

# JFE Holdings' Financial Results for Third Quarter 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)

February 6, 2024

|   |  |
|---|--|
| Official name:  | JFE Holdings, Inc.   |
| Listings:   | Tokyo stock exchange   |
| Code:   | 5411   |
| English URL:  | www.jfe-holdings.co.jp/en  |
| Representative:   | Koji Kakigi, President and CEO   |
| Contact:  | Hiroki Watanabe, Manager, Public Relations Section,<br>Investor Relations and Corporate Communications<br>Department |
| Phone:  | +81-3-3597-3842  |
| Scheduled date to submit Quarterly Securities Report:         | February 6, 2024   |
| Scheduled date to start paying dividends:                     | -  |
| Preparation of supplementary materials for quarterly results: | Yes  |
| Quarterly results briefing:                                   | Yes  |

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

## 1. Consolidated Results for First Three Quarters of Fiscal 2023 (April 1 to December 31, 2023)

### (1) Consolidated Operating Results (cumulative total)

(Percentages indicate year on year change)

|               | Revenue<br>(million yen) | %     | Business<br>profit<br>(million yen) | %      | Profit<br>Before tax<br>(million yen) | %      | Profit<br>(million yen) | %      | Profit<br>attributable<br>to owners<br>of parent<br>(million yen) | %      | Compre-<br>hensive<br>income<br>(million yen) | %      |
|---------------|--------------------------|-------|-------------------------------------|--------|---------------------------------------|--------|-------------------------|--------|---|--------|---|--------|
| 3Q<br>FY 2023 | 3,865,747                | (1.1) | 244,988                             | 6.0    | 226,351                               | 5.9    | 165,664                 | 12.8   | 162,922   | 13.2   | 251,053                                       | 21.5   |
| 3Q<br>FY 2022 | 3,908,588                | 26.2  | 231,015                             | (28.4) | 213,802                               | (29.6) | 146,918                 | (34.7) | 143,940   | (35.5) | 206,568                                       | (18.4) |

|            | Basic earnings per<br>share<br>(yen) | Diluted earnings per<br>share<br>(yen) |
|------------|--------------------------------------|--|
| 3Q FY 2023 | 270.20                               | 264.92                                 |
| 3Q FY 2022 | 248.64                               | 248.50                                 |

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<br>(million yen) | Total equity<br>(million yen) | Equity attributable<br>to owners of<br>parent<br>(million yen) | Total equity<br>attributable to<br>owners of parent<br>(%) |
|----------------|-------------------------------|-------------------------------|--|--|
| End 3Q FY 2023 | 5,658,557                     | 2,506,639                     | 2,432,246  | 43.0   |
| 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 | 100.00*                  | 50.00   | 50.00*   |

\*estimate

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<br>(million yen) | %     | Business<br>profit<br>(million yen) | %    | Profit before<br>tax<br>(million yen) | %    | Profit<br>attributable<br>to owners<br>of parent<br>(million yen) | %    | Basic<br>earnings<br>per share<br>(yen) |
|---------|--------------------------|-------|-------------------------------------|------|---------------------------------------|------|---|------|---|
| FY 2023 | 5,230,000                | (0.7) | 290,000                             | 23.0 | 265,700                               | 26.4 | 190,000   | 16.8 | 311.17                                  |

