



JFE Group

***Financial Results in First Half of
Fiscal Year 2015 ending March 31, 2016***

JFE Holdings, Inc.

October, 2015



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- Dividends
- Establishment of Basic Policy on Corporate Governance

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



**Consolidated Results in First Half
of Fiscal 2015
(April 1 to September 30, 2015)**



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JFE-HD

Financial Results of First Half of Fiscal 2015

(billion yen)

	FY2014 1H (Apr-Sep)	FY2015 1H (Apr-Sep)	Change
Net Sales	1,848.0	1,713.2	(134.8)
Operating Income	82.1	49.4	(32.7)
Non-operating Income	9.8	(1.0)	(10.8)
Ordinary Income	91.9	48.3	(43.6)
Extraordinary Profit (Loss)	(7.1)	-	7.1
Income before Income Taxes and Minority Interests	84.8	48.3	(36.5)
Tax Expense and Profit Attributable to Non-controlling Interests	(32.5)	(18.4)	14.1
Profit Attributable to Owners of Parent	52.3	29.9	(22.4)



Financial Results of First Half of Fiscal 2015 (by Segment)

JFE-HD

(billion yen)

	FY2014 1H (Apr-Sep)	FY2015 1H (Apr-Sep)	Change
Steel Business	1,424.1	1,246.0	(178.1)
Engineering Business	144.6	153.5	8.9
Trading Business	946.2	914.5	(31.7)
Adjustments	(667.0)	(601.0)	66.0
Net Sales	1,848.0	1,713.2	(134.8)
Steel Business	77.6	38.6	(39.0)
Engineering Business	0.6	(0)	(0.6)
Trading Business	11.4	9.8	(1.6)
Adjustments	2.2	(0)	(2.2)
Ordinary Income (Loss)	91.9	48.3	(43.6)



Financial Results of First Half of Fiscal 2015 (by Segment)

JFE-HD

(billion yen)

		FY2015 1H (Apr-Sep)		Change
		Previous Forecasts	Actual Results	
	Steel Business	1,260.0	1,246.0	(14.0)
	Engineering Business	160.0	153.5	(6.5)
	Trading Business	980.0	914.5	(65.5)
	Adjustments	(600.0)	(601.0)	(1.0)
	Net Sales	1,800.0	1,713.2	(86.8)
	Steel Business	38.0	38.6	0.6
	Engineering Business	1.0	(0)	(1.0)
	Trading Business	9.5	9.8	0.3
	Adjustments	1.5	(0)	(1.5)
	Ordinary Income (Loss)	50.0	48.3	(1.7)



**Forecasts of Consolidated Financial
Results in Fiscal 2015
(April 1, 2015 to March 31, 2016)**



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Current Business Environment

□ Domestic Business Environment

- Domestic steel demand remains steady overall
- Inventory adjustment is proceeding but need to watch the situation
 - ◆ Manufacturing Sector
 - Auto: expect demand increase in 2H of fiscal 2015
 - Shipbuilding: remain high level since last year
 - Construction Machinery: remain low level due to economic slowdowns in resource-rich countries
 - ◆ Civil & Construction Sector
 - Demand for steel frame remains strong. Big construction projects are delayed, but will be started after the turn of the year

□ Overseas Business Environment

- Continuing to weaken steel prices in overseas market longer than anticipated due to export drive by China and increased protectionism
- Slower pace of auto production growth in ASEAN countries
- Prolonged decline of energy price



□ Forecasts of Financial Results in Fiscal 2015

Revise down the consolidated forecast of financial results in Fiscal 2015 under the current business environment

New forecasts of Ordinary income: 100 billion yen

Previous forecasts (announced on July 30, 2015): 200 billion yen

□ Current Business Activities

Under the harsh business conditions, JFE strive to strengthen its profit base by steadily implementing measures specified in the fifth medium-term business plan by means of securing additional financial sources including asset sales

- ◆ Domestic: Further strengthen the manufacturing base in Japan with stable production and reduce costs
- ◆ Overseas: Strengthen business in prioritized field especially in auto sector and pursue growth investment from a middle- & long-term perspective



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Financial Forecasts for Fiscal 2015

JFE-HD

(billion yen)

	Previous Forecast (Jul. 30, 2015)		Updated Forecast (Oct. 29, 2015)		Change 1H	Change Full year
	1H	Full year	1H (A)	Full year		
Net Sales	1,800.0		1,713.2	3,660.0	(86.8)	
Operating Income	45.0		49.4	120.0	4.4	
Non-operating Income	5.0		(1.0)	(20.0)	(6.0)	
Ordinary Income	50.0	200.0	48.3	100.0	(1.7)	(100.0)
Extraordinary Profit (Loss)	-		-	0	-	
Income before Income Taxes and Minority Interests	50.0		48.3	100.0	(1.7)	
Tax Expense and Profit Attributable to Non-controlling Interests	(20.0)		(18.4)	(50.0)	1.6	
Profit Attributable to Owners of Parent	30.0		29.9	50.0	(0.1)	
ROS(*)	2.8%		2.8%	2.7%		

*Return on Sales: Ordinary Income / Net Sales



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Financial Forecasts for Fiscal 2015

JFE-HD

(billion yen)

	FY2014 (A)		FY2015 (F)		Change 1H	Change Full year
	1H	Full year	1H (A)	Full year		
Net Sales	1,848.0	3,850.3	1,713.2	3,660.0	(134.8)	(190.3)
Operating Income	82.1	222.5	49.4	120.0	(32.7)	(102.5)
Non-operating Income	9.8	8.4	(1.0)	(20.0)	(10.8)	(28.4)
Ordinary Income	91.9	231.0	48.3	100.0	(43.6)	(131.0)
Extraordinary Profit (Loss)	(7.1)	(4.3)	-	0	7.1	4.3
Income before Income Taxes and Minority Interests	84.8	226.6	48.3	100.0	(36.5)	(126.6)
Tax Expense and Profit Attributable to Non-controlling Interests	(32.5)	(87.3)	(18.4)	(50.0)	14.1	37.3
Profit Attributable to Owners of Parent	52.3	139.3	29.9	50.0	(22.4)	(89.3)
ROS(*)	5.0%	6.0%	2.8%	2.7%	(2.2%)	(3.3%)

*Return on Sales: Ordinary Income / Net Sales



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Financial Forecasts for Fiscal 2015 (by Segment)

(billion yen)

	FY2014		FY2015 (F)		Change 1H	Change Full year
	1H	Full year	1H (A)	Full year		
Steel Business	1,424.1	2,873.8	1,246.0	2,550.0	(178.1)	(323.8)
Engineering Business	144.6	367.3	153.5	400.0	8.9	32.7
Trading Business	946.2	1,934.4	914.5	1,920.0	(31.7)	(14.4)
Adjustments	(667.0)	(1,325.3)	(601.0)	(1,210.0)	66.0	115.3
Net Sales	1,848.0	3,850.3	1,713.2	3,660.0	(134.8)	(190.3)
Steel Business	77.6	188.5	38.6	60.0	(39.0)	(128.5)
Engineering Business	0.6	18.0	(0)	20.0	(0.6)	2.0
Trading Business	11.4	24.6	9.8	20.0	(1.6)	(4.6)
Adjustments	2.2	(0.2)	(0)	0	(2.2)	0.2
Ordinary Income	91.9	231.0	48.3	100.0	(43.6)	(131.0)



JFE Steel

Financial Results in First Quarter of Fiscal Year 2015



Production and Shipment

(million tons)

■ Crude Steel Production and Shipment (non-consolidated basis)

	FY2014 1H A	FY2014 Full year	FY2015 1H (A) B	Change B-A
Crude Steel	14.50	28.44	13.45	(1.05)
Shipment	13.04	26.07	12.37	(0.67)

■ Crude Steel Production (consolidated basis)

Crude Steel	15.88	31.04	14.69	(1.19)
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72.3 Billion Yen decrease in JFE Steel's Ordinary Income (FY14 2H vs. FY15 1H)

(billion yen)

JFE Steel	FY14 2H Actual	FY15 1H Actual	Change 2H → 1H
Ordinary Income	110.9	38.6	(72.3)

- Cost reduction + 8.0
- Sales and Raw materials - 45.0
- Inventory valuation - 25.0
- Others - 10.3



Decline in sales volume, export sales price etc.

TOTAL - 72.3



0.6 Billion Yen increase in JFE Steel's Ordinary Income (FY15 1H (Forecast) vs. FY15 1H (Actual))

(billion yen)

JFE Steel	FY15 1H Forecast	FY15 1H Actual	Change 1H (F) → (A)
Ordinary Income	38.0	38.6	0.6

