

# JFE Holdings' Financial Results for First Half of Fiscal Year 2023 Ending March 31, 2024

— 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, 2023

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 exchange 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 November 6, 2023 December 4, 2023 Yes Yes
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(Figures are rounded down to the nearest million yen.)

## 1. Consolidated Results in First Half of Fiscal 2023 (April 1 to September 30, 2023)

### (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)	%
1H FY 2023	2,576,588	0.5	164,346	(12.5)	155,363	(14.3)	111,641	(11.2)	110,091	(10.7)	184,731	0.1
1H FY 2022	2,564,335	32.0	187,915	(5.5)	181,246	(6.2)	125,658	(12.3)	123,256	(12.4)	184,540	8.8

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1H FY 2023	186.97	185.51
1H FY 2022	213.23	213.12

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 1H FY 2023	5,678,472	2,474,393	2,401,003	42.3
End FY 2022	5,524,040	2,193,395	2,120,322	38.4

## 2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2022	80.00	50.00	30.00
FY 2023 (forecast)	100.00	50.00	50.00

Note: Revisions to dividend forecast announced most recently: No

### 3. Forecasts of Consolidated Financial Results in Fiscal 2023 (April 1, 2023 to March 31, 2024)

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

	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 2023	5,360,000	1.7	290,000	23.0	270,000	28.4	190,000	16.8	311.17

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

Basic earnings per share in the consolidated financial forecast for the fiscal year ending March 31, 2024 is calculated based on the expected average number of shares during the period, including the issuance of new shares through an overseas public offering (25,000,000 shares) and the disposal of treasury shares (30,000,000 shares).

## 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 September 30, 2023: 639,438,399 shares
    - As of March 31, 2023: 614,438,399 shares
  - 2) Treasury stock at the end of the term
    - As of September 30, 2023: 3,452,990 shares
    - As of March 31, 2023: 33,494,986 shares
  - 3) Average number of shares during the term
    - 1H Fiscal 2023: 588,816,549 shares
    - 1H Fiscal 2022: 578,035,252 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

	As of March 31, 2023	(million yen) As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	119,391	288,699
Trade and other receivables	776,115	723,308
Contract assets	116,293	148,018
Inventories	1,367,230	1,315,666
Income taxes receivable	22,957	1,263
Other financial assets	18,937	26,738
Other current assets	96,759	106,313
Subtotal	2,517,685	2,610,008
Assets held for sale	40,929	25,395
Total current assets	2,558,615	2,635,404
Non-current assets		
Property, plant and equipment	1,891,053	1,900,727
Goodwill	14,911	15,578
Intangible assets	126,855	133,053
Right-of-use asset	98,611	101,959
Investment property	53,559	53,291
Investments accounted for using equity method	465,482	521,795
Retirement benefit asset	23,521	24,590
Deferred tax assets	74,728	65,707
Other financial assets	200,599	209,108
Other non-current assets	16,100	17,256
Total non-current assets	2,965,425	3,043,068
Total assets	5,524,040	5,678,472

	As of March 31, 2023	(million yen) As of September 30, 2023
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	703,212	594,997
Bonds payable, borrowings, and lease liabilities	397,026	505,836
Contract liabilities	48,543	56,201
Income taxes payable, etc.	32,320	26,729
Provisions	10,781	13,568
Other financial liabilities	181,046	135,575
Other current liabilities	265,268	233,161
Subtotal	1,638,200	1,566,070
Liabilities directly associated with assets held for sale	23,598	15,667
<b>Total current liabilities</b>	<b>1,661,798</b>	<b>1,581,738</b>
<b>Non-current liabilities</b>		
Bonds payable, borrowings, and lease obligations	1,465,939	1,410,167
Retirement benefit liability	120,663	115,122
Provisions	19,128	17,579
Deferred tax liabilities	5,480	7,047
Other financial liabilities	41,325	56,607
Other non-current liabilities	16,308	15,815
<b>Total non-current liabilities</b>	<b>1,668,846</b>	<b>1,622,340</b>
<b>Total liabilities</b>	<b>3,330,644</b>	<b>3,204,078</b>
<b>Equity</b>		
Share capital	147,143	171,310
Capital surplus	640,536	588,944
Retained earnings	1,397,735	1,503,416
Treasury shares	(156,408)	(14,857)
Other components of equity	91,315	152,188
Equity attributable to owners of parent	2,120,322	2,401,003
Non-controlling interests	73,073	73,390
<b>Total equity</b>	<b>2,193,395</b>	<b>2,474,393</b>
<b>Total liabilities and equity</b>	<b>5,524,040</b>	<b>5,678,472</b>

