JFE Holdings' Financial Results for First Half of Fiscal Year 2026 Ending March 31, 2027

— All financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) —
(Note: The following is an English translation of an original Japanese document)

November 6, 2026

Official name:	JFE Holdings, Inc.
Listings:	Tokyo stock exchange
Code:	5411
English URL:	www.jfe-holdings.co.jp/en
Representative:	Yoshihisa Kitano, President and CEO
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Scheduled date to submit Semi-Annual Report:	November 6, 2026
Scheduled date to start paying dividends:	December 2, 2026
Preparation of supplementary materials for quarterly results:	Yes
Quarterly results briefing:	Yes

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

1. Consolidated Results in First Half of Fiscal 2026 (April 1 to September 30, 2026)

(1) Consolidated Operating Results (cumulative total)

(Percentages represent changes from same period of previous fiscal year)

	Revenue (millions of yen)	%	Business profit (millions of yen)	%	Profit before tax (millions of yen)	%	Profit (millions of yen)	%	Profit attributable to owners of parent (millions of yen)	%	Comprehensive income (millions of yen)	%
1H FY 2026	2,400,430	7.5	76,704	67.6	70,673	106.8	55,953	97.3	53,796	101.7	59,552	314.2
1H FY 2025	2,232,649	(8.9)	45,765	(44.1)	34,174	(43.0)	28,359	(34.3)	26,676	(37.2)	14,377	(83.5)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1H FY 2026	84.56	80.55
1H FY 2025	41.94	40.20

Note: Business profit is profit before tax excluding financial income and one-time items of a materially significant value.

(2) Consolidated Financial Position

	Total assets (millions of yen)	Total equity (millions of yen)	Total equity attributable to owners of parent (millions of yen)	Total equity attributable to owners of parent (%)
End 1H FY 2026	6,167,642	2,708,109	2,647,448	42.9
End FY 2025	5,895,238	2,680,190	2,619,535	44.4

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2025	80.00	40.00	40.00
FY 2026 (forecast)	80.00*	40.00	40.00*

* Estimate

Note: Revisions to dividend forecast announced most recently: No

3. Forecasts of Consolidated Financial Results in Fiscal 2026 (April 1, 2026 to March 31, 2027)

(Percentages indicate year on year change)

	Revenue (millions of yen)	%	Business profit (millions of yen)	%	Profit before tax (millions of yen)	%	Profit attributable to owners of parent (millions of yen)	%	Basic earnings per share (yen)
FY 2026	4,900,000	7.9	195,000	44.1	165,000	88.7	130,000	85.3	204.35

Note: Revisions to consolidated financial results forecasts announced most recently: Yes

Notes

1. Significant change in scope of consolidation: Yes
   1) New company: None
   2) Excluded company: One (Inner Mongolia Erdos EJM Manganese Alloys Co., Ltd.*)

   * Equity-method associate

2. Changes in accounting policies and accounting estimates
   1) Changes in the accounting policies required by IFRS: No
   2) Changes in the accounting policies other than 1) above: No
   3) Changes in accounting estimates: No

3. Number of outstanding shares (common stock)
   1) Outstanding shares at the end of the term (including treasury stock)
      As of September 30, 2026: 639,438,399 shares
      As of March 31, 2026: 639,438,399 shares
   2) Treasury stock at the end of the term
      As of September 30, 2026: 3,241,455 shares
      As of March 31, 2026: 3,302,081 shares
   3) Average number of shares during the term
      1H Fiscal 2026: 636,161,976 shares
      1H Fiscal 2025: 636,108,787 shares

This report is not subject to auditing by a certified public accountant or an audit corporation.

Explanation of Appropriate Use of Results Forecasts, and Other Matters of Note

1. Forecasts and other forward-looking statements herein are based on information available on the date of publication of this document as well as rational assumptions that we have made regarding certain factors. Actual results may vary significantly from these forecasts due to a wide range of circumstances.

2. The supplementary financial data will be disclosed today via TDnet and published on our website.

Attachments

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1. Overview of Business Performance, etc. for the First Half of Fiscal Year 2026 Ending March 31, 2027

For an overview of business performance and other related matters, please refer to the supplementary explanation materials for the financial results. The supplementary financial data will be disclosed today via TDnet and published on our website.