- Cost reduction − 2.0
- Inventory valuation − 5.0
- Others + 7.6

TOTAL + 0.6



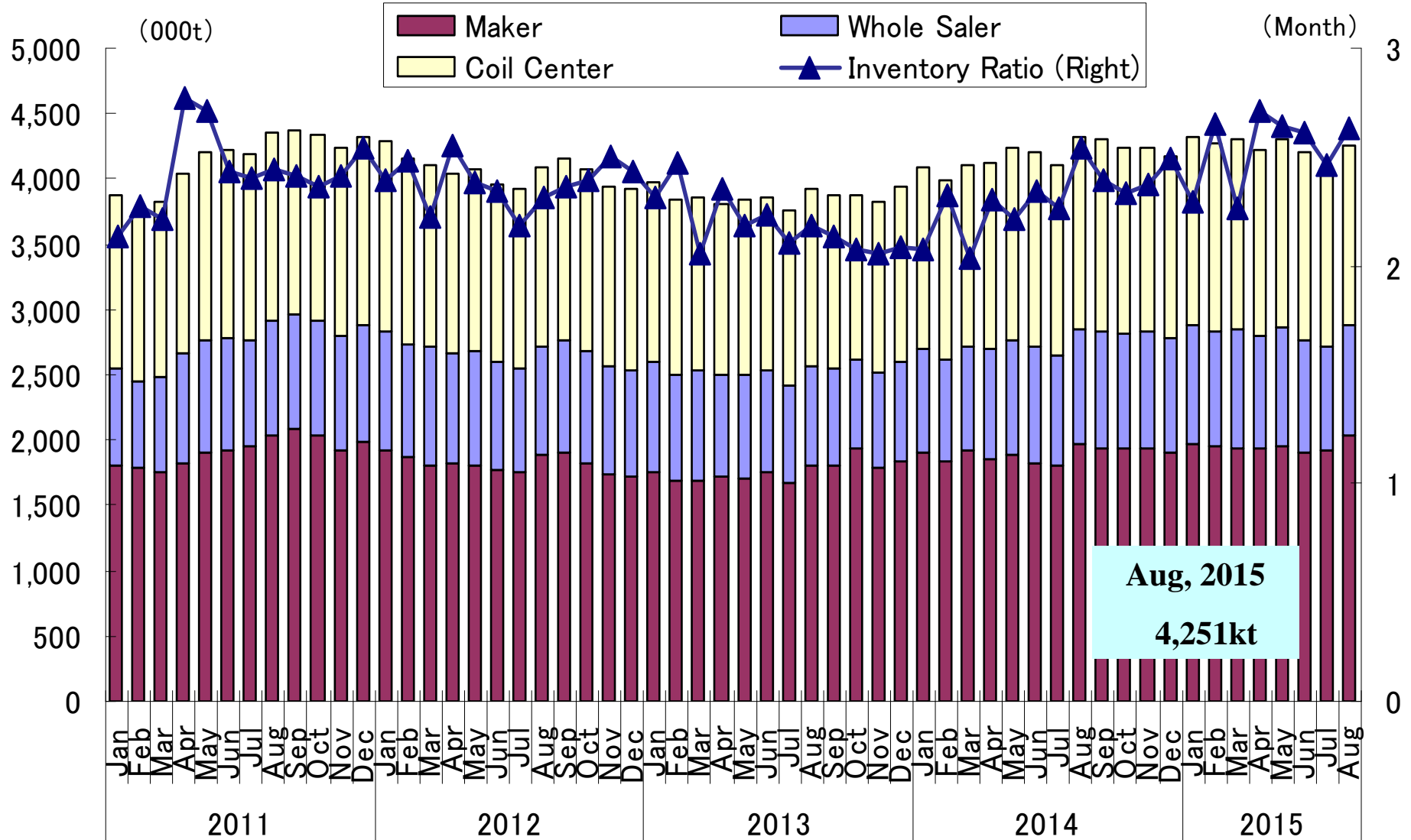
JFE Steel

Financial Forecasts for Fiscal 2015



Domestic Market Environment

Combined Inventories of HR, CR and Coated Steel Sheet

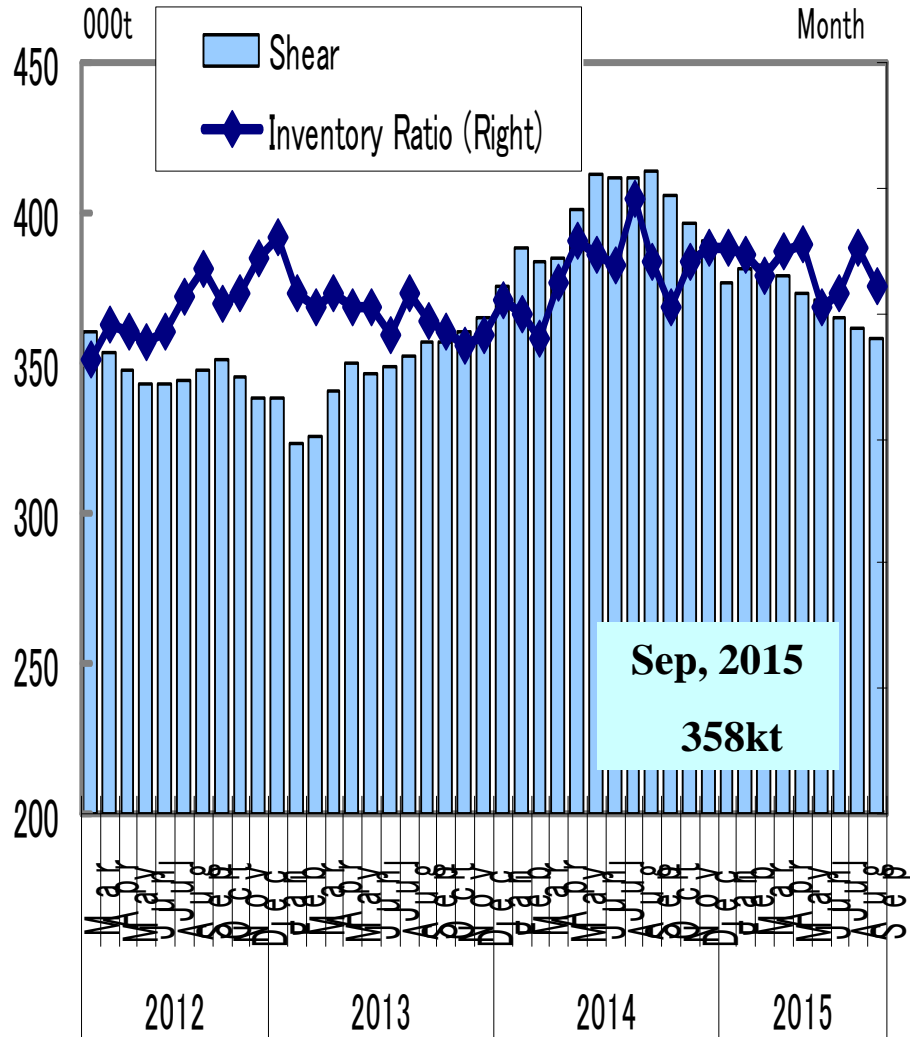




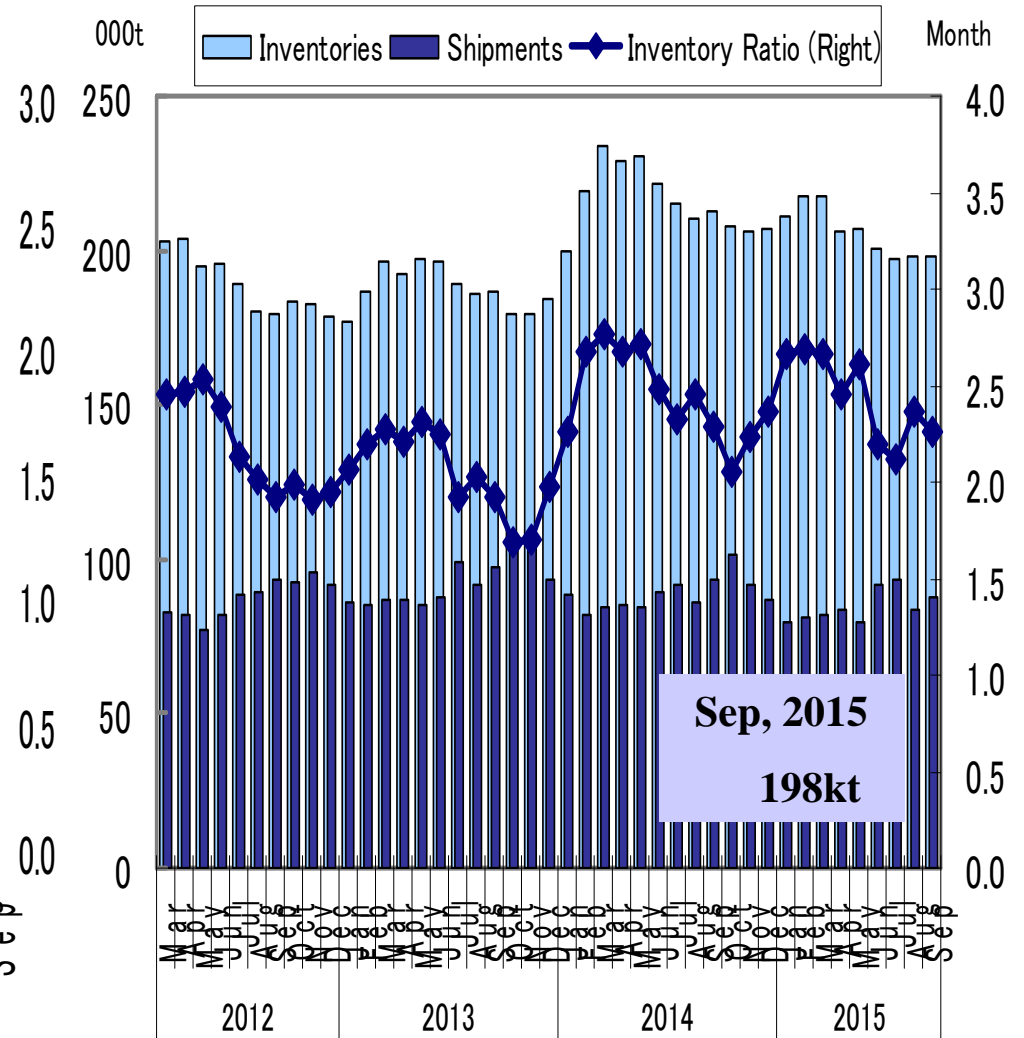
Domestic Market Environment

Inventories of Plate (Plate Shear) and Wide Flange Shapes

Inventories of Plate (Plate Shear)



