JFE Group

Financial Results for First Half of Fiscal Year 2026 ending March 31, 2027

November 6, 2026

JFE Holdings, Inc. | Securities Code : 5411.T

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This presentation material is for the purpose of publicizing the status of our company‘s financial results for the first Half of FY2026. 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.

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Financial Highlights

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Financial Highlights

Business environment

- The difficult situation caused by factors such as China's overproduction and the protectionist policies of various countries continues.
- We continue to pass on cost increases resulting from rising prices for coking coal and crude oil, among other factors, to our sales prices.

Impact of heavy rain and typhoons in Chiba district (temporary)

- Heavy rains in August and Typhoon No. 25 in September are expected to **impact production** in the Chiba district by **approximately -0.70 million metric tons** (an increase of -0.10 million metric tons from the figure announced on September 25). The **impact on Business profit** is expected to be **-50.0 billion yen per year** (-25.0 billion yen from volume and -25.0 billion yen from costs)

1H financial results and financial forecast

- Despite earnings contributions from the India business and other operations, the earnings outlook has worsened from the previous forecast due to the impact of heavy rains and typhoons in Chiba, rising crude oil prices, and other factors. The impact of the situation in the Middle East is estimated at -70.0 billion yen per year (compared to -10 billion yen per year in the previous forecast), with WTI crude oil prices factored in at approximately $90/bbl.
- First-half financial results: Business profit of 76.7 billion yen (down 13.3 billion yen from the previous forecast)
- Full-year financial forecast: **Business profit of 195.0 billion yen (down 20.0 billion yen from the previous forecast)**
  Profit attributable to owners of parent of 130.0 billion yen (down 20.0 billion yen from the previous forecast);
  ROE is expected to be around 5%

Dividends

- In line with the dividend policy set forth in the 8th Mid-term Business Plan, the annual dividend is projected to be **80 yen per share** (including an interim dividend of 40 yen).

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Financial Highlights

(billions of yen, unless otherwise stated) *mt : metric tons

			Change from 1H of FY2025 (Apr-Sep)	Change from the previous forecast
Results for 1H of FY2026 Crude Steel Production (Standalone): 10.31 million mt* Exchange rate: ¥160.5/US$	Business profit	76.7	+31.0	(13.3)
	[Excluding inventory valuation, etc.]	[44.7]	[(49.0)]	[(15.3)]
	Segment profit	60.8	+26.7	(9.2)
	[Excluding inventory valuation, etc.]	[28.8]	[(53.3)]	[(11.2)]

(billions of yen, unless otherwise stated) *mt : metric tons

			Change from FY2025	Change from the previous forecast
Forecast of FY2026 Crude Steel Production (Standalone): Approx. 20.80 million mt* Exchange rate: Approx. ¥160/US$ (2nd H Approx. ¥160/US$)	Business profit [Excluding inventory valuation, etc.]	195.0 [125.0]	+59.7 [(41.3)]	(20.0) [(60.0)]
	Segment profit [Excluding inventory valuation, etc.]	155.0 [85.0]	+44.5 [(56.5)]	(20.0) [(60.0)]
	Profit attributable to owners of parent	130.0	+59.9	(20.0)
	ROE	Approx. 5%	Approx. +2 percentage points	Approx. -1 percentage points
	Dividend	80yen (Interim dividend 40yen)	±0 yen	As previously announced

8th Medium-term Business Plan (FY2027)	Business profit	400.0
	ROE	10% or more
	Dividend	Dividend payout ratio of around 30%, with a minimum of 80yen

"JFE Vision 2035" (FY2035)	Business profit	700.0

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JFE Group's Financial Results for First Half of Fiscal Year 2026 (April 1 to September 30, 2026)

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Financial Results for 1H of Fiscal Year 2026

- Business profit for 1H of FY2026 was ¥**76.7**bn. (increased by ¥31.0bn. year-on-year, decreased by ¥13.3bn. from the previous forecast)
- Business profit (excluding inventory valuation, etc.) for 1H of FY2026 was ¥**44.7**bn.
  (decreased by ¥49.0 bn. year-on-year and ¥15.3 bn. from the previous forecast)

(billions of yen)	FY2025 1H Actual (Apr-Sep)	FY2026 1H Forecast (Previous) (Apr-Sep)	FY2026 1H Actual (Apr-Sep)	Change from FY2025 1H	Change from previous forecast
Revenue	2,232.6	2,380.0	2,400.4	+167.8	+20.4
Business profit	**45.7**	**90.0**	**76.7**	**+31.0**	**(13.3)**
[Excluding inventory valuation, etc.]	**[93.7]**	**[60.0]**	**[44.7]**	**[(49.0)]**	**[(15.3)]**
Finance income/Costs	(11.5)	(20.0)	(15.8)	(4.3)	+4.2
Segment profit	**34.1**	**70.0**	**60.8**	**+26.7**	**(9.2)**
[Excluding inventory valuation, etc.]	**[82.1]**	**[40.0]**	**[28.8]**	**[(53.3)]**	**[(11.2)]**
Exceptional items	-	15.0	9.8 *	+9.8	(5.2)
Profit before tax	34.1	85.0	70.6	+36.5	(14.4)
Tax expense and Profit (loss) attributable to non-controlling interests	(7.4)	(20.0)	(16.8)	(9.4)	+3.2
Profit attributable to owners of parent	**26.6**	**65.0**	**53.7**	**+27.1**	**(11.3)**

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.
Amounts are rounded down to the nearest ¥100 million; therefore, totals may not add up due to rounding.

* Gain on sales of land: ¥15.0 bn.
Losses related to disasters: ¥-5.2 bn. (facility restoration costs following the heavy rains and typhoons, etc. in Chiba)

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Financial Results for 1H of Fiscal Year 2026 (by Segment)

(billions of yen)	FY2025 1H Actual (Apr-Sep)	FY2026 1H Forecast (Previous) (Apr-Sep)	FY2026 1H Actual (Apr-Sep)	Change from FY2025 1H	Change from previous forecast
Steel business	1,537.4	1,640.0	1,585.6	+48.2	(54.4)
Engineering business	287.0	290.0	305.2	+18.2	+15.2
Trading business	647.5	700.0	778.1	+130.6	+78.1
Adjustments	(239.4)	(250.0)	(268.6)	(29.2)	(18.6)
Revenue	**2,232.6**	**2,380.0**	**2,400.4**	**+167.8**	**+20.4**
Business profit (A)	**45.7**	**90.0**	**76.7**	**+31.0**	**(13.3)**
[Excluding inventory valuation, etc.]	**[93.7]**	**[60.0]**	**[44.7]**	**[(49.0)]**	**[(15.3)]**
Finance income/Cost (B)	(11.5)	(20.0)	(15.8)	(4.3)	+4.2
Steel business	(5.3)	30.0	15.8	+21.1	(14.2)
[Excluding inventory valuation, etc.]	[42.7]	[0]	[(16.2)]	[(58.9)]	[(16.2)]
Engineering business	12.6	13.0	15.0	+2.4	+2.0
Trading business	21.9	22.5	24.2	+2.3	+1.7
Adjustments	4.8	4.5	5.6	+0.8	+1.1
Segment profit (A)+(B)	**34.1**	**70.0**	**60.8**	**+26.7**	**(9.2)**
[Excluding inventory valuation, etc.]	**[82.1]**	**[40.0]**	**[28.8]**	**[(53.3)]**	**[(11.2)]**

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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Impact of Heavy Rain and Typhoons in Chiba District (Temporary)

- Some facilities suspended operations due to flooding caused by **heavy rains in linear precipitation bands in Chiba on August 13, 2026**. While restoration work was underway, additional damage occurred on **September 21, 2026**, when heavy rains associated **with Typhoon No. 25** hit the area. This further prolonged the impact on production.

Impact on profit

- **The reduction in crude steel production is expected to be approximately 0.70 million mt**, which is a decrease of 0.10 million mt from the September 25 announcement (-0.60 million mt → -0.70 million mt).
- The expected **impact on Business profit is -50.0 billion yen**.

	1H	2H	Full year
Crude steel production (million mt)	(0.50)	(0.20)	(0.70)
Volume impact	(15.0)	(10.0)	(25.0)
Cost impact	(10.0)	(15.0)	(25.0)
Impact on Business profit (billions of yen)	(25.0)	(25.0)	(50.0)

- Decline in crude steel production: -0.70 million mt (approx. 21.50 → approx. 20.80)

- Increased costs (such as raw materials and energy) resulting from reduced productivity
- Delivery-related expenses and other costs incurred to minimize the impact on customer supply

(Excluded item) Exceptional items: Losses related to disasters: -5.2 billion yen (facility restoration costs following the heavy rains and typhoons, etc. in Chiba).

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JFE Steel's Segment Profit Analysis
((FY2026 1H (Forecast) vs FY2026 1H (Actual))

JFE Steel

	Unit	FY2026 1H Forecast	FY2026 1H Actual
Crude Steel (Standalone)	million mt	Approx. 10.80	10.31
Shipment (Standalone)	million mt	Approx. 9.40	9.08
Average Sales Price	000 yen /mt	Approx. 129	129.1
Exchange Rate	¥/US$	Approx. 160	160.5

(billions of yen)	FY2026 1H Forecast	FY2026 1H Actual	Change
Segment Profit	**30.0**	**15.8**	**(14.2)**
＊Excluding Inventory valuation, etc.	**0.0**	**(16.2)**	**(16.2)**

- Heavy rain and typhoons in Chiba district: -25.0
- Others: +8.8

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**(25.0)**	- Volume: -15.0 (Reduction in crude steel production: -0.50 million tonnes), Cost: -10.0
2) Cost	**+1.0**	- Operational improvement, etc.
3) Volume and mix	**±0.0**	
4) Spreads*	**+2.0**	No change in the impact of the situation in the Middle East on Costs
5) Inventory valuation, etc.	**+2.0**	- Inventory valuation + 6.0 (+24.0 →+30.0) - Carry over - 1.0 (+ 5.0 → + 4.0) - Foreign exchange valuation - 3.0 (+ 1.0 → - 2.0)
6) Others	**+5.8**	- Group companies +2.0 (Domestic: +3.0, Overseas: -1.0 (India: -1.0)) - Others +3.8

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

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JFE Steel's Segment Profit Analysis
FY2025 1H (Actual) vs FY2026 1H (Actual))

JFE Steel

	Unit	FY2025 1H Actual	FY2026 1H Actual
Crude Steel (Standalone)	million mt	10.80	10.31
Shipment (Standalone)	million mt	9.53	9.08
Average Sales Price	000 yen /mt	119.8	129.1
Exchange Rate	¥/US$	146.2	160.5

(billions of yen)	FY2025 1H Actual	FY2026 1H Actual	Change
Segment Profit	**(5.3)**	**15.8**	**+21.1**
＊Excluding Inventory valuation, etc.	**42.7**	**(16.2)**	**(58.9)**

- Heavy rain and typhoons in Chiba district: -25.0
- Others: +8.8

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**(25.0)**	- Volume: -15.0 (Reduction in crude steel production: -0.50 million tonnes), Cost: -10.0
2) Cost	**+21.0**	- Operational improvement, benefits of capital investment, etc.
3) Volume and mix	**+7.0**	- Expansion of high-value-added products, etc.
4) Spreads*	**(64.0)**	- Deterioration in domestic and overseas steel market conditions / Surge in prices of main raw materials - Rising costs due to the situation in the Middle East - Initiatives to improve steel product prices
5) Inventory valuation, etc.	**+80.0**	- Inventory valuation +72.0 (-42.0→+30.0) - Carry over + 7.0 (- 3.0→ + 4.0) - Foreign exchange valuation + 1.0 (- 3.0→ - 2.0)
6) Others	**+2.1**	- Group companies +11.0 (Domestic: -1.0, Overseas: +12.0 (India: +14.0)) - Others -8.9 (Depreciation, interest expense, etc.)

Impact of the situation in the Middle East on Costs: Approx. -30.0 (Including the group companies)

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

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JFE Engineering / JFE Shoji
Segment Profit Analysis (FY2025 1H vs FY2026 1H)

JFE Engineering
JFE Shoji

JFE Engineering

- Revenue and segment profit reached **record highs** in the first half of the year, driven by contributions from the offshore wind monopile business and other operations.
  The segment profit totaled **15.0** billion yen. (Increased by ¥2.4 bn. year on year, and ¥2.0 bn. from the previous forecast)

(billions of yen)	FY2025 1H Actual	FY2026 1H Forecast (Previous)	FY2026 1H Actual	Change from FY2025 1H	Change from previous forecast
Orders	363.0	290.0	309.7	(53.3)	＋19.7
Revenue	287.0	290.0	305.2	+18.2	+15.2
Segment profit	12.6	13.0	15.0	+2.4	+2.0

JFE Shoji

- Revenue and profits increased due to rising steel prices in Japan and overseas, particularly in North America, among other factors. The segment profit totaled **24.2** billion yen. (Increased by ¥2.3 bn. year on year, and ¥1.7 bn. from the previous forecast)

(billions of yen)	FY2025 1H Actual	FY2026 1H Forecast (Previous)	FY2026 1H Actual	Change from FY2025 1H	Change from previous forecast
Revenue	647.5	700.0	778.1	+130.6	+78.1
Segment profit	21.9	22.5	24.2	+2.3	+1.7

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JFE Group's Financial Forecasts for Fiscal Year 2026 (April 1, 2026, to March 31, 2027)

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Financial Forecast for Fiscal Year 2026

- Full-year business profit forecast is expected to be ¥**195.0** bn. (increased by ¥59.7 bn. from FY2025, and **decreased by ¥20.0 bn.** from the previous forecast)
- Full-year profit attributable to owners of parent is expected to be ¥**130.0** bn. (increased by ¥59.9 bn. from FY2025, and **decreased by ¥20.0 bn.** from the previous forecast)

(billions of yen)	FY2025 Actual			FY2026 Forecast (Previous)			FY2026 Forecast (Updated)			Change from FY2025	Change from previous forecast
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	Full year	Full year
Revenue	2,232.6	2,306.6	4,539.2	2,380.0	2,470.0	4,850.0	2,400.4	2,499.6	4,900.0	+360.8	+50.0
Business profit	**45.7**	**89.6**	**135.3**	**90.0**	**125.0**	**215.0**	**76.7**	**118.3**	**195.0**	**+59.7**	**(20.0)**
[Excluding inventory valuation, etc.]	**[93.7]**	**[72.6]**	**[166.3]**	**[60.0]**	**[125.0]**	**[185.0]**	**[44.7]**	**[80.3]**	**[125.0]**	**[(41.3)]**	**[(60.0)]**
Finance income/Costs	(11.5)	(13.2)	(24.7)	(20.0)	(20.0)	(40.0)	(15.8)	(24.2)	(40.0)	(15.3)	0
Segment profit	**34.1**	**76.4**	**110.5**	**70.0**	**105.0**	**175.0**	**60.8**	**94.2**	**155.0**	**+44.5**	**(20.0)**
[Excluding inventory valuation etc.]	**[82.1]**	**[59.4]**	**[141.5]**	**[40.0]**	**[105.0]**	**[145.0]**	**[28.8]**	**[56.2]**	**[85.0]**	**[(56.5)]**	**[(60.0)]**
Exceptional items	0	(23.1)	(23.1)	15.0	0	15.0	9.8*	0.2	10.0	+33.1	(5.0)
Profit before tax	34.1	53.3	87.4	85.0	105.0	190.0	70.6	94.4	165.0	+77.6	(25.0)
Tax expense and Profit (loss) attributable to non-controlling interests	(7.4)	(9.8)	(17.2)	(20.0)	(20.0)	(40.0)	(16.8)	(18.2)	(35.0)	(17.8)	+5.0
Profit attributable to owners of parent	**26.6**	**43.5**	**70.1**	**65.0**	**85.0**	**150.0**	**53.7**	**76.3**	**130.0**	**+59.9**	**(20.0)**

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.
Amounts are rounded down to the nearest ¥100 million; therefore, totals may not add up due to rounding.

* Gain on sales of land: ¥15.0 bn., Losses related to disasters: ¥-5.2 bn. (facility restoration costs following the heavy rains and typhoons, etc. in Chiba)

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Financial Forecast for Fiscal Year 2026 (by Segment)

(billions of yen)	FY2025 Actual 1H	FY2025 Actual 2H	FY2025 Actual Full year	FY2026 Forecast (Previous) Full year	FY2026 Forecast (Updated) 1H	FY2026 Forecast (Updated) 2H	FY2026 Forecast (Updated) Full year	Change from FY2025 Full year	Change from previous forecast Full year
Steel business	1,537.4	1,551.0	3,088.4	3,350.0	1,585.6	1,734.4	3,320.0	+231.6	(30.0)
Engineering business	287.0	312.7	599.7	620.0	305.2	344.8	650.0	+50.3	+30.0
Trading business	647.5	685.5	1,333.0	1,400.0	778.1	731.9	1,510.0	+177.0	+110.0
Adjustments	(239.4)	(242.5)	(481.9)	(520.0)	(268.6)	(311.4)	(580.0)	(98.1)	(60.0)
Revenue	**2,232.6**	**2,306.6**	**4,539.2**	**4,850.0**	**2,400.4**	**2,499.6**	**4,900.0**	**+360.8**	**+50.0**
Business profit (A)	**45.7**	**89.6**	**135.3**	**215.0**	**76.7**	**118.3**	**195.0**	**+59.7**	**(20.0)**
[Excluding inventory valuation, etc.]	**[93.7]**	**[72.6]**	**[166.3]**	**[185.0]**	**[44.7]**	**[80.3]**	**[125.0]**	**[(41.3)]**	**[(60.0)]**
Finance income/Costs（B）	(11.5)	(13.2)	(24.7)	(40.0)	(15.8)	(24.2)	(40.0)	(15.3)	0
Steel business	(5.3)	43.3	38.0	100.0	15.8	64.2	80.0	+42.0	(20.0)
[Excluding inventory valuation, etc.]	[42.7]	[26.3]	[69.0]	[70.0]	[(16.2)]	[26.2]	[10.0]	[(59.0)]	[(60.0)]
Engineering business	12.6	11.3	23.9	25.0	15.0	10.0	25.0	+1.1	0
Trading business	21.9	18.3	40.2	45.0	24.2	22.8	47.0	+6.8	+2.0
Adjustments	4.8	3.6	8.4	5.0	5.6	(2.6)	3.0	(5.4)	(2.0)
Segment profit (A)+(B)	**34.1**	**76.4**	**110.5**	**175.0**	**60.8**	**94.2**	**155.0**	**+44.5**	**(20.0)**
[Excluding inventory valuation, etc.]	**[82.1]**	**[59.4]**	**[141.5]**	**[145.0]**	**[28.8]**	**[56.2]**	**[85.0]**	**[(56.5)]**	**[(60.0)]**

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.
Amounts are rounded down to the nearest ¥100 million; therefore, totals may not add up due to rounding.

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JFE Steel's Financial Forecasts for Fiscal Year 2026

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Business Environment (Domestic Steel Demand)

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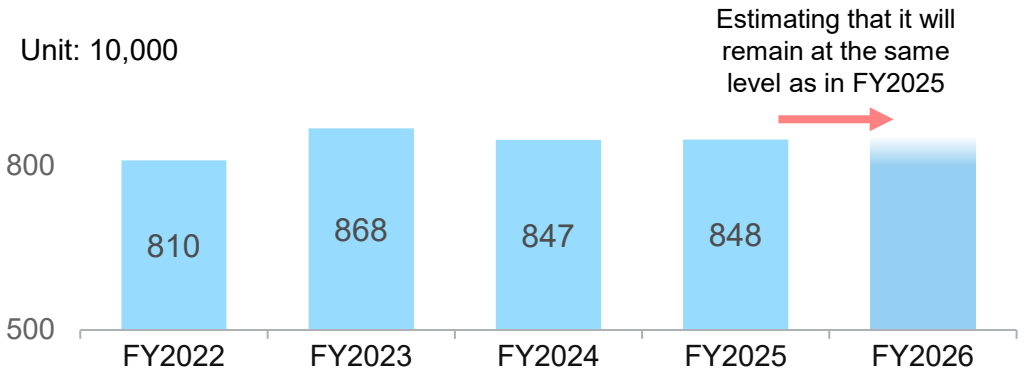
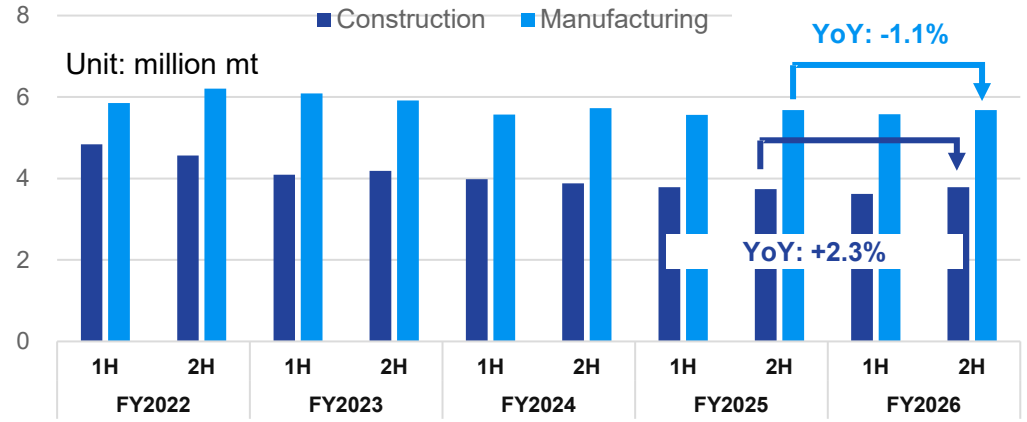
- **Overall conditions are expected to remain flat** compared to FY2025, **with no significant change from the previous announcement**.
- **A gradual recovery is expected in certain sectors**, including the industrial machinery industry.

Outlook for Domestic Auto Production (annual basis)



Outlook for Domestic Ordinary Steel Consumption (quarter basis)



Source: Ministry of Economy, Trade and Industry, "Outlook for Steel Consumption" 15 October, 2026.
(The bars for FY2025, 4Q and after are estimates.)

Construction : Building construction and civil engineering
Manufacturing : Shipbuilding, automobiles, industrial machinery, electrical machinery, secondary products, containers, and others

Trend by sector

Automotive	- U.S. auto tariffs have stabilized at 15% under the U.S.-Japan agreement. While automakers are maintaining their export volumes to the U.S., they continue to bear the tariff burden. - Production cuts have also occurred in response to the situation in the Middle East, and we will continue to monitor future developments closely. - **The expected level** of domestic finished vehicle production for FY2026 is **roughly the same as the previous year**.
Shipbuilding	- The demand environment remains firm, with domestic shipbuilders **securing a backlog of orders exceeding three years.** - Although the government's release of the "Roadmap for the Revitalization of Japan's Shipbuilding" has spurred investments in capacity expansion and productivity improvements, issues such as labor shortages and lengthy construction cycles persist. Consequently, production expansion is expected to occur gradually.
Other manufacturing	(Construction machinery) - Although demand for infrastructure, primarily in the U.S., and for data center construction will provide support, the impact of sluggish domestic and Chinese markets, as well as trends in resource prices, will persist. (Industrial machinery) - Against the backdrop of a strong corporate appetite for capital investment, driven by efforts to address labor shortages and investments in DX, etc., **the demand environment is expected to remain resilient**.
Building Construction	- Although there are signs of activity in certain regions and sectors, **demand remains sluggish** due to labor shortages and rising material costs.
Civil engineering	- Although budgets for public works projects remain at a high level, **actual activity levels and demand for steel are expected to remain the same as last year during this period** due to rising costs and labor shortages, etc.

