



JFE Group

*Capturing Growth Opportunities
in Global Market*

JFE Holdings, Inc.

January, 2015



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This presentation material is for information and discussion purpose only.

Any statements in the presentation which are not historical facts are future projections based on certain assumptions and currently available information. Please note that actual performance may vary significantly due to various factors



Financial Results through Third Quarter of Fiscal Year 2014



FY2014 Through 3Q (Apr-Dec) Financial Results

JFE-HD

Announced on Jan. 30, 2015

| | FY2013 Through 3Q | FY2014 Through 3Q | Change |
|---|----------------------|----------------------|-------------|
| Net Sales | 2,643.0 | 2,819.3 | 176.3 |
| Operating Income | 96.7 | 146.4 | 49.7 |
| Non-operating Income | 27.9 | 22.5 | (5.4) |
| Ordinary Income | 124.7 | 168.9 | 44.2 |
| Extraordinary Profit (Loss) | (3.6) | (3.7) | (0.1) |
| Income Before Income Taxes and Minority Interests (Loss) | 121.0 | 165.2 | 44.2 |
| Tax Expense and Minority Interest | (44.9) | (58.8) | (13.9) |
| Net Income | 76.0 | 106.3 | 30.3 |



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FY2014 Through 3Q (Apr–Dec) Financial Results ^{JFE-HD} (by Segment)

Announced on Jan. 30, 2015

| | FY2013 Through 3Q | FY2014 Through 3Q | Change |
|------------------------|----------------------|----------------------|--------------|
| Steel Business | 1,963.9 | 2,149.9 | 186.0 |
| Engineering Business | 173.3 | 236.4 | 63.1 |
| Trading Business | 1,306.4 | 1,439.9 | 133.5 |
| Adjustments | (800.7) | (1,007.0) | (206.3) |
| Net Sales | 2,643.0 | 2,819.3 | 176.3 |
| Steel Business | 93.5 | 147.6 | 54.1 |
| Engineering Business | 5.9 | 4.9 | (1.0) |
| Trading Business | 15.8 | 17.8 | 2.0 |
| Adjustments | 9.3 | (1.4) | (10.7) |
| Ordinary Income | 124.7 | 168.9 | 44.2 |



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Financial Forecast for Fiscal Year 2014



JFE

Financial Forecast for FY2014

JFE-HD

Announced on Jan. 30, 2015

| | Previous Forecast (Oct. 28, 2014) | Updated Forecast (Jan. 30, 2015) | | | Change |
|---|--------------------------------------|-------------------------------------|-------------|--------------|-------------|
| | Full Year | Apr-Dec | Jan-Mar | Full Year | Full Year |
| Net Sales | 3,900.0 | 2,819.3 | 1,020.8 | 3,840.0 | (60.0) |
| Operating Income | 200.0 | 146.4 | 63.6 | 210.0 | 10.0 |
| Non-operating Income | 0 | 22.5 | (12.4) | 10.0 | 10.0 |
| Ordinary Income | 200.0 | 168.9 | 51.2 | 220.0 | 20.0 |
| Extraordinary Income (Loss) | (10.0) | (3.7) | (1.2) | (5.0) | 5.0 |
| Income Before Income Taxes and Minority Interests (Loss) | 190.0 | 165.2 | 49.9 | 215.0 | 25.0 |
| Tax Expense and Minority Interest | (70.0) | (58.8) | (26.3) | (85.0) | (15.0) |
| Net Income | 120.0 | 106.3 | 23.7 | 130.0 | 10.0 |
| ROS | 5.1% | 6.0% | 5.0% | 5.7% | 0.6% |



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JFE-HD

Financial Forecast for FY2014 (by Segment)

Announced on Jan. 30, 2015

| | Previous Forecast (Oct. 28, 2014) | Updated Forecast (Jan. 30, 2015) | | | Change Full Year |
|------------------------|--------------------------------------|-------------------------------------|----------------|----------------|---------------------|
| | | Full Year | Apr-Dec | Jan-Mar | |
| Steel Business | 2,910.0 | 2,149.9 | 740.1 | 2,890.0 | (20.0) |
| Engineering Business | 360.0 | 236.4 | 123.7 | 360.0 | 0 |
| Trading Business | 2,010.0 | 1,439.9 | 520.1 | 1,960.0 | (50.0) |
| Adjustments | (1,380.0) | (1,007.0) | (363.0) | (1,370.0) | 10.0 |
| Net Sales | 3,900.0 | 2,819.3 | 1,020.8 | 3,840.0 | (60.0) |
| Steel Business | 160.0 | 147.6 | 27.4 | 175.0 | 15.0 |
| Engineering Business | 16.0 | 4.9 | 13.2 | 18.0 | 2.0 |
| Trading Business | 24.0 | 17.8 | 6.2 | 24.0 | 0 |
| Adjustments | 0 | (1.4) | 4.5 | 3.0 | 3.0 |
| Ordinary Income | 200.0 | 168.9 | 51.2 | 220.0 | 20.0 |



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Financial Forecast for FY2014

JFE-HD

Announced on Jan. 30, 2015

| | FY2013 | FY2014 (Updated Forecast) | | | Change |
|---|--------------|------------------------------|-------------|--------------|-------------|
| | Full Year | Apr-Dec | Jan-Mar | Full Year | Full Year |
| Net Sales | 3,666.8 | 2,819.3 | 1,020.8 | 3,840.0 | 173.2 |
| Operating Income | 153.3 | 146.4 | 63.6 | 210.0 | 56.7 |
| Non-operating Income | 20.3 | 22.5 | (12.4) | 10.0 | (10.3) |
| Ordinary Income | 173.6 | 168.9 | 51.2 | 220.0 | 46.4 |
| Extraordinary Income (Loss) | (13.1) | (3.7) | (1.2) | (5.0) | 8.1 |
| Income Before Income Taxes and Minority Interests (Loss) | 160.5 | 165.2 | 49.9 | 215.0 | 54.5 |
| Tax Expense and Minority Interest | (58.1) | (58.8) | (26.3) | (85.0) | (26.9) |
| Net Income | 102.3 | 106.3 | 23.7 | 130.0 | 27.7 |
| ROS | 4.7% | 6.0% | 5.0% | 5.7% | 1.0% |



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JFE-HD

Financial Forecast for FY2014 (by Segment)

Announced on Jan. 30, 2015

| | FY2013 Full Year | FY2014 (Updated Forecast) | | | Change Full Year |
|------------------------|---------------------|------------------------------|----------------|----------------|---------------------|
| | | Apr-Dec | Jan-Mar | Full Year | |
| Steel Business | 2,691.6 | 2,149.9 | 740.1 | 2,890.0 | 198.4 |
| Engineering Business | 284.1 | 236.4 | 123.7 | 360.0 | 75.9 |
| Trading Business | 1,781.3 | 1,439.9 | 520.1 | 1,960.0 | 178.7 |
| Adjustments | (1,090.2) | (1,007.0) | (363.0) | (1,370.0) | (279.8) |
| Net Sales | 3,666.8 | 2,819.3 | 1,020.7 | 3,840.0 | 173.2 |
| Steel Business | 126.2 | 147.6 | 27.4 | 175.0 | 48.8 |
| Engineering Business | 18.4 | 4.9 | 13.2 | 18.0 | (0.4) |
| Trading Business | 21.5 | 17.8 | 6.2 | 24.0 | 2.5 |
| Adjustments | 7.3 | (1.4) | 4.5 | 3.0 | (4.3) |
| Ordinary Income | 173.6 | 168.9 | 51.2 | 220.0 | 46.4 |



Financial Forecast for FY2014 (by Segment)

JFE

Announced on Jan. 30, 2015

| | FY2013 | | | FY2014 (Updated Forecast) | | | Change Full Year |
|------------------------|----------------|----------------|----------------|---------------------------|----------------|----------------|---------------------|
| | 1H | 2H | Full Year | 1H | 2H | Full Year | |
| Steel Business | 1,294.9 | 1,396.7 | 2,691.6 | 1,424.1 | 1,465.9 | 2,890.0 | 198.4 |
| Engineering Business | 107.2 | 176.9 | 284.1 | 144.6 | 215.4 | 360.0 | 75.9 |
| Trading Business | 855.8 | 925.5 | 1,781.3 | 946.2 | 1,013.8 | 1,960.0 | 178.7 |
| Adjustments | (529.7) | (560.5) | (1,090.2) | (667.0) | (703.0) | (1,370.0) | (279.8) |
| Net Sales | 1,728.3 | 1,938.5 | 3,666.8 | 1,848.0 | 1,992.0 | 3,840.0 | 173.2 |
| Steel Business | 55.9 | 70.3 | 126.2 | 77.6 | 97.4 | 175.0 | 48.8 |
| Engineering Business | 2.1 | 16.3 | 18.4 | 0.6 | 17.4 | 18.0 | (0.4) |
| Trading Business | 10.4 | 11.1 | 21.5 | 11.4 | 12.6 | 24.0 | 2.5 |
| Adjustments | 5.9 | 1.4 | 7.3 | 2.2 | 0.8 | 3.0 | (4.3) |
| Ordinary Income | 74.3 | 99.3 | 173.6 | 91.9 | 128.1 | 220.0 | 46.4 |



JFE Steel

Financial Results through Third Quarter of Fiscal Year 2014



Production and Shipment

■ Crude Steel Production and Shipment (Mt)

| | FY2013 | | | | FY2014 | Change B-A |
|-------------|--------------|---------|---------|---------|--------------|---------------|
| | Apr-Dec A | Apr-Jun | Jul-Sep | Oct-Dec | Apr-Dec B | |
| Crude Steel | 21.4 | 7.1 | 7.4 | 6.9 | 21.4 | +0.0 |
| Shipment | 18.9 | 6.4 | 6.6 | 6.5 | 19.6 | +0.7 |

■ Consolidated Basis (Mt)

| | | | | | | |
|-------------|------|-----|-----|-----|------|------|
| Crude Steel | 23.7 | 7.9 | 8.0 | 7.6 | 23.5 | -0.2 |
|-------------|------|-----|-----|-----|------|------|



FY2014 Through 3Q (Apr–Dec) Financial Results

(Billion yen)

| JFE Steel | FY2013 Thru 3Q A | 1Q | 2Q | 3Q | FY2014 Thru 3Q B | Change B-A |
|-----------------|------------------------|-------|-------|-------|------------------------|---------------|
| Net Sales | 1,963.9 | 703.5 | 720.6 | 725.8 | 2,149.9 | +186.0 |
| Ordinary Income | 93.5 | 30.7 | 46.8 | 70.0 | 147.6 | +54.1 |
| ROS | 4.8% | 4.4% | 6.5% | 9.6% | 6.9% | 2.1% |

54 Billion Yen increase in JFE Steel's Ordinary Income (FY13 thru 3Q vs. FY14 thru 3Q)

- Sales and Raw materials + 94
- Cost reduction + 30
- Inventory valuation - 50
- Forex + 6
- Price hike etc. - 26

TOTAL + 54



23 Billion Yen increase in JFE Steel's Ordinary Income (FY14 2Q (Jul to Sep) vs. FY14 3Q (Oct to Dec))

(Billion yen)

| JFE Steel | 2Q | 1H | 3Q | 2H | FY2014 | Change 2Q to 3Q |
|-----------------|------|------|------|------|--------|--------------------|
| Ordinary Income | 46.8 | 77.6 | 70.0 | 97.4 | 175.0 | +23.2 |

- Sales and Raw materials ± 0
- Cost reduction + 3
- Inventory valuation ± 0
- Forex + 8
- Others + 12

