

JFE Holdings' Financial Results for First Quarter of Fiscal Year 2021 Ending March 31, 2022

— All financial information has been prepared in accordance with International Financial Reporting Standards (IFRS) —
(Note: The following is an English translation of an original Japanese document)

August 12, 2021

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 and Nagoya stock exchanges 5411 www.jfe-holdings.co.jp/en Koji Kakigi, President and CEO Hiroki Watanabe, Manager, Public Relations Section, Investor Relations and Corporate Communications Department +81-3-3597-3842 August 12, 2021 Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in First Quarter of Fiscal 2021 (April 1 to June 30, 2021)

(1) Consolidated Operating Results (cumulative total)

(Percentages indicate year on year change)

	Revenue (million yen)	%	Business profit (million yen)	%	Profit Before tax (million yen)	%	Profit (million yen)	%	Profit attributable to owners of parent (million yen)	%	Compre- hensive income (million yen)	%
1Q FY 2021	888,940	19.5	88,363	-	85,442	-	63,102	-	61,978	-	105,195	-
1Q FY 2020	743,900	(19.8)	(47,223)	-	(50,440)	-	(38,742)	-	(39,197)	-	(27,293)	-

	Basic earnings per share (yen)	Diluted earnings per share (yen)
1Q FY 2021	107.64	107.62
1Q FY 2020	(68.07)	(68.07)

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 2021	4,725,226	1,853,547	1,772,186	37.5
End FY 2020	4,654,972	1,760,154	1,679,223	36.1

2. Dividends

	Dividend per share (yen)		
		Interim	Year-end
FY 2020	10.00	0.00	10.00
FY 2021 (forecast)	-	60.00	-

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 2021 (April 1, 2021 to March 31, 2022)

(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 FY2021	1,970,000	32.0	195,000	-	190,000	-	130,000	-	225.78
FY 2021	4,170,000	29.2	350,000	-	340,000	-	240,000	-	416.82

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, 2021: 614,438,399 shares
 - As of March 31, 2021: 614,438,399 shares
 - 2) Treasury stock at the end of the term
 - As of June 30, 2021: 38,653,872 shares
 - As of March 31, 2021: 38,646,342 shares
 - 3) Average number of shares during the term
 - 1Q FY 2021: 575,787,729 shares
 - 1Q FY 2020: 575,836,142 shares

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

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

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

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

Attachments

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

	As of March 31, 2021	(million yen) As of June 30, 2021
Assets		
Current assets:		
Cash and cash equivalents	142,416	102,849
Trade and other receivables	751,824	681,374
Contract assets	101,282	112,569
Inventories	785,632	873,483
Income taxes receivable	14,748	12,801
Other financial assets	13,359	16,939
<u>Other current assets</u>	<u>79,430</u>	<u>100,984</u>
Total current assets	1,888,694	1,901,001
Non-current assets:		
Property, plant and equipment:	1,772,303	1,794,930
Goodwill	6,200	10,792
Intangible assets	95,055	97,283
Right-of-use assets	111,938	108,090
Investment property	58,310	58,047
Investments accounted for using equity method	355,242	396,725
Retirement benefit asset	22,159	22,946
Deferred tax assets	86,014	66,713
Other financial assets	244,505	253,907
<u>Other non-current assets</u>	<u>14,547</u>	<u>14,788</u>
Total non-current assets	2,766,278	2,824,225
Total assets	4,654,972	4,725,226

	As of March 31, 2021	(million yen) As of June 30, 2021
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	496,995	501,503
Bonds payable, borrowings, and lease liabilities	277,027	336,114
Contract liabilities	43,038	54,665
Income taxes payable, etc.	15,090	4,276
Provisions	11,518	13,312
Other financial liabilities	86,836	102,958
Other current liabilities	208,510	165,525
Total current liabilities	1,139,017	1,178,356
Non-current liabilities		
Bonds payable, borrowings, and lease liabilities	1,529,112	1,488,287
Retirement benefit liability	141,186	124,211
Provisions	24,105	23,416
Deferred tax liabilities	7,591	4,315
Other financial liabilities	45,417	45,349
Other non-current liabilities	8,387	7,743
Total non-current liabilities	1,755,800	1,693,323
Total liabilities	2,894,818	2,871,679
Equity		
Share capital	147,143	147,143
Capital surplus	652,465	652,791
Retained earnings	1,029,976	1,091,243
Treasury shares	(180,639)	(180,651)
Other components of equity	30,278	61,660
Equity attributable to owners of parent	1,679,223	1,772,186
Non-controlling interests	80,930	81,360
Total equity	1,760,154	1,853,547
Total liabilities and equity	4,654,972	4,725,226

