purposes.

Appreciation of the Won against major currencies, on the other hand, causes:

- our export products to be less competitive by raising our prices in U.S. dollar, Japanese Yen and Chinese Yuan terms; and

- a reduction in net sales and accounts receivables in Won from export sales, which are primarily denominated in U.S. dollars and to a lesser extent in Japanese Yen and Chinese Yuan.

The overall net impact from fluctuations of the Won against major currencies is difficult to estimate and varies from year to year. We strive to naturally offset our foreign exchange risk by matching foreign currency receivables with our foreign currency payables. Although the impact of exchange rate fluctuations is partially mitigated by such strategies, we periodically enter into derivative contracts, primarily foreign currency swaps and forward exchange contracts, to hedge some of our foreign exchange risks. However, our results of operations have historically been affected by exchange rate fluctuations and there can be no assurance that such strategies will be sufficient to reduce or eliminate the adverse impact of such fluctuations in the future.

We are dependent on imported raw materials, and significant increases in market prices of essential raw materials could adversely affect our margins and profits.

We purchase substantially all of the principal raw materials we use from sources outside Korea, including iron ore and coal. We imported approximately 49 million dry metric tons of iron ore and 26 million wet metric tons of coal in 2024 and approximately 49 million dry metric tons of iron ore and 19 million wet metric tons of coal in the first nine months of 2025. Iron ore is sourced primarily from Australia, Brazil and Canada. Coal is sourced primarily from Australia, Canada and the United States. Supply disruptions, which could be caused by political or other events in the countries from which we import these materials, could adversely affect our operations. In addition, we are particularly exposed to increases in the prices of coal, iron ore and nickel, which represent the largest components of our cost of goods sold. The prices of our key raw materials have fluctuated significantly in recent years. For example, the average market price of iron ore per dry metric ton (Iron Ore 62% Fe, CFR China Index announced by Platts) was US$120 in 2023, US$109 in 2024 and US$101 in the first nine months of 2025. The average market price of coal per wet metric ton (Premium Low Vol Coking Coal, FOB Australia Index announced by Platts) was US$296 in 2023, US$240 in 2024 and US$184 in the first nine months of 2025. Such fluctuations in the price of coal in recent years were in large part attributable to sanctions imposed on Russia, a large exporter of coal, following its invasion of Ukraine in February 2022.

Our long-term supply contracts generally have terms of three to ten years and provide for periodic price adjustments to the then-market prices. We typically adjust the prices on a quarterly basis and maintain approximately one month of inventory of raw materials. Such price adjustments are driven by various factors, including the global economic outlook, global market prices of raw materials and steel products, supply and demand outlook of raw materials and production costs of raw materials. For both coal and iron ore, we typically agree on the purchase price with the suppliers primarily based on the spot market price periodically announced by Platts (Premium Low Vol Coking Coal, FOB Australia Index and Iron Ore 62% Fe, CFR China Index). As of September 30, 2025, 51 million tons of iron ore and 15 million tons of coal remained to be purchased under long-term supply contracts. Future increases in prices of our key raw materials and our inability to pass along such increases to our customers could adversely affect our margins and profits. Increased prices may also cause potential customers to defer purchase of steel products, while rapidly falling prices may increase loss on valuation of raw material inventory purchased when prices were higher, either of which could have an adverse effect on our business, financial condition and results of operations.

Earthquakes, tsunamis, floods, severe health epidemics (including the global COVID-19 pandemic and any possible occurrences of other types of widespread infectious diseases) and other natural calamities could materially and adversely affect our business, results of operations or financial condition.

If earthquakes, tsunamis, floods or any other natural calamities were to occur in the future in any area where any of our assets, suppliers or customers are located, our business, results of operations

or financial condition could be adversely affected. For example, Typhoon Hinnamnor, a powerful tropical cyclone that landed in South Gyeongsang Province, Korea on September 5, 2022, caused substantial flooding and property damage in cities located near the coastline, including Pohang. The typhoon caused electricity blackouts and flooded some of the Pohang Works' facilities located adjacent to Youngil Bay on the southeastern coast of Korea, causing disruptions to our downstream production activities, which adversely impacted our sales in the fourth quarter of 2022 following the flood.

A number of suppliers of our raw materials and customers of our products are also located in countries that have historically suffered natural calamities from time to time, such as Australia, China and Japan, as well as Korea. Any occurrence of such natural calamities in countries where our suppliers are located may lead to shortages or delays in the supply of raw materials. In addition, natural calamities in areas where our customers are located, including China, Southeast Asia, Japan, Europe, North America and Korea, may cause disruptions in their businesses, which in turn could adversely impact their demand for our products.

In addition, if severe health epidemics were to occur in the future in any area where any of our assets, suppliers or customers are located, our business, results of operations or financial condition could be adversely affected. For example, COVID-19, an infectious disease caused by severe acute respiratory syndrome coronavirus 2, was declared a "pandemic" by the World Health Organization in March 2020. The global outbreak of COVID-19 had led to global economic and financial disruptions and had adversely affected our business operations.

Risks associated with COVID-19 or other types of widespread infectious disease include:

- an increase in unemployment among, and/or decrease in disposable income of, consumers who purchase the products manufactured by our customers and a decline in overall consumer confidence and spending levels, which in turn may decrease demand for our products;
- disruption in the normal operations of the businesses of our customers, which in turn may decrease demand for our products;
- disruption in the supply of raw materials from our suppliers and vendors;
- disruption in the delivery of our products to our customers;
- disruption in the normal operations of our business resulting from contraction of infectious diseases by our employees or quarantine measures imposed by governments, which may necessitate our employees to be quarantined and/or our manufacturing facilities or offices to be temporarily shut down;
- disruption resulting from the necessity for social distancing, including implementation of temporary adjustment of work arrangements requiring employees to work remotely, which may lead to a reduction in labor productivity (for example, from time to time, we implemented staggered remote working arrangements for our employees at our headquarters);
- depreciation of the Won against major foreign currencies, which in turn may increase the cost of imported raw materials;
- unstable global and Korean financial markets, which may adversely affect our ability to meet our funding needs on a timely and cost-effective basis; and
- impairments in the fair value of our investments in companies that may be adversely affected by the pandemic.

In the event that a future recurrence of COVID-19 or an occurrence of other types of widespread infectious diseases cannot be effectively and timely contained, our business, financial condition and results of operations may be materially and adversely affected.

We have limited insurance coverage and may incur significant losses resulting from operating hazards, product liability claims from customers or business interruptions.

The normal operation of our manufacturing facilities may be interrupted by accidents caused by operating hazards, power supply disruptions and equipment failures, as well as natural disasters. For example, we experienced significant losses related to flooding caused by Typhoon Hinnamnor in September 2022. See "— Earthquakes, tsunamis, floods, severe health epidemics (including the global COVID-19 pandemic and any possible occurrences of other types of widespread infectious diseases) and other natural calamities could materially and adversely affect our business, results of operations or financial condition." As with other industrial companies, our operations involve the use, handling, generation, processing, storage, transportation and disposal of hazardous materials, which may result in fires, explosions, spills and other unexpected or dangerous accidents causing property damage as well as personal injuries or death. We are also exposed to risks associated with product liability claims in the event that the use of the products we sell results in injury. We maintain property insurance for our property, plant and equipment that we believe to be consistent with market practice. However, we may not have adequate resources to satisfy a judgment in excess of our insurance coverage in the event of a successful claim against us. Any occurrence of accidents or other events affecting our operations could result in potentially significant monetary damages, diversion of resources, production disruption and delay in delivery of our products, which may have a material adverse effect on our business, financial condition and results of operations.

We and POSCO HOLDINGS INC. remain jointly and severally liable for each other's liabilities existing prior to the spin-off.

We were incorporated on March 2, 2022 following a vertical spin-off of the domestic steel business by the former POSCO in accordance with Articles 530-2 through 530-12 of the Korean Commercial Code. As part of the spin-off, POSCO became a holding company and renamed itself POSCO HOLDINGS INC., and we were named POSCO. POSCO HOLDINGS INC. holds a 100.0% interest in us.

Under the relevant provisions of the Commercial Act of Korea relating to spin-offs, both the operating company and the holding company remain jointly and severally liable after the corporate spin-off for all of their liabilities existing prior to the corporate spin-off unless such joint and several liability has been successfully eliminated through a special resolution adopted at a general meeting of shareholders of the splitting company and consents of creditors of the affected debt, including consent by resolutions at bondholders' meetings, which resolutions are approved by the court. We and POSCO HOLDINGS INC. remain jointly and severally liable for each other's debts and other liabilities that existed prior to March 1, 2022 that currently remain outstanding. We are the successor-in-title to all the assets and liabilities and rights and obligations that were related to the domestic steel production and sales business transferred in the spin-off, as well as all authorized licenses, employment relations, contracts and lawsuits that were directly related to such business, and POSCO HOLDINGS INC. remains jointly and severally liable for such liabilities. The remaining assets and liabilities and rights and obligations related to other business areas remain with POSCO HOLDINGS INC., and we are jointly and severally liable for such liabilities. Defaults by POSCO HOLDINGS INC. of its joint and several liabilities, if significant, could have a material adverse effect on our results of operations and financial condition.

We are subject to environmental regulations, and our operations could expose us to substantial liabilities.

We are subject to national and local environmental laws and regulations, including increasing pressure to reduce emission of carbon dioxide relating to our manufacturing process, and our steel manufacturing operations could expose us to risk of substantial liability relating to environmental or health and safety issues, such as those resulting from discharge of pollutants and carbon dioxide into

the environment, the handling, storage and disposal of solid or hazardous materials or wastes and the investigation and remediation of contaminated sites. We may be responsible for the investigation and remediation of environmental conditions at currently and formerly operated manufacturing sites. We may also be subject to associated liabilities, including liabilities for natural resource damage, third party property damage or personal injury resulting from lawsuits brought by the Government or private litigants. In the course of our operations, hazardous wastes may be generated at third party-owned or operated sites, and hazardous wastes may be disposed of or treated at third party-owned or operated disposal sites. If those sites become contaminated, we could also be held responsible for the cost of investigation and remediation of such sites, for any associated natural resource damage, and for civil or criminal fines or penalties.

Furthermore, heightened global awareness and international and national commitments to reduce greenhouse gas emissions and counteract climate change (including increased activism by non-governmental and political organizations campaigning against fossil fuel extractions) may lead to increased costs for us. Investor preferences and sentiments are also influenced by environmental, social and corporate governance considerations including climate change and the transition to a lower carbon economy. Changes in such preferences and sentiment, including increased scrutiny from market participants, environmental organizations or the press, as well as compliance with such new and more stringent environmental obligations relating to greenhouse gas emissions may require additional capital expenditures or modifications in operating practices, as well as additional reporting obligations. In addition, we may also be subject to pressure and legal actions from environmental activists. For example, in February 2025, a group of ten individuals filed a lawsuit at the Daegu District Court against us seeking an injunction to stop the refurbishment of the No. 2 blast furnace at Gwangyang Works alleging that such refurbishment violates their right to a healthy environment. We intend to vigorously defend against such lawsuit.

We are subject to safety regulations, and our operations could expose us to substantial liabilities.

The Serious Accident Punishment Act (the "SAPA") was enacted on January 26, 2021 and took effect on January 27, 2022. The SAPA imposes criminal liability on individuals and entities responsible for "serious accidents." Under SAPA, the term "serious accident" encompasses not only accidents at industrial sites, such as factories or construction sites, but also "public" disasters caused by defects in the design, manufacture, installation and management of products, product ingredients or public facilities or transportation. The SAPA imposes criminal liability against (i) business owners or executives (as defined by the law) who fail to ensure the safety of their business operations and (ii) businesses or institutions that fail their supervisory duties. In case of willful misconduct or gross negligence, the SAPA also imposes punitive damages of up to five times the actual damages. Our operational activities involve inherent risks that may result in accidents involving serious injury or loss of life, environmental damage or property damage. Even though we plan to prioritize on-site safety management by engaging in communications with different stakeholders and investing more in safe environments, there is no guarantee that there will not be accidents due to our inherent operating risks. Although we have analyzed the potential impacts of the SAPA on us and aligned our policies, internal regulations and manuals in preparation for the implementation of the SAPA, there is no guarantee that the SAPA would not adversely affect our business, financial condition and results of operations. In November 2025, there were two incidents involving toxic chemicals at Pohang Steelworks, the first incident resulting in one fatality and three injured during repair work and the second incident resulting in two fatalities and four injured during sludge cleaning operations. These incidents are currently being investigated by the relevant authorities and we are fully cooperating with such investigations. While the outcome of such investigations remains uncertain, there can be no assurance that penalties or other disciplinary actions, including a temporary shutdown of Pohang Steelworks, would not be imposed. There can be no assurance that any such penalties or disciplinary actions would not have a material adverse effect on our results of operations and financial condition.

Under the SAPA, businesses may avoid punishment if it is found that they duly performed their duties to ensure the safety and health of the participants in their business operations. However, we cannot assure you that, despite all precautionary and preventative measures undertaken by us, these measures will prove to be fully effective at all times or that an incident that could cause harm to our reputation and operations will not happen in the future, including due to factors beyond our control.

Significant breaches of information security could lead to legal and financial exposure, damage to our reputation and a loss of confidence by our customers.

Our business relies heavily on mission-critical, complex and interdependent information technology systems that support our business processes. It involves the storage and transmission of confidential information relating to us as well as our customers and suppliers. Any significant breach in our information security could expose us to a risk of loss, improper use or disclosure of such information, and could give rise to significant liability or litigation, any of which could harm our reputation and adversely affect our business.

We believe that there has been no instance of a material breach in our information security to date that resulted in significant disruption of our operations and had a significant adverse effect on our operational results, or on third parties, including our customers and suppliers. However, there can be no assurance that we will be able to continue to prevent security incidents or other breaches in our information security from having a material adverse effect on our business, results of operations, financial viability or reputation. In addition, our information security measures may fail due to external and internal security threats, outages, malicious intrusions and attacks, programming or human errors and malfeasance, or other similar events.

Instituting appropriate access controls and safeguards across our information technology infrastructure is challenging. Furthermore, outside parties may attempt to fraudulently induce employees to divulge sensitive information to gain access to our data or our customers' data or access credentials. Because the techniques used to obtain unauthorized access, disable or degrade services or sabotage systems change frequently and often are not recognized until attacks are launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. If an actual or perceived breach of our cybersecurity occurs or the market perception of the effectiveness of our information security measures is compromised, this may lead to significant legal and financial exposure, including legal claims and regulatory fines and penalties, reputational harm and a loss of confidence of our customers, which could have an adverse effect on our business, financial condition and results of operations.

Failure to protect our intellectual property rights could impair our competitiveness and harm our business and future prospects.

We believe that developing new steel manufacturing technologies that can be differentiated from those of our competitors, such as FINEX, automotive steel manufacturing technology and high-manganese steel manufacturing technology, is critical to the success of our business. We take active measures to obtain protection of our intellectual property by obtaining patents and undertaking monitoring activities in our major markets. However, we cannot assure you that the measures we take will effectively deter competitors from improper use of our proprietary technologies. Our competitors may misappropriate our intellectual property, disputes as to ownership of intellectual property may arise and our intellectual property may otherwise become known or independently developed by our competitors. Any failure to protect our intellectual property could impair our competitiveness and harm our business and future prospects.

We rely on trade secrets and other unpatented proprietary know-how to maintain our competitive position, and unauthorized disclosure of our trade secrets or other unpatented proprietary know-how could negatively affect our business.

We rely on trade secrets and unpatented proprietary know-how and information. We enter into confidentiality agreements with each of our employees and consultants upon the commencement of an employment or consulting relationship. These agreements generally provide that all inventions, ideas, discoveries, improvements and patentable material made or conceived by the individual arising out of the employment or consulting relationship and all confidential information developed or made known to the individual during the term of the relationship are our exclusive property. We cannot assure the enforceability of these types of agreements, or that they will not be breached. We also cannot be certain that we will have adequate remedies for any breach. The disclosure of our trade secrets or other know-how as a result of such a breach could adversely affect our business.

We face the risk of litigation proceedings relating to infringement of intellectual property rights of third parties, which, if determined adversely to us, could cause us to lose significant rights, pay significant damage awards or suspend the sale of certain products.

Our success depends largely on our ability to develop and use our technology and know-how in a proprietary manner without infringing the intellectual property rights of third parties. The validity and scope of claims relating to technology and patents involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. In addition, because patent applications in many jurisdictions are kept confidential for an extended period before they are published, we may be unaware of other persons' pending patent applications that relate to our products or manufacturing processes. Accordingly, we face the risk of litigation proceedings relating to infringement of intellectual property rights of third parties.

The plaintiffs in actions relating to infringement of intellectual property rights typically seek injunctions and substantial damages. Although patent and other intellectual property disputes are often settled through licensing or similar arrangements, there can be no assurance that such licenses can be obtained on acceptable terms or at all. Accordingly, regardless of the scope or validity of disputed patents or the merits of any patent infringement claims by potential or actual litigants, we may have to engage in protracted litigation. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert the efforts and resources of our technical and management personnel. An adverse determination in any such litigation or proceedings could subject us to pay substantial damages to third parties, require us to seek licenses from third parties and pay ongoing royalties or redesign certain products, or subject us to injunctions prohibiting the manufacture and sale of our products or the use of technologies in certain jurisdictions. The occurrence of any of the foregoing could have a material adverse effect on our reputation, business, financial condition and results of operations.

We depend on other member companies of the POSCO Group for certain of our sales operations and procurement of raw materials.

We sell steel products produced by us directly to external customers, as well as engage our affiliates, primarily POSCO International, to sell steel products produced by us. Our revenue from steel products produced by us and sold to our affiliates that in turn sold them to their external customers amounted to Won 5,282 billion in 2023, Won 5,452 billion in 2024 and Won 3,905 billion in the first nine months of 2025.

We also procure raw materials from our affiliates that engage in exploration and production projects abroad by acquiring mining rights of raw materials or by investing in projects either as part of a consortium or through an acquisition of a minority interest. In 2024, we purchased approximately 30%

of our iron ore imports and 24% of our coal imports from foreign mines in which other member companies of the POSCO Group have made investments. In the first nine months of 2025, we purchased approximately 30% of our iron ore imports and 25% of our coal imports from foreign mines in which other member companies of the POSCO Group have made investments. The POSCO Group's major investments to procure supplies of coal, iron ore and nickel are primarily located in Australia, Canada, Brazil and New Caledonia.

There can be no assurance that our affiliates will be able to continue to effectively provide services without delays or interruptions. Any financial instability of, contractual disputes with or labor disruptions at such companies may disrupt the sales of our products or procurement of raw materials in a timely manner. The occurrence of any such events that disturb our operations as well as our inability to replace such affiliates could have a material adverse effect on our business, financial condition and results of operations.

Labor laws and a recent Supreme Court decision on contract-based workers dispatched by third-party contractors could restrict flexibility in our labor management and result in an increase in our labor-related costs.

In July 2022, the Supreme Court of Korea held that 59 workers employed by our third-party contractors and dispatched to our production facilities who brought a claim under the Dispatched Worker Protection Act ("DWPA") of Korea were in a direct employment relationship with us. The DWPA limits the maximum period that a worker may be dispatched to a company to two years. Under the DWPA, worker dispatch exceeding such period may result in a company's obligation to directly hire such dispatched workers in certain situations, including where such workers were directly supervised by the company rather than the third-party contractor. Pursuant to such judgment, we hired 55 of such workers that met our working age criteria as our full-time direct employees. In October 2022, all 59 original plaintiffs collectively filed a complaint at the Gwangju District Court claiming an aggregate amount of Won 3.0 billion as unpaid wages for the three-year period that they should have been recognized as our full-time direct employees. Furthermore, in July 2025, the 55 employees directly hired by us collectively filed a claim at the Gwangju District Court, alleging wage discrimination compared to certain other full-time direct employees. Both such lawsuits are still in progress, and we intend to vigorously defend against such lawsuits.

In addition to the decision rendered by the Supreme Court in July 2022, 22 lawsuits brought by a total of approximately 3,419 workers employed by our third-party contractors who worked at our production facilities related to such workers' employment status with us remain pending as of December 15, 2025. Many of these cases also seek unpaid wages for the period they claim should have been recognized as our full-time direct employees. 16 of such 22 cases remain pending at the district courts as of December 15, 2025. With respect to the first of the six remaining lawsuits, which involves eight workers, the district court ruled in our favor but the appellate court ruled against us. We appealed the decision in February 2022, which remains pending at the Supreme Court. In February 2024, such plaintiffs also filed a lawsuit at the Gwangju District Court claiming unpaid wages for the period during which they claim they should have been recognized as our full-time direct employees, and such lawsuit remains pending at the Gwangju District Court. With respect to the second of the six remaining lawsuits, which involves 215 workers, both the district court and the appellate court ruled against us. We appealed the appellate court's decision in February 2022, which remains pending at the Supreme Court. In February 2024, such plaintiffs also filed a lawsuit at the Gwangju District Court claiming unpaid wages for the period during which they claim they should have been recognized as our full-time direct employees, and such lawsuit remains pending at the Gwangju District Court. With respect to the third and fourth of the six remaining lawsuits, which involves 89 workers, both the district court and the appellate court ruled against us. We appealed the appellate court's decision in December 2025, which remains pending at the Supreme Court. With respect to the two remaining lawsuits, which involve 381 workers, the district courts ruled against us. We appealed the district courts' decisions in

2024, which remain pending at the appellate courts. In December 2024, the plaintiffs in the above four cases filed lawsuits at the Daegu District Court claiming unpaid wages for the period during which they claim they should have been recognized as our full-time direct employees, and such lawsuits remain pending at the Daegu District Court. We intend to vigorously defend against such lawsuits.

We cannot provide any assurance that there will not be additional lawsuits related to the employment status of workers employed by our third-party contractors who worked at our production facilities, and we have not made any provisions related to any of the pending proceedings. The application of the applicable labor law will be based on the specific facts of the cases, and the general applicability of the July 2022 Supreme Court ruling cannot be determined with certainty at this time. However, if similar judgments were to be rendered against us, they could restrict our ability to manage our labor force flexibly and significantly increase our labor-related costs, which in turn may have a material adverse effect on our results of operations.

We may be exposed to potential claims for unpaid wages and become subject to additional labor costs arising from the Supreme Court of Korea's interpretation of ordinary wages.

Under the Labor Standards Act, an employee's "ordinary wage" is used as the basis for calculating various statutory benefits. In December 2013, the Supreme Court of Korea ruled that regularly paid bonuses, including those that are paid other than on a monthly basis, are included in the scope of employees' ordinary wages if these bonuses are paid (i) "regularly," (ii) "uniformly" and (iii) on a "fixed basis," notwithstanding differential amounts based on seniority. However, in December 2024, the Supreme Court of Korea reversed its prior ruling and excluded "fixed basis" from the attributes of ordinary wage and redefined the concept and judgment criteria of what constitutes ordinary wage. According to the Supreme Court of Korea's decision in December 2024, a wage determined to be paid regularly and uniformly in exchange for prescribed work constitutes ordinary wage regardless of the existence or fulfillment of conditions attached to it. According to such decision, wages based on tenure or on the number of working days, where payment is made only when an employee satisfies a required number of working days within the prescribed working period, are recognized as ordinary wages. However, wages conditioned on working days that exceed the prescribed working period are not regarded as ordinary wages, as they are not paid solely for performing the prescribed work but rather constitute compensation for additional work beyond the prescribed working hours. In order to minimize confusion resulting from this change, the Supreme Court of Korea also ruled that the revised legal principle will apply to ordinary wage calculations starting from the date of the ruling, which is December 19, 2024.

Under this decision, any provision of a collective bargaining agreement or other agreements that attempt to exclude such regular bonuses from employees' ordinary wages will be deemed void for violation of the mandatory provisions of Korean law.

The Ministry of Employment and Labor subsequently revised the 'Guidelines for Labor-Management Guidance on Ordinary Wage' in February 2025 (the "Guidelines"). The new legal principle on ordinary wages is effective for ordinary wage calculations starting from December 19, 2024. While we are currently assessing the impact of the Supreme Court of Korea's decision and the Guidelines on our regular bonuses paid in the past, if we are nonetheless determined to have underpaid employees by under-calculating their ordinary wages over the past three years or in the future, we may be liable for additional payments reflecting the expanded scope of employees' ordinary wages. Any such additional payments may have an adverse effect on our financial condition and results of operations.

We may selectively seek opportunities to expand our steel production operations abroad, which international expansion efforts may not be successful.

As part of our strategy, we may selectively seek opportunities to expand our steel production operations internationally in regions that we believe offer promising growth prospects, including the

United States and India. We may enter into additional joint ventures with foreign steel producers that would enable us to rely on these businesses to conduct our operations, establish local networks and coordinate our sales and marketing efforts abroad. To the extent that we enter into these arrangements, our success will depend in part on the willingness of our partner companies to dedicate sufficient resources to their partnership with us.

In other situations, we may decide to establish manufacturing facilities by ourselves instead of relying on partners as well as acquire certain subsidiaries of POSCO HOLDINGS INC. Since December 2022, we have also acquired POSCO HOLDINGS INC.'s interests in some of its subsidiaries and investments related to steel manufacturing and sales, including POSCO HOLDINGS INC.'s 74.6% interest in POSCO Thainox, 100.0% interest in POSCO (Thailand) Company Ltd., 51.0% interest in POSCO YAMATO VINA STEEL JOINT STOCK COMPANY, 50.0% interest in PT. KRAKATAU POSCO and 83.3% interest in POSCO MEXICO S.A. DE C.V. The demand and market acceptance for our products produced abroad are subject to a high level of uncertainty and are substantially dependent upon the market conditions of the global steel industry. In addition, expansion of our production operations abroad requires management attention and resources. We also face additional risks associated with our expansion outside Korea, including:

- challenges caused by distance, language and cultural differences;
- higher costs associated with doing business internationally;
- legal and regulatory restrictions, including foreign exchange controls that might prevent us from repatriating cash earned in countries outside Korea;
- longer payment cycles in some countries;
- credit risk and higher levels of payment fraud;
- currency exchange risks;
- potentially adverse tax consequences;
- political and economic instability; and
- seasonal reductions in business activity during the summer months in some countries.

We cannot assure you that any international investments we make will be profitable or that we can recoup the costs related to such investments.

We engage in activities relating to countries targeted by United States, European Union and United Kingdom economic sanctions.

The U.S. Department of the Treasury's Office of Foreign Assets Control, or "OFAC," enforces certain laws and regulations ("U.S. Sanctions") that impose prohibitions or restrictions on U.S. persons and, in some instances, foreign entities owned or controlled by U.S. persons, with respect to activities or transactions with or involving certain countries, governments, entities and individuals that are the subject of U.S. Sanctions, including countries and territories subject to a comprehensive embargo (currently Cuba, Iran, North Korea, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, and the Crimea regions of Ukraine), as well as parties that are subject to, or are majority owned by one or more parties subject to, so-called blocking sanctions. U.S. persons are also generally prohibited from facilitating such activities or transactions. Similarly, the European Union enforces certain laws and regulations ("E.U. Sanctions") that impose restrictions on nationals of E.U. member states, persons located within E.U. member states, entities incorporated or constituted under the law of an E.U. member state, or business conducted in whole or in part in E.U. member states with respect to activities or transactions with certain countries, governments, entities and individuals that

are the subject of E.U. Sanctions. E.U. persons are also generally prohibited from activities that promote such activities or transactions. The United Kingdom also enforces certain laws and regulations ("UK Sanctions") that impose restrictions upon UK persons with respect to activities or transactions with parties that are the subject of UK Sanctions. In light of recent international developments, particularly the ongoing war in Ukraine, the United States, European Union, United Kingdom and other jurisdictions have imposed enhanced sanctions targeting Russia.

In the past, we have engaged in limited business activities in Russia and Iran. While we currently do not produce and export steel products to such countries, including steel materials to Iranian and Russian entities, we purchase raw materials from non-Russian third parties that are sourced from mines in Russia. We believe that such activities do not involve any U.S. goods or services and otherwise do not implicate or violate U.S. Sanctions, E.U. Sanctions or UK Sanctions. To our knowledge, none of our business in Russia involves parties subject to U.S. Sanctions. Our raw materials purchased that are sourced from mines in Russia accounted for approximately 14% of our total coal imports in 2023, 5% in 2024 and 0.7% in the first nine months of 2025.

POSCO Steeleon, our subsidiary, holds a 70% interest in Myanmar POSCO C&C Co., Ltd. ("Myanmar POSCO C&C"), a joint venture with Myanmar Economic Holdings Public Company Limited ("MEHL"). MEHL was designated for U.S. Sanctions on March 25, 2021. Myanmar POSCO C&C engages in the production and sale of coated steel roofing sheets in Myanmar, and its sales accounted for approximately 0.8% of our consolidated revenue in 2023, 0.9% in 2024 and 0.6% in the first nine months of 2025. POSCO Steeleon is monitoring changes in Myanmar's business environment and assessing its shareholding arrangement. U.S. Sanctions that apply to MEHL do not apply to POSCO, POSCO Steeleon or Myanmar POSCO C&C.

We expect to continue to engage in business activities and make investments in countries or territories on which comprehensive U.S. Sanctions have been imposed and also plan to continue to engage in business in Russia. Although we believe that U.S. Sanctions, E.U. Sanctions and UK Sanctions under their current terms are not applicable to our current activities, the relevant authorities may take a different view, our reputation may be adversely affected, and some of our investors may be required to divest their investments in us, including under the laws of certain U.S. states or under internal investment policies, or may decide for reputational reasons to divest such investments. We are aware of initiatives by U.S. governmental entities and U.S. institutional investors, such as pension funds, to adopt or consider adopting laws, regulations or policies prohibiting transactions with or investment in, or requiring divestment from, entities doing business with countries identified as state sponsors of terrorism. There can be no assurance that the foregoing will not occur, that sanctions regimes around the world will not change in a way that impacts our business, or that such occurrences will not have a material adverse effect on the value of the Notes.

Our transactions with our subsidiaries, affiliates and other member companies of the POSCO Group may be restricted under Korean fair trade regulations.

Our business relationships and transactions with our subsidiaries, affiliates and other members of the POSCO Group are subject to ongoing scrutiny by the Korea Fair Trade Commission as to, among other things, whether such relationships and transactions constitute undue financial support among companies of the same business group. We engage in various transactions with our affiliates, including sale of steel products produced by us and obtaining key raw materials for our production. We are also subject to fair trade regulations limiting cross-guarantees of debt and cross-shareholdings among member companies of the POSCO Group. Any future determinations by the Korea Fair Trade Commission that we have engaged in transactions that violate fair trade laws and regulations may result in fines or other punitive measures and may have a material adverse effect on our reputation and our business.

Our transactions with related parties are subject to close scrutiny by the Korean tax authorities.

Under Korean tax law, there is an inherent risk that our transactions with our subsidiaries, affiliates or other members of the POSCO Group or any other person or company that is related to us may be challenged by the Korean tax authorities if such transactions are viewed as having been made on terms that were not on an arm's-length basis. If the Korean tax authorities determine that any of our transactions with related parties were not on an arm's-length basis, we would not be permitted to deduct as expenses, or would be required to include as taxable income, the amount equivalent to such undue financial support, which may have adverse tax consequences for us.

Risks Relating to Korea

Escalations in tensions with North Korea could have an adverse effect on us and the market value of the Notes.

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon, ballistic missile and satellite programs as well as its hostile military actions against Korea. Some of the significant incidents in recent years include the following:

- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs and warheads that can be mounted on ballistic missiles. Over the years, North Korea has continued to conduct a series of missile tests, including missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of such activities since the beginning of 2022, firing numerous ballistic missiles, including intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the Government also closed the inter-Korea Gaeseong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.

- In March 2010, a Korean naval vessel was destroyed by an underwater explosion, killing many of the crewmen on board. The Government formally accused North Korea of causing the sinking, while North Korea denied responsibility. Moreover, in November 2010, North Korea fired more than 100 artillery shells that hit Korea's Yeonpyeong Island near the Northern Limit Line, which acts as the de facto maritime boundary between Korea and North Korea on the west coast of the Korean peninsula, causing casualties and significant property damage. The Government condemned North Korea for the attack and vowed stern retaliation should there be further provocation.

North Korea's economy also faces severe challenges, which may further aggravate social and political pressures within North Korea. Although bilateral summit meetings between Korea and North Korea were held in April, May and September 2018 and between North Korea and the United States in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. Any increase in tensions, which may occur, for example, if North Korea experiences a leadership crisis, high-level contacts between Korea

and North Korea or between the United States and North Korea break down or military hostilities occur, could have a material adverse effect on the Korean economy and on our business, financial condition and results of operations and the market value of the Notes.

Risks Relating to the Notes

The Notes are unsecured obligations.

Because the Notes are unsecured obligations, their repayment may be compromised if:

- we enter into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- there is a default in payment under our future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of our indebtedness.

If any of these events occurs, our assets may not be sufficient to pay amounts due on any of the Notes. In addition, any secured indebtedness incurred by us would have priority over our unsecured indebtedness to the extent of the assets securing such indebtedness.

The Notes are subject to transfer restrictions.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to QIBs in reliance on the exemption provided by Rule 144A, to certain persons in offshore transactions in reliance on Regulation S, or, if available, pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and, in each case, in accordance with applicable state securities laws. For a further discussion of the transfer restrictions applicable to the Notes, see “Description of the Notes” and “Transfer Restrictions.”

The Notes have not been and will not be registered with the FSC under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB registered with the KOFIA as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes.

The Notes are subject to prescription regulations in Korea.

Failure to exercise a right of action for more than a certain period of time may operate as a bar to exercise of such right. Under Korean laws, claims against the issuer in respect of the payment of principal of notes or bonds are prescribed upon the expiry of ten years, and claims for payment of interest in respect of notes or bonds are prescribed upon the expiry of five years, in each case, from the relevant due date as adjusted by any acceleration or otherwise, in respect thereof. If the Note holders fail to exercise their right of payment for more than the period set forth above, the Korean courts may not enforce a claim for payment for principal or interest in respect of the Notes.

The Notes contain limited restrictive covenants and will not restrict our ability to make investments, incur unsecured indebtedness or pay dividends.

The Notes contain limited restrictive covenants and will not restrict our ability to:

- invest in affiliates, associates or subsidiaries;

- repurchase common or preferred shares, make distributions or issue dividends;
- issue preferred securities or incur unsecured indebtedness; or
- make capital expenditures.

Our election to take such actions could adversely affect our ability to pay amounts due on the Notes.

The Notes may have limited liquidity.

The Notes constitute a new issue of securities for which there is no existing market. Applications will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. The offer and sale of the Notes are not conditioned on obtaining a listing of the Notes on the SGX-ST or any other exchange. Although the Initial Purchasers have advised us that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice at their sole discretion. For a further discussion of the Initial Purchasers' planned market-making activities, see "Plan of Distribution."

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- our results of operations and financial condition;
- the rate of exchange between Won and the currency of the Notes;
- political and economic developments in and affecting Korea and other regions;
- the market conditions for similar securities; and
- the financial condition and stability of the Korean financial and other sectors.

The credit ratings assigned to us and the Notes are limited in scope.

We and our debt securities, including the Notes, are subject to periodic review by independent credit rating agencies. Accordingly, increases in the level of our outstanding indebtedness, a deterioration in our operating performance or other events could cause the rating agencies to downgrade our credit ratings generally and the ratings on the Notes, which could adversely impact the trading prices for, or the liquidity of, the Notes. Any such downgrade could also adversely affect our cost of borrowing, limit our access to the capital markets or result in more restrictive covenants in future debt agreements.

The Notes are expected to be rated Baa1 by Moody's and A- by S&P. The credit ratings assigned to the Notes are limited in scope, and may not reflect the potential impact of all risks related to structure and other factors that may affect the value of the Notes. Each agency's rating should be evaluated independently of any other agency's rating. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. There can be no assurance that these ratings will remain in effect for a given period or that these ratings will not be revised or withdrawn by the relevant rating agency if in its judgment circumstances in the future so warrant. Neither we nor the agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisors or any person who

controls any of them has any obligation to inform holders of the Notes of any such revision, suspension or withdrawal. A revision, suspension, or withdrawal at any time of a rating assigned to the Notes may adversely affect the market price of the Notes.

Risks Relating to Forward-Looking Statements

This Offering Circular contains forward-looking statements. We caution you not to rely on the forward-looking statements, which speak only as of the date of this Offering Circular.

In addition to the risks related to our business discussed above, other factors could cause actual results to differ materially from those described in the various forward-looking statements contained in this Offering Circular, including our use of proceeds from the offering. These factors include, but are not limited to, the following:

- general economic, business and political conditions;
- trends in the global steel industry;
- delay or cancellation of our announced capital expenditure plans;
- market conditions and business outlook for our products;
- occurrences of widespread infectious diseases such as COVID-19;
- fluctuations in prices of raw materials;
- adverse trends in regulatory, legislative and judicial developments;
- changes in interest rates and currency exchange rates;
- our leverage and our ability to meet our debt obligations; and
- conditions in the Korean and global financial markets.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically but without limitation, sales could decrease, costs (including capital costs) could increase, investments could be delayed and anticipated improvements in performance might not be fully realized.

We caution you not to rely on the forward-looking statements, which speak only as of the date of this Offering Circular. Except as required by law, we are not under any obligation, and expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

USE OF PROCEEDS

The net proceeds from the issuance of the 2031 Notes are expected to be approximately US$397,788,000, and the net proceeds from the issuance of the 2036 Notes are expected to be approximately US$296,520,000, in each case after deducting underwriting commissions but not estimated expenses of the offering.

An amount equivalent to the net proceeds from the 2031 Notes and the 2036 Notes will be used for refinancing existing indebtedness and other general corporate purposes.

CAPITALIZATION

The following table sets forth our capitalization (defined as the sum of long-term debt, excluding current portion, and total equity) as of September 30, 2025 and as adjusted to give effect to the issuance of the Notes, after deducting underwriting commissions but not estimated expenses of the offering payable by us and on the assumption that the proceeds from the issuance of the Notes will not be used for the immediate repayment of outstanding borrowings. For additional information, see "Selected Financial and Other Data" and our carve-out and combined financial statements and related notes included elsewhere in this Offering Circular. This table should be read in conjunction with our carve-out and combined financial statements and related notes included elsewhere in this Offering Circular.

	As of September 30, 2025	
	Outstanding	As Adjusted
	(In billions of Won)	
Long-term debt:		
Long-term borrowings, excluding current installments	₩ 6,190	₩ 6,190
Notes offered hereby [1][2]	—	974
Total long-term debt	₩ 6,190	₩ 7,164
Shareholders' equity:		
Share capital	₩ 482	₩ 482
Capital surplus	22,688	22,688
Accumulated other comprehensive income	284	284
Retained earnings	9,506	9,506
Non-controlling interest	914	914
Total shareholders' equity	₩ 33,874	₩ 33,874
Total capitalization [3]	₩ 40,064	₩ 41,038

(1) Pursuant to the Financial Accounting Standards of the Republic of Korea, the Notes will be accounted for as long-term debt for purposes of our capitalization.

(2) Reflects net proceeds of US$694,308,000 from the offering (after deduction of underwriting commissions but not estimated expenses) translated into Won amount at the Market Average Exchange Rate of Won 1,402.2 to US$1.00 on September 30, 2025.

(3) Sum of long-term debt (excluding current portion) and total equity.

EXCHANGE RATES

The following table sets out, for the periods and dates indicated, information concerning the Market Average Exchange Rate. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted in U.S. dollars or Won, as the case may be, at any particular rate or at all.

Period	At End of Period	Average Rate [1]	High	Low
		(Won per US$1.00)		
2021	₩ 1,185.5	₩ 1,144.4	₩ 1,199.1	₩ 1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
2025	1,434.9	1,422.2	1,483.4	1,352.6
July	1,382.9	1,375.2	1,391.9	1,352.6
August	1,388.6	1,389.7	1,399.3	1,382.2
September	1,402.2	1,391.8	1,411.6	1,380.0
October	1,423.2	1,423.4	1,436.6	1,401.9
November	1,464.8	1,457.8	1,473.5	1,427.4
December	1,434.9	1,467.4	1,483.4	1,433.9
2026 (through January 12)	1,455.7	1,446.1	1,455.7	1,434.9

Source: Seoul Money Brokerage Services, Ltd.

(1) Represents the average of the daily Market Average Exchange Rates over the relevant period.

SELECTED FINANCIAL AND OTHER DATA

The following tables present our selected financial and other information. The selected financial information presented as of and for the years ended December 31, 2023 and 2024 are derived from the Annual Financial Statements included elsewhere in this Offering Circular. The selected financial information presented as September 30, 2025 and for the nine months ended September 30, 2024 and 2025 are derived from the Interim Financial Statements included elsewhere in this Offering Circular.

Our results of operations for the nine months ended September 30, 2025 may not be indicative of our results of operations for the full year 2025.

Statement of Comprehensive Income Information

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
	(in billions of Won)			
Revenue	₩ 43,135	₩ 44,644	₩ 33,487	₩ 33,228
Cost of sales	39,418	41,410	31,082	30,280
Gross profit	3,717	3,234	2,405	2,948
Selling and administrative expenses:				
Other administrative expenses	1,136	1,176	859	898
Selling expenses	275	326	216	241
Operating profit	2,305	1,732	1,330	1,809
Share of loss of equity-accounted investees, net	(0)	(12)	(2)	(6)
Finance income and costs:				
Finance income	1,278	2,407	1,445	880
Finance costs	1,338	2,532	1,503	1,116
Other non-operating income and expenses:				
Other non-operating income	112	208	36	63
Other non-operating expenses	430	430	341	215
Profit before income tax	1,927	1,373	965	1,416
Income tax expense	504	294	246	359
Profit	₩ 1,422	₩ 1,079	₩ 718	₩ 1,056
Other comprehensive income (loss), net of tax	(52)	272	156	17
Total comprehensive income	₩ 1,370	₩ 1,351	₩ 874	₩ 1,074
Total comprehensive income attributable to:				
Owners of the controlling company	₩ 1,366	₩ 1,354	₩ 926	₩ 1,120
Non-controlling interests	4	(3)	(52)	(46)

Statement of Financial Position Information

	As of December 31,		As of September 30,
	2023	2024	2025
	(in billions of Won)		
Working capital [1]	₩ 14,137	₩ 11,955	₩ 11,830
Total current assets	22,486	21,899	20,453
Property, plant and equipment, net	23,602	25,195	24,458
Total non-current assets	27,448	29,514	28,929
Total assets	49,934	51,413	49,382
Short-term borrowings and current installments of long-term borrowings	3,009	3,522	3,435
Long-term borrowings, excluding current installments	7,956	7,313	6,190
Total liabilities	17,083	18,045	15,508
Total equity	32,851	33,367	33,874

(1) "Working capital" means current assets minus current liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by reference to, our financial statements included elsewhere in this Offering Circular. Our financial information appearing below is derived from the Annual Financial Statements and the Interim Financial Statements. See Notes 2 and 3 to the Annual Financial Statements and Notes 2 and 3 to the Interim Financial Statements for a summary of material accounting policies. K-IFRS differs in certain significant respects from generally accepted accounting principles in other countries, including the United States.

The discussion contains forward-looking statements and reflects our current view with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth under "Risk Factors" and elsewhere in this Offering Circular.

Overview

We are the largest fully-integrated steel producer in Korea, and one of the largest steel producers in the world, based on annual crude steel production. Our Pohang Works and Gwangyang Works in aggregate produced approximately 35.7 million tons of crude steel and stainless steel in 2023, 35.0 million tons in 2024 and 25.8 million tons in the first nine months of 2025. In 2024, our Pohang Works and Gwangyang Works in aggregate had approximately 40.5 million tons of annual crude steel and stainless steel production capacity. We believe Pohang Works and Gwangyang Works are two of the most technologically-advanced integrated steel facilities in the world. We manufacture and sell a diversified line of steel products, including cold rolled and hot rolled products, stainless steel products, plates, wire rods and silicon steel sheets, and we are able to meet a broad range of customer needs from manufacturing industries that consume steel, including the automotive, shipbuilding, home appliance, engineering and machinery industries. We also engage in the production of a wide range of coated steel sheets through POSCO Steeleon, a subsidiary in which we hold a 56.9% interest. Since December 2022, we have also acquired POSCO HOLDINGS INC.'s interests in some of its subsidiaries and investments related to steel manufacturing and sales, including POSCO HOLDINGS INC.'s 74.6% interest in POSCO Thainox, 100.0% interest in POSCO (Thailand) Company Ltd., 51.0% interest in POSCO YAMATO VINA STEEL JOINT STOCK COMPANY, 50.0% interest in PT. KRAKATAU POSCO and 83.3% interest in POSCO MEXICO S.A. DE C.V.

Factors Affecting Our Results of Operations and Financial Condition

One of the major factors contributing to our historical performance has been the growth of the Korean economy, and our future performance will depend at least in part on Korea's general economic growth and prospects. For a description of recent developments that have had and may continue to have an adverse effect on our results of operations and financial condition, see "Risk Factors — Risks Relating to the Company — Korea is our most important market, and our current business and future growth could be materially and adversely affected if economic conditions in the region deteriorate." A number of other factors have had or are expected to have a material impact on our results of operations, financial condition and capital expenditures. These factors include:

- our sales volume, unit prices and product mix;
- costs and production efficiency; and
- exchange rate fluctuations.

As a result of these factors, our financial results in the past may not be indicative of future results or trends in those results.

Sales Volume, Prices and Product Mix

In recent years, our net sales have been affected by the following factors:

- the demand for our products in the Korean market and our capacity to meet that demand;
- our ability to compete for sales in the export market, including due to tariffs imposed on our export products;
- price levels; and
- our ability to improve our product mix.

Domestic demand for our products is affected by the condition of major steel-consuming industries, such as construction, shipbuilding, automotive, electrical appliances and downstream steel processors, and the Korean economy in general.

In 2024, the unit sales price in Won for each of our principal product lines of steel products, other than cold rolled products and wire rods, decreased compared to 2023 primarily due to weakness in global economic conditions. The weighted average unit price for our principal product lines of steel products decreased by 1.6% from 2023 to 2024, the impact of which was offset in part by the depreciation in the average value of the Won against the U.S. dollar in 2024 compared to 2023 that increased our export prices in Won terms. The Market Average Exchange Rate depreciated from an average of Won 1,305.4 to US$1.00 in 2023 to an average of Won 1,364.0 to US$1.00 in 2024.

The unit sales price of silicon steel sheets, which accounted for 2.2% of total sales volume of our principal steel products in 2024, decreased by 17.3% in 2024 compared to 2023. The unit sales price of plates, which accounted for 18.4% of such products, decreased by 10.0% in 2024 compared to 2023. The unit sales price of stainless steel products, which accounted for 5.0% of total sales volume of such products, decreased by 5.7% in 2024 compared to 2023. The unit sales price of hot rolled products, which accounted for 36.5% of total sales volume of such products, decreased by 2.4% in 2024 compared to 2023. On the other hand, the unit sales price of cold rolled products, which accounted for 31.8% of total sales volume of such products, increased by 5.1% in 2024 compared to 2023. The unit sales price of wire rods, which accounted for 6.1% of total sales volume of such products, increased by 1.8% in 2024 compared to 2023.

In the first nine months of 2025, the unit sales price in Won for each of our principal product lines of steel products decreased compared to the first nine months of 2024 primarily due to continued weakness in global economic conditions. The weighted average unit price for our principal product lines of steel products decreased by 5.5% from the first nine months of 2024 to the first nine months of 2025, the impact of which was offset in part by the depreciation in the average value of the Won against the U.S. dollar in the first nine months of 2025 compared to the first nine months of 2024 that increased our export prices in Won terms. The Market Average Exchange Rate depreciated from an average of Won 1,352.9 to US$1.00 in the first nine months of 2024 to an average of Won 1,412.8 to US$1.00 in the first nine months of 2025.

The unit sales price of silicon steel sheets, which accounted for 3.1% of total sales volume of our principal steel products in the first nine months of 2025, decreased by 11.9% in the first nine months of 2025 compared to the first nine months of 2024. The unit sales price of hot rolled products, which accounted for 35.6% of total sales volume of such products, decreased by 9.1% in the first nine months of 2025 compared to the first nine months of 2024. The unit sales price of cold rolled products, which accounted for 34.1% of total sales volume of such products, decreased by 7.0% in the first nine months of 2025 compared to the first nine months of 2024. The unit sales price of plates, which accounted for 17.3% of total sales volume of our principal steel products, decreased by 6.8% in the first nine months of 2025 compared to the first nine months of 2024. The unit sales price of stainless steel products, which accounted for 5.0% of total sales volume of such products, decreased by 0.2% in

the first nine months of 2025 compared to the first nine months of 2024. The unit sales price of wire rods, which accounted for 4.9% of total sales volume of such products, decreased by 0.2% in the first nine months of 2025 compared to the first nine months of 2024.

The table below sets out the average unit sales prices for our semi-finished and finished steel products for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
Products	**2023**	**2024**	**2024**	**2025**
			(In thousands of Won per ton)	
Cold rolled products	₩ 1,098	₩ 1,154	₩ 1,185	₩ 1,102
Hot rolled products	916	894	909	826
Stainless steel products	3,074	2,899	2,902	2,895
Plates	1,085	977	998	930
Wire rods	1,041	1,061	1,069	1,067
Silicon steel sheets	2,375	1,964	1,998	1,760
Average [1]	₩ 1,144	₩ 1,126	₩ 1,145	₩ 1,083

(1) "Average" prices are based on the weighted average, by sales volume, of our sales for the listed principal products. The average unit sales price calculation does not include sales results of steel products categorized as "miscellaneous steel products."

Costs and Production Efficiency

Our major costs and operating expenses are raw material purchases, depreciation, labor and other purchases. The table below sets out our cost of sales and selling and administrative expenses as a percentage of our revenue as well as gross profit margin and operating profit margin for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	**2024**	**2024**	**2025**
			(Percentage of revenue)	
Cost of sales	91.4%	92.8%	92.8%	91.1%
Selling and administrative expenses	3.3	3.4	3.2	3.4
Gross margin	8.6	7.2	7.2	8.9
Operating profit margin	5.3	3.9	4.0	5.4

We are closely monitoring changes in market conditions and we implemented the following measures in recent years to improve our profit margins:

- pursuing cost reduction through enhancing product designs, improving productivity and reducing fixed costs;
- focusing on marketing activities to increase the sales of higher margin, higher value-added products and to strengthen our domestic market position;
- pursuing synergies among member companies of the POSCO Group through corporate restructurings; and
- establishing a special sales committee to more effectively respond to changes in market trends and preparing responses to various scenarios of future sales.

Production capacity represents our maximum production capacity that can be achieved with an optimal level of operations of our facilities. See "Business — Production Facilities" for information regarding our production capacity and efficiency in the production of steel products.

Exchange Rate Fluctuations

A substantial portion of our consolidated financial results is accounted for in currencies other than the Won. Accordingly, our consolidated financial results and assets and liabilities may be materially affected by changes in the exchange rates of foreign currencies. We generated 55.2% of our revenue from overseas markets outside of Korea in 2024 and 56.5% in the first nine months of 2025. To the extent that we incur costs in one currency and make sales in another, our profit margins may be affected by changes in the exchange rates between the two currencies. Since the currency in which sales are recorded may not be the same as the currency in which expenses are incurred, foreign exchange rate fluctuations may materially affect our results of operations.

Depreciation of the Won may materially affect the results of our operations because, among other things, it causes:

- an increase in the amount of Won required for us to make interest and principal payments on our foreign currency-denominated debt;
- an increase in Won terms in the costs of raw materials and equipment that we purchase from overseas sources and a substantial portion of our freight costs, which are denominated primarily in U.S. dollars; and
- foreign exchange translation losses on foreign currency-denominated liabilities, which lower our earnings for accounting purposes.

Appreciation of the Won against major currencies, on the other hand, causes:

- our export products to be less competitive by raising our prices in U.S. dollar, Japanese Yen and Chinese Yuan terms; and
- a reduction in net sales and accounts receivables in Won from export sales, which are primarily denominated in U.S. dollars and to a lesser extent in Japanese Yen and Chinese Yuan.

The overall net impact from fluctuations of the Won against major currencies is difficult to estimate and varies from year to year. We strive to naturally offset our foreign exchange risk by matching foreign currency receivables with our foreign currency payables. Although the impact of exchange rate fluctuations is partially mitigated by such strategies, we periodically enter into derivative contracts, primarily foreign currency swaps and forward exchange contracts, to hedge some of our foreign exchange risks. However, our results of operations have historically been affected by exchange rate fluctuations.

Operating Results — First Nine Months of 2024 Compared to First Nine Months of 2025

The following table presents our statement of comprehensive income information and changes therein for the first nine months of 2024 and the first nine months of 2025.

