

JFE Holdings' Financial Results for First Quarter of Fiscal Year 2024 Ending March 31, 2025

— 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)

August 5, 2024

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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in First Quarter of Fiscal 2024 (April 1 to June 30, 2024)

(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)	%
1Q FY 2024	1,211,141	(4.0)	56,932	(32.9)	39,570	(50.5)	27,708	(53.6)	27,516	(53.8)	74,560	(18.8)
1Q FY 2023	1,262,086	0.7	84,824	(27.3)	79,883	(29.6)	59,690	(29.8)	59,602	(28.9)	91,875	(20.3)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1Q FY 2024	43.27	41.40
1Q FY 2023	102.60	102.52

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)	Equity attributable to owners of parent (%)
End 1Q FY 2024	5,779,371	2,557,684	2,506,747	43.4
End FY 2023	5,754,964	2,538,521	2,464,128	42.8

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2023	100.00	50.00	50.00
FY 2024 (forecast)	110.00	50.00	60.00

Note: Revisions to dividend forecast announced most recently: Yes

3. Forecasts of Consolidated Financial Results in Fiscal 2024 (April 1, 2024 to March 31, 2025)

(Percentages represent changes from same period of previous fiscal year)

	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)
1H FY 2024	2,460,000	(4.5)	85,000	(48.3)	65,000	(58.2)	45,000	(59.1)	70.76
FY 2024	5,240,000	1.3	260,000	(12.8)	275,000	2.5	205,000	3.8	322.35

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

Notes

1. Significant change in scope of consolidation: Yes
 - 1) New company: None
 - 2) Excluded company: None
 - 3) Changed company: One (GECOSS Corporation; from consolidated subsidiary → equity method affiliate)

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 June 30, 2024: 639,438,399 shares
 - As of March 31, 2024: 639,438,399 shares
 - 2) Treasury stock at the end of the term
 - As of June 30, 2024: 3,479,623 shares
 - As of March 31, 2024: 3,472,435 shares
 - 3) Average number of shares during the term
 - 1Q Fiscal 2024: 635,962,086 shares
 - 1Q Fiscal 2023: 580,940,446 shares

Review of the accompanying quarterly consolidated financial statements by a certified public accountant or an auditing firm: None

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. Overview of Business Performance, etc. for the First Quarter of Fiscal Year 2024 Ending March 31, 2025

For an overview of business performance and other related matters, please refer to the supplementary explanation materials for the financial results. The supplementary financial data will be disclosed today via TDnet and published on our website.

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

	As of March 31, 2024	(million yen) As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	243,079	151,452
Trade and other receivables	762,428	773,325
Contract assets	134,569	163,657
Inventories	1,348,378	1,369,588
Income taxes receivable	5,792	7,385
Other financial assets	18,778	16,876
Other current assets	113,992	98,625
Total current assets	2,627,020	2,580,911
Non-current assets		
Property, plant and equipment	1,948,217	1,932,097
Goodwill	15,446	40,116
Intangible assets	140,591	142,119
Right-of-use asset	98,758	100,159
Investment property	52,849	53,118
Investments accounted for using equity method	561,477	617,566
Retirement benefit asset	29,495	25,292
Deferred tax assets	56,249	59,613
Other financial assets	207,448	210,222
Other non-current assets	17,410	18,154
Total non-current assets	3,127,944	3,198,460
Total assets	5,754,964	5,779,371

