JFE Holdings, Inc.

H1 Financial Results Briefing for the Fiscal Year Ending March 31, 2027

(Investors' Meeting)

November 6, 2026

Participants

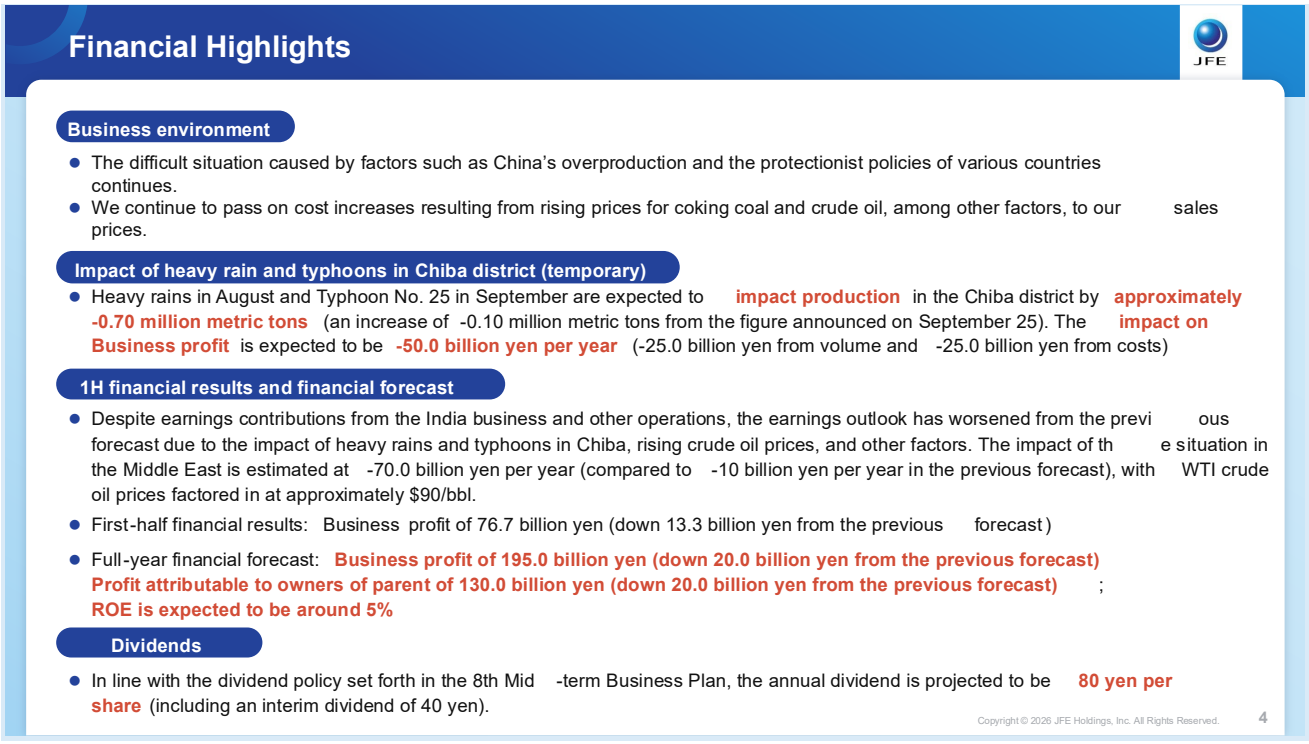
Moderator: We will now begin the JFE Holdings, Inc. Investors Meeting. Today's participants are Toshihiro Tanaka, Representative Director and Executive Vice President.

Toshihiro Tanaka, Representative Director and Executive Vice President: Thank you.

Moderator: We are also joined by Tsunao Takura, Vice President.

Tsunao Takura, Vice President: Thank you.

Moderator: Today's meeting is scheduled to last 60 minutes, consisting of approximately 30 minutes of presentation followed by 30 minutes of questions and answers. First, Toshihiro Tanaka, Representative Director and Executive Vice President, will provide an overview of the financial results and forecasts announced today.



Toshihiro Tanaka, Representative Director and Executive Vice President:

I am Tanaka. I will begin with the financial highlights.

First, regarding the business environment, difficult conditions continue due to factors such as China's overproduction and the protectionist policies of various countries. In addition, costs have recently been rising due to higher prices for coking coal and crude oil, among other factors. We are working to pass these increases on to our sales prices.

Another major factor affecting the results was the impact of heavy rains in August and Typhoon No. 25 in September at the Chiba district of East Japan Works. As a result, crude steel production was reduced by approximately 0.70 million metric tons. We had announced an impact of 0.60 million metric tons in September, but the impact subsequently increased by a further 0.10 million metric tons.

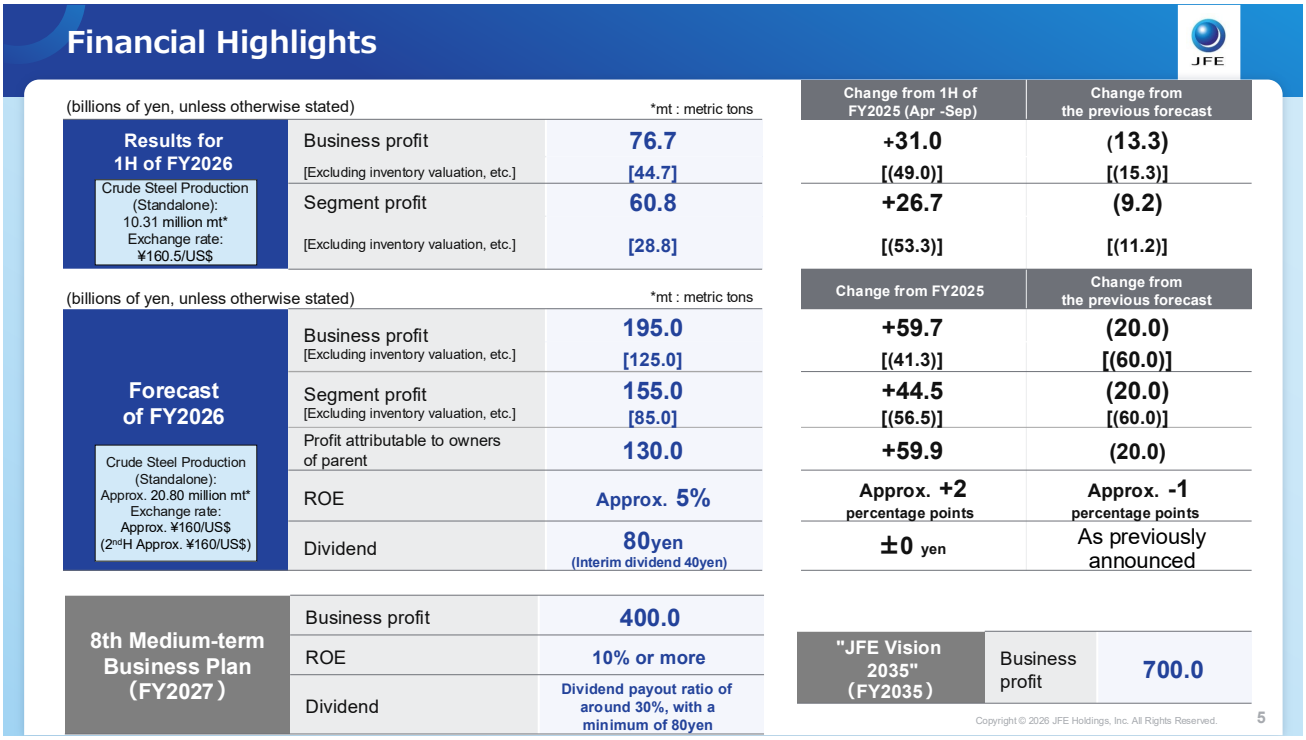
Restoration of the facilities has been largely completed, and we are continuing our efforts to transition back to normal operations. The impact on Business profit is expected to be ¥50.0 billion for the full year, comprising ¥25.0 billion from volume and ¥25.0 billion from costs.

Regarding first-half results and the full-year financial forecast, despite earnings contributions from the India business, the outlook has worsened from the previous forecast due to the impact of the heavy rains and typhoons in Chiba and higher costs associated with rising crude oil prices, among other factors.

Regarding the impact of the situation in the Middle East, we revised our WTI crude oil price assumption to approximately US$90 per barrel. As a result, the estimated annual cost impact increased by approximately ¥10.0 billion from the previous forecast to approximately ¥70.0 billion. Business profit for the first half was ¥76.7 billion, down ¥13.3 billion from the forecast announced in August.