Inventories of Wide Flange Shapes



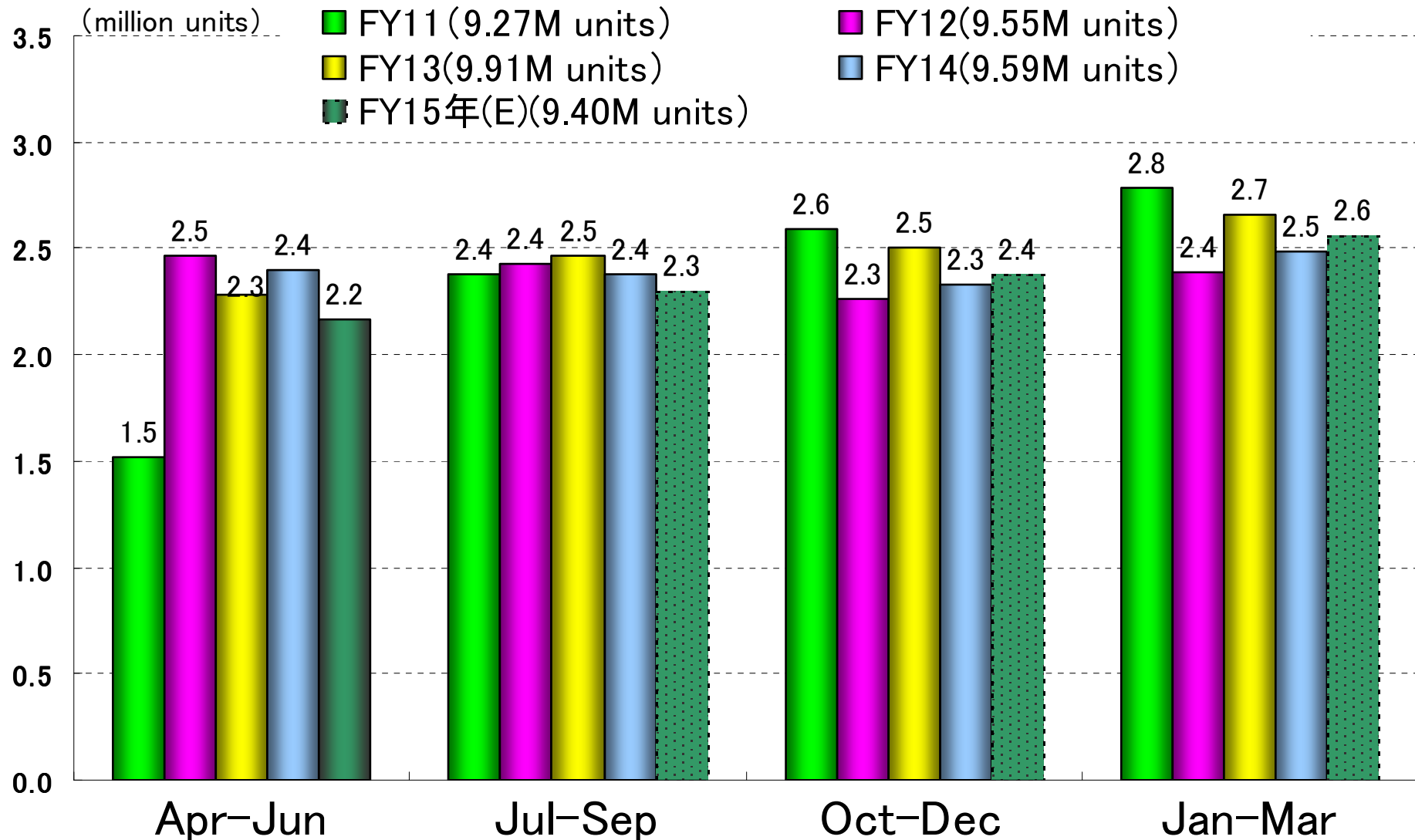


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Domestic
Market Environment

Outlook for Domestic Auto Production

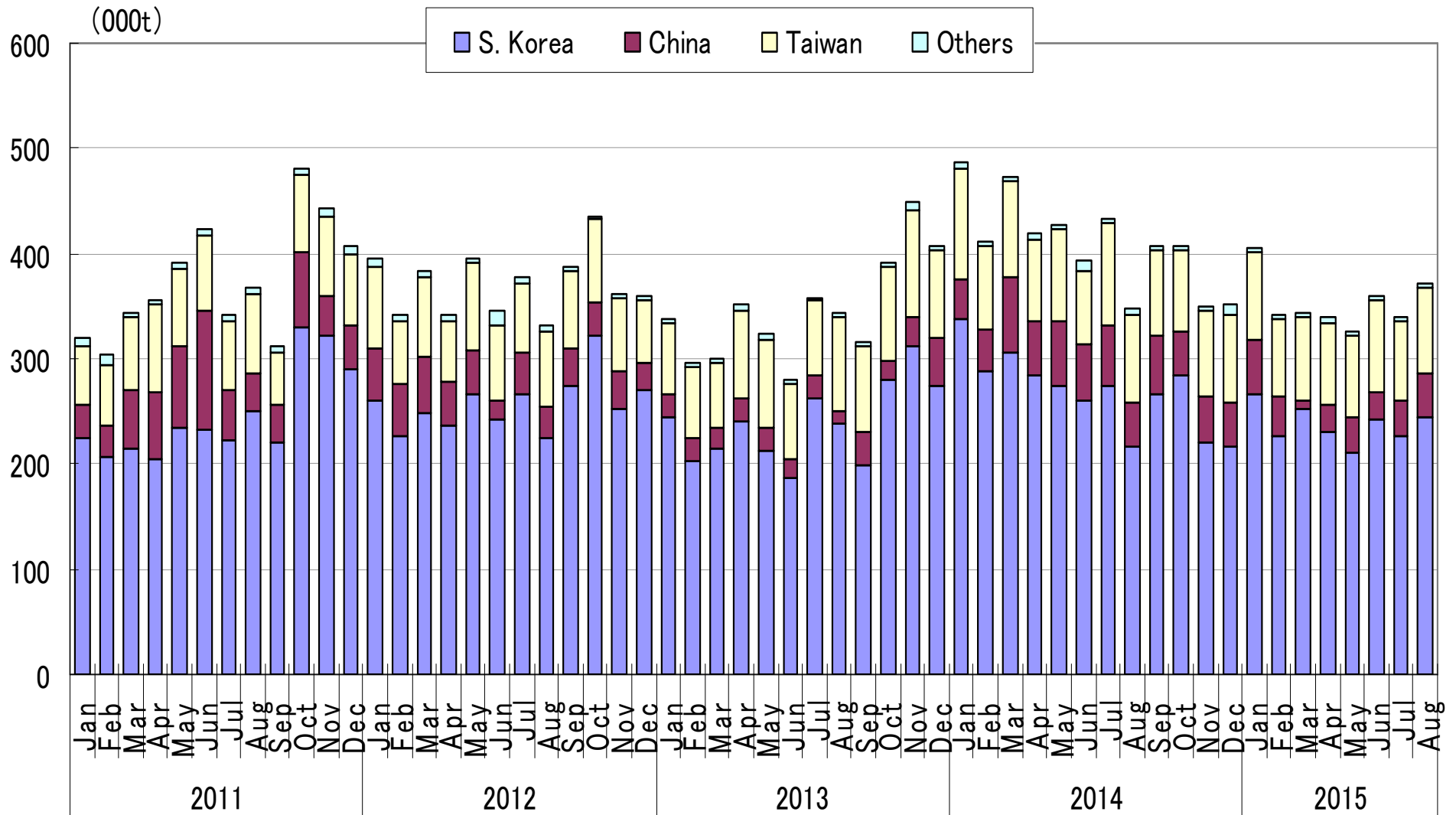
JFE Steel





Domestic Market Environment

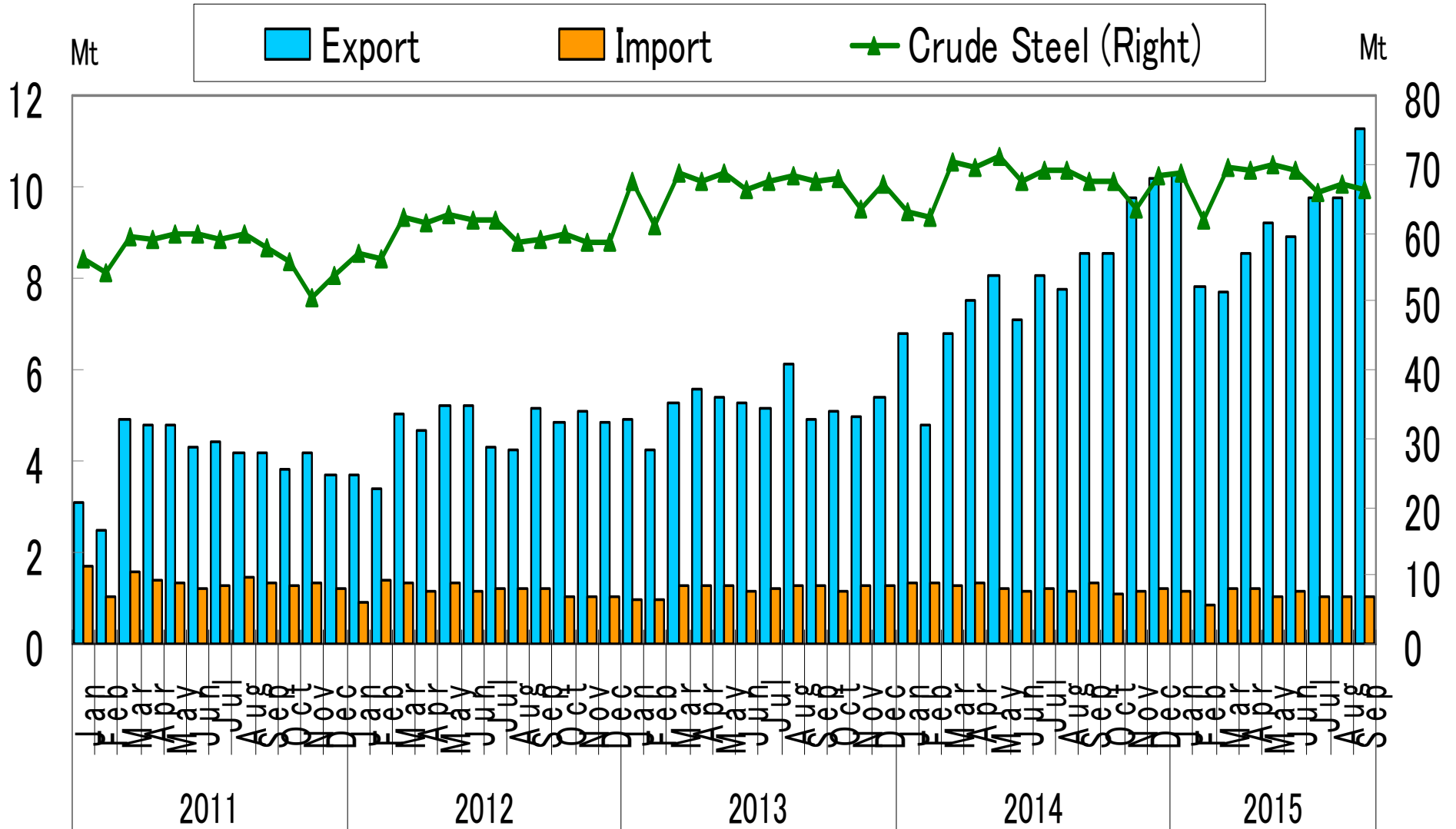
Trend of Import Steel (Ordinary Steel)





