



**JFE**

# **JFE Group**

**Financial Results for Fiscal Year 2020  
ending March 31, 2021**

**JFE Holdings, Inc.**

**May 7, 2021**



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(April 1, 2020 to March 31, 2021)**
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(April 1, 2021 to March 31, 2022)**

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**JFE Holdings' Financial Results  
for Fiscal Year 2020  
(April 1, 2020 to May 31, 2021)**



# Financial Results for Fiscal Year 2020

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- In 1H, COVID-19 pandemic resulted in a significant business loss.
- In 2H, business profit posted a profit due to the recovery of steel demand and steel market price from the latter half of 1H, and promotion of profit improvement measures. In spite of the recovery in 2H, business profit for FY2021 was **-12.9 billion yen**, **increased by 19.1 billion yen from the previous forecast.**

| (billion yen)   | FY2019 Actual(A) | FY2020 Previous Forecast (B) | FY2020 (Actual) |         |               | Change (C-A) | Change (C-B) |
|---|------------------|------------------------------|-----------------|---------|---------------|--------------|--------------|
|   |                  |                              | 1H              | 2H      | Full Year (C) |              |              |
| Revenue   | 3,729.7          | 3,240.0                      | 1,492.2         | 1,734.9 | 3,227.2       | (502.5)      | (12.8)       |
| <b>Business Profit</b>  | <b>37.8</b>      | <b>(32.0)</b>                | <b>(114.3)</b>  | 101.4   | (12.9)        | (50.7)       | 19.1         |
| Finance Income/costs  | (12.5)           | (13.0)                       | (6.4)           | (6.0)   | (12.4)        | 0.1          | 0.6          |
| Segment Profit  | 25.3             | (45.0)                       | (120.7)         | 95.3    | (25.4)        | (50.7)       | 19.6         |
| Exceptional Items   | (238.8)          | 22.0                         | –               | 20.4    | 20.4          | 259.2        | (1.5)        |
| Profit before Tax   | (213.4)          | (23.0)                       | (120.7)         | 115.8   | (4.9)         | 208.5        | 18.1         |
| Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests | 15.7             | (15.0)                       | 15.0            | (32.0)  | (16.9)        | (32.6)       | (1.9)        |
| Profit Attributable to Owners of Parent                                 | (197.7)          | (38.0)                       | (105.7)         | 83.8    | (21.8)        | 175.9        | 16.2         |

Business profit is profit before tax excluding financial income and one-time items of a materially significant value. Segment profit is profit including financial income in business profit.



# Financial Results for Fiscal Year 2020 (by Segment)

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| (billion yen)           | FY2019<br>Actual<br>(A) | FY2020<br>Previous<br>Forecast<br>(B) | FY2020 Actual  |                |                 | Change<br>(C-A) | Change<br>(C-B) |
|-------------------------|-------------------------|---------------------------------------|----------------|----------------|-----------------|-----------------|-----------------|
|                         |                         |                                       | 1H             | 2H             | Full<br>Year(C) |                 |                 |
| Revenue                 |                         |                                       |                |                |                 |                 |                 |
| Steel Business          | 2,681.3                 | 2,260.0                               | 1,027.2        | 1,227.9        | 2,255.2         | (426.1)         | (4.8)           |
| Engineering<br>Business | 512.2                   | 490.0                                 | 221.9          | 263.7          | 485.7           | (26.5)          | (4.3)           |
| Trading Business        | 1,084.1                 | 940.0                                 | 451.7          | 480.7          | 932.5           | (151.6)         | (7.5)           |
| Adjustments             | (548.0)                 | (450.0)                               | (208.6)        | (237.5)        | (446.1)         | 101.9           | 3.9             |
| <b>Total</b>            | <b>3,729.7</b>          | <b>3,240.0</b>                        | <b>1,492.2</b> | <b>1,734.9</b> | <b>3,227.2</b>  | <b>(502.5)</b>  | <b>(12.8)</b>   |
| Business Profit (A)     | 37.8                    | (32.0)                                | (114.3)        | 101.4          | (12.9)          | (50.7)          | 19.1            |
| Finance Income/Costs(B) | (12.5)                  | (13.0)                                | (6.4)          | (6.0)          | (12.4)          | 0.1             | 0.6             |
| Segment Profit          |                         |                                       |                |                |                 |                 |                 |
| Steel Business          | (8.7)                   | (80.0)                                | (136.2)        | 70.8           | (65.4)          | (56.7)          | 14.6            |
| Engineering<br>Business | 23.1                    | 22.0                                  | 8.7            | 15.3           | 24.0            | 0.9             | 2.0             |
| Trading Business        | 27.0                    | 17.0                                  | 7.2            | 12.8           | 20.0            | (7.0)           | 3.0             |
| Adjustments             | (15.9)                  | (4.0)                                 | (0.4)          | (3.6)          | (4.1)           | 11.8            | (0.1)           |
| <b>Total (A+B)</b>      | <b>25.3</b>             | <b>(45.0)</b>                         | <b>(120.7)</b> | <b>95.3</b>    | <b>(25.4)</b>   | <b>(50.7)</b>   | <b>19.6</b>     |



# Cash Flow

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- Improved cash flow through profit recovery and additional asset compression
- Interest-bearing Debt Outstanding as of Mar. 2021 was 1,806.1 billion yen (D/E 93.2%), decreased from the previous year.

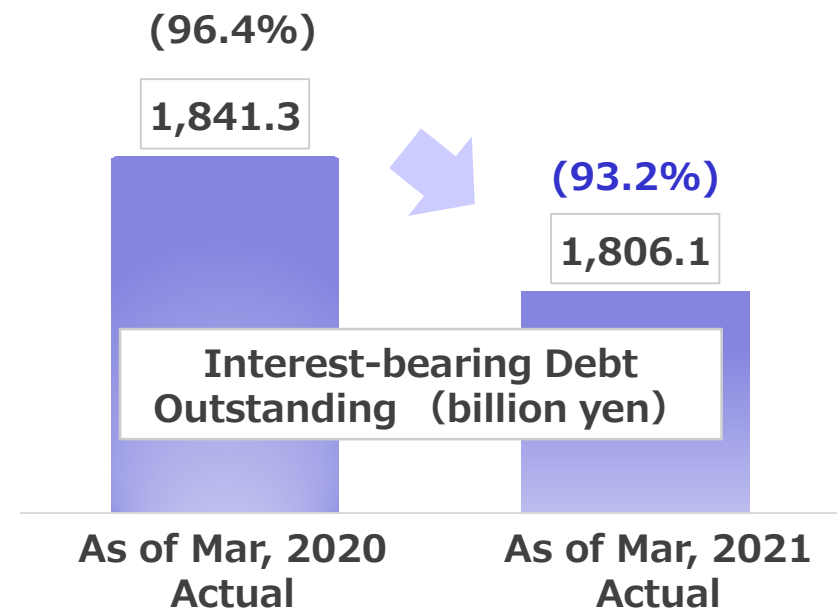
## Consolidated Cash Flow in FY 2020

(billion yen)

| Cash-in                       | Cash-out                                     |
|-------------------------------|--|
| Depreciation and Amortization | Net loss <b>21.8</b>                         |
| <b>236.3</b>                  | CAPEX & Investments <b>322.7</b>             |
| Asset Compression             | Interest-bearing Debt Outstanding <b>8.2</b> |
| <b>180.0</b>                  | Working Capital etc. <b>63.6</b>             |

## Interest-bearing Debt Outstanding & D/E

(D/E ratio※)



\*D/E ratio = Interest-bearing debt outstanding / Equity attributable to owners of parent. For Debt having a capital component, a position of its issue price is deemed to be capital, as assessed by rating agencies.

**JFE Steel  
Financial Results  
for Fiscal Year 2020**

# Financial Results for Fiscal Year 2020

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|  | Unit        | FY2019<br>Full year | FY2020  |         |         |         |           | FY2020<br>Forecast |
|--|-------------|---------------------|---------|---------|---------|---------|-----------|--------------------|
|  |             |                     | Apr-Jun | Oct-Dec | Jan-Mar | Oct-Mar | Full year |                    |
|  |             |                     |         |         |         |         |           |                    |
| Revenue                                  | billion yen | 2,681.3             | 1,027.2 | 580.2   | 647.6   | 1,227.9 | 2,255.2   | 2,260.0            |
| Segment Profit                           | billion Yen | (8.7)               | (136.2) | 34.3    | 36.4    | 70.8    | (65.4)    | (80.0)             |
| Excluding Inventory Valuation etc.*      | billion yen | 21.3                | (68.2)  | 14.3    | 22.4    | 36.8    | (31.4)    | (39.0)             |
| Crude Steel (Standalone)                 | Mt          | 26.73               | 10.17   | 6.27    | 6.32    | 12.59   | 22.76     | 22.70              |
| Crude Steel (Consolidated)               | Mt          | 28.09               | 10.77   | 6.59    | 6.60    | 13.19   | 23.96     | 23.90              |
| Shipment (Standalone)                    | Mt          | 23.47               | 9.34    | 5.42    | 5.72    | 11.15   | 20.49     | 20.50              |
| Export Ratio on Value Basis (Standalone) | %           | 41.5                | 42.2    | 40.3    | 44.3    | 42.4    | 42.3      | 43                 |
| Average Sales Price (Standalone)         | 000 yen / t | 78.8                | 73.1    | 73.4    | 78.8    | 76.2    | 74.8      | 75                 |
| Exchange Rate                            | ¥/\$        | 109.1               | 106.8   | 104.8   | 104.7   | 104.8   | 105.8     | 106                |
| Exchange Rate (End of Term)              | ¥/\$        | 108.8               | 105.8   | 103.5   | 110.7   | 110.7   | 110.7     |                    |

\* Excluding inventory valuation, carry over of raw materials and foreign exchange valuation from segment profit




# 14.6 Billion Yen Increase in JFE Steel's Segment Profit (FY20(Forecast) vs. FY20(Actual))

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Segment profit increased by 14.6 billion yen from the previous forecast due to increase in profit of subsidiary companies and foreign exchange valuation etc.

