



JFE Group

**Financial Results for Third Quarter of
Fiscal Year 2024 ending March 31, 2025**

**JFE Holdings, Inc.
February 6, 2025**

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This presentation material is for the purpose of publicizing the status of our company's financial results for the third quarter of FY2024. It is not a disclosure material under the Financial Instruments and Exchange Act and does not guarantee the accuracy or completeness of the information. It does not constitute a solicitation to invest in securities in Japan, the United States or any other countries. The forecasts presented are based on information received at the time of the briefing and include uncertainties. Therefore, please refrain from making investment decisions based solely on this document. Our company shall not be liable for any damages arising as a result of the use of this document.



Financial Highlights

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- **Expect profit attributable to owners of parent of ¥95bn.** due to factors such as the impact of manufacturing troubles, deteriorating earnings at overseas group companies, inclusion of overseas impairment losses, and losses on inventory valuation etc. (decreased by ¥102.4bn. year-on-year, decreased by ¥35.0bn. from previous forecast)
- The annual dividend is expected to be **100 yen** as previously announced.

Results for 3Q of FY2024

Business Profit in Apr-Dec of FY2024

¥120.7bn. (decreased by ¥124.2bn. year-on-year)

[Excluding Inventory
Valuation etc.]

¥207.7bn. (decreased by ¥39.2bn. year-on-year)

Forecast of FY2024

Business Profit ¥115.0bn.

(decreased by ¥183.2bn. year-on-year,
decreased by ¥45.0bn. from previous forecast)

[Excluding Inventory
Valuation etc.]

¥211.0bn.

(decreased by ¥85.2bn. year-on-year,
decreased by ¥29.0bn. from previous forecast)

Profit attributable to owners of parent ¥95.0bn.

(decreased by ¥102.4bn. year-on-year, decreased by ¥35.0bn. from previous forecast)

Including ¥20bn. of impairment
losses of overseas group companies.

Steel business profit per ton : 6,000yen/t (decreased by ¥2,000/t from previous forecast)

Crude Steel Production

(Standalone) : approx. 22.00Mt

(decreased by 1.45Mt year-on-year,
decreased by 0.40Mt from previous forecast)

Dividend 100yen (as previously announced)

Interim dividend 50yen (as previously announced)

**Consolidated Results for
Third Quarter of Fiscal Year 2024
(April 1 to December 31, 2024)**



Financial Results for Third Quarter of Fiscal Year 2024

JFE

➤ **Business profit in Apr-Dec of FY2024 was ¥120.7bn.**

(decreased by ¥39.2bn. year-on-year)

* Excluding inventory valuation, decreased by ¥39.2bn. year-on-year.

(billion yen)	FY2023 Actual		FY2024 Actual		Change
	Oct-Dec	Apr-Dec	Oct-Dec	Apr-Dec	Apr-Dec
Revenue	1,289.1	3,865.7	1,224.6	3,675.4	(190.3)
Business Profit [Excluding Inventory Valuation etc.]	80.6 [81.6]	244.9 [246.9]	38.8 [72.8]	120.7 [207.7]	(124.2) [(39.2)]
Finance Income/Costs	(5.2)	(14.2)	(5.6)	(15.5)	(1.3)
Segment Profit	75.3	230.7	33.1	105.2	(125.5)
Exceptional Items	(4.3)	(4.3)	48.5	36.4*	40.7
Profit before Tax	70.9	226.3	81.7	141.7	(84.6)
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(18.1)	(63.4)	(24.1)	(41.6)	21.8
Profit Attributable to Owners of Parent	52.8	162.9	57.6	100.1	(62.8)

* A loss of ¥13.1 bn. due to the loss relating to loss of control over subsidiaries, a loss of ¥4.4 bn. due to impairment losses, a loss of ¥4.9 bn. due to the cost for promoting and developing land utilization of Keihin district, and a gain of ¥59.0 bn. on the sales of land.

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.

Inventory Valuation etc. is inventory valuation, carry over and foreign exchange valuation in steel business.

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Financial Results for Third Quarter of Fiscal Year 2024 (by Segment)

(billion yen)		FY2023 Actual		FY2024 Actual		Change
		Oct-Dec	Apr-Dec	Oct-Dec	Apr-Dec	Apr-Dec
Steel Business		915.6	2,781.4	828.9	2,558.2	(223.2)
Engineering Business		136.3	384.8	152.4	421.9	37.1
Trading Business		368.1	1,110.2	366.0	1,081.6	(28.6)
Adjustments		(130.9)	(410.7)	(122.8)	(386.4)	24.3
Revenue		1,289.1	3,865.7	1,224.6	3,675.4	(190.3)
Business Profit (A)		80.6	244.9	38.8	120.7	(124.2)
Finance Income/Costs (B)		(5.2)	(14.2)	(5.6)	(15.5)	(1.3)
Steel Business		48.2	171.0	10.4	44.9	(126.1)
Engineering Business		7.7	16.5	6.6	15.5	(1.0)
Trading Business		11.7	38.5	13.6	36.0	(2.5)
Adjustments		7.7	4.6	2.4	8.6	4.0
Segment Profit (A+B)		75.3	230.7	33.1	105.2	(125.5)



¥126.1bn. Decrease in JFE Steel's Segment Profit (FY2023 Apr-Dec (Actual) vs. FY2024 Apr-Dec (Actual))

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	Unit	FY2023 Apr-Dec	FY2024 Apr-Dec
Crude Steel (Standalone)	Mt	17.78	16.56
Shipment (Standalone)	Mt	15.73	14.53
Average Sales Price (Standalone)	000yen /t	130.3	132.5
Exchange Rate	yen/\$	142.9	152.3

			(billion yen)
JFE Steel	FY2023 Apr-Dec	FY2024 Apr-Dec	Change
Segment Profit	171.0	44.9	(126.1)
Excluding Inventory Valuation etc.	173.0	131.9	(41.1)

1. Cost	+24.0	• Structural reforms effect +24.0
2. Volume and Mix	(36.0)	• Crude steel production 17.78Mt→16.56Mt
3. Spreads*	+19.0	• Impact of raw material price fluctuations and timing differences in adjustments for selling prices • Improved spreads due to activities to improve selling prices
4. Inventory valuation	(85.0)	• Inventory valuation -32.0 (+2.0→-30.0) • Carry over -57.0 (-3.0→-60.0) • Foreign exchange valuation -6.0 (+9.0→+3.0) • One-time structural reform costs +10.0 (-10.0→±0)
5. Others	(48.1)	• Group companies -30.0

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

Financial Forecasts for Fiscal Year 2024 (April 1, 2024, to March 31, 2025)



Financial Forecast for Fiscal Year 2024

JFE

- **Full-year business profit is expected to be ¥115.0bn.**
(decreased by ¥45.0bn. from previous forecast, decreased by ¥183.2bn. year-on-year)
- **Full-year profit attributable to owners of parent is expected to be ¥95.0bn.**
(decreased by ¥35.0bn. from previous forecast, decreased by ¥102.4bn. year-on-year)

(billion yen)	FY2023 Actual	FY2024 Forecast (Previous)	FY2024 Forecast(Updated)			Change FY2023→ FY2024 (Updated)	Change Previous →Updated
	Full Year	Full Year	1H Actual (Apr-Sep)	2H Forecast (Oct-Mar)	Full Year	Full Year	Full Year
Revenue	5,174.6	4,970.0	2,450.7	2,449.3	4,900.0	(274.6)	(70.0)
Business Profit [Excluding Inventory Valuation etc.]	298.2 [296.2]	160.0 [240.0]	81.8 [134.8]	33.2 [76.2]	115.0 [211.0]	(183.2) [(85.2)]	(45.0) [(29.0)]
Finance Income/Costs	(18.6)	(20.0)	(9.8)	(10.2)	(20.0)	(1.4)	0
Segment Profit	279.6	140.0	72.0	23.0	95.0	(184.6)	(45.0)
Exceptional Items	(11.2)	40.0	(12.1)	57.1	45.0*	56.2	5.0
Profit before Tax	268.3	180.0	59.9	80.1	140.0	(128.3)	(40.0)
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(70.9)	(50.0)	(17.4)	(27.6)	(45.0)	25.9	5.0
Profit Attributable to Owners of Parent	197.4	130.0	42.4	52.6	95.0	(102.4)	(35.0)

* A loss of ¥13.1 bn. due to the loss relating to loss of control over subsidiaries, a loss of about ¥6.0 bn. due to impairment losses, a loss of ¥4.9 bn. due to the cost for promoting and developing land utilization of Keihin district, and a gain of about ¥65.0 bn. on the sales of land.

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.

Inventory Valuation etc. is inventory valuation, carry over and foreign exchange valuation in steel business.

Financial Forecast for Fiscal Year 2024

(by Segment)

(billion yen)

		FY2023 Actual	FY2024 Forecast (Previous)	FY2024 Forecast(Updated)			Change FY2023→ FY2024 (Updated)	Change Previous →Updated
				1H Actual (Apr-Sep)	2H Forecast (Oct-Mar)	Full Year		
	Steel Business	3,716.0	3,460.0	1,729.3	1,650.7	3,380.0	(336.0)	(80.0)
	Engineering Business	539.9	580.0	269.5	310.5	580.0	40.1	0
	Trading Business	1,476.4	1,450.0	715.5	734.5	1,450.0	(26.4)	0
	Adjustments	(557.8)	(520.0)	(263.5)	(246.5)	(510.0)	47.8	10.0
	Revenue	5,174.6	4,970.0	2,450.7	2,449.3	4,900.0	(274.6)	(70.0)
	Business Profit (A)	298.2	160.0	81.8	33.2	115.0	(183.2)	(45.0)
	Finance Income/Costs (B)	(18.6)	(20.0)	(9.8)	(10.2)	(20.0)	(1.4)	0
	Steel Business	202.7	70.0	34.5	(8.5)	26.0	(176.7)	(44.0)
	Engineering Business	24.3	20.0	8.9	11.1	20.0	(4.3)	0
	Trading Business	48.9	45.0	22.4	22.6	45.0	(3.9)	0
	Adjustments	3.5	5.0	6.2	(2.2)	4.0	0.5	(1.0)
	Segment Profit (A+B)	279.6	140.0	72.0	23.0	95.0	(184.6)	(45.0)

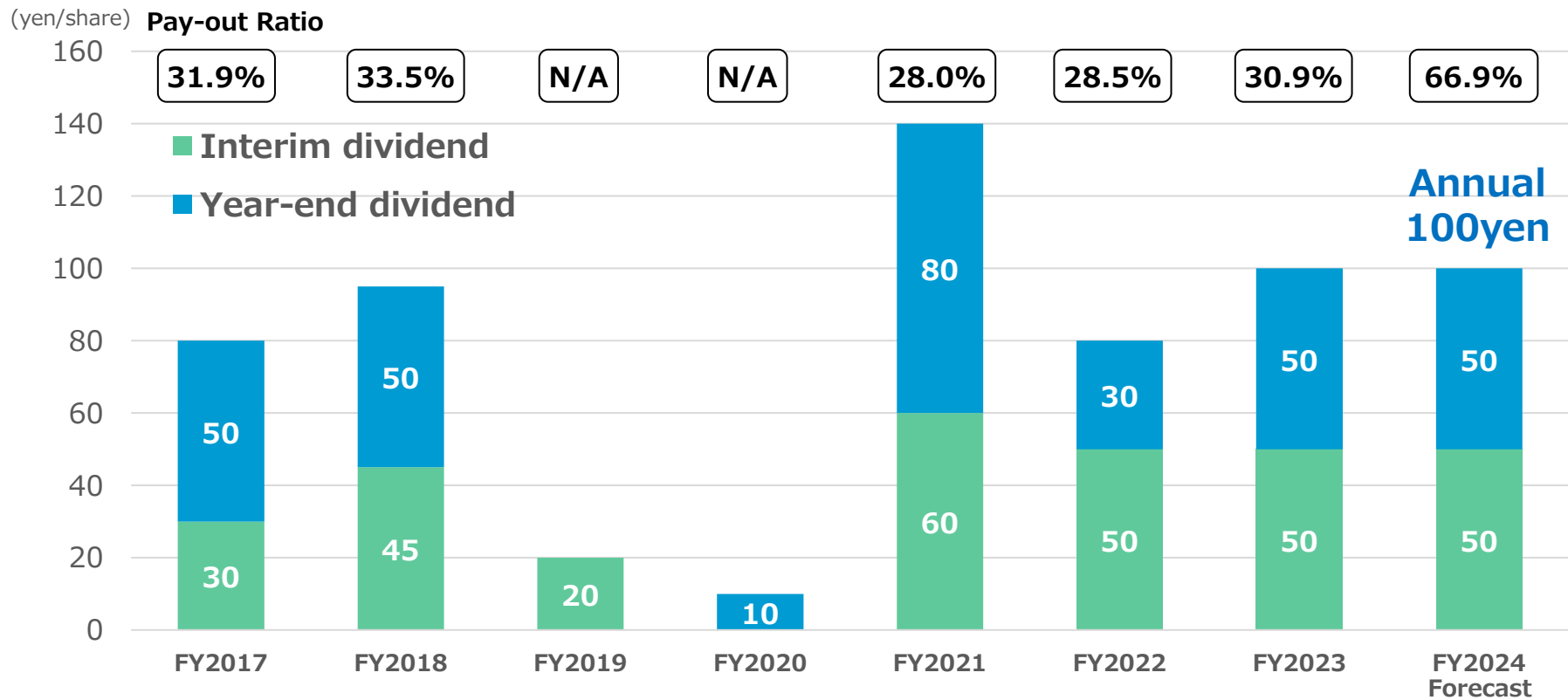
Dividends



Dividends

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- JFE Holdings has decided to propose at its general meeting of shareholders **a year-end dividend of 50 yen per share**, which would bring the annual dividend of 100 yen per share.



