

JFE Group Overview

The JFE Group is striving for: 1) sustainable growth based on "contributing to society with the world's most innovative technology", and 2) increasing value for shareholders and other stakeholders.

Operating Results for the Year Ended March 2009

As a result of our efforts to establish stable, highly profitable operations in the fiscal year ended March 31, 2009, we maintained comparable year-on-year earnings, despite severe changes in business conditions, particularly the global downturn and fluctuating equity and foreign exchange markets.

On a consolidated basis, our results for the year ended March 31, 2009, included higher sales, but lower earnings. We posted net sales of 3,908.2 billion yen, operating income of 407.8 billion yen, and ordinary income of 400.5 billion yen. The plunge in equity prices led to 55.2 billion yen in investment securities valuation losses, which contributed to an extraordinary loss of 69.5 billion yen. Income before income taxes and minority interests was 331 billion yen, and net income was 194.2 billion yen, both declining from a year ago.

Shareholder returns are a top management

priority, and therefore we have an active dividend payment policy, while creating operations that sustain the growth of the Group.

A consolidated dividend payout ratio of approximately 25% was a fundamental aspect of the Second Medium-Term Business Plan (April 2006–March 2009). We declared a dividend of 90 yen (25.3%) for the year ended March 31, 2009, for a ratio of 25% during the Plan.

Also in the interest of shareholder returns, we acquired 153.3 billion yen in treasury stock during the past fiscal year. These purchases increased treasury stock acquisitions during the Plan to over 400 billion yen, yielding a total return ratio of 80%.

Consolidated Operating Results (Billions of yen)

| | Year Ended March 31, 2008 | Year Ended March 31, 2009 |
|---------------------------|------------------------------|------------------------------|
| Net sales | 3,539.8 | 3,908.2 |
| Operating income | 510.5 | 407.8 |
| Ordinary income | 502.9 | 400.5 |
| Return on sales (ROS) | 14.2% | 10.2% |
| Net income | 261.8 | 194.2 |
| Annual dividend per share | 120 (yen) | 90 (yen) |

Net sales

3,908.2
billion yen

Ordinary income

400.5
billion yen

挑戦
Challenging Spirit

Economic Aspects

Increasing Corporate Value

The JFE Group is increasing its corporate value on a solid foundation that emphasizes the Group's status as primarily a manufacturer.

The Group is actively enhancing its cost competitiveness, ensuring its quality advantage, and developing new products and technologies. It also focuses on improving employees' productivity as well as handing down expertise to the next generation.

柔軟
Flexibility

誠実
Sincerity