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

Condensed Quarterly Consolidated Statements of Income (First Half)

	First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)	(million yen) First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)
Revenue	2,564,335	2,576,588
Cost of sales	(2,235,871)	(2,254,566)
Gross profit	328,463	322,021
Selling, general and administrative expenses	(185,850)	(191,870)
Share of profit of entities accounted for using equity method	23,950	26,618
Other income	38,339	32,817
Other expenses	(16,987)	(25,240)
Business profit	187,915	164,346
Operating profit	187,915	164,346
Finance income	1,311	2,653
Finance costs	(7,980)	(11,636)
Profit before tax	181,246	155,363
Income tax expense	(55,587)	(43,722)
Profit	125,658	111,641
Profit attributable to		
Owners of parent	123,256	110,091
Non-controlling interests	2,402	1,550
Profit	125,658	111,641
Earnings per share		
Basic earnings per share (yen)	213.23	186.97
Diluted earnings per share (yen)	213.12	185.51

## Condensed Quarterly Consolidated Statements of Income (Second Quarter)

(million yen)

	Second Quarter of Fiscal 2022 (July 1, 2022 – September 30, 2022)	Second Quarter of Fiscal 2023 (July 1, 2023 – September 30, 2023)
Revenue	1,310,735	1,314,501
Cost of sales	(1,151,539)	(1,144,473)
Gross profit	159,195	170,028
Selling, general and administrative expenses	(94,367)	(95,697)
Share of profit of entities accounted for using equity method	2,480	8,914
Other income	13,684	9,965
Other expenses	(9,738)	(13,689)
Business profit	71,256	79,522
Operating profit	71,256	79,522
Finance income	873	1,847
Finance costs	(4,288)	(5,889)
Profit before tax	67,841	75,479
Income tax expense	(27,194)	(23,528)
Profit	40,647	51,951
Profit attributable to		
Owners of parent	39,411	50,488
Non-controlling interests	1,235	1,462
Profit	40,647	51,951
Earnings per share		
Basic earnings per share (yen)	67.99	84.89
Diluted earnings per share (yen)	67.95	83.80

Condensed Quarterly Consolidated Statements of Comprehensive Income (First Half)

	(million yen)	
	First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)	First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)
Profit	125,658	111,641
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(2,509)	7,978
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(1,211)	6,699
Share of other comprehensive income of investments accounted for using equity method	(1,622)	(709)
Total of items that will not be reclassified to profit or loss	(5,343)	13,968
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	26,800	22,150
Effective portion of cash flow hedges	(2,957)	4,019
Share of other comprehensive income of investments accounted for using equity method	40,382	32,951
Total of items that may be reclassified to profit or loss	64,225	59,121
Total other comprehensive income	58,881	73,090
Comprehensive income	184,540	184,731
Comprehensive income attributable to		
Owners of parent	181,300	182,968
Non-controlling interests	3,239	1,762
Comprehensive income	184,540	184,731

Condensed Quarterly Consolidated Statements of Comprehensive Income (Second Quarter)

