

JFE Holdings' Financial Results through Third Quarter of Fiscal Year 2020 Ending March 31, 2021

— 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 9, 2021

Official name: Listings: Code: English URL: Representative: Contact: Phone: Scheduled date to submit Quarterly Securities Report: Scheduled date to start paying dividends: Preparation of supplementary materials for quarterly results: Quarterly results briefing:	JFE Holdings, Inc. Tokyo and Nagoya stock exchanges 5411 www.jfe-holdings.co.jp/en Koji Kakigi, President and CEO Hidetsugu Tawara, Manager, Public Relations Section, Investor Relations and Corporate Communications Department +81-3-3597-3842 February 9, 2021 -- Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results through Third Quarter of Fiscal 2020 (April 1 to December 31, 2020)

(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)	%
3Q FY 2020	2,318,467	(16.9)	(61,196)	-	(70,655)	-	(67,214)	-	(69,677)	-	(25,473)	-
3Q FY 2019	2,791,524	(3.4)	52,022	(76.4)	42,600	(79.2)	30,632	(81.0)	26,922	(82.8)	29,881	(74.7)

	Basic earnings per share (yen)	Diluted earnings per share (yen)
3Q FY 2020	(121.00)	(121.00)
3Q FY 2019	46.75	46.74

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 3Q FY 2020	4,581,698	1,675,423	1,595,001	34.8
End FY 2019	4,646,120	1,706,552	1,627,026	35.0

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2019	20.00	20.00	0.00
FY 2020	10.00*	0.00	10.00*

*estimate

Note: Revisions to dividend forecast announced most recently: Yes

3. Forecasts of Consolidated Financial Results in Fiscal 2020 (April 1, 2020 to March 31, 2021)

	Revenue (million yen)	%	Business profit (million yen)	%	Profit before tax (million yen)	%	Profit attributable to owners of parent (million yen)	%	Basic earnings per share (yen)
FY 2020	3,240,000	(13.1)	(32,000)	-	(23,000)	-	(38,000)	-	(65.99)

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, 2020: 614,438,399 shares
 - As of March 31, 2020: 614,438,399 shares
 - 2) Treasury stock at the end of the term
 - As of December 31, 2020: 38,623,932 shares
 - As of March 31, 2020: 38,601,655 shares
 - 3) Average number of shares during the term
 - 3Q FY 2020: 575,838,245 shares
 - 3Q FY 2019: 575,858,406 shares

This report is not subject to auditing by a certified public accountant or an audit corporation.

Explanation of Appropriate Use of Results Forecasts, and Other Matters of Note

1. Forecasts and other forward-looking statements herein are based on information available on the date of publication of this document as well as rational assumptions that we have made regarding certain factors. Actual results may vary significantly from these forecasts due to a wide range of circumstances.

2. The supplementary financial data will be disclosed today via TDnet and published on our website.

Attachments

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

	(million yen)	
	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	86,704	176,002
Trade and other receivables	678,098	654,245
Contract assets	142,075	150,910
Inventories	872,602	766,870
Income taxes receivable	20,946	11,009
Other financial assets	6,307	9,623
Other current assets	108,410	94,687
Total current assets	1,915,146	1,863,350
Non-current assets:		
Property, plant and equipment:	1,717,751	1,761,191
Goodwill	6,497	6,113
Intangible assets	88,802	92,863
Right-of-use assets	102,322	98,211
Investment property	58,158	58,870
Investments accounted for using equity method	336,040	330,660
Retirement benefit asset	15,520	19,439
Deferred tax assets	94,930	99,852
Other financial assets	296,004	236,355
Other non-current assets	14,946	14,790
Total non-current assets	2,730,974	2,718,348
Total assets	4,646,120	4,581,698

(million yen)