Overseas
Market Environment

Crude Steel & Im/Export, China

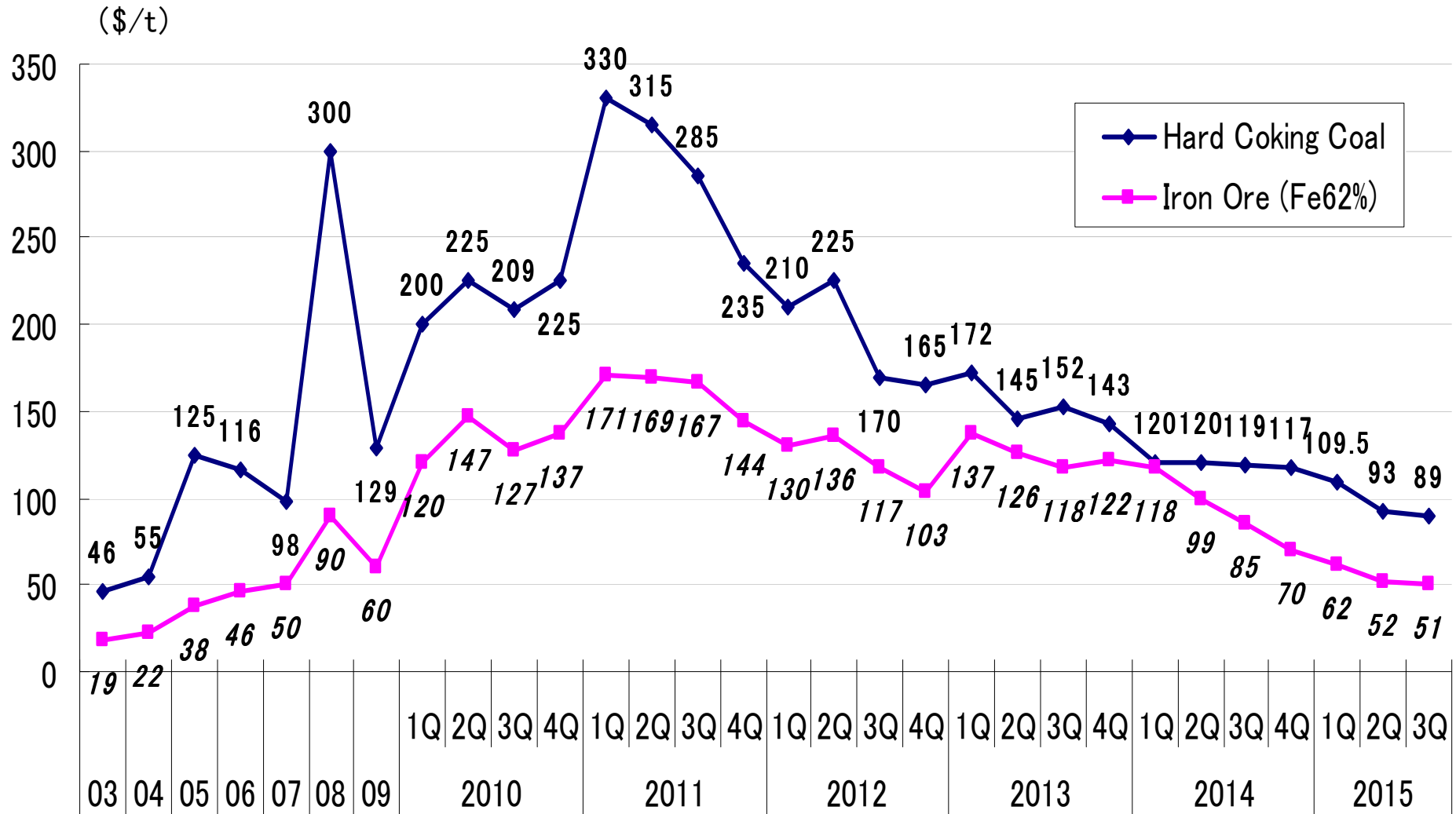


*Crude Steel in Jan and Feb, 2015: WSA's estimation



Raw Materials

Raw Materials Price

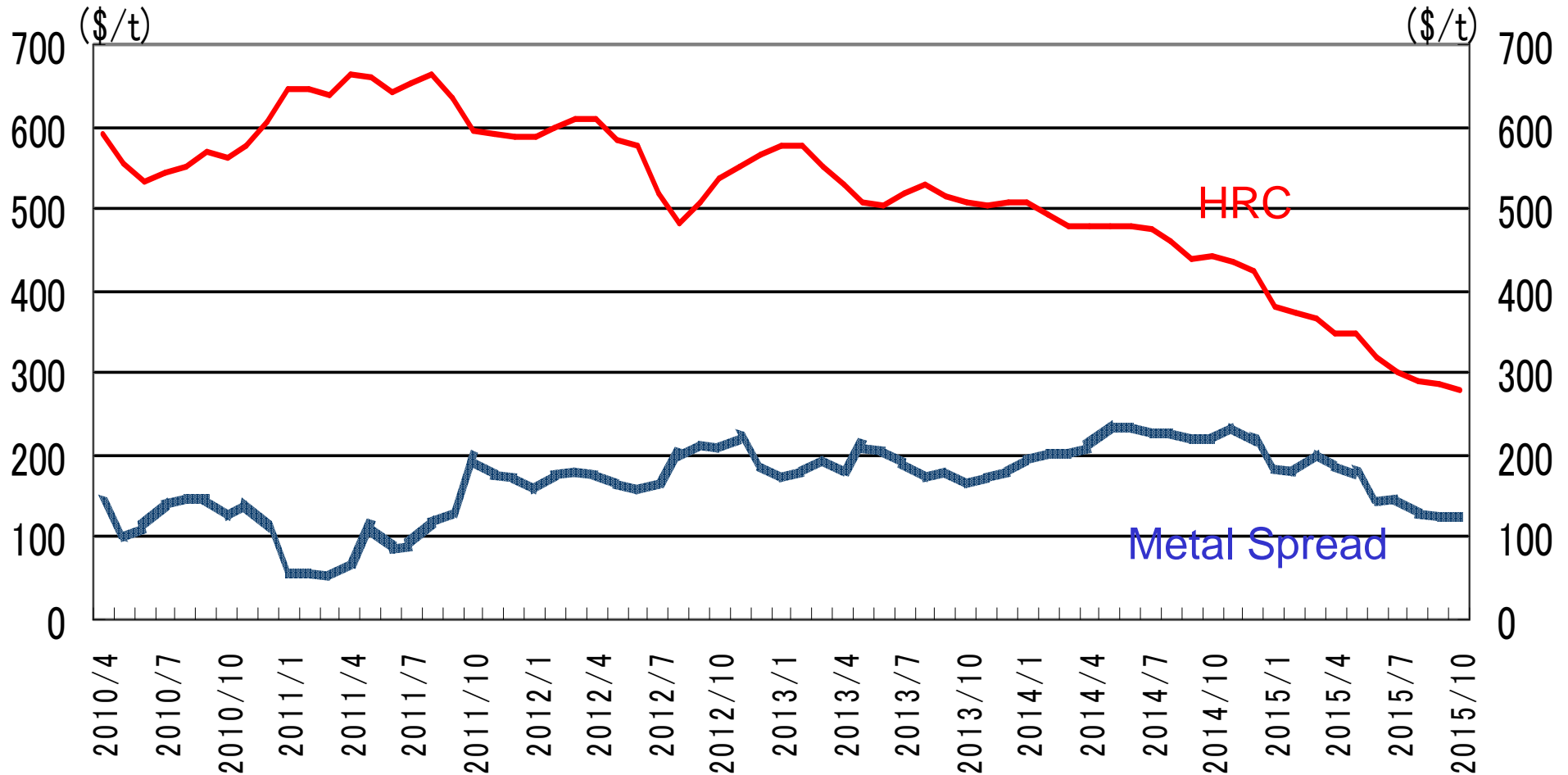




Overseas Market Environment

Metal Spread Trend (Chinese Spot basis)

JFE Steel



Metal Spread = HRC Price — Raw Materials Cost

*HRC Price: Chinese Spot basis

Raw Materials Cost: Calculated from market price of Iron Ore and Hard Coking Coal



Production and Shipment Forecasts

(million tons)

■ Crude Steel Production and Shipment (non-consolidated basis)

	FY2014	FY2015		
		1Q	2Q	1H
	(Actual)	(Actual)	(Actual)	(Actual)
Crude Steel	28.44	6.54	6.91	13.45
Shipment	26.07	5.98	6.39	12.37

Full
year
27.7

ASP (000yen/t)	77.1	73.5	68.8	71.0
Exchange Rate (yen/\$)	109.2	121.0	122.6	121.8

■ Crude Steel Production (consolidated basis)

Crude Steel	31.04	7.19	7.50	14.69
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JFE Steel

Financial Forecasts for FY2015 of JFE Steel

(billion yen)

JFE Steel	FY2014			FY2015			Change 2014 → 2015
	1H (A)	2H (A)		1H (A)	2H (F)		
Net Sales	1,424.1	1,449.7	2,873.8	1,246.0	1,304.0	2,550.0	(323.8)
Ordinary Income	77.6	110.9	188.5	38.6	21.4	60.0	(128.5)
ROS	5.4%	7.6%	6.6%	3.1%	1.6%	2.4%	-4.2%

*Return on Sales: Ordinary Income / Net Sales



17.2 Billion Yen decrease in JFE Steel's Ordinary Income (FY15 1H (Actual) vs. 2H (Forecast))

(billion yen)

JFE Steel	FY2015 (Forecast)		60.0	Change 1H→2H
	1H (A)	2H (F)		
Ordinary Income	38.6	21.4	60.0	(17.2)

- Cost reduction + 9.0
- Sales and Raw materials - 10.0 ⇒ Decline in export sales price etc.
- Inventory valuation + 15.0
- Others - 31.2 ⇒ Decrease in profit of subsidiary Companies, increase in depreciation cost etc.

TOTAL - 17.2



128.5 Billion Yen decrease in JFE Steel's Ordinary Income (FY14 (Actual) vs. FY15 (Forecast))

(billion yen)

JFE Steel	FY14 Actual	FY15 Forecast	Change FY14→15
Ordinary Income	188.5	60.0	(128.5)

■ Cost reduction + 35.0

■ Sales and Raw materials -105.0



Decline in sales volume, product mix and export sales price etc.

■ Inventory valuation - 30.0

■ Others - 28.5



Decrease in profit of subsidiary companies.
Increase in depreciation, asset disposal, labor and outsourcing costs

TOTAL -128.5



90.0 Billion Yen decrease in JFE Steel's Ordinary Income (FY15 (Previous Forecast) vs. FY15 (Updated Forecast))

(billion yen)

JFE Steel	FY15 Previous	FY15 Updated	Change FY14→15
Ordinary Income	150.0	60.0	(90.0)

- Cost reduction — 5.0 ⇒ Accelerating intensive maintenance work
- Sales and Raw materials — 50.0 ⇒ Decline in sales volume, product mix and export sales price etc.
- Inventory valuation — 15.0
- Others — 20.0

TOTAL — 90.0



Progress of the fifth medium-term (FY2015-17) business plan (domestic)

Further strengthen the manufacturing base in Japan with stable production and reduce costs

- Domestic capital investments of 650 billion yen during the three years
【Progress of major capital investments】
 - Renovation of the coke oven
 - ◆ Kurashiki 3CO (to be operational in the 2nd half of FY2015)
 - ◆ Chiba 6A (to be operational in the 2nd half of FY 2016)
 - ◆ Kurashiki 2CO (to be operational in the 1st half of FY2017)
 - Renewal of the energy related facilities
 - ◆ Self-power generator in Chiba-west (started operation in July, 2015) etc.

Accumulative cost reductions of **110 billion yen** over the three years
mainly achieved by investment effects from capital investments

- Strengthen the manufacturing base
 - Intensive maintenance of the manufacturing facilities
 - ◆ Accelerating maintenance work under the current low operational rate
 - Strengthen subsidiaries functioning maintenance and renewal
 - ◆ Integration of JFE Mechanical and JFE Electrical & Control Systems



Progress of the fifth medium-term (FY2015-17) business plan (overseas)

- Strengthen business in prioritized field especially in auto sector
- Pursue growth investment from a middle- & long-term perspective

- Expanding the supplying base of automotive steel
 - **GJSS (China), JSGT (Thailand), JSW (India)**: continuous efforts to increase profits and sales volume
 - **JSGI (Indonesia)**: to start operation of new CGL in March, 2016
 - **GJSS, JSGT**: promote local production of ultra high-tensile steel sheet
 - **JJP (China)**: started operation in July, 2015
- Have a share in **Vietnam's first integrated steelworks project (FHS)**
 - To sell FHS's products as JFE Brand by leveraging JFE's high-level technical support and good customer base together with FHS's cost advantage produced locally in Vietnam
 - To sell a certain amount of the products independent of the share holding ratio of 5%
 - To improve JFE's product mix to high-grade steel by switching supply source of commodity-like products sold to our allied steelmakers from JFE in Japan to FHS



JFE Engineering

Financial Forecasts

for Fiscal Year 2015



JFE

JFE Engineering

Financial Forecast for FY2015 of JFE Engineering

(billion yen)

	FY2015(previous)		FY2015(updated)		Change	Change
	1H	Full year	1H(A)	Full year	1H	Full year
Orders	200.0		197.2	450.0	(2.8)	
Net Sales	160.0		153.5	400.0	(6.5)	
Ordinary Income	1.0	20.0	(0)	20.0	(1.0)	0

【Change】

(FY2015 1H of previous forecast to the result)

-Net Sales: -6.5	}	Difference in product mix of sales
-Ordinary Income: -1.0		

(FY2015 Full year of previous forecast to updated forecast)

-Ordinary Income: 0



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JFE Engineering

Financial Forecast for FY2015 of JFE Engineering

(billion yen)

	FY2014(A)		FY2015 (F)		Change	Change
	1H	Full year	1H(A)	Full year	1H	Full year
Orders	214.8	459.5	197.2	450.0	(17.6)	(9.5)
Net Sales	144.6	367.3	153.5	400.0	8.9	32.7
Ordinary Income	0.6	18.0	(0)	20.0	(0.6)	2.0

【Change】

(FY2014 Full year to FY2015 Full year)

-Orders: -9.5 Decrease in waste disposal operations related to disaster in Fukushima etc.

