

February 12, 2020

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To whom it may concern:

Notice of Revised Financial Results and Dividend Forecasts

JFE Holdings, Inc. announces herewith its revised consolidated financial results and dividend forecasts, which were initially announced on November 12, 2019 and have now been revised due to recent trends in business performance.

■ Revised consolidated financial results forecasts

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

	Revenue (million yen)	Business profit ¹ (million yen)	Profit before tax (million yen)	Profit attributable to owners of parent (million yen)	Basic earnings per share (yen)
Previous forecast (A)	3,730,000	60,000	47,000	33,000	57.31
New forecast (B)	3,720,000	45,000	32,000	13,000	22.58
Amount of change (B-A)	(10,000)	(15,000)	(15,000)	(20,000)	
Change (%)	(0.3)	(25.0)	(31.9)	(60.6)	
Reference: Results FY 2018	3,873,662	232,070	209,313	163,509	283.81

¹ Profit before tax excluding financial income and one-time items of a materially significant value, used as a benchmark indicator of the company's consolidated earnings

■ Notes

JFE Holdings expects full-year business profit to fall below the previously announced forecast owing to downward revisions concerning its Trading business and equity-method affiliate Japan Marine United Corporation. Forecasts for Steel and Engineering businesses are unchanged.

Steel business continues to face a tough market environment. Domestic and international demand remain severe due to the impact of U.S.-China trade tension and other factors. Against this backdrop, the Company forecasts crude steel production of 2.7 million tons, largely in line with its previous forecast. The forecast for segment profit² remains in line with the previous forecast at 0.0 billion yen. Although movements in iron ore prices have resulted in improved spreads, the forecast also reflects the negative impact on unrealized gains on inventories and other factors.

Engineering business continues to execute steadily on existing project orders, which are at a high level, and the segment profit forecast remains at the previously announced level of 23.0 billion.

In Trading business, the Company now forecasts segment profit of 29.0 billion yen, or 3.0 billion yen below its previous forecast. The reduction reflects declines in both domestic and international demand and falling steel prices as a result of the global economic slowdown, including in Japan.

JFE Holdings expects to book an equity-method loss of 16.5 billion yen for its shipbuilding equity-method affiliate Japan Marine United Corporation owing to losses recorded in conjunction with work process delays due to bad weather, natural disasters, etc., and increases in materials and equipment costs as well as the impairment of certain facilities, etc.

² Segment profit, including operating and non-operating profit and loss, used as a benchmark indicator of each segment's performance

■ Revised dividend forecast

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

	Dividend per share (yen)				
	End of 1st quarter	Interim	End of 3rd quarter	Yearend	Annual
Previous forecast (November 12, 2019)	-	-	-	-	-
Revised forecast	-	-	-	0.00	20.00
Dividends in current fiscal year	-	20.00	-		
Dividends in previous fiscal year (ended March 31, 2019)	-	45.00	-	50.00	95.00

■ Notes

JFE Holdings regards the return of profits to shareholders as one of its priorities. The Company's policy is to actively pay out dividends while also ensuring a sustainable corporate foundation for the entire Group. Specifically, the Company generally sets dividends based on a consolidated payout ratio of around 30%.

The Company did not previously disclose a yearend dividend forecast for fiscal 2019, but based on the above policy and in view of the fiscal 2019 financial results forecast, the Company has regrettably decided not to implement its yearend dividend policy.

Since the interim dividend has already been paid, the annual dividend is 20 yen per share.

In view of the recent deterioration in business performance and cancellation of the yearend dividend, the Company will reduce remuneration paid to the president, the vice president and executive officers for the time being.