	(million yen)	
	Second Quarter of Fiscal 2022 (July 1, 2022 – September 30, 2022)	Second Quarter of Fiscal 2023 (July 1, 2023 – September 30, 2023)
Profit	40,647	51,951
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(1,235)	2,973
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	1,353	1,078
Share of other comprehensive income of investments accounted for using equity method	(996)	2,115
Total of items that will not be reclassified to profit or loss	(878)	6,167
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10,018	11,749
Effective portion of cash flow hedges	(1,789)	2,835
Share of other comprehensive income of investments accounted for using equity method	21,272	20,152
Total of items that may be reclassified to profit or loss	29,501	34,738
Total other comprehensive income	28,622	40,905
Comprehensive income	69,270	92,856
Comprehensive income attributable to		
Owners of parent	67,623	91,256
Non-controlling interests	1,646	1,600
Comprehensive income	69,270	92,856

### (3) Condensed Quarterly Consolidated Statement of Changes in Equity

First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)

(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, 2022	147,143	652,233	1,294,875	(180,580)	–	55,560
Profit	–	–	123,256	–	–	–
Other comprehensive income	–	–	–	–	(1,945)	(3,025)
Comprehensive income	–	–	123,256	–	(1,945)	(3,025)
Purchase of treasury shares	–	–	–	(21)	–	–
Disposal of treasury shares	–	(2,002)	–	24,202	–	–
Dividends	–	–	(46,118)	–	–	–
Share-based payment transactions	–	58	–	27	–	–
Changes in scope of consolidation	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	(9,211)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	2,279	–	1,945	(4,224)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(11,155)	(43,839)	24,208	1,945	(4,224)
Balance as of September 30, 2022	147,143	641,077	1,374,292	(156,371)	–	48,309

	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, 2022	16,086	2,949	74,596	1,988,268	82,470	2,070,739
Profit	–	–	–	123,256	2,402	125,658
Other comprehensive income	65,473	(2,457)	58,044	58,044	837	58,881
Comprehensive income	65,473	(2,457)	58,044	181,300	3,239	184,540
Purchase of treasury shares	–	–	–	(21)	–	(21)
Disposal of treasury shares	–	–	–	22,200	–	22,200
Dividends	–	–	–	(46,118)	(1,380)	(47,498)
Share-based payment transactions	–	–	–	85	–	85
Changes in scope of consolidation	–	–	–	–	4	4
Changes in ownership interest in subsidiaries	–	–	–	(9,211)	(12,071)	(21,283)
Transfer from other components of equity to retained earnings	–	–	(2,279)	–	–	–
Transfer to non-financial assets	–	263	263	263	–	263
Other	–	–	–	–	219	219
Total transactions with owners	–	263	(2,015)	(32,802)	(13,227)	(46,029)
Balance as of September 30, 2022	81,560	754	130,624	2,136,765	72,483	2,209,249

First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)

(million yen)

	Equity attributable to owners of parent							Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
	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		
Balance as of April 1, 2023	147,143	640,536	1,397,735	(156,408)	—	—	—	42,446
Profit	—	—	110,091	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	8,144	—	5,968
Comprehensive income	—	—	110,091	—	—	8,144	—	5,968
Issuance of new shares	24,167	24,167	—	—	—	—	—	—
Share issuance cost	—	(453)	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	(34)	—	—	—	—
Disposal of treasury shares	—	(75,224)	—	141,470	—	—	—	—
Dividends	—	—	(17,447)	—	—	—	—	—
Share-based payment transactions	—	(26)	—	114	—	—	—	—
Issuance of convertible bonds	—	—	—	—	3,081	—	—	—
Changes in scope of consolidation	—	(1)	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	(53)	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	13,037	—	—	(8,144)	—	(4,892)
Transfer to non-financial assets	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—
Total transactions with owners	24,167	(51,591)	(4,410)	141,551	3,081	(8,144)	—	(4,892)
Balance as of September 30, 2023	171,310	588,944	1,503,416	(14,857)	3,081	—	—	43,521

