

JFE Holdings' Financial Results through Third Quarter of Fiscal Year 2021 Ending March 31, 2022

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

February 8, 2022

Official name: Listings: Code: English URL: Representative: Contact: Phone: Scheduled date to submit Quarterly Securities Report: Scheduled date to start paying dividends: Preparation of supplementary materials for quarterly results: Quarterly results briefing:	JFE Holdings, Inc. Tokyo stock exchanges 5411 www.jfe-holdings.co.jp/en Koji Kakigi, President and CEO Hiroki Watanabe, Manager, Public Relations Section, Investor Relations and Corporate Communications Department +81-3-3597-3842 February 8, 2022 -- Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results through Third Quarter of Fiscal 2021 (April 1 to December 31, 2021)

(1) Consolidated Operating Results (cumulative total)

(Percentages indicate year on year change)

	Revenue (million yen)	%	Business profit (million yen)	%	Profit Before tax (million yen)	%	Profit (million yen)	%	Profit attributable to owners of parent (million yen)	%	Compre- hensive income (million yen)	%
3Q FY 2021	3,097,394	33.6	322,839	-	303,845	-	225,119	-	223,047	-	253,254	-
3Q FY 2020	2,318,467	(16.9)	(61,196)	-	(70,655)	-	(67,214)	-	(69,677)	-	(25,473)	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
3Q FY 2021	387.38	387.26
3Q FY 2020	(121.00)	(121.00)

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

(2) Consolidated Financial Position

	Total assets (million yen)	Total equity (million yen)	Equity attributable to owners of parent (million yen)	Total equity attributable to owners of parent (%)
End 3Q FY 2021	5,221,083	1,968,751	1,886,300	36.1
End FY 2020	4,654,972	1,760,154	1,679,223	36.1

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2020	10.00	0.00	10.00
FY 2021	140.00*	60.00	80.00*

*estimate

Note: Revisions to dividend forecast announced most recently: Yes

3. Forecasts of Consolidated Financial Results in Fiscal 2021 (April 1, 2021 to March 31, 2022)

	Revenue (million yen)	%	Business profit (million yen)	%	Profit before tax (million yen)	%	Profit attributable to owners of parent (million yen)	%	Basic earnings per share (yen)
FY 2021	4,370,000	35.4	390,000	-	368,000	-	270,000	-	468.92

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

Notes

1. Changes in significant subsidiaries during the term (changes in designated subsidiaries resulting in changes in consolidated structure): No

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

3. Number of outstanding shares (common stock)
 - 1) Outstanding shares at the end of the term (including treasury stock)
 - As of December 31, 2021: 614,438,399 shares
 - As of March 31, 2021: 614,438,399 shares
 - 2) Treasury stock at the end of the term
 - As of December 31, 2021: 38,654,258 shares
 - As of March 31, 2021: 38,646,342 shares
 - 3) Average number of shares during the term
 - 3Q FY 2021: 575,792,256 shares
 - 3Q FY 2020: 575,838,245 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. Condensed Quarterly Consolidated Financial Statements and Notes
(1) Condensed Quarterly Consolidated Statement of Financial Position

	(million yen)	
	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	142,416	109,707
Trade and other receivables	751,824	777,292
Contract assets	101,282	172,152
Inventories	785,632	1,149,237
Income taxes receivable	14,748	2,717
Other financial assets	13,359	9,392
Other current assets	79,430	142,557
Total current assets	1,888,694	2,363,056
Non-current assets:		
Property, plant and equipment:	1,772,303	1,839,241
Goodwill	6,200	8,682
Intangible assets	95,055	105,264
Right-of-use assets	111,938	98,677
Investment property	58,310	57,728
Investments accounted for using equity method	355,242	429,257
Retirement benefit asset	22,159	23,863
Deferred tax assets	86,014	65,209
Other financial assets	244,505	215,593
Other non-current assets	14,547	14,507
Total non-current assets	2,766,278	2,858,026
Total assets	4,654,972	5,221,083