| JFE Steel                          | FY2020 Forecast | FY2020 Actual   | Change       |
|------------------------------------|-----------------|---|--------------|
| Segment Profit                     | <b>(80.0)</b>   | <b>(65.4)</b>   | <b>+14.6</b> |
| <b>1. Cost</b>                     | <b>+0.0</b>     |   |              |
| <b>2. Volume and Mix</b>           | <b>+1.0</b>     | <ul style="list-style-type: none"> <li>Increase in volume (Crude steel(standalone) 22.70⇒22.76Mt +0.06Mt)</li> </ul>  |              |
| <b>3. Sales and raw materials</b>  | <b>+2.0</b>     | <ul style="list-style-type: none"> <li>Improvement of metal spread with overseas steel price</li> </ul>   |              |
| <b>4. Inventory valuation etc.</b> | <b>+7.0</b>     | <ul style="list-style-type: none"> <li>Inventory valuation +1.0 (-38.0→-37.0)</li> <li>Carry over of raw materials +1.0 (+2.0→+3.0)</li> <li>Foreign exchange valuation +5.0 (-5.0→±0.0)</li> </ul> |              |
| <b>5. Others</b>                   | <b>+4.6</b>     | <ul style="list-style-type: none"> <li>Increase in profit of domestic and overseas subsidiary companies etc.</li> </ul>   |              |



# 56.7 Billion Yen Decrease in JFE Steel's Segment Profit (FY19 (Actual) vs. FY20 (Actual))

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Segment profit decreased from the previous fiscal year amid decrease in production and sales volume in 1H, and decrease in profit of domestic and overseas subsidiary companies due to the spread of COVID-19, although a cost reduction of 100.0 billion yen was executed.

| JFE Steel      | FY2019 Actual | FY2020 Actual | (Billion yen)<br>Change |
|----------------|---------------|---------------|-------------------------|
| Segment Profit | <b>(8.7)</b>  | <b>(65.4)</b> | <b>(56.7)</b>           |

|                                    |                |   |
|------------------------------------|----------------|---|
| <b>1. Cost</b>                     | <b>+100.0</b>  | <ul style="list-style-type: none"> <li>Fixed cost reduction mainly sourced from repairing cost and labor cost</li> <li>Capital investment effect etc.</li> </ul>                                    |
| <b>2. Volume and Mix</b>           | <b>(104.0)</b> | <ul style="list-style-type: none"> <li>Production reduction amid the decline in demand (Crude steel (Standalone): 26.73⇒22.76Mt -3.97Mt)</li> <li>Deterioration of product mix</li> </ul>           |
| <b>3. Sales and raw materials</b>  | <b>+2.0</b>    |   |
| <b>4. Inventory valuation etc.</b> | <b>(4.0)</b>   | <ul style="list-style-type: none"> <li>Inventory valuation-15.0 (-22.0→-37.0)</li> <li>Carry over of raw materials +10.0 (-7.0→+3.0)</li> <li>Foreign exchange valuation +1.0(-1.0→±0.0)</li> </ul> |
| <b>5. Others</b>                   | <b>(50.7)</b>  | <ul style="list-style-type: none"> <li>Decrease in profit of domestic and overseas subsidiary companies etc.</li> </ul>   |

# **JFE Engineering Financial Results for Fiscal Year 2020**



# Financial Results for Fiscal Year 2020

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## Overview

- **Orders significantly increased from the previous fiscal year**, and segment profit **posted 3-year consecutive increase\*** even under COVID-19 pandemic.
  - **Orders increased in each sector**. (Mainly domestic demand in environmental sector and social infrastructure sector such as bridges)
  - Despite revenue decrease due to COVID-19, segment profit increased resulting from cost reduction etc.

\*Segment profit : FY17 ¥19.3b, FY18 ¥20.1b, FY19 ¥23.1b, FY20 ¥24.0b (FY17 used J-GAAP)

| (billion yen)  | FY2019<br>Actual<br>(A) | FY2020<br>Forecast<br>(B) | FY2020<br>Actual<br>(C) | Change<br>FY2019vsFY2020<br>(C)-(A) | Change<br>Forecast vs Actual<br>(C)-(B) |
|----------------|-------------------------|---------------------------|-------------------------|-------------------------------------|---|
| Orders         | 413.0                   | 500.0                     | 501.1                   | 88.1                                | 1.1                                     |
| Revenue        | 512.2                   | 490.0                     | 485.7                   | (26.5)                              | (4.3)                                   |
| Segment Profit | 23.1                    | 22.0                      | 24.0                    | 0.9                                 | 2.0                                     |

### Compared to FY2019

- Orders +88.1 Increase in large-scale orders for public works in sectors related to the environment and social infrastructure
- Revenue (26.5) Decreased in work volume and impact of COVID-19
- Segment Profit +0.9 Cost reduction

### Compared to the previous forecast of FY2020

- Segment Profit +2.0 Cost reduction

**JFE Shoji  
Financial Results  
for Fiscal Year 2020**



# Financial Results for Fiscal Year 2020

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## Overview

In 2H, in addition to recovery of steel demand especially in the automotive sector, steel market price rose. However, because of the significant decrease in steel demand both in domestic and overseas market in 1H, segment profit for FY2020 resulted in 20.0 billion yen, decreased by 7.0 billion yen from the previous year.

|                | A FY2019 Actual |           | B FY2020 Forecast |           | C FY2020 Actual |              | Change FY2019 vs FY2020 C-A | Change FY2019 vs FY2020 C-B |
|----------------|-----------------|-----------|-------------------|-----------|-----------------|--------------|-----------------------------|-----------------------------|
|                | 2H              | Full Year | 2H                | Full Year | 2H              | Full Year    |                             |                             |
| (billion yen)  |                 |           |                   |           |                 |              |                             |                             |
| Revenue        | 526.6           | 1,084.1   | 488.3             | 940.0     | <b>480.7</b>    | <b>932.5</b> | (151.6)                     | (7.5)                       |
| Segment Profit | 12.4            | 27.0      | 9.8               | 17.0      | <b>12.8</b>     | <b>20.0</b>  | (7.0)                       | 3.0                         |

Compared to the previous forecast : Segment Profit +3.0  
 Recovery both in domestic and overseas steel demand  
 Increase in steel market price such as in the US energy sector

# Dividends



# Dividends

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The company intends to propose a per-share dividend of 10 yen (total annual dividend of 10 yen) at the upcoming general meeting of shareholders, in light of the substantial improvement in earnings in the second half, particularly in the steel business, as well as prospects for improved performance in the coming fiscal year.



# **JFE Group Financial Forecasts for FY2021**



# Business Environment Outlook

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## □ Steel Demand

### Steel demand is expected to continue to recover on the whole

Domestic: Steel demand is expected to continue to recover gradually due to recovery in activity levels of customers

Overseas: Steel demand is expected to recover generally due to,

- China's strong steel demand
- Economic recovery throughout the world

## □ Metal Spread

### Raw material prices

- Raw material prices are expected to remain high due to strong steel demand in China.

### Steel price

- Although current steel price in overseas market remains high, it is expected to decline to the normal level toward latter half of this fiscal year.
- We make continuous efforts to promptly reflect the increase of raw material costs in our sales price.



# Financial Forecast for FY2021

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## FY2021 Business Profit: 200.0 billion yen (Forecast)

| (billion yen)                              | FY2020<br>Actual (A) | FY2021<br>Forecast(B) | Change<br>(B-A) |
|--|----------------------|-----------------------|-----------------|
| Revenue                                    | 3,227.2              | 3,930.0               | 702.8           |
| <b>Business Profit</b>                     | <b>(12.9)</b>        | <b>200.0</b>          | <b>212.9</b>    |
| Steel Business                             | (65.4)               | 140.0                 | 205.4           |
| Engineering Business                       | 24.0                 | 25.0                  | 1.0             |
| Trading Business                           | 20.0                 | 27.0                  | 7.0             |
| Segment Profit (including Adjustment)      | (25.4)               | 190.0                 | 215.4           |
| Profit Attributable<br>to Owners of Parent | (21.8)               | 130.0                 | 151.8           |

Business profit is profit before tax excluding financial income and one-time items of a materially significant value. Segment profit is profit including financial income in business profit.

# 205.4 Billion Yen Increase in JFE's Steel Segment profit (FY2020(Actual)vs. FY2021(Forecast))

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|                         |                      |                     |                |
|-------------------------|----------------------|---------------------|----------------|
| Crude Steel(standalone) | Approx. 26.50Mt/year | Exchange Rate       | 105yen/\$      |
| (Billion yen)           | FY2020 Actual (A)    | FY2021 Forecast (B) | Change (B)-(A) |
| Segment Profit          | (65.4)               | 140.0               | + 205.4        |

(Billion yen)

|                                    |              |  |
|------------------------------------|--------------|--|
| <b>1. Cost</b>                     | <b>+30.0</b> | • Effect of investment for new facilities  |
| <b>2. Volume and Mix</b>           | <b>+70.0</b> | • Production increase amid the recovery of steel demand<br>(crude steel (standalone) 22.76⇒Approx.26.50Mt)                                     |
| <b>3. Sales and raw materials</b>  | <b>+15.0</b> | • Improvement of metal spread with increase in steel prices mainly in overseas market  |
| <b>4. Inventory valuation etc.</b> | <b>+90.0</b> | • Inventory valuation +76.0 (-37.0→+39.0)<br>• Carry over of raw materials +14.0 (+3.0→+17.0)<br>• Foreign exchange valuation ±0.0 (±0.0→±0.0) |
| <b>5. Others</b>                   | <b>+0.4</b>  | • Increase in profit of domestic and overseas subsidiary companies, increase in depreciation cost, etc.  |

# Financial Forecast for FY2021

## Engineering Business and Trading Business

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| (billion yen)               | FY2020<br>Actual<br>(A) | FY2021<br>Forecast<br>(B) | Change<br>(B)-(A) |
|-----------------------------|-------------------------|---------------------------|-------------------|
| <b>Engineering business</b> |                         |                           |                   |
| <b>Orders</b>               | <b>501.1</b>            | <b>550.0</b>              | <b>+48.9</b>      |
| <b>Segment Profit</b>       | <b>24.0</b>             | <b>25.0</b>               | <b>+1.0</b>       |
| <b>Trading business</b>     |                         |                           |                   |
| <b>Segment Profit</b>       | <b>20.0</b>             | <b>27.0</b>               | <b>+7.0</b>       |

### Engineering Business

- Orders are expected to remain solid in Environment and Energy sector and Social infrastructure sector such as steel structures.
- Segment profit is expected to be 25.0 billion yen along with the steady execution of orders.

