

JFE Holdings' Financial Results for Third 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)

February 6, 2025

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
Contact:	Tomoko Takami, Manager, Public Relations Section, Investor Relations and Corporate Communications Department
Phone:	+81-3-3597-3842
Scheduled date to start paying dividends:	-
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 Three Quarters of Fiscal 2024 (April 1 to December 31, 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)	%
3Q FY 2024	3,675,470	(4.9)	120,755	(50.7)	141,729	(37.4)	100,115	(39.6)	100,101	(38.6)	106,021	(57.8)
3Q FY 2023	3,865,747	(1.1)	244,988	6.0	226,351	5.9	165,664	12.8	162,922	13.2	251,053	21.5

	Basic earnings per share (yen)	Diluted earnings per share (yen)
3Q FY 2024	157.38	150.44
3Q FY 2023	270.20	264.92

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 3Q FY 2024	5,686,549	2,559,471	2,508,191	44.1
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*

*estimate

Note: Revisions to dividend forecast announced most recently: No

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	4,900,000	(5.3)	115,000	(61.4)	140,000	(47.8)	95,000	(51.9)	149.36

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 to 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 December 31, 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 December 31, 2024: 3,353,131 shares
 - As of March 31, 2024: 3,472,435 shares
 - 3) Average number of shares during the term
 - 3Q Fiscal 2024: 636,039,118 shares
 - 3Q Fiscal 2023: 602,965,111 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

1. Overview of Business Performance, etc. for the Third Quarter of Fiscal Year 2024 Ending March 31, 2025	2
2. Condensed Quarterly Consolidated Financial Statements and Notes	
(1) Condensed Quarterly Consolidated Statement of Financial Position	3
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income (First Three Quarters)	5
(3) Condensed Quarterly Consolidated Statement of Changes in Equity (First Three Quarters)	7
(4) Notes to Condensed Quarterly Consolidated Financial Statements	9
Notes on Segment Information	9
Notes Pertaining to the Presumption of a Going Concern	10
Notes on Condensed Quarterly Consolidated Statement of Cash Flow	10
3. Supplementary Information	11

1. Overview of Business Performance, etc. for the Third 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 December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	243,079	149,639
Trade and other receivables	762,428	740,326
Contract assets	134,569	242,123
Inventories	1,348,378	1,275,428
Income taxes receivable	5,792	3,959
Other financial assets	18,778	23,686
Other current assets	113,992	98,835
Total current assets	2,627,020	2,533,998
Non-current assets		
Property, plant and equipment	1,948,217	1,939,710
Goodwill	15,446	27,262
Intangible assets	140,591	159,092
Right-of-use asset	98,758	95,554
Investment property	52,849	53,607
Investments accounted for using equity method	561,477	590,843
Retirement benefit asset	29,495	24,548
Deferred tax assets	56,249	50,665
Other financial assets	207,448	191,819
Other non-current assets	17,410	19,447
Total non-current assets	3,127,944	3,152,550
Total assets	5,754,964	5,686,549

	As of March 31, 2024	(million yen) As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	667,072	595,857
Bonds payable, borrowings, and lease obligations	426,428	581,393
Contract liabilities	50,186	44,927
Income taxes payable, etc.	32,698	13,844
Provisions	12,191	11,455
Other financial liabilities	149,300	111,606
Other current liabilities	282,317	196,386
Total current liabilities	1,620,195	1,555,471
Non-current liabilities		
Bonds payable, borrowings, and lease obligations	1,403,849	1,367,156
Retirement benefit liability	105,706	117,328
Provisions	17,592	17,051
Deferred tax liabilities	6,050	5,125
Other financial liabilities	53,467	48,090
Other non-current liabilities	9,581	16,854
Total non-current liabilities	1,596,247	1,571,605
Total liabilities	3,216,443	3,127,077
Equity		
Share capital	171,310	171,310
Capital surplus	587,266	586,607
Retained earnings	1,570,027	1,604,907
Treasury shares	(14,938)	(13,722)
Other components of equity	150,461	159,088
Total equity attributable to owners of parent	2,464,128	2,508,191
Non-controlling interests	74,392	51,279
Total equity	2,538,521	2,559,471
Total liabilities and equity	5,754,964	5,686,549

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

Condensed Quarterly Consolidated Statement of Profit or Loss (First Three Quarters)

