

JFE Holdings' Financial Results for First Quarter of Fiscal Year 2022 Ending March 31, 2023

— 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)

August 3, 2022

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

1. Consolidated Results in First Quarter of Fiscal 2022 (April 1 to June 30, 2022)

(1) Consolidated Operating Results (cumulative total)

(Percentages indicate year on year change)

	Revenue (million yen)	%	Business profit (million yen)	%	Profit Before tax (million yen)	%	Profit (million yen)	%	Profit attributable to owners of parent (million yen)	%	Compre- hensive income (million yen)	%
1Q FY 2022	1,253,600	41.0	116,659	32.0	113,404	32.7	85,011	34.7	83,844	35.3	115,269	9.6
1Q FY 2021	888,940	19.5	88,363	-	85,442	-	63,102	-	61,978	-	105,195	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1Q FY 2022	145.61	145.53
1Q FY 2021	107.64	107.62

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

(2) Consolidated Financial Position

	Total assets (million yen)	Total equity (million yen)	Equity attributable to owners of parent (million yen)	Total equity attributable to owners of parent (%)
End 1Q FY 2022	5,568,670	2,135,158	2,052,244	36.9
End FY 2021	5,287,909	2,070,739	1,988,268	37.6

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2021	140.00	60.00	80.00
FY 2022 (forecast)	-	40.00	-

Note: Revisions to dividend forecast announced most recently: Yes
The year-end dividend and the total dividend are not yet determined.

3. Forecasts of Consolidated Financial Results in Fiscal 2022 (April 1, 2022 to March 31, 2023)

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

	Revenue (million yen)	%	Business profit (million yen)	%	Profit before tax (million yen)	%	Profit attributable to owners of parent (million yen)	%	Basic earnings per share (yen)
1H FY 2022	2,610,000	34.3	165,000	(17.0)	155,000	(19.8)	100,000	(29.0)	173.27
FY 2022	5,370,000	23.0	235,000	(43.6)	220,000	(43.4)	140,000	(51.4)	241.96

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 June 30, 2022: 614,438,399 shares
 - As of March 31, 2022: 614,438,399 shares
 - 2) Treasury stock at the end of the term
 - As of June 30, 2022: 38,605,317 shares
 - As of March 31, 2022: 38,599,423 shares
 - 3) Average number of shares during the term
 - 1Q FY 2022: 575,835,901 shares
 - 1Q FY 2021: 575,787,729 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

1. Condensed Quarterly Consolidated Financial Statements and Notes	2
(1) Condensed Quarterly Consolidated Statement of Financial Position	2
(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income (First Quarter)	4
(3) Condensed Quarterly Consolidated Statement of Changes in Equity (First Quarter)	6
(4) Condensed Quarterly Consolidated Statement of Cash Flow (First Quarter)	8
(5) Notes to Condensed Quarterly Consolidated Financial Statements	10
Notes Pertaining to the Presumption of a Going Concern	10
2. Supplementary Information	11

1. Condensed Quarterly Consolidated Financial Statements and Notes
(1) Condensed Quarterly Consolidated Statement of Financial Position

	As of March 31, 2022	(million yen) As of June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	101,773	127,873
Trade and other receivables	796,955	834,075
Contract assets	123,888	123,316
Inventories	1,227,935	1,396,919
Income taxes receivable	1,009	1,194
Other financial assets	22,830	28,510
<u>Other current assets</u>	<u>118,235</u>	<u>121,471</u>
Total current assets	2,392,629	2,633,361
Non-current assets:		
Property, plant and equipment:	1,850,779	1,852,521
Goodwill	8,174	9,898
Intangible assets	108,547	112,041
Right-of-use assets	98,417	100,526
Investment property	57,660	57,250
Investments accounted for using equity method	454,642	489,988
Retirement benefit asset	24,079	21,764
Deferred tax assets	60,372	54,269
Other financial assets	217,217	220,996
<u>Other non-current assets</u>	<u>15,388</u>	<u>16,050</u>
Total non-current assets	2,895,280	2,935,309
Total assets	5,287,909	5,568,670

