



JFE

JFE Group

Financial Results for First Quarter of Fiscal Year 2025 ending March 31, 2026

August 4, 2025

JFE Holdings, Inc.

| Securities Code : 5411.T |

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This presentation material is for the purpose of publicizing the status of our company's financial results for the first quarter of FY2025. It is not a disclosure material under the Financial Instruments and Exchange Act and does not guarantee the accuracy or completeness of the information. It does not constitute a solicitation to invest in securities in Japan, the United States or any other countries. The forecasts presented are based on information received at the time of the briefing and include uncertainties. Therefore, please refrain from making investment decisions based solely on this document. Our company shall not be liable for any damages arising as a result of the use of this document.

- **Business profit, segment profit** and **Profit attributable to owners of parent** are expected to be **as previously announced**.
- JFE Holdings agreed to pay **an interim dividend of 40 yen**. The annual dividend is expected to be **80 yen per share based on the Eighth Medium-term Business Plan**.

Results for 1Q of FY2025	Business Profit in Apr-Jun of FY2025 [Excluding Inventory Valuation etc.]	¥16.2bn. [¥45.2bn.]
	Segment Profit in Apr-Jun of FY2025 [Excluding Inventory Valuation etc.]	¥10.3bn. [¥39.3bn.]

Forecast of FY2025	Business Profit in FY2025 [Excluding Inventory Valuation etc.]	¥140.0bn. [¥200.0bn.]
	Segment Profit in FY2025 [Excluding Inventory Valuation etc.]	¥110.0bn. [¥170.0bn.]
	Profit attributable to owners of parent	¥75.0bn.
	Dividend	80yen (Interim dividend 40yen)

Crude Steel Production
(Standalone) :
approx. 21.00Mt

Exchange rate :
approx. ¥145/US\$

Change FY2024 1Q→FY2025 1Q	Change from the previous forecast
(¥40.7bn.) [(¥16.7bn.)]	—
(¥41.4bn.) [(¥17.4bn.)]	—
Change FY2024→FY2025	Change from the previous forecast
¥4.7bn. [(¥36.3bn.)]	As previously announced
(¥4.5bn.) [(¥45.5bn.)]	
(¥16.8bn.)	
(20yen)	

Consolidated Results for First Quarter of Fiscal Year 2025 (April 1 to June 30, 2025)

Financial Results for 1Q of Fiscal Year 2025



- Business profit in 1Q of FY2025 was ¥16.2bn.(decreased by ¥40.7bn. year-on-year)
 ※ Business profit (Excluding Inventory Valuation etc.) was ¥45.2bn.(decreased by ¥16.7bn. year-on-year)

(billion yen)	FY2024 Actual 1Q (Apr-Jun)	FY2025 Actual 1Q (Apr-Jun)	Change
Revenue	1,211.1	1,115.3	(95.8)
Business Profit [Excluding Inventory Valuation etc.]	56.9 [61.9]	16.2 [45.2]	(40.7) [(16.7)]
Finance Income/Costs	(5.1)	(5.8)	(0.7)
Segment Profit [Excluding Inventory Valuation etc.]	51.7 [56.7]	10.3 [39.3]	(41.4) [(17.4)]
Exceptional Items	(12.2)	-	12.2
Profit before Tax	39.5	10.3	(29.2)
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(12.0)	(3.2)	8.8
Profit Attributable to Owners of Parent	27.5	7.1	(20.4)

Business profit is profit before tax excluding financial income and one-time items of a materially significant value.
 Segment profit is profit including financial income in business profit.

Financial Results for 1Q of Fiscal Year 2025 (by Segment)

(billion yen)		FY2024 Actual 1Q (Apr-Jun)	FY2025 Actual 1Q (Apr-Jun)	Change	Contents
	Steel Business	860.6	761.2	(99.4)	
	Engineering Business	123.8	135.3	11.5	
	Trading Business	358.3	338.7	(19.6)	
	Adjustments	(131.6)	(120.0)	11.6	
Revenue		1,211.1	1,115.3	(95.8)	
Business Profit (A) [Excluding Inventory Valuation etc.]		56.9 [61.9]	16.2 [45.2]	(40.7) [(16.7)]	
Finance Income/Cost (B)		(5.1)	(5.8)	(0.7)	
	Steel Business [Excluding Inventory Valuation etc.]	31.5 [36.5]	(12.1) [16.9]	(43.6) [(19.6)]	Deterioration in export profitability due to yen appreciation, Inventory valuation, etc.
	Engineering Business	4.0	5.7	1.7	Increase in revenue and difference in construction composition, etc.
	Trading Business	11.5	12.6	1.1	Rising market conditions in North America, etc.
	Adjustments	4.7	4.1	(0.6)	
Segment Profit(A+B) [Excluding Inventory Valuation etc.]		51.7 [56.7]	10.3 [39.3]	(41.4) [(17.4)]	

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

Segment profit is profit including financial income in business profit.

JFE Steel's Segment Profit Analysis

(FY2024 1Q vs FY2025 1Q)

JFE Steel



	Unit	FY2024 1Q	FY2025 1Q
Crude Steel (Standalone)	Mt	5.48	5.28
Shipment (Standalone)	Mt	4.70	4.71
Average Sales Price	000 yen/t	139.2	120.4
Exchange Rate	¥/\$	155.0	145.3

	(billion yen)	FY2024 1Q	FY2025 1Q	Change
Segment Profit		31.5	(12.1)	(43.6)
* Excluding Inventory Valuation, etc.		36.5	16.9	(19.6)

Breakdown

① Cost	+2.0	
② Volume and Mix	(6.0)	<ul style="list-style-type: none"> Crude Steel Production 5.48Mt→5.28Mt
③ Spreads*	(9.0)	<ul style="list-style-type: none"> Deterioration in export profitability due to yen appreciation Impact of raw material price fluctuations and timing differences in adjustments for selling prices
④ Inventory valuation	(24.0)	<ul style="list-style-type: none"> Inventory valuation -23.0 (±0.0→-23.0) Carry over +12.0 (-13.0→-1.0) Foreign exchange valuation -13.0 (+8.0→-5.0)
⑤ Others	(6.6)	<ul style="list-style-type: none"> Depreciation, interest expense, etc.

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

Financial Forecasts for Fiscal Year 2025 (April 1, 2025, to March 31, 2026)

Financial Forecast for Fiscal Year 2025

- Full-year business profit is expected to be ¥140.0bn. (**as previously announced**, increased by ¥4.7bn. year-on-year)
- Full-year profit attributable to owners of parent is expected to be ¥75.0bn.
(**as previously announced**, decreased by ¥16.8bn. year-on-year)

(billion yen)	FY2024 Actual		FY2025 Forecast (Previous)	FY2025 Forecast (Updated)		Change FY2024 →FY2025	Change Previous →Updated
	1H	Full year	Full year	1H	Full year	Full year	Full year
Revenue	2,450.7	4,859.6	4,750.0	2,330.0	4,750.0	(109.6)	0
Business Profit [Excluding Inventory Valuation etc.]	81.8 [134.8]	135.3 [236.3]	140.0 [200.0]	40.0 [93.0]	140.0 [200.0]	4.7 [(36.3)]	0
Finance Income/Costs	(9.8)	(20.7)	(30.0)	(15.0)	(30.0)	(9.3)	0
Segment Profit [Excluding Inventory Valuation etc.]	72.0 [125.0]	114.5 [215.5]	110.0 [170.0]	25.0 [78.0]	110.0 [170.0]	(4.5) [(45.5)]	0
Exceptional Items	(12.1)	29.7	0	0	0	(29.7)	0
Profit before Tax	59.9	144.3	110.0	25.0	110.0	(34.3)	0
Tax Expense and Profit (Loss) Attributable to Non-Controlling Interests	(17.4)	(52.4)	(35.0)	(10.0)	(35.0)	17.4	0
Profit Attributable to Owners of Parent	42.4	91.8	75.0	15.0	75.0	(16.8)	0

Business profit is profit before tax excluding financial income and one-time items of a materially significant value.
Segment profit is profit including financial income in business profit.

Financial Forecast for Fiscal Year 2025 (by Segment)

(billion yen)		FY2024 Actual		FY2025 Forecast (Previous)	FY2025 Forecast(Updated)		Change FY2024 →FY2025	Change Previous →Updated
		1H	Full year	Full year	1H	Full year	Full year	Full year
	Steel Business	1,729.3	3,365.1	3,070.0	1,540.0	3,070.0	(295.1)	0
	Engineering Business	269.5	569.8	600.0	275.0	600.0	30.2	0
	Trading Business	715.5	1,438.5	1,500.0	750.0	1,500.0	61.5	0
	Adjustments	(263.5)	(513.9)	(420.0)	(235.0)	(420.0)	93.9	0
Revenue		2,450.7	4,859.6	4,750.0	2,330.0	4,750.0	(109.6)	0
Business Profit (A) [Excluding Inventory Valuation etc.]		81.8 [134.8]	135.3 [236.3]	140.0 [200.0]	40.0 [93.0]	140.0 [200.0]	4.7 [(36.3)]	0
Finance Income/Cost (B)		(9.8)	(20.7)	(30.0)	(15.0)	(30.0)	(9.3)	0
	Steel Business [Excluding Inventory Valuation etc.]	34.5 [87.5]	36.3 [137.3]	40.0 [100.0]	(15.0) [38.0]	40.0 [100.0]	3.7 [(37.3)]	0
	Engineering Business	8.9	19.3	20.0	9.0	20.0	0.7	0
	Trading Business	22.4	47.9	50.0	25.0	50.0	2.1	0
	Adjustments	6.2	10.8	0	6.0	0	(10.8)	0
Segment Profit(A+B) [Excluding Inventory Valuation etc.]		72.0 [125.0]	114.5 [215.5]	110.0 [170.0]	25.0 [78.0]	110.0 [170.0]	(4.5) [(45.5)]	0

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

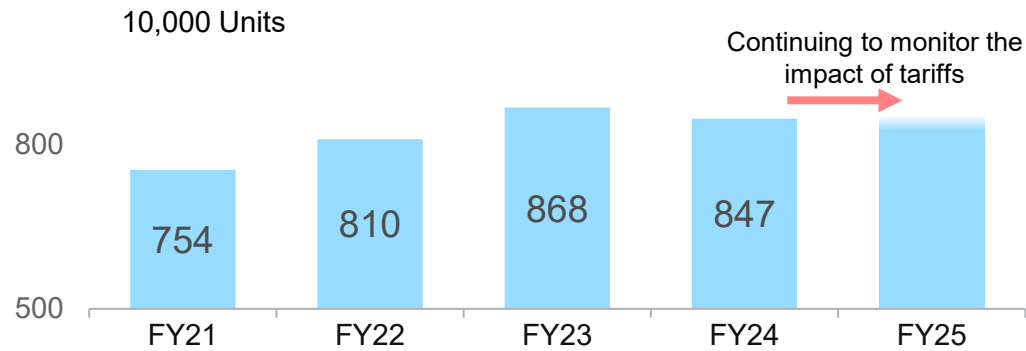
Segment profit is profit including financial income in business profit.

JFE Steel

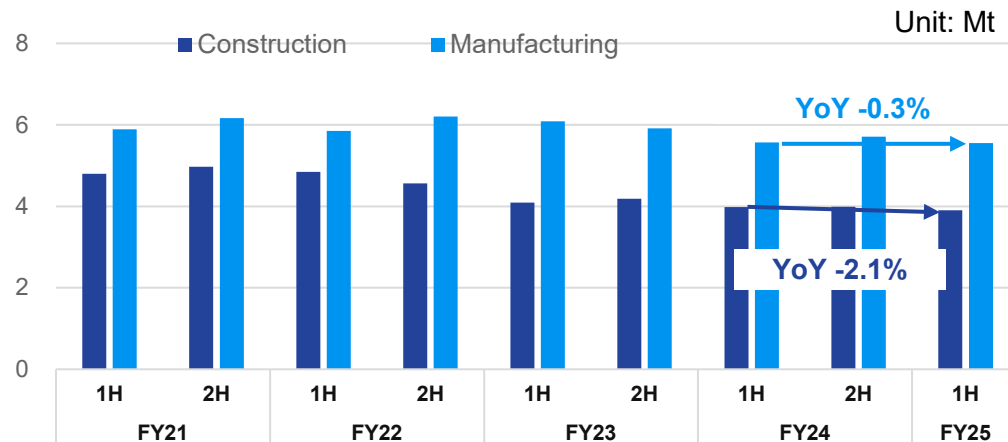
Financial Forecast for Fiscal Year 2025

- For the manufacturing sector, **U.S. tariff measures pose the greatest risk, particularly with regard to trends and impacts in the automotive and construction machinery sectors.**
- The construction sector is expected to **continue its downturn due to rising construction costs and a labor shortage.**

Outlook for Domestic Auto Production (annual basis)



Outlook for Domestic Ordinary Steel Consumption (quarter basis)



Source: Ministry of Economy, Trade and Industry, "Outlook for Steel Consumption" 8 July, 2025.
(The bars for FY2024, 3Q and after are estimates.)

Trend by sector

Automotive

- Disruptions are occurring due to U.S. tariffs on automobiles. While domestic sales show stable demand, **significant variables, such as reciprocal tariff impacts, affect exports.** It is currently difficult to estimate the tariff effects, but we must continue monitoring the impacts and prepare for potential risks.