JFE Steel

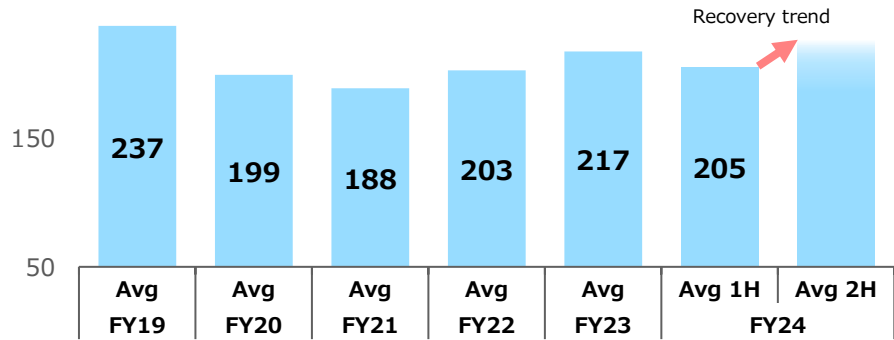
Financial Forecast for Fiscal Year 2024

Business Environment (Domestic)

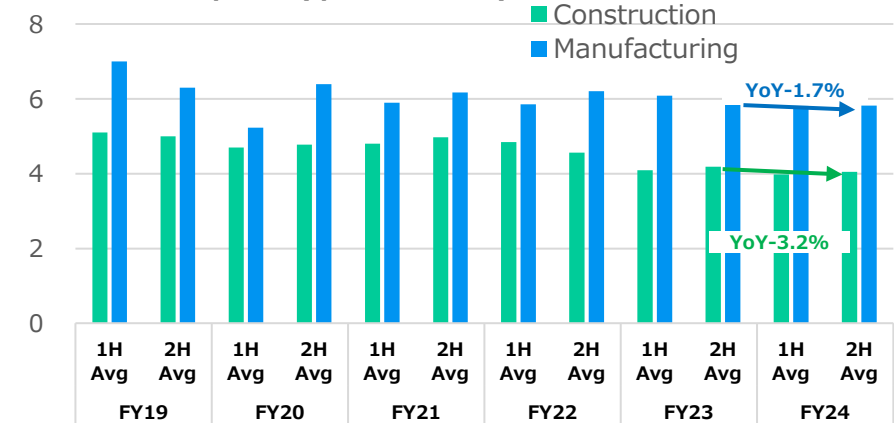


- While **the automotive and shipbuilding sectors seem to continue driving demand** in manufacturing, **significant growth towards FY2025 is not expected.**
- In the construction sector, despite ongoing stagnation due to rising construction costs and labor shortages, there are signs of bottoming out as the pace of material price increases slows down.

[Outlook for Domestic Auto Production] 10,000 units.
(quarter basis)



[Outlook for Domestic Ordinary Steel Consumption](quarter basis)
Unit : Mt



[Trend by Sector]

Auto-mobile	<ul style="list-style-type: none"> • Production levels are expected to recover from the 1H of the year, which was affected by quality and certification issues and typhoons. Although demand is relatively stable, the recovery seems to have plateaued.
Ship-building	<ul style="list-style-type: none"> • Demand remains strong, and domestic shipbuilders have secured an order backlog of about three years. However, labor shortages are slowing construction, making a short-term rise in steel demand unlikely. • We are closely monitoring the labor retention status and production efficiency investments of each company.
Other manufacturing	<ul style="list-style-type: none"> • (Construction Machinery) Demand in Europe and Asia remains weak. In the U.S., high interest rates are slowing housing investment, leading to inventory and production adjustments. • (Industrial Machinery) The environment remains sluggish due to China's economic slowdown. Although there are signs of bottoming out, no clear indicators are visible yet.
Construction	<ul style="list-style-type: none"> • In addition to the small- and medium-scale projects, demand for large-scale projects such as redevelopment projects has been postponed due to rising material costs and labor shortages. Although a short-term recovery is not expected, material prices are stabilizing, and demand is anticipated to bottom out. • Rising construction costs and interest rates are also concerns for construction investment and housing acquisition sentiment.
Civil engineering	<ul style="list-style-type: none"> • Despite continued high levels of budget allocations, rising costs and labor shortages are expected to lead to a gradual decline in the actual activity levels and steel demand in FY2024 and 2025.

Source: Ministry of Economy, Trade and Industry, "Outlook for Steel Consumption" 26 Dec. 2024. (The bars for FY2024, 1H and after are estimates.)

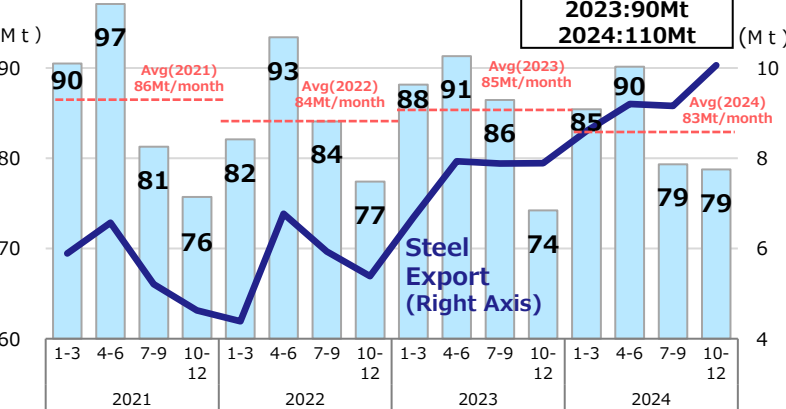
Business Environment (Overseas)

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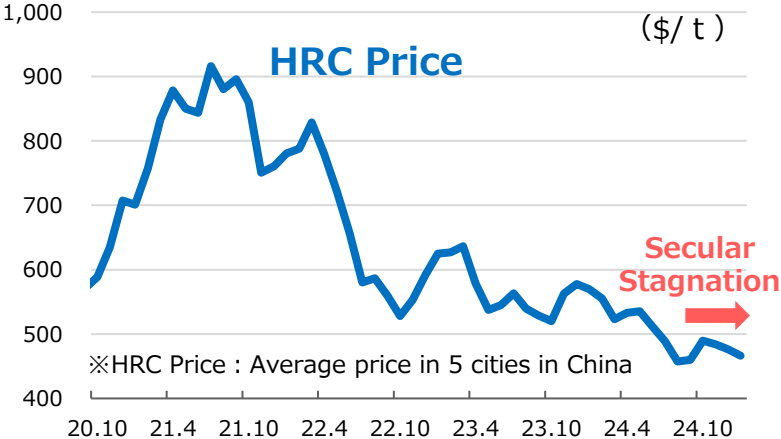
- Oversupply and increased exports from China, where domestic demand is sluggish, continue to cause **slack in the supply and demand of steel products and market stagnation**.
- Attention is also needed on risks such as geopolitical issues and the protectionist trade policies being adopted by various countries.

【China's crude steel production and steel export】

Crude steel production(per month)



【China: Steel Market Price】



【Real GDP Growth Forecast in 2024 and 2025】

(Arrows indicate changes from the previous forecast)

	World	US	China	India	ASEAN-5
2023	3.3%	2.9%	5.2%	8.2%	4.0%
2024 (Previous Forecast)	3.2% (3.2%) ➡	2.8% (2.8%) ➡	4.8% (4.8%) ➡	6.5% (7.0%) ➡	4.5% (4.5%) ➡
2025 (Previous Forecast)	3.3% (3.2%) ➡	2.7% (2.2%) ➡	4.6% (4.5%) ➡	6.5% (6.5%) ➡	4.6% (4.5%) ➡

Source : IMF World Economic Outlook Update Oct. 2024 and Jan. 2025

*ASEAN-5 :
Thailand, Malaysia, Indonesia,
Philippine, and Singapore

【Trend by Sector】

Steel Sheet	<ul style="list-style-type: none"> •Market conditions are depressed in Asia due to weak domestic demand, oversupply, and increased Chinese exports. Demand normalization and market recovery are expected to take time.
Auto-mobile	<ul style="list-style-type: none"> •Supported by China, India, and developed countries, global production is expected to remain steady. •Recovery in ASEAN is delayed due to prolonged high interest rates and stricter loan screenings, awaiting rate cuts, eased loan criteria, and tax support.
Ship-building	<ul style="list-style-type: none"> •China and South Korea shipbuilders continue to secure stable contracts by increasing new construction orders. However, South Korea shipbuilders are facing capacity limits due to labor shortages, making a significant increase in steel demand unlikely.
Energy	<ul style="list-style-type: none"> •Amid moderate global economic growth and geopolitical tensions, demand for stable energy supply remains strong and is expected to stay firm in the medium term. •Despite some stagnation, factors like the US administration change and the extension of OPEC+ production cuts are favorable, and a demand rebound is expected.



Crude Steel Production

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- Due to manufacturing troubles, we expect approx. 22.00Mt for the full year, which is 0.4Mt less than the previous announcement.
- The troubles are temporary, and we have already identified the causes and are implementing permanent solutions.