For the full year, we forecast Business profit of ¥195.0 billion, a downward revision of ¥20.0 billion from the previous forecast. Profit attributable to owners of parent is also forecast at ¥130.0 billion, down ¥20.0 billion from the previous forecast. ROE is expected to be approximately 5%.

Regarding shareholder returns, the Board of Directors resolved today to pay an interim dividend of ¥40 per share. As previously announced, the annual dividend is forecast at ¥80 per share.



Business profit for the first half increased by ¥31.0 billion year on year. For the full year, Business profit is forecast to increase by ¥59.7 billion year on year, while profit attributable to owners of parent is forecast to increase by ¥59.9 billion year on year. That concludes my presentation.

Tsunao Takura, Vice President:

I will now explain the financial results for the first half of fiscal year 2026.

Financial Results for 1H of Fiscal Year 2026

- Business profit for 1H of FY2026 was ¥76.7bn. (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 ¥44.7bn.
  (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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Tsunao Takura, Vice President:

I will begin with the first-half results. Revenue was ¥2,400.4 billion, ¥20.4 billion above the previous forecast. Business profit was ¥76.7 billion, ¥13.3 billion below the previous forecast. Business profit excluding inventory valuation, etc. was ¥15.3 billion below the previous forecast.

Segment profit was ¥60.8 billion, ¥9.2 billion below the previous forecast. Exceptional items totaled ¥9.8 billion, down ¥5.2 billion from the previous forecast, reflecting facility restoration costs related to the heavy rains and typhoons in Chiba, as shown in the note. Profit attributable to owners of parent was ¥53.7 billion, ¥11.3 billion below the previous forecast.

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

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Next, I will discuss the results by segment. This slide summarizes revenue and segment profit for each segment. The rightmost column shows the change from the previous forecast.

The steel business recorded lower revenue and profit than the previous forecast. The engineering and trading businesses recorded higher revenue and profit than the previous forecast. I will explain each segment in more detail shortly.

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

JFE Steel

- 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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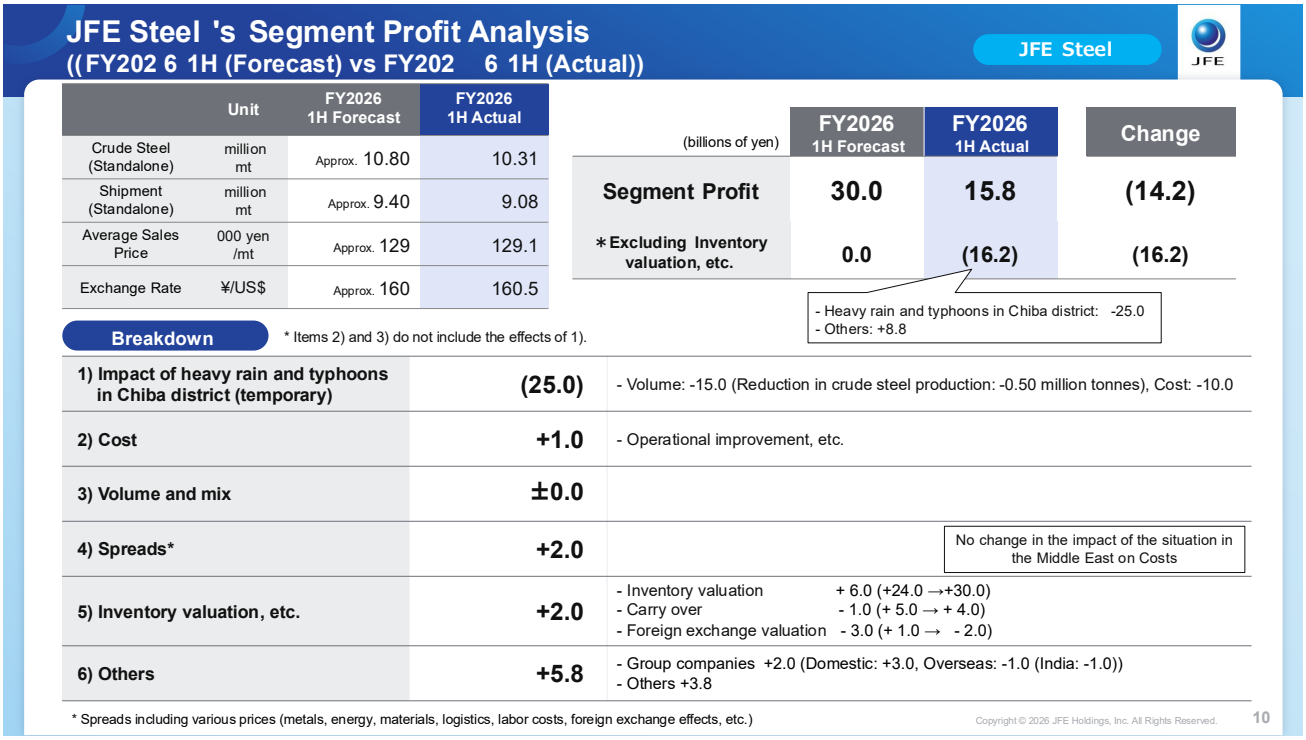
This slide shows the impact of the heavy rains and typhoons in the Chiba district, which I mentioned earlier. Heavy rains associated with linear precipitation bands in August flooded the Chiba district premises, forcing some facilities, including the blast furnace, to suspend operations. While restoration work was under way, Typhoon No. 25 caused additional damage in September.

As restoration took longer than expected and the impact on crude steel production exceeded our initial estimate, the reduction in crude steel production was approximately 0.70 million metric tons.
Of the ¥50.0 billion impact on Business profit, the impact on crude steel production is approximately 0.50 million metric tons in the first half and 0.20 million metric tons in the second half. The volume impact mainly reflects lower capacity utilization resulting from reduced crude steel production.

The cost impact mainly comprises higher costs caused by lower productivity and deterioration in the unit consumption of raw materials and energy, as well as delivery-related expenses incurred to minimize the impact on customer supply. The cost impact is ¥10.0 billion in the first half and ¥15.0 billion in the second half. Accordingly, the impact on Business profit is ¥25.0 billion in each half. In addition, losses related to disasters of ¥5.2 billion were recorded as exceptional items.



JFE Steel 's Segment Profit Analysis
((FY202 6 1H (Forecast) vs FY202 6 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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This slide compares the previous first-half forecast with the actual results. Crude steel production and shipment volume decreased by approximately 0.50 million and 0.30 million metric tons, respectively. Segment profit decreased by ¥14.2 billion, and segment profit excluding inventory valuation, etc. decreased by ¥16.2 billion. The impact of the heavy rains and typhoons in Chiba was negative ¥25.0 billion.

In the breakdown below, the Chiba impact is separately presented as a temporary impact under item 1. Items 2, Cost, and 3, Volume and mix, exclude the Chiba impact.

The Chiba impact was negative ¥25.0 billion. Cost improved by ¥1.0 billion due to operational improvements. Spreads improved by ¥2.0 billion, mainly because crude oil prices declined slightly during the period. The impacts from inventory valuation, etc. and Others are as shown on the slide.