	As of March 31, 2024	(million yen) As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	667,072	612,646
Bonds payable, borrowings, and lease obligations	426,428	601,509
Contract liabilities	50,186	55,239
Income taxes payable, etc.	32,698	17,844
Provisions	12,191	11,322
Other financial liabilities	149,300	101,389
Other current liabilities	282,317	216,499
Total current liabilities	1,620,195	1,616,452
Non-current liabilities		
Bonds payable, borrowings, and lease obligations	1,403,849	1,411,811
Retirement benefit liability	105,706	109,749
Provisions	17,592	17,516
Deferred tax liabilities	6,050	3,938
Other financial liabilities	53,467	53,456
Other non-current liabilities	9,581	8,763
Total non-current liabilities	1,596,247	1,605,235
Total liabilities	3,216,443	3,221,687
Equity		
Share capital	171,310	171,310
Capital surplus	587,266	586,496
Retained earnings	1,570,027	1,565,399
Treasury shares	(14,938)	(14,027)
Other components of equity	150,461	197,568
Total equity attributable to owners of parent	2,464,128	2,506,747
Non-controlling interests	74,392	50,936
Total equity	2,538,521	2,557,684
Total liabilities and equity	5,754,964	5,779,371

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

Condensed Quarterly Consolidated Statements of Profit or Loss (First Quarter)

	First Quarter of Fiscal 2023 (April 1, 2023 – June 30, 2023)	(million yen) First Quarter of Fiscal 2024 (April 1, 2024 – June 30, 2024)
Revenue	1,262,086	1,211,141
Cost of sales	(1,110,092)	(1,072,690)
Gross profit	151,993	138,451
Selling, general and administrative expenses	(96,173)	(98,539)
Share of profit of investments accounted for using equity method	17,704	15,034
Other income	22,851	15,997
Other expenses	(11,550)	(14,012)
Business profit	84,824	56,932
Loss relating to loss of control over subsidiaries	-	(12,227)
Operating profit	84,824	44,704
Finance income	805	1,024
Finance costs	(5,746)	(6,158)
Profit before tax	79,883	39,570
Income tax expense	(20,193)	(11,861)
Profit	59,690	27,708
Profit attributable to		
Owners of parent	59,602	27,516
Non-controlling interests	87	191
Profit	59,690	27,708
Earnings per share		
Basic earnings per share (yen)	102.60	43.27
Diluted earnings per share (yen)	102.52	41.40

Condensed Quarterly Consolidated Statements of Comprehensive Income (First Quarter)

	(million yen)	
	First Quarter of Fiscal 2023 (April 1, 2023 – June 30, 2023)	First Quarter of Fiscal 2024 (April 1, 2024 – June 30, 2024)
Profit	59,690	27,708
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	5,005	(1,791)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	5,621	(242)
Share of other comprehensive income of investments accounted for using equity method	(2,824)	8,082
Total of items that will not be reclassified to profit or loss	7,801	6,048
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10,400	11,608
Effective portion of cash flow hedges	1,183	2,091
Share of other comprehensive income of investments accounted for using equity method	12,798	27,104
Total of items that may be reclassified to profit or loss	24,383	40,804
Total other comprehensive income	32,184	46,852
Comprehensive income	91,875	74,560
Comprehensive income attributable to		
Owners of parent	91,712	74,243
Non-controlling interests	162	317
Comprehensive income	91,875	74,560

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First Quarter of Fiscal 2023 (April 1, 2023 – June 30, 2023)

	(million yen)					
	Equity attributable to owners of parent				Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	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, 2023	147,143	640,536	1,397,735	(156,408)	–	42,446
Profit	–	–	59,602	–	–	–
Other comprehensive income	–	–	–	–	5,140	2,774
Comprehensive income	–	–	59,602	–	5,140	2,774
Purchase of treasury shares	–	–	–	(12)	–	–
Disposal of treasury shares	–	(0)	–	0	–	–
Dividends	–	–	(17,447)	–	–	–
Share-based payment transactions	–	45	–	–	–	–
Change in scope of consolidation	–	(1)	–	–	–	–
Changes in ownership interest in subsidiaries	–	(53)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	8,442	–	(5,140)	(3,301)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(9)	(9,004)	(11)	(5,140)	(3,301)
Balance as of June 30, 2023	147,143	640,526	1,448,333	(156,420)	–	41,919

