

(Translation for reference only)

(Security Code: 5411)

June 3, 2020

Notice of the 18th Ordinary General Meeting of Shareholders

Dear Shareholders:

Due to COVID-19, many precious lives were lost around the world. JFE Holdings, Inc. (“JFE” or the “Company”) wishes to offer its heartfelt condolences to those who lost their lives and its greatest sympathy for those who suffered. We also would like to take this opportunity to express our deep appreciation to the efforts that have been made by essential workers.

The Company hereby would like to inform you that the 18th Ordinary General Meeting of Shareholders (the “Meeting”) will be held as follows.

After careful deliberation in light of the current situation, the Company has decided to hold the Meeting as follows upon implementing appropriate measures to prevent infection at the meeting venue.

However, as it is strongly requested to stay indoors by the government and the Governor of Tokyo, shareholders are strongly recommended to refrain from attending the Meeting to prevent infection, regardless of your physical condition. You may exercise your voting rights in writing and via the Internet (using a personal computer or smartphone). We ask that you exercise your voting rights in advance wherever possible, after reading the “Reference Materials for General Meeting of Shareholders” shown below. The presentations at the Meeting can be viewed on the Company’s website at a later date.

Yours faithfully,

Koji Kakigi

Representative Director, President and CEO

JFE Holdings, Inc.

2-3 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo

(Translation for reference only)

1. Date and Time: Friday, June 19, 2020, 10:00 a.m. (doors scheduled to open at 9:15 a.m.)

* Please note that the reception starts later than in previous years.

2. Venue: Peacock Room of the Imperial Hotel, Tokyo (Teikoku Hotel), 2nd floor of the Main Building

1-1 Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo

3. Objectives of Meeting:

Items to be reported

1. Business Report, Consolidated Financial Statements and Accounting Auditor's and Audit & Supervisory Board's Reports on Consolidated Financial Statements for the 18th term (from April 1, 2019 to March 31, 2020)
2. Non-consolidated Financial Statements for the 18th term (from April 1, 2019 to March 31, 2020)

Item to be resolved

Proposal: Election of eight Directors

4. Other Resolutions Determined upon Convocation

- (1) If a proxy exercise your voting rights on your behalf, please have your proxy submit your voting form and a form stating that you give power of attorney to your proxy. Please note that you may exercise your voting rights by proxy by delegating your voting rights to one shareholder who holds a voting right, as provided for in the Articles of Incorporation.
- (2) When you exercise your voting rights both in writing and via electronic media (including the Internet), the voting rights exercised via electronic media shall be deemed and treated as a valid vote.
- (3) When you exercise your voting rights twice or more via electronic media (including the Internet), the voting rights exercised last shall be deemed and treated as a valid vote.

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*Please note that among the documents to be attached to this written notice to the Meeting, “Systems to Ensure the Propriety of Business Operations and the Status of Operation of Such System” in the business report, “Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the consolidated financial statements, and “Non-consolidated Statement of Changes in Equity” and “Notes to the Non-consolidated Financial Statements” in the non-consolidated financial statements are not provided herein, and are published on our website in accordance with the provisions of applicable rules and regulations and the Articles of Incorporation. Accordingly, the documents attached to this written notice to the Meeting are a portion of the consolidated financial statements and non-consolidated financial statements subject to audit when the Accounting Auditor prepared its audit reports and a portion of the business report, consolidated financial statements, and non-consolidated financial statements subject to audit when the Audit & Supervisory Board Members prepared their audit report.

*In the event a matter needs to be changed or modified in any part of Reference Materials for General Meeting of Shareholders and Appendixes attached hereto, please note that any matter so changed or modified as mentioned above will be published on our website in accordance with the provisions of the applicable rules and regulations.

Measures to be taken by the Company against COVID-19
at the General Meeting of Shareholders

The Company will take measures as shown below in order to ensure safety of shareholders and prevent the spread of infection. We ask for your understanding and cooperation in advance.

- To prevent infection, we will secure adequate clearance between each seat at the venue. Therefore, the number of seats will be significantly fewer than in previous years and shareholder entry may be restricted.
- We will push back the reception time in order to shorten shareholders’ stay at the venue. The meeting time is also scheduled to be shorter than in previous years by a smooth and efficient proceeding.
- At the reception desk, we will measure your body temperature using thermography or contactless thermometers before entry. Those who present with a fever will be asked to go through a temperature check and medical interview by a doctor. You may not be allowed to enter the venue depending on the result thereof.
- At the meeting venue, please cooperate with infection preventive measures such as wearing face masks.
- Shareholders are asked to cooperate in sanitizing your hands using alcohol disinfectants that will be placed at the venue.
- We will cancel the exhibition of the Group’s initiatives related its businesses as well as provision of beverages.
- Meeting staff will measure their body temperature beforehand and attend to their duties wearing face masks upon checking their physical conditions.
- The measures described above may be modified according to the status of the spread until the day of the meeting as well as government announcements. Shareholders are kindly advised to confirm the latest information on the Company’s website.

Our website: <https://www.jfe-holdings.co.jp/en/>

(Translation for reference only)

Guide to Exercising Your Voting Rights

In order to secure the safety of shareholders and prevent the spread of infection, please refrain from attending the meeting and exercise your voting rights in advance in writing or via the Internet wherever possible.

Deadline for Voting: 5:30 p.m. (JST) on June 18, 2020 (Thursday)

[In writing]

Please indicate your approval or disapproval of each Proposal on the enclosed voting form and send the form to us.

[Via electric media (via the Internet)]

By Smartphone (Smart Exercise)

- (1) Please scan the QR code on the bottom right of the enclosed Voting Rights Exercise Form using a smartphone, access “Smart Exercise,” and enter your votes in accordance with the instructions on the screen.
- (2) If you wish to change your vote after exercising voting rights, please follow “By Personal Computer, etc.” below to change your vote.

By Personal Computer, etc.

- (1) Please access the website for exercising voting rights (URL: <https://soukai.mizuho-tb.co.jp/>).
- (2) Please enter the code and password, which are printed on the Voting Rights Exercise Form enclosed herewith, and click “Log in.” Then, set a new password for actual use (the password needs to be entered twice) and click “Log in.”
- (3) Select “Vote” from the main screen and enter your vote following the instructions on the screen. If you exercise your voting rights multiple times, the last vote shall be deemed valid.

For inquiries about the operation of “Smart Exercise” and the website for exercising voting rights, please contact **Mizuho Trust & Banking Co., Ltd., Transfer Agent Department** below,

Toll free number: 0120-768-524

Hours: 9:00 to 21:00, weekdays

If you have exercised your voting rights in duplicate by mailing the Voting Rights Exercise Form and via the Internet, the voting rights exercised via the Internet shall be deemed valid.

<Guide to a Platform for the Exercise of Voting Rights for Institutional Investors>

A platform operated by ICJ Inc. will be available to institutional investors for the electronic exercise of voting rights for the General Meeting of Shareholders of the Company.

(Translation for reference only)

Reference Materials for General Meeting of Shareholders

Proposal and Reference Matters:

Proposal: Election of eight Directors

As the terms of office of all eight Directors expire at the close of this General Meeting of Shareholders, the Company proposes to elect eight Directors including three Outside Directors.

This resolution was proposed by the Board of Directors based on deliberations by and reports from the Nomination Committee, of which the Chairperson is an Outside Director and a majority of the members are Outside Directors/Audit & Supervisory Board Members. If the resolution is adopted as proposed, one-third or more of the Directors will continue to be Outside Directors who satisfy the Company's Standards for Independence of Outside Directors/Audit & Supervisory Board Members.

The candidates for Directors are as follows.

There is no conflict of special interests between each candidate and the Company.

(Translation for reference only)

No.	Name (Age)	Current Positions and Responsibilities in the Company	Main Concurrent Positions	Number of Meetings of the Board of Directors Attended (FY2019)
1	<Reappointment> Koji Kakigi (Age 67)	Representative Director, President and CEO (Chief Executive Officer)	—	14/14 (100%)
2	<Reappointment> Yoshihisa Kitano (Age 62)	Representative Director	Representative Director, President and CEO of JFE Steel Corporation	11/11 (100%)
3	<Reappointment> Masashi Terahata (Age 60)	Representative Director, Executive Vice President and CFO (Chief Financial Officer) Supervision of General Administration Dept., Corporate Planning Dept., Investor Relations Dept. and Finance Dept.	Director of JFE Steel Corporation	11/11 (100%)
4	<Reappointment> Naosuke Oda (Age 67)	Director	Representative Director, President and CEO of JFE Shoji Corporation	14/14 (100%)
5	<Reappointment> Hajime Oshita (Age 62)	Director	Representative Director, President and CEO of JFE Engineering Corporation	14/14 (100%)
6	<Reappointment> Masami Yamamoto (Age 66) Candidate for Outside Director Independent Director/Audit & Supervisory Board Member	Outside Director	Director and Senior Advisor of Fujitsu Limited	14/14 (100%)
7	<Reappointment> Nobumasa Kemori (Age 69) Candidate for Outside Director Independent Director/Audit & Supervisory Board Member	Outside Director	Executive Advisor of Sumitomo Metal Mining Co., Ltd.	14/14 (100%)
8	<New appointment> Yoshiko Ando (Age 61) Candidate for Outside Director Independent Director/Audit & Supervisory Board Member	—	—	—

Notes: 1. The age of each candidate is given as of the date of this General Meeting of Shareholders.
2. Mr. Yoshihisa Kitano and Mr. Masashi Terahata were newly elected as Directors at the previous year's Ordinary General Meeting of Shareholders (held on June 21, 2019), causing the number of meetings of the Board of Directors held during FY 2019 to differ.

(Translation for reference only)

No. 1	Koji Kakigi	Reappointment Nomination Committee Member Remuneration Committee Member
Date of birth: May 3, 1953 (Age 67)	Career summary, positions and responsibilities, and significant concurrent posts	
Number of the Company's shares held: 50,200	April 1977	Joined Kawasaki Steel Corporation
	April 2007	Vice President of JFE Steel Corporation
	April 2010	Senior Vice President of JFE Steel Corporation
	April 2012	Representative Director and Executive Vice President of JFE Steel Corporation
	April 2015	Representative Director, President and CEO of JFE Steel Corporation
	June 2015	Representative Director of JFE Holdings, Inc.
	April 2019	Retired as Representative Director, President and CEO of JFE Steel Corporation
Number of years of service as Director (at the close of this General Meeting of Shareholders): Five		Representative Director, President and CEO of JFE Holdings, Inc. (current post)
Number of meetings of the Board of Directors attended (FY2019): 14/14 (100%)		(Significant concurrent post) Chairman of the Board of Directors of JFE 21st Century Foundation (Public Interest Incorporated Foundation)
<p>• Reasons for nomination as a candidate for Director: Mr. Kakigi has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations in human resource and labor relations departments, and execution of duties as Corporate Officer in management divisions such as general administration, legal, accounting, finance, and procurement departments in JFE Steel Corporation, the Group's core company. He also has abundant experience and knowledge as a corporate manager, which was nurtured through his experience as Representative Director, President and CEO of JFE Steel Corporation. Currently, as Representative Director, President and CEO of the Company, he is striving to sustain the growth and enhance the corporate value of the Group. For these reasons, the Company has judged Mr. Kakigi to be suitable as a Director of the Company.</p>		

No. 2	Yoshihisa Kitano	Reappointment Nomination Committee Member
Date of birth: February 20, 1958 (Age 62)	Career summary, positions and responsibilities, and significant concurrent posts	
Number of the Company's shares held: 13,104	April 1982	Joined Kawasaki Steel Corporation
	April 2011	Vice President of JFE Steel Corporation
	April 2014	Senior Vice President of JFE Steel Corporation
	April 2018	Representative Director and Executive Vice President of JFE Steel Corporation
	April 2019	Representative Director, President and CEO of JFE Steel Corporation (current post)
	June 2019	Representative Director of JFE Holdings, Inc. (current post)
Number of years of service as Director (at the close of this General Meeting of Shareholders): One		(Significant concurrent post) Representative Director, President and CEO of JFE Steel Corporation
Number of meetings of the Board of Directors attended (FY2019): 11/11 (100%)		
<p>• Reasons for nomination as a candidate for Director: Mr. Kitano has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations in steel making technology and production control departments, and execution of duties as Corporate Officer such as supervision of steel works and overseas business, corporate planning, and IT in JFE Steel Corporation, the Group's core company. Currently, as Representative Director, President and CEO of JFE Steel Corporation, he is making aggressive efforts such as promoting the growth strategy with leading-edge technologies and strengthening manufacturing capabilities. Also, as Representative Director of the Company, he is striving to sustain the growth and enhance the corporate value of the Group. For these reasons, the Company has judged Mr. Kitano to be suitable as a Director of the Company.</p>		

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No. 3	Masashi Terahata	Reappointment Remuneration Committee Member	
Date of birth:	Career summary, positions and responsibilities, and significant concurrent posts		
October 31, 1959 (Age 60)	April 1982	Joined Kawasaki Steel Corporation	
Number of the Company's shares held: 15,100	April 2012	Vice President of JFE Holdings, Inc.	
Number of years of service as Director (at the close of this General Meeting of Shareholders): One	April 2015	Vice President of JFE Steel Corporation	
Number of meetings of the Board of Directors attended (FY2019): 11/11 (100%)	April 2016	Senior Vice President of JFE Holdings, Inc.	
	April 2016	Senior Vice President of JFE Steel Corporation	
	March 2018	Director of JFE Shoji Corporation	
	April 2018	Retired as Senior Vice President of JFE Holdings, Inc.	
	April 2018	Retired as Director of JFE Shoji Corporation	
	April 2019	Representative Director and Executive Vice President of JFE Steel Corporation	
	April 2019	Executive Vice President of JFE Holdings, Inc. (current post)	
	June 2019	Director of JFE Steel Corporation (current post)	
	June 2019	Representative Director of JFE Holdings, Inc. (current post)	
	(Significant concurrent posts)		
	Director of JFE Steel Corporation		
	Representative Director of JFE 21st Century Foundation (Public Interest Incorporated Foundation)		
	(Duties as Corporate Officer)		
	CFO (Chief Financial Officer)		
	Supervision of General Administration Dept., Corporate Planning Dept., Investor Relations Dept. and Finance Dept.		
<p>• Reasons for nomination as a candidate for Director: Mr. Terahata has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations such as general administration and legal departments in the Company as well as operations in human resources and labor relations departments, and execution of duties as Corporate Officer in management divisions such as accounting, finance and procurement departments in JFE Steel Corporation, the Group's core company. He also has abundant experience and knowledge as a corporate manager through his experience as Representative Director and Executive Vice President of JFE Steel Corporation, and currently, as Representative Director, Executive Vice President of the Company, he is engaged in management control of the Group and implementation of financial and capital policies, while implementing management control of JFE Steel Corporation, the Group's core company, as its part-time Director. For these reasons, the Company has judged Mr. Terahata to be suitable as a Director of the Company.</p>			