Shipbuilding

- The demand environment remains stable, with domestic shipbuilders securing a backlog of orders for about three years. However, due to labor shortages and more complex specifications, the pace of construction has not improved, **making it difficult to anticipate short-term growth in steel demand.**

Other manufacturing

- (Construction Machinery) In addition to Europe and Asia, the U.S. market **is adjusting inventory and production** due to a slowdown in housing investment from high interest rates. About 30% of Japan's construction machinery exports go to North America, **raising concerns about U.S. tariffs.**
- (Industrial Machinery) **The environment remains sluggish** due to China's economic slowdown. The domestic demand ratio for automobiles and the share of North American exports are high, **requiring attention to automotive tariffs and reciprocal tariffs.**

Construction

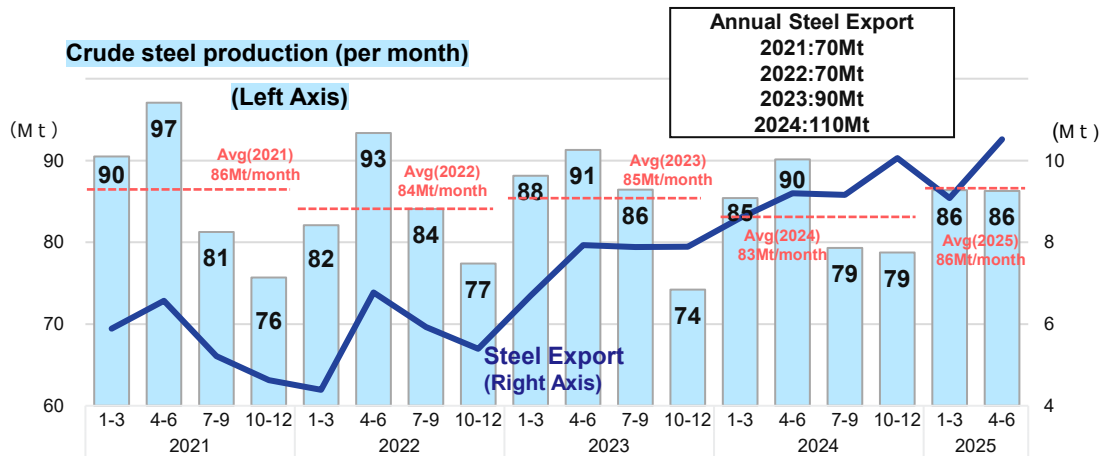
- Stagnation continues due to rising material costs and labor shortages. The impact of increasing construction costs and interest rates on investment and housing sentiment is deep-rooted, **making a short-term recovery unlikely.** Additionally, there are many risk factors, including prolonged construction periods and supply-demand tightness for certain materials.

Civil engineering

- Although high levels of budget measures continue, the increase in various costs and labor shortages are **expected to lead to a gradual decline in actual activity levels and steel demand for both FY 2024 and FY 2025.**

- U.S. trade friction and recession risks create a wait-and-see attitude, **hindering recovery**.
- Due to oversupply and increased exports in China, where domestic demand is sluggish, **the loosening of steel supply and demand and stagnation in market conditions continue**.

China's crude steel production and steel export



Real GDP Growth Forecast in 2025

	2024	2025 (Updated)	2025 (Previous)
U.S.	2.8%	1.9%	1.8%
China	5.0%	4.8%	4.0%
India	6.5%	6.4%	6.2%
ASEAN-5*	4.6%	4.1%	4.0%
World	3.3%	3.0%	2.8%

Source : IMF World Economic Outlook Update Apr. 2025 and Jul. 2025

*ASEAN5 : Thailand, Malaysia, Indonesia, Philippine, and Singapore

Trend by sector

Steel Sheet

- Sluggish domestic demand, high production, and increased exports in China have led to **weak market conditions, especially in Asia**.
- While the U.S., EU, and India have seen market improvements due to Section 232 tariffs and anti-dumping measures, Japan is also subject to these measures, limiting the positive effects. **Furthermore, South Korea's anti-dumping complaints against Japan indicate that a challenging environment is likely to persist.**

Automotive

- Strong sales of new energy vehicles continue, supported by China, India, and developed countries, leading to expectations of robust global production. However, U.S. tariff measures have caused significant supply chain disruptions, creating an uncertain outlook. **In the ASEAN region, prolonged high interest rates and stricter loan assessments have delayed recovery**, resulting in sluggish domestic sales.

Ship-building

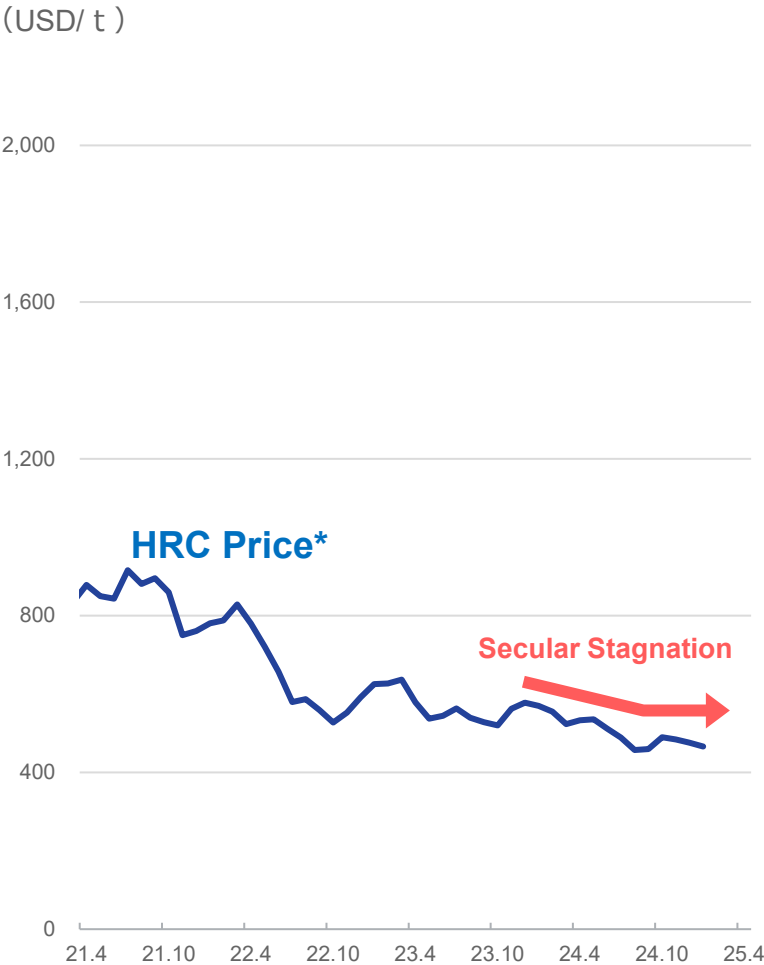
- Chinese and South Korean shipbuilders are increasing new orders and **maintaining stable backlogs**. While Japan and South Korea struggle with labor shortages, China has rapidly expanded its capacity. However, uncertainty from U.S. policies has led to a wait-and-see approach for new orders from China.

Energy

- Amidst moderate global economic growth and rising geopolitical tensions, **the need for stable energy supply remains strong, with steady demand expected in the medium term**.
- Concerns about recession risks from OPEC's production cuts and U.S. tariff measures may lead to delays in development and inventory reductions focused on generic products, necessitating continued monitoring of trends.



China: Steel Market Price

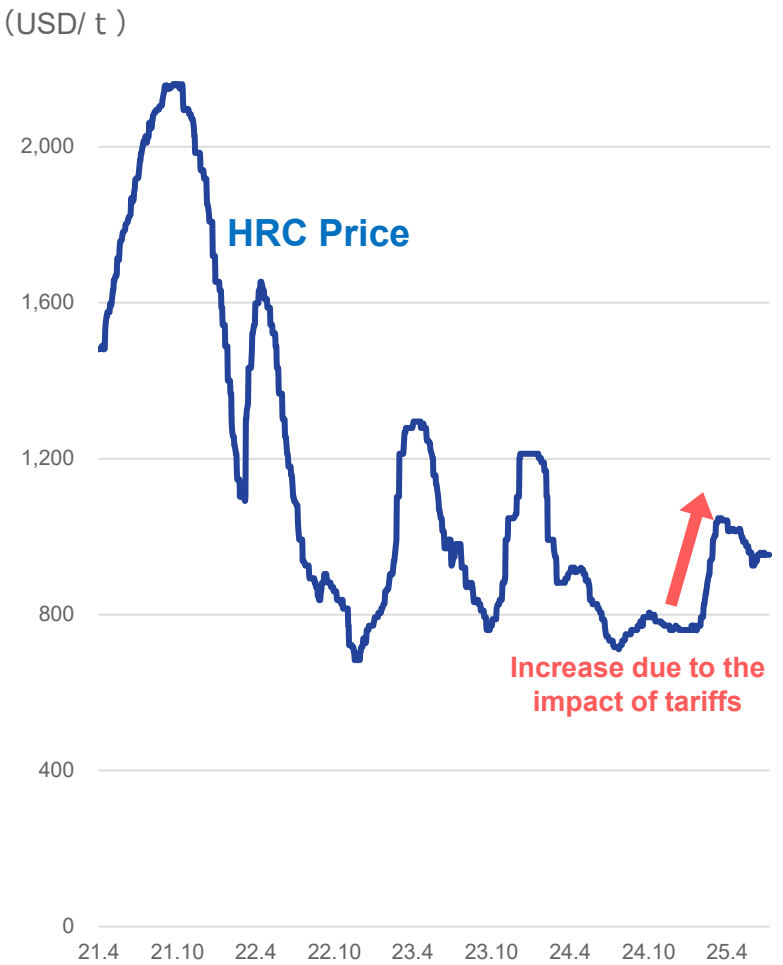


* HRC Price : Average price in 5 cities in China

India: Steel Market Price



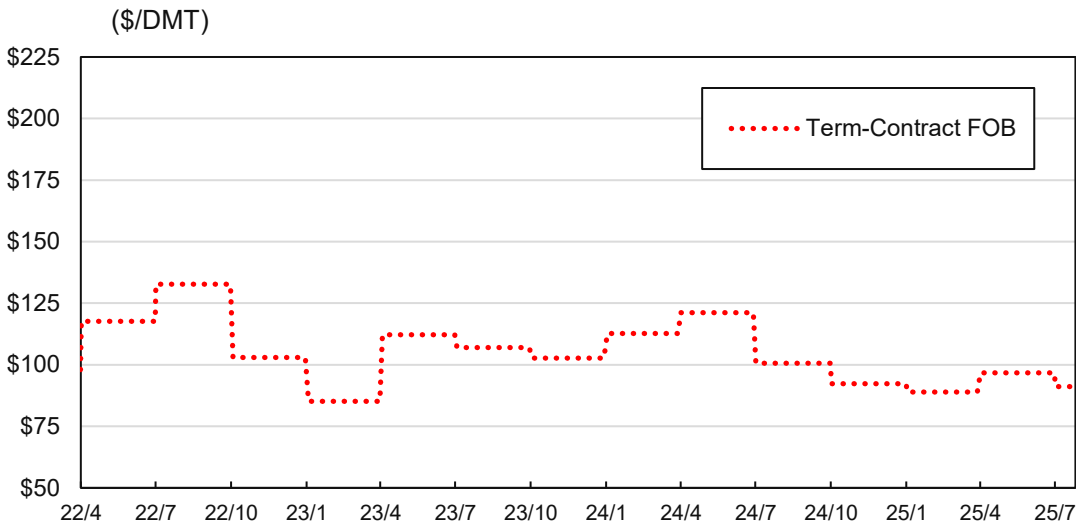
U.S: Steel Market Price





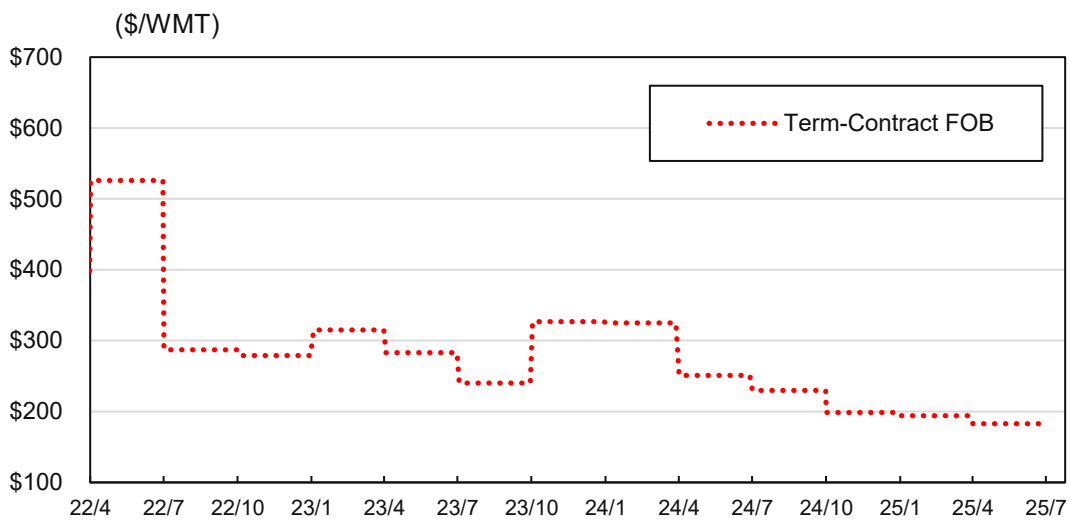
- Iron Ore : China, the largest importer, continues to see weak steel demand, **leading to iron ore prices at current levels**. However, the Chinese government plans to correct excessive competition in the domestic steel market, so future policy developments should be closely monitored.
- Coking Coal : While some demand recovery is expected in India after the monsoon season, no significant changes in the supply-demand environment are anticipated, and **substantial price increases are unlikely in the near term**.