As of
March 31, 2020 As of
December 31, 2020

	As of March 31, 2020	As of December 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	557,252	465,823
Bonds payable, borrowings, and lease liabilities	376,473	324,278
Contract liabilities	44,813	51,119
Income taxes payable, etc.	13,249	5,676
Provisions	12,507	11,369
Other financial liabilities	89,465	80,401
Other current liabilities	210,543	160,741
Total current liabilities	1,304,306	1,099,410
Non-current liabilities		
Bonds payable, borrowings, and lease liabilities	1,437,835	1,577,773
Retirement benefit liability	143,316	144,101
Provisions	25,740	22,989
Deferred tax liabilities	3,723	4,704
Other financial liabilities	16,246	49,036
Other non-current liabilities	8,398	8,258
Total non-current liabilities	1,635,261	1,806,864
Total liabilities	2,939,568	2,906,274
Equity		
Share capital	147,143	147,143
Capital surplus	652,430	652,481
Retained earnings	1,002,076	977,809
Treasury shares	(180,637)	(180,618)
Other components of equity	6,012	(1,813)
Equity attributable to owners of parent	1,627,026	1,595,001
Non-controlling interests	79,526	80,422
Total equity	1,706,552	1,675,423
Total liabilities and equity	4,646,120	4,581,698

(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)

	Through Third Quarter of Fiscal 2019 (April 1, 2019 – December 31, 2019)	(million yen) Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)
Revenue	2,791,524	2,318,467
Cost of sales	<u>(2,494,074)</u>	<u>(2,136,590)</u>
Gross profit	297,449	181,876
Selling, general and administrative expenses	(260,797)	(230,130)
Share of profit of entities accounted for using equity method	11,678	4,686
Other income	25,049	19,134
Other expenses	<u>(21,357)</u>	<u>(36,763)</u>
Business profit (loss)	52,022	(61,196)
Operating profit (loss)	<u>52,022</u>	<u>(61,196)</u>
Finance income	1,984	1,285
Finance costs	<u>(11,405)</u>	<u>(10,744)</u>
Profit (loss) before tax	42,600	(70,655)
Income tax expense	<u>(11,968)</u>	<u>3,440</u>
Profit (loss)	30,632	(67,214)
Profit (loss) attributable to		
Owners of parent	26,922	(69,677)
Non-controlling interests	<u>3,710</u>	<u>2,463</u>
Profit (loss)	30,632	(67,214)
Earnings per share		
Basic earnings (loss) per share (yen)	46.75	(121.00)
Diluted earnings (loss) per share (yen)	46.74	(121.00)

Condensed Quarterly Consolidated Statements of Income (Third Quarter)

	Third Quarter of Fiscal 2019 (October 1, 2019 – December 31, 2019)	(million yen) Third Quarter of Fiscal 2020 (October 1, 2020 – December 31, 2020)
Revenue	920,231	826,172
Cost of sales	<u>(832,876)</u>	<u>(696,728)</u>
Gross profit	87,355	129,443
Selling, general and administrative expenses	(86,136)	(78,691)
Share of profit (loss) of entities accounted for using equity method	(158)	4,730
Other income	7,044	5,561
Other expenses	<u>(5,145)</u>	<u>(7,901)</u>
Business profit	2,958	53,142
Operating profit	<u>2,958</u>	<u>53,142</u>
Finance income	555	353
Finance costs	<u>(3,695)</u>	<u>(3,363)</u>
Profit (loss) before tax	(181)	50,132
Income tax expense	<u>(3,367)</u>	<u>(12,826)</u>
Profit (loss)	(3,549)	37,305
Profit (loss) attributable to		
Owners of parent	(5,012)	36,034
Non-controlling interests	<u>1,462</u>	<u>1,271</u>
Profit (loss)	(3,549)	37,305
Earnings per share		
Basic earnings (loss) per share (yen)	(8.70)	62.58
Diluted earnings (loss) per share (yen)	(8.70)	62.57

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

	Through Third Quarter of Fiscal 2019 (April 1, 2019 – December 31, 2019)	(million yen) Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)
Profit (loss)	30,632	(67,214)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	3,269	8,107
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	3,829	34,866
Share of other comprehensive income of investments accounted for using equity method	216	450
Total of items that will not be reclassified to profit or loss	7,315	43,424
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(3,259)	(4,757)
Effective portion of cash flow hedges	1,327	7,389
Share of other comprehensive income of investments accounted for using equity method	(6,134)	(4,314)
Total of items that may be reclassified to profit or loss	(8,066)	(1,683)
Total other comprehensive income	(750)	41,741
Comprehensive income	29,881	(25,473)
Comprehensive income attributable to		
Owners of parent	26,587	(28,128)
Non-controlling interests	3,294	2,654
Comprehensive income	29,881	(25,473)