-Net Sales: +15.4 Increase in orders

-Ordinary Income: +0.4 Increase in net sales



Classification of placed orders

(billion yen)

Category	FY2014 (Actual)	FY2015 (Estimate)	Change	Main Orders (FY2015 1H)
Environment, Energy	345.2	330.0	(15.2)	<ul style="list-style-type: none"> - Waste disposal operation in Fukushima Pref. - Improvement works of waste incineration in Fukui Pref. , Mie Pref., Hokkaido Pref. and Chiba Pref. - Waste Incineration Power Plant in Myanmar. - Construction of gas pipelines for JAPEX between Souma City and Iwanuma City - 9 Solar power stations
Steel Structure, Industrial Machinery etc.	114.2	120.0	5.8	<ul style="list-style-type: none"> - Construction of Otakirigawa bridge in Joushinetsu motorway - Hybrid seawall for Okawa-Kesenuma Port in Miyagi Pref. - Construction of a factory of feed for JA in Kurashiki City - Construction and setting up a crane for containers in Tokyo-Bay - Install of Ballast water management system, "Ballast Ace", for 79 ships
Total	459.5	450.0	(9.5)	



Receiving Order for First Waste Incineration Power Plant in Myanmar

-Use of Joint Crediting Mechanism (JCM *) for Reduction of CO2 Emissions -

In Myanmar, construction of appropriate treatment facilities which can respond to the increasing volume of waste accompanying rapid economic development is an urgent challenge.



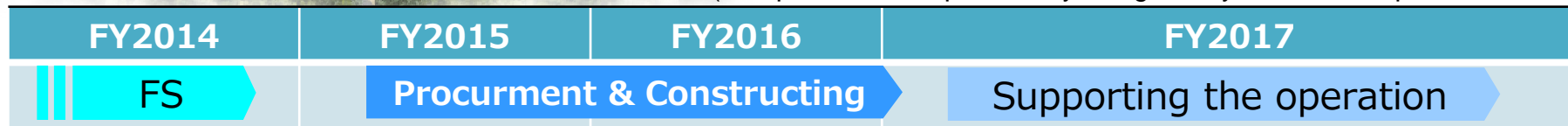
First Waste Incineration Power Plant in Myanmar

- Supplementing inadequate supply of electric power (5,200 MWh/year)
- Reducing CO2 emissions (about 2,400 t-CO2/year)

【Outline of Facility】

- 1.Client: Yangon City, Republic of the Union of Myanmar
- 2.Capacity: 60 tons/day x 1 unit
- 3.Location: Shwe Pyi Thar Industrial Zone, Yangon City, Myanmar .
- 4.Power Generation: 700kW

(The plant will be operated by Yangon City after its completion in 2017)



* JCM is a system which makes it possible to achieve Japan's emission reduction target through reductions of greenhouse gas (GHG) emissions in developing nations that are realized by dissemination of outstanding Japanese environmental technologies to those nations.

JFE Engineering is supplying a wide range of products and technologies, such as bridges, waterworks and wastewater treatment plants in Myanmar, beginning with this project, thereby contributing to the economic development of that country.



JFE Shoji
Financial Forecasts
for Fiscal Year 2015



Financial Forecasts for FY2015 of JFE Shoji

(billion yen)

	FY2015 (Previous forecast)		FY2015 (Updated forecast)		Change	Change
	1H	Full year	1H (A)	Full year	1H	Full year
Net Sales	980.0		914.5	1,920.0	(65.5)	
Ordinary Income	9.5	23.0	9.8	20.0	0.3	(3.0)



Financial Forecasts for FY2015 of JFE Shoji

(billion yen)

	FY2014(A)		FY2015 (F)		Change
	1H	Full year	1H (A)	Full year	Full year
Net Sales	946.2	1,934.4	914.5	1,920.0	(14.4)
Ordinary Income	11.4	24.6	9.8	20.0	(4.6)



Net Sales of JFE Shoji (by Segment)

(billion yen)		FY2014 (A)		FY2015 (F)		Change	
Domestic Business		1,007		977		(30)	
Overseas Business	Export	453	744	450	752	(3)	8
	Foreign Operation	291		302		11	
Raw Materials, Equipment etc.		183		191		8	
TOTAL		1,934		1,920		(14)	



JFE Holdings

Financial Forecasts

for Fiscal Year 2015



Financial Forecasts for Fiscal 2015

JFE

(billion yen)

	FY2014 (A)		FY2015 (F)		Change 1H	Change Full year
	1H	Full year	1H (A)	Full year		
Net Sales	1,848.0	3,850.3	1,713.2	3,660.0	(134.8)	(190.3)
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Income before Income Taxes and Minority Interests	84.8	226.6	48.3	100.0	(36.5)	(126.6)
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Profit Attributable to Owners of Parent	52.3	139.3	29.9	50.0	(22.4)	(89.3)
ROS(*)	5.0%	6.0%	2.8%	2.7%	(2.2%)	(3.3%)

*Return on Sales: Ordinary Income / Net Sales



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Underlying Profit before One-off Effects

(Billion yen)

	FY2013 Actual	FY2014 Actual	FY2015 Estimate
Net Sales	3,666.8	3,850.3	3,660.0
Ordinary Income	173.6	231.0	100.0
ROS (*)	4.7%	6.0%	2.7%
One-off Effects	15	(32)	(60)
Underlying Profit before One-off Effects	160	260	160
ROS (*)	4.4%	6.8%	4.4%

*Return on Sales: Ordinary Income / Net Sales



Cash Flow Estimate of FY2015

(billion yen)

Source	Usage
Net Income 50	Dividends etc. 40
	Capex, Investments 230
Depreciation 180	
Asset Sales 100	Repayment of debt 60
330	330

To secure financial sources by asset sales of 100 billion yen including sale of investment securities

(End FY2015)

Debt Outstanding	1,440 billion yen
D/E Ratio	57.7%

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.



Dividends



Dividends

- JFE Holdings' board of directors has decided to pay an interim dividend of 20 yen per share.
- The year-end dividend will be decided once actual performance becomes clearer.



Establishment of Basic Policy on Corporate Governance



Establishment of JFE Holdings, Inc. Basic Policy on Corporate Governance

Objectives of establishment

JFE Holdings, Inc. (the “Company”), based on the intent and the spirit of Corporate Governance Code, has established the Policy with the aim of promoting sustainable growth of the Company and the JFE Group and medium to long-term corporate value, and achieving and hence further enhancing the best corporate governance.

The Company has disclosed the Policy and the "Corporate Governance Report" which has submitted to the Tokyo Stock Exchange on its corporate website.

Structure

1. General Provisions
2. Relationship with Stakeholders
3. Appropriate Information Disclosure
4. The Company’s Corporate Governance System



Establishment of JFE Holdings, Inc. Basic Policy on Corporate Governance

The main points of the Basic Policy

1. Establishment of Consultation Committee

The Company establishes the Nomination Committee and Remuneration Committee which act as an advisory body of the Board of Directors to ensure fair, objective and transparent personnel affairs and remuneration of the Board of Directors.

2. Standards for Independence of Outside Directors/Audit & Supervisory Board Members

The Company establishes the standards for independence of outside directors and outside audit & supervisory board members.

3. Analysis and Evaluation the effectiveness of the Board of Directors

To enhance the effectiveness of the Board of Directors, the members are discussing the result of self-evaluation by all members.

4. Basic policy on strategic holdings and exercise of voting rights as to strategic holdings

The Company establishes Basic policy on its operating companies' strategic holdings, regularly reviewing the significance of major strategic holdings, and the exercise of voting rights of strategic holdings.



Appendix



Main Financial Data

JFE-HD

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(Forecast)

	FY03	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Ordinary Income (Bn. Yen)	218.3	502.9	400.5	69.2	165.8	52.9	52.2	173.6	231.0	100.0
ROS ※1	8.8%	14.2%	10.2%	2.4%	5.2%	1.7%	1.6%	4.7%	6.0%	2.7%
ROE ※2	15.9%	17.5%	13.7%	3.3%	4.1%	-2.6%	2.7%	6.3%	7.7%	2.6%
ROA ※3	6.5%	13.0%	10.0%	2.2%	4.6%	1.7%	1.6%	4.5%	5.5%	2.5%
Debt Outstanding	1,837	1,282	1,769	1,468	1,496	1,594	1,596	1,534	1,501	1,440
D/E Ratio ※4	246.2%	61.4%	98.9%	75.5%	76.5%	83.5%	76.9%	67.9%	59.0%	57.7%
Net Income (yen/share)	185.8	450.5	355.6	86.3	110.7	-68.7	71.2	177.4	241.6	86.7
Dividend (yen/share)	30	120	90	20	35	20	20	40	60	※ 20
Pay-out Ratio	16.1%	26.6%	25.3%	23.2%	31.6%	—	28.1%	22.5%	24.8%	—