(million yen)

As of
As of
March 31, 2021 December 31, 2021

	As of March 31, 2021	As of December 31, 2021
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	496,995	655,318
Bonds payable, borrowings, and lease liabilities	277,027	534,297
Contract liabilities	43,038	54,835
Income taxes payable, etc.	15,090	45,112
Provisions	11,518	11,209
Other financial liabilities	86,836	97,408
Other current liabilities	208,510	170,317
Total current liabilities	1,139,017	1,568,500
Non-current liabilities		
Bonds payable, borrowings, and lease liabilities	1,529,112	1,475,162
Retirement benefit liability	141,186	129,935
Provisions	24,105	20,349
Deferred tax liabilities	7,591	5,510
Other financial liabilities	45,417	44,518
Other non-current liabilities	8,387	8,355
Total non-current liabilities	1,755,800	1,683,831
Total liabilities	2,894,818	3,252,331
Equity		
Share capital	147,143	147,143
Capital surplus	652,465	652,185
Retained earnings	1,029,976	1,227,020
Treasury shares	(180,639)	(180,626)
Other components of equity	30,278	40,578
Equity attributable to owners of parent	1,679,223	1,886,300
Non-controlling interests	80,930	82,450
Total equity	1,760,154	1,968,751
Total liabilities and equity	4,654,972	5,221,083

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

Condensed Quarterly Consolidated Statements of Income (First Three Quarters)

	Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)	(million yen) Through Third Quarter of Fiscal 2021 (April 1, 2021 – December 31, 2021)
Revenue	2,318,467	3,097,394
Cost of sales	<u>(2,136,590)</u>	<u>(2,609,123)</u>
Gross profit	181,876	488,270
Selling, general and administrative expenses	(230,130)	(250,107)
Share of profit of entities accounted for using equity method	4,686	81,306
Other income	19,134	20,447
Other expenses	<u>(36,763)</u>	<u>(17,077)</u>
Business profit (loss)	(61,196)	322,839
Impairment losses	—	(5,830)
Loss on liquidation of subsidiaries and associates	<u>—</u>	<u>(4,588)</u>
Operating profit (loss)	(61,196)	312,421
Finance income	1,285	1,108
Finance costs	<u>(10,744)</u>	<u>(9,683)</u>
Profit (loss) before tax	(70,655)	303,845
Income tax expense	<u>3,440</u>	<u>(78,726)</u>
Profit (loss)	(67,214)	225,119
Profit (loss) attributable to		
Owners of parent	(69,677)	223,047
Non-controlling interests	<u>2,463</u>	<u>2,071</u>
Profit (loss)	(67,214)	225,119
Earnings per share		
Basic earnings (loss) per share (yen)	(121.00)	387.38
Diluted earnings (loss) per share (yen)	(121.00)	387.26

Condensed Quarterly Consolidated Statements of Income (Third Quarter)

	Third Quarter of Fiscal 2020 (October 1, 2020 – December 31, 2020)	(million yen) Third Quarter of Fiscal 2021 (October 1, 2021 – December 31, 2021)
Revenue	826,172	1,154,416
Cost of sales	<u>(696,728)</u>	<u>(975,970)</u>
Gross profit	129,443	178,446
Selling, general and administrative expenses	(78,691)	(87,795)
Share of profit of entities accounted for using equity method	4,730	29,901
Other income	5,561	8,830
Other expenses	<u>(7,901)</u>	<u>(5,413)</u>
Business profit	53,142	123,969
Impairment losses	—	(5,830)
Loss on liquidation of subsidiaries and associates	<u>—</u>	<u>(4,588)</u>
Operating profit	53,142	113,551
Finance income	353	387
Finance costs	<u>(3,363)</u>	<u>(3,314)</u>
Profit before tax	50,132	110,624
Income tax expense	<u>(12,826)</u>	<u>(28,827)</u>
Profit	37,305	81,796
Profit attributable to		
Owners of parent	36,034	82,292
Non-controlling interests	<u>1,271</u>	<u>(495)</u>
Profit	37,305	81,796
Earnings per share		
Basic earnings per share (yen)	62.58	142.92
Diluted earnings per share (yen)	62.57	142.87