	For the Nine Months Ended September 30,		Changes 9M 2024 versus 9M 2025	
	2024	2025	Amount	%
	(In billions of Won)			
Revenue	₩ 33,487	₩ 33,228	₩ (260)	(0.8)%
Cost of sales	31,082	30,280	(802)	(2.6)
Gross profit	2,405	2,948	543	22.6
Selling and administrative expenses:				
Other administrative expenses	859	898	39	4.5
Selling expenses	216	241	25	11.6
Operating profit	1,330	1,809	479	36.0
Share of loss of equity-accounted investees, net	(2)	(6)	(4)	200.0
Finance income and costs:				
Finance income	1,445	880	(565)	(39.1)
Finance costs	1,503	1,116	(388)	(25.8)
Other non-operating income and expenses:				
Other non-operating income	36	63	27	75.0
Other non-operating expenses	341	215	(126)	(37.0)
Profit before income tax	965	1,416	451	46.7
Income tax expense	246	359	113	45.8
Profit	₩ 718	₩ 1,056	338	47.1

Revenue

Our revenue decreased by 0.8%, or Won 260 billion, from Won 33,487 billion in the first nine months of 2024 to Won 33,228 billion in the first nine months of 2025 due to a decrease in the average unit sales price per ton of our principal steel products, which was offset in part by an increase in the sales volume of such products. The weighted average unit sales price per ton of the principal steel products produced by us and directly sold to external customers decreased by 5.5% from Won 1,145 thousand per ton in the first nine months of 2024 to Won 1,083 thousand per ton in the first nine months of 2025 primarily due to continued weakness in global economic conditions, which impact was offset in part by depreciation of the Won against the U.S. dollar in the first nine months of 2025 that increased our export prices in Won terms during the first nine months of 2025. On the other hand, the overall sales volume of our principal steel products increased by 3.2%, from 25.6 million tons in the first nine months of 2024 to 26.4 million tons in the first nine months of 2025, in part due to our acquisition of POSCO Maharashtra Steel Private Limited from POSCO HOLDINGS INC. in December 2024. Such factors were principally attributable to the following:

- The unit sales price in Won of each of our principal product lines decreased from the first nine months of 2024 to the first nine months of 2025. The unit sales prices in Won of silicon steel sheets, hot rolled products, cold rolled products, plates, stainless steel products and wire rods decreased by 11.9%, 9.1%, 7.0%, 6.8%, 0.2% and 0.2%, respectively, from the first nine months of 2024 to the first nine months of 2025. For a discussion of changes in the unit sales prices of each of our principal product lines, see “— Overview — Sales Volume, Prices and Product Mix” above.

- The sales volume of silicon steel sheets, cold rolled products and stainless steel products increased by 52.1% 11.4% and 3.5%, respectively, from the first nine months of 2024 to the first nine months of 2025. On the other hand, the sales volume of wire rods, plates and hot rolled products decreased by 20.9%, 1.0% and 0.3%, respectively, from the first nine months

of 2024 to the first nine months of 2025. For a discussion of changes in the sales volume of each of our principal product lines, see “Business — Steel Segment — Major Products.”

Cost of Sales

Our cost of sales decreased by 2.6%, or Won 802 billion, from Won 31,082 billion in the first nine months of 2024 to Won 30,280 billion in the first nine months of 2025 primarily due to decreases in the average prices in U.S. dollar terms of some of our key raw materials, the impact of which was partially offset by (i) depreciation of the Won against the U.S. dollar, which increased the price of our imported raw materials in Won terms and (ii) an increase in the production volume of finished steel products sold by us. With respect to the principal raw materials for our steel products, the average market price of coal per wet metric ton (Premium Low Vol Coking Coal, FOB Australia Index announced by Platts) decreased from US$253 in the first nine months of 2024 to US$184 in the first nine months of 2025. In addition, the average market price of iron ore per dry metric ton (Iron Ore 62% Fe, CFR China Index announced by Platts) decreased from US$111 in the first nine months of 2024 to US$101 in the first nine months of 2025.

Gross Profit

Our gross profit increased by 22.6%, or Won 543 billion, from Won 2,405 billion in the first nine months of 2024 to Won 2,948 billion in the first nine months of 2025 primarily due to the decrease in the average prices in Won terms of the principal raw materials used to manufacture finished steel products sold by us that outpaced the decrease in the average unit sales price in Won terms of such products. Our gross margin, which is gross profit as a percentage of total revenue, increased from 7.2% in the first nine months of 2024 to 8.9% in the first nine months of 2025.

Selling and Administrative Expenses

The following table presents a breakdown of our selling and administrative expenses and changes therein for the first nine months of 2024 and the first nine months of 2025.

	For the Nine Months Ended September 30,		Changes 9M 2024 versus 9M 2025	
	2024	2025	Amount	%
	(In billions of Won)			
Wages and salaries	₩ 272	₩ 317	₩ 44	16.3%
Expenses related to post-employment benefits	23	21	(2)	(8.9)
Other employee benefits	76	71	(5)	(6.0)
Depreciation	40	47	7	17.8
Amortization	23	20	(3)	(11.9)
Rental	52	55	3	6.2
Advertising	39	39	0	1.1
Research and development	22	19	(2)	(11.4)
Service fees	214	212	(3)	(1.2)
Others[1]	99	97	(1)	(1.2)
Total other administrative expenses	₩ 859	₩ 898	39	4.5
Freight and custody expenses	₩ 125	₩ 135	₩ 10	7.6%
Operating expenses for distribution center	4	4	(0)	(8.5)
Sales commissions	67	78	11	16.3
Sales advertising	2	1	(1)	(59.7)
Sales promotion	3	5	2	76.2
Sales insurance premium	6	6	(0)	(2.6)
Others[2]	9	12	4	42.0
Total selling expenses	₩ 216	₩ 241	25	11.5
Total selling and administrative expenses	₩ 1,075	₩ 1,139	64	6.0

(1) Includes travel, communication, electricity, taxes and public dues, repairs, entertainment, vehicle maintenance, industry association fee, conference, impairment loss on trade and other receivables and others.
(2) Includes sample, contract cost and others.

Our selling and administrative expenses increased by 6.0%, or Won 64 billion, from Won 1,075 billion in the first nine months of 2024 to Won 1,139 billion in the first nine months of 2025 primarily due to increases in wages and salaries, sales commissions and freight and custody expenses. Such factors were principally attributable to the following:

- Our wages and salaries increased by 16.3%, or Won 44 billion, from Won 272 billion in the first nine months of 2024 to Won 317 billion in the first nine months of 2025 primarily due to increases in our wage levels as well as inclusion of wages and salaries of administrative personnel of POSCO Maharashtra Steel Private Limited following our acquisition of the subsidiary in December 2024.
- Our sales commissions increased by 16.3%, or Won 11 billion, from Won 67 billion in the first nine months of 2024 to Won 78 billion in the first nine months of 2025 primarily due to an increase in claim compensation costs, which are part of sales commissions.
- Our freight and custody expenses increased by 7.6%, or Won 10 billion, from Won 125 billion in the first nine months of 2024 to Won 135 billion in the first nine months of 2025 primarily due to an increase in unloading costs of exports.

Operating Profit

Due to the factors described above, our operating profit increased by 36.0%, or Won 479 billion, from Won 1,330 billion in the first nine months of 2024 to Won 1,809 billion in the first nine months of 2025. Our operating margin increased from 4.0% in the first nine months of 2024 to 5.4% in the first nine months of 2025 as the rate of decrease in our cost of sales outpaced the rate of decrease in our revenue.

Finance Income and Finance Costs

The following table presents a breakdown of our finance income and costs and changes therein for the first nine months of 2024 and the first nine months of 2025.

	For the Nine Months Ended September 30,		Changes 9M 2024 versus 9M 2025	
	2024	2025	Amount	%
	(In billions of Won)			
Interest income	₩ 125	₩ 141	₩ 16	12.5%
Gain on foreign currency transactions	352	351	(1)	(0.3)
Gain on foreign currency translations	565	336	(230)	(40.6)
Gain on transactions of derivatives	80	1	(79)	(99.3)
Gain on valuations of derivatives	173	0	(173)	(100.0)
Gain on disposals of financial assets at fair value through profit or loss	62	26	(36)	(58.3)
Gain on valuation of financial assets at fair value through profit or loss	64	2	(63)	(97.4)
Others	23	25	2	7.1
Total finance income	₩ 1,445	₩ 880	(565)	(39.1)
Interest expenses	₩ 428	₩ 448	20	4.6
Loss on foreign currency transactions	370	363	(6)	(1.7)
Loss on foreign currency translations	692	142	(550)	(79.4)
Loss on transactions of derivatives	3	58	55	N.M.(1)
Loss on valuations of derivatives	7	97	90	N.M.(1)
Loss on valuations of financial assets at fair value through profit or loss	0	4	4	N.M.(1)
Others	4	3	(0)	(9.4)
Total finance costs	₩ 1,503	₩ 1,116	(388)	(25.8)

(1) N.M. means not meaningful.

We recognized net loss on foreign currency translations of Won 127 billion in the first nine months of 2024 compared to net gain on foreign currency translations of Won 193 billion in the first nine months of 2025, as the Won depreciated against the U.S. dollar at the end of the period in the first nine months of 2024 but appreciated at the end of the period in the first nine months of 2025. In terms of the Market Average Exchange Rate, the Won depreciated against the U.S. dollar from Won 1,289.4 to US$1.00 as of December 31, 2023 to Won 1,319.6 to US$1.00 as of September 30, 2024, but appreciated against the U.S. dollar from Won 1,470.0 to US$1.00 as of December 31, 2024 to Won 1,402.2 to US$1.00 as of September 30, 2025. In addition, our net loss on foreign currency transactions decreased by 30.6%, or Won 5 billion, from Won 18 billion in the first nine months of 2024 to Won 12 billion in the first nine months of 2025, as the average value of Won against the U.S. dollar depreciated in the first nine months of 2024 but appreciated in the first nine months of 2025. The Market Average Exchange Rate, which was Won 1,289.4 to US$1.00 as of December 31, 2023, depreciated during the first nine months of 2024 to an average of Won 1,352.9 to US$1.00 in the first nine months of 2024. However, the Market Average Exchange Rate, which was Won 1,470.0 to US$1.00 as of December 31, 2024, appreciated during the first nine months of 2025 to an average of Won 1,412.8 to US$1.00 in the first nine months of 2025. Against such fluctuations, we recognized net gain on valuations of derivatives of Won 167 billion in the first nine months of 2024 compared to net loss on valuations of derivatives of Won 97 billion in the first nine months of 2025, and we recognized net gain on transactions of derivatives of Won 77 billion in the first nine months of 2024 compared to net loss on transactions of derivatives of Won 58 billion in the first nine months of 2025.

We recognized net gain on valuation of financial assets at fair value through profit or loss of Won 64 billion in the first nine months of 2024 compared to net loss on valuation of financial assets at fair value through profit or loss of Won 2 billion in the first nine months of 2025. In the first nine months of 2024, we recognized such net gain primarily due to an increase in the value of our short-term financial assets following interest rate reductions in 2024. In the first nine months of 2025, we recognized such net loss primarily related to a decrease in the value of our short-term financial assets.

Our interest expenses increased by 4.6%, or Won 20 billion, from Won 428 billion in the first nine months of 2024 to Won 448 billion in the first nine months of 2025 primarily due to re-financing of maturing borrowings at higher interest rates than the original interest rates of such borrowings.

Other Non-operating Income and Expenses

The following table presents a breakdown of our other non-operating income and changes therein for the first nine months of 2024 and the first nine months of 2025.

	For the Nine Months Ended September 30,		Changes 9M 2024 versus 9M 2025	
	2024	2025	Amount	%
	(In billions of Won)			
Gain on disposals of assets held for sale	₩ 1	₩ 2	₩ 1	116.2%
Gain on disposals of property, plant and equipment	9	24	15	174.8
Premium income	1	10	9	N.M.(1)
Others (2)	26	27	1	5.2
Total other non-operating income	₩ 36	₩ 63	27	75.3

(1) N.M. means not meaningful.

(2) Includes gains on disposals of investment property and others.

Our other non-operating income increased by 75.3%, or Won 27 billion, from Won 36 billion in the first nine months of 2024 to Won 63 billion in the first nine months of 2025, primarily due to increases in gain on disposals of property, plant and equipment and premium income. Such factors were principally attributable to the following:

- Our gain on disposals of property, plant and equipment increased by 174.8%, or Won 15 billion, from Won 9 billion in the first nine months of 2024 to Won 24 billion in the first nine months of 2025 primarily due to the reversal of a disposal loss related to the partial disposal of an impaired asset in the first nine months of 2025.
- Our premium income increased by Won 9 billion, from Won 1 billion in the first nine months of 2024 to Won 10 billion in the first nine months of 2025, primarily due to compensations received relating to the fire at our No. 3 FINEX plant at Pohang Steelworks that occurred in November 2024.

The following table presents a breakdown of our other non-operating expenses and changes therein for the first nine months of 2024 and the first nine months of 2025.

	For the Nine Months Ended September 30,		Changes 9M 2024 versus 9M 2025	
	2024	2025	Amount	%
	(In billions of Won)			
Loss on disposal of property, plant and equipment	₩ 103	₩ 82	₩ (21)	(20.6)%
Impairment loss on property, plant and equipment	181	66	(114)	(63.3)
Idle tangible asset expenses	2	4	2	110.5
Donations	34	48	14	39.8
Other bad debt expense	5	1	(4)	(73.8)
Others [1]	16	14	(2)	(12.4)
Total other non-operating expenses	₩ 341	₩ 215	(126)	(36.9)

(1) Includes impairment loss on intangible assets and others.

Our other non-operating expenses decreased by 36.9%, or Won 126 billion, from Won 341 billion in the first nine months of 2024 to Won 215 billion in the first nine months of 2025 primarily due to a decrease in impairment loss on property, plant and equipment. Our impairment loss on property, plant and equipment decreased by 63.3%, or Won 114 billion, from Won 181 billion in the first nine months of 2024 to Won 66 billion in the first nine months of 2025. Such loss in the first nine months of 2024 primarily related to disposals of outdated equipment at our No. 1 steelmaking plant and No. 4 blast furnace at Pohang Steelworks, while such loss in the first nine months of 2025 primarily related to repairs at our No. 3 FINEX plant at Pohang Steelworks in the first nine months of 2025.

Profit before Income Tax

Due to the factors described above, our profit before income tax increased by 46.7%, or Won 451 billion, from Won 965 billion in the first nine months of 2024 to Won 1,416 billion in the first nine months of 2025.

Income Tax Expense

Our income tax expense increased by 45.8%, or Won 113 billion, from Won 246 billion in the first nine months of 2024 to Won 359 billion in the first nine months of 2025 primarily due to the increase in profit before income tax. Our effective tax rate was 25.5% in the first nine months of 2024 and 25.4% in the first nine months of 2025. See Note 28 to the Interim Financial Statements.

Profit

Due to the factors described above, our profit increased by 47.1%, or Won 338 billion, from Won 718 billion in the first nine months of 2024 to Won 1,056 billion in the first nine months of 2025. Our profit margin increased from 2.1% in the first nine months of 2024 to 3.2% in the first nine months of 2025.

Operating Results — 2023 Compared to 2024

The following table presents our statement of comprehensive income information and changes therein for 2023 and 2024.

	For the Year Ended December 31,		Changes 2023 versus 2024	
	2023	2024	Amount	%
	(In billions of Won)			
Revenue	₩ 43,135	₩ 44,644	₩ 1,509	3.5%
Cost of sales	39,418	41,410	1,992	5.1
Gross profit	3,717	3,234	(483)	(13.0)
Selling and administrative expenses:				
Other administrative expenses	1,136	1,176	39	3.5
Selling expenses	275	326	51	18.6
Operating profit	2,305	1,732	(573)	(24.9)
Share of loss of equity-accounted investees, net	(0)	(12)	(12)	3,043.0
Finance income and costs:				
Finance income	1,278	2,407	1,129	88.4
Finance costs	1,338	2,532	1,194	89.2
Other non-operating income and expenses:				
Other non-operating income	112	208	97	86.4
Other non-operating expenses	430	430	1	0.1
Profit before income tax	1,927	1,373	(553)	(28.7)
Income tax expense	504	294	(210)	(41.6)
Profit	₩ 1,422	₩ 1,079	(343)	(24.2)

Revenue

Our revenue increased by 3.5%, or Won 1,509 billion, from Won 43,135 billion in 2023 to Won 44,644 billion in 2024 due to an increase in the sales volume of our principal steel products, which was offset in part by a decrease in the average unit sales price per ton of our principal steel products. The overall sales volume of our principal steel products increased by 4.4%, from 33.1 million tons in 2023 to 34.6 million tons in 2024, in part due to our acquisition of PT. KRAKATAU POSCO from POSCO HOLDINGS INC. in September 2023. On the other hand, the weighted average unit sales price per ton of the principal steel products produced by us and directly sold to external customers decreased by 1.6% from Won 1,144 thousand per ton in 2023 to Won 1,126 thousand per ton in 2024 primarily due to weakness in global economic conditions, which impact was offset in part by depreciation of the Won against the U.S. dollar in 2024 that increased our export prices in Won terms during 2024. Such factors were principally attributable to the following:

- The sales volume of silicon steel sheets, plates, stainless steel products and hot rolled products increased by 26.6%, 14.9%, 8.0% and 5.0%, respectively, from 2023 to 2024. On the other hand, the sales volume of wire rods and cold rolled products decreased by 9.4% and 0.4%, respectively, from 2023 to 2024. For a discussion of changes in the sales volume of each of our principal product lines, see “Business — Steel Segment — Major Products.”
- The unit sales price in Won of each of our principal product lines, other than cold rolled products and wire rods, decreased from 2023 to 2024. The unit sales prices in Won of silicon steel sheets, plates, stainless steel products and hot rolled products decreased by 17.3%,

10.0%, 5.7% and 2.4%, respectively, from 2023 to 2024. On the other hand, the unit sales prices in Won of cold rolled products and wire rods increased by 5.1% and 1.8%, respectively, from 2023 to 2024. For a discussion of changes in the unit sales prices of each of our principal product lines, see "— Overview — Sales Volume, Prices and Product Mix" above.

Cost of Sales

Our cost of sales increased by 5.1%, or Won 1,992 billion, from Won 39,418 billion in 2023 to Won 41,410 billion in 2024 primarily due to (i) an increase in the production volume of finished steel products sold by us and (ii) depreciation of the Won against the U.S. dollar, which increased the price of our imported raw materials in Won terms, the impact of which was partially offset by decreases in the average prices in U.S. dollar terms of some of our key raw materials. With respect to the principal raw materials for our steel products, the average market price of coal per wet metric ton (Premium Low Vol Coking Coal, FOB Australia Index announced by Platts) decreased from US$296 in 2023 to US$240 in 2024. In addition, the average market price of iron ore per dry metric ton (Iron Ore 62% Fe, CFR China Index announced by Platts) decreased from US$120 in 2023 to US$109 in 2024.

Gross Profit

Our gross profit decreased by 13.0%, or Won 483 billion, from Won 3,717 billion in 2023 to Won 3,234 billion in 2024 primarily due to the decrease in the average unit sales price in Won terms of finished steel products sold by us that outpaced the decrease in the average prices in Won terms of the principal raw materials used to manufacture such products. Our gross margin, which is gross profit as a percentage of total revenue, decreased from 8.6% in 2023 to 7.2% in 2024.

Selling and Administrative Expenses

The following table presents a breakdown of our selling and administrative expenses and changes therein for 2023 and 2024.

	For the Year Ended December 31,		Changes 2023 versus 2024	
	2023	2024	Amount	%
	(In billions of Won)			
Wages and salaries	₩ 350	₩ 377	₩ 27	7.7%
Expenses related to post-employment benefits	38	34	(4)	(10.5)
Other employee benefits	90	101	11	12.3
Depreciation	32	54	22	67.2
Amortization	28	30	2	6.5
Rental	84	68	(16)	(18.7)
Advertising	59	58	(1)	(2.1)
Research and development	23	27	4	17.3
Service fees	312	296	(15)	(4.9)
Others [1]	119	129	10	8.4
Total other administrative expenses	₩ 1,136	₩ 1,176	39	3.5
Freight and custody expenses	₩ 162	₩ 176	₩ 13	8.3%
Operating expenses for distribution center	8	6	(1)	(17.7)
Sales commissions	87	114	27	31.6
Sales advertising	4	4	0	4.9
Sales promotion	4	4	0	12.6
Sales insurance premium	7	8	1	11.6
Others [2]	3	13	10	300.4
Total selling expenses	₩ 275	₩ 326	51	18.6
Total selling and administrative expenses	₩ 1,412	₩ 1,502	90	6.4

(1) Includes travel, communication, electricity, taxes and public dues, repairs, entertainment, vehicle maintenance, industry association fee, conference, impairment loss on trade and other receivables and others.

(2) Includes sample, contract cost and others.

Our selling and administrative expenses increased by 6.4%, or Won 90 billion, from Won 1,412 billion in 2023 to Won 1,502 billion in 2024 primarily due to increases in wages and salaries, sales commissions and depreciation, the impact of which was partially offset by decreases in rental expenses and service fees. Such factors were principally attributable to the following:

- Our wages and salaries increased by 7.7%, or Won 27 billion, from Won 350 billion in 2023 to Won 377 billion in 2024 primarily due to increases in wage levels.
- Our sales commissions increased by 31.6%, or Won 27 billion, from Won 87 billion in 2023 to Won 114 billion in 2024 primarily due to the reversal of claim provisions relating to Typhoon Hinnamnor in 2023 that were included in sales commission calculations, which did not occur in 2024.
- Depreciation increased by 67.2%, or Won 22 billion, from Won 32 billion in 2023 to Won 54 billion in 2024 primarily due to the completion of construction of our Pohang No. 6 coke plant in June 2024 and the rationalization of our Pohang No. 2-1 continuous casting plant in June 2024.
- Our rental expenses decreased by 18.7%, or Won 16 billion, from Won 84 billion in 2023 to Won 68 billion in 2024 primarily due to a reduction in rental payments relating to POSCO Center.
- Our service fees decreased by 4.9%, or Won 15 billion, from Won 312 billion in 2023 to Won 296 billion in 2024 primarily due to a decrease in royalty payments relating to brand usage fees to POSCO HOLDINGS INC.

Operating Profit

Due to the factors described above, our operating profit decreased by 24.9%, or Won 573 billion, from Won 2,305 billion in 2023 to Won 1,732 billion in 2024. Our operating margin decreased from 5.3% in 2023 to 3.9% in 2024 as the rate of increase in our cost of sales outpaced the rate of increase in our revenue.

Finance Income and Finance Costs

The following table presents a breakdown of our finance income and costs and changes therein for 2023 and 2024.

	For the Year Ended December 31,		Changes 2023 versus 2024	
	2023	2024	Amount	%
	(In billions of Won)			
Interest income	₩ 188	₩ 171	₩ (17)	(9.2)%
Gain on foreign currency transactions	587	546	(41)	(7.0)
Gain on foreign currency translations	48	710	662	1,372.5
Gain on transactions of derivatives	21	80	59	285.4
Gain on valuations of derivatives	132	737	604	457.6
Gain on disposals of financial assets at fair value through profit or loss	94	104	10	10.5
Gain on valuation of financial assets at fair value through profit or loss	205	32	(173)	(84.4)
Others [1]	3	28	25	966.3
Total finance income	₩ 1,278	₩ 2,407	1,129	88.4
Interest expenses	₩ 452	₩ 573	121	26.7
Loss on foreign currency transactions	573	573	(0)	(0.0)
Loss on foreign currency translations	277	1,374	1,097	395.6
Loss on transactions of derivatives	20	3	(17)	(85.1)
Loss on valuations of derivatives	11	2	(9)	(85.0)
Loss on valuations of financial assets at fair value through profit or loss	3	—	(3)	(100.0)
Loss on disposals of financial assets at fair value through profit or loss	0	4	4	52,100.0
Others	3	4	1	59.5
Total finance costs	₩ 1,338	₩ 2,532	1,194	89.2

(1) Includes dividend income and others.

Our net loss on foreign currency translation increased by 189.7%, or Won 434 billion, from Won 229 billion in 2023 to Won 663 billion in 2024, as the Won depreciated against the U.S. dollar at year-end 2023 and further depreciated (to a much greater extent) at year-end 2024. In terms of the Market Average Exchange Rate, the Won depreciated against the U.S. dollar from Won 1,267.3 to US$1.00 as of December 31, 2022 to Won 1,289.4 to US$1.00 as of December 31, 2023, and further depreciated to Won 1,470.0 to US$1.00 as of December 31, 2024. In addition, we recognized net gain on foreign currency transactions of Won 14 billion in 2023 compared to net loss on foreign currency transactions of Won 27 billion in 2024, as the average value of the Won against the U.S. dollar depreciated in 2023 and further depreciated (to a greater extent) in 2024. The Market Average Exchange Rate, which was Won 1,267.3 to US$1.00 as of December 31, 2022, depreciated during 2023 to an average of Won 1,305.4 to US$1.00 in 2023 and further depreciated during 2024 to an average of Won 1,364.0 to US$1.00 in 2024. Against such fluctuations, our net gain on valuations of derivatives increased by 505.2%, or Won 613 billion, from Won 121 billion in 2023 to Won 735 billion in 2024, and our net gain on transactions of derivatives increased by Won 76 billion, from Won 1 billion in 2023 to Won 77 billion in 2024.

Our net gain on valuations of financial assets at fair value through profit or loss decreased by 84.2%, or Won 171 billion, from Won 202 billion in 2023 to Won 32 billion in 2024. In 2023, we recognized such net gain as interest rates in Korea generally increased in the first half of the year before stabilizing in the second half of the year. In 2024, such net gain decreased primarily due to a decrease in the volume of short-term financial products held.

Our interest expense increased by 26.7%, or Won 121 billion, from Won 452 billion in 2023 to Won 573 billion in 2024 primarily due to re-financing of matured borrowings at higher interest rates than the original interest rates of such borrowings as well as inclusion of PT. KRAKATAU POSCO's interest expenses, which entity was consolidated in September 2023.

Other Non-operating Income and Expenses

The following table presents a breakdown of our other non-operating income and changes therein for 2023 and 2024.

	For the Year Ended December 31,		Changes 2023 versus 2024	
	2023	2024	Amount	%
	(In billions of Won)			
Gain on disposals of assets held for sale	₩ 13	₩ 5	₩ (9)	(64.3)%
Gain on disposals of investment property	18	—	(18)	(100.0)
Gain on disposals of property, plant and equipment	22	11	(11)	(49.5)
Gain on disposals of emission rights	26	—	(26)	(100.0)
Premium income	9	157	148	1,689.3
Others	24	35	11	48.5
Total other non-operating income	₩ 112	₩ 208	97	86.4

Our other non-operating income increased by 86.4%, or Won 97 billion, from Won 112 billion in 2023 to Won 208 billion in 2024, primarily due to an increase in premium income. Our premium income increased significantly, by Won 148 billion, from Won 9 billion in 2023 to Won 157 billion in 2024 primarily due to our receipt of insurance payments in 2024 related to flood damages caused by Typhoon Hinnamnor in September 2022 compared to no such payments in 2023.

The following table presents a breakdown of our other non-operating expenses and changes therein for 2023 and 2024.

	For the Year Ended December 31,		Changes 2023 versus 2024	
	2023	2024	Amount	%
	(In billions of Won)			
Loss on disposals of property, plant and equipment	₩ 138	₩ 132	₩ (6)	(4.2)%
Impairment loss on property, plant and equipment	200	224	24	11.9
Impairment loss on intangible assets	4	1	(3)	(85.0)
Idle tangible asset expenses	3	3	(1)	(17.3)
Donations	50	46	(4)	(8.1)
Others	34	24	(9)	(28.0)
Total other non-operating expenses	₩ 430	₩ 430	1	0.1

Our other non-operating expenses remained constant at Won 430 billion in 2023 and 2024, as an increase in impairment loss on property, plant and equipment was offset by decreases in loss on disposal of property, plant and equipment and other miscellaneous non-operating expenses. Such factors were principally attributable to the following:

- Our impairment loss on property, plant and equipment increased by 11.9%, or Won 24 billion, from Won 200 billion in 2023 to Won 224 billion in 2024. Such expenses in 2023 primarily related to the suspension of certain lithium production facilities at Gwangyang Works and Argentina due to changes in operation plans, while such expenses in 2024 primarily related to disposals of outdated facilities, including the Pohang No. 1 steelmaking plant and No. 1 wire rod mill.
- Our loss on disposal of property, plant and equipment decreased by 4.2%, or Won 6 billion, from Won 138 billion in 2023 to Won 132 billion in 2024. Such loss in 2023 primarily related

to removal of unused equipment during maintenance of a cold rolling mill. Such loss in 2024 primarily related to the refurbishment of the No. 4 blast furnace at Pohang Steelworks.

Profit before Income Tax

Due to the factors described above, our profit before income tax decreased by 28.7%, or Won 553 billion, from Won 1,927 billion in 2023 to Won 1,373 billion in 2024.

Income Tax Expense

Our income tax expense decreased by 41.6%, or Won 210 billion, from Won 504 billion in 2023 to Won 294 billion in 2024 primarily due to the decrease in profit before income tax and the recognition of an additional tax credit under the special taxation provisions for investment promotion. Our effective tax rate was 26.2% in 2023 and 21.4% in 2024. See Note 30 to the Annual Financial Statements.

Profit

Due to the factors described above, our profit decreased by 24.2%, or Won 343 billion, from Won 1,422 billion in 2023 to Won 1,079 billion in 2024. Our profit margin decreased from 3.3% in 2023 to 2.4% in 2024.

Liquidity and Capital Resources

The following table sets forth the summary of our cash flows for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
	(In billions of Won)			
Net cash provided by operating activities	₩ 4,466	₩ 4,961	₩ 3,186	₩ 3,057
Net cash used in investing activities	(4,025)	(2,551)	(1,166)	(1,703)
Net cash used in financing activities	(431)	(2,440)	(1,476)	(1,362)
Effect of exchange rate fluctuation on cash held	33	39	4	(10)
Cash and cash equivalents at beginning of the period	2,384	2,426	2,426	2,436
Cash and cash equivalents at end of the period	2,426	2,436	2,974	2,418
Net increase (decrease) in cash and cash equivalents	43	10	548	(18)

Capital Requirements

Historically, uses of cash have consisted principally of purchases of property, plant and equipment and other assets, repayments of outstanding debt and payments of dividends. Following our vertical spin-off from POSCO HOLDINGS INC. in March 2022, we also used cash to acquire POSCO HOLDINGS INC.'s interests in some of its subsidiaries and investments related to steel manufacturing and sales.

Net cash used in investing activities was Won 4,025 billion in 2023, Won 2,551 billion in 2024, Won 1,166 billion in the first nine months of 2024 and Won 1,703 billion in the first nine months of 2025. Cash used for acquisitions of property, plant and equipment was Won 3,491 billion in 2023, Won 3,408 billion in 2024, Won 2,618 billion in the first nine months of 2024 and Won 1,707 billion in the first nine months of 2025. We currently expect our cash outflows for acquisition of property, plant and equipment to be approximately Won 0.6 trillion in the fourth quarter of 2025 and approximately Won 3.4 trillion in 2026, which we may adjust on an ongoing basis subject to market demand for our products, the production outlook of the global steel industry and global economic conditions in general. We may delay or not implement some of our current capital expenditure plans based on our assessment of such market conditions.

We also used for acquisition of business (net of cash acquired) Won 885 billion in 2023 and Won 603 billion in 2024 for the acquisition of POSCO HOLDINGS INC.'s interests in some of its subsidiaries and investments related to steel manufacturing and sales, including POSCO HOLDINGS INC.'s 74.6% interest in POSCO Thainox, 100.0% interest in POSCO (Thailand) Company Ltd., 51.0% interest in POSCO YAMATO VINA STEEL JOINT STOCK COMPANY, 50.0% interest in PT. KRAKATAU POSCO and 83.3% interest in POSCO MEXICO S.A. DE C.V.

In our financing activities, we used cash of Won 4,137 billion in 2023, Won 6,597 billion in 2024, Won 4,321 billion in the first nine months of 2024 and Won 4,375 billion in the first nine months of 2025 for repayments of borrowings. We paid dividends on common stock in the amount of Won 332 billion in 2023, Won 894 billion in 2024, Won 894 billion in the first nine months of 2024 and Won 536 billion in the first nine months of 2025. We used cash of Won 200 billion in 2023 for repayment of hybrid bonds.

We anticipate that capital expenditures, repayments of outstanding debt and payments of cash dividends to POSCO HOLDINGS INC. will represent the most significant uses of funds for the next several years. We may also use funds to acquire or invest in companies that may complement our business, including additional purchases of POSCO HOLDINGS INC.'s remaining interests in some of its subsidiaries and investments related to the global expansion of our steel manufacturing and sales operations.

Payments of contractual obligations and commitments will also require considerable resources. In our ordinary course of business, we routinely enter into commercial commitments for various aspects of our operations, including raw materials purchase obligations and long-term shipping service contracts, as well as issue guarantees for indebtedness of our related parties and others. For our contingent liabilities on outstanding guarantees provided by us, see Note 33 to the Annual Financial Statements and Note 31 to the Interim Financial Statements. Our purchase obligations include supply contracts to purchase iron ore, coal, nickel, LNG and other raw materials. These contracts generally have terms of one to ten years and the long-term contracts provide for periodic price adjustments according to the market prices. As of September 30, 2025, 51 million tons of iron ore and 15 million tons of coal remained to be purchased under long-term contracts. In addition, we entered into an agreement with Tangguh LNG Consortium in Indonesia to purchase (i) 550 thousand tons of LNG annually for 20 years commencing in August 2005 and (ii) 120 thousand tons of LNG from September 2025 to December 2026. The purchase price under the agreement with Tangguh LNG Consortium is variable based on the monthly standard oil price (as represented by the Japan Customs cleared Crude Price), subject to a ceiling. We also entered into an agreement with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The purchase price under the agreement with POSCO INTERNATIONAL SINGAPORE PTE LTD. is variable based on Henry Hub natural gas spot price, and we have an option to extend the agreement by five additional years.

Capital Resources

We have traditionally met our working capital and other capital requirements principally from cash provided by operations, while raising the remainder of our requirements primarily through long-term debt and short-term borrowings. We expect that these sources will continue to be our principal sources of cash in the future. From time to time, we may also generate cash through issuance of hybrid bonds and our holdings in available-for-sale securities.

Our net cash provided by operating activities increased from Won 4,466 billion in 2023 to Won 4,961 billion in 2024. Our gross cash flow from our sales activities increased as discussed in "— Operating Results — 2023 Compared to 2024 — Revenue." In addition, we recorded cash outflow related to increase in trade accounts and notes receivable of Won 398 billion in 2023 compared to cash inflow related to decrease in trade accounts and notes receivable of Won 633 billion in 2024 due to better management of our trade accounts and notes receivable. In addition, we recorded cash

outflow related to decrease in trade accounts and notes payable of Won 232 billion in 2023 compared to cash inflow related to increase in trade accounts and notes payable of Won 83 billion in 2024 due to better management of our trade accounts and notes payable. Such positive impacts on our cash flows were partially offset by a decrease in our cash inflow related to build-up of our inventories from Won 767 billion in 2023 to Won 229 billion in 2024.

Our net cash provided by operating activities decreased from Won 3,186 billion in the first nine months of 2024 to Won 3,057 billion in the first nine months of 2025. Our gross cash flow from our sales activities decreased as discussed in "— Operating Results — First Nine Months of 2024 Compared to First Nine Months of 2025 — Revenue." In addition, cash used for income tax payments increased from Won 143 billion in the first nine months of 2024 to Won 551 billion in the first nine months of 2025 primarily due to increases in interim income tax payments relating to differences between accounting and tax treatments of tangible assets. Our cash outflow related to decrease in trade accounts and notes payable also increased from Won 143 billion in the first nine months of 2024 to Won 852 billion in the first nine months of 2025. Such negative impacts on our cash flows were partially offset by an increase in our cash inflow related to better management of our inventories from Won 208 billion in the first nine months of 2024 to Won 682 billion in the first nine months of 2025.

We had net proceeds from borrowings, after adjusting for repayment of borrowings, of Won 20 billion in 2023 and net repayment of borrowings, after adjusting for proceeds from borrowings, of Won 1,609 billion in 2024, Won 663 billion in the first nine months of 2024 and Won 922 billion in the first nine months of 2025. Long-term borrowings, excluding current installments, were Won 7,956 billion as of December 31, 2023, Won 7,313 billion as of December 31, 2024 and Won 6,190 billion as of September 30, 2025. Total short-term borrowings and current installments of long-term borrowings were Won 3,009 billion as of December 31, 2023, Won 3,522 billion as of December 31, 2024 and Won 3,435 billion as of September 30, 2025.

We periodically increase our short-term borrowings and adjust our long-term borrowings depending on changes in our capital requirements. For the maturity profile of our borrowings, their currency denomination and interest rates, see Notes 15 and 21 to the Annual Financial Statements and Notes 14 and 20 to the Interim Financial Statements. We continually take into consideration various factors when meeting our financial requirements, including financial market conditions, specific funding needs at a given time, and hedging requirements to address our market risks such as exchange rate risk and interest rate risk. Our net borrowings-to-equity ratio, which is calculated by deducting cash and cash equivalents from total borrowings and dividing the net amount by our total equity, was, 25.99% as of December 31, 2023, 25.17% as of December 31, 2024 and 21.27% as of September 30, 2025.

We believe that we have sufficient working capital for our current requirements and that we have a variety of alternatives available to us to satisfy our liquidity requirements to the extent that they are not met by funds generated by operations, including the issuance of debt and equity securities and bank borrowings denominated in Won and various foreign currencies. However, our ability to rely on some of these alternatives could be affected by factors such as the liquidity of the Korean and the global financial markets, prevailing interest rates, our credit rating and the Government's policies regarding Won currency and foreign currency borrowings.

Liquidity

We had working capital (current assets minus current liabilities) of Won 14,137 billion as of December 31, 2023, Won 11,955 billion as of December 31, 2024 and Won 11,830 billion as of September 30, 2025. Our holdings of cash and cash equivalents were Won 2,426 billion as of December 31, 2023, Won 2,436 billion as of December 31, 2024 and Won 2,418 billion as of September 30, 2025. Our holdings of other short-term financial assets, which are primarily related to our short-term investment activities, were Won 5,216 billion as of December 31, 2023,

Won 4,093 billion as of December 31, 2024 and Won 3,702 billion as of September 30, 2025. We had total available credit lines of Won 3,734 billion as of September 30, 2025, Won 526 billion of which was used as of such date. We have not had, and do not believe that we will have, difficulty gaining access to short-term financing sufficient to meet our current requirements.

Our liquidity is affected by exchange rate fluctuations. See "— Overview — Exchange Rate Fluctuations."

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to foreign exchange rate and interest rate risk primarily associated with underlying liabilities, and to changes in the commodity prices of principal raw materials. Following evaluation of these positions, we selectively enter into derivative financial instruments to manage the related risk exposures, primarily with respect to foreign exchange rate and interest rate risks, which are entered into with major financial institutions in order to minimize the risk of credit loss. Our market risk management policy determines the market risk tolerance level, measuring period, controlling responsibilities, management procedures, hedging period and hedging ratio very specifically. We also prohibit all speculative hedging transactions and evaluate and manage foreign exchange exposures to receivables and payables.

None of our loss exposures related to derivative contracts are unlimited, and we do not believe that our net derivative positions could result in a material loss to our profit before income tax or total equity due to significant fluctuations of major currencies against the Korean Won. Due to the nature of our derivative contracts primarily as hedging instruments that manage foreign exchange risks, net gain or net loss on derivatives transactions and valuation of derivatives are typically offset by net loss or net gain on foreign currency transaction and translation. We recorded net gain on valuation of derivatives of Won 121 billion and net gain on derivatives transactions of Won 1 billion in 2023, net gain on valuation of derivatives of Won 735 billion and net gain on derivatives transactions of Won 77 billion in 2024 and net loss on valuation of derivatives of Won 97 billion and net loss on derivatives transactions of Won 58 billion in the first nine months of 2025.

Exchange Rate Risk

Korea is our most important market and, therefore, a substantial portion of our cash flow is denominated in Won. Most of our exports are denominated in U.S. dollars. Japan is also an important market for us, and we derive significant cash flow denominated in Yen. We are exposed to foreign exchange risk related to foreign currency-denominated liabilities and anticipated foreign exchange payments. Anticipated foreign exchange payments, which represent a substantial sum and are mostly denominated in U.S. dollars, relate primarily to imported raw material costs and freight costs. Foreign currency-denominated liabilities relate primarily to foreign currency-denominated debt. We strive to naturally offset our foreign exchange risk by matching foreign currency receivables with our foreign currency payables. Although the impact of exchange rate fluctuations is partially mitigated by such strategies, we periodically enter into derivative contracts, primarily foreign currency swaps and forward exchange contracts, to hedge some of our foreign exchange risks.

Our foreign currency exposure and changes in gain or loss resulting from a 10% foreign exchange rate change against the Korean Won are as follows:

	For the Years Ended December 31,			
	2023		2024	
	Increase	Decrease	Increase	Decrease
	(In billions of Won)			
U.S. Dollars	₩ (584)	₩ 584	₩ (568)	₩ 568
Japanese Yen	10	(10)	7	(7)
Chinese Yuan	27	(27)	27	(27)
Indian Rupee	63	(63)	56	(56)
Euro	(71)	71	(1)	1

See Note 21 to the Annual Financial Statements.

Interest Rate Risk

We are also subject to market risk exposure arising from changing interest rates. In particular, we are exposed to interest rate risk on our existing floating rate borrowings and on additional debt financings that we may periodically undertake for various reasons, including capital expenditures and refinancing of our existing borrowings. A rise in interest rates will increase the cost of our existing variable rate borrowings. If interest rates on borrowings with floating rates had been 1% higher or lower with all other variables held constant, the impact on the gain or loss of the applicable period would be as follows:

	For the Years Ended December 31,			
	2023		2024	
	Increase	Decrease	Increase	Decrease
	(In billions of Won)			
Increase or decrease in annual profit and net equity	₩ (24)	₩ 24	₩ (0)	₩ 0

See Note 21 to the Annual Financial Statements.

A reduction of interest rates also increases the fair value of our debt portfolio, which is primarily of a fixed interest nature. From time to time, we use, to a limited extent, interest rate swaps to reduce interest rate volatility on some of our debt and manage our interest expense by achieving a balanced mixture of floating and fixed rate debt.

BUSINESS

Overview

We are the largest fully-integrated steel producer in Korea, and one of the largest steel producers in the world, based on annual crude steel production. Our Pohang Works and Gwangyang Works in aggregate produced approximately 35.7 million tons of crude steel and stainless steel in 2023, 35.0 million tons in 2024 and 25.8 million tons in the first nine months of 2025. In 2024, our Pohang Works and Gwangyang Works in aggregate had approximately 40.5 million tons of annual crude steel and stainless steel production capacity. We believe Pohang Works and Gwangyang Works are two of the most technologically-advanced integrated steel facilities in the world. We manufacture and sell a diversified line of steel products, including cold rolled and hot rolled products, stainless steel products, plates, wire rods and silicon steel sheets, and we are able to meet a broad range of customer needs from manufacturing industries that consume steel, including the automotive, shipbuilding, home appliance, engineering and machinery industries. We also engage in the production of a wide range of coated steel sheets through POSCO Steeleon, a subsidiary in which we hold a 56.9% interest. Since December 2022, we have also acquired POSCO HOLDINGS INC.'s interests in some of its subsidiaries and investments related to steel manufacturing and sales, including POSCO HOLDINGS INC.'s 74.6% interest in POSCO Thainox, 100.0% interest in POSCO (Thailand) Company Ltd., 51.0% interest in POSCO YAMATO VINA STEEL JOINT STOCK COMPANY, 50.0% interest in PT. KRAKATAU POSCO and 83.3% interest in POSCO MEXICO S.A. DE C.V.

Korea is our most important market. Domestic sales accounted for 44.8% of our total revenue in 2024 and 43.5% in the first nine months of 2025. We believe that our steel products constituted approximately 46.0% of the total sales volume of steel products sold in Korea in 2024 and approximately 46.3% in the first nine months of 2025. Our sales to customers abroad accounted for 55.2% of our total revenue in 2024 and 56.5% in the first nine months of 2025. Our major export market is Asia, with Asia other than China and Japan accounting for 27.0%, Japan accounting for 12.3%, and China accounting for 7.3% of our total export revenue in 2024, and Asia other than China and Japan accounting for 24.3%, Japan accounting for 10.0%, and China accounting for 6.6% of our total export revenue in the first nine months of 2025.

We were incorporated on March 2, 2022 following a vertical spin-off of its domestic steel business by the former POSCO in accordance with Articles 530-2 through 530-12 of the Korean Commercial Code. As part of the spin-off, POSCO became a holding company and renamed itself POSCO HOLDINGS INC., and we were named POSCO. POSCO HOLDINGS INC. holds a 100.0% interest in us.

We are a member company of the POSCO Group, which consists of companies controlled by POSCO HOLDINGS INC. The POSCO Group engages in businesses that complement our steel manufacturing operations in Korea and also carefully seeks out promising investment opportunities to diversify its businesses both vertically and horizontally. POSCO International is a global trading company that primarily engages in trading of steel and raw materials as well as investing in energy and mineral development projects throughout the world. POSCO E&C is one of the leading engineering and construction companies in Korea that primarily engages in the planning, design and construction of industrial plants and architectural works and civil engineering. The POSCO Group has also made investments in the past decade to secure new growth engines by diversifying into new businesses related to our steel operations that it believes will offer greater potential returns, as well as entering into new businesses not related to our steel operations such as hydrogen-related businesses, production of anode and cathode materials for rechargeable batteries, alternative energy solutions, LNG and agricultural trading, and production of comprehensive materials such as lithium.

We generated revenue of Won 43,135 billion in 2023, Won 44,644 billion in 2024, Won 33,487 billion in the first nine months of 2024 and Won 33,228 billion in the first nine months of 2025. We recorded profit of Won 1,422 billion in 2023, Won 1,079 billion in 2024, Won 718 billion in the

first nine months of 2024 and Won 1,056 billion in the first nine months of 2025. We had total assets of Won 51,413 billion and total equity of Won 33,367 billion as of December 31, 2024, compared to total assets of Won 49,382 billion and total equity of Won 33,874 billion as of September 30, 2025.

Major Products

We manufacture and sell a broad line of steel products, including the following:

- cold rolled products;
- hot rolled products;
- stainless steel products;
- plates;
- wire rods; and
- silicon steel sheets.

The table below sets out our revenue by principal product category and related percentage data for the periods indicated.

	For the Year Ended December 31,				For the Nine Months Ended September 30,			
	2023		2024		2024		2025	
	(in billions of Won, except percentages)							
Cold rolled products	₩ 12,137	28.1%	₩ 12,707	28.5%	₩ 9,571	28.6%	₩ 9,912	29.8%
Hot rolled products	10,996	25.5	11,273	25.3	8,578	25.6	7,770	23.4
Stainless steel products	4,944	11.5	5,034	11.3	3,724	11.1	3,846	11.6
Plates	6,001	13.9	6,208	13.9	4,609	13.8	4,250	12.8
Wire rods	2,439	5.7	2,251	5.0	1,735	5.2	1,368	4.1
Silicon steel sheets	1,395	3.2	1,462	3.2	1,076	3.2	1,442	4.3
Sub-total	37,913	87.9	38,935	87.2	29,293	87.5	28,588	86.0
Miscellaneous steel products	2,905	6.7	2,934	6.6	2,058	6.1	2,331	7.0
Others (1)	2,317	5.4	2,775	6.2	2,136	6.4	2,309	7.0
Total revenue	₩ 43,135	100.0%	₩ 44,644	100.0%	₩ 33,487	100.0%	₩ 33,228	100.0%

(1) Revenue not related to steel products.

The table below sets out the sales volume of our steel products by principal product category and related percentage data for the periods indicated.

	For the Year Ended December 31,				For the Nine Months Ended September 30,			
	2023		2024		2024		2025	
	(in thousands of tons, except percentages)							
Cold rolled products	11,054	33.4%	11,007	31.8%	8,075	31.6%	8,994	34.1%
Hot rolled products	12,006	36.2	12,609	36.5	9,435	36.9	9,403	35.6
Stainless steel products	1,608	4.9	1,736	5.0	1,284	5.0	1,329	5.0
Plates	5,530	16.7	6,356	18.4	4,618	18.1	4,571	17.3
Wire rods	2,342	7.1	2,122	6.1	1,623	6.3	1,283	4.9
Silicon steel sheets	588	1.7	744	2.2	539	2.1	819	3.1
Total sales volume (1)	33,128	100%	34,575	100%	25,573	100%	26,399	100%

(1) Not including sales volume of steel products categorized under “miscellaneous steel products.”

Cold Rolled Products

Cold rolled coils and further refined galvanized cold rolled products are used mainly in the automotive industry to produce car body panels. Other users include the household goods, electrical appliances, engineering and metal goods industries.

Our sales volume of cold rolled products amounted to 11,007 thousand tons in 2024, representing 31.8% of our total sales volume of principal steel products. Our sales volume of cold rolled products amounted to 8,994 thousand tons in the first nine months of 2025, representing 34.1% of our total sales volume of principal steel products. Cold rolled products constitute our second largest product category in terms of sales volume and largest product category in terms of revenue from our steel products.

We believe we had a domestic market share for cold rolled products of approximately 56% in 2024.

Hot Rolled Products

Hot rolled coils and sheets have many different industrial applications. They are used to manufacture structural steel used in the construction of buildings, industrial pipes and tanks, and automobile chassis. Hot rolled coil is also manufactured in a wide range of widths and thicknesses as the feedstock for higher value-added products such as cold rolled products and silicon steel sheets.

Our sales volume of hot rolled products amounted to 12,609 thousand tons in 2024, representing 36.5% of our total sales volume of principal steel products. Our sales volume of hot rolled products amounted to 9,403 thousand tons in the first nine months of 2025, representing 35.6% of our total sales volume of principal steel products. The largest customers of our hot rolled products are downstream steelmakers in Korea which use the products to manufacture pipes and cold rolled products. Hot rolled products constitute our largest product category in terms of sales volume and second largest product category in terms of revenue from our steel products.

We believe we had a domestic market share for hot rolled products of approximately 52% in 2024.

Stainless Steel Products

Stainless steel products are used to manufacture household goods and are also used by the chemical industry, paper mills, the aviation industry, the automotive industry, the construction industry and the food processing industry.

Our sales volume of stainless steel products amounted to 1,736 thousand tons in 2024, representing 5.0% of our total sales volume of principal steel products. Our sales volume of stainless steel products amounted to 1,329 thousand tons in the first nine months of 2025, representing 5.0% of the total sales volume of our principal steel products. Stainless steel products constitute our fourth largest product category in terms of revenue from steel products. Although sales of stainless steel products accounted for only 5.0% of total sales volume of the principal steel products in the first nine months of 2025, they represented 11.6% of our total revenue from our principal steel products.

We believe we had a domestic market share for stainless steel products of approximately 49% in 2024.

Plates

Plates are used in shipbuilding, structural steelwork, offshore oil and gas production, power generation, mining, and the manufacture of earth-moving and mechanical handling equipment, boiler and pressure vessels and other industrial machinery.

Our sales volume of plates amounted to 6,356 thousand tons in 2024, representing 18.4% of our total sales volume of principal steel products. Our sales volume of plates amounted to 4,571 thousand tons in the first nine months of 2025, representing 17.3% of our total sales volume of principal steel products. The Korean shipbuilding industry, which uses plates to manufacture chemical tankers, rigs, bulk carriers and containers, and the construction industry are our largest customers of plates.

We believe we had a domestic market share for plates of approximately 43% in 2024.

Wire Rods

Wire rods are used mainly by manufacturers of wire, fasteners, nails, bolts, nuts and welding rods. Wire rods are also used in the manufacture of coil springs, tension bars and tire cords in the automotive industry.

Our sales volume of wire rods amounted to 2,122 thousand tons in 2024, representing 6.1% of our total sales volume of principal steel products. Our sales volume of wire rods amounted to 1,283 thousand tons in the first nine months of 2025, representing 4.9% of our total sales volume of principal steel products. The largest customers for our wire rods are manufacturers of wire ropes and fasteners.

We believe we had a domestic market share for wire rods of approximately 51% in 2024.

Silicon Steel Sheets

Silicon steel sheets are used mainly in the manufacture of power transformers and generators, rotating machines and electric motors.

Our sales volume of silicon steel sheets amounted to 744 thousand tons in 2024, representing 2.2% of our total sales volume of principal steel products. Our sales volume of silicon steel sheets amounted to 819 thousand tons in the first nine months of 2025, representing 3.1% of our total sales volume of principal steel products.

We believe we had a domestic market share for silicon steel sheets of approximately 70% in 2024.

Others

Other products include lower value-added semi-finished products such as pig iron, billets, blooms and slab.

Markets

Korea is our most important market. Domestic sales represented 44.8% of our total revenue in 2024 and 43.5% in the first nine months of 2025. Our sales to customers abroad represented 55.2% of our total revenue in 2024 and 56.5% in the first nine months of 2025. Our sales strategy has been to devote our production primarily to satisfy domestic demand, while seeking export sales to utilize capacity to the fullest extent and to expand our international market presence.

Domestic Market

We primarily sell in Korea higher value-added and other finished products to end-users and semi-finished products to other steel manufacturers for further processing. Local distribution companies and sales affiliates sell finished steel products to low-volume customers. We provide service technicians for large customers and distributors in each important product area.

Exports

Our sales to customers abroad represented 55.2% of our total revenue in 2024 and 56.5% in the first nine months of 2025.

The tables below set out our sales to customers abroad in terms of revenue by geographical market and by principal product category for the periods indicated.

