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JFE Holdings, Inc.

2Q Financial Results Briefing for the Fiscal Year Ending March 2026

November 6, 2025

Presentation

Moderator: It is time to commence the investors meeting of JFE Holdings, Inc.

In attendance today is Masashi Terahata, Representative Director, Executive Vice President, and Tsunao Takura, Vice President In charge of General Administration Department and Investor Relations and Corporate Communications Dept.

Today's time schedule is approximately 30 minutes for explanation and 30 minutes for questions, for a total of 60 minutes.

First, Terahata, Representative Director and Executive Vice President, will give an overview of the financial results and outlook announced today.

Financial Highlights



- The disruption of supply and demand balance caused by China's overproduction and massive exports, as well as the downturn in market conditions, is spreading to countries and regions worldwide. Our group also anticipates a contraction in domestic and international spreads and a deterioration in the overseas business environment.
- For the impact of protectionist policies in various countries, including the United States, the risk of volume decline is expected to be smaller, considering the current sales situation and changes in the trade environment. (crude steel production volume: about 21.50 million tons, increased by 0.50 million tons compared to the previous forecast)
- The cost reductions and improvements in the ratio of high-value-added products incorporated in the 8th Medium-Term Business Plan are being steadily implemented. We continue to promote management that is conscious of capital costs and stock prices to sustainably enhance corporate value.
- The annual forecast for business profit, segment profit, and profit attributable to owners of parent is expected to remain as previously announced.
*Business profit excluding inventory valuation, etc. is expected to be ¥190.0bn., down ¥10.0 bn. from the previous forecast.
- The annual dividend for FY2025 is expected to be 80 yen per share based on the 8th Medium-term Business Plan

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Terahata: The current environment continues to be very difficult, and we expect domestic and international spreads to contract and the overseas business environment to deteriorate again this time, as China's overproduction and massive exports have upset the supply-demand balance and caused market slumps, which have spread to other regions around the world.

On the other hand, we had factored in the risk of a 1-million-ton reduction in production compared to the previous fiscal year due to the protectionist policies of the US and other countries, but we expect such risk to be smaller in light of current sales conditions, changes in the trade environment, and other factors. This time, we have factored in a reduction of approximately 500,000 tons instead of a reduction of 1 million ton in previous estimate.

We announced our 8th mid-term business plan in May, and have steadily implemented measures to improve profitability, including cost reductions and an increase in the ratio of high value-added products. We will continue to promote management that is conscious of the cost of capital and stock price in order to sustainably increase corporate value.

For the full year, we expect business profit, segment profit, and net income to remain the same as previously-announced forecast. On the other hand, business profit excluding inventory valuation, etc. is expected to be JPY190 billion, a decrease of JPY10 billion from the previous forecast.

The annual dividend is expected to be JPY80 per share, in line with the policy of a minimum dividend of JPY80 in addition to the dividend payout ratio of 30% set out in the 8th mid-term business plan.

This is a brief statement from me.

Takura: I will now explain our business performance.

We will skip the description on page four, which will be explained in the pages that follow.

Financial Results for 1H of Fiscal Year 2025

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(billion yen)	FY2024 1H Actual (Apr-Sep)	FY2025 1H Forecast (Previous) (Apr-Sep)	FY2025 1H Actual (Apr-Sep)	Change (FY2024 →FY2025)	Change (Previous →Actual)
Revenue	2,450.7	2,330.0	2,232.6	(218.1)	(97.4)
Business Profit [Excluding Inventory Valuation etc.]	81.8 [134.8]	40.0 [93.0]	45.7 [93.7]	(36.1) [(41.1)]	5.7 [0.7]
Finance Income/Costs	(9.8)	(15.0)	(11.5)	(1.7)	3.5
Segment Profit [Excluding Inventory Valuation etc.]	72.0 [125.0]	25.0 [78.0]	34.1 [82.1]	(37.9) [(42.9)]	9.1 [4.1]
Exceptional Items	(12.1)	0.0	0.0	12.1	0.0
Profit before Tax	59.9	25.0	34.1	(25.8)	9.1
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(17.4)	(10.0)	(7.4)	10.0	2.6
Profit Attributable to Owners of Parent	42.4	15.0	26.6	(15.8)	11.6

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.

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I will begin by explaining the results for 1H of FY2025.

The first half results show sales revenue of JPY2.2326 trillion, a decrease from the previously-announced forecast. Business profit, segment profit, and net income were JPY45.7 billion, JPY34.1 billion, and JPY26.6 billion, respectively, an increase from the previously-announced forecast.

Financial Results for 1H of Fiscal Year 2025 (by Segment)



(billion yen)	FY2024 Actual 1H (Apr-Sep)	FY2025 Forecast 1H (Previous) (Apr-Sep)	FY2025 Actual 1H (Apr-Sep)	Change (FY2024 →FY2025)	Change (Previous →Actual)	Change Details (Previous→Actual)
Steel Business	1,729.3	1,540.0	1,537.4	(191.9)	(2.6)	
Engineering Business	269.5	275.0	287.0	17.5	12.0	
Trading Business	715.5	750.0	647.5	(68.0)	(102.5)	Decline in steel market, etc.
Adjustments	(263.5)	(235.0)	(239.4)	24.1	(4.4)	
Revenue	2,450.7	2,330.0	2,232.6	(218.1)	(97.4)	
Business Profit (A) [Excluding Inventory Valuation etc.]	81.8 [134.8]	40.0 [93.0]	45.7 [93.7]	(36.1) [(41.1)]	5.7 [0.7]	
Finance Income/Cost (B)	(9.8)	(15.0)	(11.5)	(1.7)	3.5	
Steel Business [Excluding Inventory Valuation etc.]	34.5 [87.5]	(15.0) [38.0]	(5.3) [42.7]	(39.8) [(44.8)]	9.7 [4.7]	Refer to page 8
Engineering Business	8.9	9.0	12.6	3.7	3.6	Increase in sales revenue, etc.
Trading Business	22.4	25.0	21.9	(0.5)	(3.1)	Decrease in sales revenue, etc.
Adjustments	6.2	6.0	4.8	(1.4)	(1.2)	
Segment Profit(A+B) [Excluding Inventory Valuation etc.]	72.0 [125.0]	25.0 [78.0]	34.1 [82.1]	(37.9) [(42.9)]	9.1 [4.1]	

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.