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Business Environment (Overseas Steel Demand)

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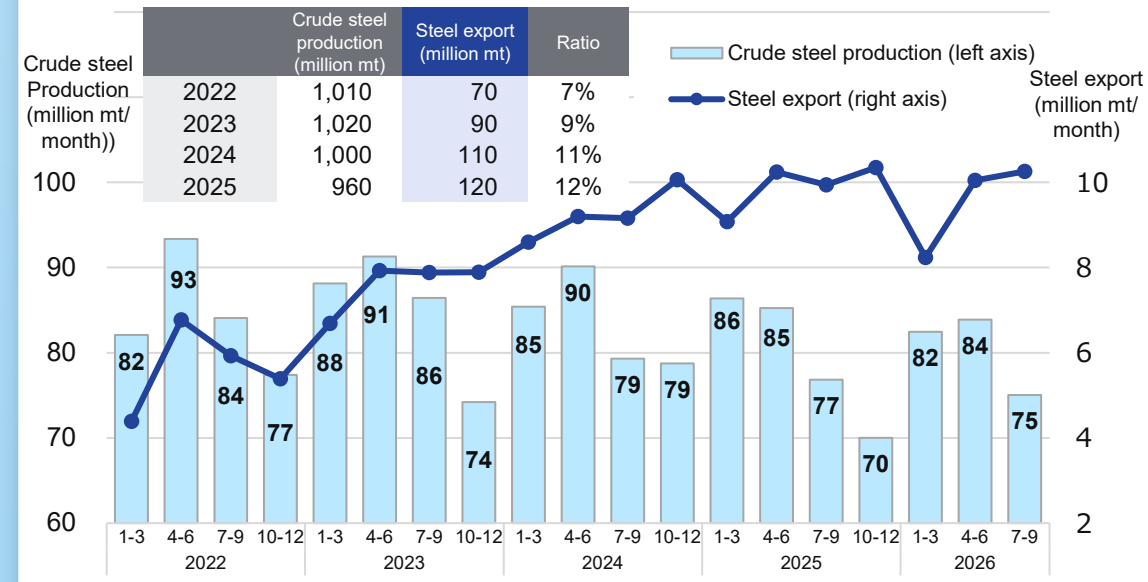
- **Since the previous announcement**, global steel demand **has remained largely unchanged**, with China's pattern of sluggish domestic demand, high production levels, and rising exports continuing.
- In addition to trade issues, **ongoing tensions in the Middle East pose risks to the supply and demand of steel, as well as to market conditions.**

China's crude steel production and steel export

	Crude steel production (million mt)	Steel export (million mt)	Ratio
2022	1,010	70	7%
2023	1,020	90	9%
2024	1,000	110	11%
2025	960	120	12%



Real GDP Growth Forecast

	2025	2026 (Updated)	2026 (Previous)
U.S.	2.1%	2.3%	2.3%
China	5.0%	4.5%	4.6%
India	7.8%	7.0%	6.4%
ASEAN-5*	4.5%	4.4%	4.1%
World	3.5%	3.1%	3.0%

Data: IMF World Economic Outlook Update October 2026
*ASEAN5： Thailand, Malaysia, Indonesia, Philippine, and Singapore

Trend by sector

Steel sheet	- **Although** global **demand for steel has begun to bottom out, a full recovery has yet to be reached**. - China continues to face sluggish domestic demand. High export volumes continue to impact market conditions in regions such as ASEAN and South Asia. - As various countries expand trade remedy measures and import restrictions, it is necessary to closely monitor market conditions, including the trend of Chinese steel flowing through third countries.
Automotive	- Sales of new energy vehicles (NEVs) continue to grow. In China, while **expanding exports** are supporting production, **domestic demand** is showing **signs of slowing**. - **In India, demand is increasing amid strong economic growth and expanding domestic demand.** - Risks remain, including developments in tariff and trade policies, particularly in the U.S., as well as deteriorating consumer confidence due to inflation and an economic slowdown.
Shipbuilding	- **Demand for new ships remains strong**, driven by the need to replace aging vessels and the desire for eco-friendly ships. - Chinese shipyards are further expanding their global market share on the back of robust order intake. The outlook suggests that China will maintain its dominant position for the foreseeable future. - Japan and South Korea are also gaining momentum in their government-led support of the shipbuilding industry and measures to strengthen its competitiveness. **Efforts to restore shipbuilding capacity over the medium to long term are intensifying**.
Energy	- Although the situation in the Middle East is gradually becoming more stable than the previous announcement, geopolitical risks remain and continue to cause fluctuations in various costs. - Ensuring energy security remains a high priority, and the demand for energy-related steel **products is expected to remain strong in the medium to long term**.

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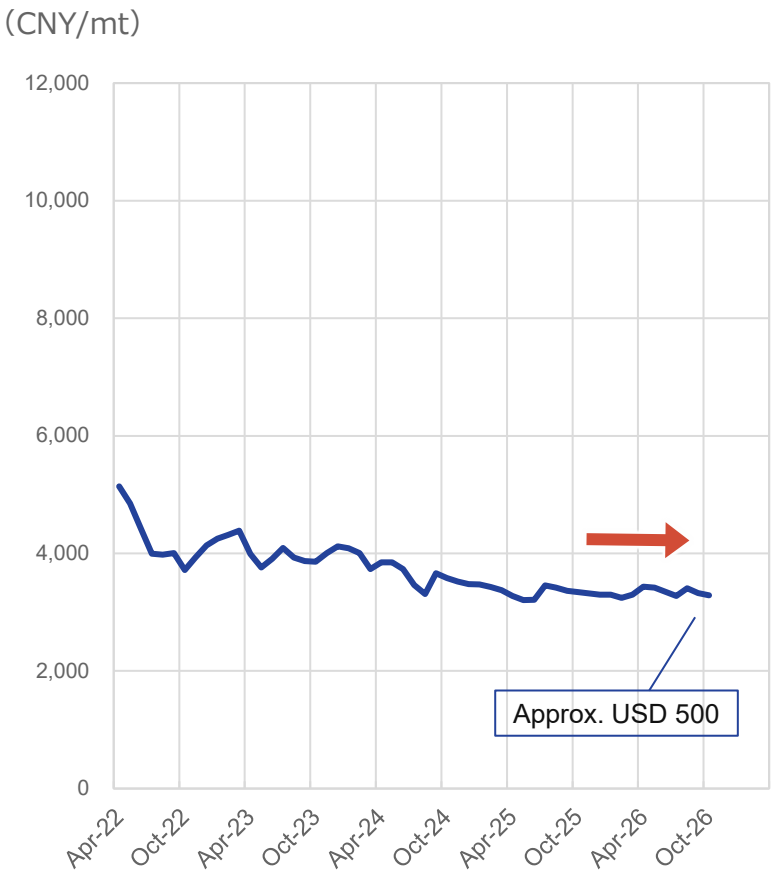
Business Environment (Overseas Steel Market)

- Trend in steel market price by country (HRC price)

China: Steel Market Price

Domestic demand continues to lack momentum, especially in the real estate sector.



Average price in 5 cities in China

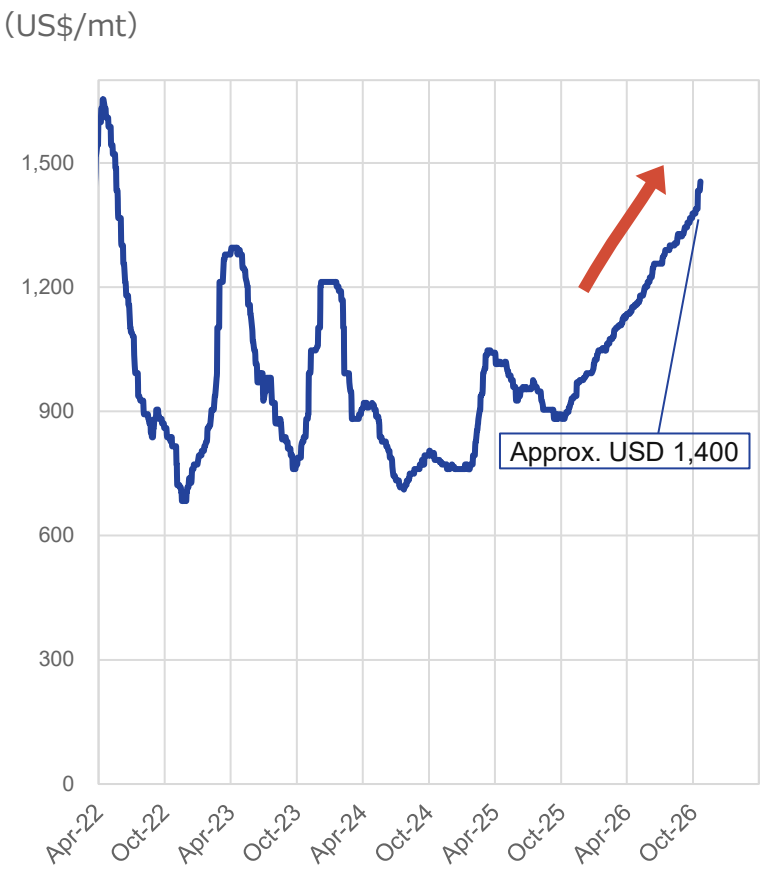
India: Steel Market Price

Prices are increasing amid import defense measures, such as safeguard duties, imposed by the Indian government.



U.S: Steel Market Price

The introduction of import tariffs in 2025 leads to a rise in prices.



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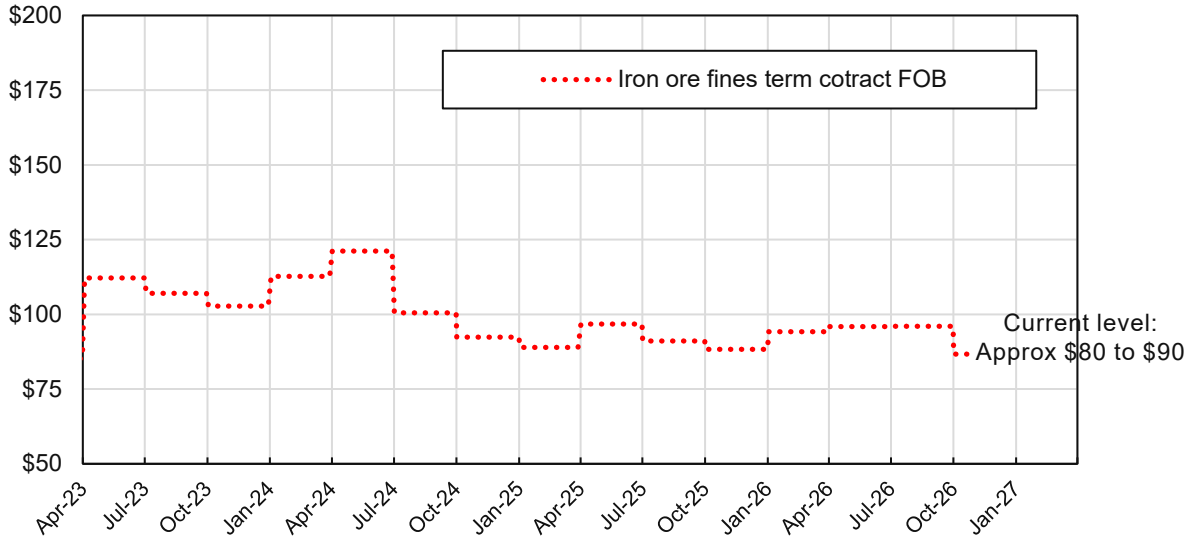
Raw Materials' Market Trends

JFE Steel

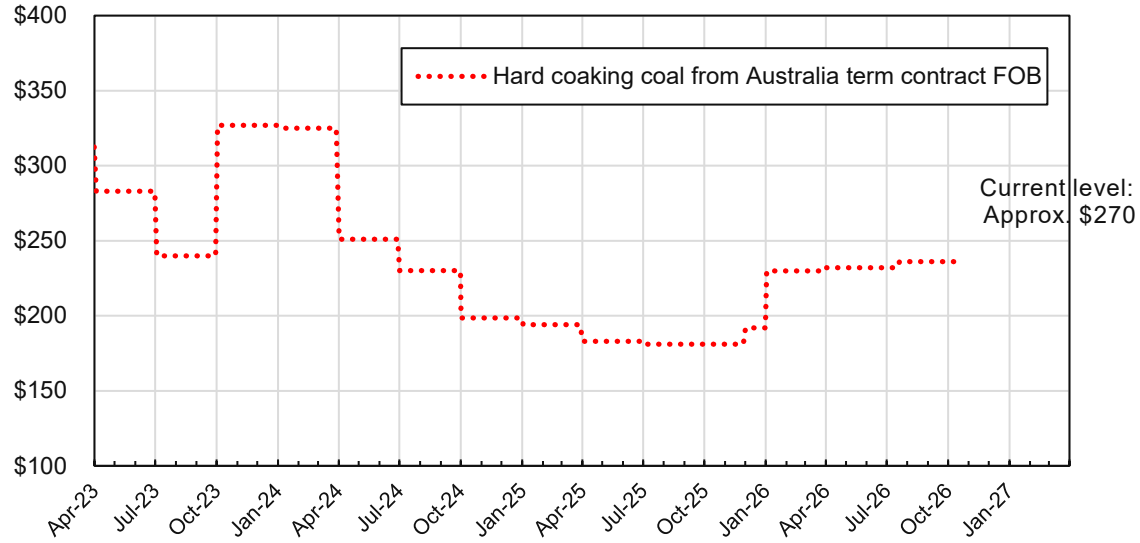
- Iron ore: We expect **the price to remain at its current level (approx. FOB$80 to $90)** for the time being, given that there have been no significant changes to supply or demand.
- Coking coal: Since August, a series of coal mine accidents in China has caused spot market prices to rise. A rapid recovery in domestic production in China is difficult to foresee, and we expect **the price to remain at its current level (approx. FOB$270)** in the near future.

Iron ore (Iron ore fines from Australia) (US$/DMT)



Term contract FOB (US$/DMT)	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
FY2023	112	107	103	113
FY2024	121	101	92	89
FY2025	97	91	88	94
FY2026	96	96	87	-

Coking coal (Hard coking coal from Australia) (US$/WMT)



Term contract FOB (US$/WMT)	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
FY2023	283	240	327	325
FY2024	251	230	198	194
FY2025	183	181	192	230
FY2026	232	236	-	-

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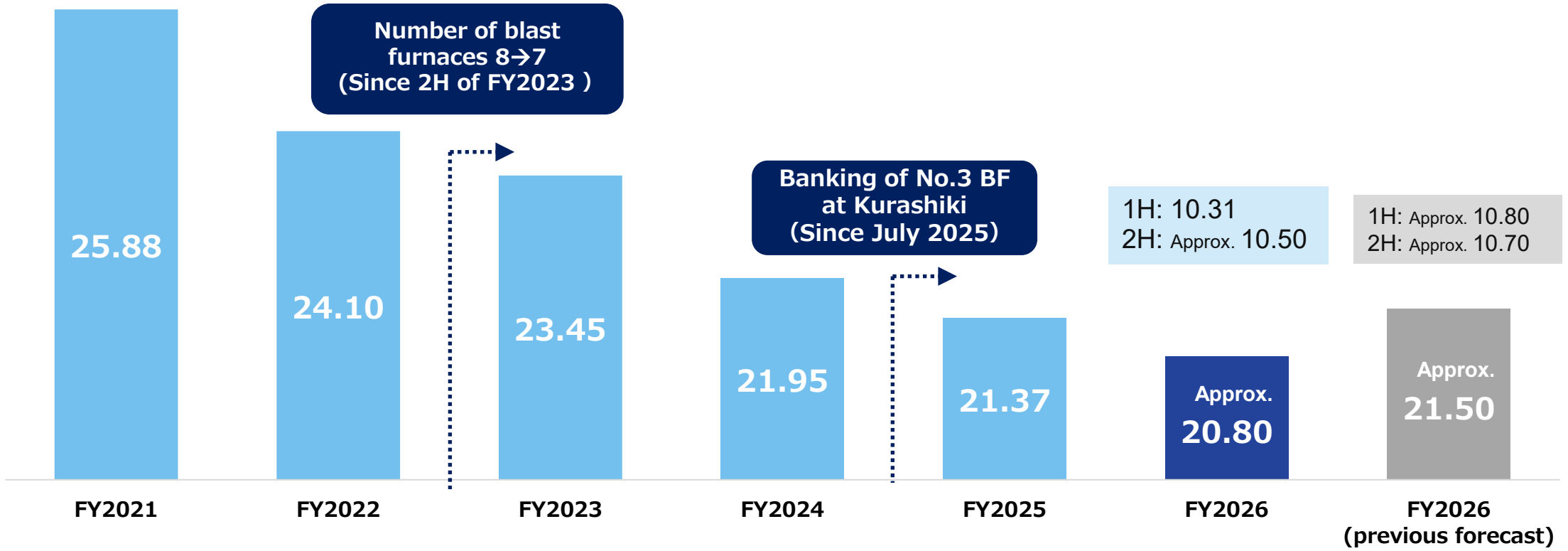
Standalone Crude Steel Production

JFE Steel

- Standalone crude steel production for FY2026 is projected to be **approximately 20.80 million tonnes** due to the impact of the heavy rains and typhoon in Chiba **(down 0.70 million tonnes from the precious forecast)**.

Standalone crude steel production (annual) Unit: million mt



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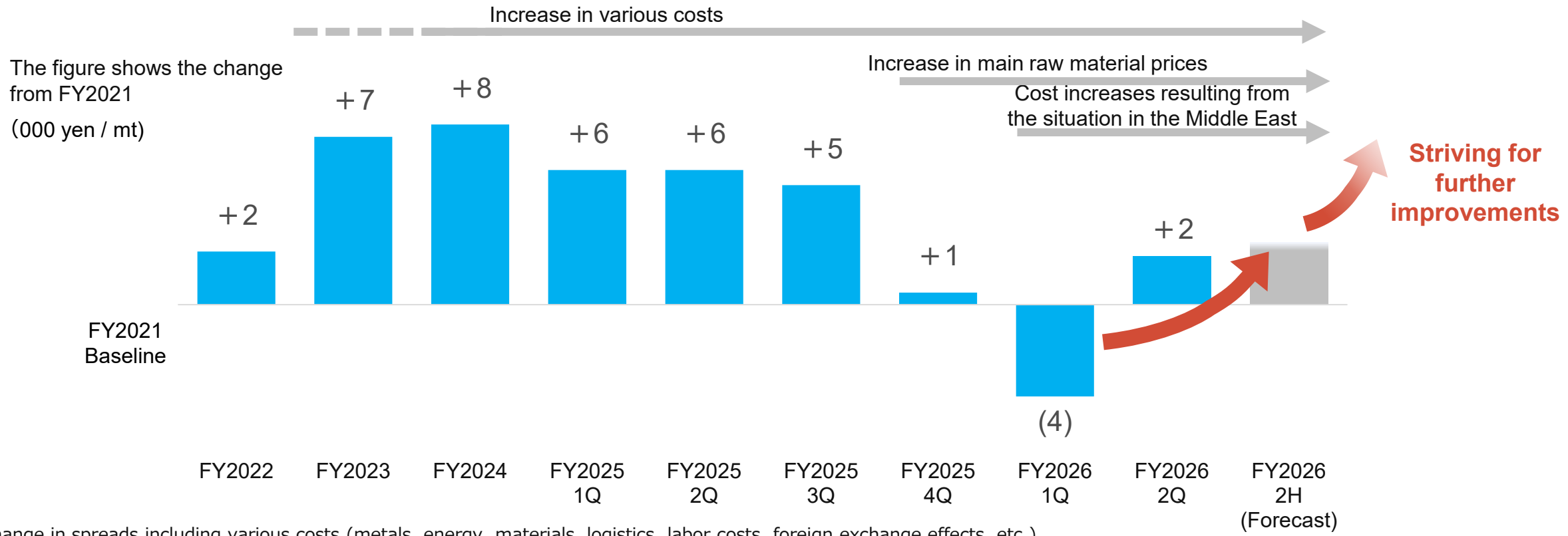
Status of Sales Price Improvements

JFE Steel

- JFE Steel is working to raise steel product prices in response to rising prices of main raw materials and other input costs, as well as cost increases stemming from the situation in the Middle East. **The price increase (+15,000 yen per tonne) announced by May 2026 was achieved across all sectors.**
- Due to further cost increases, we plan to **incorporate the additional 10,000 yen per tonne** announced in September **into our prices as soon as possible**.
- Due to delays in passing on price increases and other factors, the spread, which includes various costs, for the second half of fiscal year 2026 is projected to be worse than previously announced.

Spreads including various costs (Domestic / Export Average)



Change in spreads including various costs (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.) per ton of steel product shipments (FY2021 baseline)

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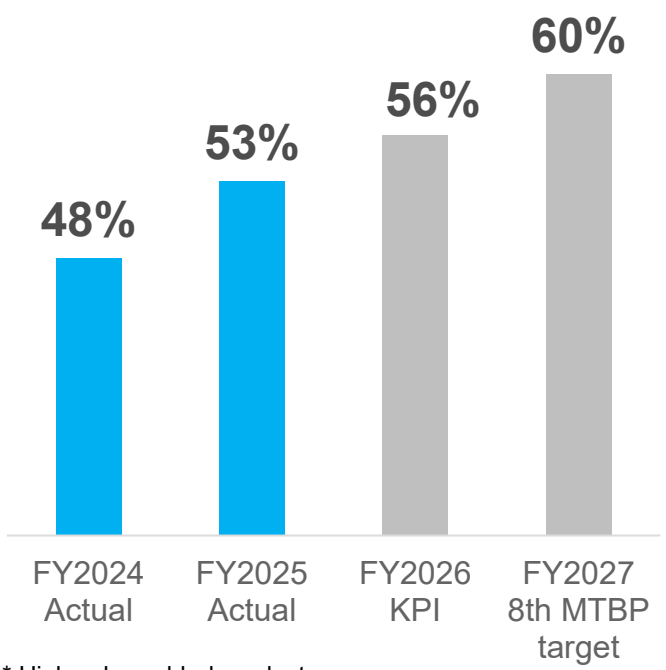
Expanding Sales of High-Value-Added Products

JFE Steel

- The ratio of high-value-added products for FY2025 was 53%.
- In FY2026, the company aims for 56% through Phase 2 of the Kurashiki electrical steel sheet expansion and increased sales of plates for offshore wind power generation, among other initiatives.
- Although the ratio is largely in line with the company's plans, it has not achieved the projected medium-term effects due to factors such as sluggish market conditions and delays in the electrification of automobiles.

