

JFE Holdings' Financial Results for First Half 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)

November 6, 2024

Official name:	JFE Holdings, Inc.
Listings:	Tokyo stock exchange
Code:	5411
English URL:	www.jfe-holdings.co.jp/en
Representative:	Yoshihisa Kitano, President and CEO
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Scheduled date to submit Semi-Annual Report:	November 6, 2024
Scheduled date to start paying dividends:	December 6, 2024
Preparation of supplementary materials for financial results:	Yes
Financial results briefing:	Yes

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

1. Consolidated Results in First Half of Fiscal 2024 (April 1 to September 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)	%
1H FY 2024	2,450,781	(4.9)	81,891	(50.2)	59,963	(61.4)	43,197	(61.3)	42,485	(61.4)	86,906	(53.0)
1H FY 2023	2,576,588	0.5	164,346	(12.5)	155,363	(14.3)	111,641	(11.2)	110,091	(10.7)	184,731	0.1

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1H FY 2024	66.80	63.99
1H FY 2023	186.97	185.51

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)	Total equity attributable to owners of parent (million yen)	Total equity attributable to owners of parent (%)
End 1H FY 2024	5,603,344	2,571,885	2,519,936	45.0
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)	100.00	50.00	50.00

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)
FY 2024	4,970,000	(4.0)	160,000	(46.3)	180,000	(32.9)	130,000	(34.2)	204.39

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 September 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 September 30, 2024: 3,347,313 shares
 - As of March 31, 2024: 3,472,435 shares
 - 3) Average number of shares during the term
 - 1H Fiscal 2024: 636,018,554 shares
 - 1H Fiscal 2023: 588,816,549 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. Overview of Business Performance, etc. for the First Half 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 Interim Consolidated Financial Statements and Notes

(1) Condensed Interim Consolidated Statement of Financial Position

	As of March 31, 2024	(million yen) As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	243,079	133,721
Trade and other receivables	762,428	646,290
Contract assets	134,569	205,916
Inventories	1,348,378	1,306,318
Income taxes receivable	5,792	3,653
Other financial assets	18,778	18,954
Other current assets	113,992	94,262
Total current assets	2,627,020	2,409,118
Non-current assets		
Property, plant and equipment	1,948,217	1,940,114
Goodwill	15,446	28,367
Intangible assets	140,591	159,104
Right-of-use asset	98,758	99,119
Investment property	52,849	54,620
Investments accounted for using equity method	561,477	616,437
Retirement benefit asset	29,495	23,985
Deferred tax assets	56,249	64,301
Other financial assets	207,448	189,316
Other non-current assets	17,410	18,858
Total non-current assets	3,127,944	3,194,226
Total assets	5,754,964	5,603,344

	As of March 31, 2024	(million yen) As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	667,072	560,017
Bonds payable, borrowings, and lease obligations	426,428	473,131
Contract liabilities	50,186	45,287
Income taxes payable, etc.	32,698	23,142
Provisions	12,191	9,789
Other financial liabilities	149,300	139,503
Other current liabilities	282,317	238,692
Total current liabilities	1,620,195	1,489,565
Non-current liabilities		
Bonds payable, borrowings, and lease obligations	1,403,849	1,358,284
Retirement benefit liability	105,706	113,816
Provisions	17,592	16,943
Deferred tax liabilities	6,050	3,754
Other financial liabilities	53,467	40,354
Other non-current liabilities	9,581	8,739
Total non-current liabilities	1,596,247	1,541,893
Total liabilities	3,216,443	3,031,458
Equity		
Share capital	171,310	171,310
Capital surplus	587,266	586,315
Retained earnings	1,570,027	1,578,352
Treasury shares	(14,938)	(13,711)
Other components of equity	150,461	197,669
Total equity attributable to owners of parent	2,464,128	2,519,936
Non-controlling interests	74,392	51,949
Total equity	2,538,521	2,571,885
Total liabilities and equity	5,754,964	5,603,344

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

Condensed Interim Consolidated Statements of Profit or Loss (First Half)

