(Translation for reference only)

Notice of the 15th Ordinary General Meeting of Shareholders

Materials Published on our Website

15th Fiscal Year

(From April 1, 2016 to March 31, 2017)

Consolidated Statement of Changes in Equity

Notes to the Consolidated Financial Statements

Non-consolidated Statement of Changes in Equity

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)

Consolidated Statement of Changes in Equity

(From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2016	147,143	646,380	1,065,037	(178,654)	1,679,906
Changes of items during period					
Dividends of surplus			(5,768)		(5,768)
Profit attributable to owners of parent			67,939		67,939
Purchase of treasury shares				(216)	(216)
Disposal of treasury shares			(10)	16	6
Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
Change of scope of equity method			(572)		(572)
Change in treasury shares of parent arising from transactions with non-controlling shareholders		202			202
Reversal of revaluation reserve for land			8		8
Net changes of items other than shareholders' equity					
Total changes of items during period	—	202	61,596	(199)	61,599
Balance at March 31, 2017	147,143	646,582	1,126,633	(178,853)	1,741,505

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2016	101,709	(3,119)	16,328	14,503	(5,130)	124,290	53,724	1,857,921
Changes of items during period								
Dividends of surplus								(5,768)
Profit attributable to owners of parent								67,939
Purchase of treasury shares								(216)
Disposal of treasury shares								6
Change in treasury shares arising from change in equity in entities accounted for using equity method								0
Change of scope of equity method								(572)
Change in treasury shares of parent arising from transactions with non-controlling shareholders								202
Reversal of revaluation reserve for land								8
Net changes of items other than shareholders' equity	10,835	2,575	(6)	(18,099)	4,735	40	2,248	2,288
Total changes of items during period	10,835	2,575	(6)	(18,099)	4,735	40	2,248	63,887
Balance at March 31, 2017	112,545	(544)	16,321	(3,596)	(395)	124,330	55,972	1,921,809

Note: Amounts are rounded down to the nearest million yen.

(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: 315
The names of significant consolidated subsidiaries are as stated in "Significant subsidiaries" of the Business Report. Accordingly, listing of these companies is omitted.
Five companies have been newly included in the scope of consolidation for the consolidated fiscal year under review. This inclusion was due to the viewpoint of importance and other factors (three companies) and the establishment of new companies (two companies).
12 companies have been excluded from the scope of consolidation. This is due to merger (six companies), liquidation (four companies) and from the viewpoint of importance and other factors (two companies).

(2) Names, etc., of primary non-consolidated subsidiary
Smart Service Suzuka 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, profit (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 has been newly included in the scope of application of the equity method for the consolidated fiscal year under review, from the viewpoint of importance and other factors.
One company has been excluded from the scope of application of the equity method. This is 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) Smart Service Suzuka 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 profit (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 (11 domestic companies and 119 overseas companies), including THAI COATED STEEL SHEET CO., LTD., is December 31, January 20, January 31 or February 28.
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 sheet 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 leased assets)

Mainly computed by the declining balance method

2) Intangible assets (excluding leased 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) Leased 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

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.

(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. To

calculate the Company's retirement benefit obligations, the straight-line attribution method is primarily used to allocate the projected benefit obligations in direct proportion to the period of service until the end of the consolidated fiscal year under review.
Prior service cost is primarily 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 primarily 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
(Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016)
JFE Holdings began applying the Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016 (Accounting Standards Board of Japan's [ASBJ] Practical Issues Task Force [PITF] No. 32 of June 17, 2016) in the current fiscal year as a result of revisions to the Corporation Tax Act. The solution was adopted to change depreciation from the declining balance method to the straight-line method for both facilities attached to buildings and structures that have been acquired since April 1, 2016.
As a result, in fiscal 2016 operating income increased by 397 million yen and both ordinary income and profit before income taxes increased by 399 million yen each.

Notes to Changes in the Method of Presentation
In the consolidated balance sheet, "shares of subsidiaries and associates," which were included in "investment securities" under investments and other assets in the previous consolidated fiscal year, is now presented separately for clarification beginning with the current consolidated fiscal year.

"Provision for loss on specific business," which was presented separately under non-current liabilities in the consolidated balance sheet for the previous consolidated fiscal year, has been included in "Other" under non-current liabilities as this amount has no significance in the consolidated fiscal year under review.

In the consolidated statement of income, "foreign exchange losses," included in "other" under non-operating expenses in the previous consolidated fiscal year, is now presented separately due to the growing monetary importance, beginning with the current consolidated fiscal year.

Additional Information
(Adoption of Implementation Guidance on Recoverability of Deferred Tax Assets)
The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016) has been adopted beginning with the current consolidated fiscal year.

