

JFE Holdings' Financial Results for First Half of Fiscal Year 2022 Ending March 31, 2023

— All financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) —
(Note: The following is an English translation of an original Japanese document)

November 4, 2022

Official name: Listings: Code: English URL: Representative: Contact: Phone: Scheduled date to submit Quarterly Securities Report: Scheduled date to start paying dividends: Preparation of supplementary materials for quarterly results: Quarterly results briefing:	JFE Holdings, Inc. Tokyo stock exchange 5411 www.jfe-holdings.co.jp/en Koji Kakigi, President and CEO Hiroki Watanabe, Manager, Public Relations Section, Investor Relations and Corporate Communications Department +81-3-3597-3842 November 4, 2022 December 2, 2022 Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in First Half of Fiscal 2022 (April 1 to September 30, 2022)

(1) Consolidated Operating Results (cumulative total)

(Percentages indicate year on year change)

	Revenue (million yen)	%	Business profit (million yen)	%	Profit Before tax (million yen)	%	Profit (million yen)	%	Profit attributable to owners of parent (million yen)	%	Compre- hensive income (million yen)	%
1H FY 2022	2,564,335	32.0	187,915	(5.5)	181,246	(6.2)	125,658	(12.3)	123,256	(12.4)	184,540	8.8
1H FY 2021	1,942,977	30.2	198,869	-	193,221	-	143,322	-	140,755	-	169,659	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1H FY 2022	213.23	213.12
1H FY 2021	244.45	244.39

Note: Business profit is profit before tax excluding financial income and one-time items of a materially significant value.

(2) Consolidated Financial Position

	Total assets (million yen)	Total equity (million yen)	Equity attributable to owners of parent (million yen)	Total equity attributable to owners of parent (%)
End 1H FY 2022	5,589,062	2,209,249	2,136,765	38.2
End FY 2021	5,287,909	2,070,739	1,988,268	37.6

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2021	140.00	60.00	80.00
FY 2022	-	50.00	-

Note: Revisions to dividend forecast announced most recently: Yes
The year-end dividend and the total dividend are not yet determined.

3. Forecasts of Consolidated Financial Results in Fiscal 2022 (April 1, 2022 to March 31, 2023)

	Revenue (million yen)	%	Business profit million yen	%	Profit before tax (million yen)	%	Profit attributable to owners of parent (million yen)	%	Basic earnings per share (yen)
FY 2022	5,260,000	20.5	255,000	(38.8)	240,000	(38.2)	155,000	(46.2)	267.52

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

Notes

1. Changes in significant subsidiaries during the term (changes in designated subsidiaries resulting in changes in consolidated structure): No

2. Changes in accounting policies and accounting estimates
 - 1) Changes in the accounting policies required by IFRS: No
 - 2) Changes in the accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No

3. Number of outstanding shares (common stock)
 - 1) Outstanding shares at the end of the term (including treasury stock)
 - As of September 30, 2022: 614,438,399 shares
 - As of March 31, 2022: 614,438,399 shares
 - 2) Treasury stock at the end of the term
 - As of September 30, 2022: 33,473,087 shares
 - As of March 31, 2022: 38,599,423 shares
 - 3) Average number of shares during the term
 - 1H FY 2022: 578,035,252 shares
 - 1H FY 2021: 575,792,894 shares

This report is not subject to auditing by a certified public accountant or an audit corporation.

Explanation of Appropriate Use of Results Forecasts, and Other Matters of Note

1. Forecasts and other forward-looking statements herein are based on information available on the date of publication of this document as well as rational assumptions that we have made regarding certain factors. Actual results may vary significantly from these forecasts due to a wide range of circumstances.