	For the Year Ended December 31,				For the Nine Months Ended September 30,			
	2023		2024		2024		2025	
	(in billions of Won, except percentages)							
China	₩ 1,915	9.0%	₩ 1,807	7.3%	₩ 1,291	7.1%	₩ 1,247	6.6%
Asia (other than China and Japan)	4,984	23.5	6,652	27.0	4,832	26.6	4,567	24.3
Japan	2,790	13.2	3,033	12.3	2,305	12.7	1,885	10.0
Europe	3,192	15.1	4,079	16.5	3,017	16.6	3,208	17.1
North America	1,186	5.6	1,474	6.0	1,129	6.2	808	4.3
Others	7,136	33.7	7,601	30.8	5,566	30.7	7,070	37.6
Total	₩ 21,204	100.0%	₩ 24,646	100.0%	₩ 18,141	100.0%	₩ 18,785	100.0%

	For the Year Ended December 31,				For the Nine Months Ended September 30,			
	2023		2024		2024		2025	
	(in billions of Won, except percentages)							
Cold rolled products	₩ 7,361	34.7%	₩ 8,093	32.8%	₩ 6,031	33.2%	₩ 6,700	35.7%
Hot rolled products	5,124	24.2	6,004	24.4	4,439	24.5	3,898	20.8
Stainless steel products	2,012	9.5	2,245	9.1	1,608	8.9	1,797	9.7
Plates	2,364	11.2	3,107	12.6	2,277	12.6	1,976	10.5
Wire rods	797	3.8	768	3.1	580	3.2	477	2.5
Silicon steel sheets	534	2.5	763	3.2	528	2.9	870	4.6
Miscellaneous steel products	1,261	5.9	1,464	5.9	974	5.4	1,152	6.1
Others	1,750	8.2	2,203	8.9	1,704	9.3	1,914	10.1
Total	₩ 21,204	100.0%	₩ 24,646	100.0%	₩ 18,141	100.0%	₩ 18,785	100.0%

We distribute our export products mostly through Korean trading companies, including POSCO International and other overseas sales affiliates of the POSCO Group. Our largest export market in recent years has been Asia (other than China and Japan). Asia (other than China and Japan) accounted for 27.0% of our sales to customers abroad in 2024 and 24.3% in the first nine months of 2025. The principal products exported to Asia (other than China and Japan) were cold rolled products, including continuous galvanized products.

Distribution

We sell steel products produced by us directly to external customers, as well as engage our affiliates, primarily POSCO International, to sell our steel products produced by us. Our revenue from steel products produced by us and sold to our affiliates that in turn sold them to their external customers amounted to Won 5,282 billion in 2023 and Won 5,452 billion in 2024 and Won 3,905 billion in the first nine months of 2025.

Anti-Dumping, Safeguard and Countervailing Duty Proceedings

We engage in global operations, and we are involved in trade remedy proceedings in markets worldwide, including in the United States. We actively participate in such proceedings to minimize any adverse effects and associated risks. While there has been an increase in the number of trade cases in recent years, and an increased focus on trade issues by government officials, such cases have been limited in scope relative to our global sales and operations. Through our trade affairs office, we

continue to carefully monitor developments with respect to trade remedy policies, including anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs in all major markets in which we sell our products and seek to mitigate the related risks by adjusting supply and export arrangements as necessary and, where necessary, vigorously defend our rights. However, there can be no assurance that the free trade agreements between Korea and its major trading partners will not be amended or anti-dumping duties, safeguard duties, countervailing duties, quotas or tariffs will not be imposed on our sales of products abroad in the future. The occurrence of any such events, including those described below, may have a material adverse impact on our business, financial condition and results of operations.

In February 2025, the U.S. President signed proclamations to eliminate exemptions available to Korea and certain other countries and restore the 25% tariff on steel as well as elevate the tariff on aluminum to 25%, which measures became effective on March 12, 2025. In June 2025, the U.S. President signed proclamations to further raise the tariff on steel and aluminum from 25% to 50%, which measures became effective on June 4, 2025. For a discussion of our export sales and overseas sales to customers in North America, which includes the United States and Canada, see “Business — Markets — Exports.”

In April 2025, the U.S. government also imposed a universal “reciprocal” tariff which applies to all imports from all of its trading partners (including those with free trade agreements with the United States), with a base rate of 10%, subject to certain exceptions. In addition, the U.S. government announced higher rates to be imposed on imports from certain enumerated countries (including Korea at 15%) on a country-by-country basis, subject to certain exceptions, which implementation became effective on August 7, 2025. The imposition of any such tariffs may have a material adverse effect on our sales of steel products in the United States as well as on our downstream customers that produce finished products using our steel products in countries subject to such tariffs and export those products to the United States. The increases in costs and prices due to the imposition of any such tariffs may reduce consumer demand for such products in the United States, which may in turn adversely affect the demand for our steel products.

Historically, tariffs have led to increased trade and political tensions. In response to the recent tariffs imposed by the U.S. government, various countries have implemented, or have announced plans to implement, retaliatory tariffs on goods produced in the United States. Political tensions as a result of trade policies could reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. If further tariffs are imposed on our exports or our customers’ exports, or if further retaliatory trade measures are taken by impacted foreign countries in response to additional tariffs, we or our customers may be required to adjust our respective prices or incur additional expenses, which may have a material adverse impact on our business, financial condition and results of operations.

Pricing Policy

We determine the pricing of our products based on market conditions, taking into consideration production outlook of the global steel industry and global economic conditions in general. In setting prices, we take into account our costs, including those of raw materials, supply and demand in the Korean market, exchange rates, and conditions in the international steel market. Our prices can fluctuate considerably over time, depending on market conditions and other factors. The prices of our higher value-added steel products in the largest markets are determined considering the prices of similar products charged by our competitors.

Raw Materials

Steel Production

The principal raw materials used in producing steel through the basic oxygen steelmaking method are iron ore and coal. We imported approximately 49 million dry metric tons of iron ore and 26 million wet metric tons of coal in 2024 and approximately 49 million dry metric tons of iron ore and 19 million wet metric tons of coal in the first nine months of 2025. Iron ore is sourced primarily from Australia, Brazil and Canada. Coal is sourced primarily from Australia, Canada and the United States.

We purchase a substantial portion of our iron ore and coal imports pursuant to long-term contracts. Our long-term supply contracts generally have terms of three to ten years and provide for periodic price adjustments to the then-market prices. We typically adjust the prices on a quarterly basis and maintain approximately one month of inventory of raw materials. Such price adjustments are driven by various factors, including the global economic outlook, global market prices of raw materials and steel products, supply and demand outlook of raw materials and production costs of raw materials. For both coal and iron ore, we typically agree on the purchase price with the suppliers primarily based on the spot market price periodically announced by Platts (Premium Low Vol Coking Coal, FOB Australia Index and Iron Ore 62% Fe, CFR China Index). We or the suppliers may cancel the long-term contracts only if performance under the contracts is prevented by causes beyond our or their control and these causes continue for a specified period.

We also procure raw materials from our affiliates that engage in exploration and production projects abroad by acquiring mining rights of raw materials or by investing in projects either as part of a consortium or through an acquisition of a minority interest. In 2024, we purchased approximately 30% of our iron ore imports and 24% of our coal imports from foreign mines in which other member companies of the POSCO Group have made investments. In the first nine months of 2025, we purchased approximately 30% of our iron ore imports and 25% of our coal imports from foreign mines in which other member companies of the POSCO Group have made investments. The POSCO Group’s major investments to procure supplies of coal, iron ore and nickel are primarily located in Australia, Canada, Brazil and New Caledonia.

The average market price of iron ore per dry metric ton (Iron Ore 62% Fe, CFR China Index announced by Platts) was US$120 in 2023, US$109 in 2024 and US$101 in the first nine months of 2025. The average market price of coal per wet metric ton (Premium Low Vol Coking Coal, FOB Australia Index announced by Platts) was US$296 in 2023, US$240 in 2024 and US$184 in the first nine months of 2025. We currently do not depend on any single country or supplier for our iron ore or coal.

Stainless Steel Production

The principal raw materials for the production of stainless steel are ferronickel, ferrochrome and stainless steel scrap. We purchase a majority of our ferronickel primarily from suppliers in Korea that procure nickel ore from New Caledonia, and the remainder primarily from leading suppliers in Philippines and Guatemala. Our primary suppliers of ferrochrome are located in South Africa, India and Kazakhstan. Our stainless steel scraps are primarily supplied by domestic and overseas suppliers in Japan and Southeast Asia. Revert scraps from the Pohang Steelworks are also used for our stainless steel production. The average market price of nickel per ton on the London Metal Exchange was US$21,474 in 2023, US$16,812 in 2024, US$17,072 in the first nine months of 2024 and US$15,251 in the first nine months of 2025.

Transportation

In order to meet our transportation needs for iron ore and coal, we have entered into long-term contracts with shipping companies. Such contracts are performed by a fleet of dedicated vessels on a

consecutive voyage basis with fully loaded cargo for each voyage. These vessels under long-term contracts transported approximately 59.3% of the total requirements in 2024 and approximately 59.7% in the first nine months of 2025, and the remainder was transported by vessels sourced through short- to medium-term contracts, depending on market conditions. We plan to continue to optimize the fleet of dedicated vessels that we use in order to cope with changes in the global shipping environment, as well as upgrade some of the existing vessels with energy-saving and eco-friendly technologies.

The Steelmaking Process

Our major production facilities, Pohang Works and Gwangyang Works, produce steel by the basic oxygen steelmaking method. The stainless steel plant at Pohang Works produces stainless steel by the electric arc furnace method. Continuous casting improves product quality by imparting a homogenous structure to the steel. Pohang Works and Gwangyang Works produce all of their products through continuous casting.

Steel — Basic Oxygen Steelmaking Method

First, molten pig iron is produced in a blast furnace from iron ore, which is the basic raw material used in steelmaking. Molten pig iron is then refined into molten steel in converters by blowing pure oxygen at high pressure to remove impurities. Different desired steel properties may also be obtained by regulating the chemical contents.

At this point, molten steel is made into semi-finished products such as slabs, blooms or billets at the continuous casting machine. Slabs, blooms and billets are produced at different standardized sizes and shapes. Slabs, blooms and billets are semi-finished lower-margin products that we either use to produce our further processed products or sell to other steelmakers that produce further processed steel products.

Slabs are processed to produce hot rolled coil products at hot strip mills or to produce plates at plate mills. Hot rolled coils are an intermediate-stage product that may either be sold to our customers as various finished products or be further processed by us or our customers into higher value-added products, such as cold rolled sheets and silicon steel sheets. Blooms and billets are processed into wire rods at wire rod mills.

Stainless Steel — Electric Arc Furnace Method

Stainless steel is produced from stainless steel scrap, chrome, nickel and steel scrap using an electric arc furnace. Stainless steel is then processed into higher value-added products by methods similar to those used for steel production. Stainless steel slabs are produced at a continuous casting mill. The slabs are processed at hot rolling mills into stainless steel hot coil, which can be further processed at cold strip mills to produce stainless cold rolled steel products.

Competition

Domestic Market

We are the largest fully-integrated steel producer in Korea. We believe that our steel products constituted approximately 46.0% of the total sales volume of steel products sold in Korea in 2024 and approximately 46.3% in the first nine months of 2025. In hot rolled products, where we believe we had a market share of approximately 52% in 2024, we face competition from Hyundai Steel Co., Ltd. and from various foreign producers, primarily from China and Japan. In cold rolled products and stainless steel products, where we believe we had a market share of approximately 56% and 49%, respectively, in 2024, we compete with Hyundai Steel Co., Ltd., smaller specialized domestic manufacturers and various foreign producers, primarily from China and Japan.

The Government has imposed provisional anti-dumping duties on certain thick steel plates and stainless-steel plates from China.

Export Markets

The competitors in our export markets include all the leading steel manufacturers of the world. In the past decade, there has been a trend toward industry consolidation among our competitors, and smaller competitors in the global steel market today may become larger competitors in the future. In recent years, a slowdown in domestic demand for steel products in China resulting from slowed economic growth, combined with an expansion in steel production capacity, has led to production over-capacity in the Chinese steel industry, which in turn has led the Chinese government to pursue aggressive consolidation in the Chinese steel industry, such as the consolidation of Baosteel Group and Wuhan Iron and Steel in 2016, that has resulted in fewer but larger steel manufacturers that are able to compete more effectively in the global steel industry. Competition from global steel manufacturers with significant production capacity such as ArcelorMittal S.A. and Nippon Steel & Sumitomo Metal Corporation, as well as competitors from emerging markets, especially from China and India, could result in a significant increase in competition. Major competitive factors include range of products offered, quality, price, delivery performance and customer service. Our larger competitors may use their resources, which may be greater than ours, against us in a variety of ways, including by making additional acquisitions, investing more aggressively in product development and capacity and displacing demand for our export products.

Various export markets currently impose tariffs on different types of steel products. Through pursuing direct investments in high-growth overseas markets and leveraging our overseas production subsidiaries, we seek to improve our responsiveness to country-specific trade regulations and market dynamics while reinforcing our global competitiveness.

Production Facilities

Our principal production facilities are Pohang Works, which is located at Youngil Bay on the southeastern coast of Korea, and Gwangyang Works, which is located in Gwangyang City in the southwestern region of Korea. Our principal production facilities located abroad include a plant in Vietnam operated by POSCO YAMATO VINA STEEL JOINT STOCK COMPANY and a plant in Indonesia operated by PT. KRAKATAU POSCO.

We are vigorous in our efforts to engage in environmentally responsible management of, and to protect the environment from damage resulting from, our operations. Our levels of pollution control are higher than those mandated by Government standards. We established an online environmental monitoring system with real-time feedback on pollutant levels and a forecast system of pollutant concentration in surrounding areas. In addition, we undergo periodic environmental inspections by both internal and external inspectors in accordance with ISO 14001 standards to monitor execution and maintenance of our environmental management plan. We also operate a certification program targeting our suppliers and outsourcing partners, pursuant to which they are encouraged to establish environmental management systems of their own.

Korea

Pohang Works

Construction of Pohang Works began in 1970 and ended in 1983. Pohang Works produces a wide variety of steel products. Products produced at Pohang Works include hot rolled sheets, plates, wire rods and cold rolled sheets, as well as specialty steel products such as stainless steel sheets and silicon steel sheets. These products can also be customized to meet the specifications of our customers.

Situated on a site of 8.9 million square meters at Youngil Bay on the southeastern coast of Korea, Pohang Works consists of iron-making, crude steelmaking and continuous casting and other rolling facilities. Pohang Works also has docking facilities capable of accommodating large ships for unloading raw materials, storage areas for raw materials and separate docking facilities for ships carrying products for export. Pohang Works is equipped with a highly advanced computerized production-management system allowing constant monitoring and control of the production process.

Gwangyang Works

Construction of Gwangyang Works began in 1985 and ended in 1992. Gwangyang Works specializes in high-volume production of a limited number of steel products. Products manufactured at Gwangyang Works include both hot and cold rolled types.

Situated on a site of 13.7 million square meters reclaimed from the sea in Gwangyang City in the southwestern region of Korea, Gwangyang Works is comprised of iron-making plants, steelmaking plants, continuous casting plants, hot strip mills and thin-slab hot rolling plants. The site also features docking and unloading facilities for raw materials capable of accommodating large ships for unloading raw materials, storage areas for raw materials and separate docking facilities for ships carrying products for export.

We believe Gwangyang Works is one of the most technologically-advanced integrated steel facilities in the world. Gwangyang Works has a completely automated, linear production system that enables the whole production process, from iron-making to finished products, to take place without interruption. This advanced system reduces the production time for hot rolled products to only four hours. Like Pohang Works, Gwangyang Works is equipped with a highly advanced computerized production-management system, which allows constant monitoring and control of the production process.

Capacity Utilization Rates

The following table sets out the aggregate capacity utilization rates of Pohang Works and Gwangyang Works for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
Crude steel and stainless steel production capacity (million tons per period)	40.68	40.46	30.45	29.78
Actual crude steel and stainless steel output (million tons)	35.68	35.05	25.89	25.82
Capacity utilization rate (%) [(1)]	87.7%	86.6%	85.0%	86.79%

(1) Calculated by dividing actual crude steel and stainless steel output by the actual crude steel and stainless steel production capacity for the relevant period as determined by us.

Vietnam

We hold a 51.0% interest in POSCO YAMATO VINA STEEL JOINT STOCK COMPANY, which manufactures and sells structural steel and steel reinforcement products in Vietnam. We acquired such interest from POSCO HOLDINGS INC. in December 2022. The plant became operational in June 2015. In 2024, POSCO YAMATO VINA STEEL JOINT STOCK COMPANY had approximately 0.55 million tons of annual crude steel production capacity.

Capacity Utilization Rates

The following table sets out the aggregate capacity utilization rates of POSCO YAMATO VINA STEEL JOINT STOCK COMPANY for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
Crude steel production capacity (million tons per period)	0.55	0.55	0.41	0.41
Actual crude steel output (million tons)	0.42	0.49	0.37	0.34
Capacity utilization rate (%) (1)	75.5%	88.2%	89.0%	84.1%

(1) Calculated by dividing actual crude steel output by the actual crude steel production capacity for the relevant period as determined by us.

Indonesia

We hold a 50.0% interest in PT. KRAKATAU POSCO, which manufactures and sells structural steel and steel reinforcement products in Indonesia. We acquired such interest from POSCO HOLDINGS INC. in September 2023. PT. KRAKATAU POSCO completed the construction of a steel manufacturing plant in December 2013. In 2024, PT. KRAKATAU POSCO had approximately 2.97 million tons of annual crude steel production capacity.

Capacity Utilization Rates

The following table sets out the aggregate capacity utilization rates of PT. KRAKATAU POSCO for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
Crude steel production capacity (million tons per period)	3.00	2.97	2.20	2.20
Actual crude steel output (million tons)	3.01	2.98	2.21	2.17
Capacity utilization rate (%) (1)	100.5%	100.3%	100.4%	99.0%

(1) Calculated by dividing actual crude steel output by the actual crude steel production capacity for the relevant period as determined by us.

Capital Expenditures and Capacity Expansion

Cash used for acquisitions of property, plant and equipment was Won 3,491 billion in 2023, Won 3,408 billion in 2024, Won 2,618 billion in the first nine months of 2024 and Won 1,707 billion in the first nine months of 2025. We currently expect our cash outflows for acquisition of property, plant and equipment to be approximately Won 0.6 trillion in the fourth quarter of 2025 and approximately Won 3.4 trillion in 2026, which we may adjust on an ongoing basis subject to market demand for our products, the production outlook of the global steel industry and global economic conditions in general. Our current plan for capital investment in production facilities emphasizes capacity rationalization, increased production of higher value-added products and improvements in the efficiency of older facilities in order to reduce operating costs. We may delay or not implement some of our current capital expenditure plans based on our assessment of such market conditions.

Research and Development

We operate research and development programs to carry out basic research and applied technology development activities. As of September 30, 2025, POSCO Technical Research Laboratories employed 479 personnel, including 401 researchers. Our research and development

personnel also work closely with the Pohang University of Science & Technology, Korea's first research-oriented college founded in 1986, and the Research Institute of Industrial Science and Technology, Korea's first private comprehensive research institute founded by the POSCO Group in 1987.

Our success depends in part on our ability to obtain patents, licenses and other intellectual property rights relating to our products and manufacturing process. Our ability to develop our technologies and to continue to enhance our production know-how and our access to technologies of other leading companies, through licenses or other arrangements, are important to our ability to design and manufacture competitive products. As of September 30, 2025, we owned 10,272 patents in Korea and 4,506 patents abroad as well as 399 trademarks in Korea and 432 trademarks abroad.

Insurance

We maintain property insurance policies with reputable insurance companies covering our production facilities. These insurance policies cover losses due to fire, earthquake, flood and other natural disasters. We also maintain liability and casualty insurance policies that cover various incidents, including work-related injuries to employees, product liability, environmental pollution liability and director and officer liability. We consider our insurance coverage to be consistent with market practice in Korea.

Employees

On a consolidated basis, we had 16,348 full-time employees, 1,427 contract-based employees, and 2 part-time employees as of September 30, 2025. Our success depends to a significant extent upon our ability to attract, retain and motivate qualified employees. Such employees, particularly engineers, production managers and technicians in the global steel industry, are in high demand, and we devote significant resources to identifying, hiring, training, successfully integrating and retaining these employees. We seek to leverage the POSCO Group's brand recognition to attract top-tier talent and strive to maintain an entrepreneurial, productive and innovation-focused culture. We may grant annual increases in basic wages and may pay annual bonuses. We also provide benefits such as medical insurance, periodic medical examinations and the provision of recreational facilities.

Membership to the collective labor union of POSCO HOLDINGS INC. and its subsidiaries is open to our employees who meet the eligibility requirements set forth in the Trade Union and Labor Relations Adjustment Act of Korea. We, a wholly-owned subsidiary of POSCO HOLDINGS INC., negotiate, on behalf of POSCO HOLDINGS INC. and its other subsidiaries (including us), collective bargaining agreements every two years with the collective labor union of POSCO HOLDINGS INC. and its subsidiaries. Our latest collective bargaining agreement came into effect in September 2025 for a one-year term. The collective bargaining agreement is automatically renewed every two years unless amended. We have not experienced any material labor strikes or other material labor disputes in recent years, and we consider our current relations with our workforce to be satisfactory.

For employees based in Korea, in accordance with the National Pension Act of Korea, we contribute an amount equal to 4.5% of an employee's standard monthly income, and each employee contributes 4.5% of his or her standard monthly wages into his or her personal pension account. Our employees based in Korea, including executive officers as well as non-executive employees, are subject to a pension insurance system, pursuant to which we make monthly contributions to the personal pension accounts of the employees, and, upon retirement, such employees are paid from their personal pension accounts. Our pension insurance system is offered in the form of either a defined benefit plan, which guarantees a certain payout at retirement according to a fixed formula based on the employee's average salary and the number of years for which the employee has been a plan member, or a defined contribution plan, in which the employer's contribution is determined in advance on an annual basis and is managed directly by the employee. Our employees in Korea have

the option of choosing either the defined benefit plan or the defined contribution plan. For further information regarding our obligations under our retirement pension plans, see Note 19 to the Annual Financial Statements and Note 18 to the Interim Financial Statements.

Legal Proceedings

Trade Remedy Proceedings

We engage in global operations, and we are involved in trade remedy proceedings in markets worldwide, including in the United States. We actively participate in such proceedings to minimize any adverse effects and associated risks. While there has been an increase in the number of trade cases in recent years, and an increased focus on trade issues by government officials, such cases have been limited in scope relative to our global sales and operations. Through our trade affairs office, we continue to carefully monitor developments with respect to trade remedy policy in all markets in which we participate and, where necessary, vigorously defend our rights through litigation before tribunals such as the U.S. Court of International Trade. See “Risk Factors — Further increases in, or new impositions of, anti-dumping, safeguard or countervailing duty proceedings may have an adverse impact on our export sales.”

Legal Proceedings Related to Contract-based Workers Dispatched by Third-party Contractors

For a description of our legal proceedings related to contract-based workers dispatched by third-party contractors, see “Risk Factors — Risks Relating to Our Business — Labor laws and a recent Supreme Court decision on contract-based workers dispatched by third-party contractors could restrict flexibility in our labor management and result in an increase in our labor-related costs.”

Legal Proceeding Related to Relining of the No. 2 Blast Furnace at Gwangyang Works

In February 2025, a group of ten individuals filed a lawsuit at the Daegu District Court against us seeking an injunction to stop the refurbishment of the No. 2 blast furnace at Gwangyang Works alleging that such refurbishment violates their right to a healthy environment. We intend to vigorously defend against such lawsuit. See “Risk Factors — Risks Relating to Our Business — We are subject to environmental regulations, and our operations could expose us to substantial liabilities.”

MANAGEMENT

Board of Directors

Our board of directors has the ultimate responsibility for the management of our business affairs. Our board consists of five directors who are our executive officers ("Inside Directors") and two directors who are outside directors ("Outside Directors"). Our shareholders elect the Inside Directors and Outside Directors at a general meeting of the shareholders. Candidates for Outside Directors are recommended to the shareholders by the board of directors after the board reviews such candidates' qualifications. The term of office of the Directors elected in March 2025 is one year. Each Director's term expires at the close of the ordinary general meeting of the shareholders convened in respect of the fiscal year that is the last one to end during such Director's tenure.

Under the Commercial Code and our articles of incorporation, several Representative Directors may be elected among the Inside Directors by our board of directors' resolution and upon the recommendation of the Representative Director, the Inside Directors may be assigned to the positions of Vice Chairman, President, Executive Vice President, Senior Managing Director and Managing Director by resolution of our board of directors.

The names and positions of our Directors are set forth below. The business address of all of the Directors is that of our registered office.

Name	Age	Title	Outside Occupation	Position Held Since
Lee, Hee-Guen	62	Chief Executive Officer; Inside Director	None	March 2025
Kim, Young-Joong	60	Inside Director, Head of Marketing	None	March 2023
Shin, Sung-Won	58	Inside Director, Head of Corporate Planning and Finance	None	March 2025
Park, Jae-Whan	64	Outside Director	Professor, College of Business & Economics at Chung-Ang University	March 2022
Lee, Min-Ho	60	Outside Director	Head of the ESG Research Center at Yulchon LLC	March 2022
Chun, Sung-Lae	62	Non-Executive Director	Head of Business Synergy at POSCO Holdings	September 2024

Board Committees

Audit Committee

Under the Commercial Code, a company may establish an Audit Committee in lieu of auditors as prescribed by the articles of incorporation, and according to our articles of incorporation, we are required to have an Audit Committee. The Audit Committee shall be composed of three or more directors; at least two-thirds of the members of the Audit Committee shall be Outside Directors. Members of the Audit Committee are appointed by the board of directors. We currently have an Audit Committee composed of two Outside Directors and one Inside Director. Members of our Audit Committee are Park, Jae-Whan (chairman), Lee, Min-Ho and Kim, Young-Joong.

The duties of the Audit Committee include:

- engaging independent auditors;
- approving independent audit fees;
- approving audit and non-audit services;

- reviewing annual financial statements;
- reviewing audit results and reports, including management comments and recommendations;
- reviewing our system of controls and policies, including those covering conflicts of interest and business ethics; and
- examining improprieties or suspected improprieties.

In addition, in connection with general meetings of shareholders, the Audit Committee examines the agenda for, and financial statements and other reports to be submitted by, the board of directors at each general meeting of shareholders. Our internal and external auditors report directly to the Audit Committee. The Audit Committee holds regular meetings at least once each quarter, and more frequently as needed.

ESG Committee

The ESG Committee is composed of two Outside Directors and one Inside Director. Members of our ESG Committee are Lee, Min-Ho (chairman), Park, Jae-Whan and Shin, Sung-Won. The ESG Committee oversees decisions with respect to our ESG policies, including policies related to environment, climate change, low-carbon and governance. It also reviews operational matters of our board of directors and special committees, reviews plans related to safety and health and manages and monitors ESG activities.

Compensation

The aggregate compensation paid and accrued to our Directors was Won 4.6 billion in 2024 and Won 3.1 billion in the first nine months of 2025, and the aggregate amount set aside or accrued by us to provide pension and retirement benefits to such persons was Won 0.5 billion as of September 30, 2025.

SHAREHOLDERS

The following table sets forth certain information relating to the shareholder of our common stock issued as of December 31, 2025:

Shareholder	Number of Common Shares Held	Percentage of Total Common Shares Outstanding
POSCO HOLDINGS INC.	96,480,625	100.00%

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We engage from time to time in various transactions with related parties, including our parent company and other related companies. We believe that we have conducted our transactions with related parties as we would in comparable arm's-length transactions with a non-related party, on a basis substantially as favorable to us as would be obtainable in such transactions.

We also enter into transactions with various other related companies including POSCO International. Our transactions with POSCO International primarily consist of sales of our products to POSCO International as well as purchases of raw materials used in our products. Our sales to POSCO International amounted to Won 11,542 billion in 2023, Won 11,572 billion in 2024 and Won 8,376 billion in the first nine months of 2025.

Our purchases from POSCO International, which consist primarily of raw materials, amounted to Won 2,755 billion in 2023, Won 3,561 billion in 2024 and Won 2,509 billion in the first nine months of 2025. Our purchases from POSCO INTERNATIONAL SINGAPORE PTE LTD., which consist of raw materials, amounted to Won 1,555 billion in 2023, Won 1,748 billion in 2024 and Won 1,199 billion in the first nine months of 2025.

Our purchases from Roy Hill Holdings Pty Ltd., which consist of raw materials, amounted to Won 1,588 billion in 2023, Won 1,730 billion in 2024 and Won 1,102 billion in the first nine months of 2025.

Other Related Parties

For further information relating to our transactions with related parties, see Note 32 to the Annual Financial Statements and Note 30 to the Interim Financial Statements included elsewhere in this Offering Circular.

DESCRIPTION OF THE NOTES

The 2031 Notes will be issued under a fiscal agency agreement to be dated as of January 16, 2026 (the "2031 Notes Fiscal Agency Agreement"), between the Company, the Fiscal Agent and Citibank, N.A., London Branch, and the 2036 Notes will be issued under a fiscal agency agreement to be dated as of January 16, 2026 (the 2036 Notes Fiscal Agency Agreement," and together with the 2031 Notes Fiscal Agency Agreement, the "Fiscal Agency Agreements"), between the Company, the Fiscal Agent and Citibank, N.A., London Branch. The following summaries of certain provisions of the Notes and the Fiscal Agency Agreements do not purport to be complete and are qualified in their entirety by reference to the provisions of the Notes and the Fiscal Agency Agreements. As used herein, references to the "Company" shall mean POSCO, but shall not include its consolidated subsidiaries.

General

The 2031 Notes will be issued in an initial aggregate principal amount of US$400,000,000 and will mature on January 16, 2031. The 2036 Notes will be issued in an initial aggregate principal amount of US$300,000,000 and will mature on the January 16, 2036. Each of the Notes are the direct, unconditional, unsecured and unsubordinated general obligations of the Company. The Notes will rank *pari passu* among themselves, without any preference one over the other by reason of priority of date of issue or otherwise, and at least equally with all other outstanding unsecured and unsubordinated general obligations of the Company (subject to certain statutory exceptions under the laws of the Republic of Korea).

The 2031 Notes will bear interest at the rate of 4.500% per annum from and including January 16, 2026. The 2036 Notes will bear interest at the rate of 5.000% per annum from and including January 16, 2026. Interest on each of the Notes will be payable semi-annually in arrear on January 16 and July 16 of each year, commencing July 16, 2026, to the holders of record ("Holders") as of the close of business on the fifteenth day preceding such interest payment date. Interest on each of the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. In any case where the date for the payment of any principal of or interest on any Note is not a day on which banking institutions at any place of payment, including Seoul, New York and London, are open for business, then payment of such principal or interest need not be made on such date at such place of payment but may be made on the next succeeding day at such place of payment which is a day on which banking institutions at any place of payment, including Seoul, New York and London, are open for business with the same force and effect as if made on the date for such payment of principal or interest, and no interest shall accrue for the period after such date.

The Notes may be redeemed at the option of the Company in whole, but not in part, at any time prior to maturity under the circumstances described under "— Optional Tax Redemption." The Notes do not have the benefit of any sinking fund.

Payments

Payments of interest and principal of the Notes will be made in such coin or currency of the United States of America through a bank that processes payments in U.S. dollars, by wire transfer to a bank account designated by such Holder in writing (such designation to be signed by two authorized officers of such Holder if it is not an individual) to the Principal Paying Agent.

Book-Entry System and Form of the Notes

Upon issuance, the Notes are expected to be represented by the Global Notes in fully registered form. The Global Notes will be deposited with or on behalf of DTC and registered in the name of a

nominee of DTC. A Global Note may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor of or a nominee of such successor.

Upon the issuance of the Global Notes, DTC will credit, on its book-entry registration and transfer system, the respective principal amounts of the Notes represented by such Global Notes to the accounts of persons that have accounts with DTC ("participants"), including depositaries for Euroclear and Clearstream. The accounts to be initially credited shall be designated by the Initial Purchasers participating in the initial offer and sale of the Notes. Ownership of beneficial interests in the Global Notes will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC for such Global Notes (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants).

DTC or its nominee, as the case may be, as registered Holder of the Global Notes will be considered the sole owner or holder of the Notes represented by each Global Note for all purposes under the Notes and the Fiscal Agency Agreements.

Principal and interest payments on the Notes represented by the Global Notes registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of such Global Notes. None of the Company, the Fiscal Agent or any paying agent for such Notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Company expects that DTC, upon receipt of any payment of principal or interest, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Notes as shown on the records of DTC. The Company also expects that payments by participants to owners of beneficial interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the account of customers registered in "street names," and will be the responsibility of such participants.

If (i) at any time DTC notifies the Company in writing that it is unwilling or unable to continue as depositary or ceases to be a "clearing agency" under the Exchange Act, and a successor depositary is not appointed by the Company within 90 days after the Company is notified by DTC or becomes aware of such condition, or (ii) the Notes have become immediately due and payable pursuant to the Fiscal Agency Agreements, the Company will issue the Notes in definitive registered form in exchange for the Global Notes representing such Notes. The Notes will be issued only in fully registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. For so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the rules of the SGX-ST so require, the Notes, if traded on the SGX-ST, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). If the Notes are issued in definitive registered form, the Company will make payments of principal of and interest on the Notes, and transfers and exchanges of the Notes will be affected, subject to the terms of the Fiscal Agency Agreements and the Notes (without any service charge) upon surrender of the Notes at the offices of the Fiscal Agent. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Note is exchanged for the Notes in definitive registered form, the Company will appoint and maintain a paying agent in Singapore (the "**Singapore Paying Agent**"), where the Notes in definitive registered form may be presented or surrendered for payment or redemption. In addition, in the event that the Global Note is exchanged for the Notes in definitive registered form, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive registered form, including details of the Singapore Paying Agent.

Same-Day Settlement

Initial settlement for the Notes will be made in same-day funds.

Restrictions on Transfer

The Notes may not be sold or otherwise transferred except in accordance with the restrictions described under “Transfer Restrictions.”

Meetings of Holders; Modification and Amendment

The Company may at any time, and the Fiscal Agent shall at any time after the Notes shall have become immediately due and payable due to a default upon a request in writing made by Holders holding not less than 10% of the aggregate outstanding principal amount of the respective Notes, convene a meeting of the Holders. At a meeting of the Holders, persons entitled to vote a majority in aggregate principal amount of the respective Notes at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, the meeting may be adjourned for a period of not less than ten days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than ten days; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to vote 25% in aggregate principal amount of the respective Notes at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. Any resolution at a meeting of the Holders to modify or amend, or to waive compliance with, any of the covenants or conditions (other than those set forth below as requiring the consent of each Holder of a Note affected thereby) shall be effectively passed if passed by the lesser of (i) a majority in aggregate principal amount of the respective Notes then outstanding or (ii) 75% in aggregate principal amount of the respective Notes represented and voting at the meeting.

Modifications and amendments to the Fiscal Agency Agreements or the respective Notes requiring consent of Holders may be made, and future compliance therewith or past defaults by the Company may be waived, with the consent of the Company and the Holders of more than 50% in aggregate principal amount of the respective Notes at the time outstanding, or of such lesser percentage as may act at a meeting of the Holders held in accordance with the provisions of the Fiscal Agency Agreements; *provided* that no such modification, amendment or waiver of the Fiscal Agency Agreements or any Note may, without the consent of each Holder affected thereby, (i) change the stated maturity of the principal of, or the date for the payment of interest on, any such Note; (ii) reduce the principal of or interest on any such Note; (iii) change the currency of payment of the principal of or interest on any such Note; or (iv) reduce the above-stated percentage of aggregate principal amount of the respective Notes outstanding or reduce the quorum requirements or the percentage of votes required for the taking of any action.

The Fiscal Agency Agreements and the terms and conditions of the respective Notes may be modified, supplemented or amended, without the consent of the Holders, for the purposes of (i) adding to the covenants of the Company for the benefit of such Holders, (ii) surrendering any right or power conferred upon the Company, (iii) securing the Notes, (iv) curing any ambiguity or correcting or supplementing any defective provision contained in the Fiscal Agency Agreements or the respective Notes, (v) implementing the provisions described under “— Meetings of Holders; Modification and Amendment” herein, (vi) evidencing and providing for the acceptance of appointment of a successor Fiscal Agent with respect to the Notes and to add to or change any provisions of the Fiscal Agency Agreements that shall be necessary to provide for or facilitate the administration of the trusts by more than one Fiscal Agent or (vii) in any other manner which the Company may deem necessary or desirable, *provided* that such action, in the opinion of the Company, shall not adversely affect in any material respect the interests of the Holders of such Notes at the time outstanding. In all other cases, any amendment of the Fiscal Agency Agreements will require the consent of the Holders pursuant to a

resolution of the Holders adopted in accordance with the provisions of the Fiscal Agency Agreements. Any determination as to material adverse effect with respect to the interest of Holders pursuant to in this paragraph will be made by the Company, and the Fiscal Agent shall not have any responsibility or liability whatsoever with respect to such determination. Any modification shall be binding on the Holders and any modification shall be notified by the Company to the Holders as soon as reasonably practicable thereafter in accordance with the provisions of the Fiscal Agency Agreements.

Any modifications, amendments or waivers consented to or approved at a meeting will be conclusive and binding on all Holders whether or not they have given such consent or were present at such meeting, and on all future Holders whether or not notation of such modifications, amendments or waivers is made upon the Notes. Any instrument given by or on behalf of any Holder of a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent Holders of such Note.

Certain Covenants

Limitation on Liens

So long as any of the Notes are outstanding, the Company will not itself, and will not permit any Material Subsidiary to, create, incur, issue or assume or guarantee any External Indebtedness secured by any mortgage, charge, pledge, encumbrance or other security interest (a "Lien") on any Principal Property without in any such case effectively providing that the Notes (together with, if the Company shall so determine, any other indebtedness of the Company or such Material Subsidiary then existing or thereafter created) shall be secured equally and ratably with or prior to such secured External Indebtedness, so long as such secured External Indebtedness shall be so secured, unless, after giving effect thereto, the aggregate principal amount of all such secured External Indebtedness then outstanding *plus* Attributable Debt of the Company and its Material Subsidiaries in respect of Sale/Leaseback Transactions as described under "— Limitation on Sale and Leaseback Transactions" below (other than such Sale/Leaseback Transactions permitted under clause (b) of the covenant described in such section) would not exceed an amount equal to 15% of Consolidated Net Tangible Assets.

The foregoing restriction will not apply to External Indebtedness secured by:

(i) any Lien existing on any Principal Property prior to the acquisition thereof by the Company or any of its Material Subsidiaries or arising after such acquisition pursuant to contractual commitments entered into prior to and not in contemplation of such acquisition;

(ii) any Lien on any Principal Property securing External Indebtedness incurred or assumed for the purpose of financing the purchase price thereof or the cost of construction, improvement or repair of all or any part thereof, provided that such Lien attaches to such Principal Property concurrently with or within 12 months after the acquisition thereof or completion of construction, improvement or repair thereof;

(iii) any Lien existing on any Principal Property of any Material Subsidiary prior to the time such Material Subsidiary becomes a Subsidiary of the Company or arising after such time pursuant to contractual commitments entered into prior to and not in contemplation thereof;

(iv) any Lien securing External Indebtedness owing to the Company or to a Subsidiary; or

(v) any Lien arising out of the refinancing, extension, renewal or refunding of any External Indebtedness secured by any Lien permitted by any of the foregoing clauses or existing as of the date of the Fiscal Agency Agreements, provided that such External Indebtedness is not increased and is not secured by any additional Principal Property.

For the purposes of the covenants described hereunder and under "— Limitation on Sale and Leaseback Transactions" below, the giving of a guarantee which is secured by a Lien on a Principal Property, and the creation of a Lien on a Principal Property to secure External Indebtedness which existed prior to the creation of such Lien, shall be deemed to involve the creation of indebtedness in an amount equal to the principal amount guaranteed or secured by such Lien; but the amount of indebtedness secured by Liens on Principal Properties shall be computed without cumulating the underlying indebtedness with any guarantee thereof or Lien securing the same.

Limitation on Sale and Leaseback Transactions

So long as any of the Notes are outstanding, the Company will not itself, and will not permit any Material Subsidiary to, enter into any Sale/Leaseback Transaction after the date of the Fiscal Agency Agreements (other than such Sale/Leaseback Transactions permitted under clause (b) below), unless either:

(a) the Attributable Debt of the Company and its Material Subsidiaries in respect of such Sale/ Leaseback Transaction and all other Sale/Leaseback Transactions entered into after the date of the Fiscal Agency Agreements (other than such Sale/Leaseback Transactions permitted under clause (b) below) plus the aggregate principal amount of External Indebtedness secured by Liens on Principal Properties then outstanding (excluding any such External Indebtedness secured by Liens described in clauses (i) through (v) under "— Limitation on Liens" above or existing on the date of the Fiscal Agency Agreements) without equally and ratably securing the respective Notes, would not exceed 15% of Consolidated Net Tangible Assets; or

(b) the Company, within 12 months after such Sale/Leaseback Transaction, applies or causes a Material Subsidiary, as the case may be, to apply an amount equal to the net proceeds of such sale or transfer of the Principal Property which is the subject of such Sale/Leaseback Transaction, to the retirement of External Indebtedness of the Company or a Material Subsidiary, as the case may be, which is not subordinate to the respective Notes; provided that the amount to be so applied shall be reduced by (i) the principal amount of the respective Notes delivered within 12 months after such Sale/Leaseback Transaction to the Fiscal Agent for retirement and cancellation, and (ii) the principal amount of External Indebtedness of the Company or a Material Subsidiary, other than the respective Notes, voluntarily retired by the Company or a Material Subsidiary within 12 months after such Sale/Leaseback Transaction. Notwithstanding the foregoing, no retirement referred to in this clause (b) may be effected by payment at maturity or pursuant to any mandatory prepayment provision.

Notwithstanding the foregoing, where the Company or any Material Subsidiary is the lessee in any Sale/Leaseback Transaction, Attributable Debt shall not include any External Indebtedness resulting from the guarantee by the Company or any other Material Subsidiary of the lessee's obligation in such Sale/Leaseback Transaction. The foregoing restrictions shall not apply to any transaction between the Company and a Subsidiary or between a Material Subsidiary and a Subsidiary.

Certain Definitions

All accounting terms used in the Fiscal Agency Agreements and the Notes and not expressly defined shall have the meanings given to them in accordance with Korean IFRS, and the term "Korean IFRS" shall mean the International Financial Reporting Standards as adopted by the Republic at the date or time of any computation.

"Attributable Debt" means, with respect to any Sale/Leaseback Transaction, the lesser of:

(i) the fair market value of the Principal Property subject to the Sale/Leaseback Transaction; and

(ii) the present value (discounted at a rate per annum equal to the discount rate of a capital lease obligation with a like term in accordance with Korean IFRS) of the obligations of the lessee for net rental payments (excluding amounts on account of maintenance and repairs, insurance, taxes, assessments and similar charges) during the term of the lease.

"Consolidated Net Tangible Assets" means, at any date, the total amount of assets of the Company and its consolidated Subsidiaries, including investments in unconsolidated Subsidiaries, after deducting therefrom:

(i) all current liabilities (excluding any current liabilities constituting Long-term Debt by reason of their being renewable or extendible at the option of the Company);

(ii) all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangible assets; and

(iii) all write-ups of fixed assets, net of accumulated depreciation thereon, after September 30, 2025, other than as permitted under the Asset Revaluation Law, or successor law, of the Republic, all as set forth on the most recent balance sheet of the Company and its consolidated Subsidiaries and computed in accordance with Korean IFRS.

"External Indebtedness" means any obligation for the payment or repayment of money borrowed which is denominated in a currency other than the currency of the Republic and which has a final maturity of one year or more from its date of incurrence or issuance.

"Long-term Debt" means any note, bond, debenture or other similar indebtedness for money borrowed having a maturity of more than one year from the date such indebtedness was incurred or having a maturity of less than or equal to one year but by its terms being renewable or extendible, at the option of the borrower, beyond one year from the date such indebtedness was incurred.

"Material Subsidiary" means any Subsidiary that owns a Principal Property, and whose total assets represent not less than 5% of the total consolidated assets of the Company.

"person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Principal Property" means:

(i) Pohang Works, Gwangyang Works and any other steel-producing or processing facility located in the Republic, whether at the date of the Fiscal Agency Agreements owned or thereafter acquired, including any land, buildings, structures or machinery and other fixtures that constitute any such facility, or portion thereof, other than any such facility, or portion thereof, reasonably determined by the Company's Board of Directors not to be of material importance to the total business conducted by the Company and its Subsidiaries as a whole; and

(ii) any share of common or participating preferred stock of a Material Subsidiary.

"Sale/Leaseback Transaction" means any arrangement with any person which provides for the leasing by the Company or any Material Subsidiary, for an initial term of three years or more, of any Principal Property, whether now owned or hereafter acquired, which is to be sold or transferred by the

Company or any Material Subsidiary after the date of the Fiscal Agency Agreements to such person for a sale price of US$30,000,000 (or the equivalent thereof) or more where the rental payments are denominated in a currency other than the currency of the Republic.

"Subsidiary" means any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by the Company.

Provision of Information to Holders

The Company covenants that for so long as the Notes are "restricted securities" within the meaning of Rule 144 under the Securities Act, the Company will, at any time when it is not subject to either the periodic reporting requirements of Section 13 or Section 15(d) of the Exchange Act or the requirements of Rule 12g3-2(b) thereunder, provide to any Holder or prospective purchaser of the Notes designated by such Holder, upon the request of such Holder or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

Events of Default

The term "Event of Default" wherever used in the Fiscal Agency Agreements with respect to the respective Notes means any of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) which shall have occurred and be continuing:

(a) default in the payment of any installment of interest upon any of the respective Notes when they become due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of all or any part of the principal of (or premium, if any, on) any of the respective Notes as and when the same shall become due and payable, and continuance of such default for a period of 7 days, whether at maturity, upon redemption or otherwise; or

(c) default in the performance, or breach, of the covenants or agreements on the part of the Company contained in the respective Notes or in the Fiscal Agency Agreements, and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company at the office of the Fiscal Agent by the Holders of at least 10% in aggregate principal amount of the respective Notes at the time outstanding a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the respective Notes; or

(d) any External Indebtedness of the Company in the aggregate outstanding principal amount of US$50,000,000 or more either (i) becoming due and payable prior to the due date for payment thereof by reason of acceleration thereof following default by the Company or (ii) not being repaid at, and remaining unpaid after, maturity as extended by the period of grace, if any, applicable thereto, or any guarantee given by the Company in respect of External Indebtedness of any other person not being honored when, and remaining dishonored after becoming, due and called; provided that, in the case of (i) above, if any such default under any such External Indebtedness shall be cured or waived, then the default under the respective Notes by reason thereof shall be deemed to have been cured and waived; or

(e) the entry of a decree or order for relief in respect of the Company by a court having jurisdiction in the premises in an involuntary case under any applicable bankruptcy, insolvency, rehabilitation or other similar law in effect on the date of the respective Notes or thereafter, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Company of a voluntary case under any applicable bankruptcy, insolvency, rehabilitation or other similar law in effect on the date of the respective Notes or thereafter, or the consent by the Company to the entry of an order for relief in an involuntary case under any such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the mailing by the Company of an assignment for the benefit of its creditors, or the admission by the Company in writing of inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

If an Event of Default with respect to the respective Notes occurs and is continuing, the Holders of not less than 25% in aggregate principal amount of the respective Notes then outstanding may declare the principal amount of and all accrued but unpaid interest on all the respective Notes to be due and payable immediately, by a notice in writing to the Company at the office of the Fiscal Agent, and upon such declaration any such principal amount and interest shall become immediately due and payable. Upon such declaration, the Fiscal Agent shall give notice thereof to the Company and to the Holders, by mail and publication. If, after any such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Company pays or deposits with the Fiscal Agent all amounts then due with respect to the respective Notes (other than amounts due solely because of such declaration) and cures all other Events of Default with respect to the respective Notes, such defaults may be waived and such declaration may be annulled and rescinded by the Holders of more than 50% in aggregate outstanding principal amount of the respective Notes by written notice thereof to the Company at the office of the Fiscal Agent.

Consolidation, Merger and Sale of Assets

The Company, without the consent of the Holders of any of the respective Notes, may consolidate with, or merge into, or sell, transfer, lease or convey its assets as an entirety or substantially as an entirety to any corporation organized under the laws of the Republic; *provided* that (a) any successor corporation expressly assumes the Company's obligations under the Notes and the Fiscal Agency Agreements, (b) after giving effect to the transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, (c) if, as a result of such transaction, the Company or any successor corporation becomes subject to a Lien which would not be permitted by the Notes, such steps shall have been taken as are necessary to secure the Notes equally and ratably with (or prior to) all indebtedness secured thereby, and (d) certain other conditions as per the Fiscal Agency Agreements are satisfied.

Defeasance and Discharge

The Fiscal Agency Agreements provides that the Company need not comply with certain covenants ("covenant defeasance") of the Notes (including those described under "— Certain Covenants — Limitation on Liens" and "— Certain Covenants — Limitation on Sale and Leaseback Transactions"), if:

(i) the Company irrevocably deposits, in trust with a trustee (which may be the Fiscal Agent) for the benefit of the Holders, (a) cash in U.S. dollars in an amount, or (b) U.S. Government

Obligations (as defined below) which through the payment of interest thereon and principal thereof in accordance with their terms will provide cash in U.S. dollars in an amount, or (c) any combination of (a) and (b), sufficient to pay all the principal of, and interest on, the respective Notes on the dates such payments are due in accordance with the terms of such Notes;

(ii) no Event of Default or event which, with notice or lapse of time or both, would become an Event of Default with respect to the Notes shall have occurred and be continuing on the date of such deposit;

(iii) the Company delivers to such trustee an opinion of counsel in the United States reasonably acceptable to such trustee to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the exercise of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;

(iv) the Company delivers to such trustee an opinion of counsel in the Republic to the effect that such deposit and related covenant defeasance will not cause the beneficial owners of the Notes, other than the beneficial owners of the Notes (x) who are or who are deemed to be residents of the Republic or (y) who use or hold or are deemed to use or hold their Notes in carrying on a business in the Republic, to recognize income, gain or loss for Korean income tax purposes, and to the effect that payments out of the trust fund will be free and exempt from any and all withholding and other income taxes of whatever nature of the Republic or any province or political subdivision thereof or therein having power to tax, except in the case of the Notes beneficially owned (x) by a person who is or is deemed to be a resident of the Republic or (y) by a person who uses or holds or is deemed to use or hold such Notes in carrying on a business in the Republic; and

(v) the Company delivers to such trustee a certificate executed by a duly authorized officer of the Company and an opinion of counsel, each stating that all conditions precedent provided for relating to the covenant defeasance have been complied with.

"U.S. Government Obligations" means securities which are (i) direct obligations of the United States government or are (ii) direct obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States government, the payment of which is unconditionally guaranteed by the United States government, which, in either case, are full faith and credit obligations of the United States government payable in U.S. dollars and are not callable or redeemable at the option of the issuer thereof and shall also include a depositary receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depositary receipt; provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depositary receipt.

Additional Amounts

All payments of principal of and interest on the Notes shall be made by the Company without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic or by or within any political subdivision thereof or any authority therein having power to tax ("Korean Tax"), unless deduction or withholding of such Korean Tax is required by law. In the event that the deduction

or withholding of Korean Tax is required by law, the Company will pay such additional amounts ("Additional Amounts") as will result in the payment to the Holder of the amounts which would otherwise have been receivable in respect of principal and interest in the absence of such deduction or withholding, except that no such Additional Amount shall be payable in respect of the Notes:

(a) to or on behalf of a Holder who is subject to such Korean Tax in respect of such Note by reason of such Holder being or having been connected with the Republic (or any political subdivision thereof) otherwise than merely by holding such Note or receiving principal or interest in respect thereof; or

(b) to or on behalf of a Holder who would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested in writing by the Company to make such a declaration or claim, such Holder fails to do so within 30 days; or

(c) to or on behalf of a Holder who presents a Note (where presentation is required) more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting a Note for payment on the last day of such 30-day period; for this purpose the "Relevant Date" in relation to any payments of interest on, or principal of, any Note means: (i) the due date for payment thereof; or (ii) if the full amount of the monies payable on such date has not been received by the Fiscal Agent on or prior to such due date, the date on which, the full amount of such monies having been so received, notice to that effect is duly given to the Holders in accordance with the Fiscal Agency Agreements; or

(d) to a Holder that is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner of the payment would not have been entitled to the Additional Amounts had the beneficiary, settlor, member or beneficial owner been the Holder of the Note; or

(e) any combination of (a), (b), (c) or (d) above.

The obligation of the Company to pay such Additional Amounts in respect of taxes, duties, assessments and governmental charges shall not apply to (i) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge or (ii) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal or interest on the Notes; *provided* that, except as otherwise set forth in the Notes and in the Fiscal Agency Agreements, the Company shall pay all stamp and other taxes and duties, if any, which may be imposed by the Republic, the United States, or any respective political subdivision thereof or any taxing authority of or in the foregoing, with respect to the Fiscal Agency Agreements or as a consequence of the initial issuance of the Notes.

Notwithstanding any other provision of the terms and conditions of the Notes, any amounts to be paid on the Notes by or on behalf of the Company will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "FATCA Withholding"). Neither the Company nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

References to principal or interest in respect of the Notes shall be deemed also to refer to any Additional Amounts which may be payable as set forth in the Notes.

Optional Tax Redemption

The Notes may be redeemed at the option of the Company, in whole, but not in part, upon not less than 30 nor more than 60 days' notice, at any time at a redemption price equal to the principal amount thereof plus accrued interest to (but excluding) the date fixed for redemption if, as a result of any change in, expiration of or amendment to the laws of the Republic (or of any political subdivision or taxing authority thereof or therein) or any regulations or rulings promulgated thereunder or any change in the official interpretation or official application of such laws, regulations or rulings, or any change in the official application or interpretation of, or any execution of or amendment to, any treaty or treaties affecting taxation to which the Republic (or such political subdivision or taxing authority) is a party, which change, amendment, expiration or treaty becomes effective on or after January 12, 2026, the Company is or would be obligated on the next succeeding due date for a payment with respect to the Notes to pay Additional Amounts with respect to the Notes, and such obligation cannot be avoided by the use of reasonable measures available to the Company; *provided, however,* that (i) no such notice of redemption may be given earlier than 60 days prior to the earliest date on which the Company would be obligated to pay such Additional Amounts, and (ii) at the time such notice of redemption is given, such obligation to pay such Additional Amounts remains in effect. Before giving any notice of such redemption, the Company shall deliver to the Fiscal Agent and the Principal Paying Agent a certificate of the Company stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of redemption have occurred.