Notes to the Consolidated Balance Sheet
1. Assets pledged as collateral and corresponding secured obligations
   (1) Assets pledged as collateral

Property, plant and equipment	¥3,149 million
Intangible assets	¥187 million
Investment securities	¥113 million
Shares of subsidiaries and associates	¥200 million
"Other" under investments and other assets	¥144 million

(Note) Industrial foundation's assets of property, plant and equipment as mortgage ¥650 million

   (2) Corresponding secured obligations

Notes and accounts payable - trade	¥387 million
Short-term loans payable	¥411 million

Long-term loans payable	¥575 million
(Note) Those of above corresponding to the industrial foundation’s assets	
Short-term loans payable	¥280 million

In addition, shares of consolidated subsidiaries (242 million yen book value posted on the consolidated subsidiaries’ consolidated financial statements) have been pledged as collateral.

2. Accumulated depreciation for property, plant and equipment ¥6,545,376 million

3. Liabilities on guarantees and commitments to guarantees

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

Formosa Ha Tinh (Cayman) Limited	¥18,960 million
Japan-Brazil Niobium Co., Ltd.	¥8,512 million
Kawarin Enterprise Pte Ltd.	¥2,832 million
Al Gharbia Pipe Company	¥2,477 million
JIM Technology Corporation	¥2,230 million
Other	¥944 million
Total	¥35,957 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 under review ¥10,291 million

4. Amounts of discounts on notes receivable - trade and endorsement for transfer ¥9,759 million

Notes to the Consolidated Statement of Changes in Equity

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 23, 2016	Common stock	5,768	10	March 31, 2016	June 24, 2016

(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 23, 2017	Common stock	17,303	Retained earnings	30	March 31, 2017	June 26, 2017

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 sheet, market values, and their differences as of March 31, 2017 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 sheet	Market value	Difference
(1) Cash and deposits	69,936	69,936	—
(2) Notes and accounts receivable - trade	798,058	798,058	—
(3) Short-term investment securities and investment securities			
Other securities	329,992	329,992	—
Total assets	1,197,986	1,197,986	—
(1) Notes and accounts payable - trade	446,645	446,645	—
(2) Short-term loans payable	204,379	204,379	—
(3) Commercial papers	8,000	8,000	—
(4) Current portion of bonds	50,000	50,027	27
(5) Bonds payable	75,000	75,739	739
(6) Long-term loans payable	1,038,089	1,041,858	3,768
Total liabilities	1,822,113	1,826,648	4,534
Derivative transactions (*1)			
1) Hedge accounting not applied	141	141	—
2) Hedge accounting applied	1,207	1,207	—
Total derivative transactions	1,349	1,349	—

(*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 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 sheet (Millions of yen)
Unlisted equities	41,605
Investment securities	599

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	¥3,235.88
2. Profit per share	¥117.81

(Translation for reference only)

Non-consolidated Statement of Changes in Equity

From April 1, 2016 to March 31, 2017

(Millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets
	Capital stock	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward					
Balance at April 1, 2016	147,143	772,574	—	772,574	219,309	(83,092)	1,055,934	(552)	(552)	1,055,382
Changes of items during period										
Dividends of surplus					(5,768)		(5,768)			(5,768)
Profit					8,392		8,392			8,392
Purchase of treasury shares						(216)	(216)			(216)
Disposal of treasury shares					(1)	7	6			6
Net changes of items other than shareholders' equity								362	362	362
Total changes of items during period	—	—	—	—	2,621	(208)	2,413	362	362	2,775
Balance at March 31, 2017	147,143	772,574	—	772,574	221,931	(83,301)	1,058,348	(190)	(190)	1,058,157

Note: Amounts are rounded down to the nearest million yen.

(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) 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.

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

   (5) Consolidated tax reporting is applied.

2. Notes to changes in accounting policies
   (1) Additional information
   (Adoption of Implementation Guidance on Recoverability of Deferred Tax Assets)
   The Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016) has been adopted beginning with the current consolidated fiscal year.

3. Notes to the non-consolidated balance sheet, etc.
   (1) Accumulated depreciation for property, plant and equipment ¥7 million

   (2) Liabilities on guarantees, etc.
   The Company provides a guarantee for the trade payables of the following company.
   JFE Shoji Trade Corporation ¥97 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 ¥855 million

   (3) Short-term monetary receivables from affiliated companies ¥758,941 million
   Long-term monetary receivables from affiliated companies ¥785,491 million
   Short-term monetary payables to affiliated companies ¥223,802 million

4. Note to the non-consolidated statement of income
   Transaction balance with affiliated companies Operating revenue ¥23,681 million
   Operating expenses ¥784 million

5. Note to the non-consolidated statement of changes in equity
   Type and total number of shares of treasury stock as of the end of the fiscal year under review
   Common stock 37,660,795

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

7. Notes to per-share information
   Net assets per share ¥1,834.60
   Profit per share ¥14.55

(English Translation of the Japanese original)

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