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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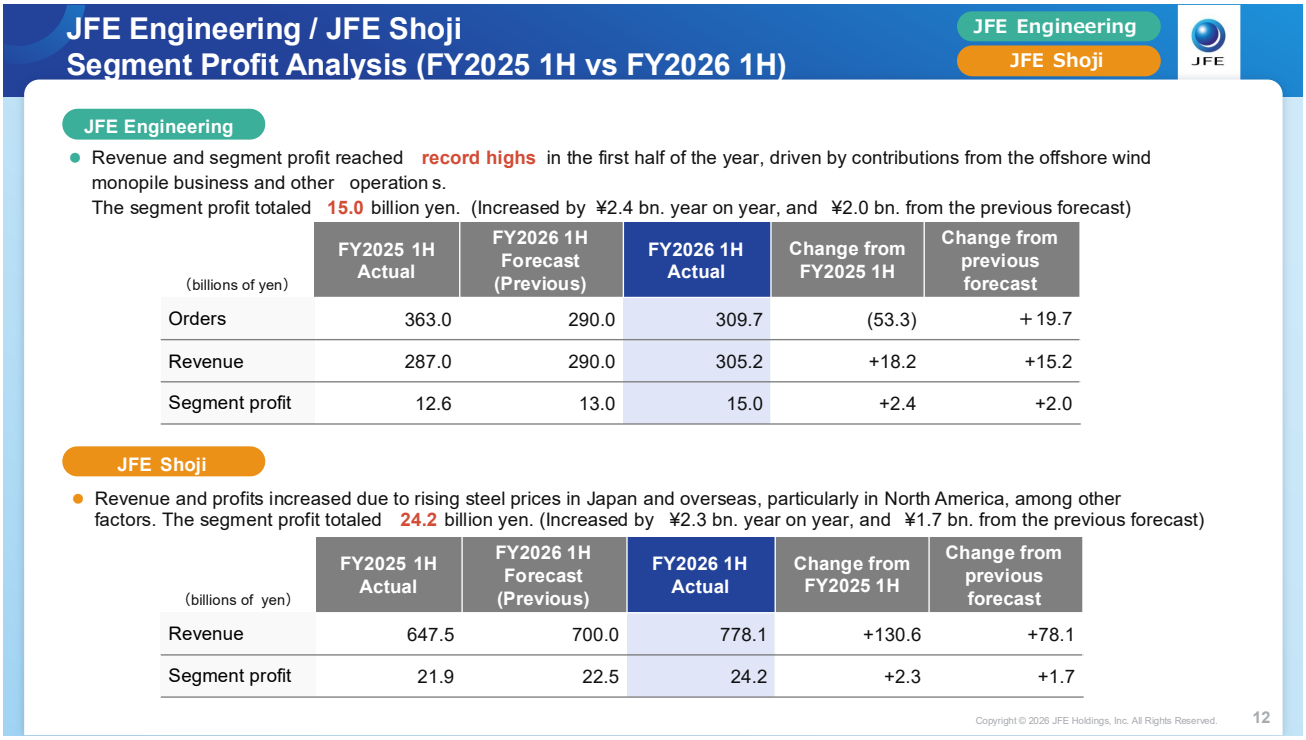
Next is the comparison with the first half of fiscal year 2025.

Segment profit excluding inventory valuation, etc. decreased by ¥58.9 billion. Of this, ¥25.0 billion was the temporary impact from the heavy rains and typhoons, while other factors resulted in a deterioration of ¥33.9 billion. Excluding the heavy-rain and typhoon impact, cost reductions contributed ¥21.0 billion, and the expansion of high-value-added products improved Volume and mix by ¥7.0 billion. However, spreads deteriorated substantially because sales price improvements did not keep pace with higher costs arising from main raw materials and the situation in the Middle East. Inventory valuation, etc. is as shown. In Others, a significant improvement in India was largely offset by higher depreciation and interest expenses, resulting in a positive impact of ¥2.1 billion.



I will now discuss the engineering and trading businesses.

JFE Engineering achieved record-high first-half revenue and segment profit, driven by contributions from the offshore wind monopile business and other operations. Segment profit was ¥15.0 billion, ¥2.0 billion above the previous forecast.

JFE Shoji recorded higher revenue and profit due to rising steel prices in Japan and overseas, particularly in North America. Segment profit was ¥24.2 billion, higher than both the same period of the previous year and the previous forecast.

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 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 from FY2025 Full year	Change from previous forecast 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.
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* 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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I will now explain the financial forecast for fiscal year 2026.

Revenue is forecast at ¥4,900.0 billion, ¥50.0 billion above the previous forecast. Business profit is forecast at ¥195.0 billion, ¥20.0 billion below the previous forecast. Business profit excluding inventory valuation, etc. is forecast at ¥125.0 billion, ¥60.0 billion below the previous forecast. Profit attributable to owners of parent is forecast at ¥130.0 billion, ¥20.0 billion below the previous forecast.

Financial Forecast for Fiscal Year 202 6 (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) **[Excluding inventory valuation, etc.]**	**45.7** **[93.7]**	**89.6** **[72.6]**	**135.3** **[166.3]**	**215.0** **[185.0]**	**76.7** **[44.7]**	**118.3** **[80.3]**	**195.0** **[125.0]**	**+59.7** **[(41.3)]**	**(20.0)** **[(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 [Excluding inventory valuation, etc.]	(5.3) [42.7]	43.3 [26.3]	38.0 [69.0]	100.0 [70.0]	15.8 [(16.2)]	64.2 [26.2]	80.0 [10.0]	+42.0 [(59.0)]	(20.0) [(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) **[Excluding inventory valuation, etc.]**	**34.1** **[82.1]**	**76.4** **[59.4]**	**110.5** **[141.5]**	**175.0** **[145.0]**	**60.8** **[28.8]**	**94.2** **[56.2]**	**155.0** **[85.0]**	**+44.5** **[(56.5)]**	**(20.0)** **[(60.0)]**

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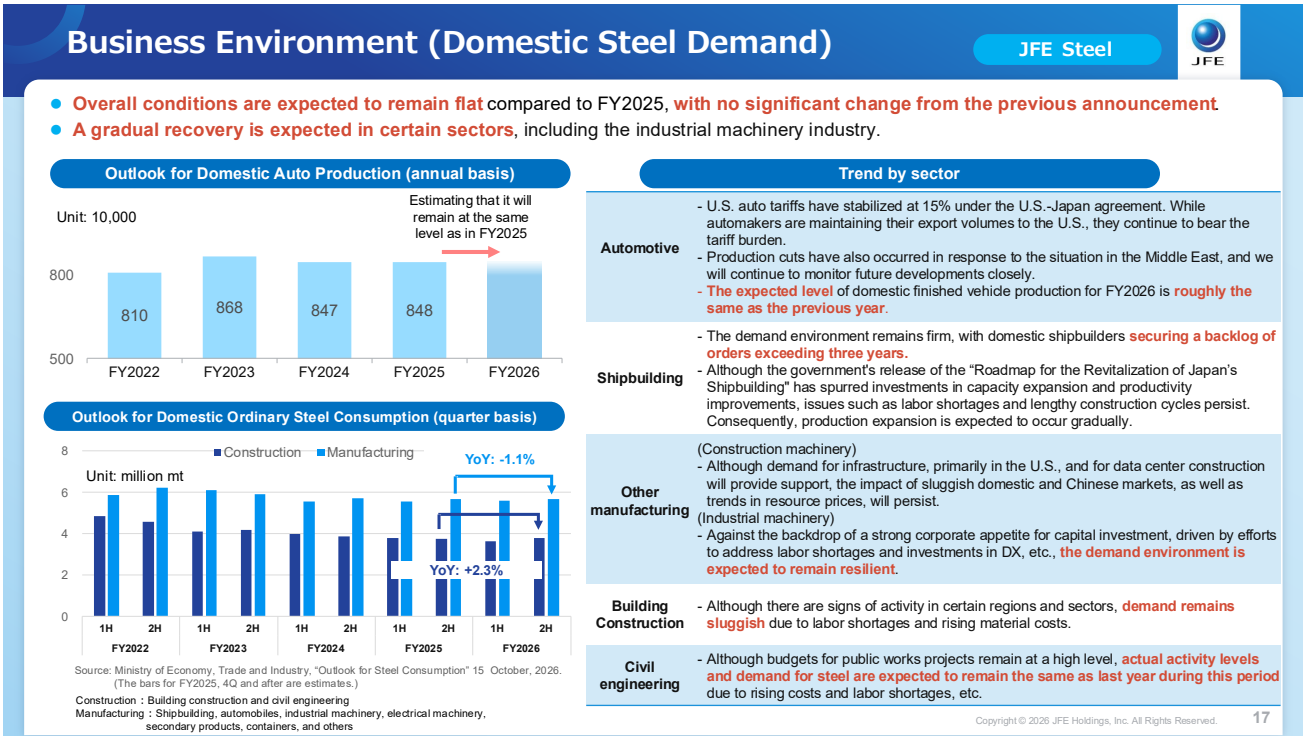
This slide shows revenue and segment profit by segment. Compared with the previous forecast, revenue is expected to decrease in the steel business and increase in the engineering and trading businesses. Compared with the previous forecast, segment profit is expected to decrease in the steel business, remain unchanged in the engineering business, and increase by ¥2.0 billion in the trading business.



I will now explain the situation at JFE Steel, beginning with the domestic business environment. There has been no significant change from the previous announcement, and overall conditions are expected to remain essentially flat compared with fiscal year 2025, although a gradual recovery is expected in certain sectors, including industrial machinery. Domestic finished vehicle production is expected to remain at roughly the same level as fiscal year 2025, despite concerns regarding tariffs and the situation in the Middle East.
The quarterly outlook for domestic ordinary steel consumption indicates a year-on-year decrease of 1.1% for manufacturing. This mainly reflects lower demand in the shipbuilding sector. Although underlying demand remains firm, labor shortages and other factors appear to be constraining activity.