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Here is a table that shows the total by segment.

In terms of revenue, the trading business posted results of JPY647.5 billion in 1H of the year, a decrease of JPY102.5 billion from the previously-announced forecast. This is because, in addition to the decline in the steel market, sales in North America and other overseas projects did not grow as much as expected.

In segment profit, steel business posted a loss of JPY5.3 billion and a profit of JPY42.7 billion excluding inventory valuation, etc., both an increase from the previously-announced forecast.

The engineering business was JPY12.6 billion, an increase of JPY3.6 billion from the previously-announced forecast. This is due to the accelerated progress of favorable profitable projects, which were brought forward from 2H of the fiscal year to 1H of the fiscal year.

In the trading business, as explained earlier, segment profit was JPY21.9 billion, a decrease of JPY3.1 billion from the previously-announced forecast, due to the drop in sales revenue.

JFE Steel's Segment Profit Analysis (FY2025 1H (Forecast) vs FY2025 1H (Actual))

JFE Steel



	Unit	FY2025 1H Forecast	FY 2025 1H Actual		(billion yen)	FY2025 1H Forecast	FY2025 1H Actual	Change
Crude Steel (Standalone)	Mt	Approx. 10.70	10.80					
Shipment (Standalone)	Mt	Approx. 9.50	9.53					
Average Sales Price	000 yen/t	Approx. 120	119.8					
Exchange Rate	¥/\$	Approx. 145	146.2					

Breakdown

①Cost	±0.0	
②Volume and Mix	+2.0	• Crude Steel Production Approx. 10.70Mt→10.80Mt
③Spreads*	±0.0	
④Inventory valuation	+5.0	• Inventory valuation +2.0 (-44.0→ -42.0) • Carry over +1.0 (- 4.0→ - 3.0) • Foreign exchange valuation +2.0 (- 5.0→ - 3.0)
⑤Others	+2.7	• Group Companies +2.0 • Others +0.7

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

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Now I will explain the comparison of JFE Steel's previous forecast for 1H of the year with the current results.

Segment profit is JPY9.7 billion higher than the previous forecast. The breakdown is as follows: First, an increase of 100,000 tons in volume from previous forecast led to a JPY2 billion increase in profit. Inventory valuation increased by JPY5 billion due to slightly higher-than-expected raw material prices and the impact of yen depreciation. In addition, other income increased by JPY2.7 billion, mainly at domestic group companies.

JFE Steel's Segment Profit Analysis (FY2024 1H (Actual) vs FY2025 1H (Actual))

JFE Steel



	Unit	FY2024 1H	FY2025 1H
Crude Steel (Standalone)	Mt	11.03	10.80
Shipment (Standalone)	Mt	9.66	9.53
Average Sales Price	000 yen/t	135.2	119.8
Exchange Rate	¥/\$	153.9	146.2

	(billion yen)	FY2024 1H	FY2025 1H	Change
Segment Profit		34.5	(5.3)	(39.8)
* Excluding Inventory Valuation, etc.		87.5	42.7	(44.8)

Breakdown

① Cost	+9.0	• Operational improvement, etc.
② Volume and Mix	(5.0)	• Crude Steel Production 11.03Mt → 10.80Mt
③ Spreads*	(28.0)	• Deterioration in export profitability due to yen appreciation • Impact of raw material price fluctuations and timing differences in adjustments for selling prices (negative impact)
④ Inventory valuation	+5.0	• Inventory valuation -39.0 (- 3.0 → -42.0) • Carry over +40.0 (+43.0 → -3.0) • Foreign exchange valuation + 4.0 (- 7.0 → -3.0)
⑤ Others	(20.8)	• Group Companies +10.0 • Others -30.8 (Depreciation, interest expense, and construction timing difference, etc.)

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

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A comparison with the results for 1H of FY2024 is shown on page nine.

Segment profit decreased by JPY39.8 billion. We will omit a detailed explanation, but the main factors for this are a worsening of spreads due to a deterioration in export profitability caused by the strong yen, as well as higher expenses including for amortization and interest rates.

Financial Forecast for Fiscal Year 2025



- Business profit and Profit Attributable to Owners of Parent for FY2025 are expected as previously announced.

※ Business profit (excluding Inventory Valuation, etc.) for FY2025 is ¥190.0bn.

(decreased by ¥10.0bn. from the previous forecast)

(billion yen)	FY2024 Actual		FY2025 Forecast (Previous)		FY2025 Forecast (Updated)		Change (FY2024 →FY2025) Full Year	Change (Previous →Updated) Full Year
	1H	Full Year	1H	Full Year	1H (Actual)	Full Year		
Revenue	2,450.7	4,859.6	2,330.0	4,750.0	2,232.6	4,600.0	(259.6)	(150.0)
Business Profit [Excluding Inventory Valuation etc.]	81.8 [134.8]	135.3 [236.3]	40.0 [93.0]	140.0 [200.0]	45.7 [93.7]	140.0 [190.0]	4.7 [(46.3)]	0.0 [(10.0)]
Finance Income/Costs	(9.8)	(20.7)	(15.0)	(30.0)	(11.5)	(30.0)	(9.3)	0.0
Segment Profit [Excluding Inventory Valuation etc.]	72.0 [125.0]	114.5 [215.5]	25.0 [78.0]	110.0 [170.0]	34.1 [82.1]	110.0 [160.0]	(4.5) [(55.5)]	0.0 [(10.0)]
Exceptional Items	(12.1)	29.7	0.0	0.0	0.0	0.0	(29.7)	0.0
Profit before Tax	59.9	144.3	25.0	110.0	34.1	110.0	(34.3)	0.0
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(17.4)	(52.4)	(10.0)	(35.0)	(7.4)	(35.0)	17.4	0.0
Profit Attributable to Owners of Parent	42.4	91.8	15.0	75.0	26.6	75.0	(16.8)	0.0

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.

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Moving on, I will explain the full-year outlook for FY2025.