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Other components of equity			Total	Total			
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total					
Balance as of April 1, 2023	47,941	928	91,315	2,120,322	73,073	—	2,193,395	
Profit	—	—	—	110,091	1,550	—	111,641	
Other comprehensive income	52,630	6,134	72,877	72,877	212	—	73,090	
Comprehensive income	52,630	6,134	72,877	182,968	1,762	—	184,731	
Issuance of new shares	—	—	—	48,335	—	—	48,335	
Share issuance cost	—	—	—	(453)	—	—	(453)	
Purchase of treasury shares	—	—	—	(34)	—	—	(34)	
Disposal of treasury shares	—	—	—	66,246	—	—	66,246	
Dividends	—	—	—	(17,447)	(924)	—	(18,371)	
Share-based payment transactions	—	—	—	88	—	—	88	
Issuance of convertible bonds	—	—	3,081	3,081	—	—	3,081	
Changes in scope of consolidation	—	—	—	(1)	(518)	—	(519)	
Changes in ownership interest in subsidiaries	—	—	—	(53)	59	—	5	
Transfer from other components of equity to retained earnings	—	—	(13,037)	—	—	—	—	
Transfer to non-financial assets	—	(2,049)	(2,049)	(2,049)	—	—	(2,049)	
Other	—	—	—	—	(61)	—	(61)	
Total transactions with owners	—	(2,049)	(12,005)	97,712	(1,445)	—	96,266	
Balance as of September 30, 2023	100,571	5,013	152,188	2,401,003	73,390	—	2,474,393	

## (4) Condensed Quarterly Consolidated Statement of Cash Flow (First Half)

	(million yen)	
	First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)	First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)
Cash flows from operating activities		
Profit before tax	181,246	155,363
Depreciation and amortization	129,556	143,465
Increase (decrease) in allowance	(2,924)	902
Interest and dividend income (loss)	(4,587)	(5,913)
Interest expenses	7,341	10,596
Share of loss (profit) of investments accounted for using equity method	(23,950)	(26,618)
Decrease (increase) in trade and other receivables	14,969	69,740
Decrease (increase) in inventories	(189,853)	67,214
Increase (decrease) in trade and other payables	(43,689)	(106,502)
Other	(25,505)	(89,234)
Subtotal	42,601	219,012
Interest and dividends received	26,088	16,284
Interest paid	(6,723)	(10,628)
Income taxes refund (paid)	(60,004)	(18,293)
Net cash provided by (used in) operating activities	1,961	206,375
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(131,249)	(150,513)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	5,973	1,368
Purchase of investments	(3,823)	(11,121)
Proceeds from sale of investments	8,600	10,170
Other	(1,124)	3,941
Net cash provided by (used in) investing activities	(121,623)	(146,154)

	(million yen)	
	First Half of Fiscal 2022 (April 1, 2022 – September 30, 2022)	First Half of Fiscal 2023 (April 1, 2023 – September 30, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	8,130	16,333
Increase (decrease) in commercial papers	166,999	(19,999)
Proceeds from long-term borrowings	83,776	5,314
Repayments of long-term borrowings	(88,367)	(47,942)
Proceeds from issuance of bonds	30,000	90,000
Payments for redemption of bonds	(10,000)	(20,000)
Proceeds from issuance of shares	–	52,072
Payments for purchase of treasury shares	(21)	(34)
Proceeds from disposal of treasury shares	880	62,487
Dividends paid to owners of parent	(46,118)	(17,447)
Other	(24,222)	(21,700)
Net cash provided by (used in) financing activities	121,056	99,083
Effect of exchange rate change on cash and cash equivalents	13,914	10,181
Net increase (decrease) in cash and cash equivalents	15,308	169,485
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	–	(177)
Cash and cash equivalents at beginning of period	101,773	119,391
Cash and cash equivalents at end of period	117,082	288,699