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

	Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)	(million yen) Through Third Quarter of Fiscal 2021 (April 1, 2021 – December 31, 2021)
Profit (loss)	(67,214)	225,119
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	8,107	6,351
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	34,866	1,052
Share of other comprehensive income of investments accounted for using equity method	450	(2,669)
Total of items that will not be reclassified to profit or loss	43,424	4,734
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,757)	6,587
Effective portion of cash flow hedges	7,389	1,999
Share of other comprehensive income of investments accounted for using equity method	(4,314)	14,814
Total of items that may be reclassified to profit or loss	(1,683)	23,400
Total other comprehensive income	41,741	28,134
Comprehensive income	(25,473)	253,254
Comprehensive income attributable to		
Owners of parent	(28,128)	250,247
Non-controlling interests	2,654	3,007
Comprehensive income	(25,473)	253,254

Condensed Quarterly Consolidated Statements of Comprehensive Income (Third Quarter)

	Third Quarter of Fiscal 2020 (October 1, 2020 – December 31, 2020)	(million yen) Third Quarter of Fiscal 2021 (October 1, 2021 – December 31, 2021)
Profit	37,305	81,796
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	3,522	760
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	19,427	(4,278)
Share of other comprehensive income of investments accounted for using equity method	(243)	585
Total of items that will not be reclassified to profit or loss	22,705	(2,932)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(326)	1,127
Effective portion of cash flow hedges	3,356	(387)
Share of other comprehensive income of investments accounted for using equity method	2,309	3,990
Total of items that may be reclassified to profit or loss	5,340	4,730
Total other comprehensive income	28,045	1,797
Comprehensive income	65,351	83,594
Comprehensive income attributable to		
Owners of parent	63,780	83,844
Non-controlling interests	1,571	(249)
Comprehensive income	65,351	83,594

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
 First Three Quarters of Fiscal 2020 (April 1, 2020 – December 31, 2020)

	(million yen)					
	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2020	147,143	652,430	1,002,076	(180,637)	–	39,768
Profit (loss)	–	–	(69,677)	–	–	–
Other comprehensive income	–	–	–	–	7,531	35,427
Comprehensive income	–	–	(69,677)	–	7,531	35,427
Purchase of treasury shares	–	–	–	(40)	–	–
Disposal of treasury shares	–	(18)	–	22	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	(25)	–	37	–	–
Changes in scope of consolidation	–	–	7	–	–	–
Changes in ownership interest in subsidiaries	–	93	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	45,402	–	(7,531)	(37,871)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	50	45,410	18	(7,531)	(37,871)
Balance as of December 31, 2020	147,143	652,481	977,809	(180,618)	–	37,324

	Equity attributable to owners of parent					
	Other components of equity					
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2020	(31,941)	(1,813)	6,012	1,627,026	79,526	1,706,552
Profit (loss)	–	–	–	(69,677)	2,463	(67,214)
Other comprehensive income	(7,509)	6,100	41,549	41,549	191	41,741
Comprehensive income	(7,509)	6,100	41,549	(28,128)	2,654	(25,473)
Purchase of treasury shares	–	–	–	(40)	–	(40)
Disposal of treasury shares	–	–	–	3	–	3
Dividends	–	–	–	–	(1,736)	(1,736)
Share-based payment transactions	–	–	–	11	–	11
Changes in scope of consolidation	–	–	–	7	439	447
Changes in ownership interest in subsidiaries	–	–	–	93	(111)	(17)
Transfer from other components of equity to retained earnings	–	–	(45,402)	–	–	–
Transfer to non-financial assets	–	(3,972)	(3,972)	(3,972)	–	(3,972)
Other	–	–	–	–	(351)	(351)
Total transactions with owners	–	(3,972)	(49,375)	(3,895)	(1,759)	(5,655)
Balance as of December 31, 2020	(39,451)	313	(1,813)	1,595,001	80,422	1,675,423