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, 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 December 31, 2023: 3,462,767 shares
    - As of March 31, 2023: 33,494,986 shares
  - 3) Average number of shares during the term
    - 3Q Fiscal 2023: 602,965,111 shares
    - 3Q Fiscal 2022: 578,912,717 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<br>March 31, 2023 | (million yen)<br>As of<br>December 31, 2023 |
|---|-------------------------|---|
| <b>Assets</b>                                 |                         |   |
| Current assets                                |                         |   |
| Cash and cash equivalents                     | 119,391                 | 118,115                                     |
| Trade and other receivables                   | 776,115                 | 770,630                                     |
| Contract assets                               | 116,293                 | 189,542                                     |
| Inventories                                   | 1,367,230               | 1,329,827                                   |
| Income taxes receivable                       | 22,957                  | 5,876                                       |
| Other financial assets                        | 18,937                  | 23,323                                      |
| Other current assets                          | 96,759                  | 125,342                                     |
| Subtotal                                      | 2,517,685               | 2,562,658                                   |
| Assets held for sale                          | 40,929                  | —   |
| Total current assets                          | 2,558,615               | 2,562,658                                   |
| Non-current assets                            |                         |   |
| Property, plant and equipment                 | 1,891,053               | 1,920,666                                   |
| Goodwill                                      | 14,911                  | 15,702                                      |
| Intangible assets                             | 126,855                 | 136,630                                     |
| Right-of-use asset                            | 98,611                  | 100,653                                     |
| Investment property                           | 53,559                  | 53,098                                      |
| Investments accounted for using equity method | 465,482                 | 562,753                                     |
| Retirement benefit asset                      | 23,521                  | 24,703                                      |
| Deferred tax assets                           | 74,728                  | 61,734                                      |
| Other financial assets                        | 200,599                 | 202,233                                     |
| Other non-current assets                      | 16,100                  | 17,723                                      |
| Total non-current assets                      | 2,965,425               | 3,095,899                                   |
| Total assets                                  | 5,524,040               | 5,658,557                                   |

|  | As of<br>March 31, 2023 | (million yen)<br>As of<br>December 31, 2023 |
|--|-------------------------|---|
| <b>Liabilities and equity</b>                                |                         |   |
| <b>Liabilities</b>   |                         |   |
| <b>Current liabilities</b>                                   |                         |   |
| Trade and other payables                                     | 703,212                 | 648,066                                     |
| Bonds payable, borrowings,<br>and lease liabilities          | 397,026                 | 504,762                                     |
| Contract liabilities   | 48,543                  | 60,275                                      |
| Income taxes payable, etc.                                   | 32,320                  | 22,104                                      |
| Provisions   | 10,781                  | 11,978                                      |
| Other financial liabilities                                  | 181,046                 | 92,642                                      |
| Other current liabilities                                    | 265,268                 | 204,084                                     |
| Subtotal   | 1,638,200               | 1,543,915                                   |
| Liabilities directly associated<br>with assets held for sale | 23,598                  | —   |
| <b>Total current liabilities</b>                             | <b>1,661,798</b>        | <b>1,543,915</b>                            |
| <b>Non-current liabilities</b>                               |                         |   |
| Bonds payable, borrowings,<br>and lease obligations          | 1,465,939               | 1,401,872                                   |
| Retirement benefit liability                                 | 120,663                 | 117,751                                     |
| Provisions   | 19,128                  | 17,626                                      |
| Deferred tax liabilities                                     | 5,480                   | 7,405                                       |
| Other financial liabilities                                  | 41,325                  | 53,479                                      |
| Other non-current liabilities                                | 16,308                  | 9,866                                       |
| <b>Total non-current liabilities</b>                         | <b>1,668,846</b>        | <b>1,608,002</b>                            |
| <b>Total liabilities</b>                                     | <b>3,330,644</b>        | <b>3,151,918</b>                            |
| <b>Equity</b>  |                         |   |
| Share capital  | 147,143                 | 171,310                                     |
| Capital surplus  | 640,536                 | 589,005                                     |
| Retained earnings  | 1,397,735               | 1,525,091                                   |
| Treasury shares  | (156,408)               | (14,898)                                    |
| Other components of equity                                   | 91,315                  | 161,737                                     |
| Equity attributable to owners of<br>parent                   | 2,120,322               | 2,432,246                                   |
| Non-controlling interests                                    | 73,073                  | 74,392                                      |
| <b>Total equity</b>  | <b>2,193,395</b>        | <b>2,506,639</b>                            |
| <b>Total liabilities and equity</b>                          | <b>5,524,040</b>        | <b>5,658,557</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 Three Quarters)

