(Translation for reference only)

Notice of the 12th Ordinary General Meeting of Shareholders

Materials Published on our Website

12th Fiscal Year

(From April 1, 2013 to March 31, 2014)

Notes to the Consolidated Financial Statements

Notes to the Non-consolidated Financial Statements

JFE Holdings, Inc.

These Notes are published on our website (http://www.jfe-holdings.co.jp/en/) in accordance with the applicable laws and regulations and the Articles of Incorporation.

(Translation for reference only)

Notes to the Consolidated Financial Statements

Significant Matters on the Basis of the Preparation of the Consolidated Financial Statements

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 303
   The names of significant consolidated subsidiaries are as stated in “Significant subsidiaries” of the Business Report. Accordingly, listing of these companies is omitted.
   16 companies have been newly included in the scope of consolidation for the consolidated fiscal year under review primarily due to establishment of companies.
   Nine companies have been excluded from the scope of consolidation. This is due to liquidation (4 companies), merger (3 companies) and transfer of shares (2 companies).

   (2) Names, etc., of primary non-consolidated subsidiary
   JFE Solar Power Shimizu Co., Ltd.
   (Reason for exclusion from the scope of consolidation)
   Non-consolidated subsidiary is excluded from the scope of consolidation because the exclusion has no significant impact on a rational evaluation of the financial condition and the operating results of the Group, based on their respective total assets, net sales, net income (loss) (corresponding to the equity ratio owned by the Company) and retained earnings (corresponding to the equity ratio owned by the Company), etc.

2. Application of the equity method
   (1) Number of equity method affiliates: 62
   The names of significant equity method affiliates are as stated in “Significant affiliates” of the Business Report. Accordingly, listing of these companies is omitted.
   One company was excluded from the scope of application of the equity method for the consolidated fiscal year under review. This is mainly due to the transfer of shares.

   (2) Names, etc. of primary non-consolidated subsidiaries and affiliates not accounted for by the equity method
   (Non-consolidated subsidiary) JFE Solar Power Shimizu Co., Ltd.
   (Affiliate) NISSIN-UNYU CO., LTD.
   (Reason for non-application of the equity method)
   The equity method is not applied for these subsidiary and affiliate because their respective net income (loss) (corresponding to the equity ratio owned by the Company) and retained earnings (corresponding to the equity ratio owned by the Company) have no significant impact on the consolidated financial statements.

3. Fiscal years, etc., of consolidated subsidiaries, etc.
   The closing date of some of the consolidated subsidiaries (10 domestic companies and 105 overseas companies), including THAI COATED STEEL SHEET CO., LTD., is December 31 or January 31.
   Since the difference between the closing dates of said companies and the consolidated closing date is not more than three months, their respective financial statements as of and for the year ended respective closing dates of these companies are used in preparing the consolidated financial statements.
   In preparing the consolidated financial statements, the financial statements as of and for the year ended respective closing dates are used for these companies, with necessary adjustments provided for consolidation purposes with regard to material transactions between their closing dates and the consolidated closing date.

4. Accounting policies

(1) Valuation basis and method for assets

1) Short-term investment securities

Available-for-sale securities for which the market values are readily determinable:	Mainly valued at market determined by the average of market prices for one month prior to the consolidated closing date (Unrealized gains and losses are reported, net of applicable taxes, in a separate component of net assets. The cost of securities sold is determined mainly by the moving-average method.)
Available-for-sale securities for which the market values are not readily determinable:	Mainly valued at cost determined by the moving-average method

2) Inventories

Mainly valued at cost determined by periodic average method. (The amount posted in the Consolidated Balance Sheets is computed by writing down the book value with regard to the inventories for which profitability was clearly declining.)

(2) Depreciation method of depreciable assets

1) Property, plant and equipment (excluding lease assets)

Mainly computed by the declining balance method

2) Intangible assets (excluding lease assets)

Mainly computed by the straight-line method

Capitalized software for internal use is amortized by the straight-line method over the internal useful life (mainly five years).

3) Lease assets

Leased assets related to finance lease transactions that do not transfer ownership are depreciated using the straight-line method with estimated useful lives equal to lease terms, and zero residual values (Specific amount of residual value be applied instead where the relevant lease agreement stipulates the amount).

(3) Accounting basis of provisions and allowances

1) Allowance for doubtful accounts

An allowance for doubtful accounts is provided for possible losses from uncollectible claims, at the amount calculated based on the actual rate of loss from the bad debt for ordinary claims, and on the estimated recoverability for specific receivables such as doubtful claims.

2) Provision for special repairs

A provision for special repairs is provided at an amount of the estimated expense to prepare for the repair necessary for upgrading blast furnaces and blast furnace stoves.