Purchase of the Notes

The Company may at any time purchase the Notes by tender (available to all Holders alike) or in the open market at any price. If the Company shall acquire any Notes, such acquisition shall not operate as or be deemed for any purpose to be a satisfaction of the indebtedness represented by such Notes unless and until such Notes are delivered to the Transfer Agent for cancellation and are cancelled and retired by the Transfer Agent. The Notes purchased or otherwise acquired by the Company may be held, resold or, at its discretion, surrendered to the Transfer Agent for cancellation.

Fiscal Agent

The Fiscal Agent may resign at any time or may be removed by the Company. If the Fiscal Agent resigns, is removed or becomes incapable of acting as Fiscal Agent or if a vacancy occurs in the office of the Fiscal Agent for any cause, a successor Fiscal Agent shall be appointed in accordance with the provisions of the Fiscal Agency Agreements.

The address of the relevant corporate trust office of the Fiscal Agent is Citicorp International Limited, 20th Floor, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

Paying and Transfer Agents

The Fiscal Agent will serve as the initial paying agent and transfer agent (together with any additional paying agent and transfer agent, the "Paying and Transfer Agents"). The Paying and Transfer Agents may resign at any time or may be removed by the Company. If any of the Paying and Transfer Agents is removed or becomes incapable of acting as a Paying and Transfer Agent or if a vacancy occurs in the office of any of the Paying and Transfer Agents for any cause, a successor Paying and Transfer Agent will be appointed in accordance with the provisions of the Fiscal Agency Agreements.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that the Global Note is exchanged for the Notes in definitive registered form, the Company will appoint and maintain a Singapore Paying Agent, where the Notes in definitive registered form may be presented or surrendered for payment or redemption. In addition, in the event that the Global Note

is exchanged for the Notes in definitive registered form, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Notes in definitive registered form, including details of the Singapore Paying Agent.

Further Issues

Subject to the lock-up provisions, the Company may from time to time, without the consent of the existing Holders, create and issue further notes to the extent permitted under the applicable laws, having the same terms and conditions as the Notes in all respects except for issue date and/or issue price; provided, however, that such additional notes shall be issued under a separate CUSIP, ISIN and Common Code unless the additional notes are issued pursuant to a "qualified reopening" of the Notes, are otherwise treated as part of the same "issue" of debt instruments as the Notes or are issued with less than a *de minimis* amount of original issue discount, in each case for U.S. federal income tax purposes. Additional notes issued in this manner (other than additional notes issued under a separate CUSIP, ISIN or Common Code) may be consolidated with and form a single series with the Notes outstanding at the time of such further issuance.

Notices

Except as otherwise expressly provided in the Fiscal Agency Agreements, whenever the Fiscal Agency Agreements or the respective Notes require that the Company or the Fiscal Agent give notice to the Holders, the Company or the Fiscal Agent will cause such notice to be mailed to the Holders (at the expense of the Company) at their respective addresses as they appear on the Note Register (as defined in the Fiscal Agency Agreements) of the Company.

Governing Law and Jurisdiction

The Notes and each of the Fiscal Agency Agreements will be governed by, and interpreted in accordance with, the laws of the State of New York.

The Company has consented to the non-exclusive jurisdiction of the state and federal courts in the Borough of Manhattan, the State and City of New York, United States of America with respect to any action that may be brought in connection with the Fiscal Agency Agreements or the Notes (except actions arising under the United States federal securities laws) and has appointed POSCO America Corp. at 1660 L St. NW #700, Washington, DC 20036, U.S.A. as its authorized agent upon whom process may be served in any such action.

Foreign Exchange Controls

Korean law does not limit the right of non-Koreans to hold Notes outside of the Republic. In order for the Company to issue the Notes outside of the Republic, the Company is required to file a report with the Ministry of Economy and Finance through a designated foreign exchange bank for the issuance of the Notes. Such report must be obtained prior to the offer and sale of the Notes. Furthermore, in order for the Company to make payments of principal of or interest on the Notes and other amounts as provided in the Fiscal Agency Agreements and the Notes, the Company is required to submit the relevant documents to a foreign exchange bank at the time of each actual payment. The purpose of this submission is to enable such foreign exchange bank to verify that the amount being remitted conforms to the amount required to be paid under the relevant documents and that any necessary requirement under the Foreign Exchange Transaction Act of Korea has been met. Under the Foreign Exchange Transaction Act of Korea, if the Government determines that intervention is unavoidable due to certain emergency circumstances such as natural disasters or sudden and severe adverse changes in domestic and foreign economic conditions, it may temporarily suspend payments,

receipts or foreign exchange or impose other necessary restrictions. Furthermore, if the Government deems that extreme difficulty in stabilizing the balance of payments, substantial disturbance in international capital markets or other analogous condition is likely to occur, it may require the participants of capital transactions to comply with certain obligations including, but not limited to, an obligation to obtain prior approval from the relevant Korean authority.

FORM OF THE NOTES

Capitalized terms used in this section and not otherwise defined shall have the meanings given to them in "Description of the Notes."

Upon issuance, the Notes are expected to be represented by the Global Notes in fully registered form. The Global Notes will be deposited with or on behalf of DTC and registered in the name of a nominee of DTC. A Global Note may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor of or a nominee of such successor.

Upon the issuance of the Global Notes, DTC will credit, on its book entry registration and transfer system, the principal amount of the respective Notes represented by such Global Notes to the accounts of persons that have accounts with DTC ("participants"), including depositaries for Euroclear and Clearstream. The accounts to be initially credited shall be designated by the Initial Purchasers participating in the initial offer and sale of the Notes. Ownership of beneficial interests in the Global Notes will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC for such Global Notes (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants).

DTC or its nominee, as the case may be, as registered Holder of the Global Notes will be considered the sole owner or holder of the Notes represented by each Global Note for all purposes under the Notes and the Fiscal Agency Agreements.

Principal and interest payments on the Notes represented by the Global Notes registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of such Global Notes. None of us, the Fiscal Agent or any paying agent for such Notes will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in such Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that DTC, upon receipt of any payment of principal or interest, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Notes as shown on the records of DTC. We also expect that payments by participants to owners of beneficial interests in such Global Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the account of customers registered in "street names," and will be the responsibility of such participants.

If (i) at any time DTC notifies us in writing that it is unwilling or unable to continue as depositary or ceases to be a "clearing agency" under the Exchange Act, and a successor depositary is not appointed by us within 90 days after we are notified by DTC or becomes aware of such condition, or (ii) the Notes have become immediately due and payable pursuant to the Fiscal Agency Agreements, we will issue Notes in definitive registered form in exchange for the Global Notes representing such Notes. The Notes will be issued only in fully registered form without coupons in denominations of US$200,000 and integral multiples of US$1,000 in excess thereof. If the Notes are issued in definitive registered form, we will make payments of principal of and interest on the Notes, and transfers and exchanges of the Notes will be affected, subject to the terms of the Fiscal Agency Agreements and the Notes (without any service charge) upon surrender of the Notes.

TAXATION

Korean Taxation

The information provided below does not purport to be a complete summary of Korean tax law and practice currently applicable. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisors.

The taxation of non-resident individuals and non-resident corporations ("Non-Residents") depends on whether they have a "permanent establishment" (as defined under Korean law and applicable tax treaty) in Korea to which the relevant Korean source income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non- Residents with permanent establishments in Korea are taxed in accordance with different rules.

Tax on Interest

Interest on the Notes paid to Non-Residents, being foreign currency-denominated bonds issued outside of Korea, is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law (the "STTCL").

If the tax exemption under the STTCL referred to above were to cease to be in effect, the rate of income tax or corporation tax applicable to interest on the Notes, for a Non-Resident without a permanent establishment in Korea, would be 14% of income. In addition, a tax surcharge called a local income tax would be imposed at the rate of 10% of the income tax or corporation tax (raising the total tax rate to 15.4%).

The tax rates may be reduced by an applicable tax treaty, convention or agreement between Korea and the country of the recipient of the income.

In order to obtain the benefit of a reduced rate available under applicable tax treaties, a Non-Resident holder must submit an application for entitlement to reduced tax rate to the party liable for the withholding before the receipt of the relevant interest payment (if there is no change in the contents of such application, it is not required to submit such application again within 3 years thereafter), together with the documents proving the beneficial owner of such Korean source income, including a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident's resident country. If the Non-Resident holder was unable to receive the benefit of a reduced rate due to his or her failure to timely submit the aforementioned application, the Non-Resident holder may still receive a tax treaty benefit by submitting evidentiary documents to the relevant tax office within 5 years thereafter. If interest is paid to an overseas investment vehicle, the overseas investment vehicle (subject to certain exceptions) must obtain an application for entitlement to reduced tax rate from the beneficial owner and submit a report of overseas investment vehicle and a schedule of beneficial owners, together with the application for entitlement to reduced tax rate obtained from the beneficial owner and the documents proving the identity of the beneficial owner of such Korean source income, including a certificate of the Non-Resident holder's tax residence to the party liable for the withholding before the receipt of the relevant interest payment. Effective from January 1, 2022, an overseas investment vehicle is deemed to be a beneficial owner of the Korean source income for income tax purposes, if (i) under the applicable tax treaty, the overseas investment vehicle bears tax liabilities in the country in which it is established or the overseas investment vehicle is deemed to be the beneficial owner of the Korean source income and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. According to the proposed tax law amendments released on July 31, 2025, in the case of an application for entitlement to a reduced tax rate with respect to Korean source income paid on or after January 1, 2026, the party liable for the withholding is required to submit such application (together with the applicable report of overseas investment vehicle and a schedule of beneficial owners in the case of income paid to an overseas investment vehicle) to the

relevant district tax office by the end of February of the year following the year of the payment of such income.

Tax on Capital Gains

Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident without a permanent establishment in Korea from the sale of the Notes to other Non-Residents (other than to their permanent establishments in Korea). In addition, capital gains earned by Non-Residents from the transfer of the Notes taking place outside Korea are currently exempt from taxation by virtue of STTCL, provided that the issuance of the Notes is deemed to be an overseas issuance and is denominated in a foreign currency under the STTCL.

If the exclusion or exemption from Korean taxation referred to above were to cease to be in effect, in the absence of an applicable treaty reducing or eliminating tax on capital gains, the applicable rate of tax would be the lower of 11% (including local income tax) of the gross realization proceeds or (subject to the production of satisfactory evidence of the acquisition cost and certain direct transaction costs of the relevant Note) 22% (including local income tax) of the realized gain (i.e., the excess of the gross realization proceeds over the acquisition cost and certain direct transaction costs) made. If such evidence shows that no gain (or a loss) was made on the sale, no Korean tax is payable. There is no provision under relevant Korean tax law to allow offsetting of gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of the Notes issued by Korean companies.

The purchaser or any other designated withholding agent of the Notes is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority. Unless the seller can claim the benefit of an exemption from tax under an applicable tax treaty and on the failure of the seller to produce satisfactory evidence of his acquisition cost and certain direct transaction costs in relation to the Notes being sold, the purchaser or such withholding agent must withhold an amount equal to 11% (including local income tax) of the gross realization proceeds. The purchaser or withholding agent must pay any withholding tax to the competent Korean tax office no later than the tenth day of the month following the month in which the payment for the purchase of the relevant Notes occurred. Failure to transmit the withheld tax to the Korean tax authorities in time subjects the purchaser or such withholding agent to penalties under Korean tax laws. The Korean tax authorities may attempt to collect such tax from a Non-Resident who is liable for payment of any Korean tax on gains, as a purchaser or withholding agent who is obliged to withhold such tax, through proceedings against payments due to the Non-Resident from its Korean investments and the assets or revenues of any of the Non-Resident's branch or representative offices in Korea.

Furthermore, in order for a Non-Resident to obtain the benefit of a tax exemption on certain Korean source income, such as capital gains, under an applicable tax treaty, Korean tax law requires such Non-Resident (or its agents) to submit to the payer of such Korean source income an application for tax exemption under a tax treaty along with the documents proving the beneficial owner of such Korean source income, including a certificate of tax residency of such Non-Resident issued by a competent authority of the Non-Resident's country of tax residence. The payer of such Korean source income, in turn, is required to submit such application to the relevant district tax office by the ninth day of the month following the date of the first payment of such income. An application for tax exemption submitted by a Non-Resident remains effective for 3 years from submission, and if any material changes occur with respect to information provided in the application, an application reflecting such change must be newly submitted.

If the Korean source income is paid to Non-Residents through an overseas investment vehicle, such investment vehicle must obtain an application for tax exemption from each Non-Resident, who is the beneficial owner of the Korean source income, and submit to the payer of such Korean source income a report of overseas investment vehicle and a schedule of beneficial owners, together with the

applications for tax exemption prepared by the Non-Resident beneficial owners and the documents proving the identity of the beneficial owner of such Korean source income, including a certificate of the Non-Resident holder's tax residence. The payer of such Korean source income is required to submit such application (together with the applicable report of overseas investment vehicle and a schedule of beneficial owners) to the relevant district tax office by the ninth day of the month following the date of the first payment of such income. Effective from January 1, 2022, an overseas investment vehicle is deemed to be a beneficial owner of the Korean source income for income tax purposes if (i) under the applicable tax treaty, the overseas investment vehicle bears tax liabilities in the country in which it is established or the overseas investment vehicle is deemed to be the beneficial owner of the Korean source income and (ii) the Korean source income is eligible for the treaty benefits under the tax treaty. However, this requirement does not apply to exemptions under Korean tax law.

Inheritance Tax and Gift Tax

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his death he was a Korean resident or resided in Korea for at least 183 days immediately prior to his death and (b) all property located in Korea that passes on death (irrespective of the residence of the deceased). Gift tax is imposed in similar circumstances to the above. The taxes are imposed if the value of the relevant property is above a certain limit and the rate varies from 10% to 50%, depending on the value of the relevant property and the identity of the persons involved. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under Korean inheritance and gift tax laws, bonds issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned, and, consequently, the Korean inheritance and gift taxes will be imposed on transfers of the Notes by inheritance or gift. Prospective purchasers should consult their personal tax advisors regarding the consequences of the imposition of the Korean inheritance or gift tax.

Stamp Duty and Securities Transaction Tax

No stamp, issue or registration duties will be payable in Korea by the Holders in connection with the issue of the Notes except for a nominal amount of stamp duty on certain documents executed in Korea which will be paid by us. No securities transaction tax will be imposed upon the transfer of the Notes.

Tax Treaties

At the date of this Offering Circular, Korea has tax treaties with, inter alia, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America, under which the rate of withholding tax on interest is reduced, generally to between 5 and 16.5% (including local income tax), and the tax on capital gains is often eliminated.

A special withholding tax system took effect on July 1, 2006. Under the system, there is a special procedure to apply the Korea-Malaysia tax treaty on certain Korean source income. Payments made to the residents of Labuan, Malaysia will be subject to the default Korean withholding tax rates (generally 15.4% or 22% for interest and the lower of 11% of gross realization proceeds or 22% of capital gains (including local income tax)) rather than the reduced or exempted rate available under the Korea-Malaysia tax treaty. A Labuan taxpayer, however, will be given an opportunity to obtain a refund by proving that it is entitled to the tax treaty benefits as a beneficial owner of the income and is an actual resident of Labuan, Malaysia. A Labuan taxpayer may also file an application with the National Tax Service (the "NTS") for confirmation that it is entitled to the tax treaty benefits and obtain an advance confirmation from the NTS prior to receiving Korean source income.

Withholding and Gross Up

As mentioned above, interest on the Notes is exempt from any withholding or deduction on account of income tax or corporation tax pursuant to STTCL. However, in the event that the payer or we are required by law to make any withholding or deduction for or on account of any Korean taxes (as more fully described in "Description of the Notes — Additional Amounts") we have agreed to pay (subject to the customary exceptions as set out in "Description of the Notes — Additional Amounts") such Additional Amounts as may be necessary in order that the net amounts received by the holder of any Note after such withholding or deduction shall equal the respective amounts which would have been received by such holder in the absence of such withholding or deduction.

United States Taxation

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a U.S. Holder (as defined below) of a Note. This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), applicable Treasury regulations, laws, rulings and decisions and the United States – Republic of Korea Income Tax Convention (the "Treaty") as of the date hereof, all of which are subject to change, possibly with retroactive effect. This summary deals only with U.S. Holders of the Notes that will hold Notes as capital assets and that acquired the Notes upon original issuance at their issue price. It does not address particular tax considerations that may be applicable to investors that are subject to special tax rules, such as banks, tax-exempt entities, insurance companies, regulated investment companies, dealers in securities or currencies, traders in securities electing to mark to market, persons that will hold the Notes as a position in a "straddle" or conversion transaction, or as part of a "synthetic security" or other integrated financial transaction, entities or arrangements taxed as partnerships for U.S. federal income tax purposes or the partners therein, U.S. expatriates, nonresident alien individuals present in the United States for more than 182 days in a taxable year, U.S. Holders that are engaged in a trade or business in Korea, or U.S. Holders that have a "functional currency" other than the U.S. dollar.

This summary addresses only U.S. federal income tax consequences and does not address consequences arising under state, local, foreign tax laws, the alternative minimum tax or the Medicare tax on net investment income, or under special timing rules prescribed under section 451(b) of the Code. Investors should consult their own tax advisors in determining the tax consequences to them of holding the Notes under such tax laws, as well as the application to their particular situation of the U.S. federal income tax considerations discussed below.

As used herein, a "U.S. Holder" is a beneficial owner of a Note that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise will be subject to U.S. federal income taxation on a net income basis in respect of the Note.

Payments of Interest and Additional Amounts

The gross amount of stated interest and any Additional Amounts (i.e., without reduction for Korean withholding taxes) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is actually or constructively received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes. It is expected, and this discussion assumes, that the Notes will be issued with less than a de minimis amount of original issue discount ("OID"). In general, however, if the Notes are issued with OID at or above a de minimis threshold, a U.S. Holder will be required to include OID in gross income, as ordinary income, under a "constant-yield method" before the receipt of cash attributable to such income, regardless of the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

As discussed in "— Korean Taxation — Tax on Interest," interest paid on the Notes to a U.S. Holder is expected to be exempt from Korean taxes. If, however, that tax exemption were to cease to

apply, then, subject to generally applicable limitations and conditions, Korean interest withholding tax paid (at a rate not exceeding any applicable Treaty rate) may be eligible for credit against such U.S. Holder's U.S. federal income tax liability. These generally applicable limitations and conditions include requirements adopted by the IRS in regulations promulgated in December 2021, and any Korean tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that either (i) is eligible for, and properly elects, the benefits of the Treaty or (ii) consistently elects to apply a modified version of these rules under temporary guidance and complies with specified requirements set forth in such guidance, the Korean tax on interest may be treated as meeting the requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Korean tax on interest is uncertain and we have not determined whether these requirements have been met, including requirements applicable to the Treaty. If the Korean interest tax is not a creditable tax for a U.S. Holder or the U.S. holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the Korean tax in computing such U.S. Holder's taxable income for U.S. federal income tax purposes. Interest and Additional Amounts will constitute income from sources outside the United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute "passive category income" for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder's particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the Internal Revenue Service ("IRS") are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

Sale, Exchange and Retirement of the Notes

Upon the sale, exchange or retirement of a Note, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement (less any accrued interest, which will be taxable as such) and the U.S. Holder's tax basis in such Note. A U.S. Holder's tax basis in a Note will generally equal the cost of the Note to the U.S. Holder. Gain or loss recognized upon a sale, exchange or retirement of a Note generally will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year at the time of disposition. Long-term capital gains recognized by an individual holder generally are subject to tax at a lower rate than short-term capital gains or ordinary income. The deduction of capital losses is subject to limitations.

Capital gain or loss recognized by a U.S. Holder on the sale or other disposition of the Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. As discussed in "Korean Taxation — Tax on Capital Gains," no Korean tax is currently expected to be imposed in respect of a sale or other disposition of the Notes by a U.S. Holder (excluding sale or disposition to a Korean resident). If Korean tax were to be imposed on such a disposition of the Notes, a U.S. Holder generally will not be entitled to credit any Korean tax imposed on the sale or other disposition of the Notes against such U.S. Holder's U.S. federal income tax liability, except in the case of a U.S. Holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale or other disposition of the Notes generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the Korean tax qualifies as a creditable tax, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Korean tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the Notes even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the

Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the Notes and any Korean tax imposed on such sale or disposition.

Specified Foreign Financial Assets

Individual U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which may include the Notes issued in certificated form) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Notes, including the application of the rules to their particular circumstances.

Information Reporting and Backup Withholding

Information returns will be filed with the IRS in connection with payments on the Notes made to, and the proceeds of dispositions of the Notes effected by, certain U.S. Holders. In addition, certain U.S. Holders may be subject to backup withholding in respect of such amounts if they do not provide their taxpayer identification numbers to the person from whom they receive payments. Non-U.S. holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. The amount of any backup withholding from a payment to a holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. Investors should consult their tax advisers about these rules and any other reporting obligations that may apply to their ownership or disposition of the Notes.

PLAN OF DISTRIBUTION

Subject to the terms and conditions stated in the purchase agreement dated January 12, 2026 (the "Purchase Agreement"), each initial purchaser named below (each, an "Initial Purchaser" and collectively, the "Initial Purchasers") has severally agreed to purchase from us, and we have agreed to sell to such Initial Purchaser, the principal amounts of the 2031 Notes and the 2036 Notes set forth opposite the name of such Initial Purchaser.

Initial Purchaser	Principal Amount of the 2031 Notes	Principal Amount of the 2036 Notes
BNP PARIBAS	US$80,000,000	US$60,000,000
Citigroup Global Markets Inc.	US$80,000,000	US$60,000,000
Crédit Agricole Corporate and Investment Bank	US$80,000,000	US$60,000,000
The Hongkong and Shanghai Banking Corporation Limited	US$80,000,000	US$60,000,000
Standard Chartered Bank	US$80,000,000	US$60,000,000
Total	US$400,000,000	US$300,000,000

The Purchase Agreement provides that the obligations of each of the Initial Purchasers to purchase the Notes are subject to approval of certain legal matters by counsel and to certain other conditions. Each of the Initial Purchasers must purchase all the Notes set forth opposite its name if they purchase any of the Notes.

We have been advised that the Initial Purchasers propose to resell the Notes at the issue price set forth on the cover page of this Offering Circular. The price at which the Notes are offered and other selling terms may be changed from time to time without notice by the Initial Purchasers. The Initial Purchasers may offer the Notes in various jurisdictions through certain of their affiliates.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, and to contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Purchase Agreement provides that we will pay compensation to the Initial Purchasers consisting of management and underwriting commission as a percentage of the aggregate principal amount of the Notes.

We have agreed that we will not issue, offer, sell or contract to sell, or announce the offering of, any Dollar-denominated debt securities issued or guaranteed by us (other than the Notes), without the prior written consent of the Initial Purchasers for a period of 30 days following the date of the Purchase Agreement. For the avoidance of doubt, we may, during such period, issue, offer, sell or contract to sell, or announce the offering of, any debt securities issued or guaranteed by us other than Dollar-denominated debt securities.

We expect that the delivery of the Notes will be made against payment therefor on or about the date specified on the cover page of this Offering Circular, which will be the fourth business day following the date of pricing of the Notes (such settlement cycle being herein referred to as "T+4"). Under Rule 15c6-1 under the U.S. Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if purchasers of the Notes wish to trade in the Notes on any day prior to the second business day before the settlement date, because the Notes will initially settle in T+4, the purchasers of the Notes may be required to specify an alternate settlement cycle at the time of such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes prior to their date of delivery hereunder should consult their advisors.

The Initial Purchasers or certain of their affiliates may purchase the Notes and be allocated the Notes for asset management and/or proprietary purposes but not with a view to distribution. The Initial

Purchasers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to Notes and/or our other securities at the time of the offer and sale of the Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Notes). We have been advised by the Initial Purchasers that they may offer and sell Notes to or through any of their respective affiliates and any such affiliate may offer and sell Notes purchased by it or through any Initial Purchaser.

In connection with the offering of the Notes, the Initial Purchasers are acting exclusively for us and no one else. Accordingly, in connection with the offering of the Notes, the Initial Purchasers will not be responsible to anyone other than us for providing the protections afforded to their clients or for giving of advice in relation to the offering of the Notes.

If a jurisdiction requires that the offering of the Notes be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering of the Notes shall be deemed to be made by that Initial Purchaser or its affiliate on behalf of the Issuer in such jurisdiction.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an Association with us, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with us or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by us. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, whether such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Initial Purchaser(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to: dl.asia.syndicate@asia.bnpparibas.com; DCM.Omnibus@citi.com; HKG-Syndicate@ca-cib.com; hk_syndicate_omnibus@hsbc.com.hk; synhk@sc.com

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to us, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The relevant Initial Purchaser may be asked to demonstrate compliance with their obligations under the SFC Code and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

Selling Restrictions

General

No action has been taken or will be taken in any jurisdiction by us or any Initial Purchaser that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Circular or any other material relating to the Notes or this offering, in any jurisdiction where action for

that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor such other material may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the issue date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells the Notes (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. The Purchase Agreement provides that Initial Purchasers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of the Notes within the United States only to qualified institutional buyers in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by a dealer that is not participating in the Offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

European Economic Area

In relation to each Member State of the European Economic Area, each Initial Purchaser has represented and agreed that it has not made and will not make an offer of the Notes which are the subject of the Offering contemplated by this Offering Circular to the public in that Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by us for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Notes shall require us or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of the Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129, as amended.

United Kingdom

Each Initial Purchaser has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Initial Purchaser has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Initial Purchaser has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Korea

The Notes have not been registered under the FSCMA. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transactions Act of Korea and

the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations. In addition, during the first year after the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB who is registered with the KOFIA as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Initial Purchaser has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Societàe la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, the Notes may not be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Initial Purchaser has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Notes or distribute any copy of this Offering Circular or any other document relating to the Notes in Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998 (the "Financial Services Act") and Article 34-*ter*, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999 (the "Issuers Regulation"), all as amended from time to time; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in Italy under paragraphs (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the "Banking Act") and CONSOB Regulation No. 20307 of February 15, 2018, all as amended from time to time;

(ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time; and

(iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland, and will not be listed on the SIX Swiss Exchange ("SIX") or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, us or the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority, and investors in the Notes will not benefit from protection or supervision by such authority.

New Issue of the Notes

The Notes will constitute a new class of securities with no established trading market. The Notes will be listed on the Frankfurt Open Market Quotation Board.

The Notes are eligible for trading in the National Association of Securities Dealers screen-based automated market for trading of securities eligible for resale under Rule 144A. The Initial Purchasers have advised us that they currently intend to make a market in the Notes as permitted by applicable law.

However, they are not obligated to do so and any market-making activities with respect to the Notes may be discontinued at any time without notice. In addition, such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes.

Price Stabilization and Short Positions

The Initial Purchasers may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids to the extent permitted by applicable laws and regulations. Over-allotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Covering transactions involve purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a dealer when the Notes originally sold by such dealer are purchased in a stabilizing transaction or a covering transaction to cover short positions. Neither we nor any of the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Initial Purchasers makes any representation that the Initial Purchasers will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Other Relationships

The Initial Purchasers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Initial Purchasers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our subsidiaries, jointly controlled entities or associated companies and may be paid fees in connection with such services from time to time. In the ordinary course of their various business activities, the Initial Purchasers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of ours or our subsidiaries, jointly controlled entities or associated companies, including the Notes, may be entered into at the same time or proximate to offers and sales of the Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of the Notes.

TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, subject to certain exceptions, may not be offered or sold directly or indirectly within the United States or to or for the account or benefit of U.S. persons, as defined in Regulation S. The Notes may be offered for sale only (i) in the United States, to QIBs within the meaning of, and in reliance on, Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; or (ii) outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S, in each case, in compliance with applicable laws, regulations and directives.

The Notes have not been registered with the FSC under the FSCMA. Accordingly, the Notes have not been and will not be offered, delivered or sold, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Act of Korea and the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations. In addition, within one year following the issuance of the Notes, the Notes may not be transferred to any resident of Korea other than a Korean QIB registered with the KOFIA as a Korean QIB, provided that the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate principal amount of the Notes.

Each purchaser of the Notes will be deemed to have represented and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) The purchaser (A)(i) is a qualified institutional buyer, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Notes for its own account or for the account of a qualified institutional buyer or (B) is a non-U.S. person purchasing the Notes in an offshore transaction pursuant to Regulation S.

(2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that, in the event of the Notes sold in reliance on Rule 144A, if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes, such Notes may be offered, resold, pledged or otherwise transferred only (A)(i) to us, (ii) to a person whom the seller reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (iii) to a non-U.S. person in an offshore transaction meeting the requirements of Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), or (v) pursuant to another exemption from the Securities Act, provided that, as a condition to the registration of the transfer thereof, we or the Fiscal Agent may require the delivery of any documents, including an opinion of counsel that it, in its sole discretion, may deem necessary or appropriate to evidence compliance with such exemption, or (B) pursuant to an effective registration statement under the Securities Act, and, in each of such cases, in accordance with any applicable securities laws of any state of the United States. The purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above.

(3) The purchaser understands that the Notes will, unless we determine otherwise in compliance with applicable law, bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF POSCO (THE “COMPANY”) THAT THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY

(A)(i) TO THE COMPANY, (ii) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER, AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (iii) TO A NON-U.S. PERSON IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (iv) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (v) PURSUANT TO ANOTHER EXEMPTION FROM THE SECURITIES ACT, PROVIDED THAT, AS A CONDITION TO THE REGISTRATION OF THE TRANSFER THEREOF, THE COMPANY OR THE FISCAL AGENT MAY REQUIRE THE DELIVERY OF ANY DOCUMENTS, INCLUDING AN OPINION OF COUNSEL THAT IT, IN ITS SOLE DISCRETION, MAY DEEM NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH SUCH EXEMPTION, OR (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, AND, IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY SUBSEQUENT PURCHASER OF THE SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA UNDER THE FINANCIAL INVESTMENT SERVICES AND CAPITAL MARKETS ACT OF KOREA. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED, DELIVERED OR SOLD, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS DEFINED IN THE FOREIGN EXCHANGE TRANSACTIONS ACT OF KOREA AND THE REGULATIONS THEREUNDER) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN KOREA OR TO ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED UNDER APPLICABLE KOREAN LAWS AND REGULATIONS. IN ADDITION, WITHIN ONE YEAR FOLLOWING THE ISSUANCE OF THE NOTES, THE NOTES MAY NOT BE TRANSFERRED TO ANY RESIDENT OF KOREA OTHER THAN A QUALIFIED INSTITUTIONAL BUYER (OR A “KOREAN QIB,” AS DEFINED IN THE REGULATION ON ISSUANCE, PUBLIC DISCLOSURE, ETC. OF SECURITIES OF KOREA) REGISTERED WITH THE KOREA FINANCIAL INVESTMENT ASSOCIATION AS A KOREAN QIB, PROVIDED THAT THE AMOUNT OF THE NOTES ACQUIRED BY SUCH KOREAN QIBS IN THE PRIMARY MARKET IS LIMITED TO NO MORE THAN 20% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE NOTES.

(4) The purchaser understands that the offer or sale of the Notes sold in reliance on Regulation S may not be made to U.S. person or for the account or benefit of a U.S. person (other than a distributor), until the expiration of 40 days after the later of the commencement of this offering and the completion of the distribution of the Notes, and unless otherwise agreed by us, will bear a legend substantially to the following effect:

THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

PRIOR TO THE EXPIRATION OF 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE LATEST CLOSING DATE (THE “DISTRIBUTION COMPLIANCE PERIOD”), THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED TO ANY U.S. PERSON OUTSIDE THE UNITED

STATES OR ANY PERSON IN THE UNITED STATES. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE NOTES EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING AND FOLLOWING RESTRICTIONS.

THE FOREGOING PARAGRAPH WILL BE NO LONGER EFFECTIVE AFTER THE END OF THE DISTRIBUTION COMPLIANCE PERIOD WITH RESPECT TO THE NOTES, AFTER WHICH THE NOTES EVIDENCED HEREBY WILL NO LONGER BE SUBJECT TO THE RESTRICTIONS SET FORTH THEREIN, PROVIDED THAT AT SUCH TIME AND THEREAFTER THE OFFER OR SALE OF THE NOTES EVIDENCED HEREBY WOULD NOT BE RESTRICTED UNDER ANY APPLICABLE SECURITIES LAWS OF THE UNITED STATES OR OF THE STATES OR TERRITORIES OF THE UNITED STATES.

LEGAL MATTERS

Certain legal matters with respect to the issue and sale of the Notes will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP and Shin & Kim LLC. Certain legal matters relating to the issue and sale of the Notes will be passed upon for the Initial Purchasers by Linklaters LLP. Shin & Kim LLC may rely on the opinions of Cleary Gottlieb Steen & Hamilton LLP and Linklaters LLP with respect to matters of New York law, and Cleary Gottlieb Steen & Hamilton LLP and Linklaters LLP may rely on the opinion of Shin & Kim LLC with respect to matters of Korean law.

INDEPENDENT AUDITORS

Our audited financial statements as of December 31, 2023, and for the year then ended, included in this offering circular, have been audited by KPMG Samjong Accounting Corp, independent auditors, as stated in their report appearing herein.

Our audited financial statements as of and for the year ended December 31, 2024 have been audited by Ernst & Young Han Young, independent auditors, as stated in their report.

With respect to our unaudited condensed interim financial statements as of September 30, 2025 and December 31, 2024 and for the nine months ended September 30, 2025 and 2024 included in this Offering Circular, Ernst & Young Han Young, independent auditors, have reported that they applied limited procedures in accordance with professional standards for review of such information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

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EY한영
Shape the future
with confidence

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Report on review of interim condensed consolidated financial statements

(English translation of a report originally issued in Korean)

The Stockholder and Board of Directors
POSCO

We have reviewed the accompanying interim condensed consolidated financial statements of POSCO (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the interim condensed consolidated statement of financial position as of September 30, 2025, and the related interim condensed consolidated statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2025 and 2024, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for each of the nine-month periods ended September 30, 2025 and 2024, and a summary of material accounting policies and other explanatory information.

Management's responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing ("KSA") and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

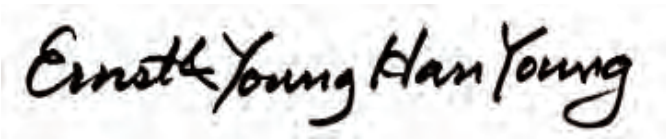
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Other matters

We have audited the consolidated statement of financial position of the Group as of December 31, 2024, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein), in accordance with KSA, and our report dated March 12, 2025 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2024, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.



November 11, 2025

This review report is effective as of November 11, 2025, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

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(in millions of Won)

	Notes		September 30, 2025	December 31, 2024
Assets				
Cash and cash equivalents	20	₩	2,418,428	2,435,951
Trade accounts and notes receivable, net	4,20,23		4,772,454	4,868,534
Other receivables, net	5,20		724,475	863,292
Other short-term financial assets	6,20		3,701,760	4,092,620
Inventories	7		8,602,818	9,447,667
Current income tax assets			35,977	44,881
Assets held for sale	8		5,872	-
Other current assets	13		191,140	145,693
Total current assets			20,452,924	21,898,638
Long-term trade accounts and notes receivable, net	4,20,23		14,600	10,634
Other receivables, net	5,20		340,379	333,589
Other long-term financial assets	6,20		938,344	935,714
Investments in subsidiaries, associates and joint ventures	9		137,286	70,599
Investment property, net	10		36,353	55,062
Property, plant and equipment, net	11		24,457,940	25,195,316
Intangible assets, net	12		570,675	466,992
Defined benefit assets, net	18		188,504	242,940
Deferred tax assets			2,233,991	2,168,515
Other non-current assets	13		10,695	34,847
Total non-current assets			28,928,767	29,514,208
Total assets		₩	49,381,691	51,412,846

(continued)

(in millions of Won)

	Notes		September 30, 2025	December 31, 2024
Liabilities				
Trade accounts and notes payable	20	₩	3,311,815	4,186,525
Short-term borrowings and current installments of long-term borrowings	14,20		3,434,580	3,522,204
Other payables	15,20		1,527,307	1,764,862
Other short-term financial liabilities	16		9	-
Current income tax liabilities			131,354	205,096
Provisions	17		50,036	51,289
Other current liabilities	19,23		168,170	214,008
Total current liabilities			8,623,271	9,943,984
Long-term borrowings, excluding current installments	14,20		6,190,322	7,312,602
Other payables	15,20		537,563	636,863
Defined benefit liabilities, net	18		40,529	24,932
Deferred tax liabilities			38,294	37,664
Long-term provisions	17		77,215	87,930
Other non-current liabilities	19,23		344	1,472
Total non-current liabilities			6,884,267	8,101,463
Total liabilities			15,507,538	18,045,447
Equity				
Share capital	21		482,403	482,403
Capital surplus	21		22,687,843	22,705,568
Accumulated other comprehensive income	22		284,199	242,066
Retained earnings			9,505,809	8,955,007
Equity attributed to owners of the controlling company			32,960,254	32,385,044
Non-controlling interests			913,899	982,355
Total equity			33,874,153	33,367,399
Total liabilities and equity		₩	49,381,691	51,412,846

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

Interim condensed consolidated statements of comprehensive income

for each of the three-month and the nine-month periods ended September 30, 2025 and 2024 (Unaudited)

(in millions of Won, except per share informations)	Notes		For the three-month periods ended September 30		For the nine-month periods ended September 30	
			2025	2024	2025	2024
Revenue	23	₩	10,881,039	11,206,871	33,227,993	33,487,492
Cost of sales	27		(9,807,669)	(10,356,432)	(30,280,054)	(31,082,393)
Gross profit			1,073,370	850,439	2,947,939	2,405,099
Selling and administrative expenses						
Other administrative expenses	24,27		(301,554)	(299,111)	(898,400)	(858,924)
Selling expenses	24,27		(83,247)	(74,128)	(240,598)	(215,849)
Operating profit			688,569	477,200	1,808,941	1,330,326
Share of loss of equity-accounted investees, net	9		(1,486)	(1,296)	(5,606)	(2,074)
Finance income and costs						
Finance income	20,25		24,585	389,689	880,277	1,445,104
Finance costs	20,25		(63,280)	(367,639)	(1,115,615)	(1,503,183)
Other non-operating income and expenses						
Other non-operating income	26		24,033	(8,214)	62,680	35,760
Other non-operating expenses	26,27		(63,137)	(154,748)	(215,151)	(341,217)
Profit before income tax			609,284	334,992	1,415,526	964,716
Income tax expense	28		(134,048)	(104,703)	(359,180)	(246,428)
Profit for the period			475,236	230,289	1,056,346	718,288
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit plans	18		(327)	1,749	(637)	6,851
Net changes in fair value of equity investments at fair value through other comprehensive income	20,22		54,572	9,777	162,787	43,103
Foreign currency translation differences			22,120	(18,378)	(23,902)	14,882
Items that are or may be reclassfied subsequently to profit or loss:						
Foreign currency translation differences			47,233	(6,013)	(118,512)	88,610
Capital adjustment arising from investments in equity-accounted investees	9		3,934	(799)	(2,242)	2,225
Other comprehensive income, net of tax			127,532	(13,664)	17,494	155,671
Total comprehensive income		₩	602,768	216,625	1,073,840	873,959
Profit for the period attribute to:						
Owners of the controlling company		₩	475,896	257,353	1,077,881	785,379
Non-controlling interests			(660)	(27,064)	(21,535)	(67,091)
Profit for the period		₩	475,236	230,289	1,056,346	718,288
Total comprehensive income attribute to:						
Owners of the controlling company		₩	581,012	262,087	1,120,304	926,270
Non-controlling interests			21,756	(45,462)	(46,464)	(52,311)
Total comprehensive income		₩	602,768	216,625	1,073,840	873,959
Earnings per share (in Won)	29					
Basic earnings per share (in Won)			4,933	2,667	11,172	8,140
Diluted earnings per share (in Won)		₩	4,933	2,667	11,172	8,140

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

POSCO and its subsidiaries

Interim condensed consolidated statements of changes in equity

for each of the nine-month periods ended September 30, 2025 and 2024 (unaudited)

(in millions of Won)

		Attributable to owners of the controlling company						
		Share capital	Capital surplus	Accumulated other comprehensive income	Retained earnings	Subtotal	Non-cotrolling interests	Total
Balance as of January 1, 2024	₩	482,403	22,659,008	(22,112)	8,753,924	31,873,223	977,746	32,850,969
Comprehensive income:								
Profit for the period		-	-	-	785,379	785,379	(67,091)	718,288
Other comprehensive income (loss)								
Remeasurements of defined benefit plans, net of tax		-	-	-	6,999	6,999	(148)	6,851
Capital adjustment arising from investments in equity-acccounted investees, net of tax		-	-	2,178	-	2,178	47	2,225
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	43,103	-	43,103	-	43,103
Foreign currency translation differences, net of tax		-	-	88,610	-	88,610	14,882	103,492
Transactions with owners of the controlling company, recognized directly in equity:								
Year-end dividends		-	-	-	(589,786)	(589,786)	(5,828)	(595,614)
Interim dividends		-	-	-	(298,222)	(298,222)	-	(298,222)
Shared based payments		-	14,623	-	-	14,623	-	14,623
Others		-	150	-	9	159	(3,627)	(3,468)
Balance as of September 30, 2024	₩	482,403	22,673,781	111,779	8,658,303	31,926,266	915,981	32,842,247

(continued)

POSCO and its subsidiaries

Interim condensed consolidated statements of changes in equity, continued

for each of the nine-month periods ended September 30, 2025 and 2024 (unaudited)

(in millions of Won)

		Attributable to owners of the controlling company						
		Share capital	Capital surplus	Accumulated other comprehensive income	Retained earnings	Subtotal	Non-cotrolling interests	Total
Balance as of January 1, 2025	₩	482,403	22,705,568	242,066	8,955,007	32,385,044	982,355	33,367,399
Comprehensive income:								
Profit for the period		-	-	-	1,077,881	1,077,881	(21,535)	1,056,346
Other comprehensive income (loss)								
Remeasurements of defined benefit plans, net of tax		-	-	-	393	393	(1,030)	(637)
Capital adjustment arising from investments in equity-acccounted investees, net of tax		-	-	(2,245)	-	(2,245)	3	(2,242)
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	162,890	(103)	162,787	-	162,787
Foreign currency translation differences, net of tax		-	-	(118,512)	-	(118,512)	(23,902)	(142,414)
Transactions with owners of the controlling company, recognized directly in equity:								
Year-end dividends		-	-	-	(332,858)	(332,858)	(8,866)	(341,724)
Interim dividends		-	-	-	(194,505)	(194,505)	-	(194,505)
Changes in ownership interest in subsidiaries		-	(1,111)	-	-	(1,111)	(16,289)	(17,400)
Business combination		-	(16,614)	-	-	(16,614)	3,361	(13,253)
Others		-	-	-	(6)	(6)	(198)	(204)
Balance as of September 30, 2025	₩	482,403	22,687,843	284,199	9,505,809	32,960,254	913,899	33,874,153

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

(in millions of Won)

	Notes		September 30, 2025	September 30, 2024
Cash flows from operating activities				
Profit		₩	1,056,346	718,288
Adjustments for :				
Depreciation			2,124,904	2,026,101
Amortization			40,559	73,825
Finance income			(529,341)	(1,063,782)
Finance costs			743,752	1,126,865
Income tax expense			359,179	246,428
Impairment loss on property, plant and equipment			66,178	180,546
Gain on disposal of property, plant and equipment			(24,113)	(8,776)
Loss on disposal of property, plant and equipment			81,832	103,011
Impairment loss on intangible assets			11	11
Loss on disposal of intangible assets			10	20
Share of loss of equity-accounted investees			5,606	2,074
Gain on disposal of subsidiaries, associates and joint ventures			(118)	-
Gain on disposal of assets held for sale			(1,524)	(705)
Expenses related to post-employment benefit			97,227	89,394
Impairment loss on trade and other receivables			531	17,999
Loss on valuation of inventories			94,081	55,897
Increase to provisions			9,068	15,884
Gain on insurance settlement			(9,968)	-
Others, net			(3,963)	(265)
Changes in operating assets and liabilities	32		(173,187)	67,651
Interest received			136,308	114,752
Interest paid			(491,540)	(459,441)
Dividends received			26,575	23,569
Income taxes paid			(551,123)	(143,265)
Net cash provided by operating activities		₩	3,057,290	3,186,081

(continued)

(in millions of Won)

	Notes		September 30, 2025	September 30, 2024
Cash flows from investing activities				
Acquisition of short-term financial instruments		₩	(8,555,058)	(4,619,085)
Proceeds from disposal of short-term financial instruments			9,075,218	6,810,167
Increase in loans			(16,294)	(18,191)
Collection of loans			22,412	17,652
Acquisition of securities			(704,287)	(1,014,756)
Proceeds from disposal of securities			410,583	373,618
Proceeds from disposal of long-term financial instruments			-	(2)
Acquisition of investments in associates and joint ventures			(82,461)	-
Proceeds from disposal of investments in associates and joint ventures			118	-
Acquisition of property, plant and equipment			(1,706,826)	(2,617,932)
Proceeds from disposal of property, plant and equipment			(33,072)	(68,695)
Acquisition of intangible assets			(93,214)	(35,968)
Proceeds from disposal of intangible assets			13	40
Collection of lease receivables			9,136	8,674
Proceeds from disposal of assets held for sale			1,524	1,740
Cash outflows due to business combinations, net of cash acquired			(21,275)	-
Cash inflow from insurance claim			9,968	-
Acquisition of deposits			(7,094)	-
Collection of deposits			2,698	-
Cash outflow from other investing activities			(14,624)	(2,984)
Net cash used in investing activities		₩	(1,702,535)	(1,165,722)
Cash flows from financing activities				
Proceeds from borrowings			3,452,980	3,657,801
Repayment of borrowings			(4,375,005)	(4,320,514)
Payment of cash dividends			(536,228)	(893,835)
Repayment of lease liabilities			(82,427)	(79,379)
Decrease in derivatives			194,273	166,264
Acquisition of non-controlling interests			(17,400)	-
Others, net			1,427	(6,776)
Net cash flows used in financing activities		₩	(1,362,380)	(1,476,439)
Effect of exchange rate fluctuation on cash held			(9,898)	3,790
Net increase(decrease) in cash and cash equivalents			(17,523)	547,710
Cash and cash equivalents at beginning of the period			2,435,951	2,426,344
Cash and cash equivalents at end of the period		₩	2,418,428	2,974,054

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

1. General Information

General information about POSCO (the "Company"), the controlling company in accordance with KIFRS 1110, its 15 domestic subsidiaries including POSCO STEELEON CO., Ltd, 26 foreign subsidiaries including POSCO YAMATO VINA STEEL JOINT STOCK COMPANY and its 16 associates (collectively referred to as the "Group") is as follows:

(a) The controlling company

POSCO, the controlling company, was newly established with the purpose of production and sales of steel rolled products and plates, upon a vertical spin-off of steel business of POSCO HOLDINGS INC. ("Pre-spin off Company", known as POSCO before spin-off, the surviving company) on March 1, 2022 (the date of spin-off). As of September 30, 2025, POSCO is wholly owned by POSCO HOLDINGS INC. (ownership percentage: 100%).

(b) Consolidated subsidiaries

Details of the Group's consolidated subsidiaries as of September 30, 2025 and December 31, 2024 are as follows:

		Ownership (%)						
		September 30, 2025			December 31, 2024			
	Principal operations	POSCO	Subsidiaries	Total	POSCO	Subsidiaries	Total	Region
[Domestic]								
POSCO STEELEON Co., Ltd.(*1)	Coated steel manufacturing	56.87	-	56.87	56.87	-	56.87	Pohang
eNtoB Corporation	Electronic commerce	69.32	-	69.32	69.32	-	69.32	Seoul
POSCO M-TECH(*2, 3)	Packing materials manufacturing and sales	48.85	-	48.85	48.85	-	48.85	Pohang
PNR	Steel by product processing and sales	70.00	-	70.00	70.00	-	70.00	Pohang
POSCO Humans	Business assistance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PH Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO GYS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GYR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GY Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
Pohang Scrap Recycling Distribution Center Co., Ltd.	Steel processing and sales	51.00	-	51.00	-	-	-	Pohang
CHEMGAS KOREA CO.,LTD	Industrial gas manufacturing and sales	100.00	-	100.00	-	-	-	Eumseong
POSCO Stainless Precision & Processing	Steel processing and sales	100.00	-	100.00	-	-	-	Ansan
eSteel4U	Steel wholesale and retail trade	61.12	-	61.12	-	-	-	Incheon
[Foreign]								
POSCO (Thailand) Company.Ltd	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO-MKPC SDN BHD	Steel processing and sales	70.00	-	70.00	70.00	-	70.00	Malaysia
POSCO-India Private Limited	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	India
POSCO-VIETNAM Co., Ltd.	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Vietnam
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Steel processing and sales	60.00	-	60.00	60.00	-	60.00	Poland
POSCO Thainox Public Company Limited	STS cold-rolled steel manufacturing and sales	74.56	-	74.56	74.56	-	74.56	Thailand
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	Steel processing and sales	90.00	-	90.00	90.00	-	90.00	China
POSCO-Malaysia SDN. BHD.	Steel processing and sales	81.79	-	81.79	81.79	-	81.79	Malaysia
Myanmar POSCO C&C Company,Limited.	Steel processing and sales	-	70.00	70.00	-	70.00	70.00	Myanmar
POSCO COATED STEEL (THAILAND) CO., LTD.	Automotive steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO ChengDu Processing Center(*2)	Steel processing and sales	33.00	-	33.00	33.00	-	33.00	China
POSCO Philippine Manila Processing Center, Inc.	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Philippines
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Turkiye
POSCO BRAZIL LTDA	Office Administration, Management Consulting	100.00	-	100.00	100.00	-	100.00	Brazil
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Steel manufacturing and sales	51.00	-	51.00	51.00	-	51.00	Vietnam
Port Hedland Green Steel Pty Ltd	Other iron and steel manufacturing	100.00	-	100.00	100.00	-	100.00	Australia
POSCO MEXICO S.A. DE C.V.	Automotive steel manufacturing and sales	83.28	-	83.28	83.28	-	83.28	Mexico
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER	Steel processing and sales	70.51	-	70.51	70.51	-	70.51	Indonesia
PT. KRAKATAU POSCO(*2)	Steel manufacturing and sales	50.00	-	50.00	50.00	-	50.00	Indonesia
POSCO-Mexico Villagran Wire-rod Processing Center	Steel processing and sales	56.75	-	56.75	56.75	-	56.75	Mexico
PT.KRAKATAU POSCO SOCIAL ENTERPRISE SERVICES INDONESIA	Social enterprise	-	99.91	99.91	-	99.91	99.91	Indonesia
POSCO Maharashtra Steel Private Limited	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	India
POSCO-India Pune Processing Center Private Limited	Steel processing and sales	65.00	35.00	100.00	65.00	-	65.00	India
POSCO ASSAN TST STEEL INDUSTRY Inc.	Steel processing and sales	60.00	-	60.00	60.00	-	60.00	Turkiye
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Steel processing and sales	93.34	1.98	95.32	93.34	1.98	95.32	India
POSCO-INDIA STEEL DISTRIBUTION CENTER PRIVATE LIMITED	Steel logistics	-	100.00	100.00	-	100.00	100.00	India

1. General Information (cont'd)

(*1) Excluding the treasury shares held as of September 30, 2025, the controlling company's ownership with voting rights amounts to 56.96%.

(*2) As of September 30, 2025, the Group classified the entities as subsidiaries, considering additional facts and circumstances, such as the relative size of the voting rights held by the Group, structure of its Board of Directors and the degree of diversification of other voting rights holders, although the Group holds less than half of the voting rights of the entities.

(*3) Excluding the treasury shares held as of September 30, 2025, the controlling company's ownership with voting rights amounts to 48.85%

1. General Information (cont'd)

(c) Details of associates

Details of the Group's associates as of September 30, 2025 and December 31, 2024 are as follows:

Investee	Category of business	Ownership (%)		Region
		September 30, 2025	December 31, 2024	
[Domestic]				
DAEHO GLOBAL MANAGEMENT CO., LTD.	Investment advisory service	35.82	35.82	Pohang
Pohang Special Welding Co., Ltd.	Welding material and tools manufacturing and sales	50.00	50.00	Pohang
FEWM CO., LTD.(*1)	Industrial gas manufacturing and sales	40.00	-	Yongin
POSCO CVC 1st Fund(*2,3)	New technology business investment association	80.00	-	Pohang
[Foreign]				
POSK(Pinghu) Steel Processing Center Co., Ltd.	Steel processing and sales	20.00	20.00	China
LLP POSUK TITANIUM	Titanium raw material manufacturing and sales	33.90	33.90	Kazakhstan
POSCO (SUZHOU) STEEL PROCESSING CENTER CO.,LTD.	Steel processing and sales	30.00	30.00	China
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*4)	Steel processing and sales	-	23.82	China
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	Steel processing and sales	30.00	30.00	Slovakia
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*5)	Steel processing and sales	17.50	17.50	China
POSCO Vietnam Processing Center. Co.,Ltd(*5)	Steel processing and sales	9.17	9.17	Vietnam
NS-Thainox Auto Co., Ltd.	STS cold-rolled steel sales and Distribution	49.00	49.00	Thailand
POS-SeAH Steel Wire (Thailand) Co., Ltd.	Steel manufacturing and sales	25.00	25.00	Thailand
SAMHWAN VINA CO., LTD(*5)	Steel manufacturing and sales	17.26	17.26	Vietnam
Brazil Sao Paulo Steel Processing Center	Steel processing and sales	25.00	25.00	Brazil
POSCO-POGGENAMP ELECTRICAL STEEL PRIVATE LIMITED(*6)	Steel processing and sales	-	26.00	India
POSCO INTERNATIONAL INDIA E-MOBILITY	Steel processing and sales	26.00	26.00	India
M RES NSW HCC II Pty Ltd(*2,7)	Overseas mining investment	80.00	-	Australia

(*1) Newly acquired for the nine-month period ended September 30, 2025.