	First Three Quarters of Fiscal 2023 (April 1, 2023 – December 31, 2023)	(million yen) First Three Quarters of Fiscal 2024 (April 1, 2024 – December 31, 2024)
Revenue	3,865,747	3,675,470
Cost of sales	(3,375,009)	(3,271,147)
Gross profit	490,738	404,322
Selling, general and administrative expenses	(292,310)	(298,265)
Share of profit of investments accounted for using equity method	44,504	23,948
Other income	32,969	19,741
Other expenses	(30,913)	(28,992)
Business profit	244,988	120,755
Gain on sales of land	—	59,054
Impairment losses	(4,372)	(4,461)
Cost for promoting and developing land utilization of Keihin district	—	(4,924)
Loss relating to loss of control over subsidiaries	—	(13,179)
Operating profit	240,615	157,245
Finance income	3,644	3,850
Finance costs	(17,908)	(19,365)
Profit before tax	226,351	141,729
Income tax expense	(60,687)	(41,613)
Profit	165,664	100,115
Profit attributable to		
Owners of parent	162,922	100,101
Non-controlling interests	2,741	13
Profit	165,664	100,115
Earnings per share		
Basic earnings per share (yen)	270.20	157.38
Diluted earnings per share (yen)	264.92	150.44

Condensed Quarterly Consolidated Statement of Comprehensive Income (First Three Quarters)

	(million yen)	
	Third Quarter of Fiscal 2023 (April 1, 2023 – December 31, 2023)	Third Quarter of Fiscal 2024 (April 1, 2024 – December 31, 2024)
Profit	165,664	100,115
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	8,040	(3,157)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	8,452	(7,278)
Share of other comprehensive income of investments accounted for using equity method	6,749	7,098
Total of items that will not be reclassified to profit or loss	23,242	(3,337)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	22,466	4,030
Effective portion of cash flow hedges	5,106	1,291
Share of other comprehensive income of investments accounted for using equity method	34,573	3,922
Total of items that may be reclassified to profit or loss	62,146	9,243
Total other comprehensive income	85,388	5,905
Comprehensive income	251,053	106,021
Comprehensive income attributable to		
Owners of parent	247,713	105,592
Non-controlling interests	3,339	428
Comprehensive income	251,053	106,021

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First Three Quarters of Fiscal 2023 (April 1, 2023 – December 31, 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	—	—	162,922	—	—	—	—
Other comprehensive income	—	—	—	—	—	8,120	15,206
Comprehensive income	—	—	162,922	—	—	8,120	15,206
Issuance of new shares	24,167	24,167	—	—	—	—	—
Share issuance cost	—	(453)	—	—	—	—	—
Purchase of treasury shares	—	—	—	(55)	—	—	—
Disposal of treasury shares	—	(75,203)	—	141,450	—	—	—
Dividends	—	—	(49,275)	—	—	—	—
Share-based payment transactions	—	12	—	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	—	—	13,708	—	—	(8,120)	(5,588)
Transfer to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	24,167	(51,531)	(35,566)	141,509	3,081	(8,120)	(5,588)
Balance as of December 31, 2023	171,310	589,005	1,525,091	(14,898)	3,081	—	52,064

	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	—	—	—	162,922	2,741	165,664
Other comprehensive income	54,919	6,545	84,791	84,791	597	85,388
Comprehensive income	54,919	6,545	84,791	247,713	3,339	251,053
Issuance of new shares	—	—	—	48,335	—	48,335
Share issuance cost	—	—	—	(453)	—	(453)
Purchase of treasury shares	—	—	—	(55)	—	(55)
Disposal of treasury shares	—	—	—	66,247	—	66,247
Dividends	—	—	—	(49,275)	(1,531)	(50,806)
Share-based payment transactions	—	—	—	126	—	126
Issuance of convertible bonds	—	—	3,081	3,081	—	3,081
Changes in scope of consolidation	—	—	—	(1)	(486)	(487)
Changes in ownership interest in subsidiaries	—	—	—	(53)	106	52
Transfer from other components of equity to retained earnings	—	—	(13,708)	—	—	—
Transfer to non-financial assets	—	(3,741)	(3,741)	(3,741)	—	(3,741)
Other	—	—	—	—	(108)	(108)
Total transactions with owners	—	(3,741)	(14,369)	64,210	(2,019)	62,190
Balance as of December 31, 2023	102,860	3,731	161,737	2,432,246	74,392	2,506,639

First Three Quarters of Fiscal 2024 (April 1, 2024 – December 31, 2024)

(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, 2024	171,310	587,266	1,570,027	(14,938)	3,081	—	48,444
Profit	—	—	100,101	—	—	—	—
Other comprehensive income	—	—	—	—	—	(2,163)	(950)
Comprehensive income	—	—	100,101	—	—	(2,163)	(950)
Purchase of treasury shares	—	—	—	(956)	—	—	—
Disposal of treasury shares	—	(925)	—	1,835	—	—	—
Dividends	—	—	(63,672)	—	—	—	—
Share-based payment transactions	—	(113)	—	336	—	—	—
Changes in scope of consolidation	—	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	379	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(1,549)	—	—	2,163	(613)
Transfer to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	—	(659)	(65,222)	1,215	—	2,163	(613)
Balance as of December 31, 2024	171,310	586,607	1,604,907	(13,722)	3,081	—	46,880