TOTAL + 23



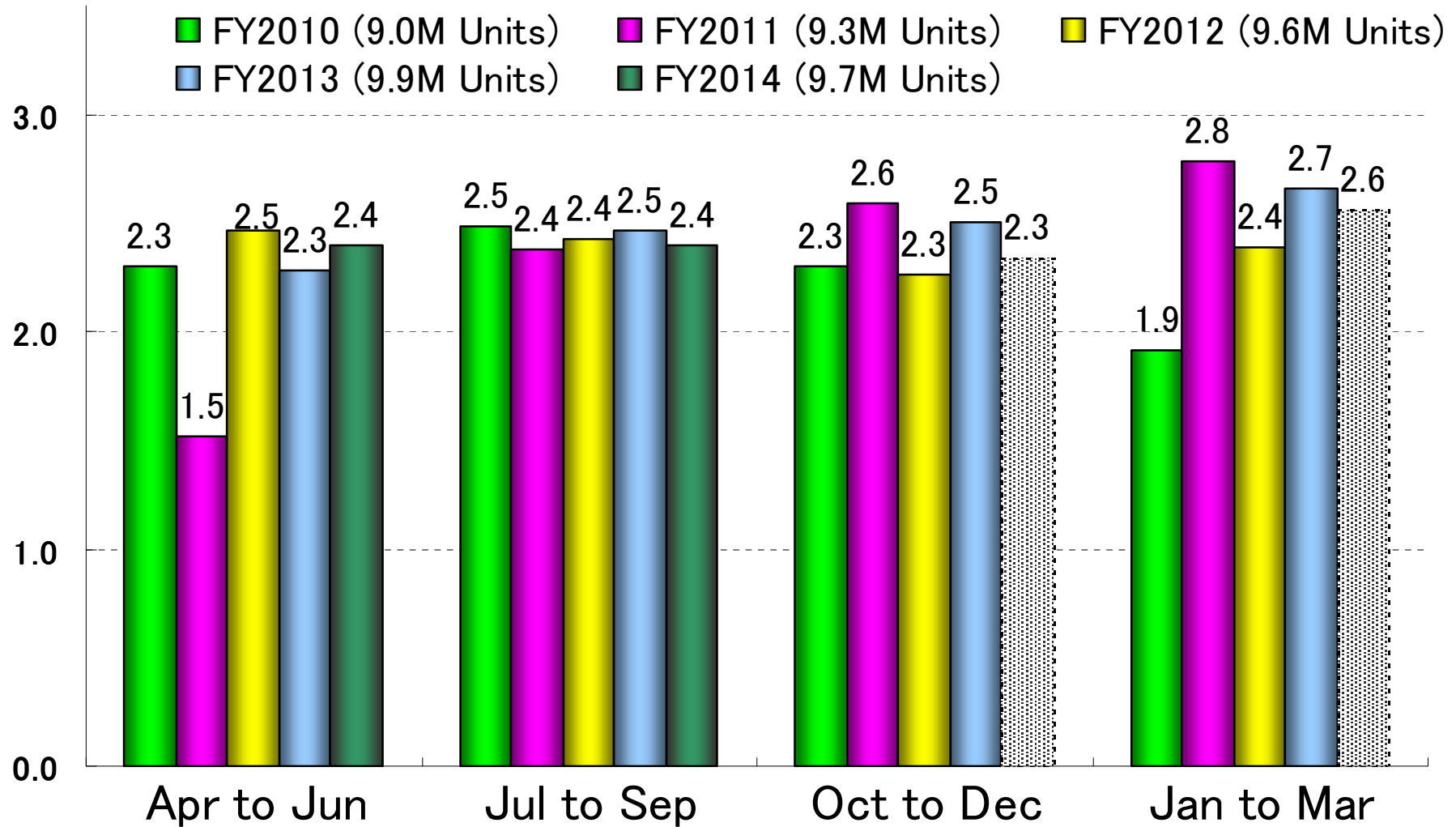
JFE Steel

Financial Forecast for Fiscal Year 2014



Domestic
Market Environment

Auto Production



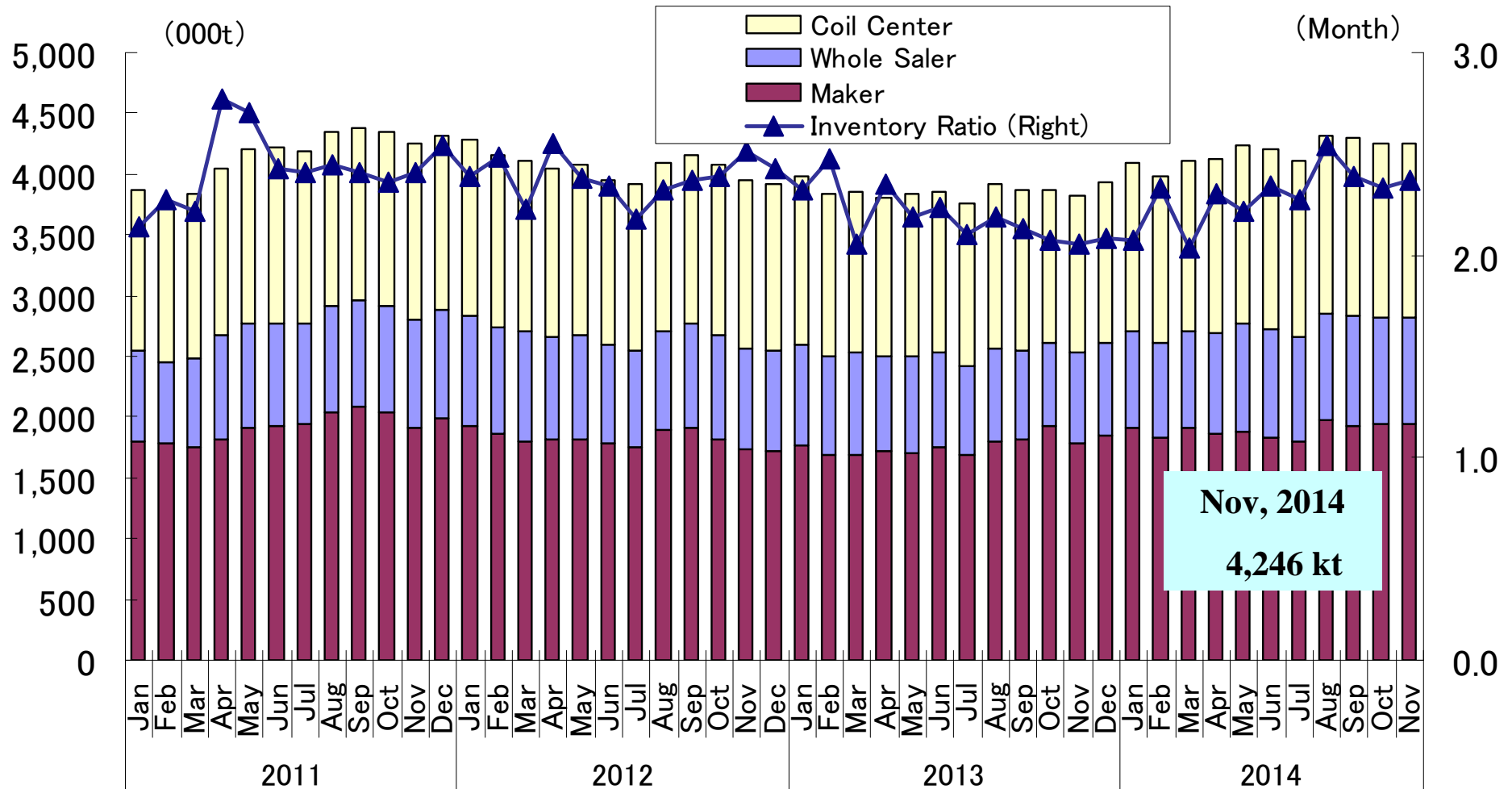
JFE estimate



Domestic Market Environment

Combined Inventories of HR, CR and Coated Steel Sheet

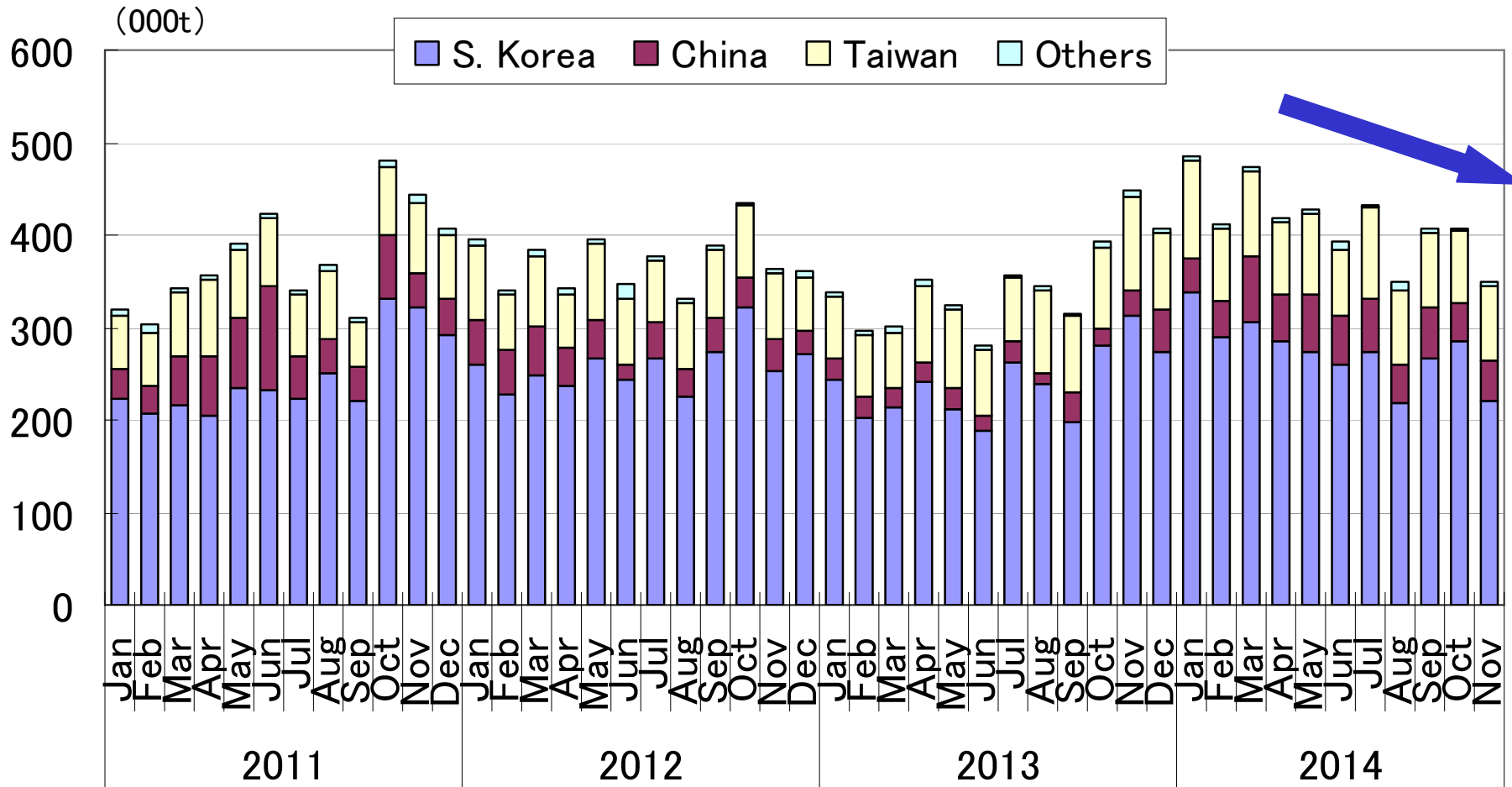
JFE Steel





Domestic Market Environment

Trend of Import Steel (Ordinary Steel)

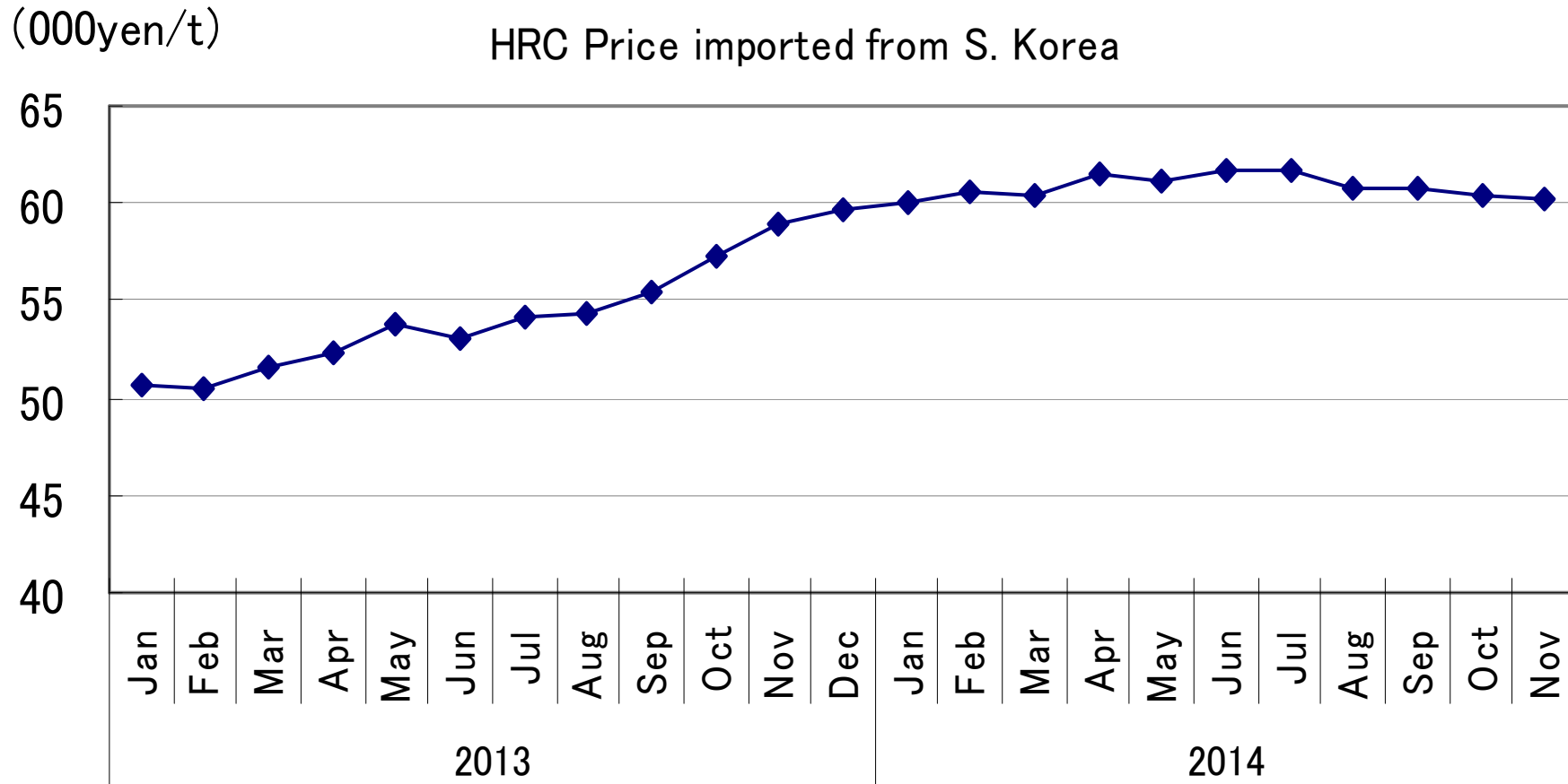




Domestic Market Environment

Price Trend of Import Steel

HRC Price imported from S. Korea increased by almost 10 thousand yen/ton over the last 2 years



