

POSCO

Interim condensed separate financial statements
for each of the six-month periods ended June 30, 2026 and 2025
with the independent auditor's review report

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Report on review of interim condensed separate financial statements

(English translation of a report originally issued in Korean)

The Stockholders and Board of Directors POSCO

We have reviewed the accompanying interim condensed separate financial statements of POSCO (the “Company”), which comprise the interim condensed separate statement of financial position as of June 30, 2026, and the related interim condensed separate statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2026, interim condensed separate statements of changes in equity and interim condensed separate statements of cash flows for each of the six-month periods ended June 30, 2026 and 2025, and a summary of material accounting policy information and other explanatory information.

Management’s responsibility for the interim condensed separate financial statements

Management is responsible for the preparation and presentation of these interim condensed separate 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 separate 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 separate financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matter

We have audited the separate statement of financial position of the Company as of December 31, 2025, and the related separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended (not presented herein) in accordance with KSA, and our report dated March 11, 2026 expressed an unqualified opinion thereon. The accompanying separate statement of financial position as of December 31, 2025, presented for comparative purposes, is not different, in all material respects, from the above audited separate statement of financial position.



August 13, 2026

This review report is effective as of August 13, 2026, 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 separate financial statements and may result in modification to this review report.

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Interim condensed separate financial statements
for each of the six-month periods ended June 30, 2026 and 2025

“The accompanying interim condensed separate financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Company.”

Hee-Geun Lee
Chief Executive Officer
POSCO

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Interim condensed separate statements of financial position, continued as of June 30, 2026 (unaudited) and December 31, 2025

(in millions of Won)

	Notes	June 30, 2026	December 31, 2025
Assets			
Cash and cash equivalents	20	₩ 1,374,677	2,089,684
Trade accounts and notes receivable, net	4,20,23	5,140,703	4,349,954
Other receivables, net	5,20	589,966	465,754
Other short-term financial assets	6,20	1,547,196	3,374,183
Inventories	7	6,897,964	6,427,928
Asset held for sales	8	71	28
Other current assets	13	267,374	114,088
Total current assets		15,817,951	16,821,619
Long-term trade accounts and notes receivable, net	4,20,23	2,964	3,227
Other receivables, net	5,20	89,789	86,460
Other long-term financial assets	6,20	1,312,362	1,064,156
Investments in subsidiaries, associates and joint ventures	9	4,167,510	3,311,877
Investment property, net	10	17,560	32,017
Property, plant and equipment, net	11	21,011,410	21,108,022
Intangible assets, net	12	496,940	521,773
Defined benefit assets, net	18	71,935	116,355
Deferred tax assets		2,016,641	1,964,602
Other non-current assets	13	5,102	8,505
Total non-current assets		29,192,213	28,216,994
Total assets		₩ 45,010,164	45,038,613

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Interim condensed separate statements of financial position, continued as of June 30, 2026 (unaudited) and December 31, 2025

(in millions of Won)

	Notes	June 30, 2026	December 31, 2025
Liabilities			
Trade accounts and notes payable	20	₩ 2,300,338	1,957,666
Short-term borrowings and current installments of long-term borrowings	14,20	1,715,189	2,413,594
Other payables	15,20	1,661,046	1,553,501
Other short-term financial liabilities	16,20	2,834	408
Current income tax liabilities		96,240	80,548
Provisions	17	40,839	101,984
Other current liabilities	19	103,725	93,225
Total current liabilities		5,920,211	6,200,926
Long-term borrowings, excluding current installments	14,20	5,259,929	4,642,367
Other payables	15,20	230,382	232,621
Long-term provisions	17	99,310	96,019
Other non-current liabilities	19	1,951	2,373
Total non-current liabilities		5,591,572	4,973,380
Total liabilities		11,511,783	11,174,306
Equity			
Share capital	21	482,403	482,403
Capital surplus	21	24,220,805	24,220,805
Accumulated other comprehensive income	22	240,506	229,912
Retained earnings		8,554,667	8,931,187
Total equity		33,498,381	33,864,307
Total liabilities and equity	₩	45,010,164	45,038,613

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

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Interim condensed separate statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2026 and 2025 (unaudited)

		For the three-month periods ended June 30		For the six-month periods ended June 30	
(in millions of Won, except per share information)	Notes	2026	2025	2026	2025
Revenue	23	₩ 9,415,341	8,947,145	18,350,617	17,915,160
Cost of sales	27	(8,802,913)	(8,150,695)	(17,210,487)	(16,475,328)
Gross profit		612,428	796,450	1,140,130	1,439,832
Selling and administrative expenses					
Other administrative expenses	24,27	(257,972)	(210,830)	(497,867)	(435,564)
Selling expenses	24,27	(80,395)	(72,256)	(154,997)	(144,959)
Operating profit		274,061	513,364	487,266	859,309
Finance income and costs					
Finance income	20,25	235,578	542,723	726,998	784,989
Finance costs	20,25	(306,583)	(636,120)	(780,071)	(859,898)
Other non-operating income and expenses					
Other non-operating income	26	23,871	18,664	89,690	27,473
Other non-operating expenses	26,27	(173,433)	(65,941)	(225,674)	(153,558)
Profit before income tax		53,494	372,690	298,209	658,315
Income tax expense	28	2,109	(99,545)	(62,617)	(165,223)
Profit		55,603	273,145	235,592	493,092
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	18	(1,976)	1,091	(4,001)	2,396
Net changes in fair value of equity investments at fair value through other comprehensive income	20,22	(52,943)	91,420	8,189	108,215
Total comprehensive income	₩	684	365,656	239,780	603,703
Earnings per share (in Won)	29				
Basic earnings per share (in Won)		576	2,831	2,442	5,111
Diluted earnings per share (in Won)	₩	576	2,831	2,442	5,111

The accompanying notes are an integral part of the interim condensed separate financial statement

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Interim condensed separate statements of changes in equity
for each of the six-month periods ended June 30, 2026 and 2025 (unaudited)

<i>(in millions of Won)</i>		Share capital	Capital surplus	Accumulated other comprehensive income	Retained earnings	Total
Balance as of January 1, 2025	₩	482,403	24,227,088	38,441	8,358,596	33,106,528
Comprehensive income:						
Profit		-	-	-	493,093	493,093
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax		-	-	-	2,396	2,396
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	108,127	88	108,215
Transactions with owners of the Company, recognized directly in equity:						
Year-end dividends		-	-	-	(332,858)	(332,858)
Business Combination		-	(7,409)	-	-	(7,409)
Balance as of June 30, 2025	₩	<u>482,403</u>	<u>24,219,679</u>	<u>146,568</u>	<u>8,521,315</u>	<u>33,369,965</u>
Balance as of January 1, 2026	₩	482,403	24,220,805	229,912	8,931,187	33,864,307
Comprehensive income:						
Profit		-	-	-	235,592	235,592
Other comprehensive income						
Remeasurements of defined benefit plans, net of tax		-	-	-	(4,001)	(4,001)
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax		-	-	10,594	(2,405)	8,189
Transactions with owners of the Company, recognized directly in equity:						
Year-end dividends		-	-	-	(605,706)	(605,706)
Balance as of June 30, 2026	₩	<u>482,403</u>	<u>24,220,805</u>	<u>240,506</u>	<u>8,554,667</u>	<u>33,498,381</u>

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

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Interim condensed separate statements of cash flows for each of the six-month periods ended June 30, 2026 and 2025 (unaudited)

<i>(in millions of Won)</i>	<u>Notes</u>	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Cash flows from operating activities			
Profit	₩	235,593	493,093
Adjustments for :			
Expenses related to post-employment benefit		48,206	43,869
Depreciation		1,136,760	1,206,768
Amortization		47,110	29,833
Impairment loss on trade and other receivables		24,981	-
Finance income		(515,449)	(602,853)
Finance costs		517,401	626,046
Loss on valuation of inventories		10,770	21,770
Gain on disposal of property, plant and equipment		(2,101)	(17,247)
Loss on disposal of property, plant and equipment		69,697	52,511
Impairment loss on property, plant and equipment		112,049	70,002
Impairment loss on intangible assets		60	-
Impairment loss on investments in subsidiaries and associates		10,124	-
Gain on disposal of assets held for sale		(3,523)	-
Provision for (reversal of) provisions		(40,002)	17,625
Gain on insurance claim		(12,787)	(1,481)
Income tax expense		62,617	165,223
Loss on disposal of investments in subsidiaries and associates		625	-
Changes in operating assets and liabilities	32	(1,103,666)	494,359
Interest received		86,261	68,799
Interest paid		(137,214)	(187,792)
Dividends received		32,196	37,163
Income taxes paid		(100,459)	(280,195)
Net cash provided by operating activities	₩	<u>479,249</u>	<u>2,237,493</u>

(continued)

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Interim condensed separate statements of cash flows, continued
for each of the six-month periods ended June 30, 2026 and 2025 (unaudited)

<i>(in millions of Won)</i>	<u>Notes</u>	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Cash flows from investing activities			
Decrease in deposits	₩	4,021,777	1,765,700
Proceeds from disposal of short-term financial instruments		2,548,693	3,382,691
Proceeds from disposal of equity securities		1,283	408
Proceeds from disposal of debt securities		544,000	300,000
Proceeds from disposal of other securities		396	-
Collection of loans		4,984	4,312
Proceeds from disposal of investments in subsidiaries and associates		2,260	-
Proceeds from disposal of assets held for sale		13,041	-
Collection of lease receivables		6,377	6,063
Cash inflow from insurance claim		12,787	1,481
Acquisition of deposits		22	389
Increase in deposit instruments		(3,124,811)	(2,265,700)
Acquisition of short-term financial instruments		(2,221,903)	(3,538,057)
Increase in loans		(14,983)	-
Acquisition of debt securities		-	(554,000)
Acquisition of investments in subsidiaries, associates		(872,750)	(75,858)
Acquisition of property, plant and equipment		(1,157,389)	(1,034,997)
Payment for disposal of property, plant and equipment		(54,643)	(22,993)
Acquisition of intangible assets		(39,113)	(70,585)
Payment for deposits		(447)	(3,299)
Payments under financial guarantee contracts		(19,473)	-
Payment for Business Combination		-	(25,915)
Net cash used in investing activities	₩	<u>(349,912)</u>	<u>(2,130,360)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,564,770	1,318,277
Increase in long-term financial liabilities		864	4,166
Proceeds from disposals of derivatives		170,450	133,628
Repayment of borrowings		(1,932,645)	(780,416)
Decrease in long-term financial liabilities		(947)	(2,279)
Repayment of lease liabilities		(40,930)	(41,081)
Payment of cash dividends		(605,705)	(332,858)
Net cash provided by (used in) financing activities	₩	<u>(844,143)</u>	<u>299,437</u>
Effect of exchange rate fluctuation on cash held		(201)	(2,520)
Net increase (decrease) in cash and cash equivalents		(715,007)	404,050
Cash and cash equivalents at beginning of the period		<u>2,089,684</u>	<u>1,943,148</u>
Cash and cash equivalents at end of the period	₩	<u><u>1,374,677</u></u>	<u><u>2,347,198</u></u>

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

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Notes to the interim condensed separate financial statements June 30, 2026 and 2025 (unaudited)

1. General Information

POSCO ("The 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 June 30, 2026, POSCO is wholly owned by POSCO HOLDINGS INC. (100% ownership).