※1 ROS = Ordinary income / Net sales

※2 ROE = Profit attributable to owners of parent / Shareholders' equity,

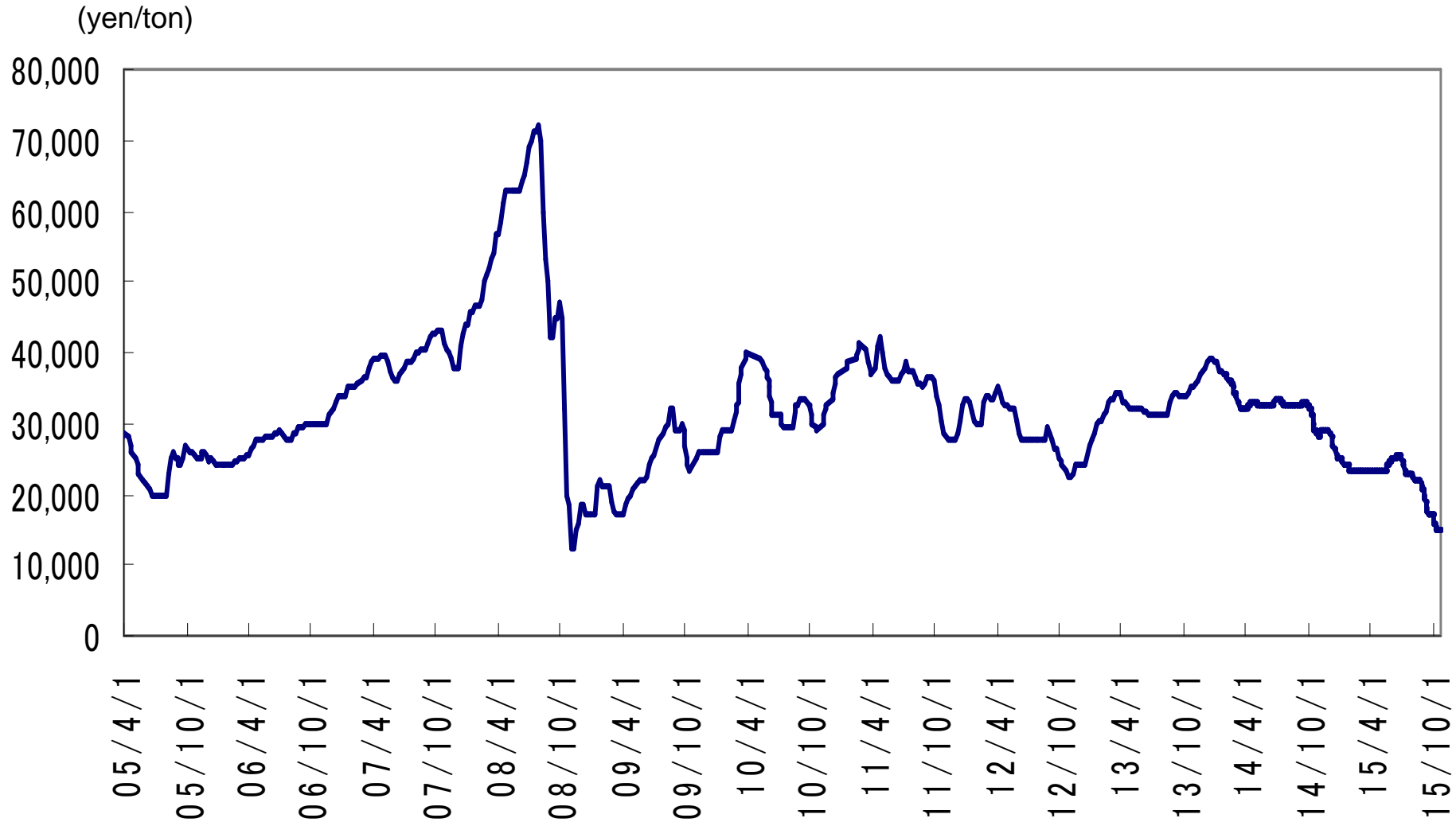
※3 ROA = Ordinary income before interest expense / Total assets (average),

※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.

(※) Interim



Raw Materials Trend of Scrap Price

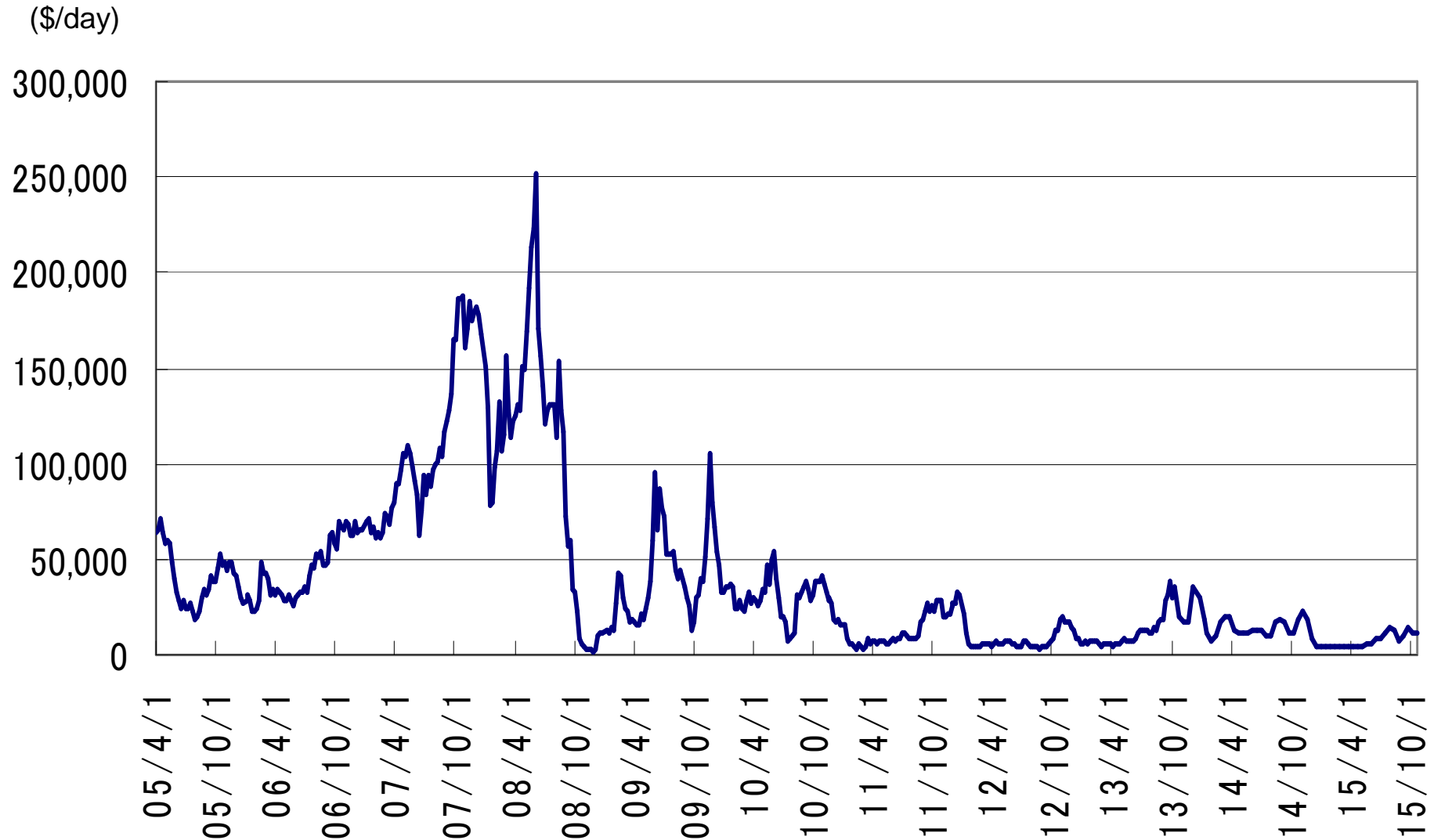




Raw Materials

Trend of Spot Bulker Price

JFE





Raw Materials Trend of LNG Price

JFE
(yen/ton)





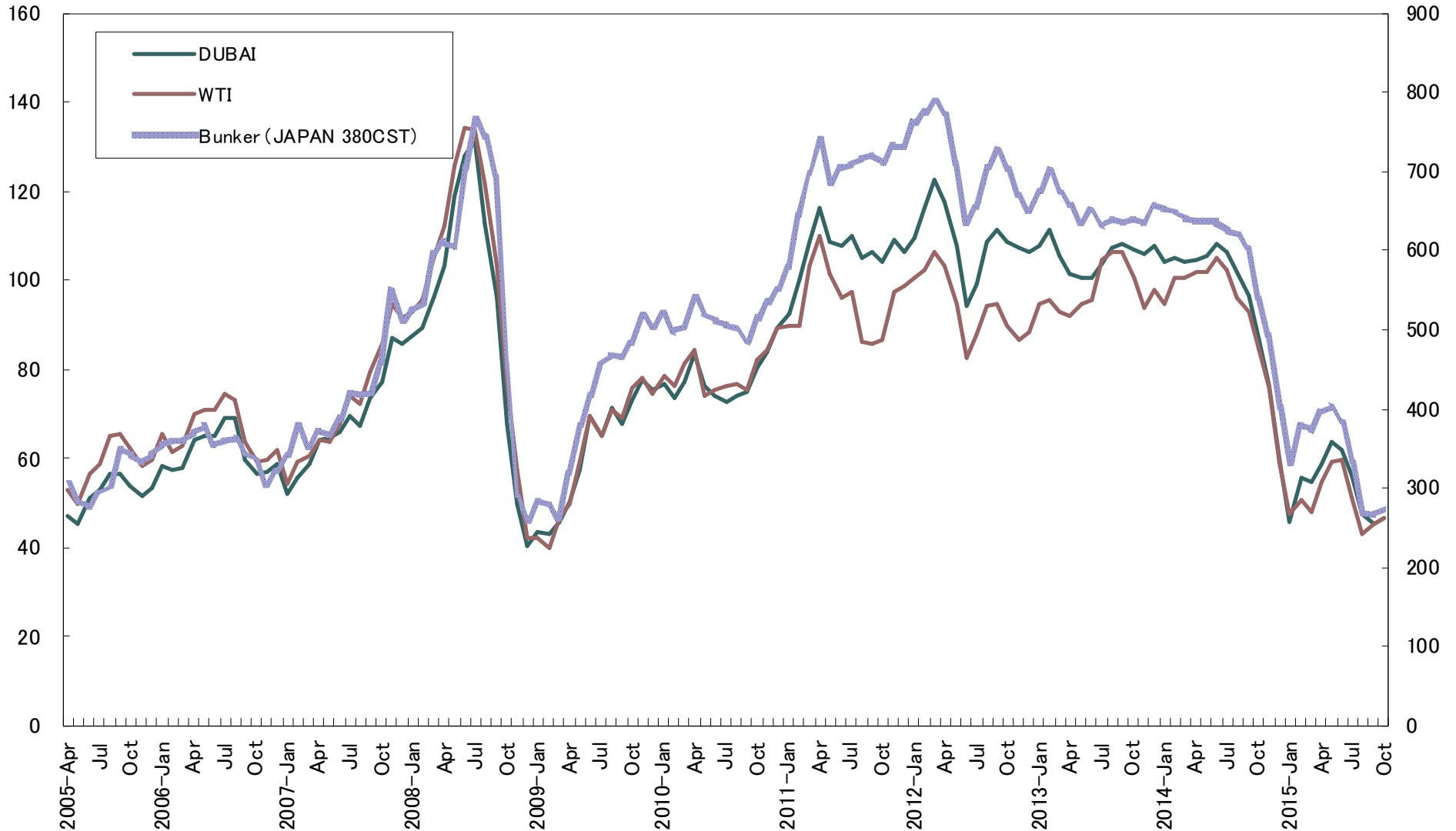
Raw Materials

Trend of Oil Price

JFE

(crude oil: \$/bb)

(Bunker oil: \$/t)