### Trading Business

- In the domestic market, activity levels of all sectors are expected to increase. Steel market price is anticipated to improve in construction sector.
- In the overseas market, steel demand mainly in auto sector is expected to recover. Steel demand and price is expected to increase in the US.
- Segment Profit is expected to be 27.0 billion yen amid the steel demand recovery both in domestic and overseas market.

# Appendix



# Main Financial Data

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J-GAAP

|  | FY12  | FY13  | FY14  | FY15  | FY16  | FY17  | FY18  |
|--|-------|-------|-------|-------|-------|-------|-------|
| <b>(bn. Yen, times)</b>                                    |       |       |       |       |       |       |       |
| Ordinary Income  | 52.2  | 173.6 | 231.0 | 64.2  | 84.7  | 216.3 | 221.1 |
| EBITDA   | 260.6 | 368.9 | 421.5 | 254.4 | 279.9 | 388.8 | 405.9 |
| ROS  | 1.6%  | 4.7%  | 6.0%  | 1.9%  | 2.6%  | 5.9%  | 5.6%  |
| ROE  | 2.7%  | 6.3%  | 7.7%  | 1.8%  | 3.7%  | 7.6%  | 8.3%  |
| ROA  | 1.6%  | 4.5%  | 5.5%  | 1.7%  | 2.3%  | 5.2%  | 5.1%  |
| Debt Outstanding   | 1,596 | 1,534 | 1,501 | 1,379 | 1,375 | 1,331 | 1,450 |
| Debt/EBITDA Ratio  | x6.1  | x4.2  | x3.6  | x5.4  | x4.9  | x3.4  | x3.6  |
| D/E Ratio  | 76.9% | 67.9% | 59.0% | 56.9% | 51.4% | 58.1% | 62.0% |
| <b>Profit attributable to owners of parent (yen/share)</b> |       |       |       |       |       |       |       |
|  | 71.2  | 177.4 | 241.6 | 58.4  | 117.8 | 250.8 | 285.0 |
| <b>Dividend (yen/share)</b>                                | 20    | 40    | 60    | 30    | 30    | 80    | 95    |
| <b>Pay-out Ratio</b>                                       | 28.1% | 22.5% | 24.8% | 51.4% | 25.5% | 31.9% | 33.3% |

IFRS

|  | FY18  | FY19   | FY20  |
|--|-------|--------|-------|
| <b>(bn. Yen, times)</b>                                    |       |        |       |
| Business profit  | 232.0 | 37.8   | -12.9 |
| EBITDA * 1   | 428.2 | 269.4  | 223.4 |
| ROS * 2  | 6.0%  | 1.0%   | -0.4% |
| ROE * 3  | 8.6%  | -11.1% | -1.3% |
| ROA * 4  | 5.0%  | 0.8%   | -0.3% |
| Interest-bearing debt outstanding                          | 1,524 | 1,814  | 1,806 |
| Debt/EBITDA multiple                                       | x3.6  | x6.7   | x8.1  |
| D/E Ratio * 6  | 68.2% | 96.4%  | 93.2% |
| <b>Profit attributable to owners of parent (yen/share)</b> |       |        |       |
|  | 283.8 | -343.4 | -38.0 |
| <b>Dividend (yen/share)</b>                                | 95    | 20     | 10    |
| <b>Pay-out Ratio</b>                                       | 33.5% | -      | -     |

Notes  
[IFRS]

\* 1 EBITDA = Business profit + Depreciation and Amortization

\* 2 ROS = Business profit / Revenue

\* 3 ROE = Profit attributable to owners of parent company / Equity

\* 4 ROA = Business profit / Total assets

\* 5 Debt/EBITDA ratio = Interest-bearing debt outstanding / EBITDA

\* 6 D/E ratio = Interest-bearing debt outstanding / Equity attributable to owners of parent

For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies.



# 2.1 Billion Yen Increase in JFE Steel's Segment Profit (FY2020 3Q (Actual) vs. FY2020 4Q (Actual))

(Billion yen)

| JFE Steel      | FY2020        |               |               |               |           | Change |
|----------------|---------------|---------------|---------------|---------------|-----------|--------|
|                | 1Q<br>Apr-Jun | 2Q<br>Jul-Sep | 3Q<br>Oct-Dec | 4Q<br>Jan-Mar | Full year |        |
| Segment Profit | (57.8)        | (78.4)        | 34.3          | 36.4          | (65.4)    | 2.1    |

**1. Cost****±0****2. Volume and Mix****+1.0**

- Production increase amid recovery of demand mainly in the automobile sector  
(crude steel(standalone)6.27⇒6.32Mt +0.05Mt)

**3. Sales and raw materials****+10.0**

- (+1,700yen/t-shipment)
- Improvement of metal spread with overseas and domestic steel price recovery despite of rising iron ore price

**4. Inventory valuation etc.****(6.0)**

- Inventory valuation -13.0 (+17.0→+4.0)
- Carry over of raw materials +1.0 (+4.0→+5.0)
- Foreign exchange valuation +6.0(-1.0→+5.0)

**5. Others****(2.9)**

- Increase in scrap price, etc.





# 207.0 Billion Yen Increase in JFE Steel's Segment Profit (FY2020 1H (Actual) vs. 2H (Actual))

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| JFE Steel      | FY2020         |             |           | Change       |
|----------------|----------------|-------------|-----------|--------------|
|                | 1H             | 2H          | Full year |              |
| Segment Profit | <b>(136.2)</b> | <b>70.8</b> | (65.4)    | <b>207.0</b> |

(Billion yen)

## 1. Cost

**+15.0**

- Curb variable cost increase amid production reduction
- Fixed cost reduction mainly sourced from repairing cost and labor cost

## 2. Volume and Mix

**+47.0**

- Production increase amid recovery of demand mainly in the automobile sector  
(crude steel(standalone)10.17⇒12.59Mt +2.42Mt)

## 3. Sales and raw materials

**+20.0**

- (1,800yen/t-shipment)
- Improvement of metal spread with overseas steel price recovery

## 4. Inventory valuation etc.

**+102.0**

- Inventory valuation +79.0 (-58.0→+21.0)
- Carry over of raw materials+15.0 (-6.0→+9.0)
- Foreign exchange valuation+8.0 (-4.0→+4.0)

## 5. Others

**+23.0**

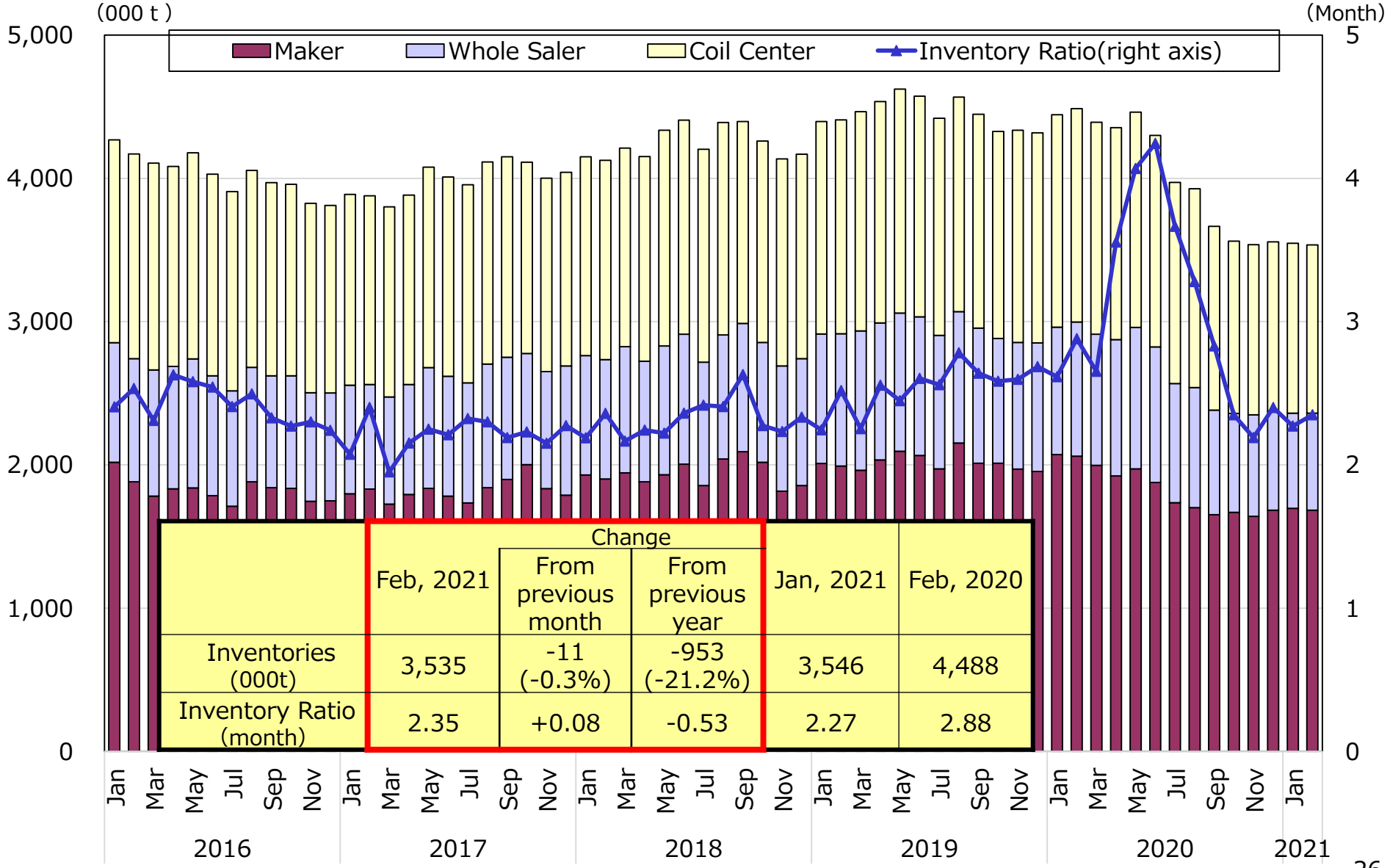
- Increase in profit of domestic and overseas subsidiary companies etc.