	First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)	(million yen) First Half of Fiscal 2024 (April 1, 2024 – September 30, 2024)
Revenue	2,576,588	2,450,781
Cost of sales	(2,254,566)	(2,174,283)
Gross profit	322,021	276,498
Selling, general and administrative expenses	(191,870)	(197,130)
Share of profit of investments accounted for using equity method	26,618	18,618
Other income	32,817	14,712
Other expenses	(25,240)	(30,806)
Business profit	164,346	81,891
Gain on sales of land	—	4,952
Cost for promoting and developing land utilization of Keihin district	—	(4,827)
Loss relating to loss of control over subsidiaries	—	(12,227)
Operating profit	164,346	69,788
Finance income	2,653	2,874
Finance costs	(11,636)	(12,699)
Profit before tax	155,363	59,963
Income tax expense	(43,722)	(16,765)
Profit	111,641	43,197
Profit attributable to		
Owners of parent	110,091	42,485
Non-controlling interests	1,550	711
Profit	111,641	43,197
Earnings per share		
Basic earnings per share (yen)	186.97	66.80
Diluted earnings per share (yen)	185.51	63.99

Condensed Interim Consolidated Statements of Comprehensive Income (First Half)

	(million yen)	
	First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)	First Half of Fiscal 2024 (April 1, 2024 – September 30, 2024)
Profit	111,641	43,197
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	7,978	(3,802)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	6,699	(7,975)
Share of other comprehensive income of investments accounted for using equity method	(709)	12,789
Total of items that will not be reclassified to profit or loss	13,968	1,011
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	22,150	14,522
Effective portion of cash flow hedges	4,019	143
Share of other comprehensive income of investments accounted for using equity method	32,951	28,031
Total of items that may be reclassified to profit or loss	59,121	42,697
Total other comprehensive income	73,090	43,708
Comprehensive income	184,731	86,906
Comprehensive income attributable to		
Owners of parent	182,968	85,497
Non-controlling interests	1,762	1,408
Comprehensive income	184,731	86,906

(3) Condensed Interim Consolidated Statement of Changes in Equity

First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)

(million yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	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, 2023	147,143	640,536	1,397,735	(156,408)	—	—	42,446
Profit	—	—	110,091	—	—	—	—
Other comprehensive income	—	—	—	—	—	8,144	5,968
Comprehensive income	—	—	110,091	—	—	8,144	5,968
Issuance of new shares	24,167	24,167	—	—	—	—	—
Share issuance cost	—	(453)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(34)	—	—	—
Disposal of treasury shares	—	(75,224)	—	141,470	—	—	—
Dividends	—	—	(17,447)	—	—	—	—
Share-based payment transactions	—	(26)	—	114	—	—	—
Issuance of convertible bonds	—	—	—	—	3,081	—	—
Changes in scope of consolidation	—	(1)	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(53)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	13,037	—	—	(8,144)	(4,892)
Transfer to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	24,167	(51,591)	(4,410)	141,551	3,081	(8,144)	(4,892)
Balance as of September 30, 2023	171,310	588,944	1,503,416	(14,857)	3,081	—	43,521

	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	—	—	—	110,091	1,550	111,641
Other comprehensive income	52,630	6,134	72,877	72,877	212	73,090
Comprehensive income	52,630	6,134	72,877	182,968	1,762	184,731
Issuance of new shares	—	—	—	48,335	—	48,335
Share issuance cost	—	—	—	(453)	—	(453)
Purchase of treasury shares	—	—	—	(34)	—	(34)
Disposal of treasury shares	—	—	—	66,246	—	66,246
Dividends	—	—	—	(17,447)	(924)	(18,371)
Share-based payment transactions	—	—	—	88	—	88
Issuance of convertible bonds	—	—	3,081	3,081	—	3,081
Changes in scope of consolidation	—	—	—	(1)	(518)	(519)
Changes in ownership interest in subsidiaries	—	—	—	(53)	59	5
Transfer from other components of equity to retained earnings	—	—	(13,037)	—	—	—
Transfer to non-financial assets	—	(2,049)	(2,049)	(2,049)	—	(2,049)
Other	—	—	—	—	(61)	(61)
Total transactions with owners	—	(2,049)	(12,005)	97,712	(1,445)	96,266
Balance as of September 30, 2023	100,571	5,013	152,188	2,401,003	73,390	2,474,393