|   | First Three Quarters of<br>Fiscal 2022<br>(April 1, 2022 –<br>December 31, 2022) | (million yen)<br>First Three Quarters of<br>Fiscal 2023<br>(April 1, 2023 –<br>December 31, 2023) |
|---|--|---|
| Revenue   | 3,908,588  | 3,865,747   |
| Cost of sales   | (3,424,095)  | (3,375,009)   |
| Gross profit  | 484,492  | 490,738   |
| Selling, general and administrative expenses                  | (282,278)  | (292,310)   |
| Share of profit of entities accounted for using equity method | 22,700   | 44,504  |
| Other income  | 29,120   | 32,969  |
| Other expenses  | (23,019)   | (30,913)  |
| Business profit   | 231,015  | 244,988   |
| Impairment losses   | –  | (4,372)   |
| Loss on Liquidation of subsidiaries and associates            | (6,273)  | –   |
| Operating profit  | 224,742  | 240,615   |
| Finance income  | 2,086  | 3,644   |
| Finance costs   | (13,025)   | (17,908)  |
| Profit before tax   | 213,802  | 226,351   |
| Income tax expense  | (66,883)   | (60,687)  |
| Profit  | 146,918  | 165,664   |
| Profit attributable to  |  |   |
| Owners of parent  | 143,940  | 162,922   |
| Non-controlling interests                                     | 2,978  | 2,741   |
| Profit  | 146,918  | 165,664   |
| Earnings per share  |  |   |
| Basic earnings per share (yen)                                | 248.64   | 270.20  |
| Diluted earnings per share (yen)                              | 248.50   | 264.92  |

Condensed Quarterly Consolidated Statements of Income (Third Quarter)

|  | Third Quarter of Fiscal<br>2022<br>(October 1, 2022 –<br>December 31, 2022) | (million yen)<br>Third Quarter of Fiscal<br>2023<br>(October 1, 2023 –<br>December 31, 2023) |
|--|---|--|
| Revenue  | 1,344,252   | 1,289,159  |
| Cost of sales  | (1,188,223)   | (1,120,443)  |
| Gross profit   | 156,028   | 168,716  |
| Selling, general and administrative expenses                         | (96,427)  | (100,439)  |
| Share of profit (loss) of entities accounted for using equity method | (1,250)   | 17,885   |
| Other income   | 6,391   | 9,427  |
| Other expenses   | (21,642)  | (14,948)   |
| Business profit  | 43,100  | 80,641   |
| Impairment losses  | —   | (4,372)  |
| Loss on Liquidation of subsidiaries and associates                   | (6,273)   | —  |
| Operating profit   | 36,826  | 76,268   |
| Finance income   | 774   | 990  |
| Finance costs  | (5,044)   | (6,272)  |
| Profit before tax  | 32,556  | 70,987   |
| Income tax expense   | (11,296)  | (16,965)   |
| Profit   | 21,259  | 54,022   |
| Profit attributable to   |   |  |
| Owners of parent   | 20,684  | 52,831   |
| Non-controlling interests  | 575   | 1,191  |
| Profit   | 21,259  | 54,022   |
| Earnings per share   |   |  |
| Basic earnings per share (yen)                                       | 35.60   | 83.07  |
| Diluted earnings per share (yen)                                     | 35.58   | 79.44  |



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

|  | (million yen)  |  |
|--|--|--|
|  | First Three Quarters of<br>Fiscal 2022<br>(April 1, 2022 –<br>December 31, 2022) | First Three Quarters r<br>of Fiscal 2023<br>(April 1, 2023 –<br>December 31, 2023) |
| Profit   | 146,918  | 165,664  |
| Other comprehensive income:  |  |  |
| Items that will not be reclassified to profit or loss  |  |  |
| Remeasurements of defined benefit plans  | (4,346)  | 8,040  |
| Net change in fair value of equity instruments<br>designated as measured at fair value through other<br>comprehensive income | (60)   | 8,452  |
| Share of other comprehensive income of investments<br>accounted for using equity method                                      | 589  | 6,749  |
| Total of items that will not be reclassified to profit or<br>loss  | (3,818)  | 23,242   |
| Items that may be reclassified to profit or loss   |  |  |
| Exchange differences on translation of foreign<br>operations   | 25,652   | 22,466   |
| Effective portion of cash flow hedges  | 1,512  | 5,106  |
| Share of other comprehensive income of investments<br>accounted for using equity method                                      | 36,303   | 34,573   |
| Total of items that may be reclassified to profit or loss  | 63,467   | 62,146   |
| Total other comprehensive income   | 59,649   | 85,388   |
| Comprehensive income   | 206,568  | 251,053  |
| Comprehensive income attributable to   |  |  |
| Owners of parent   | 202,772  | 247,713  |
| Non-controlling interests  | 3,796  | 3,339  |
| Comprehensive income   | 206,568  | 251,053  |