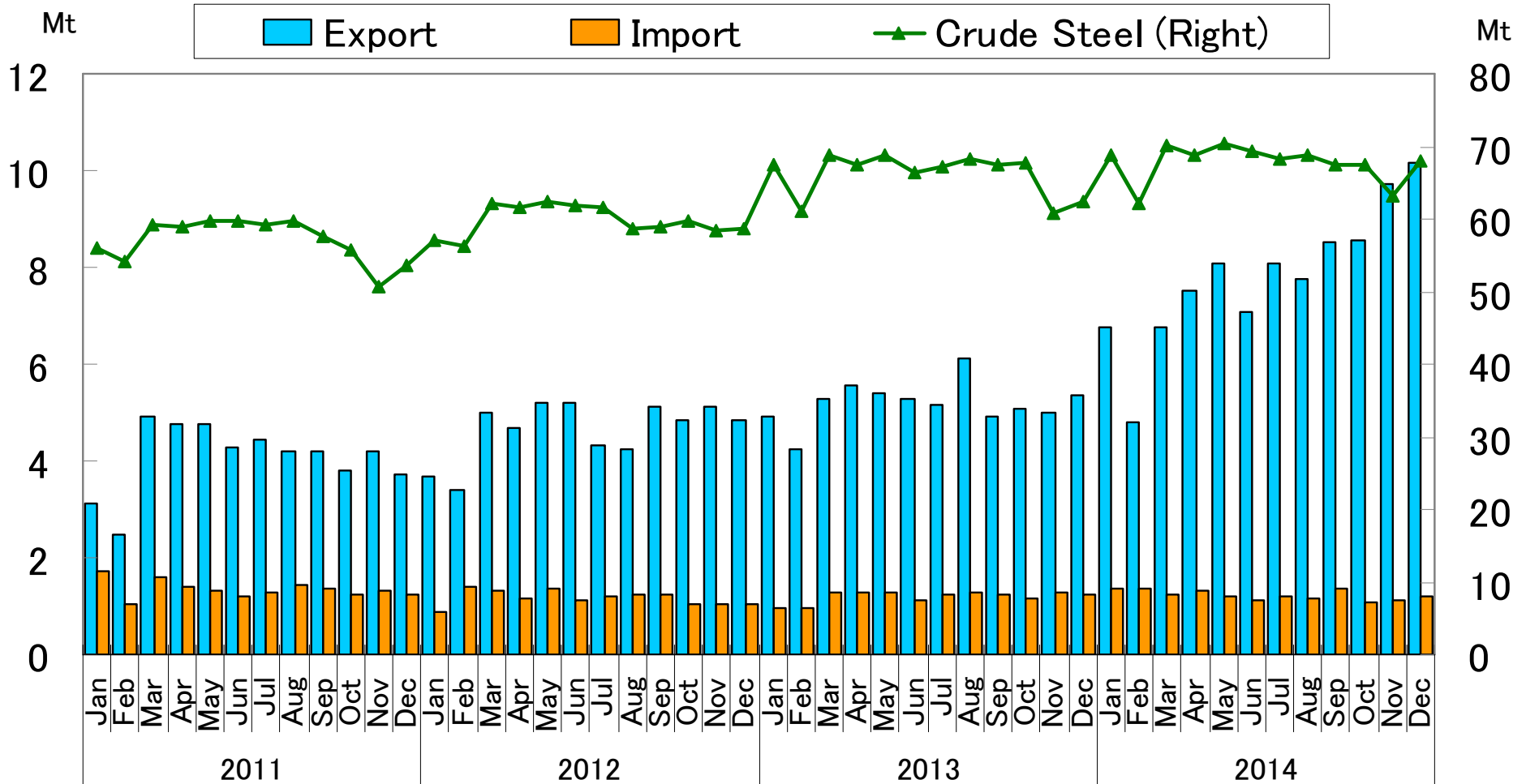
Data: Japanese Steel Association
Import Steel from S. Korea



Export Market Environment

Crude Steel & Im/Export, China

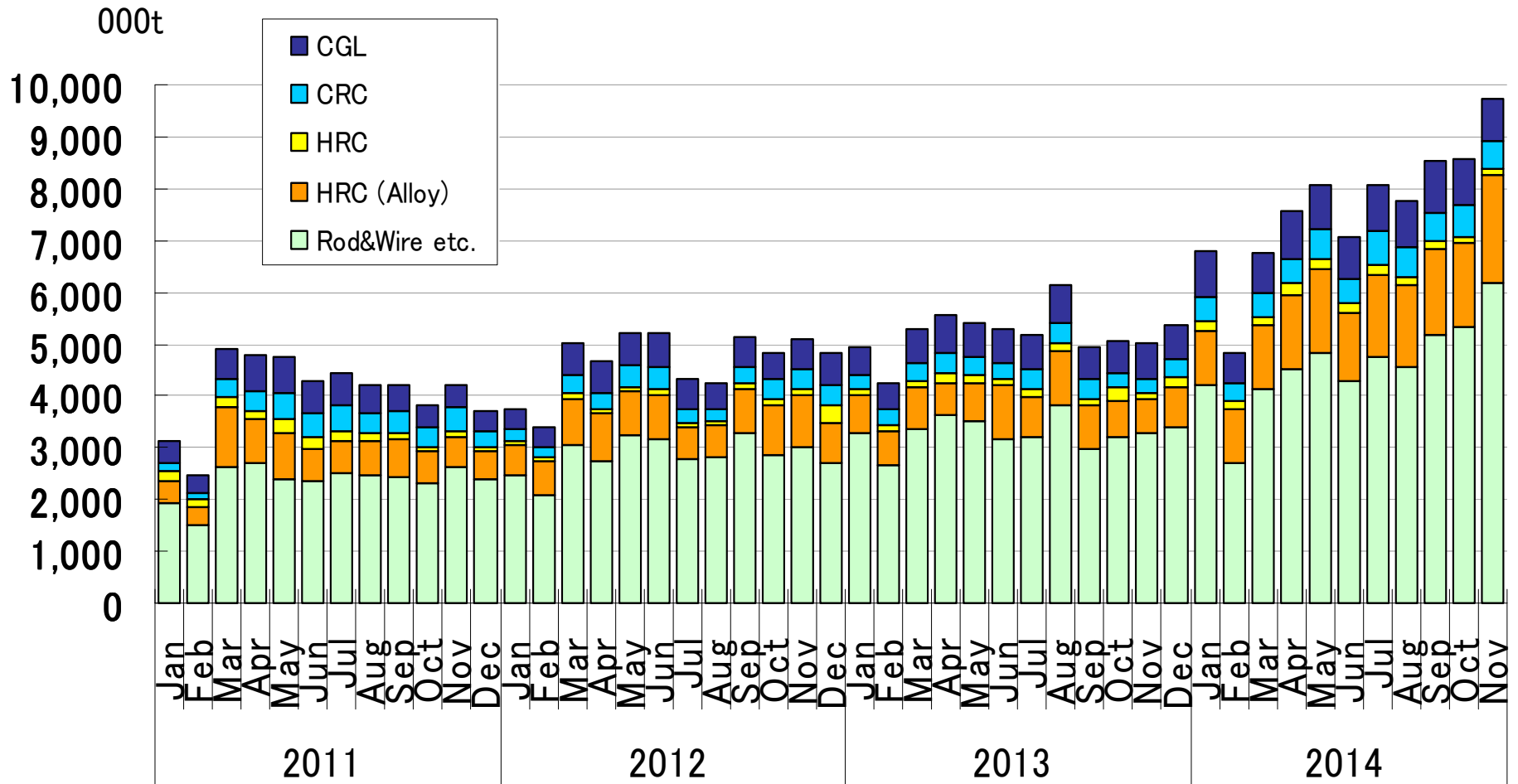
Production per day Oct, 2014: 2.2Mt, Nov: 2.1Mt, Dec: 2.2Mt





Export
Market Environment

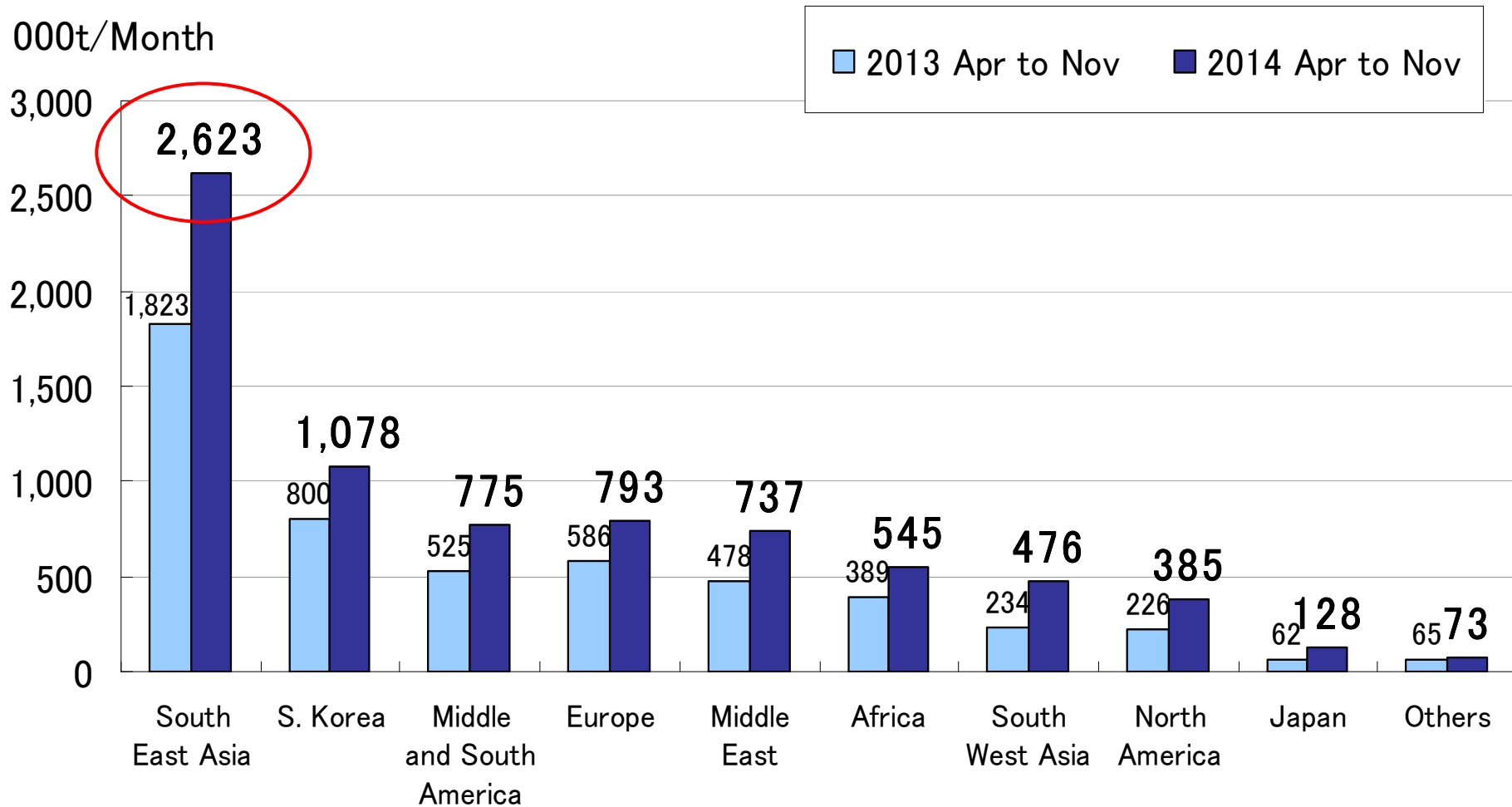
Exports from China by Products





Export Market Environment

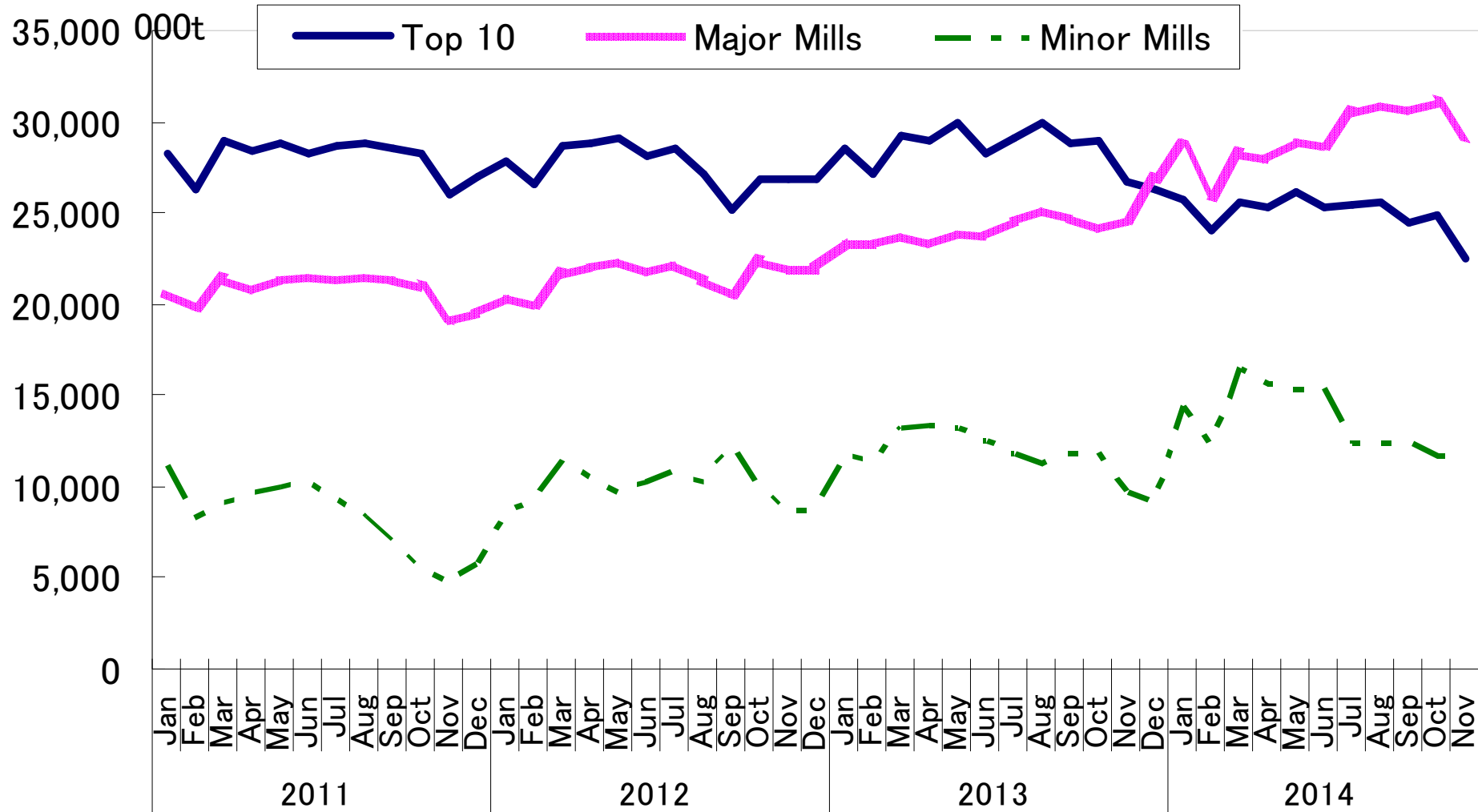
Exports Destination from China by Areas/Countries