First Three Quarters of Fiscal 2021 (April 1, 2021 – December 31, 2021)

(million yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2021	147,143	652,465	1,029,976	(180,639)	–	61,620
Profit (loss)	–	–	223,047	–	–	–
Other comprehensive income	–	–	–	–	6,185	(1,539)
Comprehensive income	–	–	223,047	–	6,185	(1,539)
Purchase of treasury shares	–	–	–	(46)	–	–
Disposal of treasury shares	–	(6)	–	9	–	–
Dividends	–	–	(40,355)	–	–	–
Share-based payment transactions	–	74	–	50	–	–
Changes in scope of consolidation	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	(348)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	14,351	–	(6,185)	(8,165)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(280)	(26,004)	12	(6,185)	(8,165)
Balance as of December 31, 2021	147,143	652,185	1,227,020	(180,626)	–	51,915

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2021	(32,256)	914	30,278	1,679,223	80,930	1,760,154
Profit (loss)	–	–	–	223,047	2,071	225,119
Other comprehensive income	20,403	2,148	27,199	27,199	935	28,134
Comprehensive income	20,403	2,148	27,199	250,247	3,007	253,254
Purchase of treasury shares	–	–	–	(46)	–	(46)
Disposal of treasury shares	–	–	–	2	–	2
Dividends	–	–	–	(40,355)	(1,235)	(41,591)
Share-based payment transactions	–	–	–	124	–	124
Changes in scope of consolidation	–	–	–	–	232	232
Changes in ownership interest in subsidiaries	–	–	–	(348)	282	(66)
Transfer from other components of equity to retained earnings	–	–	(14,351)	–	–	–
Transfer to non-financial assets	–	(2,547)	(2,547)	(2,547)	–	(2,547)
Other	–	–	–	–	(766)	(766)
Total transactions with owners	–	(2,547)	(16,898)	(43,170)	(1,487)	(44,657)
Balance as of December 31, 2021	(11,852)	515	40,578	1,886,300	82,450	1,968,751

(4) Condensed Quarterly Consolidated Statement of Cash Flow (First Three Quarters)

	(million yen)	
	Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)	Through Third Quarter of Fiscal 2021 (April 1, 2021 – December 31, 2021)
Cash flows from operating activities		
Profit (loss) before tax	(70,655)	303,845
Depreciation and amortization	172,286	185,597
Increase (decrease) in allowance	(3,913)	(6,281)
Interest and dividend income	(6,331)	(4,463)
Interest expenses	10,511	9,407
Decrease (increase) in trade and other receivables	24,029	(7,790)
Decrease (increase) in inventories	102,662	(359,320)
Increase (decrease) in trade and other payables	(69,925)	142,756
Other	(38,171)	(217,827)
Subtotal	120,492	45,923
Interest and dividends received	11,872	26,195
Interest paid	(9,270)	(8,633)
Income taxes refund (paid)	(7,083)	(15,850)
Cash flows from operating activities	116,011	47,635
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(230,729)	(229,554)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	1,223	418
Purchase of investments	(3,538)	(5,089)
Proceeds from sale of investments	117,391	29,558
Other	(9,713)	(5,120)
Cash flows from investing activities	(125,366)	(209,788)

	(million yen)	
	Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)	Through Third Quarter of Fiscal 2021 (April 1, 2021 – December 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,123	5,080
Increase (decrease) in commercial papers	(88,999)	220,000
Proceeds from long-term borrowings	223,207	64,558
Repayments of long-term borrowings	(100,087)	(83,948)
Proceeds from issuance of bonds	60,000	35,000
Payments for redemption of bonds	-	(30,000)
Payments for purchase of treasury shares	(40)	(43)
Dividends paid to owners of parent	-	(40,355)
Payments on lease liabilities	(32,852)	(41,697)
Other	31,352	(1,165)
Cash flows from financing activities	100,704	127,427
Effect of exchange rate change on cash and cash equivalents	(2,051)	2,015
Net increase (decrease) in cash and cash equivalents	89,297	(32,709)
Cash and cash equivalents at beginning of period	86,704	142,416
Cash and cash equivalents at end of period	176,002	109,707