First Half of Fiscal 2024 (April 1, 2024 – September 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	—	—	42,485	—	—	—	—
Other comprehensive income	—	—	—	—	—	(2,789)	4,034
Comprehensive income	—	—	42,485	—	—	(2,789)	4,034
Purchase of treasury shares	—	—	—	(944)	—	—	—
Disposal of treasury shares	—	(926)	—	1,835	—	—	—
Dividends	—	—	(31,827)	—	—	—	—
Share-based payment transactions	—	(124)	—	336	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—
Changes in ownerships interest in subsidiaries	—	99	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(2,334)	—	—	2,789	(455)
Transfer to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	—	(951)	(34,161)	1,227	—	2,789	(455)
Balance as of September 30, 2024	171,310	586,315	1,578,352	(13,711)	3,081	—	52,023

	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, 2024	96,035	2,900	150,461	2,464,128	74,392	2,538,521
Profit	—	—	—	42,485	711	43,197
Other comprehensive income	42,235	(468)	43,011	43,011	696	43,708
Comprehensive income	42,235	(468)	43,011	85,497	1,408	86,906
Purchase of treasury shares	—	—	—	(944)	—	(944)
Disposal of treasury shares	—	—	—	909	—	909
Dividends	—	—	—	(31,827)	(887)	(32,714)
Share-based payment transactions	—	—	—	212	—	212
Change in scope of consolidation	—	—	—	—	(23,883)	(23,883)
Changes in ownerships interest in subsidiaries	—	—	—	99	(212)	(113)
Transfer from other components of equity to retained earnings	—	—	2,334	—	—	—
Transfer to non-financial assets	—	1,861	1,861	1,861	—	1,861
Other	—	—	—	—	1,131	1,131
Total transactions with owners	—	1,861	4,196	(29,689)	(23,852)	(53,541)
Balance as of September 30, 2024	138,271	4,293	197,669	2,519,936	51,949	2,571,885

(4) Notes to Condensed Interim 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 Half of Fiscal 2023 (cumulative total: April 1, 2023 to September 30, 2023)

(million yen)

	Steel	Engineering	Trading	Total	Adjustments ¹	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	1,664,933	241,412	670,241	2,576,588	—	2,576,588
Intersegment revenue	200,899	7,025	71,856	279,781	(279,781)	—
Total	1,865,833	248,438	742,098	2,856,369	(279,781)	2,576,588
Segment profit	122,874	8,742	26,873	158,489	(3,126)	155,363
Profit before tax						155,363

¹ Adjustments are as follows.

Adjustments to segment profit include corporate profit not allocated to a reportable segment: 615 million yen, share of profit of entities accounted for using equity method related to Japan Marine United Corporation: 430 million yen; elimination of other intersegment transactions: (4,171) million yen. Corporate profit is profit of the Company.

First Half of Fiscal 2024 (cumulative total: April 1, 2024 to September 30, 2024)

(million yen)

	Steel	Engineering	Trading	Total	Adjustments ¹	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	1,542,577	261,710	646,493	2,450,781	—	2,450,781
Intersegment revenue	186,771	7,790	69,026	263,588	(263,588)	—
Total	1,729,348	269,500	715,520	2,714,370	(263,588)	2,450,781
Segment profit	34,511	8,914	22,402	65,828	6,238	72,066
Gain on sales of land						4,952
Cost for promoting and developing land utilization of Keihin district						(4,827)
Loss relating to loss of control over subsidiaries						(12,227)
Profit before tax						59,963

¹ Adjustments are as follows.