Export Market Environment

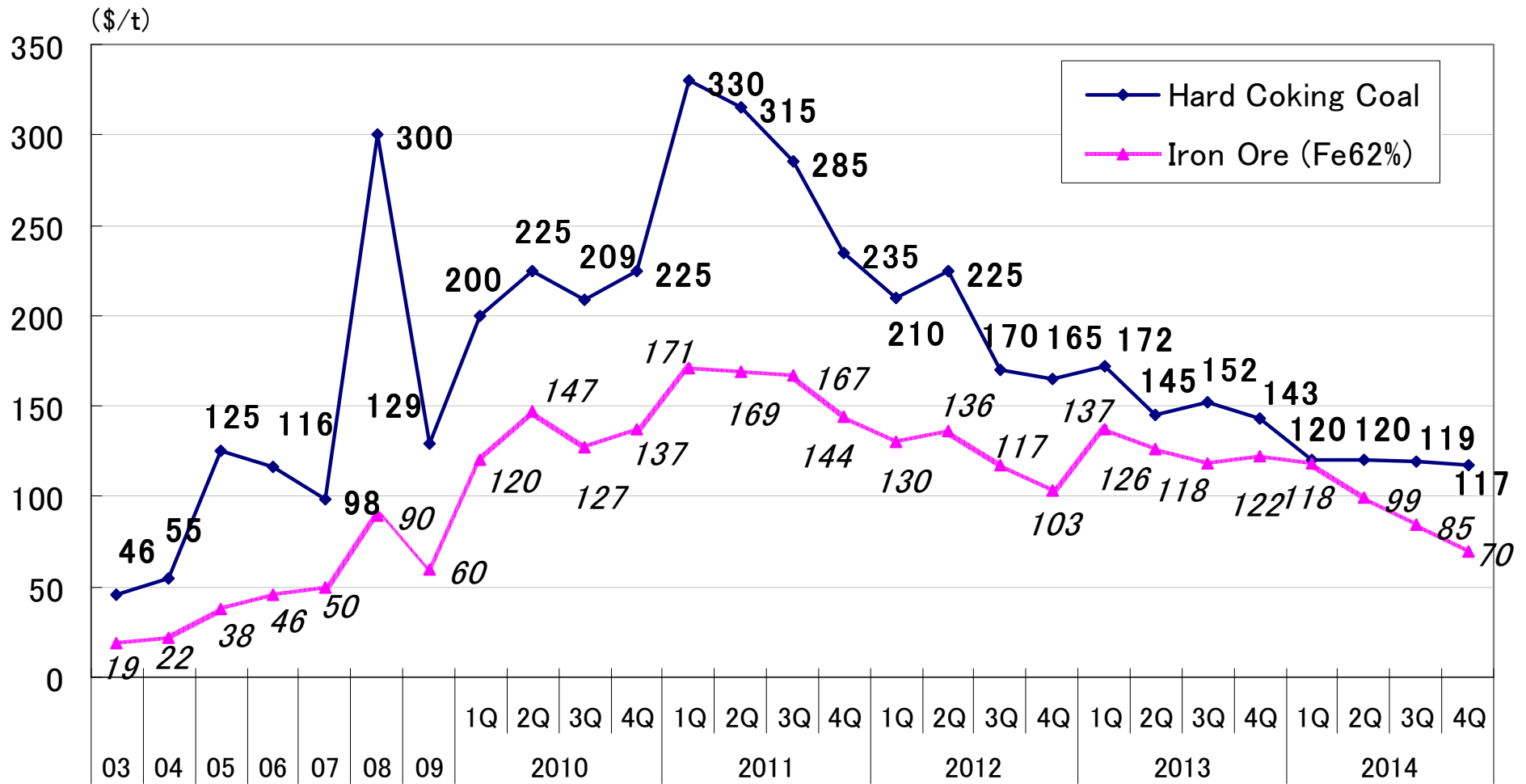
Production Trend in China





Raw Materials

Raw Materials Price





Production and Shipment Forecast

■ Crude Steel Production and Shipment (Mt)

| | FY2013 Full Year | 1H | 2H | | FY2014 Full Year | |
|-------------|---------------------|----------|----------|--------------------------|---------------------|------------|
| | | | 3Q | 4Q | | |
| | (Actual) | (Actual) | (Actual) | (Forecast) | (Forecast) | (Forecast) |
| Crude Steel | 28.6 | 14.5 | 6.9 | Full Year Forecast: 28.6 | | |
| Shipment | 25.5 | 13.0 | 6.5 | Full Year Forecast: 26.1 | | |

| | | | | | | |
|---------------------------------|--------------|--------------|--------------|------------|------------|------------|
| ASP(000yen/t) | 75.7 | 76.7 | 77.9 | 77 | 77 | 77 |
| Exchange Rate (yen/\$) | 99.8 | 102.5 | 112.3 | 117 | 115 | 109 |
| <i>Period End Rate (yen/\$)</i> | <i>102.9</i> | <i>109.5</i> | <i>120.6</i> | <i>115</i> | <i>115</i> | <i>115</i> |

■ Consolidated Basis (Mt)

| | | | | | | |
|-------------|------|------|-----|-------------------------|--|--|
| Crude Steel | 31.5 | 15.8 | 7.6 | Full Year Forecast 31.3 | | |
|-------------|------|------|-----|-------------------------|--|--|



Financial Forecast for FY2014 of JFE Steel

(billion yen)

| JFE Steel | FY2013 (Actual) | FY2014 (Previous) | FY2014 | | FY2014 (Updated) | Change 2013 →2014 C-A | Change Previous →Updated C-B |
|--------------------|--------------------|----------------------|---------|---------|---------------------|--------------------------------|---------------------------------------|
| | A | B | 1H | 2H | C | | |
| Net Sales | 2,691.6 | 2,910.0 | 1,424.1 | 1,465.9 | 2,890.0 | +198.4 | -20.0 |
| Ordinary Income | 126.2 | 160.0 | 77.6 | 97.4 | 175.0 | +48.8 | +15.0 |
| ROS | 4.7% | 5.5% | 5.4% | 6.6% | 6.1% | 1.4% | 0.6% |



15 Billion Yen increase in JFE Steel's Ordinary Income (FY14 (Previous) vs. FY14 (Updated))

(billion yen)

| JFE Steel | FY2013 | FY2014 | | | FY2014 | Change 2013 →2014 C-A | Change Previous →Updated C-B |
|--------------------|-------------|---------------|------|------|--------------|--------------------------------|---------------------------------------|
| | Actual A | Previous B | 1H | 2H | Updated C | | |
| Ordinary Income | 126.2 | 160.0 | 77.6 | 97.4 | 175.0 | +48.8 | +15.0 |

- Sales and Raw materials ± 0
- Cost reduction ± 0
- Inventory valuation + 5
- Forex + 10

TOTAL + 15



48 Billion Yen increase in JFE Steel's Ordinary Income (FY13 (Actual) vs. FY14 (Updated))

(billion yen)

| JFE Steel | FY2013 | FY2014 Previous B | FY2014 | | FY2014 Updated C | Change 2013 →2014 C-A | Change Previous →Updated C-B |
|-----------------|-------------|-------------------------|--------|------|------------------------|--------------------------------|---------------------------------------|
| | Actual A | | 1H | 2H | | | |
| Ordinary Income | 126.2 | 160.0 | 77.6 | 97.4 | 175.0 | +48.8 | +15.0 |

- Sales and Raw materials + 110 ⇒ Decline in price of raw materials etc.
 - Cost reduction + 40 ⇒ Including preventive maintenance
 - Inventory valuation - 65
 - Forex ± 0
 - Price hike etc. - 30 ⇒ Energy prices, selling costs, outsourcing costs etc.
 - Others - 6
-
- TOTAL + 48**



43 Billion Yen decrease in JFE Steel's Ordinary Income (FY14 3Q (A) vs. FY14 4Q (E))

| JFE Steel | | | | | | (billion yen) |
|-----------------|------|--------|--------|------|---------------------|---------------------|
| | 1H | | | 2H | FY2014 Full Year | Change 3Q →4Q |
| | | 3Q (A) | 4Q (E) | | | |
| Ordinary Income | 77.6 | 70.0 | 27.4 | 97.4 | 175.0 | -42.6 |

- Sales and Raw materials + 3
- Cost reduction + 3
- Forex - 23
- Others - 26

TOTAL - 43



19 Billion Yen increase in JFE Steel's Ordinary Income (FY14 1H (A) vs. FY14 2H (E))

| JFE Steel | | | | | FY2014 Full Year | (billion yen) Change 1H →2H |
|-----------------|------|--------|--------|---------------------|---------------------|--------------------------------------|
| | 1H | 2H | | FY2014 Full Year | | |
| | | 3Q (A) | 4Q (E) | | | |
| Ordinary Income | 77.6 | 70.0 | 27.4 | 97.4 | 175.0 | +19.8 |

- Sales and Raw materials + 15
- Cost reduction + 10
- Forex + 3
- Others - 8

TOTAL + 19



JFE Engineering

Financial Forecast for Fiscal Year 2014



Financial Forecast for FY14 of JFE Engineering

(billion yen)

| | FY2014 (Previous Forecast) | | FY2014 (Updated Forecast) | | Change |
|-----------------|-------------------------------|-----------|------------------------------|-----------|-----------|
| | 2H | Full Year | 2H | Full Year | Full Year |
| Orders | 235.2 | 450.0 | 235.2 | 450.0 | 0 |
| Net Sales | 215.4 | 360.0 | 215.4 | 360.0 | 0 |
| Ordinary Income | 15.4 | 16.0 | 17.4 | 18.0 | 2.0 |

【Change: FY2014 Previous Forecast to Updated Forecast】

– Ordinary Income: +2

Cost reduction of procurement

Increase in operation rates with orders increase



Classification of placed orders

JFE

(billion yen)

| Category | FY2013 (A) | FY2014 (E) | Change | Current Main Orders (FY2014) |
|---------------------------|---------------|---------------|-----------|--|
| Urban Environment | 114 | 340 | 76 | <ul style="list-style-type: none"> - 4 Waste disposal operations related to disaster in Fukushima - Construction and maintenance work of waste treatment plant - Combined biomass power generation operation in Toyohashi-city - Sewage treatment plant in Sri Lanka - Enhancement work of gas field for INPEX - Construction of pipelines (in Kyushu, Japan and in Indonesia) |
| Electric Power Generation | 72 | | | |
| Energy | 77 | | | |
| Steel Construction | 59 | 110 | 7 | <ul style="list-style-type: none"> - Construction of steel jacket structure for wharf of Sendai Shioyama Port - Construction of bridges (in Japan, Myanmar, India etc.) - Install of Ballast water management system, "Ballast Ace", for 149 ships |
| Others | 44 | | | |
| Total | 367 | 450 | 83 | |



JFE Engineering
**Acquisition of all shares of Standardkessel Power Systems
Holding GmbH** (announced on Nov. 6, 2014)

– Accelerate Globalization of Waste-to-Energy Plant and Strengthening Biomass Power Plant Business –

| 【Summary of Standardkessel Power Systems Holding GmbH (SPSH)】 | |
|---|--|
| Established | 1925 (the year established of Standardkessel) |
| Business | Waste-to-Energy Plant, Biomass Power Plant, Gas Turbine Power Plant, Special Boilers and Conversion and Maintenance of Plant |
| Total Sale | 18.0 Billion Yen (129 Million Euro) |

< Strength of SPSH and Target of acquisition >

○Waste-to-energy plant: design and construction of the world's largest plant
(large sized plants such as of 1,000t/d)

⇒ To capture the growing demand for large sized plant in the world

○Biomass power plant: grate firing technology

⇒ To respond the needs for biomass power plants with various ranges of output by incorporating SPSH's technology



Global Network of Engineering business

GERMANY: Standardkessel Baumgarte Group

Design and construction of waste-to-energy plant, biomass power plant etc.

Acquired: Dec, 2014

MYANMER: J&M Steel Solutions

Design, production and installation of steel structures such as bridges

Established JV: Nov, 2013

Started Shipment: Jul, 2014

INDIA: Pune Engineering Center

Design of waste-to-energy plants

Established: Jun, 2014

INDONESIA: PT. Enercon

Oil & gas plant engineering and consultancy

Acquired: Jun, 2014

Promoting the localization of Engineering, Procurement, and Construction (EPC) implementation globally by M&A and Establishment of JV

⇒ To increase overseas orders substantially



JFE

JFE Shoji

Financial Forecast for Fiscal Year 2014



JFE

Financial Forecast for FY14 of JFE Shoji

(billion yen)

| | FY2013 (A) | | FY2014 (E) | | Change |
|-----------------|------------|-----------|------------|-----------|-----------|
| | 2H | Full Year | 2H | Full Year | Full Year |
| Net Sales | 925.5 | 1,781.3 | 1,013.8 | 1,960.0 | 178.7 |
| Ordinary Income | 11.1 | 21.5 | 12.6 | 24.0 | 2.5 |

【Change: FY2013 to FY2014】

-Domestic Business:

Increase in sales for manufacturing sector (shipbuilding sector etc.)

Increase in income of building material sales subsidiaries, steel pipe sales subsidiaries etc.

-Overseas Business:

Increase in sales of export

Increase in income of overseas subsidiaries in North America etc.