The blue area in the table is the full-year forecast. Revenue is forecast to be JPY4.6 trillion, down JPY150 billion from the previously-announced forecast, mainly in the trading business. Business profit is expected to be JPY140 billion, segment profit JPY110 billion, and net income JPY75 billion, in line with the previously-announced forecast, but business profit excluding inventory valuation, etc. is expected to decline by JPY10 billion from previous forecast.

Financial Forecast for Fiscal Year 2025 (by Segment)



(billion yen)	FY2024 Actual		FY2025 Forecast (Previous)		FY2025 Forecast (Updated)		Change (FY2024 → FY2025)	Change (Previous → Updated)
	1H	Full Year	1H	Full Year	1H (Actual)	Full Year		
Steel Business	1,729.3	3,365.1	1,540.0	3,070.0	1,537.4	3,080.0	(285.1)	10.0
Engineering Business	269.5	569.8	275.0	600.0	287.0	600.0	30.2	0.0
Trading Business	715.5	1,438.5	750.0	1,500.0	647.5	1,350.0	(88.5)	(150.0)
Adjustments	(263.5)	(513.9)	(235.0)	(420.0)	(239.4)	(430.0)	83.9	(10.0)
Revenue	2,450.7	4,859.6	2,330.0	4,750.0	2,232.6	4,600.0	(259.6)	(150.0)
Business Profit (A) [Excluding Inventory Valuation etc.]	81.8	135.3	40.0	140.0	45.7	140.0	4.7	0.0
	[134.8]	[236.3]	[93.0]	[200.0]	[93.7]	[190.0]	[(46.3)]	[(10.0)]
Finance Income/Cost (B)	(9.8)	(20.7)	(15.0)	(30.0)	(11.5)	(30.0)	(9.3)	0.0
Steel Business [Excluding Inventory Valuation etc.]	34.5	36.3	(15.0)	40.0	(5.3)	40.0	3.7	0.0
Engineering Business	8.9	19.3	9.0	20.0	12.6	20.0	0.7	0.0
Trading Business	22.4	47.9	25.0	50.0	21.9	45.0	(2.9)	(5.0)
Adjustments	6.2	10.8	6.0	0.0	4.8	5.0	(5.8)	5.0
Segment Profit(A+B) [Excluding Inventory Valuation etc.]	72.0	114.5	25.0	110.0	34.1	110.0	(4.5)	0.0
	[125.0]	[215.5]	[78.0]	[170.0]	[82.1]	[160.0]	[(55.5)]	[(10.0)]

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.

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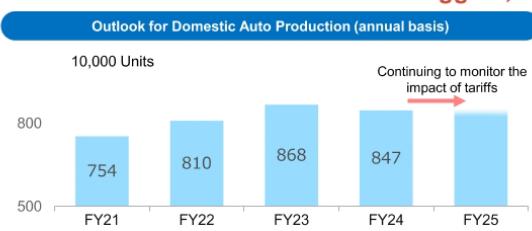
This is by segment. Revenues are expected to be down JPY150 billion from the previous forecast in the trading business. Segment profit for the steel business is projected at JPY40 billion, and JPY90 billion excluding inventory valuation, etc. The engineering business and the trading business are expected to post JPY20 billion and JPY45 billion, respectively, leaving the steel business and engineering businesses unchanged from the previously-announced forecast, while the trading business is expected to be JPY5 billion lower than previous forecast.

Business Environment (Domestic)

JFE Steel



- For the manufacturing sector, particularly in the automotive and construction machinery fields, continued close attention is required regarding the impact of U.S. tariffs.
- The construction sector **remains sluggish**, driven by rising construction costs and labor shortages.



Source: Ministry of Economy, Trade and Industry, "Outlook for Steel Consumption" 16 October, 2025.
(The bars for FY2024, 4Q and after are estimates.)

Trend by sector

Auto-motive

- Concerns remain over cooling consumer sentiment due to uncertainty surrounding automotive tariffs and other policies.
- Domestic sales lack significant momentum, and current expectations show no major change from the sales volume projected at the beginning of FY2025.

Ship-building

- The demand environment remains firm, with domestic shipbuilders securing a backlog of orders exceeding three years.
- Prolonged lead times due to labor shortages and working-hour regulations continue.
- Moves toward capital alliances and collaborations to strengthen competitiveness in Japan's shipbuilding industry are becoming more active, requiring attention to future trends in investment and production efficiency.

Other manufacturing

- (Construction Machinery)
- Global demand remains sluggish, and uncertainty persists due to tariff impacts, including the addition of construction machinery to steel-related product tariffs in August. We will continue to closely monitor future demand trends.
- (Industrial Machinery)
- The share of exports to North America and the proportion of domestic demand for automobiles are both high, requiring close attention to the impact of U.S. automotive tariffs and reciprocal tariffs.

Construction

- In addition to the impact of labor shortages, rising material costs and higher interest rates continue to weigh heavily on construction investment and housing sentiment, resulting in overall sluggish demand.