(Translation for reference only)

No. 4	Naosuke Oda	Reappointment
Date of birth: June 3, 1953 (Age 67)	Career summary, positions and responsibilities, and significant concurrent posts	
Number of the Company's shares held: 17,800	April 1977	Joined NKK Corporation
	April 2007	Vice President of JFE Steel Corporation
Number of years of service as Director (at the close of this General Meeting of Shareholders): Three	April 2010	Senior Vice President of JFE Steel Corporation
	April 2012	Representative Director and Executive Vice President of JFE Steel Corporation
Number of meetings of the Board of Directors attended (FY2019): 14/14 (100%)	April 2016	Retired as Representative Director and Executive Vice President of JFE Steel Corporation
	June 2017	Representative Director, President and CEO of JFE Shoji Corporation (current post) Director of JFE Holdings, Inc. (current post)
(Significant concurrent post) Representative Director, President and CEO of JFE Shoji Corporation		
<p>• Reasons for nomination as a candidate for Director:</p> <p>Mr. Oda has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations related to sales of automobile steel, and execution of duties as Corporate office such as supervision of sales divisions in JFE Steel Corporation, the Group's core company. He also has abundant experience and knowledge as a corporate manager, which was nurtured through his experience as Representative Director and Executive Vice President of JFE Steel Corporation. Currently, as Representative Director, President and CEO of JFE Shoji Corporation, the Group's core company, he is making aggressive efforts such as reinforcing the domestic earnings base, and expanding overseas business. For these reasons, the Company has judged Mr. Oda to be suitable as a Director of the Company.</p>		

No. 5	Hajime Oshita	Reappointment
Date of birth: September 11, 1957 (Age 62)	Career summary, positions and responsibilities, and significant concurrent posts	
Number of the Company's shares held: 14,900	April 1982	Joined NKK Corporation
	April 2012	Vice President of JFE Engineering Corporation
Number of years of service as Director (at the close of this General Meeting of Shareholders): Three	April 2014	Senior Vice President of JFE Engineering Corporation
	April 2015	Director and Senior Vice President of JFE Engineering Corporation
Number of meetings of the Board of Directors attended (FY2019): 14/14 (100%)	April 2016	Representative Director and Senior Vice President of JFE Engineering Corporation
	March 2017	Representative Director, President and CEO of JFE Engineering Corporation (current post)
	June 2017	Director of JFE Holdings, Inc. (current post)
(Significant concurrent post) Representative Director, President and CEO of JFE Engineering Corporation		
<p>• Reasons for nomination as a candidate for Director:</p> <p>Mr. Oshita has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in corporate planning, accounting and finance, and execution of a wide range of duties as Corporate Officer such as supervision of domestic and overseas business in JFE Engineering Corporation, the Group's core company. In addition, Mr. Oshita has abundant experience and knowledge as a corporate manager, which was nurtured through his experience as Representative Director and Senior Vice President of JFE Engineering Corporation. Currently, as Representative Director, President and CEO of JFE Engineering Corporation., he is making aggressive efforts such as reinforcing the domestic earnings base, and expanding overseas business. For these reasons, the Company has judged Mr. Oshita to be suitable as a Director of the Company.</p>		

(Translation for reference only)

No. 6	Masami Yamamoto	Reappointment Candidate for Outside Director Independent Director/Audit & Supervisory Board Member Chairperson of Nomination Committee Remuneration Committee Member																
Date of birth: January 11, 1954 (Age 66) Number of the Company's shares held: 8,000 Number of years of service as Outside Director (at the close of this General Meeting of Shareholders): Three Number of meetings of the Board of Directors attended (FY2019): 14/14 (100%)	Career summary, positions and responsibilities, and significant concurrent posts <table border="0"> <tr> <td>April 1976</td> <td>Joined Fujitsu Limited</td> </tr> <tr> <td>January 2010</td> <td>Corporate Senior Executive Vice President of Fujitsu Limited</td> </tr> <tr> <td>April 2010</td> <td>President of Fujitsu Limited</td> </tr> <tr> <td>June 2010</td> <td>President and Representative Director of Fujitsu Limited</td> </tr> <tr> <td>June 2015</td> <td>Chairman and Representative Director of Fujitsu Limited</td> </tr> <tr> <td>June 2017</td> <td>Chairman and Director of Fujitsu Limited</td> </tr> <tr> <td></td> <td>Director of JFE Holdings, Inc. (current post)</td> </tr> <tr> <td>June 2019</td> <td>Director and Senior Advisor of Fujitsu Limited (current post)</td> </tr> </table> (Significant concurrent post) Director and Senior Advisor of Fujitsu Limited Outside Member of the Board of Directors of Mizuho Financial Group, Inc.		April 1976	Joined Fujitsu Limited	January 2010	Corporate Senior Executive Vice President of Fujitsu Limited	April 2010	President of Fujitsu Limited	June 2010	President and Representative Director of Fujitsu Limited	June 2015	Chairman and Representative Director of Fujitsu Limited	June 2017	Chairman and Director of Fujitsu Limited		Director of JFE Holdings, Inc. (current post)	June 2019	Director and Senior Advisor of Fujitsu Limited (current post)
April 1976	Joined Fujitsu Limited																	
January 2010	Corporate Senior Executive Vice President of Fujitsu Limited																	
April 2010	President of Fujitsu Limited																	
June 2010	President and Representative Director of Fujitsu Limited																	
June 2015	Chairman and Representative Director of Fujitsu Limited																	
June 2017	Chairman and Director of Fujitsu Limited																	
	Director of JFE Holdings, Inc. (current post)																	
June 2019	Director and Senior Advisor of Fujitsu Limited (current post)																	
<p>• Reasons for nomination as a candidate for Outside Director: Mr. Yamamoto has been successful in managing Fujitsu Limited for many years, a company that engages in the total solutions business globally in ICT fields, and he has extensive experience and knowledge in corporate management, which he acquired through reforming conventional business structures and processes in the rapidly changing ICT industry. Based on such in-depth knowledge and his outstanding insight, as well as his performance as an Outside Director of the Company since he assumed office as such, the Company has judged Mr. Yamamoto to be suitable as an Outside Director of the Company, a post responsible for reinforcing corporate governance.</p> <p>• Special matters:</p> <ol style="list-style-type: none"> Mr. Yamamoto is a candidate for Outside Director who satisfies the requirements of the Tokyo Stock Exchange, Inc. etc. for Independent Director/Audit & Supervisory Board Member as well as the "Standards for Independence of Outside Directors/Audit & Supervisory Board Members" stipulated by the Company and the Company has designated him as Independent Director/Audit & Supervisory Board Member as stipulated under the regulations of the Tokyo Stock Exchange, Inc. etc. and registered him as such with the Tokyo Stock Exchange etc. Furthermore, in FY2019, transactions between Fujitsu Limited, where Mr. Yamamoto served as Chairman and Representative Director until June 2017, and the Company and its operating companies did not exceed 1% of the annual consolidated net sales (revenue) of either the Company or Fujitsu Limited. Accordingly, Fujitsu Limited does not fall under the category of a person for whom the Company or its operating company is a major business partner, or a person who is a major business partner of the Company or its operating company. To ensure that Mr. Yamamoto can fully demonstrate his capability as expected in his role as an Outside Director, the Company has executed an agreement with Mr. Yamamoto in accordance with Article 427, Paragraph 1, of the Companies Act, which limits Outside Directors' indemnity liability provided for in Article 423, Paragraph 1, of the said Act to the amount defined under laws and regulations. If Mr. Yamamoto is reappointed, the Company intends to continue the liability limitation agreement described hereto with him. Mr. Yamamoto is Director and Senior Advisor of Fujitsu Limited, and the company was subject to a cease and desist order and an order for payment of a surcharge by the Japan Fair Trade Commission for conduct in violation of the Anti-Monopoly Act in relation to electric power stabilization communications equipment ordered by Tokyo Electric Power Company in July 2016, when Mr. Yamamoto was a Director of Fujitsu Limited. In addition, Fujitsu Limited was determined by the Japan Fair Trade Commission to have violated the Anti-Monopoly Act in relation to transactions for hybrid optical communications equipment and transmission line equipment ordered by Chubu Electric Power Co., Inc. in February 2017. Fujitsu Limited submitted a request to the Japan Fair Trade Commission for application of the surcharge reduction and exemption system in relation to these incidents and the request was granted, and consequently, Fujitsu Limited is not subject to the cease and desist order or the order for payment of a surcharge. Mr. Yamamoto was not directly involved in either of these incidents, and after becoming aware of these facts, he fulfilled his responsibilities by reinforcing measures related to legal compliance and taking comprehensive measures to prevent a reoccurrence. 																		

(Translation for reference only)

No. 7	Nobumasa Kemori	Reappointment Candidate for Outside Director Independent Director/Audit & Supervisory Board Member Chairperson of Remuneration Committee
Date of birth: April 12, 1951 (Age 69) Number of the Company's shares held: 5,700 Number of years of service as Outside Director (at the close of this General Meeting of Shareholders): Two Number of meetings of the Board of Directors attended (FY2019): 14/14 (100%)	Career summary, positions and responsibilities, and significant concurrent posts September 1980 Joined Sumitomo Metal Mining Co., Ltd. June 2006 Director, Managing Executive Officer and General Manager of Non-Ferrous Metals Div. of Sumitomo Metal Mining Co., Ltd. June 2007 Representative Director and President of Sumitomo Metal Mining Co., Ltd. June 2013 Representative Director and Chairman of the Board of Sumitomo Metal Mining Co., Ltd. June 2016 Director and Chairman of the Board of Sumitomo Metal Mining Co., Ltd. June 2017 Retired as Director and Chairman of the Board of Sumitomo Metal Mining Co., Ltd. Executive Advisor of Sumitomo Metal Mining Co., Ltd. (current post) June 2018 Director of JFE Holdings, Inc. (current post) (Significant concurrent post) Executive Advisor of Sumitomo Metal Mining Co., Ltd. Outside Director of NAGASE & CO., LTD. Outside Director of Sumitomo Realty & Development Co., Ltd.	
<p>• Reasons for nomination as a candidate for Outside Director: Mr. Kemori has been successful in managing Sumitomo Metal Mining Co., Ltd., which engages in a broad range of businesses in non-ferrous metal resource development, smelting, materials production, etc., for many years, and has remarkable knowledge in metallic materials, in addition to broad experience in corporate management, including leading the construction of an overseas plant for nickel smelting, a mainstay business of Sumitomo Metal Mining Co., Ltd., and a development project for a large copper mine. Based on such in-depth knowledge and his outstanding insight, as well as his performance as an Outside Director of the Company since he assumed office as such, the Company has judged Mr. Kemori to be suitable as an Outside Director of the Company, a post responsible for reinforcing corporate governance.</p> <p>• Special matters:</p> <ol style="list-style-type: none"> Mr. Kemori is a candidate for Outside Director who satisfies the requirements of the Tokyo Stock Exchange, Inc. etc. for Independent Director/Audit & Supervisory Board Member as well as the "Standards for Independence of Outside Directors/Audit & Supervisory Board Members" stipulated by the Company and the Company has designated him as Independent Director/Audit & Supervisory Board Member as stipulated under the regulations of the Tokyo Stock Exchange, Inc. etc. and registered him as such with the Tokyo Stock Exchange etc. Furthermore, in FY2019, transactions between Sumitomo Metal Mining Co., Ltd., where Mr. Kemori served as Representative Director and Chairman until June 2016, and the Company and its operating companies did not exceed 1% of the annual consolidated net sales (revenue) of either the Company or Sumitomo Metal Mining Co., Ltd. Accordingly, Sumitomo Metal Mining Co., Ltd. does not fall under the category of a person for whom the Company or its operating company is a major business partner, or a person who is a major business partner of the Company or its operating company. To ensure that Mr. Kemori can fully demonstrate his capability as expected in his role as an Outside Director, the Company has executed an agreement with Mr. Kemori in accordance with Article 427, Paragraph 1, of the Companies Act, which limits Outside Directors' indemnity liability provided for in Article 423, Paragraph 1, of the said Act to the amount defined under laws and regulations. If Mr. Kemori is reappointed, the Company intends to continue the liability limitation agreement described hereto with him. 		

(Translation for reference only)

No. 8	Yoshiko Ando	New appointment Candidate for Outside Director Independent Director/Audit & Supervisory Board Member	
Date of birth: March 17, 1959 (Age 61) Number of the Company's shares held: 0	Career summary, positions and responsibilities, and significant concurrent posts		
	<p>April 1982</p> <p>July 2013</p> <p>July 2014</p> <p>October 2015</p> <p>June 2016</p> <p>July 2017</p> <p>July 2018</p> <p>(Significant concurrent post)</p> <p>Audit & Supervisory Board Member of Kirin Holdings Company, Limited</p> <p>Outside Director of Sansei Technologies, Inc.</p>	<p>Joined Ministry of Labour</p> <p>General Manager, Workers' Compensation Division, Labour Standards Bureau of Ministry of Health, Labour and Welfare</p> <p>Director-General, Equal Employment and Child and Family Bureau of Ministry of Health, Labour and Welfare</p> <p>Director-General for Labour of Ministry of Health, Labour and Welfare</p> <p>Director-General for Statistics and Information Policy of Ministry of Health, Labour and Welfare</p> <p>Director-General for Human Resources Development of Ministry of Health, Labour and Welfare</p> <p>Retired from Ministry of Health, Labour and Welfare</p>	
<p>• Reasons for nomination as a candidate for Outside Director: Ms. Ando has been engaged in policy making in labor administration as an administrative official for many years, and has professional expertise, abundant experience and knowledge in a wide range of fields of employment and labor, including woman's active participation in the workforce and human resource development. Although she has no experience of participating in corporate management other than as an outside director or outside audit & supervisory board member, she is expected to provide valuable proposals and advice in increasing the Company's corporate value based on her in-depth knowledge and outstanding insight. The Company has therefore judged Ms. Ando to be suitable as an Outside Director of the Company, a post responsible for reinforcing corporate governance.</p> <p>• Special matters:</p> <ol style="list-style-type: none"> Ms. Ando is a candidate for Outside Director who satisfies the requirements of the Tokyo Stock Exchange, Inc. etc. for Independent Director/Audit & Supervisory Board Member as well as the "Standards for Independence of Outside Directors/Audit & Supervisory Board Members" stipulated by the Company and the Company intends to designate her as Independent Director/Audit & Supervisory Board Member as stipulated under the regulations of the Tokyo Stock Exchange, Inc. etc. and register her as such with the Tokyo Stock Exchange etc. If Ms. Ando is appointed as Outside Director, the Company intends to execute an agreement with her in accordance with Article 427, Paragraph 1, of the Companies Act, which limits Outside Directors' indemnity liability provided for in Article 423, Paragraph 1, of the said Act to the amount defined under laws and regulations to ensure that Ms. Ando can fully demonstrate her capability as expected in her role as an Outside Director. 			