JFE

Net Sales of JFE Shoji (by Segment)

| | | FY2013 (A) | | FY2014 (E) | | Change | |
|--------------------------------|-------------------|------------|-----|------------|-----|--------|-----|
| Domestic Business | | 943 | | 1,004 | | 61 | |
| Overseas Business | Export | 450 | 652 | 488 | 772 | 38 | 119 |
| | Foreign Operation | 201 | | 283 | | 81 | |
| Raw Materials, Equipments etc. | | 186 | | 183 | | —3 | |
| TOTAL | | 1,781 | | 1,960 | | 178 | |



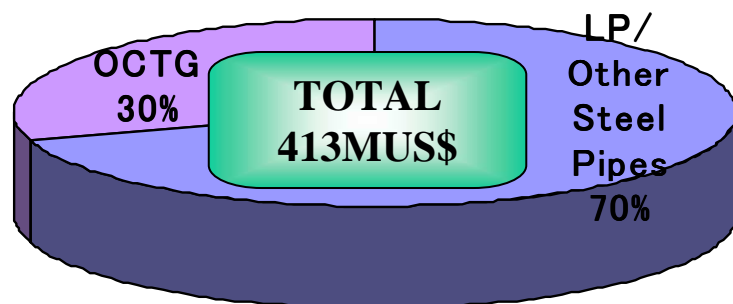
Acquisition of all shares of Kelly Pipe Co., LLC

JFE

【Outline of Kelly Pipe】

- ◆ Founded 1898 and one of the largest, most well-established distributors of pipe in the nation

Sales in 2013



| | |
|---------------------|--|
| Main Business | Sales, stocking and processing for Line Pipe, OCTG and other steel pipes |
| Number of employees | 295 |
| Location | 24 (USA: 21, Canada: 1, United Kingdom: 1, Columbia: 1) |

【Target of Acquisition】

- Expansion of the business field for distributing steel pipes in North America
- To pursue synergy in procurement from domestic and international steel mills, including JFE group such as CSI
- Stable gains from Kelly Pipe's network throughout the USA and balanced product mix of line pipe, OCTG and other steel pipes



JFE Holdings

Financial Forecast for Fiscal Year 2014



JFE

Financial Forecast for FY2014

JFE-HD

Announced on Jan. 30, 2015

| | FY2013 | FY2014 (Updated Forecast) | | | Change |
|---|--------------|------------------------------|-------------|--------------|-------------|
| | Full Year | Apr-Dec | Jan-Mar | Full Year | Full Year |
| Net Sales | 3,666.8 | 2,819.3 | 1,020.8 | 3,840.0 | 173.2 |
| Operating Income | 153.3 | 146.4 | 63.6 | 210.0 | 56.7 |
| Non-operating Income | 20.3 | 22.5 | (12.4) | 10.0 | (10.3) |
| Ordinary Income | 173.6 | 168.9 | 51.2 | 220.0 | 46.4 |
| Extraordinary Income (Loss) | (13.1) | (3.7) | (1.2) | (5.0) | 8.1 |
| Income Before Income Taxes and Minority Interests (Loss) | 160.5 | 165.2 | 49.9 | 215.0 | 54.5 |
| Tax Expense and Minority Interest | (58.1) | (58.8) | (26.3) | (85.0) | (26.9) |
| Net Income | 102.3 | 106.3 | 23.7 | 130.0 | 27.7 |
| ROS | 4.7% | 6.0% | 5.0% | 5.7% | 1.0% |



JFE

Dividends



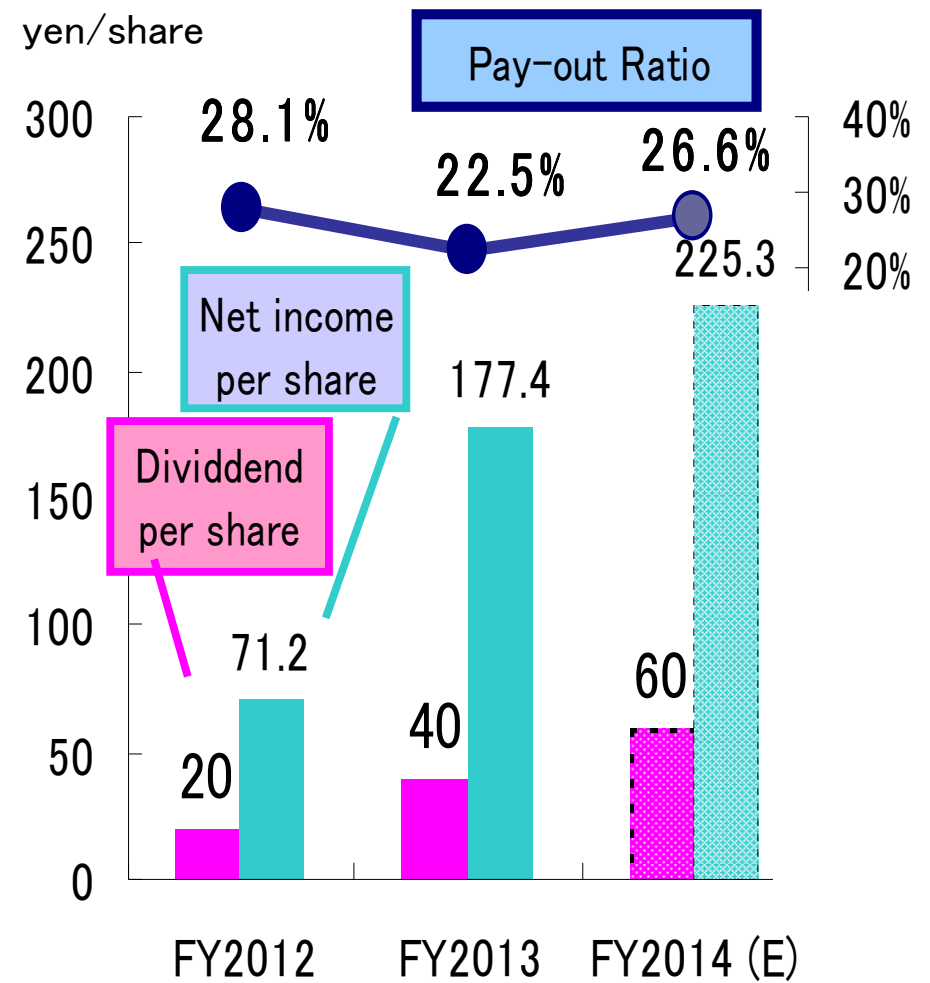
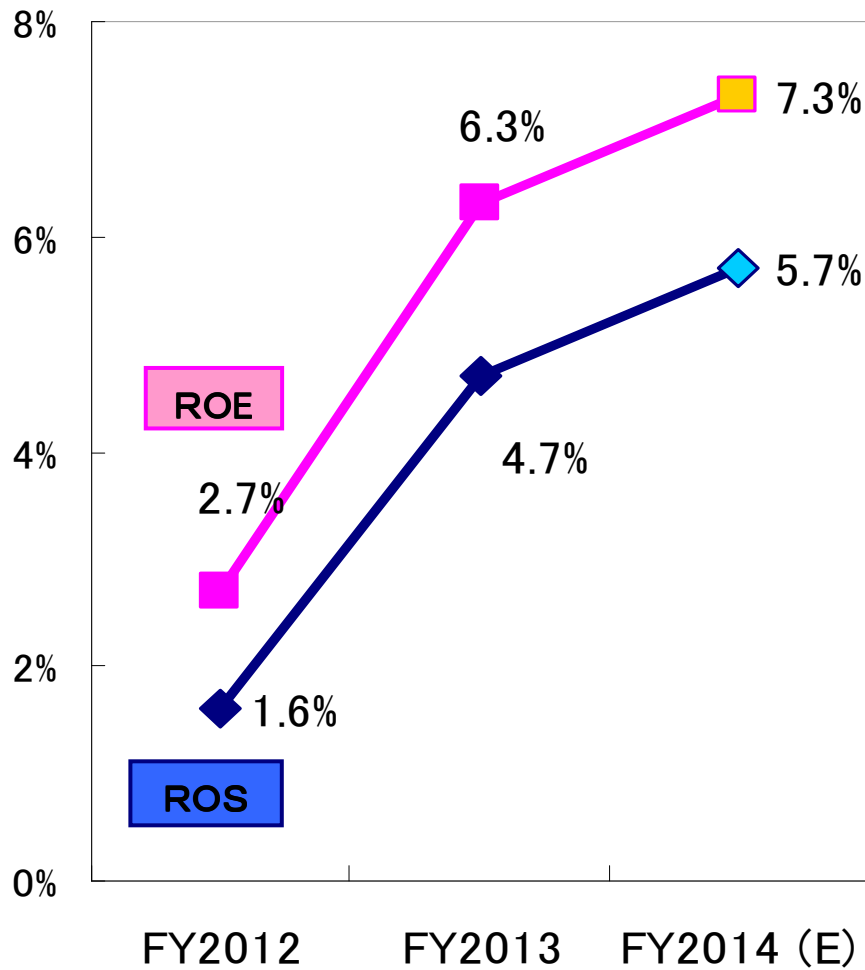
Dividend Forecast for FY2014

Announced on Jan. 30, 2015

JFE Holdings, after having delayed a decision about its year-end dividend, has reviewed current conditions regarding income and profit and decided to propose at its General Meeting of Shareholders a payment of 40 yen per share for the year-end dividend, which would result in an annual dividend of 60 yen per share.



Financial Indices (ROS, ROE, Pay-out Ratio)



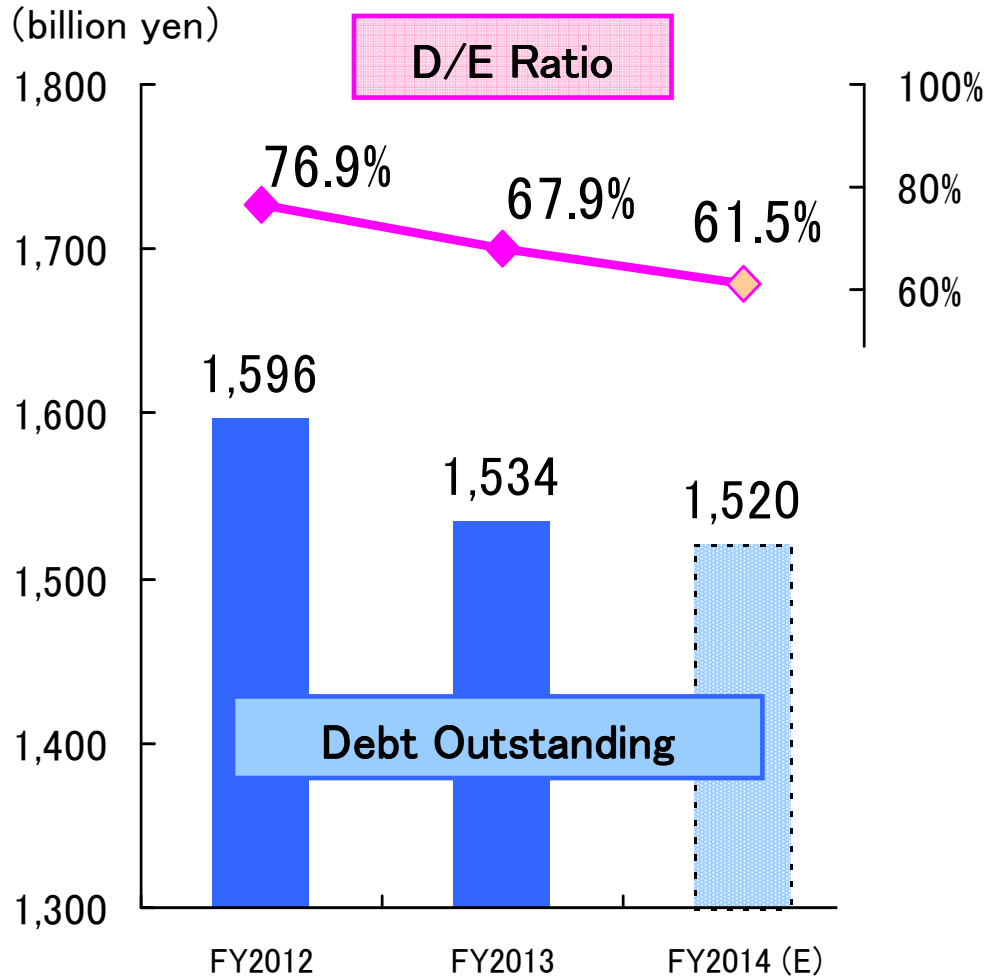
ROE = Net Income / Shareholders' Equity (average)

ROS = Ordinary Income / Net Sales



Financial Indices (Debt Outstanding, D/E Ratio)

JFE



Ref.: Cash Flow Forecast for FY2014
(billion yen)

| Source | | Usage | |
|-----------------|-----|----------------------|-----|
| | | Repayment of debt | 14 |
| Ordinary Income | 220 | Working Capital etc. | 176 |
| Depreciation | 180 | Capex | 210 |

D/E Ratio = Debt Outstanding / Shareholders' Equity. For debt having a capital component, 75% of the 300 billion yen issue price is deemed to be capital, as assessed by rating agencies.



JFE

Appendix



Main Financial Data

JFE-HD

JFE

(E)

| | FY03 | FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 |
|---------------------------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | | | | | | | |
| Ordinary Income (Bn. Yen) | 218.3 | 502.9 | 400.5 | 69.2 | 165.8 | 52.9 | 52.2 | 173.6 | 220.0 |
| ROS ※1 | 8.8% | 14.2% | 10.2% | 2.4% | 5.2% | 1.7% | 1.6% | 4.7% | 5.7% |
| ROE ※2 | 15.9% | 17.5% | 13.7% | 3.3% | 4.1% | -2.6% | 2.7% | 6.3% | 7.3% |
| ROA ※3 | 6.5% | 13.0% | 10.0% | 2.2% | 4.6% | 1.7% | 1.6% | 4.5% | 5.4% |
| Debt Outstanding | 1,837 | 1,282 | 1,769 | 1,468 | 1,496 | 1,594 | 1,596 | 1,534 | 1,520 |
| D/E Ratio ※4 | 246.2% | 61.4% | 98.9% | 75.5% | 76.5% | 83.5% | 76.9% | 67.9% | 61.5% |
| | | | | | | | | | |
| Net Income (yen/share) | 185.8 | 450.6 | 355.6 | 86.4 | 110.7 | -68.7 | 71.2 | 177.4 | 225.3 |
| Dividend (yen/share) | 30 | 120 | 90 | 20 | 35 | 20 | 20 | 40 | * 60 |
| Pay-out Ratio | 16.1% | 26.6% | 25.3% | 23.1% | 31.6% | — | 28.1% | 22.5% | 26.6% |

• Interim: 20
Year-end: 40 (E)

※1: ROS = Ordinary Income / Net Sales

※2: ROE = Net Income / Shareholders' Equity

※3: ROA = Ordinary Income before Interest Expenses / Total Assets (average)

※4: D/E Ratio = Debt Outstanding / Shareholders' Equity

For debt having a capital component, 75% of the 300 billion yen issue price is deemed to be capital, as assessed by rating agencies.



