

JFE Holdings' Financial Results for First Half 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)

November 5, 2021

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 and Nagoya 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 November 5, 2021 December 3, 2021 Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in First Half of Fiscal 2021 (April 1 to September 30, 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)	%
1H FY 2021	1,942,977	30.2	198,869	-	193,221	-	143,322	-	140,755	-	169,659	-
1H FY 2020	1,492,294	(20.3)	(114,338)	-	(120,788)	-	(104,520)	-	(105,712)	-	(90,825)	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1H FY 2021	244.45	244.39
1H FY 2020	(183.58)	(183.58)

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 2021	4,882,600	1,914,843	1,831,694	37.5
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	-	60.00	-

Note: Revisions to dividend forecast announced most recently: No
The year-end dividend and the total dividend are not yet determined.

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	4,340,000	34.5	360,000	-	350,000	-	250,000	-	434.18

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 September 30, 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 September 30, 2021: 38,641,398 shares
 - As of March 31, 2021: 38,646,342 shares
 - 3) Average number of shares during the term
 - 1H FY 2021: 575,792,894 shares
 - 1H FY 2020: 575,840,615 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	As of
	March 31, 2021	September 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	142,416	101,129
Trade and other receivables	751,824	668,400
Contract assets	101,282	146,659
Inventories	785,632	997,456
Income taxes receivable	14,748	1,672
Other financial assets	13,359	9,948
Other current assets	79,430	114,105
Total current assets	1,888,694	2,039,371
Non-current assets:		
Property, plant and equipment:	1,772,303	1,821,536
Goodwill	6,200	8,651
Intangible assets	95,055	103,222
Right-of-use assets	111,938	100,751
Investment property	58,310	57,872
Investments accounted for using equity method	355,242	399,872
Retirement benefit asset	22,159	23,348
Deferred tax assets	86,014	74,180
Other financial assets	244,505	239,150
Other non-current assets	14,547	14,643
Total non-current assets	2,766,278	2,843,229
Total assets	4,654,972	4,882,600

(million yen)

As of
As of
March 31, 2021 September 30, 2021

	As of March 31, 2021	As of September 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	496,995	573,688
Bonds payable, borrowings, and lease liabilities	277,027	359,826
Contract liabilities	43,038	44,709
Income taxes payable, etc.	15,090	34,027
Provisions	11,518	12,118
Other financial liabilities	86,836	110,239
Other current liabilities	208,510	179,622
Total current liabilities	1,139,017	1,314,231
Non-current liabilities		
Bonds payable, borrowings, and lease liabilities	1,529,112	1,448,333
Retirement benefit liability	141,186	127,039
Provisions	24,105	22,803
Deferred tax liabilities	7,591	4,852
Other financial liabilities	45,417	42,356
Other non-current liabilities	8,387	8,141
Total non-current liabilities	1,755,800	1,653,526
Total liabilities	2,894,818	2,967,757
Equity		
Share capital	147,143	147,143
Capital surplus	652,465	652,144
Retained earnings	1,029,976	1,171,728
Treasury shares	(180,639)	(180,612)
Other components of equity	30,278	41,289
Equity attributable to owners of parent	1,679,223	1,831,694
Non-controlling interests	80,930	83,149
Total equity	1,760,154	1,914,843
Total liabilities and equity	4,654,972	4,882,600

(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 2020 (April 1, 2020 – September 30, 2020)	(million yen) First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)
Revenue	1,492,294	1,942,977
Cost of sales	<u>(1,439,861)</u>	<u>(1,633,153)</u>
Gross profit	52,432	309,823
Selling, general and administrative expenses	(151,438)	(162,312)
Share of profit (loss) of entities accounted for using equity method	(43)	51,405
Other income	13,573	11,617
Other expenses	<u>(28,862)</u>	<u>(11,663)</u>
Business profit (loss)	(114,338)	198,869
Operating profit (loss)	<u>(114,338)</u>	<u>198,869</u>
Finance income	931	721
Finance costs	<u>(7,381)</u>	<u>(6,369)</u>
Profit (loss) before tax	(120,788)	193,221
Income tax expense	<u>16,267</u>	<u>(49,898)</u>
Profit (loss)	(104,520)	143,322
Profit attributable to		
Owners of parent	(105,712)	140,755
Non-controlling interests	1,191	2,567
Profit (loss)	<u>(104,520)</u>	<u>143,322</u>
Earnings per share		
Basic earnings (loss) per share (yen)	(183.58)	244.45
Diluted earnings (loss) per share (yen)	(183.58)	244.39

Condensed Quarterly Consolidated Statements of Income (Second Quarter)