2. Basis of Preparation

Statement of compliance

POSCO prepares its interim condensed separate 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 separate 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.

The interim condensed separate 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 Company since the last annual separate financial statements as of and for year ended December 31, 2025.

These interim condensed financial statements are separate financial statements prepared in accordance with KIFRS 1027 *Separate Financial Statements* presented by a parent, or an investor in a joint venture or associate, in which the investments are accounted for at cost.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

2. Basis of Preparation (cont'd)

Use of estimates and judgments

(a) Judgments, assumptions and estimation uncertainties

The preparation of the interim condensed separate 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 Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(b) Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company 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 Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company 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).

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Notes to interim condensed separate financial statements, continued

June 30, 2026 and 2025 (Unaudited)

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 Company 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 Company in these interim condensed separate financial statements are the same as those applied by the Company in its separate financial statements as of and for year ended December 31, 2025. The changes in accounting policies described below are expected to be applied to the separate financial statements as of and for the year ending December 31, 2026.

Changes in accounting policies

- (a) Amendments to KIFRS 1109 Financial Instruments and KIFRS 1107 Financial Instruments:
Disclosures – Classification and measurement of financial instruments

The amendments to KIFRS 1109 and Korean KIFRS 1107 relating to the classification and measurement of financial instruments include the following:

- Clarification introducing an accounting policy choice (subject to certain conditions being met) to derecognize financial liabilities settled through an electronic payment system before the settlement date, as well as financial liabilities that are derecognized on the settlement date;
- Additional guidance on how to assess the contractual cash flows of financial assets with ESG-linked or similar features;

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

- Clarification of what constitutes non-recourse features and of the characteristics of contractually linked instruments; and
- Introduction of additional disclosure requirements for financial instruments with contingent features and for equity instruments designated at fair value through other comprehensive income.

3. Summary of Material Accounting Policies (cont'd)

This amendment does not have a material impact on the Company's interim financial statements.

(b) KIFRS Annual Improvements, Volume 11

KIFRS Annual Improvements, Volume 11, were issued to improve consistency across standards, clarify ambiguous wording and enhance understandability. The improvements include amendments to the following standards:

- KIFRS 1101 First-time Adoption of Korean IFRSs: application of hedge accounting on first-time adoption of K-IFRS;
- KIFRS 1107 Financial Instruments: Disclosures: gains or losses on derecognition and practical application guidance;
- KIFRS 1109 Financial Instruments: accounting for derecognition of lease liabilities and the definition of transaction price;
- KIFRS 1110 Consolidated Financial Statements: determination of de facto agents; and
- KIFRS 1007 Statement of Cash Flows: cost method.

This amendment does not have a material impact on the Company's interim financial statements.

(c) Amendments to KIFRS 1109 Financial Instruments and KIFRS 1107 Financial Instruments: Disclosures – Contracts related to nature-dependent electricity

Amendments to KIFRS 1109 and KIFRS 1107 relating to contracts for nature-dependent electricity have been issued. The key aspects of the amendments include the following:

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

3. Summary of Material Accounting Policies (cont'd)

- Clarification of the application of the 'own-use' requirement to contracts within the scope of the amendments;
- Amendments to the requirements for designating cash flow hedge items in cash flow hedge relationships for contracts within the scope of the amendments; and
- Introduction of new disclosure requirements to enable users of financial statements to understand the effects of such contracts on an entity's financial performance and cash flows.

This amendment does not have a material impact on the Company's interim financial statements.

Standards issued but not yet adopted

New and amended standards that have been issued but are not yet effective are set out below. The Company has not early adopted the following new and amended standards in preparing these financial statements.

KIFRS 1118 Presentation and Disclosure in Financial Statements replaces KIFRS 1001 Presentation of Financial Statements. KIFRS 1118 is expected to increase comparability of the financial performance of similar entities by providing users with more useful information for analyzing and comparing the entity's performance based on the income statement.

KIFRS 1118 should be first applied for annual periods beginning on or after January 1, 2027, and earlier application is permitted. In accordance with KIFRS 1008 Accounting Policies, Changes in Accounting Estimates and Errors, the comparative information for the year ended December

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

3. Summary of Material Accounting Policies (cont'd)

31, 2027, shall be restated under KIFRS 1118 as the Company is required to apply the standard retrospectively.

When the Company prepares its financial statements by applying KIFRS 1118, the following material accounting policies are expected to result in significant differences compared to the current financial statements. These items do not include all differences that may arise in the future and may be subject to change based on the results of additional analysis.

① Changes in presentation of income statement

KIFRS 1118 requires all income and expenses in the income statement to be classified into one of five categories: the operating category, investing category, financing category, income taxes category, and discontinued operations category. Under the standard, all income and expenses that are not classified as investing, financing, income tax, or discontinued operations categories are classified in the operating category. Accordingly, the operating category is a residual category, and operating profit or loss is defined as the total of income and expenses classified within that category.

In classifying income and expenses, the Company is required to assess its main business activities. If the Company determines that investing in particular types of assets or providing financing to customers is a main business activity, income and expenses that would otherwise be classified in the investing or financing categories are classified instead in the operating category.

As a consequence, operating profit or loss determined in accordance with KIFRS 1118 may differ significantly from operating profit calculated under KIFRS 1001, which has generally been defined as revenue less cost of sales and selling, general and administrative expenses. KIFRS 1118 requires the Company to disclose, in the notes, the operating profit or loss calculated in accordance with KIFRS 1001, together with a reconciliation between that amount and operating profit or loss as defined by KIFRS 1118.

3. Summary of Material Accounting Policies (cont'd)

In addition, KIFRS 1118 requires to present in the income statement the following defined subtotals: 'operating profit or loss' comprising all income and expenses classified in the operating category; 'profit or loss before financing and income taxes' comprising operating profit or loss and all income and expenses classified in the investing category; and 'profit or loss' for the period. However, if providing financing to customers is a main business activity of the Company, the presentation of profit or loss before financing and income taxes may not be required, depending on the accounting policy applied.

② Introduction of disclosure of management-defined performance measures

KIFRS 1118 introduces requirements for the disclosure of management-defined performance measures (MPMs). MPMs are defined as subtotals of income and expenses that are used by management in public communications outside the financial statements, are used to communicate management's view of an aspect of the Company's financial performance, and

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Notes to interim condensed separate financial statements, continued

June 30, 2026 and 2025 (Unaudited)

are not listed in paragraph 118 of KIFRS 1118 or otherwise explicitly required to be presented or disclosed by Korean IFRS.

When the Company reports MPMs, it is required to disclose the reasons why such measures provide useful information, how those measures are calculated, and a reconciliation between those measures and the most directly comparable subtotal specified in KIFRS 1118. In addition, the Company shall disclose the income tax effect of each reconciling item and the effect of each reconciling item on non-controlling interests.

③ Changes in classification of cash flows

In accordance with the issuance of KIFRS 1118, certain amendments have been made to KIFRS 1007 Statement of Cash Flows. Under the amendment, when applying the indirect method, the starting point for determining net cash flows from operating activities has been changed from profit or loss for the period to operating profit or loss, and the accounting policy choice regarding the classification of cash flows related to interest and dividends has been eliminated.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

3. Summary of Material Accounting Policies (cont'd)

The Company has not applied KIFRS 1118 as its mandatory effective date has not yet arrived and plans to report its first interim financial statements for the reporting period ending December 31, 2027 in accordance with KIFRS 1118.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

4. Trade Accounts and Notes Receivable

Details of trade accounts and notes receivable as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Current			
Trade accounts and notes receivable	₩	5,140,853	4,350,371
Less: Allowance for doubtful accounts		(150)	(417)
	₩	<u>5,140,703</u>	<u>4,349,954</u>
Non-current			
Trade accounts and notes receivable	₩	5,072	4,805
Less: Present value discount		(1,175)	(1,175)
Less: Allowance for doubtful accounts		(933)	(403)
	₩	<u>2,964</u>	<u>3,227</u>

The Company discounted its trade receivables in accordance with a 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 Company 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 June 30, 2026 and December 31, 2025, the carrying amount of such secured borrowings is ₩311,548 million and ₩406,409 million, respectively, which are presented in the statements of financial position as short-term borrowings (Note 14).

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

5. Other Receivables

Details of other receivables as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Current			
Loans	₩	16,534	16,002
Other accounts receivable		537,461	372,021
Lease receivables		12,516	12,767
Accrued income		23,734	65,235
Others		5	7
Less: Allowance for doubtful accounts		(284)	(278)
	₩	<u>589,966</u>	<u>465,754</u>
Non-current			
Loans	₩	51,460	39,308
Other accounts receivable		5,590	6,735
Lease receivables		31,637	37,737
Deposits		45,143	44,056
Less: Allowance for doubtful accounts		(44,041)	(41,376)
	₩	<u>89,789</u>	<u>86,460</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

6. Other Financial Assets

(a) Details of other financial assets as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Current			
Derivative assets	₩	113,796	181,721
Debt securities		150,000	694,000
Deposit instruments		1,283,400	2,180,365
Short-term financial instruments(*1)		-	318,097
	₩	<u>1,547,196</u>	<u>3,374,183</u>
Non-current			
Derivative assets	₩	564,510	329,877
Equity securities		740,309	726,340
Other securities		7,521	7,917
Deposit instruments(*2)		22	22
	₩	<u>1,312,362</u>	<u>1,064,156</u>

(*1) As of June 30, 2026, deposit instruments of ₩283,700 million (December 31, 2025: ₩283,700 million) are restricted in use in connection with the Company's participation in the Shared Growth Fund.

(*2) Deposit instruments are restricted in use in relation to the Company's checking account.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

6. Other Financial Assets (cont'd)

(b) Details of equity securities as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)

	June 30, 2026					December 31, 2025	
	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	W 14,878	12,027	(2,851)	12,027	13,680
YODOKO, Ltd.	3,000,000	1.72	13,842	36,728	22,886	36,728	37,467
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	6,139	(6,713)	6,139	7,131
PT.Krakatau Steel	236,625,000	1.22	6,876	3,843	(3,033)	3,843	6,927
AJUSTEEL Co., Ltd.	-	-	-	-	-	-	1,701
dhSteel	1,564,296	7.21	4,224	1,478	(2,746)	1,478	2,059
Woori Financial Group Inc.	20,280,000	2.76	261,638	588,120	326,482	588,120	567,840
Others			14,616	8,925	(5,691)	8,925	10,594
			328,926	657,260	328,334	657,260	647,399
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., LTI	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
DAEHO GLOBAL MANAGEMENT CO., LTD. (*1)	71,647	17.91	4,108	4,108	-	4,108	-
Others			23,430	23,430	-	23,430	23,430
			83,049	83,049	-	83,049	78,941
W			411,975	740,309	328,334	740,309	726,340

(*1) During the six-month period ended June 30, 2026, the Company did not participate in the investee's capital increase, resulting in a decrease in its ownership interest. Accordingly, the Company determined that it had lost significant influence over the investee and reclassified the investment from an investment in an associate to other financial assets.