(Translation for reference only)

(Reference)

Standards for Independence of Outside Directors/Audit & Supervisory Board Members of JFE Holdings, Inc.

JFE Holdings, Inc. (the “Company”) establishes the standards for independence of Outside Directors and Outside Audit & Supervisory Board Members as described below. An Outside Director or Outside Audit & Supervisory Board Member is deemed not to have sufficient independence from the Company in the event that he/she falls under any of the items below.

- 1) A person who is or was an executive director, executive officer or employee (collectively the “Executive”) of the Company or its subsidiary.
- 2) A person who is currently a major shareholder of the Company. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, was the Executive of such legal entity or a parent company or a significant subsidiary of such legal entity.
- 3) A person for whom the Company or its operating company is a major business partner. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, was the Executive of such legal entity or a parent company or a significant subsidiary of such legal entity.
- 4) A person who is a major business partner of the Company or its operating company. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, was the Executive of such legal entity or a parent company or a significant subsidiary of such legal entity.
- 5) A financial institution or other major creditor of the Company or its operating company who is indispensable for the fundraising of the Company or its operating company and on whom the Company or its operating company depends to the extent that it is irreplaceable. In the event that the financial institution or other major creditor is a legal entity, a person who is or, in the past 3 years, was the Executive of such legal entity or a parent company or a significant subsidiary of such legal entity.
- 6) A person who has received donations exceeding a certain amount (an annual average of either 10 million yen or 30% of the person’s total expenses, whichever is larger, over the past 3 years) from the Company or its operating company. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, was the Executive of such legal entity or a parent company or a significant subsidiary of such legal entity.
- 7) A consultant, accounting professional such as a certified public accountant, or legal professional such as a lawyer who has received a large amount of money or other assets (an annual average of 10 million yen or larger over the past 3 years) in addition to the director’s or audit & supervisory board member’s remuneration from the Company or its operating company. In the event that the consultant, accounting professional or legal professional is an organization such as a legal entity or an association, a person who belongs to such organization.
- 8) An accounting auditor of the Company or its operating company, or a person who is a partner, etc. of such accounting auditor; or a person who performed auditing on the Company or its operating company as a partner, etc. of such accounting auditor in the past 3 years.
- 9) A person who is a director, audit & supervisory board member, executive officer or corporate officer of a company or a parent company or a subsidiary of such company, in the event that such company has accepted directors from the Company or its operating company.
- 10) A person who is or, in the past 3 years, was the Executive of a lead managing underwriter of the Company.
- 11) A relative of a person falling under any of foregoing items 1) through 10) (the person’s spouse, relatives within the third degree of kinship, or relatives living with the person).

Nevertheless, in the event that a person who falls under any of the foregoing items is deemed by the Company appropriate for an independent outside director/audit & supervisory board member of the Company in light of the person’s personality, insight, etc., the Company may nominate such person as a candidate for an independent outside director/audit & supervisory board member, by providing the reason to believe that the person is appropriate for an independent outside director/audit & supervisory board member of the Company, and by explaining that the person fulfills the requirements for an independent outside director/audit & supervisory board member.

* “Operating company” refers to JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation.

* “Major business partner” refers to the case where the aggregate amount of transactions with the business partner exceeds 1% of consolidated net sales in the most recent fiscal year.

(Translation for reference only)

[Appendixes]

Business Report for the 18th Term

(From April 1, 2019 to March 31, 2020)

1. Overview of the Corporate Group

(1) Business progress and results, and tasks requiring attention

[Performance of the Group]

The JFE Group, guided by its corporate mission of contributing to society with the world's most innovative technology, continued its effort to achieve sustainable growth and to improve corporate value for its shareholders and all other stakeholders.

In the 18th term, the Japanese economy recovered moderately in the first half of fiscal 2019, but exports and production gradually began to decline in the second fiscal half. Economic conditions overseas were weak, particularly in Asia and Europe, amid global trade friction due to protectionism. Additionally, the impact of the COVID-19 outbreak depressed economic conditions substantially and persistently both in Japan and overseas.

Under the circumstances, JFE carried out key measures set out in its sixth Medium-Term Business Plan: pursue growth through leading-edge technologies, expand the profit base and strengthen manufacturing capabilities in Japan, advance overseas business and expand the overseas profit base, and strengthen business structure overall for sustainable growth. However, the operating environment was unprecedented and extremely challenging—steel demand slumped primarily in the manufacturing sector due to U.S.–China trade tensions, iron ore prices increased as a result of China's growing crude steel output, and prices for materials, logistics and other commodities and services all rose. Consequently, business profit declined substantially from the previous fiscal year. We also recognized impairment losses associated with the restructuring of JFE Steel Corporation's East Japan Works, which were undertaken in response to structural demand changes envisioned in the medium and long terms and the need for considerable investments to renew aging domestic facilities and equipment. Profit attributable to owners of the parent company also fell sharply from the previous fiscal year to end in the red.

<Performance of JFE Steel Corporation>

Despite overcoming blast-furnace operating problems that had occurred in the previous fiscal year, the steel business of JFE Steel Corporation was impacted by declining demand both in Japan and overseas as a result of the global economic slowdown and the spread of the COVID-19 in March. Consolidated annual crude steel production was 28.09 million tons, a slight increase from the previous fiscal year. Revenue fell to 2,681.3 billion yen owing to falling prices overseas and declining sales volumes due to trade friction. Despite continued efforts to raise steel sales prices and improve earnings, our steel business recorded a segment loss of 8.7 billion yen. Costs were driven up substantially in terms of iron ore prices and materials, logistics and other costs. Additional factors included weakened sales prices overseas and a one-time reduction of profits due to an unrealized gain on inventories.

<Performance of JFE Engineering Corporation>

JFE Engineering Corporation's revenue increased to 512.2 billion yen as a result of smoothly executed existing orders for environmental, energy and infrastructure building projects in Japan and overseas. Also, efforts to expand operating businesses were effective. Segment profit increased to 23.1 billion yen as revenue grew.

<Performance of JFE Shoji Corporation>

JFE Shoji Corporation's revenue fell to 1,084.1 billion yen owing to weakened demand in all regions as the impact of trade frictions from around the middle of the fiscal year was felt worldwide, beyond just the United States and China. Segment profit fell to 27.0 billion yen. Revenue declined and earnings at group companies both in Japan and abroad shrank due to declines in steel prices up to the fiscal yearend.

(Translation for reference only)

<Consolidated business results of the Group>

Japan Marine United Corporation, which is accounted for using the equity method, recorded an equity-method loss of 17.9 billion yen due to work process delays resulting from bad weather, natural disasters, etc. as well as increases in materials and equipment costs and business restructuring.

As a result, on a consolidated basis including non-consolidated business results of JFE Holdings, revenue of 3,729.7 billion yen and business income of 37.8 billion yen were down respectively. JFE recorded a loss before tax of 213.4 billion yen and a loss attributable to owners of the parent company of 197.7 billion yen, reflecting impairment losses from the restructuring of JFE Steel Corporation's East Japan Works and other factors.

<Non-consolidated business results>

During the 18th term, JFE Holdings, Inc. received total management fee income of 2.8 billion yen from three operating companies. JFE Holdings also received total dividend income of 48.3 billion yen from the said three operating companies.

As a result, on a non-consolidated basis, JFE Holdings recorded operating income of 48.5 billion yen and ordinary income of 48.5 billion yen. As JFE Holdings recorded a loss on valuation of shares of subsidiaries and associates of 22.5 billion yen with regard to shares in Japan Marine United Corporation, extraordinary losses amounted to 22.5 billion yen and profit came to 25.8 billion yen.

With regard to distribution of surplus, although an interim dividend of 20 yen per share was paid out, we regretfully decided not to propose paying a year-end dividend in light of a significant deterioration in the consolidated performance for the 18th term. We appreciate your understanding.

(Notes)

1. Business profit: Profit before tax excluding financial income and one-time items of materially significant value. It is a benchmark indicator of the consolidated earnings of JFE.
2. Segment profit: Business profit including financial income. It is a performance indicator of each segment.
3. JFE Holdings uses JGAAP for its non-consolidated operating results.

[Tasks requiring attention]

The business environment surrounding the JFE Group is seeing a deterioration in terms of overseas market conditions due to the effect of U.S.-China trade friction, which is causing declines in sales volume and steel material prices. Meanwhile, soaring iron ore prices associated with a rise in crude steel output in China and cost increases such as materials and logistics are making it difficult to secure profit. Furthermore, as economic activities around the world are restrained by the global spread of COVID-19, the Group is in an unprecedented, extremely difficult condition, faced by a sharp slowdown in the global economy and significant influence on domestic economic activities.

Over the medium to long term, a decline in demand is anticipated in the Japanese market because of a decreasing population, etc. Moreover, the overseas market will become increasingly competitive due to expansion in steel production capacity in emerging nations and an increase in exports from China given a decline in domestic demand.

Under these circumstances, the JFE Group has been implementing measures under the sixth Medium-Term Business Plan (fiscal years 2018–2020). However, it will be difficult to achieve targets, especially in the steel business, due to rapid changes in the business environment that were not anticipated at the time of formulating the plan. In view of trends in steel demand over the medium to long term as well as current harsh circumstances, the JFE Group will reorganize its production operations in Japan, deeming it necessary to implement fundamental measures in the steel business, including selectively focusing business resources on products and areas that are competitive.

The effect of the spread of COVID-19 is unpredictable and may cause deterioration in the employment and income environments if it persists over the long term, leading to decreased demand and may significantly affect the JFE Group's business operations. We will closely monitor the situation and take agile and precise measures in accordance with the characteristics of the respective businesses while giving due consideration to infection prevention for employees and

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concerned parties.

The JFE Group will work as one to take every possible measure speedily and boldly in an effort to overcome this difficult situation.

■ Performance and Profitability Targets for Sixth Medium-term Business Plan

<The Company (consolidated)>

Business profit:	290 billion yen / year
Profit attributable to owners of parent:	200 billion yen / year
Debt/EBITDA ratio:	Around 3x

<Operating company (consolidated)>

Segment profit	
Steel business:	220 billion yen / year
Engineering business:	30 billion yen / year
Trading business:	35 billion yen / year

<Measures to be taken by operating companies>

■ JFE Steel Corporation aims to constantly create new value and build a global supply chain for steel that grows in step with customers.

Under the sixth Medium-term Business Plan, JFE Steel has endeavored to improve its works and manufacturing bases in Japan and strengthen manufacturing capabilities with an aim to achieve stable crude steel production of 30.0 million tons, as well as cost cutting in an amount of around 105.0 billion yen for the cumulative three years on a non-consolidated basis. However, due to rapid changes in the current business environment and in view of the demand-supply balance of steel in Japan and overseas over the medium to long term, JFE Steel deems it unavoidable to implement fundamental structural reforms including the reduction of crude steel production capability with a view to maintaining and increasing its competitive advantage in the global market. JFE Steel has therefore decided to reform its domestic production operations and focus business resources thoroughly and selectively on products and areas that are competitive, such as automobiles, infrastructure materials, and energy.

Specifically, operation of pig iron making plants, steelmaking plants and hot-rolled steel plants at the East Japan Works (Keihin) will be shut down by around FY2023, while production of steel sheets at the East Japan Works will be consolidated to Chiba with the exception of certain product types (pickling and specialty steels). The suspension of iron making plants in Keihin will reduce the blast furnaces in operation in Japan from eight to seven with a decrease of 4.0 million tons in crude steel production capacity. Meanwhile, JFE Steel aims to increase the comprehensive competitiveness of blast furnace integrated steelworks and maximize the production capabilities of other works and production bases as an effort to expand profits while promoting sales and product type strategies centering on priority areas. In addition, as part of these structural reforms, JFE Steel will steadily streamline its organizations and systems through efficient operations and increasing productivity on a companywide basis including the head office divisions.

In response to a sharp decline in demand due to the spread of COVID-19, JFE Steel stopped the No. 4 blast furnace at the West Japan Works (Kurashiki) at the end of April 2020 and had it repaired ahead of schedule. The No. 4 blast furnace at Fukuyama will be also prepared for banking treatment (halt of operation in a state capable of restarting production by stopping the air blast flow) scheduled for the end of June. While responding to a steep decline in demand by suspending two blast furnaces and reducing production volume, we will have other blast furnaces operate with higher efficiency and strive for stable production and cost reduction as an effort to weather the period until the current situation settles. In line with plant suspensions due to reduced production, JFE Steel will furlough some employees to maintain employment. At the same time, we will implement cash flow measures including cost reductions mainly by cutting fixed costs, a substantial reduction of inventories, and extra stringent screening of investments.

On top of these measures, for the medium to long term, JFE Steel will strive to further enhance corporate value by positioning enhancing competitiveness of domestic production bases and

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expanding profit in overseas businesses as priority issues.

In Japan, we will mainly enhance competitiveness of the West Japan Works, which is our core steel works. As growth in demand is particularly expected for electrical steel sheets used for motor cores of electric vehicles, JFE Steel will expand its production lines and steadily capture demand.

Also, JFE Steel will develop products and provide solutions, centering on priority areas, and promote growth strategies with leading edge technologies. For example, in the automobile area, to keep pace with technological innovations such as lighter vehicles and the shift to EVs, JFE Steel will accelerate and evolve its technology development by focusing on high-tensile steel.

Furthermore, JFE Steel will introduce advanced IT (data science, robotics, etc.) such as AI and IoT to apply to technology development as stated above and actively use such IT technologies for operation and safety management of steel works and other various fields.

Regarding overseas business, the JFE Steel Group will aim to expand profits with a focus on fields where efforts have been made to expand global production by monitoring long-term trends in maturity of each region and market. In Asian economies with growth potential, the JFE Steel Group will expand profitability by utilizing the world-leading technologies that JFE Steel has accumulated thus far for raising corporate value of alliances with overseas steel companies. In order to strengthen management of these overseas businesses, an “Overseas Business Promotion Center” was established.