Civil engineering

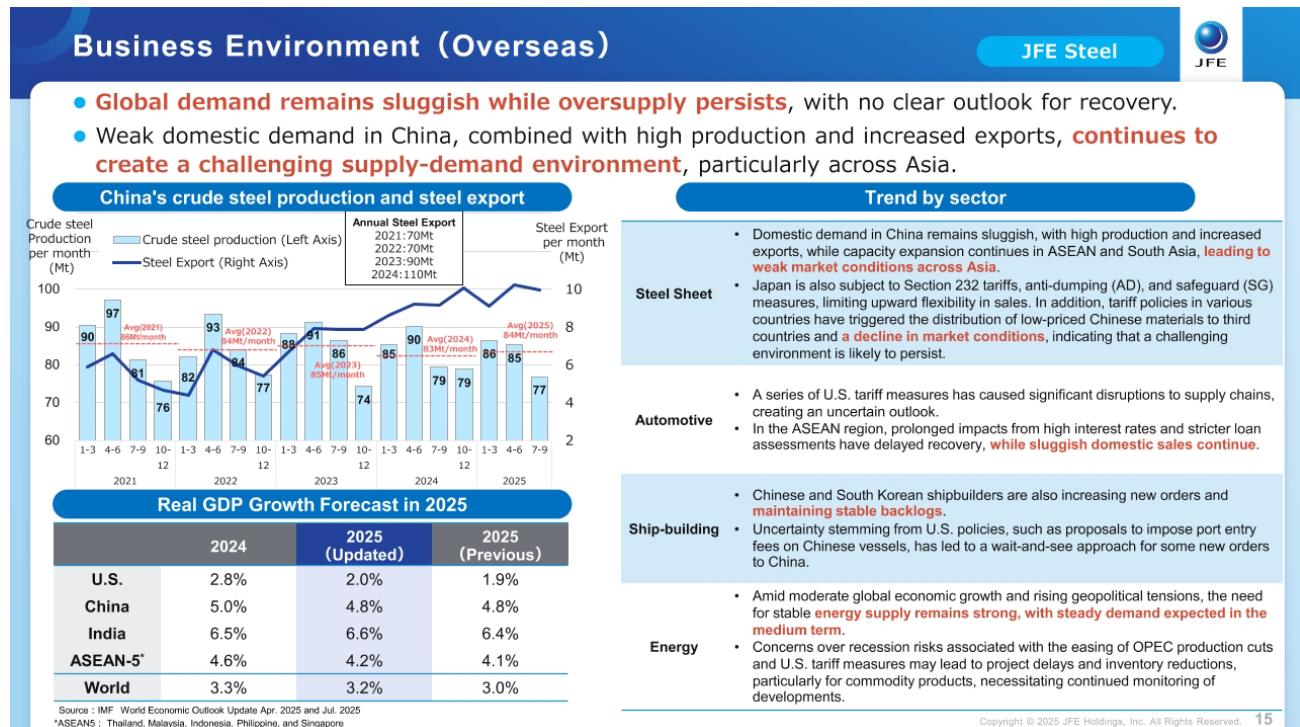
- Due to increasing costs and labor shortages, actual activity levels and steel demand are expected to gradually decline.

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Moving on, I will explain the business environment of JFE Steel. First, the current business environment in Japan. For products for the manufacturing sector, there is no significant impact from the US tariffs at this time.

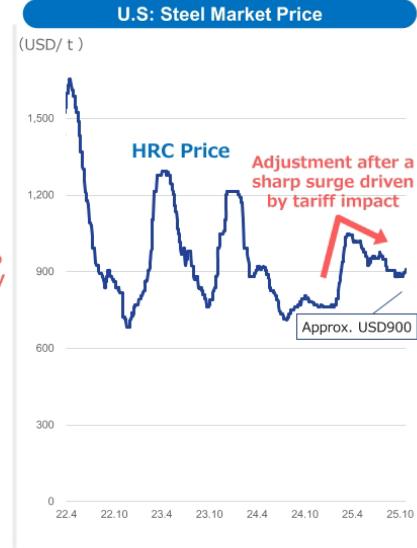
As for automobile production, as shown in the graph in the upper row, at this point we expect that the number of automobiles will be approximately 8.5 million, about the same level as in 2024, but we believe that we need to continue to closely monitor the impact of tariffs and other factors. As for construction machinery, we do not expect any major changes at this stage after H1 of the year, but we will keep a close eye on the situation in the future, as additional tariff was imposed to the steel derivatives products in August.

Meanwhile, the construction sector remained sluggish against the backdrop of still rising construction costs and labor shortages. The forecast for ordinary steel and steel consumption in the lower graph also projects a 3.2% YoY decline in steel for construction.



Moving on, this is the overseas business environment.

High crude steel production and export growth remain amidst sluggish domestic demand in China, and the supply-demand environment remains severe. In addition to US tariffs, anti-dumping and safeguards have been imposed in many countries, and some products exported from Japan are now also subject to them. While this lacks the upward elasticity of sales, we believe it has contributed to the decline in the market, as Chinese lumber that has lost its customers is flowing out to other markets.



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This is the performance of overseas steel market price.

As for China, stagnation continues to persist.

As for India, the safeguard temporarily boosted the market, but it is now on a downtrend due to the prolonged monsoon effects or the reluctance to buy in anticipation of the GST revision.

In the US, the tariffs caused a sharp rise, but demand is not as strong as it was, and the market is now in an adjustment phase due to the impact of the tariffs and a wait-and-see attitude toward interest rate cuts.

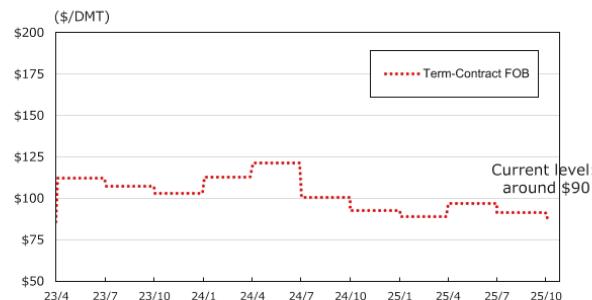
Raw materials market trends

JFE Steel

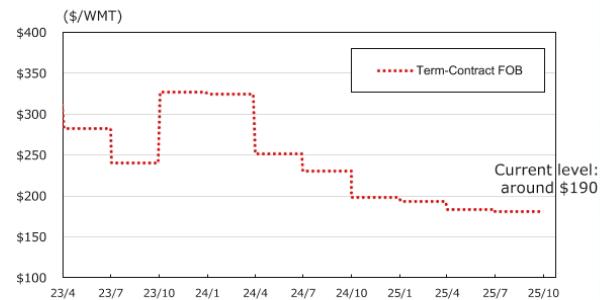


- No significant changes in the supply-demand environment for both iron ore and coking coal. **Current price levels are expected to remain.**

Iron Ore (Iron Ore Fines from Australia)



Coking Coal (Hard Coking Coal from Australia)



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In the raw materials market, there has been no significant change in the supply-demand environment for iron-ore and coking coal. Assuming that current prices will continue, we expect iron ore and coking coal to remain at around USD90 and USD190, respectively, for the current year.