Iron Ore (Iron Ore Fines from Australia)



Term-Contract FOB (\$/DMT)	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
FY2023	112	107	103	113
FY2024	121	101	92	89
FY2025	97	91	-	-

Coking Coal (Hard Coking Coal from Australia)

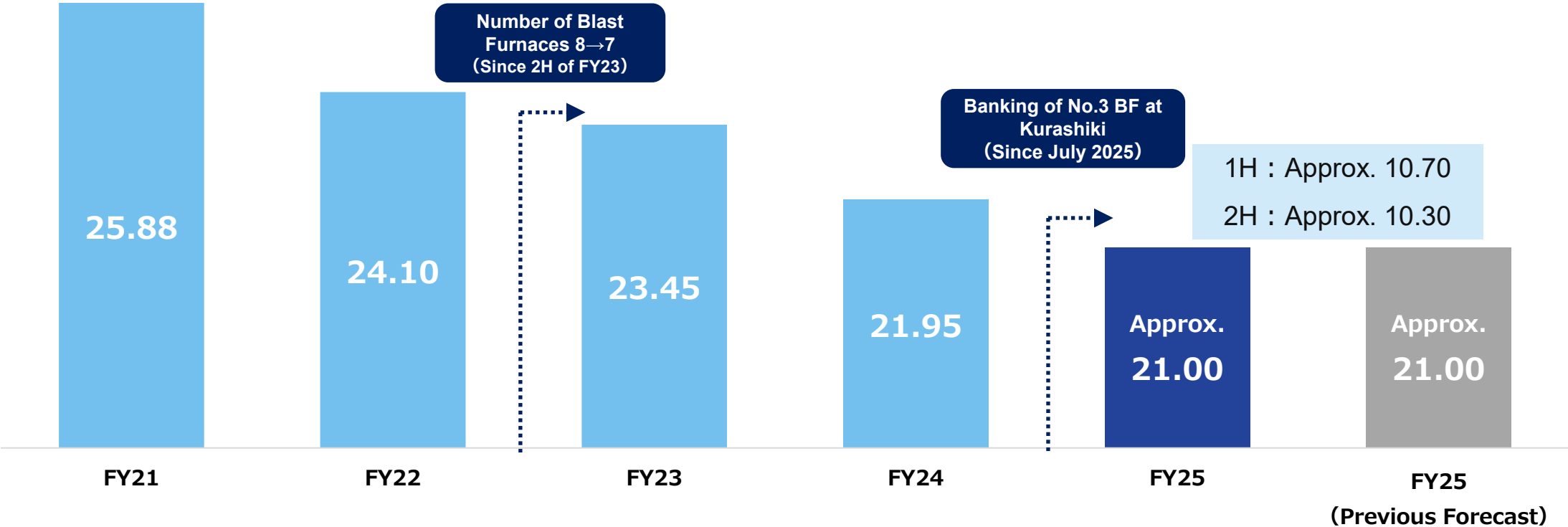


Term-Contract FOB (\$/WMT)	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
FY2023	283	240	327	325
FY2024	251	230	198	194
FY2025	183	-	-	-

- Considering the direct and indirect risks of fluctuations in steel demand due to U.S. tariff measures, as well as the impact of anti-dumping (AD) complaints against Japan from countries such as South Korea, we anticipate crude steel production of approx. **21.00 million tons (a decrease of 950,000 tons compared to FY 2024), (as previously announced).**

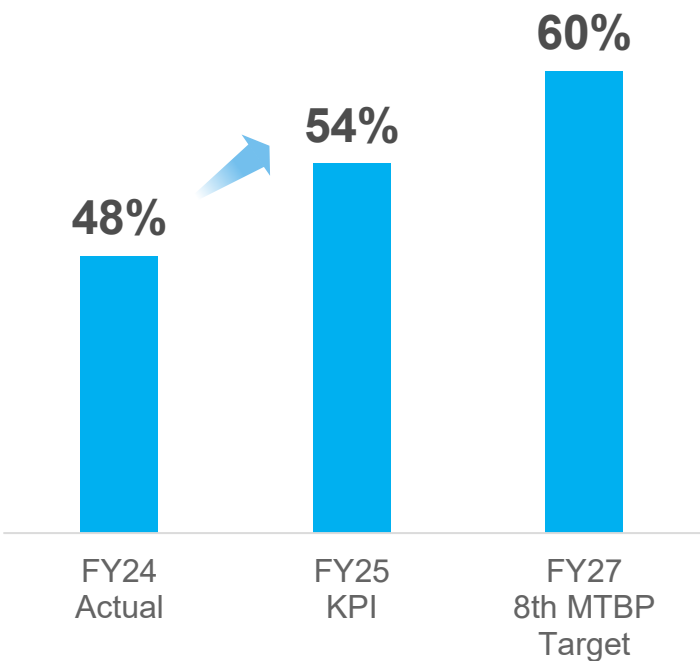
Standalone crude steel production <Annual>

Unit : Mt



- We will enhance profit per ton of product by expanding sales of such products as plates and seamless pipes for new energy (replaced exported commodity products), plates for offshore wind power generation, high-strength steel for automobiles, and highly functional electrical steel sheets utilizing the Company’s technological capabilities.

Ratio of High-Value-Added Products ^(*)



(*) High value-added products:
Products with a technological edge which are recognized by customers as having added value and earning power exceeding that of commodity products (definition by the Company)

Market Environment, etc.

Type	Market Environment	Major Capital Investment
Electrical Steel Sheet	<ul style="list-style-type: none">Global electricity demand is rising, driving strong demand for transformer manufacturers, and steady demand for grain-oriented electrical steel (GOES) is expected to continue.Despite regional variations in automotive electrification progress, the trend towards electrification remains unchanged in the medium to long term.	September 2024 Phase I of the NOES capacity expansion at Kurashiki (2X the previous capacity) FY2026 Planned Phase II of the NOES capacity expansion at Kurashiki (3X the previous capacity)
High-tensile steel for automobiles	<ul style="list-style-type: none">Recently, there has been disruption due to U.S. tariff measures, but globally, automobile sales remain strong, and demand for ultra-high-strength steel is expected to continue to grow.	1Q of FY2028 Planned Construction of CGL for manufacturing ultra-high strength steel at Fukuyama
Plates for offshore wind power generation	<ul style="list-style-type: none">While some offshore wind power projects are delayed, their role as a crucial energy source for carbon neutrality remains unchanged, and steady demand is expected to continue.	June 2021 Construction of a new continuous caster at Kurashiki
Steel for New energy	<ul style="list-style-type: none">While the need for stable energy supply remains, concerns about global economic uncertainty and inflation are noteworthy.A recovery in gas demand is expected in the latter half of 2025 due to the expansion of U.S. LNG export facilities and electricity demand.In the future, an increase in seamless demand in areas like CCS (carbon capture and storage) is also anticipated.	

Financial Forecast for Fiscal Year 2025

JFE Steel



	Unit	FY2024							FY2025					FY2025 Previous Forecast (Full Year)
								Full Year				Full Year		
		1Q	2Q	1H	3Q	4Q	2H		1Q	2Q	1H		2H	
Revenue	billion yen	860.6	868.7	1,729.3	828.9	806.9	1,635.8	3,365.1	761.2	778.8	1,540.0	1,530.0	3,070.0	3,070.0
Segment Profit	billion yen	31.5	3.0	34.5	10.4	(8.6)	1.8	36.3	(12.1)	(2.9)	(15.0)	55.0	40.0	40.0
<div>Excluding Inventory Valuation etc.*</div>	billion yen	36.5	51.0	87.5	44.4	5.4	49.8	137.3	16.9	21.1	38.0	62.0	100.0	100.0

Crude Steel (Standalone)	Mt	5.48	5.55	11.03	5.53	5.39	10.91	21.95	5.28	Approx. 5.40	Approx. 10.70	Approx. 10.30	Approx. 21.00	Approx. 21.00
Crude Steel (Consolidated)	Mt	5.80	5.89	11.69	5.83	5.67	11.50	23.20	5.61	Approx. 5.70	Approx. 11.30			
Shipment (Standalone)	Mt	4.70	4.96	9.66	4.87	4.84	9.71	19.36	4.71	Approx. 4.80	Approx. 9.50			
Export Ratio on Value Basis (Standalone)	%	40.6	44.2	42.4	40.0	41.9	40.9	41.7	39.9	Approx. 42	Approx. 41			
Average Sales Price (Standalone)	000 yen/t	139.2	131.5	135.2	127.0	124.0	125.5	130.3	120.4	Approx. 119	Approx. 120			
Exchange Rate	¥/\$	155.0	152.8	153.9	149.0	154.1	151.6	152.7	145.3	Approx. 145	Approx. 145	Approx. 145	Approx. 145	Approx. 140
Exchange Rate (End of Term)	¥/\$	161.1	142.7	142.7	158.2	149.5	149.5	149.5	144.8	Approx. 145	Approx. 145	Approx. 145	Approx. 145	Approx. 140

* Excluding inventory valuation, carry over and foreign exchange valuation from segment profit

JFE Steel's Segment Profit Analysis

(FY2025 (Previous Forecast) vs. FY2025 (Updated Forecast))

JFE Steel



	Unit	FY2025 Previous	FY2025 Updated
Crude Steel (Standalone)	Mt	Approx. 21.00	Approx. 21.00
Shipment (Standalone)	Mt	-	-
Average Sales Price	000 yen/t	-	-
Exchange Rate	¥/\$	Approx. 140	Approx. 145

	(billion yen)	FY2025 Previous Forecast	FY2025 Updated Forecast	Change
Segment Profit		40.0	40.0	±0.0
* Excluding Inventory Valuation, etc.		100.0	100.0	±0.0

Breakdown

① Cost	±0.0	
② Volume and Mix	±0.0	• Crude Steel Production Approx. 21.00Mt→Approx. 21.00Mt
③ Spreads*	+13.0	• Improvement in export profitability due to yen depreciation, etc.
④ Inventory valuation	±0.0	• Inventory valuation + 1.0 (-51.0→-50.0) • Carry over -6.0 (+1.0→-5.0) • Foreign exchange valuation + 5.0 (-10.0→-5.0)
⑤ Others	(13.0)	• Group Companies -9.0, etc.

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Steel's Segment Profit Analysis (FY2024 (Actual) vs. FY2025 (Forecast))

JFE Steel



	Unit	FY2024 Actual	FY2025 Forecast
Crude Steel (Standalone)	Mt	21.95	Approx. 21.00
Shipment (Standalone)	Mt	19.36	-
Average Sales Price	000 yen/t	130.3	-
Exchange Rate	¥/\$	152.7	Approx. 145

	(billion yen)	FY2024 Actual	FY2025 Forecast	Change
Segment Profit		36.3	40.0	+3.7
* Excluding Inventory Valuation, etc.		137.3	100.0	(37.3)

Breakdown

① Cost	+24.0	<ul style="list-style-type: none"> Operational improvement, etc.
② Volume and Mix	(15.0)	<ul style="list-style-type: none"> Crude Steel Production 21.95Mt→Approx. 21.00Mt Expansion of high-value-added products (Electrical steel, plates for wind power applications)
③ Spreads*	(43.0)	<ul style="list-style-type: none"> Deterioration in export profitability due to yen appreciation Impact of raw material price fluctuations and timing differences in adjustments for selling prices
④ Inventory valuation	+41.0	<ul style="list-style-type: none"> Inventory valuation -17.0 (-33.0→-50.0) Carry over +61.0 (-66.0→-5.0) Foreign exchange valuation -3.0 (-2.0→-5.0)
⑤ Others	(3.3)	<ul style="list-style-type: none"> Group Companies +28.0 Others -31.3 (Depreciation, interest expense, and construction timing difference, etc.)

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Steel's Segment Profit Analysis

(FY2025 1H (Forecast) vs. FY2025 2H (Forecast))

JFE Steel



	Unit	FY2025 1H Forecast	FY2025 2H Forecast
Crude Steel (Standalone)	Mt	Approx. 10.70	Approx. 10.30
Shipment (Standalone)	Mt	Approx. 9.50	-
Average Sales Price	000 yen/t	Approx. 120	-
Exchange Rate	¥/\$	Approx. 145	Approx. 145

	(billion yen)	FY2025 1H Forecast	FY2025 2H Forecast	Change
Segment Profit		(15.0)	55.0	+70.0
* Excluding Inventory Valuation, etc.		38.0	62.0	+24.0

Breakdown

① Cost	+7.0	
② Volume and Mix	±0.0	<ul style="list-style-type: none"> Crude Steel Production Approx. 10.70Mt→Approx. 10.30Mt Expansion of high-value-added products (Electrical steel, plates for wind power applications)
③ Spreads*	±0.0	
④ Inventory valuation	+46.0	<ul style="list-style-type: none"> Inventory valuation +38.0 (-44.0→-6.0) Carry over +3.0 (-4.0→-1.0) Foreign exchange valuation +5.0 (-5.0→±0.0)
⑤ Others	+17.0	<ul style="list-style-type: none"> Group Companies +12.0

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Engineering Financial Forecast for Fiscal Year 2025

■ Current Business Environment/Overview of Financial Status

- Full year segment profit is expected to be **¥20.0bn. (as previously announced)**.
- Expect to expand orders in the Waste to Resource and Carbon-Neutral fields (offshore wind, etc.)
- Business of manufacturing monopiles for offshore wind power generation is expected to receive its first domestic round order.

■ Financial Forecast

(billion yen)	FY2024 Actual		FY2025 Forecast		Change	
	1H	Full year	1H	Full year	1H	Full year
Orders	246.0	579.5	320.0	700.0	74.0	120.5
Revenue	269.5	569.8	275.0	600.0	5.5	30.2
Segment Profit	8.9	19.3	9.0	20.0	0.1	0.7

JFE Shoji

Financial Forecast for Fiscal Year 2025

■ Current Business Environment/Overview of Financial Status

- Full year segment profit is expected to be **¥50.0bn. (as previously announced)**.
- Earnings are expected to improve as a result of rising market conditions in North America and the promotion of spread improvement and rationalization by domestic group companies.