Condensed Quarterly Consolidated Statements of Comprehensive Income (Third Quarter)

	Third Quarter of Fiscal 2019 (October 1, 2019 – December 31, 2019)	(million yen) Third Quarter of Fiscal 2020 (October 1, 2020 – December 31, 2020)
Profit (loss)	(3,549)	37,305
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	2,884	3,522
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	11,865	19,427
Share of other comprehensive income of investments accounted for using equity method	127	(243)
Total of items that will not be reclassified to profit or loss	14,877	22,705
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(443)	(326)
Effective portion of cash flow hedges	1,134	3,356
Share of other comprehensive income of investments accounted for using equity method	(668)	2,309
Total of items that may be reclassified to profit or loss	23	5,340
Total other comprehensive income	14,900	28,045
Comprehensive income	11,351	65,351
Comprehensive income attributable to		
Owners of parent	10,069	63,780
Non-controlling interests	1,281	1,571
Comprehensive income	11,351	65,351

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
 First Three Quarters of Fiscal 2019 (April 1, 2019 – December 31, 2019)

	(million yen)					
	Equity attributable to owners of parent					Other components of equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of defined benefit plans	
Balance as of April 1, 2019	147,143	646,793	1,241,420	(180,670)	–	90,730
Cumulative effects of changes in accounting policies	–	–	(1,302)	–	–	–
Retroactively adjusted balance	147,143	646,793	1,240,117	(180,670)	–	90,730
Profit (loss)	–	–	26,922	–	–	–
Other comprehensive income	–	–	–	–	3,141	3,946
Comprehensive income	–	–	26,922	–	3,141	3,946
Purchase of treasury shares	–	–	–	(51)	–	–
Disposal of treasury shares	–	(6)	–	9	–	–
Dividends	–	–	(40,363)	–	–	–
Share-based payment transactions	–	(36)	–	88	–	–
Changes in ownership interest in subsidiaries	–	5,784	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	3,290	–	(3,141)	(149)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	5,740	(37,073)	46	(3,141)	(149)
Balance as of December 31, 2019	147,143	652,534	1,229,966	(180,624)	–	94,528

	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, 2019	(16,547)	(2,532)	71,650	1,926,337	65,422	1,991,759
Cumulative effects of changes in accounting policies	–	–	–	(1,302)	–	(1,302)
Retroactively adjusted balance	(16,547)	(2,532)	71,650	1,925,034	65,422	1,990,456
Profit (loss)	–	–	–	26,922	3,710	30,632
Other comprehensive income	(9,141)	1,718	(335)	(335)	(415)	(750)
Comprehensive income	(9,141)	1,718	(335)	26,587	3,294	29,881
Purchase of treasury shares	–	–	–	(51)	–	(51)
Disposal of treasury shares	–	–	–	3	–	3
Dividends	–	–	–	(40,363)	(2,556)	(42,920)
Share-based payment transactions	–	–	–	51	–	51
Changes in ownership interest in subsidiaries	–	–	–	5,784	12,009	17,793
Transfer from other components of equity to retained earnings	–	–	(3,290)	–	–	–
Transfer to non-financial assets	–	(476)	(476)	(476)	–	(476)
Other	–	–	–	–	88	88
Total transactions with owners	–	(476)	(3,767)	(35,053)	9,541	(25,511)
Balance as of December 31, 2019	(25,689)	(1,291)	67,547	1,916,568	78,257	1,994,825

First Three Quarters of Fiscal 2020 (April 1, 2020 – December 31, 2020)