Crude Steel Production

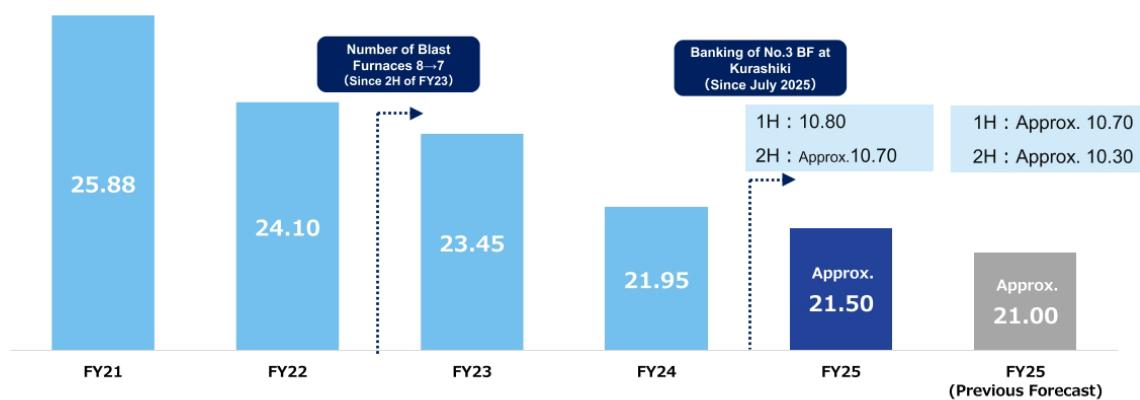
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- While we had factored in a decrease of approx. 1.00 million tons year-on-year due to the impact of U.S. tariffs and other trade measures by various countries, we now anticipate crude steel production of approx. 21.50 million tons (**an increase of 500,000 tons compared to the previous forecast**), considering the current sales situation and other factors.

Standalone crude steel production <Annual>

Unit : Mt



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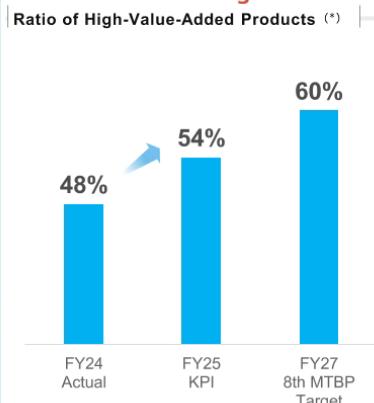
For crude steel production, as explained at the beginning, we added 500,000 tons to the previous forecast which expected the reduction of 1 million ton from the previous year due to the impact of trade and other factors. However, compared to FY2024, we expect a decrease of 450,000 tons to 21.5 million tons.

Expanding sales of High-Value-Added Products

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- We will enhance profit per ton of product by expanding sales of such products as plates and seamless pipes for new energy (replaced exported commodity products), plates for offshore wind power generation, high-strength steel for automobiles, and highly functional electrical steel sheets utilizing the Company's technological capabilities.
- While some areas of the current market environment lack momentum, **solid demand is expected in the medium to long term.**



Market Environment, etc.		Market Environment	Major Capital Investment
		(Current) (Medium to long term)	
Electrical Steel Sheet	(Current) (Medium to long term)	Regional variations in automotive electrification progress are observed, and the impact of various tariffs in North America requires close attention. The trend towards automotive electrification remains unchanged in the medium to long term. Driven by rising global electricity demand, transformer manufacturers' demand remains firm, and GOES is expected to stay strong.	September 2024 Phase I of the NOES capacity expansion at Kurashiki (2X the previous capacity)
High-tensile steel for automobiles	(Current) (Medium to long term)	Significant uncertainties remain due to U.S. tariffs and other factors, and domestic sales also lack strong momentum. Globally, automobile sales remain strong, and demand for ultra-high-strength steel is expected to continue to grow.	FY2026 Planned Phase II of the NOES capacity expansion at Kurashiki (3X the previous capacity)
Plates for offshore wind power generation	(Current) (Medium to long term)	Domestic offshore wind projects are experiencing delays in planning and construction. Various offshore wind projects overseas are progressing.	October 2028 Planned Construction of CGL for manufacturing ultra-high strength steel at Fukuyama
Steel for New energy	(Current) (Medium to long term)	Positioned as a key energy source for carbon neutrality, steady demand is expected to continue.	June 2021 Construction of a new continuous caster at Kurashiki

(*) High value-added products:

Products with a technological edge which are recognized by customers as having added value and earning power exceeding that of commodity products (definition by the Company)

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This is an initiative to expand the ratio of high value-added products.

In our shift from quantity to quality, we are working to increase the ratio of high value-added products. Although the market environment is difficult and lacking in excitement in some fields, we are currently working to increase production and sales, mainly of electrical steel sheets and steel plates for offshore wind power generation, in order to achieve our targets.

Financial Forecast for Fiscal Year 2025

JFE Steel



	Unit	FY2024							FY2025					FY2025 Previous Forecast (Full Year)						
		1Q		2Q		1H	3Q		4Q	2H	Full Year	1Q		2Q		1H	2H	Full Year		
		billion yen	860.6	868.7	1,729.3	828.9	806.9	1,635.8	3,365.1	761.2	776.2	1,537.4	1,542.6	3,080.0	3,070.0	40.0	100.0			
Revenue	billion yen	860.6	868.7	1,729.3	828.9	806.9	1,635.8	3,365.1	761.2	776.2	1,537.4	1,542.6	3,080.0	3,070.0	40.0	100.0				
Segment Profit	billion yen	31.5	3.0	34.5	10.4	(8.6)	1.8	36.3	(12.1)	6.8	(5.3)	45.3	40.0							
Excluding InventoryValuation etc.*	billion yen	36.5	51.0	87.5	44.4	5.4	49.8	137.3	16.9	25.8	42.7	47.3	90.0							
Crude Steel (Standalone)	Mt	5.48	5.55	11.03	5.53	5.39	10.91	21.95	5.28	5.52	10.80	10.80	10.80	Approx. 10.70	Approx. 21.50	Approx. 21.00				
Crude Steel (Consolidated)	Mt	5.80	5.89	11.69	5.83	5.67	11.50	23.20	5.61	5.81	11.42	11.42	11.42							
Shipment (Standalone)	Mt	4.70	4.96	9.66	4.87	4.84	9.71	19.36	4.71	4.82	9.53	9.53	9.53							
Export Ratio on Value Basis (Standalone)	%	40.6	44.2	42.4	40.0	41.9	40.9	41.7	39.9	42.8	41.3	41.3	41.3							
Average Sales Price (Standalone)	000 yen/ t	139.2	131.5	135.2	127.0	124.0	125.5	130.3	120.4	119.2	119.8	119.8	119.8							
Exchange Rate	¥/\$	155.0	152.8	153.9	149.0	154.1	151.6	152.7	145.3	147.0	146.2	146.2	146.2	Approx. 150	Approx. 148	Approx. 145				
Exchange Rate (End of Term)	¥/\$	161.1	142.7	142.7	158.2	149.5	149.5	149.5	144.8	148.9	148.9	148.9	148.9	148.9	Approx. 150	Approx. 150	Approx. 145			