Condensed Quarterly Consolidated Statements of Comprehensive Income (Third Quarter)

|  | (million yen)   |   |
|--|---|---|
|  | Third Quarter of<br>Fiscal 2022<br>(October 1, 2022 –<br>December 31, 2022) | Third Quarter of<br>Fiscal 2023<br>(October 1, 2023 –<br>December 31, 2023) |
| <b>Profit</b>  | <b>21,259</b>   | <b>54,022</b>   |
| Other comprehensive income:  |   |   |
| Items that will not be reclassified to profit or loss  |   |   |
| Remeasurements of defined benefit plans  | (1,837)   | 62  |
| Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income | 1,150   | 1,752   |
| Share of other comprehensive income of investments accounted for using equity method                                   | 2,212   | 7,458   |
| Total of items that will not be reclassified to profit or loss   | 1,525   | 9,274   |
| Items that may be reclassified to profit or loss   |   |   |
| Exchange differences on translation of foreign operations  | (1,148)   | 315   |
| Effective portion of cash flow hedges  | 4,470   | 1,087   |
| Share of other comprehensive income of investments accounted for using equity method                                   | (4,078)   | 1,621   |
| Total of items that may be reclassified to profit or loss  | (757)   | 3,024   |
| Total other comprehensive income   | 768   | 12,298  |
| Comprehensive income   | 22,027  | 66,321  |
| Comprehensive income attributable to   |   |   |
| Owners of parent   | 21,471  | 64,745  |
| Non-controlling interests  | 556   | 1,576   |
| Comprehensive income   | 22,027  | 66,321  |

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

First Three Quarters of Fiscal 2022 (April 1, 2022 – December 31, 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  | –                                       | –               | 143,940           | –               | –                                       | –  |
| Other comprehensive income                                    | –                                       | –               | –                 | –               | (3,739)                                 | 263  |
| Comprehensive income  | –                                       | –               | 143,940           | –               | (3,739)                                 | 263  |
| Purchase of treasury shares                                   | –                                       | –               | –                 | (40)            | –                                       | –  |
| Disposal of treasury shares                                   | –                                       | (2,002)         | –                 | 24,204          | –                                       | –  |
| Dividends   | –                                       | –               | (75,198)          | –               | –                                       | –  |
| Share-based payment transactions                              | –                                       | 100             | –                 | 27              | –                                       | –  |
| Changes in scope of consolidation                             | –                                       | –               | –                 | –               | –                                       | –  |
| Changes in ownership interest in subsidiaries                 | –                                       | (9,211)         | –                 | –               | –                                       | –  |
| Transfer from other components of equity to retained earnings | –                                       | –               | 4,105             | –               | 3,739                                   | (7,845)  |
| Transfer to non-financial assets                              | –                                       | –               | –                 | –               | –                                       | –  |
| Other   | –                                       | –               | –                 | –               | –                                       | –  |
| Total transactions with owners                                | –                                       | (11,113)        | (71,093)          | 24,191          | 3,739                                   | (7,845)  |
| Balance as of December 31, 2022                               | 147,143                                 | 641,119         | 1,367,722         | (156,389)       | –                                       | 47,979   |