2. The supplementary financial data will be disclosed today via TDnet and published on our website.

Attachments

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1. Condensed Quarterly Consolidated Financial Statements and Notes
 (1) Condensed Quarterly Consolidated Statement of Financial Position

	(million yen)	
	As of	As of
	March 31, 2022	September 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	101,773	117,082
Trade and other receivables	796,955	804,276
Contract assets	123,888	135,064
Inventories	1,227,935	1,442,081
Income taxes receivable	1,009	806
Other financial assets	22,830	30,153
Other current assets	118,235	114,907
Total current assets	2,392,629	2,644,372
Non-current assets:		
Property, plant and equipment:	1,850,779	1,859,645
Goodwill	8,174	10,511
Intangible assets	108,547	113,199
Right-of-use assets	98,417	95,303
Investment property	57,660	56,819
Investments accounted for using equity method	454,642	494,048
Retirement benefit asset	24,079	23,102
Deferred tax assets	60,372	54,971
Other financial assets	217,217	220,806
Other non-current assets	15,388	16,280
Total non-current assets	2,895,280	2,944,690
Total assets	5,287,909	5,589,062

(million yen)

As of
As of
March 31, 2022 September 30, 2022

	As of March 31, 2022	As of September 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	678,377	640,672
Bonds payable, borrowings, and lease liabilities	339,726	509,803
Contract liabilities	32,580	36,432
Income taxes payable, etc.	50,547	33,593
Provisions	12,345	11,523
Other financial liabilities	143,406	149,197
Other current liabilities	236,856	219,531
Total current liabilities	1,493,840	1,600,754
Non-current liabilities		
Bonds payable, borrowings, and lease liabilities	1,509,739	1,574,075
Retirement benefit liability	125,927	133,450
Provisions	22,663	20,929
Deferred tax liabilities	12,065	13,716
Other financial liabilities	43,976	28,283
Other non-current liabilities	8,957	8,603
Total non-current liabilities	1,723,330	1,779,058
Total liabilities	3,217,170	3,379,813
Equity		
Share capital	147,143	147,143
Capital surplus	652,233	641,077
Retained earnings	1,294,875	1,374,292
Treasury shares	(180,580)	(156,371)
Other components of equity	74,596	130,624
Equity attributable to owners of parent	1,988,268	2,136,765
Non-controlling interests	82,470	72,483
Total equity	2,070,739	2,209,249
Total liabilities and equity	5,287,909	5,589,062

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statements of Income (First Half)

	First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)	(million yen) First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)
Revenue	1,942,977	2,564,335
Cost of sales	<u>(1,633,153)</u>	<u>(2,235,871)</u>
Gross profit	309,823	328,463
Selling, general and administrative expenses	(162,312)	(185,850)
Share of profit of entities accounted for using equity method	51,405	23,950
Other income	11,617	38,339
Other expenses	<u>(11,663)</u>	<u>(16,987)</u>
Business profit	198,869	187,915
Operating profit	<u>198,869</u>	<u>187,915</u>
Finance income	721	1,311
Finance costs	<u>(6,369)</u>	<u>(7,980)</u>
Profit before tax	193,221	181,246
Income tax expense	<u>(49,898)</u>	<u>(55,587)</u>
Profit	<u>143,322</u>	<u>125,658</u>
Profit attributable to		
Owners of parent	140,755	123,256
Non-controlling interests	<u>2,567</u>	<u>2,402</u>
Profit	<u>143,322</u>	<u>125,658</u>
Earnings per share		
Basic earnings per share (yen)	244.45	213.23
Diluted earnings per share (yen)	244.39	213.12

Condensed Quarterly Consolidated Statements of Income (Second Quarter)

	Second Quarter of Fiscal 2021 (July 1, 2021 – September 30, 2021)	(million yen) Second Quarter of Fiscal 2022 (July 1, 2022 – September 30, 2022)
Revenue	1,054,036	1,310,735
Cost of sales	<u>(885,835)</u>	<u>(1,151,539)</u>
Gross profit	168,200	159,195
Selling, general and administrative expenses	(82,735)	(94,367)
Share of profit of entities accounted for using equity method	25,934	2,480
Other income	5,669	13,684
Other expenses	<u>(6,561)</u>	<u>(9,738)</u>
Business profit	110,506	71,256
Operating profit	<u>110,506</u>	<u>71,256</u>
Finance income	384	873
Finance costs	<u>(3,111)</u>	<u>(4,288)</u>
Profit before tax	107,779	67,841
Income tax expense	<u>(27,558)</u>	<u>(27,194)</u>
Profit	<u>80,220</u>	<u>40,647</u>
Profit attributable to		
Owners of parent	78,776	39,411
Non-controlling interests	<u>1,444</u>	<u>1,235</u>
Profit	<u>80,220</u>	<u>40,647</u>
Earnings per share		
Basic earnings per share (yen)	136.81	67.99
Diluted earnings per share (yen)	136.78	67.95