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

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These are the various factors in the forecast for FY2025.

Stand-alone crude steel production was JPY10.8 million tons for 1H and factored in JPY10.7 million tons for 2H, a decrease of 100,000 tons from 1H. The steel export ratio was 41.3% in 1H, almost the same as in 2H of 2024. The average steel price was JPY119,800, down JPY5,000 to JPY6,000 from 2H of 2024. The view is unchanged from the previously-announced forecast but this is because it reflects the impact of coking coal prices and yen appreciation. The exchange rate for 1H of the year was JPY146.2, and for 2H of the year, the previous forecast of around JPY145 has been changed to around JPY150 this time.

JFE Steel's Segment Profit Analysis (FY2025 (Previous Forecast) vs. FY2025 (Updated Forecast))

JFE Steel



Unit	FY2025 Previous	FY2025 Updated	(billion yen)	FY2025 Previous	FY2025 Updated	Change
Crude Steel (Standalone)	Mt	Approx. 21.00	Approx. 21.50			
Shipment (Standalone)	Mt	-	-			
Average Sales Price	000 yen/t	-	-			
Exchange Rate	¥/\$	Approx. 145	Approx. 148			
Segment Profit		40.0	40.0	±0.0		
* Excluding Inventory Valuation, etc.		100.0	90.0	(10.0)		

Breakdown

① Cost	+3.0	
② Volume and Mix	+6.0	<ul style="list-style-type: none"> Crude Steel Production Approx. 21.00Mt → Approx. 21.50Mt Difference in domestic and export composition ratio (negative impact)
③ Spreads*	(10.0)	<ul style="list-style-type: none"> Deterioration in domestic and overseas steel market conditions Impact of raw material price fluctuations and timing differences in adjustments for selling prices (negative impact) Improvement in export profitability due to yen depreciation, etc.
④ Inventory valuation	+10.0	<ul style="list-style-type: none"> Inventory valuation +3.0 (-50.0 → -47.0) Carry over +4.0 (- 5.0 → - 1.0) Foreign exchange valuation +3.0 (- 5.0 → - 2.0)
⑤ Others	(9.0)	<ul style="list-style-type: none"> Group Companies -10.0 (India, North America, etc.) Others +1.0

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

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This section explains the difference between JFE Steel's previous and current forecasts.

Forecast for crude steel production was increased by 500,000 tons, and the yen is expected to depreciate by about JPY3 per year with respect to the exchange rate. Forecast for segment profit remains unchanged from previous forecast. Segment profit excluding inventory valuation, etc. is down by JPY10 billion from previous forecast and its breakdown is shown in the table below.

First, we expect to reduce costs by JPY3 billion through operational improvements. As for volume, while there is a positive effect from the 500,000-ton increase in steel production full-year forecast from previous forecast, the product mix of domestic and export gave negative impact on profit. This is due to the deteriorating product mix, as the main part of the volume increase in forecast is exports, which have relatively low margins. After subtracting this negative impact, we expect an increase of JPY6 billion in profit.

The spread is expected to be down by JPY10 billion, as the negative impact of deteriorated domestic market conditions and the difference in the timing of sales price reflection partially offset the positive effect of improved export profitability due to yen depreciation.

For inventory valuation, we expect an increase of JPY10 billion. As for others, we expect a decrease of JPY10 billion in group companies, mainly in group companies in India and North America. For India, it is JSW, and for the US, it is CSI. However, for both of these companies, we have revised their forecasts downward from the previous announcement, as their earnings are not expected to grow as much as expected. However, the situation remains the same for these two companies, which have improved significantly from the previous year.

JSW has announced its business results for July-September, and although production volume was at its highest level, it did not reach the initially anticipated level of earnings due to imports of Chinese materials as well as reluctance to buy before the GST revision. For the final target period of the current fiscal year, October through December, we expect December earnings to be about the same level as July through September, taking into account the temporary volume decline due to the renovation of NO3 blast furnace at the steel mill in Vijayanagar.

As for CSI, earnings have been revised downward this time due to weaker-than-expected demand for steel products, especially in the US construction sector.

JFE Steel's Segment Profit Analysis (FY2024 (Actual) vs. FY2025 (Forecast))				JFE Steel		
Unit		FY2024 Actual	FY2025 Forecast	(billion yen)		Change
Crude Steel (Standalone)	Mt	21.95	Approx. 21.50			
Shipment (Standalone)	Mt	19.36	-			
Average Sales Price	000 yen/t	130.3	-			
Exchange Rate	¥/\$	152.7	Approx. 148			
Segment Profit				36.3	40.0	+3.7
* Excluding Inventory Valuation, etc.				137.3	90.0	(47.3)

Breakdown	
① Cost	+27.0
② Volume and Mix	(9.0)
③ Spreads*	(53.0)
④ Inventory valuation	+51.0
⑤ Others	(12.3)

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

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This is a comparison for FY2024 and FY2025.

I will not discuss in detail, but on real-ability basis, it is a decrease of JPY47.3 billion. The volume is expected to be 450,000 tons lower than the previous year and the spread worsened, and these factors outweighed cost reductions and other factors, resulting in a decrease in profit/loss on real-ability basis.