3) Provision for loss on specified business

A provision for loss on specified business is provided at the estimated amount of the possible loss on specific disposal of industrial waste business, which from the following consolidated fiscal year under review.

(4) Revenue recognition

The percentage-of-completion method is applied to constructions for which certainty of performance regarding the portion in progress before the end of the consolidated fiscal year under review can be recognized (cost percentage method is used for estimating a percentage of completion of work), while the completed-contract method is applied to any other constructions.

(5) Other significant matters for the preparation of the consolidated financial statements

1) Accounting for consumption taxes, etc.
Transactions subject to the consumption tax and the local consumption tax are recorded at amounts exclusive of the consumption tax.

2) Application of consolidated tax reporting
Consolidated tax reporting is applied.

3) Goodwill write-off method and period
Goodwill is equally amortized over five years whereas it is amortized for one time if the amount is small.

4) Accounting basis of net defined benefit asset/liability
Net defined benefit asset/liability is reported for employees' retirement benefits at the amount of retirement benefit obligations after deducting the plan assets, which is calculated based on the estimated amounts at the end of the consolidated fiscal year under review.
Prior service cost is amortized on a straight-line basis over a certain period within an average remaining service period of employees at the time of its occurrence.
Actuarial differences are amortized for the pro-rata amount computed by the straight-line basis from the following consolidated fiscal year over a certain period within an average remaining service period of employees at the time of its occurrence.
Unrecognized actuarial differences and unrecognized prior service cost after adjusting tax effects are reported as "Remeasurements of defined benefit plans" under net assets.

Notes to Changes in Accounting Policies

(Application of the Accounting Standard for Retirement Benefits, etc.)

The "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 issued on May 17, 2012; hereinafter the "Accounting Standard for Retirement Benefits") and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 issued on May 17, 2012; hereinafter the "Guidance") have been applied effective from the end of the consolidated fiscal year under review (however, excluding the provisions set forth in Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance). As a result of this change, the amount of retirement benefit obligations after deducting the plan assets was reported as "Net defined benefit asset/liability." According to this change in calculation method, unrecognized actuarial differences and unrecognized prior service cost are accounted for as net defined benefit asset/liability.

The application of the Accounting Standard for Retirement Benefits, etc., complies with provisional accounting treatment, which is set forth in Paragraph 37 of the Accounting Standard for Retirement Benefits and accordingly the effects of this change in accounting method are adjusted as remeasurements of defined benefit plans at the end of the consolidated fiscal year under review.

As a result, a net defined benefit asset of ¥11,652 million and a net defined benefit liability of ¥115,058 million were reported at the end of the consolidated fiscal year under review. Meanwhile, the remeasurements of defined benefit plans decreased by ¥5,024 million from the end of the previous consolidated fiscal year.

Net assets per share decreased by ¥8.71 from the end of the previous consolidated fiscal year.

(Translation for reference only)

Notes to the Consolidated Balance Sheets

1. Assets pledged as collateral and corresponding secured obligations

(1) Assets pledged as collateral

Notes receivable-trade	¥945 million
Property, plant and equipment	¥4,400 million
Intangible assets	¥163 million
Investment securities	¥350 million
"Other" under investments and other assets	¥238 million
(Note) Industrial foundation's assets of property, plant and equipment as mortgage	¥ 2,069 million

(2) Corresponding secured obligations

Accounts payable-trade	¥163 million
Short-term loans payable	¥500 million
Long-term loans payable	¥1,593 million
(Note) Those of above corresponding to the industrial foundation's assets	
Short-term loans payable	¥360 million
Long-term loans payable	¥24 million

In addition to the above, deposits in the Company from the consolidated subsidiaries (¥8,000 million on the financial statements thereof) are secured against the obligations for guarantees on facility capabilities.

2. Accumulated depreciation for property, plant and equipment ¥6,327,176 million

3. Liabilities on guarantees and commitments to guarantees

Guarantees on the loans payable to financial institutions, etc., of the following companies

Japan-Brazil Niobium Co., Ltd.	¥10,878 million
Japan Tunnel Systems Corporation	¥909 million
Kawarin Enterprise Pte Ltd.	¥735 million
Other	¥1,067 million
Total	¥13,591 million

Other than the above, the Company offers a guarantee on an obligation that may arise in the future to Byerwen Coal Pty Ltd and Mizushima Eco-works Co., Ltd.

