

JFE Engineering Corporation



President and CEO

Sumiyuki Kishimoto

Our basic policy in the Second Medium-Term Business Plan is to establish a foundation that will generate the highest level of profits in each business sector. Along with restructuring our earnings base by rigorously selecting and concentrating our business sectors and reviewing and consolidating our business organization to address the changing structure of demand, we will work to expand operations in the new energy, energy conservation and recycling business sectors, centered on the private sector and foreign countries, with the goal of steadily building a foundation for growth.

Consolidated Operating Results (billions of yen)

Years ended March 31	2007	2008
Orders received	275.1	290.2
Net sales	292.1	314.2
Operating income (loss)	(1.9)	(17.1)
Ordinary income (loss)	5.8	(11.0)

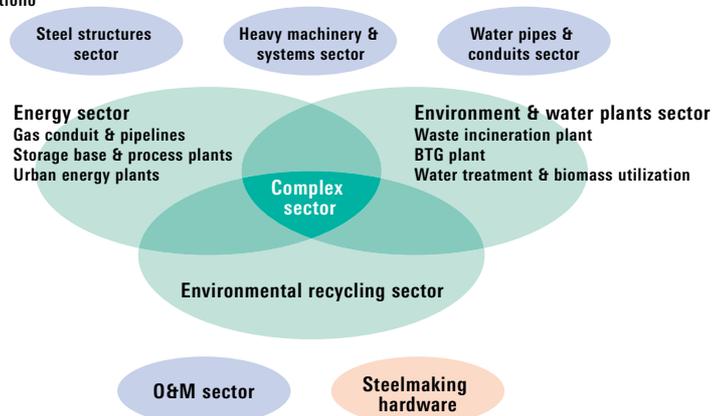
Net sales
314.2
billion yen

Ordinary income
-11.0
billion yen

Operating Results for the Year Ended March 2008

During the year ended March 2008, we expanded sales primarily based on private demand, achieving net sales of ¥314.2 billion, an increase compared with the previous year. Nevertheless, earnings deteriorated from the previous year, resulting in an ordinary loss of ¥11.0 billion. In addition to steep increases in material and equipment prices and construction costs, this reflected factors such as additional costs incurred for projects in new sectors aimed at certain segments of private demand.

Business Portfolio



Please visit our website

JFE Engineering Corporation
<http://www.jfe-eng.co.jp/>

Activities in the Year Ended March 2008 and Efforts for the Year Ending March 2009

The year ended March 2008 was Year Two of our Second Medium-Term Business Plan aimed at a "fundamental restructuring of our earnings structure," and we implemented a variety of measures in the face of tough business conditions. This included management reorganizations in response to various circumstances, and selection and concentration that emphasized withdrawal from unprofitable businesses.

In the environmental business, we have been offering comprehensive environmental sector solutions, primarily through JFE Environmental Solutions Corporation, which we established in 2006. Furthermore, in the environment and energy complex sector, which we have identified as a medium- to long-term growth strategy sector, we worked to expand business activities such as biomass power generation, ballast water treatment, conversion of waste plastics to fuel, and volatile organic compound gas (VOC) removal.

In the industrial machinery-related business, we strengthened our tie-ups with outside firms in the turbine and engine sector, and in the steel structures business we decided to merge with Kawatetsu Bridge and Steel Structure Corp., to create a foundation as the strongest business in Japan.

In the year ending March 2009, we will continue to promote selection and concentration of business fields, and focus on reducing fixed costs. Because prices for materials and equipment are projected to continue rising for the immediate future, we will also strengthen risk management from the order receipt phase and strive to achieve an early recovery in earnings. In the engineering business and environmental recycling business of the environmental energy sector, we will devote our energies to business expansion domestically and overseas in conformity with society's needs.



Photograph / Thailand Ministry of Transport