JFE Steel's Segment Profit Analysis (FY2025 1H (Actual) vs. FY2025 2H (Forecast))

JFE Steel



Unit	FY2025 1H Actual	FY2025 2H Forecast	(billion yen)	FY2025 1H Actual	FY2025 2H Forecast	Change
Crude Steel (Standalone)	Mt	10.80	Approx. 10.70			
Shipment (Standalone)	Mt	9.53	-			
Average Sales Price	000 yen/t	119.8	-			
Exchange Rate	¥/\$	146.2	Approx. 150			
Segment Profit						
* Excluding Inventory Valuation, etc.						

Breakdown

① Cost	+10.0	• Operational improvement, etc.
② Volume and Mix	+2.0	• Crude Steel Production 10.80Mt→Approx. 10.70Mt • Expansion of high-value-added products (Electrical steel, plates for wind power applications, etc.)
③ Spreads*	(10.0)	• Deterioration in domestic and overseas steel market conditions • Impact of raw material price fluctuations and timing differences in adjustments for selling prices (negative impact) • Improvement in export profitability due to yen depreciation, etc.
④ Inventory valuation	+46.0	• Inventory valuation +37.0 (-42.0→-5.0) • Carry over +5.0 (-3.0→+2.0) • Foreign exchange valuation +4.0 (-3.0→+1.0)
⑤ Others	+2.6	• Group Companies -1.0 • Others +3.6

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

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This is a comparison between the first and second half of the year.

This assumes a 100,000 ton decrease in crude steel production and an exchange rate of JPY3.8 weaker yen. Segment profit is expected to increase by JPY50.6 billion, or JPY4.6 billion on real-ability basis. The breakdown is shown in the table below. Cost reduction will contribute to profit by JPY10 billion due to the addition of operational improvements, etc., in H2 of the year.

As for the volume and mix, we are expanding high-value-added products, which will add JPY2 billion to profit, despite a decrease of 100,000 tons in steel production forecast. The spread will decline by JPY10 billion, mainly due to deteriorating steel market conditions in Japan and overseas. Inventory valuation will add JPY46 billion to profit due to the effect of the disappearance of inventory write-downs in 1H of the FY2025. With an expected increase of JPY2.6 billion in Other, the overall result is as you see.

■ Current Business Environment/Overview of Financial Status

- Full year segment profit is expected to be **¥20.0bn. (as previously announced)**.
- We expect to expand orders in the Waste to Resource and Carbon-Neutral fields (offshore wind and LNG, etc.) from FY2024.
- Business of manufacturing monopiles for offshore wind power generation is receiving a lot of inquiries, and the Kasaoka Monopile Factory (the only domestic monopile production site) is expected to start commercial operation in FY2025 and aims to achieve full production in FY2026.

■ Financial Forecast

(billion yen)	FY2024 Actual		FY2025 Forecast		Change (FY2024→FY2025)		FY2025 Forecast (Previous)	
	1H	Full year	1H (Actual)	Full year	1H	Full year	1H	Full year
Orders	246.0	579.5	363.0	700.0	117.0	120.5	320.0	700.0
Revenue	269.5	569.8	287.0	600.0	17.5	30.2	275.0	600.0
Segment Profit	8.9	19.3	12.6	20.0	3.7	0.7	9.0	20.0

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This is about JFE Engineering.

Annual segment profit is forecast to be JPY20 billion, the same as previously-announced forecast. Orders are expected to increase by more than JPY100 billion from the previous fiscal year, as in the previously-announced forecast, and orders are expected to expand in Waste to Resource, mainly in waste-to-energy generation, and in the carbon neutral fields such as offshore wind power and LNG.

As for the offshore wind monopile business, although the operation will be slower than initially expected, we have received many inquiries at this stage, and we aim to start full-scale production during FY2025 and full production in FY2026.

■ Current Business Environment/Overview of Financial Status

- Due to the continued sluggishness of domestic construction demand and a decline in export transactions caused by trade policy impacts, as well as a downturn in domestic and international market conditions, **the annual segment profit is expected to be ¥45.0bn.** (decreased by **¥5.0bn.** from the previous forecast).

■ Financial Forecast

(billion yen)	FY2024 Actual		FY2025 Forecast		Change (FY2024→FY2025)		FY2025 Forecast (Previous)	
	1H	Full year	1H (Actual)	Full year	1H	Full year	1H	Full year
Revenue	715.5	1,438.5	647.5	1,350.0	(68.0)	(88.5)	750.0	1,500.0
Segment Profit	22.4	47.9	21.9	45.0	(0.5)	(2.9)	25.0	50.0

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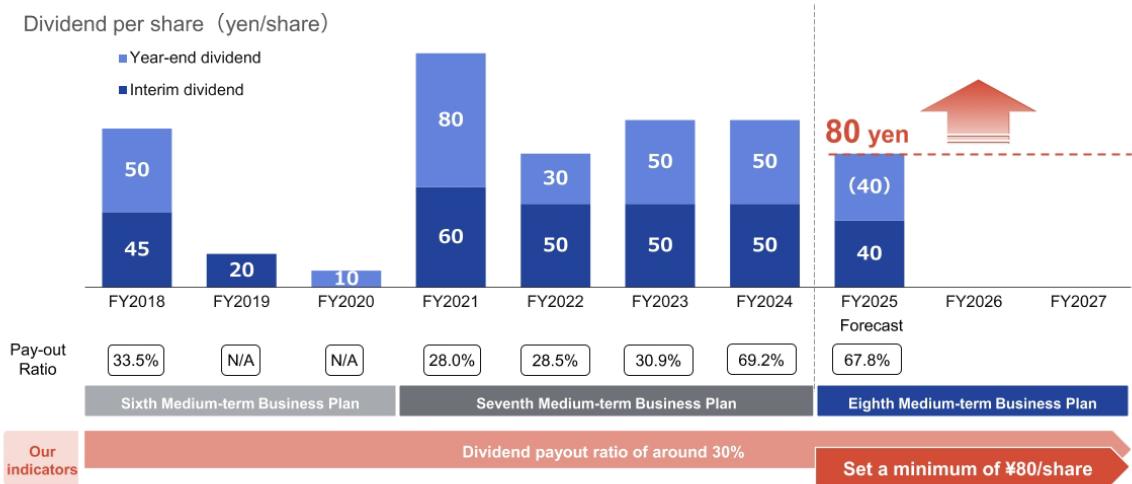
This is JFE Shoji.