(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

## 2. Supplementary Information

### (1) Consolidated Results in First Half and Earnings Forecasts for Fiscal 2023

								(billion yen)
	FY 2022		FY 2023		Change		FY2023 Forecast (August 3)	
	1H	Full year	1H	Full year	1H	Full year	Full year	
Steel Business	1,918.9	3,881.1	1,865.8	3,800.0	(53.1)	(81.1)	3,770.0	
Engineering Business	219.0	512.5	248.4	550.0	29.4	37.5	550.0	
Trading Business	750.2	1,514.1	742.0	1,580.0	(8.2)	65.9	1,620.0	
Adjustments	(323.9)	(638.9)	(279.7)	(570.0)	44.2	68.9	(560.0)	
Revenue	2,564.3	5,268.7	2,576.5	5,360.0	12.2	91.3	5,380.0	
Business profit <sup>1</sup>	A	187.9	235.8	164.3	290.0	(23.6)	54.2	290.0
Finance income / costs	B	(6.6)	(14.8)	(8.9)	(20.0)	(2.3)	(5.2)	(20.0)
Segment Profit								
Steel Business		148.2	146.8	122.8	200.0	(25.4)	53.2	200.0
Engineering Business		(3.9)	13.4	8.7	25.0	12.6	11.6	25.0
Trading Business		40.6	65.1	26.8	48.0	(13.8)	(17.1)	48.0
Adjustments		(3.6)	(4.3)	(3.1)	(3.0)	0.5	1.3	(3.0)
Total	A+B	181.2	221.0	155.3	270.0	(25.9)	49.0	270.0
Exceptional Items <sup>2</sup>		-	(10.7)	-	-	-	10.7	-
Profit before tax		181.2	210.2	155.3	270.0	(25.9)	59.8	270.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		(57.9)	(47.6)	(45.2)	(80.0)	12.7	(32.4)	(80.0)
Profit Attributable to Owners of Parent		123.2	162.6	110.0	190.0	(13.2)	27.4	190.0

<sup>1</sup> 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.

<sup>2</sup> Exceptional Items: One-time items of a materially significant value.

### (2) Consolidated Financial Indices (2023 Forecasts)

	Fiscal 2022	Fiscal 2023	Change
Return on Sales (ROS) <sup>1</sup>	4.5%	5.4%	0.9%
Return on Assets (ROA) <sup>2</sup>	4.4%	5.2%	0.8%
Return on Equity (ROE) <sup>3</sup>	7.9%	8.3%	0.4%
EBITDA <sup>4</sup>	505.4 billion yen	570.0 billion yen	64.6 billion yen
Interest-bearing debt outstanding	1,862.9 billion yen	1,900.0 billion yen	37.1 billion yen
Debt / EBITDA multiple <sup>5</sup>	3.7x	3.3x	(0.4x)
Equity attributable to owners of parent	2,120.3 billion yen	2,450.0 billion yen	329.7 billion yen
D/E Ratio <sup>6</sup>	67.8%	60.9%	(6.9%)

<sup>1</sup> ROS = Business profit / Revenue

<sup>2</sup> ROA = Business profit / Total assets

<sup>3</sup> ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

<sup>4</sup> EBITDA = Business profit + Depreciation and amortization

<sup>5</sup> Debt / EBITDA multiple = Interest-bearing debt outstanding / EBITDA

<sup>6</sup> 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	50%*	83.8 billion yen
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**

\*On December 1, 2022, the assessment of equity content was changed from 25% to 50% by the rating agency.

\*\*Of the subordinated loans totaling 300 billion yen raised on March 19, 2018, 200 billion yen was repaid in advance of maturity, and a new subordinated loan of 205 billion yen was raised on March 20, 2023.

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2022	Non-consolidated	6.43	6.21	12.64	5.48	5.97	11.45	24.10
	Consolidated	6.77	6.59	13.37	5.81	6.29	12.11	25.48
Fiscal 2023	Non-consolidated	6.05	6.11	12.16			11.60*	23.80*
	Consolidated	6.38	6.47	12.85				

\*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2022		5.54	5.32	10.86	5.25	5.64	10.88	21.74
Fiscal 2023		5.23	5.42	10.65				

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2022		48.5	45.0	46.7	41.0	43.6	42.2	44.5
Fiscal 2023		44.2	44.2	44.2				