- JFE Engineering Corporation will aim to become an engineering company that supports people’s lives under the mission of “creates and further underpins the foundations for life.”

In engineering, procurement and construction (EPC) activities that create the foundations for life, JFE Engineering will steadily capture overseas demand which is expected to grow in the future by making full use of technologies accumulated in Japan as well as global engineering structures reinforced in recent years. In addition to EPC activities, JFE Engineering will expand projects encompassing operations and maintenance activities, recycling and power generation businesses that further “underpins” the foundations for life over the long term. By establishing this initiative as a business model, JFE Engineering seeks to secure stable profits that are immune to changes in the environment. In addition, by actively promoting M&As and alliances with other companies, JFE Engineering will take on challenges in new technology fields and business models. Based on acquired expertise, it will aim for business sophistication and differentiation as well as provision of new products and services.

Progress in our projects and plant operation may be significantly affected by the status of the spread of COVID-19. Suspension of new project plans and a decrease in orders due to order postponement are also anticipated. JFE Engineering will strive to minimize such effects by flexibly changing construction systems and adopting optimal measures in step with the progress of construction works under an unforeseen situation such as project suspensions and changes in construction periods. As a company responsible for the security of society and people’s lives, JFE Engineering will contribute to maintaining and securing lifelines such as electricity, gas, water and sewerage systems, bridges, and other infrastructure and waste treatment even under these circumstances.

- JFE Shoji Corporation will aim to improve proposal and transmission capabilities as a core trade company of the JFE Group and become a company with strong presence while sustainably growing with customers.

Due to the spread of COVID-19 and lockdowns and other infection preventive measures being taken overseas, there are concerns over restraints on logistics, plant shutdowns of steel material processing centers and lower utilization rates, in addition to a decline in sales volume accompanied by a sharp decrease in demand as well as falling product prices. JFE Shoji will closely monitor the status of the spread, administrative measures, medical systems, commodity procurement, and air traffic in each area to take appropriate and speedy action.

On top of these measures, for the medium to long term, JFE Shoji will strive to expand business profits through steel material processing, etc., while maintaining and increasing earnings from trading operations by expanding steel product sales volume. With the increasing shift to electrically operated vehicles, the market environment is anticipated to face drastic changes on a global scale. Against this backdrop, JFE Shoji will strengthen operations under a four-region structure (Japan,

(Translation for reference only)

Americas, China and ASEAN) as the main strategic regions and aim to create a stable profit base.

In Japan, JFE Shoji will work to strengthen its processing and distribution centers and its corporate structure through operational reorganizations to capture demand. Overseas, JFE Shoji will strive to expand steel product sales volume by making full use of the resources of the JFE Group. Also, while strengthening the functions of secondary and tertiary processing which is closer to the finished product, JFE Shoji will create new business models through alliances with superior partners and expand business outside of the Group.

Our equity-method affiliate Japan Marine United Corporation agreed on a capital and business alliance with IMABARI SHIPBUILDING CO., LTD. and on establishment of a joint venture for joint marketing and design aimed at strengthening international competitiveness. The Company will strive to maximize the effects of the alliance by capitalizing on the strengths of each company and promote measures to improve profitability while implementing necessary initiatives. Against the effects of COVID-19, we will take appropriate action by closely monitoring the situation.

The balance of interest-bearing liabilities (bonds payable, borrowings, and lease obligations) increased by 290.5 billion yen (including a 105.7 billion yen increase in lease obligations at the beginning of the period due to the application of new accounting standard for leases) year on year to 1,814.3 billion yen. As a result, the Debt/EBITDA ratio as of the end of the period was 6.7x, with the D/E ratio of 96.4%. The JFE Group positions maintaining financial soundness as one of its most important issues. We will reduce interest-bearing liabilities by streamlining assets including a further reduction of shareholdings, as well as reviewing priorities in capital expenditures and investments, in addition to improving the cash conversion cycle through reducing inventories. Additionally, the Company will secure sufficient liquidity of funds by setting commitment lines with multiple financial institutions.

To steadily and reliably carry out the management tasks of the JFE Group, JFE Holdings strives for efficient operation while reinforcing its function as the key entity for group management and sound corporate governance, both of which serve shareholders' interests.

The JFE Group is determined to continue its group-wide efforts for adherence to thorough compliance, a further commitment to environmental issues and enhanced safety, all of which help strengthen our relationships with society.

Particularly, as ESG initiatives, the JFE Group has continued information disclosure through issuance of an Integrated Report. By promoting activities for achieving key performance indicators (KPIs) in addition to announcing long-term visions and messages relating to the environment and climate change issues and enriching disclosure using scenario analysis and other methods in line with the recommendations of Task Force on Climate-related Financial Disclosures (TCFD), we will contribute to solving social issues.

The JFE Group will continue to promote the sustainable development of the Group and maximize corporate value for every stakeholder including shareholders. We appreciate the continued understanding, support and encouragement of our shareholders.

(Translation for reference only)

(2) Production, order received and sales

The production, order received and sales of JFE Holdings, Inc. and its consolidated subsidiaries, etc. (including joint operations) during the 18th term were as follows. Revenue of joint operations included in Sales is an amount corresponding to equity of the JFE Group.

1) Production (Thousand tons)

Business	17th term FY2018	18th term FY2019	Change (%)
Steel business (crude steel output)	27,881	28,089	0.7

2) Order received (Millions of yen)

Business	17th term FY2018	18th term FY2019	Change (%)
Engineering business	482,819	413,089	(14.4)

3) Sales (Millions of yen)

Business	17th term FY2018	18th term FY2019	Change (%)
Steel business	2,830,649	2,681,350	(5.3)
Engineering business	485,815	512,295	5.5
Trading business	1,125,861	1,084,137	(3.7)
Eliminations or corporate	(568,663)	(548,065)	—
Total	3,873,662	3,729,717	(3.7)

(3) Capital expenditure

Total amount of capital expenditure of JFE Holdings, Inc. and its consolidated subsidiaries, etc. (including joint operations) during the 18th term was 391.3 billion yen and the major expenditure was as follows. Amount of capital expenditure of joint operations included in the amount above is an amount corresponding to equity of the JFE Group.

1) Major facility completed during the 18th term

Steel Business

JFE Steel Corporation

East Japan Works (Keihin)

Renovation of the Ohgishima thermal power plant's No. 1 power generator

West Japan Works (Fukuyama)

Construction of No. 3 sintering machine

Corporate

Renewal of steelworks systems (Phase 1)

2) Major ongoing facility during the 18th term

Steel Business

JFE Steel Corporation

West Japan Works (Kurashiki)

Construction of continuous-casting machine

West Japan Works (Kurashiki)

Repair of No. 4 blast furnace

West Japan Works (Kurashiki)

Renewal of blast boiler for blast furnace
STEP 1

West Japan Works (Kurashiki)

Enhancement of steelmaking capability

West Japan Works (Fukuyama)

Construction of Ferro coke pilot plant

West Japan Works (Fukuyama)

Renovation of No. 3 Coke oven (Battery A
and B)

Corporate

Renewal of steelworks systems
(Phase 2)

(4) Fund procurement

(Translation for reference only)

JFE Holdings, Inc. and its consolidated subsidiaries, etc. (including joint operations) raised necessary funds through long-term loans and issuance of straight bonds. The total amount is 303.5 billion yen. The amount for joint operations included in the amount above is an amount corresponding to equity of the JFE Group.

(5) Assets and operating results

1) Consolidated assets and operating results of JFE Holdings, Inc.

JGAAP

(Millions of yen)

Item	15th term FY2016	16th term FY2017	17th term FY2018	18th term FY2019
Net sales	3,308,992	3,678,612		
Operating income	96,746	246,669		
Ordinary income	84,735	216,339		
Profit attributable to owners of parent	67,939	144,638		
Profit per share (yen)	117.81	250.86		
Net assets	1,921,809	2,009,911		
Total assets	4,336,069	4,440,910		

International Financial Reporting Standards (IFRS)

(Millions of yen)

Item	15th term FY2016	16th term FY2017	17th term FY2018	18th term FY2019
Revenue		3,627,248	3,873,662	3,729,717
Business profit		218,378	232,070	37,899
Profit attributable to owners of parent		97,635	163,509	(197,744)
Basic earnings per share (yen)		169.34	283.81	(343.39)
Total equity		1,922,065	1,991,759	1,706,552
Total assets		4,487,173	4,709,201	4,646,120

Note:

The JFE Group adopted the International Financial Reporting Standards (IFRS) from the 17th term, in place of JGAAP.

2) Assets and operating results of JFE Holdings, Inc.

JGAAP

(Millions of yen)

Item	15th term FY2016	16th term FY2017	17th term FY2018	18th term FY2019
Operating revenue	23,681	34,572	116,518	61,228
Operating income	8,585	18,010	104,233	48,548
Ordinary income	8,585	18,010	104,233	48,548
Profit	8,392	(42,180)	104,128	25,866
Profit per share (yen)	14.55	(73.14)	180.69	44.91
Net assets	1,058,157	981,063	1,028,332	1,014,114
Total assets	2,523,462	2,366,306	2,479,150	2,676,515

(Translation for reference only)

(6) Major lines of business (As of March 31, 2020)

1) JFE Holdings, Inc.

Control and administration of operating companies engaged in the steel, engineering, trading and other businesses by holding shares thereof.

2) Steel business (JFE Steel Corporation and its affiliated companies)

Manufacture and sales of various steel products, steel processed products, raw materials, etc., as well as transportation business and peripheral businesses such as the equipment maintenance and equipment work businesses.

(Major products and services)

Steel products and semi-finished products (hot-rolled steel sheets, cold-rolled steel sheets, surface-treated steel sheets, steel plates, steel shapes, H-shapes, sheet piles, rails, seamless steel pipes, forge welded steel pipes, electric resistance welded steel pipes, rectangular steel pipes, arc-welded steel pipes, electrical steel sheets, stainless sheets, steel bars, wire rods, iron powder, slabs); titanium products; steel processed products; chemical products; formed and fabricated products; various containers; mining and mineral products; iron and steel slag products; functional materials; ferroalloy; various refractories; furnace construction works; various transportation and warehousing; civil engineering and construction works; equipment management and construction works; electric works; telecommunications works; thermal power generation; gas; temporary construction materials; real estate; insurance agency business; various service businesses; various computer systems; material analysis; environmental research; technical information surveys; support for intellectual properties, etc.

3) Engineering business (JFE Engineering Corporation and its affiliated companies)

Engineering business regarding energy, urban environment, steel structures, industrial machineries, recycling business and electricity retailing business

(Major products and services)

Gas, oil, and water pipelines; various tanks such as LNG/LPG; solar, geothermal, biomass and other renewable energy generation systems; municipal waste incinerator; water treatment systems; recycling services for waste plastics, etc.; bridges, port and harbor structures; industrial machineries such as logistic systems, engines, shield tunneling machine and ballast water treatment system; pig iron making, steelmaking and mini-mill related plants; quick chargers for electric vehicles; agricultural production facilities

4) Trading business (JFE Shoji Corporation and its affiliated companies)

Purchasing, processing and sales of steel products, raw materials for ironmaking/steelmaking, non-ferrous metal products, foods, etc.

(Major products and services)

Steel products (steel plates, checkered steel plates, hot-rolled steel sheets, cold-rolled steel sheets, electrical steel sheets, surface-treated steel sheets, galvanized steel sheets, tin plates, steel pipes, specialty steel pipes, steel bars, H-shapes, lightweight shaped steel plates, regular shaped steel plates, columns, wire rods, stainless steels, specialty steels, slabs); flux; iron powder; steel processed products; raw materials, other materials and equipment for ironmaking/steelmaking; non-ferrous metal products; chemical products; petroleum products; paper products; vessels; civil engineering and construction works; the Terre Armeé method; canned products; agricultural and livestock products; marine products; semiconductor products; real estate and so forth.

(Translation for reference only)

(7) Major sales offices, works and overseas offices (As of March 31, 2020)

1) JFE Holdings, Inc.

Head office	Head office (Chiyoda, Tokyo)
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2) Steel business (JFE Steel Corporation)

Head office	Head office (Chiyoda, Tokyo)
Domestic sales offices	Osaka, Nagoya, Hokkaido (Sapporo), Tohoku (Sendai), Niigata, Hokuriku (Toyama), Chugoku (Hiroshima), Shikoku (Takamatsu), Kyusyu (Fukuoka), Chiba, Kanagawa (Yokohama), Shizuoka, Okayama and Okinawa (Naha)
Steel works	Sendai Works, East Japan Works (Chiba and Kawasaki), West Japan Works (Kurashiki and Fukuyama) and Chita Works (Handa)
Research laboratories	Steel Research Laboratories (Chiba, Kawasaki, Handa, Kurashiki and Fukuyama)
Overseas offices	New York, Houston, Brisbane, Brazil, London, Dubai, New Delhi, Mumbai, Singapore, Bangkok, Vietnam, Jakarta, Manila, Seoul, Beijing, Shanghai and Guangzhou

3) Engineering business (JFE Engineering Corporation)

Head offices	Tokyo head office (Chiyoda, Tokyo) and Yokohama head office
Domestic sales offices	Hokkaido (Sapporo), Doto (Kushiro), Tomakomai, Tohoku (Sendai), Aomori (Hachinohe), Akita, Fukko Saisei (Fukushima), Chiba, Yokohama, Kawasaki, Niigata, Toyama, Shizuoka, Nagoya, Mie (Tsu), Osaka, Wakayama, Kobe, Shikoku (Takamatsu), Kurashiki, Chugoku (Hiroshima), Fukuyama, Yamaguchi (Hofu), Kyusyu (Fukuoka), Kumamoto, Minamikyushu (Kagoshima) and Okinawa (Naha)
Production bases	Tsurumi Engineering and Manufacturing Center (Yokohama) and Tsu Works
Research laboratory	Technical Research Center (Yokohama)
Overseas offices	Beijing, Philippines, Hanoi, Ho Chi Minh, Bangkok, Singapore, Malaysia, Indonesia, Yangon, India, Duisburg, U.S.A.