2. Condensed Interim Consolidated Financial Statements and Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	167,807	181,758
Trade and other receivables	668,994	671,394
Contract assets	155,769	205,102
Inventories	1,188,142	1,217,950
Income taxes receivable	14,605	4,612
Other financial assets	22,956	29,574
Other current assets	86,462	116,359
Total current assets	2,304,738	2,426,751
Non-current assets		
Property, plant and equipment	2,039,974	2,063,260
Goodwill	31,348	40,175
Intangible assets	208,881	197,954
Right-of-use asset	111,370	113,075
Investment property	53,317	53,029
Investments accounted for using equity method	816,153	960,896
Retirement benefit asset	35,794	36,487
Deferred tax assets	44,072	48,659
Other financial assets	225,997	202,577
Other non-current assets	23,590	24,772
Total non-current assets	3,590,500	3,740,890
Total assets	5,895,238	6,167,642

(millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	571,142	550,569
Bonds payable, borrowings, and lease obligations	443,307	675,913
Contract liabilities	38,964	53,257
Income taxes payable, etc.	15,096	16,842
Provisions	11,906	12,424
Other financial liabilities	131,952	125,286
Other current liabilities	277,021	245,310
Total current liabilities	1,489,391	1,679,603
Non-current liabilities		
Bonds payable, borrowings, and lease obligations	1,516,078	1,572,718
Retirement benefit liability	85,930	89,978
Provisions	23,185	22,871
Deferred tax liabilities	10,023	10,979
Other financial liabilities	54,516	59,037
Other non-current liabilities	35,923	24,344
Total non-current liabilities	1,725,657	1,779,929
Total liabilities	3,215,048	3,459,533
Equity		
Share capital	171,310	171,310
Capital surplus	579,387	579,022
Retained earnings	1,646,021	1,667,609
Treasury shares	(12,608)	(12,471)
Other components of equity	235,423	241,977
Total equity attributable to owners of parent	2,619,535	2,647,448
Non-controlling interests	60,654	60,660
Total equity	2,680,190	2,708,109
Total liabilities and equity	5,895,238	6,167,642

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

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

(millions of yen)

	First Half of Fiscal 2025 (April 1, 2025 – September 30, 2025)	First Half of Fiscal 2026 (April 1, 2026 – September 30, 2026)
Revenue	2,232,649	2,400,430
Cost of sales	(1,989,717)	(2,137,419)
Gross profit	242,932	263,011
Selling, general and administrative expenses	(204,546)	(214,503)
Share of profit of investments accounted for using equity method	22,819	37,206
Other income	11,719	13,509
Other expenses	(27,159)	(22,519)
Business profit	45,765	76,704
Gain on sales of land	—	15,046
Losses related to disasters	—	(5,215)
Operating profit	45,765	86,534
Finance income	2,833	2,625
Finance costs	(14,423)	(18,486)
Profit before tax	34,174	70,673
Income tax expense	(5,815)	(14,720)
Profit	28,359	55,953
Profit attributable to		
Owners of parent	26,676	53,796
Non-controlling interests	1,682	2,157
Profit	28,359	55,953
Earnings per share		
Basic earnings per share (yen)	41.94	84.56
Diluted earnings per share (yen)	40.20	80.55

Condensed Interim Consolidated Statement of Comprehensive Income (First Half)

(millions of yen)

	First Half of Fiscal 2025 (April 1, 2025 – September 30, 2025)	First Half of Fiscal 2026 (April 1, 2026 – September 30, 2026)
Profit	28,359	55,953
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	2,258	1,681
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	10,452	1,772
Share of other comprehensive income of investments accounted for using equity method	(2,222)	(1,116)
Total of items that will not be reclassified to profit or loss	10,488	2,337
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,417)	6,127
Effective portion of cash flow hedges	586	643
Share of other comprehensive income of investments accounted for using equity method	(20,640)	(5,510)
Total of items that may be reclassified to profit or loss	(24,470)	1,261
Total other comprehensive income	(13,981)	3,599
Comprehensive income	14,377	59,552
Comprehensive income attributable to		
Owners of parent	12,345	55,624
Non-controlling interests	2,032	3,927
Comprehensive income	14,377	59,552