(5) Notes to the Condensed Quarterly Consolidated Financial Statements

Notes Pertaining to the Presumption of a Going Concern

There is no item for this period.

Supplementary Information

(1) Consolidated Results and Earnings Forecasts for Fiscal 2021

(billion yen)

	FY 2020		FY 2021		Change		FY2021 Forecast (November 5) Full year	
	First Three Quarters	Full year	First Three Quarters	Full year	First Three Quarters	Full year		
Steel Business	1,607.5	2,255.2	2,243.2	3,210.0	635.7	954.8	3,190.0	
Engineering Business	351.2	485.7	359.1	510.0	7.9	24.3	520.0	
Trading Business	676.6	932.5	873.3	1,210.0	197.1	277.5	1,210.0	
Adjustments	(316.9)	(446.1)	(378.6)	(560.0)	(61.7)	(113.9)	(580.0)	
Revenue	2,318.4	3,227.2	3,097.3	4,370.0	778.9	1,142.8	4,340.0	
Business profit ¹	A	(61.1)	(12.9)	322.8	390.0	383.9	402.9	360.0
Finance income / costs	B	(9.4)	(12.4)	(8.5)	(10.0)	0.9	2.4	(10.0)
Segment Profit								
Steel Business		(101.9)	(65.4)	252.0	303.0	353.9	368.4	280.0
Engineering Business		19.6	24.0	21.3	25.0	1.7	1.0	25.0
Trading Business		13.7	20.0	41.9	53.0	28.2	33.0	45.0
Adjustments		(2.1)	(4.1)	(1.0)	(1.0)	1.1	3.1	0
Total	A+B	(70.6)	(25.4)	314.2	380.0	384.8	405.4	350.0
Exceptional Items ²		-	20.4	(10.4)	(12.0)	(10.4)	(32.4)	-
Profit before tax		(70.6)	(4.9)	303.8	368.0	374.4	372.9	350.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		0.9	(16.9)	(80.7)	(98.0)	(81.6)	(81.1)	(100.0)
Profit Attributable to Owners of Parent		(69.6)	(21.8)	223.0	270.0	292.6	291.8	250.0

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 Forecasts for Fiscal 2021

	Fiscal 2020	Fiscal 2021	Change
Return on Sales (ROS) ¹	(0.4%)	8.9%	9.3%
Return on Assets (ROA) ²	(0.3%)	8.0%	8.3%
Return on Equity (ROE) ³	(1.3%)	15.0%	16.3%
EBITDA ⁴	223.4 billion yen	640.0 billion yen	416.6 billion yen
Interest-bearing debt outstanding	1,806.1 billion yen	1,900.0 billion yen	93.9 billion yen
Debt / EBITDA multiple ⁵	8.1x	3.0x	(5.1x)
Equity attributable to owners of parent	1,679.2 billion yen	1,930.0 billion yen	250.8 billion yen
D/E Ratio ⁶	93.2%	85.5%	(7.7%)

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.

* For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies.