Standalone crude steel production <Half Year>

Unit : Mt

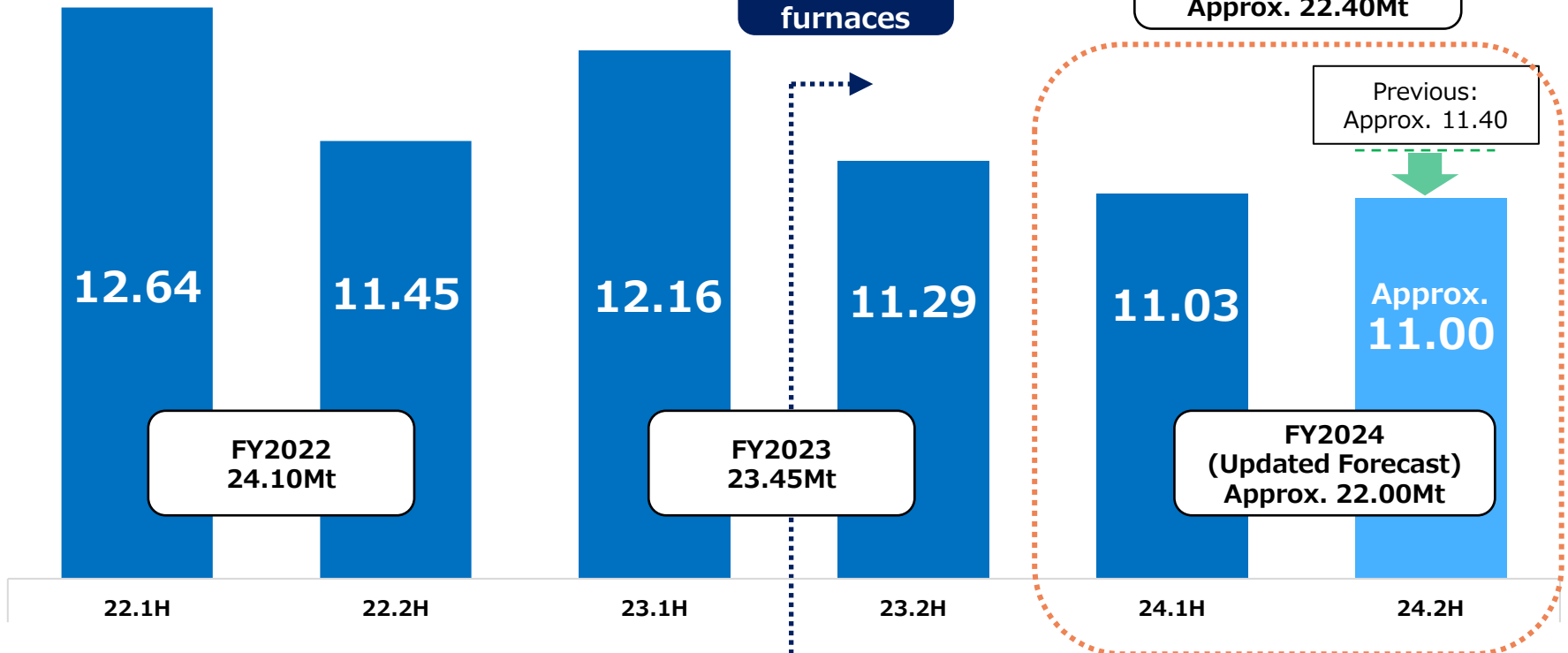
Seven
blast
furnaces

FY2024
(Previous Forecast)
Approx. 22.40Mt

Previous:
Approx. 11.40

Approx.
11.00

FY2024
(Updated Forecast)
Approx. 22.00Mt



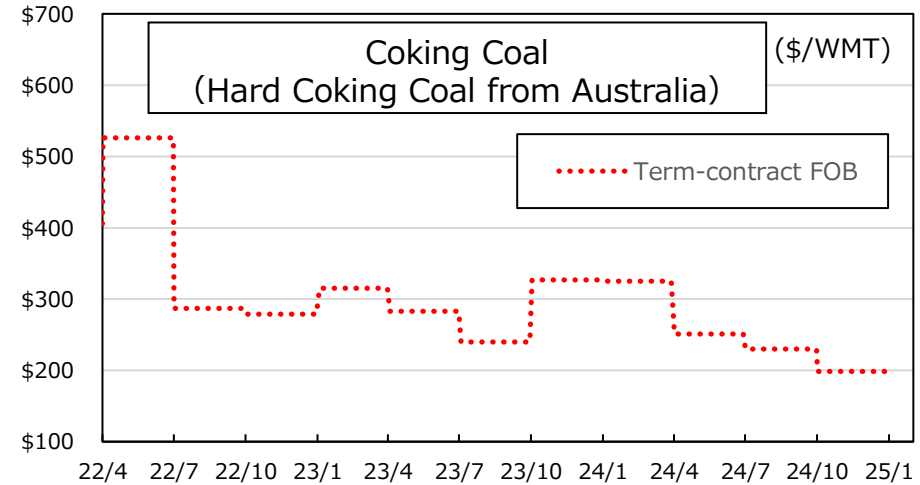
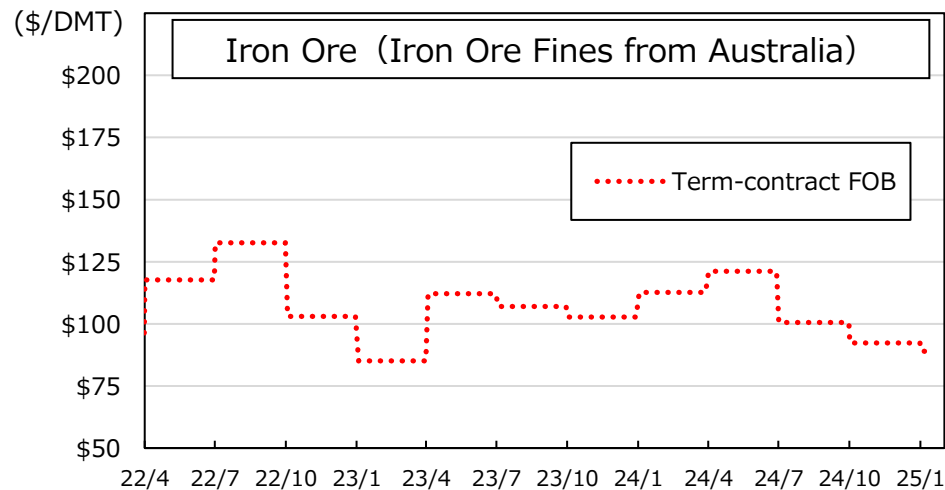


Raw materials market trends

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■ Key Raw materials

- Iron Ore : Steel demand in China, the largest Iron Ore importer, remains sluggish and the environment is uncertain due to Chinese government policies, and **prices are assumed to stay at the current levels for now.**
- Coking coal : A significant recovery in global steel demand is unlikely, and **prices are expected to remain at current levels for now.** As Australia enters the rainy season, the impact of production and shipment delays due to rainfall needs close monitoring.
- Metals
- Due to the delayed recovery of China's economy and steel demand, demand for metals remains weak and market conditions are sluggish.



Term-Contract FOB	FY2023				FY2024			
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
\$/WMT	283	240	327	325	251	230	198	-

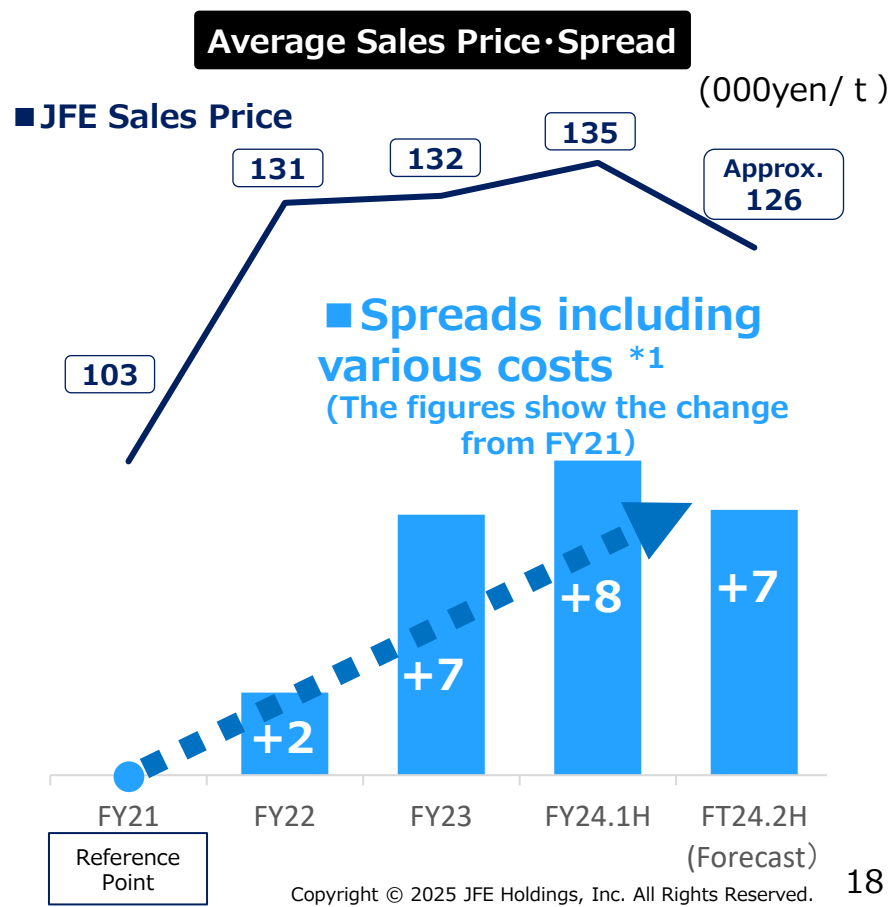
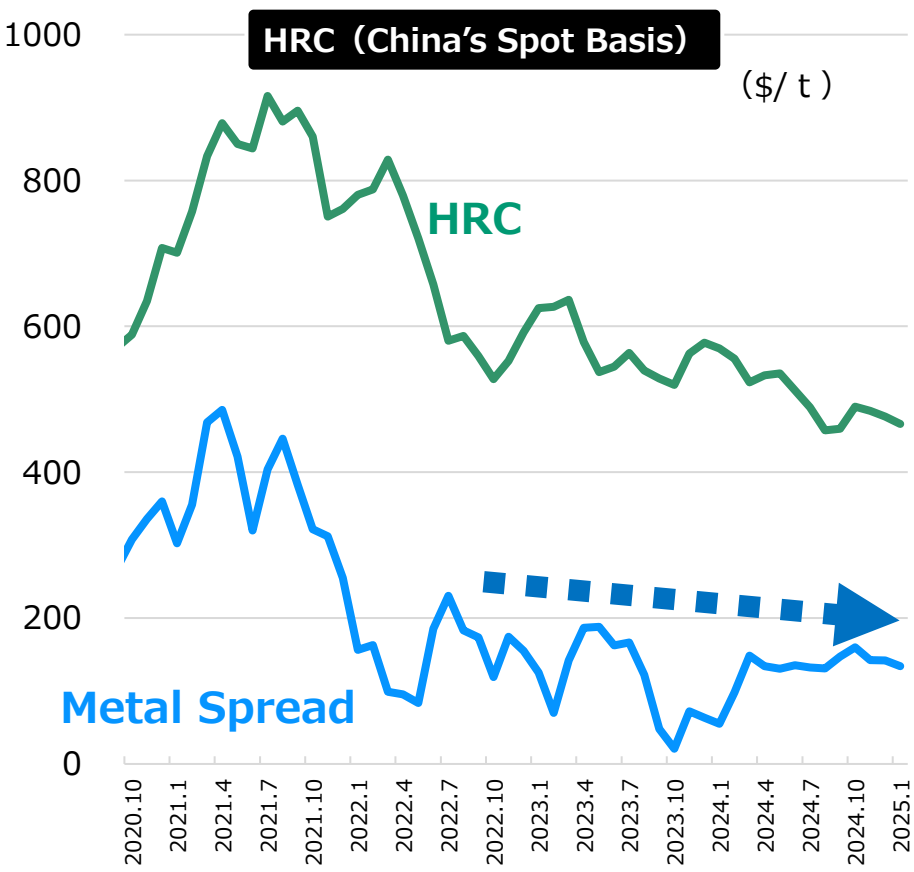


Improving of sales price

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➤ In sluggish overseas market conditions and rising various costs, we will continue to push forward with **passing on various costs, reviewing extras, and correcting price levels**, and we expect to maintain spreads, including various costs*¹, at FY2023 levels.

*¹ Spreads including metals, energy, materials, logistics, labor costs, foreign exchange impact, etc.





Financial Forecast for Fiscal Year 2024

JFE

	Unit	FY2023					FY2024					FY2024 Previous Forecast
		1H			2H	Full Year	1H			2H	Full Year	
			3Q	4Q				3Q	4Q			
Revenue	billion yen	1,865.8	915.6	934.6	1,850.2	3,716.0	1,729.3	828.9	821.8	1,650.7	3,380.0	3,460.0
Segment Profit	billion yen	122.8	48.2	31.7	79.8	202.7	34.5	10.4	(18.9)	(8.5)	26.0	70.0
	Excluding Inventory Valuation*	billion yen	123.8	49.2	27.7	76.8	200.7	87.5	44.4	(9.9)	34.5	122.0
Crude Steel (Standalone)	Mt	12.16	5.62	5.67	11.29	23.45	11.03	5.53	Approx. 5.50	Approx. 11.00	Approx. 22.00	Approx. 22.40
Crude Steel (Consolidated)	Mt	12.85	5.95	6.01	11.95	24.80	11.69	5.83	Approx. 4.80	Approx. 11.60	Approx. 23.30	
Shipment (Standalone)	Mt	10.65	5.08	5.04	10.12	20.77	9.66	4.87	Approx. 4.90	Approx. 9.70	Approx. 19.40	
Export Ratio on Value Basis (Standalone)	%	44.2	41.6	41.3	41.5	42.9	42.4	40.0	Approx. 42	Approx. 41	Approx. 42	
Average Sales Price (Standalone)	000 yen/t	129.3	132.5	135.2	133.8	131.5	135.2	127.0	Approx. 125	Approx. 126	Approx. 130	
Exchange Rate	¥/\$	139.9	148.7	146.7	147.7	143.8	153.9	149.0	Approx. 156	Approx. 153	Approx. 153	Approx. 152
Exchange Rate (End of Term)	¥/\$	149.6	141.8	151.4	151.4	151.4	142.7	158.2	Approx. 155	Approx. 155	Approx. 155	Approx. 150

* Excluding inventory valuation, carry over, one-time structural reform costs and foreign exchange valuation from segment profit



¥44.0bn. Decrease in JFE Steel's Segment Profit (FY2024 (Previous Forecast) vs. FY2024(Updated Forecast))

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- Due to manufacturing troubles, deteriorating earnings of group companies, impairment losses of overseas group companies, and inventory valuation losses, the forecast has been revised down by 44 billion yen to 26 billion yen from the previous forecast.

JFE Steel	FY2024 Previous Forecast	FY2024 Updated Forecast	Change (billion Yen)
Segment Profit	70.0	26.0	(44.0)
Excluding Inventory Valuation etc.	150.0	122.0	(28.0)

1. Cost	(5.0)	• Manufacturing troubles
2. Volume and Mix	(5.0)	• Crude Steel Production Approx. 22.40M t → Approx. 22.00M t
3. Spreads*	+10.0	• Impact of raw material price fluctuations and timing differences in adjustments for selling prices • Improved spreads due to activities to improve selling prices
4. Inventory valuation	(16.0)	• Inventory valuation +2.0 (-35.0→-33.0) • Carry over -23.0 (-43.0→-66.0) • Foreign exchange valuation +5.0 (-2.0→+3.0)
5. Others	(28.0)	• Group companies -17.0 • Impairment losses of overseas group companies -14.0

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

¥176.7bn. Decrease in JFE Steel's Segment Profit (FY2023 (Actual) vs. FY2024 (Forecast))

			(billion yen)
JFE Steel	FY2023 Actual	FY2024 Forecast	Change
Segment Profit	202.7	26.0	(176.7)
Excluding Inventory Valuation etc.	200.7	122.0	(78.7)

1. Cost

+27.0

- Structural reforms effect +25.0
- Operational improvement etc. +2.0

2. Volume and Mix

(39.0)

- Crude Steel Production 23.45M t → Approx. 22.00M t

3. Spreads*

+10.0

- Impact of raw material price fluctuations and timing differences in adjustments for selling prices
- Improved spreads due to activities to improve selling prices

4. Inventory valuation

(98.0)

- Inventory valuation -38.0 (+5.0→-33.0)
- Carry over-68.0 (+2.0→-66.0)
- Foreign exchange valuation -12.0 (+15.0→+3.0)
- One-time structural reform costs +20.0 (-20.0→±0)

5. Others

(76.7)

- Group companies -38.0
- Impairment losses of overseas group companies -14.0

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

¥43.0bn. Decrease in JFE Steel's Segment Profit (FY2024.1H vs. FY2024.2H)

(billion yen)

JFE Steel		FY2024 Forecast			Change
		1H Actual	2H Forecast	Full Year	
Segment Profit		34.5	(8.5)	26.0	(43.0)
Excluding Inventory Valuation etc.		87.5	34.5	122.0	(53.0)

1. Cost

+ 1.0

2. Volume and Mix

±0

• Crude steel production 11.03M t → Approx. 11.00M t

3. Spreads*

(13.0)

• Impact of raw material price fluctuations and timing differences in adjustments for selling prices

4. Inventory valuation

+ 10.0

• Inventory valuation -27.0 (-3.0→-30.0)
• Carry over +20.0 (-43.0→-23.0)
• Foreign exchange valuation +17.0 (-7.0→+10.0)

5. Others

(41.0)

• Impairment losses of overseas group companies -14.0
• Timing difference of expense occurrence, etc.