|   | 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  | –   | –                                     | –       | 143,940   | 2,978                     | 146,918      |
| Other comprehensive income                                    | 59,908  | 2,399                                 | 58,831  | 58,831    | 817                       | 59,649       |
| Comprehensive income  | 59,908  | 2,399                                 | 58,831  | 202,772   | 3,796                     | 206,568      |
| Purchase of treasury shares                                   | –   | –                                     | –       | (40)      | –                         | (40)         |
| Disposal of treasury shares                                   | –   | –                                     | –       | 22,202    | –                         | 22,202       |
| Dividends   | –   | –                                     | –       | (75,198)  | (1,793)                   | (76,991)     |
| Share-based payment transactions                              | –   | –                                     | –       | 127       | –                         | 127          |
| 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 | –   | –                                     | (4,105) | –         | –                         | –            |
| Transfer to non-financial assets                              | –   | (3,198)                               | (3,198) | (3,198)   | –                         | (3,198)      |
| Other   | –   | –                                     | –       | –         | 314                       | 314          |
| Total transactions with owners                                | –   | (3,198)                               | (7,303) | (65,318)  | (13,545)                  | (78,864)     |
| Balance as of December 31, 2022                               | 75,995  | 2,150                                 | 126,125 | 2,125,721 | 72,721                    | 2,198,442    |

## First Three Quarters of Fiscal 2023 (April 1, 2023 – December 31, 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 |
|---|---|-----------------|-------------------|-----------------|----------------------------|---|---------|--|
|   |   |                 |                   |                 | 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  | —                                       | —               | 162,922           | —               | —                          | —                                       | —       | —  |
| Other comprehensive income                                    | —                                       | —               | —                 | —               | —                          | 8,120                                   | —       | 15,206   |
| Comprehensive income  | —                                       | —               | 162,922           | —               | —                          | 8,120                                   | —       | 15,206   |
| Issuance of new shares  | 24,167                                  | 24,167          | —                 | —               | —                          | —                                       | —       | —  |
| Share issuance cost   | —                                       | (453)           | —                 | —               | —                          | —                                       | —       | —  |
| Purchase of treasury shares                                   | —                                       | —               | —                 | (55)            | —                          | —                                       | —       | —  |
| Disposal of treasury shares                                   | —                                       | (75,203)        | —                 | 141,450         | —                          | —                                       | —       | —  |
| Dividends   | —                                       | —               | (49,275)          | —               | —                          | —                                       | —       | —  |
| Share-based payment transactions                              | —                                       | 12              | —                 | 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 | —                                       | —               | 13,708            | —               | —                          | —                                       | (8,120) | (5,588)  |
| Transfer to non-financial assets                              | —                                       | —               | —                 | —               | —                          | —                                       | —       | —  |
| Other   | —                                       | —               | —                 | —               | —                          | —                                       | —       | —  |
| Total transactions with owners                                | 24,167                                  | (51,531)        | (35,566)          | 141,509         | 3,081                      | (8,120)                                 | —       | (5,588)  |
| Balance as of December 31, 2023                               | 171,310                                 | 589,005         | 1,525,091         | (14,898)        | 3,081                      | —                                       | —       | 52,064   |