Borrowing Execution Date (or Bond Issuance Date)	Amount Borrowed (or Amount of Bond)	Assessment of Equity Content	Amount Deemed to be Capital
June 30, 2016	167.5 billion yen	25%	41.9 billion yen*
March 19, 2018	300.0 billion yen	25%	75.0 billion yen
June 10, 2021	35.0 billion yen	50%	17.5 billion yen*

*Prepayment of subordinated loan of 32.5 billion yen raised on June 30, 2016 and fundraising for a new subordinated bond of 35 billion yen on June 10, 2021

(3) Crude Steel Production (JFE Steel) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020	Non-consolidated	4.79	5.38	10.17	6.27	6.32	12.59	22.76
	Consolidated	5.09	5.68	10.77	6.59	6.60	13.19	23.96
FY 2021	Non-consolidated	6.25	6.45	12.70	6.49	26.00*		
	Consolidated	6.59	6.80	13.39	6.85	27.40*		

*full year estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		4.59	4.75	9.34	5.42	5.72	11.15	20.49
FY 2021		5.26	5.56	10.83	5.63	22.70*		

*full year estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		44.2	40.2	42.2	40.3	44.3	42.4	42.3
FY 2021		43.2	49.3	46.5	45.9	44*	45*	46*

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		107.7	105.9	106.8	104.8	104.7	104.8	105.8
FY 2021		109.8	110.0	109.9	113.1	115*	114*	112*

*estimate

(7) Average Selling Price (JFE Steel on non-consolidated basis) (thousand yen/ton)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		75.3	71.0	73.1	73.4	78.8	76.2	74.8
FY 2021		87.6	101.0	94.5	107.6	115*	111*	103*

*estimate

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	FY2020	FY2021 Forecast	Change
Waste to Resource	220.0	220.0*	0.0
Carbon Neutral	36.0	82.0*	46.0
Combined utility services	11.0	15.0*	4.0
Core Infrastructure	234.1	213.0*	(21.1)
Total	501.1	530.0*	28.9

*estimate

(9) Capital Investment and Depreciation and Amortization (JFE Holdings)

(billion yen)

	FY2020	FY2021 Forecast
Capital Investment	342.3	340.0*
Depreciation & Amortization	236.3	250.0*

(on construction basis)

*estimate

(10) Breakdown of Changes in Segment Profit

a. First Three Quarters of FY 2021, compared to same period of FY 2020 (billion yen) Change

Steel Business		
- Cost	23.0	Capital investment effects, etc.
- Sales volume and mix	56.0	Volume increase due to recovery in demand for steel materials
- Sales prices and raw materials	17.0	Spreads improved against the backdrop of domestic and overseas supply-demand and market conditions, despite rising prices of raw materials
- Unrealized gains (losses) on inventories	235.0	
- Others	22.9	Improved earnings of domestic and overseas group companies, rising prices of metals and scrap, etc.
- Total	<u>353.9</u>	
Engineering Business, Trading Business, Adjustment	30.9	

b. FY 2021 (forecast), compared to FY 2020

(billion yen)
Change

Steel Business		
- Cost	30.0	Capital investment effects, expanded use of inexpensive raw materials, etc.
- Sales volume and mix	63.0	Volume increase due to recovery in demand for steel materials
- Sales prices and raw materials	93.0	Despite the outlook for sharp rises in primary raw material prices, spreads will improve due to early reflection of these costs and higher selling prices reflecting supply-demand and market conditions
- Unrealized gains (losses) on inventories	210.0	
- Others	(27.6)	Improved earnings of domestic and overseas group companies, rising prices of metals and scrap, etc.
- Total	<u>368.4</u>	
Engineering Business, Trading Business, Adjustment	37.0	

c. FY 2021 (forecast), compared to previous forecast

(billion yen)
Change

Steel Business		
- Cost	0.0	
- Sales volume and mix	(9.0)	Approximately 26.5 million tons of crude steel (standalone)→ Approximately 26.0 million
- Sales prices and raw materials	7.0	Spread will widen on improved selling prices, including due to early reflection of primary raw material costs
- Unrealized gains (losses) on inventories	15.0	
- Others	10.0	Increased earnings of domestic and overseas group companies, rising prices of metals, etc.
- Total	<u>23.0</u>	
Engineering Business, Trading Business, Adjustment	7.0	Increase of +8.0 in trading business due to higher profits of domestic and overseas group companies, mainly in North America

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