Ratio of high-value-added products (*)

+¥40.0 billion
(vs. FY2024)



* High value-added products:

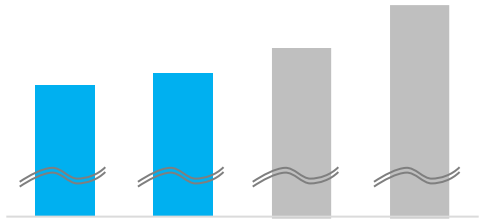
Products with a technological edge which are recognized by customers as having added value and earning power exceeding that of commodity products (definition by the Company)

Trends in volume of major high-value-added products

* The vertical axis scale differs by product

Electrical Steel Sheets (GOES)

- Demand remains strong both domestically and internationally, driven by factors such as data center demand



▼Electrical steel sheets for transformers

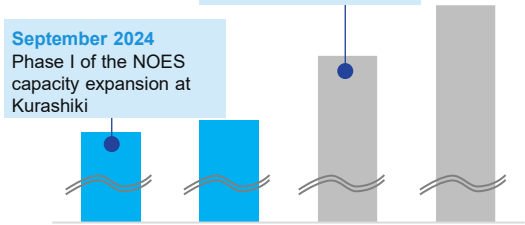


Electrical Steel Sheets (NOES)

- Although demand for EVs is currently slowing, it is expected to grow in the medium to long term
- Planned expansion work for FY2026

FY2026 Planned
Phase II of the NOES capacity expansion at Kurashiki

September 2024
Phase I of the NOES capacity expansion at Kurashiki



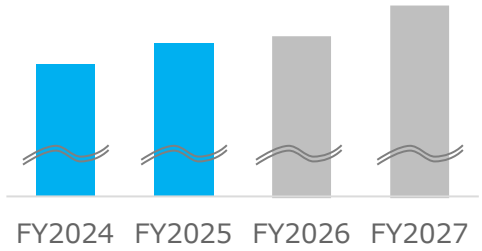
▼Electrical steel sheets for motor cores



High-tensile Steel

- Demand for high-strength, high-performance high-tensile steel is expected to remain strong
- Construction of a new CGL is scheduled for FY2028

October 2028 Planned
Construction of CGL for manufacturing ultra-high strength steel at Fukuyama



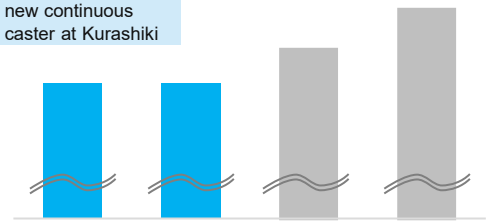
▼High strength steel sheets for automobiles



High-Value-Added Plates, Including Offshore Wind Applications

- The Akita Katagami project in Japan is underway
- Numerous inquiries regarding overseas projects

June FY2021
Construction of a new continuous caster at Kurashiki



▼Large-size steel plate (offshore wind)



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JFE Steel Financial Results for Fiscal Year 2026

JFE Steel

	Unit	FY2025							FY2026					FY2026 Previous Forecast (Full Year)
		1Q	2Q	1H	3Q	4Q	2H	Full year	1Q	2Q	1H	2H	Full year	
Revenue	billions of yen	761.2	776.2	1,537.4	773.8	777.2	1,551.0	3,088.4	763.5	822.1	1,585.6	1,734.4	3,320.0	3,350.0
Segment Profit	billions of yen	(12.1)	6.8	(5.3)	28.6	14.7	43.3	38.0	3.0	12.8	15.8	64.2	80.0	100.0
Excluding Inventory Valuation, etc.*	billions of yen	16.9	25.8	42.7	26.6	(0.3)	26.3	69.0	(15.0)	(1.2)	(16.2)	26.2	10.0	70.0
			—											
Crude Steel (Standalone)	million mt	5.28	5.52	10.80	5.32	5.25	10.57	21.37	5.25	5.06	10.31	Approx. 10.50	Approx. 20.80	Approx. 21.50
Crude Steel (Consolidated)	million mt	5.61	5.81	11.42	5.59	5.54	11.13	22.55	5.56	5.34	10.90			
Shipment (Standalone)	million mt	4.71	4.82	9.53	4.72	4.61	9.33	18.86	4.54	4.54	9.08			
Export Ratio on Value Basis (Standalone)	%	39.9	42.8	41.3	40.3	40.1	40.2	40.8	39.3	41.3	40.4			
Average Sales Price (Standalone)	000 yen / mt	120.4	119.2	119.8	120.0	123.4	121.7	120.7	124.2	134.1	129.1			
Exchange Rate	¥/US$	145.3	147.0	146.2	153.2	155.3	154.3	150.2	159.9	161.0	160.5	Approx. 160	Approx. 160	Approx. 160
Exchange Rate (End of Term)	¥/US$	144.8	148.9	148.9	156.6	159.9	159.9	159.9	162.4	157.4	157.4	Approx. 160	Approx. 160	Approx. 160

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

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JFE Steel's Segment Profit Analysis
(FY2026 (Previous Forecast) vs FY2026 (Updated Forecast))

JFE Steel

	Unit	FY2026 Previous	FY2026 Updated
Crude Steel (Standalone)	million mt	Approx. 21.50	Approx. 20.80
Shipment (Standalone)	million mt	-	-
Average Sales Price	000 yen /mt	-	-
Exchange Rate	¥/US$	Approx. 160	Approx. 160

(billions of yen)	FY2026 Previous forecast	FY2026 Updated forecast	Change
Segment Profit	**100.0**	**80.0**	**(20.0)**
＊Excluding Inventory valuation, etc.	**70.0**	**10.0**	**(60.0)**

- Heavy rain and typhoons in Chiba district: -50.0
- Others: +60.0

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**(50.0)**	- Volume: -25.0 (Reduction in crude steel production: -0.70 million tonnes), Cost: -25.0
2) Cost	**±0.0**	
3) Volume and mix	**±0.0**	
4) Spreads*	**(18.0)**	- Time lag in passing on fluctuations in raw material prices to sales prices - Rising costs due to the situation in the Middle East
5) Inventory valuation, etc.	**+40.0**	- Inventory valuation +32.0 (+30.0→+62.0) - Carry over +8.0 (- 1.0→ + 7.0) - Foreign exchange valuation ±0.0 (+ 1.0→ + 1.0)
6) Others	**+8.0**	- Group companies +8.0 (Domestic: +2.0, Overseas: +6.0 (India: +5.0))

Impact of the situation in the Middle East on Costs: Approx. -10.0 (Including the group companies)

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

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JFE Steel's Segment Profit Analysis
(FY2025 (Actual) vs FY2026 (Forecast))

JFE Steel

	Unit	FY2025 Actual	FY2026 Forecast
Crude Steel (Standalone)	million mt	21.37	Approx. 20.80
Shipment (Standalone)	million mt	18.86	-
Average Sales Price	000 yen /mt	120.7	-
Exchange Rate	¥/US$	150.2	Approx. 160

(billions of yen)	FY2025 Actual	FY2026 Forecast	Change
Segment Profit	**38.0**	**80.0**	**+42.0**
＊Excluding Inventory valuation, etc.	**69.0**	**10.0**	**(59.0)**

- Heavy rain and typhoons in Chiba district: -50.0
- Others: +60.0

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**(50.0)**	- Volume: -25.0 (Reduction in crude steel production: -0.70 million tonnes), Cost: -25.0
2) Cost	**+37.0**	- Operational improvement, etc.
3) Volume and mix	**+13.0**	- Expansion of high-value-added products, etc.
4) Spreads*	**(54.0)**	- Deterioration in domestic and overseas steel market conditions / Surge in prices of main raw materials - Rising costs due to the situation in the Middle East - Initiatives to improve steel product prices
5) Inventory valuation, etc.	**+101.0**	- Inventory valuation +108.0 (-46.0→+62.0) - Carry over -2.0 (+ 9.0→ + 7.0) - Foreign exchange valuation -5.0 (+ 6.0→ + 1.0)
6) Others	**(5.0)**	- Group companies +31.0 (Domestic: -8.0, Overseas: +39.0 (India: +38.0)) - Othres -36.0 (Depreciation, interest expense, etc.)

Impact of the situation in the Middle East on Costs: Approx. -70.0 (Including the group companies)

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

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JFE Steel's Segment Profit Analysis
(FY2026 1H (Actual) vs FY2026 2H (Forecast))

JFE Steel

	Unit	FY2026 1H Actual	FY2026 2H Forecast
Crude Steel (Standalone)	million mt	10.31	Approx. 10.50
Shipment (Standalone)	million mt	9.08	-
Average Sales Price	000 yen /mt	129.1	-
Exchange Rate	¥/US$	160.5	Approx. 160

(billions of yen)	FY2026 1H Actual	FY2026 2H Forecast	Change
Segment Profit	**15.8**	**64.2**	**+48.4**
＊Excluding Inventory valuation, etc.	**(16.2)**	**26.2**	**+42.4**

- Heavy rain and typhoons in Chiba district: -25.0
- Others: + 8.8

- Heavy rain and typhoons in Chiba district: -25.0
- Others: +51.2

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**±0.0**	- Volume: +5.0, Cost: -5.0
2) Cost	**+5.0**	- Operational improvement, etc.
3) Volume and mix	**+3.0**	- Expansion of high-value-added products, etc.
4) Spreads*	**+35.0**	- Initiatives to improve steel product prices - Rising costs due to the situation in the Middle East
5) Inventory valuation, etc.	**+6.0**	- Inventory valuation +2.0 (+30.0→+32.0) - Carry over -1.0 (+ 4.0→ + 3.0) - Foreign exchange valuation +5.0 (- 2.0→ + 3.0)
6) Others	**(0.6)**	- Group companies +19.0 (Domestic: +7.0, Overseas: +12.0 (India: +12.0)) - Othres -19.6 (Depreciation, interest expense, etc.)

Impact of the situation in the Middle East on Costs: Approx. -10.0 (Including the group companies)

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

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JFE Engineering's Financial Forecasts for Fiscal Year 2026

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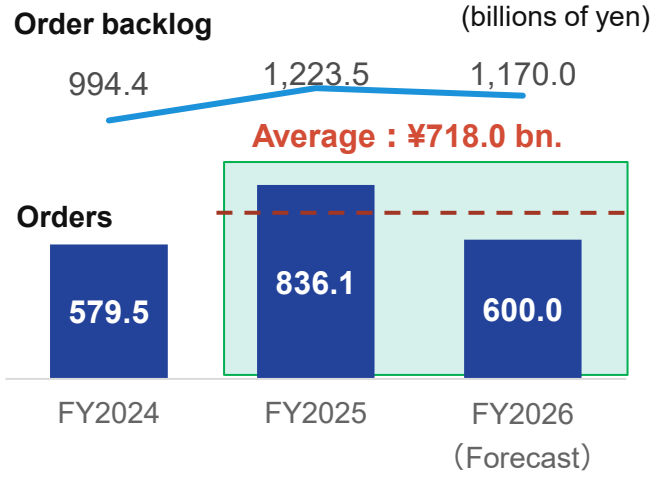
JFE Engineering Financial Forecast for Fiscal Year 2026

JFE Engineering

Business environment / Overview of profit and loss

- While order intake is expected to decline from FY2025 (a record high), when large-scale projects were concentrated, **the order backlog is expected to remain at a high level**.
- Through the steady execution of projects already secured, including the offshore wind monopile business, segment profit is expected to reach **25.0 billion yen**. (Up 1.1 billion yen from the previous fiscal year, **as previously announced**)

Progress of Orders and Order backlog



Financial forecast

(billions of yen)	FY2025 Actual 1H	FY2025 Actual 2H	FY2025 Actual Full year	FY2026 Forecast (Previous) 1H	FY2026 Forecast (Previous) 2H	FY2026 Forecast (Previous) Full year	FY2026 Forecast (Updated) 1H	FY2026 Forecast (Updated) 2H	FY2026 Forecast (Updated) Full year	Change (FY2025 vs FY2026) Full year	Change (Previous vs Updated) Full year
Orders	363.0	473.1	836.1	290.0	310.0	600.0	309.7	290.3	600.0	(236.1)	0
Revenue	287.0	312.7	599.7	290.0	330.0	620.0	305.2	344.8	650.0	+50.3	+30.0
Segment profit	12.6	11.3	23.9	13.0	12.0	25.0	15.0	10.0	25.0	+1.1	0

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JFE Shoji's Financial Forecasts for Fiscal Year 2026

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JFE Shoji's Financial Forecast for Fiscal Year 2026

JFE Shoji

Business environment / Overview of financial profit and loss

- Due to the recovery of our business in North America and rising steel prices in Japan, segment profit is expected to be **47.0** billion yen. (Increased by ¥6.8 bn. from FY2025 and ¥2.0 bn. from the previous forecast)

Financial forecast

(billions of yen)	FY2025 Actual			FY2026 Forecast (Previous)			FY2026 Forecast (Updated)			Change (FY2025 vs FY2026)	Change (Previous vs Updated)
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	Full year	Full year
Revenue	647.5	685.5	1,333.0	700.0	700.0	1,400.0	778.1	731.9	1,510.0	+177.0	+110.0
Segment profit	21.9	18.3	40.2	22.5	22.5	45.0	24.2	22.8	47.0	+6.8	+2.0

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Financial Condition and Dividends

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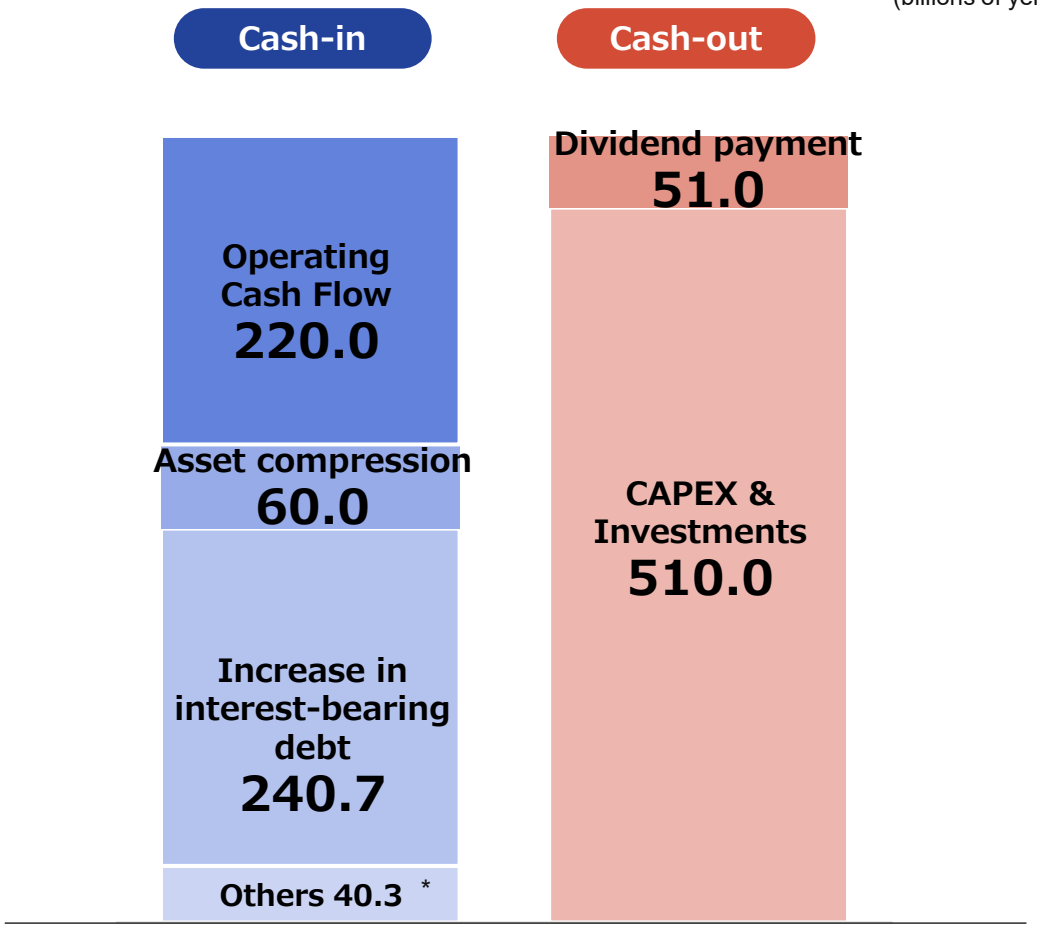
Consolidated Cash Flow and Debt/EBITDA Ratio

- We project a Debt/EBITDA multiple of **4.5** times for fiscal 2026.
- In response to the cash flow deterioration caused by heavy rains and typhoons in Chiba, we will advance our efforts to achieve our fiscal 2027 financial targets. These efforts include revising investment plans, improving operating cash flow, and further selling assets.

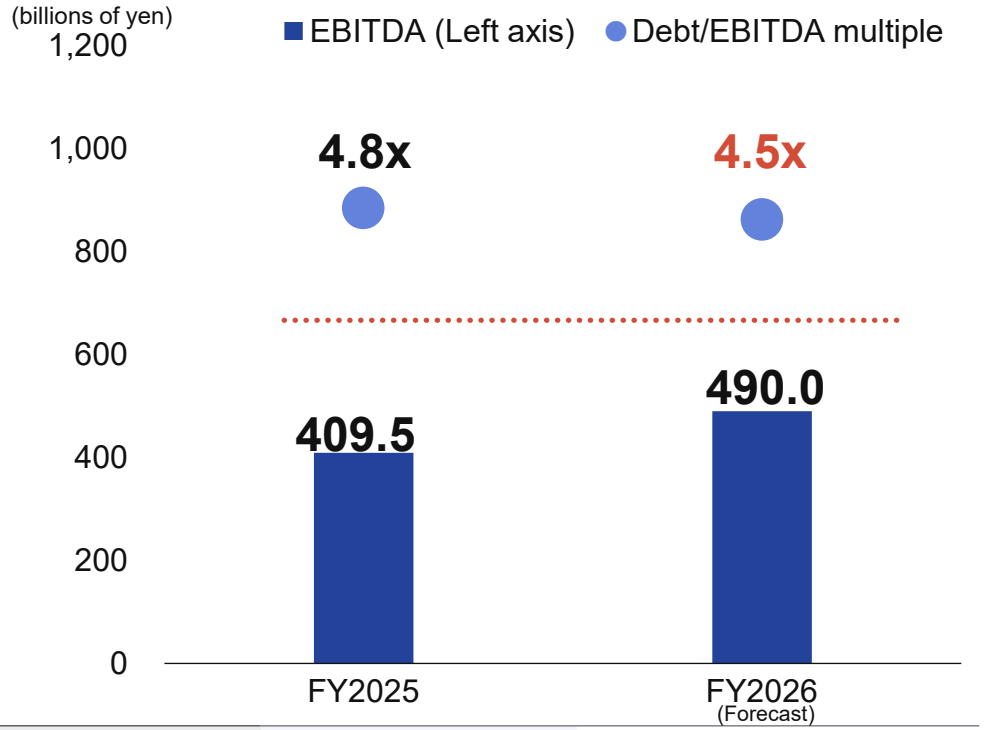
Consolidated cash flow forecast for FY2026

(billions of yen)



*Change in lease liabilities, etc.

Trend in Debt/EBITDA multiple



	FY2025	FY2026 (Forecast)
Interest-bearing debt outstanding	¥1,959.3 bn.	¥ 2,200.0 bn.
D/E ratio (*)	59.4%	**66.0%**

EBITDA = Business profit + Depreciation and Amortization
Debt/EBITDA multiple = Interest-bearing debt outstanding/EBITDA
* For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies.

Financial target (2027)

- Debt/EBITDA Approx. **3x**
- D/E ratio Approx. **60%**

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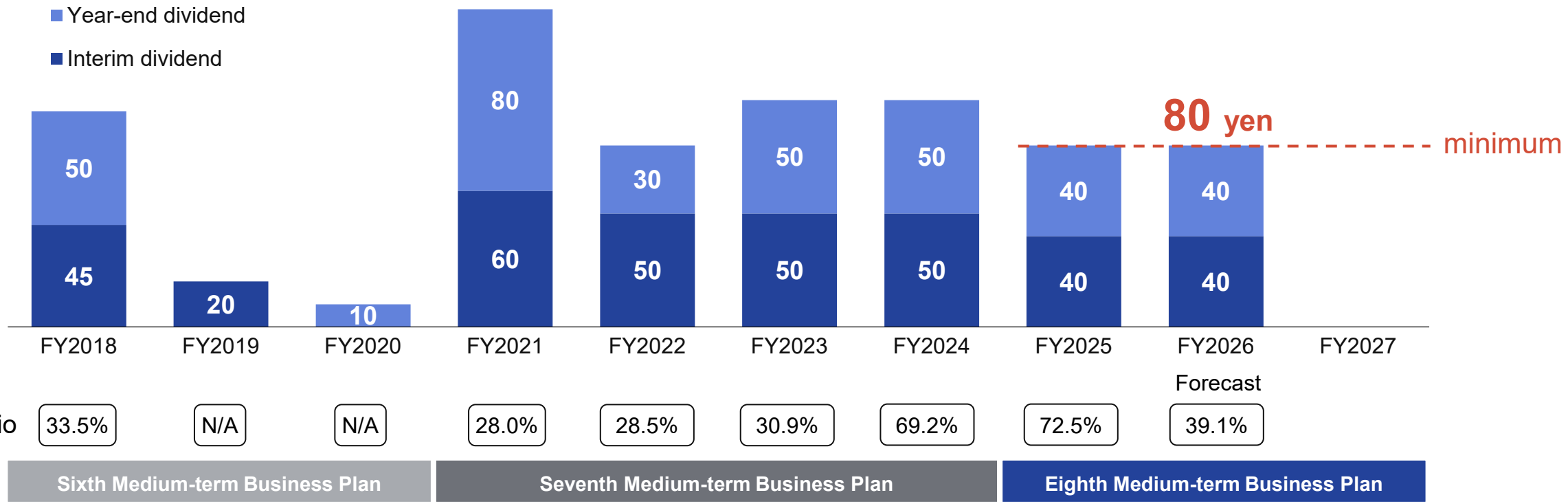
Dividends

- The Board of Directors resolved to pay an interim dividend of 40 yen per share.
- The annual dividend for FY2026 is expected to be **80 yen per share** (based on the Eighth Medium-term Business Plan(*))

* A dividend payout ratio of approximately 30%, with a minimum of 80 yen per share per year

Dividend per share（yen/share）



Our indicator

Dividend payout ratio of around 30%

Set a minimum of ¥80/share

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Topics

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JJSL Announces Expansion of Capacity

- Decision made to expand production capacity at JJSL Sambulpur Steelworks (announced October 23, 2026)
- The expansion will increase production capacity **from 4.50 million to 9.50 million tonnes per year by 2030** in order to capitalize on the expected strong growth of the Indian business.
- This move is aimed at achieving a crude steel production capacity of 15.00 million tonnes in the future.

Overview of facilities to be expanded

Key facilities	Unit	Capacity (MTPA*)
Blast furnace	1	5
Pellet plant	1	8
Coke plant	2 batteries	2
BOF convert	2	5
Slab continuous casters	2	
Hot rolling mill	1	5
Pickling / cold rolling mill / CGL	1 each	0.6

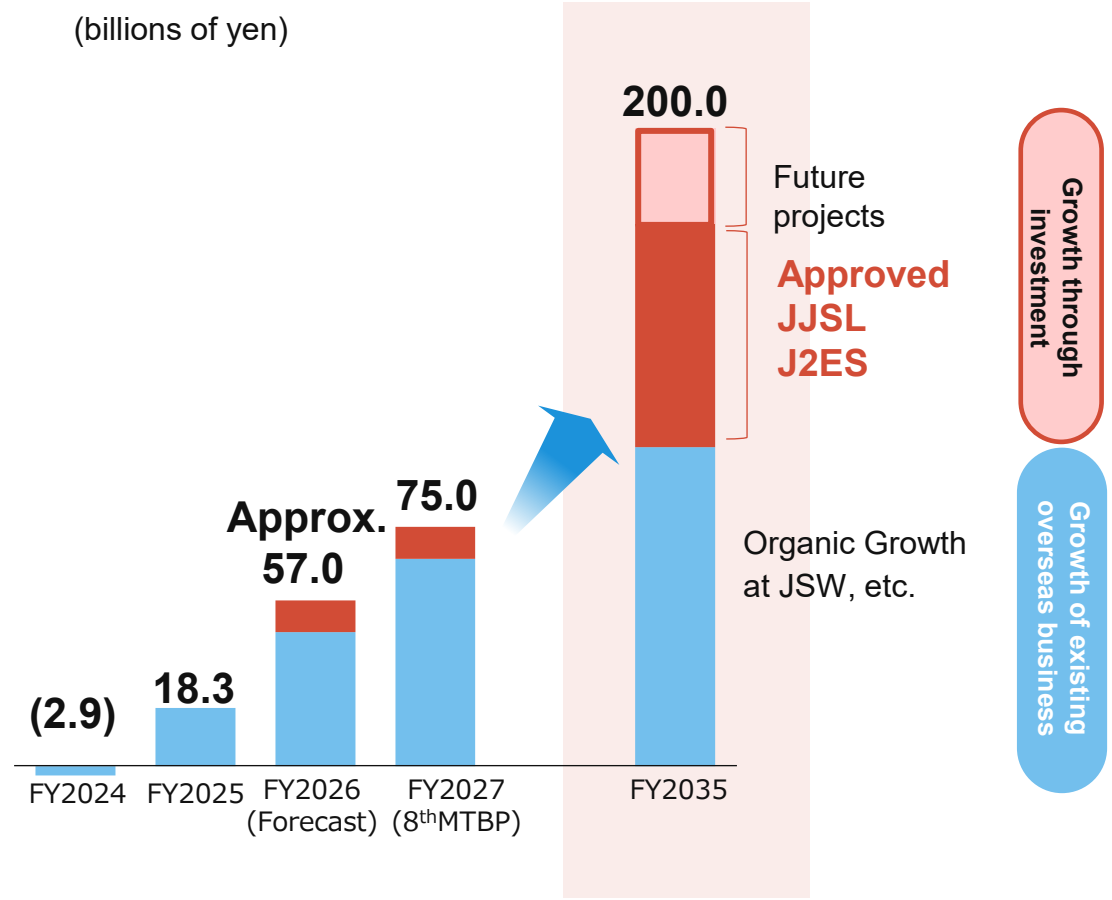
(*) MTPA: million metric tons per annum

Planned Start of Operations

2030

*Maintain financial soundness through a combination of JJSL's retained earnings, bank borrowings and parent-company support.