POSCO

Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

7. Inventories

(a) Details of inventories as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Finished goods	₩	1,200,498	1,333,360
Semi-finished goods		1,974,238	1,883,315
By-products		15,768	11,098
Raw materials		1,434,825	1,261,776
Fuel and materials		564,264	554,936
Materials-in-transit		1,709,555	1,398,295
Others		17,538	17,543
		6,916,686	6,460,323
Less: Allowance for inventories valuation		(18,722)	(32,395)
	₩	6,897,964	6,427,928

(b) Details of allowance for inventories valuation as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Finished goods	₩	8,071	22,435
Semi-finished goods		800	2,808
Raw materials		2,213	4,221
Others		7,638	2,931
	₩	18,722	32,395

(c) The amounts of loss on valuation of inventories recognized in cost of sales during the six-month period ended June 30, 2026 and the year ended December 31, 2025 are ₩10,770 million and ₩32,395 million, respectively.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

8. Assets held for sales

Details of assets held for sales as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		<u>June 30, 2026</u>	<u>December 31, 2025</u>
Property, Plant and Equipment(*1)	₩	71	28

(*1) During the six-month period ended June 30, 2026, the Company decided to dispose of certain idle equipment and classified it as assets held for sale.

POSCO

Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

9. Investments in Subsidiaries, Associates and Joint ventures

(a) Details of subsidiaries and their carrying amounts as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)

(In millions of Won)			June 30, 2026		December 31, 2025
	Country	Principal operations	Ownership (%)	Book value	Book value
[Domestic]					
POSCO STEELEON Co., Ltd.(*1)	Korea	Coated steel manufacturing and sales	56.87	₩ 108,421	108,421
		Packing materials manufacturing and sales			
POSCO M-TECH(*2, 3)	Korea		48.85	107,278	107,278
eNtoB Corporation	Korea	Electronic commerce	69.32	46,358	46,358
PNR	Korea	Steel by product processing and sales	70.00	12,339	12,339
POSCO Humans	Korea	Business assistance service	100.00	11,685	11,685
POSCO GYS Tech	Korea	Maintenance service	100.00	15,000	15,000
POSCO GY Solution	Korea	Maintenance service	100.00	15,000	15,000
POSCO GYR Tech	Korea	Maintenance service	100.00	23,300	23,300
POSCO PH Solution	Korea	Maintenance service	100.00	9,400	9,400
POSCO PS Tech	Korea	Maintenance service	100.00	15,000	15,000
POSCO PR Tech	Korea	Maintenance service	100.00	12,300	12,300
Pohang Scrap Recycling Distribution Center Co., Ltd.	Korea	Steel processing and sales	51.00	4,612	4,612
CHEMGAS KOREA CO.,LTD	Korea	Industrial gas manufacturing and sales	100.00	69,343	69,343
POSCO Stainless Precision & Processing	Korea	Steel manufacturing and sales	100.00	200,000	200,000
eSteel4U	Korea	Steel wholesale and retail trade	61.12	4,331	4,331
				654,367	654,367
[Foreign]					
PT.KRAKATAU POSCO(*2)	Indonesia	Steel manufacturing and sales	50.00	928,168	928,168
POSCO Thainox Public Company Limited		STS cold-rolled steel manufacturing and sales			
	Thailand		74.56	141,019	141,019
POSCO MEXICO S.A. DE C.V.	Mexico	Automotive steel manufacturing and sales	83.28	190,802	190,802
POSCO (Thailand) Company Limited	Thailand	Steel processing and sales	100.00	140,614	140,614
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Vietnam	Steel manufacturing and sales	51.00	77,028	77,028
POSCO COATED STEEL (THAILAND) CO., LTD.	Thailand	Automotive steel manufacturing and sales	100.00	72,225	72,225
POSCO-India Private Limited	India	Steel manufacturing and sales	100.00	69,674	69,674
PT.POSCO INDONESIA JAKARTA PROCESSING CENTER	Indonesia	Steel processing and sales	70.51	56,976	56,976
POSCO-MKPC SDN BHD	Malaysia	Steel processing and sales	70.00	56,789	56,789
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	China	Steel processing and sales	90.00	6,479	6,479
POSCO-VIETNAM Co., Ltd.	Vietnam	Steel manufacturing and sales	100.00	36,972	36,972
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Poland	Steel processing and sales	60.00	22,929	22,929
POSCO-Mexico Villagran Wire-rod Processing Center	Mexico	Steel processing and sales	56.75	1,363	1,363
POSCO-India Pune Processing Center Private Limited	India	Steel processing and sales	65.00	37,873	37,873
POSCO Maharashtra Steel Private Limited	India	Steel processing and sales	100.00	519,373	519,373
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	India	Steel processing and sales	93.34	102,587	102,587
POSCO ASSAN TST STEEL INDUSTRY Inc.	Turkiye	Steel processing and sales	60.00	2	2
POS-Louisiana Inc.(*4)	United States	SPC	100.00	285,920	-
Others				75,200	75,201
				2,821,993	2,536,074
			₩	3,476,360	3,190,441

(*1) Excluding the treasury shares held as of June 30, 2026, the ownership of the Company in terms of voting rights is 56.96%.

(*2) As of June 30, 2026, the Company classified POSCO M-TECH and PT. KRAKATAU POSCO as investments in subsidiaries, considering additional facts and circumstances, such as the relative size of the voting rights held by the Company and the degree of diversification of other voting rights holders, although the Company holds less than half of the voting rights in POSCO M-TECH and PT. KRAKATAU POSCO.

(*3) Excluding the treasury shares held as of June 30, 2026, the Company's ownership interest in terms of voting rights is 48.85%.

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

(*4) Newly established during the six-month period ended June 30, 2026 for the Company to participate in a joint investment with Hyundai Motor Group to construct an EAF-based integrated steel mill in Louisiana, United States, in order to respond to

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

challenges in the North American steel market and secure a production base for eco-friendly automotive steel sheets.

- (b) Details of associates and their carrying amounts as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)

(in millions of Won)			June 30, 2026		December 31, 2025
	Country	Principal operations	Ownership (%)	Book value	Book value
[Domestic]					
LTD.(^{*1})	Korea	Investment advisory service	-	₩ -	4,108
Pohang Special Welding Co., Ltd.	Korea	Welding material and tools manufacturing and sales	50.00	3,111	3,111
FEWM CO., LTD.	Korea	Industrial gas manufacturing and sales	40.00	12,800	12,800
POSCO CVC 1st Fund(^{*2,3})	Korea	New technology business investment association	80.00	9,280	800
				25,191	20,819
[Foreign]					
LLP POSUK Titanium(^{*4})	Kazakhstan	Titanium raw material manufacturing and sales	33.90	-	10,124
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(^{*5})	China	Steel processing and sales	-	-	2,885
Ltd.	China	Steel processing and sales	20.00	441	441
POSCO VIETNAM PROCESSING CENTER JOINT STOCK COMPANY (^{*6})	Vietnam	Steel processing and sales	9.17	12,101	12,101
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	Slovakia	Steel processing and sales	30.00	6,205	6,205
M RES NSW HCC II Pty Ltd(^{*7})	Australia	Mining investment	61.54	68,861	68,861
PT.Xinheng Metal Indonesia(^{*8})	Indonesia	Manufacturing and sales of nickel pig iron and stainless steel slabs	44.12	578,350	-
				665,958	100,617
				₩ 691,149	121,436

- (*1) During the three-month period ended June 30, 2026, the Company's ownership interest decreased due to its non-participation in the investee's capital increase. Accordingly, the Company lost significant influence over the investee and reclassified the investment from an associate to other financial assets.
- (*2) Although the Company's ownership interest exceeds 50%, the investment was classified as an associate because the Company, as a limited partner, does not have the ability to exercise control over the investee.
- (*3) Additional capital contribution of ₩8,480 million was made during the six-month period ended June 30, 2026.

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

- (*4) For the six-month period ended June 30, 2026, the Company recognized an impairment loss of ₩10,124 million as the carrying amount of the investment exceeded its recoverable amount.
- (*5) Excluded from associates as a result of its disposal during the six-month period ended June 30, 2026.
- (*6) As of June 30, 2026, the Company has determined that it has significant influence even though the Company's percentage of ownership is less than 20% considering the composition of board of directors.
- (*7) As of June 30, 2026, the Company has determined that it has significant influence even though the Company's percentage of ownership is more than 50% considering the composition of board of directors.
- (*8) During the six-month period ended June 30, 2026, the Company acquired newly issued shares of PT.Xinheng Metal Indonesia, an Indonesian stainless steel raw

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Notes to interim condensed separate financial statements, continued

June 30, 2026 and 2025 (Unaudited)

material producer, to secure a stable supply of semi-finished products and raw materials for stainless steel production.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

10. Investment Property, Net

Changes in the carrying amount of investment property for the six-month period ended June 30, 2026 and the year ended December 31, 2025 are as follows:

1) For the six-month period ended June 30, 2026

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	2	-	-	2
Buildings		3,528	(172)	-	3,356
Structures		891	(44)	-	847
Right-of-use assets		27,596	(14,649)	408	13,355
	₩	32,017	(14,865)	408	17,560

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

(*2) Others include reclassification resulting from changes in the proportion of the asset that is subleased.

2) For the year ended December 31, 2025

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	2	-	-	2
Buildings		3,871	(343)	-	3,528
Structures		978	(87)	-	891
Right-of-use assets		53,216	(28,942)	3,322	27,596
	₩	58,067	(29,372)	3,322	32,017

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

(*2) Others include reclassification resulting from changes in the proportion of the asset that is subleased.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

11. Property, Plant and Equipment, Net

(a) Changes in the carrying amount of property, plant and equipment for the six-month period ended June 30, 2026 and year ended December 31, 2025 are as follows:

1) For the six-month period ended June 30, 2026

(in millions of Won)		Beginning	Acquisitions	Disposals	Impairment(*1)	Depreciation	Others(*2)	Ending
Land	₩	1,334,762	15	-	-	-	64,343	1,399,120
Buildings		2,280,934	8	(9)	(8,293)	(102,877)	215,690	2,385,453
Structures		2,387,974	1,936	(2,720)	(16,985)	(109,497)	107,337	2,368,045
Machinery and equipment		12,633,865	25,449	(8,594)	(86,766)	(849,276)	1,153,306	12,867,984
Vehicles		29,703	90	-	-	(9,389)	-	20,404
Tools		24,727	41	-	-	(7,188)	4,912	22,492
Furniture and fixtures		85,253	1,531	(42)	(5)	(17,582)	7,815	76,970
Right-of-use assets		259,888	-	-	-	(26,085)	1,978	235,781
Construction-in-progress		2,070,916	1,119,216	-	-	-	(1,554,971)	1,635,161
	₩	21,108,022	1,148,286	(11,365)	(112,049)	(1,121,894)	410	21,011,410

(*1) For the six-month period ended June 30, 2026, the Company estimated the recoverable amounts of individual assets, including the 2FINEX plant in Pohang, based on fair value less costs of disposal and recognized an impairment loss of ₩112,049 million.