(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 2020 (April 1, 2020 – June 30, 2020)	(million yen) First Quarter of Fiscal 2021 (April 1, 2021 – June 30, 2021)
Revenue	743,900	888,940
Cost of sales	<u>(713,625)</u>	<u>(747,317)</u>
Gross profit	30,274	141,623
Selling, general and administrative expenses	(75,304)	(79,576)
Share of profit of entities accounted for using equity method	3,614	25,470
Other income	7,533	5,948
Other expenses	<u>(13,341)</u>	<u>(5,102)</u>
Business profit (loss)	(47,223)	88,363
Operating profit (loss)	<u>(47,223)</u>	<u>88,363</u>
Finance income	438	337
Finance costs	<u>(3,655)</u>	<u>(3,257)</u>
Profit (loss) before tax	(50,440)	85,442
Income tax expense	<u>11,697</u>	<u>(22,340)</u>
Profit (loss)	(38,742)	63,102
Profit attributable to		
Owners of parent	(39,197)	61,978
Non-controlling interests	454	1,123
Profit (loss)	<u>(38,742)</u>	<u>63,102</u>
Earnings per share		
Basic earnings (loss) per share (yen)	(68.07)	107.64
Diluted earnings (loss) per share (yen)	(68.07)	107.62

Condensed Quarterly Consolidated Statements of Comprehensive Income (First Quarter)

	First Quarter of Fiscal 2020 (April 1, 2020 – June 30, 2020)	(million yen) First Quarter of Fiscal 2021 (April 1, 2021 – June 30, 2021)
Profit (loss)	(38,742)	63,102
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	3,842	4,843
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	14,324	9,614
Share of other comprehensive income of investments accounted for using equity method	955	798
Total of items that will not be reclassified to profit or loss	19,122	15,256
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(4,081)	5,357
Effective portion of cash flow hedges	1,632	7,728
Share of other comprehensive income of investments accounted for using equity method	(5,223)	13,749
Total of items that may be reclassified to profit or loss	(7,673)	26,836
Total other comprehensive income	11,449	42,093
Comprehensive income	(27,293)	105,195
Comprehensive income attributable to		
Owners of parent	(27,567)	103,520
Non-controlling interests	274	1,674
Comprehensive income	(27,293)	105,195

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First Quarter of Fiscal 2020(April 1, 2020 – June 30, 2020)

(million yen)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	
					Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2020	147,143	652,430	1,002,076	(180,637)	–	39,768
Profit (loss)	–	–	(39,197)	–	–	–
Other comprehensive income	–	–	–	–	3,553	15,418
Comprehensive income	–	–	(39,197)	–	3,553	15,418
Purchase of treasury shares	–	–	–	(3)	–	–
Disposal of treasury shares	–	(10)	–	12	–	–
Dividends	–	–	–	–	–	–
Share-based payment transactions	–	5	–	–	–	–
Changes in ownership interest in subsidiaries	–	(1)	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	9,000	–	(3,553)	(5,447)
Transfer to non-financial assets	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total transactions with owners	–	(6)	9,000	9	(3,553)	(5,447)
Balance as of June 30, 2020	147,143	652,424	971,880	(180,627)	–	49,740

	Equity attributable to owners of parent						Non-controlling interests	Total equity
	Other components of equity			Total	Total	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)	–	–	–	(39,197)	454	(38,742)		
Other comprehensive income	(7,971)	629	11,629	11,629	(180)	11,449		
Comprehensive income	(7,971)	629	11,629	(27,567)	274	(27,293)		
Purchase of treasury shares	–	–	–	(3)	–	(3)		
Disposal of treasury shares	–	–	–	1	–	1		
Dividends	–	–	–	–	(1,365)	(1,365)		
Share-based payment transactions	–	–	–	5	–	5		
Changes in ownership interest in subsidiaries	–	–	–	(1)	4	2		
Transfer from other components of equity to retained earnings	–	–	(9,000)	–	–	–		
Transfer to non-financial assets	–	(6)	(6)	(6)	–	(6)		
Other	–	–	–	–	(106)	(106)		
Total transactions with owners	–	(6)	(9,006)	(2)	(1,467)	(1,470)		
Balance as of June 30, 2020	(39,913)	(1,190)	8,635	1,599,455	78,333	1,677,788		