Adjustments to segment profit include corporate profit not allocated to a reportable segment: 706 million yen, share of profit of entities accounted for using equity method related to Japan Marine United Corporation: 2,760 million yen; elimination of other intersegment transactions: 2,771 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 Interim Consolidated Statement of Cash Flow

Depreciation and amortization, including amortization of intangible assets, for the first half of the current fiscal year are as follow:

(million yen)

	First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)	First Half of Fiscal 2024 (April 1, 2024 – September 30, 2024)
Depreciation and amortization	143,465	127,055

Additional Information

On August 21, 2024, JFE Steel Corporation, a consolidated subsidiary of JFE Holdings, Inc., through its consolidated subsidiary, JFE Steel Australia Resources Pty.Ltd., entered into an interest transfer agreement and long-term offtake agreement to acquire a 10% interest in the Blackwater coal mine owned by Whitehaven Coal Limited for US \$360 million (approximately 54 billion yen). While demand for coke is expected to increase in India and Southeast Asia due to local production of crude steel using the blast furnace method, it is becoming increasingly difficult to develop and expand new coking coal mines for steel production, leading to concerns that the supply of coking coal may become tight in the future. By acquiring an interest in the mine, JFE Steel will be able to secure a stable supply of high-quality Blackwater coal and thereby further stabilize its earnings in an environment with high price volatility of coking coals.

About Blackwater Coal Mine

Location: Bowen Basin, Central Queensland, Australia

Saleable production (AFY24): 10.1 million tons

Mining: Open cut

Port of shipment: Port of Gladstone (about 300 km from the mine)

Coal resources: 800 million tons (to be mined over 30+ years)

3. Supplementary Information

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

								(billion yen)	
		FY 2023		FY 2024		Change		FY2024 Forecast (August 5)	
		1H	Full year	1H	Full year	1H	Full year	Full year	
	Steel Business	1,865.8	3,716.0	1,729.3	3,460.0	(136.5)	(256.0)	3,660.0	
	Engineering Business	248.4	539.9	269.5	580.0	21.1	40.1	580.0	
	Trading Business	742.0	1,476.4	715.5	1,450.0	(26.5)	(26.4)	1,550.0	
	Adjustments	(279.7)	(557.8)	(263.5)	(520.0)	16.2	37.8	(550.0)	
Revenue		2,576.5	5,174.6	2,450.7	4,970.0	(125.8)	(204.6)	5,240.0	
Business profit ¹		A	164.3	298.2	81.8	160.0	(82.5)	(138.2)	260.0
Finance income / costs		B	(8.9)	(18.6)	(9.8)	(20.0)	(0.9)	(1.4)	(20.0)
Segment Profit									
	Steel Business	122.8	202.7	34.5	70.0	(88.3)	(132.7)	165.0	
	Engineering Business	8.7	24.3	8.9	20.0	0.2	(4.3)	20.0	
	Trading Business	26.8	48.9	22.4	45.0	(4.4)	(3.9)	50.0	
	Adjustments	(3.1)	3.5	6.2	5.0	9.3	1.5	5.0	
Total		A+B	155.3	279.6	72.0	140.0	(83.3)	(139.6)	240.0
Exceptional Items ²			-	(11.2)	(12.1)	40.0 ³	(12.1)	51.2	35.0
Profit before tax		155.3	268.3	59.9	180.0	(95.4)	(88.3)	275.0	
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests									
		(45.2)	(70.9)	(17.4)	(50.0)	27.8	20.9	(70.0)	
Profit Attributable to Owners of Parent		110.0	197.4	42.4	130.0	(67.6)	(67.4)	205.0	

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 40.0 billion yen forecast includes exceptional items, namely, a loss of 12.2 billion yen due the loss relating to loss of control over subsidiaries, a loss of 4.8 billion yen due the cost for promoting and developing land utilization of Keihin district and a gain of about 55.0 billion yen on the sales of land.