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2022		126.5	136.6	131.6	144.0	133.2	138.6	135.1
Fiscal 2023		135.8	144.1	139.9			150*	145*

\*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
Fiscal 2022		126.7	136.7	131.6	136.3	124.0	129.9	130.8
Fiscal 2023		128.5	130.1	129.3				

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	Fiscal 2022	Fiscal 2023 Forecast	Change
Waste to Resource	216.9	238.0	21.1
Carbon Neutral	57.6	80.0	22.4
Combined Utility Services	21.1	17.0	(4.1)
Core Infrastructure	269.3	245.0	(24.3)
Total	564.9	580.0	15.1

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

(billion yen)

	Fiscal 2022	Fiscal 2023 Forecast	
Capital Investment	325.6	430.0*	(on construction basis)
Depreciation & Amortization	269.6	280.0*	

\*estimate

## (10) Breakdown of Changes in Segment Profit

a. First Half of Fiscal 2023, compared to same period of Fiscal 2022

- 25.9 billion yen: 181.2 billion yen in first half of fiscal 2022 → 155.3 billion yen in first half of fiscal 2023

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	15.0	Operational enhancement
- Sales volume and mix	(10.0)	Crude steel volume: 12.64→12.16 million tons
- Sales prices and raw materials	144.0	Improved spreads due to continued sales price improvement efforts
- Unrealized gains (losses) on inventories	(117.0)	Inventory valuation -81.0, carry over -22.0, foreign exchange valuation -14.0
- Others	(57.4)	Group companies -8.0, foreign exchanges effects on trade -11.0, depreciation expense -10.0, etc.
- Total	(25.4)	
Engineering and Trading businesses, and Adjustments	(0.5)	

b. First Half of Fiscal 2023, compared to previous forecast

40.3 billion yen: 115.0 billion yen in previous forecast → 155.3 billion yen in first half of fiscal 2023

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	5.0	Operational enhancement
- Sales volume and mix	(3.0)	Crude steel volume: about 12.30 → 12.16 million tons
- Sales prices and raw materials	12.0	Improved spreads due to continued sales price improvement efforts
- Unrealized gains (losses) on inventories	15.0	Inventory valuation 4.0, carry over 2.0, foreign exchange valuation 9.0
- Others	6.8	Group companies 6.0, etc.
- Total	35.8	
Engineering and Trading businesses, and Adjustments	4.5	

c. Fiscal 2023 forecast, compared to Fiscal 2022

49.0 billion yen: 221.0 billion yen in fiscal 2022 → 270.0 billion yen in fiscal 2023 forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Cost	68.0	Structural reform effects 20.0, operational enhancement 25.0, resolution of blast furnace refurbishment Impact 13.0, resolution of production reduction impact 10.0
- Sales volume and mix	2.0	Crude steel volume: 24.10→about 23.80 million tons
- Sales prices and raw materials	120.0	Improved spreads due to continued sales price improvement efforts
- Unrealized gains (losses) on inventories	(73.0)	Inventory valuation -77.0, carry over 26.0, foreign exchange valuation -2.0, One-time structural reform costs -20.0
- Others	(63.8)	Foreign exchanges effects on trade -23.0, depreciation expense -11.0, etc.
- Total	53.2	
Engineering and Trading businesses, and Adjustments	(4.2)	

d. Fiscal 2023 forecast, compared to previous forecast

0.0 billion yen: 270.0 billion yen in previous forecast → 270.0 billion yen in fiscal 2023 forecast

	<u>Change</u> (billion yen)	
Steel Business		
Cost	5.0	
Sales volume and mix	(8.0)	Crude steel volume: about 24.60 → about 23.80 million tons
Sales prices and raw materials	(25.0)	Deterioration due to the slowdown in overseas market conditions
Unrealized gains (losses) on inventories	25.0	Inventory valuation 14.0, carry over 22.0, foreign exchange valuation 9.0, One-time structural reform costs -20.0
Others	3.0	
Total	0.0	
Engineering and Trading businesses, and Adjustments	0.0	

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