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 (loss)	–	–	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 (loss)	–	–	–	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

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

	(million yen)	
	First Quarter of Fiscal 2020 (April 1, 2020 – June 30, 2020)	First Quarter of Fiscal 2021 (April 1, 2021 – June 30, 2021)
Cash flows from operating activities		
Profit (loss) before tax	(50,440)	85,442
Depreciation and amortization	54,375	61,540
Changes in allowance	(1,136)	(954)
Interest and dividend income	(3,179)	(1,694)
Interest expenses	3,514	3,179
Decrease (increase) in trade and other receivables	105,560	85,774
Decrease (increase) in inventories	45,434	(85,973)
Increase (decrease) in trade and other payables	(66,182)	1,554
Other	(52,965)	(84,995)
Subtotal	34,980	63,874
Interest and dividends received	5,921	2,648
Interest paid	(3,299)	(3,040)
Income taxes paid	(16,643)	(14,769)
Cash flows from operating activities	20,959	48,712
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets, and investment property	(90,504)	(81,580)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property	201	111
Purchase of investments	(1,352)	(2,069)
Proceeds from sale of investments	15,587	933
Other	417	(5,546)
Cash flows from investing activities	(75,651)	(88,152)

	(million yen)	
	First Quarter of Fiscal 2020 (April 1, 2020 – June 30, 2020)	First Quarter of Fiscal 2021 (April 1, 2021 – June 30, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	25,230	(24,163)
Increase (decrease) in commercial papers	(81,999)	70,000
Proceeds from long-term borrowings	181,850	10,486
Repayments of long-term borrowings	(50,720)	(42,939)
Proceeds from issuance of bonds	–	35,000
Payments for redemption of bonds	–	(30,000)
Payments for purchase of treasury shares	(3)	(9)
Dividends paid to owners of parent	–	(5,765)
Other	(12,440)	(12,974)
Cash flows from financing activities	61,916	(366)
Effect of exchange rate change on cash and cash equivalents	(279)	238
Net increase (decrease) in cash and cash equivalents	6,944	(39,567)
Cash and cash equivalents at beginning of period	86,704	142,416
Cash and cash equivalents at end of period	93,649	102,849

(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 2021

(billion yen)											
	FY 2020			FY 2021			Change			FY2021 Previous forecast (May 7)	
	1Q	1H	Full year	1Q	1H	Full year	1Q	1H	Full year	Full year	
Steel Business	508.7	1,027.2	2,255.2	638.5	1,450.0	3,130.0	129.8	422.8	874.8	/	
Engineering Business	105.0	221.9	485.7	103.0	240.0	520.0	(2.0)	18.1	34.3		
Trading Business	238.0	451.7	932.5	261.6	560.0	1,150.0	23.6	108.3	217.5		
Adjustments	(107.9)	(208.6)	(446.1)	(114.2)	(280.0)	(630.0)	(6.3)	(71.4)	(183.9)		
Revenue	743.9	1,492.2	3,227.2	888.9	1,970.0	4,170.0	145.0	477.8	942.8	3,930.0	
Business profit ¹	A	(47.2)	(114.3)	(12.9)	88.3	195.0	350.0	135.5	309.3	362.9	200.0
Finance income / costs	B	(3.2)	(6.4)	(12.4)	(2.9)	(5.0)	(10.0)	0.3	1.4	2.4	(10.0)
Segment Profit											
Steel Business		(57.8)	(136.2)	(65.4)	69.7	160.0	280.0	127.5	296.2	345.4	140.0
Engineering Business		1.5	8.7	24.0	4.2	10.0	25.0	2.7	1.3	1.0	25.0
Trading Business		4.4	7.2	20.0	11.5	23.0	38.0	7.1	15.8	18.0	27.0
Adjustments		1.3	(0.4)	(4.1)	(0)	(3.0)	(3.0)	(1.3)	(2.6)	1.1	(2.0)
Total	A+B	(50.4)	(120.7)	(25.4)	85.4	190.0	340.0	135.8	310.7	365.4	190.0
Exceptional Items ²		-	-	20.4	-	-	-	0.0	0.0	(20.4)	-
Profit before tax		(50.4)	(120.7)	(4.9)	85.4	190.0	340.0	135.8	310.7	344.9	190.0
Tax Expense and Profit (Loss) Attributable to Non-controlling Interests		11.2	15.0	(16.9)	(23.4)	(60.0)	(100.0)	(34.6)	(75.0)	(83.1)	(60.0)
Profit Attributable to Owners of Parent		(39.1)	(105.7)	(21.8)	61.9	130.0	240.0	101.0	235.7	261.8	130.0