	As of March 31, 2022	(million yen) As of June 30, 2022
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	678,377	652,979
Bonds payable, borrowings, and lease liabilities	339,726	593,757
Contract liabilities	32,580	37,932
Income taxes payable, etc.	50,547	15,984
Provisions	12,345	12,010
Other financial liabilities	143,406	117,552
Other current liabilities	236,856	191,339
Total current liabilities	1,493,840	1,621,556
Non-current liabilities		
Bonds payable, borrowings, and lease liabilities	1,509,739	1,595,578
Retirement benefit liability	125,927	127,995
Provisions	22,663	21,665
Deferred tax liabilities	12,065	13,497
Other financial liabilities	43,976	44,814
Other non-current liabilities	8,957	8,404
Total non-current liabilities	1,723,330	1,811,955
Total liabilities	3,217,170	3,433,512
Equity		
Share capital	147,143	147,143
Capital surplus	652,233	652,292
Retained earnings	1,294,875	1,331,718
Treasury shares	(180,580)	(180,588)
Other components of equity	74,596	101,678
Equity attributable to owners of parent	1,988,268	2,052,244
Non-controlling interests	82,470	82,914
Total equity	2,070,739	2,135,158
Total liabilities and equity	5,287,909	5,568,670

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

Condensed Quarterly Consolidated Statements of Income (First Quarter)

	First Quarter of Fiscal 2021 (April 1, 2021 – June 30, 2021)	(million yen) First Quarter of Fiscal 2022 (April 1, 2022 – June 30, 2022)
Revenue	888,940	1,253,600
Cost of sales	(747,317)	(1,084,332)
Gross profit	<u>141,623</u>	<u>169,267</u>
Selling, general and administrative expenses	(79,576)	(91,483)
Share of profit of entities accounted for using equity method	25,470	21,469
Other income	5,948	24,654
Other expenses	(5,102)	(7,249)
Business profit	<u>88,363</u>	<u>116,659</u>
Operating profit	<u>88,363</u>	<u>116,659</u>
Finance income	337	437
Finance costs	(3,257)	(3,692)
Profit before tax	<u>85,442</u>	<u>113,404</u>
Income tax expense	(22,340)	(28,393)
Profit	<u>63,102</u>	<u>85,011</u>
Profit attributable to		
Owners of parent	61,978	83,844
Non-controlling interests	1,123	1,166
Profit	<u>63,102</u>	<u>85,011</u>
Earnings per share		
Basic earnings per share (yen)	107.64	145.61
Diluted earnings per share (yen)	107.62	145.53

Condensed Quarterly Consolidated Statements of Comprehensive Income (First Quarter)

	First Quarter of Fiscal 2021 (April 1, 2021 – June 30, 2021)	(million yen) First Quarter of Fiscal 2022 (April 1, 2022 – June 30, 2022)
Profit	63,102	85,011
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	4,843	(1,273)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	9,614	(2,564)
Share of other comprehensive income of investments accounted for using equity method	<u>798</u>	<u>(626)</u>
Total of items that will not be reclassified to profit or loss	15,256	(4,465)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,357	16,782
Effective portion of cash flow hedges	7,728	(1,168)
Share of other comprehensive income of investments accounted for using equity method	<u>13,749</u>	<u>19,109</u>
Total of items that may be reclassified to profit or loss	<u>26,836</u>	<u>34,723</u>
Total other comprehensive income	<u>42,093</u>	<u>30,258</u>
Comprehensive income	<u>105,195</u>	<u>115,269</u>
Comprehensive income attributable to		
Owners of parent	103,520	113,676
Non-controlling interests	<u>1,674</u>	<u>1,593</u>
Comprehensive income	<u>105,195</u>	<u>115,269</u>

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First Quarter of Fiscal 2021(April 1, 2021 – June 30, 2021)

(million yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2021	147,143	652,465	1,029,976	(180,639)	–	61,620
Profit	–	–	61,978	–	–	–
Other comprehensive income	–	–	–	–	4,752	10,631
Comprehensive income	–	–	61,978	–	4,752	10,631
Purchase of treasury shares	–	–	–	(12)	–	–
Disposal of treasury shares	–	(0)	–	1	–	–
Dividends	–	–	(5,765)	–	–	–
Share-based payment transactions	–	25	–	–	–	–
Changes in scope of consolidation	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	300	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	5,053	–	(4,752)	(300)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	325	(711)	(11)	(4,752)	(300)
Balance as of June 30, 2021	147,143	652,791	1,091,243	(180,651)	–	71,951