Overseas business profit



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JFE Shoji
Initiatives to Strengthen Domestic Business Foundation

JFE Shoji

(Announced on November 6, 2026)

- To merge JFE Shoji Steel Construction Materials Corp. and JFE Shoji Pipe & Fitting Corp., effective April 1, 2027.
- To combine their expertise in architecture, civil engineering, sheet metal building materials, steel pipes, and fittings, as well as their processing and logistics capabilities.
- This will create an integrated, comprehensive proposal and sales system that covers everything from design and planning to construction. It will also streamline business operations.

Initiatives to strengthen domestic business foundation (8th MTBP)

Apr. 2025
Maruhachi Steel Pipe Co., Ltd. joins JFE Shoji Pipe & Fitting Corp.
Strengthens steel pipe inventory, processing, and sales capabilities in Eastern Japan

Nov. 2025
Mitsuwa Tekken Co., Ltd. builds a new plant
Improves production efficiency and strengthening on-site supply capacity

June 2026
Niigata Steel Co., Ltd. introduces large-scale leveler
Significant expansion of processing capacity; shorter lead times and improved logistics efficiency

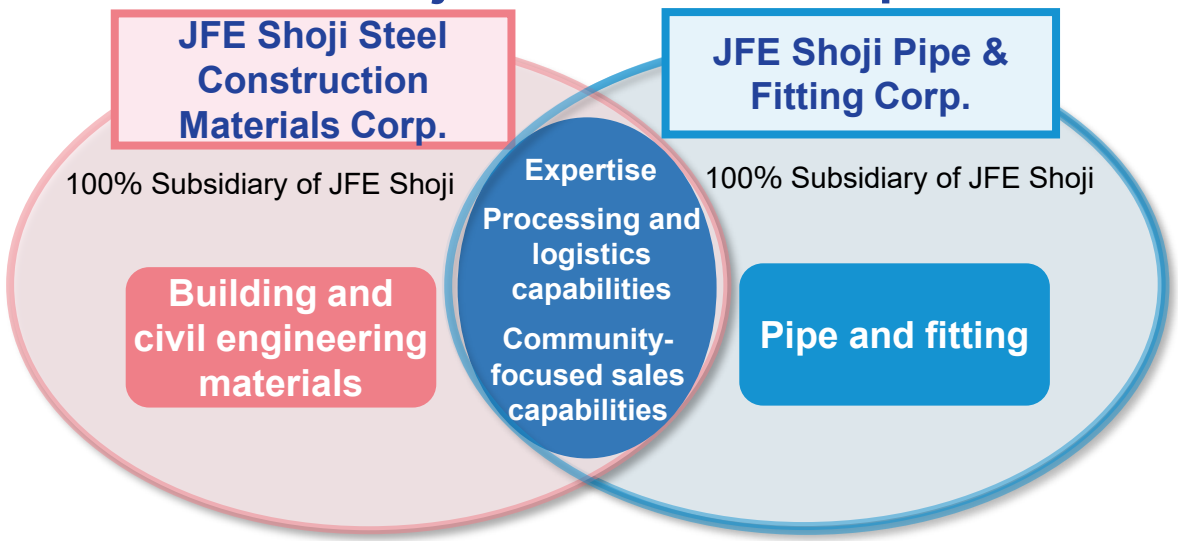
Dec. 2026 (planned)
Tsukumakoken Co., Ltd. Joins JFE Shoji Steel Construction Materials Corp.
To strengthen the foundation of the plate business for building materials in the Kansai region.

Apr. 2027 (planned)
To merge JFE Shoji Steel Construction Materials Corp. and JFE Shoji Pipe & Fitting Corp.

➡ **To establish JFE Shoji Steel Cross Corp.**

Overview of new company

JFE Shoji Steel Cross Corp.



New company revenue : ¥341.9 bn.
* FY2025 combined results (consolidated)

Effects of integration

Strengthening of comprehensive proposal capabilities
Providing end-to-end support, from design and planning to manufacturing, across product categories

Streamlining business operations
Effective utilization of management resources

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JFE Group Report 2026 & Sustainability Report 2026 Released

- To help our stakeholders gain a deeper understanding of our Group's initiatives, we have published the JFE GROUP REPORT 2026 and the JFE Group Sustainability Report.

The English version will be issued in November.

JFE GROUP REPORT (Integrated Report)

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

Key focus points for the publication

✓ **Progress on 8th medium-term Business Plan**
Messages from the CEO and CFO, overseas strategy (business strategy in the growing Indian market, etc.), initiatives for the circular economy

✓ **Specific strategies (CN, DX strategy, human resources strategy)**
Direction of CN's technology development and investment, DX strategy, overseas talent, and highly skilled DX professionals, etc.

✓ **Dialogue with Outside Executives**
Topics: Assessment of governance system strengthening, results from the first year of the 8th MTBP, and more



▽Download:
JFE GROUP REPORT

▽To feed and analyze information using generative AI, please use the "Files for AI" available on the website below.
JFE GROUP REPORT Website

▽ Video highlighting key points (about 3 minutes) (Japanese only)
Introduction Video

JFE Group Sustainability Report

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

Key focus points for the publication

✓ **Progress on Sustainability Initiatives under the 8th MTBP**
Newly describes progress on key initiatives and KPIs

✓ **Enhanced disclosure of integrated approaches to environmental issues**
Incorporates approach emphasizing capital efficiency and economic rationality in environmental investments

✓ **Detailed the latest initiatives on human resources strategy and human rights**
Introduces specific initiatives regarding human rights due diligence and talent strategy



▽Download:
JFE Group Sustainability Report

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Appendix (1)
Data on
“JFE Vision 2035”
Eighth Medium-term Business Plan
(FY2025 – FY2027)

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JFE Vision 2035 and Eighth Medium-term Business Plan

8th Medium-Term Business Plan Materials (Reposted)

- We formulated the JFE Group Long-term Vision, **JFE Vision 2035**, to announce the JFE Group's aspirations.
- To promote growth strategies aimed at realizing our aspirations, we formulated **the Eighth Medium-term Business Plan (FY2025–2027)**. (announced in May 2025)

	Seventh Medium-term Business Plan	Eighth Medium-term Business Plan	JFE Vision 2035
Economic Sustainability	**Shift focus from quantity to quality** • Complete structural reforms • Increase ratio of high-value-added products (50%) • Overhaul our sales pricing **Encourage investment in growth fields** • Manufacturing, processing, and distribution of electrical steel sheets • Recycling business • Entry into the offshore wind power business	**Rebuild our domestic production structure** • Increase ratio of high-value-added products (60%) • Reorganize our domestic production structure and business **Expand the overseas business** • Expand business with top-tier partners in growth regions "from the inside"	**Expand consolidated business profit (Segment profit: ¥700.0 billion)** • **Streamlined yet resilient domestic structure** based on growth strategies - Create technologies and nurture talent that drive our competitive advantage - Deepen our shift from quantity to quality, and reorganize and integrate each business • Growth through **the expansion of business in overseas growth regions "from the inside"** - Collaborate with top-tier partners and pursue M&A
Environmental & Social Sustainability	**Formulated the Environmental Vision 2050**	**Develop and promote the widespread adoption of green steel** • Develop ultra-innovative technology (GI Fund) • Build innovative electric arc furnaces (*) • Promote expansion in green steel sales	**Become the leader in carbon neutrality (CN) technology development** • **Complete development of ultra-innovative process conversion technology** • Provide strong technological capabilities and a diverse eco-product lineup to help conserve the global environment • **Become the main player in the high-quality green steel market**

* A large, high-efficiency electric arc furnace capable of producing high-grade and high-function steel products

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Initiatives to Improve Corporate Value

- Promoting **management with an awareness of the cost of capital and the stock price** for the sustainable improvement of corporate value

Profitability improvement

- **Steel**
  - Build a slim, resilient domestic production structure
  - Enhance the ratio of high-value-added products
- **Trading**
  - Expand “insider” business in overseas growth fields and regions
- **Engineering**
  - Expand the operation and maintenance (O&M) business, especially waste-to-resources, and expand it overseas
  - Expand carbon-neutral business
- **Land**
  - Leveraging resources to ensure stable earnings

Optimizing the balance sheet

- Reducing assets of non-core businesses
- Achieving a balance between growth and carbon-neutrality investments and financial soundness

Improvement of expected growth rate

- **Eliminating concerns about future growth**
  - Business investments focused on growth fields
  - Restructuring the business portfolio
- **Improving the ability to create a competitive edge**
  - Human resources strategy to realize management strategies
  - Business reform through DX

Reducing the cost of equity

- **Stable shareholder returns**
  - A dividend payout ratio of around 30%, **with a minimum of ¥80/share** (New)
- **Eliminating concerns about carbon neutrality initiatives**
  - Promote the development of ultra-innovative technologies
  - Creating a green market

Improvement of ROE

ROE that stably exceeds the cost of equity

FY2027 target 10%↑

Revision: **Revising the Director compensation system (making ROE and relative TSR indicators)**

Improvement of PER

Increasing market confidence

Improvement of PBR

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Progress and Plans on Key Initiatives

Some additions made to the previous release

Events	To FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	From FY2031	From FY2036
Steel Business / Domestic: Rebuilding production structure Including Group Companies		Kurashiki #3 Temporary shutdown (Restart in 2028)	Sheet Business Restructuring (Released in April 2026) / Shape steel Business Restructuring (Released in May 2026) / Started discussions on collaboration with both Yamato Kogyo and YODOKO	Fukuyama #4 Shutdown	Kurashiki #2 Shutdown (Conversion to innovative EAF)				
Steel Business / Domestic: Strategy of high value-added products	Kurashiki: New continuous casting machine (7CC) / Kurashiki: Capacity expansion of NOES production facilities (1st period)		Kurashiki: Capacity expansion of NOES production facilities (2nd period)		Fukuyama CGL				
Steel Business / Overseas / India: Electrical Steel J2ES/J2ES Nashik	Announced acquisition of J2ES Nashik (50,000 mt)	Decision on capacity expansion investment	Construction to expand manufacturing capacity	J2ES begins operation (150,000 mt in total)			Complete production capacity expansion (350,000 mt in total)		
Steel Business / Overseas / India: Operation of Integrated Steelworks JJSL		Start of JV (capacity: 4.5 million mt)	Design and construction to expand manufacturing facility				Capacity expansion to 9.50 million mt		
Engineering Business		Start of monopile manufacturing							
Trading Business	Acquisition of STUDCO/CEMCO		Start of Mass Production at JSS (Serbia)						
Keihin district land utilization	Sales of Minami-watarida/Ohgimachi	Signed 2nd MOU toward the joint development of data center project	Land Transfer Agreement signed for the advanced logistics zone					Start of data center (60 MW) operation	
			Demolition						
Green Transformation (GX) Strategy		Chiba: Start of EAF operation for stainless steel		Kurashiki: Start of innovative EAF operation					
			Development of ultra-innovative technologies / Expansion of GX Steel sales						Implementation of ultra-innovative technologies
Digital Transformation (DX) Strategy	Establishment of JCSS	Completion of transition of host-based core systems to open architecture							
			Enhancing CPS integration to realize intelligent steelworks						

Investment projects already decided will continue to be sequentially put into operation after the 9th MTBP.

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Building Optimal Production Structure for Domestic Steelmaking

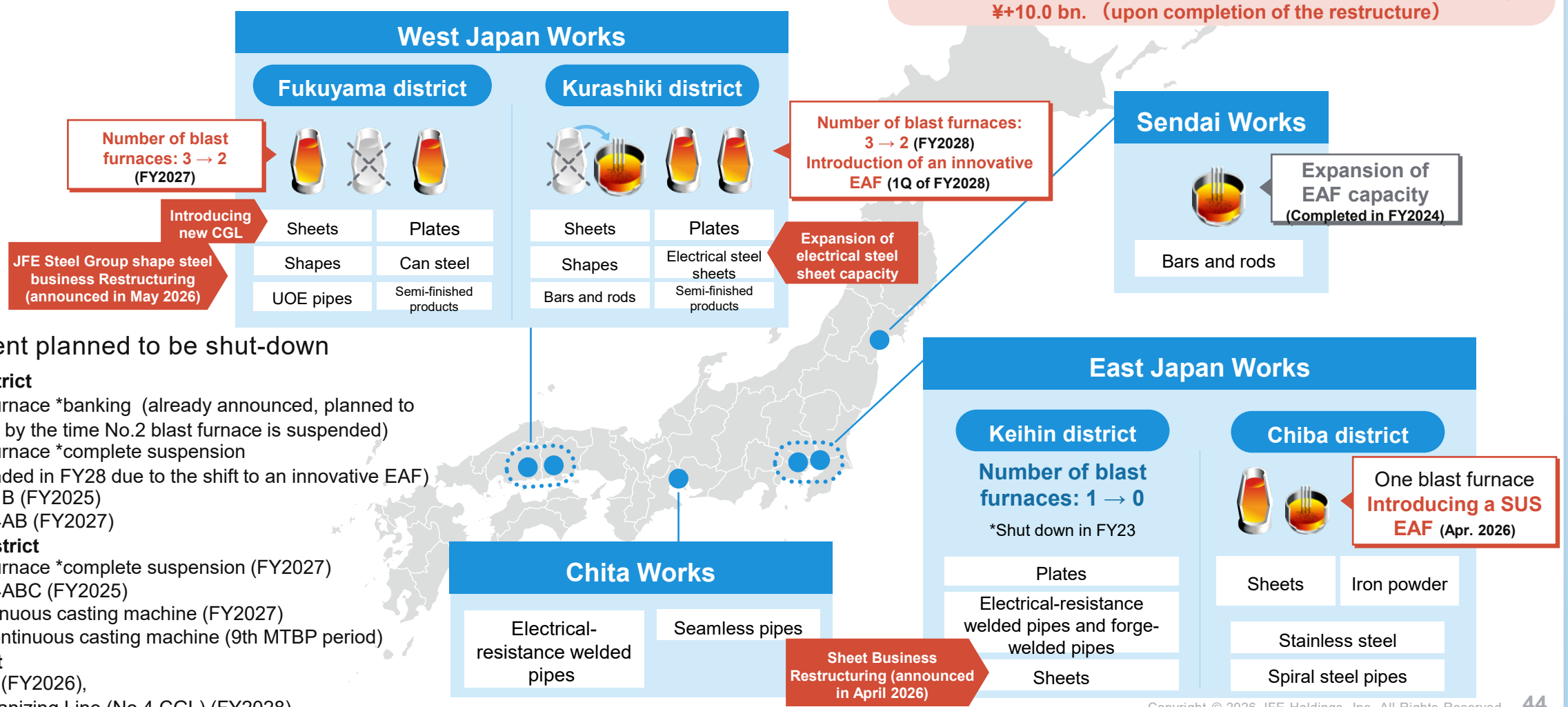
Previous Announcement Materials (Reposted)

JFE Steel

- We are steadily implementing various measures to establish a structure consisting of five blast furnaces and one innovative EAF.
- We enhance the resilience of domestic production by restructuring the sheet business (announced in April 2026) and JFE Steel Group shape steel business (announced in May 2026).

[Impact of Production Optimization] ¥+20.0 billion (vs. FY2024)

[Expected profit improvement from sheet business restructuring] ¥+10.0 bn. (upon completion of the restructure)



- Equipment planned to be shut-down

Kurashiki district
- No.3 blast furnace *banking (already announced, planned to come on line by the time No.2 blast furnace is suspended)
- No.2 blast furnace *complete suspension (to be suspended in FY28 due to the shift to an innovative EAF)
- Coke oven 1B (FY2025)
- Coke oven 4AB (FY2027)

Fukuyama district
- No.4 blast furnace *complete suspension (FY2027)
- Coke oven 4ABC (FY2025)
- Bloom Continuous casting machine (FY2027)
- No.4 slab continuous casting machine (9th MTBP period)

Keihin district
- Pickling line (FY2026),
  Hot dip galvanizing Line (No.4 CGL) (FY2028)

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Keihin District Land Utilization

Some additions made to the previous release

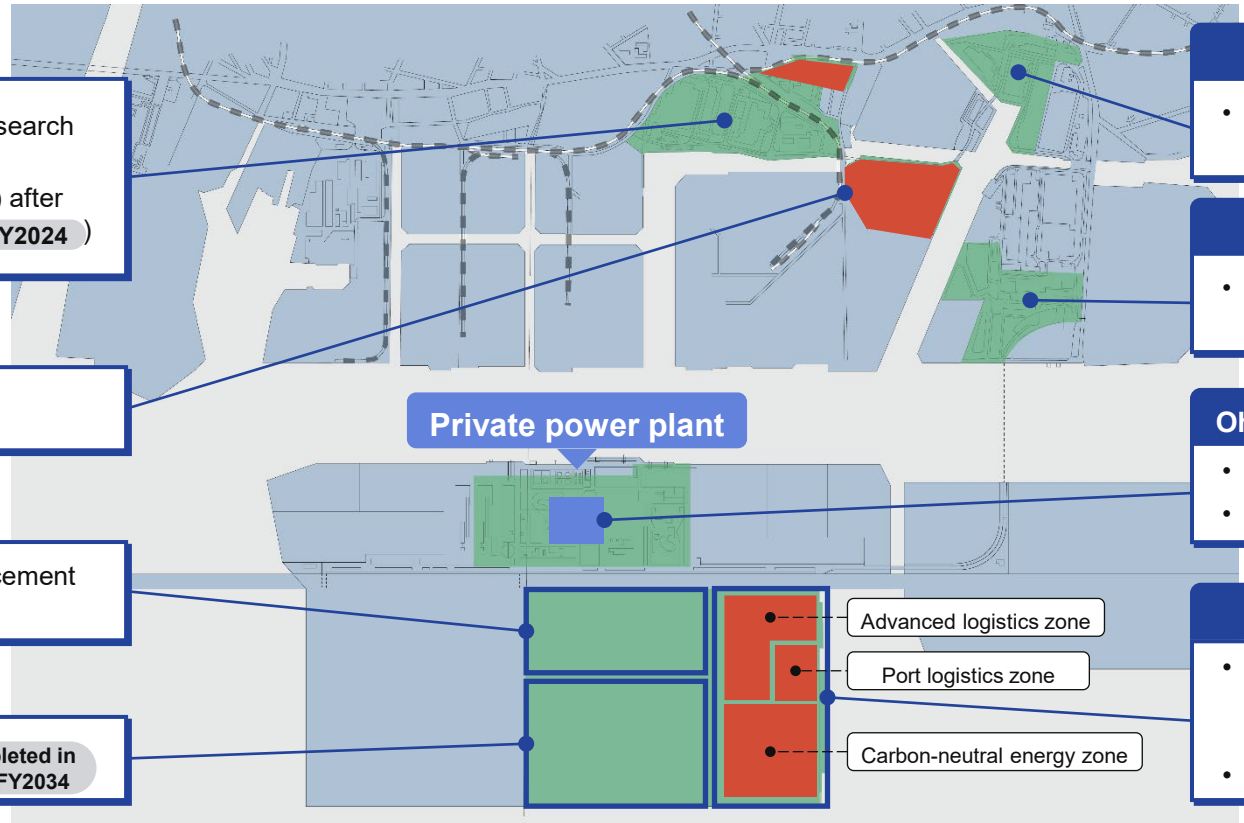
Initiatives in FY2025

- Carbon-neutral energy zone (Lease): Lease begins with “Japan Suiso Energy“ (from April 2025)
- Advanced logistics zone (Sales) ：**We signed a land transfer agreement with GLP Japan Inc. (August 2026)**
- Electric Power and Data Center Business: Signed a Memorandum of Understanding with Mitsubishi Corporation to jointly conduct power and data center operations (March 2026)

Gain on disposal: Approximately 45.0 bn. yen (estimated)
(FY2027: 23.0 bn. yen, FY2033 or later: 22.0 bn. yen)

Vision for FY2035
(Areas for land conversion in the Keihin district)

■ : Area developed ahead of the others



Minami-watarida area
- Development of an industrial hub with research and development functions as its core
- Starting to use the land in Phase 2 (4 ha) after the land in in Phase 1 (6 ha/delivered FY2024)

Ogimachi area
- Already sold FY2024

Roadside area
- Demolition of idle facilities and commencement of use of land FY2031

Co-creation area
- Demolition of idle facilities To be completed in FY2025 to FY2034

Ikegami area
- To be developed as a transportation hub in the waterfront area

Mizue area
- To be developed into a major recycling business hub in the Tokyo metropolitan area

Ohgishima North area
- Electric power business (using hydrogen)
- Joint data center business

Lead area *
- Lease to GI business (commercial demonstration of liquefied hydrogen supply chain) FY2025-
- Delivery of advanced logistics zone FY2027-

*Metropolitan Expressway Bayshore route Ohgishima entrance and exit (tentative name) is set for partial joint start in FY2028

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Financial Strategies

Previous Announcement Materials (Reposted)

(Balancing growth and Carbon-Neutrality investments with stable shareholder returns)

- In light of recent changes to the business environment and to ensure financial soundness, **we will accelerate asset sales and review our investment plans.**
- Regarding shareholder returns, we intend to maintain our dividend payout policy at approximately 30% (with a minimum of 80 yen per share annually).

Cash Allocation

Financial Targets (FY2027)

- Debt/EBITDA about **3x**
- D/E Ratio about **60%**

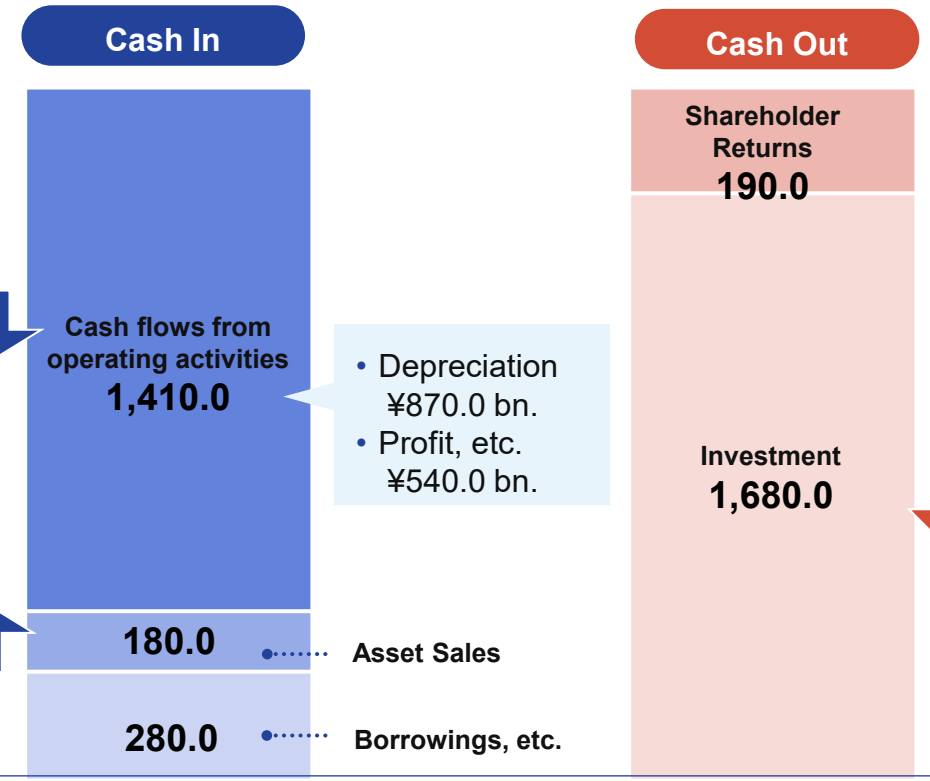
No Change

Recent changes in the business environment

- Slowdown of the Chinese economy
- U.S. tariffs and other protectionist measures
- Sharp rise in raw material prices
- Escalation of tensions in the Middle East

8th Medium-term business plan (Released on May 2025)

(billions of yen)



- Depreciation ¥870.0 bn.
- Profit, etc. ¥540.0 bn.

Acceleration of Asset Sales

Maintain dividend policy (*)

(*) A dividend payout ratio of approximately 30%, with a minimum of 80 yen per share per year

Revision of investment plan

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Towards Achievement of 8th Medium-Term Business Plan

Previous Announcement Materials (Reposted)

- The business environment surrounding our company remains extremely challenging, and we expect results for FY2026 to fall short of initial medium-term projections.
- To achieve our earnings targets for FY2027—the final year of our medium-term buisness plan—**a recovery in the profitability of our domestic steel business is essential**.