Domestic Market Environment

# Combined Inventories of HR, CR and Coated Steel Sheet

JFE



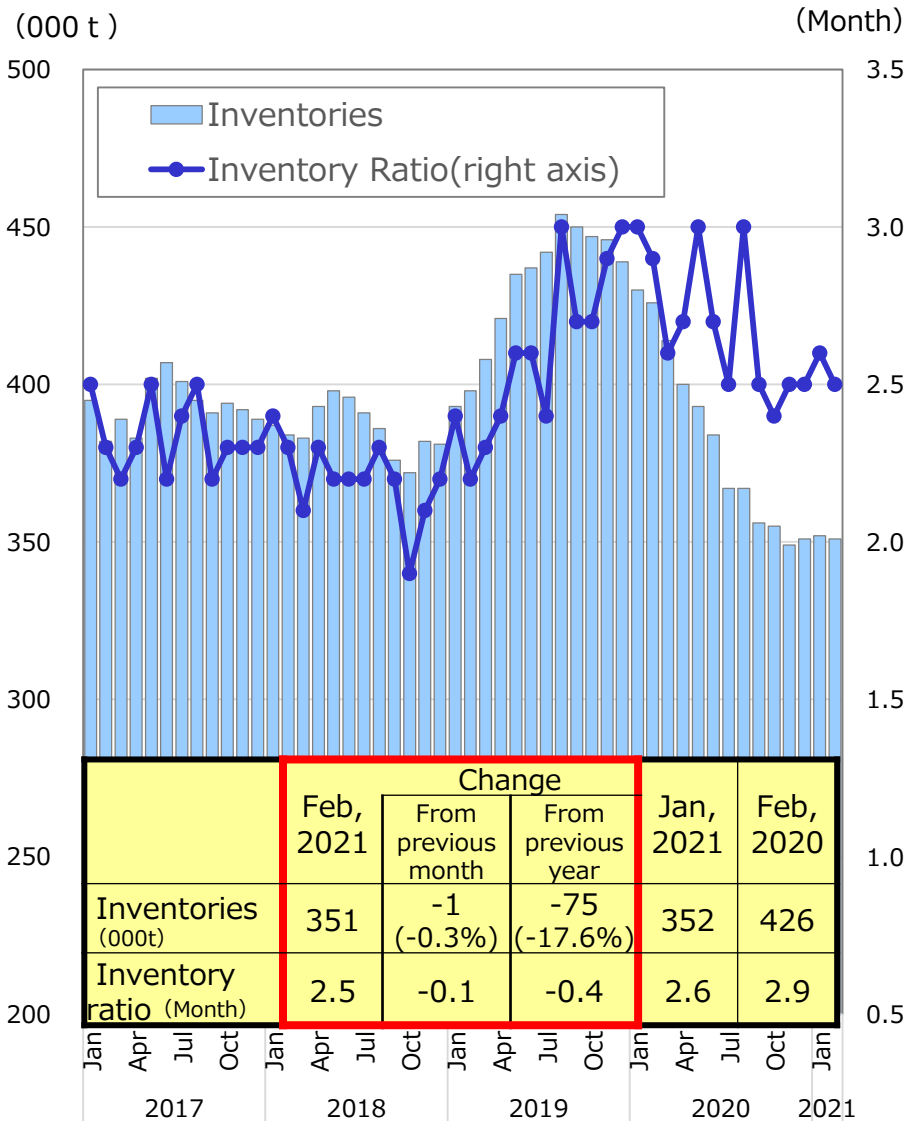


Domestic Market Environment

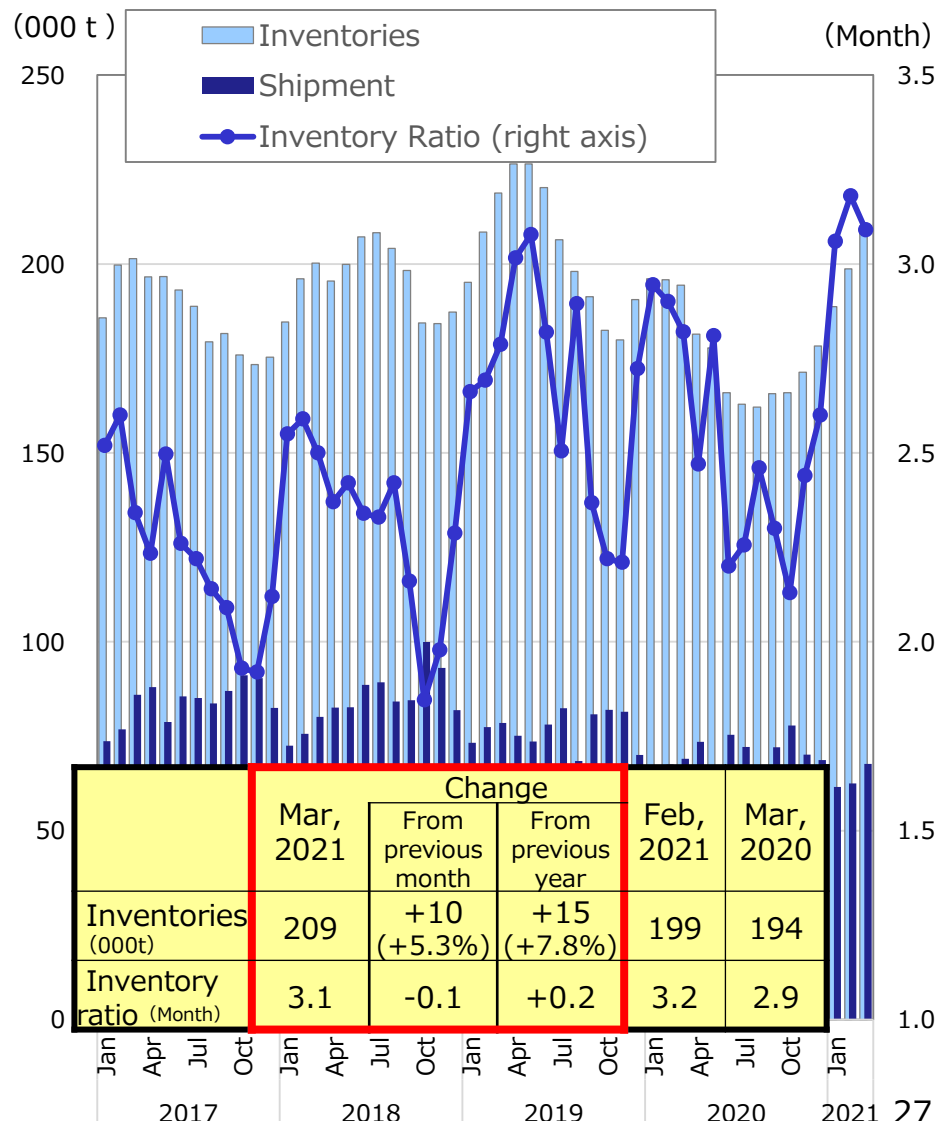
# Inventories of Plate (Plate Shear) and Wide Flange Shapes