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Engineering

Financial Forecast for Fiscal Year 2024



Financial Forecast for Fiscal Year 2024

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■ Current Business Environment/Overview of Financial Status

- Expect to increase orders in the fields of **“Waste to Resource”** and **“Core infrastructure”**.
- Full year segment profit is expected to be **¥20.0bn.** (as previously announced)

■ Financial Forecast

(billion yen)	FY2023 Actual		FY2024 Forecast (Updated)		Change FY2023 →FY2024		FY2024 Forecast (Previous)	
	2H	Full Year	2H	Full Year	2H	Full Year	2H	Full Year
Orders	293.3	563.0	354.0	600.0	60.7	37.0	354.0	600.0
Revenue	291.5	539.9	310.5	580.0	19.0	40.1	310.5	580.0
Segment Profit	15.6	24.3	11.1	20.0	(4.5)	(4.3)	11.1	20.0

*From FY2024, the Company changed its method of accruing orders for long-term O&M (operation and maintenance) contracts for waste treatment facilities, etc. contracted by local governments. Based on the previous order accruing method, we forecast annual orders for FY2024 to be ¥590.0 billion.

JFE Shoji

Financial Forecast for Fiscal Year 2024



Financial Forecast for Fiscal Year 2024

JFE

■ Current Business Environment/Overview of Financial Status

➤ Full year segment profit is expected to be **¥45.0bn.** (as previously announced)

■ Financial Forecast

(billion yen)	FY2023 Actual		FY2024 Forecast (Updated)		Change FY2023 →FY2024		FY2024 Forecast (Previous)	
	2H	Full Year	2H	Full Year	2H	Full Year	2H	Full Year
Revenue	734.4	1,476.4	734.5	1,450.0	0.1	(26.4)	734.5	1,450.0
Segment Profit	22.1	48.9	22.6	45.0	0.5	(3.9)	22.6	45.0



Next Fiscal Year Onwards

JFE

- In addition to eliminating some of the factors that caused the decline in profit in the current fiscal year, we will strive to increase profits by making early contribution to profit from the growth investment implemented in the seventh mid-term business plan, continuing the shift from quantity to quality and further reducing costs.

Investment that monetize or expand profits next fiscal year onwards

*Change from the previous announcement

[Steel business]

- Full contribution of capacity expansion of Kurashiki electrical steel sheet (Start operation in September 2024)
- Acquisition of 10% stake in the Blackwater coal mine (expected closing in FY2024)
- Acquisition of thyssenkrupp Electrical Steel India (closed in January 2025)*

[Engineering business]

- Acquisition of 66.6% stake in Sumitomo Chemical Subsidiary (expected closing in FY2024)*
- Full-scale operation of monopile plant (expected in the second half of FY2025)

[Trading business]

- Full contribution of Studco acquisition (closed in May 2024)
- Establishment of electrical steel sheet processing and sales company in Serbia (expected full-scale operation in July 2025)

- Transition from "Company with Board of Corporate Auditors" to "Company with Audit and Supervisory Committee" in order to promptly respond to drastic changes in the business environment (Subject to approval of proposal to amend the Articles of Incorporation at the General Meeting of Shareholders).

- In the 8th Medium-Term Business Plan, we will present strategies that will enable us to achieve growth even in such a difficult business environment.

Topics

An electric arc furnace to be introduced in Kurashiki has been adopted as an ironmaking process conversion support project for CN

JFE

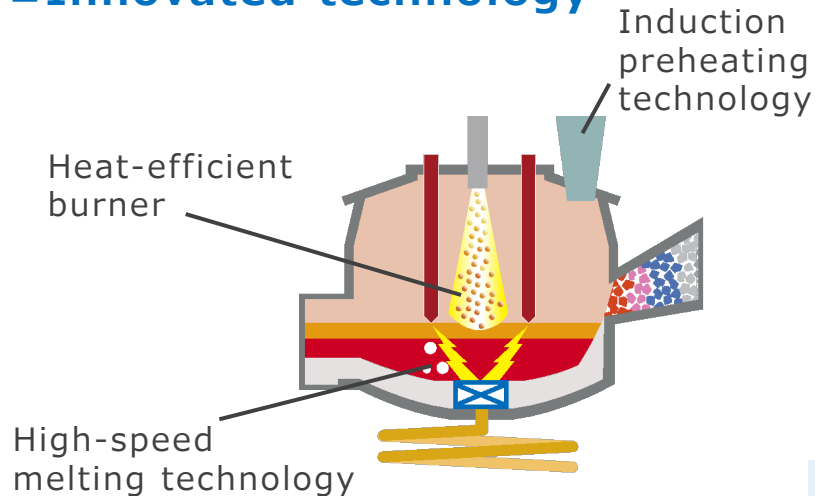
- Electric arc furnace to be installed in Kurashiki was selected as a governmental support project*. JFE plans to make an investment decision by the end of the fiscal year after reviewing the grant.
- By introducing the world's largest electric arc furnace, we will become **the first company in the world to realize a large-scale supply system for high-quality, high-performance steel products** that cannot be produced with existing large electric furnaces. **Aim for top share in the domestic green steel market.**

■ Investment overview

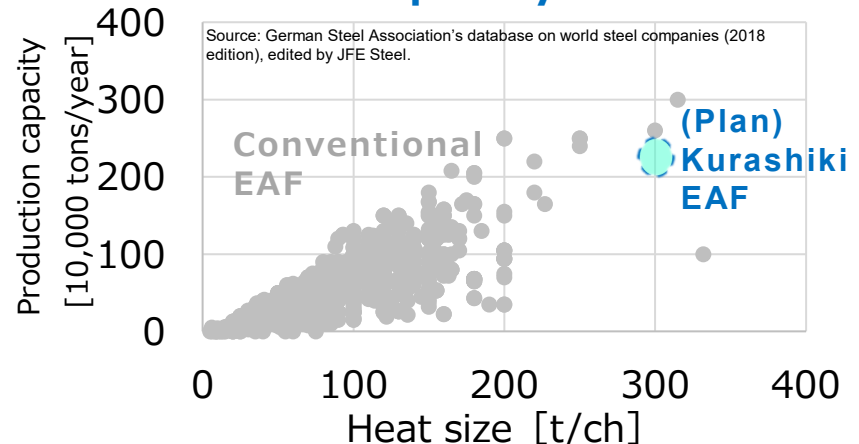
Released on 20th December 2024

Investment amount	¥329.4bn. (Maximum amount of government support: ¥104.5bn.)
Investment Scope	Advanced electric furnaces, off-site refining facilities, cold iron source distribution facilities, quay maintenance, and power receiving and distribution facilities.
Annual production	Approx. 2 million tons/year
Expected time to start operations	1st Quarter of FY2028
CO ₂ reduction	Approx. 2.6 million tons/year

■ Innovated technology



■ Production capacity



Establish high-efficiency melting technology through innovative processes, including heat-efficient burners, high-speed melting technology, and induction preheating.

* "Energy and Manufacturing Process Transformation Support Business (Business I (Steel))" based on the Green Transformation (GX) Promotion Act

Build hot-dip galvanizing line (CGL) to increase production of ultra-high-strength steel sheets for automobiles

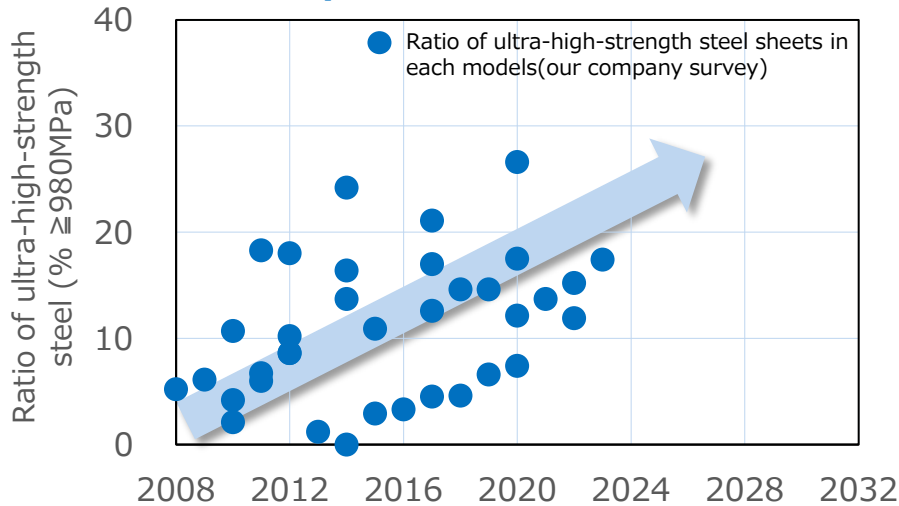
Released on 10th December 2024

JFE

- **Demand for ultra-high-strength steel sheets* is increasing** in line with the growing demand for lighter and stronger automobiles.
- **Construction of the next generation CGL has been decided incorporating the latest technologies** which solve the problem of crack and weldability peculiar to ultra-high-strength steels.

*High strength steel sheets with the tensile strength of 980MPa or higher.

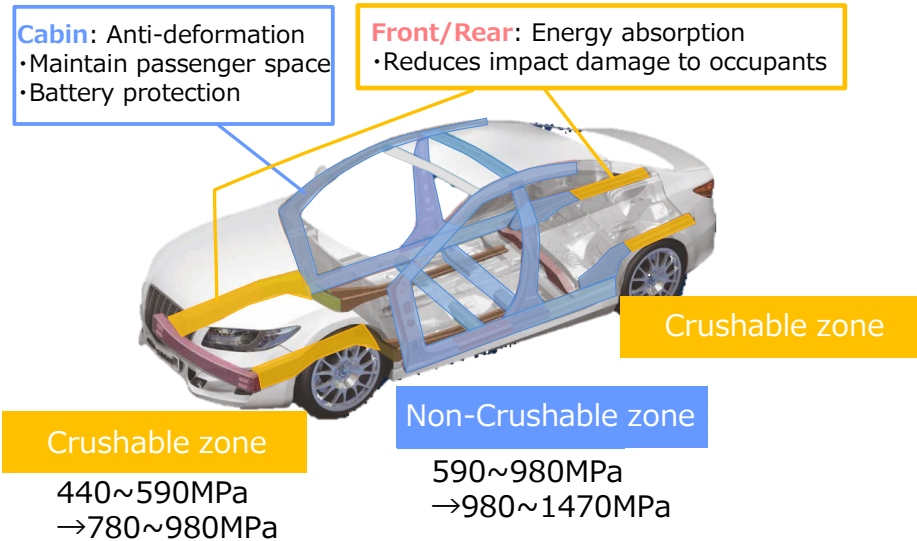
■ Trends in the ratio of ultra-high-strength steels in car body



■ Overview of hot-dip galvanizing lines

Capacity	360,000 tons/year (Fukuyama)
Start operation	Scheduled in October 2028
Investment amount	Approx. ¥70bn.

■ Typical application of ultra-high-strength steel sheets



Increase the ratio of high-value-added products by promoting the market launch of new products such as ultra-high-strength steels and high-performance high-strength steels with excellent energy absorption.

Acquire 66.6% Stake in Sumitomo Chemical Subsidiary

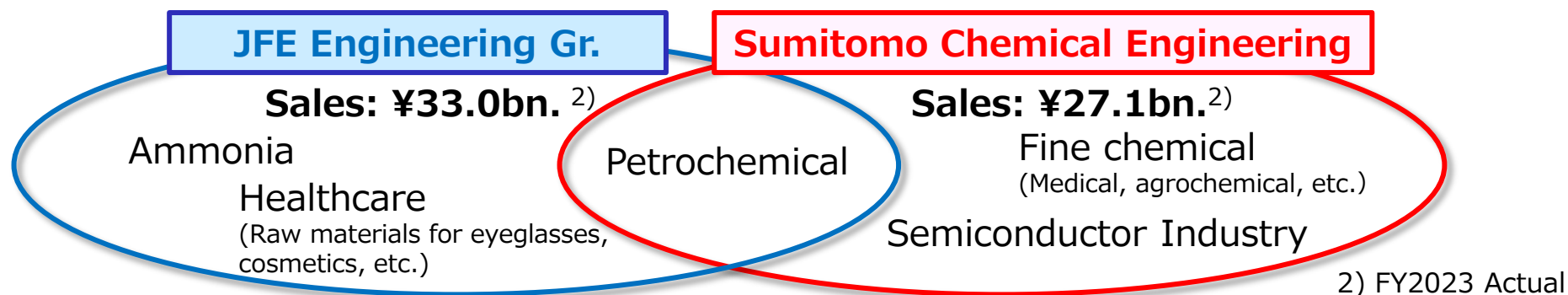
Released on 3rd February 2025

JFE

- As for EPC¹⁾ and maintenance in the chemical plant engineering sector, where market growth is expected to continue, we will **expand our customer base and business fields in the medical and semiconductor fields** by acquiring shares in Sumitomo Chemical Engineering.
- **Sales of chemical plants will double to more than 60 billion yen**, being one of the top three companies in this field in Japan.