	Equity attributable to owners of parent					
	Other components of equity				Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total	Total		
Balance as of April 1, 2023	47,941	928	91,315	2,120,322	73,073	2,193,395
Profit	–	–	–	59,602	87	59,690
Other comprehensive income	21,401	2,792	32,109	32,109	75	32,184
Comprehensive income	21,401	2,792	32,109	91,712	162	91,875
Purchase of treasury shares	–	–	–	(12)	–	(12)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	–	(17,447)	(924)	(18,372)
Share-based payment transactions	–	–	–	45	–	45
Change in scope of consolidation	–	–	–	(1)	(1,323)	(1,324)
Changes in ownership interest in subsidiaries	–	–	–	(53)	59	5
Transfer from other components of equity to retained earnings	–	–	(8,442)	–	–	–
Transfer to non-financial assets	–	(467)	(467)	(467)	–	(467)
Other	–	–	–	–	670	670
Total transactions with owners	–	(467)	(8,910)	(17,936)	(1,519)	(19,455)
Balance as of June 30, 2023	69,342	3,253	114,515	2,194,098	71,716	2,265,814

First Quarter of Fiscal 2024 (April 1, 2024 – June 30, 2024)

(million yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	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, 2024	171,310	587,266	1,570,027	(14,938)	3,081	–	48,444
Profit	–	–	27,516	–	–	–	–
Other comprehensive income	–	–	–	–	–	(716)	6,931
Comprehensive income	–	–	27,516	–	–	(716)	6,931
Purchase of treasury shares	–	–	–	(925)	–	–	–
Disposal of treasury shares	–	(928)	–	1,836	–	–	–
Dividends	–	–	(31,827)	–	–	–	–
Share-based payment transactions	–	121	–	–	–	–	–
Change in scope of consolidation	–	–	–	–	–	–	–
Changes in ownerships interest in subsidiaries	–	36	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	(318)	–	–	716	(398)
Transfer to non-financial assets	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
Total transactions with owners	–	(770)	(32,145)	911	–	716	(398)
Balance as of June 30, 2024	171,310	586,496	1,565,399	(14,027)	3,081	–	54,978

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Other components of equity			Total	Total			
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total					
Balance as of April 1, 2024	96,035	2,900	150,461	2,464,128	74,392	2,538,521		
Profit	–	–	–	27,516	191	27,708		
Other comprehensive income	36,068	4,443	46,727	46,727	125	46,852		
Comprehensive income	36,068	4,443	46,727	74,243	317	74,560		
Purchase of treasury shares	–	–	–	(925)	–	(925)		
Disposal of treasury shares	–	–	–	908	–	908		
Dividends	–	–	–	(31,827)	(880)	(32,708)		
Share-based payment transactions	–	–	–	121	–	121		
Change in scope of consolidation	–	–	–	–	(23,911)	(23,911)		
Changes in ownerships interest in subsidiaries	–	–	–	36	(135)	(98)		
Transfer from other components of equity to retained earnings	–	–	318	–	–	–		
Transfer to non-financial assets	–	61	61	61	–	61		
Other	–	–	–	–	1,153	1,153		
Total transactions with owners	–	61	379	(31,624)	(23,773)	(55,397)		
Balance as of June 30, 2024	132,103	7,405	197,568	2,506,747	50,936	2,557,684		

(4) Notes to Condensed Quarterly Consolidated Financial Statements

Notes on Segment information

(1) Overview of reportable segments

The Group organized under JFE Holdings executed commercial activities through three operating companies—JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation—in accordance with the characteristics of their respective businesses. Consolidated reporting segments, one for each operating company, were characterized by their constituent products and services.

Each segment had its own respective products and services. The steel business produced and sold various steel products, processed steel products and raw materials, and provided transportation and other related businesses such as facility maintenance and construction. The engineering business handled engineering for energy, urban environment, steel structures and industrial machines, recycling and electricity retailing. The trading business purchased, processed and distributed steel products, raw materials for steel production, nonferrous metal products, and food, etc.

(2) Information on reportable segments

The Group assesses segment performance on the basis of segment profit. Segment profit is profit before tax excluding one-time items of a materially significant value.