(3) Condensed Interim Consolidated Statement of Changes in Equity

First Half of Fiscal 2025 (April 1, 2025 – September 30, 2025)

(millions of yen)

	Equity attributable to owners of parent						
					Other components of equity		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2025	171,310	579,514	1,607,951	(13,736)	3,081	—	50,722
Profit	—	—	26,676	—	—	—	—
Other comprehensive income	—	—	—	—	—	2,332	7,513
Comprehensive income	—	—	26,676	—	—	2,332	7,513
Purchase of treasury shares	—	—	—	(624)	—	—	—
Disposal of treasury shares	—	(984)	—	1,593	—	—	—
Dividends	—	—	(31,845)	—	—	—	—
Share-based payment transactions	—	(78)	—	194	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	20	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	4,393	—	—	(2,332)	(2,061)
Transfers to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	—	(1,041)	(27,451)	1,163	—	(2,332)	(2,061)
Balance as of September 30, 2025	171,310	578,473	1,607,176	(12,573)	3,081	—	56,174

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2025	123,616	7,118	184,539	2,529,578	57,289	2,586,868
Profit	—	—	—	26,676	1,682	28,359
Other comprehensive income	(27,635)	3,459	(14,331)	(14,331)	349	(13,981)
Comprehensive income	(27,635)	3,459	(14,331)	12,345	2,032	14,377
Purchase of treasury shares	—	—	—	(624)	—	(624)
Disposal of treasury shares	—	—	—	609	—	609
Dividends	—	—	—	(31,845)	(1,518)	(33,363)
Share-based payment transactions	—	—	—	116	—	116
Change in scope of consolidation	—	—	—	—	16	16
Changes in ownership interest in subsidiaries	—	—	—	20	39	60
Transfer from other components of equity to retained earnings	—	—	(4,393)	—	—	—
Transfers to non-financial assets	—	(23)	(23)	(23)	—	(23)
Other	—	—	—	—	725	725
Total transactions with owners	—	(23)	(4,416)	(31,746)	(737)	(32,483)
Balance as of September 30, 2025	95,980	10,554	165,791	2,510,177	58,585	2,568,763

First Half of Fiscal 2026 (April 1, 2026 – September 30, 2026)

(millions of yen)

	Equity attributable to owners of parent						
					Other components of equity		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2026	171,310	579,387	1,646,021	(12,608)	3,081	—	61,128
Profit	—	—	53,796	—	—	—	—
Other comprehensive income	—	—	—	—	—	1,411	190
Comprehensive income	—	—	53,796	—	—	1,411	190
Purchase of treasury shares	—	—	—	(22)	—	—	—
Disposal of treasury shares	—	(0)	—	0	—	—	—
Dividends	—	—	(25,488)	—	—	—	—
Share-based payment transactions	—	(10)	—	159	—	—	—
Change in scope of consolidation	—	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(354)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(6,719)	—	—	(1,411)	8,130
Transfers to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	—	(365)	(32,208)	137	—	(1,411)	8,130
Balance as of September 30, 2026	171,310	579,022	1,667,609	(12,471)	3,081	—	69,450

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2026	154,577	16,636	235,423	2,619,535	60,654	2,680,190
Profit	—	—	—	53,796	2,157	55,953
Other comprehensive income	(1,318)	1,545	1,828	1,828	1,770	3,599
Comprehensive income	(1,318)	1,545	1,828	55,624	3,927	59,552
Purchase of treasury shares	—	—	—	(22)	—	(22)
Disposal of treasury shares	—	—	—	0	—	0
Dividends	—	—	—	(25,488)	(1,002)	(26,490)
Share-based payment transactions	—	—	—	148	—	148
Change in scope of consolidation	—	—	—	—	(399)	(399)
Changes in ownership interest in subsidiaries	—	—	—	(354)	(2,497)	(2,852)
Transfer from other components of equity to retained earnings	—	—	6,719	—	—	—
Transfers to non-financial assets	—	(1,994)	(1,994)	(1,994)	—	(1,994)
Other	—	—	—	—	(22)	(22)
Total transactions with owners	—	(1,994)	4,724	(27,711)	(3,922)	(31,633)
Balance as of September 30, 2026	153,258	16,187	241,977	2,647,448	60,660	2,708,109

(4) Notes to Condensed Interim Consolidated Financial Statements

Notes on Segment information

(1) Overview of reportable segments

The Group organized under JFE Holdings executed commercial activities through three operating companies—JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation—in accordance with the characteristics of their respective businesses. Consolidated reporting segments, one for each operating company, were characterized by their constituent products and services.