This time, full-year segment profit is forecast to be JPY45 billion, down JPY5 billion from the previously-announced forecast, due to continued sluggish construction demand in Japan, trade policy impact, and declining market conditions in Japan and overseas. This is a decrease of JPY2.9 billion from the previous year.

Dividends

- The Board of Directors resolved to pay an interim dividend of 40 yen per share.
- The annual dividend for FY2025 is expected to be **80 yen per share** (based on the Eighth Medium-term Business Plan^(*))

(*) Dividend payout ratio of approximately 30%, with a minimum dividend of 80 yen



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As for the dividend, as explained at the beginning, we expect to pay an interim dividend of JPY40 per share and an annual dividend of JPY80 per share.

JFE Group Report 2025 & Sustainability Report 2025 Released



- To help our stakeholders gain a deeper understanding of our Group's initiatives, we have published the JFE GROUP REPORT 2025 and the JFE Group Sustainability Report.

The English versions will be issued in Nov.

JFE GROUP REPORT

Introducing medium to long term value creation story from a growth strategy perspective

Key focus points for the publication

- ✓ **Details of Long-term vision and 8th medium-term Business Plan**
CEO message, Specific initiatives and roadmap for realization
- ✓ **Explanation of technologies driving our competitive advantage**
Carbon recycling blast furnace, Innovative electric arc furnace, DX utilization
- ✓ **Dialogue with Outside Executives**
Topics : Evaluation of the long-term vision and 8th medium-term business plan formulation process, etc.



JFE GROUP
REPORT
2025



▽ Download here

<https://www.jfe-holdings.co.jp/en/investor/library/group-report/>

JFE Group Sustainability Report

Comprehensively introducing initiatives and data on Environment, Social, and Governance aspects

Key focus points for the publication

- ✓ **Strong commitment to climate change issues**
Review of TCFD financial impacts, Disclosure of lobbying activities and outcomes
- ✓ **Enhanced coverage of circular economy and biodiversity**
Company-specific initiatives, Collaboration with value chains, Disclosure aligned with TNFD
- ✓ **Detailed initiatives on human resources strategy and human rights**
Linkage with management strategy (Long-term vision), Detailed disclosure of our efforts



▽ Download here

<https://www.jfe-holdings.co.jp/en/sustainability/data/>

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We have prepared two topics this time.

We issued the Integrated Report and Sustainability Report. We hope that many of our stakeholders will take the time to read through the report. We have summarized three key points for each of them this time. We hope you will read the reports as it introduced the detail of the Long-Term Vision and the 8th mid-term business plan announced this time, as well as our future initiatives.

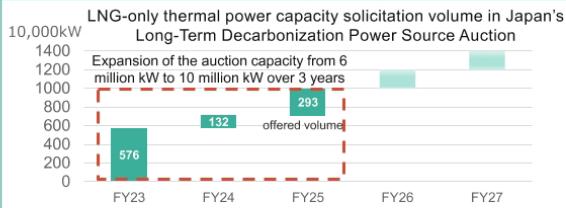
Expansion of LNG-related project orders

JFE Engineering



- Received order from Osaka Gas for fuel supply equipment at Himeji Natural Gas Power Generation in October 2025 (released on 2nd October)
- Targeting LNG-related orders of ¥120.0bn. for FY2025-2027, ¥50.0 bn. increase compared to 7th MTBP (FY2021-2024)

Shift back to LNG as a transitional energy



- Increasing power demand driven by growth in data centers, semiconductor factories, and renewable energy (solar, wind, etc.) integration requiring grid balancing
- Expansion of LNG-only thermal power capacity in Japan's Long-Term Decarbonization Power Source Auction due to rising electricity demand
- Ongoing discussions to continue auctions beyond FY2026
- Surge in LNG-related projects: terminal expansions, pipelines, and power generation facilities

Strengths of JFE Engineering

- Comprehensive project execution capability covering design, procurement, construction, and commissioning for large-scale projects
- Numerous construction achievements in LNG-related equipment
- Extensive experience in diverse areas such as CO₂ separation and recovery and chemical plants
- LNG terminal expansion projects constructed by our company are also expected to be tendered.

Current order



Osaka Gas Himeji Terminals



Our past construction sites

Leveraging extensive project execution expertise gained in the LNG sector, we are expanding into new energy fields such as hydrogen and ammonia, as well as CCS, to contribute to a carbon-neutral society.

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This is a topic related to LNG of JFE Engineering.

As I explained earlier, orders in the engineering business have been growing steadily, with the carbon neutral field performing particularly well. Among them, we would like to introduce the expansion of orders for LNG-related projects.

We have already issued a press release announcing that we have received an order from Osaka Gas for fuel supply equipment for the Himeji Natural Gas Power Plant. We will continue to pursue these initiatives, aiming for orders of JPY120 billion during the 8th mid-term business plan period, an increase of JPY50 billion over the four years of the 7th mid-term business plan.

The left half of the bottom row shows the current business conditions. With demand for electricity expected to continue to increase, there is a move back to LNG. This graph shows that the LNG quota in the government's long-term decarbonization power supply auction has been expanded from initial 6 million kilowatts, and we hope to use this situation as a tailwind to increase orders in the future, appealing our ability to carry out large-scale projects, which is one of the strengths of our engineering business, and our many construction achievements.

That is all.

This presentation material was prepared for the purpose of publicizing the status of our company's financial results for the first half of FY2025. The information included in this presentation does not constitute a disclosure under the Financial Instruments and Exchange Act and we do not guarantee the accuracy or completeness of the information contained within. The information included in this presentation is not an offer to sell, or a solicitation of an offer to buy, any securities in Japan, the United States or any other jurisdiction. The forward-looking statements regarding forecasts included in this presentation were based on information available to us at the time when this presentation was prepared and include uncertainties. Therefore, please refrain from making any 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.