4) Trading business (JFE Shoji Corporation)

Head office	Head office (Chiyoda, Tokyo)
Domestic sales offices	Osaka, Nagoya, Hokkaido (Sapporo), Tohoku (Sendai), Niigata, Shizuoka, Hokuriku (Toyama), Okayama, Hiroshima, Shikoku (Takamatsu), Kyusyu (Fukuoka), Chibaminami (Chiba), Keihin (Kawasaki), Hamamatsu, Chita (Handa), Okayama (Kurashiki), Kurashiki, Fukuyama, Kagoshima and Naha
Overseas offices	Taipei, Singapore, Dusseldorf, Dubai, Kaohsing, Istanbul, U.S.A., Brazil, Hong Kong, Australia, South Korea, Beijing, Shanghai, Guangzhou, Thailand, Indonesia, Philippines, Malaysia, India and Vietnam

Note:

Overseas offices include overseas subsidiaries.

Major affiliated companies and their head office locations are listed in (9) Significant subsidiaries and affiliates (pages 25 through 28).

(Translation for reference only)

(8) Employees (As of March 31, 2020)

Numbers of employees of JFE Holdings, Inc., operating companies and its consolidated subsidiaries are as follows.

1) Employees of JFE Holdings, Inc. and its consolidated subsidiaries

	Number of employees
JFE Holdings, Inc.	45
Steel business (JFE Steel Corporation and its consolidated subsidiaries)	45,844
Engineering business (JFE Engineering Corporation and its consolidated subsidiaries)	10,265
Trading business (JFE Shoji Corporation and its consolidated subsidiaries)	7,855
Total	64,009

2) Employees of JFE Holdings, Inc. and operating companies (JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation)

	Number of employees	Year-on-year increase	Average age (years old)	Average years of service
JFE Holdings, Inc.	45	(Increase by 4)	44.2	20.4
JFE Steel Corporation	15,998	(Increase by 321)	38.4	15.9
JFE Engineering Corporation	3,841	(Decrease by 6)	44.1	13.8
JFE Shoji Corporation	987	(Increase by 13)	37.4	11.1

Note:

For those dispatched from operating companies to JFE Holdings, Inc., the aggregated years of service for the respective companies are adapted to the calculation of the Average years of service.

(Translation for reference only)

(9) Significant subsidiaries and affiliates (As of March 31, 2020)

1) Significant subsidiaries (*Stocks indirectly held by subsidiary companies are included.)

Name	Head office location	Description of business	Capital (Millions of yen)	Voting rights ratio (%)
[Steel business]				
JFE Steel Corporation	Chiyoda, Tokyo	Manufacture and sales of steel products	239,644	100.0
JFE Bars & Shapes Corporation	Minato, Tokyo	Manufacture and sales of steel shapes and reinforcing steel bars	30,000	*100.0
JFE Chemical Corporation	Taito, Tokyo	Manufacture and sales of chemical products	6,000	*100.0
JFE Metal Products & Engineering Inc.	Minato, Tokyo	Manufacture, processing and sales of secondary steel products	5,000	*97.4
JFE Galvanizing & Coating Co., Ltd	Shinagawa, Tokyo	Manufacture, processing and sales of secondary steel products	5,000	*100.0
Gecoss Corporation	Chuo, Tokyo	Rental and sales of temporary construction materials	4,397	*62.0
JFE Logistics Corporation	Chiyoda, Tokyo	Various transportation and warehousing businesses	4,000	*89.2
JFE Container Co., Ltd.	Chiyoda, Tokyo	Manufacture and sales of various containers	2,365	*59.6
JFE Civil Engineering & Construction Corp.	Taito, Tokyo	Contracting for civil engineering and construction works	2,300	*100.0
JFE Mineral Company, Ltd.	Minato, Tokyo	Mining and manufacture, processing and sales of mineral products, and manufacture and sales of iron and steel slag and functional materials	2,000	*100.0
JFE Life Corporation	Taito, Tokyo	Real estate, insurance agency and various service businesses	2,000	*100.0
JFE Plant Engineering Co., Ltd.	Taito, Tokyo	Manufacture and sales of machinery and equipment, contracting for electric works, telecommunications works, and equipment management and construction works	1,700	*100.0
JFE Systems, Inc.	Minato, Tokyo	Development and sales of various computer systems	1,390	*67.7
Mizushima Ferroalloy Co., Ltd.	Kurashiki, Okayama	Manufacture and sales of ferroalloy	1,257	*100.0
JFE Pipe Fitting Mfg. Co., Ltd.	Kishiwada, Osaka	Manufacture and sales of steel pipe joints	958	*86.6
JFE Kozai Corporation	Chuo, Tokyo	Shearing and fusing of steel plates/sheets, and sales of steel materials	488	*100.0
JFE Welded Pipe Manufacturing Co., Ltd.	Chuo, Tokyo	Manufacture and sales of electric resistance welded steel pipes	450	*100.0
JFE Steel Australia Resources Pty Ltd.	Brisbane, Australia	Investments in coal mines and the iron ore mining business in Australia	AUD 460 mil	*100.0

(Translation for reference only)

Name	Head office location	Description of business	Capital (Millions of yen)	Voting rights ratio (%)
Philippine Sinter Corporation	Manila, Philippines	Manufacture and sales of sintered ore	PHP 1,881 mil	*100.0
JFE Steel Galvanizing (Thailand) Ltd.	Rayong, Thailand	Manufacture and sales of hot-dip galvanized steel products	THB 4,362 mil	*100.0
[Engineering business]				
JFE Engineering Corporation	Chiyoda, Tokyo	Engineering business	10,000	100.0
J&T Recycling Corporation	Yokohama	Total recycling business	650	*64.0
[Trading business]				
JFE Shoji Corporation	Chiyoda, Tokyo	Domestic and export/import trade of steel products, raw materials for ironmaking/steelmaking, non-ferrous metal products, chemical products, petroleum products, various equipment and materials, etc.	14,539	100.0
JFE Shoji Trade Steel Construction Materials Corporation	Chiyoda, Tokyo	Sales of construction material products and equipment and materials for civil engineering/construction; metallic processing business; civil engineering/construction works; various works	1,500	*100.0
JFE Shoji Pipe & Fitting Corporation	Chiyoda, Tokyo	Sales of steel pipe and pipe material products	500	*100.0
JFE Shoji Usuitakenzai Corporation	Chiyoda, Tokyo	Sales of steel sheets and construction material products	400	*100.0
JFE Shoji Trade Thailand Ltd.	Bangkok, Thailand	Export/import and domestic trade of steel products, raw materials for ironmaking/steelmaking, various equipment and materials, etc.	THB 20 mil	*100.0
JFE Shoji America Holdings Inc.	L.A., U.S.A.	Management of subsidiaries in Americas, etc.	USD 0 mil	*100.0
JFE Shoji Trade America LLC	L.A., U.S.A.	Export/import and domestic trade of steel products, raw materials for ironmaking/steelmaking, etc.	—	*100.0
Kelly Pipe Co., LLC	Santa Fe Springs, U.S.A.	Sales of steel pipe	—	*100.0

- From the 18th term, JFE Shoji America Holdings Inc. is listed as a significant subsidiary.
- JFE Kankyo Corporation, which was listed in the 17th term, merged with Tokyo Waterfront Recycle Power Corporation on April 1, 2019, with JFE Kankyo Corporation as the surviving company, and changed its corporate name to J&T Recycling Corporation.
- JFE Shoji Trade America Inc., which was listed in the 17th term, merged with JFE Shoji Trade America LLC on January 1, 2020, with JFE Shoji Trade America LLC as the surviving company, and changed its corporate name to JFE Shoji America LLC on April 1, 2020.
- JFE Shoji Trade Steel Construction Materials Corporation and JFE Shoji Usuitakenzai Corporation were merged on April 1, 2020, with JFE Shoji Trade Steel Construction Materials

(Translation for reference only)

Corporation as the surviving company.

- JFE Shoji Trade Thailand Ltd. changed its corporate name to JFE Shoji Thailand Ltd. on May 5, 2020.
- The consolidated subsidiaries totaled 321, including the companies stated above, during the 18th term.

2) Significant affiliates (*Stocks indirectly held by subsidiary companies are included.)

Name	Head office location	Description of business	Capital (Millions of yen)	Voting rights ratio (%)
[Steel business]				
Japan-Brazil Niobium Corporation	Chiyoda, Tokyo	Investment in the niobium mining business in Brazil	37,272	*25.0
Setouchi Joint Thermal Power Co., Ltd.	Fukuyama, Hiroshima	Thermal power generation business	5,000	*50.0
Shinagawa Refractories Co., Ltd.	Chiyoda, Tokyo	Manufacture and sales of various refractories, and contracting for furnace construction works	3,300	*34.1
Nippon Chuzo K.K.	Kawasaki	Manufacture and sales of cast steel products, etc.	2,627	*34.0
Nippon Chutetsukan K.K.	Chuo, Tokyo	Manufacture and sales of cast-iron pipes, etc.	1,855	*29.3
NKK Tubes K. K.	Kawasaki	Manufacture and sales of seamless steel pipes	1,595	*49.0
Exa Corporation	Yokohama	Development and sales of various computer systems	1,250	*49.0
K.K. JFE Sanso Center	Fukuyama, Hiroshima	Manufacture and sales of oxygen gas, nitrogen gas and argon gas, etc.	90	*40.0
Guangzhou JFE Steel Sheet Co., Ltd.	Guangzhou, China	Manufacture and sales of cold-rolled and hot-dip zinc galvanized steel sheets	CNY 3,191 mil	*50.0
Nucor-JFE Steel Mexico, S. de R.L. de C.V.	Silao, Mexico	Manufacture and sales of hot-dip zinc galvanized steel sheets	USD 361 mil	*50.0
Baosteel Special Steel Shaoguan Co., Ltd.	Shaoguan, China	Manufacture and sales of specialty bar steel	CNY 1,372 mil	*50.0
Thai Cold Rolled Steel Sheet Public Co., Ltd.	Bangkok, Thailand	Manufacture and sales of cold-rolled steel sheets	THB 4,816 mil	*36.0
California Steel Industries, Inc.	Fontana, U.S.A	Manufacture and sales of steel products	USD 40 mil	*50.0
JSW Steel Ltd.	Mumbai, India	Manufacture and sales of steel products	INR 3,010 mil	*15.0
[Engineering business]				
JP Steel Plantech Co.	Yokohama	Design, manufacture and installation of ironmaking machinery, etc.	1,995	*34.0

(Translation for reference only)

Name	Head office location	Description of business	Capital (Millions of yen)	Voting rights ratio (%)
[Trading business]				
Hanwa Kozai Co., Ltd.	Osaka	Processing and sales of stainless products	1,076	*47.9
[Other business]				
Japan Marine United Corporation	Yokohama	Design, manufacture, sales, installation, repair and maintenance of ships, naval vessels and marine structures, etc.	40,000	49.4

- K.K. JFE Sanso Center and Nucor-JFE Steel Mexico, S. de R.L. de C.V. are listed as significant affiliates from the 18th term.
- Brazil Japan Iron Ore Corporation, which was listed in the 17th term, was liquidated on March 9, 2020.
- Baosteel Special Steel Shaoguan Co., Ltd. became an equity method affiliate of JFE Steel Corporation, as JFE Steel Corporation obtained equity in Baosteel Special Steel Shaoguan Co., Ltd. held by Guangdong Shaoguan Iron and Steel Songshan Co., Ltd. on March 26, 2020.
- The equity method affiliates (including joint operations) totaled 74, including the companies stated above, during the 18th term.

3) Matters regarding designated wholly owned subsidiaries (As of March 31, 2020)

Name	Address	Total book value (Millions of yen)	Total assets of the Company (Millions of yen)
JFE Steel Corporation	2-3 Uchisaiwai-cho 2-chome, Chiyoda-ku, Tokyo	721,736	2,676,515

(10) Major lenders (As of March 31, 2020)

The major lenders of JFE Holdings, Inc. and consolidated subsidiaries are as follows.

Name	Loan balance (Millions of yen)
Mizuho Bank, Ltd.	284,493
Sumitomo Mitsui Banking Corporation	150,216
MUFG Bank, Ltd.	138,107
Development Bank of Japan Inc.	73,023

(Translation for reference only)

2. JFE Holdings, Inc.'s Share (As of March 31, 2020)

(1) Number of shares	
Total number of shares authorized to be issued	2,298,000,000
Total number of shares issued	614,438,399
(Number of shares of treasury shares included)	37,855,254

(2) Total number of shareholders 222,678

(3) Major shareholders

Name	Number of shares held (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	31,914	5.5
J.P. MORGAN BANK LUXEMBOURG S.A. 1300000	23,166	4.0
Nippon Life Insurance Company	20,821	3.6
Japan Trustee Services Bank, Ltd. (trust account)	17,842	3.1
Mizuho Bank, Ltd.	13,403	2.3
The Dai-ichi Life Insurance Company, Limited	13,127	2.3
Japan Trustee Services Bank, Ltd. (trust account 5)	10,874	1.9
Japan Trustee Services Bank, Ltd. (trust account 9)	10,564	1.8
JP MORGAN CHASE BANK 385151	9,051	1.6
JFE Employees Stock Ownership Plan	8,781	1.5

Note:

In addition to the above, JFE Holdings, Inc. retains 37,855,254 treasury shares. The treasury shares are not included in the shareholding ratio calculation.

3. Subscription Rights to Shares

Not applicable

(Translation for reference only)

4. Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2020)

Position	Name	Significant concurrent post
Representative Director, President and CEO	Koji Kakigi	Chairman of the Board of Directors, JFE 21st Century Foundation (Public Interest Incorporated Foundation)
Representative Director	Yoshihisa Kitano	Representative Director, President and CEO, JFE Steel Corporation
Representative Director	Masashi Terahata	Director, JFE Steel Corporation Representative Director, JFE 21st Century Foundation (Public Interest Incorporated Foundation)
Director	Naosuke Oda	Representative Director, President and CEO, JFE Shoji Corporation
Director	Hajime Oshita	Representative Director, President and CEO, JFE Engineering Corporation
Director	Masao Yoshida	Special Advisor, Furukawa Electric Co., Ltd. External Director, Tokyo Century Corporation
Director	Masami Yamamoto	Director and Senior Advisor, Fujitsu Limited Outside Member of the Board of Directors, Mizuho Financial Group, Inc.
Director	Nobumasa Kemori	Executive Advisor, Sumitomo Metal Mining Co., Ltd. Outside Director, NAGASE & CO., LTD. Outside Director, Sumitomo Realty & Development Co., Ltd.
Audit & Supervisory Board Member (Full-time)	Nobuya Hara	Audit & Supervisory Board Member, JFE Steel Corporation
Audit & Supervisory Board Member (Full-time)	Kumiko Baba	Audit & Supervisory Board Member, JFE Engineering Corporation Audit & Supervisory Board Member, JFE Shoji Corporation
Audit & Supervisory Board Member	Shigeo Ohyagi	Advisor, Teijin Limited Outside Director, KDDI CORPORATION Outside Member of the Board of Directors, MUFG Bank, Ltd.
Audit & Supervisory Board Member	Isao Saiki	Partner Lawyer, Abe, Ikubo & Katayama Law Firm
Audit & Supervisory Board Member	Tsuyoshi Numagami	Board Member and Executive Vice President, HITOTSUBASHI UNIVERSITY

Notes:

1. Masao Yoshida, Director of JFE Holdings, Inc., retired as Outside Director of FURUKAWA CO., LTD. as of June 27, 2019.
2. Masami Yamamoto, Director of JFE Holdings, Inc., became Outside Member of the Board of Directors of Mizuho Financial Group, Inc. as of June 21, 2019. He retired as Chairman and Director of Fujitsu Limited as of June 24, 2019 and became Director and Senior Advisor.
3. Nobumasa Kemori, Director of JFE Holdings, Inc., became Outside Director of Sumitomo Realty & Development Co., Ltd. as of June 27, 2019.
4. Masao Yoshida, Masami Yamamoto and Nobumasa Kemori serve as Outside Directors of JFE Holdings, Inc.