Key initiatives

- Improvement in spreads following the completion of **steel price increases**
- Increase in the proportion of high-value-added products by **expanded sales of electrical steel sheets, ultra-heavy steel plates, and other products**
- **Efforts to streamline the domestic production structure and implement other cost reductions are continuing** (e.g. rebuilding the steel sheet business and reorganising group companies)

- The overseas steel business will also aim to increase earnings, primarily through **the organic growth of JSW** and **the inclusion of equity method income from JJSL**
- In the engineering business, earnings improvement will be pursued through productivity enhancements and cost reductions, primarily in the steadily performing domestic Waste-to-Resource (WtR) sector and the core infrastructure segment.
- In the trading business, we will increase business profit by promoting overseas business expansion, all while closely monitoring the current international situation.
- Moving beyond the 9th Medium-Term, we will continue to make steady progress towards realizing our long-term vision. (Becoming a leader in technology development for carbon neutrality (CN) and increasing the Group's business profit to 700.0 billion yen)

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Toward the Realization of "JFE Vison 2035"

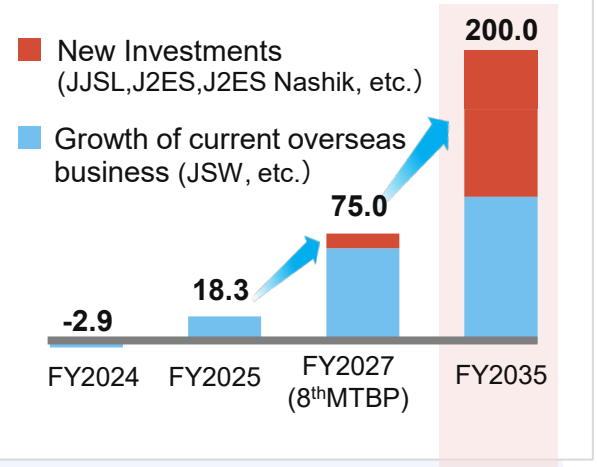
Some additions made to the previous release

Key Initiatives to Drive Growth Starting from Nineth Medium-Term

ST Steel business　EN Engineering business　SH Trading business　HD Keihin business

Rebuiding optimal domestic production structure, including group companies	• Start innovative EAF operation at Kurashiki (FY2028) ST • Restructure steel sheet business (by FY2028) and JFE Steel Group shape steel business ST • Cooperation with industry peers (Yamato Kogyo Group, YODOKO, Ltd., etc.) ST
Increasing proportion of high-vaue-added products	• Start new CGL operation at Fukuyama (FY2028) ST • Capture steel demand arising from the shipbuilding industry revitalization roadmap ST
Overseas growth	• Achieve organic growth of JSW (50 million mt : FY2030) ST • Expand JJSL (9.5 million mt : FY2030) ST • Complete expansion of J2ES and J2ES Nashik (35 million mt : FY2030) ST • Advance overseas expansion, driven by local partnerships, in India, North America, and other key regions. ST EN SH
Carbon Neutrality and the Circular Economy	• Complete R&D for ultra-innovative technologies (targeted for around 2035) ST • Expand sales of GX steel 'JGreeX™' ST • Expand offshore wind power business (Stabilizing monopile production and entering the floating structure market) EN ST SH • Develop a domestic recycling value chain ST EN SH
Keihin District land utilization and business use	• Demolish roadside and co-creation areas to expand the land-use scope HD • Commence full-scale operations of the power and data center business (aiming for a capacity of approximately 60 MW by FY2031) HD
Others	• Expand solution buiness (JFE Resolus™) ST

【Overseas Business Profit】



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Appendix (2)
Financial Data, Profit/Loss Analysis, and More

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Financial Data

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Profitability Targets and Main Performance

			Eighth Medium-term Business Plan FY2027	FY2025 Actual	FY2026 Forecast	FY2027
Groupwide	Consolidated business profit		**¥400.0 billion**	¥166.3 billion (*)	¥125.0 billion (*)	–
	ROE		**10% or more**	2.7%	Approx.5%	–
	Debt/EBITDA		**About 3x**	4.8x	4.5x	–
	D/E		**About 60%**	59.4%	66.0%	–
Operating companies	Steel business	Segment profit	**¥260.0 billion**	¥69.0 billion (*)	¥10.0 billion (*)	–
	Engineering business	Segment profit	**¥42.0 billion**	¥23.9 billion	¥25.0 billion	–
	Trading business	Segment profit	**¥60.0 billion**	¥40.2 billion	¥47.0 billion	–
Shareholder returns	Dividend policy		**Dividend payout ratio of around 30%, with a minimum of 80yen/share**	80yen/share	80yen/share	–

(*) Excluding inventory valuation, etc. in steel business

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Profit of Operating Companies

(billions of yen)	Eighth Medium-term Business Plan FY2027	FY2024 Actual Value	FY2025 Actual Value
Domestic Steelmaking	90.0	43.2	(45.6)
Domestic Group Companies	90.0	82.3	90.6
Overseas Steel	75.0	(2.9)	18.3
Solutions	15.0	6.4	10.6
Adjustments	(10.0)	8.3	(4.9)
Steel business *Excluding inventory valuation, etc.	**260.0**	**137.3**	**69.0**
Waste to Resource	17.0	7.3	8.8
Carbon Neutral	16.0	0.5	2.5
Core Infrastructure	9.0	11.5	12.6
Engineering Business	**42.0**	**19.3**	**23.9**
Domestic Business	25.0	23.5	20.9
Overseas Business	35.0	24.4	19.3
Trading Business	**60.0**	**47.9**	**40.2**
Adjustments	3.0	10.8	8.4
Segment Profit *Excluding inventory valuation, etc.	**365.0**	**215.5**	**141.5**

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Main Financial Data

J-GAAP

Fiscal Year	FY2017	FY2018
(billions of yen, %, times)		
Ordinary income	216.3	221.1
EBITDA (*1)	388.8	405.9
ROS (*2)	5.9%	5.6%
ROE (*3)	7.6%	8.3%
ROA (*4)	5.2%	5.1%
Debt outstanding	1,330.9	1,449.9
Debt/EBITDA multiple (*5)	3.4x	3.6x
D/E ratio (*6)	58.1%	62.0%
Profit attributable to owners of parent (yen/share)	251	285
Dividend (yen/share)	80	95
Pay-out Ratio	31.9%	33.3%

IFRS

Fiscal Year	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
(billions of yen, %, times)								
Business profit	232.0	37.8	(12.9)	416.4	235.8	298.2	135.3	135.3
EBITDA (*1)	428.2	269.4	223.4	668.7	505.4	572.3	392.9	409.5
ROS (*2)	6.0%	1.0%	(0.4%)	9.5%	4.5%	5.8%	2.8%	3.0%
ROE (*3)	8.6%	(11.1%)	(1.3%)	15.7%	7.9%	8.6%	3.7%	2.7%
ROA (*4)	5.0%	0.8%	(0.3%)	8.4%	4.4%	5.3%	2.4%	2.3%
Interest-bearing debt outstanding	1,523.8	1,814.3	1,806.1	1,849.4	1,862.9	1,830.2	1,766.4	1,959.3
Debt/EBITDA multiple (*5)	3.6x	6.7x	8.1x	2.8x	3.7x	3.2x	4.5x	4.8x
D/E ratio (*6)	68.2%	96.4%	93.2%	80.8%	67.8%	58.0%	54.3%	59.4%
Profit attributable to owners of parent (yen/share)	284	(343)	(38)	500	281	323	144	110
Dividend (yen/share)	95	20	10	140	80	100	100	80
Pay-out Ratio	33.5%	–	–	28.0%	28.5%	30.9%	69.2%	72.5%

【J-GAAP】
*1 EBITDA = Ordinary income + Interest expenses + Depreciation and Amortization
*2 ROS = Ordinary income / Net Sales
*3 ROE = Profit attributable to owners of parent / Shareholders' equity
*4 ROA = (Ordinary income + Interest expenses) / Total assets
*5 Debt/EBITDA multiple = Debt outstanding / EBITDA
*6 D/E ratio = Debt outstanding / Shareholders' equity
For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies.

【IFRS】
＊1 EBITDA = Business profit + Depreciation and Amortization
＊2 ROS = Business profit / Revenue
＊3 ROE = Profit attributable to owners of parent / Equity attributable to owners of parent
＊4 ROA = Business profit / Total assets
＊5 Debt/EBITDA multiple = 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.

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Financial Trend by Fiscal Year

(billions of yen)	FY2018 Full year	FY2019 Full year	FY2020 Full year	FY2021 Full year	FY2022 Full year	FY2023 Full year	FY2024 Full year	FY2025 Full year
Steel Business	2,830.6	2,681.3	2,255.2	3,173.4	3,881.1	3,716.0	3,365.1	3,088.4
Engineering Business	485.8	512.2	485.7	508.2	512.5	539.9	569.8	599.7
Trading Business	1,125.8	1,084.1	932.5	1,231.7	1,514.1	1,476.4	1,438.5	1,333.0
Adjustments	(568.6)	(548.0)	(446.1)	(548.3)	(638.9)	(557.8)	(513.9)	(481.9)
Revenue	**3,873.6**	**3,729.7**	**3,227.2**	**4,365.1**	**5,268.7**	**5,174.6**	**4,859.6**	**4,539.2**
Business Profit (A)	**232.0**	**37.8**	**(12.9)**	**416.4**	**235.8**	**298.2**	**135.3**	**135.3**
[Excluding Inventory Valuation, etc.]	**[195.0]**	**[67.8]**	**[21.1]**	**[222.4]**	**[162.8]**	**[296.2]**	**[236.3]**	**[166.3]**
Finance Income/Cost（B）	(12.5)	(12.5)	(12.4)	(11.6)	(14.8)	(18.6)	(20.7)	(24.7)
Steel Business	161.3	(8.7)	(65.4)	323.7	146.8	202.7	36.3	38.0
[Excluding Inventory Valuation, etc.]	[124.3]	[21.3]	[(31.4)]	[129.7]	[73.8]	[200.7]	[137.3]	[69.0]
Engineering Business	20.1	23.1	24.0	26.0	13.4	24.3	19.3	23.9
Trading Business	35.7	27.0	20.0	55.9	65.1	48.9	47.9	40.2
Adjustments	2.3	(15.9)	(4.1)	(0.9)	(4.3)	3.5	10.8	8.4
Segment Profit(A+B)	**219.5**	**25.3**	**(25.4)**	**404.8**	**221.0**	**279.6**	**114.5**	**110.5**
[Excluding Inventory Valuation, etc.]	**[182.5]**	**[55.3]**	**[8.6]**	**[210.8]**	**[148.0]**	**[277.6]**	**[215.5]**	**[141.5]**
Exceptional Items	(10.2)	(238.8)	20.4	(16.2)	(10.7)	(11.2)	29.7	(23.1)
Profit before Tax	209.3	(213.4)	(4.9)	388.5	210.2	268.3	144.3	87.4
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(45.8)	15.7	(16.9)	(100.4)	(47.6)	(70.9)	(52.4)	(17.2)
Profit Attributable to Owners of Parent	**163.5**	**(197.7)**	**(21.8)**	**288.0**	**162.6**	**197.4**	**91.8**	**70.1**

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.
Amounts are rounded down to the nearest ¥100 million; therefore, totals may not add up due to rounding.

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Financial Trend by Quarter

(billions of yen)	FY2025							FY2026						
	1Q	2Q	1H	3Q	4Q	2H	Full year	1Q	2Q	1H	3Q	4Q	2H	Full year
Steel Business	761.2	776.2	1,537.4	773.8	777.2	1,551.0	3,088.4	763.5	822.1	1,585.6	-	-	-	-
Engineering Business	135.3	151.7	287.0	148.3	164.4	312.7	599.7	147.3	157.9	305.2	-	-	-	-
Trading Business	338.7	308.8	647.5	345.9	339.6	685.5	1,333.0	380.6	397.5	778.1	-	-	-	-
Adjustments	(120.0)	(119.4)	(239.4)	(120.3)	(122.2)	(242.5)	(481.9)	(130.4)	(138.2)	(268.6)	-	-	-	-
Revenue	**1,115.3**	**1,117.3**	**2,232.6**	**1,147.6**	**1,159.0**	**2,306.6**	**4,539.2**	**1,161.1**	**1,239.3**	**2,400.4**	**-**	**-**	**-**	**-**
Business Profit (A)	**16.2**	**29.5**	**45.7**	**51.7**	**37.9**	**89.6**	**135.3**	**32.3**	**44.4**	**76.7**	**-**	**-**	**-**	**-**
[Excluding Inventory Valuation, etc.]	**[45.2]**	**[48.5]**	**[93.7]**	**[49.7]**	**[22.9]**	**[72.6]**	**[166.3]**	**[14.3]**	**[30.4]**	**[44.7]**	**-**	**-**	**-**	**-**
Finance Income/Cost (B)	(5.8)	(5.7)	(11.5)	(6.7)	(6.5)	(13.2)	(24.7)	(6.3)	(9.5)	(15.8)	-	-	-	-
Steel Business	(12.1)	6.8	(5.3)	28.6	14.7	43.3	38.0	3.0	12.8	15.8	-	-	-	-
[Excluding Inventory Valuation, etc.]	[16.9]	[25.8]	[42.7]	[26.6]	[(0.3)]	[26.3]	[69.0]	[(15.0)]	[(1.2)]	[(16.2)]	-	-	-	-
Engineering Business	5.7	6.9	12.6	4.1	7.2	11.3	23.9	8.9	6.1	15.0	-	-	-	-
Trading Business	12.6	9.3	21.9	10.7	7.6	18.3	40.2	11.3	12.9	24.2	-	-	-	-
Adjustments	4.1	0.7	4.8	1.6	2.0	3.6	8.4	2.6	3.0	5.6	-	-	-	-
Segment Profit(A+B)	**10.3**	**23.8**	**34.1**	**45.1**	**31.3**	**76.4**	**110.5**	**25.9**	**34.9**	**60.8**	**-**	**-**	**-**	**-**
[Excluding Inventory Valuation, etc.]	**[39.3]**	**[42.8]**	**[82.1]**	**[43.1]**	**[16.3]**	**[59.4]**	**[141.5]**	**[7.9]**	**[20.9]**	**[28.8]**	**-**	**-**	**-**	**-**
Exceptional Items	0.0	0.0	0.0	0.0	(23.1)	(23.1)	(23.1)	15.0	(5.2)	9.8	-	-	-	-
Profit before Tax	10.3	23.8	34.1	45.1	8.2	53.3	87.4	40.9	29.7	70.6	-	-	-	-
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(3.2)	(4.2)	(7.4)	(10.9)	1.1	(9.8)	(17.2)	(9.7)	(7.1)	(16.8)	-	-	-	-
Profit Attributable to Owners of Parent	**7.1**	**19.5**	**26.6**	**34.2**	**9.3**	**43.5**	**70.1**	**31.2**	**22.5**	**53.7**	**-**	**-**	**-**	**-**

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.
Amounts are rounded down to the nearest ¥100 million; therefore, totals may not add up due to rounding.

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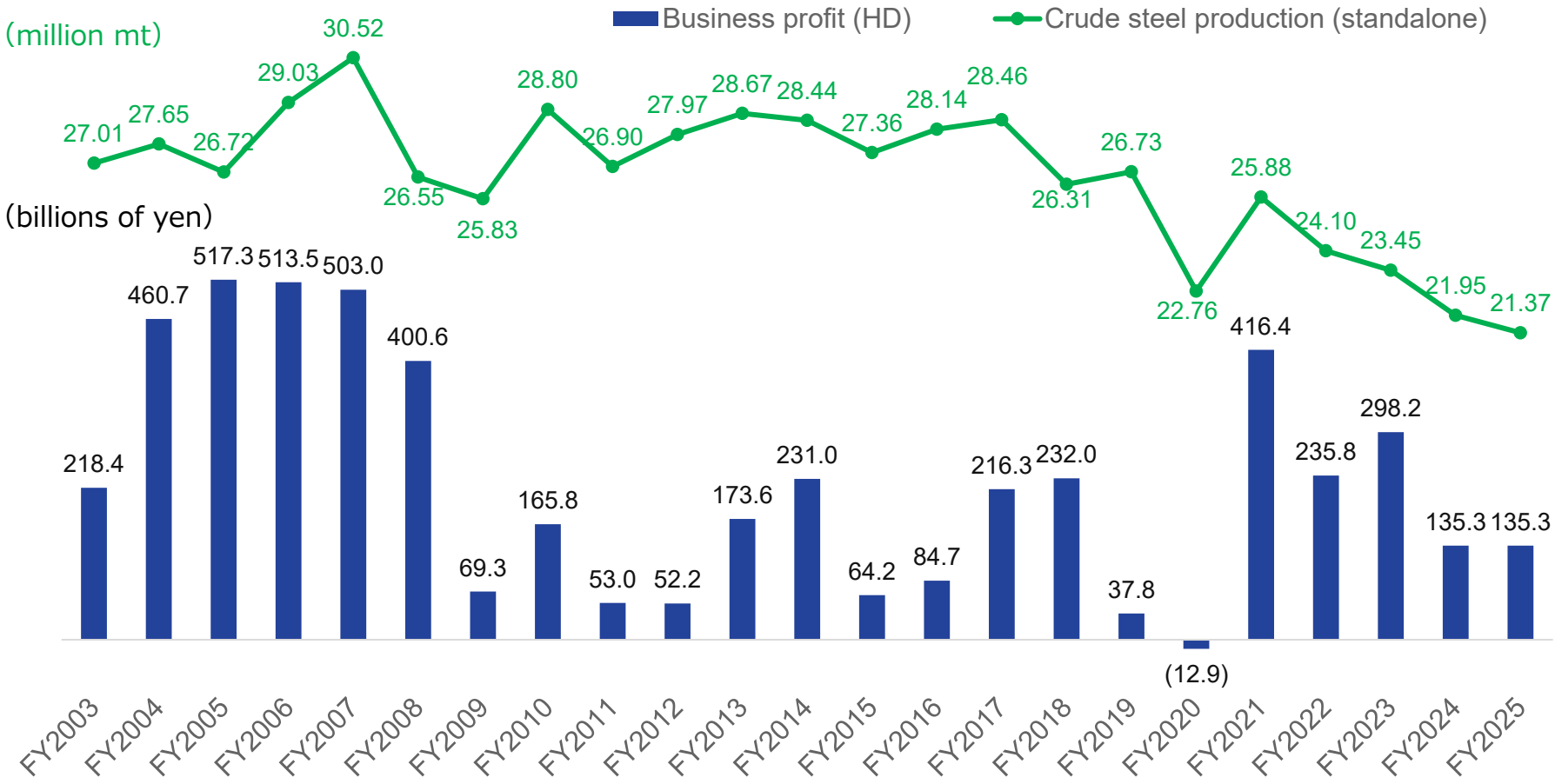
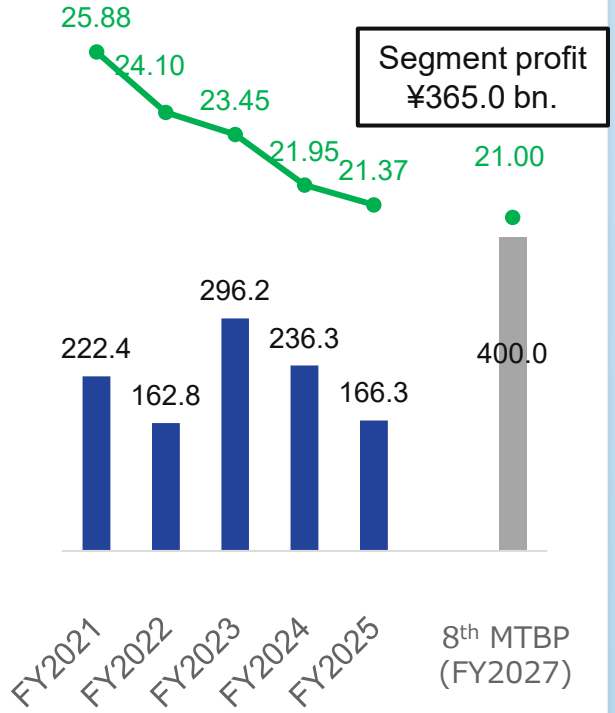
JFE Holdings Financial Trend/ Crude steel production (by Fiscal Year)

Business Profit (*)



Business Profit

(Excluding inventory valuation, etc.)



(*) The bars for years prior to FY2017 represent ordinary profit based on J-GAAP.

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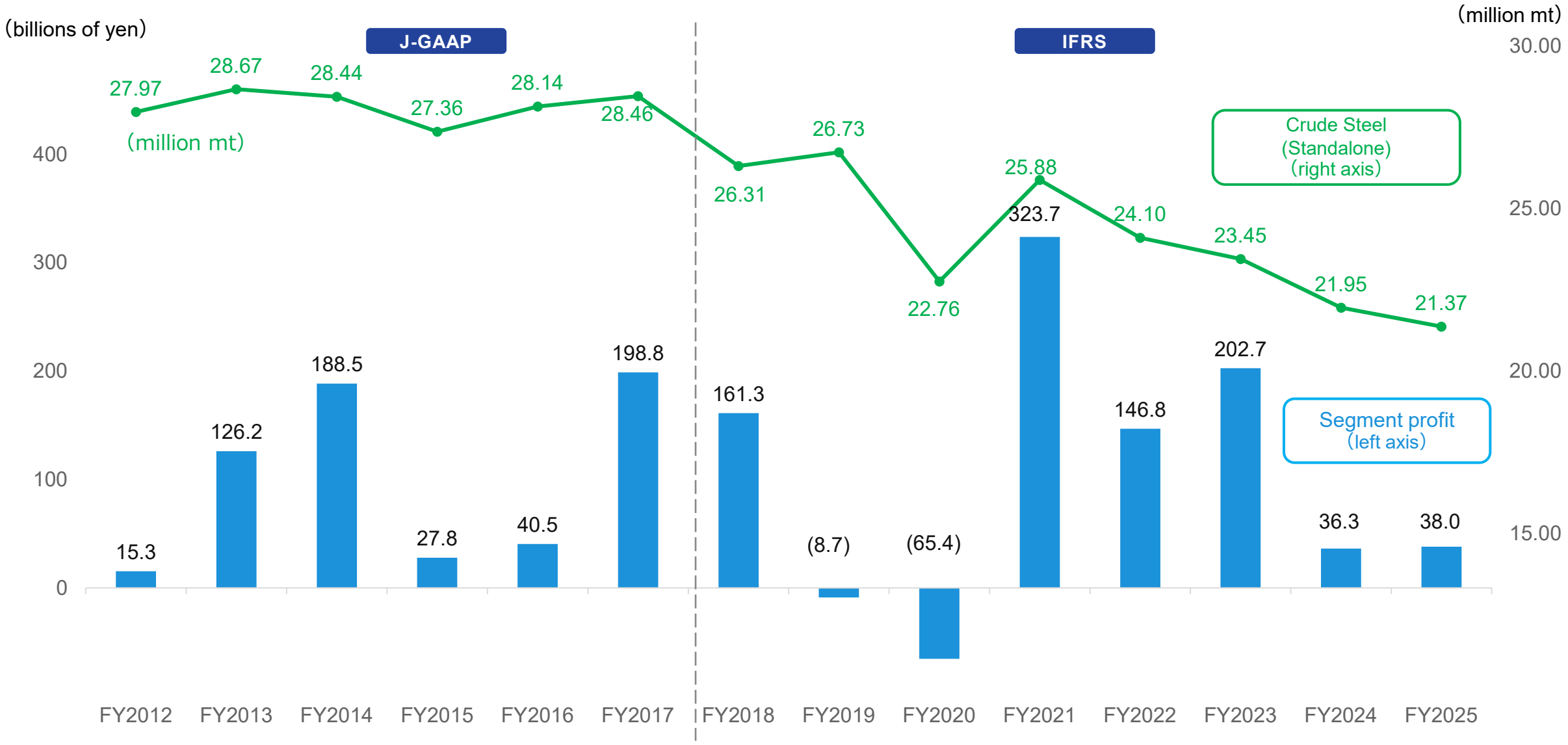
JFE Steel Segment Profit and Crude Steel Production Trends (by Fiscal Year)