1) Engineering, Procurement, and Construction

Expansion of EPC in chemical plant engineering sector



Overview of the Company to be transferred

Company Name	Sumitomo Chemical Engineering Co., Ltd (Intends to change its corporate name following the share transfer)
Established	1964
Capital	¥1bn. (Ownership: Sumitomo Chemical 100%)
Number of Office	Three in Japan (Chiba, Osaka, Ehime), two overseas (Singapore, Malaysia)
Closing	2025/3/31(Scheduled)



DX Report

- We will publish 「DX report 2024」 on 7th February to describe JFE's initiatives for DX. Visit our company website.

***English version is coming soon.**

<URL : <https://www.jfe-holdings.co.jp/en/investor/library/dxreport/index.html>>



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~As a leader in promoting DX, we will provide new value for a sustainable society~

2. JFE Group's Efforts to Solve Social Issues

- Challenge to 2025 Digital Cliff.
- Responding to declining labor population and reducing environmental impact.
- Development of DX Human Resources.

3. Initiatives of each operating company

Steel Business

System refresh in steelworks, multi-process integrated quality data analysis system, etc.

Engineering business

AI automated operation of waste treatment facilities "BRA-ING", etc.

Trading business

Initiatives for Generative AI utilization, etc.

4. Security management Digital governance, cybersecurity, etc.



2024 DX REPORT

Contributing to society with the world's most innovative technology



Appendix(1)

Financial data, Profit/Loss Analysis, etc.



Profitability Targets and Main Performance

JFE

			The 7 th mid-term business plan FY2024	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Forecast
Consolidated	Business Profit [Excluding Inventory Valuation etc.]		¥320.0bn.	¥416.4bn. [¥222.4bn.]	¥235.8bn. [¥162.8bn.]	¥298.2bn. [¥296.2bn.]	¥115.0bn. [¥211.0bn.]
	Profit attributable to owners of the parent		¥220.0bn.	¥288.0bn.	¥162.6bn.	¥197.4bn.	¥95.0bn.
	ROE		10%	15.7%	7.9%	8.6%	3.8%
Operating companies	Steel Business	Segment profit [Excluding Inventory Valuation etc.] Profit per ton* [Excluding Inventory Valuation etc.]	¥230.0bn. 10,000 yen/t	¥323.7bn. [¥129.7bn.] 14,000yen/t [6,000yen/t]	¥146.8bn. [¥73.8bn.] 7,000yen/t [3,000yen/t]	¥202.7bn. [¥200.7bn.] 10,000yen/t [10,000yen/t]	¥26.0bn. [¥122.0bn.] 1,000yen/t [6,000yen/t]
	Engineering Business	Segment profit	¥35.0bn.	¥26.0bn.	¥13.4bn.	¥24.3bn.	¥20.0bn.
	Trading Business	Segment profit	¥40.0bn.	¥55.9bn.	¥65.1bn.	¥48.9bn.	¥45.0bn.

* Steel business profit per ton
(consolidated segment profit / non-consolidated sales volume)



Cash Flow, Debt/EBITDA Ratio

➤ At the end of FY2024, the Debt/EBITDA ratio is expected to be x4.8.

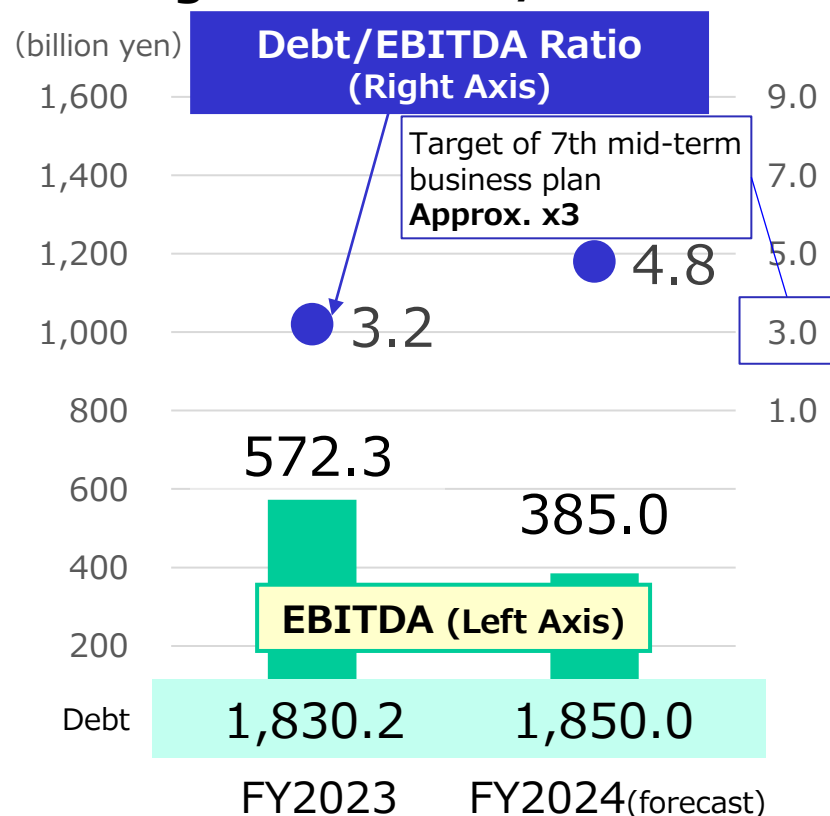
FY2024

(billion yen)

Consolidated Cash Flow Forecast

Cash-in	Cash-out
Net Profit 95.0	CAPEX & Investments 430.0
Depreciation and Amortization 270.0	
Asset Compression 95.0	Dividend Payment 64.0
Cash and deposits decrease 100.0	Working Capital etc. 85.8
Debt increase 19.8	

Progress of Debt/EBITDA Ratio



- EBITDA = Business profit + Depreciation and Amortization
- Debt/EBITDA Ratio = Interest-bearing debt outstanding/EBITDA



Main Financial Data

JFE
JAAP

[IFRS]

	FY15	FY16	FY17	FY18		FY18	FY19	FY20	FY21	FY22	FY23
(bn. yen, times)					(bn. yen, times)						
Ordinary Income	64.2	84.7	216.3	221.1	Business profit	232.0	37.8	(12.9)	416.4	235.8	298.2
EBITDA	254.4	279.9	388.8	405.9	EBITDA * 1	428.2	269.4	223.4	668.7	505.4	572.3
ROS	1.9%	2.6%	5.9%	5.6%	ROS * 2	6.0%	1.0%	(0.4%)	9.5%	4.5%	5.8%
ROE	1.8%	3.7%	7.6%	8.3%	ROE * 3	8.6%	(11.1%)	(1.3%)	15.7%	7.9%	8.6%
ROA	1.7%	2.3%	5.2%	5.1%	ROA * 4	5.0%	0.8%	(0.3%)	8.4%	4.4%	5.3%
Debt Outstanding	1,379	1,375	1,331	1,450	Interest-bearing debt outstanding	1,524	1,814	1,806	1,849	1,863	1,830
Debt/EBITDA Ratio	x5.4	x4.9	x3.4	x3.6	Debt/EBITDA multiple * 5	x3.6	x6.7	x8.1	x2.8	x3.7	x3.2
D/E Ratio	56.9%	51.4%	58.1%	62.0%	D/E Ratio * 6	68.2%	96.4%	93.2%	80.8%	67.8%	58.0%
Profit attributable to owners of parent (yen/share)	58	118	251	285	Profit attributable to owners of parent (yen/share)	284	(343)	(38)	500	281	323
Dividend (yen/share)	30	30	80	95	Dividend (yen/share)	95	20	10	140	80	100
Pay-out Ratio	51.4%	25.5%	31.9%	33.3%	Pay-out Ratio	33.5%	—	—	28.0%	28.5%	30.9%

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.

Financial Results for Fiscal Year 2024



JFE

	Unit	FY2022					FY2023					FY2024		
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q
Revenue	billion yen	932.6	986.3	986.9	975.3	3,881.1	917.2	948.6	915.6	934.6	3,716.0	860.6	868.7	828.9
Segment Profit	billion yen	93.0	55.2	21.8	(23.2)	146.8	68.1	54.7	48.2	31.7	202.7	31.5	3.0	10.4
Excluding Inventory Valuation etc.*	billion yen	(23.0)	55.2	22.8	18.8	73.8	59.1	64.7	49.2	27.7	200.7	36.5	51.0	44.4
Crude Steel (Standalone)	Mt	6.43	6.21	5.48	5.97	24.10	6.05	6.11	5.62	5.67	23.45	5.48	5.55	5.53
Crude Steel (Consolidated)	Mt	6.77	6.59	5.81	6.29	25.48	6.38	6.47	5.95	6.01	24.80	5.80	5.89	5.83
Shipment (Standalone)	Mt	5.54	5.32	5.25	5.64	21.74	5.23	5.42	5.08	5.04	20.77	4.70	4.96	4.87
Export Ratio on Value Basis (Standalone)	%	48.5	45.0	41.0	43.6	44.5	44.2	44.2	41.6	41.3	42.9	40.6	44.2	40.0
Average Sales Price (Standalone)	000 yen/t	126.7	136.7	136.3	124.0	130.8	128.5	130.1	132.5	135.2	131.5	139.2	131.5	127.0
Exchange Rate	¥/\$	126.5	136.6	144.0	133.2	135.1	135.8	144.1	148.7	146.7	143.8	155.0	152.8	149.0
Exchange Rate (End of Term)	¥/\$	136.7	144.8	132.7	133.5	133.5	145.0	149.6	141.8	151.4	151.4	161.1	142.7	158.2

* Excluding inventory valuation, carry over and foreign exchange valuation from segment profit



¥7.4bn. Increase in JFE Steel's Segment Profit (FY2024.2Q (Actual) vs. FY2024.3Q (Actual))

JFE

(billion yen)

JFE Steel	FY2024					Change 2Q→3Q
	1Q (Actual)	2Q (Actual)	3Q (Actual)	4Q (Forecast)	Full Year	
Segment Profit	31.5	3.0	10.4	(18.9)	26.0	7.4
Excluding Inventory Valuation etc.	36.5	51.0	44.4	(9.9)	122.0	(6.6)

1. Cost **(4.0)**

2. Volume and Mix **±0** • Crude steel production 5.55M t →5.53M t

3. Spreads* **±0**

4. Inventory valuation **+14.0**

- Inventory valuation -24.0 (-3.0→-27.0)
- Carry over +13.0 (-30.0→-17.0)
- Foreign exchange valuation +25.0 (-15.0→+10.0)

5. Others **(2.6)**

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

¥29.3bn. Decrease in JFE Steel's Segment Profit (FY2024.3Q (Actual) vs. FY2024.4Q (Forecast))

(billion yen)

JFE Steel	FY2024					Change 3Q→4Q
	1Q (Actual)	2Q (Actual)	3Q (Actual)	4Q (Forecast)	Full Year	
Segment Profit	31.5	3.0	10.4	(18.9)	26.0	(29.3)
Excluding Inventory Valuation etc.	36.5	51.0	44.4	(9.9)	122.0	(54.3)

1. Cost

+6.0

2. Volume and Mix

+4.0

- Crude Steel Production 5.53M t → Approx. 5.50M t

3. Spreads*

(32.0)

- Impact of raw material price fluctuations and timing differences in adjustments for selling prices

4. Inventory valuation

+25.0

- Inventory valuation +24.0 (-27.0→-3.0)
- Carry over +11.0 (-17.0→-6.0)
- Foreign exchange valuation -10.0 (+10.0→±0)

5. Others

(32.3)

- Impairment losses of overseas group companies -14.0
- Timing difference of expense occurrence, etc.

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

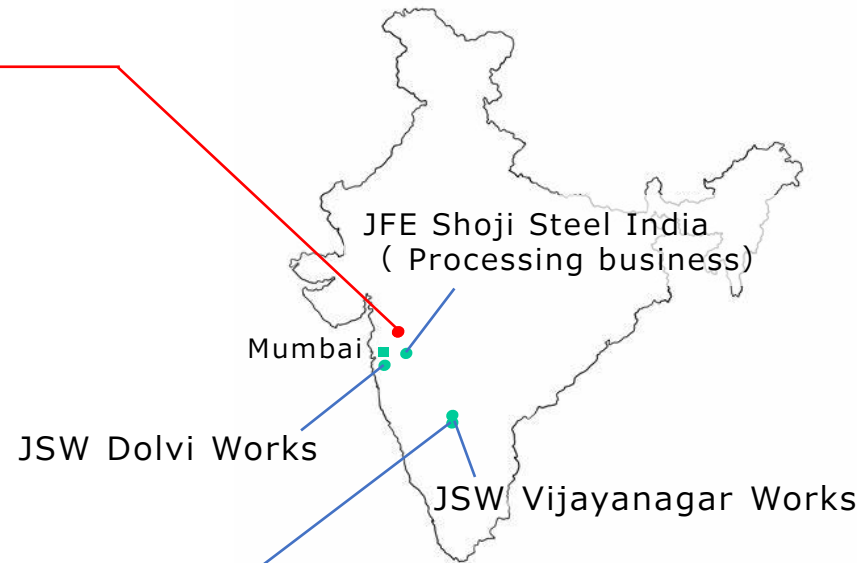


Growth Strategy in India

- **Completion of acquisition of thyssenkrupp Electrical Steel India (tkES India)** through a joint venture (J2ES) established with JSW. (Released on 31st January 2025)

■ Acquisition of tkES India completed

Acquired company name	thyssenkrupp Electrical Steel India Private Limited (tkES India)
Location	Nashik, Maharashtra, India
Acquisition Price	Approx. ¥71.0bn.
Shareholding Ratio	JFE50%、JSW50%
Closing	30 th January 2025
(Reference) Turnover	FY2023-24 : INR 12.7bn. FY2022-23 : INR 12.8bn. FY2021-22 : INR 7.8bn.