(Translation for reference only)

5. Directors and Audit & Supervisory Board Members retired during the 18th term are as follows.

Position	Name	Retirement date
Director	Eiji Hayashida	June 21, 2019
Director	Shinichi Okada	June 21, 2019
Audit & Supervisory Board Member (Full-time)	Shotaro Tsumura	June 21, 2019

6. Nobuya Hara, Audit & Supervisory Board Member of JFE Holdings, Inc., has extensive knowledge of and insight into finance and accounting, which he accumulated through work in corporate planning, accounting and finance at JFE Steel Corporation, and through accounting work at JFE Holdings, Inc.
Kumiko Baba, Audit & Supervisory Board Member of JFE Holdings, Inc., has extensive knowledge of and insight into finance and accounting, which she accumulated through experience in execution of duties as Corporate Officer in addition to supervision of overseas businesses and accounting and finance related operations at JFE Engineering Corporation.
Tsuyoshi Numagami, Audit & Supervisory Board Member of JFE Holdings, Inc., has been engaged in extensive research on overall corporate management, including business strategy, and has extensive knowledge of and insight into finance and accounting based on his expertise.
7. Shigeo Ohyagi, Isao Saiki and Tsuyoshi Numagami serve as Outside Audit & Supervisory Board Members of JFE Holdings, Inc.
8. Directors Masao Yoshida, Masami Yamamoto and Nobumasa Kemori and Audit & Supervisory Board Members Shigeo Ohyagi, Isao Saiki and Tsuyoshi Numagami satisfy the requirements of Independent Director/Audit & Supervisory Board Member as stipulated in the regulations of Tokyo Stock Exchange, Inc., etc., and the “Standards for Independence of Outside Directors/Audit & Supervisory Board Members” stipulated by JFE Holdings, Inc. JFE Holdings, Inc. designated these six persons as independent Director/Audit & Supervisory Board Member as stipulated under the regulations of Tokyo Stock Exchange, Inc., etc., and registered them as such with the Tokyo Stock Exchange, etc.
9. Corporate Officers as of March 31, 2020, are as follows.

Position	Name	Responsibility(ies)
President	Koji Kakigi	Chief Executive Officer (CEO)
Executive Vice President	Masashi Terahata	Chief Financial Officer (CFO) Supervision of General Administration Dept., Corporate Planning Dept., Investor Relations Dept., and Finance Dept.
Senior Vice President	Hiroyuki Fujiwara	In charge of General Administration Dept. and Corporate Planning Dept.
Senior Vice President	Toshihiro Tanaka	In charge of Investor Relations Dept. and Finance Dept.

(Translation for reference only)

(2) Outline of the contracts for limitation of liability

JFE Holdings, Inc. has entered into agreements, in accordance with the provision of Article 427, Paragraph 1, of the Companies Act, with all the Outside Directors and Audit & Supervisory Board Members of JFE Holdings, Inc. to limit their liability to compensate damages under Article 423, Paragraph 1, of the Companies Act. The limitation on indemnity liability of each Outside Director and Audit & Supervisory Board Member to compensate damages under such agreements is set out to the amount set forth in the relevant laws and regulations.

(3) Remuneration for Directors and Audit & Supervisory Board Members

Remuneration for Directors and Audit & Supervisory Board Members during the 18th term is as follows.

	Staff size	Amount (thousands of yen)
Director	10	311,513
Audit & Supervisory Board Member	6	119,471

Notes:

1. The above includes two Directors and one Audit & Supervisory Board Member retired during the 18th term.
2. The total amount of remuneration paid to six Outside Directors/Audit & Supervisory Board Members is 86,535 thousand yen.
3. The amount of remuneration includes 25,498 thousand yen as stock remuneration for Directors.

The amount of bonuses for two Directors for the 17th term paid during the 18th term was 1,500 thousand yen higher than in the amount recorded in the Business Report for the 17th term.

(4) Outside Directors/Audit & Supervisory Board Members

- 1) Significant entities where Outside Directors/Audit & Supervisory Board Members concurrently hold positions are listed on page 30.

There is no special relationship between those entities and JFE Holdings, Inc.

- 2) Activities during the 18th term

- Masao Yoshida, Director
Masao Yoshida attended all of the 14 meetings of the Board of Directors. Having a wealth of experience in the management of the manufacturing business based on a broad range of material technologies and a broad knowledge in corporate management in a global setting, he spoke appropriately at the meetings.
- Masami Yamamoto, Director
Masami Yamamoto attended all of the 14 meetings of the Board of Directors. Having a wealth of knowledge related to ICT and a broad knowledge in corporate management in a global setting, he spoke appropriately at the meetings.
- Nobumasa Kemori, Director
Nobumasa Kemori attended all of the 14 meetings of the Board of Directors. Having experience in a broad range of businesses and corporate management and deep academic knowledge about metallic materials, he spoke appropriately at the meetings.
- Shigeo Ohyagi, Audit & Supervisory Board Member
Shigeo Ohyagi attended all of the 14 meetings of the Board of Directors and attended all of the 20 meetings of the Audit & Supervisory Board. Having a wealth of experience in a variety of businesses and corporate management in a global setting, as well as experience in having addressed the reinforcement of corporate governance, he spoke appropriately at the meetings.

(Translation for reference only)

- Isao Saiki, Audit & Supervisory Board Member
Isao Saiki attended all of the 14 meetings of the Board of Directors and all of the 20 meetings of the Audit & Supervisory Board. Having a wealth of experience and impressive knowledge in corporate legal affairs and other matters as a lawyer, he spoke appropriately at the meetings.
- Tsuyoshi Numagami, Audit & Supervisory Board Member
Tsuyoshi Numagami attended all of the 14 meetings of the Board of Directors and all of the 20 meetings of the Audit & Supervisory Board. Having deep academic knowledge about a management strategy and ideal organization of companies and experience in university management, he spoke appropriately at the meetings.

(Translation for reference only)

5. Accounting Auditor

- (1) Designation of Accounting Auditor: Ernst & Young ShinNihon LLC
- (2) Amount of remuneration for the Accounting Auditor pertaining to the 18th term
 - 1) Amount of remuneration paid by JFE Holdings, Inc. to the Accounting Auditor pertaining to the 18th term: 17,460 thousand yen
 - 2) Total amount of money and other financial profits paid by JFE Holdings, Inc. and its subsidiaries to the Accounting Auditor: 550,715 thousand yen
 - 3) Amount of payments described in 2) above, which fall under the business set forth in Article 2, Paragraph 1, of the Certified Public Accountants Act: 548,251 thousand yen

Notes:

1. Of the significant subsidiaries of JFE Holdings, Inc., the overseas subsidiaries are subject to audits of accounts by a certified public accountant or incorporated accounting firm other than the Accounting Auditor of JFE Holdings, Inc.
 2. The audit agreement between the Accounting Auditor and JFE Holdings, Inc. does not separately stipulate audit remunerations based on the Companies Act or the Financial Instruments and Exchange Act, and such a distinction is for all intents and purposes impossible to execute. Hence, the remuneration in 1) above contains these two types of payment.
 3. The Audit & Supervisory Board examined the appropriateness of the audit performance for the prior fiscal year, the content of the audit plan for the 18th term and the adequacy of the amount of remuneration for the Accounting Auditor, and, as a result, agreed upon the amount of remuneration to be paid to the Accounting Auditor.
- (3) Non-audit work
JFE Holdings, Inc. pays the Accounting Auditor for non-audit work such as instructor work for internal training, etc., which is outside the scope of work (non-audit duties) stipulated under Article 2, Paragraph 1, of the Certified Public Accountants Act.
 - (4) Policy on decisions of dismissal or non-reappointment of the Accounting Auditor
At JFE Holdings, Inc., the Audit & Supervisory Board shall, upon consent of all the Audit & Supervisory Board Members, dismiss the Accounting Auditor after reviewing a case if it determines a circumstance falling under any of the items set forth in Article 340, Paragraph 1, of the Companies Act, to have occurred. In case any similar circumstance occurs, or if the Audit & Supervisory Board judges it necessary to do so, a proposal for the dismissal or non-reappointment of the Accounting Auditor shall be submitted to a General Meeting of Shareholders.

(Translation for reference only)

6. Basic Policy Regarding the Control of the Company

- (1) Basic policy regarding persons who control decisions on JFE Holdings' financial and business policies

JFE Holdings, Inc. believes that a change of control is an effective means of revitalizing corporate activities and economy, and JFE Holdings, Inc. believes that when a large-scale purchase is commenced, the shareholders of JFE Holdings, Inc. should, in principle, make decisions as to whether or not the large-scale purchase is acceptable.

However, with respect to a large-scale purchase or a proposal related to a large-scale purchase, JFE Holdings, Inc. recognizes that the shareholders of JFE Holdings, Inc. need to precisely evaluate the effects of the large-scale purchase or the proposal on the corporate value of JFE Holdings, Inc. and the common interests of the shareholders. For this purpose, JFE Holdings, Inc. believes that both the large-scale purchaser and JFE Holdings, Inc.'s Board of Directors should promptly provide the shareholders with necessary and sufficient information, opinions and suggestions, and that the shareholders should be given necessary and enough time to review them.

- (2) Special initiatives that contribute to the realization of the basic policy

The JFE Group's basic management stance is to endeavor to increase, in good faith, the corporate value and achieve the common interests of the shareholders from a long-term perspective by committing to the corporate vision of contributing to society with the world's most innovative technology.

JFE Holdings, a pure holding company at the core of the Group's integrated governance system, guides Group-wide strategy, risk management and public accountability. Under the policy that one-third or more of Directors should be Independent Outside Directors for the purpose of realizing highly transparent management, three of eight Directors are Independent Outside Directors. Also, three of five Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members. Moreover, by appointing one female Audit & Supervisory Board Member and one female Director who is to be newly elected at the 18th Ordinary General Meeting of Shareholders, we strive to increase diversity in addition to ensuring independence. JFE Holdings, Inc. has endeavored to strengthen governance through, for example, formulation of the Basic Policy on Corporate Governance, establishment of the Nomination Committee and the Remuneration Committee, evaluation of effectiveness of the Board of Directors, introduction of medium- to long-term performance-linked stock remuneration system for executives, and formulation of basic policies for appointing and dismissing its President and their process.

Under JFE Holdings, Inc., three operating companies, namely, JFE Steel Corporation which is a world-leading integrated steel manufacturer, JFE Engineering Corporation, and JFE Shoji Corporation conduct optimal business operations in accordance with the characteristics of their respective businesses to strengthen competitiveness and expand earnings power. JFE Holdings, Inc. believes that an increase in its corporate value and sustainable growth are supported by steady implementation of various measures based on a long-term perspective including development of technologies for preservation of the global environment and by fully utilizing the source of our corporate value accumulated through long-term management efforts and ongoing investments, such as world-leading manufacturing capabilities in the steel industry, cost competitiveness, development utilizing Group-wide synergy, and excellent human capital. JFE Holdings, Inc. will also steadily implement measures to strengthen domestic manufacturing capabilities, advance overseas businesses, and promote ESG initiatives.

Furthermore, the JFE Group makes diverse efforts to obtain the support and cooperation of each and every stakeholder including customers, shareholders, business partners, employees and local communities.

- (3) Initiatives to prevent decisions on financial and business policies from being controlled by non-qualified parties that are against the Group's basic policies

JFE Holdings, Inc., at the meeting of the Board of Directors held on March 1, 2007, made the decision to adopt the "Policy Toward Large-scale Purchases of JFE Shares" (the "Former

(Translation for reference only)

Policy”), and given the approval of shareholders at the Ordinary General Meetings of Shareholders held in the same year and thereafter every two years, which is the effective term of the Former Policy, has continued to operate the Former Policy. At the Ordinary General Meetings of Shareholders held on June 23, 2017 and on June 21, 2019, JFE Holdings, Inc. received shareholders’ approval for the continuation of the Policy with certain amendments (hereinafter, the “Policy” shall be used to refer to the policy toward large-scale purchases of JFE shares after the changes).

Specifically, the Policy requires any large-scale purchaser that has the intent to hold 20% or more in the voting rights ratio to present in advance its management policies and business plans after the completion of the intended large-scale purchase. For a certain period thereafter, JFE Holdings, Inc.’s Board of Directors evaluates and examines the proposal from the following viewpoints: whether the large-scale purchaser has complied with the rules according to the Policy; whether the content of the proposal would irretrievably harm JFE Holdings, Inc.; or whether the proposal would seriously impair the corporate value of JFE Holdings, Inc. or the common interests of the shareholders. The Board of Directors may also disclose its opinion externally, negotiate with the large-scale purchaser and submit any alternative plans to the shareholders. The Company will invoke countermeasures if gratis allotment of stock acquisition rights as countermeasures is approved after implementing the process for confirming shareholder intent of such. However, only if the large-scale purchaser does not follow the above mentioned Large-scale Purchase Rules, or if certain requirements are met (four situations in which defensive measures were ruled by the Tokyo High Court to be acceptable as countermeasures in hostile takeovers; hereinafter referred to the “Four Situations”), the Board of Directors may invoke countermeasures without implementing the process for confirming shareholder intent.

JFE Holdings, Inc.’s Board of Directors will consult the Special Committee, which is composed mainly of Outside Directors, and obtain recommendations from the Special Committee in deciding whether or not it should take countermeasures. The Board of Directors will respect such recommendations to the maximum extent possible in making a decision on whether or not the Board of Directors will take countermeasures.