Condensed Quarterly Consolidated Statements of Comprehensive Income (First Half)

	First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)	(million yen) First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)
Profit	143,322	125,658
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	5,590	(2,509)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	5,331	(1,211)
Share of other comprehensive income of investments accounted for using equity method	<u>(3,254)</u>	<u>(1,622)</u>
Total of items that will not be reclassified to profit or loss	7,666	(5,343)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,459	26,800
Effective portion of cash flow hedges	2,386	(2,957)
Share of other comprehensive income of investments accounted for using equity method	<u>10,823</u>	<u>40,382</u>
Total of items that may be reclassified to profit or loss	<u>18,670</u>	<u>64,225</u>
Total other comprehensive income	26,336	58,881
Comprehensive income	<u>169,659</u>	<u>184,540</u>
Comprehensive income attributable to		
Owners of parent	166,402	181,300
Non-controlling interests	<u>3,257</u>	<u>3,239</u>
Comprehensive income	<u>169,659</u>	<u>184,540</u>

Condensed Quarterly Consolidated Statements of Comprehensive Income (Second Quarter)

	(million yen)	
	Second Quarter of Fiscal 2021 (July 1, 2021 – September 30, 2021)	Second Quarter of Fiscal 2022 (July 1, 2022 – September 30, 2022)
Profit	80,220	40,647
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	746	(1,235)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(4,283)	1,353
Share of other comprehensive income of investments accounted for using equity method	(4,053)	(996)
Total of items that will not be reclassified to profit or loss	(7,589)	(878)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	102	10,018
Effective portion of cash flow hedges	(5,341)	(1,789)
Share of other comprehensive income of investments accounted for using equity method	(2,926)	21,272
Total of items that may be reclassified to profit or loss	(8,166)	29,501
Total other comprehensive income	(15,756)	28,622
Comprehensive income	64,464	69,270
Comprehensive income attributable to		
Owners of parent	62,882	67,623
Non-controlling interests	1,582	1,646
Comprehensive income	64,464	69,270

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)

	(million yen)					
	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2021	147,143	652,465	1,029,976	(180,639)	–	61,620
Profit	–	–	140,755	–	–	–
Other comprehensive income	–	–	–	–	5,604	2,159
Comprehensive income	–	–	140,755	–	5,604	2,159
Purchase of treasury shares	–	–	–	(25)	–	–
Disposal of treasury shares	–	(1)	–	2	–	–
Dividends	–	–	(5,765)	–	–	–
Share-based payment transactions	–	29	–	50	–	–
Change in scope of consolidation	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	(349)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	6,762	–	(5,604)	(1,157)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(321)	997	27	(5,604)	(1,157)
Balance as of September 30, 2021	147,143	652,144	1,171,728	(180,612)	–	62,622

	Equity attributable to owners of parent					
	Other components of equity					
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2021	(32,256)	914	30,278	1,679,223	80,930	1,760,154
Profit	–	–	–	140,755	2,567	143,322
Other comprehensive income	14,625	3,257	25,647	25,647	689	26,336
Comprehensive income	14,625	3,257	25,647	166,402	3,257	169,659
Purchase of treasury shares	–	–	–	(25)	–	(25)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	–	(5,765)	(1,207)	(6,972)
Share-based payment transactions	–	–	–	80	–	80
Change in scope of consolidation	–	–	–	–	232	232
Changes in ownership interest in subsidiaries	–	–	–	(349)	282	(67)
Transfer from other components of equity to retained earnings	–	–	(6,762)	–	–	–
Transfer to non-financial assets	–	(7,873)	(7,873)	(7,873)	–	(7,873)
Other	–	–	–	–	(344)	(344)
Total transactions with owners	–	(7,873)	(14,636)	(13,932)	(1,037)	(14,970)
Balance as of September 30, 2021	(17,630)	(3,701)	41,289	1,831,694	83,149	1,914,843