■ Establishment of JV for high-grade grain oriented electrical steel sheets (Released on 13th February 2024)

Company Name	JSW JFE Electrical Steel Private Limited (J2ES)
CAPEX	Approx. US\$ 670M
Shareholding Ratio	JFE50%、JSW50%
Start Operation	Full production in FY2027(planned)



Orders of JGreeX™ Green Steel

JFE

- **The fields of orders have expanded**; orders received mainly from domestic shipbuilding and construction, but also from electric power, consumer goods, and overseas markets.
- **First order of steel plates** for domestic public works, and of **hot rolled steel sheets** in Vietnam.

Field	Domestic/ Overseas	Products	Customer	Use
Ship building	Domestic	Plates	Higaki Shipbuilding, Onomichi Dockyard, Imabari Shipbuilding	Dry bulk carriers
	Domestic	Plates	Tsuneishi Shipbuilding	Hydrogen-fueled Tugboats
Construction	Domestic	Plates, Shapes, Pipes	Kumagai Gumi, Sumitomo Corporation	Office Building
	Domestic	Pipes	YASHIMANADA	Roll column
	Domestic	Shapes	Tomakomai Kuribayashi Transportation	Warehouse
	★ Domestic	Pipes	JFE Shoji Pipe & Fitting Corporation	Wholesale of pipes
	★ Overseas	Hot rolled sheets	SUNSCO	Warehouse
Bridge	★ Domestic	Plates	Yokogawa Bridge (Okayama city)	Bridge
	★ Domestic	Plates	JFE Engineering (Yokoyama city)	Bridge
Ship building, Construction, Offshore structure	Overseas	Plates	Hock Seng Hoe	Wholesale of plates
Electric power	Overseas	Electrical sheets	European transformer manufacturer	Transformer
	Overseas	Electrical sheets	Eaton Corporation	Transformer
	★ Domestic	Electrical sheets	AICHI ELECTRIC	Industrial Transformer
Office equipment	Domestic	Bars	Suzutoyo Seiko	Resource-recycling Containers
Can	Domestic	Tin	MoNo Factory	Pinback Buttons
Industrial machinery	Domestic	Cold rolled sheets	Yamaha Motor	Surface mounting machines

★: New orders received in 3Q of FY2024



Efforts to Create a Green Steel Market

JFE

- We **propose the popularization of green steel products and energy policy issues** for realization of decarbonized society.
(Jun 6th, 2024, 56th Advisory Committee for Natural Resources and Energy, 56th Strategic Policy Committee)
- **Issues related to environmental value conversion of "actual reduction amount"** to create a market for green steel and **progress of activities for international standardization** in cooperation with the Japan Iron and Steel Federation and worldsteel were explained.
- Regarding green steel for the promotion of GX, it was compiled that **policies such as preferential procurement under the Green Purchasing Law and purchase support through CEV subsidy** should be focused on to expand the green steel market.
(25th November 2024, the 3rd Study Group on Green Steel for Green Transformation)

■ International standardization and rulemaking

*CoC : Chain of Custody

- Formulation of mass balance system/CoC guidelines (JISF-Three blast furnace companies, worldsteel)
 - ✓ Establishment of JISF Guidelines (Oct. 2023), worldsteel basic principle agreement (Apr. 2024)
- Activities to revise the GHG Protocol
- Efforts to establish ISO standards for mass balance systems / CoC

■ Efforts to create demand

- Start of supply JGreeX™ (Jun. 2023)
 - ✓ Adopted in 7 fields including Ship building, Construction, Transformer, etc.
- Efforts to establish rules for emission reduction measurement methods in private-sector procurement in the GX League, etc.
 - ✓ GX League proposal (Dec. 2023), METI-GX Product Market Study Group Interim Report(Mar. 2024)
 - ✓ Participated as an observer in METI Study Group on Green Steel (Oct. 2024)



Orders by Business Field

JFE

(billion yen)

Business Field	FY2023 Actual	FY2024 Outlook	Change	Main orders received in 1H of FY2024 ★...New projects received in 2Q of FY2024
Waste to Resource	243.7	275.0	31.3	Renewal works of domestic waste treatment facility [Kanagawa, ★Hokkaido] Construction works of overseas waste treatment facility [Taiwan] Operation of domestic waste treatment facility [★Tottori]
Carbon Neutral	54.3	56.0	1.7	
Combined Utility Service	15.6	9.0	(6.6)	
Core Infrastructure	249.4	260.0	10.6	Construction works of bridge (KEINAWA EXPWY [Nara], Harbor road [Kanagawa], MAIZURU-WAKASA EXPWY [Kyoto]) Construction works of overseas bridge [Nicaragua] Water pipeline renewal project [Hyogo]
Total	563.0	600.0	37.0	
Order Backlog	613.8	970.0	356.2	

*The outlook for FY2024 is based on the revised method of accruing orders for long-term O&M contracts.

Appendix(2)

Business Environmental Indicators, etc.



Combined Inventories of HR, CR and Coated Steel Sheet

5,000 (000 t)

(Month)

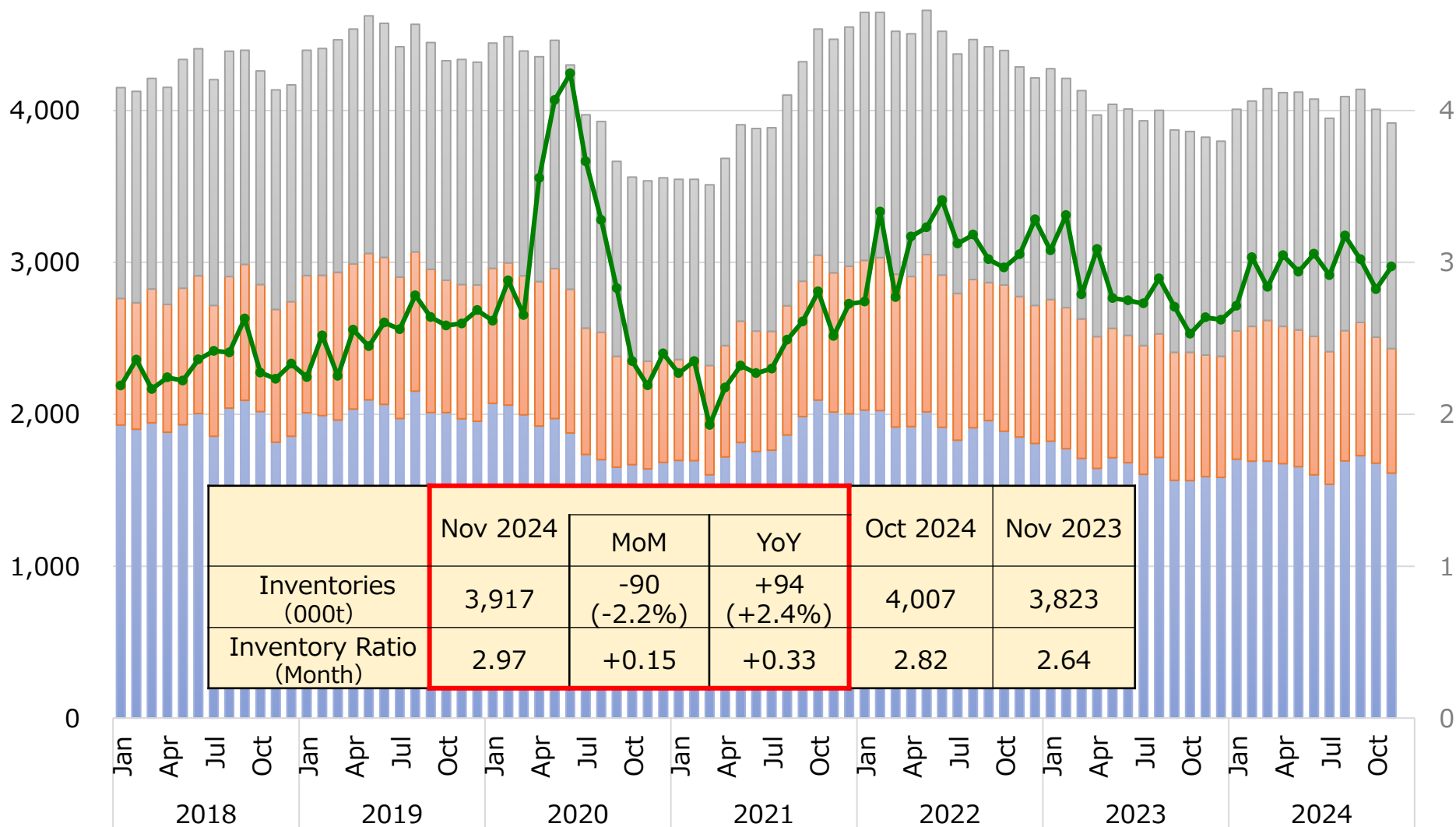
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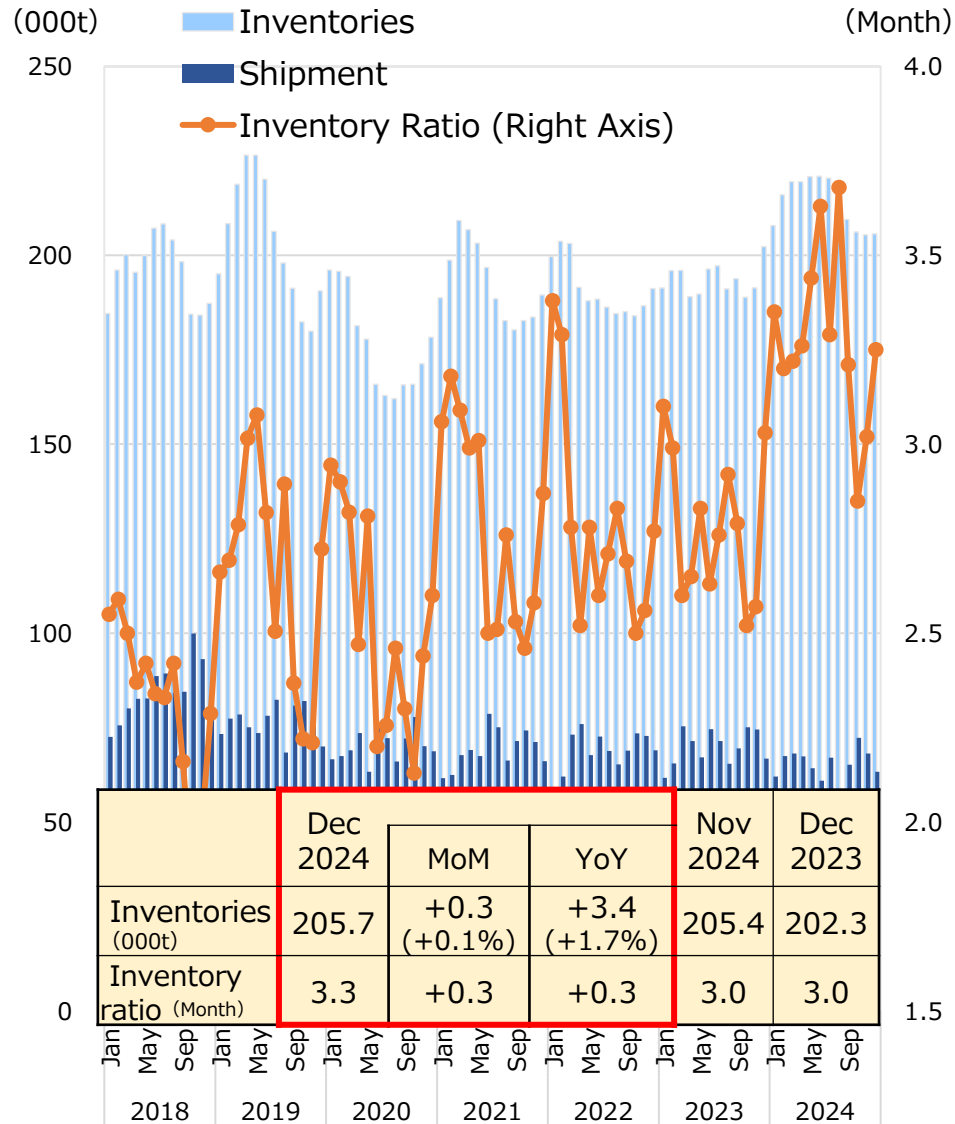
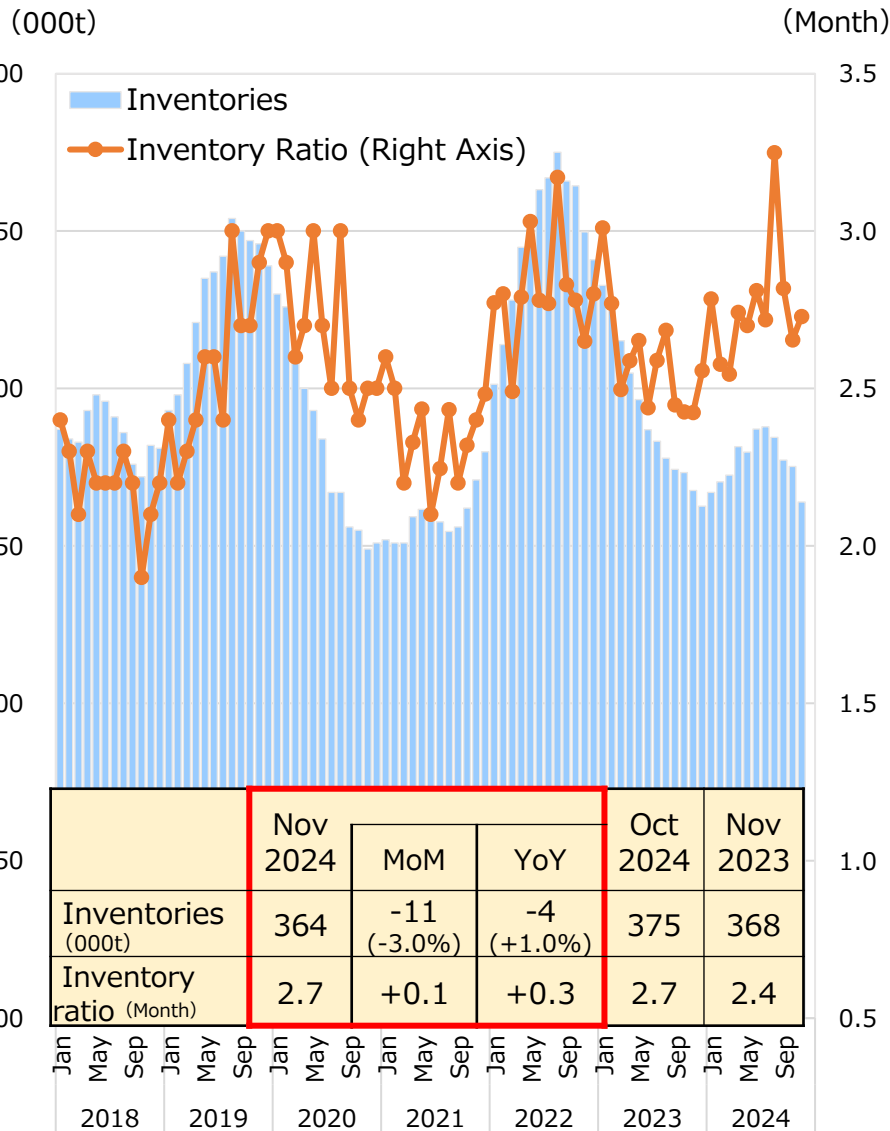
■ Maker