JFE Steel



* Changed from Japanese GAAP to IFRS from FY2018

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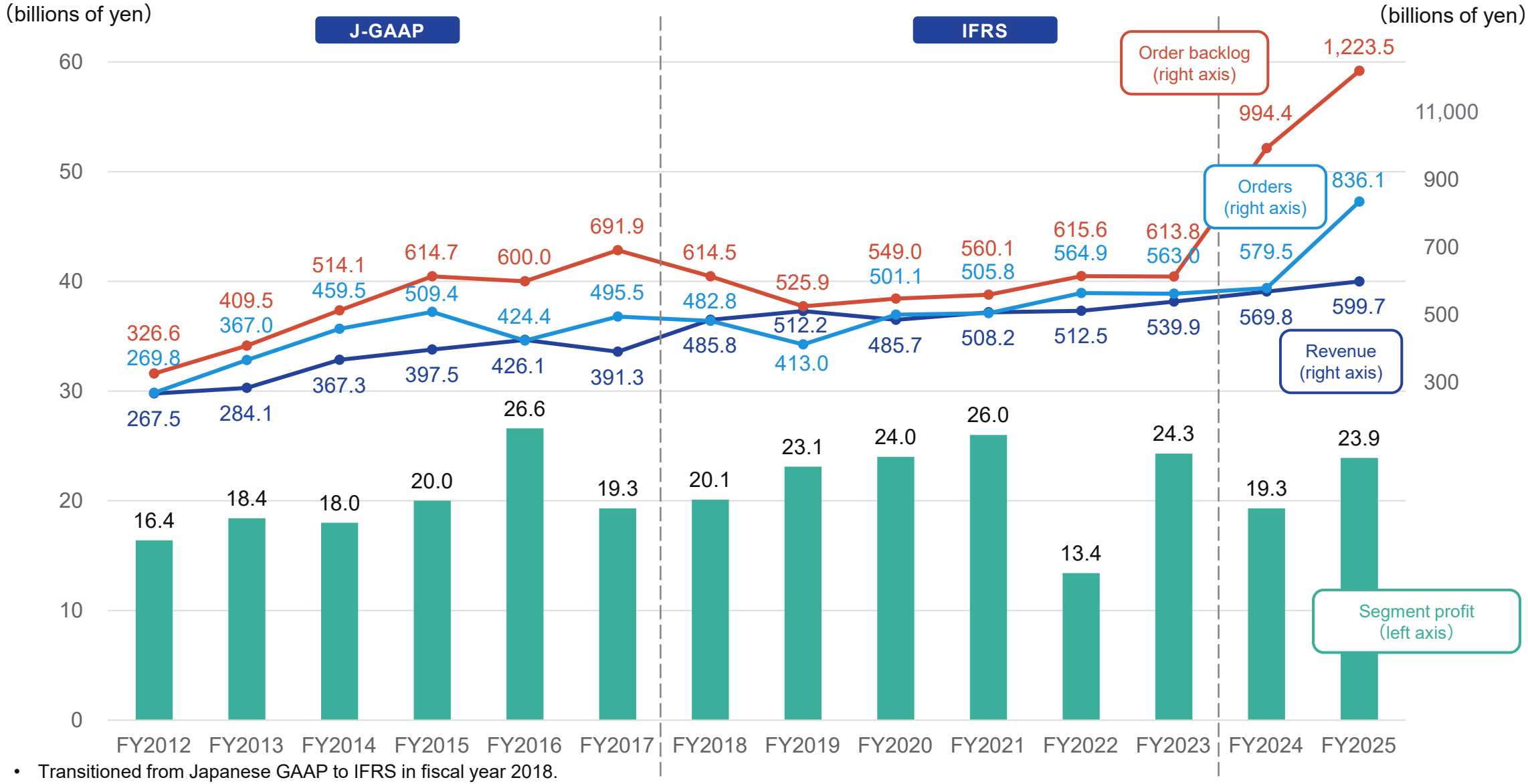
JFE Engineering Financial Trend (by Fiscal Year)



- Transitioned from Japanese GAAP to IFRS in fiscal year 2018.
- The bars for years prior to FY2017 represent ordinary profit based on J-GAAP.

* Effective fiscal year 2024, the method for recognizing revenue from long-term comprehensive contracts will change from recognition upon order receipt to lump-sum recognition at the time of contract signing.

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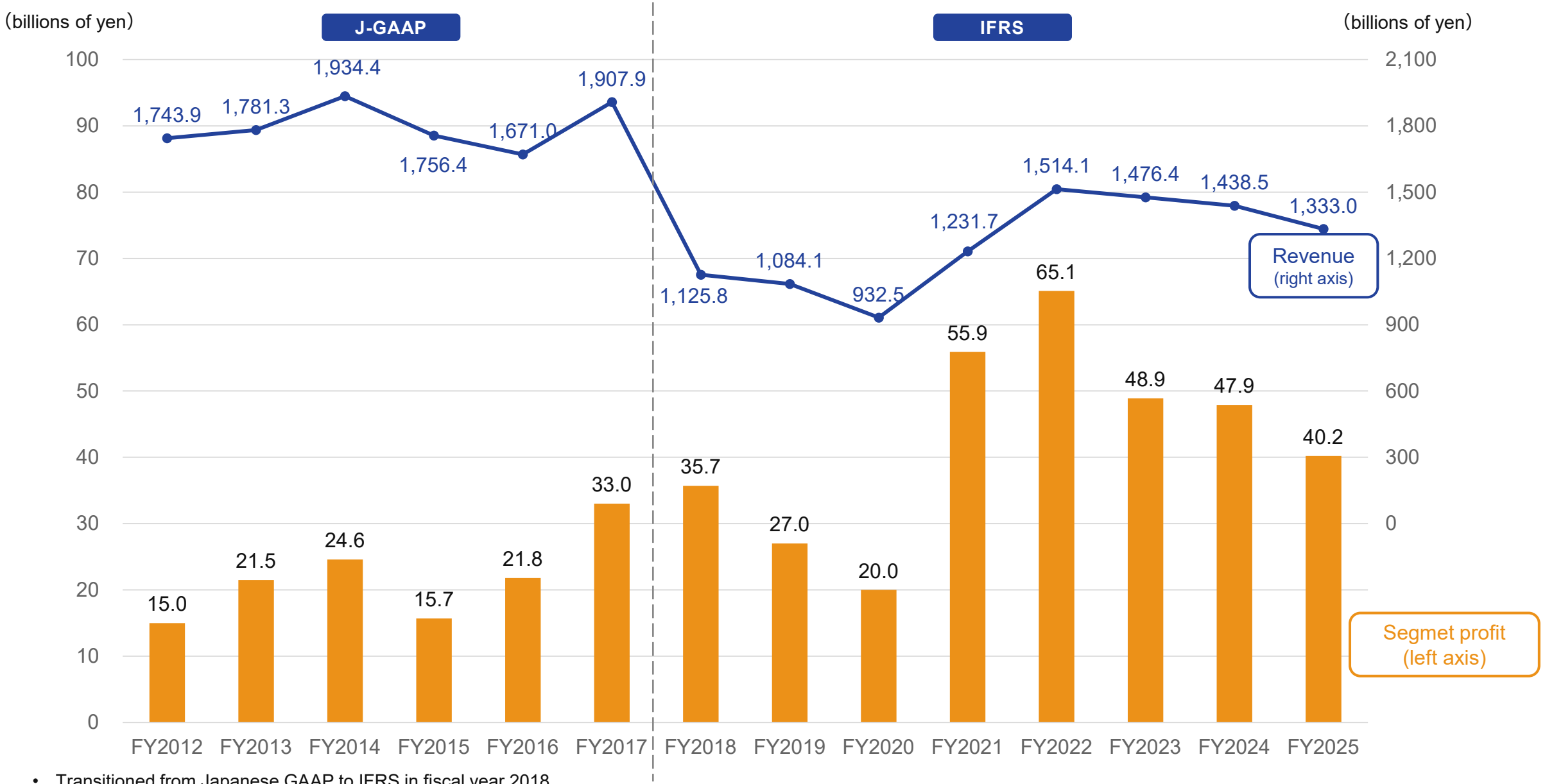
JFE Shoji Financial Trend (by Fiscal Year)

JFE Shoji



- Transitioned from Japanese GAAP to IFRS in fiscal year 2018.
- The bars for years prior to FY2017 represent ordinary profit based on J-GAAP.

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Profit/Loss Analysis

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JFE Steel Quarter Data

JFE Steel

	Unit	FY2024					FY2025					FY2026				
		1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year	1Q	2Q	3Q	4Q	Full year
Revenue	billions of yen	860.6	868.7	828.9	806.9	3,365.1	761.2	776.2	773.8	777.2	3,088.4	763.5	822.1	-	-	-
Segment Profit	billions of yen	31.5	3.0	10.4	(8.6)	36.3	(12.1)	6.8	28.6	14.7	38.0	3.0	12.8	-	-	-
Excluding Inventory Valuation, etc.*	billions of yen	36.5	51.0	44.4	5.4	137.3	16.9	25.8	26.6	(0.3)	69.0	(15.0)	(1.2)	-	-	-
Crude Steel (Standalone)	million mt	5.48	5.55	5.53	5.39	21.95	5.28	5.52	5.32	5.25	21.37	5.25	5.06	-	-	-
Crude Steel (Consolidated)	million mt	5.80	5.89	5.83	5.67	23.20	5.61	5.81	5.59	5.54	22.55	5.56	5.34	-	-	-
Shipment (Standalone)	million mt	4.70	4.96	4.87	4.84	19.36	4.71	4.82	4.72	4.61	18.86	4.54	4.54	-	-	-
Export Ratio on Value Basis (Standalone)	%	40.6	44.2	40.0	41.9	41.7	39.9	42.8	40.3	40.1	40.8	39.3	41.3	-	-	-
Average Sales Price (Standalone)	000 yen /tonne	139.2	131.5	127.0	124.0	130.3	120.4	119.2	120.0	123.4	120.7	124.2	134.1	-	-	-
Exchange Rate	¥/US$	155.0	152.8	149.0	154.1	152.7	145.3	147.0	153.2	155.3	150.2	159.9	161.0	-	-	-
Exchange Rate (End of Term)	¥/US$	161.1	142.7	158.2	149.5	149.5	144.8	148.9	156.6	159.9	159.9	162.4	157.4	-	-	-

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

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JFE Steel's Segment Profit Analysis
(FY2026 1Q (Actual) vs. FY2026 2Q (Actual))

JFE Steel

	Unit	FY2026 1Q Actual	FY2026 2Q Actual
Crude Steel (Standalone)	million mt	5.25	5.06
Shipment (Standalone)	million mt	4.54	4.54
Average Sales Price	000 yen /mt	124.2	134.1
Exchange Rate	¥/US$	159.9	161.0

(billions of yen)	FY2026 1Q Actual	FY2026 2Q Actual	Change
Segment Profit	**3.0**	**12.8**	**+9.8**
＊Excluding Inventory valuation, etc.	**(15.0)**	**(1.2)**	**+13.8**

- Heavy rain and typhoons in Chiba district: -25.0
- Others: +23.8

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**(25.0)**	- Volume: -15.0 (Reduction in crude steel production: -0.50 million tonnes), Cost: -10.0
2) Cost	**+6.0**	- Operational improvement, etc.
3) Volume and mix	**+8.0**	- Expansion of high-value-added products, etc.
4) Spreads*	**+27.0**	- Promoting improvement to steel product prices
5) Inventory valuation, etc.	**(4.0)**	- Inventory valuation +4.0 (+13.0→+17.0) - Carry over -2.0 (+ 3.0→ + 1.0) - Foreign exchange valuation -6.0 (+ 2.0→ - 4.0)
6) Others	**(2.2)**	- Group companies +3.0 (Domestic: +2.0, Overseas: +1.0 (India: ±0)) - Others -5.2 (Construction timing differences, depreciation, interest expense, etc.)

No change in the impact of the situation in the Middle East on costs

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

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JFE Steel's Segment Profit Analysis
(FY2025 2H (Actual) vs. FY2026 1H (Actual))

JFE Steel

	Unit	FY2025 2H Actual	FY2026 1H Actual
Crude Steel (Standalone)	million mt	10.57	10.31
Shipment (Standalone)	million mt	9.33	9.08
Average Sales Price	000 yen /mt	121.7	129.1
Exchange Rate	¥/US$	154.3	160.5

(billions of yen)	FY2025 2H Actual	FY2026 1H Actual	Change
Segment Profit	**43.3**	**15.8**	**(27.5)**
＊Excluding Inventory valuation, etc.	**26.3**	**(16.2)**	**(42.5)**

- Heavy rain and typhoons in Chiba district: -25.0
- Others: + 8.8

Breakdown

* Items 2) and 3) do not include the effects of 1).

1) Impact of heavy rain and typhoons in Chiba district (temporary)	**(25.0)**	- Volume: -15.0 (Reduction in crude steel production: -0.50 million tonnes), Cost: -10.0
2) Cost	**+11.0**	- Operational improvement, etc.
3) Volume and mix	**+5.0**	- Expansion of high-value-added products, etc.
4) Spreads*	**(27.0)**	- Deterioration in domestic and overseas steel market conditions / Surge in prices of main raw materials - Rising costs due to the situation in the Middle East - Initiatives to improve steel product prices
5) Inventory valuation, etc.	**+15.0**	- Inventory valuation +34.0 (- 4.0→ +30.0) - Carry over - 8.0 (+12.0→ + 4.0) - Foreign exchange valuation -11.0 (+ 9.0→ - 2.0)
6) Others	**(6.5)**	- Group companies +2.0 (Domestic: -14.0, Overseas: +16.0 (India: +13.0)) - Othres -8.5 (Depreciation, interest expense, etc.)

Impact of the situation in the Middle East on Costs: Approx. -30.0 (Including the group companies)

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

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Key Metrics of JSW JFE Steel Ltd. (JJSL)

	FY2026 (Apr-Jun)	FY2026 (Jul-Sep)	FY2026 1H
Crude steel production (million mt)	0.99	**0.91**	**1.90**
Steel product sales volume (million mt)	0.86	**0.92**	**1.79**
Revenue from Operations (billion INR)	60.2	**68.2**	**128.4**
EBITDA (billion INR)	10.7	**11.4**	**22.1**
Profit after tax (billion INR)	1.76	**(0.28)**	**1.48**

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Appendix (3)
Business Environmental Indicators and More

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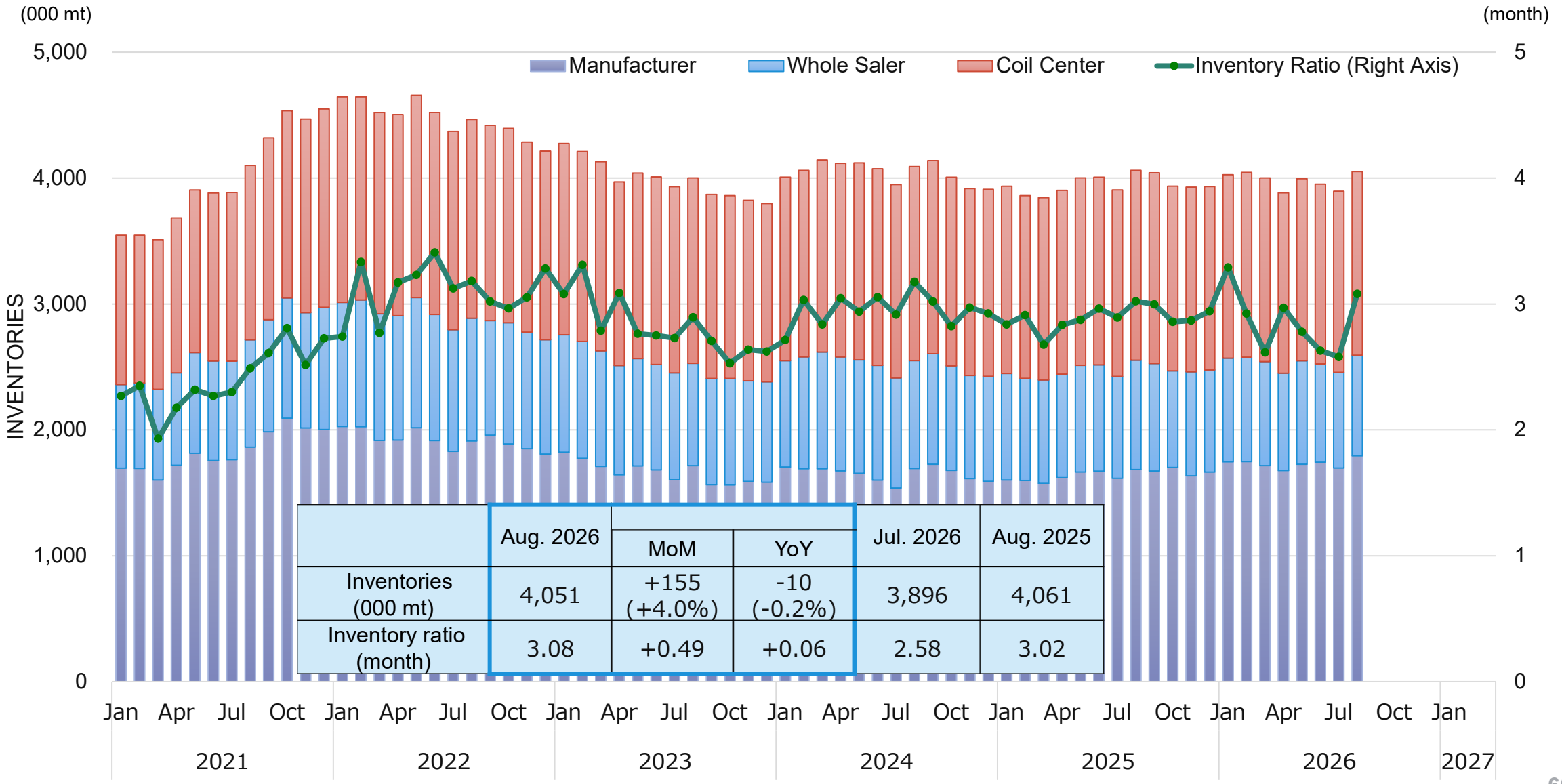
[Domestic Market Environment]
Combined Inventories of HR, CR and Coated Steel Sheets

JFE Steel



	Aug. 2026	MoM	YoY	Jul. 2026	Aug. 2025
Inventories (000 mt)	4,051	+155 (+4.0%)	-10 (-0.2%)	3,896	4,061
Inventory ratio (month)	3.08	+0.49	+0.06	2.58	3.02

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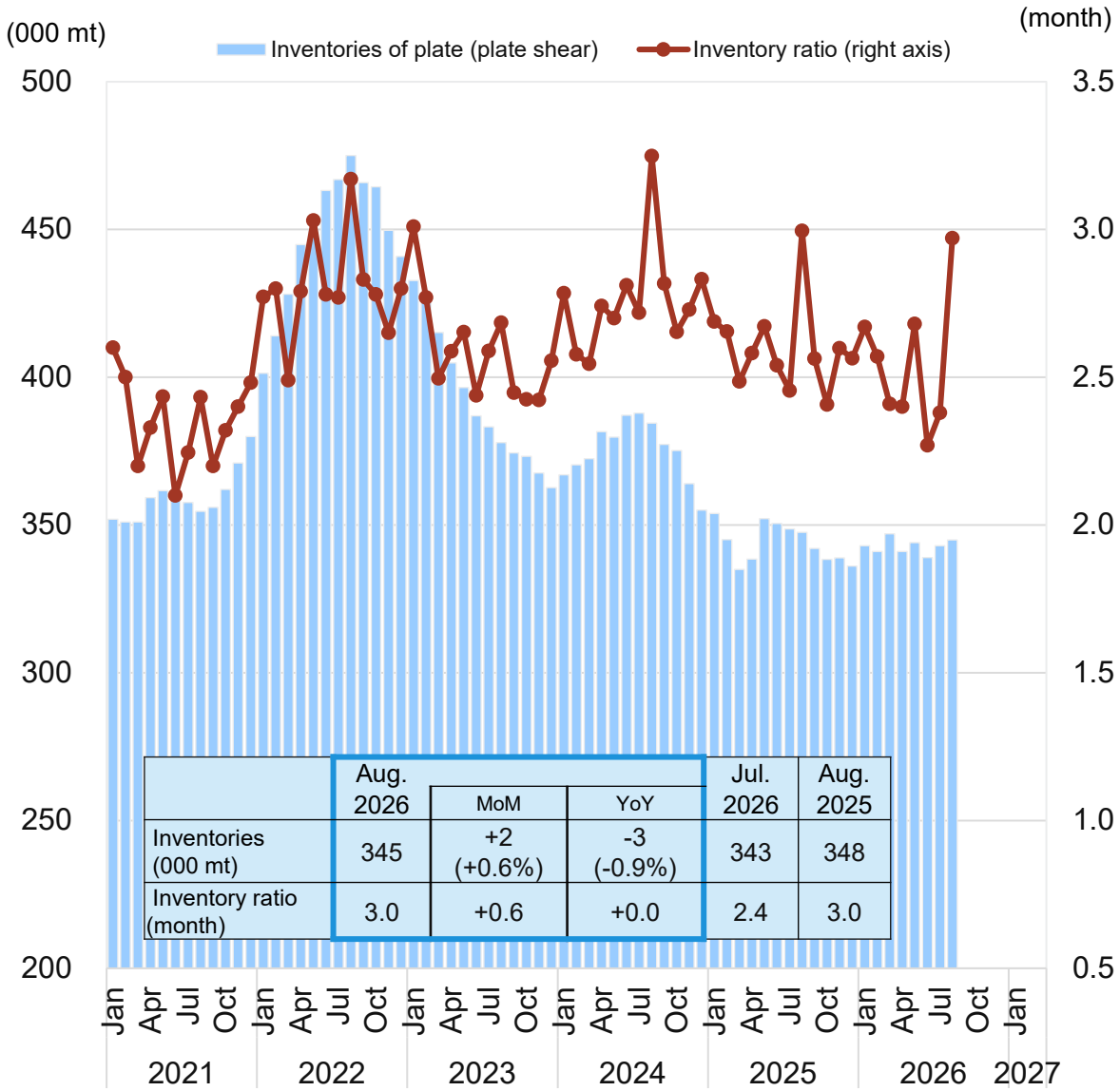
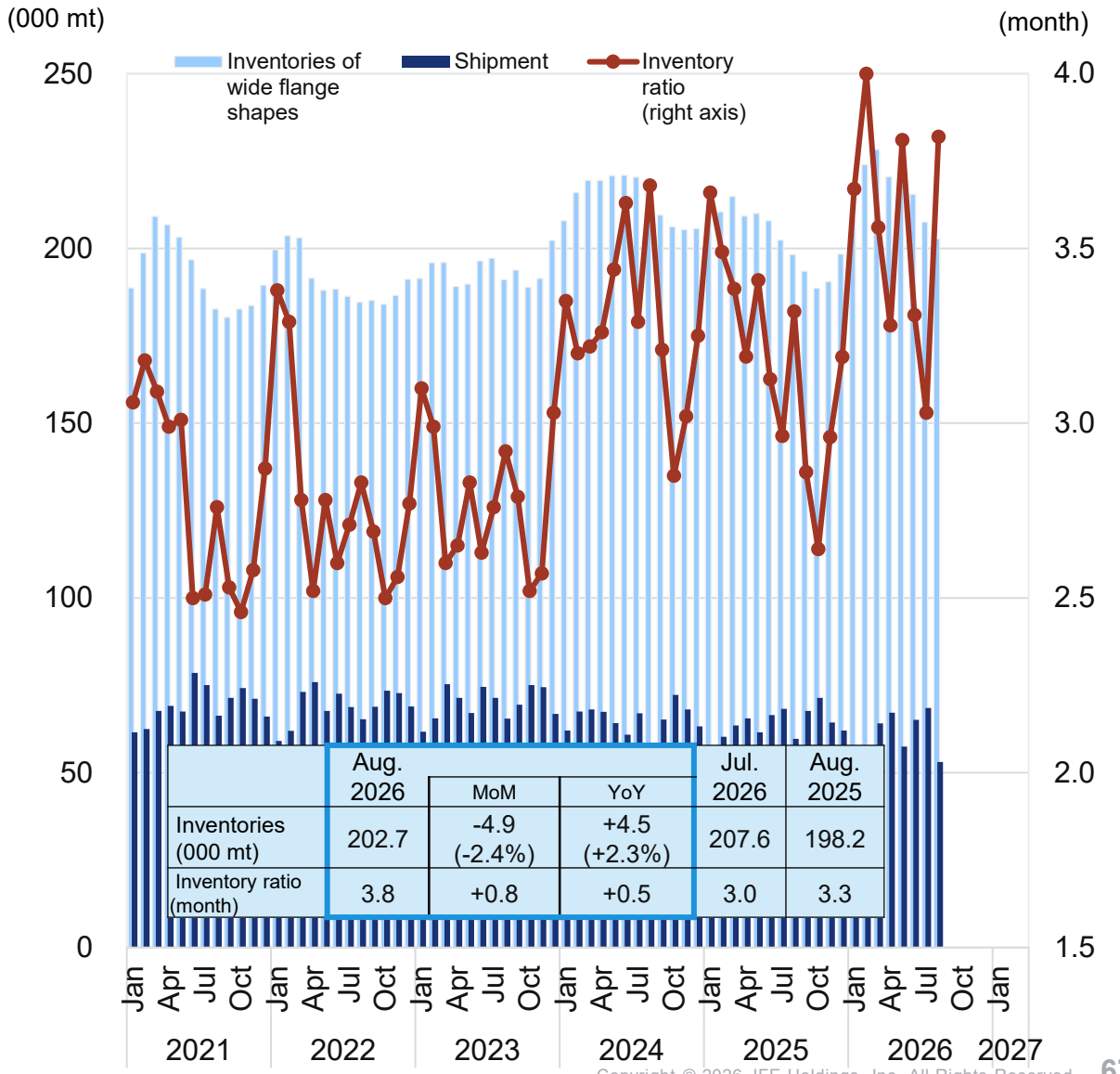
[Domestic Market Environment]
Inventories of Plate (Plate Shear) and Wide Flange Shapes