(million yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2020	147,143	652,430	1,002,076	(180,637)	–	39,768
Profit (loss)	–	–	(69,677)	–	–	–
Other comprehensive income	–	–	–	–	7,531	35,427
Comprehensive income	–	–	(69,677)	–	7,531	35,427
Purchase of treasury shares	–	–	–	(40)	–	–
Disposal of treasury shares	–	(18)	–	22	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	(25)	–	37	–	–
Changes in scope of consolidation	–	–	7	–	–	–
Changes in ownership interest in subsidiaries	–	93	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	45,402	–	(7,531)	(37,871)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	50	45,410	18	(7,531)	(37,871)
Balance as of December 31, 2020	147,143	652,481	977,809	(180,618)	–	37,324

	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, 2020	(31,941)	(1,813)	6,012	1,627,026	79,526	1,706,552
Profit (loss)	–	–	–	(69,677)	2,463	(67,214)
Other comprehensive income	(7,509)	6,100	41,549	41,549	191	41,741
Comprehensive income	(7,509)	6,100	41,549	(28,128)	2,654	(25,473)
Purchase of treasury shares	–	–	–	(40)	–	(40)
Disposal of treasury shares	–	–	–	3	–	3
Dividends	–	–	–	–	(1,736)	(1,736)
Share-based payment transactions	–	–	–	11	–	11
Changes in scope of consolidation	–	–	–	7	439	447
Changes in ownership interest in subsidiaries	–	–	–	93	(111)	(17)
Transfer from other components of equity to retained earnings	–	–	(45,402)	–	–	–
Transfer to non-financial assets	–	(3,972)	(3,972)	(3,972)	–	(3,972)
Other	–	–	–	–	(351)	(351)
Total transactions with owners	–	(3,972)	(49,375)	(3,895)	(1,759)	(5,655)
Balance as of December 31, 2020	(39,451)	313	(1,813)	1,595,001	80,422	1,675,423

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

	(million yen)	
	Through Third Quarter of Fiscal 2019 (April 1, 2019 – December 31, 2019)	Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)
Cash flows from operating activities		
Profit (loss) before tax	42,600	(70,655)
Depreciation and amortization	167,166	172,286
Increase (decrease) in allowance	(7,937)	(3,913)
Interest and dividend income	(10,878)	(6,331)
Interest expenses	10,804	10,511
Decrease (increase) in trade and other receivables	90,947	24,029
Decrease (increase) in inventories	(856)	102,662
Increase (decrease) in trade and other payables	(30,964)	(69,925)
Other	(151,125)	(38,171)
Subtotal	109,757	120,492
Interest and dividends received	21,915	11,872
Interest paid	(9,969)	(9,270)
Income taxes refund (paid)	(12,692)	(7,083)
Cash flows from operating activities	109,011	116,011
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(243,407)	(230,729)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	2,617	1,223
Purchase of investments	(7,891)	(3,538)
Proceeds from sale of investments	740	117,391
Other	3,181	(9,713)
Cash flows from investing activities	(244,758)	(125,366)

	(million yen)	
	Through Third Quarter of Fiscal 2019 (April 1, 2019 – December 31, 2019)	Through Third Quarter of Fiscal 2020 (April 1, 2020 – December 31, 2020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(7,687)	8,123
Increase (decrease) in commercial papers	47,999	(88,999)
Proceeds from long-term borrowings	142,449	223,207
Repayments of long-term borrowings	(82,549)	(100,087)
Proceeds from issuance of bonds	120,000	60,000
Payments for purchase of treasury shares	(51)	(40)
Dividends paid to owners of parent	(40,363)	-
Other	(38,318)	(1,499)
Cash flows from financing activities	<u>141,478</u>	<u>100,704</u>
Effect of exchange rate change on cash and cash equivalents	(1,741)	(2,051)
Net increase (decrease) in cash and cash equivalents	<u>3,989</u>	<u>89,297</u>
Cash and cash equivalents at beginning of period	<u>82,288</u>	<u>86,704</u>
Cash and cash equivalents at end of period	<u><u>86,277</u></u>	<u><u>176,002</u></u>

(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 of Fiscal 2020

(billion yen)