(*2) Others represent assets transferred from construction-in-progress to other property, plant and equipment, assets transferred from right of use to investment properties, and others.

2) For the year ended December 31, 2025

(in millions of Won)		Beginning	Acquisitions	Disposals	Impairment(*1)	Depreciation	Business Combination	Others(*2)	Ending
Land	₩	1,298,175	-	-	-	-	-	36,587	1,334,762
Buildings		1,907,258	603	(2,322)	(404)	(204,048)	-	579,847	2,280,934
Structures		2,362,646	1,567	(1,398)	(6,065)	(219,862)	-	251,086	2,387,974
Machinery and equipment		12,650,905	43,222	(14,870)	(55,435)	(1,803,636)	4,403	1,809,276	12,633,865
Vehicles		26,698	1,258	(4)	-	(19,818)	-	21,569	29,703
Tools		30,035	3,110	-	-	(14,455)	-	6,037	24,727
Furniture and fixtures		68,664	3,848	(39)	(3)	(39,641)	-	52,424	85,253
Right-of-use assets		311,872	4,955	-	-	(55,764)	-	(1,175)	259,888
Construction-in-progress		2,580,104	2,267,258	-	(8,081)	-	-	(2,768,365)	2,070,916
	₩	21,236,357	2,325,821	(18,633)	(69,988)	(2,357,224)	4,403	(12,714)	21,108,022

(*1) For the year ended December 31, 2025, the Company estimated the recoverable amounts of individual assets whose operations had been suspended, including the 3FINEX plant in Pohang, based on fair value less costs of disposal and recognized an impairment loss of ₩69,988 million.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

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

(*2) Others represent assets transferred from construction-in-progress to other property, plant and equipment, assets transferred from right of use to investment properties, and others.

(b) Information on lease agreements for which the Company is a lessee is as follows:

1) Right-of-use assets

- ① Changes in the carrying amount of right-of-use assets presented as property, plant and equipment and investment property for the six-month period ended June 30, 2026 are as follows:

(in millions of Won)		Beginning	Acquisitions	Depreciation	Others	Ending
Land	₩	6,783	-	(141)	-	6,642
Buildings		86,471	-	(27,773)	607	59,305
Structures		33,955	-	(1,415)	-	32,540
Machinery and equipment		393	-	(196)	-	197
Vehicles		7,837	-	(1,385)	-	6,452
Ships		143,955	-	(8,026)	-	135,929
Furniture and fixtures		8,090	-	(1,798)	1,779	8,071
	₩	<u>287,484</u>	<u>-</u>	<u>(40,734)</u>	<u>2,386</u>	<u>249,136</u>

- ② Changes in the carrying amount of right-of-use assets presented as property, plant and equipment and investment property for year ended December 31, 2025 are as follows:

(in millions of Won)		Beginning	Acquisitions	Depreciation	Others	Ending
Land	₩	7,068	-	(285)	-	6,783
Buildings		135,360	2,283	(56,088)	4,916	86,471
Structures		38,373	-	(4,418)	-	33,955
Machinery and equipment		788	-	(395)	-	393
Vehicles		9,431	2,456	(2,705)	(1,345)	7,837
Ships		160,003	-	(16,048)	-	143,955
Furniture and fixtures		14,065	216	(4,767)	(1,424)	8,090
	₩	<u>365,088</u>	<u>4,955</u>	<u>(84,706)</u>	<u>2,147</u>	<u>287,484</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

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

2) Amount recognized in profit or loss

The amount recognized in profit or loss related to leases for the six-month periods ended June 30, 2026 and 2025 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	₩ 2,070	2,687	4,289	5,518
Expenses relating to short-term leases	130	1,253	261	2,568
Expenses relating to leases of low-value assets	1,211	1,186	2,513	2,387
	₩ 3,411	5,126	7,063	10,473

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

12. Intangible Assets, Net

Changes in the carrying amount of intangible assets for the six-month period ended June 30, 2026 and the year ended December 31, 2025 are as follows:

(a) For the six-month period ended June 30, 2026

(in millions of Won)		Beginning	Acquisitions	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	18,119	-	-	(3,025)	-	2,678	17,772
Membership(*1)		80,436	-	-	-	(60)	-	80,376
Development expense		205,041	572	-	(35,822)	-	7,775	177,566
Port facilities usage rights		153,376	-	-	(7,429)	-	-	145,947
Construction-in-progress		62,099	19,068	-	-	-	(8,382)	72,785
Other intangible assets		2,702	429	-	(834)	-	197	2,494
	₩	521,773	20,069	-	(47,110)	(60)	2,268	496,940

(*1) 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.

(b) For the year ended December 31, 2025

(in millions of Won)		Beginning	Acquisitions	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩	19,506	-	-	(6,108)	-	4,721	18,119
Membership(*1)		79,334	1,102	-	-	-	-	80,436
Development expense		77,771	957	-	(39,440)	-	165,753	205,041
Port facilities usage rights		168,233	-	-	(14,857)	-	-	153,376
Construction-in-progress		105,825	124,626	-	-	-	(168,352)	62,099
Other intangible assets		4,515	70	-	(2,163)	-	280	2,702
	₩	455,184	126,755	-	(62,568)	-	2,402	521,773

(*1) 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.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

13. Other Assets

Details of other assets as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Current			
Advance payments	₩	180,825	31,981
Prepaid expenses		86,549	82,107
	₩	<u>267,374</u>	<u>114,088</u>
Non-current			
Long-term advance payments	₩	128	128
Long-term prepaid expenses		1,998	2,182
Others		2,976	6,195
	₩	<u>5,102</u>	<u>8,505</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

14. Borrowings

(a) Details of borrowings as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)		June 30, 2026	December 31, 2025
Short-term borrowings			
Short-term borrowings	₩	466,470	589,527
Current portion of debentures		1,250,750	1,824,430
Less: Current portion of discount on debentures issued		(2,031)	(363)
	₩	<u>1,715,189</u>	<u>2,413,594</u>
Long-term borrowings			
Long-term borrowings	₩	300,000	100,000
Debentures		4,985,450	4,563,290
Less: Discount on debentures issued		(25,521)	(20,923)
	₩	<u>5,259,929</u>	<u>4,642,367</u>

(b) Details of short-term borrowings as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	June 30, 2026	December 31, 2025
Transfers of account receivables that do not qualify for derecognition(*1)		Shinhan Card and others	-	-	₩ 311,548	406,409
Borrowings in foreign trade		Bank-of-China and others	2026.07.06 ~ 2026.09.03	1.41 ~ 1.60	154,922	183,118
					₩ <u>466,470</u>	<u>589,527</u>

(*1) The trade receivables have been discounted according to the factoring agreement and have been recognized as short-term borrowings (Note 4).

(c) Details of current portion of debentures as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)		Lenders	Maturity date	Annual interest rate (%)	June 30, 2026	December 31, 2025
Debentures		312-1st Non-guaranteed bonds and others	2026.07.17~ 2027.01.14	1.72 ~ 2.89	₩ 479,877	819,867
Foreign debentures		Global debentures 10	2027.01.23	4.88	768,842	1,004,200
					₩ <u>1,248,719</u>	<u>1,824,067</u>

14. Borrowings(cont'd)

(d) Details of long-term borrowings as of June 30, 2026 and December 31, 2025 are as follows:

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

(in millions of Won)

	Lenders	Maturity date	Annual interest rate (%)		June 30, 2026	December 31, 2025
Long-term borrowings	Korea Development Bank	2035.07.29	2.81~3.98	₩	300,000	100,000
Debentures	310-3rd Non-guaranteed bonds and others	2027.07.07~ 2032.01.14	1.77~4.11		1,437,981	1,547,347
Foreign debentures	Global debentures 8-2 and others	2027.08.04~ 2036.01.16	4.5~5.88		3,521,948	2,995,020
				₩	5,259,929	4,642,367

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

15. Other Payables

Details of other payables as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)

		<u>June 30, 2026</u>	<u>December 31, 2025</u>
Current			
Accounts payable	₩	769,685	796,042
Accrued expenses		814,302	657,581
Lease liabilities		58,231	80,993
Withholdings		18,828	18,885
	₩	<u>1,661,046</u>	<u>1,553,501</u>
Non-current			
Long-term accrued expenses	₩	18	17
Lease liabilities		230,186	232,400
Long-term withholdings		178	204
	₩	<u>230,382</u>	<u>232,621</u>

16. Other Financial Liabilities

Details of other financial liabilities as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)

		<u>June 30, 2026</u>	<u>December 31, 2025</u>
Current			
Financial guarantee liabilities	₩	181	408
Derivative liabilities		2,653	-
		<u>2,834</u>	<u>408</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

17. Provisions

(a) Details of provisions as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)

		June 30, 2026		December 31, 2025	
		Current	Non-current	Current	Non-current
Provision for bonus payments(*1,2,3)	₩	17,550	73,508	17,015	71,120
Provision for product warranties(*4)		19,153	4,450	15,796	3,547
Provision for legal contingencies and claims(*5)		-	21,352	-	21,352
Others(*6)		4,136	-	69,173	-
	₩	<u>40,839</u>	<u>99,310</u>	<u>101,984</u>	<u>96,019</u>

(*1) Representing the provision for bonuses limited to 100% of annual salaries for executives.

(*2) The Company measured the present value of the estimated future payments for long-service benefits based on an actuarial valuation, and recognized a provision of ₩76,254 million as of June 30, 2026.

(*3) The Company recognized a provision of ₩2,388 million for long-term incentives for executives.

(*4) The Company has recognized a provision for the claim cost expected to be charged to the Company.

(*5) As of June 30, 2026, the Company recognized a provision of ₩21,352 million in connection with pending litigation.

(*6) As of June 30, 2026, the Company recognized the expected sales incentives payable to customers as a provision.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

17. Provisions (cont'd)

(b) Changes in provisions for the six-month period ended June 30, 2026 and the year ended December 31, 2025 are as follows:

1) For the six-month period ended June 30, 2026

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Increase</u>	<u>Reversal</u>	<u>Utilization</u>	<u>Ending</u>
Provision for bonus payments	₩	88,135	9,393	-	(6,470)	91,058
Provision for product warranties		19,343	16,858	-	(12,598)	23,603
Provision for legal contingencies and claims		21,352	-	-	-	21,352
Others		69,173	4,136	(60,996)	(8,177)	4,136
	₩	<u>198,003</u>	<u>30,387</u>	<u>(60,996)</u>	<u>(27,245)</u>	<u>140,149</u>

(*1) During the six-month period ended June 30, 2026, an administrative penalty was imposed on the Company by a government authority, and the Company paid ₩8,177 million in relation to such penalty.