|   | 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  | —   | —                                     | —        | 162,922   | 2,741   | — | 165,664                   |              |
| Other comprehensive income                                    | 54,919  | 6,545                                 | 84,791   | 84,791    | 597     | — | 85,388                    |              |
| Comprehensive income  | 54,919  | 6,545                                 | 84,791   | 247,713   | 3,339   | — | 251,053                   |              |
| Issuance of new shares  | —   | —                                     | —        | 48,335    | —       | — | 48,335                    |              |
| Share issuance cost   | —   | —                                     | —        | (453)     | —       | — | (453)                     |              |
| Purchase of treasury shares                                   | —   | —                                     | —        | (55)      | —       | — | (55)                      |              |
| Disposal of treasury shares                                   | —   | —                                     | —        | 66,247    | —       | — | 66,247                    |              |
| Dividends   | —   | —                                     | —        | (49,275)  | (1,531) | — | (50,806)                  |              |
| Share-based payment transactions                              | —   | —                                     | —        | 126       | —       | — | 126                       |              |
| Issuance of convertible bonds                                 | —   | —                                     | 3,081    | 3,081     | —       | — | 3,081                     |              |
| Changes in scope of consolidation                             | —   | —                                     | —        | (1)       | (486)   | — | (487)                     |              |
| Changes in ownership interest in subsidiaries                 | —   | —                                     | —        | (53)      | 106     | — | 52                        |              |
| Transfer from other components of equity to retained earnings | —   | —                                     | (13,708) | —         | —       | — | —                         |              |
| Transfer to non-financial assets                              | —   | (3,741)                               | (3,741)  | (3,741)   | —       | — | (3,741)                   |              |
| Other   | —   | —                                     | —        | —         | (108)   | — | (108)                     |              |
| Total transactions with owners                                | —   | (3,741)                               | (14,369) | 64,210    | (2,019) | — | 62,190                    |              |
| Balance as of December 31, 2023                               | 102,860   | 3,731                                 | 161,737  | 2,432,246 | 74,392  | — | 2,506,639                 |              |

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

|   | (million yen)  |  |
|---|--|--|
|   | First Three Quarters of Fiscal<br>2022<br>(April 1, 2022 –<br>December 31, 2022) | First Three Quarters of Fiscal<br>2023<br>(April 1, 2023 –<br>December 31, 2023) |
| Cash flows from operating activities  |  |  |
| Profit before tax   | 213,802  | 226,351  |
| Depreciation and amortization   | 195,652  | 207,971  |
| Increase (decrease) in allowance  | (4,535)  | (599)  |
| Interest and dividend income (loss)   | (7,103)  | (8,397)  |
| Interest expenses   | 11,898   | 16,273   |
| Share of loss (profit) of investments accounted for using equity method                         | (22,700)   | (44,504)   |
| Decrease (increase) in trade and other receivables  | (27,773)   | 21,924   |
| Decrease (increase) in inventories  | (170,927)  | 50,645   |
| Increase (decrease) in trade and other payables   | (22,014)   | (55,109)   |
| Other   | (125,775)  | (212,674)  |
| Subtotal  | 40,522   | 201,882  |
| Interest and dividends received   | 29,193   | 20,942   |
| Interest paid   | (11,065)   | (16,051)   |
| Income taxes refund (paid)  | (90,578)   | (40,868)   |
| Net cash provided by (used in) operating activities   | (31,928)   | 165,906  |
| Cash flows from investing activities  |  |  |
| Purchase of property, plant and equipment, intangible assets, and investment property           | (191,058)  | (230,645)  |
| Proceeds from sale of property, plant and equipment, intangible assets, and investment property | 6,370  | 2,476  |
| Purchase of investments   | (7,154)  | (12,911)   |
| Proceeds from sale of investments   | 16,729   | 11,800   |
| Other   | (17,881)   | (1,340)  |
| Net cash provided by (used in) investing activities   | (192,994)  | (230,621)  |

|  | (million yen)  |  |
|--|--|--|
|  | First Three Quarters of Fiscal<br>2022<br>(April 1, 2022 –<br>December 31, 2022) | First Three Quarters of Fiscal<br>2023<br>(April 1, 2023 –<br>December 31, 2023) |
| Cash flows from financing activities   |  |  |
| Net increase (decrease) in short-term borrowings   | 18,735   | (13,254)   |
| Increase (decrease) in commercial papers   | 331,999  | 42,000   |
| Proceeds from long-term borrowings   | 88,405   | 39,878   |
| Repayments of long-term borrowings   | (109,202)  | (104,705)  |
| Proceeds from issuance of bonds  | 30,000   | 90,000   |
| Payments for redemption of bonds   | (10,000)   | (30,000)   |
| Proceeds from issuance of shares   | -  | 52,072   |
| Payments for purchase of treasury shares   | (40)   | (54)   |
| Proceeds from disposal of treasury shares  | 882  | 62,498   |
| Dividends paid to owners of parent   | (75,198)   | (49,275)   |
| Other  | (30,503)   | (34,958)   |
| Net cash provided by (used in) financing activities  | 245,078  | 54,201   |
| Effect of exchange rate change on cash and cash equivalents  | 902  | 7,701  |
| Net increase (decrease) in cash and cash equivalents   | 21,057   | (2,812)  |
| Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale | (1,684)  | 1,536  |
| Cash and cash equivalents at beginning of period   | 101,773  | 119,391  |
| Cash and cash equivalents at end of period   | 121,147  | 118,115  |