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

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

(2) Consolidated Financial Indices

	Fiscal 2020	1H Fiscal 2021	Change
Return on Sales (ROS) ¹	(0.4%)	9.9%	10.3%
Return on Assets (ROA) ²	(0.3%)	8.3%	8.6%
Return on Equity (ROE) ³	(1.3%)	14.8%	16.1%
EBITDA ⁴	223.4 billion yen	315.0 billion yen	-
Interest-bearing debt outstanding	1,806.1 billion yen	1,800.0 billion yen	(6.1 billion yen)
Debt / EBITDA multiple ⁵	8.1x	2.9x	-
Equity attributable to owners of parent	1,679.2 billion yen	1,840.0 billion yen	160.8 billion yen
D/E Ratio ⁶	93.2%	84.4%	(8.8%)

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 2020	Non-consolidated	4.79	5.38	10.17	6.27	6.32	12.59	22.76
	Consolidated	5.09	5.68	10.17	6.59	6.60	13.19	23.96
FY 2021	Non-consolidated	6.25	6.70*	Less than 13.00*			More than 13.50*	26.50*
	Consolidated	6.59	7.00*	Less than 13.60*				

*estimate

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

(million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		4.59	4.75	9.34	5.42	5.72	11.15	20.49
FY 2021		5.26	6.20*	11.40*				

*estimate

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

(%)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		44.2	40.2	42.2	40.3	44.3	42.4	42.3
FY 2021		43.2	50*	47*				

*estimate

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

(JPY/USD)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		107.7	105.9	106.8	104.8	104.7	104.8	105.8
FY 2021		109.8	110*	110*			110*	110*

*estimate

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

(thousand yen/ton)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2020		75.3	71.0	73.1	73.4	78.8	76.2	74.8
FY 2021		87.6	100*	95*				

*estimate

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

(billion yen)

Field	1H FY2020	1H FY2021 Forecast	Change	FY2021 Forecast
Waste to Resource	155.0	156.0*	1.0	230.0*
Carbon Neutral	29.1	21.0*	(8.1)	82.0*
Combined utility services	9.3	8.0*	(1.3)	15.0*
Core Infrastructure	105.5	115.0*	9.5	223.0
Total	298.9	300.0*	1.1	550.0*

*estimate

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

(billion yen)

	FY2020	FY2021 Forecast	
Capital Investment	342.3	350.0*	(on construction basis)
Depreciation & Amortization	236.3	250.0*	

*estimate

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

a. First quarter of FY 2021, compared to same period of FY 2020

	<u>Change</u> (billion yen)	
Steel Business		
- Costs	15.0	Capital investment effects, reduction in cost increase due to production decline, etc.
- Sales volume and mix	25.0	Volume increase due to recovery in demand for steel materials
- Sales prices and raw materials	(11.0)	Tighter spreads due to higher iron ore prices, despite improved sales prices
- Unrealized gains (losses) on inventories	67.0	
- Others	31.5	Improved earnings of domestic and overseas group companies, etc.
- Total	<u>127.5</u>	
Engineering and Trading businesses, and Adjustments	8.3	

b. FY 2021 forecast, compared to FY 2020

	<u>Change</u> (billion yen)	
Steel Business		
- Costs	30.0	Capital investment effects
- Sales volume and mix	70.0	Volume increase due to recovery in demand for steel materials
- Sales prices and raw materials	43.0	Improved spreads due to higher sales prices, despite persistently high prices for main raw materials
- Unrealized gains (losses) on inventories	191.0	
- Others	11.4	Improved earnings of domestic and overseas group companies, and increased prices for scrap, metals, etc.
- Total	<u>345.4</u>	
Engineering and Trading businesses, and Adjustments	20.0	

c. FY 2021 forecast, compared to previous forecast

	<u>Change</u> (billion yen)	
Steel Business		
- Costs	0.0	30 billion yen cost reduction from previous year
- Sales volume and mix	0.0	Approximately 26.5 million tons of crude steel
- Sales prices and raw materials	28.0	Improved earnings of domestic and overseas group companies, and increased prices for scrap, metals, etc.
- Unrealized gains (losses) on inventories	101.0	
- Others	11.0	Improved earnings of domestic and overseas group companies, and increased prices for scrap, metals, etc.
- Total	<u>140.0</u>	
Engineering and Trading businesses, and Adjustments	10.0	

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