 Whole Saler

Coil Center

—●— Inventory Ratio(Right Axis)





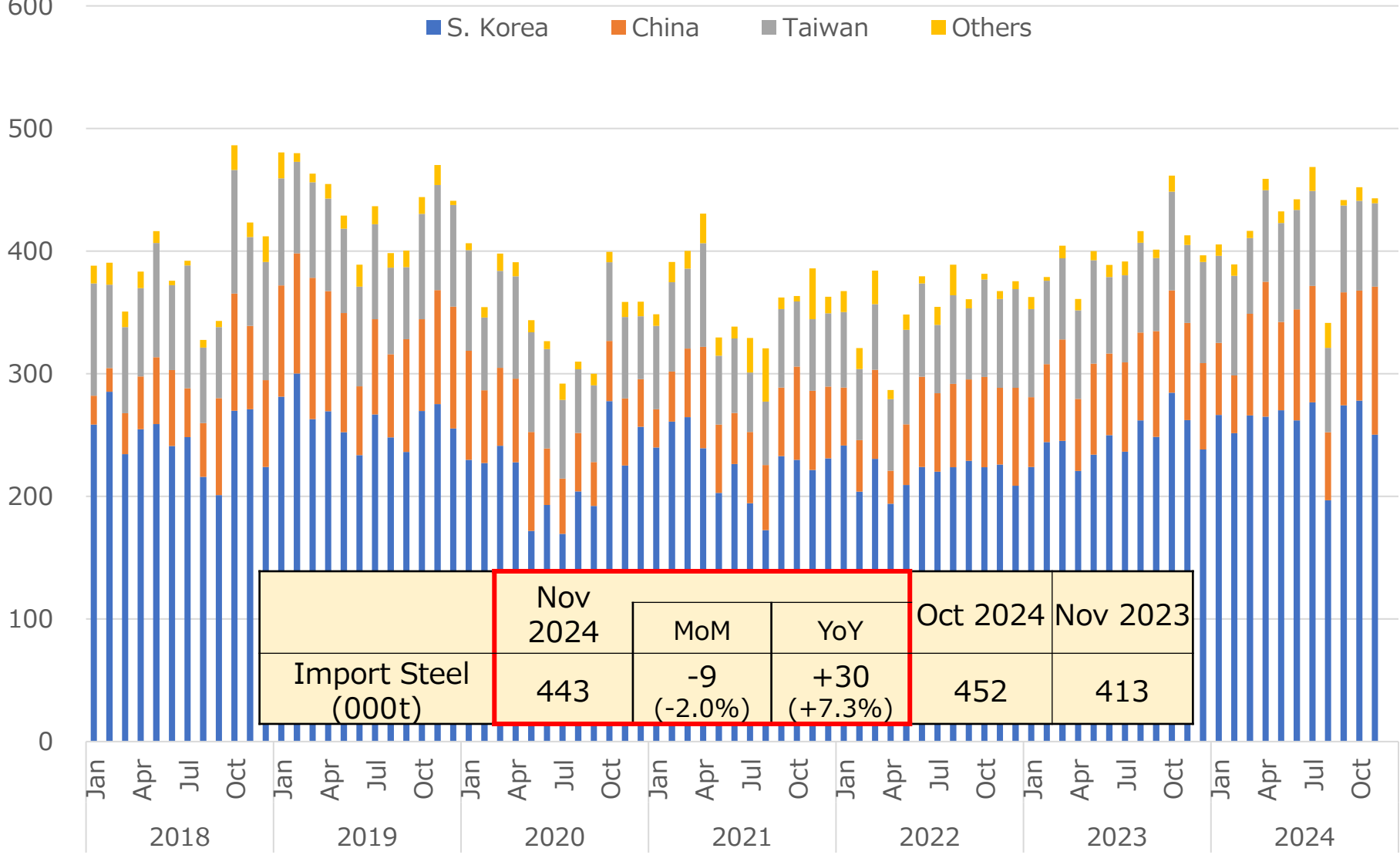


JFE

(000t)
600

Domestic
Market Environment

Trend of Import Steel (Ordinary Steel)

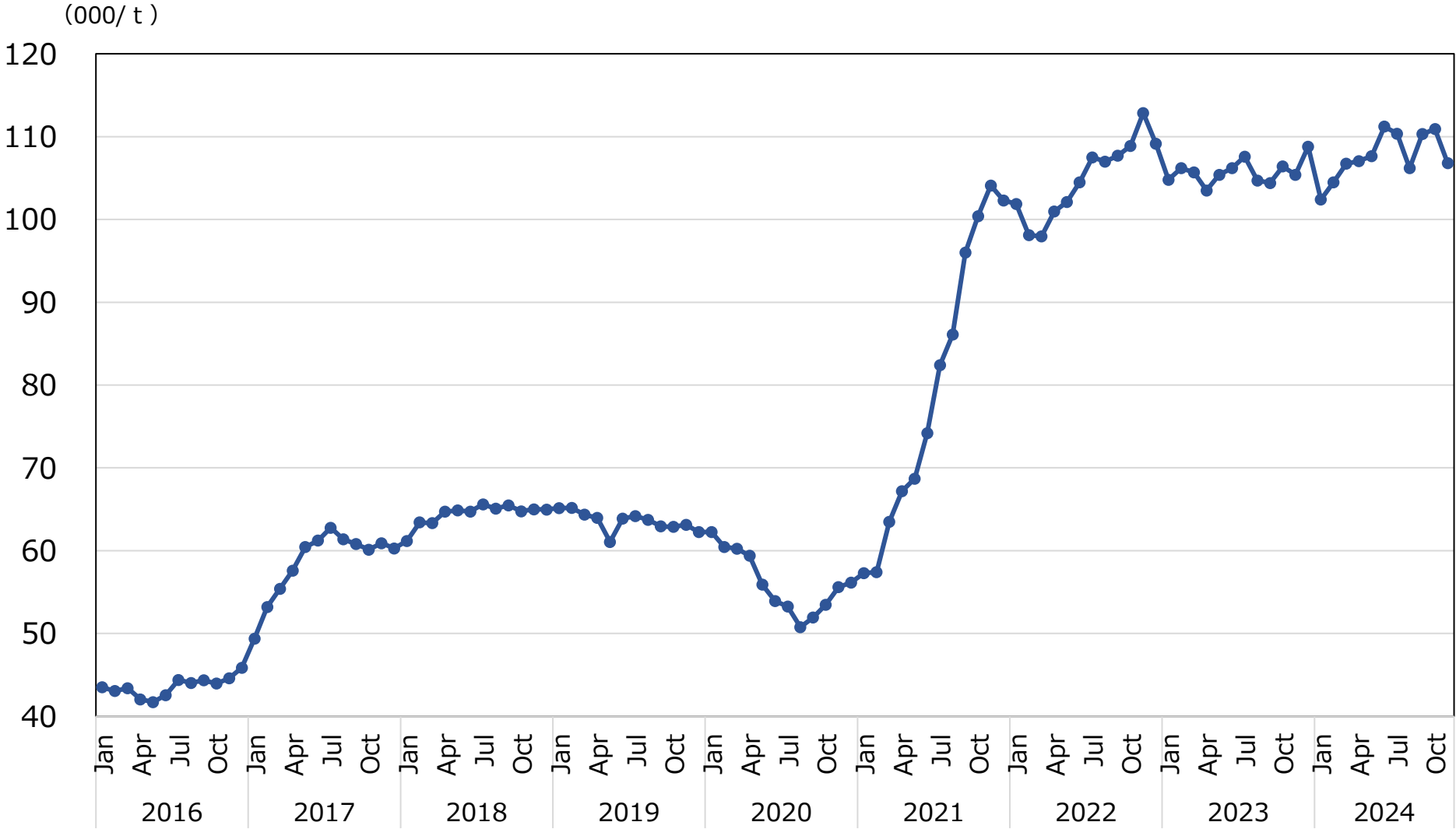




Domestic
Market Environment

Price Trend of Import Steel

JFE



Data: The Japan Iron and Steel Federation Import Steel from S. Korea

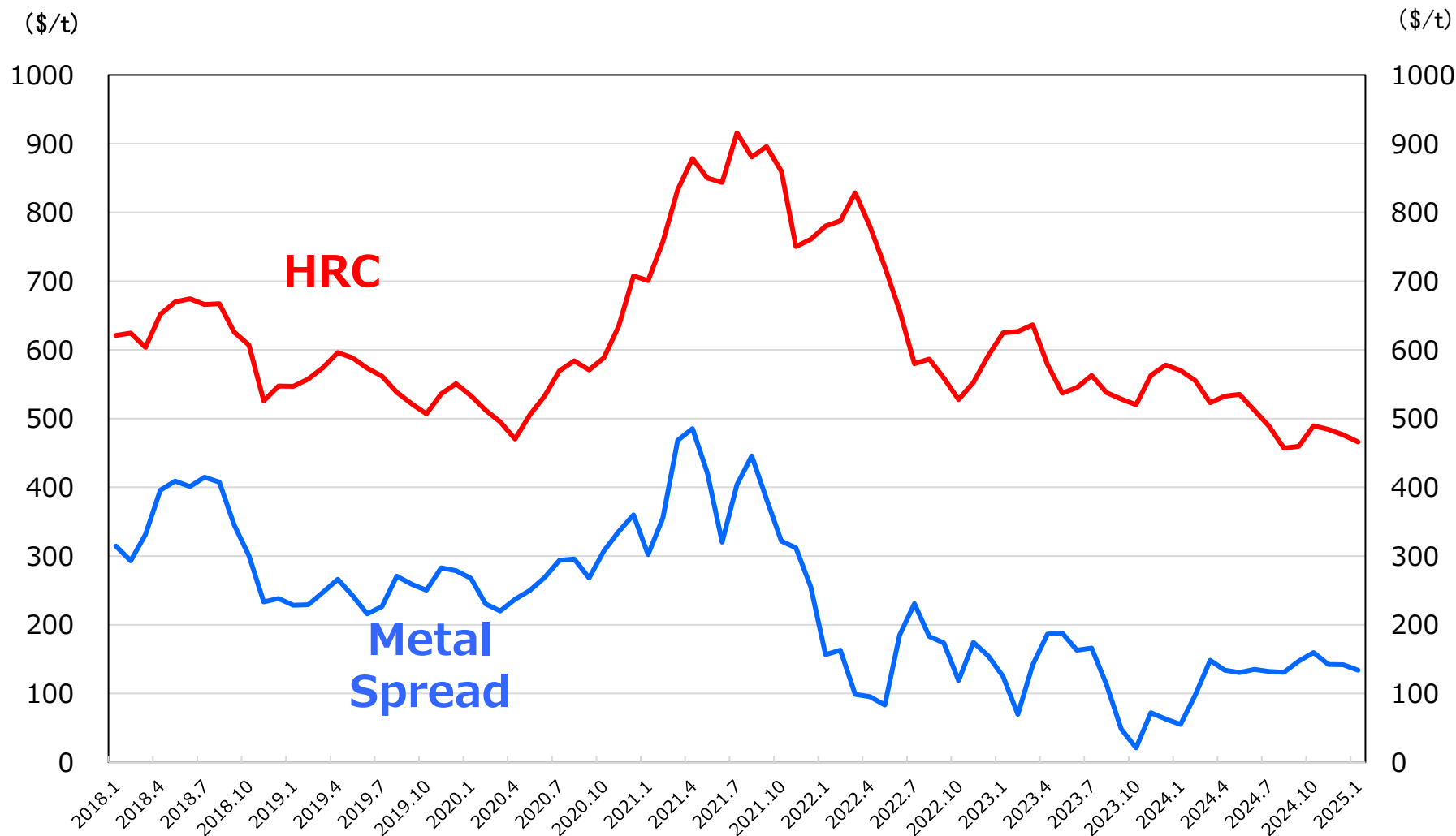


Inventories in China by Product

	Dec 2024	MoM	YoY	Nov 2024	Dec 2023
Inventory (Mt)	7.6	-0.3 (-3.7%)	-1.3 (-14.4%)	7.9	8.9