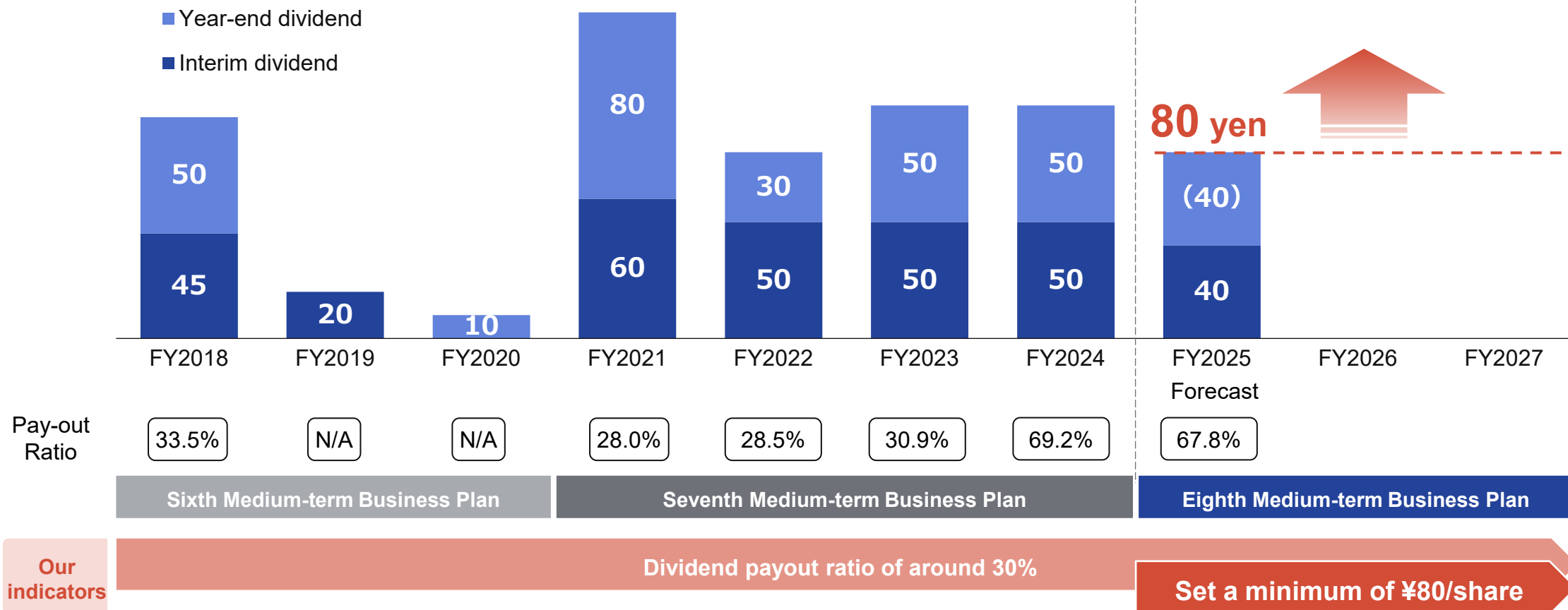
■ Financial Forecast

(billion yen)	FY2024 Actual		FY2025 Forecast		Change	
	1H	Full year	1H	Full year	1H	Full year
Revenue	715.5	1,438.5	750.0	1,500.0	34.5	61.5
Segment Profit	22.4	47.9	25.0	50.0	2.6	2.1

Dividends

- JFE Holdings agreed to pay an interim dividend of **40 yen per share** at its Board of Directors.
- The annual dividend for FY2024 is expected to be **80 yen per share (based on the Eighth Medium-term Business Plan^(*))**

Dividend per share (yen/share)



Topics

Expansion of Grain-oriented (GO) Electrical Steel Manufacturing Capacity in India

- In order to steadily meet the significantly growing demand for GO electrical steel sheets in India, which has the world's largest population, **J2ES and J2ES Nashik, companies jointly established with JSW**, a strategic alliance partner, have **decided to significantly expand their manufacturing capacity to 350k tons/year in FY2030**.

Company name		JSW JFE Electrical Steel Private Limited (J2ES)	JSW JFE Electrical Steel Nashik Private Limited (J2ES Nashik)
Shareholding Ratio		JFE50%, JSW50%	
	Existing investment	Approx. ¥100.0bn. (‘24/2 investment)	Approx. ¥70.0bn. (‘25/1 acquisition)
	Expanded investment this time(*)	Approx. ¥120.0bn.	
Total investment(*)		Approx. ¥290.0bn.	
Manufacturing capacity		100k tons/year (double the current level)	250k tons/year (Five times the current level)
		350k tons/year	
Start operation		FY27	Existing: Operating Expanded: FY28 to FY30



(*) Investment amounts are J2ES and J2ES Nashik combined, JFE and JSW combined

Appendix(1)

Profit/Loss Analysis

Medium-Term Major Earnings Targets and Performance Overview



			Eighth Medium-term Business Plan FY2027		FY2025 Forecast	FY2026	FY2027
Groupwide	Consolidated business profit		¥400.0 billion		¥200.0 billion (*)	—	—
	ROE		10% or more		1H Forecast 1.2%	—	—
	Debt/EBITDA		About 3x		1H Forecast 5.3x	—	—
	D/E		About 60%		1H Forecast 58.8%	—	—
Operating companies	Steel business	Segment profit	¥260.0 billion		¥100.0 billion (*)	—	—
	Engineering business	Segment profit	¥42.0 billion		¥20.0 billion	—	—
	Trading business	Segment profit	¥60.0 billion		¥50.0 billion	—	—
Shareholder Returns	Dividend Policy		Dividend payout ratio of around 30%, with a minimum of ¥80/share		¥80/share	—	—

*Excluding inventory valuation differences, etc. in the steel business

Key Financial Data



J-GAAP

	FY2016	FY2017	FY2018
(bn. Yen, times)			
Ordinary Income	84.7	216.3	221.1
EBITDA	279.9	388.8	405.9
ROS	2.6%	5.9%	5.6%
ROE	3.7%	7.6%	8.3%
ROA	2.3%	5.2%	5.1%
Debt Outstanding	1,375	1,331	1,450
Debt/EBITDA Ratio	x4.9	x3.4	x3.6
D/E Ratio	51.4%	58.1%	62.0%
Profit attributable to owners of parent (yen/share)	118	251	285
Dividend (yen/share)	30	80	95
Pay-out Ratio	25.5%	31.9%	33.3%

[IFRS]

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
(bn. Yen, times)							
Business profit	232.0	37.8	(12.9)	416.4	235.8	298.2	135.3
EBITDA * 1	428.2	269.4	223.4	668.7	505.4	572.3	392.9
ROS * 2	6.0%	1.0%	(0.4%)	9.5%	4.5%	5.8%	2.8%
ROE * 3	8.6%	(11.1%)	(1.3%)	15.7%	7.9%	8.6%	3.7%
ROA * 4	5.0%	0.8%	(0.3%)	8.4%	4.4%	5.3%	2.4%
Interest-bearing debt outstanding	1,524	1,814	1,806	1,849	1,863	1,830	1,766
Debt/EBITDA multiple *5	x3.6	x6.7	x8.1	x2.8	x3.7	x3.2	x4.5
D/E Ratio * 6	68.2%	96.4%	93.2%	80.8%	67.8%	58.0%	54.3%
Profit attributable to owners of parent (yen/share)	284	(343)	(38)	500	281	323	144
Dividend (yen/share)	95	20	10	140	80	100	100
Pay-out Ratio	33.5%	—	—	28.0%	28.5%	30.9%	69.2%

Notes [IFRS]

- * 1 EBITDA = Business profit + Depreciation and Amortization
 - * 2 ROS = Business profit / Revenue
 - * 3 ROE = Profit attributable to owners of parent company / Equity
 - * 4 ROA = Business profit / Total assets
 - * 5 Debt/EBITDA multiple = Interest-bearing debt outstanding / EBITDA
 - * 6 D/E ratio = Interest-bearing 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.

Financial Results for Fiscal Year 2025

JFE Steel



	Unit	FY2023					FY2024					FY2025				
		1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
Revenue	billion yen	917.2	948.6	915.6	934.6	3,716.0	860.6	868.7	828.9	806.9	3,365.1	761.2	—	—	—	—
Segment Profit	billion yen	68.1	54.7	48.2	31.7	202.7	31.5	3.0	10.4	(8.6)	36.3	(12.1)	—	—	—	—
Excluding Inventory Valuation etc.*	billion yen	59.1	64.7	49.2	27.7	200.7	36.5	51.0	44.4	5.4	137.3	16.9	—	—	—	—

Crude Steel (Standalone)	Mt	6.05	6.11	5.62	5.67	23.45	5.48	5.55	5.53	5.39	21.95	5.28	—	—	—	—
Crude Steel (Consolidated)	Mt	6.38	6.47	5.95	6.01	24.80	5.80	5.89	5.83	5.67	23.20	5.61	—	—	—	—
Shipment (Standalone)	Mt	5.23	5.42	5.08	5.04	20.77	4.70	4.96	4.87	4.84	19.36	4.71	—	—	—	—
Export Ratio on Value Basis (Standalone)	%	44.2	44.2	41.6	41.3	42.9	40.6	44.2	40.0	41.9	41.7	39.9	—	—	—	—
Average Sales Price (Standalone)	000 yen/t	128.5	130.1	132.5	135.2	131.5	139.2	131.5	127.0	124.0	130.3	120.4	—	—	—	—
Exchange Rate	¥/\$	135.8	144.1	148.7	146.7	143.8	155.0	152.8	149.0	154.1	152.7	145.3	—	—	—	—
Exchange Rate (End of Term)	¥/\$	145.0	149.6	141.8	151.4	151.4	161.1	142.7	158.2	149.5	149.5	144.8	—	—	—	—

* Excluding inventory valuation, carry over and foreign exchange valuation from segment profit

JFE Steel's Segment Profit Analysis (FY2024 4Q (Actual) vs. FY2025 1Q (Actual))

JFE Steel



	Unit	FY2024 4Q	FY2025 1Q
Crude Steel (Standalone)	Mt	5.39	5.28
Shipment (Standalone)	Mt	4.84	4.71
Average Sales Price	000 yen/t	124.0	120.4
Exchange Rate	¥/\$	154.1	145.3

	(billion yen)	FY2024 4Q Actual	FY2025 1Q Actual	Change
Segment Profit		(8.6)	(12.1)	(3.5)
* Excluding Inventory Valuation, etc.		5.4	16.9	+11.5

Breakdown

① Cost	+1.0	
② Volume and Mix	(5.0)	• Crude Steel Production 5.39Mt→5.28Mt
③ Spreads*	+5.0	• Impact of raw material price fluctuations and timing differences in adjustments for selling prices, etc.
④ Inventory valuation	(15.0)	• Inventory valuation -20.0 (-3.0→-23.0) • Carry over + 5.0 (-6.0→-1.0) • Foreign exchange valuation ±0.0 (-5.0→-5.0)
⑤ Others	+10.4	• Group Companies, etc.

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Steel's Segment Profit Analysis

(FY2025 1Q (Actual) vs. FY2025 2Q (Forecast))

JFE Steel



	Unit	FY2025 1Q	FY2025 2Q
Crude Steel (Standalone)	Mt	5.28	Approx. 5.40
Shipment (Standalone)	Mt	4.71	Approx. 4.80
Average Sales Price	000 yen/t	120.4	Approx. 119
Exchange Rate	¥/\$	145.3	Approx. 145

	(billion yen)	FY2025 1Q Actual	FY2025 2Q Forecast	Change
Segment Profit		(12.1)	(2.9)	+9.2
* Excluding Inventory Valuation, etc.		16.9	21.1	+4.2

Breakdown

① Cost	+1.0	
② Volume and Mix	+4.0	• Crude Steel Production 5.28Mt→Approx. 5.40Mt
③ Spreads*	±0.0	
④ Inventory valuation	+5.0	• Inventory valuation +2.0 (-23.0→-21.0) • Carry over -2.0 (-1.0→-3.0) • Foreign exchange valuation +5.0 (-5.0→±0.0)
⑤ Others	(0.8)	

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Steel's Segment Profit Analysis

(FY2024 2H (Actual) vs. FY2025 1H (Forecast))

JFE Steel



	Unit	FY2024 2H	FY2025 1H
Crude Steel (Standalone)	Mt	10.91	Approx. 10.70
Shipment (Standalone)	Mt	9.71	Approx. 9.50
Average Sales Price	000 yen/t	125.5	Approx. 120
Exchange Rate	¥/\$	151.6	Approx. 145

	(billion yen)	FY2024 2H Actual	FY2025 1H Forecast	Change
Segment Profit		1.8	(15.0)	(16.8)
* Excluding Inventory Valuation, etc.		49.8	38.0	(11.8)

Breakdown

① Cost	+8.0	
② Volume and Mix	(7.0)	<ul style="list-style-type: none"> Crude Steel Production 10.91Mt→Approx. 10.70Mt
③ Spreads*	(15.0)	<ul style="list-style-type: none"> Deterioration in export profitability due to yen appreciation Impact of raw material price fluctuations and timing differences in adjustments for selling prices
④ Inventory valuation	(5.0)	<ul style="list-style-type: none"> Inventory valuation -14.0 (-30.0→-44.0) Carry over +19.0 (-23.0→-4.0) Foreign exchange valuation -10.0 (+5.0→-5.0)
⑤ Others	+2.2	<ul style="list-style-type: none"> Group Companies, etc.

*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

JFE Steel's Segment Profit Analysis

(FY2024 1H (Actual) vs. FY2025 1H (Forecast))

JFE Steel



	Unit	FY2024 1H	FY2025 1H
Crude Steel (Standalone)	Mt	11.03	Approx. 10.70
Shipment (Standalone)	Mt	9.66	Approx. 9.50
Average Sales Price	000 yen/t	135.2	Approx. 120
Exchange Rate	¥/\$	153.9	Approx. 145

	(billion yen)	FY2024 1H Actual	FY2025 1H Forecast	Change
Segment Profit		34.5	(15.0)	(49.5)
* Excluding Inventory Valuation, etc.		87.5	38.0	(49.5)

Breakdown

① Cost	+9.0	
② Volume and Mix	(7.0)	<ul style="list-style-type: none"> Crude Steel Production 11.03Mt→Approx. 10.70Mt
③ Spreads*	(28.0)	<ul style="list-style-type: none"> Deterioration in export profitability due to yen appreciation Impact of raw material price fluctuations and timing differences in adjustments for selling prices
④ Inventory valuation	±0.0	<ul style="list-style-type: none"> Inventory valuation -41.0 (-3.0→-44.0) Carry over +39.0 (-43.0→-4.0) Foreign exchange valuation +2.0 (-7.0→-5.0)
⑤ Others	(23.5)	<ul style="list-style-type: none"> Depreciation, interest expense, and construction timing difference, etc.