	Second Quarter of Fiscal 2020 (July 1, 2020 – September 30, 2020)	(million yen) Second Quarter of Fiscal 2021 (July 1, 2021 – September 30, 2021)
Revenue	748,393	1,054,036
Cost of sales	<u>(726,235)</u>	<u>(885,835)</u>
Gross profit	22,157	168,200
Selling, general and administrative expenses	(76,134)	(82,735)
Share of profit (loss) of entities accounted for using equity method	(3,658)	25,934
Other income	6,039	5,669
Other expenses	<u>(15,520)</u>	<u>(6,561)</u>
Business profit (loss)	(67,115)	110,506
Operating profit (loss)	<u>(67,115)</u>	<u>110,506</u>
Finance income	493	384
Finance costs	<u>(3,725)</u>	<u>(3,111)</u>
Profit (loss) before tax	(70,347)	107,779
Income tax expense	<u>4,569</u>	<u>(27,558)</u>
Profit (loss)	(65,777)	80,220
Profit (loss) attributable to		
Owners of parent	(66,515)	78,776
Non-controlling interests	<u>737</u>	<u>1,444</u>
Profit (loss)	(65,777)	80,220
Earnings per share		
Basic earnings (loss) per share (yen)	(115.51)	136.81
Diluted earnings (loss) per share (yen)	(115.51)	136.78

Condensed Quarterly Consolidated Statements of Comprehensive Income (First Half)

	First Half of Fiscal 2020 (April 1, 2020 – September 30, 2020)	(million yen) First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)
Profit (loss)	(104,520)	143,322
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	4,584	5,590
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	15,439	5,331
Share of other comprehensive income of investments accounted for using equity method	694	(3,254)
Total of items that will not be reclassified to profit or loss	20,718	7,666
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,430)	5,459
Effective portion of cash flow hedges	4,032	2,386
Share of other comprehensive income of investments accounted for using equity method	(6,624)	10,823
Total of items that may be reclassified to profit or loss	(7,023)	18,670
Total other comprehensive income	13,695	26,336
Comprehensive income	(90,825)	169,659
Comprehensive income attributable to		
Owners of parent	(91,908)	166,402
Non-controlling interests	1,083	3,257
Comprehensive income	(90,825)	169,659

Condensed Quarterly Consolidated Statements of Comprehensive Income (Second Quarter)

	(million yen)	
	Second Quarter of Fiscal 2020 (July 1, 2020 – September 30, 2020)	Second Quarter of Fiscal 2021 (July 1, 2021 – September 30, 2021)
Profit (loss)	(65,777)	80,220
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	742	746
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	1,115	(4,283)
Share of other comprehensive income of investments accounted for using equity method	<u>(261)</u>	<u>(4,053)</u>
Total of items that will not be reclassified to profit or loss	1,595	(7,589)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(349)	102
Effective portion of cash flow hedges	2,400	(5,341)
Share of other comprehensive income of investments accounted for using equity method	<u>(1,401)</u>	<u>(2,926)</u>
Total of items that may be reclassified to profit or loss	649	(8,166)
Total other comprehensive income	<u>2,245</u>	<u>(15,756)</u>
Comprehensive income	<u>(63,532)</u>	<u>64,464</u>
Comprehensive income attributable to		
Owners of parent	(64,341)	62,882
Non-controlling interests	<u>809</u>	<u>1,582</u>
Comprehensive income	<u>(63,532)</u>	<u>64,464</u>

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
 First Half of Fiscal 2020 (April 1, 2020 – September 30, 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)	–	–	(105,712)	–	–	–
Other comprehensive income	–	–	–	–	4,201	16,233
Comprehensive income	–	–	(105,712)	–	4,201	16,233
Purchase of treasury shares	–	–	–	(8)	–	–
Disposal of treasury shares	–	(12)	–	15	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	(27)	–	37	–	–
Change in scope of consolidation	–	–	7	–	–	–
Changes in ownership interest in subsidiaries	–	(1)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	17,757	–	(4,201)	(13,556)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(41)	17,765	43	(4,201)	(13,556)
Balance as of September 30, 2020	147,143	652,389	914,130	(180,593)	–	42,445

	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)	–	–	–	(105,712)	1,191	(104,520)
Other comprehensive income	(9,612)	2,981	13,803	13,803	(107)	13,695
Comprehensive income	(9,612)	2,981	13,803	(91,908)	1,083	(90,825)
Purchase of treasury shares	–	–	–	(8)	–	(8)
Disposal of treasury shares	–	–	–	2	–	2
Dividends	–	–	–	–	(1,365)	(1,365)
Share-based payment transactions	–	–	–	9	–	9
Change in scope of consolidation	–	–	–	7	(8)	(0)
Changes in ownership interest in subsidiaries	–	–	–	(1)	4	2
Transfer from other components of equity to retained earnings	–	–	(17,757)	–	–	–
Transfer to non-financial assets	–	(1,572)	(1,572)	(1,572)	–	(1,572)
Other	–	–	–	–	(116)	(116)
Total transactions with owners	–	(1,572)	(19,330)	(1,562)	(1,486)	(3,049)
Balance as of September 30, 2020	(41,554)	(404)	485	1,533,554	79,124	1,612,678