JFE

## Inventories of Plate (Plate Shear)



## Inventories of Wide Flange Shapes



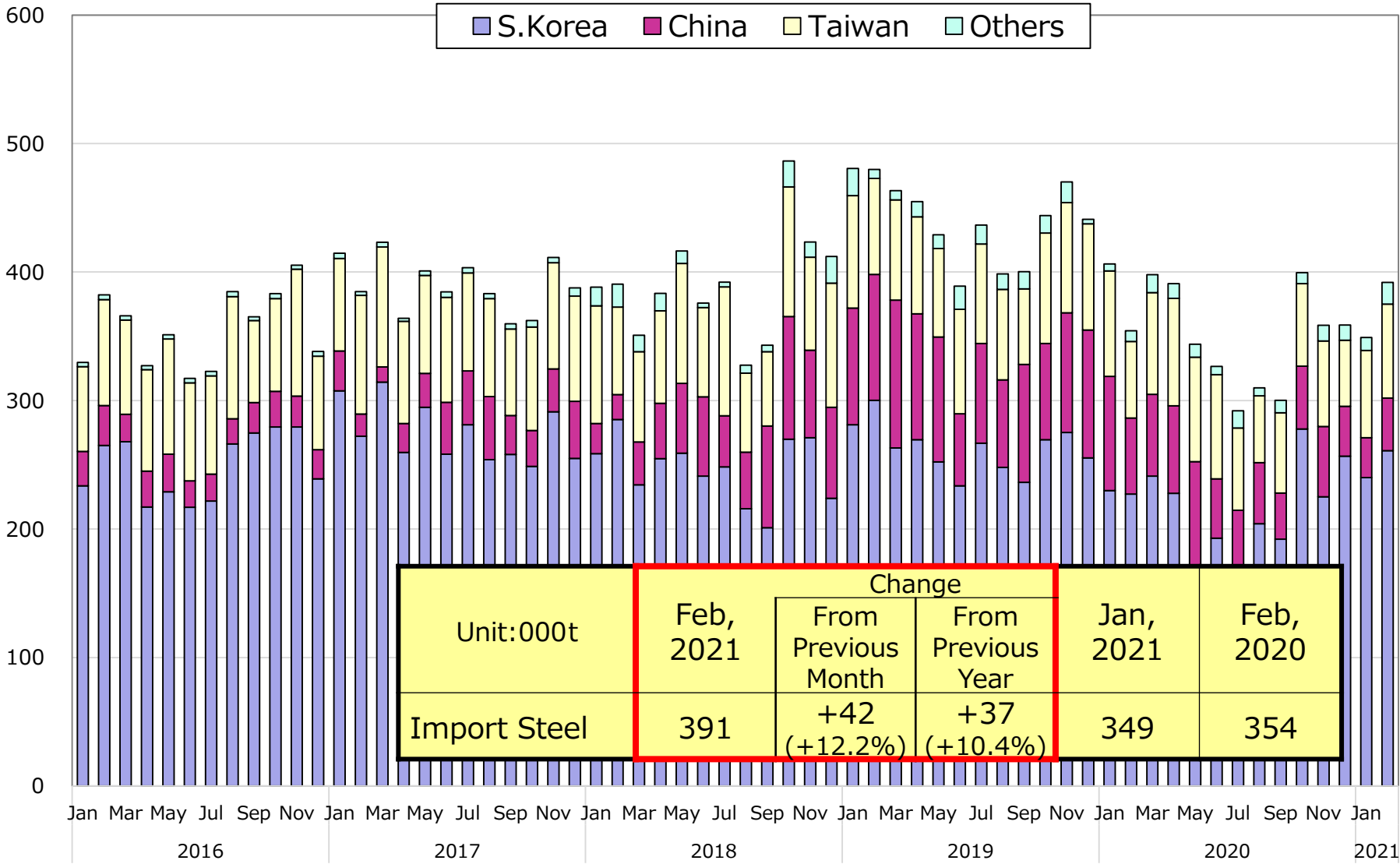


Domestic Market Environment

Trend of Import Steel (Ordinary Steel)

JFE

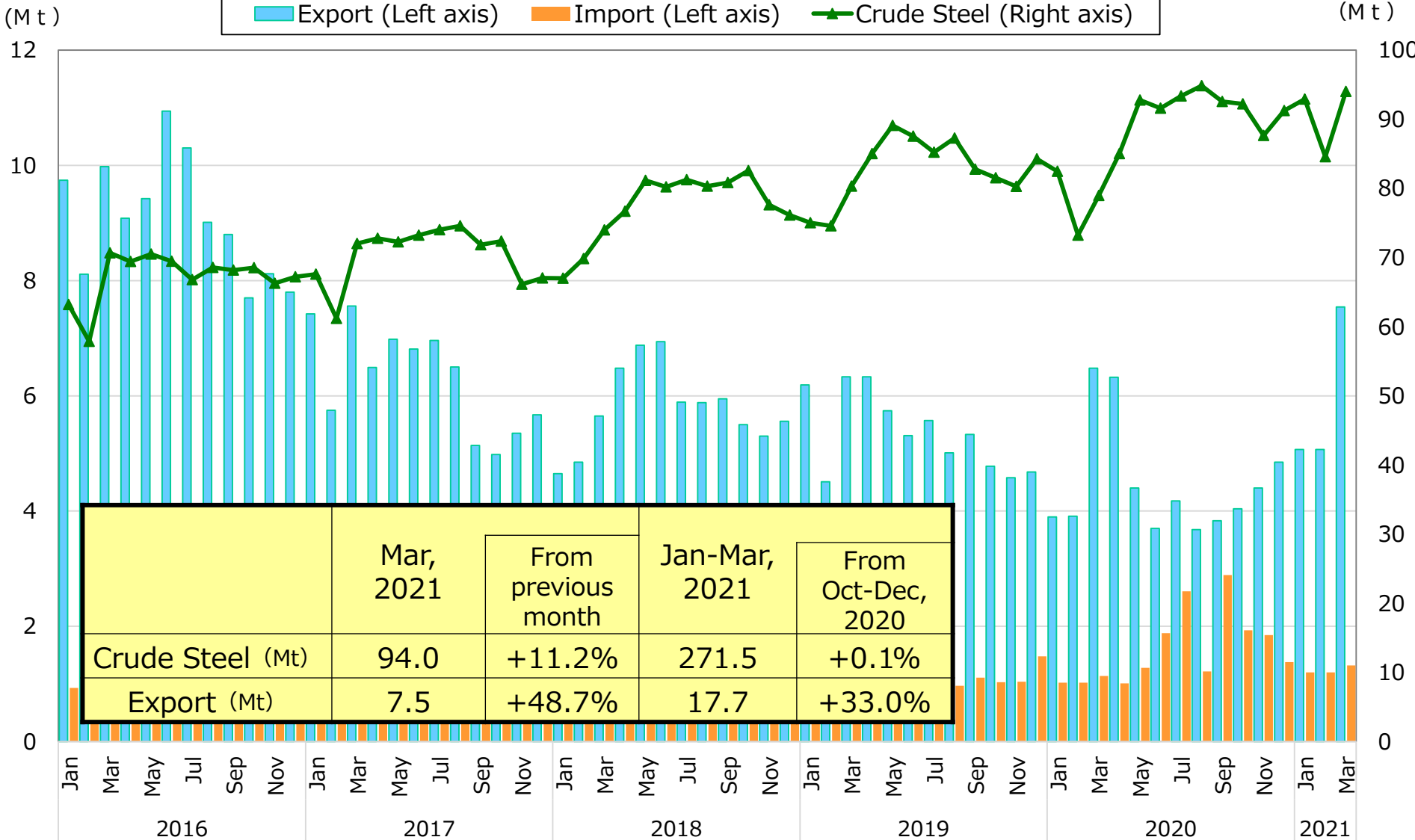
(000 t)



|              |           |                     |                    |           |           |
|--------------|-----------|---------------------|--------------------|-----------|-----------|
| Unit:000t    | Feb, 2021 | Change              |                    | Jan, 2021 | Feb, 2020 |
|              |           | From Previous Month | From Previous Year |           |           |
| Import Steel | 391       | +42<br>(+12.2%)     | +37<br>(+10.4%)    | 349       | 354       |