First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)

(million yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2022	147,143	652,233	1,294,875	(180,580)	—	55,560
Profit	—	—	123,256	—	—	—
Other comprehensive income	—	—	—	—	(1,945)	(3,025)
Comprehensive income	—	—	123,256	—	(1,945)	(3,025)
Purchase of treasury shares	—	—	—	(21)	—	—
Disposal of treasury shares	—	(2,002)	—	24,202	—	—
Dividends	—	—	(46,118)	—	—	—
Share-based payment transactions	—	58	—	27	—	—
Change in scope of consolidation	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(9,211)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	2,279	—	1,945	(4,224)
Transfer to non-financial assets	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	(11,155)	(43,839)	24,208	1,945	(4,224)
Balance as of September 30, 2022	147,143	641,077	1,374,292	(156,371)	—	48,309

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2022	16,086	2,949	74,596	1,988,268	82,470	2,070,739
Profit	—	—	—	123,256	2,402	125,658
Other comprehensive income	65,473	(2,457)	58,044	58,044	837	58,881
Comprehensive income	65,473	(2,457)	58,044	181,300	3,239	184,540
Purchase of treasury shares	—	—	—	(21)	—	(21)
Disposal of treasury shares	—	—	—	22,200	—	22,200
Dividends	—	—	—	(46,118)	(1,380)	(47,498)
Share-based payment transactions	—	—	—	85	—	85
Change in scope of consolidation	—	—	—	—	4	4
Changes in ownership interest in subsidiaries	—	—	—	(9,211)	(12,071)	(21,283)
Transfer from other components of equity to retained earnings	—	—	(2,279)	—	—	—
Transfer to non-financial assets	—	263	263	263	—	263
Other	—	—	—	—	219	219
Total transactions with owners	—	263	(2,015)	(32,802)	(13,227)	(46,029)
Balance as of September 30, 2022	81,560	754	130,624	2,136,765	72,483	2,209,249

(4) Condensed Quarterly Consolidated Statement of Cash Flow (First Half)

	(million yen)	
	First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)	First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)
Cash flows from operating activities		
Profit before tax	193,221	181,246
Depreciation and amortization	121,869	129,556
Changes in allowance	(2,933)	(2,924)
Interest and dividend income	(2,514)	(4,587)
Interest expenses	6,174	7,341
Share of profit of entities accounted for using equity method	(51,405)	(23,950)
Decrease (increase) in trade and other receivables	108,958	14,969
Decrease (increase) in inventories	(209,562)	(189,853)
Increase (decrease) in trade and other payables	72,722	(43,689)
Other	(90,178)	(25,505)
Subtotal	146,352	42,601
Interest and dividends received	10,694	26,088
Interest paid	(5,693)	(6,723)
Income taxes refund (paid)	(5,337)	(60,004)
Cash flows from operating activities	146,016	1,961
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(159,956)	(131,249)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	155	5,973
Purchase of investments	(3,951)	(3,823)
Proceeds from sale of investments	11,214	8,600
Other	(5,089)	(1,124)
Cash flows from investing activities	(157,627)	(121,623)

	(million yen)	
	First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)	First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(21,637)	8,130
Increase (decrease) in commercial papers	67,000	166,999
Proceeds from long-term borrowings	17,955	83,776
Repayments of long-term borrowings	(57,207)	(88,367)
Proceeds from issuance of bonds	35,000	30,000
Payments for redemption of bonds	(30,000)	(10,000)
Payments for purchase of treasury shares	(22)	(21)
Dividends paid to owners of parent	(5,765)	(46,118)
Other	(34,330)	(23,342)
Cash flows from financing activities	(29,006)	121,056
Effect of exchange rate change on cash and cash equivalents	(669)	13,914
Net increase (decrease) in cash and cash equivalents	(41,287)	15,308
Cash and cash equivalents at beginning of period	142,416	101,773
Cash and cash equivalents at end of period	101,129	117,082

(5) Notes to the Condensed Quarterly Consolidated Financial Statements

Notes Pertaining to the Presumption of a Going Concern

There is no item for this period.