	FY 2019	FY 2020	Change
	First Three Quarters	First Three Quarters	First Three Quarters
Steel Business	2,005.8	1,607.5	(398.3)
Engineering Business	364.7	351.2	(13.5)
Trading Business	829.3	676.6	(152.7)
Adjustments	(408.4)	(316.9)	91.5
Revenue	2,791.5	2,318.4	(473.1)
Business profit ¹ A	52.0	(61.1)	(113.1)
Finance income / costs B	(9.4)	(9.4)	0.0
Segment Profit			
Steel Business	11.3	(101.9)	(113.2)
Engineering Business	19.5	19.6	0.1
Trading Business	21.2	13.7	(7.5)
Adjustments	(9.6)	(2.1)	7.5
Total A+B	42.6	(70.6)	(113.2)
Exceptional Items ²	-	-	0.0
Profit before tax	42.6	(70.6)	(113.2)
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests	(15.6)	0.9	16.5
Profit Attributable to Owners of Parent	26.9	(69.6)	(96.5)

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 Results and Earnings Forecasts for Fiscal 2020

(billion yen)

	FY 2019			FY 2020			Change			FY2020 Previous forecast (November 9)	
	1H	2H	Full year	1H	2H	Full year	1H	2H	Full year	Full year	
Steel Business	1,353.1	1,328.2	2,681.3	1,027.2	1,232.8	2,260.0	(325.9)	(95.4)	(421.3)	2,200.0	
Engineering Business	238.9	273.3	512.2	221.9	268.1	490.0	(17.0)	(5.2)	(22.2)	490.0	
Trading Business	557.5	526.6	1,084.1	451.7	488.3	940.0	(105.8)	(38.3)	(144.1)	930.0	
Adjustments	(278.3)	(269.7)	(548.0)	(208.6)	(241.4)	(450.0)	69.7	28.3	98.0	(450.0)	
Revenue	1,871.2	1,858.5	3,729.7	1,492.2	1,747.8	3,240.0	(379.0)	(110.7)	(489.7)	3,170.0	
Business profit ¹	A	49.0	(11.2)	37.8	(114.3)	82.3	(32.0)	(163.3)	93.5	(69.8)	(90.0)
Finance income / costs	B	(6.3)	(6.2)	(12.5)	(6.4)	(6.6)	(13.0)	(0.1)	(0.4)	(0.5)	(15.0)
Segment Profit											
Steel Business		17.7	(26.4)	(8.7)	(136.2)	56.2	(80.0)	(153.9)	82.6	(71.3)	(135.0)
Engineering Business		11.9	11.2	23.1	8.7	13.3	22.0	(3.2)	2.1	(1.1)	21.0
Trading Business		14.6	12.4	27.0	7.2	9.8	17.0	(7.4)	(2.6)	(10.0)	13.0
Adjustments		(1.5)	(14.4)	(15.9)	(0.4)	(3.6)	(4.0)	1.1	10.8	11.9	(4.0)
Total	A+B	42.7	(17.4)	25.3	(120.7)	75.7	(45.0)	(163.4)	93.1	(70.3)	(105.0)
Exceptional Items ²		-	(238.8)	(238.8)	-	22.0	22.0	0.0	260.8	260.8	-
Profit before tax		42.7	(256.1)	(213.4)	(120.7)	97.7	(23.0)	(163.4)	353.8	190.4	(105.0)
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		(10.8)	26.5	15.7	15.0	(30.0)	(15.0)	25.8	(56.5)	(30.7)	5.0
Profit Attributable to Owners of Parent		31.9	(229.6)	(197.7)	(105.7)	67.7	(38.0)	(137.6)	297.3	159.7	(100.0)

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.