	Equity attributable to owners of parent					
	Other components of equity			Total	Non-controlling interests	Total equity
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2021	(32,256)	914	30,278	1,679,223	80,930	1,760,154
Profit	–	–	–	61,978	1,123	63,102
Other comprehensive income	17,626	8,530	41,541	41,541	551	42,093
Comprehensive income	17,626	8,530	41,541	103,520	1,674	105,195
Purchase of treasury shares	–	–	–	(12)	–	(12)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	–	(5,765)	(1,207)	(6,972)
Share-based payment transactions	–	–	–	25	–	25
Changes in scope of consolidation	–	–	–	–	1	1
Changes in ownership interest in subsidiaries	–	–	–	300	297	597
Transfer from other components of equity to retained earnings	–	–	(5,053)	–	–	–
Transfer to non-financial assets	–	(5,106)	(5,106)	(5,106)	–	(5,106)
Other	–	–	–	–	(336)	(336)
Total transactions with owners	–	(5,106)	(10,159)	(10,557)	(1,244)	(11,802)
Balance as of June 30, 2021	(14,630)	4,338	61,660	1,772,186	81,360	1,853,547

First Quarter of Fiscal 2022 (April 1, 2022 – June 30, 2022)

(million yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2022	147,143	652,233	1,294,875	(180,580)	–	55,560
Profit	–	–	83,844	–	–	–
Other comprehensive income	–	–	–	–	(978)	(3,187)
Comprehensive income	–	–	83,844	–	(978)	(3,187)
Purchase of treasury shares	–	–	–	(10)	–	–
Disposal of treasury shares	–	(1)	–	2	–	–
Dividends	–	–	(46,118)	–	–	–
Share-based payment transactions	–	60	–	–	–	–
Changes in scope of consolidation	–	–	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	(882)	–	978	(95)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	58	(47,001)	(7)	978	(95)
Balance as of June 30, 2022	147,143	652,292	1,331,718	(180,588)	–	52,277

	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	–	–	–	83,844	1,166	85,011
Other comprehensive income	35,648	(1,650)	29,832	29,832	426	30,258
Comprehensive income	35,648	(1,650)	29,832	113,676	1,593	115,269
Purchase of treasury shares	–	–	–	(10)	–	(10)
Disposal of treasury shares	–	–	–	0	–	0
Dividends	–	–	–	(46,118)	(1,320)	(47,439)
Share-based payment transactions	–	–	–	60	–	60
Changes in scope of consolidation	–	–	–	–	4	4
Transfer from other components of equity to retained earnings	–	–	882	–	–	–
Transfer to non-financial assets	–	(3,633)	(3,633)	(3,633)	–	(3,633)
Other	–	–	–	–	166	166
Total transactions with owners	–	(3,633)	(2,750)	(49,700)	(1,149)	(50,850)
Balance as of June 30, 2022	51,735	(2,334)	101,678	2,052,244	82,914	2,135,158

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

	(million yen)	
	First Quarter of Fiscal 2021 (April 1, 2020 – June 30, 2021)	First Quarter of Fiscal 2022 (April 1, 2021 – June 30, 2022)
Cash flows from operating activities		
Profit before tax	85,442	113,404
Depreciation and amortization	61,540	65,461
Changes in allowance (loss)	(954)	(1,463)
Interest and dividend income (loss)	(1,694)	(3,257)
Interest expenses	3,179	3,474
Share of profit of entities accounted for using equity method (loss)	(25,470)	(21,469)
Decrease (increase) in trade and other receivables	85,774	(17,767)
Decrease (increase) in inventories	(85,973)	(154,486)
Increase (decrease) in trade and other payables	1,554	(34,350)
Other	(59,525)	(76,128)
Subtotal	63,874	(126,583)
Interest and dividends received	2,648	8,174
Interest paid	(3,040)	(3,326)
Income taxes received (paid)	(14,769)	(49,406)
Cash flows from operating activities	48,712	(171,142)
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(81,580)	(58,964)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	111	1,640
Purchase of investments	(2,069)	(3,228)
Proceeds from sale of investments	933	209
Other	(5,546)	212
Cash flows from investing activities	(88,152)	(60,131)