- (4) The confirmation that the above initiatives are compliant with the basic policy and do not impair the common interests of the shareholders or intend to improperly protect any executive positions, as well as the reasons thereof

The Policy provides that if a large-scale purchase of the JFE Holdings, Inc.’s shares is begun, necessary and adequate information, opinions, proposals, and so on will be promptly provided to shareholders and necessary and adequate time to investigate that information will be secured to ensure that shareholders can make accurate assessments regarding the impact of the large-scale purchase on the corporate value and the common interests of shareholders. In addition, the Special Committee, which consists of three members who are Outside Directors and Outside Audit & Supervisory Board Members, as an organization independent from JFE Holdings, Inc.’s Board of Directors, was established to ensure that the decisions of the Board of Directors relative to a large-scale purchase are made in a transparent, objective, fair and reasonable manner. Furthermore, the Policy prescribes that for all cases, excluding cases where rules are violated or the Four Situations are applicable, the process of confirming shareholder intent is required in order to invoke countermeasures, and the Company’s Board of Directors will take action according to the decision. Therefore, it is designed so that no one in a management position can arbitrarily misuse the Policy for self-protection. In addition, the continuation of the Policy was approved at the Ordinary General Meeting of Shareholders held in 2019.

Consequently, the content of the Policy is based on the above basic policy and does not harm the common interests of shareholders nor intend to improperly protect any executive positions of JFE Holdings, Inc.

Note:

As for fractions less than the respective units in the Business Report, the amounts and the number of shares are rounded down, whereas ratios and other values are rounded off.

(Translation for reference only)

(Reference) Corporate Governance Initiatives

JFE Holdings, Inc. has been striving to promote sustainable growth of JFE Holdings, Inc. (the “Company”) and the JFE Group (the “Group”) and medium to long-term corporate value, and achieving and hence further enhancing the best corporate governance to embody the Corporate Vision. In October 2015 the Company established the “JFE Holdings, Inc. Basic Policy on Corporate Governance” (the “Policy”). A summary of the Policy and the Company’s corporate governance system may be found below. Moreover, the entire text of the Policy is available on the Company’s website at: <https://www.jfe-holdings.co.jp/>.

The Corporate Governance Systems of the Company and the Group

[The Group’s System]

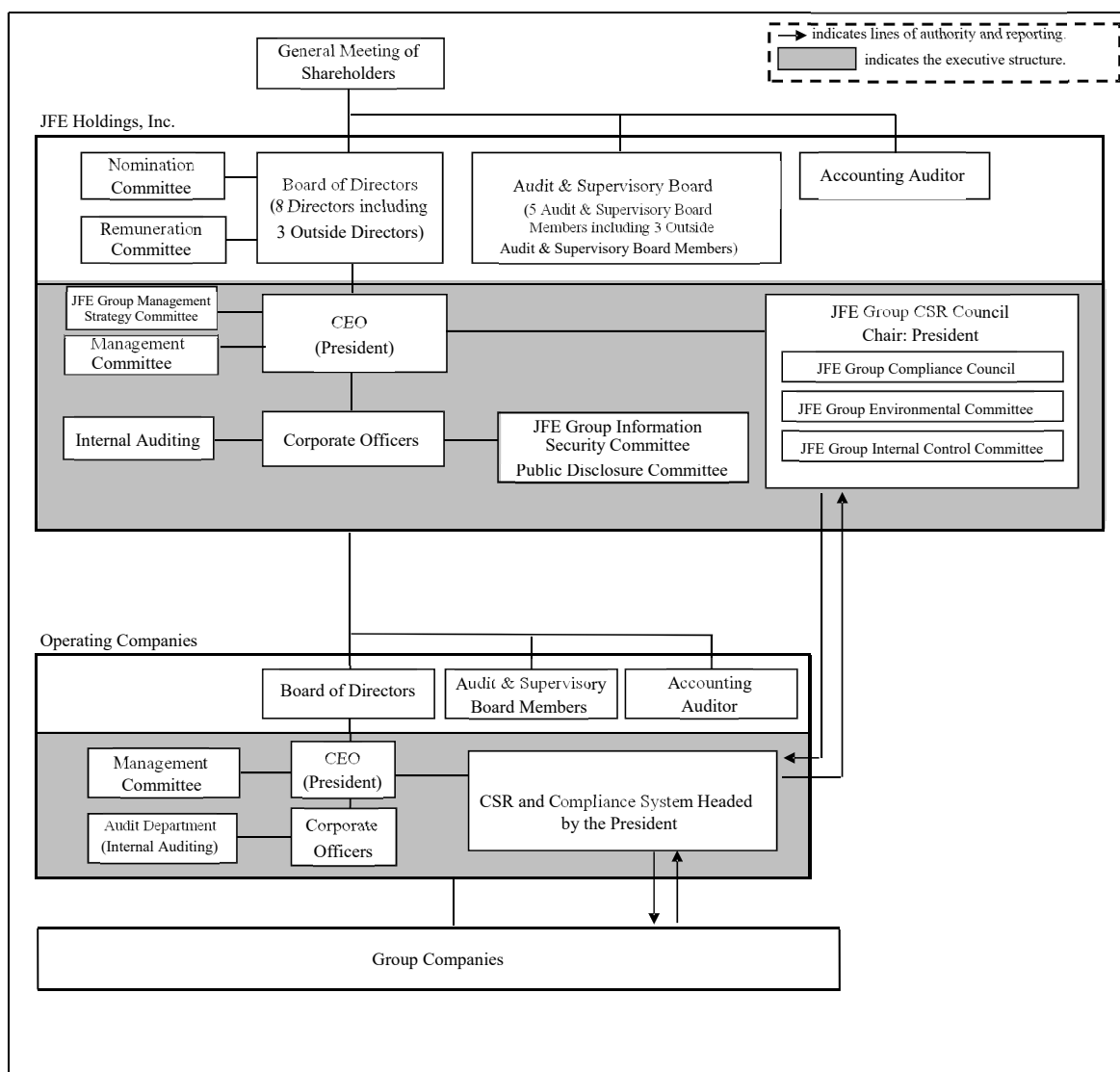
- The JFE Group has adopted a group system that treats the Company as the core pure holding company of the Group.
- The Company, the core of the Group’s integrated governance system, is responsible for Group-wide strategy, risk management, and public accountability.
- Each Operating Company has developed its own system suited to its respective industry, ensuring the best course of action for competitiveness and profitability.
- The holding company and operating companies separately and collectively strive to maximize medium to long-term corporate value for shareholders and other stakeholders.

[The Company’s System]

- The Company makes significant decisions on management and supervises the execution of duties at the Board of Directors.
- As a company with an Audit & Supervisory Board, the Audit & Supervisory Board and its Members implement the auditing of the status of the execution of duties.
- The Company separates material decision-making on management and supervision from business execution, and has adopted the Corporate Officer System to enhance prompt decision-making of matters pertaining to business execution.
- As consultative bodies of the Board of Directors, the Company has established the Nomination Committee and the Remuneration Committee.

(Translation for reference only)

Corporate Governance System (As of March 31, 2020)



Board of Directors

[Functions and Roles]

- In accordance with laws and regulations, the Articles of Incorporation and regulations of the Company such as the regulations of the Board of Directors, the Board of Directors makes material decisions on management including formulation of management plans of the Group and basic policies on management.
- The Board of Directors supervises the overall management including business execution by the Company executives.
- According to the internal rules of the Company, the Company has established clear standards that clarify the authority of decision-making and the decision-making procedures concerning the matters pertaining to the Company and each company within the JFE Group.
- Significant matters are subject to deliberation at the JFE Group Management Strategy Committee, Management Committee and resolution of the Company's Board of Directors.

(Translation for reference only)

- For the purpose of facilitating prompt decision-making, the authority of making decisions other than those related to significant business execution set forth in the Rules of the Board of Directors is, in principle, granted to Corporate Officers in charge of the corresponding business.

Structure of the Board of Directors / Policy on Election of Candidates for Director

[Basic Philosophy Regarding Structure]

- The Company's Board of Directors comprises members who possess diversified knowledge, experience, and abilities. The number of the Directors shall not exceed 12, with the aim of composing one-third or more of the Directors by Independent Outside Directors.

[Election Policy]

- With regard to inside Directors, persons with appropriate insight to bear decision-making of management of the whole Group and supervision of business execution will be elected from those possessing profound understanding and knowledge of the business by way of processes such as engagement in management of the Company or at each Operating Company.
- Several Independent Outside Directors will be elected from among persons who possess abundant experience in the management of global enterprises, or experts with profound knowledge in their fields and who also satisfy the Company's standards for independence, as they will bear the responsibility for strengthening governance.

Audit & Supervisory Board Members / Audit & Supervisory Board

[Functions and Roles]

- Audit & Supervisory Board Members of the Company, as members of an independent entity, endeavor to ensure the sound and sustainable growth and the enhancement of social trust of the Company through auditing of the execution of duties by Directors.
- Audit & Supervisory Board Members of the Company, with the aim of appropriately executing their duties, communicate with Directors, etc. and express their opinions as necessary.
- Audit & Supervisory Board Members communicate with Directors, etc. of subsidiaries and endeavor to collect information and improve the auditing environment.
- Audit & Supervisory Board Members, through the Audit & Supervisory Board, endeavor to share the significant information obtained from their duties, and aim for appropriate auditing through exchange of opinions with other Audit & Supervisory Board Members.
- Full-time Audit & Supervisory Board Members endeavor to collect information through examination of the state of business and assets in addition to attending important meetings, and actively contribute to the improvement of the auditing environment.
- Outside Audit & Supervisory Board Members of the Company aim for the further enhancement of the neutrality and independence of the auditing system and functions, and carry out auditing operations from a broader perspective.

(Translation for reference only)

- Audit & Supervisory Board Members and the Audit & Supervisory Board of the Company endeavor to improve the effectiveness of auditing by appropriately executing their authority as stipulated by laws and regulations.

Structure of the Audit & Supervisory Board / Policy on Election of Candidates for Audit & Supervisory Board Members

[Basic Philosophy Regarding Structure]

- The Audit & Supervisory Board comprises members who possess adequate knowledge concerning finance and accounting. The number of Audit & Supervisory Board Members shall not exceed six (6), of whom at least half shall be Outside Audit & Supervisory Board Members.

[Election Policy]

- With regard to inside Audit & Supervisory Board Members, persons with knowledge and experience enabling the auditing of execution of duties by Directors in an accurate and fair manner, who deliver insight appropriate to supervisory functions, shall be elected from those possessing profound understanding and knowledge of the business by way of processes such as engagement in management or auditing of the Company or each Operating Company.
- Several Independent Outside Audit & Supervisory Board Members will be elected from among persons who possess abundant experience in the management of global enterprises, or experts with profound knowledge in their fields, and must also be individuals who satisfy the Company's standards for independence, as they will bear the responsibility for enhancing the audit function.

JFE CSR System

[Basic Philosophy Regarding CSR]

- The JFE Group, aiming to contribute to the betterment of society as a responsible member, has made the implementation and ongoing strengthening of corporate social responsibility (CSR) central to its business.

[CSR Promotion Structure]

- The JFE Group CSR Council, as well as the JFE Group Compliance Council, JFE Group Environmental Committee, JFE Group Internal Control Committee established under the Council, deliberate, supervise and share information on JFE Group's CSR activities in such areas as compliance, the environment, human resources and labor, safety & disaster prevention and internal control.

(Translation for reference only)

Nomination Committee and Remuneration Committee

- In October 2015 the Company established the Nomination Committee and the Remuneration Committee which act as consultative bodies of the Board of Directors to ensure the fairness, objectiveness and transparency of personnel affairs and remuneration of the Board of Directors.
- The Nomination Committee and the Remuneration Committee comprise of a majority of Outside Directors/Audit & Supervisory Board Members, respectively, and the chairpersons are determined from Outside Directors/Audit & Supervisory Board Members.
- In FY2019, the Nomination Committee was convened four times and the Remuneration Committee was convened three times.

The composition of each Committee is as follows.

Nomination Committee

As of March 31, 2020

Chairman	Masami Yamamoto	Outside Director
Committee Member	Masao Yoshida	Outside Director
Committee Member	Shigeo Ohyagi	Outside Audit & Supervisory Board Member
Committee Member	Tsuyoshi Numagami	Outside Audit & Supervisory Board Member
Committee Member	Koji Kakigi	Board of Director
Committee Member	Yoshihisa Kitano	Board of Director

Remuneration Committee

As of March 31, 2020

Chairman	Nobumasa Kemori	Outside Director
Committee Member	Masami Yamamoto	Outside Director
Committee Member	Shigeo Ohyagi	Outside Audit & Supervisory Board Member
Committee Member	Isao Saiki	Outside Audit & Supervisory Board Member
Committee Member	Koji Kakigi	Board of Director
Committee Member	Masashi Terahata	Board of Director

The planned composition of each committee after the 18th Ordinary General Meeting of Shareholders is set forth below.