Construction demand is expected to increase by 2.3% year on year, mainly due to building construction. Although overall demand remains sluggish, redevelopment projects in certain major cities appear to provide support.

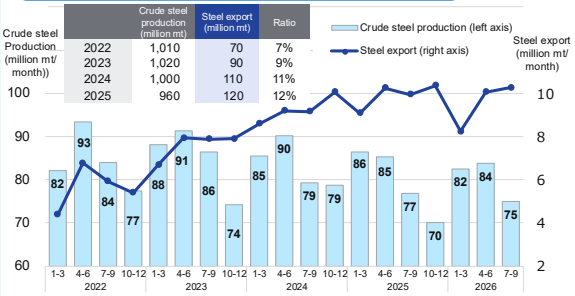
Business Environment (Overseas Steel Demand)

JFE Steel

- **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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Regarding overseas steel demand, there has been no significant change in global conditions from the previous announcement. Sluggish domestic demand and rising exports in China continue. We believe trade issues and ongoing tensions in the Middle East require continued close monitoring.

China’s crude steel production is slightly lower year on year, while steel exports remained at a high level of approximately 10 million metric tons per month from April through September.



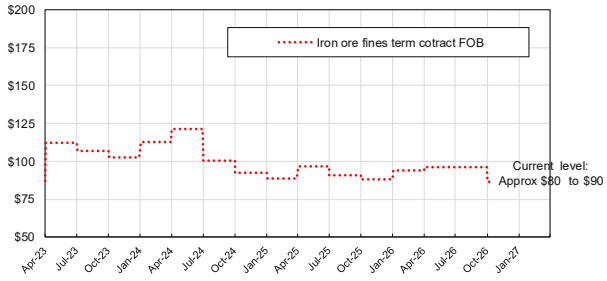
This slide shows steel market prices by country. In China, steel market prices remain weak despite higher costs, including coking coal. In India, prices are rising due to trade defense measures. Prices are also rising in the United States due to the impact of import tariffs.

Raw Materials ’ Market Trend s

JFE Steel

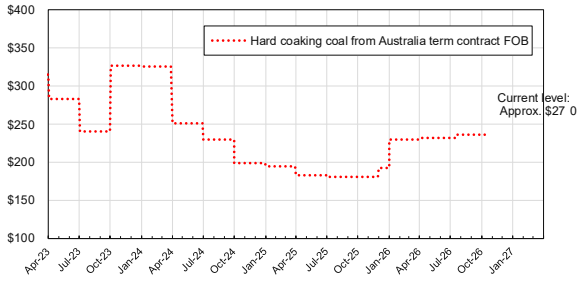
- Iron ore: We expect **the price to remain at its current level (approx. FOB$80 to $90)** for the time being, given that there have been no significant changes to supply or demand.
- Coking co al: Since August, a series of coal mine accidents in China has caused spot market prices to rise. A rapid recovery 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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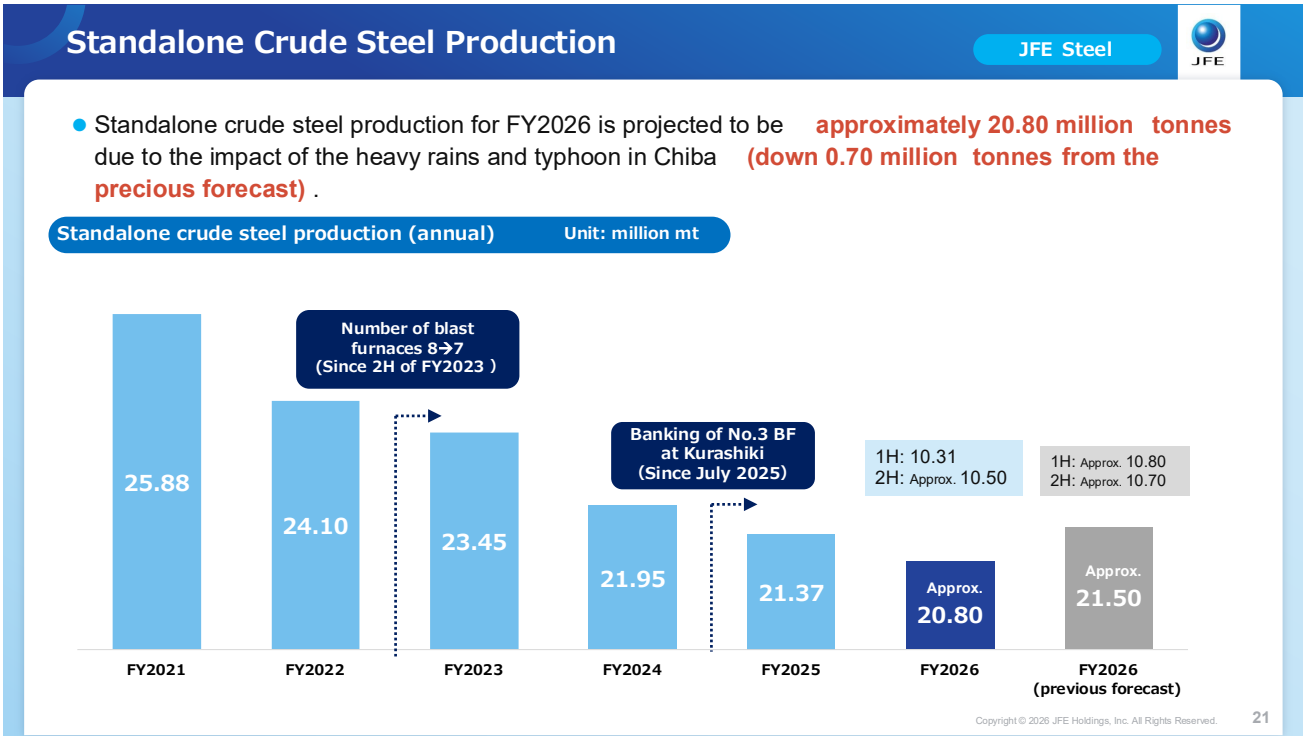
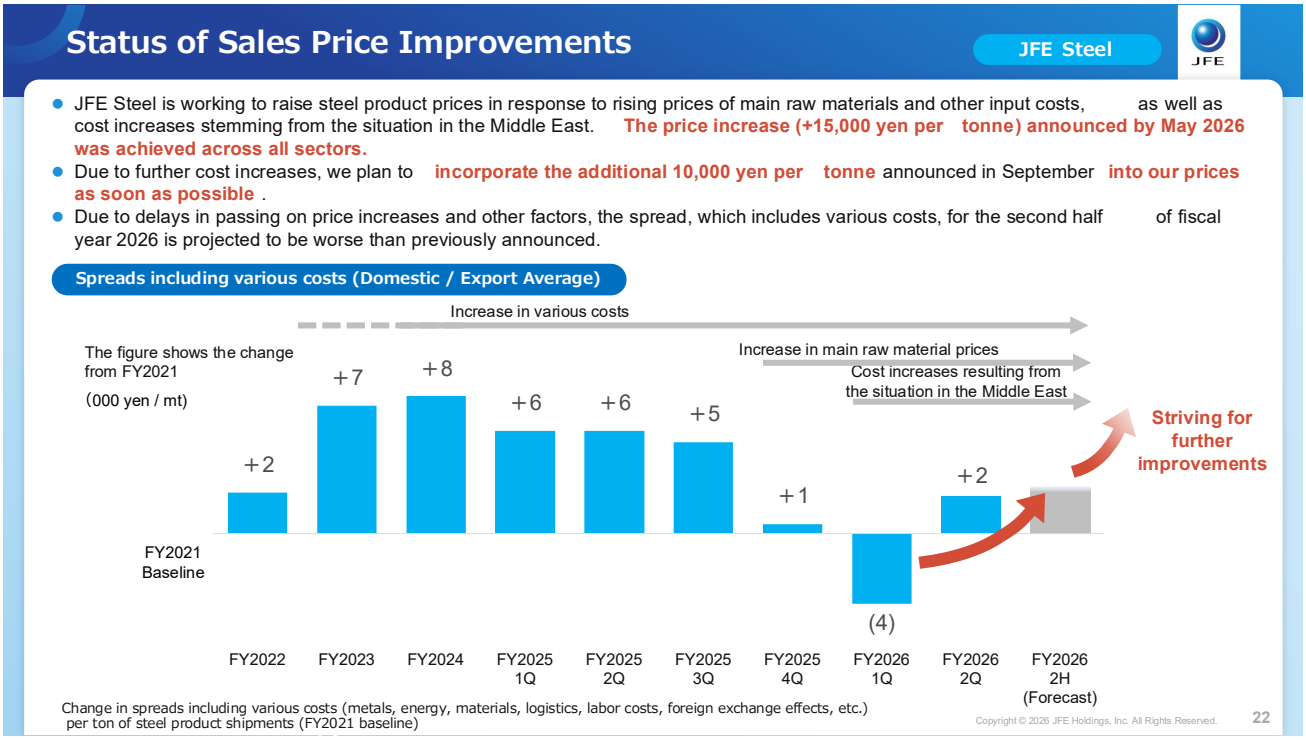
Next is the raw materials market. We expect iron ore prices to remain within the current range of approximately FOB US$80 to US$90 for the time being, as there has been no significant change in supply and demand conditions.