2. Supplementary Information

(1) Consolidated Results in First Half and Earnings Forecasts for Fiscal 2022

	(billion yen)							
	FY 2021		FY 2022		Change		FY2022 Forecast (August 3) Full year	
	1H	Full year	1H	Full year	1H	Full year		
Steel Business	1,410.4	3,173.4	1,918.9	3,960.0	508.5	786.6	4,100.0	
Engineering Business	229.2	508.2	219.0	520.0	(10.2)	11.8	520.0	
Trading Business	544.4	1,231.7	750.2	1,490.0	205.8	258.3	1,470.0	
Adjustments	(241.1)	(548.3)	(323.9)	(710.0)	(82.8)	(161.7)	(720.0)	
Revenue	1,942.9	4,365.1	2,564.3	5,260.0	621.4	894.9	5,370.0	
Business profit ¹	A	198.8	416.4	187.9	255.0	(10.9)	(161.4)	235.0
Finance income / costs	B	(5.6)	(11.6)	(6.6)	(15.0)	(1.0)	(3.4)	(15.0)
Segment Profit								
Steel Business		158.5	323.7	148.2	165.0	(10.3)	(158.7)	150.0
Engineering Business		11.1	26.0	(3.9)	20.0	(15.0)	(6.0)	20.0
Trading Business		25.6	55.9	40.6	60.0	15.0	4.1	55.0
Adjustments		(2.0)	(0.9)	(3.6)	(5.0)	(1.6)	(4.1)	(5.0)
Total	A+B	193.2	404.8	181.2	240.0	(12.0)	(164.8)	220.0
Exceptional Items ²		-	(16.2)	-	-	-	16.2	-
Profit before tax		193.2	388.5	181.2	240.0	(12.0)	(148.5)	220.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		(52.4)	(100.4)	(57.9)	(85.0)	(5.5)	15.4	(80.0)
Profit Attributable to Owners of Parent		140.7	288.0	123.2	155.0	(17.5)	(133.0)	140.0

¹ Business profit: Profit that excludes financial income and exceptional items from profit before tax. It is a benchmark indicator of the company's consolidated earnings.

² Exceptional Items: One-time items of a materially significant value.

(2) Consolidated Financial Indices

	Fiscal 2021	Fiscal 2022	Change
Return on Sales (ROS) ¹	9.5%	4.8%	(4.7%)
Return on Assets (ROA) ²	8.4%	4.7%	(3.7%)
Return on Equity (ROE) ³	15.7%	7.5%	(8.2%)
EBITDA ⁴	668.7 billion yen	525.0 billion yen	(143.7 billion yen)
Interest-bearing debt outstanding	1,849.4 billion yen	1,950.0 billion yen	100.6 billion yen
Debt / EBITDA multiple ⁵	2.8x	3.7x	0.9x
Equity attributable to owners of parent	1,988.2 billion yen	2,150.0 billion yen	161.8 billion yen
D/E Ratio ⁶	80.8%	79.5%	(1.3%)

¹ ROS = Business profit / Revenue

² ROA = Business profit / Total assets

³ ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

⁴ EBITDA = Business profit + Depreciation and amortization

⁵ Debt / EBITDA multiple = Interest-bearing debt outstanding / EBITDA

⁶ D/E ratio = 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.

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

Borrowing Execution Date (or Bond Issuance Date)	Amount Borrowed (or Amount of Bond)	Assessment of Equity Content	Amount Deemed to be Capital
June 30, 2016	167.5 billion yen	25%	41.9 billion yen*
March 19, 2018	300.0 billion yen	25%	75.0 billion yen
June 10, 2021	35.0 billion yen	50%	17.5 billion yen*

*Prepayment of subordinated loan of 32.5 billion yen raised on June 30, 2016 and fundraising for a new subordinated bond of 35 billion yen on June 10, 2021

(3) Crude Steel Production (JFE Steel) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021	Non-consolidated	6.25	6.45	12.70	6.49	6.69	13.18	25.88
	Consolidated	6.59	6.80	13.39	6.85	7.02	13.87	27.26
FY 2022	Non-consolidated	6.43	6.21	12.64			Less than 12.50*	25.00*
	Consolidated	6.77	6.59	13.37				