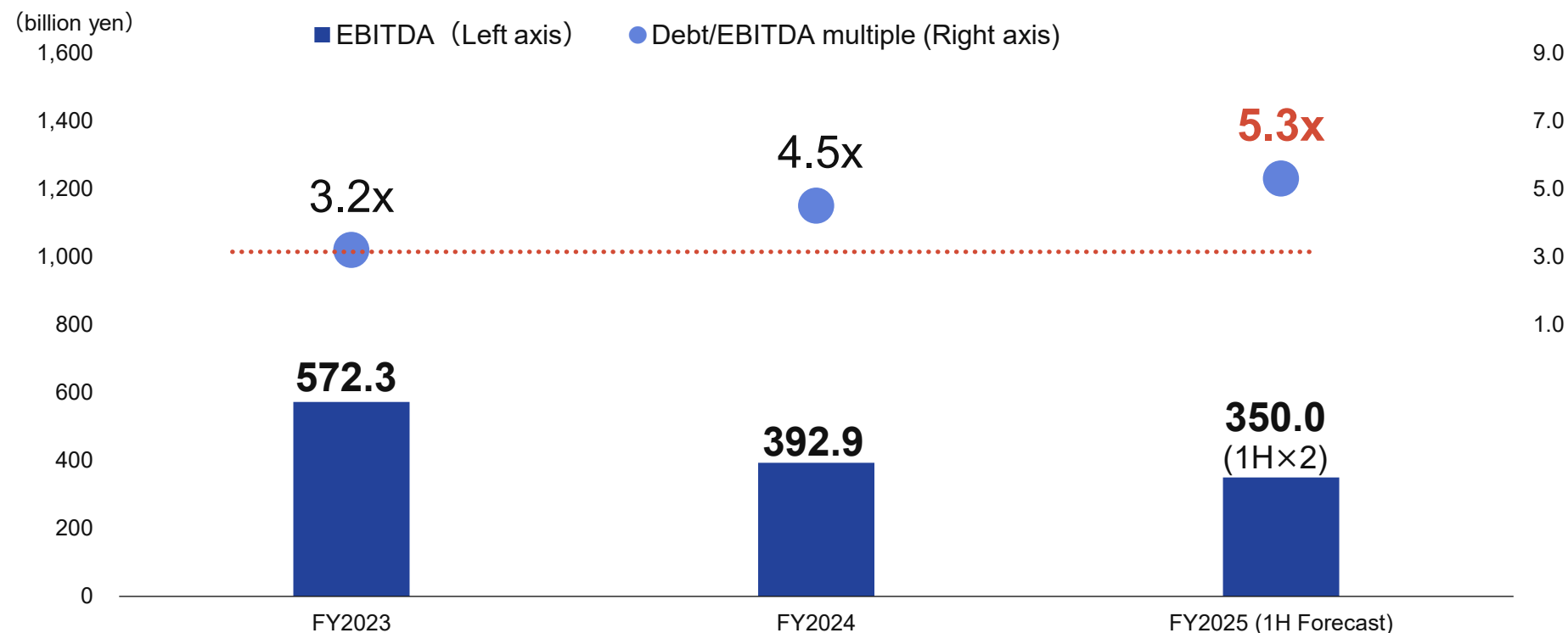
*Spreads including various prices (metals, energy, materials, logistics, labor costs, foreign exchange effects, etc.)

- Debt/EBITDA multiple in FY 2025 (first half forecast) is expected to be 5.3 times.

Financial Targets (2027)

- Debt/EBITDA about **3x**
- D/E Ratio about **60%**

Progress of Debt/EBITDA Ratio



Debt	¥1,830.2bn.	¥1,766.4bn.	¥1,860.0bn.
D/E Ratio	58.0%	54.3%	58.8%

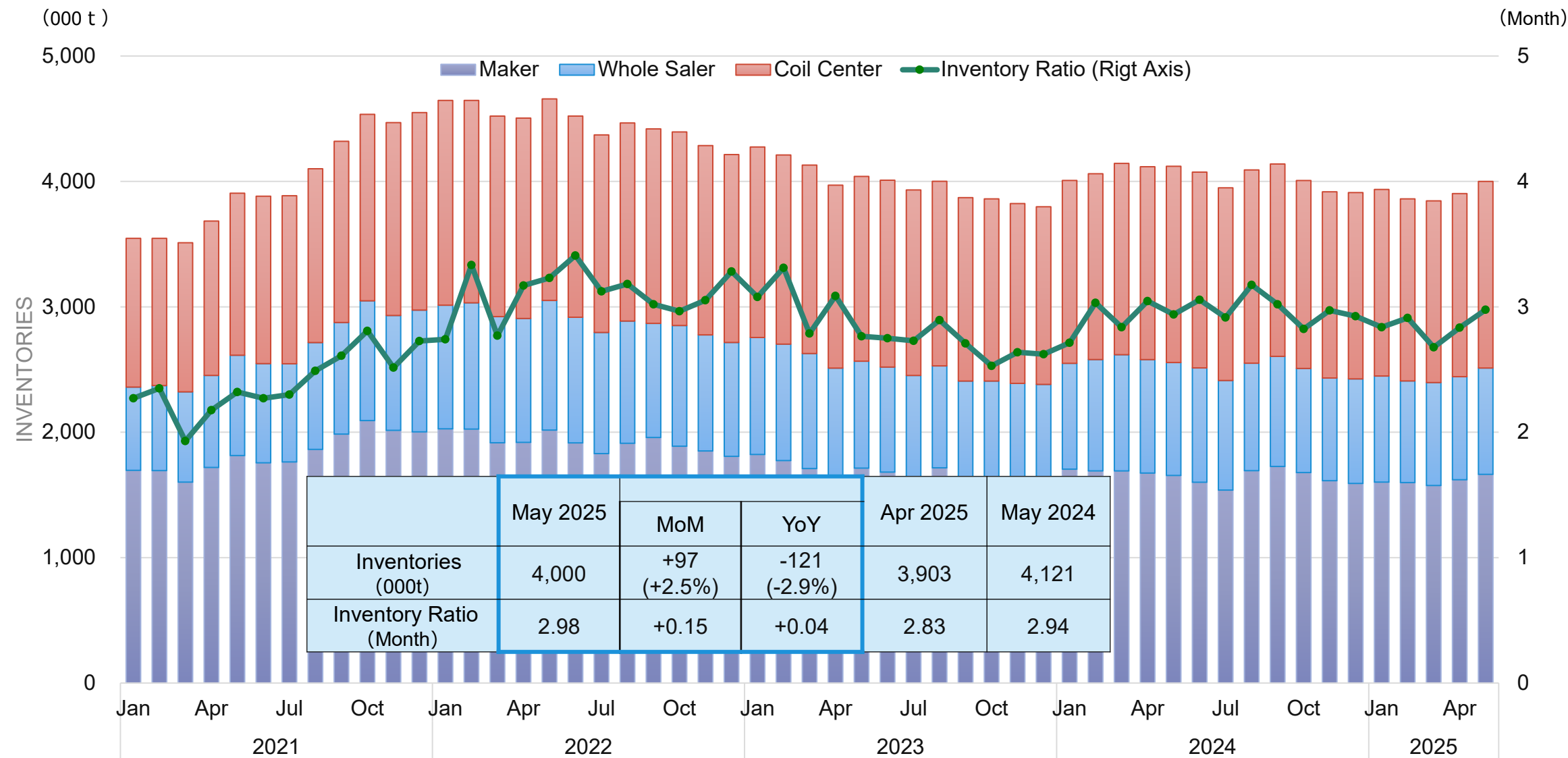
※ EBITDA = Business profit + Depreciation and Amortization

※ Debt/EBITDA multiple = Interest-bearing debt outstanding/EBITDA

Appendix(2)

Business Environmental Indicators, etc.

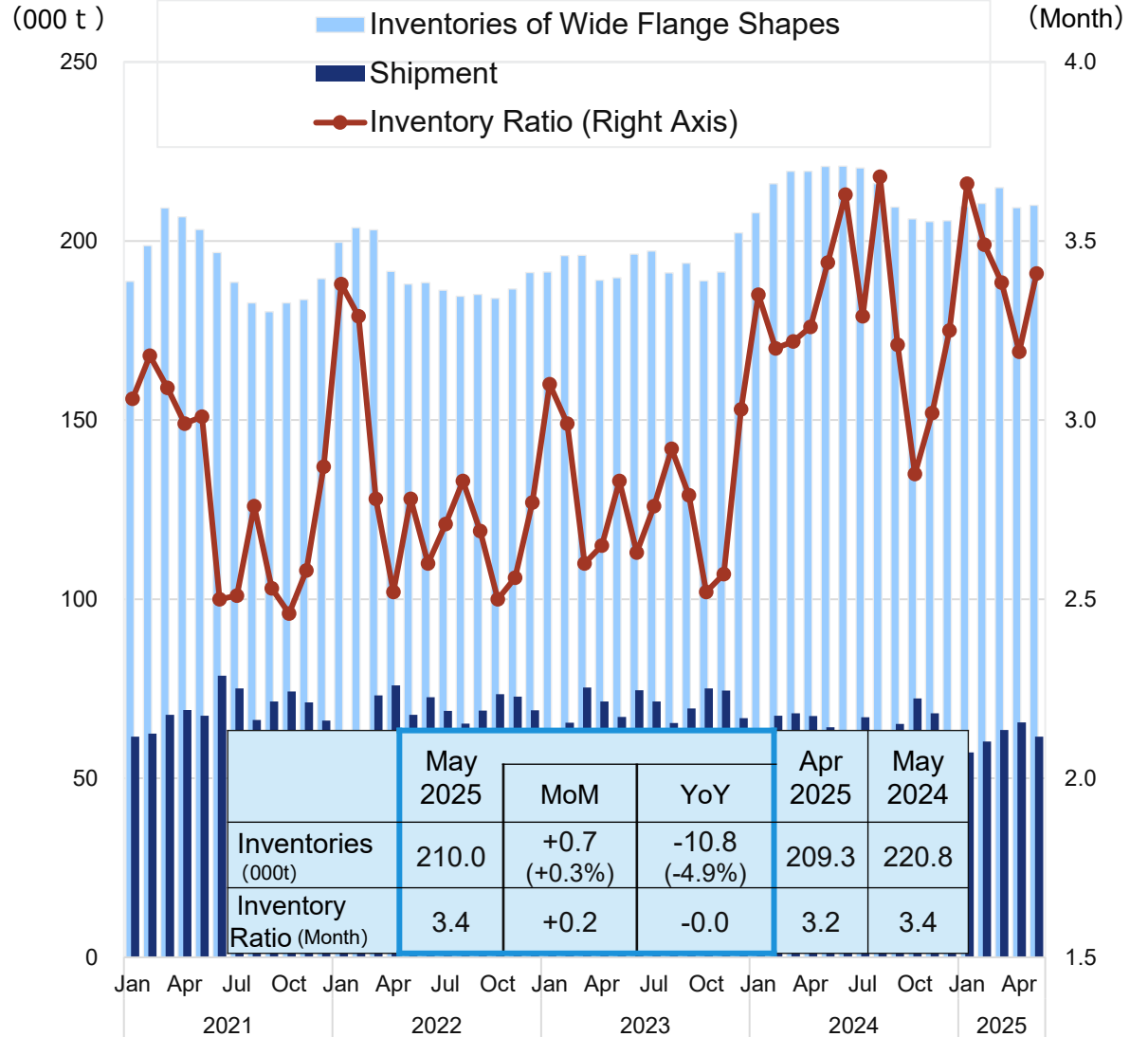
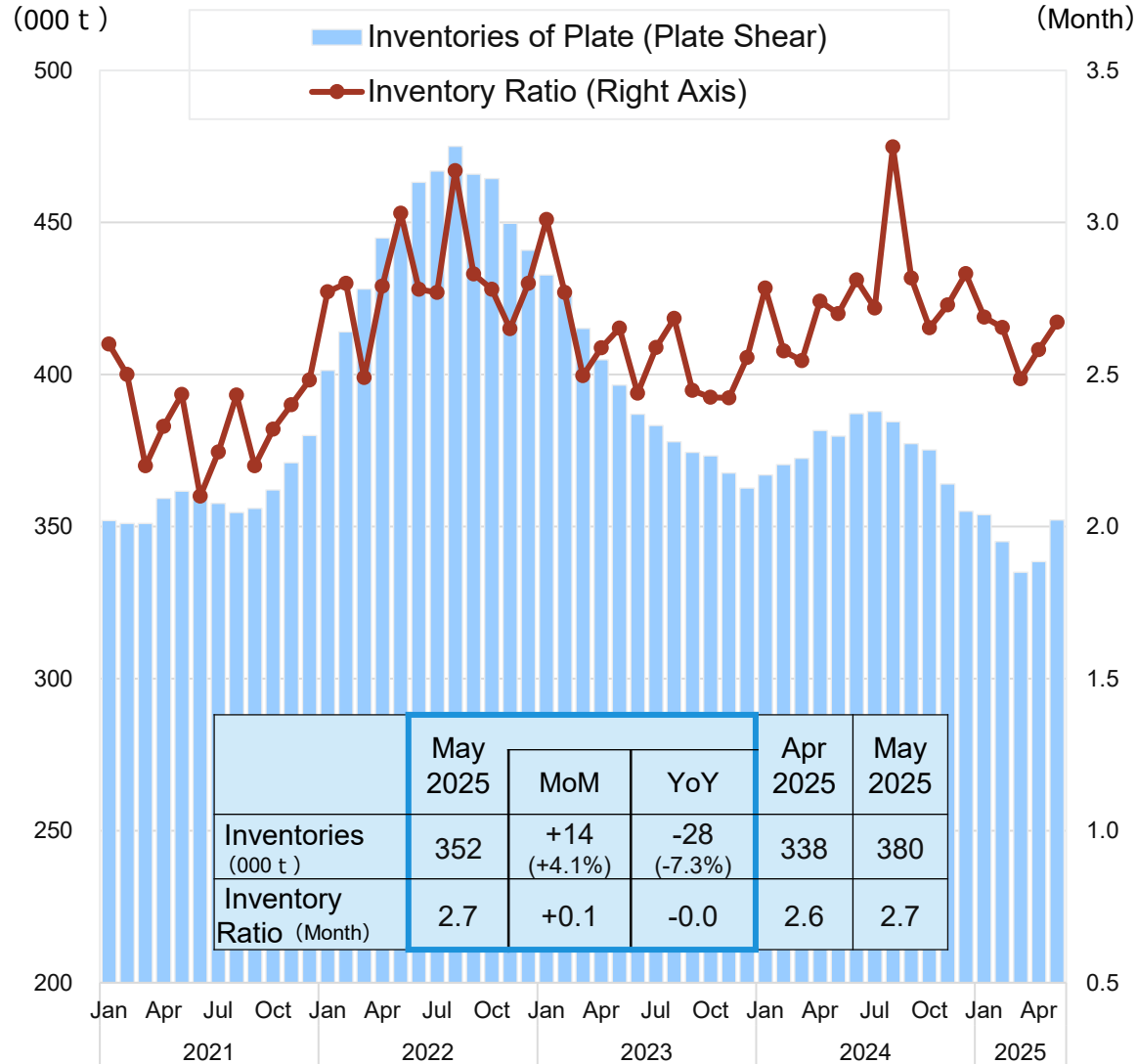
[Domestic Market Environment]
Combined Inventories of HR, CR and Coated Steel Sheet