	(million yen)	
	First Quarter of Fiscal 2021 (April 1, 2020 – June 30, 2021)	First Quarter of Fiscal 2022 (April 1, 2021 – June 30, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(24,163)	3,659
Increase (decrease) in commercial papers	70,000	267,000
Proceeds from long-term borrowings	10,486	60,087
Repayments of long-term borrowings	(42,939)	(43,589)
Proceeds from issuance of bonds	35,000	30,000
Payments for redemption of bonds	(30,000)	(10,000)
Payments for purchase of treasury shares	(9)	(10)
Dividends paid to owners of parent	(5,765)	(46,118)
Other	(12,974)	(13,211)
Cash flows from financing activities	(366)	247,817
Effect of exchange rate change on cash and cash equivalents	238	9,556
Net increase (decrease) in cash and cash equivalents	(39,567)	26,099
Cash and cash equivalents at beginning of period	142,416	101,773
Cash and cash equivalents at end of period	102,849	127,873

(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 Quarter and Earnings Forecasts for Fiscal 2022

(billion yen)

	FY 2021			FY 2022			Change			
	1Q	1H	Full year	1Q	1H	Full year	1Q	1H	Full year	
Steel Business	638.5	1,410.4	3,173.4	932.6	1,975.0	4,100.0	294.1	564.6	926.6	
Engineering Business	103.0	229.2	508.2	98.2	230.0	520.0	(4.8)	0.8	11.8	
Trading Business	261.6	544.4	1,231.7	379.5	750.0	1,470.0	117.9	205.6	238.3	
Adjustments	(114.2)	(241.1)	(548.3)	(156.8)	(345.0)	(720.0)	(42.6)	(103.9)	(171.7)	
Revenue	888.9	1,942.9	4,365.1	1,253.6	2,610.0	5,370.0	364.7	667.1	1,004.9	
Business profit¹	A	88.3	198.8	416.4	116.6	165.0	235.0	28.3	(33.8)	(181.4)
Finance income / costs	B	(2.9)	(5.6)	(11.6)	(3.2)	(10.0)	(15.0)	(0.3)	(4.4)	(3.4)
Segment Profit										
Steel Business		69.7	158.5	323.7	93.0	120.0	150.0	23.3	(38.5)	(173.7)
Engineering Business		4.2	11.1	26.0	(1.2)	4.0	20.0	(5.4)	(7.1)	(6.0)
Trading Business		11.5	25.6	55.9	21.1	35.0	55.0	9.6	9.4	(0.9)
Adjustments		(0.0)	(2.0)	(0.9)	0.4	(4.0)	(5.0)	0.4	(2.0)	(4.1)
Total	A+B	85.4	193.2	404.8	113.4	155.0	220.0	28.0	(38.2)	(184.8)
Exceptional Items ²		-	-	(16.2)	-	-	-	0.0	0.0	16.2
Profit before tax		85.4	193.2	388.5	113.4	155.0	220.0	28.0	(38.2)	(168.5)
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		(23.4)	(52.4)	(100.4)	(29.5)	(55.0)	(80.0)	(6.1)	(2.6)	20.4
Profit Attributable to Owners of Parent		61.9	140.7	288.0	83.8	100.0	140.0	21.9	(40.7)	(148.0)

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

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

(2) Consolidated Financial Indices (1H Fiscal 2022 Forecasts)

	Fiscal 2021	1H Fiscal 2022	Change
Return on Sales (ROS) ¹	9.5%	6.3%	(3.2%)
Return on Assets (ROA) ²	8.4%	6.1%	(2.3%)
Return on Equity (ROE) ³	15.7%	9.8%	(5.9%)
EBITDA ⁴	668.7 billion yen	295.0 billion yen	-
Interest-bearing debt outstanding	1,849.4 billion yen	2,100.0 billion yen	250.6 billion yen
Debt / EBITDA multiple ⁵	2.8x	3.6x	-
Equity attributable to owners of parent	1,988.2 billion yen	2,100.0 billion yen	111.8 billion yen
D/E Ratio ⁶	80.8%	88.0%	7.2%

¹ ROS = Business profit / Revenue

² ROA (full year) = Business profit / Total assets, ROA (first half) = Business profit x 2 / Total assets

³ ROE (full year) = Profit attributable to owners of parent / Equity attributable to owners of parent

ROE (first half) = Profit attributable to owners of parent x 2 / Equity attributable to owners of parent

⁴ EBITDA = Business profit + Depreciation and amortization

⁵ Debt / EBITDA multiple (full year) = Interest-bearing debt outstanding / EBITDA

Debt / EBITDA multiple (half year) = Interest-bearing debt outstanding / (EBITDA x 2)

⁶ D/E ratio = Debt outstanding / Equity attributable to owners of parent. For debt having a capital component*, a portion of its issue price is deemed to be capital, as assessed by rating agencies.