(*2) Newly established for the nine-month period ended September 30, 2025.

(*3) As of September 30, 2025, the entity is classified as an associate considering that the Company cannot exercise control over the entity as a limited partner even though the Company's percentage of ownership is more than 50%.

(*4) Classified as assets held for sale for the nine-month period ended September 30, 2025.

(*5) As of September 30, 2025, the entity is classified as an associate as the Company has determined that it has significant influence over the entity considering the composition of board of directors and others even though the Company's percentage of ownership is less than 20%.

(*6) Excluded from associates after being disposed of during the nine-month period ended September 30, 2025.

(*7) As of September 30, 2025, the entity is classified as an associate as the Company has determined that it has significant influence considering the composition of board of directors even though the Company's percentage of ownership is more than 50%.

1. General Information (cont'd)

(d) New subsidiaries

Details of the Group's consolidated subsidiaries newly included for the nine-month period ended September 30, 2025 are as follows:

Company	Date of inclusion	Ownership(%)	Reason
Pohang Scrap Recycling Distribution Center Co., Ltd.	May 2025	51.00%	Acquired from POSCO INTERNATIONAL Corporation
CHEMGAS KOREA CO.,LTD	July 2025	100.00%	Newly included
eSteel4U	August 2025	61.10%	Acquired from POSCO INTERNATIONAL Corporation
POSCO Stainless Precision & Processing	August 2025	100.00%	Newly included

(e) Loss of controls

There are no subsidiaries for which the Group has lost control for the nine-month period ended September 30, 2025.

2. Basis of Preparation

Statement of compliance

POSCO and its subsidiaries (collectively referred to as the "Group") prepares its statutory interim condensed consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1034 *Interim Financial Reporting*, enacted based on the *Act on External Audit of Stock Companies*. The accompanying interim condensed consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

2. Basis of Preparation (cont'd)

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as of and for the year ended December 31, 2024.

Use of estimates and judgments

(a) Judgments, assumptions and estimation uncertainties

The preparation of the interim condensed consolidated financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. If estimates and assumptions that are based on management's best judgment at the end of the interim reporting period differ from the actual environment, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

2. Basis of Preparation (cont'd)

(b) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of KIFRS including the level in the fair value hierarchy in which such valuation techniques should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

2. Basis of Preparation (cont'd)

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of Material Accounting Policies

Except as described in KIFRS 1034 *Interim Financial Reporting* and below, the accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended December 31, 2024. The changes in accounting policies described below are expected to be applied to the consolidated financial statements as of and for the year ending December 31, 2025.

Changes in accounting policies

1) Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

   The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
   The amendments also require the disclosure of information that enables users of the financial statements to understand how the currency that is not exchangeable into another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

   The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. When applying the amendments, the Group cannot restate comparative information. The amendments are not expected to have any material impact on the Group's interim condensed consolidated financial statements.

4. Trade Accounts and Notes Receivable

Details of trade accounts and notes receivable as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Current			
Trade accounts and notes receivable	₩	***4,787,743***	***4,884,992***
Less: Allowance for doubtful accounts		***(15,289)***	***(16,458)***
	₩	***4,772,454***	***4,868,534***
Non-current			
Trade accounts and notes receivable	₩	***34,571***	***30,078***
Less: Present value discount		***(1,666)***	***(316)***
Less: Allowance for doubtful accounts		***(18,305)***	***(19,128)***
	₩	***14,600***	***10,634***

The Group discounted its trade receivables in accordance with factoring agreement entered into with financial institutions. These trade accounts and notes receivable have not been derecognized from the statement of financial position because the Group retains substantially all of the risks and rewards associated with the transferred assets. The amounts received on transfer have been recognized as secured borrowings. As of September 30, 2025 and December 31, 2024, the carrying amount of such secured borrowings before elimination of intercompany transactions are ₩254,462 million and ₩56,079 million, respectively, which are presented in the statements of financial position as short-term borrowings (see Note 14) .

5. Other Receivables

Details of other receivables as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Current			
Loans	₩	***24,503***	***25,683***
Other accounts receivable		***546,380***	***647,592***
Lease receivables		***12,620***	***12,121***
Accured income		***141,840***	***177,763***
Others		***3,227***	***3,947***
Less: Allowance for doubtful accounts		***(4,095)***	***(3,814)***
	₩	***724,475***	***863,292***
Non-current			
Loans	₩	***49,257***	***56,452***
Other accounts receivable		***7,666***	***9,156***
Accured income		***206,423***	***188,089***
Deposits		***64,174***	***59,034***
Lease receivables		***37,191***	***46,568***
Less: Allowance for doubtful accounts		***(24,332)***	***(25,710)***
	₩	***340,379***	***333,589***

6. Other Financial Assets

(a) Details of other financial assets as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Current			
Derivative assets	₩	***118,081***	***301,242***
Debt securities		***696,964***	***400,000***
Deposit instruments(*1)		***2,427,645***	***2,977,402***
Short-term financial instruments(*1)		***459,070***	***413,976***
	₩	***3,701,760***	***4,092,620***
Non-current			
Derivative assets	₩	***238,989***	***453,652***
Equity securities		***688,978***	***468,418***
Debt securities		***-***	***3,217***
Other securities(*2)		***10,068***	***10,091***
Deposit instruments(*1)		***124***	***123***
Long-term financial instruments(*1)		***185***	***213***
	₩	***938,344***	***935,714***

(*1) As of September 30, 2025 and December 31, 2024, financial instruments amounting to ₩309 million and ₩369 million, respectively, are restricted in use for financial arrangements, pledge and others.

(*2) As of September 30, 2025 and December 31, 2024, ₩1,227 million and ₩213 million of other securities have been provided as collateral for business of automation of packaging facilities.

6. Other Financial Assets (cont'd)

(b) Details of equity securities as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)

	September 30, 2025						December 31, 2024
	Number of shares	Ownership (%)	Acquisition cost	Fair value	Net changes in fair value of equity securities	Book value	Book value
Marketable equity securities							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	₩ 14,878	13,794	(1,084)	13,794	13,367
YODOGAWA STEEL WORKS, LTD.	3,000,000	1.72	13,842	36,777	22,935	36,777	31,522
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	7,679	(5,173)	7,679	11,571
PT.Krakatau Steel	236,625,000	1.22	6,876	6,209	(667)	6,209	2,177
AJUSTEEL Co., Ltd.	510,000	1.93	4,600	1,823	(2,777)	1,823	1,981
dhSteel	1,564,296	7.21	4,224	2,910	(1,314)	2,910	698
Woori Financial Group Inc.	20,280,000	2.73	261,638	526,266	264,628	526,266	311,704
Others (5 companies)			14,616	11,609	(3,007)	11,609	12,731
			333,526	607,067	273,541	607,067	385,751
Non-marketable equity securities							
TAECHANG STEEL	99,999	10.99	8,845	8,845	-	8,845	8,845
Pinetree PosMagnesium Co., Ltd.	11,144,000	19.90	8,794	8,794	-	8,794	8,794
WINSTEEL CO.	342,577	10.00	8,060	8,060	-	8,060	8,060
KOH-A JUNG GONG CO., LTD.	490,000	19.84	7,573	7,573	-	7,573	7,573
POONGSAN SPECIAL METAL CO., LTD.	315,790	5.00	7,556	7,556	-	7,556	7,556
DK Corporation	55,000	4.91	7,446	7,446	-	7,446	7,446
DaeSung SnM Co., Ltd.	50,567	8.21	7,237	7,237	-	7,237	7,237
Others (19 companies)			29,104	26,400	(2,704)	26,400	27,156
			84,615	81,911	(2,704)	81,911	82,667
			₩ 418,141	688,978	270,837	688,978	468,418

7. Inventories

(a) Details of inventories as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Finished goods	₩	***1,845,714***	***2,178,803***
Merchandise		***103,728***	***39,832***
Semi-finished goods		***2,069,868***	***2,162,964***
Raw materials		***2,198,660***	***2,515,302***
Fuel and materials		***892,817***	***790,243***
Materials-in-transit		***1,558,299***	***1,791,284***
Others		***27,813***	***28,374***
		8,696,899	***9,506,802***
Less: Allowance for inventories valuation(*1)		***(94,081)***	***(59,135)***
	₩	***8,602,818***	***9,447,667***

(*1) The amounts of loss on valuation of inventories recognized in cost of sales for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are ₩94,081 million and ₩59,135 million, respectively.

(b) Details of allowances for valuation on inventories as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Finished goods	₩	***39,339***	***49,059***
Merchandise		***5,154***	***289***
Semi-finished goods		***4,803***	***1,984***
Raw materials		***44,577***	***7,628***
Others		***208***	***175***
	₩	***94,081***	***59,135***

8. Assets Held for Sales

Details of assets held for sales as of September 30, 2025 are as follows:

(in millions of Won)		***September 30, 2025***
Investments in associates(*1)	₩	***5,871***
Property, plant and equipment, net(*2)		***1***
	₩	***5,872***

(*1) For the nine-month period ended September 30, 2025, investments in the associate SUZHOU POSCO-CORE TECHNOLOGY CO., LTD. was reclassified as an asset held for sale following the Company's decision to dispose of it.

(*2) For the nine-month period ended September 30, 2025, certain equipment, including dust collectors, were reclassified as assets held for sale following the Company's decision to dispose of them.

9. Investments in Associates and Joint ventures

(a) Details of investments in associates as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)	September 30, 2025				December 31, 2024
Company	Number of shares	Ownership (%)	Acquisition cost	Book value	Book value
[Domestic]					
DAEHO GLOBAL MANAGEMENT CO., LTD.	71,648	35.82	₩ 4,108	5,490	4,502
Pohang Special Welding Co.,Ltd.	400,000	50.00	3,111	4,058	4,121
FEWM CO., LTD.	1,015,385	40.00	12,800	12,791	-
POSCO CVC 1st Fund(*1)	-	80.00	800	728	-
			20,819	23,067	8,623
[Foreign]					
POSK(Pinghu) Steel Processing Center Co., Ltd.	-	20.00	2,313	861	410
LLP POSUK TITANIUM	-	33.90	10,068	10,824	11,428
POSCO SUZHOU PROCESSING CENTER CO.,LTD	-	30.00	2,763	4,749	4,752
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	-	-	-	-	9,932
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	-	30.00	6,206	3,903	4,151
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*2)	-	17.50	2,885	1,676	2,919
POSCO Vietnam Processing Center. Co.,Ltd(*2)	6,544,366	9.17	12,101	14,090	14,177
SAMHWAN VINA CO., LTD(*2)	1,890,000	17.26	2,039	5,465	6,838
M RES NSW HCC II Pty Ltd(*3)	48,000,000	80.00	68,861	64,940	-
Others (5 companies)			10,429	7,711	7,369
			117,665	114,219	61,976
			₩ 138,484	137,286	70,599

(*1) September 30, 2025, the entity is classified as an associate considering that the Company cannot exercise control over the entity as a limited partner even though the Company's percentage of ownership is more than 50%.

(*2) As of September 30, 2025, the entity is classified as an associate as the Company has determined that it has significant influence over the entity considering the composition of board of directors and others even though the Company's percentage of ownership is less than 20%.

(*3) As of September 30, 2025, the entity is classified as an associate as the Company has determined that it has significant influence considering the composition of board of directors even though the Company's percentage of ownership is more than 50%.

9. Investments in Associates and Joint ventures (cont'd)

(b) Changes in investments in associates for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)

Company		December 31, 2024 Book value	Acquisitions	Dividend received	Share of profits (losses)	Reclassification to assets held for sales	Other increase (decrease)(*1)	September 30, 2025 Book value
[Domestic]								
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	4,502	-	-	60	-	928	5,490
Pohang Special Welding Co.,Ltd.		4,121	-	-	(63)	-	-	4,058
FEWM CO., LTD.		-	12,800	-	(9)	-	-	12,791
POSCO CVC 1st Fund		-	800	-	(72)	-	-	728
		8,623	13,600	-	(84)	-	928	23,067
[Foreign]								
POSK(Pinghu) Steel Processing Center Co., Ltd.		410	-	-	461	-	(10)	861
LLP POSUK TITANIUM		11,428	-	-	(319)	-	(285)	10,824
POSCO (SUZHOU) STEEL PROCESSING CENTER CO.,LTD.		4,752	-	-	88	-	(91)	4,749
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*2)		9,932	-	-	(3,717)	(5,871)	(344)	-
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		4,151	-	-	(571)	-	323	3,903
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		2,919	-	(666)	(485)	-	(92)	1,676
POSCO Vietnam Processing Center. Co.,Ltd		14,177	-	(163)	631	-	(555)	14,090
SAMHWAN VINA CO., LTD		6,838	-	(1,001)	307	-	(679)	5,465
M RES NSW HCC II Pty Ltd		-	68,861	-	(2,195)	-	(1,726)	64,940
Others (5 companies)		7,369	-	-	278	-	64	7,711
		61,976	68,861	(1,830)	(5,522)	(5,871)	(3,395)	114,219
	₩	70,599	82,461	(1,830)	(5,606)	(5,871)	(2,467)	137,286

(*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to change in capital adjustments effect from accumulated other comprehensive income and others for the nine-month period ended September 30, 2025.

(*2) For the nine-month period ended September 30, 2025, the entity was classified as an asset held for sales due to the execution of a sales agreement.

9. Investments in Associates and Joint ventures (cont'd)

2) For the year ended December 31, 2024

(in millions of Won)

Company		December 31, 2023 Book value	Acquisitions	Dividend received	Share of profits (losses)	Other increase (decrease)(*1)	December 31, 2024 Book value
[Domestic]							
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	3,943	-	-	460	99	4,502
Pohang Special Welding Co.,Ltd.		4,221	-	-	(93)	(7)	4,121
		8,164	-	-	367	92	8,623
[Foreign]							
POSK(Pinghu) Steel Processing Center Co., Ltd.		1,041	-	-	(725)	94	410
LLP POSUK TITANIUM		10,420	-	-	270	738	11,428
POSCO SUZHOU PROCESSING CENTER CO.,LTD		2,382	-	-	2,039	331	4,752
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*2)		21,998	-	-	(13,857)	1,791	9,932
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		2,760	-	-	(43)	202	2,919
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		4,719	-	-	(896)	328	4,151
POSCO Vietnam Processing Center. Co.,Ltd		12,255	-	-	452	1,470	14,177
SAMHWAN VINA CO., LTD		5,816	-	-	502	520	6,838
Others (5 companies)		5,419	540	-	(21)	1,431	7,369
		66,810	540	-	(12,279)	6,905	61,976
	₩	74,974	540	-	(11,912)	6,997	70,599

(*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to change in capital adjustments effect from accumulated other comprehensive income and others for the year ended December 31, 2024.

(*2) As a result of the impairment test, the Group recognized ₩6,358 million of impairment loss.

9. Investments in Associates and Joint ventures (cont'd)

(c) The summarized financial information on associates as of and for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 is as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	21,158	269	20,889	-	170
Pohang Special Welding Co.,Ltd.		10,166	2,567	7,599	4,485	(128)
FEWM CO., LTD.		20,946	13,067	7,879	5,652	(22)
POSCO CVC 1st Fund		910	-	910	-	(90)
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		6,493	1,196	5,297	4,343	2,307
LLP POSUK TITANIUM		73,049	56,935	16,114	5,131	(941)
POSCO (SUZHOU) STEEL PROCESSING CENTER CO.,L		13,805	-	13,805	-	293
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		60,913	46,027	14,886	58,170	(864)
ZHANGJIAGANG XIAO-SHA COIL SERVICE		24,555	11,475	13,080	39,732	(2,698)
POSCO Vietnam Processing Center. Co.,Ltd		254,447	122,176	132,271	436,878	7,101
SAMHWAN VINA CO., LTD		27,240	2,317	24,923	19,948	1,699
M RES NSW HCC II Pty Ltd		81,412	3	81,409	-	(2,744)

2) For the year ended December 31, 2024

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	18,400	269	18,131	-	1,284
Pohang Special Welding Co., Ltd.		10,073	2,346	7,727	6,021	(187)
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		4,478	1,435	3,043	782	(3,623)
LLP POSUK TITANIUM		71,619	53,748	17,871	36,385	796
POSCO (SUZHOU) STEEL PROCESSING CENTER CO.,L		15,095	1,280	13,815	11,565	6,797
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.		98,195	37,710	60,485	104,495	(31,480)
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		29,090	8,911	20,179	59,552	(248)
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		41,208	26,533	14,675	74,377	(3,415)
POSCO Vietnam Processing Center. Co.,Ltd		267,778	134,759	133,019	637,594	5,307
SAMHWAN VINA CO., LTD		33,551	2,413	31,138	39,324	3,636

10. Investment Property

Changes in the carrying amounts of investment properties for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

(a) For the nine-month period ended September 30, 2025

(in millions of Won)		***Beginning***	***Depreciation(*1)***	***Others(*2)***	***Ending***
Land	₩	***81***	***-***	***-***	***81***
Buildings		***3,977***	***(263)***	***-***	***3,714***
Structures		***978***	***(66)***	***-***	***912***
Right-of-use assets		***50,026***	***(21,703)***	***3,323***	***31,646***
	₩	***55,062***	***(22,032)***	***3,323***	***36,353***

(*1) The useful life and depreciation method of investment properties are identical to those of property, plant and equipment.

(*2) Others include reclassification resulting from changes in the rental ratio of the assets provided under sublease by the Group.

(b) For the year ended December 31, 2024

(in millions of Won)		***Beginning***	***Depreciation(*1)***	***Others(*2)***	***Ending***
Land	₩	***81***	***-***	***-***	***81***
Buildings		***4,328***	***(351)***	***-***	***3,977***
Structures		***1,065***	***(87)***	***-***	***978***
Right-of-use assets		***75,072***	***(27,018)***	***1,972***	***50,026***
	₩	***80,546***	***(27,456)***	***1,972***	***55,062***

(*1) The useful life and depreciation method of investment properties are identical to those of property, plant and equipment.

(*2) Others include reclassification resulting from changes in the rental ratio of the assets provided under sublease by the Group.

11. Property, Plant and Equipment, Net

(a) Changes in the carrying amounts of property, plant and equipment for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment(*1)	Others(*2)	Ending
Land	₩	1,900,497	-	15,456	(14)	-	-	(1,865)	1,914,074
Buildings		2,704,191	12,949	11,364	(8,432)	(280)	(194,547)	554,560	3,079,805
Structures		2,803,879	612	1,499	(853)	(5,439)	(190,314)	199,246	2,808,630
Machinery and equipment		14,343,738	30,441	9,560	(8,482)	(52,375)	(1,573,021)	1,273,934	14,023,795
Vehicles		49,868	2,195	57	(310)	-	(20,266)	11,416	42,960
Tools		57,638	5,062	24	(77)	-	(16,862)	4,823	50,608
Furniture and fixtures		89,083	6,434	2,251	(84)	(3)	(34,939)	50,144	112,886
Right-of-use assets		635,656	12,772	420	-	-	(72,924)	(17,271)	558,653
Construction-in-progress		2,610,766	1,545,647	6,926	(52)	(8,081)	-	(2,288,677)	1,866,529
	₩	25,195,316	1,616,112	47,557	(18,304)	(66,178)	(2,102,873)	(213,690)	24,457,940

(*1) For the nine-month period ended September 30, 2025, the Group estimated the recoverable amount after calculating the net fair values of individual assets whose operation was suspended, such as the 3FINEX factory in Pohang, and recognized an impairment loss of ₩66,178 million on such individual items of property, plant and equipment.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changes in the purpose of use, adjustments of foreign currency translation differences and others.

11. Property, Plant and Equipment, Net (cont'd)

2) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment(*1)	Others(*2)	Ending
Land	₩	1,780,406	-	36,363	(130)	-	-	83,858	1,900,497
Buildings		2,454,512	1,375	210,065	(528)	(234,934)	(10,390)	284,091	2,704,191
Structures		2,330,140	4,597	50,627	(3,777)	(237,531)	(16,701)	676,524	2,803,879
Machinery and equipment		13,132,289	57,852	361,614	(21,889)	(2,037,558)	(178,800)	3,030,230	14,343,738
Vehicles		40,918	4,611	3,554	(347)	(27,384)	-	28,516	49,868
Tools		52,893	7,477	4,481	(210)	(21,164)	(24)	14,185	57,638
Furniture and fixtures		95,364	7,573	4,986	(889)	(36,982)	(216)	19,247	89,083
Right-of-use assets		637,589	30,675	27,493	(4,144)	(88,210)	-	32,253	635,656
Construction-in-progress		3,077,468	3,261,280	2,226	(1,587)	-	(17,718)	(3,710,903)	2,610,766
	₩	23,601,579	3,375,440	701,409	(33,501)	(2,683,763)	(223,849)	458,001	25,195,316

(*1) For the nine-month period ended September 30, 2024, the Group estimated the recoverable amount after calculating the net fair values of individual assets whose operation was suspended, such as steelmaking plant no. 1 and blast furnace no. 4 in Pohang, and recognized an impairment loss of ₩223,849 million on such individual items of property, plant and equipment.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changes in the purpose of use, adjustments of foreign currency translation differences and others.

11. Property, Plant and Equipment, Net (cont'd)

(b) Changes in carrying amounts of right-of-use assets presented as property, plant and equipment and investment property for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)		Beginning	Acquisitions	Business Combination	Depreciation	Others	Ending
Land	₩	61,959	10	-	(1,286)	(3,957)	56,726
Buildings and structures		196,076	11,182	188	(53,040)	(2,378)	152,028
Machinery and equipment		242,908	89	-	(21,243)	(8,532)	213,222
Vehicles		9,205	4,416	39	(3,448)	(1,104)	9,108
Ships		160,002	-	-	(12,037)	-	147,965
Others		15,532	398	193	(3,575)	(1,298)	11,250
	₩	685,682	16,095	420	(94,629)	(17,269)	590,299

2) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Depreciation	Others	Ending
Land	₩	52,186	-	6,157	(1,124)	4,740	61,959
Buildings		236,687	16,465	525	(62,475)	4,874	196,076
Machinery and equipment		224,120	2,171	19,801	(25,042)	21,858	242,908
Vehicles		10,361	3,115	185	(4,977)	521	9,205
Ships		176,687	-	-	(16,685)	-	160,002
Others		12,620	8,924	825	(4,926)	(1,911)	15,532
	₩	712,661	30,675	27,493	(115,229)	30,082	685,682

(c) The amounts recognized in profit or loss related to leases for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

		For the three-month periods ended September 30		For the nine-month periods ended September 30	
(in millions of Won)		2025	2024	2025	2024
Interest on lease liabilities	₩	12,963	12,047	37,993	37,800
Expenses relating to short-term leases		2,949	2,598	8,815	11,839
Expenses relating to leases of low-value assets		1,571	1,560	4,496	5,813
	₩	17,483	16,205	51,304	55,452

12. Intangible Assets

Changes in carrying amounts of intangible assets for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

(a) For the nine-month period ended September 30, 2025

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Amortization	Impairment	Others(*2)	Ending
Goodwill	₩	-	-	39,323	-	-	-	-	39,323
Intellectual property rights		20,663	14	20	-	(4,754)	-	3,116	19,059
Membership(*1)		85,902	-	-	(95)	-	(11)	1,061	86,857
Development expense		69,340	1,051	-	-	(19,742)	-	11,408	62,057
Port facilities usage rights		167,373	-	-	-	(11,100)	-	-	156,273
Construction-in-progress		106,029	90,916	389	(1)	-	-	(14,860)	182,473
Other intangible assets		17,685	1,707	9,605	(5)	(4,963)	-	604	24,633
	₩	466,992	93,688	49,337	(101)	(40,559)	(11)	1,329	570,675

(*1) The useful economic life of membership is indefinite.

(*2) Others represent assets transferred from construction-in-progress to intangible assets, adjustments of foreign currency translation difference and others.

(b) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	15,782	197	-	(235)	(8,581)	-	13,500	20,663
Membership(*1)		85,803	68	-	(64)	-	(11)	106	85,902
Development expense		100,261	5,073	-	(22)	(58,089)	(597)	22,714	69,340
Port facilities usage rights		182,173	-	-	-	(14,800)	-	-	167,373
Construction-in-progress		47,954	95,388	-	(36)	-	-	(37,277)	106,029
Other intangible assets		15,647	926	589	(24)	(6,202)	-	6,749	17,685
	₩	447,620	101,652	589	(381)	(87,672)	(608)	5,792	466,992

(*1) The useful economic life of membership is indefinite.

(*2) Others represent assets transferred from construction-in-progress to intangible assets, adjustments of foreign currency translation difference and others.

13. Other Assets

Details of other assets as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Current			
Advance payments	₩	***60,758***	***22,273***
Prepaid expenses		***129,745***	***122,878***
Others		***637***	***542***
	₩	***191,140***	***145,693***
Non-current			
Long-term advance payments	₩	***128***	***380***
Long-term prepaid expenses		***4,076***	***5,421***
Others		***6,491***	***29,046***
	₩	***10,695***	***34,847***

14. Borrowings

(a) Details of short-term borrowings and current portion of long-term borrowings and others as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)	Lenders	Maturity date	Interest rate (%)		September 30, 2025	December 31, 2024
Short-term borrowings						
Bank overdrafts	JP Morgan	October 1, 2025~ May 20, 2026	3.40 ~ 7.00	₩	40,322	67,328
Short-term borrowings	HSBC and others	October 1, 2025~ September 30, 2026	1.58 ~ 6.50		1,503,951	1,076,198
					1,544,273	1,143,526
Current portion of long-term liabilities						
Current portion of long-term borrowings	POSCO-ASIA	April 28, 2026~ July 12, 2026	3.10~ 5.32		90,374	5,351
Current portion of debentures	Global debentures 9-1st and others	January 12, 2026~ September 16, 2026	1.72 ~ 4.05		1,801,540	2,375,800
Less: Current portion of discount on debentures issued					(1,607)	(2,473)
					1,890,307	2,378,678
				₩	3,434,580	3,522,204

(b) Details of long-term borrowings, excluding current portion and others, as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)	Lenders	Maturity date	Interest rate (%)		September 30, 2025	December 31, 2024
Long-term borrowings	Korea Development Bank and others	November 16, 2026~ July 29, 2035	2.24 ~ 6.02	₩	744,598	840,994
Less: Present value discount Bonds					(5,666)	(7,599)
Debentures	Global debentures 8-2nd and others	January 14, 2027~ January 17, 2033	1.77 ~ 6.38		5,476,160	6,515,000
Less: Discount on debentures issued					(24,770)	(35,793)
				₩	6,190,322	7,312,602

(in millions of Won)	Lenders	Maturity date	Interest rate (%)		September 30, 2025	December 31, 2024
Long-term borrowings	Korea Development Bank and others	November, 2026~ July, 2035	2.24 ~ 6.02	₩	744,598	840,994
Less: Present value discount Bonds					(5,666)	(7,599)
Debentures	Global debentures 8-2nd and others	January, 2027~ January, 2033	1.77 ~ 6.38		5,476,160	6,515,000
Less: Discount on debentures issued					(24,770)	(35,793)
				₩	6,190,322	7,312,602

(c) Details of assets pledged as collateral with regards to the borrowings as of September 30, 2025 are as follows:

(in millions of Won)	Lenders		Book value	Pledged amount
Property, plant and equipment	The Export-Import Bank of Korea and others	₩	614,526	756,770
Trade accounts and notes receivable	Shinhan Card and others		254,462	254,462
		₩	868,988	1,011,232

15. Other Payables

Details of other payables as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Current			
Accounts payable	₩	***663,528***	***830,852***
Accrued expenses		***727,732***	***800,276***
Lease liabilities		***113,495***	***113,023***
Withholdings		***22,552***	***20,711***
	₩	***1,527,307***	***1,764,862***
Non-current			
Accounts payable	₩	***673***	***1,109***
Accured expenses		***2,445***	***1,848***
Lease liabilities		***533,521***	***632,592***
Long-term withholdings		***924***	***1,314***
	₩	***537,563***	***636,863***

16. Other financial liabilities

Details of other financial liabilities as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***30-Sep-25***	***31-Dec-24***
Current			
Derivative liabilities	₩	***9***	***-***

17. Provisions

(a) Details of provisions as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***		***December 31, 2024***	
		Current	***Non-current***	***Current***	***Non-current***
Provision for bonus payments	₩	***23,147***	***50,689***	***29,274***	***51,143***
Provision for restoration		***12***	***1,020***	***2,977***	***977***
Emission liabilities(*1)		***797***	***-***	***542***	***-***
Provision for product warranties(*2)		***19,303***	***4,154***	***17,844***	***3,599***
Provision for legal contingencies and claims(*3)		***627***	***21,352***	***652***	***32,211***
Others(*4)		***6,150***	***-***	***-***	***-***
	₩	***50,036***	***77,215***	***51,289***	***87,930***

(*1) The Group has recognized liabilities for the amount of greenhouse gas emissions expected to exceed its greenhouse gas allowances allocated free of charge.

(*2) As of September 30, 2025, the Group recognized the claim cost expected to be charged as a provision.

(*3) As of September 30, 2025, the Group recognized a provision for litigation regarding the litigation cases pending.

(*4) As of September 30, 2025, the Group recognized the expected sales incentives payable to customers as a provision.

17. Provisions (cont'd)

(b) Changes in provisions for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)		***Beginning***	***Increase***	***Utilization***	***Reversal***	***Others***	***Ending***
Provision for bonus payments	₩	***80,417***	***23,111***	***(28,798)***	***(468)***	***(426)***	***73,836***
Provision for restoration		***3,954***	***138***	***(3,100)***	***-***	***40***	***1,032***
Emission liabilities		***542***	***296***	***(41)***	***-***	***-***	***797***
Provision for product warranties		***21,443***	***12,493***	***(10,522)***	***-***	***43***	***23,457***
Provision for legal contingencies and claims		***32,863***	***710***	***(687)***	***(10,859)***	***(48)***	***21,979***
Others		***-***	***6,290***	***-***	***-***	***(140)***	***6,150***
	₩	***139,219***	***43,038***	***(43,148)***	***(11,327)***	***(531)***	***127,251***

2) For the year ended December 31, 2024

(in millions of Won)		***Beginning***	***Increase***	***Utilization***	***Reversal***	***Business Combination***	***Others***	***Ending***
Provision for bonus payments	₩	***55,629***	***88,626***	***(37,560)***	***(27,024)***	***105***	***641***	***80,417***
Provision for restoration		***6,362***	***244***	***(1,012)***	***(1,640)***	***-***	***-***	***3,954***
Emission liabilities		***370***	***531***	***(359)***	***-***	***-***	***-***	***542***
Provision for product warranties		***23,780***	***10,572***	***(12,909)***	***-***	***-***	***-***	***21,443***
Provision for legal contingencies and claims		***516***	***32,211***	***(47)***	***-***	***135***	***48***	***32,863***
Others		***-***	***9,237***	***(9,237)***	***-***	***-***	***-***	***-***
	₩	***86,657***	***141,421***	***(61,124)***	***(28,664)***	***240***	***689***	***139,219***

18. Employee Benefits

(a) Defined contribution plans

The expenses related to post-employment benefit plans under defined contribution plans for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2025	2024	2025	2024
Expense related to post-employment benefit plans under defined contribution plans	₩ 14,020	12,741	42,411	38,862

(b) Defined benefit plans

1) The amounts recognized in relation to net defined benefit assets in the consolidated statements of financial position as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		September 30, 2025	December 31, 2024
Present value of funded obligations	₩	1,461,168	1,473,467
Fair value of plan assets(*1)		(1,627,890)	(1,717,646)
Present value of non-funded obligations		18,746	26,171
Net defined benefit assets	₩	(147,976)	(218,008)

(*1) As of September 30, 2025 and December 31, 2024, the Company recognized net defined benefit assets amounting to ₩188,504 million and ₩242,940 million respectively, since there are consolidated entities whose fair value of plan assets exceeded the present value of defined benefit obligations.

18. Employee Benefits (cont'd)

2) Changes in present values of defined benefit obligations for each of the nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***September 30, 2024***
Defined benefit obligation at the beginning of period	***₩***	***1,499,638***	***1,383,973***
Current service costs		***105,610***	***101,556***
Interest costs		***37,328***	***39,040***
Remeasurement		***2,607***	***414***
Benefits paid		***(165,245)***	***(144,820)***
Business combination		***1,771***	***-***
Others		***(1,795)***	***401***
Defined benefit obligation at the end of period	***₩***	***1,479,914***	***1,380,564***

3) Changes in fair values of plan assets for each of the nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***September 30, 2024***
Fair value of plan assets at the beginning of period	***₩***	***1,717,646***	***1,681,398***
Interest on plan assets		***45,710***	***51,203***
Remeasurement of plan assets		***2,212***	***9,727***
Contributions to plan assets		***4,301***	***58,598***
Benefits paid		***(142,467)***	***(119,728)***
Business combination		***1,764***	***-***
Others		***(1,276)***	***(279)***
Fair value of plan assets at the end of period	***₩***	***1,627,890***	***1,680,919***

4) The amounts related to the defined benefit plan recognized in the consolidated statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

		For the three-month periods ended September 30		***For the nine-month periods ended September 30***	
(in millions of Won)		***2025***	***2024***	***2025***	***2024***
Current service costs	***₩***	***35,009***	***34,022***	***105,610***	***101,556***
Net interest costs		***(3,403)***	***(4,472)***	***(8,382)***	***(12,163)***
	₩	***31,606***	***29,550***	***97,228***	***89,393***

19. Other Liabilities

Details of other liabilities as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Current			
Advances received	₩	***43,852***	***60,132***
Unearned revenue		***57,620***	***81,086***
Withholdings		***66,665***	***72,745***
Others		***33***	***45***
	₩	***168,170***	***214,008***
Non-current			
Unearned revenue	₩	***315***	***1,380***
Others		***29***	***92***
	₩	***344***	***1,472***

20. Financial Instruments

(a) Classification and fair value of financial instruments

1) The carrying amounts and the fair values of financial assets and financial liabilities by fair value hierarchy as of September 30, 2025 and December 31, 2024 are as follows:

① September 30, 2025

(in millions of Won)			Fair value			
		Book value	Level 1	Level 2	Level 3	Total
Financial assets						
Fair value through profit or loss						
Derivative assets	₩	*357,070*	*-*	*357,070*	*-*	*357,070*
Short term financial instruments		*459,070*	*-*	*459,070*	*-*	*459,070*
Long term financial instruments		*185*	*-*	*185*	*-*	*185*
Equity securities		*35,469*	*-*	*-*	*35,469*	*35,469*
Other securities		*10,068*	*-*	*-*	*10,068*	*10,068*
Fair value through other comprehensive income						
Equity securities		*653,509*	*607,068*	*-*	*46,441*	*653,509*
*Financial assets measured at amortized cost(*1)*						
Cash and cash equivalents		*2,418,428*	*-*	*-*	*-*	*-*
Trade accounts and notes receivable		*4,780,199*	*-*	*-*	*-*	*-*
Other receivables		*692,628*	*-*	*-*	*-*	*-*
Debt securities		*696,964*	*-*	*-*	*-*	*-*
Deposit instruments		*2,427,768*	*-*	*-*	*-*	*-*
	₩	*12,531,358*	*607,068*	*816,325*	*91,978*	*1,515,371*
Financial liabilities						
Fair value through profit or loss						
Derivative liabilities	₩	9	-	9	-	9
*Financial liabilities measured at amortized cost(*1)*						
Trade accounts and notes payable		*3,311,815*	*-*	*-*	*-*	*-*
Borrowings		*9,624,902*	*-*	*9,858,432*	*-*	*9,858,432*
Others		*1,572,275*	*-*	*-*	*-*	*-*
	₩	*14,509,001*	*-*	*9,858,441*	*-*	*9,858,441*

(*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

20. Financial Instruments (cont'd)

② December 31, 2024

(in millions of Won)		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets						
Fair value through profit or loss						
Derivative assets	₩	754,894	-	754,894	-	754,894
Short term financial instruments		413,976	-	413,976	-	413,976
Long term financial instruments		213	-	213	-	213
Debt securities		3,217	-	-	3,217	3,217
Equity securities		35,541	-	-	35,541	35,541
Other securities		10,091	-	-	10,091	10,091
Fair value through other comprehensive income						
Equity securities		432,877	385,750	-	47,127	432,877
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,435,951	-	-	-	-
Trade accounts and notes receivable		4,867,571	-	-	-	-
Other receivables		753,880	-	-	-	-
Debt securities		400,000	-	-	-	-
Deposit instruments		2,977,524	-	-	-	-
	₩	13,085,735	385,750	1,169,083	95,976	1,650,809
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	4,186,525	-	-	-	-
Borrowings		10,834,806	-	11,032,896	-	11,032,896
Others		2,178,243	-	-	-	-
	₩	17,199,574	-	11,032,896	-	11,032,896

(*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

20. Financial Instruments (cont'd)

2) Details of contingent liabilities on outstanding guarantees provided by the Group as of September 30, 2025 are as follows:

(in millions of Won)

Guarantor	Guarantee beneficiary	Financial institution	Guarantee limit		Guarantee amount	
			Foreign currency	Won equivalent	Foreign currency	Won equivalent
[The company]						
	POSCO ASSAN TSTSTEEL INDUSTRY Inc.	***Citi***	***USD 42,145,620***	***59,097***	***42,145,620***	***59,097***
		Shinhan Bank	***USD 40,352,190***	***56,582***	***40,352,190***	***56,582***
		Woori Bank	***USD 40,352,190***	***56,582***	***40,352,190***	***56,582***
POSCO STEELEON CO.,LTD.	***Myanmar POSCO C&CCompany, Limited.***	***POSCO Asia Co., Ltd.***	***CNY 121,678,106***	***23,949***	***101,398,422***	***19,957***
[Associates]						
POSCO	***LLP POSUK TITANIUM***	***Shinhan Bank***	***USD 12,750,000***	***17,878***	***12,750,000***	***17,878***
[Others]						
POSCO Maharashtra	***Gail India***	***DB***	***INR 571,403,162***	***9,034***	***571,403,162***	***9,034***
Private Limited	MAHARASHTRA POLLUTION CONTROL BOARD	***HSBC***	***INR 2,500,000***	***40***	***2,500,000***	***40***
	MAHARASHTRA STATEELECTRICITY	***HSBC***	***INR 354,932,264***	***5,611***	***354,932,264***	***5,611***
POSCO COATED STEEL	***AMATA B.GRIMM POWER(RAYONG) 5 LIMITED***	***SC***	***THB 16,114,000***	***701***	***16,114,000***	***701***
(THAILAND) CO., LTD.	***AMATA NATURAL GASDISTRIBUTION COMPANYLI***	***SC***	***THB 38,500,000***	***1,676***	***38,500,000***	***1,676***
	BUREAU OF INDIAN STANDARDS (BIS)	***SC***	***USD 20,000***	***28***	***20,000***	***28***
			USD 135,620,000	190,167	135,620,000	190,167
			THB 54,614,000	***2,377***	***54,614,000***	***2,377***
			CNY 121,678,106	***23,949***	***101,398,422***	***19,957***
			INR 928,835,426	***14,685***	***928,835,426***	***14,685***

20. Financial Instruments (cont'd)

3) Details of finance income and costs by category of financial instruments for each of the nine-month periods ended September 30, 2025 and 2024 are as follows:

① For the nine-month period ended September 30, 2025

(in millions of Won)		Finance income and costs							Other comprehensive income
		Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain on disposal	Dividend income	Others	Total	
Financial assets at fair value through profit or loss	₩	112	(1,990)	-	25,815	-	(62)	23,875	-
Derivative assets		-	(96,601)	-	(58,327)	-	-	(154,928)	-
Financial assets at fair value through other comprehensive income		-	-	-	-	24,747	-	24,747	162,787
Financial assets measured at amortized cost		140,783	-	(125,111)	-	-	(956)	14,716	-
Derivative liabilities		-	-	-	534	-	-	534	-
Financial liabilities measured at amortized cost		(448,057)	-	306,237	-	-	(2,463)	(144,283)	-
	₩	(307,162)	(98,591)	181,126	(31,978)	24,747	(3,481)	(235,339)	162,787

② For the nine-month period ended September 30, 2024

(in millions of Won)		Finance income and costs							Other comprehensive income
		Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Dividend income	Others	Total	
Financial assets at fair value through profit or loss	₩	113	64,356	-	61,936	-	(3,503)	122,902	-
Derivative assets		-	122,112	-	76,643	-	-	198,755	-
Financial assets at fair value through other comprehensive income		-	-	-	-	22,685	-	22,685	43,103
Financial assets measured at amortized cost		125,077	-	88,452	(38)	-	-	213,491	-
Derivative liabilities		-	44,388	-	373	-	-	44,761	-
Financial liabilities measured at amortized cost		(428,155)	-	(232,635)	-	-	118	(660,672)	-
	₩	(302,965)	230,856	(144,183)	138,914	22,685	(3,385)	(58,078)	43,103

20. Financial Instruments (cont'd)

4) Details of finance income and costs by category of financial instruments for each of the three-month periods ended September 30, 2025 and 2024 are as follows:

① For the three-month period ended September 30, 2025

(in millions of Won)	Finance income and costs							Other comprehensive income
	Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Dividend income	Others	Total	
Financial assets at fair value through profit or loss	₩ 37	(657)	-	8,059	-	(23)	7,416	-
Derivative assets	-	254,088	-	(55,284)	-	-	198,804	-
Financial assets at fair value through other comprehensive income	-	-	-	-	4,049	-	4,049	54,572
Financial assets measured at amortized cost	38,564	-	45,640	-	-	2,952	87,156	-
Financial liabilities measured at amortized cost	(140,192)	-	(195,076)	-	-	(852)	(336,120)	-
	₩ (101,591)	253,431	(149,436)	(47,225)	4,049	2,077	(38,695)	54,572

② For the three-month period ended September 30, 2024

(in millions of Won)	Finance income and costs							Other comprehensive income
	Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Dividend income	Others	Total	
Financial assets at fair value through profit or loss	₩ 38	7,017	-	17,662	-	(2,841)	21,876	-
Derivative assets	-	(248,797)	-	64,915	-	-	(183,882)	-
Financial assets at fair value through other comprehensive income	-	-	-	-	3,652	-	3,652	9,777
Financial assets measured at amortized cost	48,708	-	(169,407)	(8)	-	-	(120,707)	-
Derivative liabilities	-	(10,567)	-	-	-	-	(10,567)	-
Financial liabilities measured at amortized cost	(138,326)	-	447,811	-	-	2,192	311,677	-
	₩ (89,580)	(252,347)	278,404	82,569	3,652	(649)	22,049	9,777

(b) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk arising from financial assets and liabilities. The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as of December 31, 2024.

21. Share Capital and Capital Surplus

(a) Details of share capital as of September 30, 2025 and December 31, 2024 are as follows:

(share, in Won)		***September 30, 2025***	***December 31, 2024***
Authorized shares		***200,000,000***	***200,000,000***
Par value	₩	***5,000***	***5,000***
Issued shares		***96,480,625***	***96,480,625***
Shared capital	₩	***482,403,125,000***	***482,403,125,000***

(b) Details of capital surplus as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Share premium	₩	***24,222,056***	***24,222,056***
Other capital surplus		***(1,534,213)***	***(1,516,488)***
	₩	***22,687,843***	***22,705,568***

22. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)		***September 30, 2025***	***December 31, 2024***
Accumulated comprehensive income of investments in associates	₩	***4,732***	***6,977***
Changes in fair value of equity investments at fair value through other comprehensive income		***198,632***	***35,743***
Foreign currency translation differences		***80,835***	***199,346***
	₩	***284,199***	***242,066***

23. Revenue

(a) Details of revenues disaggregated by types of revenue and timing of revenue recognition for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2025	2024	2025	2024
Types of revenue				
Revenue from sales of goods	₩ 10,485,180	10,786,531	31,990,086	32,271,094
Revenue from services	360,404	370,008	1,114,147	1,052,164
Others	35,455	50,332	123,760	164,234
	₩ 10,881,039	11,206,871	33,227,993	33,487,492
Timing of revenue recognition				
Revenue recognized at a point in time	₩ 10,518,353	10,834,378	32,106,992	32,427,783
Revenue recognized over time	362,686	372,493	1,121,001	1,059,709
	₩ 10,881,039	11,206,871	33,227,993	33,487,492

(b) Details of contract assets and liabilities from contracts with customers as of September 30, 2025 and December 31, 2024 are as follows:

(in millions of Won)	September 30, 2025	December 31, 2024
Receivables		
Account receivables	₩ 4,780,199	4,868,903
Contract assets		
Account receivables	6,855	10,265
Contract liabilities		
Advance received	43,703	60,192
Unearned income	57,418	82,467

24. Selling and Administrative Expenses

(a) Other administrative expenses

Details of other administrative expenses for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)		*For the three-month periods ended September 30*		*For the nine-month periods ended September 30*	
		2025	***2024***	***2025***	***2024***
Wages and salaries	₩	***110,554***	***93,651***	***316,587***	***272,222***
Expenses related to post-employment benefits		***6,537***	***6,995***	***20,772***	***22,805***
Other employee benefits		***21,852***	***29,973***	***71,400***	***75,970***
Travel		***4,042***	***2,827***	***11,324***	***9,270***
Depreciation		***15,425***	***13,260***	***46,914***	***39,812***
Amortization		***6,783***	***7,210***	***20,180***	***22,914***
Communication		***2,576***	***2,520***	***7,775***	***7,801***
Electricity		***1,340***	***1,108***	***3,493***	***3,110***
Taxes and public dues		***7,691***	***2,782***	***19,389***	***10,166***
Rental		***15,354***	***15,323***	***55,137***	***51,913***
Repairs		***2,476***	***2,776***	***7,119***	***8,499***
Entertainment		***679***	***683***	***2,098***	***2,255***
Advertising		***14,216***	***12,935***	***39,175***	***38,748***
Research & development		***7,597***	***7,707***	***19,233***	***21,700***
Service fees		***68,059***	***74,511***	***211,512***	***214,141***
Vehicles maintenance		***788***	***606***	***2,902***	***1,938***
Industry associaton fee		***1,596***	***1,702***	***4,803***	***4,110***
Conference		***1,788***	***1,635***	***5,428***	***4,937***
Increase to provisions		***200***	***95***	***200***	***95***
Impairment loss on trade and other receivables		***(1,266)***	***8,859***	***(896)***	***12,558***
Others		***13,267***	***11,953***	***33,855***	***33,960***
	₩	***301,554***	***299,111***	***898,400***	***858,924***

24. Selling and Administrative Expenses (cont'd)

(b) Selling expenses

Details of selling expenses for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

		For the three-month periods ended September 30		For the nine-month periods ended September 30	
(in millions of Won)		**2025**	**2024**	**2025**	**2024**
Freight and custody expenses	₩	***47,884***	***45,361***	***134,754***	***125,238***
Operating expenses for distribution center		***1,238***	***1,849***	***3,930***	***4,297***
Sales commissions		***27,853***	***18,990***	***77,952***	***67,015***
Sales advertising		***341***	***1,502***	***749***	***1,860***
Sales promotion		***1,794***	***961***	***5,341***	***3,032***
Sample		***255***	***539***	***880***	***1,326***
Sales insurance premium		***28***	***2,019***	***5,659***	***5,808***
Sales order acquisition Expenses		***(8)***	***179***	***755***	***396***
Others		***3,862***	***2,728***	***10,578***	***6,877***
	₩	***83,247***	***74,128***	***240,598***	***215,849***

25. Finance Income and Costs

Details of finance income and costs for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)		For the three-month periods ended		For the nine-month periods ended	
		2025	2024	2025	2024
Finance income					
Interest income(*1)	₩	38,566	48,746	140,895	125,190
Gain on foreign currency transactions		129,553	129,949	350,936	351,850
Gain on foreign currency translations		(154,494)	370,126	335,620	565,319
Gain on transactions of derivatives		-	64,915	534	79,988
Gain on valuation of derivatives		16	(252,507)	70	173,357
Gain on disposal of financial assets at fair value through profit or loss		8,061	44,277	25,818	61,939
Gain on valuation of financial assets at fair value through profit or loss		(1,167)	7,017	1,655	64,356
Others		4,050	(22,834)	24,749	23,105
	₩	24,585	389,689	880,277	1,445,104
Finance costs					
Interest expenses	₩	140,156	138,326	448,057	428,155
Loss on foreign currency transactions		102,700	145,037	363,180	369,502
Loss on foreign currency translations		21,796	76,634	142,250	691,850
Loss on transactions of derivatives		55,284	-	58,327	2,971
Loss on valuation of derivatives		(254,073)	6,857	96,670	6,857
Loss on valuation of financial assets at fair value through profit or loss		(509)	-	3,646	3
Others		(2,074)	785	3,485	3,845
	₩	63,280	367,639	1,115,615	1,503,183

(*1) Interest income calculated using the effective interest method for each of the nine-month periods ended September 30, 2025 and 2024 is ₩135,973 million and ₩111,542 million, respectively.

26. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Won)		For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2025	2024	2025	2024
Other non-operating income					
Gain on disposals of assets held for sale	₩	1,524	705	1,524	705
Gain on disposals of investment in subsidiaries, associates and joint ventuere		-	-	118	-
Gain on disposals of property, plant and equipment		6,672	1,312	24,113	8,776
Gain on disposals of emission rights		-	(13,343)	-	-
Reversal of other provisions		-	-	-	1,640
Gain on insurance settlement		8,492	175	9,998	569
Others		7,345	2,937	26,927	24,070
	₩	24,033	(8,214)	62,680	35,760
Other non-operating expenses					
Loss on disposals of property, plant and equipment	₩	31,310	25,426	81,832	103,011
Impairment loss on property, plant and equipment		(2)	121,116	66,178	180,546
Impairment loss on intangible assets		-	-	11	11
Idle tangible asset expenses		1,290	(444)	3,652	1,735
Donations		25,201	5,246	47,772	34,168
Other bad debt expense		618	1039	1427	5441
Others		4,720	2,365	14,279	16,305
	₩	63,137	154,748	215,151	341,217

27. Expenses by Nature

Expenses that are recorded by nature as cost of sales, selling and administrative expenses and other non-operating expenses in the consolidated statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows (excluding finance costs and income tax expense):

(in millions of Won)		For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2025	2024	2025	2024
Raw material used, changes in inventories and others	₩	6,769,678	7,488,616	20,940,207	22,179,710
Employee benefits expenses		777,079	676,306	2,144,021	1,958,502
Outsourced processing cost		828,939	805,572	2,408,089	2,405,401
Electricity and water expenses		210,002	163,394	712,879	534,433
Service fees		99,361	103,115	307,297	298,482
Depreciation(*1)		704,395	681,680	2,124,904	2,026,101
Amortization		13,409	24,179	40,559	73,825
Freight and custody expenses		355,470	394,020	1,094,828	1,138,773
Sales commissions		27,853	18,990	77,952	67,015
Loss on disposal of property, plant and equipment		31,310	25,426	81,832	103,011
Impairment loss on property, plant and equipment		-	121,116	66,178	180,546
Impairment loss on intangible assets		-	-	11	11
Donations		25,202	5,245	47,772	34,168
Other expenses		412,910	376,761	1,587,673	1,498,405
	₩	10,255,608	10,884,420	31,634,202	32,498,383

(*1) Including depreciation of investment properties.

28. Income Taxes

Income tax expenses were calculated by adjusting deferred tax expenses (benefits) due to the accrual and reversal of temporary differences in current tax expenses and income tax expenses (benefits) related to items not recognized in profit or loss. The effective tax rates of the Group for each of the nine-month periods ended September 30, 2025 and 2024 are 25.37% and 25.54%, respectively.

29. Earnings Per Share

Details of basic earnings per share for each of the three-month and nine-month periods ended September 30, 2025 and 2024 are as follows:

(in Won, except share information)		*For the three-month periods ended September 30*		*For the nine-month periods ended September 30*	
		2025	***2024***	***2025***	***2024***
Profit attributable to controlling interest	₩	***475,895,797,567***	***257,353,056,763***	***1,077,880,787,126***	***785,379,285,622***
Weighted-average number of common shares outstanding(*1)		***96,480,625***	***96,480,625***	***96,480,625***	***96,480,625***
Basic earnings per share	₩	***4,933***	***2,667***	***11,172***	***8,140***

(*1) The weighted-average number of common shares used to calculate basic earnings per share is as follows:

(shares)	*For the three-month periods ended September 30*		*For the nine-month periods ended September 30*	
	2025	***2024***	***2025***	***2024***
Total number of common shares issued	***96,480,625***	***96,480,625***	***96,480,625***	***96,480,625***
Weighted-average number of common shares outstanding	***96,480,625***	***96,480,625***	***96,480,625***	***96,480,625***

The Group does not have any dilutive potential common shares as of September 30, 2025 and 2024, so diluted earnings per share are the same as basic earnings per share.

30. Related Party Transactions

(a) Details of the Group's related parties as of September 30, 2025 are as follows:

	Company
The parent company	***POSCO HOLDINGS INC.***
Associates(*1)	***DAEHO GLOBAL MANAGEMENT CO., LTD., Pohang Special Welding Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., LLP POSUK TITANIUM, POSCO SUZHOU PROCESSING CENTER CO.,LTD, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER, ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, M RES NSW HCC II Pty Ltd, POS-SeAH Steel Wire (Thailand) Co., Ltd. and others***
Other related parties(*2)	***POSCO Eco & Challenge Co., Ltd., POSCO DX, POSCO WIDE Co., Ltd., POSCO FUTURE M CO., LTD., POSCO FLOW CO., LTD., SNNC, POSCO Mobility Solution Corporation, POSCO INTERNATIONAL Corporation, POSCO Canada Ltd., POSCO(Guangdong) Automotive Steel Co., Ltd., POSCO VST CO., LTD., POSCO INTERNATIONAL SINGAPORE PTE LTD., Roy Hill Holdings Pty Ltd, POSCO Asia CO., LTD., POSCO-China Holding Corp., and others***

(*1) For the nine-month period ended September 30, 2025,the Group classified its investments in SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., associate, as assets held for sale after deciding to dispose of the entity.