JFE Steel



	Aug. 2026	MoM	YoY	Jul. 2026	Aug. 2025
Inventories (000 mt)	345	+2 (+0.6%)	-3 (-0.9%)	343	348
Inventory ratio (month)	3.0	+0.6	+0.0	2.4	3.0



	Aug. 2026	MoM	YoY	Jul. 2026	Aug. 2025
Inventories (000 mt)	202.7	-4.9 (-2.4%)	+4.5 (+2.3%)	207.6	198.2
Inventory ratio (month)	3.8	+0.8	+0.5	3.0	3.3

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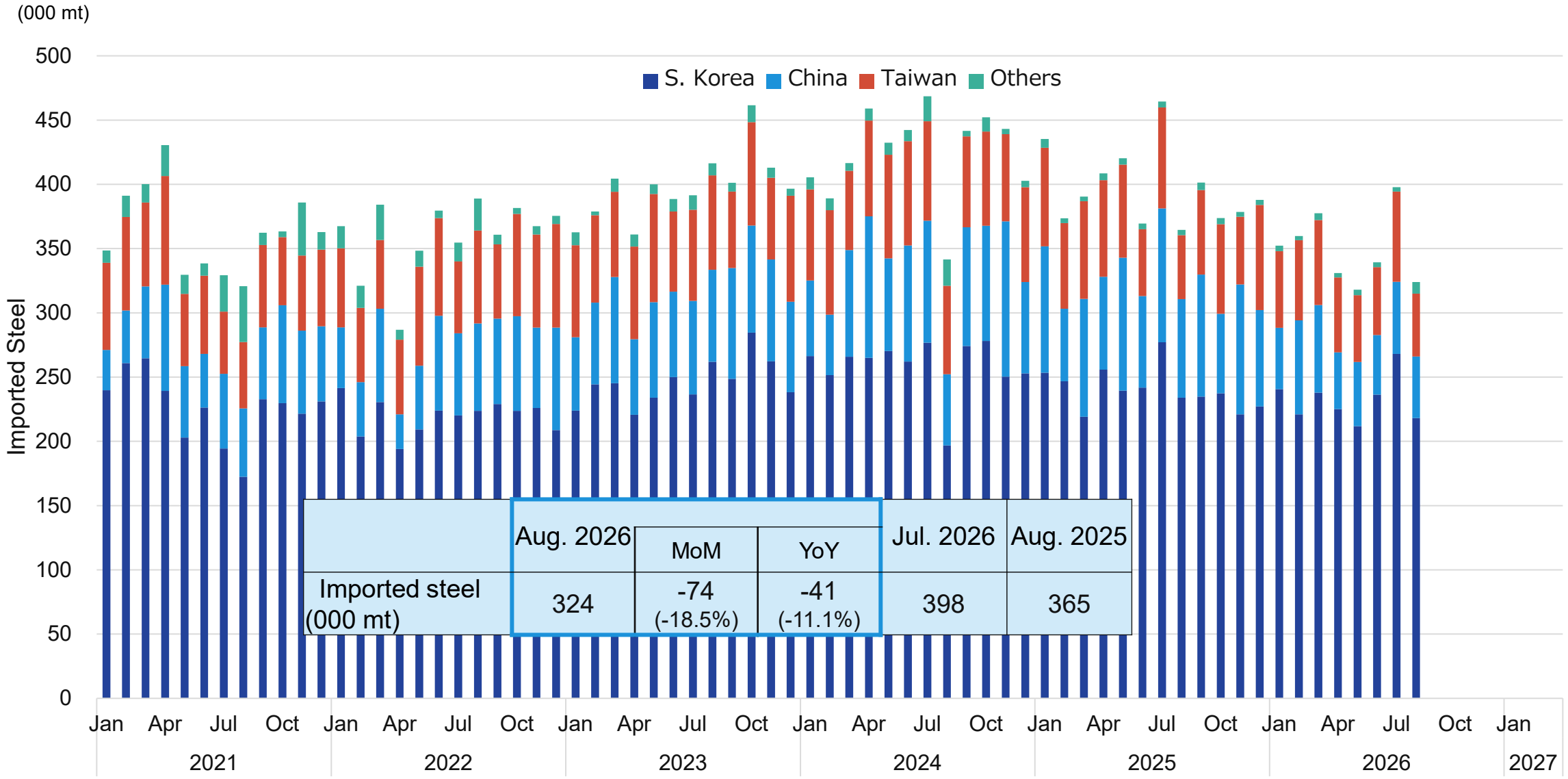
[Domestic Market Environment]
Trend of Imported Steel (Ordinary Steel / By country)

JFE Steel



	Aug. 2026	MoM	YoY	Jul. 2026	Aug. 2025
Imported steel (000 mt)	324	-74 (-18.5%)	-41 (-11.1%)	398	365

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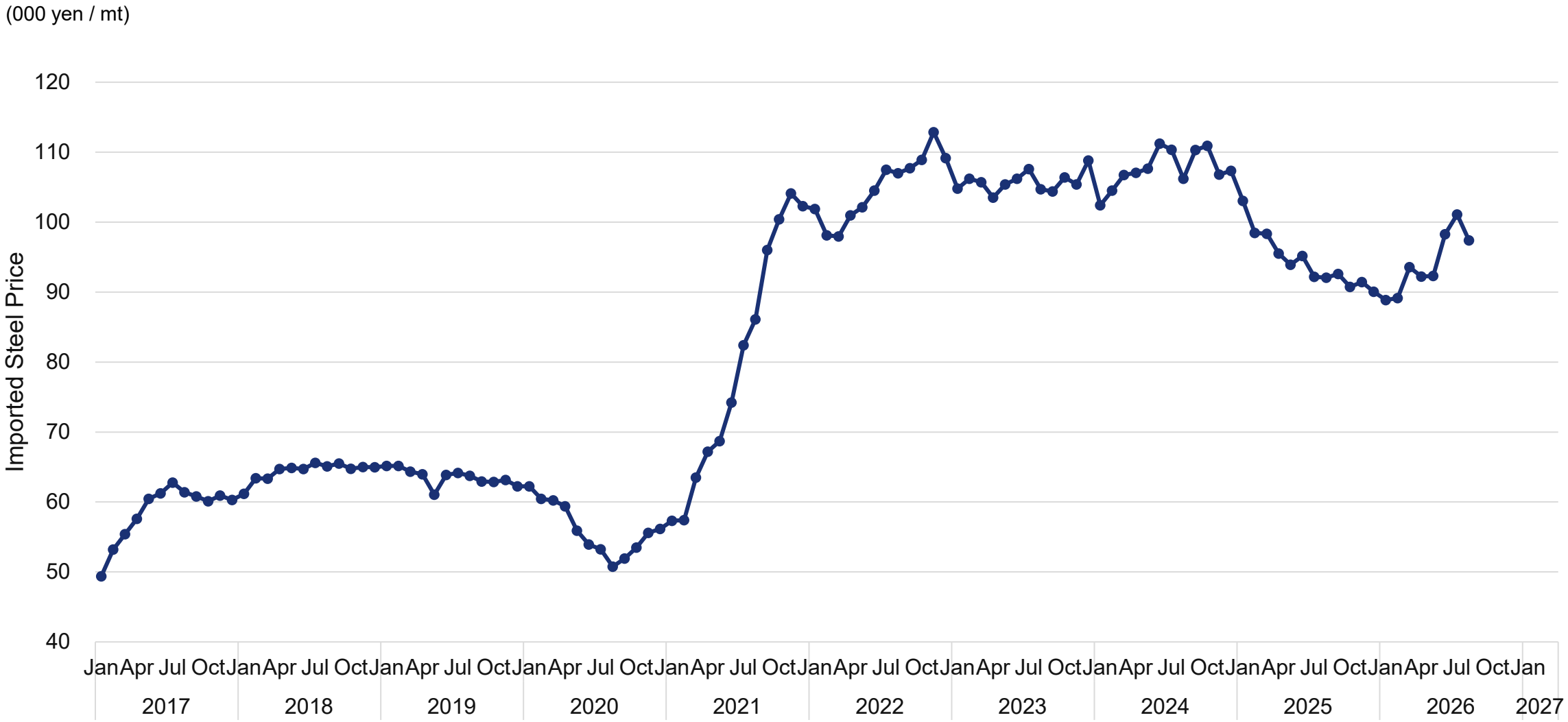
[Domestic Market Environment]
Trend of Imported Steel (Ordinary Steel)

JFE Steel



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

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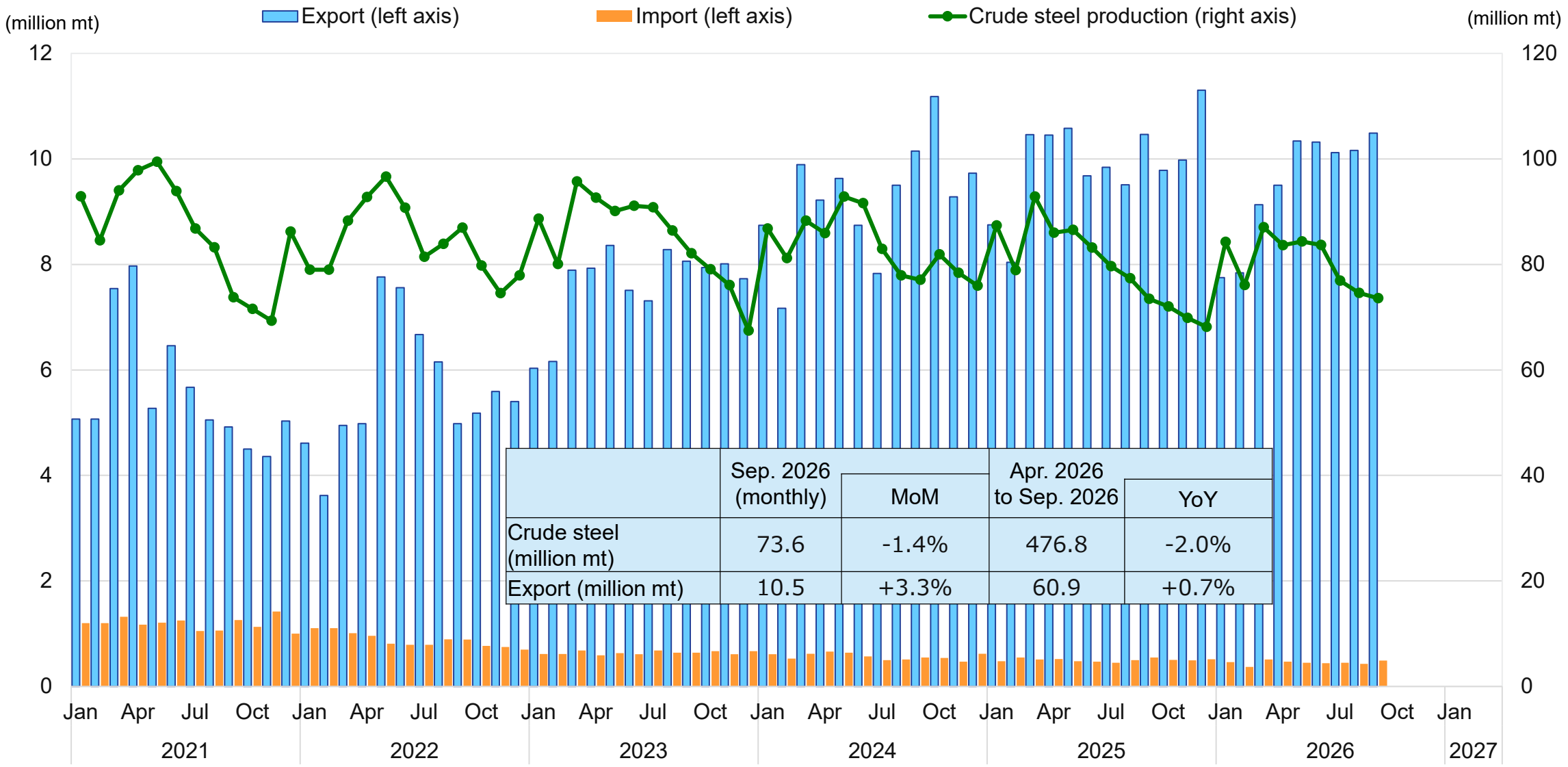
[Overseas Market Environment]
Crude Steel & Im/Export, China

JFE Steel



	Sep. 2026 (monthly)	MoM	Apr. 2026 to Sep. 2026	YoY
Crude steel (million mt)	73.6	-1.4%	476.8	-2.0%
Export (million mt)	10.5	+3.3%	60.9	+0.7%

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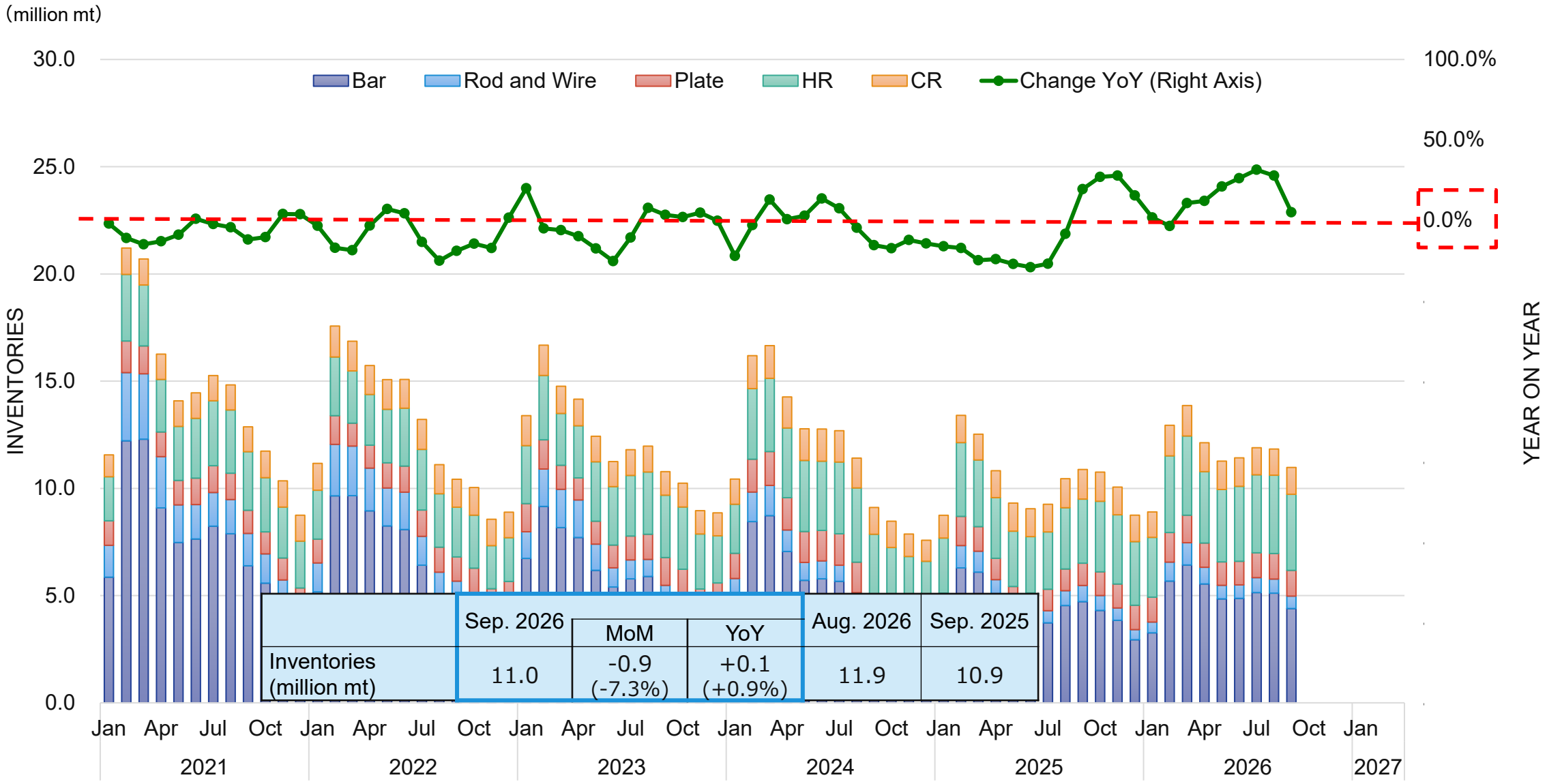
[Overseas Market Environment]
Inventories in China by Product

JFE Steel



	Sep. 2026	MoM	YoY	Aug. 2026	Sep. 2025
Inventories (million mt)	11.0	-0.9 (-7.3%)	+0.1 (+0.9%)	11.9	10.9

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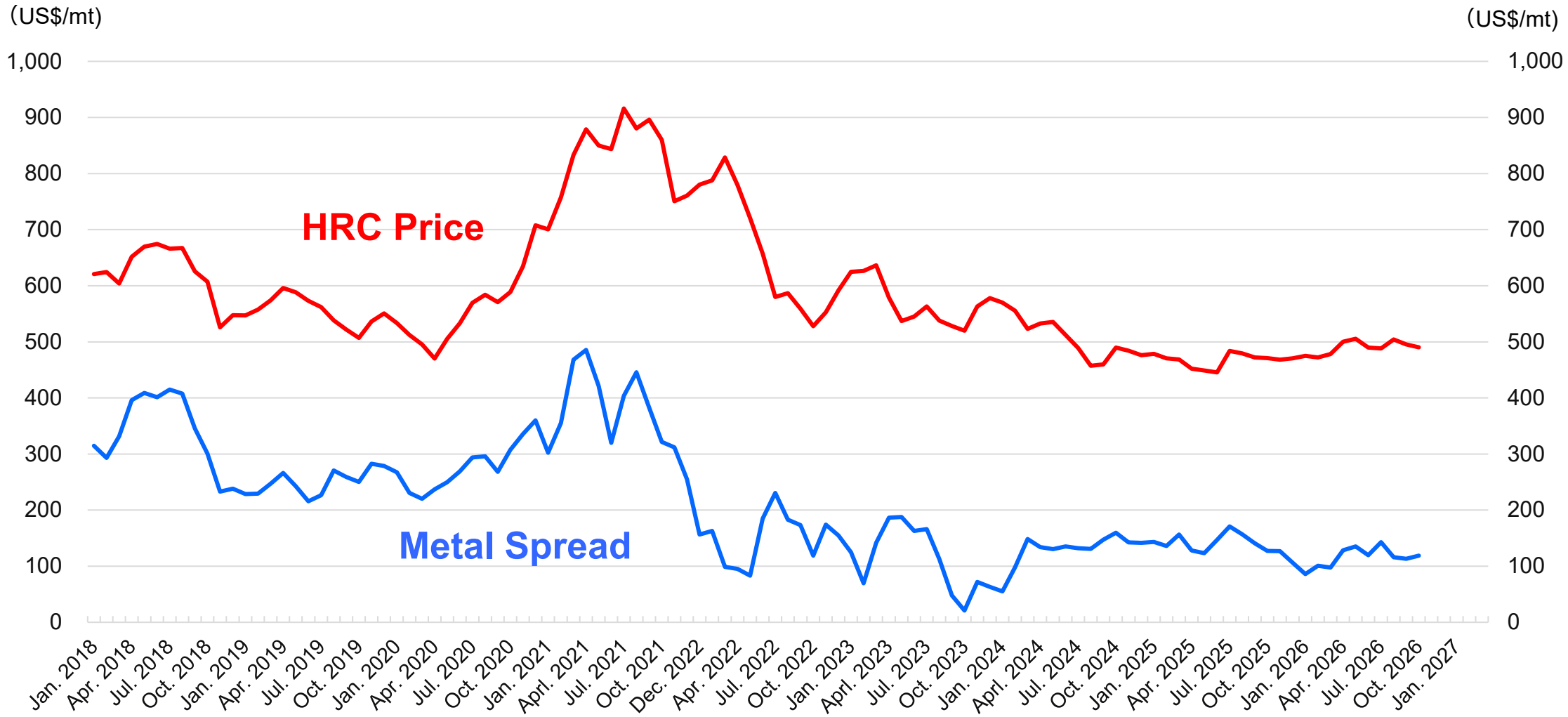
[Overseas Market Environment]
Metal Spread Trend (China Spot Basis)

JFE Steel



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

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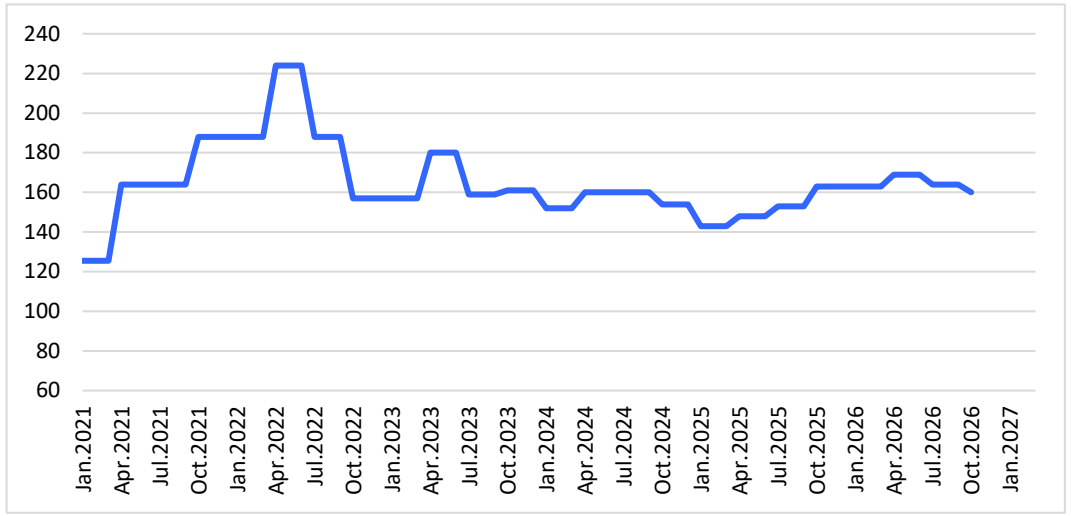
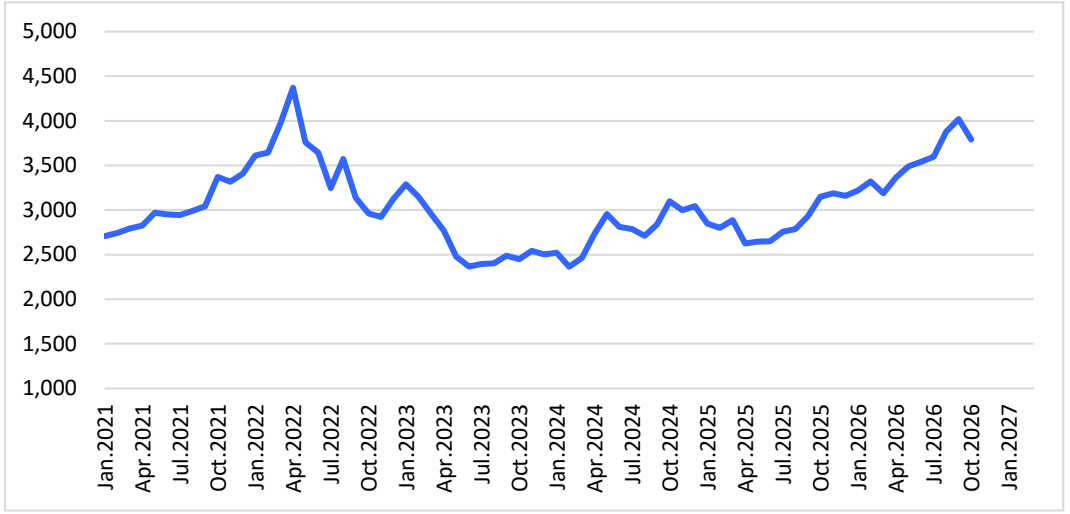
[Raw Materials] Trend of Sub Materials' Market Price