Limit on amount of guarantees for the consolidated fiscal year ¥12,207 million

4. Amounts of discounts on notes receivable-trade and endorsement for transfer

¥3,522 million

(Translation for reference only)

Notes to the Consolidated Statements of Changes in Net Assets

1. Type and total number of issued shares as of the end of the fiscal year under review
   Common stock 614,438,399

2. Dividends
   (1) Amounts of dividends paid

Date of resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 20, 2013	Common stock	11,565	20	March 31, 2013	June 21, 2013
Meeting of the Board of Directors held on October 25, 2013	Common stock	11,547	20	September 30, 2013	November 29, 2013

   (2) Of the dividends for which the record date belongs to the fiscal year under review, those dividends for which the effective date will be after the end of the fiscal year under review

Date of proposal for resolution	Type of share	Total amount of dividends (Millions of yen)	Source of funds for dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 19, 2014	Common stock	11,543	Retained earnings	20	March 31, 2014	June 20, 2014

(Translation for reference only)

Notes to Financial Instruments

1. Status of financial instruments

(1) Policy on treatment of financial instruments

The Group raises the necessary funds mainly through bank loans, commercial papers and bond issuance, taking into consideration the stability and cost of funds. Temporary surplus funds are being managed with short-term financial instruments. The Group uses derivatives as a hedge against risks described below and not for speculative transactions.

(2) Content and risks of financial instruments, and the risk management systems relating to financial instruments

Notes and accounts receivable-trade, which are trade claims, are exposed to the credit risks of customers. To manage such risks, each company of the JFE Group conducts regular reassessments of the financial standing of business partners. In addition, some of the claims were sold before due dates.

For notes and accounts payable-trade, which are trade obligations, payment due dates are usually within one year.

Trade claims and obligations in foreign currencies are exposed to risks of currency fluctuations. Hedge transactions, including forward exchange contracts, are conducted as necessary for the parts that were not balanced out by the offsets between receipts of foreign currencies through transactions denominated in the relevant foreign currencies (exports of products, etc.), and payments of foreign currencies through transactions denominated in the relevant foreign currencies (imports of raw materials, etc.).

Equities, which correspond to investment securities, are exposed to risks of market price fluctuations. Investment securities denominated in foreign currencies are exposed to risks of currency fluctuations. Most of the investment securities are equities of the companies with which business relationships are maintained, and the actual market values of such equities are regularly determined.

Taking into consideration the liquidity risk of loans and bonds payable, due dates of these obligations are set not to fall on the same day. Loans and bonds payable with floating interest rates are exposed to risks of interest-rate fluctuations. Some loans and bonds payable are hedged through interest rate swaps, etc., to cope with risks of interest-rate fluctuations and to reduce interest payments.

Derivative transactions used by the JFE Group carry risks of market price fluctuations in the future, including that of currencies, interest-rates, etc. The JFE Group uses derivatives that are only based on actual demand, such as export and import transactions, loans and bonds payable. Accordingly, these risks are limited within the scope of loss of opportunity gains.

Furthermore, as the JFE Group only conducts derivative transactions with financial institutions with high credit ratings, the credit risk of failure to perform contracts due to bankruptcy of the counterparty, etc., is considered to be close to non-existent. The Company has established the internal rule on derivative transactions, and conducts transactions related to derivatives pursuant to the rule. On each actual transaction, the Company conducts a transaction upon authority by the Corporate Officer for Finance pursuant to the rule stated above. Balances, market values and losses/gains on valuation of derivatives are to be reported to the management council regularly. The consolidated subsidiaries also conduct derivative transactions pursuant to the respective internal rules.

(3) Supplemental explanation for matters relating to market values, etc., of financial instruments

Market values of financial instruments include values based on market prices and values reasonably calculated if they have no market prices. Since calculations of the relevant values adopt certain assumptions, etc., the relevant values may vary depending on the assumptions applied.

2. Market values, etc., of financial instruments
   Amounts on the Consolidated Balance Sheets, market values, and their differences as of March 31, 2014 are shown as follows. Items whose market values are considered extremely difficult to determine are not included in the table below (see Note 2).

(Millions of yen)

	Amounts on the Consolidated Balance Sheets	Market value	Difference
(1) Cash and deposits	62,913	62,913	—
(2) Notes and accounts receivable-trade	630,061	630,061	—
(3) Short-term investment securities and investment securities			
Other securities	390,128	390,128	—
Total assets	1,083,103	1,083,103	—
(1) Notes and accounts payable-trade	401,922	401,922	—
(2) Short-term loans payable	283,125	283,125	—
(3) Commercial papers	22,998	22,998	—
(4) Current portion of bonds	80,000	80,188	188
(5) Bonds payable	205,000	205,929	929
(6) Long-term loans payable	942,912	944,406	1,493
Total liabilities	1,935,958	1,938,570	2,611
Derivative transactions (*1)			
1) Hedge accounting not applied	418	418	—
2) Hedge accounting applied	163	163	—
Total derivative transactions	582	582	—

(*1) Net claims and obligations resulting from derivative transactions are indicated as net amounts. Figures of total net obligations are indicated in parentheses.