Progress of Foreign Investments in Steel Business 1

| | Company Name | Country | Ownership Ratio | Investment (Capacity) | FY12 | FY13 | FY14 |
|------|---------------------------|-----------|-----------------|--|---|---|--|
| Auto | GJSS JFE Steel | China | 50% | PL-TCM (1.8Mt/y) CAL (1.0Mt/y) #2CGL (0.4Mt/y) | ▲ Started operation ⇒ Total CGL capacity: 0.8Mt/y ▲ Bao Steel became a JV partner | | |
| | JSGT JFE Steel | Thailand | 100% | CGL (0.4Mt/y) | | ▲ Started operation (Thailand's 1 st CGL for auto) | |
| | JSGI JFE Steel | Indonesia | 100% | CGL (0.4Mt/y) | | ▲ Decided Investment ⇒ to launch '16/3 (Indonesia's 1 st CGL for auto) | |
| | JSW JFE Steel | India | 15% | #2CRM (2.3Mt/y) CAL (0.95Mt/y × 2) CGL (0.4Mt/y) | Launched CRM ▲ Launched #1CAL & CGL | | ▲ To launch #2CAL ▲ |
| | r. bourgeois JFE Shoji | USA | 50% | To establish Motor Core Joint Venture | | | ▲ Established JV |
| | TCR JFE Steel | Thailand | 36% | CRM (1.0Mt/y) | | ▲ Buy-back ⇒ Become Equal Major | |
| | JJP JFE Steel | China | 51% | ERW pipe mill for auto parts | | | ▲ Established JV ⇒ to start operation in FY15 |



Progress of Foreign Investments in Steel Business 2

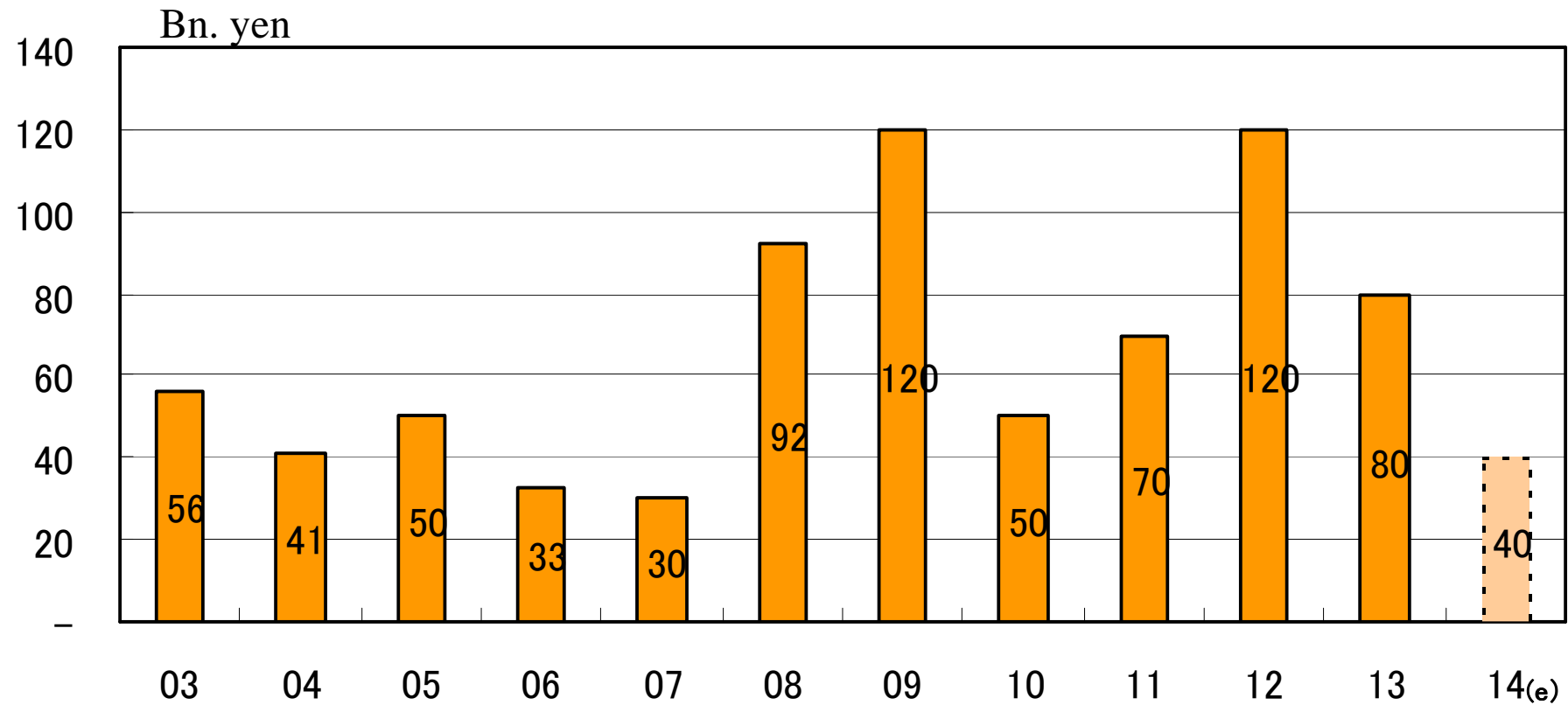
| | Company Name | Country | Ownership Ratio | Investment (Capacity) | FY12 | FY13 | FY14 |
|-------------|---------------------------------|-----------|-----------------|---|------|------------------------------------|-------------------|
| Energy | CSI JFE Steel | USA | 50% | #2 ERW pipe mill (360kt/y) | | | ▲ |
| | Benoit JFE Steel | USA | 15% | Manufacturing threaded connections for OCTG | ▲ | Completed acquisition | |
| | Kelly Pipe JFE Shoji | USA | 100% | Distributors of pipe | | Completed acquisition | ▲ |
| Container | JFE Steel Drum JFE Container | China | 80% | Steel Drum Plant (Production in 2014: 4.4MUnit/y) | ▲ | Jiangsu Plant Zhejiang #2 Plant | |
| Coil Center | JSI JFE Shoji | India | 100% | Establish C/C (30kt/y) | ▲ | Started operation | |
| | JSHP JFE Shoji | Vietnam | 100% | Establish C/C (48kt/y) | | | ▲ |
| | JSSI JFE Shoji | Indonesia | 97% | #2 Factory (61kt/y) | | | ▲ |
| | SASC JFE Shoji | Thailand | 70% | 2 nd Phase (200kt/y) | | ▲ | Started operation |



Cost Reduction (Steel Business)

For FY2013, cost reduction of 80Bn is achieved.

For FY2014, cost reduction of 40Bn is targeted.

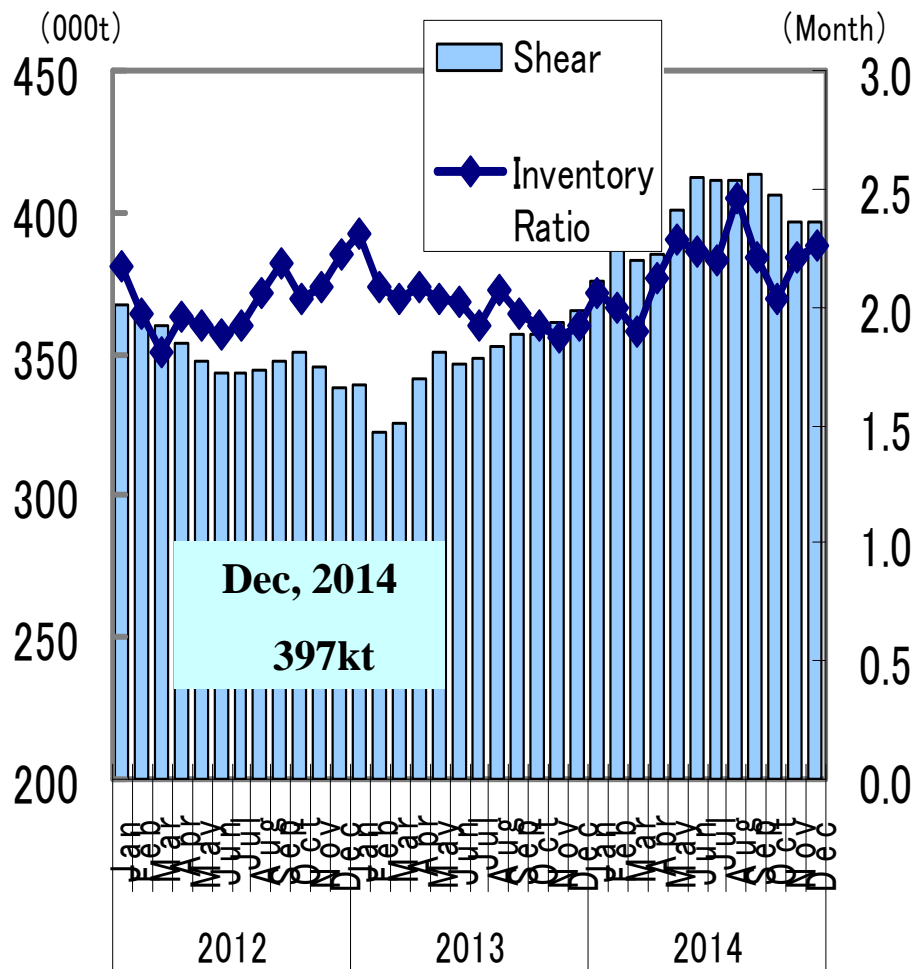




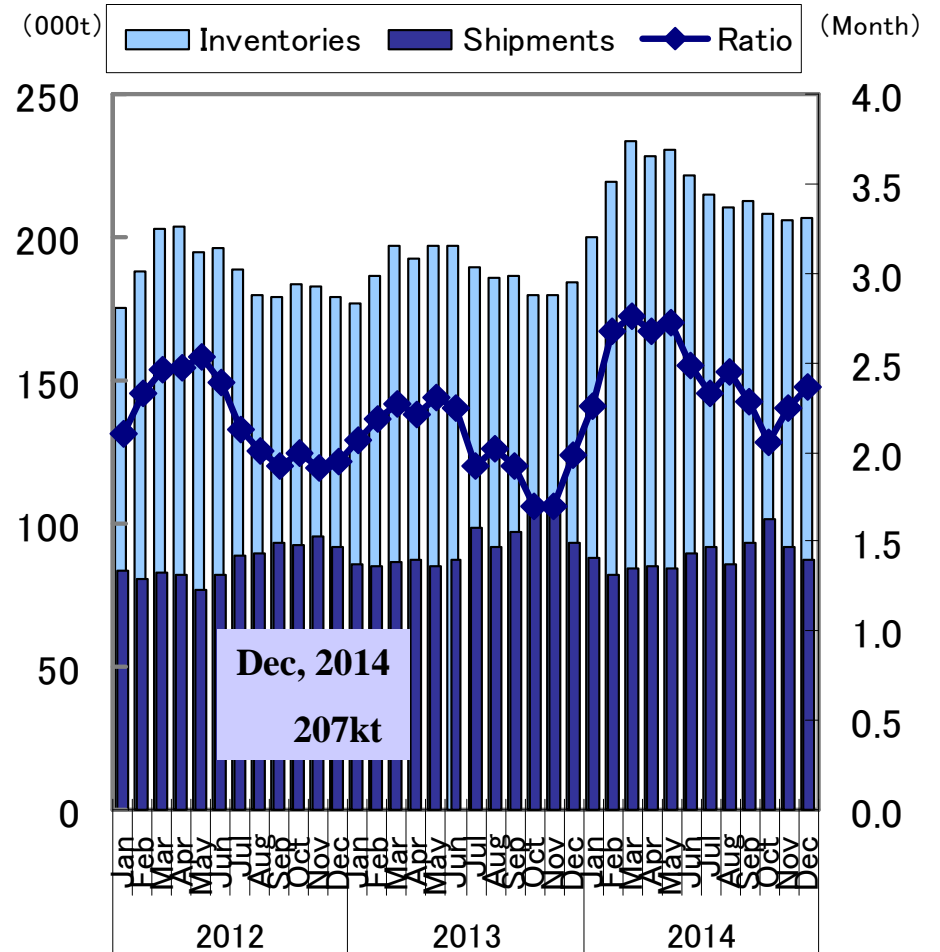
Domestic Market Environment

JFE Steel Inventories of Plate (Plate Shear) and Wide Flange Shapes

Inventories of Plate (Plate Shear)