Overseas Market Environment

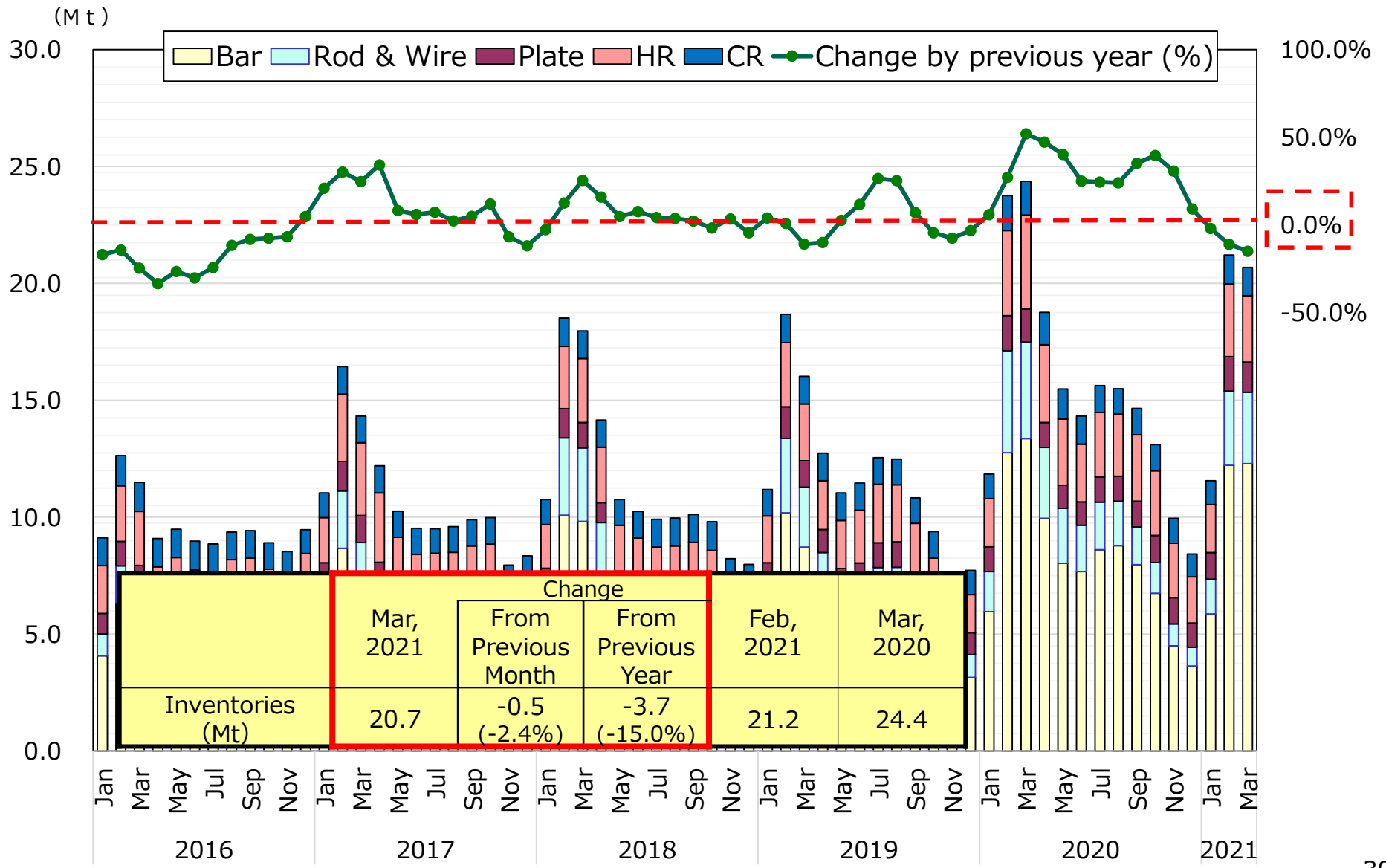
Crude Steel & Im/Export, China



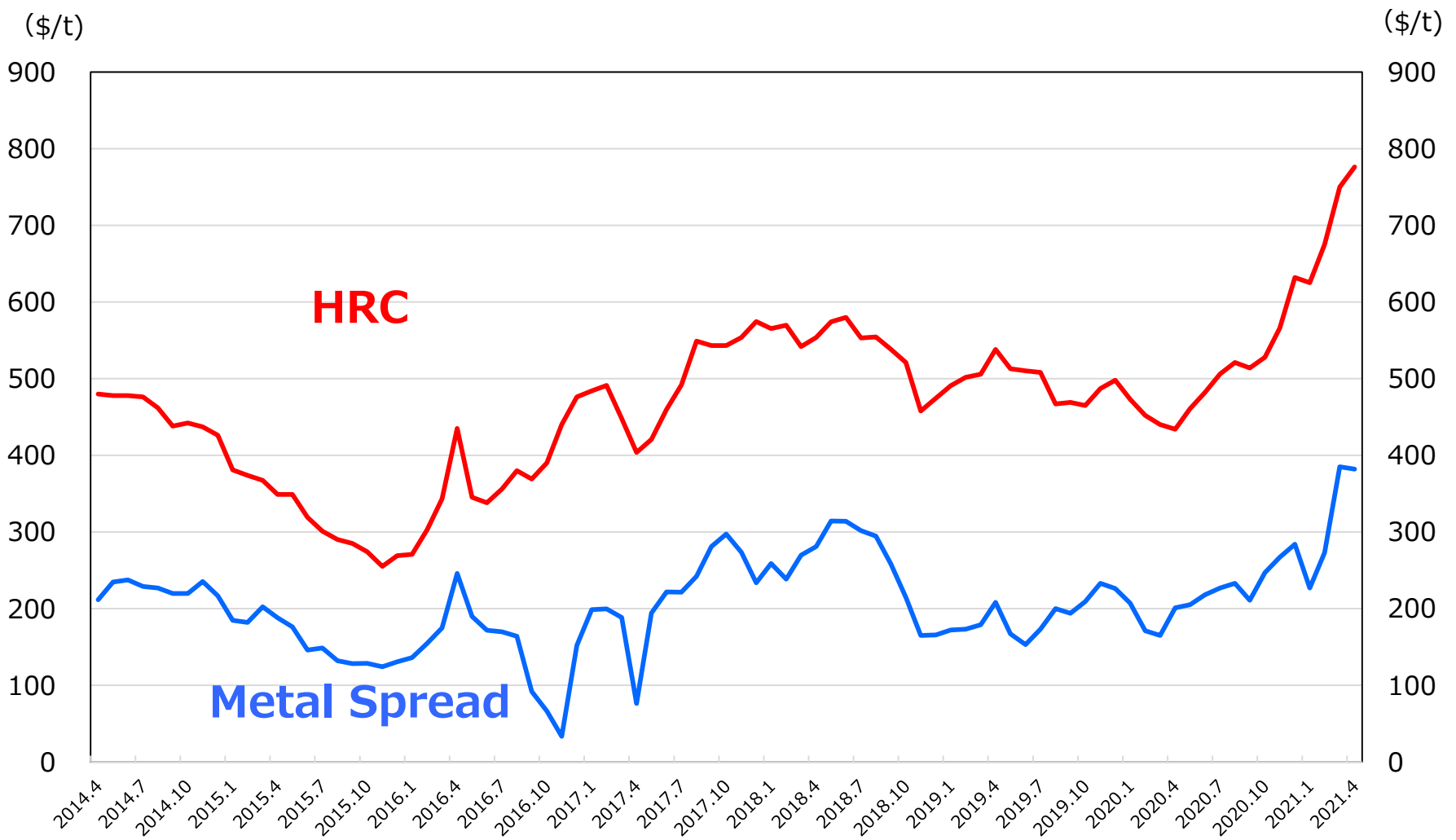
|                  | Mar, 2021 | From previous month | Jan-Mar, 2021 | From Oct-Dec, 2020 |
|------------------|-----------|---------------------|---------------|--------------------|
| Crude Steel (Mt) | 94.0      | +11.2%              | 271.5         | +0.1%              |
| Export (Mt)      | 7.5       | +48.7%              | 17.7          | +33.0%             |

Overseas Market Environment

# Inventories in China by Product



| Inventories (Mt) | Change    |                     | Feb, 2021 | Mar, 2020 |
|------------------|-----------|---------------------|-----------|-----------|
|                  | Mar, 2021 | From Previous Month |           |           |
| 20.7             | 20.7      | -0.5 (-2.4%)        | 21.2      | 24.4      |



Metal Spread = HRC Price – Raw Materials Cost

\*HRC Price : Chinese Spot basis

Raw Materials Cost : Calculated from market price of Iron Ore and Hard Coking Coal

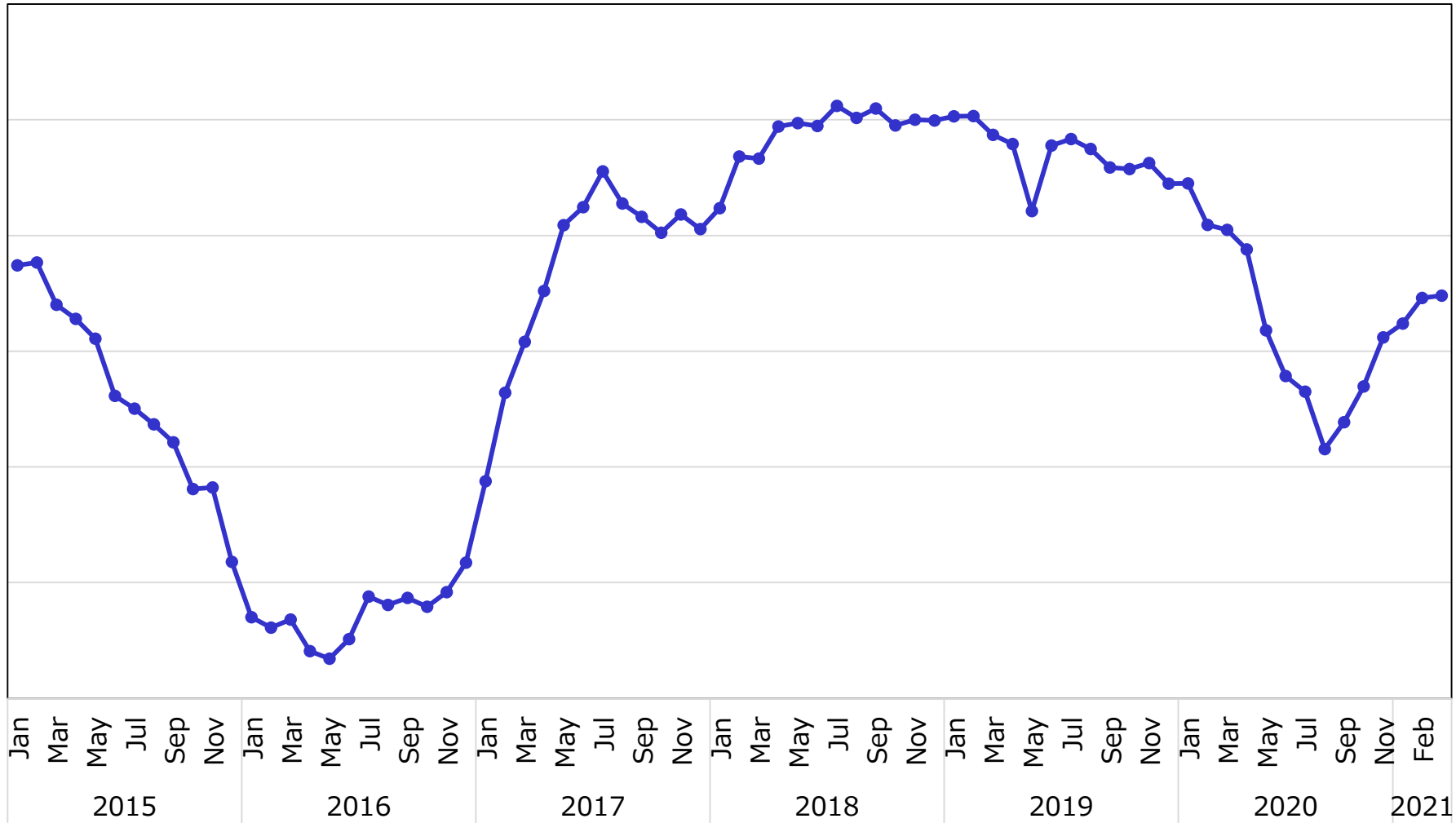


Domestic Market Environment

# Price Trend of Import Steel

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(000 yen/ ton)