*estimate

(4) Shipments (JFE Steel on non-consolidated basis) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		5.26	5.56	10.83	5.63	5.92	11.55	22.38
FY 2022		5.54	5.32	10.86				

(5) Export Ratio on Value Basis (JFE Steel on non-consolidated basis) (%)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		43.2	49.3	46.5	45.9	43.6	44.7	45.5
FY 2022		48.5	45.0	46.7				

(6) Foreign Exchange Rate (Yen/US dollar) (JPY/USD)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		109.8	110.0	109.9	113.1	115.3	114.2	112.1
FY 2022		126.5	136.6	131.6			145*	138*

*estimate

(7) Average Selling Price (JFE Steel on non-consolidated basis) (thousand yen/ton)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		87.6	101.0	94.5	107.6	116.7	112.2	103.7
FY 2022		126.7	136.7	131.6				

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	FY2021	FY2022 Forecast	Change
Waste to Resource	203.9	224.0*	20.1
Carbon Neutral	87.4	73.0*	(14.4)
Combined utility services	13.4	18.0*	4.6
Core Infrastructure	201.1	235.0*	33.9
Total	505.8	550.0*	44.2

*estimate

(9) Capital Investment and Depreciation and Amortization (JFE Holdings)

(billion yen)

	FY2021	FY2022 Forecast
Capital Investment	340.9	300.0*
Depreciation & Amortization	252.2	270.0*

(on construction basis)

*estimate

(10) Breakdown of Changes in Segment Profit

a. First half of FY2022, compared to same period of FY2021

-12 billion yen: 193.2 billion yen in 1H of FY2021 → 181.2 billion yen in 1H of FY2022

	(billion yen) <u>Change</u>	
Steel Business		
- Cost	10.0	Capital investment effects, etc.
- Sales volume and mix	0.0	
- Sales prices and raw materials	76.0	Improved spreads due to the reflection of high prices of main raw materials, metals, and other commodities in selling prices
- Foreign exchanges effects on trade	(50.0)	1USD=109.9yen→1USD=131.6yen
- Unrealized gains (losses) on inventories	26.0	
- Others	(72.3)	group companies -13.0, energy prices -24.0, etc.
- Total	<u>(10.3)</u>	
Engineering Business, Trading Business, and Adjustment	(1.6)	

b. FY2022 (forecast) compared to FY2021

-164.8 billion yen: 404.8 billion yen in FY2021 → 240.0 billion yen (estimate) in FY2022 forecast

	(billion yen) <u>Change</u>	
Steel Business		
- Cost	10.0	Cost reductions +23.0 and Chiba No. 6 blast furnace refurbishment -13.0
- Sales volume and mix	(15.0)	Sales volume -20.0, mix 5.0
- Sales prices and raw materials	200.0	Improved spreads due to the reflection of high prices of main raw materials, metals, and other commodities in selling prices
- Foreign exchanges effects on trade	(105.0)	1USD=112.1yen→1USD=138yen (about)
- Unrealized gains (losses) on inventories	(112.0)	
- Others	(136.7)	Group companies -68.0, energy prices -45.0, etc.
- Total	<u>(158.7)</u>	
Engineering Business, Trading Business, and Adjustment	(6.0)	

c. FY 2022 (forecast) compared to previous forecast

20.0 billion yen: 220.0 billion yen in previous forecast (Aug. 3) → 240.0 billion yen (estimate) in FY2022 forecast

	(billion yen) <u>Change</u>	
Steel Business		
- Cost	0.0	
- Sales volume and mix	(15.0)	Sales volume -18.0, mix 3.0
- Sales prices and raw materials	130.0	High prices of main raw materials, metals, and other commodities reflected quickly in selling prices to further improve spreads
- Foreign exchanges effects on trade	(5.0)	1USD=133yen→1USD=138yen (about)
- Unrealized gains (losses) on inventories	(40.0)	
- Others	(55.0)	Group companies -23.0, energy prices -19.0, etc.
- Total	<u>15.0</u>	
Engineering Business, Trading Business, and Adjustment	5.0	5.0 increase in trading business due to strong sales of steel products and raw materials in Japan and overseas, etc.

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