Each segment had its own respective products and services. The steel business produced and sold various steel products, processed steel products and raw materials, and provided transportation and other related businesses such as facility maintenance and construction. The engineering business handled engineering for steel structures, industrial machines, energy, and environment, recycling and electricity retailing. The trading business purchased, processed and distributed steel products, raw materials for steel production, nonferrous metal products, and food, etc.

(2) Information on reportable segments

The Group assesses segment performance on the basis of segment profit. Segment profit is profit before tax excluding one-time items of a materially significant value.
Intersegment transactions are based on market prices and the like.

First Half of Fiscal 2025 (cumulative total: April 1, 2025 to September 30, 2025)

(millions of yen)

	Steel	Engineering	Trading	Total	Adjustments[1]	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	1,372,993	279,601	580,055	2,232,649	—	2,232,649
Intersegment revenue	164,488	7,479	67,460	239,428	(239,428)	—
Total	1,537,481	287,080	647,515	2,472,078	(239,428)	2,232,649
Segment profit	(5,354)	12,693	21,971	29,310	4,864	34,174
Profit before tax						34,174

[1] Adjustments are as follows.
Adjustments to segment profit include corporate profit not allocated to a reportable segment: 634 million yen, share of profit of investments accounted for using equity method related to Japan Marine United Corporation: 3,691 million yen; elimination of other intersegment transactions: 538 million yen. Corporate profit is profit of the Company.

First Half of Fiscal 2026 (cumulative total: April 1, 2026 to September 30, 2026)

(millions of yen)

	Steel	Engineering	Trading	Total	Adjustments[1]	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	1,402,409	295,438	702,581	2,400,430	—	2,400,430
Intersegment revenue	183,234	9,800	75,593	268,629	(268,629)	—
Total	1,585,644	305,239	778,175	2,669,059	(268,629)	2,400,430
Segment profit	15,830	15,088	24,291	55,209	5,632	60,842
Gain on sales of land						15,046
Losses related to disasters						(5,215)
Profit before tax						70,673

[1] Adjustments are as follows.
Adjustments to segment profit include corporate profit not allocated to a reportable segment: 506 million yen, share of profit of investments accounted for using equity method related to Japan Marine United Corporation: 4,731 million yen; elimination of other intersegment transactions: 395 million yen. Corporate profit is profit of the Company.

Notes Pertaining to the Presumption of a Going Concern

There is no item for this period.

Notes on Condensed Interim Consolidated Statement of Cash Flow

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

(millions of yen)

	First Half of Fiscal 2025 (April 1, 2025 – September 30, 2025)	First Half of Fiscal 2026 (April 1, 2026 – September 30, 2026)
Depreciation and amortization	135,566	140,719

3. Supplementary Information

(1) Consolidated Results in First Half and Earnings Forecasts for Fiscal 2026

(billions of yen)