(Note 1) Methods of calculating market values of financial instruments

Assets

(1) Cash and deposits and (2) Notes and accounts receivable-trade

They are based on the relevant book values, as they are quickly settled and their market values are close to their book values. In addition, some of the accounts receivable-trade are subject to appropriation treatment (please refer to 2) of "Derivative transactions" below).

(3) Short-term investment securities and investment securities

The market values of equities, etc., are based on the prices on stock exchanges and those of bonds receivable are based on the prices presented by correspondent financial institutions.

Liabilities

(1) Notes and accounts payable-trade, (2) Short-term loans payable and (3) Commercial papers

They are based on the relevant book values, as they are quickly settled and their market values are close to their book values. In addition, some of the accounts payable-trade are subject to appropriation treatment (please refer to 2) of "Derivative transactions" below).

(4) Current portion of bonds and (5) Bonds payable

The market value of bonds issued by the Company is stated as the market price. The market value of bonds payable subject to special treatment such as interest rate swaps (please refer to 2) of "Derivative transactions" below) is determined by discounting the total of principal and interest stated in association with the interest rate swap by an interest rate reasonably estimated from that applied to similar bonds payable.

(6) Long-term loans payable

The market value of long-term loans payable is determined by discounting the total of principal and interest by the estimated interest rate on similar new loans payable. The market value of long-term loans payable subject to special treatment such as interest rate swaps (please refer to 2) of “Derivative transactions” below) is determined by discounting the total of principal and interest stated in association with the interest rate swap by an interest rate reasonably estimated from that applied to similar loans payable.

Derivative transactions

1) Hedge accounting not applied

The market value of derivative transactions to which hedge accounting is not applied is based on the prices presented by correspondent financial institutions with which the relevant contract is concluded.

2) Hedge accounting applied

The market value of derivative transactions to which basic hedge accounting is applied is based on the prices presented by correspondent financial institutions with which the relevant contract is concluded.
Instruments subject to special treatment such as interest rate swaps are stated in association with hedged bonds payable and long-term loans payable, and their market value is therefore included in the market value of the relevant bonds payable and long-term loans payable (please refer to (2), (4), (5) and (6) of “Liabilities” above.)
Instruments subject to appropriation treatment such as forward exchange contracts are stated in association with hedged items, and their market value is therefore included in the market value of the relevant accounts receivable-trade and accounts payable-trade (please refer to (2) of “Assets” and (1) of “Liabilities” above.)

(Note 2) Financial instruments whose market values are considered extremely difficult to determine

Category	Amounts on the Consolidated Balance Sheets (Millions of yen)
Unlisted equities	31,013
Investment securities	31

The items above are not included in “Other securities” of “(3) Short-term investment securities and investment securities,” as they have no market prices and their market values are considered extremely difficult to determine.

Notes to Per–share Information

1. Net assets per share	¥2,950.61
2. Net income per share	¥177.44

(Translation for reference only)

Notes to the Non-consolidated Financial Statements

1. Significant accounting policies
   (1) Equities of affiliated companies are valued at cost by the moving-average method.

   (2) Depreciation of property, plant and equipment is computed by the declining balance method.

   (3) Provision for bonuses for Directors and Audit & Supervisory Board Members is provided at the amount estimated to be paid.

   (4) Allowance for corporate officers' retirement benefits is posted at the amount that would be required at the end of the fiscal year under review in accordance with internal rules.

   (5) Transactions subject to the consumption tax are recorded at amounts exclusive of the consumption tax.

   (6) Consolidated tax reporting is applied.

2. Notes to the Non-consolidated Balance Sheets, etc.
   (1) Accumulated depreciation for property, plant and equipment ¥6 million

   (2) Liabilities on guarantees, etc.
   The Company provides a guarantee for the trade payables of the following company.
   JFE Shoji Trade Corporation ¥153 million
   In addition to the above, the Company provides a guarantee for obligations that may arise in the future in relation to JFE Engineering Corporation.
   Limit on amount of guarantees for the year under review ¥1,026 million

   (3) Short-term monetary receivables from affiliated companies ¥503,195 million
   Long-term monetary receivables from affiliated companies ¥1,141,271 million
   Short-term monetary payables to affiliated companies ¥145,063 million

3. Note to the Non-consolidated Statements of Income
   Transaction balance with affiliated companies Operating revenue ¥18,838 million
   Operating expenses ¥794 million

4. Note to the Non-consolidated Statements of Changes in Net Assets
   Type and total number of shares of treasury stock as of the end of the fiscal year under review
   Common stock 37,246,266

5. Note to tax-effect accounting
   Tax loss carryforwards constitute a primary factor of deferred tax assets, less valuation allowance.

6. Notes to per–share information
   Net assets per share ¥1,824.13
   Net income per share ¥6.30

(English Translation of the Japanese original)

This translation has been prepared for reference only. The Japanese language version will control if any discrepancy arises.