JFE Steel

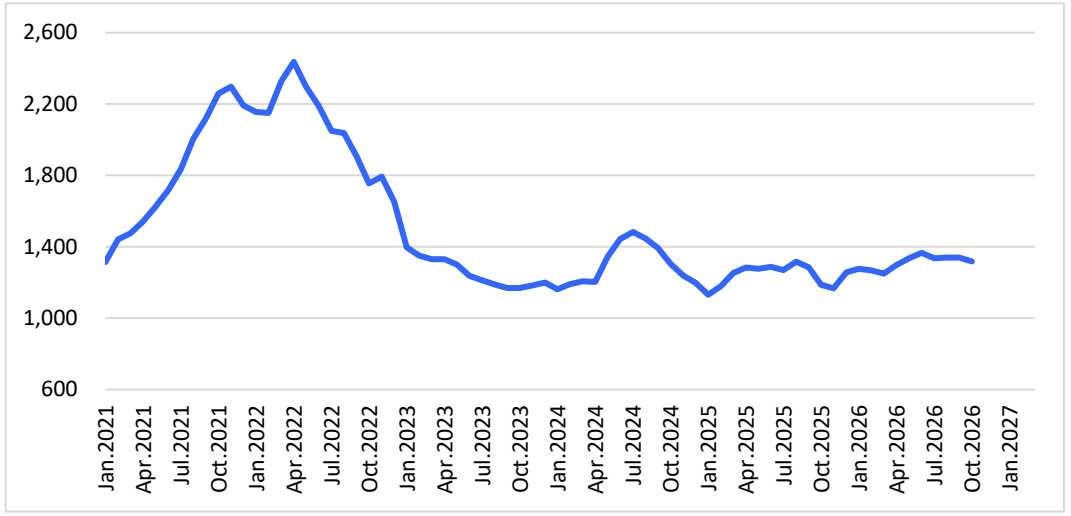
(¢/lb) FeCr



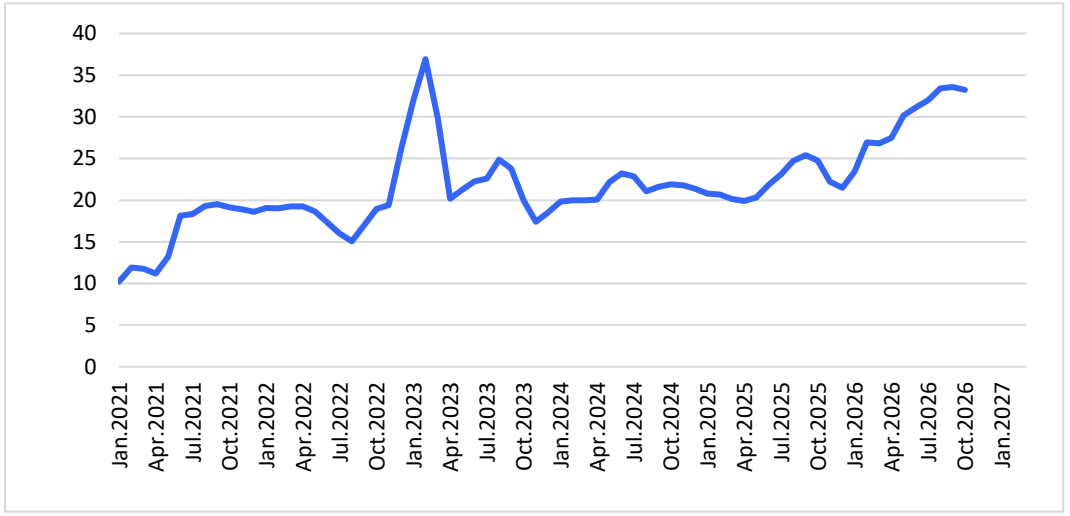
(US$/mt) Zn



(US$/mt) FeMn



(US$/lb) Mo



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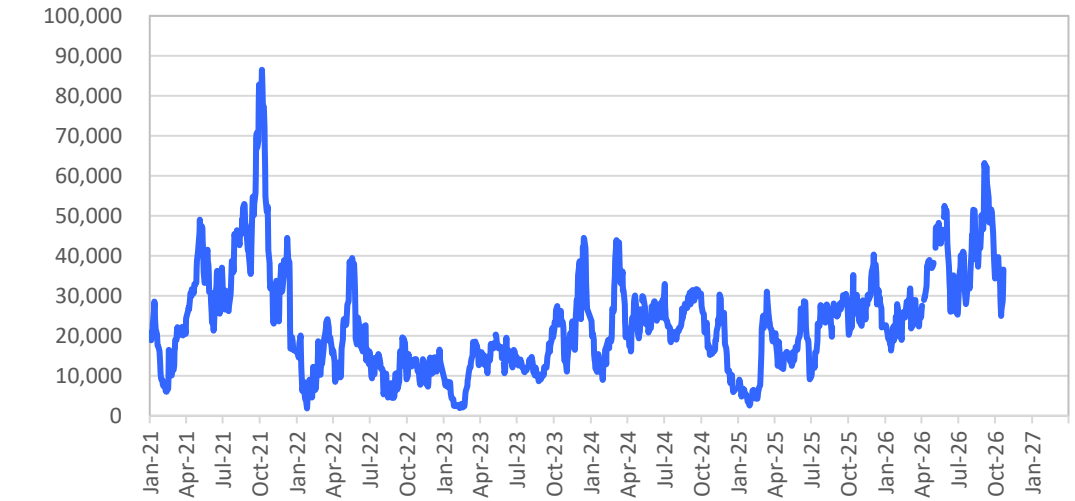
[Raw Materials] Trend of Market Price of Others

JFE Steel

(yen/mt) Scrap

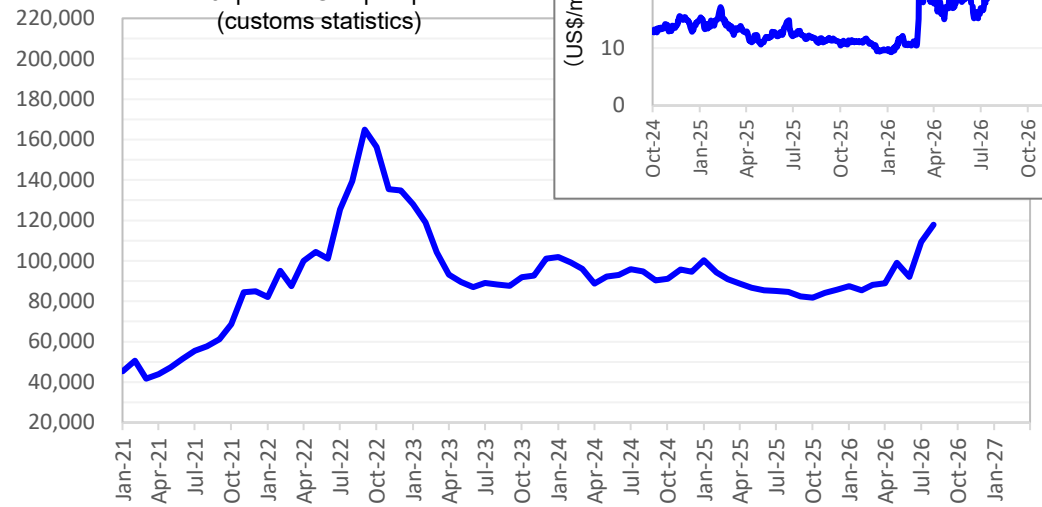


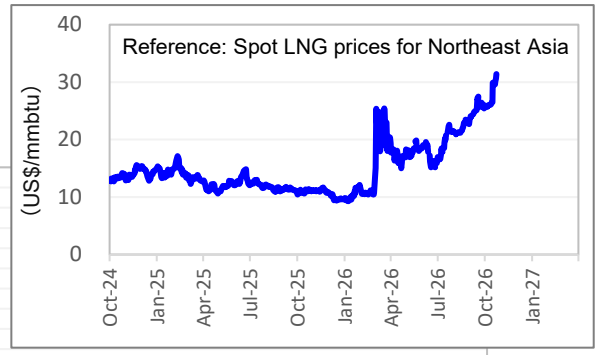
(US$/B) Spot Bulker



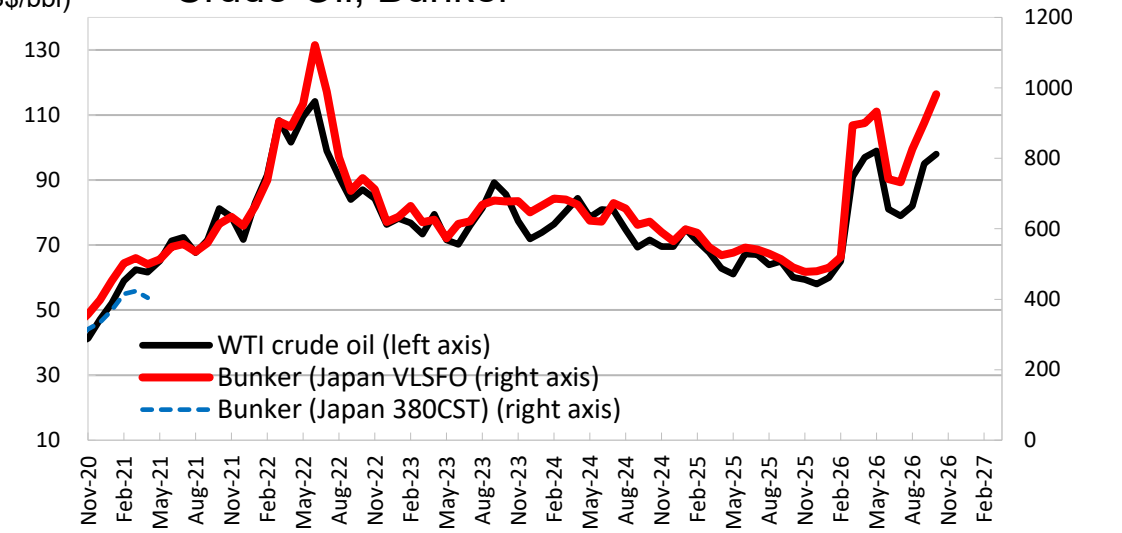
(yen/mt) LNG

Japan LNG import prices (customs statistics)





(Crude oil: US$/bbl) Crude Oil, Bunker (Bunker: US$/mt)



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Adoption Status of GX Steel, "JGreeX™"

- JFE Steel began supplying **GX Steel "JGreeX®," which significantly reduces GHG emissions during the manufacturing process compared to conventional products**, in the first half of FY2023. In FY2024, the adoption increased across all sectors due to the growing demand for GX Steel.
- Sales volume for FY2025 **met the KPI (over 100,000 metric tons)**

Industrial machinery



- ✓ Yamaha Motor Co., Ltd.
- ✓ Takasago Metal Works Co.,Ltd.

General consumer goods



- ✓ MoNo factory Co.,Ltd.

Transformers



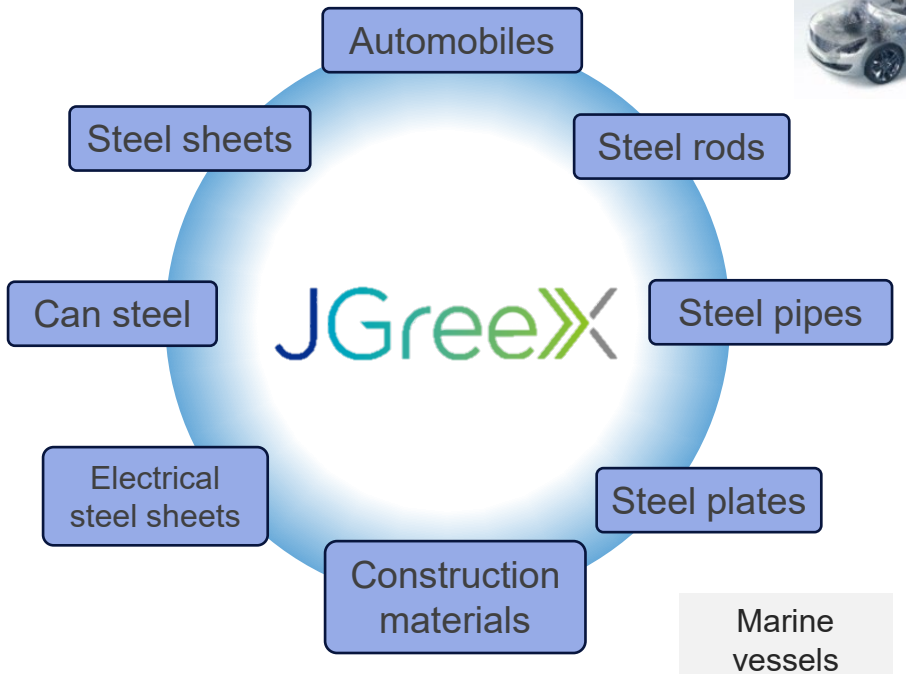
- ✓ AICHI ELECTRIC Co., Ltd.
- ✓ Eaton Corporation (USA)
- ✓ Transformer manufacturers (Europe)

Office buildings, logistics warehouses, and factory buildings





- ✓ Imabari Shipbuilding
- ✓ Iwagi Zosen
- ✓ Kumagai Gumi
- ✓ Sumitomo Corporation
- ✓ Tomakomai Kuribayashi Transportation
- ✓ Nippon Fastener
- ✓ Fujiki Tekkou
- ✓ Mitsubishi Estate
- ✓ MITSUWA TEKKEN
- ✓ YASHIMANADA
- ✓ RN CONSTRUCTIO
- ✓ SUNSCO (Vietnam)



Automobile



- ✓ ISUZU MOTORS LIMITED
- ✓ TOYOTA MOTOR CORPORATION
- ✓ Nissan Motor Co., Ltd.

Distribution

- ✓ SUZUTOYO SEIKO CO., Ltd.
- ✓ Hock Seng Hoe (Singapore)
- ✓ Mycron Steel Berhad (Malaysia)
- ✓ JFE Shoji Pipe & Fitting Corporation

Bridges



- ✓ Yokogawa Bridge Corp. (Okayama)
- ✓ JFE Engineering (Yokohama)

Marine vessels



- ✓ EASTERN CAR LINER, LTD.
- ✓ Kawasaki Kisen Kaisha, Ltd.
- ✓ KAWASAKI KINKAI KISEN KAISHA,LTD.
- ✓ MOL Drybulk Ltd.
- ✓ Daiichi Chuo Kisen Kaisha
- ✓ TSUNEISHI SHIPBUILDING Co., Ltd.
- ✓ TOKO KAIUN KAISHA, LTD.
- ✓ NYK Bulk Project
- ✓ IMABARI SHIPBUILDING CO.,LTD.
- ✓ ONOMICHI DOCKYARD CO., LTD.
- ✓ KOIKE SHIPBUILDING & SHIPPING. CO.,Ltd
- ✓ Namikata Shipyard
- ✓ HIGAKI SHIPBUILDING CO.,LTD.

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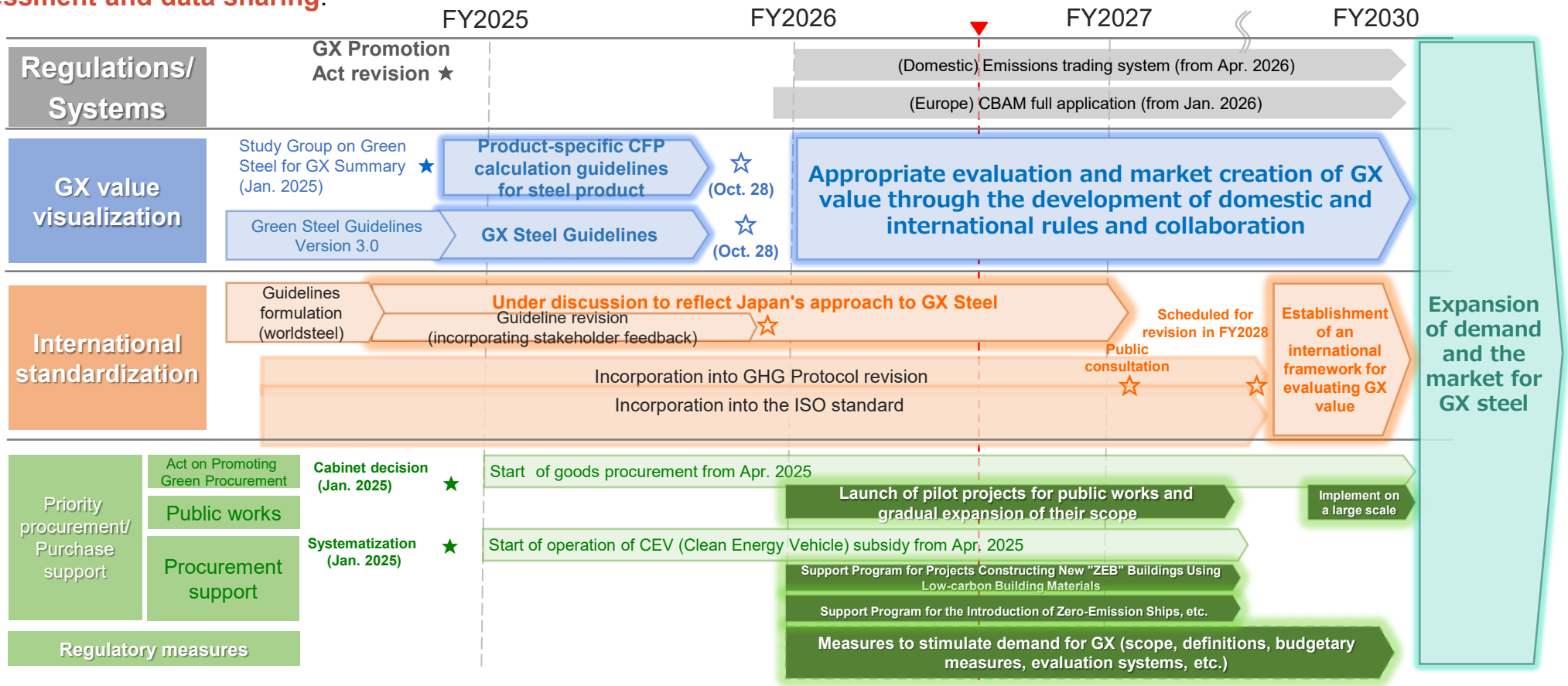
Efforts to Create GX Steel Market

- The government has clarified its intention to **begin pilot projects for public works utilizing GX Steel starting in FY 2026**, and to gradually expand the scope of these projects. At the same time, demand-stimulation measures have been expanded, including making **GX Steel eligible for support** under **the support program for projects constructing new "ZEB" buildings using low-carbon building materials and the support program for the introduction of zero-emission ships and other vessels**. Furthermore, **a framework for evaluating the procurement of GX products**, including GX Steel, has been formulated.
- In the steel industry, we will **continue our international standardization efforts to ensure the global credibility of GX Steel,** while also collaborating with demand-side industries to **advance initiatives aimed at resolving challenges related to environmental value assessment and data sharing**.



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JFE Engineering Orders by Business Field

- The order backlog remains at a high level.

(billions of yen)

	Business field	FY2025 Actual value	FY2026 Forecast	Change	Main orders received in 1H of FY2026 ★… New and additional orders received in the second quarter
Orders	Waste to Resource	385.4	210.0	(175.4)	Construction of overseas waste treatment facilities (2 facilities in India)
	Carbon neutral	321.7	260.0	(61.7)	Long-term maintenance of domestic gas engine power generation facilities [Aichi] Construction of a domestic high-pressure hydrogen pipeline [Kanagawa] Construction of domestic LNG-related facilities [★Kanagawa] Construction of domestic chemical plants [★Fukuoka]
	Core infrastructure	128.9	130.0	+1.1	Construction of bridge in Japan (Saho Bridge [Osaka])) Renovation of bridges in Japan (Kurushima-Kaikyo Bridge [Ehime]) Renovation of domestic aquapipelines [★Hyogo]
	Total	836.1	600.0	(236.1)	
Order backlog		1,223.5	1,170.0	(53.5)	

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Appendix (4)
List of Terms and Abbreviations

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Terms and Abbreviations (1)-1 Business and Products

The main business and product terms are listed below:

Abbreviation	Long form	Definition
GO	Grain-Oriented electrical steel sheet	Electrical steel sheets with excellent unidirectional magnetic properties, used in transformers and other applications
NO	Non-Oriented electrical steel sheet	Electrical steel sheets with minimal variation in magnetic properties depending on orientation, used in motors and other applications
GI	Galvanized Iron (hot-dip galvanized steel sheets)	Steel sheets with a zinc coating applied to the surface to enhance corrosion resistance
AD	Anti-Dumping measures	Trade measures, such as the imposition of additional tariffs, against products imported at unreasonably low prices
JSW	JSW Steel Limited	JFE Steel's equity-method affiliate that manufactures and sells steel products in India (JFE Steel's ownership stake: 15%)
JJKSL	JSW JFE Kalinga Steel Limited	A joint venture between JFE Steel and JSW Steel that operates an integrated steelworks in India (ownership ratio: 50:50)
JJSL	JSW JFE Steel Limited	A wholly owned subsidiary of JJKSL
J2ES	JSW JFE Electrical Steel Private Limited	A joint venture between JFE Steel and JSW Steel that manufactures and sells GO in India (50:50 ownership ratio)
CSI	California Steel Industries, Inc.	A joint venture between Nucor and JFE Steel that manufactures and sells steel products in the United States (51:49 ownership ratio)
WTI	West Texas Intermediate	A leading price index for U.S. crude oil. Used as the crude oil price assumption in this document.

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Terms and Abbreviations (1)-2　Finance and Results

The main terms related to finance and business results are listed below:

Terms	Definition
EBITDA	A metric calculated by adding depreciation and amortization expenses to business profit
Debt/EBITDA multiple	A metric calculated by dividing the balance of interest-bearing debt by EBITDA
D/E ratio	A metric calculated by dividing the balance of interest-bearing debt by the equity attributable to owners of parent
inventory valuation, etc.	Gains or losses arising from the valuation of inventories of raw materials, products, and other items due to fluctuations in raw material prices, exchange rates, and other factors
spread	The difference between steel product sales prices and costs such as primary raw materials, metals, energy, supplies, logistics, and labor expenses
Ratio of high-value-added products	The percentage of the sales volume for the target product types designated by JFE as high-value-added products out of the total sales volume of the target steel products

Note: This page provides an overview of each term.
For the calculation scope and details of each indicator, please refer to the relevant page's notes.

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Appendix (5)
Published Materials (Links)

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Links of Published Materials

	Release	Materials (Japanese)	Materials (English)
Long-term vision “JFE Vision 2035”/ Eighth Medium-term Business Plan	May 8, 2025	Japanese	English
JFE Group Environmental Management Strategy	May 29, 2025	Japanese	English
JFE Steel Corporation Overseas Business Strategy	August 8, 2025	Japanese	English
JFE Engineering Business Briefing	November 25, 2025	Japanese	English
Integrated Steel Plant Joint Venture with JSW Steel in India	December 4, 2025	Japanese	English
DX Report 2025	February 4, 2026	Japanese	English
JFE GROUP REPORT 2026	September 28, 2026	Japanese	English
JFE Group Sustainability Report 2026	September 28, 2026	Japanese	To be issued in November
JSW JFE Steel Limited Approves Investment for Capacity Expansion	October 26, 2026	Japanese	English

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