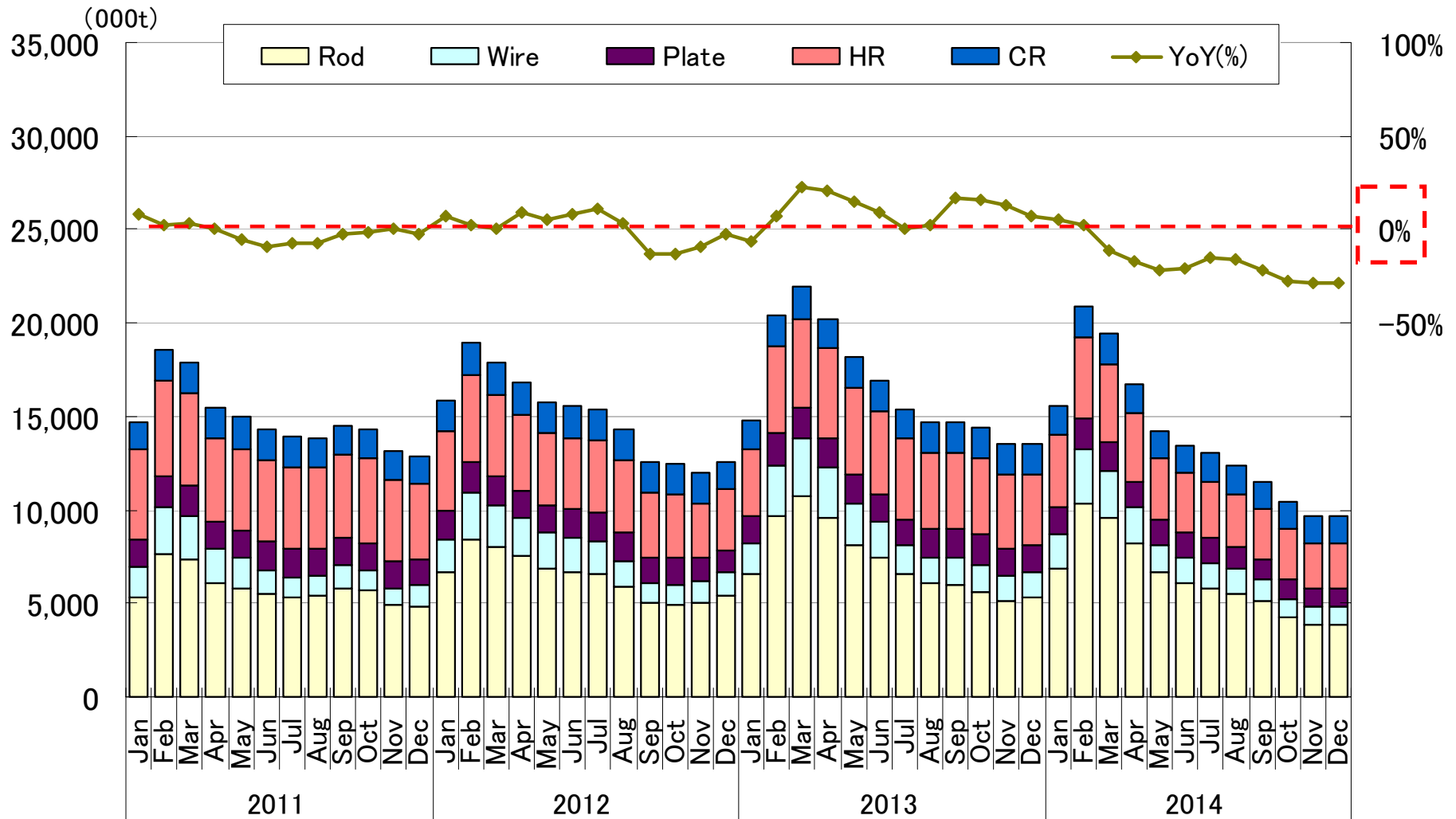
Inventories of Wide Flange Shapes





Export Market Environment

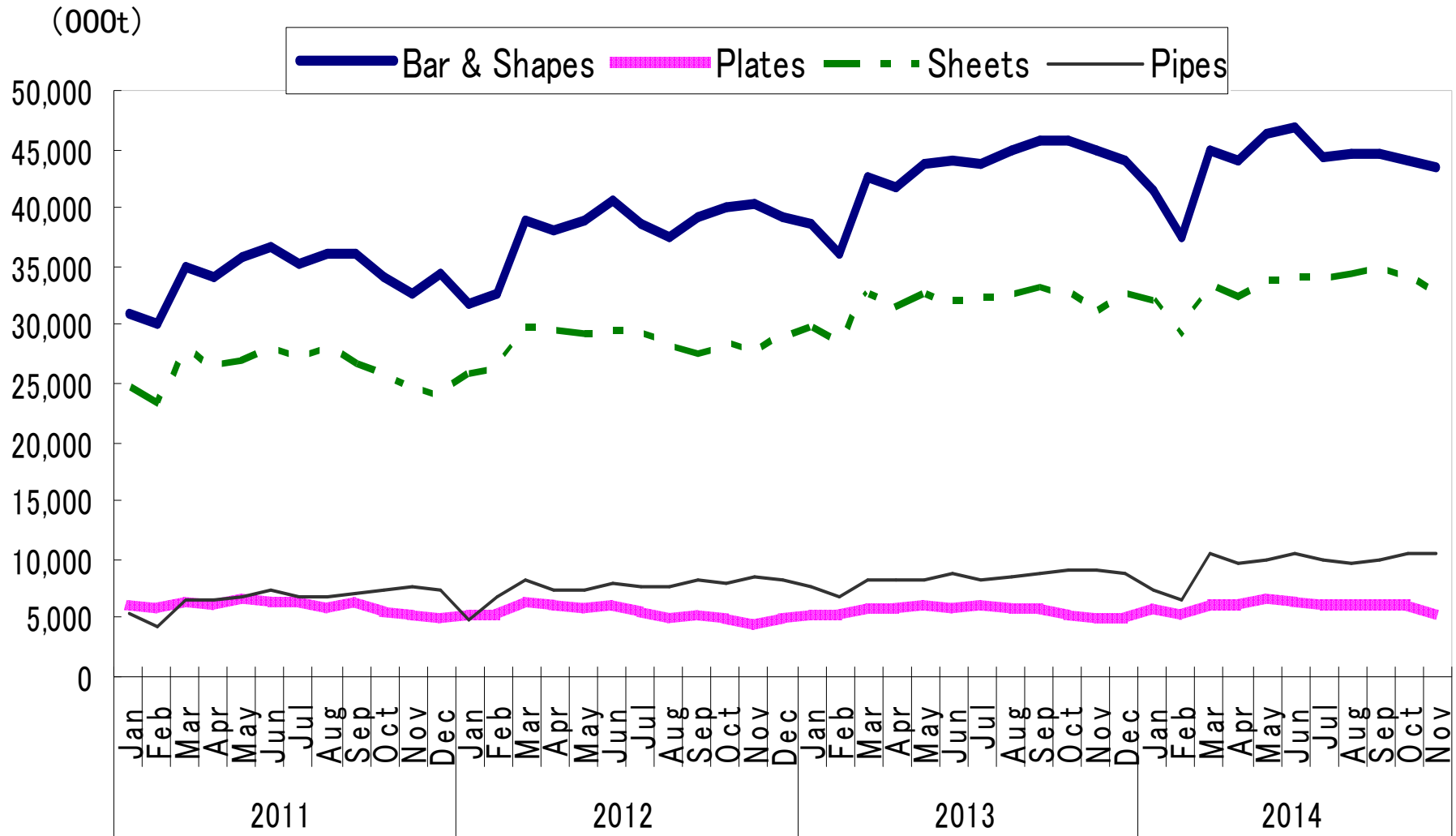
Inventories in China





Export
Market Environment

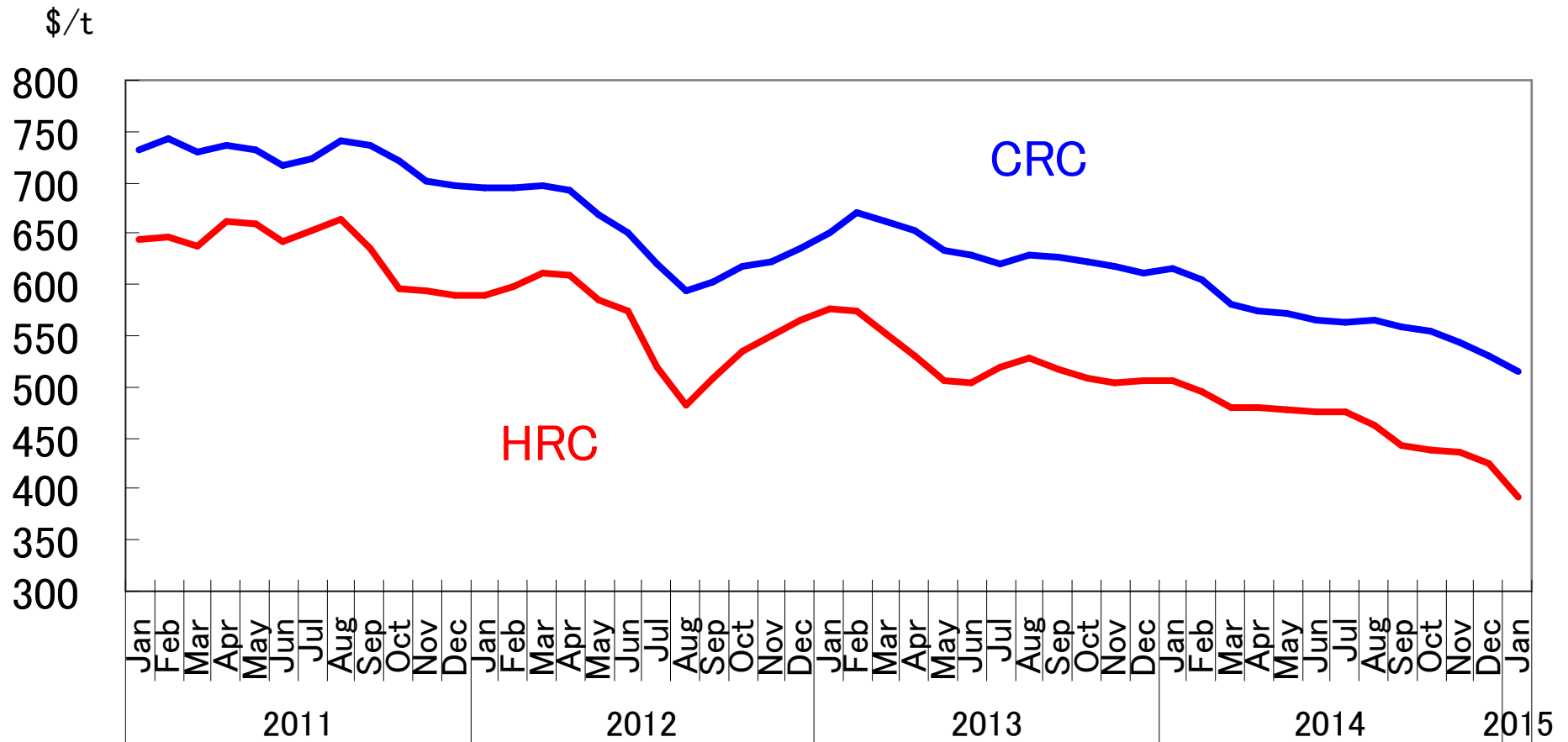
JFE Steel
Production Trend in China
(by products)





Export
Market Environment

Steel Sheet Prices in China



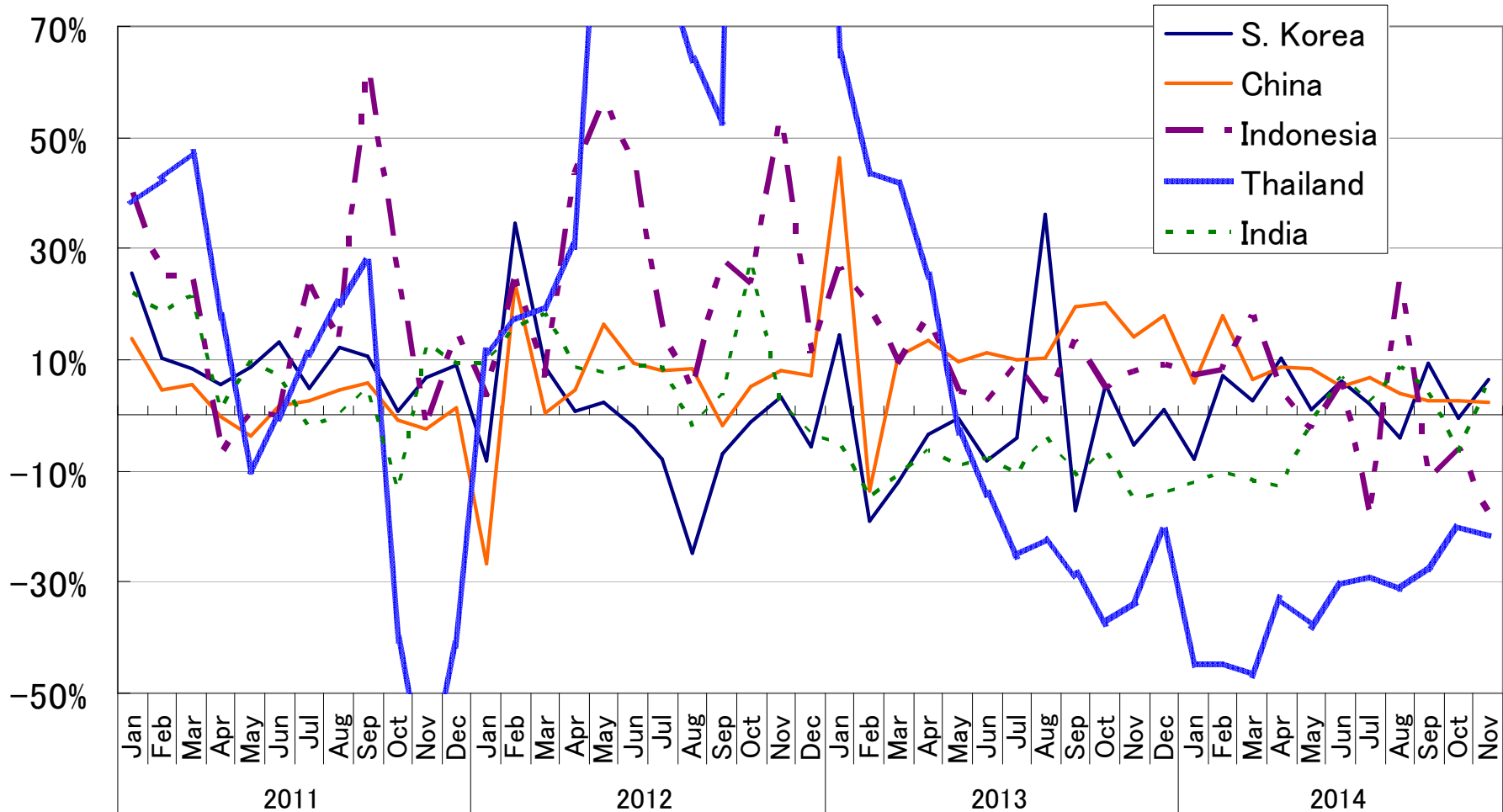
Notes: Figures does not include value-added tax. Prices are average from 21 regions of China.