(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 Three Quarters and Earnings Forecasts for Fiscal 2023

|   |                      |           |                      |           |                      |           |   | (billion yen) |
|---|----------------------|-----------|----------------------|-----------|----------------------|-----------|---|---------------|
|   | FY 2022              |           | FY 2023              |           | Change               |           | FY2023 Forecast (November 6)<br>Full year |               |
|   | First Three Quarters | Full year | First Three Quarters | Full year | First Three Quarters | Full year |   |               |
| Steel Business  | 2,905.9              | 3,881.1   | 2,781.4              | 3,760.0   | (124.5)              | (121.1)   | 3,800.0                                   |               |
| Engineering Business  | 349.9                | 512.5     | 384.8                | 550.0     | 34.9                 | 37.5      | 550.0                                     |               |
| Trading Business  | 1,133.8              | 1,514.1   | 1,110.2              | 1,500.0   | (23.6)               | (14.1)    | 1,580.0                                   |               |
| Adjustments   | (481.1)              | (638.9)   | (410.7)              | (580.0)   | 70.4                 | 58.9      | (570.0)                                   |               |
| Revenue   | 3,908.5              | 5,268.7   | 3,865.7              | 5,230.0   | (42.8)               | (38.7)    | 5,360.0                                   |               |
| Business profit <sup>1</sup>  | A                    | 231.0     | 235.8                | 244.9     | 290.0                | 13.9      | 54.2                                      | 290.0         |
| Finance income / costs  | B                    | (10.9)    | (14.8)               | (14.2)    | (20.0)               | (3.3)     | (5.2)                                     | (20.0)        |
| Segment Profit  |                      |           |                      |           |                      |           |   |               |
| Steel Business  |                      | 170.0     | 146.8                | 171.0     | 200.0                | 1.0       | 53.2                                      | 200.0         |
| Engineering Business  |                      | (2.1)     | 13.4                 | 16.5      | 25.0                 | 18.6      | 11.6                                      | 25.0          |
| Trading Business  |                      | 55.7      | 65.1                 | 38.5      | 48.0                 | (17.2)    | (17.1)                                    | 48.0          |
| Adjustments   |                      | (3.5)     | (4.3)                | 4.6       | (3.0)                | 8.1       | 1.3                                       | (3.0)         |
| Total   | A+B                  | 220.0     | 221.0                | 230.7     | 270.0                | 10.7      | 49.0                                      | 270.0         |
| Exceptional Items <sup>2</sup>  |                      | (6.2)     | (10.7)               | (4.3)     | (4.3)                | 1.9       | 6.4                                       | -             |
| Profit before tax   |                      | 213.8     | 210.2                | 226.3     | 265.7                | 12.5      | 55.5                                      | 270.0         |
| Tax Expense and Profit (Loss) Attributable to Non-controlling Interests |                      | (69.8)    | (47.6)               | (63.4)    | (75.7)               | 6.4       | (28.1)                                    | (80.0)        |
| Profit Attributable to Owners of Parent                                 |                      | 143.9     | 162.6                | 162.9     | 190.0                | 19.0      | 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%                | 5.5%                | 1.0%               |
| 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 | 1,850.0 billion yen | (12.9 billion yen) |
| Debt / EBITDA multiple <sup>5</sup>     | 3.7x                | 3.2x                | (0.5x)             |
| Equity attributable to owners of parent | 2,120.3 billion yen | 2,460.0 billion yen | 339.7 billion yen  |
| D/E Ratio <sup>6</sup>                  | 67.8%               | 58.8%               | (9.0%)             |