	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, 2024	96,035	2,900	150,461	2,464,128	74,392	2,538,521
Profit	—	—	—	100,101	13	100,115
Other comprehensive income	4,927	3,676	5,490	5,490	414	5,905
Comprehensive income	4,927	3,676	5,490	105,592	428	106,021
Purchase of treasury shares	—	—	—	(956)	—	(956)
Disposal of treasury shares	—	—	—	910	—	910
Dividends	—	—	—	(63,672)	(1,202)	(64,875)
Share-based payment transactions	—	—	—	222	—	222
Changes in scope of consolidation	—	—	—	—	(23,395)	(23,395)
Changes in ownership interest in subsidiaries	—	—	—	379	(128)	251
Transfer from other components of equity to retained earnings	—	—	1,549	—	—	—
Transfer to non-financial assets	—	1,587	1,587	1,587	—	1,587
Other	—	—	—	—	1,184	1,184
Total transactions with owners	—	1,587	3,136	(61,529)	(23,542)	(85,071)
Balance as of December 31, 2024	100,962	8,164	159,088	2,508,191	51,279	2,559,471

(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. No business segment was consolidated for reporting purposes.

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 Three Quarters of Fiscal 2023 (cumulative total: April 1, 2023 to December 31, 2023)

(million yen)

	Steel	Engineering	Trading	Total	Adjustments ¹	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	2,490,221	374,425	1,001,101	3,865,747	—	3,865,747
Intersegment revenue	291,196	10,391	109,131	410,719	(410,719)	—
Total	2,781,418	384,816	1,110,232	4,276,467	(410,719)	3,865,747
Segment profit	171,000	16,503	38,575	226,079	4,644	230,724
Impairment losses						(4,372)
Profit before tax						226,351

¹ Adjustments are as follows.

Adjustments to segment profit include corporate profit not allocated to a reportable segment: 1,181 million yen, share of profit of entities accounted for using equity method related to Japan Marine United Corporation: 1,744 million yen; elimination of other intersegment transactions: 1,718 million yen. Corporate profit is profit of the Company.

First Three Quarters of Fiscal 2024 (cumulative total: April 1, 2024 to December 31, 2024)

(million yen)

	Steel	Engineering	Trading	Total	Adjustments ¹	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	2,287,594	410,629	977,245	3,675,470	—	3,675,470
Intersegment revenue	270,683	11,361	104,357	386,401	(386,401)	—
Total	2,558,277	421,991	1,081,603	4,061,871	(386,401)	3,675,470
Segment profit	44,974	15,520	36,081	96,577	8,662	105,239
Gain on sales of land						59,054
Impairment losses						(4,461)
Cost for promoting and developing land utilization of Keihin district						(4,924)
Loss relating to loss of control over subsidiaries						(13,179)
Profit before tax						141,729

¹ Adjustments are as follows.

Adjustments to segment profit include corporate profit not allocated to a reportable segment: 873 million yen, share of profit of entities accounted for using equity method related to Japan Marine United Corporation: 4,295 million yen; elimination of other intersegment transactions: 3,493 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

The condensed quarterly consolidated statement of cash flow for the first three quarters of the current fiscal year has not been prepared. Depreciation and amortization, including amortization of intangible assets, for the first three quarters of the current fiscal year are as follow:

(million yen)

	First Three Quarters of Fiscal 2023 (April 1, 2023 – December 31, 2023)	First Three Quarters of Fiscal 2024 (April 1, 2024 – December 31, 2024)
Depreciation and amortization	207,971	191,439

3. Supplementary Information

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

(billion yen)

	FY 2023		FY 2024		Change		FY2024 Forecast (November 6)
	First Three Quarters	Full year	First Three Quarters	Full year	First Three Quarters	Full year	Full year
Steel Business	2,781.4	3,716.0	2,558.2	3,380.0	(223.2)	(336.0)	3,460.0
Engineering Business	384.8	539.9	421.9	580.0	37.1	40.1	580.0
Trading Business	1,110.2	1,476.4	1,081.6	1,450.0	(28.6)	(26.4)	1,450.0
Adjustments	(410.7)	(557.8)	(386.4)	(510.0)	24.3	47.8	(520.0)
Revenue	3,865.7	5,174.6	3,675.4	4,900.0	(190.3)	(274.6)	4,970.0
Business profit ¹ A	244.9	298.2	120.7	115.0	(124.2)	(183.2)	160.0
Finance income / costs B	(14.2)	(18.6)	(15.5)	(20.0)	(1.3)	(1.4)	(20.0)
Segment Profit							
Steel Business	171.0	202.7	44.9	26.0	(126.1)	(176.7)	70.0
Engineering Business	16.5	24.3	15.5	20.0	(1.0)	(4.3)	20.0
Trading Business	38.5	48.9	36.0	45.0	(2.5)	(3.9)	45.0
Adjustments	4.6	3.5	8.6	4.0	4.0	0.5	5.0
Total A+B	230.7	279.6	105.2	95.0	(125.5)	(184.6)	140.0
Exceptional Items ²	(4.3)	(11.2)	36.4	45.0 ³	40.7	56.2	40.0
Profit before tax	226.3	268.3	141.7	140.0	(84.6)	(128.3)	180.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests	(63.4)	(70.9)	(41.6)	(45.0)	21.8	25.9	(50.0)
Profit Attributable to Owners of Parent	162.9	197.4	100.1	95.0	(62.8)	(102.4)	130.0