(*2) Other related parties are the subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

30. Related Party Transactions (cont'd)

(b) Details of significant transactions with the Group's related parties for each of the nine-month periods ended September 30, 2025 and 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)		Sales and others(*1)		Purchase and others(*2)			
		Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company							
POSCO HOLDINGS INC.(*3)	₩	21,157	812	-	89	-	641,997
Associates and joint ventures							
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		38,981	-	4	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd		155,756	163	854	-	-	413
POSCO INTERNATIONAL INDIA E-MOBILITY		39,117	-	-	-	-	-
POS-SeAH Steel Wire (Thailand) Co., Ltd.		16,931	-	64	-	-	-
Others		1,577	1,674	417	-	-	-
		252,362	1,837	1,339	-	-	413
Other related party							
POSCO Eco & Challenge Co., Ltd.		99,824	25	-	386,131	112	15,222
POSCO DX (*4)		13,714	17	2,055	214,768	49,227	156,432
POSCO WIDE Co., Ltd.		11,533	42	505	946	20,807	39,155
POSCO FUTURE M CO., LTD.		417,640	166	458,135	4,939	197,993	1,326
POSCO FLOW CO., LTD.(*5)		10,087	-	489,816	38	6,054	868,776
SNNC		14,241	4	231,615	701	1,402	-
POSCO Mobility Solution Corporation		629,924	-	11,986	449	12,717	982
POSCO INTERNATIONAL Corporation(*6)		8,376,469	5	2,508,920	-	1,797	46,948
POSCO(Guangdong) Automotive Steel Co.,Ltd		143,453	-	4,366	-	-	-
POSCO VST CO., LTD.		216,215	-	8,645	-	-	20
POSCO INTERNATIONAL SINGAPORE PTE LTD.		14,973	9	1,198,517	-	-	-
Roy Hill Holdings Pty Ltd		-	-	1,102,161	-	-	-
Others		780,315	1,872	599,915	36,619	9,653	176,820
		10,728,388	2,140	6,616,636	644,591	299,762	1,305,681
	₩	11,001,907	4,789	6,617,975	644,680	299,762	1,948,091

(*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties.

(*2) Purchases and others mainly consist of related parties' purchases of construction services and purchases of raw materials to manufacture steel products.

(*3) Others (purchase) mainly consist of dividend, service fees for brand usage and rentals.

(*4) Others (purchase) mainly consist of maintenance expenses for ERP System.

(*5) Others (purchase) mainly consist of freight expenses.

(*6) The purchase of materials consists of swap agreements for LNG purchases in corporation with POSCO INTERNATIONAL Corporation.

30. Related Party Transactions (cont'd)

2) For the nine-month period ended September 30, 2024

(in millions of Won)	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company						
POSCO HOLDINGS INC.(*3)	₩ 18,725	325	-	75	-	1,002,676
Associates and joint ventures						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	34,403	-	782	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	118,446	-	950	-	-	292
POS-SeAH Steel Wire (Thailand) Co., Ltd.	17,545	-	63	-	-	-
Others	1,885	-	406	-	-	-
	172,279	-	2,201	-	-	292
Other related party(*3)						
POSCO Eco & Challenge Co., Ltd.	123,094	3	-	807,046	101	35,657
POSCO DX (formerly, POSCO ICT)(*4)	31,623	63	775	327,714	49,750	148,323
POSCO WIDE Co., Ltd. (formerly, POSCO O&M Co., Ltd.)	11,567	59	575	262	17,894	36,751
POSCO FUTURE M CO., LTD.	397,530	161	414,635	38,926	172,979	12,487
POSCO FLOW CO., LTD.(*5)	11,510	93	532,060	2	10,010	951,497
SNNC	16,131	12	215,278	-	-	19
POSCO Mobility Solution Corporation	600,992	1	4,061	2,594	39,456	501
eSteel4U	442,827	-	116	-	-	236
POSCO INTERNATIONAL Corporation	8,556,964	5	2,680,017	-	753	21,262
POSCO Canada Ltd.	-	1,020	26,700	-	-	-
POSCO Maharashtra Steel Private Limited(*6)	710,991	60	-	-	-	854
POSCO(Guangdong) Automotive Steel Co.,Ltd	201,427	-	2,289	-	-	-
POSCO VST CO., LTD.	151,944	-	2,488	-	-	31
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	2,124	1,346,486	-	-	-
POSCO ASSAN TST STEEL INDUSTRY(*6)	288,183	2,591	-	-	-	-
Roy Hill Holdings Pty Ltd	-	9,680	1,362,453	-	-	-
Others	1,110,637	1,317	626,878	211,581	16,023	108,710
	12,655,420	17,189	7,214,811	1,388,125	306,966	1,316,328
	₩ 12,846,424	17,514	7,217,012	1,388,200	306,966	2,319,296

(*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties.

(*2) The purchases and others mainly consist of related parties' purchases of construction services and purchases of raw materials to manufacture steel products.

(*3) Others (purchase) mainly consist of service fees for brand usage and rentals.

(*4) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(*5) Others (purchase) mainly consist of freight expenses.

(*6) Presenting transactions occurred prior to the Company's acquisition of the entity from POSCO HOLDINGS INC. for the year ended December 31, 2024.

30. Related Party Transactions (cont'd)

(c) Details of the related account balances of material transactions with the Group's related parties as of September 30, 2025 and December 31, 2024 are as follows:

1) September 30, 2025

(in millions of Won)		Receivables			Payables			
		Trade accounts and notes receivable	Others	Total	Trade accounts and notes receivable	Accounts payable	Others	Total
The parent company								
POSCO HOLDINGS INC.	₩	968	48,699	49,667	-	76,756	291,486	368,242
Associates and joint ventures								
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		42	-	42	2	-	-	2
POSCO Vietnam Processing Center. Co.,Ltd		25,306	4	25,310	79	-	124	203
POSCO INTERNATIONAL INDIA E-MOBILITY		16,297	-	16,297	-	-	-	-
POS-SeAH Steel Wire (Thailand) Co., Ltd.		5,599	-	5,599	-	-	-	-
Others		583	42	625	28	-	-	28
		47,827	46	47,873	109	-	124	233
Other related party								
POSCO Eco & Challenge Co., Ltd.		13,950	8	13,958	-	32,297	171	32,468
POSCO DX		2,655	21	2,676	1,336	60,259	19,890	81,485
POSCO WIDE Co., Ltd.		964	1,468	2,432	-	3,753	5,270	9,023
POSCO FUTURE M CO., LTD.		47,811	60,914	108,725	45,279	14,344	24,409	84,032
POSCO FLOW CO., LTD.		1,104	1,201	2,305	109,623	12,057	43,607	165,287
SNNC		2,617	53	2,670	10,655	360	76	11,091
POSCO Mobility Solution Corporation		139,246	15,167	154,413	1,040	288	1,980	3,308
POSCO INTERNATIONAL Corporation		973,192	5,268	978,460	902,275	11,641	3,027	916,943
POSCO(Guangdong) Automotive Steel Co., Ltd.		38,353	-	38,353	283	-	-	283
POSCO VST CO., LTD.		84,187	332	84,519	1,638	-	-	1,638
POSCO INTERNATIONAL SINGAPORE PTE LTD.		14,857	-	14,857	195,595	65	-	195,660
Roy Hill Holdings Pty Ltd		-	-	-	339,025	-	-	339,025
Others		48,561	27,302	75,863	48,000	12,655	15,792	76,447
		1,367,497	111,734	1,479,231	1,654,749	147,719	114,222	1,916,690
	₩	1,416,292	160,479	1,576,771	1,654,858	224,475	405,832	2,285,165

2) December 31, 2024

(in millions of Won)		Receivables			Payables			
		Trade accounts and notes receivable	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
The parent company								
POSCO HOLDINGS INC.	₩	810	41,992	42,802	-	102,621	85,734	188,355
Associates and joint ventures								
POSCO Vietnam Processing Center. Co.,Ltd		16,962	1	16,963	33	-	-	33
POS-SeAH Steel Wire (Thailand) Co., Ltd.		5,097	-	5,097	-	-	-	-
Others		760	33	793	47	-	-	47
		22,819	34	22,853	80	-	-	80
Other related party								
POSCO Eco & Challenge Co., Ltd.		38,130	9	38,139	-	70,431	1,806	72,237
POSCO DX		7,889	49	7,938	286	181,638	26,172	208,096
POSCO WIDE Co., Ltd.		1,342	1,450	2,792	-	6,724	4,664	11,388
POSCO FUTURE M CO., LTD.		53,227	4,770	57,997	43,889	17,221	20,835	81,945
POSCO FLOW CO., LTD.		806	546	1,352	120,986	4,595	43,533	169,114
SNNC		2,318	70	2,388	8,426	1,285	13	9,724
POSCO Mobility Solution Corporation		112,987	-	112,987	693	1,746	5,055	7,494
eSteel4U		107,464	-	107,464	-	-	-	-
POSCO INTERNATIONAL Corporation		959,125	2,647	961,772	1,192,472	6,138	4,330	1,202,940
POSCO(Guangdong) Automotive Steel Co., Ltd.		48,546	-	48,546	378	-	-	378
POSCO VST CO., LTD.		91,390	519	91,909	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	209,202	188	-	209,390
Roy Hill Holdings Pty Ltd		-	2,440	2,440	356,234	25	-	356,259
Others		67,646	32,501	100,147	48,483	44,120	332,072	424,675
		1,490,870	45,001	1,535,871	1,981,049	334,111	438,480	2,753,640
	₩	1,514,499	87,027	1,601,526	1,981,129	436,732	524,214	2,942,075

30. Related Party Transactions (cont'd)

(d) Details of material borrowing transactions with the Group's related parties for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
POSCO Asia CO., LTD.	Short -term borrowings	₩	318,511	143,593	(211,966)	(2,679)	247,459
POSCO-China Holding Corp.	Short -term borrowings		23,197	12,257	(23,197)	-	12,257
		₩	341,708	155,850	(235,163)	(2,679)	259,716

(*1) Others include adjustments of foreign currency translation differences.

2) For the year ended December 31, 2024

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
POSCO Asia CO., LTD.	Short -term borrowings	₩	203,886	268,379	(226,152)	72,398	318,511
POSCO-China Holding Corp.	Short -term borrowings		17,798	93,852	(88,780)	327	23,197
POSCO MPPC S.A. de C.V.	Short -term borrowings		6,785	38,132	(45,216)	299	-
		₩	228,469	400,363	(360,148)	73,024	341,708

(*1) Others include adjustments of foreign currency translation differences.

(e) Details of material loan transactions with the Group's related parties for the nine-month period ended September 30, 2025 and the year ended December 31, 2024 are as follows:

1) For the nine-month period ended September 30, 2025

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
POSCO-China Holding Corp.	Short -term loans	₩	-	5,744	(3,879)	(1,068)	797
POSCO Asia CO., LTD.	Short -term loans		14,700	-	-	(678)	14,022
POSCO E&C India	Short -term loans		608	-	-	(49)	559
		₩	15,308	5,744	(3,879)	(1,795)	15,378

(*1) Others include adjustments of foreign currency translation differences.

30. Related Party Transactions (cont'd)

2) For the year ended December 31, 2024

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related party							
POSCO-India Pune Processing Center. Pvt. Ltd.	Short -term loans	₩	31,069	71,934	(102,926)	(77)	-
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Short -term loans		171	41,327	(41,425)	(73)	-
POSCO-China Holding Corp.	Short -term loans		308	34,602	(31,088)	(3,822)	-
POSCO Asia CO., LTD.	Short -term loans		-	27,767	(14,073)	1,006	14,700
POSCO E&C India	Short -term loans		-	586	-	22	608
		₩	31,548	176,216	(189,512)	(2,944)	15,308

(*1) Others include adjustments of foreign currency translation differences.

(f) Guarantees provided for the related parties

As of September 30, 2025, the Group has entered into a financial guarantee contract for its related parties (see Note 20-(a)-2).

(g) Guarantees provided from the related parties

As of September 30, 2025, POSCO ASSAN TST STEEL INDUSTRY Inc. has received a payment guarantee from POSCO INTERNATIONAL Corporation, other related party, in connection with its borrowings.

(h) The Group acquired equity and the steel scrap business segment from other related party for the nine-month periods ended September 30, 2025 (see Notes 1 and 34).

30. Related Party Transactions (cont'd)

(i) For each of the nine-month periods ended September 30, 2025 and 2024, details of compensations to key management officers are as follows:

(in millions of Won)		***September 30, 2025***	***September 30, 2024***
Short-term benefits	₩	***48,979***	***45,079***
Long-term benefits		***998***	***300***
Post-employment		***6,297***	***10,766***
	₩	***56,274***	***56,145***

Key management officers include directors (including non-standing directors), executive officials and fellow officials who have material influences and responsibilities in the Group's business and operations.

31. Commitments and Contingencies

(a) Key commitments

Details of key commitments of the Group as of September 30, 2025 are as follows:

Company	Description
POSCO	***The Company entered into long-term contracts to purchase iron ore, coal, nickel and others. The contracts of iron ore and coal generally have terms of more than two years and three years, respectively, and the contracts of nickel have terms of more than one year. These contracts provide for periodic price adjustments based on the market price. As of September 30, 2025, 51 million tons of iron ore and 15 million tons of coal remain to be purchased under such long-term contracts.*** ***The Company entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia. The contractual volume is 550,000 tons per year for 20 years of contract period from August 2005 and 120,000 tons per year for the contract period from September 2025 to December 2026. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling.*** ***The Company entered into a consecutive voyage charter (CVC) contract for the transportation of raw materials. As of September 30, 2025, there are 32 vessels under contract and the average remaining contract period is about 6 years.*** ***The Company entered into an agreement (LNG SPA) with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The purchase price is subject to change based on changes of U.S. Henry Hub Natural Gas Spot Price. The Company has extension option of extending the purchase contract by five years.*** ***As September 30, 2025, the Company has entered into Supplier finance agreements which have a limit of USD 1,270 million with five financial institutions including SMBC***

(b) Commitments for acquisition of assets

As of September 30, 2025, the commitments for the acquisition of property, plant and equipment and intangible assets that have not yet occurred are as follows.

31. Commitments and Contingencies(cont'd)

(in millions of Won)		***Amount***
Property, plant and equipment	₩	***2,383,060***
Intangible assets		***2,720***
	₩	***2,385,780***

(c) Supplier finance arrangements

As of September 30, 2025 and December 31, 2024, the carrying amounts of financial liabilities related to supplier finance arrangements entered into by the Group are as follows. There were no significant non-cash changes in the carrying amounts of trade payables and other payables that are part of the supplier finance arrangements.

(in millions of Won)		***September 30, 2025***	***September 30, 2024***
Trade payables	₩	***568,591***	***875,915***
Other payables		***131,394***	***210,996***
	₩	***699,985***	***1,086,911***

(d) Litigation in progress

As of September 30, 2025, the Group is involved in 210 lawsuits collectively amounting to ₩501.6 billion as defendant. The Group has recognized provisions for certain lawsuits and claims and believes that it has a present obligation since it is probable that an outflow of resources embodying economic benefits will be required.

(e) The Company was spun off from POSCO HOLDINGS INC. and newly incorporated on March 1, 2022, and is jointly liable for the liabilities of POSCO HOLDINGS INC. under Article 530(9)(1) of the Commercial Act of the Republic of Korea.

(f) POSCO Stainless Precision & Processing entered into a business transfer agreement with POSCO Mobility Solution Corporation in August 2025 to strengthen its domestic STS business. The total investment amount committed is ₩ 256,036 million, and the transfer of assets, including facilities, is scheduled to be completed in 2026.

32. Statements of Cash Flows

Changes in operating assets and liabilities for each of the nine-month periods ended September 30, 2025 and 2024 are as follows:

(in millions of Korean Won)		***September 30 2025***	***September 30, 2024***
Trade accounts and notes receivable	₩	***42,051***	***298,081***
Other receivables		***87,037***	***(193,397)***
Inventories		***682,355***	***208,402***
Other current assets		***(35,424)***	***(36,044)***
Other non-current assets		***83,817***	***46,126***
Trade accounts and notes payable		***(851,746)***	***(143,032)***
Other payables		***(64,105)***	***(34,911)***
Other current liabilities		***(51,504)***	***48,634***
Provisions		***(21,036)***	***(15,489)***
Payments of post-employment benefits		***(165,245)***	***(144,820)***
Plan assets		***138,166***	***61,129***
Other non-current liabilities		***(17,553)***	***(27,028)***
	₩	***(173,187)***	***67,651***

(in millions of Won)		***September 30 2025***	***September 30, 2024***
Trade accounts and notes receivable	₩	***42,051***	***298,081***
Other receivables		***87,037***	***(193,397)***
Inventories		***682,355***	***208,402***
Other current assets		***(35,424)***	***(36,044)***
Other non-current assets		***83,817***	***46,126***
Trade accounts and notes payable		***(851,746)***	***(143,032)***
Other payables		***(64,105)***	***(34,911)***
Other current liabilities		***(51,504)***	***48,634***
Provisions		***(21,036)***	***(15,489)***
Payments of severance benefits		***(165,245)***	***(144,820)***
Plan assets		***138,166***	***61,129***
Other non-current liabilities		***(17,553)***	***(27,028)***
	₩	***(173,187)***	***67,651***

33.Operating Segments

The information on each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker. Operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about

resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group is organized of a single segment, the steel segment.

34. Business Combination

(a) Overview of business combination

On May 16, 2025, the Group acquired the domestic scrap metal business's property, plant and equipment and intangible assets of POSCO International, as well as its equity interest in Pohang Scrap Recycling Distribution Center Co., Ltd. The purpose of this business combination is to strengthen purchasing competitiveness through the acquisition of the domestic scrap metal business operations.

On July 31, 2025, the Group acquired 100% of equity interest in CHEMGAS KOREA CO.,LTD. The purpose of this business combination is to secure a business platform for promoting the semiconductor specialty gas business.

On August 22, 2025, the Group acquired 61.12% of equity interest in eSteel4U from POSCO International. The purpose of this business combination is to reinforce leadership in the domestic distribution market.

	Acquisition date of control	***Acquired voting equity interest***
Pohang Scrap Recycling Distribution Center Co., Ltd.	May 16, 2025	51.00
CHEMGAS KOREA CO.,LTD.	July 31, 2025	100.00
eSteel4U	August 22, 2025	61.12

(b) Accounting for business combinations

Business combinations involving Pohang Scrap Recycling Distribution Center Co., Ltd. and eSteel4U are business combinations under common control. Accordingly, the assets acquired from and liabilities assumed by POSCO International have been recognized at their carrying amounts in the consolidated financial statements of the ultimate parent company. The difference between the consideration transferred and the carrying amount of the net assets acquired has been adjusted to capital surplus.

34. Business Combination (cont'd)

The business combination involving CHEMGAS KOREA CO.,LTD. is the business combination from an external party, and the difference between the consideration transferred and the carrying amounts of the net assets acquired was recognized as goodwill.

1) Pohang Scrap Recycling Distribution Center Co., Ltd. and Scrap metal business of POSCO International

(in millions of Won)		***Amount***
Consideration transferred		
Cash	₩	***25,915***
	₩	***25,915***
Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	₩	***1,550***
Inventories		***9,491***
Property, plant and equipment		***15,675***
Other assets		***2,249***
Borrowings		***(3,500)***
Other liabilities		***(572)***
	₩	***24,893***
Equity arising from the business combination		
Capital surplus	₩	***(5,453)***
Non-controlling interests		***4,431***
		(1,022)

34. Business Combination(cont'd)

2) CHEMGAS KOREA CO.,LTD.

(in millions of Won)		***Amount***
Consideration transferred		
Cash	₩	***68,942***
	₩	***68,942***
Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	₩	***1,940***
Trade accounts and notes receivable		***2,697***
Inventories		***1,804***
Property, plant and equipment		***31,577***
Intangible assets		***4,979***
Other assets		***1,115***
Trade accounts and notes payable		***(447)***
Borrowings		***(10,800)***
Deferred tax liabilities		***(1,035)***
Other liabilities		***(2,211)***
	₩	***29,619***
Equity arising from the business combination		
Goodwill	₩	***39,323***
		39,323

34. Business Combination (cont'd)

3) eSteel4U

(in millions of Won)		***Amount***
Consideration transferred		
Cash	₩	***4,331***
	₩	***4,331***
Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	₩	***74,422***
Trade accounts and notes receivable		***2,928***
Inventories		***65,207***
Property, plant and equipment		***306***
Intangible assets		***5,035***
Other assets		***3,171***
Trade accounts and notes payable		***(149,290)***
Other liabilities		***(9,679)***
	₩	***(7,900)***
Equity arising from the business combination		
Capital surplus	₩	***(11,161)***
Non-controlling interests		***(1,070)***
		(12,231)

(c) Effects of the business combination on profit or loss

The profit of Pohang Scrap Recycling Distribution Center Co., Ltd. has been included in the consolidated financial performance only for the period after the acquisition date. The revenue and net loss of Pohang Scrap Recycling Distribution Center Co., Ltd. for the nine-month period ended September 30, 2025 after the acquisition date amounts to ₩3,172 million and ₩449 million, respectively. If Pohang Scrap Recycling Distribution Center Co., Ltd. had been consolidated from January 1, 2025, the consolidated statement of comprehensive income would have included revenue of ₩5,436 million and net income of ₩407 million

34. Business Combination (cont'd)

The profit of CHEMGAS KOREA CO.,LTD. has been included in the consolidated financial performance only for the period after the acquisition date. The revenue and net income of CHEMGAS KOREA CO.,LTD. for the nine-month period ended September 30, 2025 after the acquisition date amounts to ₩4,464 million and ₩1,251 million, respectively. If CHEMGAS KOREA CO.,LTD. had been consolidated from January 1, 2025, the consolidated statement of comprehensive income would have included revenue of ₩18,793 million and net income of ₩3,371 million.

The profit of eSteel4U has been included in the consolidated financial performance only for the period after the acquisition date. The revenue and net income of eSteel4U for the nine-month period ended September 30, 2025 after the acquisition date amounts to ₩64,691 million and ₩ 596 million, respectively. If eSteel4U had been consolidated from January 1, 2025, the consolidated statement of comprehensive income would have included revenue of ₩433,759 million and net loss of ₩8,792 million.

35. Uncertainty in Estimates Due to Imposition of Tariffs by the United States

In June 2025, the U.S. government announced an executive order imposing a 50% tariff on all steel and aluminum products imported to the U.S., effective from June 4, 2025. This tariff imposition introduces uncertainty in the estimation of financial statements.

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Independent auditor's report

(English translation of a report originally issued in Korean)

The Shareholders and Board of Directors
POSCO

Opinion

We have audited the consolidated financial statements of POSCO and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

Basis for opinion

We conducted our audit in accordance with Korean Standards on Auditing("KSA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The consolidated financial statements of the Group for the year ended December 31, 2023 were audited by KPMG Samjong Accounting Corp. in accordance with KSA, whose audit report dated March 12, 2024 expressed an unqualified opinion thereon.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Seoul, Korea

March 12, 2025

This audit report is effective as of the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

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Independent Auditors' Report

The Board of Directors and Shareholder
POSCO:

Opinion

We have audited the consolidated financial statements of POSCO and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Korean International Financial Reporting Standards ("K-IFRS").

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with K-IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

KPMG Samjong Accounting Corp.

Seoul, Korea
March 12, 2024

This report is effective as of March 12, 2024, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

POSCO and its subsidiaries

Consolidated statements of financial position

as of December 31, 2024 and 2023

(in millions of Won)

	Notes		December 31, 2024	December 31, 2023
Assets				
Cash and cash equivalents	4,5,21	₩	2,435,951	2,426,344
Trade accounts and notes receivable, net	6,15,21,24		4,868,534	5,600,881
Other receivables, net	7,21		863,292	531,514
Other short-term financial assets	8,21,34		4,092,620	5,216,059
Inventories	9,29		9,447,667	8,547,046
Current income tax assets			44,881	18,411
Other current assets	14		145,693	145,873
Total current assets			21,898,638	22,486,128
Long-term trade accounts and notes receivable, net	6,21,24		10,634	25,278
Other receivables, net	7,21		333,589	154,401
Other long-term financial assets	8,21,34		935,714	540,171
Investments in subsidiaries, associates and joint ventures	10		70,599	74,974
Investment property, net	11		55,062	80,546
Property, plant and equipment, net	12		25,195,316	23,601,579
Intangible assets, net	13		466,992	447,620
Defined benefit assets, net	19		242,940	324,232
Deferred tax assets	30		2,168,515	2,142,437
Other non-current assets	14		34,847	56,930
Total non-current assets			29,514,208	27,448,168
Total assets		₩	51,412,846	49,934,296

(continued)

(in millions of Won)

	Notes		December 31, 2024	December 31, 2023
Liabilities				
Trade accounts and notes payable	21,34	₩	4,186,525	3,334,297
Short-term borrowings and current installments of long-term borrowings	4,6,15,21,34		3,522,204	3,009,380
Other payables	16,21,34		1,764,862	1,712,172
Other short-term financial liabilities	17,21,34		-	769
Current income tax liabilities			205,096	107,089
Provisions	18		51,289	52,902
Other current liabilities	20,24		214,009	132,269
Total current liabilities			9,943,985	8,348,878
Long-term borrowings, excluding current installments	4,15,21		7,312,602	7,956,334
Other payables	16,21,34		636,863	633,130
Other long-term financial liabilities	17,21,34		-	56,076
Defined benefit liabilities, net	19		24,932	26,807
Deferred tax liabilities	30		37,664	26,696
Long-term provisions	18		87,930	33,755
Other non-current liabilities	20		1,471	1,651
Total non-current liabilities			8,101,462	8,734,449
Total liabilities			18,045,447	17,083,327
Equity				
Share capital	22		482,403	482,403
Capital surplus	22		22,705,568	22,659,008
Accumulated other comprehensive income	23		242,066	(22,112)
Retained earnings			8,955,007	8,753,924
Equity attributed to owners of the controlling company			32,385,044	31,873,223
Non-controlling interests			982,355	977,746
Total equity			33,367,399	32,850,969
Total liabilities and equity		₩	51,412,846	49,934,296

The accompanying notes are an integral part of the consolidated financial statements.

POSCO and its subsidiaries

Consolidated statements of comprehensive income

for each of the two years in the period ended December 31, 2024

(in millions of Won, except per share informations)	Notes		2024	2023
Revenue	24,32,35	₩	44,644,092	43,135,165
Cost of sales	9,19,26,29,32		(41,410,019)	(39,418,306)
Gross profit			3,234,073	3,716,859
Selling and administrative expenses				
Other administrative expenses	19,25,26,29		(1,175,517)	(1,136,256)
Selling expenses	25,29		(326,403)	(275,278)
Operating profit			1,732,153	2,305,325
Share of profit of equity-accounted investees, net			(11,913)	(379)
Finance income and costs	21,27			
Finance income			2,407,217	1,277,946
Finance costs			(2,532,258)	(1,338,186)
Other non-operating income and expenses				
Other non-operating income	28		208,453	111,828
Other non-operating expenses	28,29		(430,413)	(429,879)
Profit before income tax			1,373,239	1,926,655
Income tax expense	30		(294,495)	(504,443)
Profit			1,078,744	1,422,212
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurements of defined benefit plans	19		(67,764)	(27,450)
Net changes in fair value of equity investments at fair value through other comprehensive income	21,23		30,687	4,231
Foreign currency translation differences			79,100	(5,618)
Items that are or may be reclassfied subsequently to profit or loss:				
Foreign currency translation differences			223,615	726
Capital adjustment arising from investments in equity-accounted investees	10		6,345	(24,553)
Other comprehensive income, net of tax			271,983	(52,664)
Total comprehensive income		₩	1,350,727	1,369,548
Profit attribute to:				
Owners of the controlling company		₩	1,159,006	1,409,658
Non-controlling interests			(80,262)	12,554
Profit		₩	1,078,744	1,422,212
Total comprehensive income attribute to:				
Owners of the controlling company		₩	1,353,832	1,365,553
Non-controlling interests			(3,105)	3,995
Total comprehensive income		₩	1,350,727	1,369,548
Earnings per share (in Won)	31			
Basic earnings per share (in Won)			12,013	14,579
Diluted earnings per share (in Won)		₩	12,013	14,579

The accompanying notes are an integral part of the consolidated financial statements.

POSCO and its subsidiaries

Consolidated statements of changes in equity

for each of the two years in the period ended December 31, 2024

(in millions of Won)

		Attributable to owners of the controlling company							
		Share capital	Capital surplus	Hybrid bonds	Accumulated other comprehensive income	Retained earnings	Subtotal	Non-cotrolling interests	Total
Balance as of January 1, 2023	₩	482,403	30,314,258	199,384	(2,503)	697,091	31,690,633	522,769	32,213,402
Comprehensive income:									
Profit		-	-	-	-	1,409,658	1,409,658	12,554	1,422,212
Other comprehensive income (loss)									
Remeasurements of defined benefit plans, net of tax		-	-	-	-	(24,494)	(24,494)	(2,956)	(27,450)
Capital adjustment arising from investments in equity-acccounted investees, net of tax		-	-	-	712	-	712	14	726
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	-	4,231	-	4,231	-	4,231
Foreign currency translation differences, net of tax		-	-	-	(24,552)	-	(24,552)	(5,619)	(30,171)
Transactions with owners of the controlling company, recognized directly in equity:									
Year-end dividends		-	-	-	-	(325,043)	(325,043)	(7,184)	(332,227)
Changes due to business combination		-	(630,326)	-	-	-	(630,326)	459,581	(170,745)
Shared based payments		-	(9,137)		-	-	(9,137)	-	(9,137)
Interest of hybrid bonds		-	-	-	-	(4,108)	(4,108)	-	(4,108)
Repayment of hybrid bonds		-	(453)	(199,384)	-	-	(199,837)	-	(199,837)
Share premium transferred to retained earnings		-	(7,000,000)	-	-	7,000,000	-	-	-
Others		-	(15,334)	-	-	821	(14,513)	(1,413)	(15,926)
Balance as of December 31, 2023	₩	482,403	22,659,008	-	(22,112)	8,753,924	31,873,223	977,746	32,850,969

(continued)

POSCO and its subsidiaries

Consolidated statements of changes in equity, Continued

for each of the two years in the period ended December 31, 2024

(in millions of Won)

	Attributable to owners of the controlling company							
	Share capital	Capital surplus	Hybrid bonds	Accumulated other comprehensive income	Retained earnings	Subtotal	Non-cotrolling interests	Total
Balance as of January 1, 2024	₩ 482,403	22,659,008	-	(22,112)	8,753,924	31,873,223	977,746	32,850,969
Comprehensive income:								
Profit	-	-	-	-	1,159,006	1,159,006	(80,262)	1,078,744
Other comprehensive income (loss)								
Remeasurements of defined benefit plans, net of tax	-	-	-	-	(65,741)	(65,741)	(2,023)	(67,764)
Capital adjustment arising from investments in equity-acccounted investees, net of tax	-	-	-	6,265	-	6,265	80	6,345
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	34,298	(3,611)	30,687	-	30,687
Foreign currency translation differences, net of tax	-	-	-	223,615	-	223,615	79,100	302,715
Transactions with owners of the controlling company, recognized directly in equity:								
Year-end dividends	-	-	-	-	(589,786)	(589,786)	(5,828)	(595,614)
Interim dividends	-	-	-	-	(298,222)	(298,222)	-	(298,222)
Changes due to business combination	-	31,787	-	-	-	31,787	16,584	48,371
Shared based payments	-	14,623	-	-	-	14,623	-	14,623
Others	-	150	-	-	(563)	(413)	(3,042)	(3,455)
Balance as of December 31, 2024	₩ 482,403	22,705,568	-	242,066	8,955,007	32,385,044	982,355	33,367,399

The accompanying notes are an integral part of the consolidated financial statements.

(in millions of Won)

	Notes		2024	2023
Cash flows from operating activities				
Profit		₩	1,078,744	1,422,212
Adjustments for :				
Depreciation			2,711,220	2,325,457
Amortization			87,672	91,628
Finance income			(1,847,195)	(680,556)
Finance costs			1,952,401	753,003
Income tax expense			294,495	504,443
Impairment loss on property, plant and equipment			223,849	200,069
Gain on disposal of property, plant and equipment			(11,297)	(22,366)
Loss on disposal of property, plant and equipment			132,495	138,364
Impairment loss on intangible assets			608	4,057
Loss on disposal of intangible assets			256	104
Gain on disposal of intangible assets			-	(368)
Gain on disposal of investment property			-	(17,614)
Share of loss of equity-accounted investees			11,913	379
Gain on disposal of assets held for sale			(4,801)	(13,448)
Expenses related to post-employment benefit			120,012	98,780
Impairment loss on trade and other receivables			6,205	13,442
Loss on valuation of inventories			52,893	58,225
Increase to provisions			51,155	26,365
Gain on disposal of emission rights			-	(25,989)
Gain on insurance claim			(157,282)	(8,122)
Others, net			1,033	(221)
Changes in operating assets and liabilities	34		822,971	(49,429)
Interest received			156,267	189,084
Interest paid			(545,266)	(446,507)
Dividends received			27,770	3,275
Income taxes paid			(205,099)	(98,046)
Net cash provided by operating activities		₩	4,961,019	4,466,221

(continued)

(in millions of Won)

	Notes		2024	2023
Cash flows from investing activities				
Acquisition of short-term financial instruments		₩	(7,231,322)	(29,963,248)
Proceeds from disposal of short-term financial instruments			8,801,721	30,810,806
Increase in loans			(26,194)	(12,686)
Collection of loans			37,203	27,955
Acquisition of securities			(1,013,258)	(570,529)
Proceeds from disposal of securities			904,248	140,075
Proceeds from disposal of long-term financial instruments			(2)	-
Acquisition of investments in associates			-	(12,101)
Acquisition of property, plant and equipment			(3,407,705)	(3,491,413)
Proceeds from disposal of property, plant and equipment			(81,945)	(58,566)
Acquisition of intangible assets			(94,270)	(60,389)
Proceeds from disposal of intangible assets			55	26,780
Proceeds from disposal of assets held for sale			4,836	21,477
Collection of lease receivables			11,632	821
Cash outflows due to business combinations, net of cash acquired			(602,967)	(885,236)
Cash inflow from insurance claim			157,278	8,122
Payment for deposits			(12,657)	(17,268)
Acquisition of deposits			1,595	10,640
Others, net			693	(432)
Net cash used in investing activities		₩	(2,551,059)	(4,025,192)
Cash flows from financing activities	34			
Proceeds from borrowings			4,988,778	4,156,479
Repayment of borrowings			(6,597,355)	(4,136,960)
Payment of cash dividends			(893,835)	(332,225)
Payment of interest of hybrid bonds			-	(4,587)
Repayment of lease liabilities			(107,976)	(47,550)
Decrease in derivatives			177,380	119,550
Repayment of hybrid bonds			-	(200,000)
Increase in security deposits			-	13,793
Others, net			(6,812)	373
Net cash usde in financing activities		₩	(2,439,820)	(431,127)
Effect of exchange rate fluctuation on cash held			39,467	32,687
Net increase in cash and cash equivalents			9,607	42,589
Cash and cash equivalents at beginning of the period	5		2,426,344	2,383,755
Cash and cash equivalents at end of the period	5	₩	2,435,951	2,426,344

The accompanying notes are an integral part of the consolidated financial statements.

1. General Information

The general information about POSCO (the "Company"), the controlling company in accordance with KIFRS 1110, its 11 domestic subsidiaries including POSCO STEELEON CO., Ltd, 26 foreign subsidiaries including POSCO YAMATO VINA STEEL JOINT STOCK COMPANY and its 15 associates is as follows:

(a) The controlling company

POSCO, the controlling company, was newly established with the purpose of production and sales of steel rolled products and plates, upon a vertical spin-off of steel business of POSCO HOLDINGS INC. (“Pre-spin off Company”, known as POSCO before spin-off, the surviving company) on March 1, 2022 (the date of spin-off). As of December 31, 2024, POSCO is wholly owned by POSCO HOLDINGS INC. (100% ownership).

(b) Consolidated subsidiaries

Details of the Group’s consolidated subsidiaries as of December 31, 2024 and 2023 are as follows:

1. General Information (cont'd)

(in millions of Won)

		Ownership (%)						
		December 31, 2024			December 31, 2023			
	Principal operations	POSCO	Subsidiaries	Total	POSCO	Subsidiaries	Total	Region
[Domestic]								
POSCO STEELEON Co., Ltd.(*1)	Coated steel manufacturing	56.87	-	56.87	56.87	-	56.87	Pohang
eNtoB Corporation	Electronic commerce	69.32	-	69.32	69.32	-	69.32	Seoul
POSCO M-TECH(*2, 3)	Packing materials manufacturing and sales	48.85	-	48.85	48.85	-	48.85	Pohang
PNR	Steel by product processing and sales	70.00	-	70.00	70.00	-	70.00	Pohang
POSCO Humans Co.,Ltd.(*6)	Business assistance service	100.00	-	100.00	75.49	0.78	76.27	Pohang
POSCO PS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PH Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO GYS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GYR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GY Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
[Foreign]								
POSCO (Thailand) Company.Ltd	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO-MKPC SDN BHD	Steel processing and sales	70.00	-	70.00	70.00	-	70.00	Malaysia
POSCO-India Private Limited	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	India
POSCO-VIETNAM Co., Ltd.	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Vietnam
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Steel processing and sales	60.00	-	60.00	60.00	-	60.00	Poland
POSCO Thainox Public Company Limited	STS cold-rolled steel manufacturing and sales	74.56	-	74.56	74.56	-	74.56	Thailand
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	Steel processing and sales	90.00	-	90.00	90.00	-	90.00	China
POSCO-Malaysia SDN. BHD.	Steel processing and sales	81.79	-	81.79	81.79	-	81.79	Malaysia
Myanmar POSCO C&C Company,Limited.	Steel processing and sales	-	70.00	70.00	-	70.00	70.00	Myanmar
POSCO COATED STEEL (THAILAND) CO., LTD.	Automotive steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO ChengDu Processing Center(*3)	Steel processing and sales	33.00	-	33.00	33.00	-	33.00	China
POSCO Philippine Manila Processing Center, Inc.	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Philippines
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Turkiye
POSCO BRAZIL LTDA	Office Administration, Management Consulting	100.00	-	100.00	100.00	-	100.00	Brazil
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Steel manufacturing and sales	51.00	-	51.00	51.00	-	51.00	Vietnam
Port Hedland Green Steel Pty Ltd(*7)	Other iron and steel manufacturing	100.00	-	100.00	100.00	-	100.00	Australia
POSCO MEXICO S.A. DE C.V.	Automotive steel manufacturing and sales	83.28	-	83.28	83.28	-	83.28	Mexico
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER	Steel processing and sales	70.51	-	70.51	70.51	-	70.51	Indonesia
PT. KRAKATAU POSCO	Steel manufacturing and sales	50.00	-	50.00	50.00	-	50.00	Indonesia
POSCO-Mexico Villagran Wire-rod Processing Center	Steel processing and sales	56.75	-	56.75	56.75	-	56.75	Mexico
PT.KRAKATAU POSCO SOCIAL ENTERPRISE SERVICES INDONESIA	Social enterprise	-	99.91	99.91	-	99.91	99.91	Indonesia
POSCO Maharashtra Steel Private Limited(* 4)	Steel processing and sales	100.00	-	100.00	-	-	-	India
POSCO-India Pune Processing Center Private Limited(* 4)	Steel processing and sales	65.00	-	65.00	-	-	-	India
POSCO ASSAN TST STEEL INDUSTRY Inc.(* 4)	Steel processing and sales	60.00	-	60.00	-	-	-	Turkiye
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED(* 4)	Steel processing and sales	93.34	1.98	95.32	-	-	-	India
POSCO-INDIA STEEL DISTRIBUTION CENTER PRIVATE LIMITED(* 4, 5)	Steel logistics	-	65.00	65.00	-	-	-	India

(*1) Excluding the treasury shares acquired for the year ended December 31, 2023, the ownership of the controlling company in terms of voting rights is 56.96%.

(*2) Excluding the treasury shares acquired for the year ended December 31, 2023, the ownership of the controlling company in terms of voting rights is 48.86%.

(*3) As of December 31, 2024, the Group classified the entities as investments in a subsidiary, considering additional facts and circumstances, such as the relative size of the voting rights held by the Group, structure of its Board of Directors and the degree of diversification of other voting rights holders, although the Group holds less than half of the voting rights of the entities.

(*4) Acquired from POSCO HOLDINGS INC. for the year ended December 31, 2024.

(*5) Newly classified as a subsidiary due to the new classification of POSCO-India Pune Processing Center Private Limited as a subsidiary for the year ended December 31, 2024.

1. General Information (cont'd)

(*6) Additionally acquired from POSCO M-TECH, POSCO DX, POSCO FUTURE M, POSCO INTERNATIONAL Corporation for the year ended December 31, 2024.

(*7) For the year ended December 31, 2024, the Group participated in a capital increase and acquired additional shares.

POSCO received dividends of ₩8,473 million and ₩14,371 million from its subsidiaries in aggregate for each of the two years in the period ended December 31, 2024.

There are no significant restrictions on the ability of subsidiaries and associates to transfer funds to the controlling company, such as in the forms of cash dividends and repayment of loans or payment of advances.

1. General Information (cont'd)

(c) The summarized financial information on major subsidiaries as of and for each of the two years in the period ended December 31, 2024 are as follows:

1) As of and for the year ended December 31, 2024

(in millions of Won)

Company	Assets	Liabilities	Equity	Sales(*1)	Net income(loss)(*1)
[Domestic]					
POSCO STEELEON Co., Ltd.	530,860	154,751	376,109	1,175,769	32,358
eNtoB Corporation	186,221	116,120	70,101	1,018,894	4,683
POSCO M-TECH	149,758	37,945	111,813	346,628	568
PNR	39,267	25,608	13,659	46,507	(246)
POSCO Humans Co.,Ltd.	25,220	8,642	16,578	62,656	1,128
POSCO PS Tech	37,161	27,244	9,917	144,264	309
POSCO PR Tech	29,519	20,038	9,481	124,512	1,260
POSCO PH Solution	23,138	15,173	7,965	68,588	576
POSCO GYS Tech	37,162	22,830	14,332	140,138	4,301
POSCO GYR Tech	42,780	23,954	18,826	136,217	4,292
POSCO GY Solution	27,072	12,439	14,633	76,846	2,611
[Foreign]					
POSCO (Thailand) Company.Ltd	197,326	77,129	120,197	407,074	2,400
POSCO-MKPC SDN BHD	164,150	72,783	91,367	257,822	7,271
POSCO-India Private Limited	106,006	2,091	103,915	-	4,402
POSCO-VIETNAM Co., Ltd.	350,524	337,418	13,106	835,631	1,136
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	81,553	48,406	33,147	116,366	(356)
POSCO Thainox Public Company Limited	512,321	115,149	397,172	576,912	14,948
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	39,169	10,748	28,421	65,154	433
POSCO-Malaysia SDN. BHD.	61,951	60,051	1,900	143,209	349
Myanmar POSCO C&C Company,Limited.	25,285	15,961	9,324	33,927	3,399
POSCO COATED STEEL (THAILAND) CO., LTD.	324,391	228,055	96,336	402,981	(3,165)
POSCO ChengDu Processing Center	40,586	36,102	4,484	49,006	(3,184)
POSCO Philippine Manila Processing Center, Inc.	26,659	4,451	22,208	29,701	266
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	145,488	120,415	25,073	200,891	7,949
POSCO BRAZIL LTDA	42	110	(68)	792	(45)
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	466,488	142,002	324,486	423,938	(24,091)
Port Hedland Iron Pty Ltd	5,773	209	5,564	-	(2,086)
POSCO MEXICO S.A. DE C.V.	749,960	475,331	274,629	999,807	16,243
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER	244,928	170,375	74,553	345,729	1,006
PT. KRAKATAU POSCO	3,523,003	2,874,800	648,203	2,817,274	(168,700)
POSCO-Mexico Villagran Wire-rod Processing Center	50,765	47,657	3,108	57,310	(1,668)
POSCO Maharashtra Steel Private Limited(*1)	1,471,597	695,297	776,300	58,451	50,904
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED(*1)	210,000	156,856	53,144	15,810	160
POSCO ASSAN TST STEEL INDUSTRY Inc.(*1)	568,566	568,513	53	13,314	1,352
POSCO-India Pune Processing Center Private Limited(*1)	424,014	310,883	113,131	30,213	49
POSCO-INDIA STEEL DISTRIBUTION CENTER PRIVATE LIMITED(*1)	26,992	16,123	10,869	3,968	66

(*1) For newly consolidated subsidiaries for the year ended December 31, 2024, their amounts occurred after their new inclusion in the consolidation scope.

1. General Information (cont'd)

2) As of and for the year ended December 31, 2023

Company	Assets	Liabilities	Equity	Sales(*1)	Net income (loss)(*1)
[Domestic]					
POSCO STEELEON Co., Ltd.	529,525	174,724	354,801	1,132,510	32,276
eNtoB Corporation	164,228	97,127	67,101	1,110,222	8,491
POSCO M-TECH	154,927	39,295	115,632	341,410	4,517
PNR	42,434	28,513	13,921	51,800	2,582
POSCO Humans Co.,Ltd.	22,949	7,499	15,450	58,711	764
POSCO PS Tech	34,551	24,689	9,862	73,129	(5,066)
POSCO PR Tech	28,978	20,614	8,365	60,382	(3,876)
POSCO PH Solution	17,945	10,384	7,561	32,986	(1,794)
POSCO GYS Tech	34,529	24,765	9,764	69,430	(5,164)
POSCO GYR Tech	35,640	20,667	14,973	66,001	(8,215)
POSCO GY Solution	26,305	14,401	11,904	44,091	(3,024)
[Foreign]					
POSCO (Thailand) Company Ltd	185,281	82,457	102,824	440,532	(3,621)
POSCO-MKPC SDN BHD	132,043	59,916	72,127	244,754	8,770
POSCO-India Private Limited	91,237	1,726	89,511	-	2,646
POSCO-VIETNAM Co., Ltd.	309,476	299,054	10,422	737,530	(5,594)
POSCO-Poland Wroclaw Processing Center Sp. z o. o.(*1)	64,485	33,614	30,871	86,904	(180)
POSCO Thainox Public Company Limited	433,638	100,507	333,131	551,000	(4,170)
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	41,734	16,612	25,122	67,972	(4,561)
POSCO-Malaysia SDN. BHD.	60,512	59,224	1,288	123,599	4,182
Myanmar POSCO C&C Company,Limited.	22,053	17,089	4,964	25,999	1,520
POSCO COATED STEEL (THAILAND) CO., LTD.	307,619	220,259	87,360	386,992	1,459
POSCO ChengDu Processing Center	34,644	27,571	7,073	33,299	(2,993)
POSCO Philippine Manila Processing Center, Inc.	24,582	5,379	19,203	24,807	(544)
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	98,466	80,379	18,087	176,464	14,597
POSCO BRAZIL LTDA	70	99	(29)	289	(520)
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	434,496	127,087	307,409	395,261	8,993
Port Hedland Iron Pty Ltd	3,144	232	2,912	-	(13,716)
POSCO MEXICO S.A. DE C.V.(*1)	726,121	500,597	225,524	202,351	(10,612)
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER(*1)	214,503	150,069	64,434	81,541	(1,164)
PT. KRAKATAU POSCO(*1)	3,475,929	2,747,948	727,981	726,226	(10,553)
POSCO-Mexico Villagran Wire-rod Processing Center(*1)	44,396	40,301	4,095	13,587	(274)

(*1) For newly consolidated subsidiaries for the year ended December 31, 2023, their amounts occurred after their new inclusion in the consolidation scope.

1. General Information (cont'd)

(d) Details of non-controlling interests as of and for each of the two years in the period ended December 31, 2024 are as follows:

1) As of and for the year ended December 31, 2024

(in millions of Won)

	POSCO STEELEON Co., Ltd.	PT. KRAKATAU POSCO	POSCO Thainox Public Company Limited	POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	POSCO MEXICO S.A. DE C.V.	Others
[Accumulated non-controlling interests of subsidiaries]						
Current assets	376,939	769,024	399,869	257,212	463,794	1,829,295
Non-current assets	153,921	2,753,979	112,452	209,276	286,166	483,909
Current liabilities	(151,878)	(1,272,856)	(106,642)	(141,798)	(442,346)	(1,458,895)
Non-current liabilities	(2,873)	(1,601,944)	(8,507)	(204)	(32,986)	(235,236)
Equity	376,109	648,203	397,172	324,486	274,628	619,073
Non-controlling interest (before elimination of inter-segment revenue)	161,892	324,102	101,033	158,998	45,914	186,312
Elimination of inter-segment revenue	4,423	(45)	786	-	(231)	(829)
Non-controlling interest (after elimination of inter-segment revenue)	166,315	324,057	101,819	158,998	45,683	185,483
[Profit attributable to non-controlling interests of subsidiaries]						
Sales	1,175,769	2,817,274	576,912	423,938	999,807	4,572,018
Profit for the period	32,358	(168,700)	14,948	(24,091)	16,243	1,498
Profit attributable to non-controlling interests (before elimination of inter-segment revenue)	13,928	(84,350)	3,803	(11,804)	2,716	(4,575)
Elimination of inter-segment revenue	(184)	159	15	-	-	30
Profit attributable to non-controlling interests (after elimination of inter-segment revenue)	13,744	(84,191)	3,818	(11,804)	2,716	(4,545)
[Summarized Cash Flows]						
Cash flows from operating activities	31,973	324,031	38,732	(51,878)	19,989	47,622
Cash flows from investing activities	(10,339)	(37,704)	(8,545)	(166)	1,275	(4,460)
Cash flows from financing activities (before dividends to non-controlling interest)	(10,739)	(319,100)	(1,500)	51,915	(22,667)	(19,946)
Dividends to non-controlling interest	(4,164)	-	-	-	-	(1,663)
Effect of exchange rate fluctuation on cash held	50	4,978	15,603	413	3,907	2,295
Net increase (decrease) in cash and cash equivalents	6,781	(27,795)	44,290	284	2,504	23,848

1. General Information (cont'd)

2) As of and for the year ended December 31, 2023

(in millions of Won)

	POSCO STEELEON Co., Ltd.	PT. KRAKATAU POSCO	POSCO Thainox Public Company Limited	POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Others
[Accumulated non-controlling interests of subsidiaries]					
Current assets	367,243	811,060	328,695	232,601	782,595
Non-current assets	162,282	2,664,869	104,943	201,895	216,314
Current liabilities	(172,001)	(1,318,358)	(93,229)	(126,784)	(566,577)
Non-current liabilities	(2,723)	(1,429,590)	(7,278)	(303)	(10,253)
Equity	354,801	727,981	333,131	307,409	422,079
Non-controlling interest (before elimination of inter-segment revenue)	152,720	363,991	84,742	150,630	151,423
Elimination of inter-segment revenue	24,904	(184)	613	-	48,908
Non-controlling interest (after elimination of inter-segment revenue)	177,624	363,807	85,355	150,630	200,331
[Profit attributable to non-controlling interests of subsidiaries]					
Sales	1,132,510	726,226	551,000	395,261	2,442,147
Profit for the period	32,276	(10,553)	(4,170)	8,993	9,778
Profit attributable to non-controlling interests (before elimination of inter-segment revenue)	13,893	(5,276)	(1,061)	4,406	4,451
Elimination of inter-segment revenue	(3,320)	(159)	-	-	(380)
Profit attributable to non-controlling interests (after elimination of inter-segment revenue)	10,573	(5,435)	(1,061)	4,406	4,071
[Summarized Cash Flows]					
Cash flows from operating activities	26,377	22,130	14,253	15,827	30,636
Cash flows from investing activities	(6,022)	(9,218)	(457)	(135)	(8,029)
Cash flows from financing activities (before dividends to non-controlling interest)	(19,628)	(126,611)	(525)	(14,876)	(19,886)
Dividends to non-controlling interest	(2,265)	-	(1,864)	-	(3,054)
Effect of exchange rate fluctuation on cash held	(24)	17,414	295	(3)	(1,363)
Net increase (decrease) in cash and cash equivalents	(1,562)	(96,285)	11,702	813	(1,696)

1. General Information (cont'd)

(e) Details of associates

Details of associates as of December 31, 2024 and 2023 are as follows:

Investee	Category of business	Ownership (%) 2024	Ownership (%) 2023	Region
[Domestic]				
DAEHO GLOBAL MANAGEMENT CO., LTD.	Investment advisory service	35.82	35.82	Pohang
Pohang Special Welding Co., Ltd.	Welding material and tools manufacturing and sales	50.00	50.00	Pohang
[Foreign]				
POSK(Pinghu) Steel Processing Center Co., Ltd.	Steel processing and sales	20.00	20.00	China
LLP POSUK TITANIUM	Titanium raw material manufacturing and sales	33.90	33.90	Kazakhstan
POSCO SUZHOU PROCESSING CENTER CO.,LTD	Steel processing and sales	30.00	30.00	China
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	Steel processing and sales	23.82	23.82	China
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	Steel processing and sales	30.00	30.00	Slovakia
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*1)	Steel processing and sales	17.50	17.50	China
POSCO Vietnam Processing Center. Co.,Ltd(*1)	Steel processing and sales	9.17	9.17	Vietnam
NS-Thainox Auto Co., Ltd.	STS cold-rolled steel sales and Distribution	49.00	49.00	Thailand
POS-SeAH Steel Wire (Thailand) Co., Ltd.	Steel manufacturing and sales	25.00	25.00	Thailand
SAMHWAN VINA CO., LTD(*1)	Steel manufacturing and sales	17.26	17.26	Vietnam
Brazil Sao Paulo Steel Processing Center	Steel processing and sales	25.00	25.00	Brazil
POSCO-POGGENAMP ELECTRICAL STEEL PRIVATE LIMITED(*2)	Steel processing and sales	16.90	-	India
POSCO INTERNATIONAL INDIA E-MOBILITY(*2, 3)	Steel processing and sales	17.15	-	India

(*1) The Group has determined that it has significant influence even though the Group's percentage of ownership is less than 20% considering the composition of its Board of Directors and others.