		FY 2025		FY 2026		Change		FY2026 Forecast (August 5)
		1H	Full year	1H	Full year	1H	Full year	Full year
Steel Business		1,537.4	3,088.4	1,585.6	3,320.0	48.2	231.6	3,350.0
Engineering Business		287.0	599.7	305.2	650.0	18.2	50.3	620.0
Trading Business		647.5	1,333.0	778.1	1,510.0	130.6	177.0	1,400.0
Adjustments		(239.4)	(481.9)	(268.6)	(580.0)	(29.2)	(98.1)	(520.0)
Revenue		2,232.6	4,539.2	2,400.4	4,900.0	167.8	360.8	4,850.0
Business profit [1]	A	45.7	135.3	76.7	195.0	31.0	59.7	215.0
Finance income / costs	B	(11.5)	(24.7)	(15.8)	(40.0)	(4.3)	(15.3)	(40.0)
Segment Profit								
Steel Business		(5.3)	38.0	15.8	80.0	21.1	42.0	100.0
Engineering Business		12.6	23.9	15.0	25.0	2.4	1.1	25.0
Trading Business		21.9	40.2	24.2	47.0	2.3	6.8	45.0
Adjustments		4.8	8.4	5.6	3.0	0.8	(5.4)	5.0
Total	A+B	34.1	110.5	60.8	155.0	26.7	44.5	175.0
Exceptional Items [2]		-	(23.1)	9.8	10.0	9.8	33.1	15.0
Profit before tax		34.1	87.4	70.6	165.0	36.5	77.6	190.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		(7.4)	(17.2)	(16.8)	(35.0)	(9.4)	(17.8)	(40.0)
Profit Attributable to Owners of Parent		26.6	70.1	53.7	130.0	27.1	59.9	150.0

[1] Business profit: Profit that excludes financial income and exceptional items from profit before tax. It is a benchmark indicator of the company's consolidated earnings.
[2] Exceptional Items: One-time items of a materially significant value.

(2) Consolidated Financial Indices (Fiscal 2026 Forecasts)

	Fiscal 2025	Fiscal 2026	Change
Return on Sales (ROS)[1]	3.0%	4.1%	1.1%
Return on Assets (ROA)[2]	2.3%	3.3%	1.0%
Return on Equity (ROE)[3]	2.7%	5.0%	2.3%
EBITDA[4]	409.5 billion yen	490.0 billion yen	80.5 billion yen
Interest-bearing debt outstanding	1959.3 billion yen	2,200.0 billion yen	240.7 billion yen
Debt / EBITDA multiple[5]	4.8x	4.5x	(0.3)x
D/E Ratio[6]	59.4%	66.0%	6.6%

[1] ROS = Business profit / Revenue
[2] ROA = Business profit / Total assets
[3] ROE = Profit attributable to owners of parent / Equity attributable to owners of parent
[4] EBITDA = Business profit + Depreciation and amortization
[5] Debt / EBITDA multiple = Interest-bearing debt outstanding / EBITDA
[6] D/E ratio = Debt outstanding / Equity attributable to owners of parent. For debt having a capital component*, a portion of its issue price is deemed to be capital, as assessed by rating agencies.

*Debt having a capital component (subordinated loans and bonds)

Borrowing Execution Date (or Bond Issuance Date)	Amount Borrowed (or Amount of Bond)	Assessment of Equity Content	Amount Deemed to be Capital
March 19, 2018	100.0 billion yen	50%	50.0 billion yen
June 10, 2021	35.0 billion yen	50%	17.5 billion yen
March 20, 2023	205.0 billion yen	50%	102.5 billion yen
June 11, 2026	60.0 billion yen	50%	30.0 billion yen(*)
June 30, 2026	105.0 billion yen	50%	52.5 billion yen(*)

*The subordinated loans totaling 167.5 billion yen raised on June 30, 2016 was paid in advance of maturity, and new subordinated bonds of 60.0 billion yen and subordinated loans of 105.0 billion yen were raised on June 11, 2026 and on June 30, 2026, respectively.

(3) Crude Steel Production (JFE Steel)

(million tonnes)

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2025	Non-consolidated	5.28	5.52	10.80	5.32	5.25	10.57	21.37
	Consolidated	5.61	5.81	11.42	5.59	5.54	11.13	22.55
Fiscal 2026	Non-consolidated	5.25	5.06	10.31			10.50*	20.80*
	Consolidated	5.56	5.34	10.90				

* Estimate

(4) Shipments (JFE Steel on non-consolidated basis)

(million tonnes)

	1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2025	4.71	4.82	9.53	4.72	4.61	9.33	18.86
Fiscal 2026	4.54	4.54	9.08				

(5) Export Ratio on Value Basis (JFE Steel on non-consolidated basis)

(%)

	1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2025	39.9	42.8	41.3	40.3	40.1	40.2	40.8
Fiscal 2026	39.3	41.3	40.4				

(6) Foreign Exchange Rate (Yen/US dollar)

(JPY/USD)