2) For the year ended December 31, 2025

<i>(in millions of Won)</i>		<u>Beginning</u>	<u>Increase</u>	<u>Reversal</u>	<u>Utilization</u>	<u>Ending</u>
Provision for bonus payments	₩	62,785	41,863	-	(16,513)	88,135
Provision for restoration		2,962	42	-	(3,004)	-
Provision for product warranties		19,832	15,934	-	(16,423)	19,343
Provision for legal contingencies and claims		32,211	-	(10,859)	-	21,352
Others		-	76,369	-	(7,196)	69,173
	₩	<u>117,790</u>	<u>134,208</u>	<u>(10,859)</u>	<u>(43,136)</u>	<u>198,003</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

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 six-month periods ended June 30, 2026 and 2025 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Expense related to post-employment benefit plans under defined contribution plans	₩ 11,168	15,684	23,610	25,731

(b) Defined benefit plans

- 1) The amounts recognized in relation to net defined benefit liabilities (assets) in the statements of financial position as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>	June 30, 2026	December 31, 2025
Present value of funded obligations	₩ 1,209,903	1,310,938
Fair value of plan assets	(1,281,838)	(1,427,293)
Total	₩ (71,935)	(116,355)

- 2) Changes in the present values of defined benefit obligations for each of the six-month periods ended June 30, 2026 and 2025 are as follows:

<i>(in millions of Won)</i>	June 30, 2026	June 30, 2025
Defined benefit obligation at the beginning of period	₩ 1,310,938	1,324,972
Current service costs	51,134	48,807
Interest costs	25,123	22,542
Amount transferred from associate	1,732	2,995
Amount transferred to associate	(1,035)	(3,249)
Benefits paid	(177,989)	(127,558)
Defined benefit obligation at the end of period	₩ 1,209,903	1,268,509

18. Employee Benefits (cont'd)

- 3) Changes in the fair values of plan assets for each of the six-month periods ended June 30, 2026 and 2025 are as follows:

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

<i>(in millions of Won)</i>		June 30, 2026	June 30, 2025
Fair value of plan assets at the beginning of period	₩	1,427,293	1,547,512
Interest on plan assets		28,051	27,480
Remeasurement of plan assets		(5,463)	3,255
Contributions to plan assets		-	-
Amount transferred from associate		1,732	2,995
Amount transferred to associate		(1,035)	(3,249)
Benefits paid		(168,740)	(112,975)
Fair value of plan assets at the end of period	₩	<u>1,281,838</u>	<u>1,465,018</u>

- 4) The amounts related to net defined benefit plans recognized in the statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

<i>(in millions of Won)</i>		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2026	2025	2026	2025
Current service costs	₩	25,478	24,266	51,134	48,807
Net interest costs		<u>(1,465)</u>	<u>(2,468)</u>	<u>(2,928)</u>	<u>(4,938)</u>
	₩	<u>24,013</u>	<u>21,798</u>	<u>48,206</u>	<u>43,869</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

19. Other Liabilities

Details of other liabilities as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		<u>June 30, 2026</u>	<u>December 31, 2025</u>
Current			
Advances received	₩	9,187	10,508
Withholdings		33,977	34,221
Unearned revenue		60,561	48,496
	₩	<u>103,725</u>	<u>93,225</u>
Non-current			
Unearned revenue	₩	1,951	2,373

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

20. Financial Instruments

(a) Classification and fair value of financial instruments

- 1) The carrying amount and the fair values of financial assets and financial liabilities by fair value hierarchy as of June 30, 2026 and December 31, 2025 are as follows:

① June 30, 2026

(in millions of Won)

(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	₩	678,307	-	678,307	-	678,307
Other securities		7,521	-	-	7,521	7,521
Equity securities		35,469	-	-	35,469	35,469
Fair value through other comprehensive income						
Equity securities		704,841	657,260	-	47,581	704,841
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		1,374,677	-	-	-	-
Trade accounts and notes receivable		5,140,609	-	-	-	-
Debt securities		150,000	-	-	-	-
Other receivables		272,694	-	-	-	-
Deposit instruments		1,283,422	-	-	-	-
	₩	9,647,540	657,260	678,307	90,571	1,426,138
Financial liabilities						
Fair value through profit or loss						
Derivative liabilities		2,653	-	2,653	-	2,653
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	2,300,338	-	-	-	-
Borrowings		6,975,118	-	7,137,141	-	7,137,141
Financial guarantee liabilities		181	-	-	-	-
Others		1,456,826	-	-	-	-
	₩	10,735,116	-	7,139,794	-	7,139,794

(*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

20. Financial Instruments (cont'd)

② December 31, 2025

(in millions of Won)

(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	₩	511,597	-	511,597	-	511,597
Short term financial instruments		318,097	-	318,097	-	318,097
Other securities		7,917	-	-	7,917	7,917
Equity securities		35,469	-	-	35,469	35,469
Fair value through other comprehensive income						
Equity securities		690,871	647,399	-	43,472	690,871
Financial assets measured at amortized cost(*1)						
Cash and cash equivalents		2,089,684	-	-	-	-
Trade accounts and notes receivable		4,343,975	-	-	-	-
Debt securities		694,000	-	-	-	-
Other receivables		318,555	-	-	-	-
Deposits		2,100,000	-	-	-	-
	₩	11,190,553	647,399	829,694	86,858	1,563,951
Financial liabilities						
Financial liabilities measured at amortized cost(*1)						
Trade accounts and notes payable	₩	1,957,666	-	-	-	-
Borrowings		7,055,961	-	7,153,160	-	7,153,160
Financial guarantee liabilities		408	-	-	-	-
	₩	10,457,105	-	7,153,160	-	7,153,160

(*1) The fair values of financial assets and liabilities measured at amortized cost except borrowings approximate their carrying amounts.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

20. Financial Instruments (cont'd)

- 2) Details of financial guarantee contracts recognized as financial liabilities as of June 30, 2026 are as follows:

(in millions of Won)

Guarantee beneficiary	Financial institution	Guarantee limit		Guarantee amount		
		Foreign currency	Won equivalent	Foreign currency	Won equivalent	
[Subsidiaries]						
POSCO ASSAN TST STEEL INDUSTRY	CITI	USD	42,145,620	64,967	42,145,620	64,967
	Shinhan Bank	USD	40,352,190	62,203	40,352,190	62,203
	Woori Bank	USD	40,352,190	62,203	40,352,190	62,203
		USD	122,850,000	189,373	122,850,000	189,373

- 3) Details of finance income and costs by category of financial instrument for each of the six-month periods ended June 30, 2026 and 2025 are as follows:

① For the six-month period ended June 30, 2026

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain (loss) on foreign currency	Gain on disposal	Gain (loss) on valuation	Others	Total
Financial assets at fair value through profit or loss	₩	-	-	-	53,976	327,178	(67)	381,087
Financial assets at fair value through other comprehensive income		-	23,419	-	-	-	-	23,419
Financial assets measured at amortized cost		47,321	-	124,800	-	-	-	172,121
Financial liabilities at fair value through profit or loss		-	-	-	-	(2,653)	-	(2,653)
Financial liabilities measured at amortized cost		(140,549)	-	(475,967)	-	-	(19,310)	(635,826)
	₩	(93,228)	23,419	(351,167)	53,976	324,525	(19,377)	(61,852)

- (*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩8,777 million for the six-month period ended June 30, 2026.

② For the six-month period ended June 30, 2025

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain (loss) on foreign currency	Gain on disposal	loss on valuation	Others	Total
Financial assets at fair value through profit or loss	₩	-	-	-	14,714	(352,021)	(39)	(337,346)
Financial assets at fair value through other comprehensive income		-	20,671	-	-	-	-	20,671
Financial assets measured at amortized cost		90,206	-	(190,618)	-	-	-	(100,412)
Financial liabilities at fair value through profit or loss		-	-	-	534	-	-	534
Financial liabilities measured at amortized cost		(189,341)	-	514,170	-	-	323	325,152
	₩	(99,135)	20,671	323,552	15,248	(352,021)	284	(91,401)

- (*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩16,492 million for the six-month period ended June 30, 2025.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

The entire contract

20. Financial Instruments (cont'd)

- 4) Details of finance income and costs by category of financial instrument for each of the three-month periods ended June 30, 2026 and 2025 are as follows:

③ For the three-month period ended June 30, 2026

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain (loss) on foreign currency	Gain on disposal	Gain (loss) on valuation	Others	
Financial assets at fair value through profit or loss	₩	-	-	-	10,669	95,783	-	-
Financial assets at fair value through other comprehensive income		-	6,535	-	-	-	-	(52,943)
Financial assets measured at amortized cost		24,733	-	31,636	-	-	-	-
Financial liabilities at fair value through profit or loss		-	-	-	-	(2,653)	-	-
Financial liabilities measured at amortized cost		(72,154)	-	(148,738)	-	-	(19,396)	-
	₩	(47,421)	6,535	(117,102)	10,669	93,130	(19,396)	(52,943)

- (*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩2,579 million for the three-month period ended June 30, 2026.

④ For the three-month period ended June 30, 2025

(in millions of Won)

		Finance income and costs						Other comprehensive income
		Interest income (expense)	Dividend income(*1)	Gain (loss) on foreign currency	Gain on disposal	loss on valuation	Others	
Financial assets at fair value through profit or loss	₩	-	-	-	12,356	(403,015)	(4)	-
Financial assets at fair value through other comprehensive income		-	5,497	-	-	-	-	91,420
Financial assets measured at amortized cost		42,197	-	(178,491)	-	-	-	-
Financial liabilities at fair value through profit or loss		-	-	-	534	-	-	-
Financial liabilities measured at amortized cost		(91,466)	-	513,025	-	-	155	-
	₩	(49,269)	5,497	334,534	12,890	(403,015)	151	91,420

- (*1) Finance income in the statement of comprehensive income includes the dividends from subsidiaries of ₩5,814 million for the three-month period ended June 30, 2025.