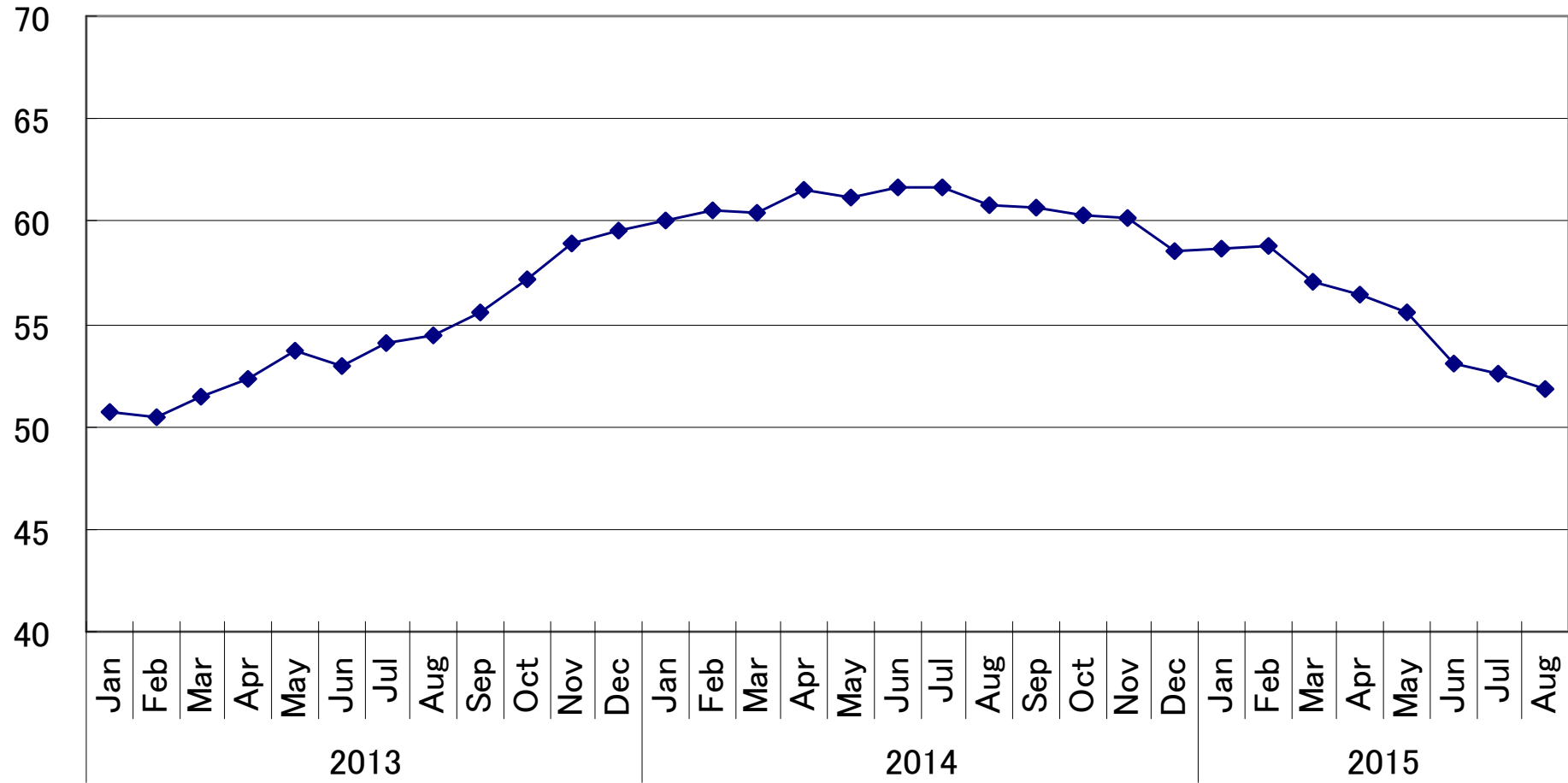




Domestic
Market Environment

Price Trend of Import Steel

(000 yen/ton)



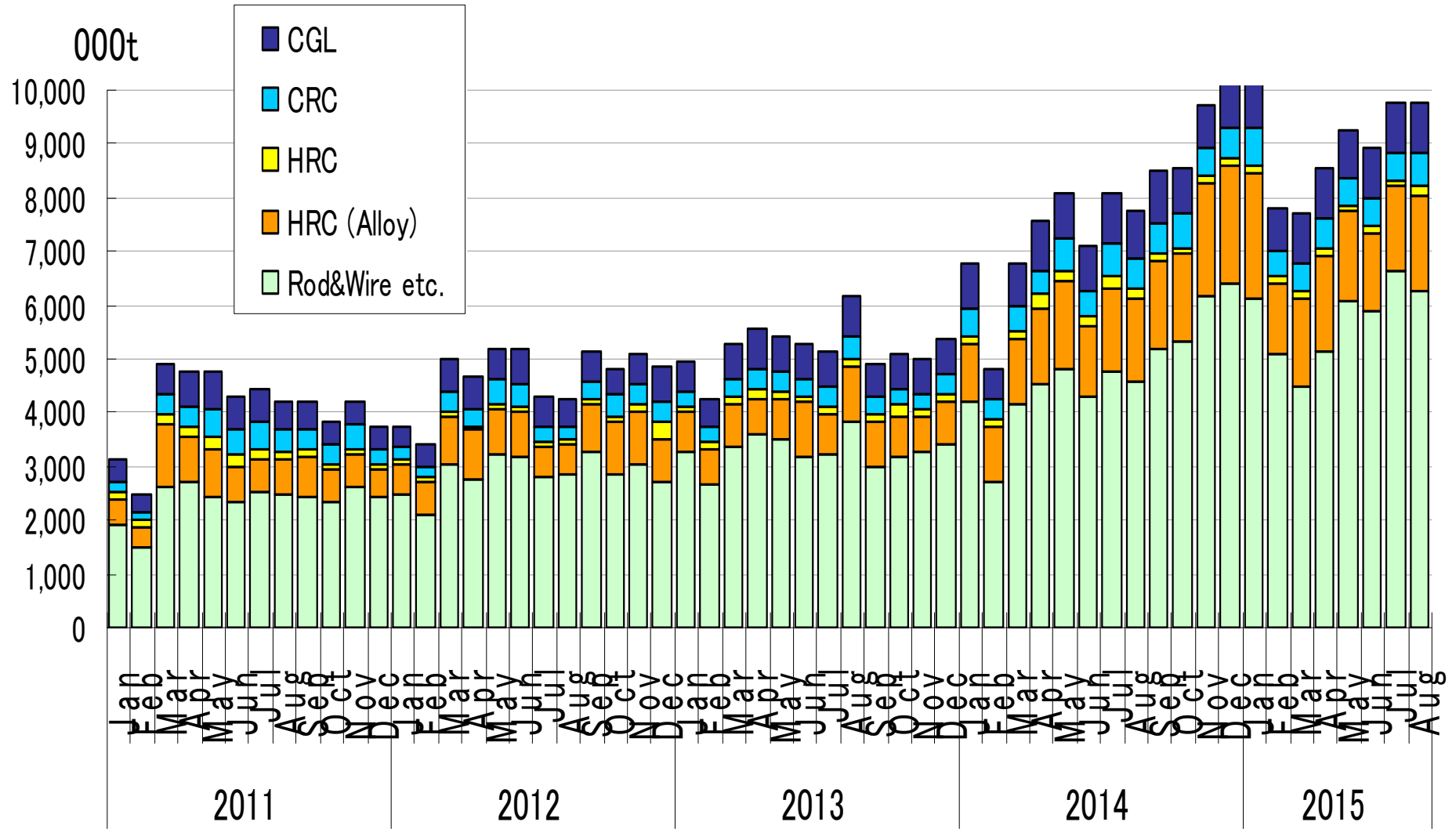
Data: Japanese Steel Association

Import Steel from S. Korea



Overseas
Market Environment

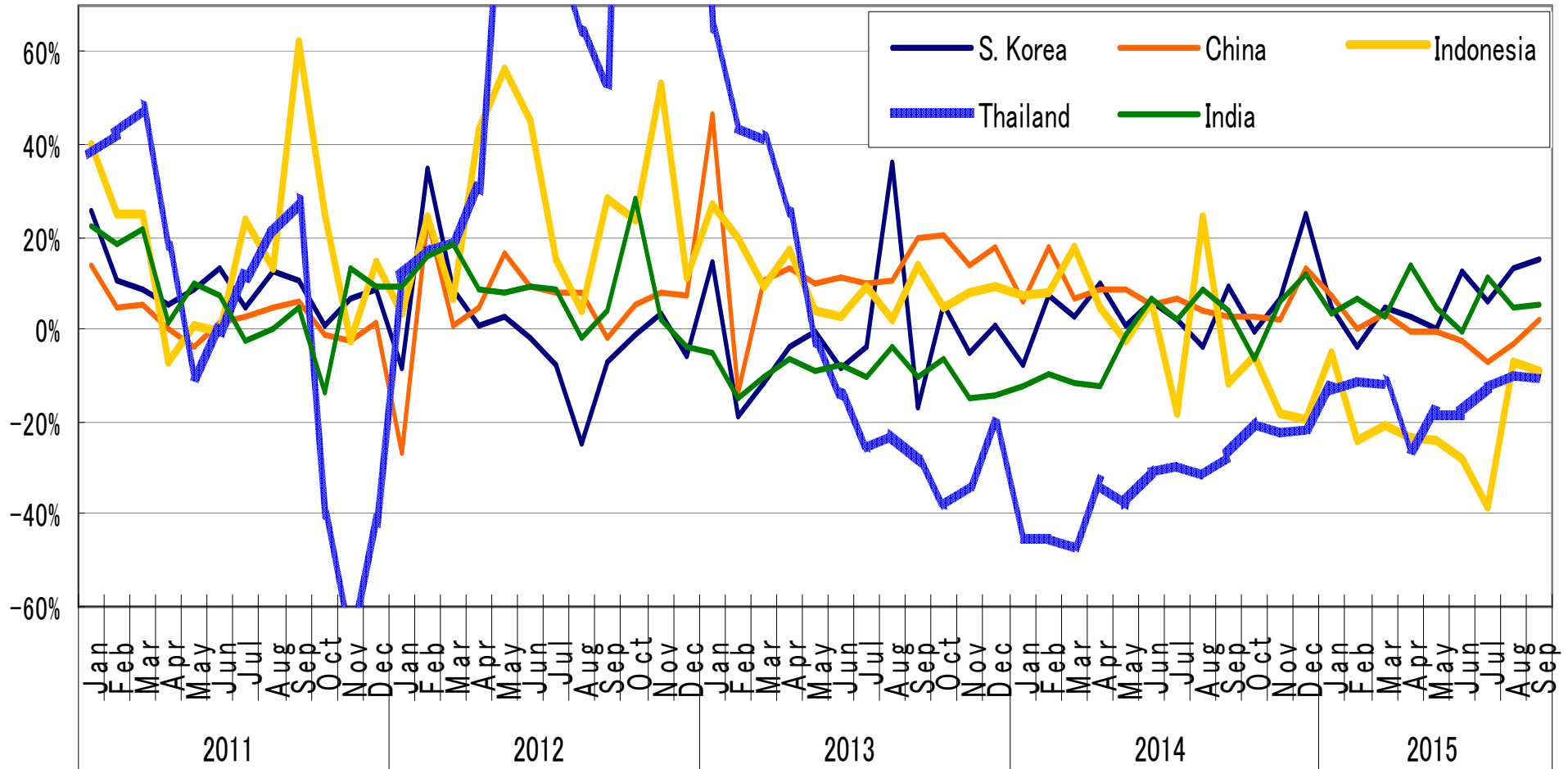
Exports from China by Products





Auto Sales in Key Countries

Automobile Sales in Key Countries (YoY Change)