Coking coal spot prices have risen further due to a series of coal mine accidents in China since May. As a rapid recovery in China’s domestic coal production is difficult to foresee, we expect prices to remain around the current level of approximately FOB US$270 for the time being.



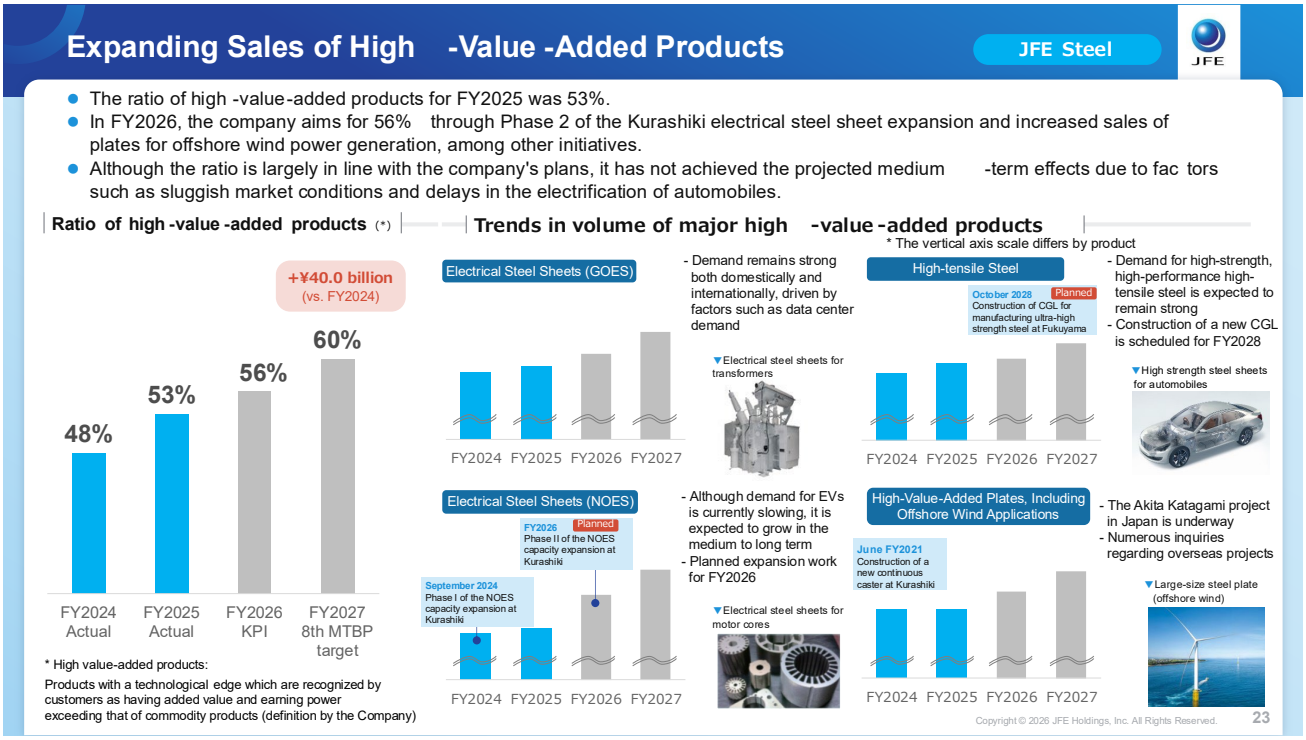
As explained earlier, standalone crude steel production is forecast at approximately 20.80 million metric tons, down 0.70 million metric tons from the previous forecast.



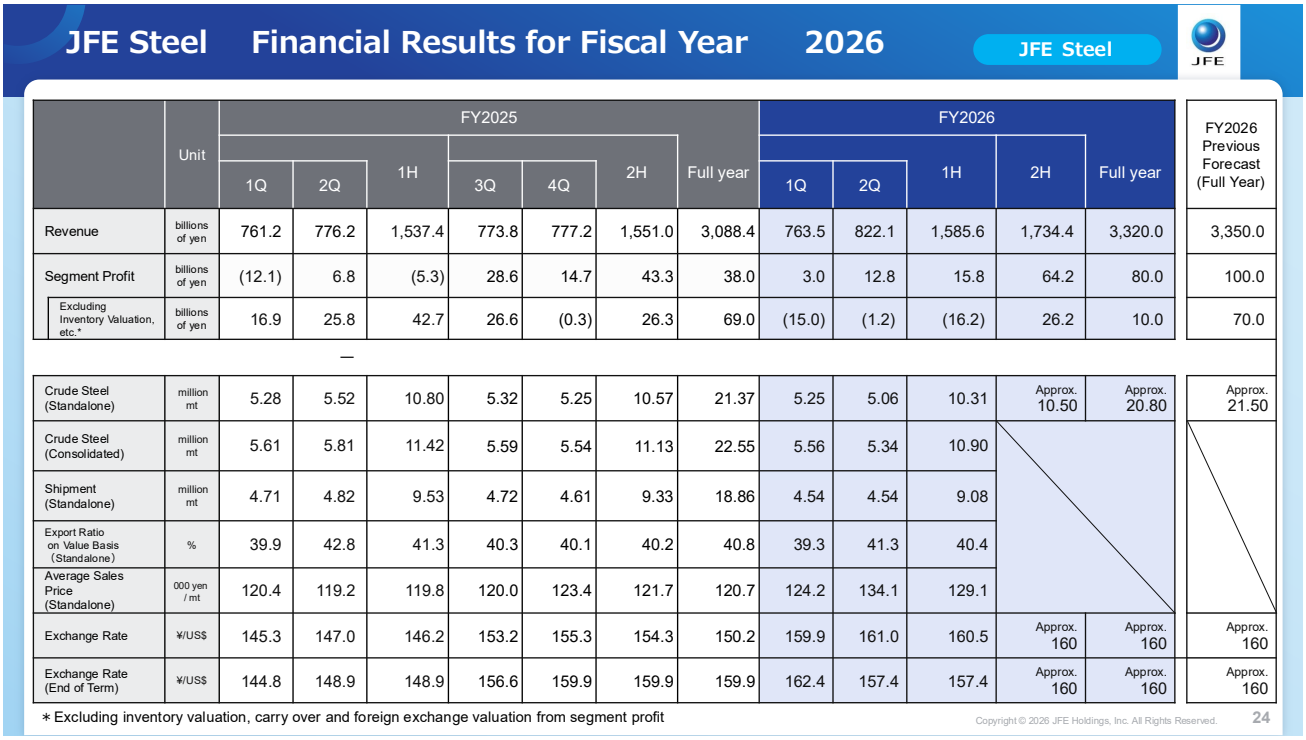
Next is the status of sales price improvements. As explained at the outset, we are raising steel product prices in response to higher raw material costs and cost increases arising from the situation in the Middle East. The first price increase of ¥15,000 per metric ton, announced by May 2026, has been achieved across all sectors and is reflected in the fiscal year 2026 forecast.

Subsequently, coking coal and energy prices rose further, and we announced an additional price increase of ¥10,000 per metric ton in September. We are working to incorporate this increase into our prices as soon as possible.

At present, spreads including various costs for the second half of fiscal year 2026 are expected to deteriorate from the previous forecast, partly because of the time lag in passing cost increases on to sales prices. We will continue working to implement the price increases as quickly as possible.



This slide on the expansion of high-value-added products is unchanged from the previous presentation, so I will omit the details. In fiscal year 2026, we aim to raise the ratio of high-value-added products to 56%, supported by Phase 2 of the Kurashiki electrical steel sheet expansion and increased sales of plates for offshore wind power generation.