(*2) For the year ended December 31, 2024, the Group acquired shares of the entity.

(*3) For the year ended December 31, 2024, POSCO TMC INDIA PRIVATE LIMITED changed its name to POSCO INTERNATIONAL INDIA E-MOBILITY.

(f) New subsidiaries

Details of consolidated subsidiaries newly included in the consolidation scope for the year ended December 31, 2024 are as follows:

1. General Information (cont'd)

Company	Date if addition	Ownership (%)	Reason
POSCO Maharashtra Steel Private Limited	December 2024	100.00	Acquisition from POSCO HOLDINGS INC.
POSCO-India Pune Processing Center Private Limited	December 2024	65.00	Acquisition from POSCO HOLDINGS INC.
POSCO ASSAN TST STEEL INDUSTRY Inc.	December 2024	60.00	Acquisition from POSCO HOLDINGS INC.
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	December 2024	95.32	Acquisition from POSCO HOLDINGS INC.
POSCO-INDIA STEEL DISTRIBUTION CENTER PRIVATE LIMITED	December 2024	65.00	Subsidiary of POSCO-India Pune Processing Center Private Limited

(g) Loss of controls

There are no subsidiaries over which the Group has lost control for the year ended December 31, 2024.

2. Basis of Preparation

Statement of compliance

POSCO and its subsidiaries (collectively referred to as the "Group") prepares its consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"), enacted based on the *Act on External Audit of Stock Companies*. The accompanying consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements were authorized for issue by the Board of Directors on February 6, 2025 and will be submitted for approval at the shareholders' meeting to be held on March 21, 2025.

2. Basis of Preparation (cont'd)

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement of financial position, as described in the accounting policy below.

(a) Derivatives instruments measured at fair value
(b) Financial instruments measured at fair value through profit or loss
(c) Financial instruments measured at fair value through other comprehensive income
(d) Defined benefit liabilities measured at the present value of the defined benefit obligation less the fair value of the plan assets

Functional and presentation currency

The consolidated financial statements are presented in Korean Won (presented as "Korean won" or "Won"), which is the Group's functional currency which is the currency of the primary economic environment in which the Group operates.

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with KIFRS requires management to make judgments, estimates about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively.

2. Basis of Preparation (cont'd)

(a) Judgments

The information about judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 1 – Subsidiaries and associates; and
- Note 10 - Investments in associates.

(b) Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year are included in the following notes:

- Note 6 - Allowance for trade accounts and notes receivable;
- Note 9 – Inventory;
- Note 12 - Property, plant and equipment;
- Note 18 – Provisions;
- Note 19 - Employee benefits;
- Note 21 - Financial instruments;
- Note 30 - Income taxes; and
- Note 33 - Commitments and contingencies.

(c) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation

2. Basis of Preparation (cont'd)

adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of KIFRS including the level in the fair value hierarchy in which such valuation techniques should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

• Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
• Level 2 – inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
• Level 3 – inputs for the assets or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Information about the assumptions made in measuring fair values is included in the following note:

- Note 21 – Financial instruments.

2. Basis of Preparation (cont'd)

Changes in accounting policies

Except for the standards and amendments applied for the first time for the reporting period commenced January 1, 2024 described below, the accounting policies applied by the Group in these financial statements are the same as those applied by the Group in its financial statements as of and for the year ended December 31, 2023.

1) Amendments to KIFRS 1116: *Lease Liability in a Sale and Leaseback*

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's consolidated financial statements.

2. Basis of Preparation (cont'd)

2) Amendments to KIFRS 1001: *Classification of Liabilities as Current or Non-current*

The amendments to paragraphs 69 to 76 of KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that terms of a liability that could result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognizing it separately from the liability as an equity component of a compound financial instrument.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
The amendments had no impact on the Group's consolidated financial statements.

3) Amendments to KIFRS 1007 *Statement of Cash Flows* and 1107 *Financial Instruments*: Disclosures – *Supplier Finance Arrangements*

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understand the effects of supplier finance agreements on an entity's liabilities, cash flows, and exposure to liquidity risks.

2. Basis of Preparation (cont'd)

As a result of implementing the amendments, the Group has provided additional disclosures about its supplier finance arrangement. Please refer to Note 33.

3. Material Accounting Policy Information

The material accounting policy information applied by the Group in preparation of its consolidated financial statements are included below.

Basis of consolidation

(a) Non-controlling interests

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(c) Business combination of entities or businesses under common control

In a business combination of entities or businesses under common control, the assets acquired and liabilities acquired are recognized at their carrying amounts in the consolidated

3. Material Accounting Policy Information (cont'd)

financial statements of the Group. The difference between the consideration transferred and the carrying amount of the net assets acquired is adjusted in capital surplus.

Foreign currency

The assets and liabilities of foreign operations, whose functional currency is not the currency of a hyperinflationary economy, are translated to presentation currency at exchange rates at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions. Foreign currency differences are recognized in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term investments in highly liquid securities that are readily convertible to known amounts of cash with maturities of three months or less from the acquisition date and which are subject to an insignificant risk of changes in value.

Non-derivative financial assets

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at financial assets measured at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3. Material Accounting Policy Information (cont'd)

On initial recognition, a financial asset is classified as measured at amortized cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income, or financial assets measured at fair value through profit or loss. Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss.
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, gains and losses on foreign currency translation and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Debt instruments measured at fair value through other comprehensive income

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss.
- it is held within a business model whose objective is achieved by both collection contractual cash flows and selling financial assets; and

3. Material Accounting Policy Information (cont'd)

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments measured at fair value through other comprehensive income are subsequently measured at fair value. Interest income which is calculated using the effective interest method, gains and losses from foreign currency translation and impairment losses are recognized in profit or loss and other net profit or loss is recognized in other comprehensive income. At the time of elimination, other accumulated comprehensive income is reclassified to profit or loss.

(c) Equity instruments measured at fair value through other comprehensive income

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.
Equity instruments measured at fair value through other comprehensive income are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and never reclassified to profit or loss.

(d) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost of fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. Material Accounting Policy Information (cont'd)

Financial assets measured at fair value through profit or loss are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(e) Interest rate benchmark reform

The Group reflects the changes in the basis for determining contractual cash flows of financial assets and financial liabilities as a result of interest rate benchmark reform by updating the effective interest rate. A change in the basis for determining the contractual cash flows is required by the interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate, and then applies the policies on accounting for modifications to the additional changes.

3. Material Accounting Policy Information (cont'd)

(f) Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received.

If the Group has transferred substantially all the risks and rewards of ownership of a financial asset, the Group continues to recognize the asset and recognizes the asset as a liability.

(g) Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Group currently has a legally enforceable right to offset the recognized amounts, and there is the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

Inventories

Inventory costs, except materials-in-transit in which costs are determined by using specific identification method, are determined by using the moving-weighted average method. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The allocation of fixed production overheads to the costs of finished goods or work in progress are based on the normal capacity of the production facilities.

3. Material Accounting Policy Information (cont'd)

The carrying amount of those inventories is recognized as cost of goods sold in the period in which the related revenue is recognized.

Investment property

Transaction costs are included in the initial measurement. Subsequently, investment property is carried at depreciated cost less any accumulated impairment losses. Depreciation methods, useful lives and residual values are identical to those applied for property, plant and equipment.

3. Material Accounting Policy Information (cont'd)

Property, plant and equipment

Property, plant and equipment, except for land, are depreciated on a straight-line basis over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed.

Subsequent costs are recognized in the carrying amount of property, plant and equipment at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Depreciation of property and equipment is provided using the straight-line method over the following estimated useful lives:

Buildings	3-50 years
Structures	3-45 years
Machinery	2-25 years
Vehicles	3-15 years
Tools and equipment	2-20 years
Furniture and fixtures	2-15 years

Intangible assets

Intangible assets are measured initially at cost and, subsequently, are carried at cost less accumulated amortization and accumulated impairment losses.

Amortization of intangible assets is calculated on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The residual value of intangible assets is zero. However, as there are no foreseeable limits to the periods over which club memberships are expected to be available for use, this intangible asset is determined as having an indefinite useful life and not amortized.

3. Material Accounting Policy Information (cont'd)

Intellectual property rights	3-20 years
Development expense	4-5 years
Port facilities usage rights	4-75 years
Other intangible assets	3-10 years

Government grants

(a) Grants related to assets

Government grants whose primary condition is that the Group purchase, construct or otherwise acquire long-term assets are deducted from the carrying amount of the assets and recognized in profit or loss on a systematic and rational basis over the life of the depreciable assets.

(b) Grants related to income

Government grants which are intended to compensate the Group for expenses incurred are recognized as other income (government grants) in profit or loss over the periods in which the Group recognizes the related costs as expenses.

Leases

(a) Group as a lessee

At inception or reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

3. Material Accounting Policy Information (cont'd)

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The Group presents right-of-use assets in the same line item as is presents underlying assets of the same nature that it owns, and lease liabilities are included in other payables on the consolidated statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. Material Accounting Policy Information (cont'd)

(b) Group as a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. The Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group leases out its investment properties. The Group classifies these leases as operating leases. The Group recognize lease payments received under lease agreements as revenue on a straight-line basis over the lease term.

Impairment for financial assets

The Group recognizes loss allowances for expected credit losses on:

- financial assets measured at amortized cost (i.e., cash and cash equivalents and trade and other receivables);
- debt instruments measured at fair value through other comprehensive income; and
- lease receivables, contractual assets, loan commitments, and financial guarantee contracts.

If credit risk has increased significantly since the initial recognition, a loss allowance for lifetime expected credit loss is required to be measured at the end of every reporting period. If credit risk has not increased significantly since the initial recognition, a loss allowance is measured based on 12-month expected credit loss.

3. Material Accounting Policy Information (cont'd)

If the financial instrument has low credit risk at the end of the reporting period, the Group may assume that the credit risk has not increased significantly since initial recognition. However, a loss allowance for lifetime expected credit losses is required for contract assets or trade receivables that do not contain a significant financing component.

(a) Judgments on credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held). The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to investment grade defined by reliable credit rating agencies.

(b) Measurement of expected credit losses

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The 12-month expected credit losses are the portion of lifetime expected credit losses that result from default that are possible within the 12 months after the reporting date. The maximum period considered

3. Material Accounting Policy Information (cont'd)

when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

(c) Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortized cost and debt instrument measured at fair value through other comprehensive income are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Objective evidence that a financial asset or group of financial assets are impaired includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganization; and
- the disappearance of an active market for that financial asset because of financial difficulties.

(d) Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in entirety or a portion. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery based on continuous payments and extinct prescriptions. The Group expects no significant recovery from the amount

3. Material Accounting Policy Information (cont'd)

written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into financial liabilities measured at fair value through profit or loss or other financial liabilities. The Group recognizes financial liabilities in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial liability.

Employee benefits

(a) Short-term employee benefits

Short-term employee benefits are employee benefits that are due to be settled within 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as profit or loss. If the Group has a legal or constructive obligation which can be reliably measured, the Group recognizes the amount of expected payment for profit-sharing and bonuses payable as liabilities.

(b) Other long-term employee benefits

Other long-term employee benefits include employee benefits that are settled beyond 12 months after the end of the period in which the employees render the related service, and are calculated at the present value of the amount of future benefit that employees have earned in return for their service in the current and prior periods, less the fair value of any

3. Material Accounting Policy Information (cont'd)

related assets. Any actuarial gains and losses are recognized in profit or loss in the period in which they arise.

(c) Retirement benefits: Defined contribution plans

For defined contribution plans, when an employee has rendered service to the Group during a period, the Group recognizes the contribution payable to a defined contribution plan in exchange for that service as an accrued expense, after deducting any contributions already paid. If the contributions already paid exceed the contribution due for service before the end of the reporting period, the Group recognizes that excess as an asset (prepaid expense) to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

(d) Retirement benefits: Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of plan assets is deducted. The calculation is performed annually by an independent actuary using the projected unit credit method.

The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. The Group recognizes all actuarial gains and losses arising from actuarial assumption changes and experiential adjustments in other comprehensive income when incurred.

3. Material Accounting Policy Information (cont'd)

When the fair value of plan assets exceeds the present value of the defined benefit obligation, the Group recognizes an asset, to the extent of the present value of the total of cumulative any economic benefits available in the form of refunds from the plan or reduction in the future contributions to the plan.

Remeasurements of net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments, net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss in curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Provisions

A Provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for restoration regarding contamination of land is recognized in accordance with the Group's announced Environment Policy and legal requirement as needed.

3. Material Accounting Policy Information (cont'd)

Emission rights

The Group accounts for greenhouse gases emission right and the relevant liability as follows pursuant to *the Act on Allocation and Trading of Greenhouse Gas Emission Permits* which became effective in Korea in 2015.

(a) Greenhouse gas emission right

Greenhouse gas emission rights consist of emission allowances which are allocated from the government free of charge and those purchased from the market. Emission allowances which are allocated from the government free of charge are measured and recognized as zero (0) and the cost includes any directly attributable costs incurred during the normal course of business.

Emission rights held for the purpose of performing the obligation are classified as intangible asset and initially measured at cost and subsequently carried at cost less accumulated impairment losses. The portion to be submitted to the government within one year from the reporting date is classified as current assets.

Green gas emission rights are eliminated when future economic benefits are not expected with the rights submitted to the government, sold or not available for sale any more.

(b) Emission liability

Emission liability is a present obligation of submitting emission rights to the government with regard to emission of greenhouse gas. Emission liability is recognized when there is a high possibility of outflows of resources in performing the obligation and the costs required to perform the obligation are reliably estimable. Emission liability is an amount of estimated

3. Material Accounting Policy Information (cont'd)

obligations for emission rights to be submitted to the government for the commitment period. The emission liability is measured based on the expected quantity of emission for the commitment period in excess of emission allowance in possession and the unit price for such emission rights in the market at the end of the reporting period. The emission liability is derecognized when submitted to the government.

The Group derecognizes an emission right asset when the emission allowance is unusable, disposed or submitted to government when the future economic benefits are no longer expected to be probable.

Revenue from contracts with customers

Revenue is measured based on the consideration promised in the contract with the customer. The Group recognizes revenue when the control over a good or service is transferred to the customer. The following are the revenue recognition policies for performance obligations in the contracts with customers in accordance with KIFRS 1115.

(a) Sale of goods

The goods sold by the Group consist mainly of steel products.

For domestic sales, the control of the product is usually transferred to the customer when the product is delivered to the customer, at which point in time revenue is recognized. Invoices are generally due within 10 to 90 days. When a customer makes payment prior to the due date, they are offered a discount at certain percentage of the invoice amount.

For export sales, revenue is recognized at the time when control of the product is transferred

3. Material Accounting Policy Information (cont'd)

to the customer based on the "International Incoterms for Interpretation of Trade Terms" in the respective contracts. The Group's export contracts typically stipulate transfer of control to the customer at the shipment of the products. Invoices are usually issued on the date of bill of lading and revenues are recognized based on the terms of Letter of Credit (L / C), Acceptance Condition (D / A), Payment Condition (D / P), Telegraphic Transfer (T / T) and others.

The Group offers certain discount when the customer makes payments prior to the due date in the invoice in accordance with the payment terms. The Group recognized revenue only to the extent that it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the credit term period elapses.

(b) Transportation service

Revenue for the transportation services performance included in the Group's product sales contracts is recognized over the period when in which the services are provided. Revenue is measured by reference to the degree to which the service has been completed. The billing date and payment terms for the service charge are the same as those for the sale of goods.

Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities;
- the net gain or loss on financial assets measured at fair value through profit or loss; and

3. Material Accounting Policy Information (cont'd)

- the net gain or loss on the disposal of investments in debt securities measured at fair value through other comprehensive income.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

The Group recognizes interest and penalties related to corporate tax as if it is applicable to the income taxes, the Group applies KIFRS 1012 *Income Taxes*, if it is not applicable to the income taxes, the Group applies KIFRS 1037 Provisions Contingent Liabilities and Contingent Assets.

(a) Current income tax

Current income tax is the expected income tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit of future periods, and non-taxable or non-deductible items from the accounting profit.

The Group offsets current tax assets and current tax liabilities if, and only if, the Group:

- has a legally enforceable right to set off the recognized amounts, and

3. Material Accounting Policy Information (cont'd)

- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred income tax

The measurement of deferred income tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. The Group recognizes a deferred income tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Group recognizes a deferred income tax asset for deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized. However, deferred tax is not recognized for the following temporary differences: taxable temporary differences arising on the initial recognition of goodwill, or the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit or loss nor taxable income.

A deferred income tax asset is recognized for the carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, tax credits and deductible temporary differences can be utilized. The future taxable profit depends on reversing taxable temporary differences. When there are insufficient taxable temporary differences, the probability of future taxable profit (including the reversal of temporary differences) should

3. Material Accounting Policy Information (cont'd)

be considered.

The carrying amount of a deferred income tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are offset only if there is a legally enforceable right to offset the related current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current income tax liabilities and assets on a net basis.

New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning after January 1, 2024 and earlier application is permitted but the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(a) Amendments to KIFRS 1021: *Lack of Exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require the disclosure of information that enables users of its financial statements to understand how the currency that not being exchangeable into the other currency affects, or is expected to affect,

3. Material Accounting Policy Information (cont'd)

the Group's financial performance, financial position, and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendment, the Group cannot restate comparative information. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

(b) Amendments to KIFRS 1109 and 1107: *Classification and Measurement of Financial Instruments*

The amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments* include the following:
• clarifying that a financial liability is derecognized on the settlement date and introducing an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
• providing additional guidance as to how to assess contractual cash flows of financial assets that include environmental, social and governance (ESG)-linked features and similar features;
• clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
• introducing new disclosures for financial instruments with contingent features and adding a disclosure requirement for equity instruments measured at fair value through other comprehensive income.

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but only for the amendments for the classification of financial assets and related disclosures. The Group does not plan to early apply the amendments.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

3. Material Accounting Policy Information (cont'd)

(c) Annual Improvements to KIFRS Volume 11

Annual Improvements to KIFRS – Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

- Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*
- Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*
- Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*
- Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

The amendments will be effective for the annual periods beginning on or after January 1, 2026.
Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

4. Risk management

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk;
- market risk; and
- capital risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(a) Financial risk management

1) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

4. Risk management (cont'd)

2) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. In addition, credit risk arises from finance guarantees.

The Group implements a credit risk management policy under which the Group only transacts business with counterparties that have a certain level of credit rate evaluated based on financial condition, historical experience, and other factors. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of a nation or an industry in which a customer operates its business does not have a significant influence on credit risk. The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for companies of similar assets in respect of losses that have been incurred.

Credit risk also arises from transactions with financial institutions, and such transactions include transactions of cash and cash equivalents, various deposits, and financial instruments such as derivative contracts. The Group manages its exposure to this credit risk by only entering into transactions with banks that have high international credit ratings. The Group's treasury department authorizes, manages, and overseas new transactions with financial institutions with whom the Group has no previous relationship.

Furthermore, the Group limits its exposure to credit risk of financial guarantee contracts by strictly evaluating their necessity based on internal decision making processes, such as

4. Risk management (cont'd)

the approval of the Board of Directors.

3) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's cash flow from business, borrowing or financing is sufficient to meet the cash requirements for the Group's strategic investments. Management believes that the Group is capable of raising funds by borrowing or financing if the Group is not able to generate cash flow requirements from its operations. The Group has committed borrowing facilities with various banks.

4) Market risk

Market risk means that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The goal of market risk management is optimization of profit and controlling the exposure to market risk within acceptable limits.

① Currency risk

The Group's policy in respect of foreign currency risks is a natural hedge whereby foreign currency income is offset with foreign currency expenditures. The remaining net exposures after the natural hedge have been hedged using derivative contracts such as forward exchange contracts. In addition, the Group's derivative transactions are limited to hedging actual foreign currency transactions and speculative hedging is not permitted. Based on this policy, the Group has performed currency risk

4. Risk management (cont'd)

management specific to various characteristics of different segments. The Group reduces the foreign currency exposure by repayment of foreign currency borrowings subjected to investment in overseas when its maturities come.

② Interest rate risk

The Group manages the exposure to interest rate risk by adjusting of borrowing structure ratio between borrowings at fixed interest rate and variable interest rate. The Group monitors interest rate risks regularly in order to avoid exposure to interest rate risk on borrowings at variable interest rate.

③ Market price risk

Equity price risk arises from fluctuation of market price of listed equity securities. Management of the Group measures regularly the fair value of listed equity securities and the risk of variance in future cash flow caused by market price fluctuations. Significant investments are managed separately and all buy and sell decisions are approved by management of the Group.

4. Risk management (cont'd)

(b) Management of capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's capital structure consists of net liability, which is the borrowings less cash and cash equivalents. Details of the net borrowing-to-equity ratio as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Total borrowings	₩	10,834,806	10,965,714
Less: Cash and cash equivalents		2,435,951	2,426,344
Net borrowings		8,398,855	8,539,370
Total equity	₩	33,367,399	32,850,969
Net borrwoings-to-equity ratio		25.17%	25.99%

5. Cash and Cash Equivalents

Details of cash and cash equivalents as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Cash		406	4,274
Demand deposits and checking accounts(*1)		29,748	212,644
Time deposits		1,466,289	985,682
Other cash equivalents		939,508	1,223,744
	₩	2,435,951	2,426,344

5. Cash and Cash Equivalents (cont'd)

(*1) As of December 31, 2024 and 2023, cash and cash equivalents of ₩1,845 million and ₩4,040 million, respectively, are restricted for use in connection with government entrustments.

6. Trade Accounts and Notes Receivable

Details of trade accounts and notes receivable as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Current			
Trade accounts and notes receivable	₩	4,884,992	5,614,573
Less: Allowance for doubtful accounts		(16,458)	(13,692)
	₩	4,868,534	5,600,881
Non-current			
Trade accounts and notes receivable	₩	29,762	37,309
Less: Allowance for doubtful accounts		(19,128)	(12,031)
	₩	10,634	25,278

The Group discounted its trade receivables in accordance with factoring agreement entered into with financial institutions. These trade accounts and notes receivable have not been derecognized from the statement of financial position because the Group retains substantially all of the risks and rewards associated with the transferred assets. The amounts received on transfer have been recognized as secured borrowings. As of December 31, 2024 and 2023, the carrying amount of such secured borrowings are ₩56,079 million and ₩34,238 million, respectively, which are presented in the statements of financial position as short-term borrowings.

7. Other Receivables

(a) Details of other receivables as of December 31, 2024 and 2023, are as follows:

(in millions of Won)		2024	2023
Current			
Loans	₩	25,683	43,257
Other accounts receivable		647,592	443,596
Lease receivables		12,121	11,648
Accured income		177,763	31,353
Others		3,947	1,963
Less: Allowance for doubtful accounts		(3,814)	(303)
	₩	863,292	531,514
Non-current			
Loans	₩	56,452	55,667
Other accounts receivable		9,156	16,124
Accrued income		188,089	-
Deposits		59,034	46,930
Lease receivables		46,568	57,648
Less: Allowance for doubtful accounts		(25,710)	(21,968)
	₩	333,589	154,401

(b) Other receivables include finance lease receivables and details of lease receivables for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)

Customer	Leased items		2024	2023
Pohang University of Science and Technology	Lease contract	₩	7,429	7,586
Korea Business Angels Association	Lease contract		2,090	2,339
POSCO FUTURE M CO.,LTD.	Lease contract		49,170	59,371
		₩	58,689	69,296

7. Other Receivables (cont'd)

(c) As of December 31, 2024 and 2023, details of the total lease investment and net lease investment by maturity are as follows:

(in millions of Won)		2024	2023
Less than 1 year	₩	14,155	14,095
1 year 3 years		41,627	30,411
3 years 5 years		919	25,433
Over 5 years		9,905	9,747
Undiscounted lease payments		66,606	79,686
Unrealized interest income		(7,917)	(10,390)
Present value of minimum lease payment	₩	58,689	69,296

8. Other Financial Assets

(a) Details of other financial assets as of December 31, 2024 and December 31, 2023 are as follows:

(in millions of Won)		2024	2023
Current			
Derivative assets	₩	301,242	115,362
Debt securities		400,000	292,857
Deposit instruments(*1)		2,977,402	1,212,639
Short-term financial instruments(*1)		413,976	3,595,201
	₩	4,092,620	5,216,059
Non-current			
Derivative assets	₩	453,652	98,030
Equity securities		468,418	429,192
Debt securities		3,217	-
Other securities(*2)		10,091	12,836
Deposit instruments(*1)		123	113
Long-term financial instruments(*1)		213	-
	₩	935,714	540,171

(*1) As of December 31, 2024 and 2023, financial instruments amounting to ₩369 million and ₩113 million, respectively, are restricted in use for financial arrangements, pledge and others.

(*2) As of December 31, 2024, ₩213 million of other securities have been provided as collateral for business of automation of packaging facilities.

8. Other Financial Assets (cont'd)

(b) Details of equity securities as of December 31, 2024 and 2023 are as follows:

(in millions of Won)	December 31, 2024						December 31, 2023
	Number of shares	Ownership (%)	Acquisition cost	Fair value	Net changes in fair value of equity securities	Book value	Book value
Marketable equity securities							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	₩ 14,878	13,367	(1,511)	13,367	17,471
YODOGAWA STEEL WORKS, LTD.	600,000	1.72	13,842	31,522	17,680	31,522	20,891
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	11,571	(1,281)	11,571	12,577
PT.Krakatau Steel	236,625,000	1.22	6,876	2,177	(4,699)	2,177	2,809
AJUSTEEL Co., Ltd.	510,000	1.93	4,600	1,981	(2,619)	1,981	3,621
dhSteel	1,564,296	7.21	4,224	698	(3,526)	698	3,113
Woori Financial Group Inc.	20,280,000	2.79	261,638	311,704	50,066	311,704	263,640
Others (5 companies)			14,616	12,731	(1,885)	12,731	13,020
			333,526	385,751	52,225	385,751	337,142
Non-marketable equity securities							
TAECHANG STEEL	99,999	10.99	8,845	8,845	-	8,845	8,845
Pinetree PosMagnesium Co., Ltd.	11,144,000	19.90	8,794	8,794	-	8,794	8,794
WINSTEEL CO.	342,577	10.00	8,060	8,060	-	8,060	8,060
KOH-A JUNG GONG CO., LTD.	490,000	19.84	7,573	7,573	-	7,573	7,573
POONGSAN SPECIAL METAL CO., LTD.	315,790	5.00	7,556	7,556	-	7,556	7,556
DK Corporation	55,000	4.91	7,446	7,446	-	7,446	7,446
DaeSung SnM Co., Ltd.	50,567	8.21	7,237	7,237	-	7,237	7,237
Others (22 companies)			29,861	27,156	(2,705)	27,156	36,539
			85,372	82,667	(2,705)	82,667	92,050
			₩ 418,898	468,418	49,520	468,418	429,192

9. Inventories

(a) Details of inventories as of December 31, 2024 and December 31, 2023 are as follows:

(in millions of Won)		2024	2023
Finished goods	₩	2,178,803	1,819,803
Merchandise		39,832	12,972
Semi-finished goods		2,162,964	2,481,107
Raw materials		2,515,302	1,650,216
Fuel and materials		790,243	685,347
Materials-in-transit		1,791,284	1,924,383
Others		28,374	31,443
		9,506,802	8,605,271
Less: Allowance for inventories valuation		(59,135)	(58,225)
	₩	9,447,667	8,547,046

(b) Changes in allowance for inventories valuation for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Beginning	₩	58,225	79,295
Loss on Valuation of inventories		52,893	58,225
Utilization on sale of inventories		(58,225)	(79,866)
Business combination		2,518	-
Others		3,724	571
Ending	₩	59,135	58,225

10. Investments in Associates

(a) Details of investments in associates as of December 31, 2024 and 2023 are as follows:

(in millions of Won)

		2024	2023
Investments in associates	₩	70,599	74,974

(b) Details of investments in associates as of December 31, 2024 and 2023 are as follows:

(in millions of Won)

Company	2024 Number of shares	Ownership (%)	Acquisition cost	Book value	2023 Book value
[Domestic]					
DAEHO GLOBAL MANAGEMENT CO., LTD.	71,647	35.82	₩ 4,108	₩ 4,502	3,943
Pohang Special Welding Co.,Ltd.	400,000	50.00	3,111	4,121	4,221
				8,623	8,164
[Foreign]					
POSK(Pinghu) Steel Processing Center Co., Ltd.(*3)	-	20.00	2,313	410	1,041
LLP POSUK Titanium	-	33.90	10,068	11,428	10,420
POSCO SUZHOU PROCESSING CENTER CO.,LTD	-	30.00	2,763	4,752	2,382
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.('	-	23.82	23,489	9,932	21,998
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	-	30.00	6,206	4,151	4,719
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*1)	-	17.50	2,885	2,919	2,760
POSCO Vietnam Processing Center. Co.,Ltd(*1)	6,544,366	9.17	12,101	14,177	12,255
Others (6 companies)(*2, 4)	-	-	12,468	14,207	11,235
				61,976	66,810
				₩ 70,599	74,974

(*1) As of December 31, 2024, it was classified as an associate even though the Group's ownership percentage is less than 20%, considering the Group's significant influence over the investee when it comes to the composition of its Board of Directors and others.

(*2) For the year ended December 31, 2024, the Group acquired shares in POSCO INTERNATIONAL INDIA E-MOBILITY and another associate.

(*3) As of December 31, 2024, the book value significantly exceeded the recoverable amount, thereby ending up with the recognition of the impairment loss.

(*4) For the year ended December 31, 2024, POSCO TMC INDIA PRIVATE LIMITED changed its name to POSCO INTERNATIONAL INDIA E-MOBILITY.

10. Investments in Associates (cont'd)

(c) Changes in investments in associates for the year ended December 31, 2024 are as follows:

(in millions of Won)

Company		2023, Book value	Acqusition	Share of profits (losses)	Others increase (decrease)(*1)	2024, Book value
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	3,943	-	460	99	4,502
Pohang Special Welding Co.,Ltd.		4,221	-	(93)	(7)	4,121
		8,164	-	367	92	8,623
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		1,041	-	(725)	94	410
LLP POSUK Titanium		10,420	-	270	738	11,428
POSCO SUZHOU PROCESSING CENTER CO.,LTD		2,382	-	2,039	331	4,752
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.(*2)		21,998	-	(13,857)	1,791	9,932
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		2,760	-	(43)	202	2,919
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		4,719	-	(896)	328	4,151
POSCO Vietnam Processing Center. Co.,Ltd		12,255	-	452	1,470	14,177
Others (6 companies)		11,235	540	481	1,951	14,207
		66,810	540	(12,279)	6,905	61,976
	₩	74,974	540	(11,912)	6,997	70,599

(*1) Other increase (decrease) represents the changes in investments in associates and joint ventures due to change in capital adjustments effect from accumulated other comprehensive income and others for the year ended December 31, 2024.

(*2) As a result of the impairment test, the Group recognized ₩6,358 million of impairment loss.

10. Investments in Associates (cont'd)

(d) The summarized financial information on associates and joint ventures as of and for the year ended December 31, 2024 and 2023 are as follows:

1) As of and for the year ended December 31, 2024

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	18,400	269	18,131	-	1,284
Pohang Special Welding Co.,Ltd.		10,073	2,346	7,727	6,021	(187)
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		4,478	1,435	3,043	782	(3,623)
LLP POSUK Titanium		71,619	53,748	17,871	36,385	796
POSCO SUZHOU PROCESSING CENTER CO.,LTD		15,095	1,280	13,815	11,565	6,797
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.		98,195	37,710	60,485	104,495	(31,480)
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		41,208	26,533	14,675	74,377	(3,415)
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		29,090	8,911	20,179	59,552	(248)
POSCO Vietnam Processing Center. Co.,Ltd		267,778	134,759	133,019	637,594	5,307

2) As of and for the year ended December 31, 2023

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	16,838	269	16,569	-	(195)
Pohang Special Welding Co., Ltd.		11,443	3,517	7,926	7,322	465
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		10,214	4,016	6,198	9,058	(4,208)
LLP POSUK Titanium		59,690	44,766	14,924	33,633	865
POSCO SUZHOU PROCESSING CENTER CO.,LTD		12,089	6,175	5,914	27,609	(1,221)
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.		137,098	52,652	84,446	114,447	(5,945)
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		24,755	5,482	19,273	40,390	86
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		54,431	37,433	16,998	104,126	443
POSCO Vietnam Processing Center. Co.,Ltd		238,694	127,038	111,656	577,064	7,003

11. Investment Property, Net

(a) Details of investment properties as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024			2023		
		Acquisition Cost	Accumulated depreciation and impairment loss	Book value	Acquisition cost	Accumulated depreciation and impairment loss	Book value
Land	₩	81	-	81	81	-	81
Buildings		7,260	(3,283)	3,977	7,260	(2,932)	4,328
Structures		1,749	(771)	978	1,749	(684)	1,065
Right-of-use assets		77,044	(27,018)	50,026	75,072	-	75,072
	₩	86,134	(31,072)	55,062	84,162	(3,616)	80,546

As of December 31, 2024, the fair values of investment properties approximate their carrying amounts.

(b) Changes in the carrying amounts of investment properties for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	81	-	-	81
Buildings		4,328	(351)	-	3,977
Structures		1,065	(87)	-	978
Right-of-use assets		75,072	(27,018)	1,972	50,026
	₩	80,546	(27,456)	1,972	55,062

(*1) The useful life and depreciation method of investment property are identical to those of property, plant and equipment.

(*2) Others include the transfer resulting from changes in rental ratio of the subleased asset.

11. Investment Property, Net (cont'd)

2) For the year ended December 31, 2023

(in millions of Won)		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	3,718	-	(3,637)	81
Buildings		9,048	(1,120)	(3,600)	4,328
Structures		5,150	(486)	(3,599)	1,065
Right-of-use assets		-	-	75,072	75,072
	₩	17,916	(1,606)	64,236	80,546

(*1) The useful life and depreciation method of investment property are identical to those of property, plant and equipment.

(*2) Others include the transfer resulting from changes in the purpose of use.

(*3) For the year ended December 31, 2023, the Group classified the subleased right-of-use asset as investment property.

12. Property, Plant and Equipment, Net

(a) Details of property, plant and equipment as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024					2023				
		Acquisition cost	Accumulated depreciation	Accumulated impairment	Government grants	Book value	Acquisition cost	Accumulated depreciation	Accumulated impairment	Government grants	Book value
Land	₩	1,900,497	-	-	-	1,900,497	1,780,406	-	-	-	1,780,406
Buildings		8,142,941	(5,326,425)	(109,050)	(3,275)	2,704,191	7,450,980	(4,903,859)	(89,292)	(3,317)	2,454,512
Structures		6,642,258	(3,779,983)	(58,396)	-	2,803,879	5,802,045	(3,429,179)	(42,726)	-	2,330,140
Machinery and equipment		49,923,972	(34,983,913)	(596,277)	(44)	14,343,738	45,895,007	(32,322,903)	(439,764)	(51)	13,132,289
Vehicles		326,997	(274,063)	(894)	(2,172)	49,868	286,108	(242,430)	(799)	(1,961)	40,918
Tools		329,657	(267,447)	(4,572)	-	57,638	303,486	(246,087)	(4,506)	-	52,893
Furniture and fixtures		454,365	(361,483)	(3,786)	(13)	89,083	369,370	(270,684)	(3,297)	(25)	95,364
Lease assets		1,305,848	(668,274)	(1,918)	-	635,656	1,163,380	(524,108)	(1,683)	-	637,589
Construction-in-progress		2,651,919	-	(41,153)	-	2,610,766	3,118,974	-	(41,506)	-	3,077,468
	₩	71,678,454	(45,661,588)	(816,046)	(5,504)	25,195,316	66,169,756	(41,939,250)	(623,573)	(5,354)	23,601,579

(b) Changes in the carrying amounts of property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows:

12. Property, Plant and Equipment, Net (cont'd)

1) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment(*2)	Others(*1)	Ending
Land	₩	1,780,406	-	36,363	(130)	-	-	83,858	1,900,497
Buildings		2,454,512	1,375	210,065	(528)	(234,934)	(10,390)	284,091	2,704,191
Structures		2,330,140	4,597	50,627	(3,777)	(237,531)	(16,701)	676,524	2,803,879
Machinery and equipment		13,132,289	57,852	361,614	(21,889)	(2,037,558)	(178,880)	3,030,230	14,343,738
Vehicles		40,918	4,811	3,554	(347)	(27,384)	-	28,516	49,868
Tools		52,893	7,477	4,481	(210)	(21,164)	(24)	14,185	57,638
Furniture and fixtures		95,364	7,573	4,986	(889)	(36,982)	(216)	19,247	89,083
Right-of-use assets		637,589	30,675	27,493	(4,144)	(88,210)	-	32,253	635,656
Construction-in-progress		3,077,468	3,261,280	2,226	(1,587)	-	(17,718)	(3,710,903)	2,610,766
	₩	23,601,579	3,375,440	701,409	(33,501)	(2,683,763)	(223,849)	458,001	25,195,316

(*1) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changing purpose of use, right-of-use assets transferred to investment properties, adjustments of foreign currency translation differences and others.

(*2) The Group estimated the recoverable amount after calculating the net fair value of individual assets whose operation was suspended due to operation plan changes, such as steelmaking plant no. 1 and blast furnace no. 4 in Pohang, and recognized an impairment loss of ₩223,849 million for property, plant and equipment for the year ended December 31, 2024.

2) For the year ended December 31, 2023

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment	Others(*1)	Ending
Land	₩	1,306,119	14,718	470,650	(1,607)	-	-	(9,474)	1,780,406
Buildings		2,112,378	5,076	462,255	(1,341)	(206,607)	(26,340)	109,091	2,454,512
Structures		2,030,737	2,998	390,814	(7,654)	(190,107)	(28,181)	131,533	2,330,140
Machinery and equipment		11,852,921	75,195	1,527,526	(49,581)	(1,808,050)	(145,404)	1,679,682	13,132,289
Vehicles		20,974	21,243	2,313	(169)	(15,592)	-	12,149	40,918
Tools		41,130	18,105	5,638	(221)	(20,658)	(11)	8,910	52,893
Furniture and fixtures		78,174	10,713	6,002	(273)	(31,889)	(133)	32,770	95,364
Right-of-use assets		391,776	147,620	238,258	-	(50,948)	-	(89,117)	637,589
Construction-in-progress		1,833,679	3,367,117	6,095	-	-	-	(2,129,423)	3,077,468
	₩	19,667,888	3,662,785	3,109,551	(60,846)	(2,323,851)	(200,069)	(253,879)	23,601,579

(*1) Others represent assets transferred from construction-in-progress to property, plant and equipment, reclassifications resulting from changes in the purpose of use, right-of-use assets transferred to investment properties, adjustments of foreign currency translation differences and others.

12. Property, Plant and Equipment, Net (cont'd)

(*2) The Group estimated the recoverable amount after calculating the net fair value of individual assets whose operation was suspended due to operation plan change, such as lithium production facilities in Gwangyang and Argentina, and recognized an impairment loss of ₩199,774 million on property, plant and equipment whose recoverable amount was less the book value.

(c) Details of borrowing costs capitalized and the capitalized interest rate for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Weighted average expenditure	₩	1,918,316	1,593,142
Borrowing costs capitalized		90,333	63,614
Capitalization rate		4.71%	3.99%

(d) Details of property, plant and equipment and investment property pledged as collateral for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)			Book value	
	Collateral right holder		2024	2023
Land	Korea Development Bank and others	₩	11,047	353,002
Buildings and structures	Korea Development Bank and others		181,184	462,716
Machinery and equipment	Korea Development Bank		481,436	746,949
		₩	673,667	1,562,667

12. Property, Plant and Equipment, Net (cont'd)

(e) Changes in the carrying amounts of right-of-use assets presented as property, plant and equipment and investment property for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)		Beginning	Acquisitions	Business Combination	Depreciation	Others	Ending
Land	₩	52,186	-	6,157	(1,124)	4,740	61,959
Buildings and structures		236,687	16,465	525	(62,475)	4,874	196,076
Machinery and equipment		224,120	2,171	19,801	(25,042)	21,858	242,908
Vehicles		10,361	3,115	185	(4,977)	521	9,205
Ships		176,687	-	-	(16,685)	-	160,002
Furniture and fixtures		12,620	8,924	825	(4,926)	(1,911)	15,532
	₩	712,661	30,675	27,493	(115,229)	30,082	685,682

2) For the year ended December 31, 2023

(in millions of Won)		Beginning	Acquisitions	Business Combination	Depreciation	Others (*1)	Ending
Land	₩	53,277	-	-	(1,598)	507	52,186
Buildings and structures		115,408	132,357	7,834	(18,005)	(907)	236,687
Machinery and equipment		11,697	160	229,518	(7,743)	(9,512)	224,120
Vehicles		1,634	10,117	870	(1,963)	(297)	10,361
Ships		193,373	-	-	(16,686)	-	176,687
Furniture and fixtures		16,387	4,986	36	(4,953)	(3,836)	12,620
	₩	391,776	147,620	238,258	(50,948)	(14,045)	712,661

(f) The amounts recognized in profit or loss related to leases for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Interest on lease liabilities	₩	53,429	10,837
Expenses relating to short-term leases		13,422	34,151
Expenses relating to leases of low-value assets		7,855	6,722
	₩	74,706	51,710

13. Intangible Assets, Net

(a) Details of intangible assets as of December 31, 2024 and 2023 are as follows:

(in millions of Won)	2024			2023		
	Acquisition cost	Accumulated amortization and impairment loss	Book value	Acquisition cost	Accumulated amortization and impairment loss	Book value
Intellectual property rights	₩ 79,083	(58,420)	20,663	67,287	(51,505)	15,782
Membership	89,622	(3,720)	85,902	89,822	(4,019)	85,803
Development expense	717,828	(648,488)	69,340	730,040	(629,779)	100,261
Port facilities usage rights	681,386	(514,013)	167,373	682,305	(500,132)	182,173
Construction-in-progress	106,029	-	106,029	47,954	-	47,954
Other intangible assets	322,598	(304,913)	17,685	295,617	(279,970)	15,647
	₩ 1,996,546	(1,529,554)	466,992	1,913,025	(1,465,405)	447,620

(b) Changes in the carrying amounts of intangible assets for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)	Beginning	Acquisitions	Business Combination	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩ 15,782	197	-	(235)	(8,581)	-	13,500	20,663
Membership(*1)	85,803	68	-	(64)	-	(11)	106	85,902
Development expense	100,261	5,073	-	(22)	(58,089)	(597)	22,714	69,340
Port facilities usage rights	182,173	-	-	-	(14,800)	-	-	167,373
Construction-in-progress	47,954	95,388	-	(36)	-	-	(37,277)	106,029
Other intangible assets	15,647	926	589	(24)	(6,202)	-	8,749	17,685
	₩ 447,620	101,652	589	(381)	(87,672)	(608)	5,792	466,992

(*1) The economic useful life of membership is indefinite.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and assets transferred from property, plant and equipment, and others.

13. Intangible Assets, Net (cont'd)

2) For the year ended December 31, 2023

(in millions of Won)		Beginning	Acquisitions	Business Combination	Disposals	Amortization	Impairment loss	Others(*2)	Ending
Intellectual property rights	₩	20,850	89	1,252	(4)	(6,376)	-	(29)	15,782
Membership(*1)		84,844	1,116	-	(114)	-	(29)	(14)	85,803
Development expense		101,961	13,129	1,194	(97)	(65,534)	-	49,608	100,261
Port facilities usage rights		196,973	-	-	-	(14,800)	-	-	182,173
Construction-in-progress		51,105	41,275	-	(2)	-	-	(44,424)	47,954
Other intangible assets		13,155	7,127	186	(20)	(4,918)	(4,028)	4,145	15,647
	₩	468,888	62,736	2,632	(237)	(91,628)	(4,057)	9,286	447,620

(*1) The economic useful life of membership is indefinite.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and assets transferred from property, plant and equipment, adjustments to differences of foreign currency translation and others.

14. Other Assets

Details of other assets as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Current			
Advance payments	₩	22,273	40,364
Prepaid expenses		122,878	105,138
Others		542	371
	₩	145,693	145,873
Non-current			
Long-term advance payments	₩	380	1,109
Long-term prepaid expenses		5,421	5,030
Others		29,046	50,791
	₩	34,847	56,930

15. Borrowings

(a) Details of short-term borrowings and current portion of long-term borrowings and others as of December 31, 2024 and 2023 are as follows:

(in millions of Won)	Lenders	Maturity date	Interest rate (%)		2024	2023
Short-term borrowings						
Bank overdrafts	JP Morgan	January, 2025~ December, 2025	3.65 ~ 7.45	₩	67,328	32,901
Short-term borrowings	SC and others	January, 2025~ December, 2025	1.8 ~ 62		1,076,198	706,128
					1,143,526	739,029
Current portion of long-term liabilities						
Current portion of long-term borrowings	POSCO-ASIA	April, 2025	4.37		5,351	293,711
Current portion of debentures	Global debentures 7-2nd and others	January, 2025~ August, 2025	2.5~4.04		2,375,800	1,977,995
Less: Current portion of discount on debentures issued					(2,473)	(1,355)
					2,378,678	2,270,351
				₩	3,522,204	3,009,380

(b) Details of long-term borrowings as of December 31, 2024 and 2023 are as follows:

(in millions of Won)	Lenders	Maturity date	Interest rate (%)		2024	2023
Long-term borrowings	Korea Development Bank and others	May, 2026~ December, 2032	3.35~6.36	₩	840,994	1,494,110
Less: Present value discount					(7,599)	(3,596)
Debentures	Global debentures 8-2nd and others	January, 2026~ January, 2033	1.72~6.38		6,515,000	6,505,536
Less: Discount on debentures issued					(35,793)	(39,716)
				₩	7,312,602	7,956,334

(c) Details of assets pledged as collateral with regards to the borrowings as of December 31, 2024 are as follows:

(in millions of Won)	Lenders		Book value	Pledged amount
Property, plant and equipment	Export-Import Bank of Korea and others	₩	673,667	773,719
Trade accounts and notes receivable	Shinhan Card		56,079	56,079
		₩	729,746	829,798

16. Other Payables

Details of other payables as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Current			
Accounts payable	₩	830,843	925,976
Accrued expenses		800,276	655,507
Dividend payable		9	9
Lease liabilities		113,023	108,638
Withholdings		20,711	22,042
	₩	1,764,862	1,712,172
Non-current			
Accounts payable	₩	1,109	1,619
Accured expenses		1,848	1,287
Lease liabilities		632,592	629,924
Long-term withholdings		1,314	300
	₩	636,863	633,130

17. Other Financial Liabilities

Details of other financial liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Current			
Financial guarantee liabilities	₩	-	769
Non-current			
Derivative liabilities	₩	-	54,955
Financial guarantee liabilities		-	1,121
	₩	-	56,076

18. Provisions

(a) Details of provisions as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		December 31, 2024		December 31, 2023	
		Current	Non-current	Current	Non-current
Provision for bonus payments	₩	29,274	51,143	26,470	29,159
Provision for restoration(*1)		2,977	977	5,442	920
Emission liabilities(*2)		542	-	370	-
Provision for product warranties(*3)		17,844	3,599	20,153	3,627
Provision for legal contingencies and claims(*4)		652	32,211	467	49
	₩	51,289	87,930	52,902	33,755

(*1) As of December 31, 2024, due to contamination of certain factory sites in the Group's Pohang works, the Group recognized present value of the estimated cost for recovery as provisions for restoration. In order to determine the estimated costs, the Group has assumed that it would use all of technologies and materials which are currently available to recover the land. In addition, the Group has applied the discount rate of 2.79% to calculate present value of costs.

(*2) The Group has recognized liabilities for the amount of greenhouse gas emissions expected to exceed its greenhouse gas allowances allocated free of charge.

(*3) As of December 31, 2024, the Group recognized the expected claim cost to be charged as a provision.

(*4) As of December 31, 2024, the Group recognized provisions in relation to lawsuits.

18. Provisions (cont'd)

(b) Changes in provisions for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)		Beginning	Increase	Utilization	Reversal	Business Combination	Others	Ending
Provision for bonus payments	₩	55,629	88,626	(37,560)	(27,024)	105	641	80,417
Provision for restoration		6,362	244	(1,012)	(1,640)	-	-	3,954
Emission liabilites		370	531	(359)	-	-	-	542
Provision for product warranties		23,780	10,572	(12,909)	-	-	-	21,443
Provision for legal contingencies and claims		516	32,211	(47)	-	135	48	32,863
Others		-	9,237	(9,237)	-	-	-	-
	₩	86,657	141,421	(61,124)	(28,664)	240	689	139,219

2) For the year ended December 31, 2023

(in millions of Won)		Beginning	Increase	Utilization	Reversal	Business Combination	Others	Ending
Provision for bonus payments	₩	43,199	41,126	(30,733)	(948)	3,101	(116)	55,629
Provision for legal contingencies and claims		21,444	2,795	(23,083)	(615)	-	(25)	516
Provision for restoration		7,044	400	(1,082)	-	-	-	6,362
Emission liabilites		776	431	(837)	-	-	-	370
Provision for product warranties		39,193	37,238	(38,767)	(13,884)	-	-	23,780
	₩	111,656	81,990	(94,502)	(15,447)	3,101	(141)	86,657

19. Employee Benefits

(a) Defined contribution plans

The expenses related to post-employment benefit plans under defined contribution plans for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Expense related to post-employment benefit plans under defined contribution plans	₩	57,148	51,149

(b) Defined benefit plans

1) The amounts recognized in relation to net defined benefit liabilities (assets) in the consolidated statements of financial position as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Present value of funded obligations	₩	1,473,467	1,357,578
Fair value of plan assets(*1)		(1,717,646)	(1,681,398)
Present value of non-funded obligations		26,171	26,395
Net defined benefit assets	₩	(218,008)	(297,425)

(*1) As of December 31, 2024 and 2023, the Group recognized net defined benefit assets amounting to ₩242,940 million and ₩324,232 million respectively, since the fair values of plan assets exceeded the present values of defined benefit obligations at consolidation level.

19. Employee Benefits (cont'd)

2) Changes in the present values of defined benefit obligations for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Defined benefit obligation at the beginning of period	₩	1,383,973	1,288,252
Current service costs		135,316	116,868
Interest costs		52,899	53,467
Remeasurements :		102,816	54,093
- Loss (gain) from change in financial assumptions		51,384	68,371
- Loss (gain) from change in demographic assumptions		2,133	(4,631)
- Loss (gain) from change in others		49,299	(9,647)
Benefits paid		(188,721)	(121,001)
Business combination		11,889	-
Others		1,466	(7,706)
Defined benefit obligation at the end of period	₩	1,499,638	1,383,973

3) Changes in the fair values of plan assets for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Fair value of plan assets at the beginning of period	₩	1,681,398	1,586,314
Interest on plan assets		68,203	71,555
Remeasurement of plan assets		11,252	17,463
Contributions to plan assets		118,996	115,108
Benefits paid		(162,310)	(99,003)
Others		107	(10,039)
Fair value of plan assets at the end of period	₩	1,717,646	1,681,398

The Group expects to make an estimated contribution of ₩89,243 million to the defined benefit plan assets in 2025.

19. Employee Benefits (cont'd)

4) The fair values of plan assets as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Debt instruments	₩	238,849	258,086
Deposits		1,478,772	1,398,033
Others		25	25,279
	₩	1,717,646	1,681,398

5) The amounts related to net defined benefit plans recognized in the consolidated statement of comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Current service costs	₩	135,316	116,868
Net interest costs(*1)		(15,304)	(18,088)
	₩	120,012	98,780

(*1) The actual return on plan assets amounts to ₩79,455 million and ₩89,018 million for the years ended December 31, 2024 and 2023, respectively.

19. Employee Benefits (cont'd)

6) Details of remeasurement gains (losses) in other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows: for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Beginning	₩	70,778	98,228
Remeasurements of defined benefit plans		(67,764)	(27,450)
Ending	₩	3,014	70,778

7) The principal actuarial assumptions as of December 31, 2024 and 2023 are as follows:

(%)	2024	2023
Discount rate	2.5 ~ 7.09	3.07 ~ 7.50
Expected future increases in salaries(*1)	1.5 ~ 29.32	1.50 ~ 28.11

(*1) The expected future increases in salaries are based on the average salary increase rate for the past five years.

All assumptions deigned to calculate the defined benefit obligations are reviewed at the end of the reporting period. Additionally, the total estimated defined benefit obligation includes actuarial assumptions associated with the long-term characteristics of the defined benefit plan.

19. Employee Benefits (cont'd)

8) A quantitative sensitivity analysis for changes in significant assumptions of defined benefit obligations as of December 31, 2024 is as follows:

(in millions of Won)		1% Increase		1% Decrease	
		Amount	Percentage (%)	Amount	Percentage (%)
Discount rate	₩	(91,272)	(6.1)	113,106	7.5
Expected future increases in salaries		111,148	7.4	(90,309)	(6.0)

9) As of December 31, 2024, the maturity of the expected benefit payments is as follows:

(in millions of Won)		Within 1 year	1 year - 5 years	5 years - 10 years	10 years - 20 years	After 20 years	Total
Benefits to be paid	₩	192,389	583,852	396,635	1,171,416	288,145	2,632,437

The maturity analysis on defined benefit obligation was nominal amounts of defined benefit obligations using the expected remaining period of service of employees.