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 45.0 billion yen forecast includes exceptional items, namely, a loss of 13.1 billion yen due the loss relating to loss of control over subsidiaries, a loss of about 6.0 billion yen on impairment losses, a loss of 4.9 billion yen due the cost for promoting and developing land utilization of Keihin district, and a gain of about 65.0 billion yen on the sales of land and etc.

(2) Consolidated Financial Indices (Fiscal 2024 Forecasts)

	Fiscal 2023	Fiscal 2024	Change
Return on Sales (ROS) ¹	5.8%	2.3%	(3.5%)
Return on Assets (ROA) ²	5.3%	2.0%	(3.3%)
Return on Equity (ROE) ³	8.6%	3.8%	(4.8%)
EBITDA ⁴	572.3 billion yen	385.0 billion yen	(187.3 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	4.8x	1.6x
Equity attributable to owners of parent	2,464.1 billion yen	2,500.0 billion yen	35.9 billion yen
D/E Ratio ⁶	58.0%	58.0%	0.0%

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	5.53	About 22.00*		
	Consolidated	5.80	5.89	11.69	5.83	About 23.30*		

*full year 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	4.87	About 19.40*		

*full year 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	44.2	42.4	40.0	42*	41*	42*

*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	152.8	153.9	149.0	156*	153*	153*

*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	127.0	125*	126*	130*

*estimate

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	Fiscal 2023	Fiscal 2024 Forecast	Change
Waste to Resource	243.7	275.0	31.3
Carbon Neutral	54.3	56.0	1.7
Combined Utility Services	15.6	9.0	(6.6)
Core Infrastructure	249.4	260.0	10.6
Total	563.0	600.0	37.0

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 on consolidated basis)

(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 three quarters of Fiscal 2024, compared to same period of Fiscal 2023

-125.5 billion yen: 230.7 billion yen in first three quarters of fiscal 2023 → 105.2 billion yen in first three quarters of fiscal 2024

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	24.0	Structural reforms effect 24.0
- Sales volume and mix	(36.0)	Crude steel volume: 17.78 →16.56 million tons
- Spread*	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
- Unrealized gains (losses) on inventories	(85.0)	Inventory valuation -32.0, carry over -57.0, foreign exchange valuation -6.0, one-time structural reform cost 10.0
- Others	(48.1)	Group companies -30.0 etc.
- Total	<u>(126.1)</u>	
Engineering and Trading businesses, and Adjustments	0.6	

b. Fiscal 2024 (forecast), compared to Fiscal 2023

-184.6 billion yen: 279.6 billion yen in Fiscal 2023 → 95.0 billion yen in fiscal 2024 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	27.0	Structural reforms effect 25.0, operational enhancement 2.0
- Sales volume and mix	(39.0)	Crude steel volume: 23.45 →about 22.00 million tons
- Spread*	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
- Unrealized gains (losses) on inventories	(98.0)	Inventory valuation -38.0, carry over -68.0, foreign exchange valuation -12.0, one-time structural reform cost 20.0
- Others	(76.7)	Group companies -38.0, impairment losses of overseas group companies -14.0 etc.
- Total	<u>(176.7)</u>	
Engineering and Trading businesses, and Adjustments	(7.9)	

c. Fiscal 2024 forecast, compared to previous forecast

-45.0 billion yen: 140.0 billion yen in previous forecast → 95.0 billion yen in fiscal 2024 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	(5.0)	Impact of operational issues
- Sales volume and mix	(5.0)	Crude steel volume: about 22.40 → about 22.00 million tons
- Spread*	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
- Unrealized gains (losses) on inventories	(16.0)	Inventory valuation 2.0, carry over -23.0, foreign exchange valuation 5.0
- Others	(28.0)	Group companies -17.0, impairment losses of overseas group companies -14.0 etc.
- Total	(44.0)	
Engineering and Trading businesses, and Adjustments	(1.0)	

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

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