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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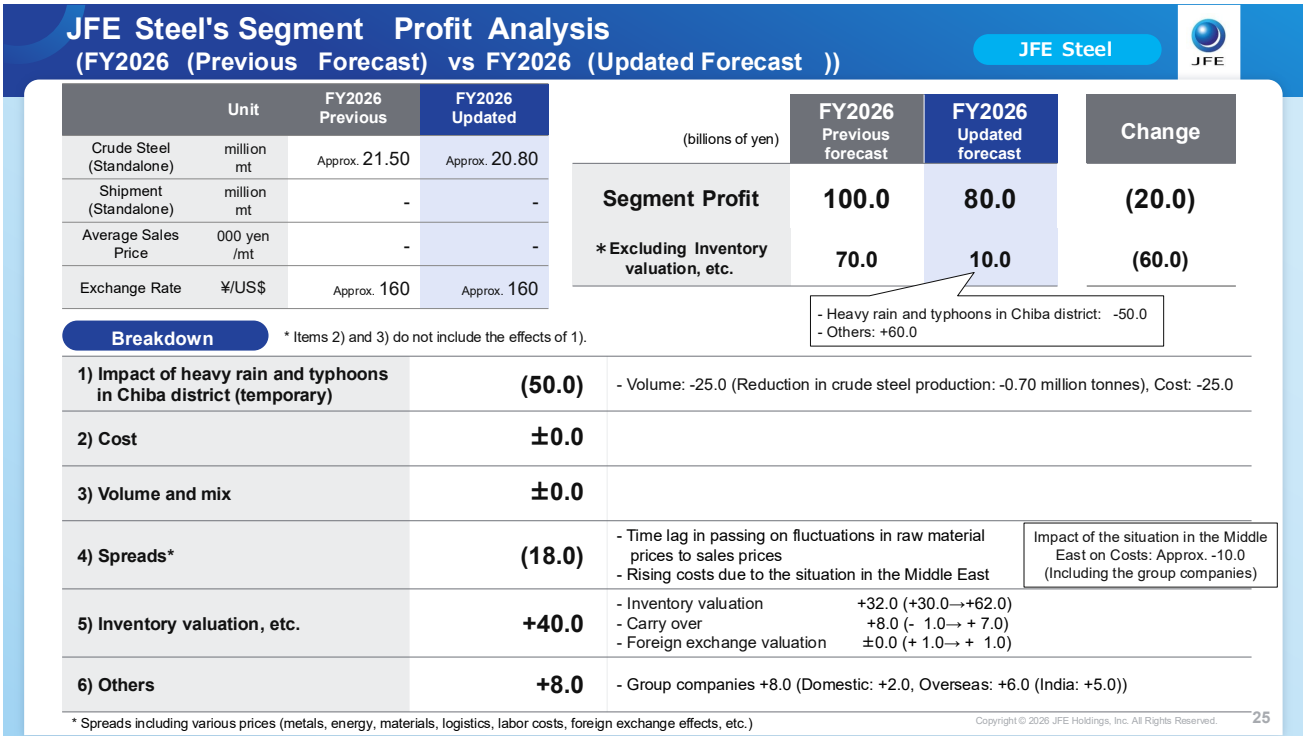
This slide summarizes the principal assumptions underlying the financial forecast. First-half crude steel production and shipment volume decreased. The export ratio on a value basis was 40.4%, slightly below the previous forecast. The average sales price and exchange rate were broadly in line with the previous forecast. For the second half, we assume lower crude steel production and an exchange rate of approximately ¥160 to the U.S. dollar.



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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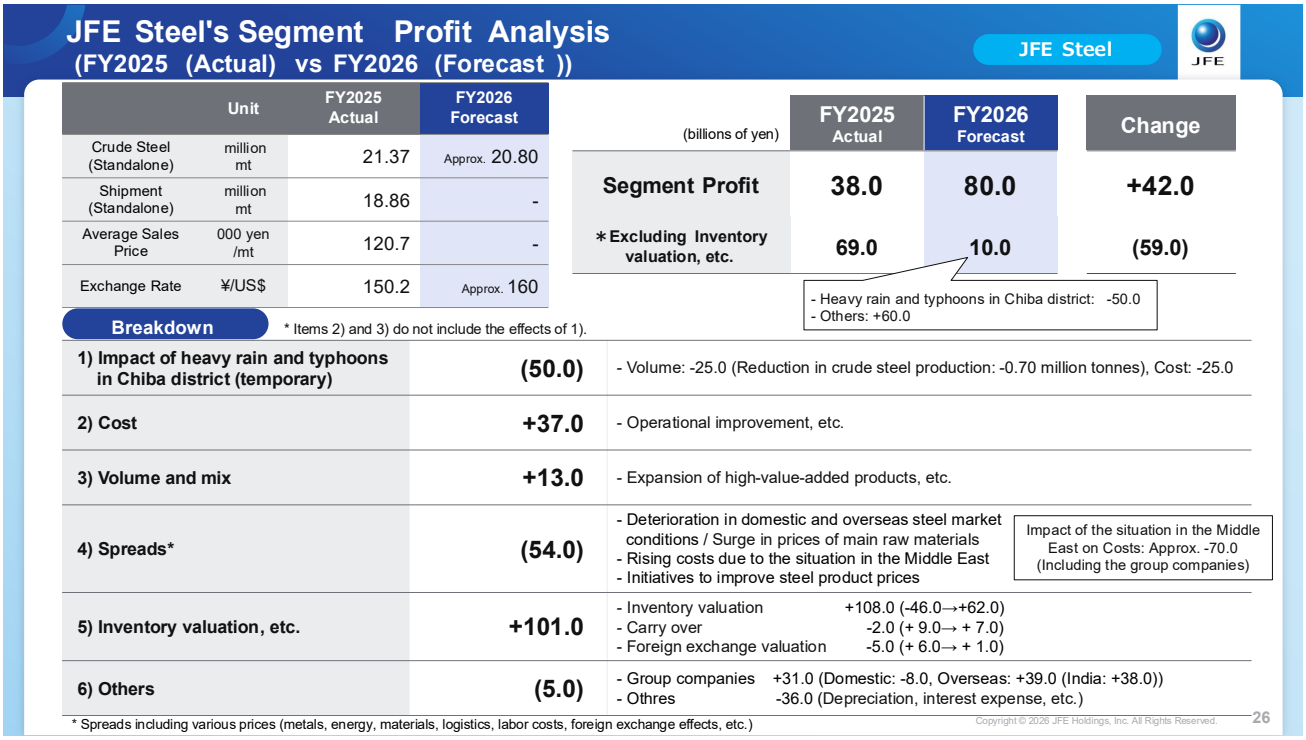
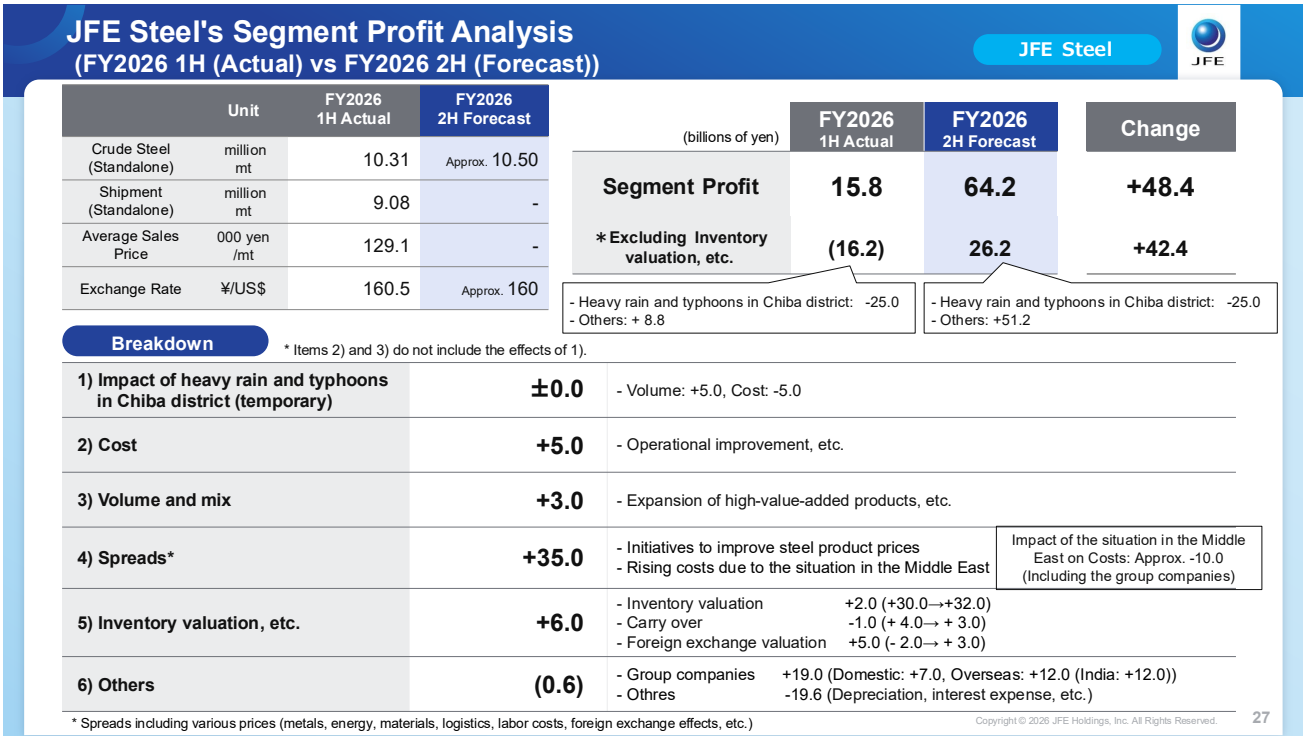
This slide compares the previous and updated forecasts. Based on an assumed reduction in crude steel production of approximately 0.70 million metric tons, segment profit has been revised downward by ¥20.0 billion and segment profit excluding inventory valuation, etc. by ¥60.0 billion. Of this, the Chiba impact is ¥50.0 billion.