Intersegment transactions are based on market prices and the like.

First Quarter of Fiscal 2023 (cumulative total: April 1, 2023 to June 30, 2023)

(million yen)

	Steel	Engineering	Trading	Total	Adjustments ¹	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	821,637	107,950	332,498	1,262,086	—	1,262,086
Intersegment revenue	95,653	3,243	37,824	136,721	(136,721)	—
Total	917,290	111,194	370,322	1,398,808	(136,721)	1,262,086
Segment profit	68,155	(158)	14,759	82,756	(2,872)	79,883
Profit before tax						79,883

¹ Adjustments are as follows.

Adjustments to segment profit include corporate profit not allocated to a reportable segment: 377 million yen, share of profit of entities accounted for using equity method related to Japan Marine United Corporation: 71 million yen; elimination of other intersegment transactions: (3,321) million yen. Corporate profit is profit of the Company.

First Quarter of Fiscal 2024 (cumulative total: April 1, 2024 to June 30, 2024)

(million yen)

	Steel	Engineering	Trading	Total	Adjustments ¹	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	765,411	120,063	325,666	1,211,141	—	1,211,141
Intersegment revenue	95,203	3,819	32,650	131,673	(131,673)	—
Total	860,615	123,883	358,316	1,342,815	(131,673)	1,211,141
Segment profit	31,560	4,014	11,502	47,078	4,719	51,798
Loss relating to loss of control over subsidiaries						(12,227)
Profit before tax						39,570

Adjustments to segment assets: Corporate assets not allocated to a reportable segment: 411 million yen, share of profit of entities accounted for using equity method related to Japan Marine United Corporation: 1,398 million yen; elimination of other intersegment transactions: 2,908 million yen. Corporate profit is profit of the Company.

Notes Pertaining to the Presumption of a Going Concern

There is no item for this period

Notes on Condensed Quarterly Consolidated Statement of Cash Flow

Condensed consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared. Depreciation and amortization, including amortization of intangible assets, for the first quarter of the current fiscal year are as follow:

(million yen)

	First Quarter of Fiscal 2023 (April 1, 2023 – June 30, 2023)	First Quarter of Fiscal 2024 (April 1, 2024 – June 30, 2024)
Depreciation and amortization	69,825	62,152

3. Supplementary Information

(1) Consolidated Results in First Quarter and Earnings Forecasts for Fiscal 2024

(billion yen)

	Fiscal 2023			Fiscal 2024			Change			Fiscal 2024 Forecast (May 7) Full year	
	1Q	1H	Full year	1Q	1H	Full year	1Q	1H	Full year		
Steel Business	917.2	1,865.8	3,716.0	860.6	1,780.0	3,660.0	(56.6)	(85.8)	(56.0)	3,670.0	
Engineering Business	111.1	248.4	539.9	123.8	260.0	580.0	12.7	11.6	40.1	580.0	
Trading Business	370.3	742.0	1,476.4	358.3	700.0	1,550.0	(12.0)	(42.0)	73.6	1,650.0	
Adjustments	(136.7)	(279.7)	(557.8)	(131.6)	(280.0)	(550.0)	5.1	(0.3)	7.8	(510.0)	
Revenue	1,262.0	2,576.5	5,174.6	1,211.1	2,460.0	5,240.0	(50.9)	(116.5)	65.4	5,390.0	
Business profit ¹	A	84.8	164.3	298.2	56.9	85.0	260.0	(27.9)	(79.3)	(38.2)	300.0
Finance income / costs	B	(4.9)	(8.9)	(18.6)	(5.1)	(10.0)	(20.0)	(0.2)	(1.1)	(1.4)	(20.0)
Segment Profit											
Steel Business		68.1	122.8	202.7	31.5	40.0	165.0	(36.6)	(82.8)	(37.7)	205.0
Engineering Business		(0.1)	8.7	24.3	4.0	8.0	20.0	4.1	(0.7)	(4.3)	20.0
Trading Business		14.7	26.8	48.9	11.5	22.0	50.0	(3.2)	(4.8)	1.1	50.0
Adjustments		(2.9)	(3.1)	3.5	4.7	5.0	5.0	7.6	8.1	1.5	5.0
Total	A+B	79.8	155.3	279.6	51.7	75.0	240.0	(28.1)	(80.3)	(39.6)	280.0
Exceptional Items ²		-	-	(11.2)	(12.2)	(10.0)	35.0 ³	(12.2)	(10.0)	46.2	30.0
Profit before tax		79.8	155.3	268.3	39.5	65.0	275.0	(40.3)	(90.3)	6.7	310.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		(20.2)	(45.2)	(70.9)	(12.0)	(20.0)	(70.0)	8.2	25.2	0.9	(90.0)
Profit Attributable to Owners of Parent		59.6	110.0	197.4	27.5	45.0	205.0	(32.1)	(65.0)	7.6	220.0