(b) Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk arising from financial assets and liabilities. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as of December 31, 2025.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

21. Share Capital and Capital Surplus

(a) Details of share capital as of June 30, 2026 and December 31, 2025 are as follows:

<i>(share, in Won)</i>		June 30, 2026	December 31, 2025
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 June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Share premium	₩	24,222,055	24,222,055
Other capital surplus	₩	(1,250)	(1,250)
		<u>24,220,805</u>	<u>24,220,805</u>

22. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of June 30, 2026 and December 31, 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	December 31, 2025
Changes in fair value of equity investments			
at fair value through other comprehensive income	₩	240,506	229,912

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

23. Revenue

- (a) Details of revenues disaggregated by types of revenue and timing of revenue recognition for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

(in millions of Won)		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2026	2025	2025	2025
Types of revenue					
Revenue from sales of goods	₩	9,051,989	8,563,713	17,630,119	17,149,481
Revenue from services		308,332	305,504	594,488	614,442
Others		55,020	77,928	126,010	151,237
	₩	9,415,341	8,947,145	18,350,617	17,915,160
Timing of revenue recognition					
Revenue recognized at a point in time	₩	9,079,012	8,619,377	17,706,503	17,254,078
Revenue recognized over time		336,329	327,768	644,114	661,082
	₩	9,415,341	8,947,145	18,350,617	17,915,160

- (b) Details of contract assets and liabilities from contracts with customers as of June 30, 2026 and December 31, 2025 are as follows:

(in millions of Won)		June 30, 2026	December 31, 2025
Receivables			
Account receivables	₩	5,140,608	4,343,975
Contract assets			
Account receivables		3,059	9,206
Contract liabilities			
Advance received		7,601	7,048
Unearned income		60,019	48,778

- (c) The balance of contract liabilities as of December 31, 2025 was recognized as revenue in their entirety for the six-month period ended June 30, 2026.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

24. Selling and Administrative Expenses

(a) Other administrative expenses

Details of other administrative expenses for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

(in millions of Won)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Wages and salaries	₩ 59,611	58,004	128,668	127,847
Expenses related to post-employment benefits	5,836	5,674	14,012	10,481
Other employee benefits	14,540	16,354	29,199	29,048
Travel	2,915	2,578	5,404	5,060
Depreciation	10,165	10,034	20,253	20,774
Amortization	14,732	5,767	29,378	11,732
Rental	14,459	12,670	41,134	34,559
Repairs	1,525	1,745	3,192	3,054
Advertising	11,771	13,887	21,670	24,484
Research & development	7,444	5,442	13,280	10,993
Service fees	66,298	60,270	127,153	124,450
Supplies	85	354	230	664
Vehicles maintenance	1,021	1,389	2,721	2,698
Industry association fee	2,081	1,713	2,903	2,606
Training	8,896	6,863	15,097	12,588
Conference	1,079	1,119	2,353	2,246
Impairment loss on trade receivables	24,981	-	24,981	-
Others	10,533	6,967	16,239	12,280
	₩ <u>257,972</u>	<u>210,830</u>	<u>497,867</u>	<u>435,564</u>

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

24. Selling and Administrative Expenses (cont'd)

(b) Selling expenses

Details of selling expenses for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

<i>(in millions of Won)</i>	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Freight and custody expenses	₩ 42,535	40,659	88,557	83,275
Operating expenses for distribution center	1,181	1,253	2,359	2,446
Sales commissions	33,740	26,081	58,558	51,820
Sales advertising	242	246	348	289
Sales promotion	1,011	1,027	1,659	1,697
Sample	92	298	95	447
Sales insurance premium	1,594	2,692	3,421	4,985
	₩ 80,395	72,256	154,997	144,959

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

25. Finance Income and Costs

Details of finance income and costs for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

(in millions of Won)		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2026	2025	2026	2025
Finance income					
Interest income	₩	24,733	42,197	47,321	90,206
Dividend income		9,115	11,311	32,196	37,163
Gain on foreign currency transactions		96,321	106,008	199,330	182,136
Gain on foreign currency translations		(1,666)	418,316	61,152	454,008
Gain on valuation of derivatives		96,299	(48,493)	332,808	-
Gain on transactions of derivatives		9,062	534	39,654	534
Gain on valuation of financial assets at fair value through profit or loss		-	322	-	2,822
Gain on disposal of financial assets at fair value through profit or loss		1,608	12,356	14,322	17,757
Others		106	172	215	363
	₩	<u>235,578</u>	<u>542,723</u>	<u>726,998</u>	<u>784,989</u>
Finance costs					
Interest expenses	₩	72,154	91,465	140,549	189,341
Loss on foreign currency transactions		118,192	132,914	262,553	233,233
Loss on foreign currency translations		93,565	56,876	349,097	79,358
Loss on valuation of derivatives		2,652	350,688	2,652	350,688
Loss on transactions of derivatives		-	-	-	3,043
Loss on valuation of financial assets at fair value through profit or loss		517	4,155	5,629	4,155
Others		19,503	22	19,591	80
	₩	<u>306,583</u>	<u>636,120</u>	<u>780,071</u>	<u>859,898</u>

POSCO

Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

26. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

(in millions of Won)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Other non-operating income				
Gain on disposals of property, plant and equipment	₩ 1,749	16,544	2,101	17,247
Premium income	12,736	1,075	12,787	1,481
Others(*1)	9,386	1,045	74,802	8,745
	₩ 23,871	18,664	89,690	27,473
Other non-operating expenses				
Loss on disposals of property, plant and equipment	₩ 47,417	41,199	69,697	52,511
Impairment loss on property, plant and equipment	112,049	17,403	112,049	70,002
Donations	421	2,787	23,862	21,163
Idle tangible asset expenses	1,351	1,115	3,136	2,460
Others	12,195	3,437	16,930	7,422
	₩ 173,433	65,941	225,674	153,558

(*1) Includes a reversal of a provision of ₩60,996 million for an administrative fine imposed by government authorities for the six-month period ended June 30, 2026.

POSCO

Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

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 statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows (excluding finance costs and income tax expense):

(in millions of Won)	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
Changes in inventories(*1)	₩ (59,071)	227,635	25,109	414,531
Raw materials and consumables used	6,373,854	5,487,763	12,421,679	11,255,121
Employee benefits expenses	516,244	480,805	1,064,635	976,665
Outsourced processing cost	723,325	691,433	1,418,771	1,355,320
Depreciation(*2)	564,224	606,464	1,136,760	1,206,768
Amortization	23,486	14,865	47,110	29,833
Electricity and water expenses	162,358	182,385	257,777	391,372
Service fees	91,175	86,011	176,284	171,945
Rental	34,919	24,293	81,286	57,691
Advertising	11,771	13,887	21,670	24,484
Freight and custody expenses	352,973	301,918	653,086	620,491
Sales commissions	33,740	26,081	58,558	51,820
Loss on disposals of property, plant and equipment	47,417	41,199	69,697	52,511
Impairment loss on property, plant and equipment	112,049	17,403	112,049	70,002
Other expenses	326,249	297,580	544,554	530,854
	₩ 9,314,713	8,499,722	18,089,025	17,209,408

(*1) Changes in inventories represent changes in finished goods, semi-finished goods and by-products.

(*2) Including depreciation of investment property.

28. Income Taxes

Income tax expenses were calculated by adjusting deferred tax expenses (income) due to the accrual and reversal of temporary differences in current tax expenses and income tax expenses (income) related to items not recognized in profit or loss. The effective tax rates of the Company for each of the six-month periods ended June 30, 2026 and 2025 are 21.0% and 25.1%, respectively.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

29. Earnings Per Share

Details of basic earnings per share for each of the three-month and six-month periods ended June 30, 2026 and 2025 are as follows:

		For the three-month periods ended June 30		For the six-month periods ended June 30	
		2026	2025	2026	2025
Profit attributable to controlling interest	₩	55,603,440,620	273,145,106,213	235,592,606,185	493,093,472,181
Weighted-average number of common shares outstanding(*1)		96,480,625	96,480,625	96,480,625	96,480,625
Basic earnings per share	₩	576	2,831	2,442	5,111

(*1) The weighted-average number of common shares used to calculate basic earnings per share is as follows:

	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2026	2025	2026	2025
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 Company does not have any dilutive potential common shares as of June 30, 2026 and 2025, so diluted earnings per share are the same as basic earnings per share.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions

(a) Details of the Company's related parties as of June 30, 2026 are as follows:

	Company
The parent company	POSCO HOLDINGS INC.
Subsidiaries	POSCO STEELEON Co., Ltd, POSCO M-TECH, PNR, POSCO Humans, eNtoB Corporation, Pohang Scrap Recycling Distribution Center Co., Ltd, CHEMGAS KOREA CO.,LTD, POSCO Stainless Precision & Processing, eSteel4U, POSCO (Thailand) Company Ltd., POSCO-MKPC SDN BHD, POSCO-VIETNAM Co., Ltd., POSCO-Thainox Public Company Limited, POSCO COATED STEEL (THAILAND) CO., LTD., POSCO Philippine Manila Processing Center, Inc., PT. KRAKATAU POSCO, POSCO Maharashtra Steel Private Limited, POSCO ASSAN TST STEEL INDUSTRY Inc., POSCO-India Pune Processing Center Pvt. Ltd., POSCO INDIA PROCESSING CENTER PRIVATE LIMITED, POSCO TNPC Otomotiv Celik San. Ve Tic. A.S, POS-Louisiana Inc. and others
Associates	Pohang Special Welding Co., Ltd., FEWM CO., LTD., POSCO CVC 1st Fund, POSK(Pinghu) Steel Processing Center Co., Ltd., LLP POSUK TITANIUM, POSCO VIETNAM PROCESSING CENTER JOINT STOCK COMPANY, POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER, M RES NSW HCC II Pty Ltd, PT.Xinheng Metal Indonesia 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, 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., POSCO Group AC Fund I and others

(*1) Other related parties are subsidiaries, associates and joint ventures of the parent company POSCO HOLDINGS INC.

POSCO

Notes to interim condensed separate financial statements, continued

June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions (cont'd)

- (b) Details of significant transactions with the company's related parties for each of the six-month periods ended June 30, 2026 and 2025 are as follows:

1) For the six-month period ended June 30, 2026

(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.(13)	W 11,220	720	-	14	-	679,968
Subsidiaries						
POSCO STEELEON Co., Ltd	256,957	3,632	859	-	5,715	-
eNtoB Corporation	16	1,442	208,466	48,321	1,471	9,221
POSCO M-TECH	35	217	68,230	4,062	104,903	65
PNR	329	470	-	-	20,874	-
POSCO Humans	596	-	-	-	3,541	13,381
POSCO (THAILAND) COMPANY LIMITED	49,574	848	-	-	-	148
POSCO-MKPC SDN BHD	9,556	692	-	-	-	236
POSCO VIETNAM CO., LTD.	178,928	-	-	-	-	143
POSCO MEXICO S.A. DE C.V.	149,223	-	-	-	-	921
POSCO Thainox Public Company Limited	168,425	-	-	-	-	118
POSCO COATED STEEL (THAILAND) CO., LTD.	151,425	-	-	-	-	705
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	32,675	-	-	-	-	625
POSCO-Indonesia Jakarta Processing Center	1,455	-	-	-	-	765
POSCO PS Tech	35	2	-	9,880	69,625	2,559
POSCO PR Tech	-	26	-	12,797	63,489	3,460
POSCO PH Solution	-	46	-	4,601	28,159	2,542
POSCO GYS Tech	89	31	-	4,661	59,826	1,278
POSCO GYR Tech	95	14	-	8,073	55,839	-
POSCO GY Solution	58	12	119	1,876	28,270	-
eSteel4U	310,922	-	-	-	-	14
PT. KRAKATAU POSCO	2,019	-	-	-	-	25
POSCO Maharashtra Steel Private Limited	502,620	-	-	-	-	374
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	112,684	-	-	-	-	792
POSCO ASSAN TST STEEL INDUSTRY	158,072	278	-	-	-	57
Others	25,389	1,741	-	-	3,217	510
	2,111,177	9,451	277,674	94,271	444,929	37,939
Associates and joint ventures						
POSCO Vietnam Processing Center. Co.,Ltd	48,099	148	-	-	-	224
LLP POSUK TITANIUM	-	-	-	-	-	19,473
Others	74	-	-	-	-	-
	48,173	148	-	-	-	19,697
Other related party						
POSCO Eco & Challenge Co., Ltd.	94	567	-	209,133	248	34,980
POSCO DX (*4)	1,098	17	7	126,618	34,574	114,314
POSCO WIDE Co., Ltd.	3,690	68	340	-	11,164	24,474
POSCO FUTURE M CO., LTD.	215,779	119	313,287	11,092	129,072	623
POSCO FLOW CO., LTD.(*5)	4,740	-	485,928	-	7,236	631,364
SNNC	4,059	2,987	139,833	-	-	-
POSCO Mobility Solution Corporation	430,261	-	11,712	-	8,140	414
POSCO INTERNATIONAL Corporation(*6)	4,743,724	6	186,137	-	719	22,641
POSCO(Guangdong) Automotive Steel Co.,Ltd	103,623	-	-	-	-	-
POSCO VST CO., LTD.	84,122	-	-	-	-	86
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	-	919,201	-	-	-
Roy Hill Holdings Pty Ltd	-	-	850,034	-	-	-
POSCO Japan Co., Ltd.	658,290	-	27,543	-	-	2,949
Others	192,927	367	83,137	15,862	42	36,311
	6,442,407	4,131	3,017,159	362,705	191,195	868,156
W	8,612,977	14,450	3,294,833	456,990	636,124	1,605,760

(*1) Sales and others mainly consist of sales of steel products to the related parties.