Overseas Market Environment

Metal Spread Trend (Chinese Spot Basis)



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

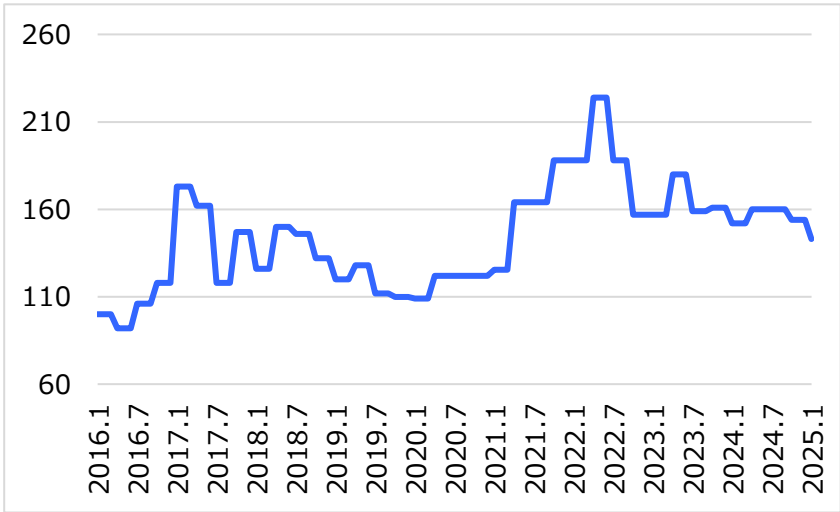


Raw
Materials

Trend of Sub Material's Market Price

JFE

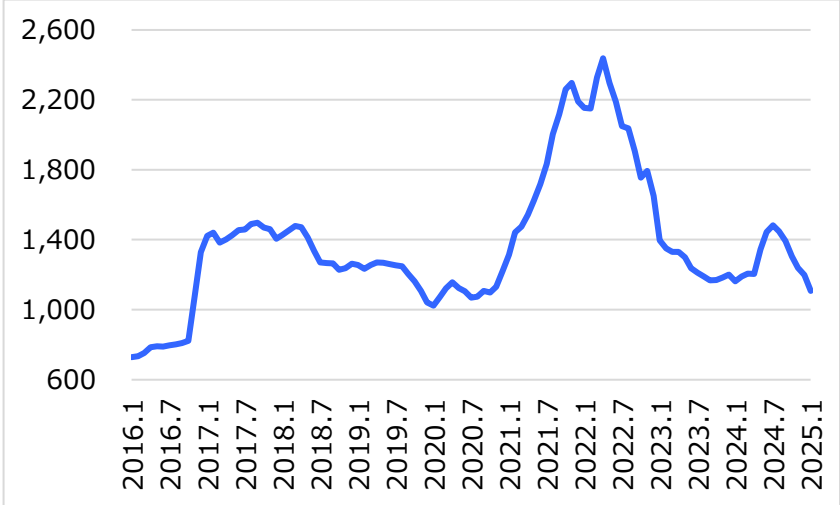
(¢ /lb) FeCr



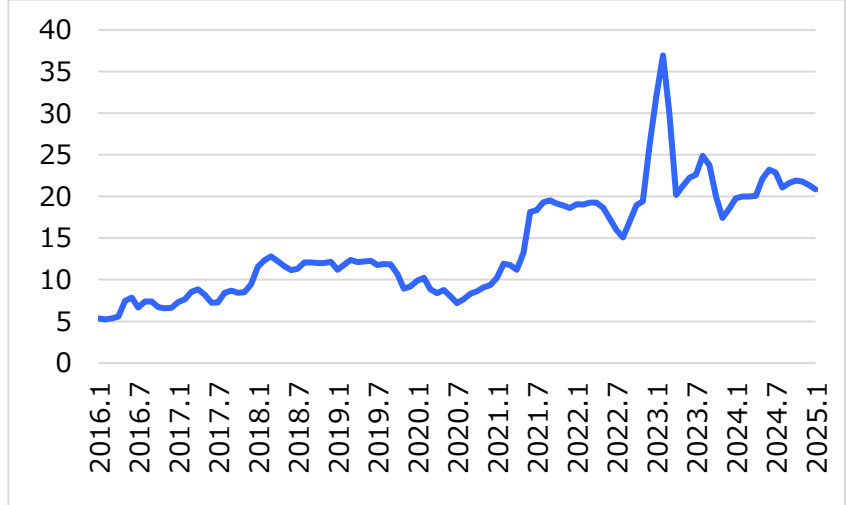
(US\$/t) Zn



(US\$/t) FeMn



(US\$/lb) Mo



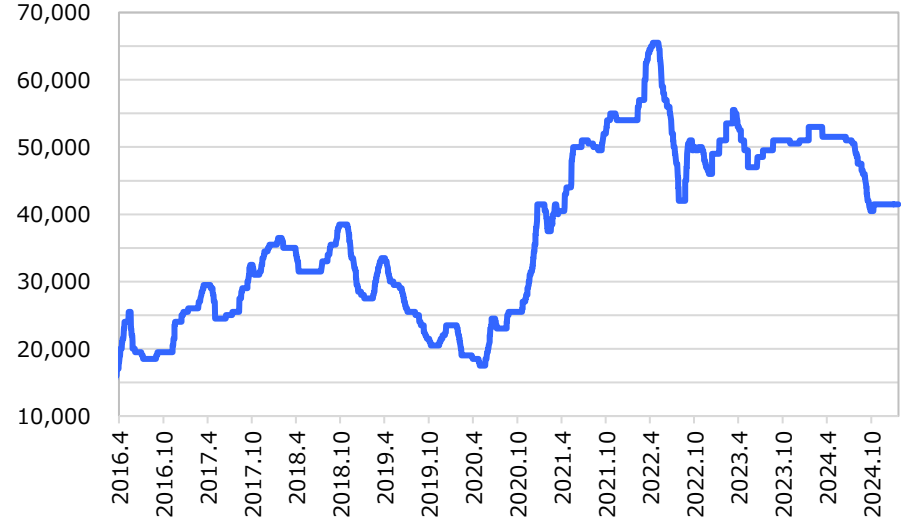


Raw Materials

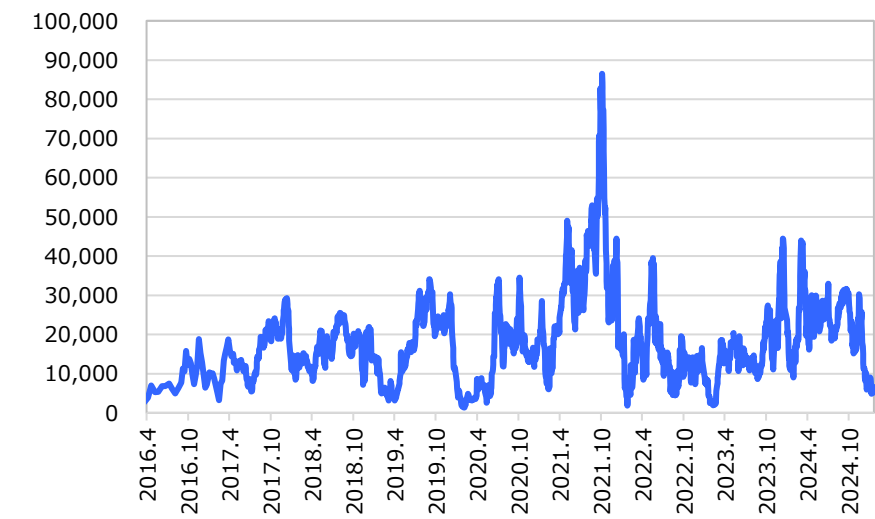
Trend of Sub Material's Market Price

JFE

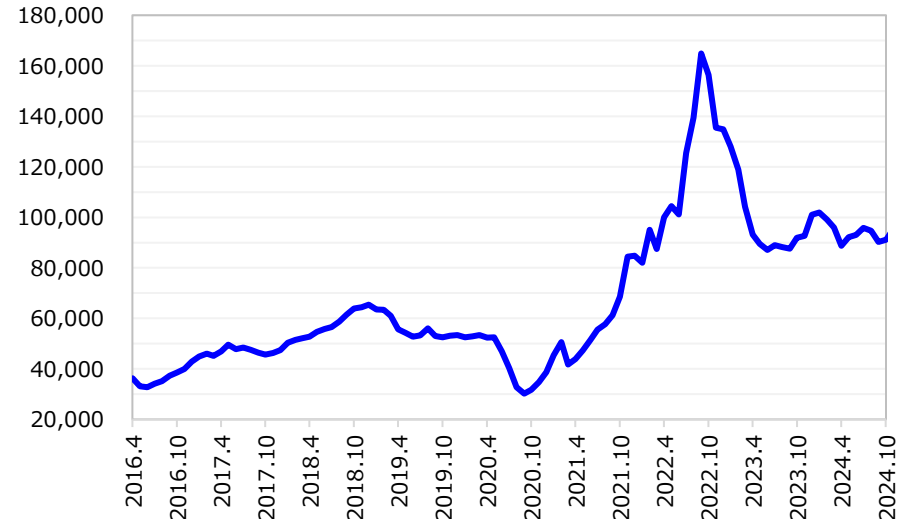
(yen/ t) Scrap



(\$/B) Spot Bulker



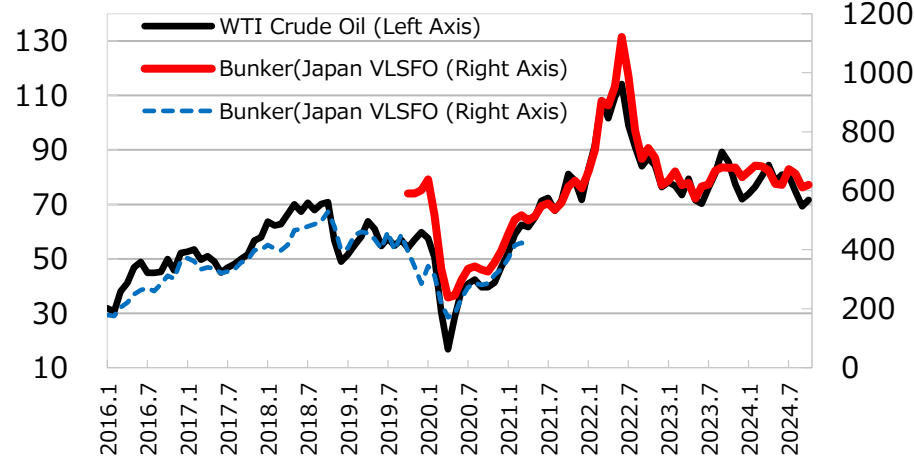
(yen/ t) LNG



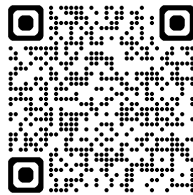
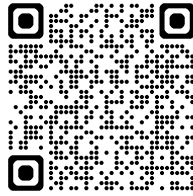
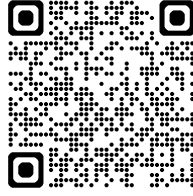
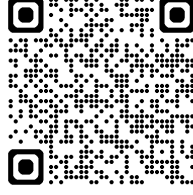
Crude Oil, Bunker Oil

(Crude Oil: \$/bbl)

(Bunker Oil: \$/t)



Links to the Reports Published during FY2024

Report	URL	QR code
JFE Group REPORT 2024	https://www.jfe-holdings.co.jp/en/investor/library/group-report/index.html	
Sustainability	https://www.jfe-holdings.co.jp/en/sustainability/index.html	
Sustainability REPORT 2024 Environmental Data	https://www.jfe-holdings.co.jp/en/common/pdf/sustainability/data/2024/2024_07_01.pdf	
DX REPORT 2024	https://www.jfe-holdings.co.jp/en/investor/library/dx-report/index.html *Coming soon	



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