

Editorial Policy

This Business Report aims to report various activities of the JFE Group in an easily understandable manner to its stakeholders (parties who affect, or can be affected by, the Company's actions). Starting with the 2006 edition, the Business Report has also combined the conventional Annual Report and Environmental Sustainability Report.

The Special Feature section elaborates our activities to realize a highly profitable earnings structure and social contribution through such activities, with "the JFE Group's technological capabilities and human resource power" as its main theme.

The following sections describe the Group's main activities and performance data from three points of view, i.e., Economic, Social and Environmental aspects.

Organizations Subject to the Report and Compilation of Data

This report covers JFE Holdings, Inc., JFE Steel Corporation, JFE Engineering Corporation, JFE Urban Development Corporation, Kawasaki Microelectronics, Inc., JFE R&D Corporation and their respective consolidated subsidiaries and affiliates subject to the equity method (i.e., 213 consolidated subsidiaries and 41 affiliates subject to the equity method). However, consolidated subsidiaries of these operating companies are excluded from the scope of environmental performance data unless specified otherwise.

Data for the year ended March 2003 and before were compiled by adding together the data of Kawasaki Steel Corp. and NKK Corp. before the merger.

Period Subject to the Report

In principle, this report covers the year ending March 31, 2007 (from April 1, 2006 to March 31, 2007).

Some sections include activities in the year ending March 2008.

Scheduled Publication Date of the Next Report

June 2008

Caution Regarding Forward-Looking Statements

This report contains forward-looking statements regarding future plans, strategies and other activities of the JFE Group, which are exposed to risks and uncertainties. Actual results may substantially differ from these forward-looking statements, due to the impact of various factors including but not limited to the economic climate and market environment surrounding the business sectors in which the JFE Group operates, exchange rates, and trends in the demand for products and services.

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