(3) Consolidated Financial Indices Forecasts for Fiscal 2020

	Fiscal 2019	Fiscal 2020	Change
Return on Sales (ROS) ¹	1.0%	(1.0%)	(2.0%)
Return on Assets (ROA) ²	0.8%	(0.7%)	(1.5%)
Return on Equity (ROE) ³	(11.1%)	(2.3%)	8.8%
EBITDA ⁴	269.4 billion yen	208.0 billion yen	(61.4 billion yen)
Interest-bearing debt outstanding	1,814.3 billion yen	1,800.0 billion yen	(14.3 billion yen)
Debt / EBITDA multiple ⁵	6.7x	8.7x	2.0x
Equity attributable to owners of parent	1,627.0 billion yen	1,630.0 billion yen	3.0 billion yen
D/E Ratio ⁶	96.4%	95.4%	(1.0%)

¹ ROS = Business profit / Revenue

² ROA = Business profit / Total assets

³ ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

⁴ EBITDA = Business profit + Depreciation and amortization

⁵ Debt / EBITDA multiple = Interest-bearing debt outstanding / EBITDA

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

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

Borrowing Execution Date	Amount Borrowed	Assessment of Equity Content	Amount Deemed to be Capital
June 30, 2016	200.0 billion yen	25%	50.0 billion yen
March 19, 2018	300.0 billion yen	25%	75.0 billion yen

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2019	Non-consolidated	7.00	6.79	13.79	6.24	6.70	12.94	26.73
	Consolidated	7.36	7.13	14.50	6.59	7.00	13.59	28.09
FY 2020	Non-consolidated	4.79	5.38	10.17	6.27	22.70*		
	Consolidated	5.09	5.68	10.77	6.59	23.90*		

*full year estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2019		5.85	5.94	11.80	5.59	6.09	11.68	23.47
FY 2020		4.59	4.75	9.34	5.42	20.50*		

*full year estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2019		39.9	42.1	41.0	39.7	44.4	42.1	41.5
FY 2020		44.2	40.2	42.2	40.3	46*	43*	43*

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2019		110.7	107.6	109.2	108.8	109.4	109.1	109.1
FY 2020		107.7	105.9	106.8	104.8	105*	105*	106*

*estimate

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2019		80.4	79.4	79.9	79.6	76.1	77.8	78.8
FY 2020		75.3	71.0	73.1	73.4	78*	76*	75*

*estimate

(8) Engineering Business Orders (including intersegment transactions)

(billion yen)

Field	FY2019	FY2020	Change
Environment	187.1	260.0*	72.9
Energy	109.8	120.0*	10.2
Infrastructure, others	116.1	120.0*	3.9
Total	413.0	500.0*	87.0

*estimate

(9) Breakdown of Changes in Segment Profit

a. First Three Quarters of FY 2020, compared to same period of FY 2019 (billion yen) Change

Steel Business

- Cost	76.0	Reduced fixed costs, mainly for repairs and labor, and effects of capital investment
- Sales volume and mix	(92.0)	Decreased volume due to lower demand and worsening of product mix
- Sales prices and raw materials	(7.0)	Narrowed spreads due to falling sales prices in Japan and overseas (despite lower prices for raw materials)
- Unrealized gains (losses) on inventories	(29.0)	
- Others	(61.2)	Deteriorated earnings of domestic and overseas group companies, etc.
- Total	<u>(113.2)</u>	

Engineering Business, Trading Business, Adjustment 0.0

b. FY 2020 (forecast), compared to FY 2019

(billion yen)
Change

Steel Business

- Cost	100.0	Reduced fixed costs, mainly for repairs and labor, and effects of capital investment
- Sales volume and mix	(105.0)	Decreased volume due to lower demand and worsening of product mix
- Sales prices and raw materials	0.0	
- Unrealized gains (losses) on inventories	(11.0)	
- Others	(55.3)	Deteriorated earnings of domestic and overseas group companies, etc.
- Total	<u>(71.3)</u>	

Engineering Business, Trading Business, Adjustment 1.0

c. FY 2020 (forecast), compared to previous forecast

(billion yen)
Change

Steel Business

- Cost	0.0	
- Sales volume and mix	4.0	Volume growth due to demand recovery, especially in automotive sector
- Sales prices and raw materials	23.0	Improved export spreads
- Unrealized gains (losses) on inventories	4.0	
- Others	24.0	Improved earnings of domestic and overseas group companies, etc.
- Total	<u>55.0</u>	

Engineering Business, Trading Business, Adjustment 5.0

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