

February 9, 2021

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To whom it may concern:

Notice of Revised Financial Results Forecasts and Dividend Forecasts

JFE Holdings, Inc. announces herewith its revised consolidated financial results forecasts and dividend forecasts, which were initially announced on November 9, 2020 and have now been revised due to recent trends in business performance.

■ Revised consolidated financial results forecasts

Fiscal 2020 (April 1, 2020 to March 31, 2021)

	Revenue (million yen)	Business profit ¹ (million yen)	Profit before tax (million yen)	Profit attributable to owners of parent (million yen)	Basic earnings per share (yen)
Previous forecast (A)	3,170,000	(90,000)	(105,000)	(100,000)	(173.66)
New forecast (B)	3,240,000	(32,000)	(23,000)	(38,000)	(65.99)
Amount of change (B-A)	70,000	58,000	82,000	62,000	
Change (%)	2.2	-	-	-	
Reference: FY2019 results	3,729,717	37,899	(213,473)	(197,744)	(343.39)

¹ Business profit is profit before tax that excludes financial income and one-time items of a materially significant value used as a benchmark indicator of the company's consolidated earnings.

JFE Holdings' consolidated financial results for the fiscal year ending March 31, 2021 remain subject to uncertainties due to COVID-19, but with financial performance trending toward recovery in the fiscal second half, mainly the steel business, the company now expects earnings to be better than forecasted earlier. JFE Holdings now expects a business loss of 32.0 billion yen, an improvement of 58.0 billion yen relative to its previous forecast.

Details for each business segment follow.

Steel business: Production was down sharply in the fiscal first half due to a decline in sales volumes as a result of substantially reduced commercial activities in industries that normally account for significant steel demand. In the second half, however, demand has been recovering, particularly in the automotive field, so the company now expects its non-consolidated crude steel output for the year to amount to around 22.7 million tons, an increase of 0.2 million tons since the previous forecast. The company now forecasts a segment loss² of 80.0 billion yen, an improvement of 55.0 billion yen from the previous forecast. The contributing factors include ongoing efforts to improve earnings, a recovery in crude steel output volume due to resumed demand and stronger selling prices due to favorable trends in export-market prices.

Engineering business: This segment has continued to perform well in Japan, particularly in the environmental sector and the infrastructure sector centered on steel structures. The company now expects a segment profit of 22.0 billion yen, up 1.0 billion yen from the previous forecast.

Trading business: The company now forecasts a segment profit of 17.0 billion yen, 4.0 billion yen higher than the previous forecast, reflecting unexpectedly strong recoveries in demand for automobiles and other goods both in Japan and abroad in the fiscal second half.

To facilitate a more efficient use of resources and strengthen the company's financial position, JFE Holdings sold off certain fixed assets in the fiscal fourth quarter, which will be recognized as gains on fixed-asset sales under exceptional items.³ Accordingly, the company now forecasts a loss before tax of 23.0 billion yen, an improvement of 82.0 billion yen over the previous forecast, and a loss attributable to owners of the parent of 38.0 billion yen, an improvement of 62.0 billion yen.

² Segment profit is profit including financial profit and loss in business profit, used as a benchmark indicator of each segment's performance

³ Exceptional items are one-time items of a materially significant value

■ Revised dividend forecast

Fiscal 2020 (April 1, 2020 to March 31, 2021)

	Dividend per share (yen)				
	End of 1st quarter	Interim	End of 3rd quarter	Year end	Annual
Previous forecast (November 9, 2020)	-	0.00	-	-	-
Revised forecast	-	-	-	10.00	10.00
Dividends in current fiscal year	-	0.00	-		
Dividends in previous fiscal year (ended March 31, 2020)	-	20.00	-	0.00	20.00

JFE Holdings regards its return of profits to shareholders as a priority. The company's policy is to actively pay out dividends while also ensuring a sustainable financial foundation for the entire group. Specifically, dividends generally are based on a consolidated payout ratio of around 30%.

JFE Holdings expects to recognize a consolidated net loss for the full fiscal year, due in part to substantially declined commercial activities in industries that normally account for key demand owing to the impact of COVID-19 in the fiscal first half. However, in light of the substantial improvement in earnings in the second half, particularly in the steel business, as well as prospects for improved performance in the coming fiscal year, the company intends to propose a per-share dividend of 10 yen (total annual dividend of 10 yen) at the upcoming general meeting of shareholders.