Spreads deteriorate by ¥18.0 billion due to a time lag in passing further cost increases from higher coking coal prices and the situation in the Middle East on to sales prices. Inventory valuation, etc. contributes a positive ¥40.0 billion. Others contributes a positive ¥8.0 billion, mainly reflecting the recent earnings improvement at JSW in India.



This slide reflects the analysis I have just described in the comparison with the previous fiscal year.

Segment profit is expected to increase by ¥42.0 billion, while segment profit excluding inventory valuation, etc. is expected to decrease by ¥59.0 billion. Of this decrease, ¥50.0 billion is attributable to the Chiba impact. Excluding the Chiba impact, operational improvements and other cost reductions, together with an improved volume and mix from the expansion of high-value-added products, contribute a positive ¥50.0 billion. However, this is offset by deterioration in spreads. In Others, earnings are expected to recover mainly at JSW and JJSL in India, but the improvement is offset by higher depreciation and interest expenses.



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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Next is the comparison between the first and second halves. Segment profit is expected to increase by ¥48.4 billion, and segment profit excluding inventory valuation, etc. by ¥42.4 billion. As the Chiba impact is the same in both halves, the increase comes from the other factors. Operational improvements and expansion of high-value-added products contribute ¥5.0 billion and ¥3.0 billion, respectively.

Although costs rise further in the second half due to higher coking coal prices and the situation in the Middle East, spreads are expected to improve substantially by ¥35.0 billion, mainly reflecting the benefit of the ¥15,000 per metric ton price increase. Inventory valuation, etc. is as shown. In Others, Group companies, particularly in India, contribute a positive ¥19.0 billion, but this is offset by higher depreciation and interest expenses and by fixed asset tax payments in the second half.

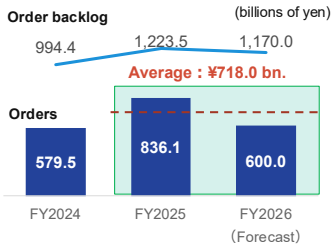
JFE Engineering Financial Forecast for Fiscal Year 202 6

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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Next is JFE Engineering. Orders are forecast at ¥600.0 billion, unchanged from the previous forecast, and 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 forecast at ¥25.0 billion, unchanged from the previous forecast.

JFE Shoji's Financial Forecast for Fiscal Year 202 6

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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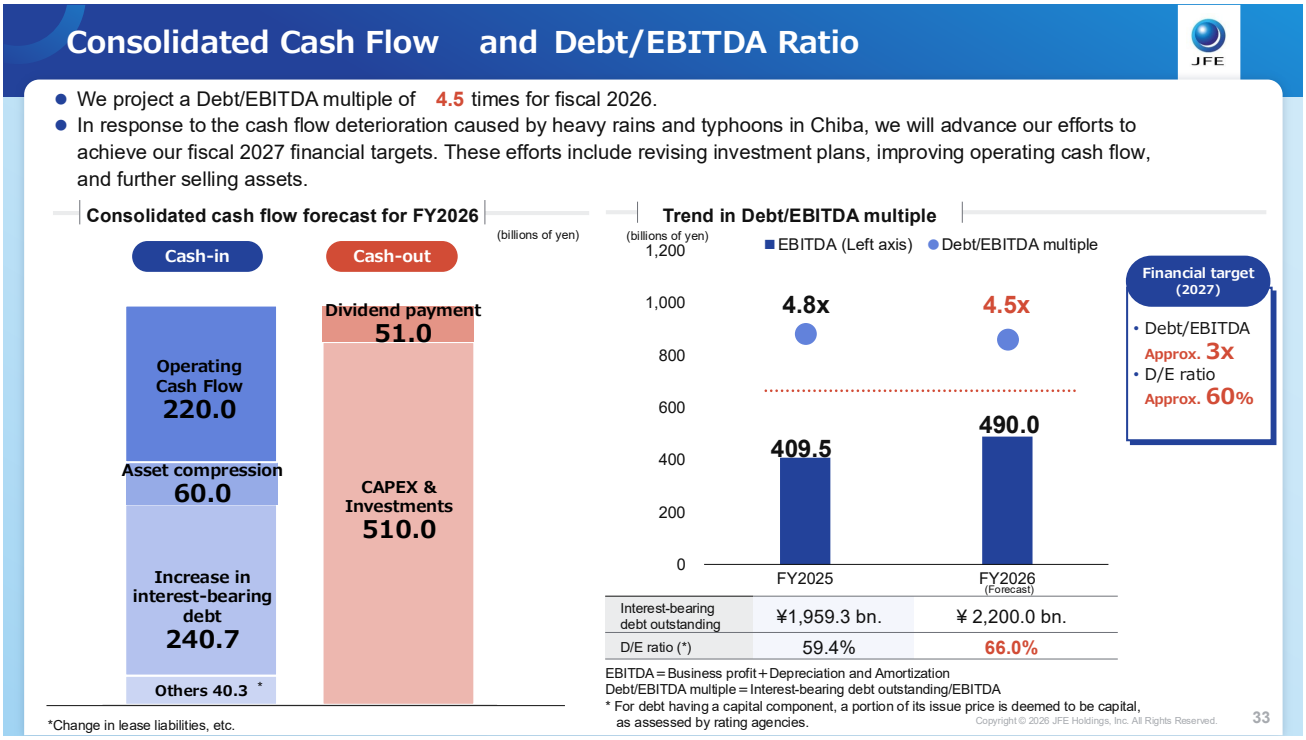
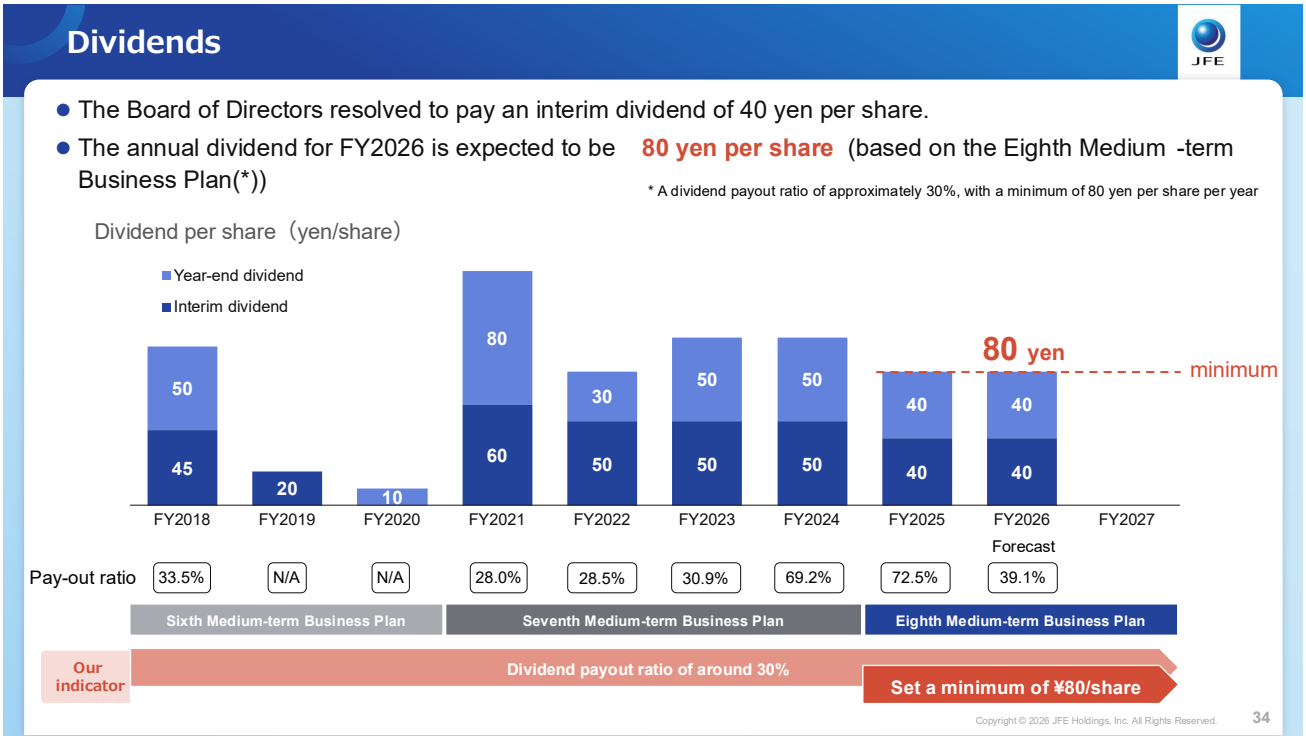
Next is JFE Shoji. Driven by the recovery of the North American business and higher steel prices in Japan, full-year segment profit is forecast at ¥47.0 billion, ¥2.0 billion above the previous forecast.