(*2) Purchases and others mainly consist of construction services provided by related parties and the Company's purchases of raw materials from related parties for the manufacture of steel products.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions (cont'd)

(*3) Other purchases mainly consist of dividend payments, brand usage fees and rental expenses.

(*4) Others (purchase) mainly consist of maintenance expenses for the ERP System

(*5) Others (purchase) mainly consist of freight expenses

(*6) The Company is engaged in a SWAP agreement with POSCO INTERNATIONAL Corporation for the purchase of LNG.

2) For the six-month period ended June 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)	₩	7,424	472	-	89	-	411,898
Subsidiaries							
POSCO STEELCON Co., Ltd		227,342	7,371	184	-	20,192	77
eNeB Corporation		16	1,309	175,387	20,859	1,860	7,727
POSCO M-TECH		34	421	46,686	3,558	104,793	111
PNR		326	-	-	-	20,344	-
POSCO Humans		562	-	-	-	3,381	13,153
POSCO (Thailand) Company Ltd		42,539	756	-	-	-	77
POSCO-MKPC SDN BHD		3,256	837	-	-	-	233
POSCO-VIETNAM Co., Ltd.		164,189	42	-	-	-	40
POSCO MEXICO S.A. DE C.V.		227,335	15	-	-	-	1,149
POSCO-Poland Wroclaw Processing Center Sp. z o. o.		2,771	-	-	-	-	-
POSCO Thainox Public Company Limited		143,358	5,651	-	-	-	20
POSCO COATED STEEL (THAILAND) CO., LTD.		174,911	117	-	-	-	869
POSCO TNPOT Otomotiv Celik San. Ve Tic. A.S		21,570	-	-	-	-	608
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER		1,260	-	-	-	-	1,903
POSCO PS Tech		35	1	2	4,806	59,350	554
POSCO PR Tech		-	23	5	10,180	55,006	416
POSCO PH Solution		-	40	6	3,151	24,001	847
POSCO GYS Tech		62	22	13	3,748	55,699	-
POSCO GYR Tech		54	-	-	3,289	51,377	37
POSCO GY Solution		54	1	-	3,408	24,987	-
Pohang Scrap Recycling Distribution Center Co., Ltd.(*)4)		-	-	-	-	862	-
PT. KRAKATAU POSCO		5,519	-	13,592	-	-	-
POSCO-India Pune Processing Center Private Ltd		4,017	-	-	-	-	-
POSCO Maharashtra Steel Private Limited		545,885	-	-	-	-	203
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED		76,223	-	-	-	-	786
POSCO ASSAN TST STEEL INDUSTRY Inc.		157,479	591	-	-	-	-
Others		3,857	-	-	-	-	502
		1,802,654	17,197	235,875	52,999	421,852	29,312
Associates							
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		23,380	-	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd		39,410	163	-	-	-	207
		62,790	163	-	-	-	207
Other related party							
POSCO Eco & Challenge Co., Ltd.		93	24	-	213,876	67	2,020
POSCO DX(*)5)		999	17	-	125,540	32,246	97,501
POSCO WIDE Co., Ltd.		4,857	35	313	785	13,445	23,709
POSCO FUTURE M CO., LTD.		246,528	105	298,041	2,932	116,516	264
POSCO FLOW CO., LTD.(*)6)		4,805	-	276,838	38	4,851	573,049
SNNC		4,655	4	154,402	701	701	-
POSCO Mobility Solution Corporation		406,880	-	3,205	449	7,991	670
eSteel4U		296,468	-	-	-	-	49
POSCO INTERNATIONAL Corporation(*)7)		5,052,026	2	460,518	-	991	12,416
POSCO(Guangdong) Automotive Steel Co.,Ltd		90,777	-	-	-	-	-
POSCO VST CO., LTD.		130,889	-	-	-	-	20
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	7	775,560	-	-	-
Roy Hill Holdings Pty Ltd		-	-	756,675	-	-	-
Others		142,003	39	95,825	22,791	-	37,583
		6,380,980	233	2,821,377	367,112	176,808	747,281
₩		8,253,848	18,065	3,057,252	420,200	598,660	1,188,698

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions (cont'd)

- (*1) Sales and others mainly consist of sales of steel products to the related parties.
- (*2) Purchase and others mainly consist of subsidiaries' 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) Newly consolidated through an acquisition from POSCO INTERNATIONAL Corporation for the six-month period ended June 30, 2025.
- (*5) Others (purchase) mainly consist of maintenance expenses for the ERP System.
- (*6) Others (purchase) mainly consist of freight expenses.
- (*7) The Company is engaged in a SWAP agreement with POSCO INTERNATIONAL Corporation for the purchase of LNG.

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Notes to interim condensed separate financial statements, continued

June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions (cont'd)

(c) Details of the related account balances of significant transactions with the Company's related parties as of June 30, 2026 and December 31, 2025 are as follows:

1) June 30, 2026

(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.	W	1,224	46,038	47,262	-	45,921	134,926	180,847
Subsidiaries								
POSCO STEELEON Co., Ltd		35,723	33	35,756	-	-	2,551	2,551
eNtoB Corporation		-	1	1	642	19,957	387	20,986
POSCO M-TECH		1	4,122	4,123	-	19,771	19,337	39,108
PNR		-	-	-	-	1,962	4,275	6,237
POSCO Humans		17	6	23	-	859	2,591	3,450
POSCO (THAILAND) COMPANY LIMITED		25,344	-	25,344	-	-	168	168
POSCO-MKPC SDN BHD		-	-	-	-	-	249	249
POSCO-VIETNAM Co., Ltd.		86,141	417	86,558	-	-	847	847
POSCO MEXICO S.A. DE C.V.		112,457	437	112,894	-	-	3,394	3,394
POSCO Thainox Public Company Limited		93,696	207	93,903	-	-	224	224
POSCO COATED STEEL (THAILAND) CO., LTD.		76,739	98	76,837	-	-	789	789
POSCO-Indonesia Jakarta Processing Center		-	17	17	-	-	232	232
POSCO PS Tech		-	4	4	-	8,635	13,359	21,994
POSCO PR Tech		-	3	3	-	8,446	12,989	21,435
POSCO PH Solution		-	1	1	-	3,040	5,642	8,682
POSCO GYS Tech		-	3	3	-	5,495	11,076	16,571
POSCO GYR Tech		-	3	3	-	4,783	10,113	14,896
POSCO GY Solution		-	3	3	-	1,762	5,776	7,538
eSteel4U		187,977	3	187,980	-	-	-	-
PT. KRAKATAU POSCO		1,477	1,299	2,776	-	-	26	26
POSCO Maharashtra Steel Private Limited		372,947	781	373,728	-	104,979	4,242	109,221
POSCO ASSAN TST STEEL INDUSTRY Inc.		250,002	692	250,694	-	-	1,400	1,400
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED		-	-	-	-	-	833	833
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S		-	-	-	-	-	124	124
Others		36	291	327	-	-	919	919
		1,242,557	8,421	1,250,978	642	179,689	101,543	281,874
Associates and joint ventures								
POSCO Vietnam Processing Center. Co.,Ltd		14,403	-	14,403	-	-	137	137
Others		-	52	52	-	-	-	-
		14,403	52	14,455	-	-	137	137
Other related party								
POSCO Eco & Challenge Co., Ltd.		-	8	8	-	55,514	328	55,842
POSCO DX		52	19	71	-	74,800	20,135	94,935
POSCO WIDE Co., Ltd.		106	570	676	-	2,823	5,438	8,261
POSCO FUTURE M CO., LTD.		39,034	49,837	88,871	34,523	17,134	20,986	72,643
POSCO FLOW CO., LTD.		295	57,999	58,294	175,225	6,347	40,838	222,410
SNNC		488	179,711	180,199	-	-	54	54
POSCO Mobility Solution Corporation		117,537	-	117,537	7	368	1,826	2,201
POSCO INTERNATIONAL Corporation		1,048,433	923	1,049,356	8,692	6,674	37,530	52,896
POSCO(Guangdong) Automotive Steel Co., Ltd.		40,076	-	40,076	-	-	-	-
POSCO VST CO., LTD.		38,309	302	38,611	-	-	70	70
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	200,197	142	-	200,339
Roy Hill Holdings Pty Ltd		-	-	-	482,247	14	-	482,261
POSCO Japan Co., Ltd.		43,157	-	43,157	638	4,341	2,584	7,563
Others		10,757	10,015	20,772	12,245	6,453	7,820	26,518
		1,338,244	299,384	1,637,628	913,774	174,610	137,609	1,225,993
W		2,596,428	353,895	2,950,323	914,416	400,220	374,215	1,688,851

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions (cont'd)

2) December 31, 2025

(In millions of Won)