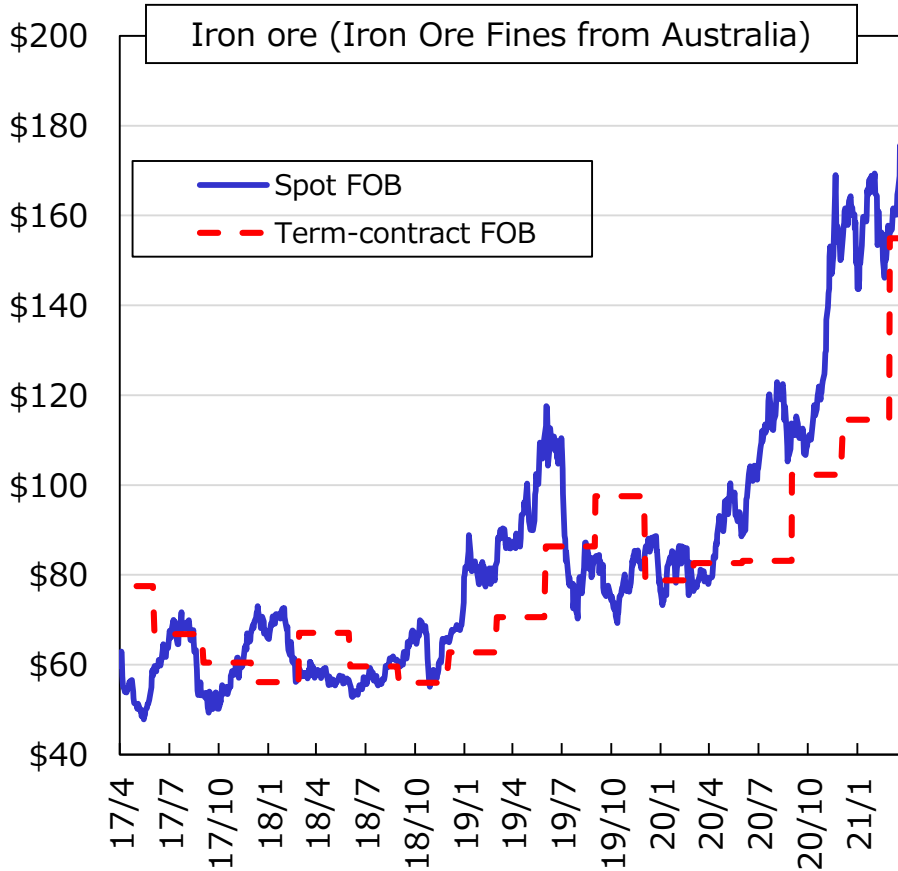


Raw Materials

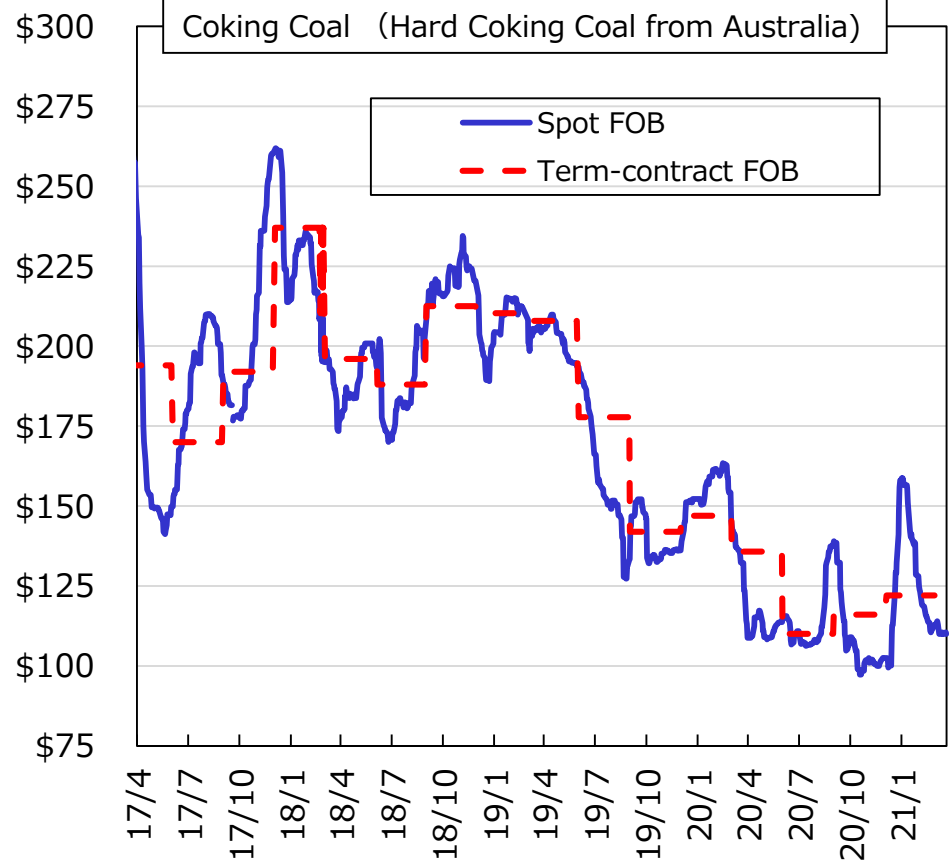
Iron Ore and Coking Coal



(\$/DMT)



(\$/WMT)



| Term-contract FOB | FY2020  |         |         |         |
|-------------------|---------|---------|---------|---------|
|                   | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar |
| \$/DMT            | 83      | 83      | 102     | 115     |

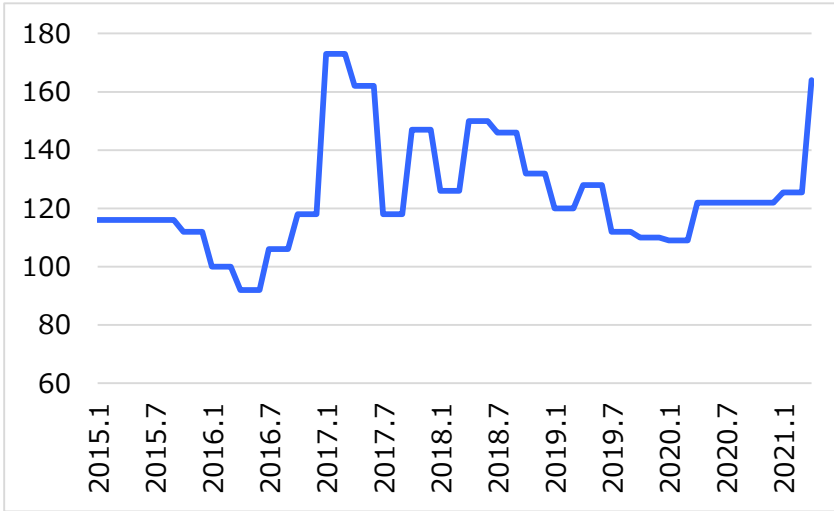
| Term-contract FOB | FY2020  |         |         |         |
|-------------------|---------|---------|---------|---------|
|                   | Apr-Jun | Jul-Sep | Oct-Dec | Jan-Mar |
| \$/WMT            | 136     | 110     | 116     | 122     |