First Half of Fiscal 2021 (April 1, 2021 – September 30, 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)	–	–	140,755	–	–	–
Other comprehensive income	–	–	–	–	5,604	2,159
Comprehensive income	–	–	140,755	–	5,604	2,159
Purchase of treasury shares	–	–	–	(25)	–	–
Disposal of treasury shares	–	(1)	–	2	–	–
Dividends	–	–	(5,765)	–	–	–
Share-based payment transactions	–	29	–	50	–	–
Change in scope of consolidation	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	(349)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	6,762	–	(5,604)	(1,157)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(321)	997	27	(5,604)	(1,157)
Balance as of September 30, 2021	147,143	652,144	1,171,728	(180,612)	–	62,622

	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)	–	–	–	140,755	2,567	143,322
Other comprehensive income	14,625	3,257	25,647	25,647	689	26,336
Comprehensive income	14,625	3,257	25,647	166,402	3,257	169,659
Purchase of treasury shares	–	–	–	(25)	–	(25)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	–	(5,765)	(1,207)	(6,972)
Share-based payment transactions	–	–	–	80	–	80
Change in scope of consolidation	–	–	–	–	232	232
Changes in ownership interest in subsidiaries	–	–	–	(349)	282	(67)
Transfer from other components of equity to retained earnings	–	–	(6,762)	–	–	–
Transfer to non-financial assets	–	(7,873)	(7,873)	(7,873)	–	(7,873)
Other	–	–	–	–	(344)	(344)
Total transactions with owners	–	(7,873)	(14,636)	(13,932)	(1,037)	(14,970)
Balance as of September 30, 2021	(17,630)	(3,701)	41,289	1,831,694	83,149	1,914,843

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

	(million yen)	
	First Half of Fiscal 2020 (April 1, 2020 – September 30, 2020)	First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)
Cash flows from operating activities		
Profit (loss) before tax	(120,788)	193,221
Depreciation and amortization	112,564	121,869
Changes in allowance	(1,227)	(2,933)
Interest and dividend income	(4,678)	(2,514)
Interest expenses	7,098	6,174
Decrease (increase) in trade and other receivables	92,590	108,958
Decrease (increase) in inventories	124,172	(209,562)
Increase (decrease) in trade and other payables	(105,100)	72,722
Other	(21,567)	(141,583)
Subtotal	83,063	146,352
Interest and dividends received	8,573	10,694
Interest paid	(6,201)	(5,693)
Income taxes refund (paid)	1,777	(5,337)
Cash flows from operating activities	87,213	146,016
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(169,461)	(159,956)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	449	155
Purchase of investments	(1,725)	(3,951)
Proceeds from sale of investments	34,306	11,214
Other	1,008	(5,089)
Cash flows from investing activities	(135,421)	(157,627)

	(million yen)	
	First Half of Fiscal 2020 (April 1, 2020 – September 30, 2020)	First Half of Fiscal 2021 (April 1, 2021 – September 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	12,601	(21,637)
Increase (decrease) in commercial papers	(88,999)	67,000
Proceeds from long-term borrowings	217,941	17,955
Repayments of long-term borrowings	(72,867)	(57,207)
Proceeds from issuance of bonds	60,000	35,000
Payments for redemption of bonds	-	(30,000)
Payments for purchase of treasury shares	(8)	(22)
Dividends paid to owners of parent	-	(5,765)
Payments on lease liabilities	(21,806)	(30,771)
Other	33,631	(3,558)
Cash flows from financing activities	140,492	(29,006)
Effect of exchange rate change on cash and cash equivalents	(1,499)	(669)
Net increase (decrease) in cash and cash equivalents	90,784	(41,287)
Cash and cash equivalents at beginning of period	86,704	142,416
Cash and cash equivalents at end of period	177,488	101,129