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

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

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

(3) Crude Steel Production (JFE Steel)

(million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021	Non-consolidated	6.25	6.45	12.70	6.49	6.69	13.18	25.88
	Consolidated	6.59	6.80	13.39	6.85	7.02	13.87	27.26
FY 2022	Non-consolidated	6.43	6.50*	Less than 13.00*			Less than 13.00*	Less than 26.00*
	Consolidated	6.77	6.90*	13.70*				

*estimate

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

(million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		5.26	5.56	10.83	5.63	5.92	11.55	22.38
FY 2022		5.54	6.00*	11.50*				

*estimate

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

(%)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		43.2	49.3	46.5	45.9	43.6	44.7	45.5
FY 2022		48.5	47*	48*				

*estimate

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

(JPY/USD)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		109.8	110.0	109.9	113.1	115.3	114.2	112.1
FY 2022		126.5	136*	131*			135*	133*

*estimate

(7) Average Selling Price (JFE Steel on non-consolidated basis)

(thousand yen/ton)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2021		87.6	101.0	94.5	107.6	116.7	112.2	103.7
FY 2022		126.7	134*	130*				

*estimate

(8) Engineering Business Orders (including intersegment transactions, IFRS basis)

(billion yen)

Field	1H FY2021	1H FY2022 Forecast	Change	FY2022 Forecast
Waste to Resource	124.6	137.0*	12.4	220.0*
Carbon Neutral	19.2	53.0*	33.8	77.0*
Combined Utility Services	3.0	13.0*	10.0	18.0*
Core Infrastructure	105.5	107.0*	1.5	235.0*
Total	252.3	310.0*	57.7	550.0*

*estimate

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

(billion yen)

	FY2021	FY2022 Forecast	
Capital Investment	340.9	310.0*	(on construction basis)
Depreciation & Amortization	252.2	270.0*	

*estimate

(10) Breakdown of Changes in Segment Profit (IFRS)

a. First quarter of FY 2022, compared to same period of FY 2021

	<u>Change</u> (billion yen)	
Steel Business		
- Costs	5.0	Capital investment effects, etc.
- Sales volume and mix	1.0	
- Sales prices and raw materials	0.0	
- Unrealized gains (losses) on inventories	72.0	
- Others	(54.7)	Foreign exchange effects on trade -20.0 etc.
- Total	<u>23.3</u>	
Engineering and Trading businesses, and Adjustments	4.7	

b. FY 2022 forecast, compared to FY 2021

	<u>Change</u> (billion yen)	
Steel Business		
- Costs	10.0	Cost reductions +23.0 and Chiba No. 6 blast furnace refurbishment -13.0
- Sales volume and mix	0.0	
- Sales prices and raw materials	70.0	Improved spreads due to higher selling prices (despite more costly raw materials and metals)
- Foreign exchange effects on trade	(100.0)	1USD=112.1yen→1USD=133yen (about)
- Unrealized gains (losses) on inventories	(72.0)	
- Others	(81.7)	Group companies -45.0, etc.
- Total	<u>(173.7)</u>	
Engineering and Trading businesses, and Adjustments	(11.0)	

c. Reference: 1Q of FY 2022: 113.4 billion yen → 2Q of FY 2022 forecast: 41.6 billion yen (estimate)

	<u>Change</u> (billion yen)	
Steel Business		
- Costs	0.0	
- Sales volume and mix	1.0	
- Sales prices and raw materials	89.0	Improved spreads due to higher selling prices (despite main raw materials and metals remaining high)
- Unrealized gains (losses) on inventories	(123.0)	
- Others	(33.0)	Foreign exchange effects on trade -10.0, etc.
- Total	<u>(66.0)</u>	
Engineering and Trading businesses, and Adjustments	(5.8)	

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