Turning to the financial condition, the Debt/EBITDA multiple for fiscal year 2026 is forecast at 4.5 times, slightly lower than 4.8 times in fiscal year 2025 but still at a high level. The main factors are the investment in JJSL and the deterioration in cash flow resulting from the Chiba impact.

We will continue working to improve our financial position by reviewing investment plans, improving operating cash flow, and further selling assets.



As explained at the outset, the interim dividend is ¥40 per share, and the annual dividend is forecast at ¥80 per share.

JJSL Announces Expansion of Capacity

JFE Steel

- 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

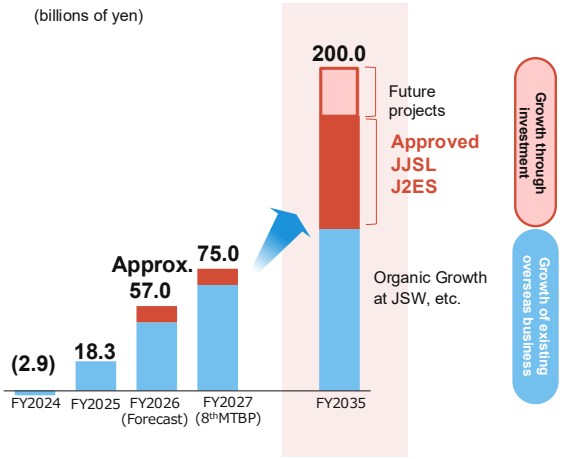
(*) MTPA: million metric tons per annum

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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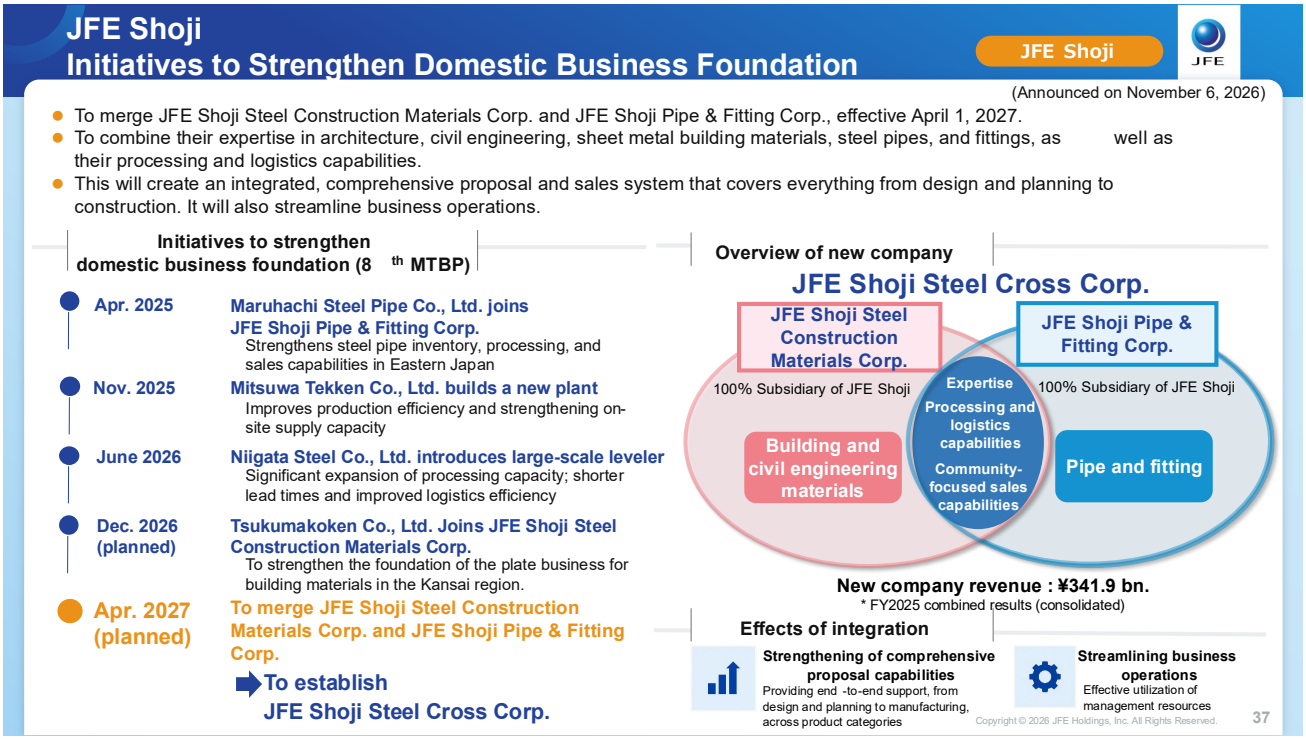
We have three topics to present. The first topic, announced in late October, is the expansion of JJSL's production capacity. The plan is to increase production capacity by 5.00 million metric tons to 9.50 million metric tons by 2030, with a view to reaching 15.00 million metric tons in the future.

As shown in the bar chart on the right, under "JFE Vision 2035" we aim to generate approximately ¥200.0 billion in profit from the steel business overseas by fiscal year 2035. In addition to the JJSL project, we will continue working to ensure that JSW and J2ES in India become key contributors to achieving this target.



Next is JFE Shoji's initiative to strengthen its domestic steel business foundation.

Under the Eighth Medium-term Business Plan, JFE Shoji has worked to strengthen its domestic business foundation through M&A and capital investment. It has now decided to merge JFE Shoji Steel Construction Materials Corp. and JFE Shoji Pipe & Fitting Corp. effective April 2027, as announced today.

By combining the companies' expertise and processing and logistics capabilities, the new company will establish an integrated proposal framework across product categories and improve operational efficiency through the effective use of management resources. The new company will be named JFE Shoji Steel Cross Corp. Based on fiscal year 2025 results, its consolidated revenue will be approximately ¥340.0 billion, making it the largest group company within JFE Shoji.



The final topic is the publication of the integrated report and sustainability report. Both were issued at the end of September, and the English versions of the Sustainability Report is scheduled to be published during November.

Beginning with this year's integrated report, we have also prepared files for AI to facilitate the ingestion and analysis of information using generative AI. We hope you will make use of them. That concludes my report and presentation.

END

This presentation material was prepared for the purpose of publicizing the status of our company's financial results for the first Half of FY2026. The information included in this presentation does not constitute a disclosure under the Financial Instruments and Exchange Act and we do not guarantee the accuracy or completeness of the information contained within. The information included in this presentation is not an offer to sell, or a solicitation of an offer to buy, any securities in Japan, the United States or any other jurisdiction. The forward-looking statements regarding forecasts included in this presentation were based on information available to us at the time when this presentation was prepared and include uncertainties. Therefore, please refrain from making any investment decisions based solely on this document. Our company shall not be liable for any damages arising as a result of the use of this document.