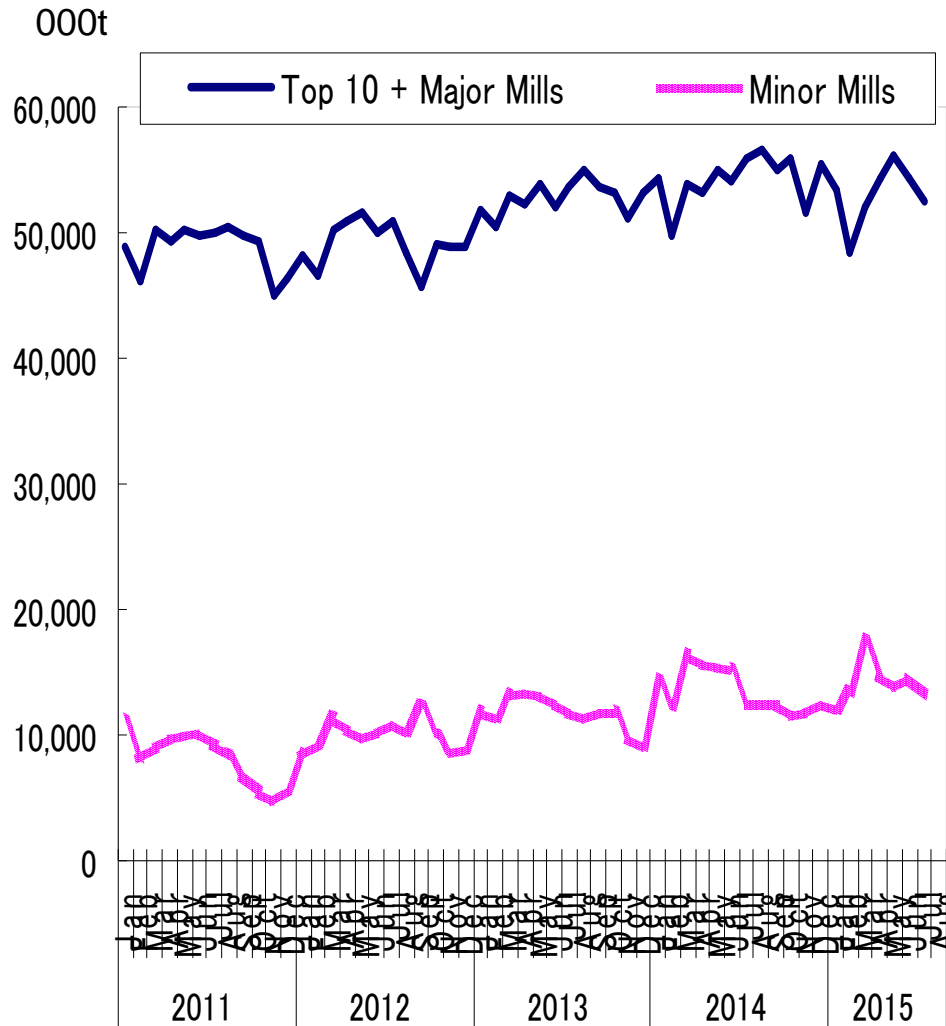




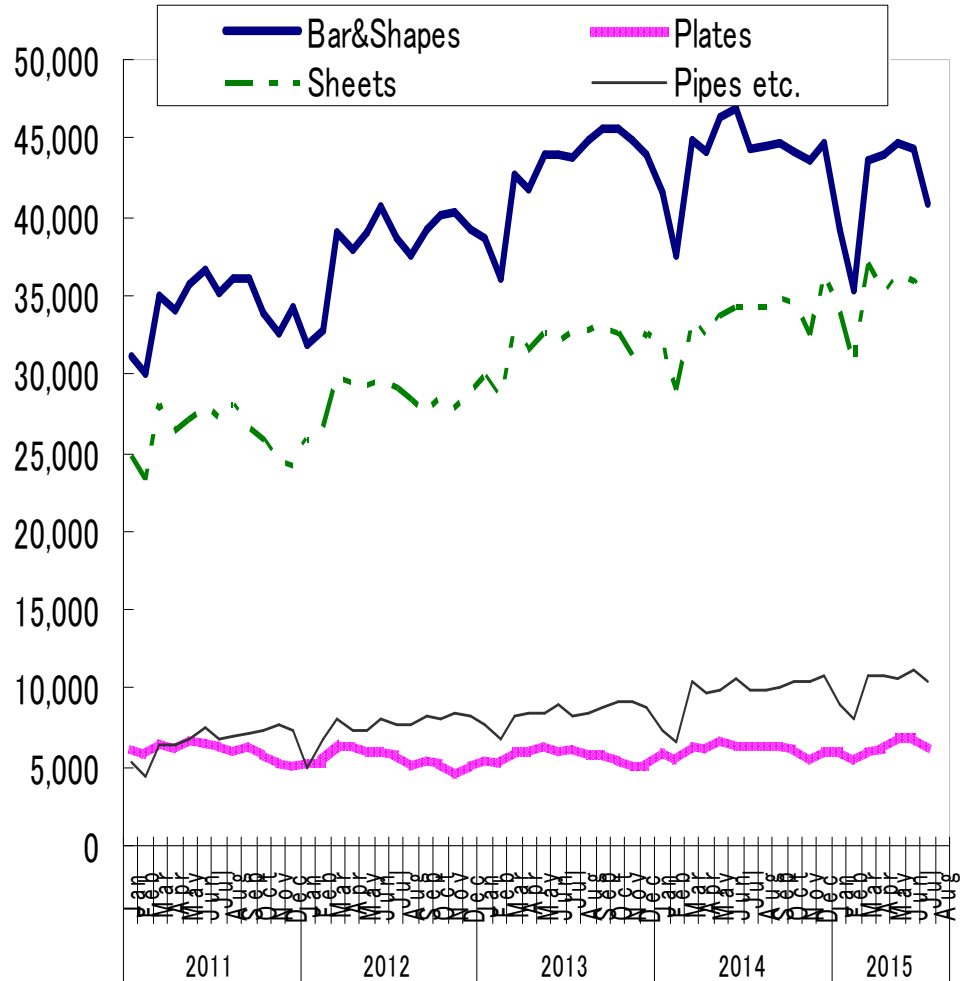
Overseas
Market Environment

Production Trend in China

Crude Steel Production



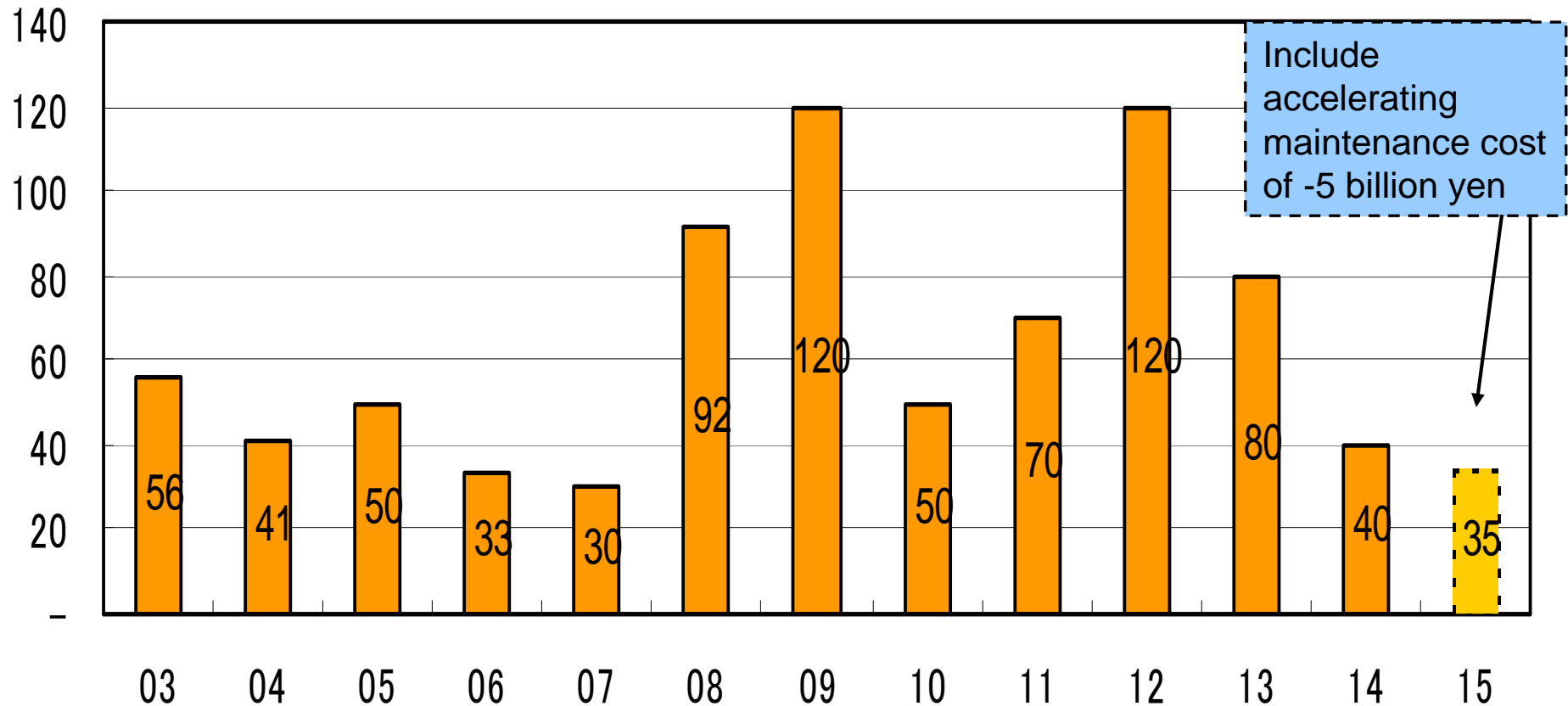
Finished Steel by Products





Cost Reduction (Steel Business)

(billion yen)



JFE Steel (non-consolidated basis)



4.4 Billion Yen decrease in JFE Steel's Ordinary Income (FY15 1Q (Actual) vs. FY15 2Q (Actual))

(billion yen)

JFE Steel	FY2015			Change 1Q → 2Q
	1Q	2Q	1H	
Ordinary Income	21.5	17.1	38.6	-4.4

- Cost reduction + 2.0
- Sales and Raw materials + 5.0
- Inventory valuation - 5.0
- Others - 6.4

TOTAL - 4.4



39.0 Billion Yen decrease in JFE Steel's Ordinary Income (FY14 1H (Actual) vs. FY15 1H (Actual))

(billion yen)

JFE Steel	FY2014		FY2015 1H	Change 1H → 1H
	1H	2H		
Ordinary Income	77.6	110.9	188.5	-39.0

- Cost reduction + 18.0
- Sales and Raw materials - 35.0
- Inventory valuation - 15.0
- Others - 7.0

TOTAL - 39.0



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