	Receivables			Payables			
	and	Others	Total	and payable	Others	Total	
The parent company							
POSCO HOLDINGS INC.	₩	-	42,399	-	92,428	125,768	218,196
Subsidiaries							
POSCO STEELEON Co., Ltd		46,388	30	28	43	3,806	3,877
eNtoB Corporation		-	-	117	13,369	372	13,858
POSCO M-TECH		-	2	-	18,827	19,623	38,450
PNR		-	209	-	2,042	4,589	6,631
POSCO Humans		16	1	-	984	2,674	3,658
POSCO (THAILAND) COMPANY LIMITED		22,638	-	-	-	-	-
POSCO-VIETNAM Co., Ltd.		109,119	826	-	-	-	-
POSCO MEXICO S.A. DE C.V.		68,537	817	-	25	-	25
POSCO Thainox Public Company Limited		75,763	402	-	-	-	-
POSCO COATED STEEL (THAILAND) CO., LTD.		77,950	228	-	21	-	21
POSCO PS Tech		-	3	-	8,089	12,154	20,243
POSCO PR Tech		-	8	-	7,550	10,310	17,860
POSCO PH Solution		-	4	-	4,015	4,797	8,812
POSCO GYS Tech		-	4	-	5,557	11,584	17,141
POSCO GYR Tech		-	3	-	6,210	11,448	17,658
POSCO GY Solution		-	5	-	2,746	5,767	8,513
Pohang Scrap Recycling Distribution Center Co., Ltd.		-	-	-	1,147	-	1,147
eSteel4U		131,865	-	-	-	-	-
PT. KRAKATAU POSCO		3,328	2,553	-	19	-	19
POSCO Maharashtra Steel Private Limited		364,217	1,681	-	45,837	-	45,837
POSCO ASSAN TST STEEL INDUSTRY Inc.		264,991	1,246	-	-	-	-
Others		78	528	-	90	-	90
		1,164,890	8,550	145	116,571	87,124	203,840
Associates and joint ventures							
Pohang Special Welding Co., Ltd.		-	45	-	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd		8,056	-	-	-	-	-
		8,056	45	-	-	-	-
Other related party							
POSCO Eco & Challenge Co., Ltd.		-	13	-	126,374	238	126,612
POSCO DX		41	16	-	105,365	22,136	127,501
POSCO WIDE Co., Ltd.		631	832	-	5,181	5,895	11,076
POSCO FUTURE M CO., LTD.		38,777	56,433	50,927	16,687	22,829	90,443
POSCO FLOW CO., LTD.		536	737	108,111	4,856	43,843	156,810
SNNC		521	28,433	5,439	360	87	5,886
POSCO Mobility Solution Corporation		125,170	-	235	348	2,084	2,667
POSCO INTERNATIONAL Corporation		919,544	1,484	536	8,905	3,076	12,517
POSCO(Guangdong) Automotive Steel Co., Ltd.		31,513	-	-	-	-	-
POSCO VST CO., LTD.		37,622	534	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	210,965	-	-	210,965
Roy Hill Holdings Pty Ltd		-	-	426,829	-	-	426,829
POSCO Argentina S.A.U.		-	7,415	-	-	-	-
POSCO (Zhangjiagang) Stainless Co.,Ltd.		8,611	13,052	-	-	-	-
POSCO JAPAN Co., Ltd.		27,450	-	2,062	-	-	2,062
Others		9,351	3,084	4,184	13,208	4,880	22,272
		1,199,767	112,033	809,288	281,284	105,068	1,195,640
₩		2,372,713	163,027	809,433	490,283	317,960	1,617,676

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

30. Related Party Transactions (cont'd)

(d) For each of the six-month periods ended June 30, 2026 and 2025, details of compensation to the Company's key management officers are as follows:

<i>(in millions of Won)</i>		June 30, 2026	June 30, 2025
Short-term benefits	₩	22,149	21,285
Retirement benefits		3,854	3,457
	₩	26,003	24,742

Key management personnel include directors, including outside directors, executive officers and other persons who have significant authority and responsibility for planning, directing and controlling the Company's activities.

(e) Financial guarantees provided to related parties

- 1) As of June 30, 2026, the Company has entered into financial guarantee agreements on behalf of related parties and has recognized the related guarantee obligations as financial guarantee liabilities (Note 20).

(f) Significant financing transactions with related parties

- 1) During the six-month period ended June 30, 2026, the Company entered into equity and capital contribution transactions with related parties (Note 9).

(g) Significant agreements with related parties

- 1) As of June 30, 2026, the Company has entered into lease agreements, long-term purchase commitments and capital contribution commitments with related parties (Note 31).

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Notes to interim condensed separate financial statements, continued

June 30, 2026 and 2025 (Unaudited)

31. 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 financial statements for 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 support 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 legal professionals are used for these assessments. In making the decision regarding the need for provisions, management considers whether the Company has an obligation as a result of a past event, whether it is probable that an outflow of 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 obligation.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

31. Commitments and Contingencies (cont'd)

(b) Commitments

- 1) 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 June 30, 2026, 45 million tons of iron ore and 17 million tons of coal remain to be purchased under such long-term contracts.
- 2) 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 a 20-year period commencing in August 2005, and 120,000 tons 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.
- 3) The Company entered into a consecutive voyage charter (CVC) contract for the transportation of raw materials. As of June 30, 2026, there are 31 vessels under contract and the average remaining contract period is about 6 years.
- 4) 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.
- 5) As of June 30, 2026, the amount of commitments for the acquisition of tangible and intangible assets not yet acquired amounts to ₩3,575.6 billion.

31. Commitments and Contingencies (cont'd)

- 6) As of June 30, 2026, the Company has entered into agreements for overdraft and trade finance with financial institutions, including Woori Bank, with a credit limit of ₩3,984.7 billion.
- 7) The Company utilizes supplier finance arrangements in transactions with certain suppliers to manage working capital more efficiently. Under these arrangements, a financial institution makes early payments to suppliers based on the Company's credit, and the Company settles the amounts with the financial institution after a specified period. As of June 30, 2026, the Company has entered into purchasing card and reverse factoring arrangements.

① As of June 30, 2026 and December 31, 2025, the carrying amounts of financial liabilities related to supplier finance agreements, the portions already paid by financial

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

institutions to suppliers, and the related statements of financial position line items are as follows:

<i>(in millions of Won)</i>	June 30, 2026		December 31, 2025
	Balance	Amount received by suppliers	Balance
Trade accounts and notes payable ₩	844,491	780,270	664,033
Reverse factoring	807,210	780,270	629,964
Purchase card	37,281	-	34,069
Accounts Payables	142,159	-	230,741
Purchase card	142,159	-	230,741
₩	<u>986,650</u>	<u>780,270</u>	<u>894,774</u>

② As of June 30, 2026 the payment due dates of financial liabilities subject to supplier finance arrangements and those of other financial liabilities are as follows:

<i>(in millions of Won)</i>	Contractual payment terms of supplier finance	Payment terms of other financial liabilities
Trade accounts and notes payable		
Reverse factoring	30~90 days	Within 30 days
Purchase card	40 days	-
Accounts Payables		
Purchase card	40 days	-

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

31. Commitments and Contingencies (cont'd)

- ③ There were no significant non-cash changes in the carrying amount of trade payables and other payables that are part of the supplier finance arrangements.
- ④ As of June 30, 2026, the Company has entered into supplier finance agreements with an aggregate limit of ₩3,038.1 billion with SMBC and nine other financial institutions.
- 8) As of June 30, 2026, the Company has entered into an LNG terminal use agreement with POSCO INTERNATIONAL Corporation to unload, store, regasify, and deliver LNG directly imported by the Company through the Gwangyang LNG terminal for use in process operations and power generation at its Pohang and Gwangyang steelworks. Under the agreement, the Company is granted the exclusive right to use 200,000 kl of LNG storage capacity in a newly constructed LNG storage tank, as well as access to related terminal facilities. The contract period is from September 1, 2025 to August 31, 2041.
- 9) As of June 30, 2026, the Company's significant capital commitment arrangements are as follows:

<i>(in millions of Won, USD)</i>	Currency	Total commitment	Cumulative contributions	Remaining commitment
POSCO CVC 1st Fund	KRW	40,000	9,280	30,720
MRES NSW HCC II Pty Ltd	USD	19,987,500	-	19,987,500

- 10) In relation to the shares of FEWM CO., LTD., the Company holds a call option exercisable during the period from July 1, 2026 to June 30, 2027, under which the Company may require the largest shareholder to sell a portion of its shares in the target company at a pre-agreed exercise price to the Company. The option may be exercised to the extent that the Company's shareholding reaches 59% of the target company's total issued shares at the relevant exercise date.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

31. Commitments and Contingencies (cont'd)

- 11) During the six-month period ended June 30, 2026, the Company entered into an investment agreement with Hyundai Motor Group to construct an EAF-based integrated steel mill in Louisiana, United States, in order to respond to challenges in the North American steel market and secure a production base for eco-friendly automotive steel sheets. Under this structure, POS-Louisiana Inc., a wholly owned subsidiary established through the Company's 100% equity contribution, will acquire a 20% equity interest in HYUNDAI-POSCO Louisiana Steel LLC. The Company guarantees POS-Louisiana Inc.'s capital contribution obligation for its total committed investment amount of \$582 million.
- 12) The Company has entered into a long-term LNG purchase agreement with QatarEnergy Trading LLC to ensure stable operations in response to increasing LNG demand. Under the agreement, the Company will purchase 300 thousand tons of LNG annually for four years from January 2027 to December 2030. The purchase price is subject to adjustment based on changes in Brent crude oil prices.

(c) Litigation in progress

As of June 30, 2026, the Company involved in 185 lawsuits as defendant, including lawsuits seeking confirmation of employee status, with an aggregate claim amount of ₩569.1 billion.

The Company recognizes provisions based on the likelihood of an outflow of economic benefits arising from litigation (Note 17).

- (d) The Company was spun off from POSCO HOLDINGS INC. and newly incorporated on March 1, 2022 as the date of spin-off, and the Company is jointly liable for the liabilities of POSCO HOLDINGS INC. under Article 530(9)(1) of the Commercial Act of the Republic of Korea.

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Notes to interim condensed separate financial statements, continued June 30, 2026 and 2025 (Unaudited)

32. Statements of Cash Flows

Changes in operating assets and liabilities for each of the six-month periods ended June 30, 2026 and 2025 are as follows:

<i>(in millions of Won)</i>		June 30, 2026	June 30, 2025
Trade accounts and notes receivable, net	₩	(746,462)	92,150
Other accounts receivable		(188,525)	89,867
Accrued revenue		2,525	1,643
Inventories		(479,586)	847,882
Prepaid expenses		(4,438)	45,418
Other current assets		(148,842)	(259)
Long-term guarantee deposits		(654)	(637)
Derivative assets		23,083	29,932
Other non-current assets		198	25,804
Trade accounts and notes payable		301,880	(391,662)
Other accounts payable		(4,764)	(251,353)
Accrued expenses		158,941	73,872
Advances received		(1,320)	(9,472)
Withholdings		(245)	(19,522)
Unearned revenue		11,643	(14,406)
Provisions		(17,851)	(10,314)
Payments of severance benefits		(177,989)	(127,558)
Plan assets		168,740	112,974
	₩	<u>(1,103,666)</u>	<u>494,359</u>

33. Matters Related to Tariffs

- (a) In June 2025, the U.S. government announced an executive order imposing a 50% tariff on all steel and aluminum products, effective from June 4, 2025. This tariff imposition introduces uncertainty in the estimation of financial statements.
- (b) Beginning in July 2026, new steel import regulations in the European Union will take effect, reducing steel import quotas and increasing the tariff rate on imports exceeding the quotas to 50%. The implementation of these regulations introduces uncertainty in the estimation of financial statements.