20. Other Liabilities

Details of other liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Current			
Advances received	₩	60,132	34,023
Unearned revenue		81,086	52,288
Withholdings		72,745	45,929
Others		46	29
	₩	214,009	132,269
Non-current			
Unearned revenue	₩	1,380	1,640
Others		92	11
	₩	1,472	1,651

21. Financial Instruments

(a) Classification and fair value of financial instruments

1) The carrying amounts and fair values of financial assets and liabilities as of December 31, 2024 and 2023 are as follows:

① As of December 31, 2024

(in millions of Won)		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets						
Fair value through profit or loss						
Derivate assets	₩	754,894	-	754,894	-	754,894
Short term financial instruments		413,976	-	413,976	-	413,976
Long term financial instruments		214	-	214	-	214
Debt securities		3,217	-	-	3,217	3,217
Equity securities		35,541	-	-	35,541	35,541
Other securities		10,091	-	-	10,091	10,091
Fair value through other comprehensive income						
Equity securities		432,877	385,750	-	47,127	432,877
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,435,951	-	-	-	-
Trade accounts and notes receivable		4,867,571	-	-	-	-
Other receivables		753,880	-	-	-	-
Debt securities		400,000	-	-	-	-
Deposit instruments		2,977,524	-	-	-	-
	₩	13,085,736	385,750	1,169,084	95,976	1,650,810
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable		4,186,525	-	-	-	-
Borrowings		10,834,806	-	11,032,896	-	11,032,896
Financial guarantee liabilities		-	-	-	-	-
Others		2,178,243	-	-	-	-
	₩	17,199,574	-	11,032,896	-	11,032,896

(*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

21. Financial Instruments (cont'd)

② As of December 31, 2023

(in millions of Won)		Book value	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets						
Fair value through profit or loss						
Derivate assets	₩	213,392	-	213,392	-	213,392
Short term financial instruments		3,595,201	-	3,595,201	-	3,595,201
Debt securities		3,420	-	-	3,420	3,420
Equity securities		1,526	-	-	1,526	1,526
Other securities		12,836	-	-	12,836	12,836
Fair value through other comprehensive income						
Equity securities		427,666	337,142	-	90,524	427,666
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,426,344	-	-	-	-
Trade accounts and notes receivable		5,621,333	-	-	-	-
Other receivables		341,685	-	-	-	-
Debt securities		289,437	-	-	-	-
Deposit instruments		1,212,752	-	-	-	-
	₩	14,145,592	337,142	3,808,593	108,306	4,254,041
Financial liabilities						
Fair value through profit or loss						
Derivative liabilities	₩	54,955	-	54,955	-	54,955
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable		3,334,297	-	-	-	-
Borrowings		10,965,714	-	11,064,231	-	11,064,231
Financial guarantee liabilities		1,890	-	-	-	-
Others		2,225,836	-	-	-	-
	₩	16,582,692	-	11,119,186	-	11,119,186

(*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

21. Financial Instruments (cont'd)

2) Financial assets and financial liabilities classified as the fair value hierarchy Level 2

Fair values of financial instruments are measured using the derivatives instrument valuation models such as market approach method and discounted cash flow method. Inputs of the financial instrument valuation model include forward rate, interest rate and others. The fair value of derivatives may change depending on the type of derivatives and the nature of the underlying assets. Debt instruments were measured using market-observable interest rates.

3) Financial assets and financial liabilities classified as the fair value hierarchy Level 3

① Details of valuation methods for major financial assets classified as the fair value hierarchy Level 3 and input variables that are significant but not observable as of December 31, 2024 are as follows:

(in millions of Won)	Fair value	Valuation technique	Inputs	Range of inputs	Effect on fair value assessment with unobservable input
Financial assets at fair value	₩ 95,976	Asset value approach	-	-	-

② Changes in the fair values of financial assets classified as the fair value hierarchy Level 3 for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Beginning	₩	108,306	105,445
Acqusition		348	6,357
Gain or loss on valuation of financial assets		2,073	(2,525)
Other comprehensive income (loss)		(1,059)	(971)
Disposal		(13,692)	-
Ending	₩	95,976	108,306

21. Financial Instruments (cont'd)

4) Details of the amount guarantee commitments provided by the consolidated entity as of December 31, 2024 are as follows:

(in millions of Won)

Guarantor	Guarantee beneficiary	Financial institution	Guarantee limit		Guarantee amount	
			Foreign currency	Won equivalent	Foreign currency	Won equivalent
[The Company]						
POSCO	POSCO-VIETNAM Co., Ltd.	Citi	USD 25,000,000	36,750	11,363,636	16,705
		HSBC	USD 40,000,000	58,800	18,181,818	26,727
		Shinhan Bank	USD 45,000,000	66,150	20,454,545	30,068
	POSCO COATED STEEL (THAILAND) CO.,	Citi	THB 800,000,000	34,400	392,000,000	16,856
		HSBC	THB 800,000,000	34,400	392,000,000	16,856
		Mizuho	THB 800,000,000	34,400	392,000,000	16,856
		MUFG	THB 800,000,000	34,400	392,000,000	16,856
		SC	THB 800,000,000	34,400	392,000,000	16,856
		SMBC	THB 800,000,000	34,400	392,000,000	16,856
	POSCO ASSAN TST STEEL INDUSTRY	Citi	USD 42,145,620	61,954	42,145,620	61,954
		Shinhan Bank	USD 40,352,190	59,318	40,352,190	59,318
		Woori Bank	USD 40,352,190	59,318	40,352,190	59,318
POSCO STEELEON CO.,LTD.	Myanmar POSCO C&C Company, Limited.	POSCO Asia Co., Ltd.	USD 13,986,947	20,561	13,986,947	20,561
[Associates]						
POSCO	LLP POSUK Titanium	Shinhan Bank	USD 12,750,000	18,743	12,750,000	18,743
[Others]						
POSCO Maharashtra Steel Private Limited	REGIONAL OFFICER MAHARA	HSBC	INR 5,000,000	86	5,000,000	86
	Gail India	DB	INR 497,862,688	8,558	497,862,688	8,558
	MAHARASHTRA POLLUTION CONTROL BOARD	DB	INR 500,000	9	500,000	9
	MAHARASHTRA STATE ELECTRICITY	HSBC	INR 330,401,355	5,680	330,401,355	5,680
POSCO COATED STEEL (THAILAND) CO., LTD.	BUREAU OF INDIAN STANDARDS (BIS)	SC	THB 16,069,000	691	16,069,000	691
	AMATA NATURAL GAS DISTRIBUTION COMPANY LIMITED	SC	THB 38,500,000	1,656	38,500,000	1,656
	BUREAU OF INDIAN STANDARDS (BIS)	SC	USD 10,000	15	10,000	15
			USD 259,596,947	381,609	199,596,946	293,409
			THB 4,854,569,000	208,747	2,406,569,000	103,483
			INR 833,764,043	14,333	833,764,043	14,333

5) Financial income and costs by category of financial instruments for the years ended December 31, 2024 and 2023 are as follows:

① For the year ended December 31, 2024

(in millions of Won)

	Finance income and costs(*1)							Other comprehensive income
	Interest income (expense)	Dividend income	Gain and loss on foreign currency	Gain on disposal	Gain valuation	Others	Total	
Financial assets at fair value through profit or loss	₩ 151	-	-	100,355	31,921	(5,560)	126,867	-
Derivate assets				76,643	679,953		756,596	
Financial assets at fair value through other comprehensive income	-	26,886	-	-	-	-	26,886	30,687
Financial assets measured at amortized cost	170,848	-	415,430	(53)	-	-	586,225	-
Financial liabilities at fair value through profit or loss	-	-	-	373	54,956	-	55,329	-
Financial liabilities measured at amortized cost	(573,394)	-	(1,105,653)	-	-	2,104	(1,676,943)	-
	₩ (402,395)	26,886	(690,223)	177,318	766,830	(3,456)	(125,040)	30,687

21. Financial Instruments (cont'd)

② For the year ended December 31, 2023

(in millions of Won)	Finance income and costs(*1)							Other comprehensive income
	Interest income (expense)	Dividend income	Gain and loss on foreign currency	Gain on disposal	Gain valuation	Others	Total	
Financial assets at fair value through profit or loss	₩ 189	-	(371)	99,392	315,654	(790)	414,074	-
Financial assets at fair value through other comprehensive income	-	2,517	-	-	-	-	2,517	4,231
Financial assets measured at amortized cost	188,046	-	55,908	-	-	-	243,954	-
Financial liabilities at fair value through profit or loss	-	-	60	(4,394)	8,221	-	3,887	-
Financial liabilities measured at amortized cost	(452,385)	-	(270,467)	-	-	(1,820)	(724,672)	-
	₩ (264,150)	2,517	(214,870)	94,998	323,875	(2,610)	(60,240)	4,231

(b) Credit risk

1) Credit risk exposure

The carrying amounts of financial assets and contract assets represent the Group's maximum exposure to credit risk. The maximum exposure to credit risk as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Cash and cash equivalents	₩	2,435,951	2,426,344
Derivate assets		754,894	213,392
Short-term financial instruments		413,976	3,595,201
Long-term financial instruments		213	-
Debt securities		403,217	292,857
Equity securities		10,091	12,836
Other securities		35,541	1,526
Other receivables		753,880	341,685
Trade accounts and notes receivable		4,879,168	5,626,159
Deposit instruments		2,977,524	1,212,752
	₩	12,664,455	13,722,752

The Group provided financial guarantee for the repayment of loans of associates and third parties. As of December 31, 2024 and 2023, the maximum exposure to credit risk

21. Financial Instruments (cont'd)

caused by financial guarantee amounts to ₩34,760 million and ₩227,064 million, respectively.

2) Impairment losses on financial assets and contract assets

The Group assesses expected credit losses by estimating the default rate based on the credit loss experience of prior periods and overdue conditions and considers the credit default swap (CDS) premium to reflect changes in credit risk by sector. For credit-impaired assets and significant receivables where the credit risk is significantly increased, credit losses are individually assessed.

① Details of allowances for doubtful accounts as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Trade accounts and notes receivable	₩	35,586	25,723
Other accounts receivable		9,685	5,807
Loans		19,379	16,464
Others		460	-
	₩	65,110	47,994

21. Financial Instruments (cont'd)

② Details of impairment losses on financial assets for each of the two years in the period ended December 31, 2024 are as follows:

		2024	2023
Bad debt expenses	₩	3,903	7,926
Other bad debt expenses(*1)		2,302	5,516
Less: Recovery of allowance for other bad debt accounts		-	-
	₩	6,205	13,442

(*1) Other bad debt expenses are mainly related to loans and other accounts receivable.

③ The aging analysis on trade receivables and their allowance for doubtful accounts as of December 31, 2024 and 2023 is as follows:

(in millions of Won)		2024		2023	
		Trade accounts and notes receivable	Allowance for doubtful accounts	Trade accounts and notes	Allowance for doubtful accounts
Not due	₩	4,786,932	974	5,400,130	1,215
Over due less than 1 month		58,505	799	141,718	2,086
1 month - 3 months		10,465	161	26,447	2,526
3 months - 12 months		7,240	2,621	51,249	939
Over 12 months		51,612	31,031	32,338	18,957
	₩	4,914,754	35,586	5,651,882	25,723

④ The aging analysis on other receivables and their allowances for doubtful accounts as of December 31, 2024 and 2023 is as follows:

(in millions of Won)		2024		2023	
		Loans and other account receivable	Allowance for doubtful accounts	Loans and other account receivable	Allowance for doubtful accounts
Not due	₩	716,315	24,749	330,399	21,986
Over due less than 1 month		1,595	1	917	-
1 month - 3 months		40,194	-	24,964	-
3 months - 12 months		8,763	2	5,424	14
Over 12 months		16,538	4,772	2,252	271
	₩	783,405	29,524	363,956	22,271

21. Financial Instruments (cont'd)

⑤ Changes in allowances for doubtful accounts for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Beginning	₩	47,994	48,309
Bad debt expenses		3,903	7,926
Write-off		(35)	(15,975)
Other bad debt expenses		2,302	5,516
Others		10,946	2,218
Ending	₩	65,110	47,994

(c) Liquidity risk

The contractual maturities for financial liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		Book value	Contractual cash flow	Within 1 year	1 year - 5 years	After 5 years
Trade accounts and notes payable	₩	4,186,525	4,186,525	4,186,525	-	-
Borrowings		10,834,806	11,633,805	3,610,895	7,489,700	533,210
Financial guarantee liabilities(*1)		-	34,760	34,760	-	-
Lease liabilities		745,615	1,101,344	160,998	421,418	518,928
Others		1,338,031	1,338,191	1,333,866	4,325	-
	₩	17,104,977	18,294,625	9,327,044	7,915,443	1,052,138

(*1) For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

21. Financial Instruments (cont'd)

(d) Currency risk

1) The Group has exposure to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The exposure to currency risk as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024		2023	
		Assets	Liabilities	Assets	Liabilities
USD	₩	1,789,288	7,466,533	1,134,669	6,969,775
JPY		75,633	9,588	111,552	9,909
CNY		281,254	10,692	330,547	63,210
INR		559,290	-	630,689	-
EUR		15,544	22,470	35,394	742,082
Others		669,351	79,463	626,530	117,536
	₩	3,390,360	7,588,746	2,869,381	7,902,512

2) As of December 31, 2024 and 2023, provided that functional currency against foreign currencies other than functional currency hypothetically strengthens or weakens by 10%, the changes in gains or losses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024		2023	
		10% increase	10% decrease	10% increase	10% decrease
USD	₩	(567,724)	567,724	(583,511)	583,511
JPY		6,605	(6,605)	10,164	(10,164)
CNY		27,056	(27,056)	26,734	(26,734)
INR		55,929	(55,929)	63,069	(63,069)
EUR		(693)	693	(70,669)	70,669

21. Financial Instruments (cont'd)

(e) Interest rate risk

1) The carrying amount of interest-bearing financial instruments as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Fixed rate			
Financial assets	₩	6,290,221	7,605,339
Financial liabilities		(11,532,100)	(9,141,609)
		(5,241,879)	(1,536,270)
Variable rate			
Financial liabilities	₩	(48,321)	(2,353,521)

2) Sensitivity analysis on the cash flows of financial instruments with variable interest rate

The Group's interest rate risk mainly arises from borrowings with variable interest rate. As of December 31, 2024 and 2023, provided that other factors remain the same and the interest rate of borrowings with floating rates increases or decreases by 1%, the changes in interest expense for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024		2023	
		1% increase	1% decrease	1% increase	1% decrease
Variable rate					
Financial instruments	₩	(483)	483	(23,535)	23,535

22. Share Capital and Capital Surplus

(a) Details of share capital as of December 31, 2024 and 2023 are as follows:

(share, in Won)		2024	2023
Authorized shares		200,000,000	200,000,000
Par value	₩	5,000	5,000
Issued shares		96,480,625	96,480,625
Shared capital	₩	482,403,125,000	482,403,125,000

(b) Details of capital surplus as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Share premium	₩	24,222,056	24,222,056
Other capital surplus		(1,516,488)	(1,563,048)
	₩	22,705,568	22,659,008

23. Accumulated Other Comprehensive Income

(a) Details of accumulated other comprehensive income as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Accumulated comprehensive income of investments in associates	₩	6,977	712
Changes in fair value of equity investments at fair value through other comprehensive income		35,743	1,445
Foreign currency translation differences		199,346	(24,269)
	₩	242,066	(22,112)

(b) Changes in the fair values of equity investments at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Beginning balance	₩	1,445	(2,786)
Changes in fair value of equity investments		34,298	4,231
Ending balance	₩	35,743	1,445

24. Revenue

(a) Details of revenue disaggregated by types of revenue and timing of revenue recognition for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Types of revenue			
Revenue from sales of goods	₩	43,007,231	41,748,837
Revenue from services		1,435,447	1,189,511
Others		201,414	196,817
	₩	44,644,092	43,135,165
Timing of revenue recognition			
Revenue recognized at a point in time	₩	43,198,379	41,940,828
Revenue recognized over time		1,445,713	1,194,337
	₩	44,644,092	43,135,165

(b) Details of contract assets and liabilities from contracts with customers as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Receivables			
Account receivables	₩	4,868,903	5,621,333
Contract assets			
Account receivables		10,265	4,826
Contract liabilities			
Advance received		60,192	34,034
Unearned revenue		82,467	53,928

25. Selling and Administrative Expenses

(a) Other administrative expenses

Details of other administrative expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Wages and salaries	₩	376,798	349,988
Expenses related to post-employment benefits		34,396	38,416
Other employee benefits		101,379	90,292
Travel		13,004	12,732
Depreciation		54,067	32,339
Amortization		30,123	28,273
Communication		10,373	9,956
Electricity		4,095	3,001
Taxes and public dues		18,563	9,527
Rental		67,998	83,611
Repairs		10,687	11,784
Entertainment		3,184	3,455
Advertising		57,948	59,201
Research & development		27,400	23,365
Service fees		296,488	311,893
Vehicles maintenance		2,578	2,518
Industry associaton fee		5,761	5,453
Conference		6,904	5,704
Impairment loss on trade and other receivables		3,903	7,926
Others		49,868	46,822
	₩	1,175,517	1,136,256

25. Selling and Administrative Expenses (cont'd)

(b) Selling expenses

Details of selling expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Freight and custody expenses	₩	175,774	162,346
Operating expenses for distribution center		6,233	7,575
Sales commissions		114,082	86,671
Sales advertising		4,362	4,159
Sales promotion		4,231	3,758
Sample		1,658	1,158
Sales insurance premium		8,270	7,410
Contract cost		653	103
Others		11,140	2,098
	₩	326,403	275,278

26. Research and Development Expenditures Recognized as Expenses

Details of research and development expenditures recognized as expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Administrative expenses	₩	27,400	23,366
Cost of sales		343,504	338,184
	₩	370,904	361,550

27. Finance Income and Costs

Details of finance income and costs for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Finance income			
Interest income(*1)	₩	170,999	188,235
Dividend income		26,886	2,517
Gain on foreign currency transactions		545,673	586,924
Gain on foreign currency translations		710,467	48,250
Gain on transactions of derivatives		79,987	20,754
Gain on valuation of derivatives		736,502	132,083
Gain on disposals of financial assets at fair value through profit or loss		104,008	94,135
Gain on valuations of financial assets at fair value through profit or loss		31,921	204,971
Others		774	77
	₩	2,407,217	1,277,946
Finance costs			
Interest expenses	₩	573,394	452,385
Loss on foreign currency transactions		572,603	572,869
Loss on foreign currency translations		1,373,760	277,175
Loss on transactions of derivatives		2,971	19,885
Loss on valuation of derivatives		1,593	10,651
Loss on valuations of financial assets at fair value through profit or loss		-	2,528
Loss on disposals of financial assets at fair value through profit or loss		3,654	7
Others		4,283	2,686
	₩	2,532,258	1,338,186

(*1) Interest income calculated using the effective interest method for the years ended December 31, 2024 and 2023 is ₩151,612 million and ₩170,717 million, respectively.

28. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Other non-operating income			
Gain on disposals of assets held for sale(*1)	₩	4,801	13,448
Gain on disposals of Investment Property		-	17,614
Gain on disposals of property, plant and equipment		11,297	22,366
Gain on disposals of emission rights		-	25,989
Premium income(*2)		157,282	8,790
Others		35,073	23,621
	₩	208,453	111,828
Other non-operating expenses			
Loss on disposals of property, plant and equipment	₩	132,495	138,364
Loss on disposals of intangible assets		256	104
Impairment loss on property, plant and equipment		223,849	200,069
Impairment loss on intangible assets		608	4,057
Idle tangible asset expenses		2,827	3,418
Donations		46,151	50,206
Other amortization expense		2,302	5,516
Others		21,925	28,145
	₩	430,413	429,879

(*1) For the year ended December 31, 2024, the Group disposed of Plant 1 of POSCO (Chongqing) Automotive Processing Center Co., Ltd.

(*2) For the year ended December 31, 2024, the Group received insurance payments of ₩155,900 million related to damage due to the flooding of the Naengcheon stream in Pohang.

29. Expenses by Nature

Details of expenses categorized by nature for each of the two years in the period ended December 31, 2024 are as follows (excluding finance costs and income tax expense):

(in millions of Won)		2024	2023
Raw material used, changes in inventories and others	₩	29,292,768	27,723,023
Employee benefits expenses(*2)		2,745,841	2,429,483
Outsourced processing cost		3,265,097	2,994,949
Electricity and water expenses		765,871	662,188
Service fees		421,712	419,583
Depreciation(*1)		2,711,220	2,325,457
Amortization		87,672	91,628
Freight and custody expenses		1,541,534	1,300,596
Sales commissions		114,082	86,671
Loss on disposal of property, plant and equipment		132,495	138,364
Impairment loss on property, plant and equipment		223,849	200,069
Impairment loss on intangible assets		608	4,057
Donations		46,151	50,206
Other expenses		1,993,452	2,833,445
	₩	43,342,352	41,259,719

(*1) Including depreciation of investment property.

(*2) Details of employee benefits for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Wages and salaries	₩	2,568,681	2,278,152
Expenses related to post-employment benefits		177,160	151,331
	₩	2,745,841	2,429,483

30. Income Taxes

(a) Details of income tax expenses for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Current income taxes(*1)	₩	298,949	256,076
Deferred income tax due to temporary differences		(15,109)	255,931
Items credited directly to equity		10,655	(7,564)
Income tax expense	₩	294,495	504,443

(*1) Income tax refunds (additions) incurred from the final tax filings are included in income payables.

(b) Details of income taxes credited (charged) directly to equity for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Changes in fair value of equity investments at fair value through other comprehensive income(*1)	₩	(12,836)	(1,955)
Remeasurements of defined benefit plans(*1)		23,491	8,041
Loss on disposal of hybrid Bonds		-	163
Share premium		-	(13,813)
	₩	10,655	(7,564)

(*1) Those amounts are recognized in other comprehensive income.

30. Income Taxes (cont'd)

(c) Reconciliations between income tax expense at the effective income tax rate and profit before tax at the statutory tax rate of the Republic of Korea for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Profit before income tax expense	₩	1,373,239	1,926,655
Income tax expense computed at statutory rate		352,173	498,275
Adjustments:			
Tax credit		(51,736)	(59,147)
Investment in subsidiaries and associates		(4,956)	22,596
Tax effect due to permanent differences		3,038	32,132
Tax effects due to a tax audit		-	9,710
Tax effect from tax audit		-	8,049
Others		(4,024)	(7,172)
		(57,678)	6,168
Income tax expense	₩	294,495	504,443
Effective tax rate (%)		21.45%	26.18%

(d) Changes in deferred tax assets (liabilities) for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024			2023		
		Beginning	Increase (decrease)	Ending	Beginning	Increase (decrease)	Ending
Deferred income tax due to temporary differences							
Idle capacity loss	₩	-	-	-	24,629	(24,629)	-
PPE - Depreciation		176,292	45,586	221,878	322,110	(145,818)	176,292
Prepaid expenses		9,993	1,761	11,754	10,914	(921)	9,993
Gain or loss on foreign currency translation		92,268	122,866	215,134	26,634	65,634	92,268
Defined benefit liabilities		(25,285)	(36,878)	(62,163)	(9,003)	(16,282)	(25,285)
Accrued revenue		(7,974)	(4,172)	(12,146)	(2,576)	(5,398)	(7,974)
Effect of spin-off		1,536,176	(557)	1,535,619	1,543,628	(7,452)	1,536,176
Others		93,592	(136,720)	(43,128)	212,364	(118,772)	93,592
		1,875,062	(8,114)	1,866,948	2,128,700	(253,638)	1,875,062
Deferred income taxes recognized directly to equity							
Net changes in fair value of equity investments at fair value through other comprehensive income		(951)	(12,836)	(13,787)	1,004	(1,955)	(951)
Remeasurements of defined benefit plans		(18,492)	23,491	4,999	(26,533)	8,041	(18,492)
		(19,443)	10,655	(8,788)	(25,529)	6,086	(19,443)
Deferred tax from tax credit							
Tax credit carry-forward and others		10,704	(3,178)	7,526	2,340	8,364	10,704
Deferred tax on unrealized gains and losses, etc.							
Unrealized gains and losses and others		249,419	15,746	265,165	266,162	(16,743)	249,419
	₩	2,115,742	15,109	2,130,851	2,371,673	(255,931)	2,115,742

30. Income Taxes (cont'd)

(e) Deferred tax assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024			2023		
		Asset	Liabilities	Net	Asset	Liabilities	Net
Deferred income tax due to temporary differences							
PPE - Depreciation	₩	275,283	(53,405)	221,878	204,881	(28,589)	176,292
Prepaid expenses		11,754	-	11,754	9,993	-	9,993
Gain or loss on foreign currency translation		380,280	(165,146)	215,134	109,899	(17,631)	92,268
Defined benefit liabilities		377,347	(439,510)	(62,163)	372,424	(397,709)	(25,285)
Accrued revenue		-	(12,146)	(12,146)	-	(7,974)	(7,974)
Effect of spin-off		1,535,619	-	1,535,619	1,539,176	(3,000)	1,536,176
Others		107,282	(150,410)	(43,128)	226,541	(132,949)	93,592
		2,687,565	(820,617)	1,866,948	2,462,914	(587,852)	1,875,062
Deferred income taxes recognized directly to equity							
Net changes in fair value of equity investments at fair value through other comprehensive income		4,626	(18,413)	(13,787)	2,149	(3,100)	(951)
Remeasurements of defined benefit plans		6,263	(1,264)	4,999	5,169	(23,661)	(18,492)
		10,889	(19,677)	(8,788)	7,318	(26,761)	(19,443)
Deferred tax from tax credit							
Tax credit carry-forward and others		7,526	-	7,526	10,704	-	10,704
Deferred tax on unrealized gains and losses, etc.							
Unrealized gains and losses and others		268,353	(3,188)	265,165	249,712	(293)	249,419
	₩	2,974,333	(843,482)	2,130,851	2,730,648	(614,906)	2,115,742

(f) As of December 31, 2024, deductible temporary differences of ₩940,489 million and taxable temporary differences of ₩547,167 million related to investments in subsidiaries and associates were not recognized as deferred tax assets or liabilities, because it is not probable, they will reverse in the foreseeable future.

(g) The Group recognized current tax payable or receivable at the amount expected to be paid or received that reflects uncertainty related to income taxes.

(h) The Group is not subject to the global minimum top-up tax in relation to the enactment of the global minimum top-up tax law.

31. Earnings Per Share

Basic earnings per share for each of the two years in the period ended December 31, 2024 are as follows:

(in Won, except share information)		2024	2023
Profit for the period	₩	1,159,006,394,342	1,409,657,641,464
Interests of hybrid bonds, net of tax		-	(3,023,850,958)
Weighted-average number of common shares outstanding(*1)		96,480,625	96,480,625
Basic earnings per share	₩	12,013	14,579

(*1) The weighted-average number of common shares used to calculate basic earnings per share is as follows:

(shares)	2024	2023
Total number of common shares issued	96,480,625	96,480,625
Weighted-average number of common shares outstanding	96,480,625	96,480,625

The Group does not have any dilutive potential common shares as of December 31, 2024 and 2023, so diluted earnings per share are the same as basic earnings per share.

32. Related Party Transactions

(a) The Group's related parties as of December 31, 2024 are as follows:

	Company
The parent company	POSCO HOLDINGS INC.
Associates and joint ventures	DAEHO GLOBAL MANAGEMENT CO., LTD., Pohang Special Welding Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., LLP POSUK TITANIUM, POSCO SUZHOU PROCESSING CENTER CO.,LTD, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER and others
Other related parties(*1)	POSCO Eco & Challenge Co., Ltd., POSCO DX, POSCO WIDE Co., Ltd., POSCO FUTURE M CO., LTD., POSCO FLOW CO., LTD., SNNC, POSCO Mobility Solution Corporation, eSteel4U, POSCO INTERNATIONAL Corporation, POSCO Canada Ltd., POSCO(Guangdong) Automotive Steel Co., Ltd., POSCO VST CO., LTD., POSCO INTERNATIONAL SINGAPORE PTE LTD., Roy Hill Holdings Pty Ltd, POSCO Asia CO., LTD., POSCO-China Holding Corp. and others

(*1) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Group.

32. Related Party Transactions (cont'd)

(b) Significant transactions with its related parties for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company						
POSCO HOLDINGS INC.(*5)	₩ 23,687	398	-	209	-	1,040,539
Associates(*4)						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	38,749	-	781	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	160,170	-	1,235	-	-	397
POS-SeAH Steel Wire (Thailand) Co., Ltd.	22,433	-	90	-	-	-
Others	2,538	56	552	-	-	-
	223,890	56	2,658	-	-	397
Other related parties(*3,4)						
POSCO Eco & Challenge Co., Ltd.	179,314	-	-	979,454	143	37,644
POSCO DX(*6)	39,573	63	1,069	557,789	67,484	196,186
POSCO WIDE Co., Ltd.	15,648	70	774	2,978	24,080	48,900
POSCO FUTURE M CO., LTD.	545,822	769	566,236	39,498	238,076	12,650
POSCO FLOW CO., LTD.(*7)	14,929	4	723,473	32	14,136	1,296,771
SNNC	20,995	8	279,194	1,168	-	19
POSCO Mobility Solution Corporation	777,826	1	5,916	2,594	52,004	898
eSteel4U	540,863	-	178	-	-	256
POSCO INTERNATIONAL Corporation(*9)	11,572,349	83	3,560,564	-	753	30,453
POSCO Canada Ltd.	-	-	26,700	-	-	-
POSCO Maharashtra Steel Private Limited (*8)	863,770	169	-	-	-	-
POSCO(Guangdong) Automotive Steel Co.,Ltd	267,797	-	3,118	-	-	-
POSCO VST CO., LTD.	239,223	-	4,114	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	37	1,748,474	-	-	-
POSCO ASSAN TST STEEL INDUSTRY Inc. (*8)	380,822	2,590	-	-	-	68
Roy Hill Holdings Pty Ltd	-	-	1,729,572	-	-	-
POSCO-India Pune Processing Center Private Ltd(*8)	19,507	-	-	-	-	-
POSCO India Processing Center (*8)	150,930	53	-	-	-	1,416
POSCO-India Steel Distribution Center Private Ltd(*8)	6	-	-	-	-	-
Others	1,304,508	1,756	792,172	228,870	19,266	152,215
	16,933,882	5,613	9,441,554	1,812,383	415,942	1,777,676
	₩ 17,181,459	6,065	9,444,212	1,812,592	415,942	2,818,612

(*1) Sales and others mainly consist of sales of steel products to related parties.

(*2) Purchase and others mainly consist of related party's purchases of construction services and purchases of raw materials to manufacture steel products.

(*3) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Group.

(*4) As of December 31, 2024, the Group has provided financial guarantees to related parties (see Note 22).

32. Related Party Transactions (cont'd)

(*5) Others (purchase) include dividends paid to POSCO HOLDINGS INC. during the year ended December 31, 2024, amounting to ₩888,008 million, as well as service fees for brand usage and rentals.

(*6) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(*7) Others (purchase) mainly consist of freight expenses.

(*8) Including transactions that occurred before the entity was included in associates.

(*9) As of December 31, 2024, the Group is entering into a SWAP contract for LNG procurement.

32. Related Party Transactions (cont'd)

2) For the year ended December 31, 2023

(in millions of Won)	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company						
POSCO HOLDINGS INC.(*5)	₩ 21,479	64	-	-	-	477,751
Associates(*4)						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	56,005	-	36	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd(*8)	155,040	-	1,107	-	-	523
POS-SeAH Steel Wire (Thailand) Co., Ltd.	21,242	-	85	-	-	-
Others	4,566	782	496	-	-	9
	236,853	782	1,724	-	-	532
Other related parties(*3,4)						
POSCO Eco & Challenge Co., Ltd.	205,544	46	4	866,450	97	17,080
POSCO DX(*6)	28,895	18	2,645	521,351	65,845	199,435
POSCO WIDE Co., Ltd.	12,300	19,417	162	3,636	25,841	35,728
POSCO FUTURE M CO., LTD.	509,679	527	579,188	59,968	249,202	9,473
POSCO FLOW CO., LTD.(*7)	19,789	35	611,647	-	18,050	1,173,891
SNNC	21,408	4	477,692	-	-	50
POSCO Mobility Solution Corporation	950,412	-	3,487	2,337	40,041	2,439
eSteel4U	534,896	-	22	-	-	308
POSCO INTERNATIONAL Corporation	11,542,001	1,015	2,754,573	-	5,508	33,675
POSCO Canada Ltd.	-	-	433,109	-	-	-
POSCO MEXICO S.A. DE C.V.(*9)	408,172	356	-	-	-	1,526
POSCO Maharashtra Steel Private Limited	952,698	9	-	-	-	1,905
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER(*9)	1,937	-	-	-	-	2,207
POSCO(Guangdong) Automotive Steel Co.,Ltd	205,475	-	1,312	-	-	-
POSCO VST CO., LTD.	185,277	3	-	-	-	21
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	6	1,554,918	-	-	-
PT. KRAKATAU POSCO(*9)	4,782	100	17,407	-	-	21
POSCO ASSAN TST STEEL INDUSTRY Inc.	185,916	2,841	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	1,588,082	-	-	-
Others	984,291	1,613	466,398	59,050	4,037	122,153
	16,753,472	25,990	8,490,646	1,512,791	408,621	1,599,912
	₩ 17,011,804	26,836	8,492,370	1,512,791	408,621	2,078,195

(*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties and joint ventures.

(*2) Purchase and others mainly consist of related party's purchases of construction services and purchases of raw materials to manufacture steel products.

(*3) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Group.

(*4) As of December 31, 2023, the Group has provided financial guarantees to related parties (see Note 22).

(*5) Others (purchase) include dividends paid to POSCO HOLDINGS INC. during the year ended December 31, 2023, amounting to ₩325,043 million, as well as service fees for brand usage and rentals.

32. Related Party Transactions (cont'd)

(*6) Others (purchase) mainly consist of maintenance expenses for the ERP System.
(*7) Others (purchase) mainly consist of freight expenses.
(*8) Including transactions that occurred before the entity was included in associates.
(*9) For the year ended December 31, 2023, the entities were newly included in subsidiaries due to acquisition from POSCO HOLDINGS INC., and the following transaction details occurred prior to the inclusion.

32. Related Party Transactions (cont'd)

(c) Details of outstanding balances with material transactions with the related parties as of December 31, 2024 and 2023 are as follows:

1) As of December 31, 2024

(in millions of Won)	Receivables				Payables			
	Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes receivable	Accounts payable	Others	Total
The parent company								
POSCO HOLDINGS INC. ₩	810	-	41,992	42,802	-	102,621	85,734	188,355
Associates and joint ventures								
POSCO Vietnam Processing Center. Co.,Ltd	16,962	-	1	16,963	33	-	-	33
POS-SeAH Steel Wire (Thailand) Co., Ltd.	5,097	-	-	5,097	-	-	-	-
Others	760	-	33	793	47	-	-	47
	22,819	-	34	22,853	80	-	-	80
Other related parties								
POSCO Eco & Challenge Co., Ltd.	38,130	-	9	38,139	-	70,431	1,806	72,237
POSCO DX	7,889	-	49	7,938	286	181,638	26,172	208,096
POSCO WIDE Co., Ltd.	1,342	-	1,450	2,792	-	6,724	4,664	11,388
POSCO FUTURE M CO., LTD.	53,227	-	4,770	57,997	43,889	17,221	20,835	81,945
POSCO FLOW CO., LTD.	806	-	546	1,352	120,986	4,595	43,533	169,114
SNNC	2,318	-	70	2,388	8,426	1,285	13	9,724
POSCO Mobility Solution Corporation	112,987	-	-	112,987	693	1,746	5,055	7,494
eSteel4U	107,464	-	-	107,464	-	-	-	-
POSCO INTERNATIONAL Corporation	959,125	-	2,647	961,772	1,192,472	6,138	4,330	1,202,940
POSCO(Guangdong) Automotive Steel Co.,Ltd	48,546	-	-	48,546	378	-	-	378
POSCO VST CO., LTD.	91,390	-	519	91,909	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	-	-	-	209,202	188	-	209,390
Roy Hill Holdings Pty Ltd	-	-	2,440	2,440	356,234	25	-	356,259
Others	67,646	14,700	32,501	114,847	48,483	44,120	332,072	424,675
	1,490,870	14,700	45,001	1,550,571	1,981,049	334,111	438,480	2,753,640
₩	1,514,499	14,700	87,027	1,616,226	1,981,129	436,732	524,214	2,942,075

2) As of December 31, 2023

(in millions of Won)	Receivables				Payables			
	Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
The parent company								
POSCO HOLDINGS INC. ₩	1,432	-	36,538	37,970	3,582	111,082	137,876	252,540
Associates and joint ventures								
POSCO Vietnam Processing Center. Co.,Ltd	15,240	-	4	15,244	31	-	-	31
POS-SeAH Steel Wire (Thailand) Co., Ltd.	4,240	-	-	4,240	21	-	-	21
Others	861	-	41	902	60	-	-	60
	20,341	-	45	20,386	112	-	-	112
Other related parties								
POSCO Eco & Challenge Co., Ltd.	27,063	-	22	27,085	512	111,973	215	112,700
POSCO DX	9,881	-	42	9,923	3,199	196,446	23,978	223,623
POSCO WIDE Co., Ltd.	1,163	-	1,435	2,598	-	3,220	5,823	9,043
POSCO FUTURE M CO., LTD.	81,230	-	63,930	145,160	57,867	22,006	18,797	98,670
POSCO FLOW CO., LTD.	3,350	-	446	3,796	156,249	5,069	47,278	208,596
SNNC	4,230	-	60	4,290	25,480	-	16	25,496
POSCO Mobility Solution Corporation	167,747	-	-	167,747	1,270	2,090	4,843	8,203
eSteel4U	120,023	-	-	120,023	-	-	-	-
POSCO INTERNATIONAL Corporation	1,043,928	-	4,492	1,048,420	847,907	5,278	6,561	859,746
POSCO Maharashtra Steel Private Limited	487,618	-	2,060	489,678	-	21	-	21
POSCO(Guangdong) Automotive Steel Co., Ltd.	59,646	-	-	59,646	59	-	-	59
POSCO VST CO., LTD.	61,609	-	611	62,220	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	-	-	-	186,754	-	-	186,754
POSCO ASSAN TST STEEL INDUSTRY	177,085	-	3,807	180,892	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	-	-	260,830	-	-	260,830
Others	53,051	31,548	19,897	104,496	109,297	35,096	223,441	367,834
	2,297,624	31,548	96,802	2,425,974	1,829,424	381,199	350,952	2,341,575
₩	2,319,397	31,548	133,385	2,484,330	1,633,118	492,281	468,828	2,594,227

32. Related Party Transactions (cont'd)

(d) Significant borrowing transactions with the related parties for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related parties							
POSCO Asia CO., LTD.	Short -term borrowings	₩	203,886	268,379	(226,152)	72,398	318,511
POSCO-China Holding Corp.	Short -term borrowings		17,798	93,852	(88,780)	327	23,197
POSCO MPPC S.A. de C.V.	Short -term borrowings		6,785	38,132	(45,216)	299	
		₩	228,469	400,363	(360,148)	73,024	341,708

(*1) Others include adjustments of foreign currency translation differences.

2) For the year ended December 31, 2023

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related parties							
POSCO Asia CO., LTD.	Short -term borrowings	₩	98,449	192,112	(86,319)	(356)	203,886
POSCO-China Holding Corp.	Short -term borrowings		32,387	109,837	(124,426)	-	17,798
POSCO MPPC S.A. de C.V.	Short -term borrowings		-	6,785	-	-	6,785
		₩	130,836	308,734	(210,745)	(356)	228,469

(*1) Others include adjustments of foreign currency translation differences.

(e) Significant loan transactions with the related parties for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Others(*1)	Ending
Other related parties							
POSCO-India Pune Processing Center. Pvt. Ltd.(*2)	Short -term loans	₩	31,069	71,934	(102,926)	(77)	-
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED(*2)	Short -term loans		171	41,327	(41,425)	(73)	-
POSCO-China Holding Corp.			308	34,602	(31,088)	(3,822)	-
POSCO Asia CO., LTD	Short -term loans		-	27,767	(14,073)	1,006	14,700
POSCO E&C India	Short -term loans		-	586	-	22	608
		₩	31,548	176,216	(189,512)	(2,944)	15,308

32. Related Party Transactions (cont'd)

(*1) Others include adjustments of foreign currency translation differences.

(*2) For the year ended December 31, 2024, the Group was newly included in the consolidation scope as a subsidiary.

2) For the year ended December 31, 2023

(in millions of Won)	Transaction		Beginning	Increase	Decrease	Ending
Other related parties						
POSCO-India Pune Processing Center. Pvt. Ltd.	Short -term loans	₩	39,859	43,447	(52,237)	31,069
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Short -term loans		5,067	3,404	(8,300)	171
POSCO-China Holding Corp.	Short -term loans		-	308	-	308
		₩	44,926	47,159	(60,537)	31,548

For each of the two years in the period ended December 31, 2024, details of compensations to the Group's key management officers are as follows:

(in millions of Won)		2024	2023
Short-term benefits	₩	58,440	72,354
Long-term benefits		302	288
Retirement benefits		13,614	15,023
	₩	72,356	87,665

Key management includes directors (including non-standing directors), executive officers who have significant influence over and responsibilities for the Group's business and operations.

(f) Guarantees provided to related parties

1) The Group has entered into a financial guarantee contract for related parties as of December 31, 2024, and the related guarantee obligations are recognized as financial guarantee liabilities. (See Note 21-(a)-4))

32. Related Party Transactions (cont'd)

(g) Equity transaction with related parties

1) For the year ended December 31, 2024, the Group acquired shares in POSCO Humans Co., Ltd. from POSCO M-TECH, POSCO DX, POSCO FUTURE M CO., LTD., POSCO INTERNATIONAL Corporation.

2) For the year ended December 31, 2024, the Group acquired shares in POSCO Maharashtra Steel Private Limited, POSCO INDIA PROCESSING CENTER PRIVATE LIMITED, POSCO-India Pune Processing Center Pvt. Ltd., POSCO ASSAN TST STEEL INDUSTRY INC. from POSCO HOLDINGS INC.

33. Commitments and Contingencies

(a) Contingent liabilities

Contingent liabilities may develop in a way not initially expected. Therefore, management continuously assesses contingent liabilities to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the consolidated financial statements of the period in which the change in probability occurs (except in the extremely rare circumstances where no reliable estimate can be made).

The management makes estimates and assumptions that affect disclosures of commitments and contingencies. All estimates and assumptions are based on the evaluation of current circumstances and appraisals with the supports of internal specialists or external consultants.

The management regularly analyzes current information about these matters and provides for probable contingent losses including the estimate of legal expense to resolve the matters. Internal and external lawyers are used for these assessments. In making the decision regarding the need for a provision, management considers whether the Group has an obligation as a result of a past event, whether it is probable that an outflow or cash or other resources embodying economic benefits will be required to settle the obligation and the ability to make a reliable estimate of the amount of the obligation.

33. Commitments and Contingencies (cont'd)

(b) Other commitments

Details of other commitments of the Group as of December 31, 2024 are as follows:

Company	Description
POSCO	The Company entered into long-term contracts to purchase iron ore, coal, nickel and others. The contracts of iron ore and coal generally have terms of more than two years and three years, respectively, and the contracts of nickel have terms of more than one year. These contracts provide for periodic price adjustments based on the market price. As of December 31, 2024, 80 million tons of iron ore and 7 million tons of coal remained to be purchased under such long-term contracts. The Company entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia. The purchase contract period and volume are 550 thousand tons of LNG annually for 20 years commencing in August 2005 and 190 thousand tons from September 2025 to December 2026. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling. The Company entered into a consecutive voyage charter (CVC) contract for the transportation of raw materials. As of December 31, 2024, there are 36 vessels under contract and the average remaining contract period is about 6 years. The Company entered into an agreement (LNG SPA) with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The Purchase price is subject to change based on changes of U.S. Henry Hub Natural Gas Spot Price. The company has extension option of extending the purchase contract by five years. As of December 31, 2024, the Company has entered into supplier financings which have a limit of USD 1,150 million with SMBC and four other financial institutions.

As of December 31, 2024, the Group has entered into agreements for overdraft and trade finance with financial institutions, including Woori Bank, with a credit limit of ₩ 6,720.5 billion.

33. Commitments and Contingencies (cont'd)

(c) The committed amount for the acquisition of property, plant and equipment and intangible assets

As of December 31, 2024, the committed amount for the acquisition of property, plant and equipment and intangible assets not yet incurred is as follows:

(in millions of Won)		2024
Property, Plant and Equipment	₩	4,391,599
Intangible Assets		20,380
	₩	4,411,979

(d) Supplier finance arrangements

As of December 31, 2024, the carrying amount of financial liabilities related to supplier finance arrangements entered into by the Group is as follows, and there are no significant non-cash changes in the carrying amount of trade payables and other payables that are part of the supplier finance arrangements.

(in millions of Won)		2024
Trade accounts and notes payable	₩	875,915
Accounts Payables		206,335
Others		4,661
	₩	1,086,911

33. Commitments and Contingencies (cont'd)

(e) Litigation in progress

As of December 31, 2024, litigations in progress that Group defendants in legal actions arising from the normal course of business are as follows:

(In millions of Won, in thousands of foreign currencies)

Company	Legal actions	Currency	Claim amount	Won equivalent	Description
POSCO	172	KRW	457,313	457,313	Lawsuit on claim for employee right and others
POSCO-India Private Limited	1	INR	2,466	42	Lawsuit for severance pay claims and others
POSCO Thainox Public Company Limited	2	THB	3,480	150	Lawsuit on invalidation of a check
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	1	CNY	539	108	Lawsuit for payment claims and others
POSCO Maharashtra Steel Private Limited	1	INR	9,500	193	Tax-related lawsuits and others
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	1	INR	54,420	935	Product defect related lawsuit and others
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	1	TRY	-	-	Industrial accident-related lawsuits and others
POSCO ASSAN TST STEEL INDUSTRY INC.	24	USD	91	124	Lawsuit for severance pay claims and others

The Group has reasonably estimated the probability and amount of 26 lawsuits, including Lawsuit for severance pay claims and others, and recognized W 32,346 million as provisions for legal contingencies and claims.

(f) The Group was spun off from POSCO HOLDINGS INC. and newly incorporated with March 1, 2022 as the date of spin-off, and the Group is jointly liable for the liabilities of POSCO HOLDINGS INC. under Article 530(9)(1) of the Commercial Act of the Republic of Korea.

34. Statements of Cash Flows

(a) Changes in assets and liabilities arising from operating activities for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Trade accounts and notes receivable	₩	632,768	(398,394)
Other receivables		(158,366)	158,581
Inventories		228,818	766,520
Other current assets		17,042	(49,087)
Other non-current assets		49,483	8,911
Trade accounts and notes payable		83,365	(231,940)
Other payables		71,212	(136,905)
Other current liabilities		51,745	40,701
Provisions		483	(54,323)
Payments of severance benefits		(188,721)	(121,309)
Plan assets		43,314	(16,104)
Other non-current liabilities		(8,171)	(16,079)
	₩	822,972	(49,430)

34. Statements of Cash Flows (cont'd)

(b) Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2024 are as follows:

1) For the year ended December 31, 2024

(in millions of Won)

		Liabilities				Derivatives that hedge borrowings
		Short-term borrowings	Long-term borrowings	Dividend payable	Finance lease liabilities	
Beginning	₩	739,029	10,226,685	8	738,562	(146,855)
Changes from financing cash flows		101,759	(1,710,336)	(893,835)	(107,976)	177,380
Changes arising from obtaining or losing control of subsidiaries or other business		219,115	262,473	-	25,401	-
The effect of changes in foreign exchange rates		83,623	899,127	-	23,566	-
Changes in fair values		-	-	-	-	(647,690)
Other changes:						
Use of supplier finance agreements		-	-	-	-	-
Decrease in retained earnings		-	-	888,008	-	-
Decrease in non-controlling interest		-	-	5,828	-	-
Interest expenses		-	13,331	-	24	-
Increase in lease assets		-	-	-	66,038	-
Ending	₩	1,143,526	9,691,280	9	745,615	(617,165)

2) For the year ended December 31, 2023

(in millions of Won)

		Liabilities				Derivatives that hedge borrowings
		Short-term borrowings	Long-term borrowings	Dividend payable	Finance lease liabilities	
Beginning	₩	1,200,229	7,287,431	486	352,183	(148,527)
Changes from financing cash flows		(1,029,008)	1,048,527	(336,813)	(47,550)	119,550
Changes arising from obtaining or losing control of subsidiaries or other business		574,704	1,743,385	-	306,875	-
The effect of changes in foreign exchange rates		(6,896)	133,723	-	(11,326)	-
Changes in fair values		-	-	-	-	(117,878)
Other changes:						
Decrease in retained earnings		-	-	329,152	-	-
Decrease in non-controlling interest		-	-	7,183	-	-
Interest expenses		-	13,619	-	23	-
Increase in lease assets		-	-	-	138,357	-
Ending	₩	739,029	10,226,685	8	738,562	(146,855)

34. Statements of Cash Flows (cont'd)

(c) Significant transaction not involving cash inflows and outflows for each of the two years in the period ended December 31, 2024 are as follows:

(in millions of Won)		2024	2023
Transfer from construction-in-progress to other property, plant and equipment	₩	3,735,495	2,215,526
Change in account payables due to PP&E and intangible asset		54,788	37,597
Reclassification of current portion of borrowings and bonds		2,222,983	1,975,280
Capitalized borrowing costs		90,333	63,614
Increase in right-of-use assets		35,884	145,943

35. Operating Segments and Geographic Information

The Group makes decisions regarding the allocation of resources to segments and distinguishes the segments based on internal reporting materials that are periodically reviewed by the chief operating decision maker to evaluate segment performance. The Group is composed of a single segment, the steel division.

(a) Geographic information

1) Revenue by geographic area for each of the two years in the period ended December 31, 2024 is as follows:

(in millions of Won)		2024	2023
Domestic	₩	37,107,316	39,032,272
China		114,112	101,176
Indonesia		3,158,193	786,007
Asia-other		2,892,543	2,736,400
Europe		316,695	263,368
Others		1,055,233	215,942
	₩	44,644,092	43,135,165

2) Non-current assets by geographic area as of December 31, 2024 and 2023 are as follows:

(in millions of Won)		2024	2023
Domestic	₩	21,156,971	20,424,251
China		24,282	28,856
Indonesia		2,783,720	2,692,178
Asia-other		1,249,152	676,200
Europe		205,142	9,019
Others		298,103	299,241
	₩	25,717,370	24,129,745

35. Operating Segments and Geographic Information (cont'd)

The geographic information has been determined based on the locations where the Company and its subsidiaries are located. Non-current assets by geographic area include investment property, property, plant and equipment and other intangible assets.

(b) Except for the related parties described in Note 32, there are no customers from whom revenue accounts for 10% or more of the consolidated revenue for each of the two years in the period ended December 31, 2024, respectively.

36. Business combination

(a) Business combination

During the period ended December 31, 2024, the Group acquired 5 steel-related subsidiaries including POSCO Maharashtra Steel Private Limited held by POSCO HOLDINGS INC. The purpose of the business combination is to enhance operational efficiency of the steel business, as follow-up to the vertical spin-off in March 2022.

	Details
Acquisiton date	December 18, 2024

(b) Accounting of business combination

In a business combination, the assets acquired and liabilities assumed from the parent company are measured at book value in the consolidated financial statements of the parent company. The Group adjusted the difference between considerations transferred and the book value of net assets, attributable to controlling interest, in capital surplus.

(in millions of Won)		2024
Consideration transferred		
Cash	₩	658,846
		658,846
Identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		55,879
Trade accounts, notes receivable and other receivables, net		499,476
Inventories		931,829
Property, plant and equipment, net		701,409
Other assets		413,284
Trade accounts and notes payable		(1,314,665)
Borrowings		(481,588)
Other liabilities		(98,407)
Identifiable net assets		707,217
Equity related to business combination		
Decrease in capital surplus	₩	31,787
Increase in non-controlling interest		16,584

36. Business combination (cont'd)

(c) Impact on profit or loss from the business combination

The profits or losses of POSCO Maharashtra Steel Private Limited and the other 5 subsidiaries have been included in the consolidated financial performance of the Group only for the period after the acquisition date. For the reporting period subsequent to the acquisition, revenue and net profit of POSCO Maharashtra Steel Private Limited and the other 5 subsidiaries included in the consolidated financial statements after the acquisition date amounts to ₩48,031 million and ₩5,059 million, respectively. If POSCO Maharashtra Steel Private Limited and the other 5 subsidiaries had been consolidated from January 1, 2024, the comprehensive income statement of the consolidated financial statements would have included revenue of ₩1,427,600 million and net profit of ₩135,619 million.

37. Events after the Reporting Period

(a) On January 14, 2025, the Group issued the following non-guaranteed bond in Korean won.

(in billions of Won)		Par value	Annual interest rate	Maturity date
314-1	₩	110	2.889%	January 14, 2027
314-2		590	3.078%	January 14, 2028
314-3		200	3.124%	January 14, 2030
314-4		100	3.184%	January 14, 2032

(b) In February 2025, the U.S. government issued an executive order imposing a 25% tariff on all steel and aluminum products, effective from March 12, 2025. This tariff imposition introduces uncertainty in financial statement projections, and the Group is currently assessing the impact related thereto.

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