Nomination Committee

Committee Member	Masami Yamamoto	Outside Director
Committee Member	Yoshiko Ando	Outside Director
Committee Member	Shigeo Ohyagi	Outside Audit & Supervisory Board Member
Committee Member	Tsuyoshi Numagami	Outside Audit & Supervisory Board Member
Committee Member	Koji Kakigi	Board of Director
Committee Member	Yoshihisa Kitano	Board of Director

(Translation for reference only)

Remuneration Committee

Committee Member	Masami Yamamoto	Outside Director
Committee Member	Nobumasa Kemori	Outside Director
Committee Member	Isao Saiki	Outside Audit & Supervisory Board Member
Committee Member	Tsuyoshi Numagami	Outside Audit & Supervisory Board Member
Committee Member	Koji Kakigi	Board of Director
Committee Member	Masashi Terahata	Board of Director

(Translation for reference only)

Consolidated Financial Statements
<International Financial Reporting Standards (IFRS)>

Consolidated Statement of Financial Position

As of March 31, 2020

(Millions of yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	1,915,146	Current liabilities	1,304,306
Cash and cash equivalents	86,704	Trade and other payables	557,252
Trade and other receivables	678,098	Bonds payable, borrowings, and lease obligations	376,473
Contract assets	142,075	Contract liabilities	44,813
Inventories	872,602	Income taxes payable, etc.	13,249
Income taxes receivable	20,946	Provisions	12,507
Other financial assets	6,307	Other financial liabilities	89,465
Other current assets	108,410	Other current liabilities	210,543
Non-current assets	2,730,974	Non-current liabilities	1,635,261
Property, plant and equipment	1,717,751	Bonds payable, borrowings, and lease obligations	1,437,835
Goodwill	6,497	Retirement benefit liability	143,316
Intangible assets	88,802	Provisions	25,740
Right-of-use asset	102,322	Deferred tax liabilities	3,723
Investment property	58,158	Other financial liabilities	16,246
Investments accounted for using equity method	336,040	Other non-current liabilities	8,398
Retirement benefit asset	15,520		
Deferred tax assets	94,930	Total liabilities	2,939,568
Other financial assets	296,004	(EQUITY)	
Other non-current assets	14,946	Equity attributable to owners of parent	1,627,026
		Share capital	147,143
		Capital surplus	652,430
		Retained earnings	1,002,076
		Treasury shares	(180,637)
		Other components of equity	6,012
		Non-controlling interests	79,526
		Total equity	1,706,552
Total assets	4,646,120	Total liabilities and equity	4,646,120

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

(Translation for reference only)

Consolidated Statement of Profit or Loss

From April 1, 2019 to March 31, 2020

(Millions of yen)

Items	Amount
Revenue	3,729,717
Cost of sales	(3,334,103)
Gross profit	395,614
Selling, general and administrative expenses	(356,992)
Share of profit of entities accounted for using equity method	8,782
Other income	30,818
Other expenses	(40,323)
Business profit	37,899
Impairment losses	(238,826)
Operating loss	(200,927)
Finance income	2,727
Finance costs	(15,273)
Loss before tax	(213,473)
Income tax expense	20,183
Loss	(193,290)
Loss attributable to	
Owners of parent	(197,744)
Non-controlling interests	4,454
Loss	(193,290)

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

(Translation for reference only)

(Reference)

Consolidated Statement of Cash Flow

From April 1, 2019 to March 31, 2020

		(Millions of yen)
	Items	Amount
I.	Cash flows from operating activities	
	Profit (loss) before tax	(213,473)
	Depreciation and amortization	231,577
	Changes in allowance	(6,601)
	Interest and dividend income	(12,205)
	Interest expenses	14,486
	Decrease (increase) in trade and other receivables	86,357
	Decrease (increase) in inventories	42,559
	Increase (decrease) in trade and other payables	(52,338)
	Other	184,494
	Subtotal	274,856
	Interest and dividends received	24,192
	Interest paid	(13,241)
	Income taxes paid	(24,736)
	Cash flows from operating activities	261,070
II.	Cash flows from investing activities	
	Purchase of property, plant and equipment, intangible assets, and investment property	(352,842)
	Proceeds from sale of property, plant and equipment, intangible assets, and investment property	3,357
	Purchase of investments	(35,299)
	Proceeds from sale of investments	23,530
	Other	2,875
	Cash flows from investing activities	(358,378)
III.	Cash flows from financing activities	
	Net increase (decrease) in short-term borrowings	(11,500)
	Increase (decrease) in commercial papers	5,999
	Proceeds from long-term borrowings	183,529
	Repayments of long-term borrowings	(104,825)
	Proceeds from issuance of bonds	120,000
	Redemption of bonds	—
	Payments for purchase of treasury shares	(73)
	Dividends paid to owners of parent	(40,363)
	Other	(48,865)
	Cash flows from financing activities	103,900
	Effect of exchange rate change on cash and cash equivalents	(2,176)
	Net increase (decrease) in cash and cash equivalents	4,416
	Cash and cash equivalents at beginning of period	82,288
	Cash and cash equivalents at end of period	86,704

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

(Translation for reference only)

(Reference)

Segment Information

(From April 1, 2019 to March 31, 2020)

1. Overview of reportable segments

The Group organized under JFE Holdings executed commercial activities through three operating companies—JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation—in accordance with the characteristics of their respective businesses. Consolidated reporting segments, one for each operating company, were characterized by their constituent products and services.

Each segment had its own respective products and services. The steel business produced and sold various steel products, processed steel products and raw materials, and provided transportation and other related businesses, such as facility maintenance and construction. The engineering business handled engineering for energy, urban environments, steel structures and industrial machines, recycling and electricity retailing. The trading business purchased, processed and distributed steel products, raw materials for steel production, nonferrous metal products, and food, etc.

2. Information about reportable segment

The Group assesses segment performance on the basis of segment profit. Segment profit is profit before tax excluding one-time items of a materially significant value.

Intersegment transactions are based on market prices and the like.

	Reportable segment				Adjustments	Amount recorded on consolidated financial statements
	Steel	Engineering	Trading	Total		
Revenue						
Revenue from external customers	2,311,251	498,629	919,836	3,729,717	-	3,729,717
Intersegment revenue	370,098	13,666	164,301	548,065	(548,065)	-
Total	2,681,350	512,295	1,084,137	4,277,783	(548,065)	3,729,717
Segment profit	(8,783)	23,118	27,016	41,351	(15,998)	25,353
Impairment losses						(238,826)
Loss before tax						(213,473)
Segment assets	3,836,847	465,734	756,141	5,058,723	(412,602)	4,646,120
Other items						
Depreciation and amortization	209,031	13,302	10,244	232,578	(1,000)	231,577
Impairment losses	(233,144)	(356)	(5,325)	(238,826)	-	(238,826)
Finance income	1,437	140	1,354	2,932	(205)	2,727
Finance costs	(11,721)	(697)	(3,492)	(15,910)	636	(15,273)
Share of profit of entities accounted for using equity method	25,518	477	558	26,554	(17,772)	8,782
Investments accounted for using equity method	289,406	11,562	14,909	315,878	20,162	336,040
Capital expenditures	362,741	11,892	17,986	392,621	(1,265)	391,356

(Translation for reference only)

Non-consolidated Financial Statements <JGAAP>

Non-consolidated Balance Sheet

As of March 31, 2020

(Millions of yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
Current assets	508,992	Current liabilities	389,332
Cash and deposits	1,907	Short-term loans payable	117,238
Operating accounts receivable	1,039	Commercial papers	88,999
Short-term loans receivable	469,971	Accounts payable - other	25,820
Other	36,073	Accrued expenses	1,309
		Income taxes payable	13
		Deposits received	155,951
Non-current assets	2,167,523	Non-current liabilities	1,273,067
Property, plant and equipment	1	Bonds payable	230,000
Tools, furniture and fixtures	1	Long-term loans payable	1,042,284
		Provision for share-based remuneration for directors and corporate officers	16
		Allowance for corporate officers' retirement benefits	44
		Other	722
Intangible assets	7		
Trademark right	7	Total liabilities	1,662,400
		(NET ASSETS)	
		Shareholders' equity	1,014,591
		Capital stock	147,143
Investments and other assets	2,167,514	Capital surplus	772,574
Shares of subsidiaries and associates	894,392	Legal capital surplus	772,574
Investments in capital	3	Retained earnings	179,988
Long-term loans receivable	1,272,784	Other retained earnings	179,988
Long-term prepaid expenses	12	Retained earnings brought forward	179,988
Deferred tax assets	318	Treasury shares	(85,114)
Other	3	Valuation and translation adjustments	(476)
		Deferred gains or losses on hedges	(476)
		Total net assets	1,014,114
Total assets	2,676,515	Total liabilities and net assets	2,676,515

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

(Translation for reference only)

Non-consolidated Statement of Income

From April 1, 2019 to March 31, 2020

(Millions of yen)

Items	Amount	
Operating revenue		
Dividend income	48,365	
Financial revenue	10,020	
Management fee income	2,842	61,228
Operating expenses		
Financial expenses	10,208	
General and administrative expenses	2,470	12,679
Operating income		48,548
Ordinary income		48,548
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	22,595	22,595
Profit before income taxes		25,953
Income taxes - current		63
Income taxes - deferred		23
Profit		25,866

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

Independent Auditor's Report

May 18, 2020

Mr. Koji Kakigi
Representative Director, President and CEO
JFE Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo Office

Yusuke Nakamura
Certified Public Accountant
Designated and Engagement Partner

Yoshihiro Shibata
Certified Public Accountant
Designated and Engagement Partner

Tetsuya Yoshida
Certified Public Accountant
Designated and Engagement Partner

Takashi Inayoshi
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of changes in equity and the notes to the consolidated financial statements of JFE Holdings, Inc. (the "Company") for the fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the above consolidated financial statements, prepared with the omission of some disclosure items required under the International Financial Reporting Standards in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting, present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern,

(Translation for reference only)

and for disclosing matters relating to going concern when it is required to do so in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with the provisions of the latter part of Article 120, Paragraph 1 of the Regulation on Corporate Accounting which allows companies to prepare consolidated financial statements with the omission of some disclosure items required under International Financial Reporting Standards, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards. The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 18, 2020

Mr. Koji Kakigi
Representative Director, President and CEO
JFE Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo Office

Yusuke Nakamura
Certified Public Accountant
Designated and Engagement Partner

Yoshihiro Shibata
Certified Public Accountant
Designated and Engagement Partner

Tetsuya Yoshida
Certified Public Accountant
Designated and Engagement Partner

Takashi Inayoshi
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of JFE Holdings, Inc. (the "Company") for the 18th fiscal year from April 1, 2019 through March 31, 2020.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

(Translation for reference only)

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards. The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

(Translation for reference only)

The Audit Report of Audit & Supervisory Board

The Audit Report

Regarding the performance of duties by Directors for the 18th term from April 1, 2019 to March 31, 2020, Audit & Supervisory Board of JFE Holdings, Inc., hereby submits its audit report, which has been prepared through discussions based on the audit reports prepared by the respective Audit & Supervisory Board Members.

1. Auditing Methods Employed by the Audit & Supervisory Board Members and Audit & Supervisory Board and the Substance Thereof

(1) In compliance with the Auditing Rules of the Audit & Supervisory Board Members and auditing plans specified by Audit & Supervisory Board and based on the assigned tasks and others, each Audit & Supervisory Board Member has communicated with the Directors, the Corporate Officers and other relevant personnel to collect necessary information and improve the auditing environment. Each Audit & Supervisory Board Member has audited in the following manner.

1) Each Audit & Supervisory Board Member has attended the meetings of the Board of Directors and other important meetings; heard about the execution of their duties from the Directors, the Corporate Officers and other relevant personnel; requested explanations therefrom, as required; examined important *kessaisho* and associated information; and studied the operations and financial position of JFE Holdings, Inc.

Moreover, each Audit & Supervisory Board Member has communicated and exchanged information with the Directors, the Audit & Supervisory Board Members and other relevant personnel of the subsidiaries, received reports on operations therefrom, visited subsidiaries and studied the operations and financial position of the subsidiaries, as required.

2) Each Audit & Supervisory Board Member has supervised and verified the substance of the resolution adopted by the Board of Directors with regard to the improvement of the systems stipulated in Article 100, Paragraphs 1 and 3, of the Ordinance for Enforcement of the Companies Act as the systems to ensure compliance of the execution of Directors' duties described in the Business Report with laws, regulations, and the Articles of Incorporation and other requirements to ensure the propriety of business operations of the corporate group consisting of a stock company and its subsidiaries, as well as the current situation of in-house systems (internal control systems) that have been improved and operated pursuant to the resolution concerned.

Moreover, each Audit & Supervisory Board Member has heard about the internal control relative to financial reporting from the Directors, the Corporate Officers and Ernst & Young ShinNihon LLC at the proper time and requested explanations therefrom, as required.

3) Each Audit & Supervisory Board Member has confirmed the substance of the Basic Policy Regarding Control of a Company (matters set forth in Article 118, Items 3 (a) and (b), of the Ordinance for Enforcement of the Companies Act), which is described in the Business Report.

4) Each Audit & Supervisory Board Member has supervised and verified whether the Accounting Auditor maintains independence and has done appropriate audits, and has received reports on the execution of their duties and requested explanations, as required, from the Accounting Auditor. In addition, each Audit & Supervisory Board Member has been notified that "Systems to Ensure Appropriate Execution of Duties" (matters set forth in the respective items of Article 131 of the Company Accounting Ordinance) have been improved in accordance with the "Quality Control Standards for Audits" (Business Accounting Council on October 28, 2005) and others, and requested explanations therefrom, as required.

(2) Audit & Supervisory Board determined auditing plans, assigned tasks and others; received reports about the progress and results of audits from each Audit & Supervisory Board Member; received reports on the execution of their duties; and requested explanations, as required, from the Directors, the Corporate Officers and the Accounting Auditor.

In the manner explained above, each Audit & Supervisory Board Member and Audit & Supervisory Board have examined the Business Report and supplementary schedule thereof, the consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Changes in Equity and Notes to the Consolidated Financial Statements), as well as the non-consolidated financial

(Translation for reference only)

statements (Non-Consolidated Balance Sheet, Non-Consolidated Statement of Income, Non-Consolidated Statement of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements) and the related supplementary schedules thereof of JFE Holdings, Inc., pertaining to the fiscal year ended March 31, 2020.

2. Audit Results

(1) Audit results regarding the Business Report, etc.

- 1) In our opinion, the Business Report and the supplementary schedules thereof fairly represent JFE Holdings, Inc.'s conditions in accordance with the related laws and regulations and the Articles of Incorporation.
- 2) We have found no evidence of wrongful action or material violation of laws, regulations or the Articles of Incorporation by any Directors with regard to the execution of their duties.
- 3) In our opinion, the substance of the resolution regarding the internal control systems is fair and reasonable. We have found no matters to remark with regard to the execution of duties by the Directors concerning the internal control systems, including internal control relative to financial reporting.
- 4) We have found no matters to remark with regard to the Basic Policies Regarding Control of a Company. In our opinion, each initiative taken under the policies complies with said policies. Accordingly, they do not impair the common interests of JFE Holdings, Inc.'s shareholders or have the intention of improperly protecting any executive positions at JFE Holdings, Inc.

(2) Audit results regarding the consolidated financial statements

In our opinion, the audit methods and results employed and rendered by the Accounting Auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.

(3) Audit results regarding the non-consolidated financial statements and the supplementary schedules thereof

In our opinion, the audit methods and results employed and rendered by the Accounting Auditor, Ernst & Young ShinNihon LLC, are fair and reasonable.

May 19, 2020

Audit & Supervisory Board of JFE Holdings, Inc.

Audit & Supervisory Board Member (Full-time)	Nobuya Hara
Audit & Supervisory Board Member (Full-time)	Kumiko Baba
Outside Audit & Supervisory Board Member	Shigeo Ohyagi
Outside Audit & Supervisory Board Member	Isao Saiki
Outside Audit & Supervisory Board Member	Tsuyoshi Numagami

(English Translation of the Japanese original)

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