<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 | 5.62 | 23.80* |       |           |
|             | Consolidated     | 6.38 | 6.47 | 12.85 | 5.95 | 25.10* |       |           |

\*full year 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 | 5.08 | 21.10* |       |           |

\*full year estimate

(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 | 41.6 | 42*  | 42*  | 43*       |

\*estimate

(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 | 148.7 | 144*  | 146*  | 143*      |

\*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 | 132.5 | 132*  | 132*  | 131*      |

\*estimate

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

| Field                     | Fiscal 2022 | Fiscal 2023 Forecast | Change |
|---------------------------|-------------|----------------------|--------|
| Waste to Resource         | 216.9       | 247.0                | 30.1   |
| Carbon Neutral            | 57.6        | 80.0                 | 22.4   |
| Combined Utility Services | 21.1        | 16.0                 | (5.1)  |
| Core Infrastructure       | 269.3       | 237.0                | (32.3) |
| 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       | 410.0                | (on construction basis) |
| Depreciation & Amortization | 269.6       | 280.0                |                         |

## (10) Breakdown of Changes in Segment Profit

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

10.7 billion yen: 220.0 billion yen in first three quarters of fiscal 2022 → 230.7 billion yen in first three quarters of fiscal 2023

|  | <u>Change</u><br>(billion yen) |   |
|--|--------------------------------|---|
| Steel Business                             |                                |   |
| - Cost                                     | 41.0                           | Structural reform effects 10.0, resolution of blast furnace refurbishment impact 11.0, Operational enhancement 20.0 |
| - Sales volume and mix                     | (4.0)                          | Crude steel volume: 18.12→17.78 million tons  |
| - Sales prices and raw materials           | 130.0                          | Improved spreads due to continued sales price improvement efforts   |
| - Unrealized gains (losses) on inventories | (117.0)                        | Inventory valuation -95.0, carry over -4.0, foreign exchange valuation -8.0, one-time structural reform costs -10.0 |
| - Others                                   | (49.0)                         | Foreign exchanges effects on trade -12.0, depreciation expense -11.0  |
| - Total                                    | 1.0                            |   |
| Engineering Business                       | 18.6                           | Increased sales related to ongoing projects, rising prices of materials and equipment, etc.                         |
| Trading Business                           | (17.2)                         | Chinese economy's slow recovery and narrowing of domestic and international spreads, especially in North America    |
| Adjustment                                 | 8.1                            | Improved earnings of shipbuilding-related equity-method companies, etc.   |

b. 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><br>(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 | (78.0)                         | Inventory valuation -77.0, carry over 26.0, foreign exchange valuation -7.0, one-time structural reform costs -20.0   |
| - Others                                   | (58.8)                         | Foreign exchanges effects on trade -20.0, depreciation expense -10.0  |
| - Total                                    | 53.2                           |   |
| Engineering business                       | 11.6                           | Increased sales related to ongoing projects, rising prices of materials and equipment, etc.   |
| Trading Business                           | (17.1)                         | Chinese economy's slow recovery and narrowing of domestic and international spreads, especially in North America  |
| Adjustment                                 | 1.3                            |   |

c. 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><br>(billion yen) |  |
|---|--------------------------------|--|
| Steel Business                                      |                                |  |
| - Cost  | 0.0                            |  |
| - Sales volume and mix                              | 0.0                            | Crude steel volume: about 23.80 → about 23.80 million tons   |
| - Sales prices and raw materials                    | 0.0                            |  |
| - Unrealized gains (losses) on inventories          | (5.0)                          | Inventory valuation 0.0, carry over 0.0, foreign exchange valuation -5.0, one-time structural reform costs 0.0 |
| - Others  | 5.0                            | Group companies 4.0, foreign exchanges effects on trade 4.0  |
| - Total   | 0.0                            |  |
| Engineering and Trading businesses, and Adjustments | 0.0                            |  |

###