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.

³ The 35.0 billion yen forecast includes exceptional items, namely, a loss of 12.2 billion yen due the loss relating to loss of control over subsidiaries and a gain of about 45.0 billion yen on the sale of land.

(2) Consolidated Financial Indices (1H Fiscal 2024 Forecasts)

	Fiscal 2023	1H Fiscal 2024	Change
Return on Sales (ROS) ¹	5.8%	3.5%	(2.3%)
Return on Assets (ROA) ²	5.3%	2.9%	(2.4%)
Return on Equity (ROE) ³	8.6%	3.6%	(5.0%)
EBITDA ⁴	572.3 billion yen	220.0 billion yen	-
Interest-bearing debt outstanding	1,830.2 billion yen	1,830.0 billion yen	(0.2 billion yen)
Debt / EBITDA multiple ⁵	3.2x	4.2x	-
Equity attributable to owners of parent	2,464.1 billion yen	2,480.0 billion yen	15.9 billion yen
D/E Ratio ⁶	58.0%	57.7%	(0.3 %)

¹ ROS = Business profit / Revenue

² ROA (full year) = Business profit / Total assets, ROA (first half) = Business profit x 2 / Total assets

³ ROE (full year) = Profit attributable to owners of parent / Equity attributable to owners of parent

ROE (first half) = Profit attributable to owners of parent x 2 / Equity attributable to owners of parent

⁴ EBITDA = Business profit + Depreciation and amortization

⁵ Debt / EBITDA multiple (full year) = Interest-bearing debt outstanding / EBITDA

Debt / EBITDA multiple (half year) = Interest-bearing debt outstanding / (EBITDA x 2)

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.

*Debt having a capital component (subordinated loans and bonds)

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	50%	83.8 billion yen
March 19, 2018	100.0 billion yen	50%	50.0 billion yen
June 10, 2021	35.0 billion yen	50%	17.5 billion yen
March 20, 2023	205.0 billion yen	50%	102.5 billion yen

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2023	Non-consolidated	6.05	6.11	12.16	5.62	5.67	11.29	23.45
	Consolidated	6.38	6.47	12.85	5.95	6.01	11.95	24.80
Fiscal 2024	Non-consolidated	5.48	5.80*	11.30*			11.70*	23.00*
	Consolidated	5.80	6.10*	11.90*				

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2023		5.23	5.42	10.65	5.08	5.04	10.12	20.77
Fiscal 2024		4.70	5.20*	9.90*				

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2023		44.2	44.2	44.2	41.6	41.3	41.5	42.9
Fiscal 2024		40.6	45*	43*				

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2023		135.8	144.1	139.9	148.7	146.7	147.7	143.8
Fiscal 2024		155.0	157*	156*			155*	156*

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2023		128.5	130.1	129.3	132.5	135.2	133.8	131.5
Fiscal 2024		139.2	132*	135*				

*estimate

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	1H Fiscal 2023	1H Fiscal 2024 Forecast	Change	Fiscal 2024 Forecast
Waste to Resource	128.0	128.0*	0.0	257.0*
Carbon Neutral	28.6	26.0*	(2.6)	60.0*
Combined Utility Services	11.9	5.0*	(6.9)	9.0*
Core Infrastructure	101.2	81.0*	(20.2)	274.0*
Total	269.7	240.0*	(29.7)	600.0*

*estimate

The method of recording long-term O&M orders for waste treatment facilities, etc. entrusted by local governments, etc. was changed beginning with the fiscal 2024 forecast. Under the previous accounting method, the fiscal 2024 forecast would have been 590.0 billion yen.