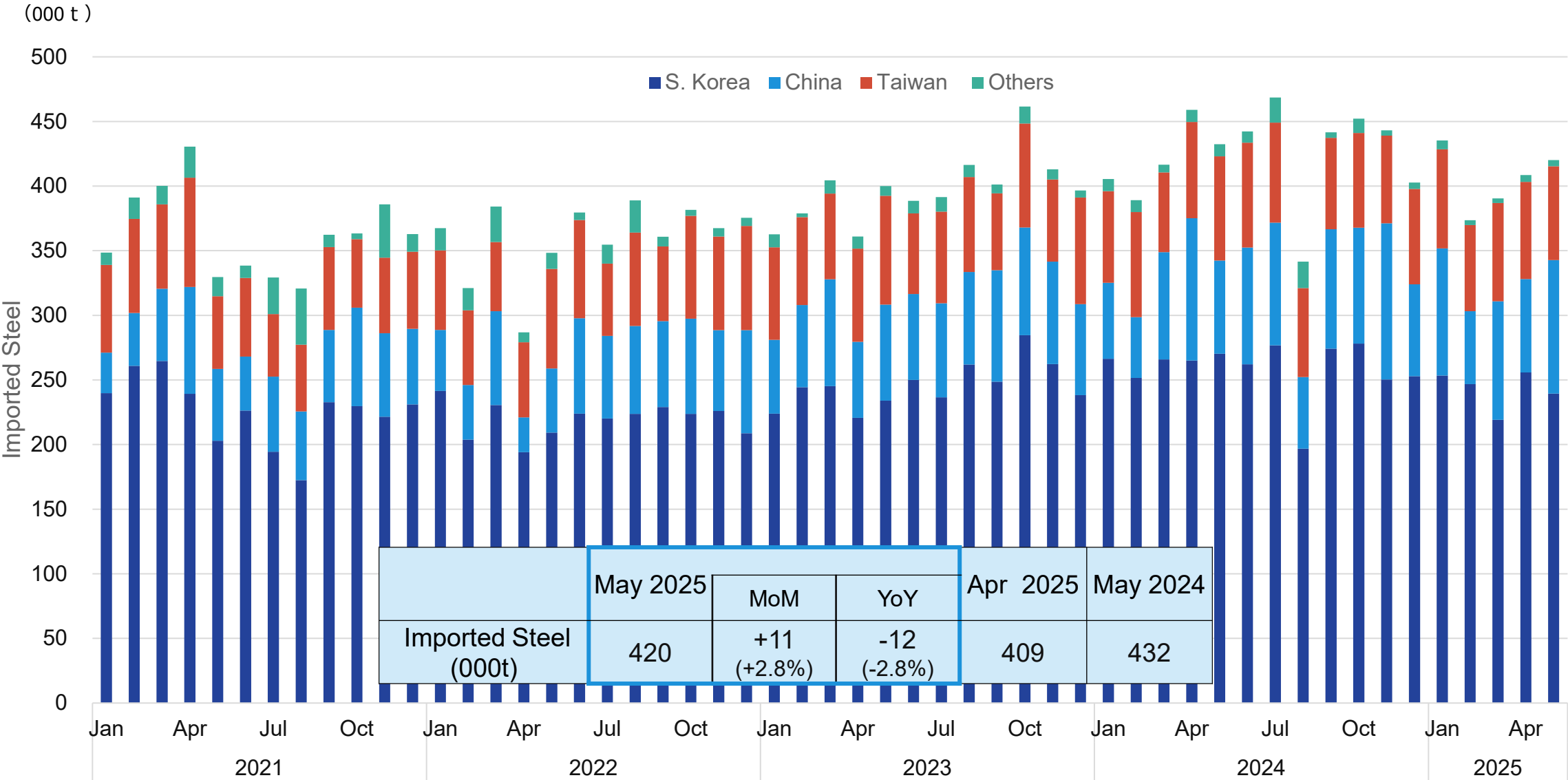
[Domestic Market Environment]

Inventories of Plate (Plate Shear) and Wide Flange Shapes

JFE Steel

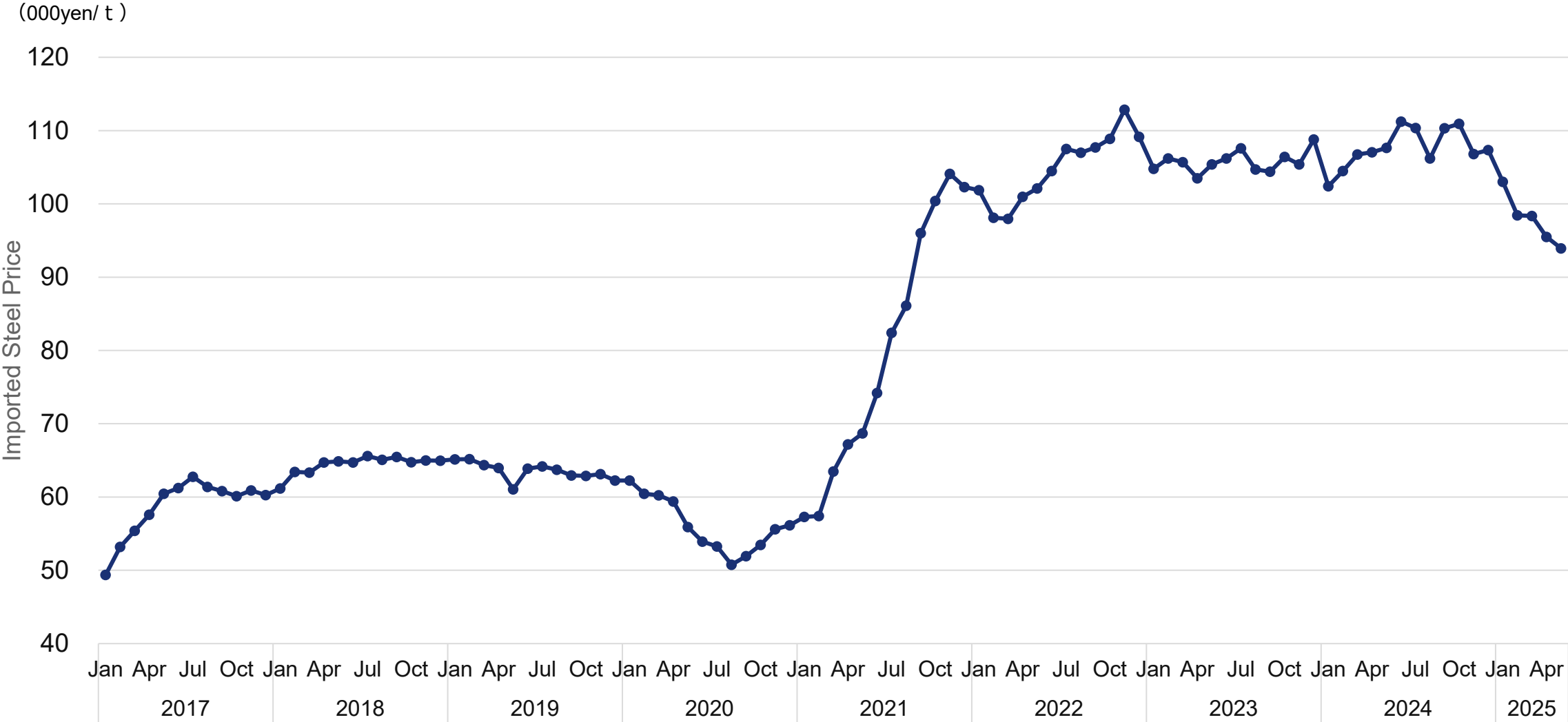


[Domestic Market Environment]
Trend of Imported Steel (Ordinary Steel)

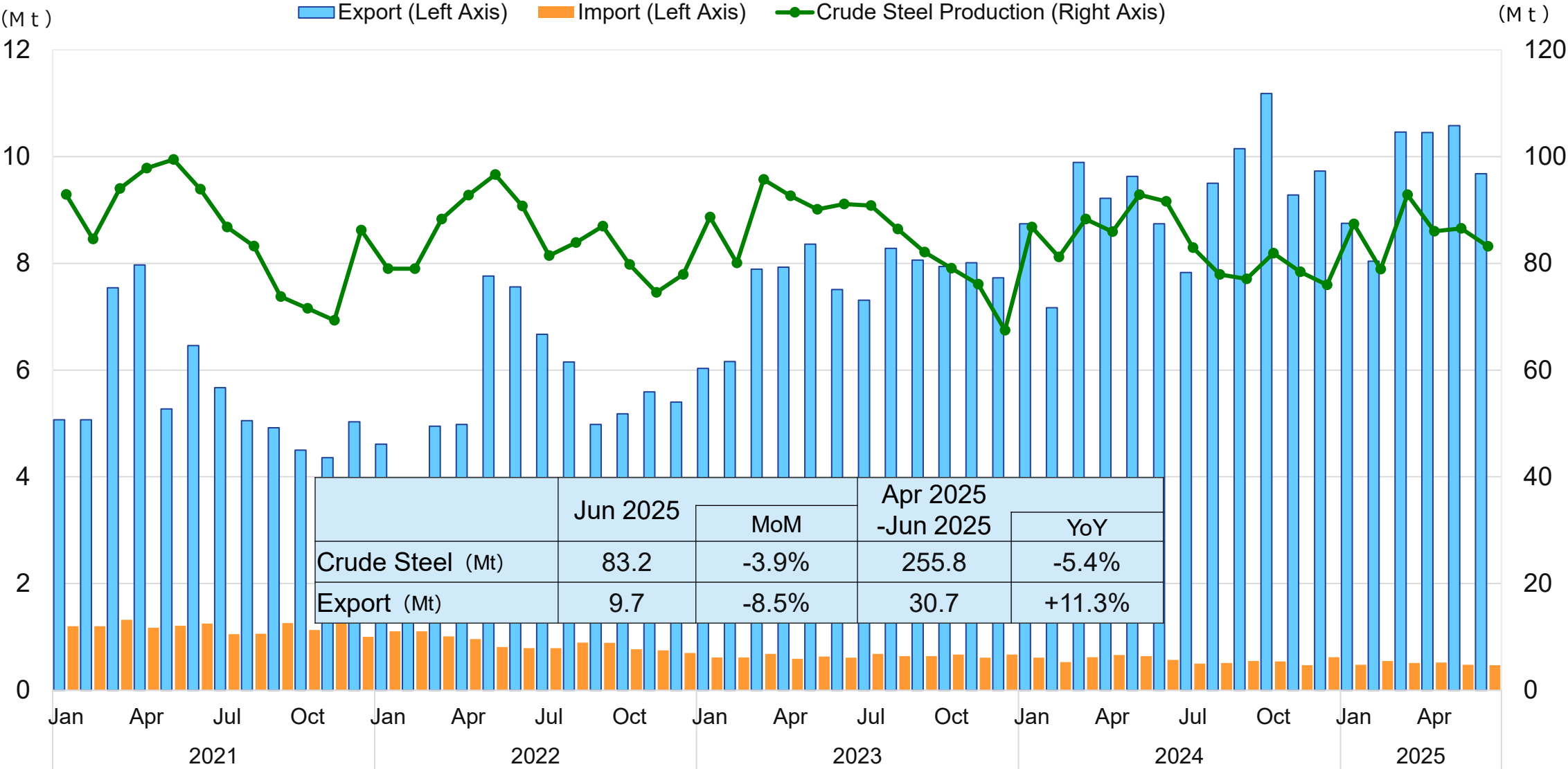


[Domestic Market Environment]

