

May 7, 2021

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To whom it may concern:

## Notice of Difference between Forecasted Financial Results and Actual Results for Fiscal Year Ended March 31, 2021

JFE Holdings, Inc. announces herewith the differences between its forecasted consolidated financial results for the fiscal year ended March 31, 2021, which were announced on February 9, 2021, and the actual results, announced today.

### Consolidated financial results for the fiscal year 2020 (April 1, 2020 to March 31, 2021)

|                              | Revenue<br>(million yen) | Business<br>profit <sup>1</sup><br>(million yen) | Profit<br>before tax<br>(million yen) | Profit<br>attributable<br>to owners<br>of parent<br>(million yen) | Basic<br>earnings<br>per share<br>(yen) |
|------------------------------|--------------------------|--|---------------------------------------|---|---|
| Previous forecast (A)        | 3,240,000                | (32,000)   | (23,000)                              | (38,000)  | (65.99)                                 |
| New forecast (B)             | 3,227,285                | (12,911)   | (4,930)                               | (21,868)  | (37.98)                                 |
| Amount of change (B-A)       | (12,715)                 | 19,089   | 18,070                                | 16,132  |   |
| Change (%)                   | (0.4)                    | -  | -                                     | -   |   |
| Reference:<br>FY2019 results | 3,729,717                | 37,899   | (213,473)                             | (197,744)   | (343.39)                                |

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

### Reasons for differences

The main difference between the forecasted and actual consolidated financial results for the fiscal year ending March 31, 2021 was that business profit improved by 19.1 billion yen to (12.9) billion yen.

Details for each business segment follow.

Steel business: The segment profit<sup>2</sup> improved by 14.6 billion yen from the forecast to (65.4) billion yen, the result of factors such as improved selling prices for exports, improved earnings at domestic and overseas group companies, and foreign exchange translation adjustments.

Engineering business: Segment profit rose by 2.0 billion yen from the forecast to 24.0 billion yen due to improved profitability attributable to cost reductions and other factors.

Trading business: The steel market in both Japan and overseas improved in the fourth quarter, enabling segment profit to increase by 3.0 billion yen from the forecast to 20.0 billion yen due to significant improvement in steel prices, particularly in the U.S. energy sector.

In addition, the profit before taxes improved by 18.1 billion yen to (4.9) billion yen. Factors included gains on sales of fixed assets, recorded as exceptional items,<sup>3</sup> and a profit attributable to owners of the parent improved by 16.2 billion yen to (21.8) billion yen.

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

<sup>3</sup> Exceptional items are one-time items of a materially significant value