	1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2025	145.3	147.0	146.2	153.2	155.3	154.3	150.2
Fiscal 2026	159.9	161.0	160.5			160*	160*

* Estimate

(7) Average Selling Price (JFE Steel on non-consolidated basis)

(thousands of yen/tonne)

	1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2025	120.4	119.2	119.8	120.0	123.4	121.7	120.7
Fiscal 2026	124.2	134.1	129.1				

(8) Engineering Business Orders (including intersegment transactions)

(billions of yen)

Field	Fiscal 2025	Fiscal 2026 Forecast	Change
Waste to Resource	385.4	210.0	(175.4)
Carbon Neutral	321.7	260.0	(61.7)
Core Infrastructure	128.9	130.0	1.1
Total	836.1	600.0	(236.1)

(9) Capital Investment and Depreciation and Amortization (JFE Holdings on consolidated basis)

(billions of yen)

	Fiscal 2025	Fiscal 2026 Forecast
Capital Investment	379.9	360.0*
Depreciation and Amortization	274.2	295.0*

(On construction basis)

* Estimate

(10) Breakdown of Changes in Segment Profit

a. First half of Fiscal 2026, compared to same period of Fiscal 2025

26.7 billion yen: 34.1 billion yen in first half of fiscal 2025 → 60.8 billion yen in first half of fiscal 2026

	Change (billions of yen)	
Steel Business		
- 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
- Cost	21.0	Operational improvement and benefits of capital investment, etc.
- Volume and mix	7.0	Expansion of high-value-added products, etc.
- Spread*	(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
- Inventory valuation, etc.	80.0	- Inventory valuation 72.0 - Carry over 7.0 - Foreign exchange valuation 1.0
- Others	2.1	- Group companies 11.0 (Domestic: -1.0,Overseas: 12.0 (India: 14.0)) - Others -8.9 (Depreciation and interest expense, etc.)
- Total	21.1	
Engineering and Trading businesses, and Adjustments	5.6	

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

b. First half of Fiscal 2026, compared to previous forecast

-9.2 billion yen: 70.0 billion yen in previous forecast → 60.8 billion yen in first half of fiscal 2026

	Change (billions of yen)	
Steel Business		
- 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
- Cost	1.0	Operational improvement, etc.
- Volume and mix	0.0	
- Spread*	2.0	
- Inventory valuation, etc.	2.0	- Inventory valuation 6.0 - Carry over -1.0 - Foreign exchange valuation -3.0
- Others	5.8	- Group companies 2.0 (Domestic: 3.0, Overseas: -1.0 (India: -1.0)) - Others 3.8
- Total	(14.2)	
Engineering and Trading businesses, and Adjustments	5.0	

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

c. Fiscal 2026 forecast, compared to Fiscal 2025
44.5 billion yen: 110.5 billion yen in fiscal 2025 → 155.0 billion yen in fiscal 2026 forecast

	Change (billions of yen)	
Steel Business		
- 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
- Cost	37.0	Operational improvement, etc.
- Volume and mix	13.0	Expansion of high-value-added products, etc.
- Spread*	(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
- Inventory valuation, etc.	101.0	- Inventory valuation 108.0 - Carry over -2.0 - Foreign exchange valuation -5.0
- Others	(5.0)	- Group companies 31.0 (Domestic: -8.0, Overseas: 39.0 (India: 38.0)) - Others -36.0 (Depreciation, interest expense, etc.)
- Total	42.0	
Engineering and Trading businesses, and Adjustments	2.5	

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

d. Fiscal 2026 forecast, compared to previous forecast
-20.0 billion yen: 175.0 billion yen in previous forecast → 155.0 billion yen in fiscal 2026 forecast

	Change (billions of yen)	
Steel Business		
- 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
- Cost	0.0	
- Volume and mix	0.0	
- Spread*	(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
- Inventory valuation, etc.	40.0	- Inventory valuation 32.0 - Carry over 8.0 - Foreign exchange valuation 0.0
- Others	8.0	- Group companies 8.0 (Domestic: 2.0, Overseas: 6.0 (India: 5.0))
- Total	(20.0)	
Engineering and Trading businesses, and Adjustments	0.0	

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

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

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