Export Market Environment

Auto Sales in Key Countries

Automobile Sales in Key Countries (YoY Change)

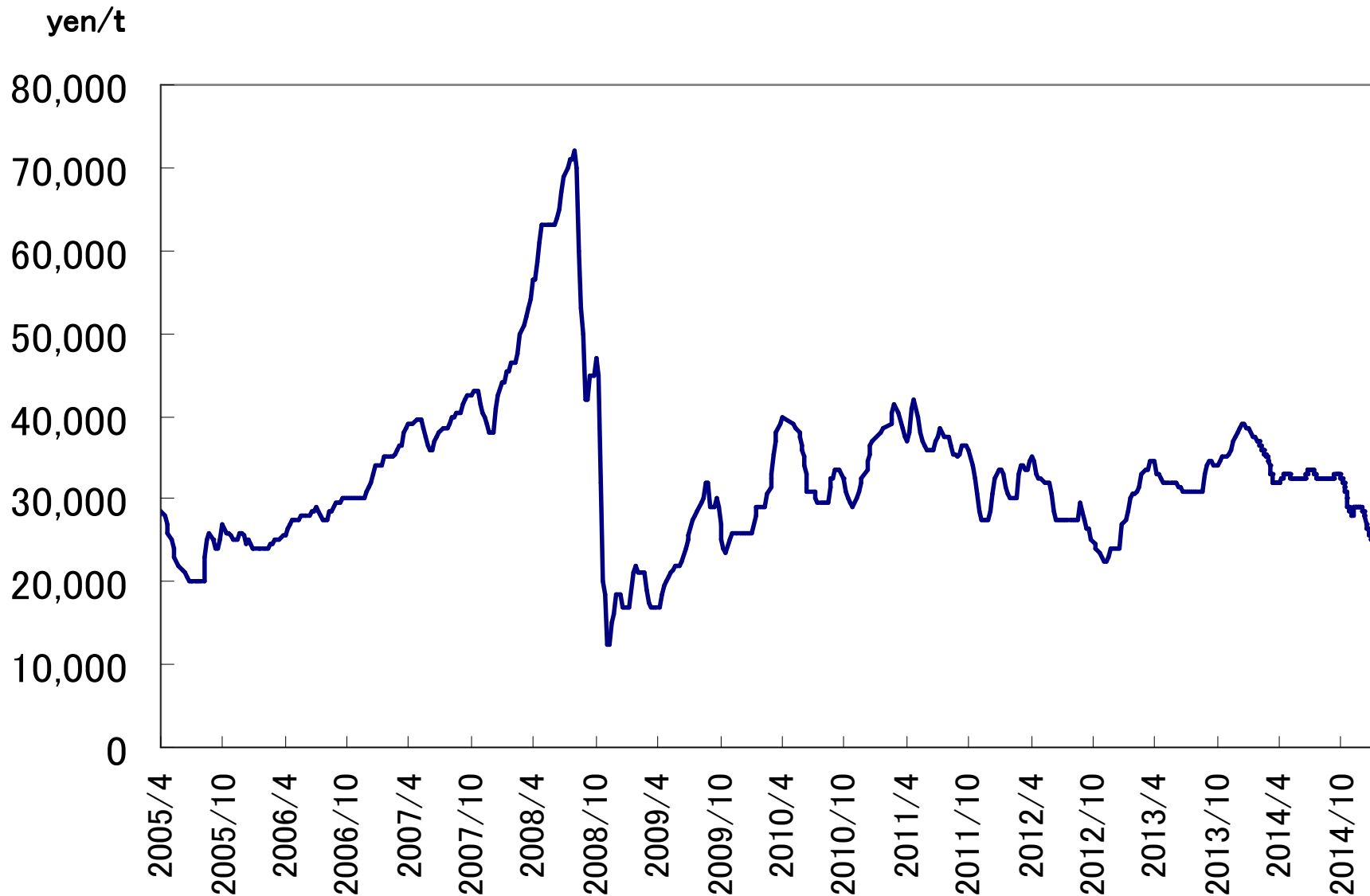




Raw Materials

Trend of Scrap Price

JFE





Raw Materials

Trend of Spot Bulker Price

JFE

\$/day

300,000

250,000

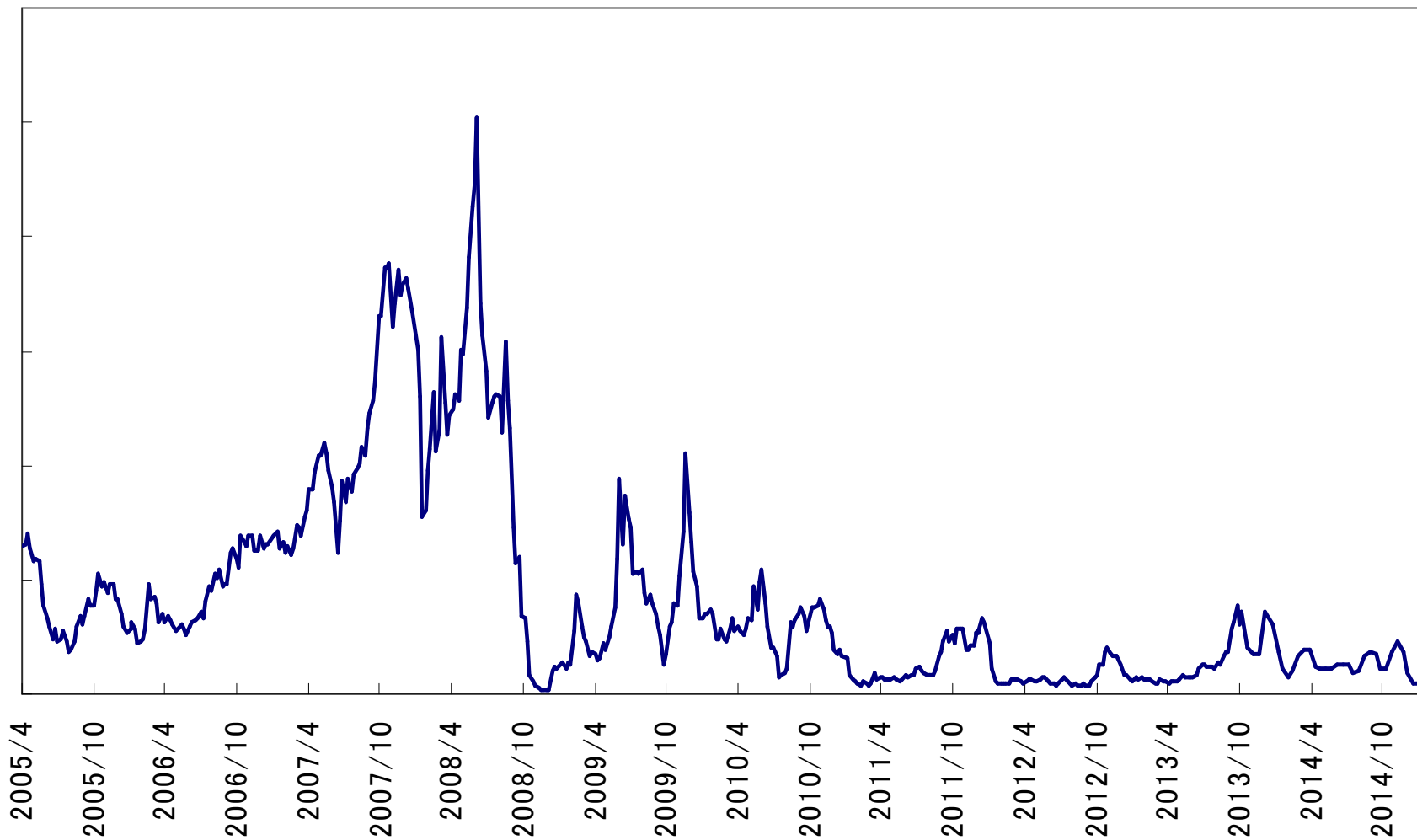
200,000

150,000

100,000

50,000

0

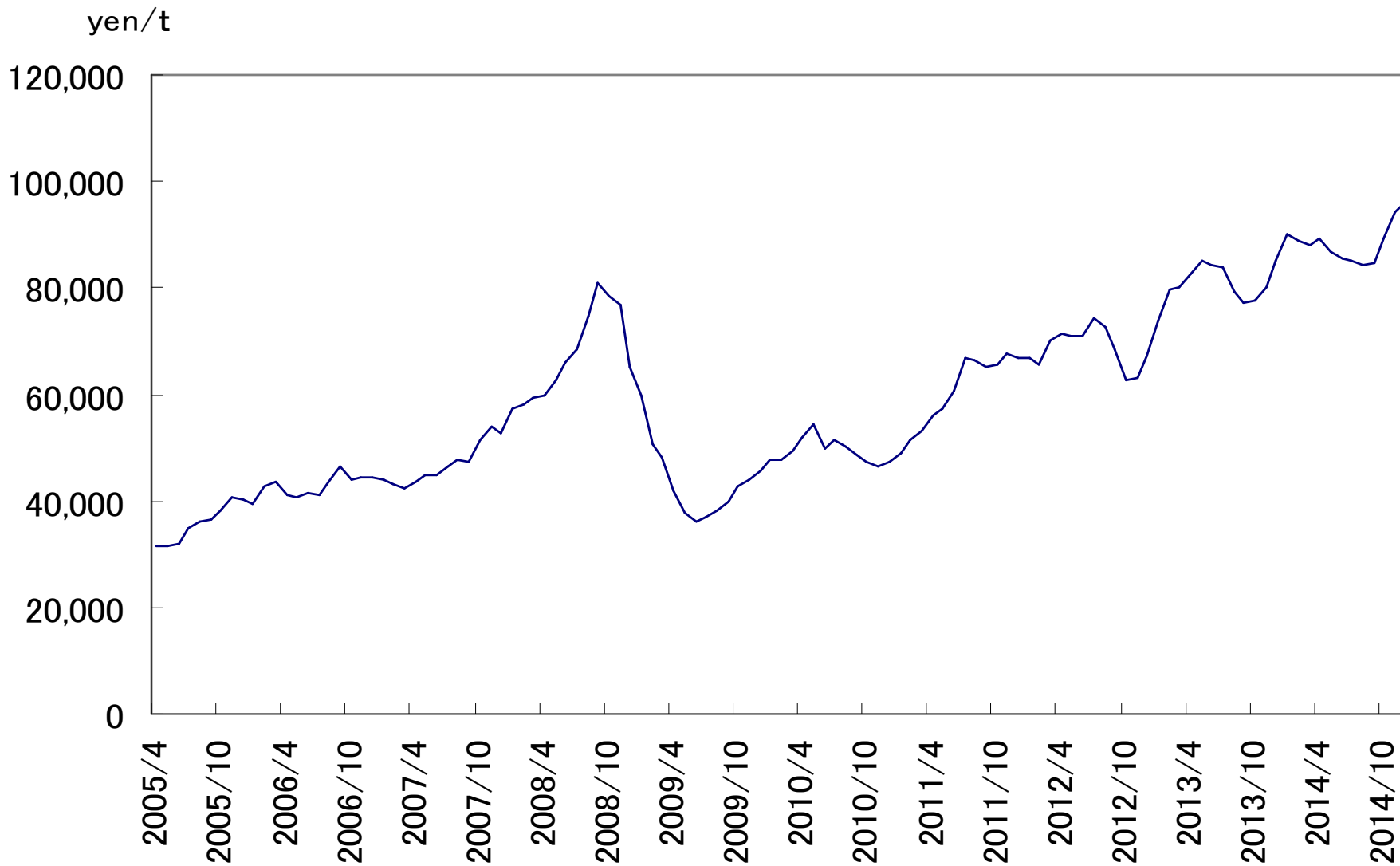




Raw Materials

Trend of LNG Price

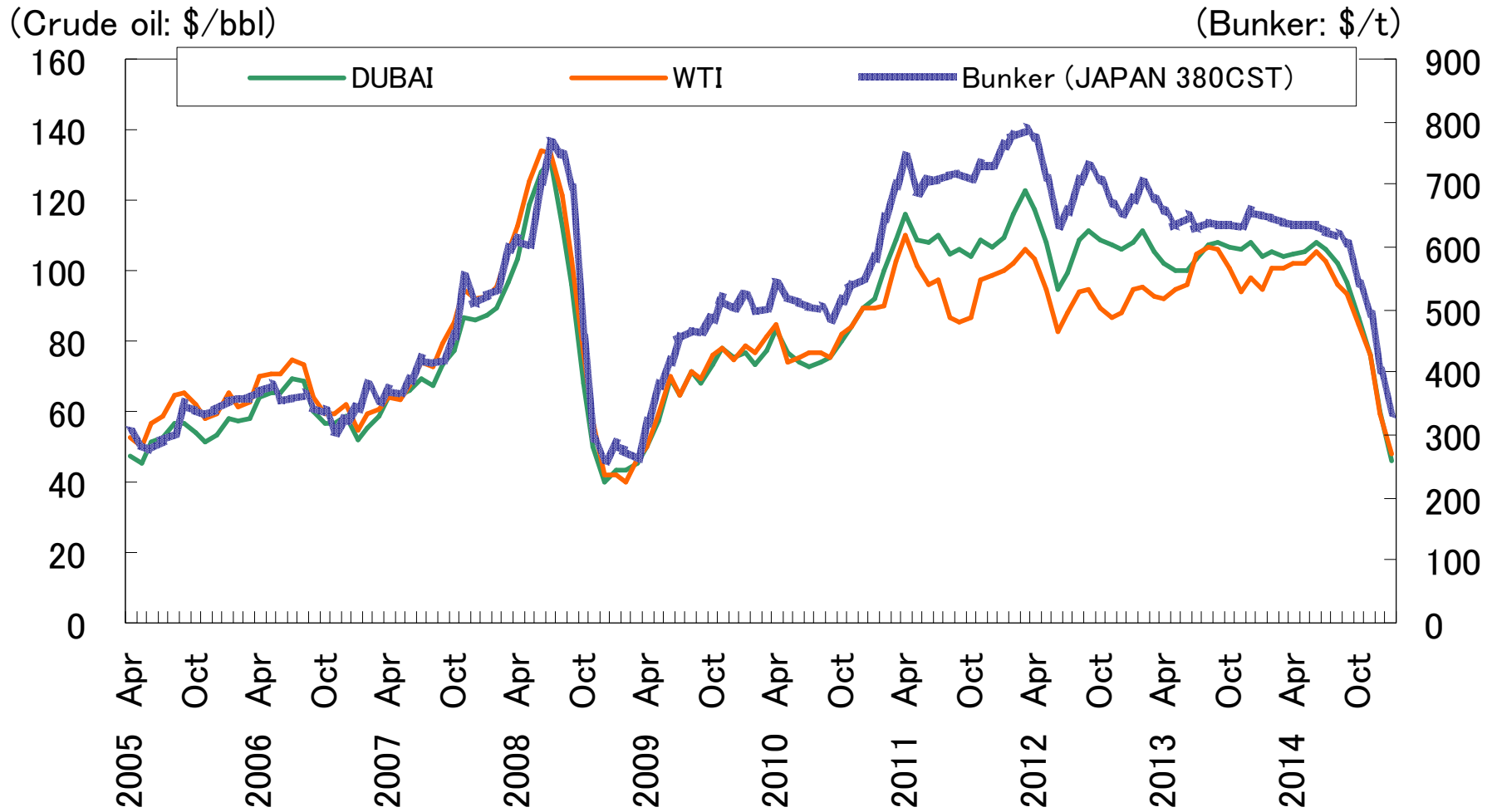
JFE





Raw Materials

Trend of Oil Prices





JFE

End