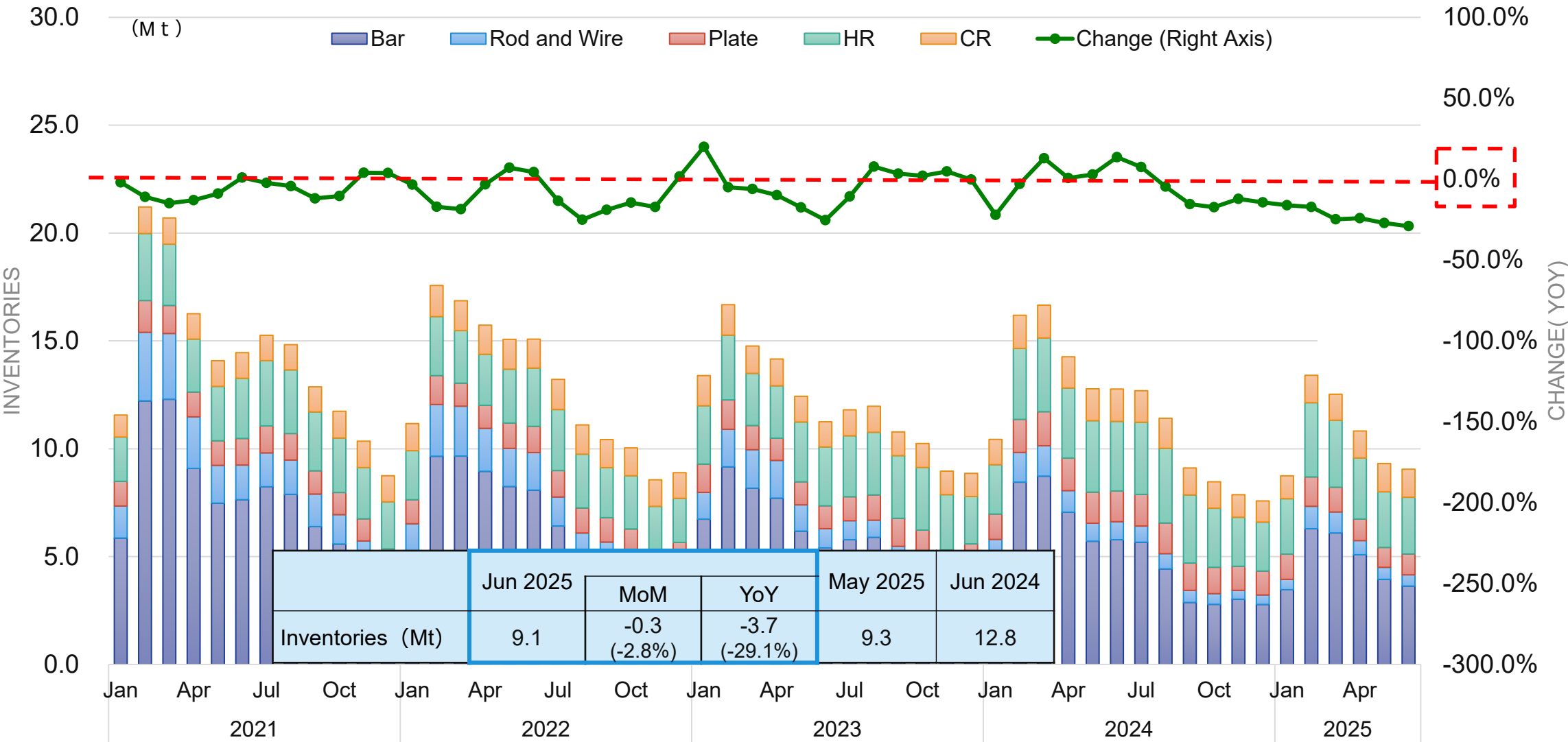
Price Trend of Imported Steel



Data: The Japan Iron and Steel Federation Import Steel from S. Korea



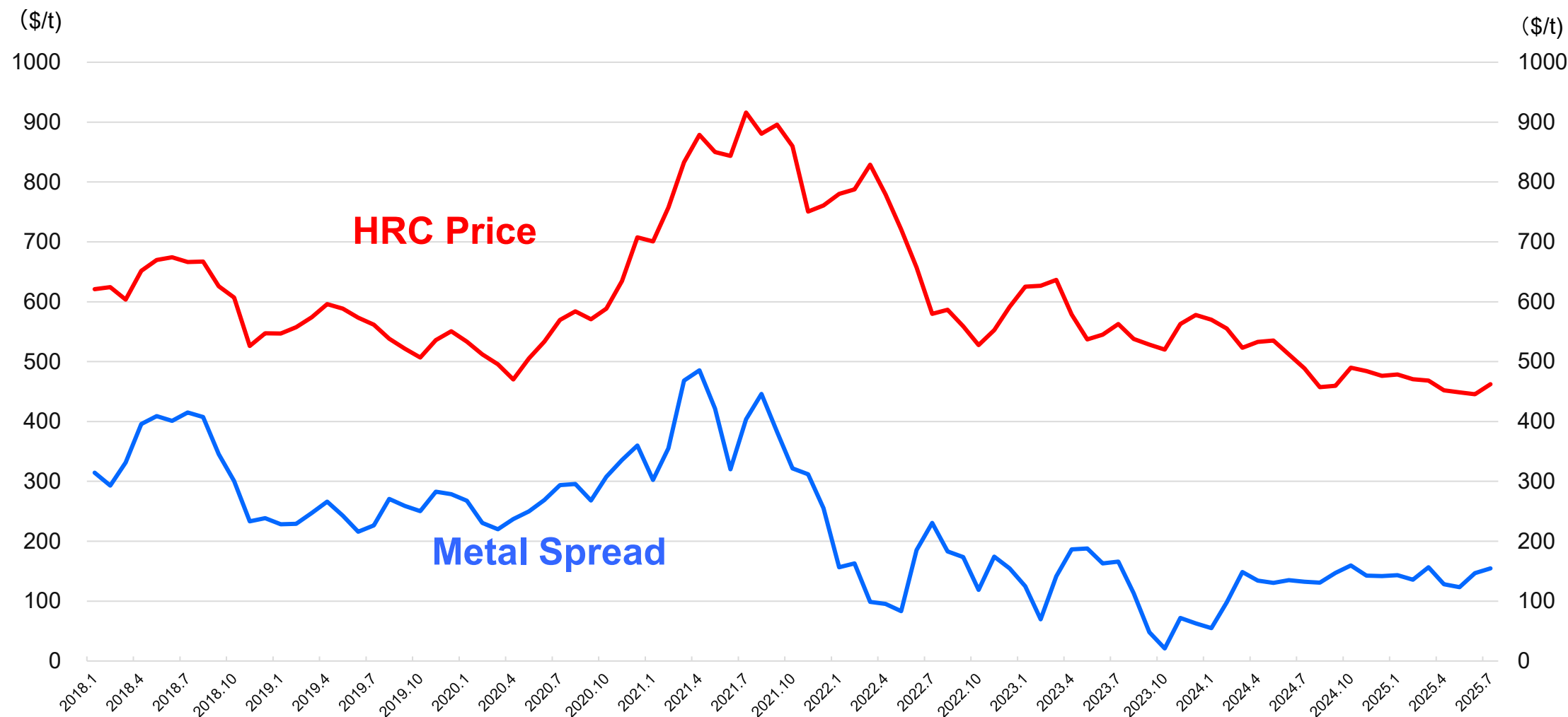
[Overseas Market Environment]
Inventories in China by Product



[Overseas Market Environment]

Metal Spread Trend (Chinese Spot Basis)

JFE Steel



Metal Spread = HRC Price – Raw Materials Cost

*HRC Price : Chinese Spot basis

Raw Materials Cost : Calculated from market price of Iron Ore and Hard Coking Coal

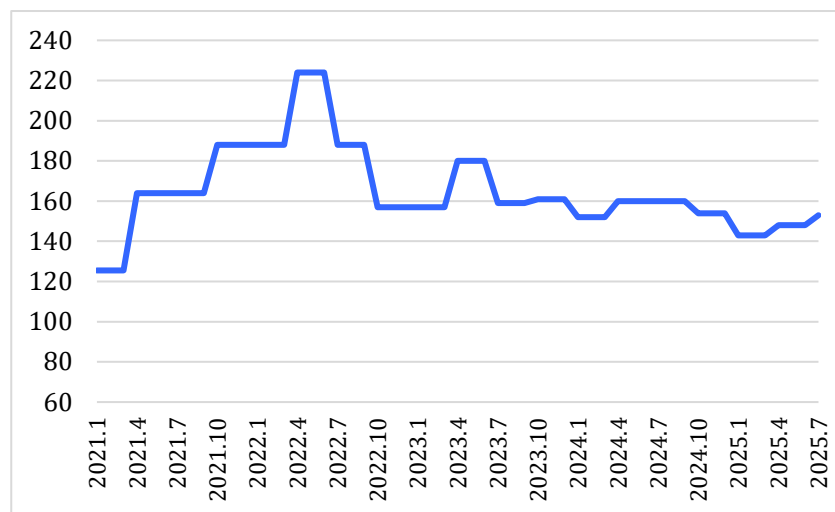
[Raw Materials]