# Raw Materials

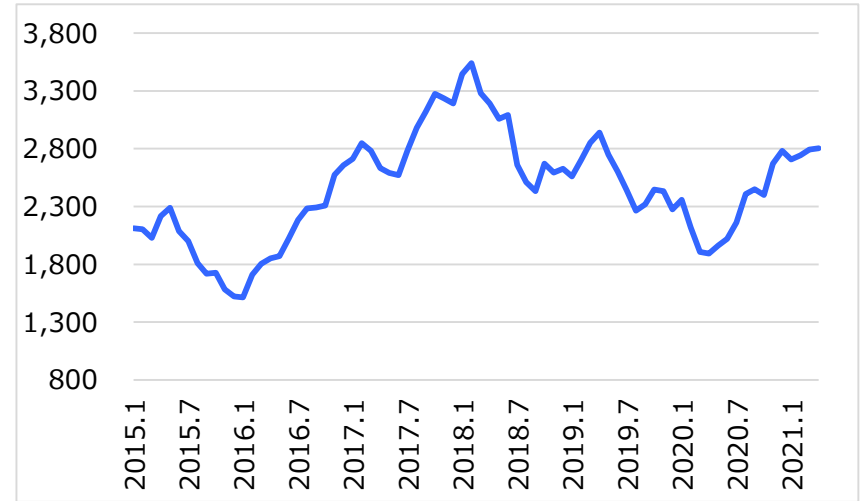
# Trend of Metal's Market Price



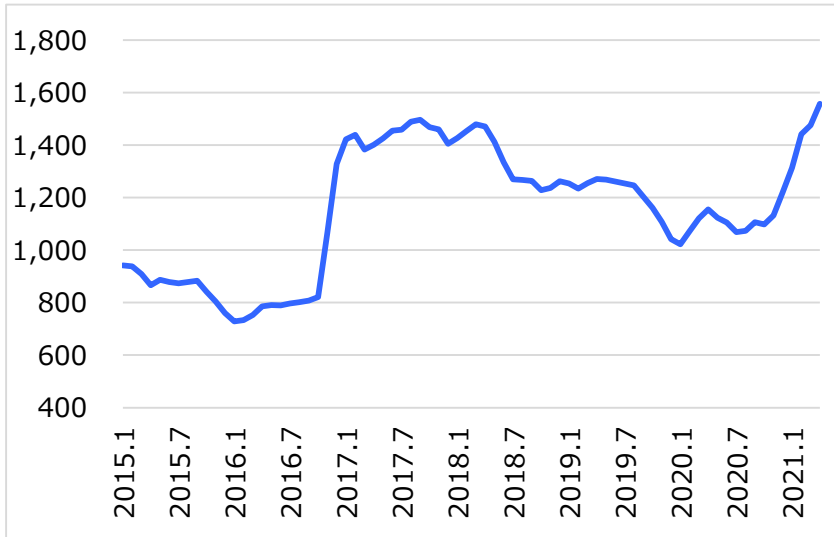
(¢/lb) FeCr



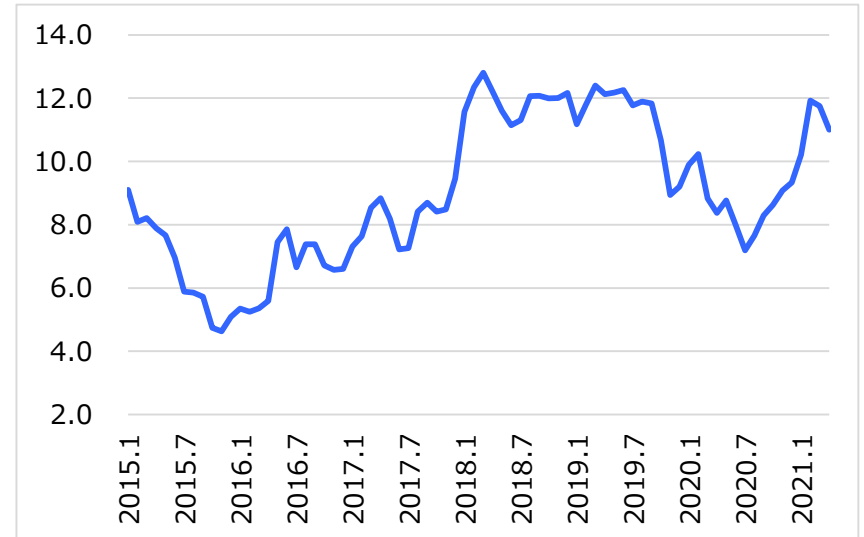
(U\$/t) Zn



(U\$/t) FeMn



(U\$/lb) Mo

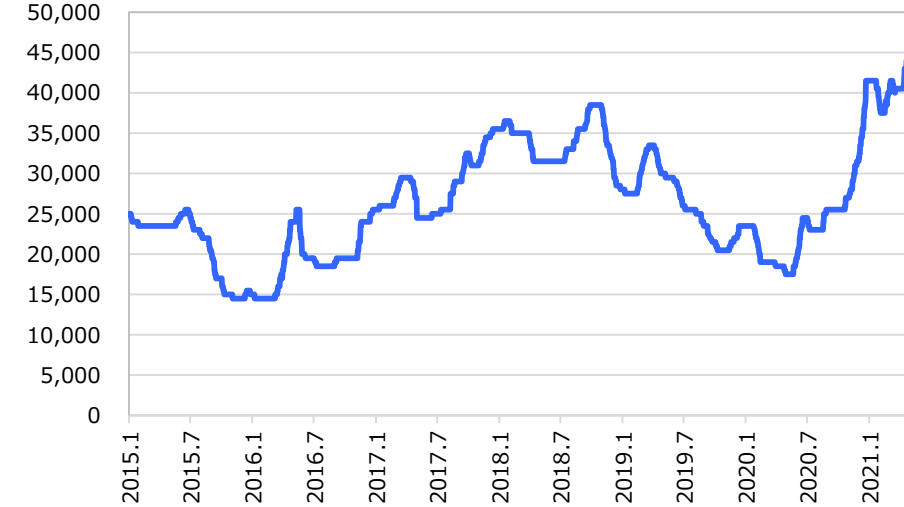


# Raw Materials

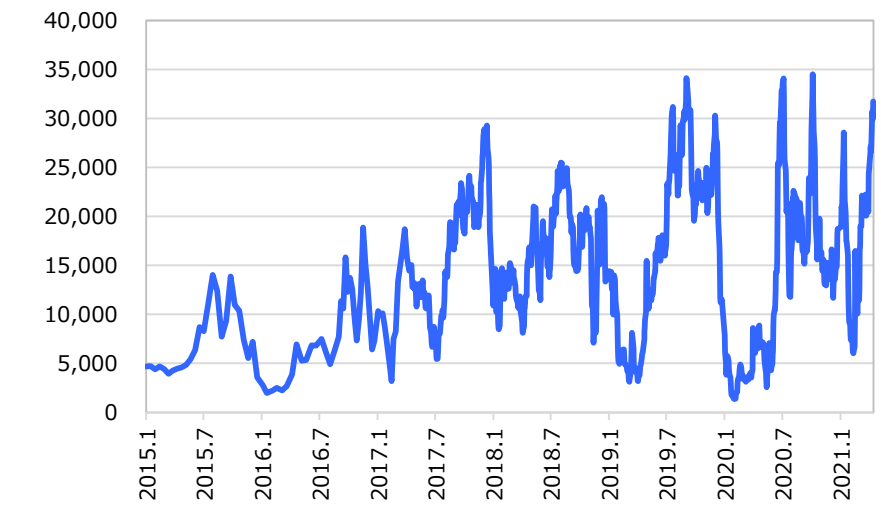
## Trend of Sub Material's Market Price



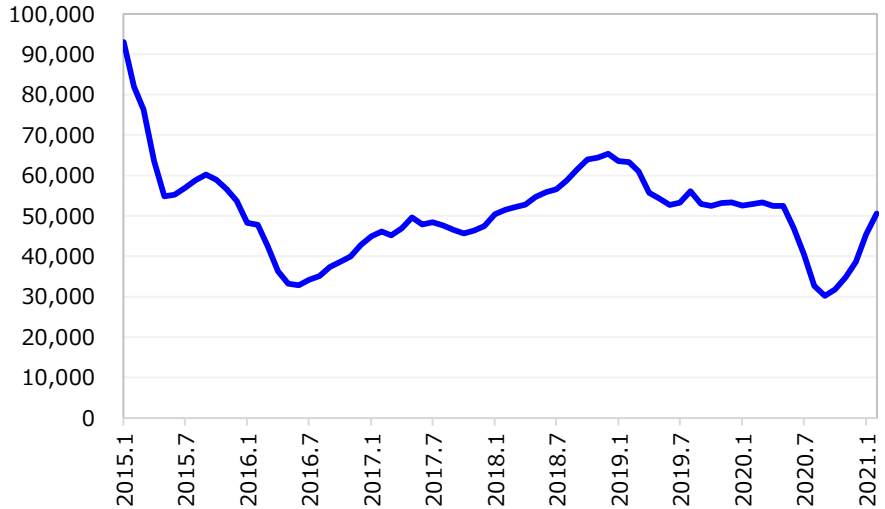
### Scrap



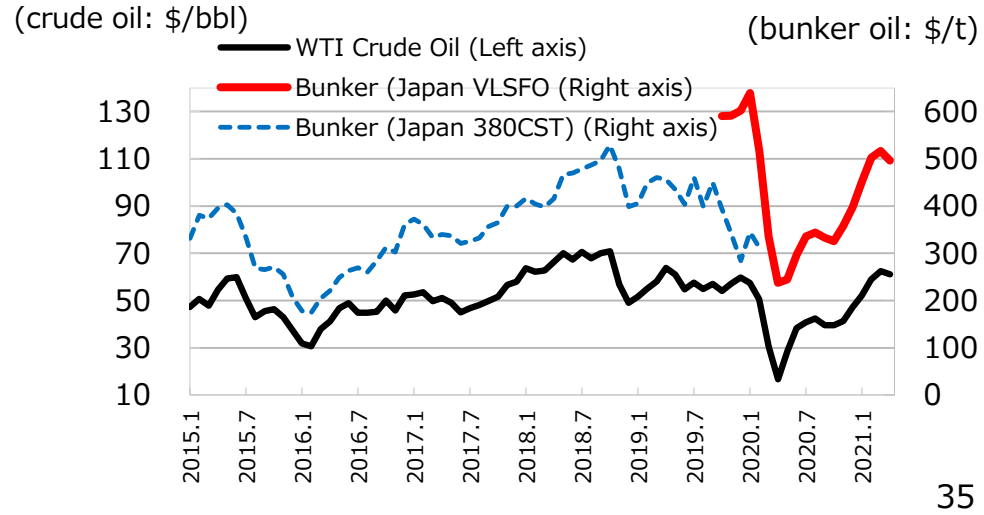
### Spot Bulker



### LNG



### Oil



# Orders by Business Field





(billion yen)

| Business Field             | FY2019 Actual | FY2020 Actual | Change | Main orders received in FY2020<br>★...New projects received in FY2020 4Q  |
|----------------------------|---------------|---------------|--------|---|
| Environment                | 187.1         | 250.4         | 63.3   | <ul style="list-style-type: none"> <li>➤ Construction of waste treatment plant [Fukui, Fukuyama, Kurashiki, Okayama]</li> <li>➤ Improvement works of waste treatment plant [Hiroshima, Yamato]</li> <li>➤ Construction of waste power generation plant overseas [Belgium, UK]</li> <li>➤ Improvement works of Tsubame-Yahiko water purification plant [Niigata]</li> </ul>  |
| Energy                     | 109.8         | 122.7         | 12.9   | <ul style="list-style-type: none"> <li>➤ Construction of BOG treatment related facility [Sakai, Osaka]</li> <li>➤ ★Construction of energy-content-adjustment facility [Himeji, Hyogo]</li> <li>➤ Construction of gas pipe line [Okinawa]</li> </ul>   |
| Social infrastructure etc. | 116.1         | 127.9         | 11.8   | Reconstruction works of domestic bridges <ul style="list-style-type: none"> <li>➤ No.1 Shimizu grade Yasaka viaduct, Shizuoka</li> <li>➤ Bridge between Suita Junction and ChugokuIkeda Inter Change ,Osaka</li> <li>➤ ★Kisogawa Bridge in Meishin Expressway, Aichi to Gifu</li> <li>➤ ★Shin-tedorigawa Bridge in Hokuriku Expressway, Ishikawa</li> <li>➤ ★Kamaria No.2 Viaduct bridge in Yokohama-Yokosuka Expressway</li> </ul> |
| Total                      | 413.0         | 501.1         | 88.1   |   |



# Links to the reports published during FY2020

JFE

| Report                             | URL   | QR code   |
|------------------------------------|---|---|
| JFE Group REPORT 2020              | <a href="https://www.jfe-holdings.co.jp/en/investor/library/group-report/index.html">https://www.jfe-holdings.co.jp/en/investor/library/group-report/index.html</a> |    |
| JFE Group CSR REPORT 2020          | <a href="https://www.jfe-holdings.co.jp/en/csr/index.html">https://www.jfe-holdings.co.jp/en/csr/index.html</a>   |    |
| JFE Group CSR REPORT 2020 ESG Data | <a href="https://www.jfe-holdings.co.jp/en/csr/esg_data/">https://www.jfe-holdings.co.jp/en/csr/esg_data/</a>   |   |
| DX REPORT 2020                     | <a href="https://www.jfe-holdings.co.jp/en/investor/library/dx-report/index.html">https://www.jfe-holdings.co.jp/en/investor/library/dx-report/index.html</a>       |  |



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