(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 2021

	(billion yen)							
	FY 2020		FY 2021		Change		FY2021 Forecast (August 12)	
	1H	Full year	1H	Full year	1H	Full year	Full year	
Steel Business	1,027.2	2,255.2	1,410.4	3,190.0	383.2	934.8	3,130.0	
Engineering Business	221.9	485.7	229.2	520.0	7.3	34.3	520.0	
Trading Business	451.7	932.5	544.4	1,210.0	92.7	277.5	1,150.0	
Adjustments	(208.6)	(446.1)	(241.1)	(580.0)	(32.5)	(133.9)	(630.0)	
Revenue	1,492.2	3,227.2	1,942.9	4,340.0	450.7	1,112.8	4,170.0	
Business profit ¹	A	(114.3)	(12.9)	198.8	360.0	313.1	372.9	350.0
Finance income / costs	B	(6.4)	(12.4)	(5.6)	(10.0)	0.8	2.4	(10.0)
Segment Profit								
Steel Business		(136.2)	(65.4)	158.5	280.0	294.7	345.4	280.0
Engineering Business		8.7	24.0	11.1	25.0	2.4	1.0	25.0
Trading Business		7.2	20.0	25.6	45.0	18.4	25.0	38.0
Adjustments		(0.4)	(4.1)	(2.0)	0	(1.6)	4.1	(3.0)
Total	A+B	(120.7)	(25.4)	193.2	350.0	313.9	375.4	340.0
Exceptional Items ²		-	20.4	-	-	0.0	(20.4)	-
Profit before tax		(120.7)	(4.9)	193.2	350.0	313.9	354.9	340.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		15.0	(16.9)	(52.4)	(100.0)	(67.4)	(83.1)	(100.0)
Profit Attributable to Owners of Parent		(105.7)	(21.8)	(140.7)	(250.0)	(246.4)	271.8	240.0

¹ Business profit: Profit that excludes financial income and exceptional items from profit before tax. It is a benchmark indicator of the company's consolidated earnings.

² Exceptional Items: One-time items of a materially significant value.

(2) Consolidated Financial Indices

	Fiscal 2020	Fiscal 2021	Change
Return on Sales (ROS) ¹	(0.4%)	8.3%	8.7%
Return on Assets (ROA) ²	(0.3%)	7.4%	7.7%
Return on Equity (ROE) ³	(1.3%)	14.0%	15.3%
EBITDA ⁴	223.4 billion yen	610.0 billion yen	386.6 billion yen
Interest-bearing debt outstanding	1,806.1 billion yen	1,850.0 billion yen	43.9 billion yen
Debt / EBITDA multiple ⁵	8.1x	3.0x	(5.1x)
Equity attributable to owners of parent	1,679.2 billion yen	1,900.0 billion yen	220.8 billion yen
D/E Ratio ⁶	93.2%	84.3%	(8.9%)

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			13.80*	26.50*
	Consolidated	6.59	6.80	13.39				

*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) 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				

(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			110*	110*

*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				

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	FY2020	FY2021 Forecast	Change
Waste to Resource	220.0	230.0*	10.0
Carbon Neutral	36.0	82.0*	46.0
Combined utility services	11.0	15.0*	4.0
Core Infrastructure	234.1	223.0*	(11.1)
Total	501.1	550.0*	48.9

*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 half of FY 2021, compared to same period of FY 2020

	(billion yen)	
	<u>Change</u>	
Steel Business		
- Cost	15.0	Capital investment effects, etc.
- Sales volume and mix	45.0	Volume increase due to recovery in demand for steel materials
- Sales prices and raw materials	34.0	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	158.0	
- Others	42.7	Improved earnings of domestic and overseas group companies, etc.
- Total	<u>294.7</u>	
Engineering Business, Trading Business, Adjustment	19.2	

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

	(billion yen)	
	<u>Change</u>	
Steel Business		
- Cost	30.0	Effects of new capital investment, etc.
- Sales volume and mix	70.0	Volume increase due to recovery in demand for steel materials
- Sales prices and raw materials	86.0	Improved spreads due to rising sales prices reflecting supply-demand and market conditions, despite sharply higher prices for raw materials
- Unrealized gains (losses) on inventories	195.0	
- Others	(35.6)	Improved earnings of domestic and overseas group companies, rising prices of metals and scrap, etc.
- Total	<u>345.4</u>	
Engineering Business, Trading Business, Adjustment	30.1	

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

	(billion yen)	
	<u>Change</u>	
Steel Business		
- Cost	0.0	
- Sales volume and mix	0.0	Approximately 26.5 million tons of crude steel(Standalone)
- Sales prices and raw materials	43.0	Steadily improved sales prices
- Unrealized gains (losses) on inventories	4.0	
- Others	(47.0)	Increasing prices for metals and scrap, etc.
- Total	<u>0.0</u>	
Engineering Business, Trading Business, Adjustment	10.0	Increase of +7.0 in trading business due to higher profits of domestic and overseas group companies, mainly in North America

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