(2) Consolidated Financial Indices (Fiscal 2024 Forecasts)

	Fiscal 2023	Fiscal 2024	Change
Return on Sales (ROS) ¹	5.8%	3.2%	(2.6%)
Return on Assets (ROA) ²	5.3%	2.7%	(2.6%)
Return on Equity (ROE) ³	8.6%	5.2%	(3.4%)
EBITDA ⁴	572.3 billion yen	430.0 billion yen	(142.3 billion yen)
Interest-bearing debt outstanding	1,830.2 billion yen	1,850.0 billion yen	19.8 billion yen
Debt / EBITDA multiple ⁵	3.2x	4.3x	1.1x
Equity attributable to owners of parent	2,464.1 billion yen	2,580.0 billion yen	115.9 billion yen
D/E Ratio ⁶	58.0%	56.3%	(1.7 %)

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.

*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	5.55	11.03			11.40*	22.40*
	Consolidated	5.80	5.89	11.69				

*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	4.96	9.66				

(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	44.2	42.4				

(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	152.8	153.9			150*	152*

*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	131.5	135.2				

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	Fiscal 2023	Fiscal 2024 Forecast	Change
Waste to Resource	243.7	255.0*	11.3
Carbon Neutral	54.3	60.0*	5.7
Combined Utility Services	15.6	9.0*	(6.6)
Core Infrastructure	249.4	276.0*	26.6
Total	563.0	600.0*	37.0

*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	330.0*
Depreciation and Amortization	274.1	270.0*

(on construction basis)

*estimate

(10) Breakdown of Changes in Segment Profit

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

-83.3 billion yen: 155.3 billion yen in first half of fiscal 2023 → 72.0 billion yen in first half of fiscal 2024

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	27.0	Structural reforms effect 22.0, operational enhancement 5.0
- Sales volume and mix	(24.0)	Crude steel volume: 12.16 →11.03 million tons
- Spread*	(11.0)	Impact on overseas markets
- Unrealized gains (losses) on inventories	(52.0)	Inventory valuation -4.0, carry over -26.0, foreign exchange valuation -22.0
- Others	(28.3)	Group companies -20.0 etc.
- Total	<u>(88.3)</u>	
Engineering and Trading businesses, and Adjustments	5.0	

b. First half of Fiscal 2024, compared to previous forecast

-3.0 billion yen: 75.0 billion yen in previous forecast → 72.0 billion yen in first half of fiscal 2024

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	(3.0)	Impact of bad weather
- Sales volume and mix	(5.0)	Crude steel volume: about 11.30 →11.03 million tons
- Spread*	17.0	Improved spreads due to activities to improve selling prices, impact of raw material price fluctuations and timing differences in adjustments for selling prices
- Unrealized gains (losses) on inventories	(25.0)	Inventory valuation -3.0, carry over -10.0, foreign exchange valuation -12.0
- Others	10.5	Delay in the timing of expenses being incurred
- Total	<u>(5.5)</u>	
Engineering and Trading businesses, and Adjustments	2.5	

c. Fiscal 2024 forecast, compared to Fiscal 2023

-139.6 billion yen: 279.6 billion yen in fiscal 2023 → 140.0 billion yen in fiscal 2024 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	32.0	Structural reforms effect 25.0, operational enhancement 7.0
- Sales volume and mix	(34.0)	Crude steel volume: 23.45→about 22.40 million tons
- Spread*	0.0	
- Unrealized gains (losses) on inventories	(82.0)	Inventory valuation -40.0, carry over -45.0, foreign exchange valuation -17.0, one-time structural reform cost 20.0
- Others	(48.7)	Group companies -21.0 etc.
- Total	<u>(132.7)</u>	
Engineering and Trading businesses, and Adjustments	(6.9)	

d. Fiscal 2024 forecast, compared to previous forecast

-100.0 billion yen: 240.0 billion yen in previous forecast → 140.0 billion yen in fiscal 2024 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	(10.0)	Impact of bad weather, and differences in construction timing, etc.
- Sales volume and mix	(29.0)	Crude steel volume: about 23.00→about 22.40 million tons (decreases in domestic building materials, exports of automobiles, etc.)
- Spread*	0.0	
- Unrealized gains (losses) on inventories	(32.0)	Inventory valuation -15.0, carry over -10.0, foreign exchange valuation -7.0
- Others	(24.0)	Group companies -11.0 etc.
- Total	(95.0)	
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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