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

(billion yen)

	Fiscal 2023	Fiscal 2024 Forecast	
Capital Investment	346.1	390.0*	(on construction basis)
Depreciation and Amortization	274.1	270.0*	

*estimate

(10) Breakdown of Changes in Segment Profit

a. First quarter of Fiscal 2024, compared to same period of Fiscal 2023

-28.1 billion yen: 79.8 billion yen in first quarter of fiscal 2023 → 51.7 billion yen in first quarter of fiscal 2024

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	18.0	Structural reforms effect 11.0, operational enhancement 7.0
- Sales volume and mix	(8.0)	Crude steel volume: 6.05→5.48 million tons
- Spread*	(8.0)	Impact on overseas markets
- Unrealized gains (losses) on inventories	(14.0)	Inventory valuation 5.0, carry over -18.0, foreign exchange valuation -1.0
- Others	(24.6)	Group companies -15.0 etc.
- Total	(36.6)	
Engineering business	4.1	Increase in revenue and differences in project composition, etc.
Trading business	(3.2)	Decrease in profit in building materials in the Americas and Japan markets, etc.
Adjustments	7.6	Increase in profit of equity-method affiliates related to shipbuilding, etc.

b. Fiscal 2024 forecast, compared to Fiscal 2023

-39.6 billion yen: 279.6 billion yen in fiscal 2023 → 240.0 billion yen in fiscal 2024 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	42.0	Structural reforms effect 25.0, operational enhancement 17.0
- Sales volume and mix	(5.0)	Crude steel volume: 23.45→about 23.0 million tons
- Spread*	0.0	
- Unrealized gains (losses) on inventories	(50.0)	Inventory valuation -25.0, carry over -35.0, foreign exchange valuation -10.0, one-time structural reform costs 20.0
- Others	(24.7)	Group companies -11.0 etc.
- Total	(37.7)	
Engineering and Trading businesses, and Adjustments	(1.9)	

c. Fiscal 2024 forecast, compared to previous forecast

-40.0 billion yen: 280.0 billion yen (previous forecast) → 240.0 billion yen in fiscal 2024 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	0.0	
- Sales volume and mix	(15.0)	Crude steel volume: about 23.40→about 23.0 million tons
- Spread*	(5.0)	
- Unrealized gains (losses) on inventories	(13.0)	Inventory valuation -8.0, carry over -10.0, foreign exchange valuation 5.0
- Others	(7.0)	Group companies -7.0
- Total	(40.0)	
Engineering and Trading businesses, and Adjustments	0.0	

d. Second half of Fiscal 2024 forecast, compared to first half of Fiscal 2024 forecast
 90.0 billion yen: 75.0 billion yen (first half forecast) → 165.0 billion yen in second half forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	10.0	
		Crude steel volume: about 11.30→about 11.70 million tons
- Sales volume and mix	24.0	Recovery in automobile volume and expansion of high-value-added products (electromagnetic, wind power, etc.)
- Spread*	11.0	Improved spreads due to ongoing activities to improve selling prices
- Unrealized gains (losses) on inventories	8.0	Inventory valuation -20.0, carry over 33.0, foreign exchange valuation -5.0
- Others	32.0	Group companies 25.0 etc.
- Total	85.0	
Engineering and Trading businesses, and Adjustments	5.0	

*Spread includes various prices (metals, energy, materials, logistics, labor costs, exchange rate effects, etc.)

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