Trend of Sub Material's Market Price

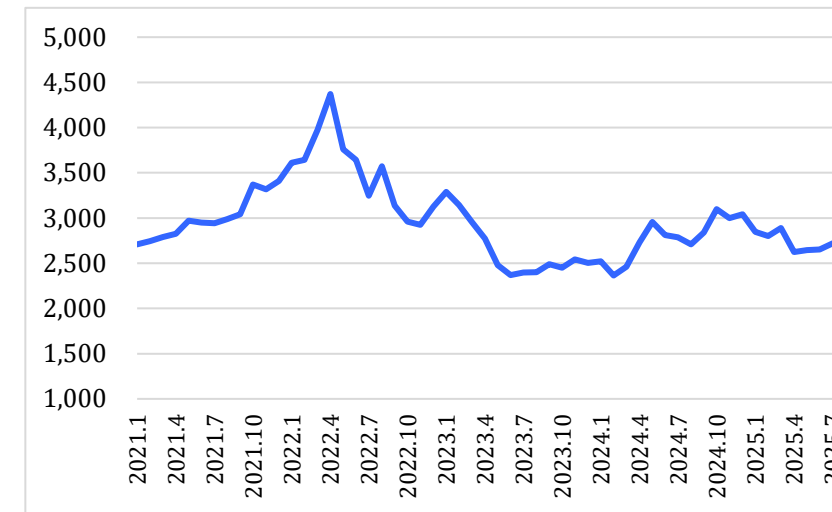
JFE Steel



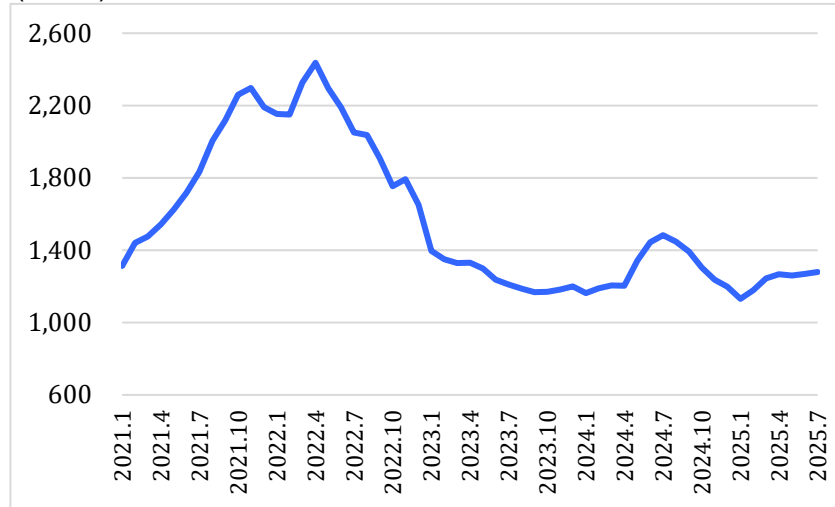
(¢/lb) FeCr



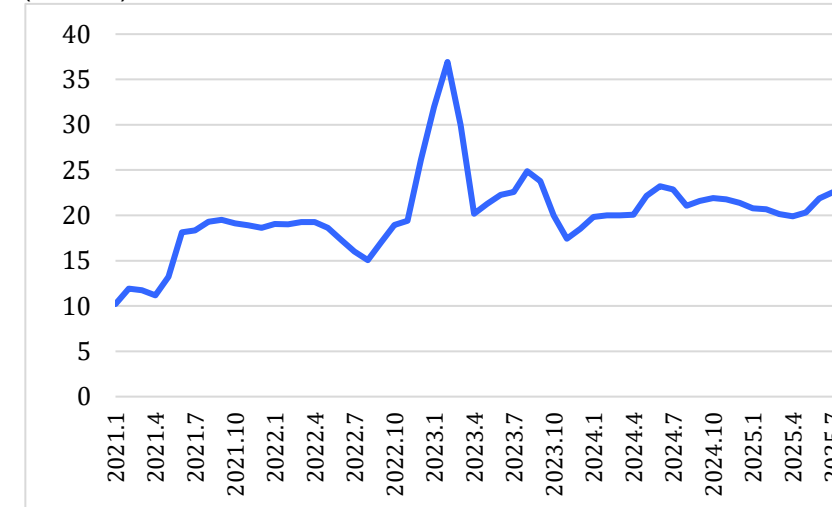
(US\$/t) Zn



(US\$/t) FeMn



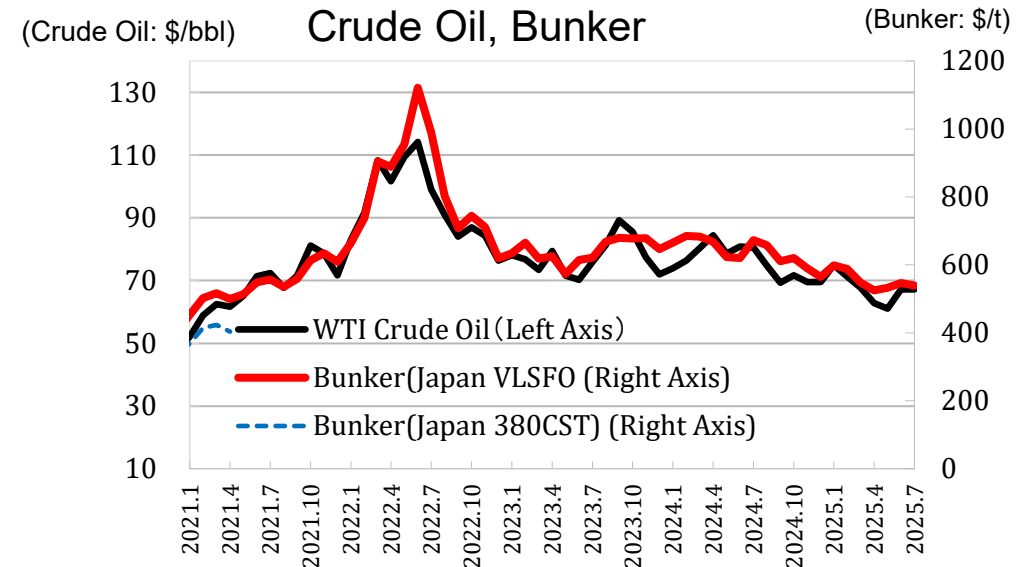
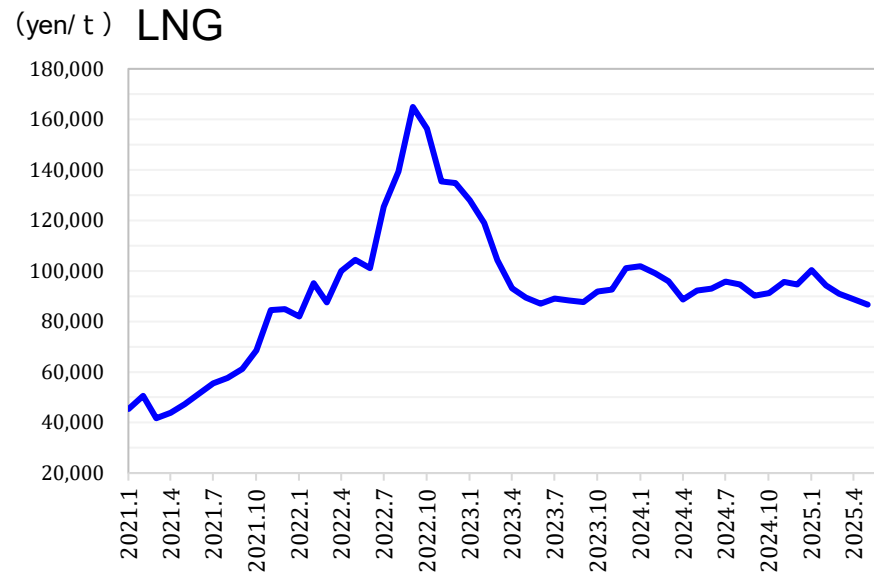
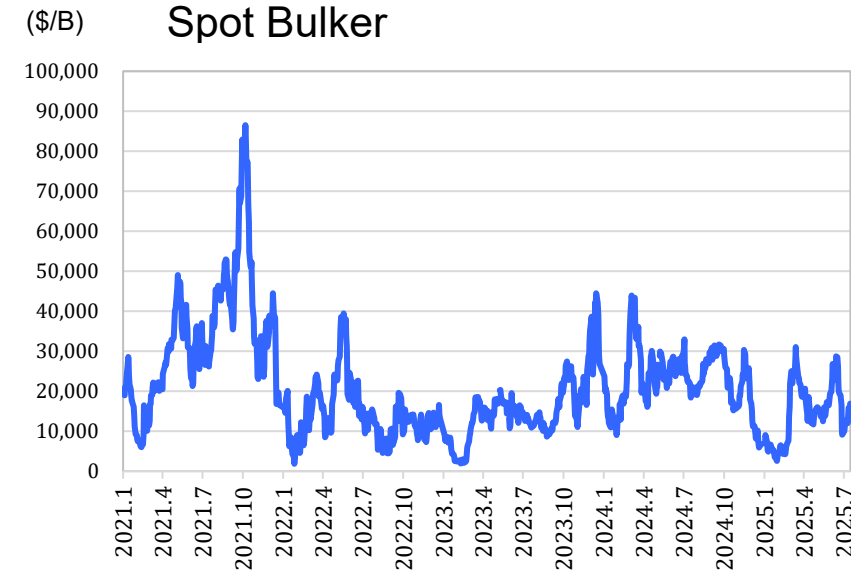
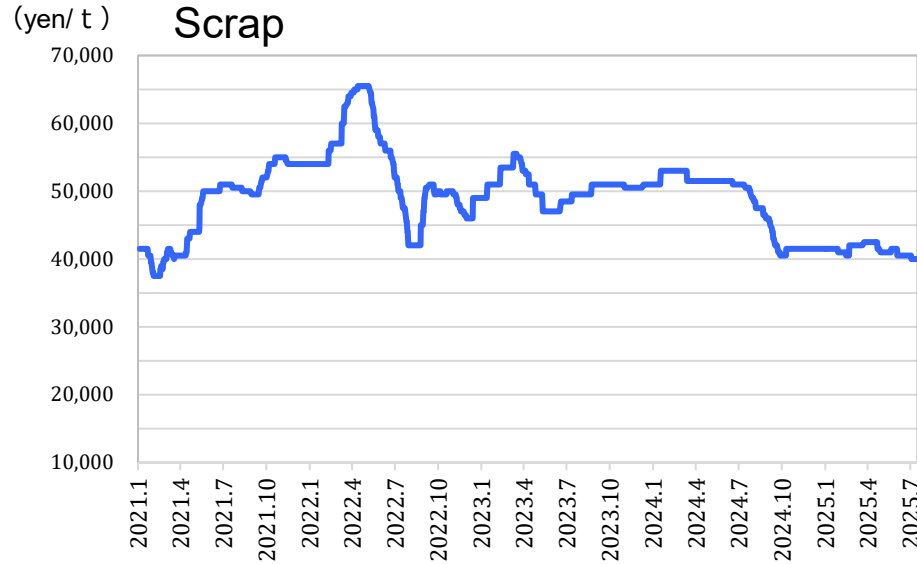
(US\$/lb) Mo



[Raw Materials]

Trend of Sub Material's Market Price

JFE Steel

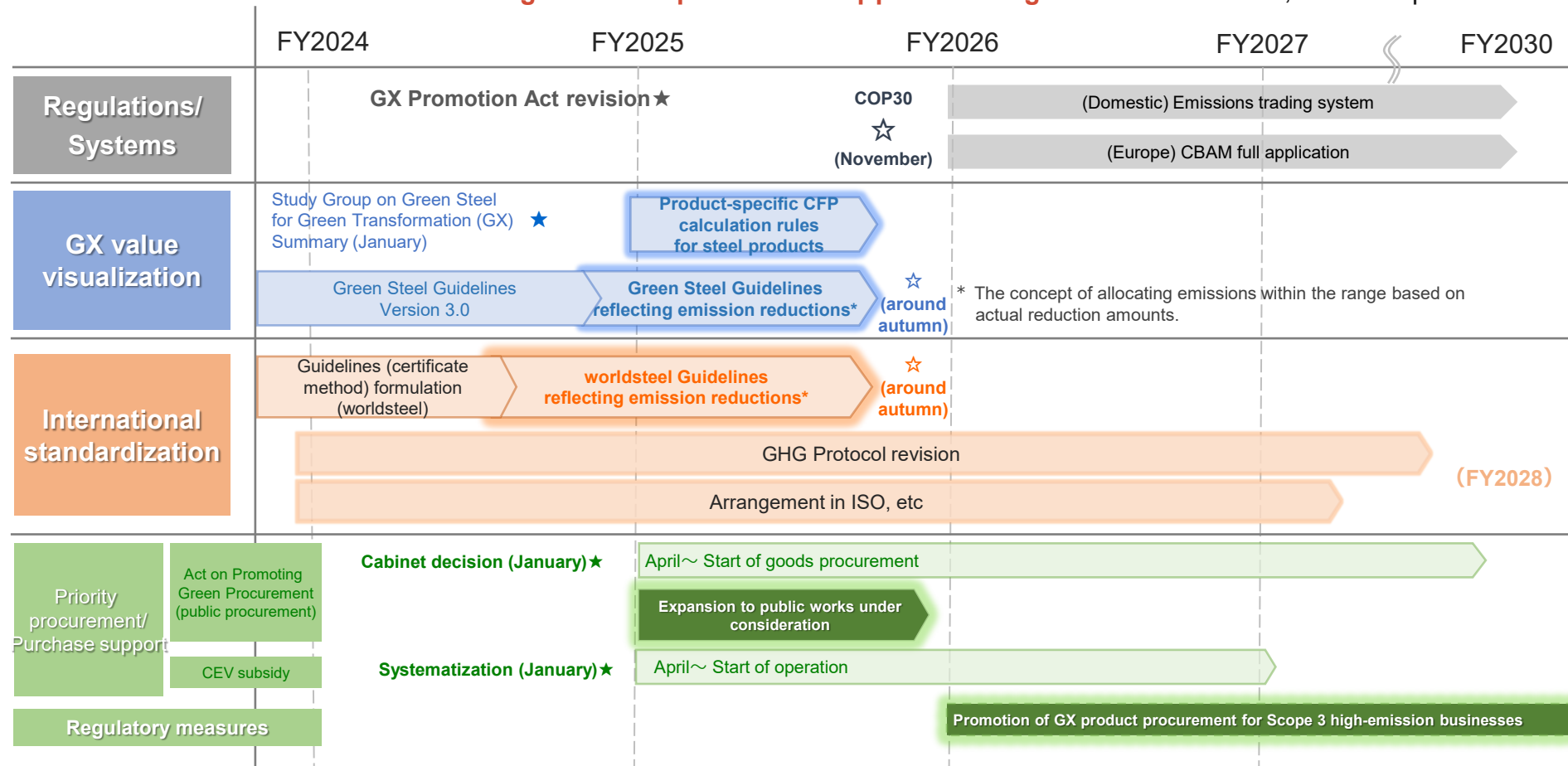


- Started supply of **green steel "JGreeX™"** that **significantly reduces GHG emissions** in manufacturing processes compared to conventional steel products from the first half of FY2023.
- In FY2024, **adoption of "JGreeX™"** **expanded across all fields** due to green steel demand stimulation.

Field	Domestic/ Overseas	Products	Customer	Use
Automobiles	Domestic	Automotive steel sheet	Isuzu Motors and others	Automobiles
Ship building	Domestic	Plates	Higaki Shipbuilding, Onomichi Dockyard, Imabari Shipbuilding	Dry bulk carriers
	Domestic	Plates	Tsuneishi Shipbuilding	Hydrogen-fueled Tugboats
	Domestic	Plates	Namikata Shipyard	Coastal general cargo ship
Construction	Domestic	Plates, Shapes, Pipes	Kumagai Gumi, Sumitomo Corporation	Office Building
	Domestic	Pipes	YASHIMANADA	Roll column
	Domestic	Shapes	Tomakomai Kuribayashi Transportation	Warehouse
	Domestic	Pipes	JFE Shoji Pipe & Fitting Corporation	Wholesale of pipes
	Domestic	Wire rod	Nippon Fastener Corporation	High strength bolt
	Overseas	Hot rolled sheets	SUNSCO	Warehouse
Bridge	Domestic	Plates	Yokogawa Bridge (Okayama city)	Bridge
	Domestic	Plates	JFE Engineering (Yokoyama city)	Bridge
Ship building, Construction, Offshore structure	Overseas	Plates	Hock Seng Hoe	Wholesale of plates
Electric power	Overseas	Electrical sheets	European transformer manufacturer	Transformer
	Overseas	Electrical sheets	Eaton Corporation	Transformer
	Domestic	Electrical sheets	AICHI ELECTRIC	Industrial Transformer
Office equipment	Domestic	Bars	Suzutoyo Seiko	Resource-recycling Containers
Can	Domestic	Tin	MoNo Factory	Pinback Buttons
Industrial machinery	Domestic	Cold rolled sheets	Yamaha Motor	Surface mounting machines
	Domestic	Plates	Takasago Metal Works	Overhead Crane

★: New orders received in 1Q of FY2025

- **Issues related to environmental value conversion of "actual reduction amount"** to create a market for green steel and progress of **activities for international standardization** in cooperation with the Japan Iron and Steel Federation and worldsteel were explained.
- Regarding green steel for the promotion of GX, it is proposed that problems in environmental value conversion of actual reduction amount and incentives for initial demand creation are necessary. Policies related to the creation of the GX market, such as **preferential procurement under the Green Purchasing Law** and **purchase support through CEV subsidies**, were implemented.



(billion yen)

	Business Field	FY 2024 Actual	FY 2025 Forecast	Change	Main orders received in FY2025 First-Quarter
Orders	Waste to Resource	271.2	300.0	28.8	
	Carbon Neutral	179.1	280.0	100.9	
	Core Infrastructure	129.2	120.0	(9.2)	Construction works of bridge (Harbor road [Kanagawa])
	Total	579.5	700.0	120.5	
Order Backlog		994.4	1,090.0	95.6	

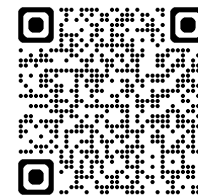
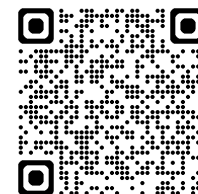
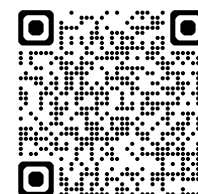

※Starting from fiscal year 2025, the first year of our Eighth Medium-term Business Plan, we have consolidated our engineering business fields from four to three.

In line with this change, energy-related products have been reclassified from Core Infrastructure to Carbon Neutral.

※The results for fiscal year 2024 are presented based on the figures after this consolidation.

Appendix(3)

Published Materials (Link Collection)

Document name	URL	QR code
JFE Group REPORT 2024	https://www.jfe-holdings.co.jp/investor/library/group-report/index.html	
Sustainability	https://www.jfe-holdings.co.jp/sustainability/	
Sustainability REPORT 2024 Environmental Data	https://www.jfe-holdings.co.jp/common/pdf/sustainability/data/2024/2024_07_01.pdf	
DX REPORT 2024	https://www.jfe-holdings.co.jp/investor/library/dxreport/index.html	

Document name	URL	QR code
Eighth Medium-term Business Plan (FY2025-FY2027) (Japanese)	https://www.jfe-holdings.co.jp/common/pdf/investor/management/plan/2024-chuuki250508-01.pdf	
Eighth Medium-term Business Plan (FY2025-FY2027) (English)	https://www.jfe-holdings.co.jp/en/common/pdf/investor/management/plan/2024-chuuki250508-01e.pdf	
JFE Group Environmental Management Strategy (Japanese)	https://www.jfe-holdings.co.jp/common/pdf/investor/climate/environmental-management-strategy250529-01.pdf	
JFE Group Environmental Management Strategy (English)	https://www.jfe-holdings.co.jp/en/common/pdf/investor/climate/environmental-management-strategy250529-01.pdf	



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