



January 31, 2006

Summary of Consolidated Financial and Operating Results through Third Quarter of Fiscal Year ending March 31, 2006

Name of listed company: JFE Holdings, Inc.
Listings: Tokyo, Osaka and Nagoya stock exchanges in Japan
Code number: 5411
URL: <http://www.jfe-holdings.co.jp/en/index.html>
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- Notes concerning the Presentation of Quarterly Financial Information
 - Differences between the accounting methods used this quarter and the most recent consolidated financial year: Yes
The simplified accounting method has been adopted in part for calculating depreciation charges, taxes and other items.
 - Changes in the scope of consolidation and equity method: Yes
Consolidated: (New) 8 companies (Excluded) 14 companies
Equity method: (New) 1 company (Excluded) 3 companies
- Overview of Operating Results through the Third Quarter of the Fiscal Year ending March 31, 2006 (April 1, 2005 to December 31, 2005)

Consolidated operating results

	Net sales	Operating income	Ordinary income	Net income
Through third quarter of FY ending March 31, 2006	(Millions of yen) (%) 2,164,608 (-)	(Millions of yen) (%) 373,619 (-)	(Millions of yen) (%) 378,523 (-)	(Millions of yen) (%) 252,379 (-)
Through third quarter of FY ended March 31, 2005	- (-)	- (-)	- (-)	- (-)
Reference: Fiscal year ended March 31, 2005	2,803,699	467,237	460,684	160,057

	Net income per share	Net income per share (fully diluted)
Through third quarter of FY ending March 31, 2006	(Yen) 430.84	(Yen) 409.77
Through third quarter of FY ended March 31, 2005	-	-
Reference: Fiscal Year ended March 31, 2005	273.97	262.90

Notes:

- 1) All figures are rounded down to the nearest 1 million yen.
- 2) The percentages shown for net sales, operating income, ordinary income and net income represent changes from the corresponding quarter of the previous fiscal year.
No quarterly figures are indicated for the fiscal year ended March 31, 2005, as the company disclosed quarterly information beginning the first quarter of this fiscal year. Accordingly, no percentages are provided for the quarterly figures of the current fiscal year.

3. Segment Information

Segment information broken down by business category through the third quarter of the fiscal year ending March 31, 2006 (April 1, 2005 to December 31, 2005)

	Steel	Engineering	Urban development	LSI	Total	Elimination/ Corporate	Consolidated total
Net sales	1,980,674	161,942	12,165	33,680	2,188,461	(23,853)	2,164,608
Operating income	381,337	(10,127)	185	1,601	372,996	623	373,619
Ordinary income	382,327	(5,642)	131	1,632	378,448	75	378,523

(Millions of yen)

Qualitative Information concerning the Progress of Consolidated Business Results

In the steel business, JFE has been focusing since the merger on making more efficient use of its corporate resources and adding value by creating Only One and Number One products and technologies, thereby strengthening its ability to generate stable earnings regardless of the business climate. In the current fiscal year, on the strength of the reinforced earnings base, JFE has been actively reducing production and inventories since July in response to inventory increases, primarily of steel sheets in the domestic and East Asian markets. Despite this production cut's adverse effect on earnings, demand remains strong for automotive products and JFE maintains a solid commitment to balancing production and sales against actual demand. This, together with ongoing cost reductions, is enabling the company to maintain high profits. Group companies have also implemented various measures to strengthen their earnings base and continue their strong performance.

In the engineering business, results are subject to seasonal fluctuations because sales typically concentrate in the fourth quarter. This and other factors create difficult earnings conditions, which JFE is meeting with concerted efforts to reduce costs and improve profitability.

In the urban development business, results are subject to seasonal fluctuations because deliveries of condominiums typically concentrate in the fourth quarter, but the company continues to work to raise earnings by supplying high-quality, distinctive condominium properties.

In the LSI business, demand for LCD panel components is strong and earnings are in a recovery trend, but the company continues to work actively to reduce costs, improve profits and develop new markets.

As a result, consolidated net sales through the third quarter (April 1, 2005 to December 31, 2005) were 2,164.6 billion yen for ordinary income of 378.5 billion yen and net income of 252.3 billion yen.

(Reference)

The consolidated results forecast for the fiscal year ending March 31, 2006 (April 1, 2005 to March 31, 2006) has not been reviewed at this time. The company plans to announce an updated forecast in early March.

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Reference

1. Crude Steel Production (JFE Steel)

	<u>Parent</u>	<u>Consolidated</u>
FY ended March 2004		
1Q	6.72 (million tons)	7.62 (million tons)
1H	13.41	15.16
3Q	6.75	7.65
2H	13.60	15.39
Full year	27.01	30.55
FY ended March 2005		
1Q	6.98	7.94
1H	13.94	15.80
3Q	7.11	8.05
2H	13.71	15.48
Full year	27.65	31.28
FY ending March 2006		
1Q	6.95	7.90
1H	13.59	15.37
3Q	6.34	7.15

2. Export Ratio on a Value Basis (JFE Steel on a non-consolidated basis)

FY ended March 2004	
1H	40.7 (%)
2H	40.4
Full year	40.6
FY ended March 2005	
1H	44.0
2H	44.4
Full year	44.2
FY ending March 2006	
1Q	44.3
1H	44.2
3Q	40.5

3. Foreign Exchange Rate (Yen/US dollar)

FY ended March 2004	
1H	119.1 (JPY/USD)
2H	108.7
Full year	113.6
FY ended March 2005	
1H	109.5
2H	105.3
Full year	107.2
FY ending March 2006	
1Q	107.3
1H	109.4
3Q	116.2

4. Average Selling Prices (JFE Steel on a non-consolidated basis)

FY ended March 2004	
1H	50.5 (thousand yen/ton)
2H	50.5
Full year	50.5

FY ended March 2005	
1H	57.7
2H	65.7
Full year	61.7

FY ending March 2006	
1Q	73.0
1H	75.6
3Q	79.4

5. Breakdown of Extraordinary Profit and Losses (JFE Holdings on a consolidated basis)

Through third quarter of FY ending March 2006 (April 2005 to December 2005)

Profit on sales of investment securities	19.4 (billion yen)
Loss on sales of property, plant and equipment	(2.1)
Cost of treatment of PCB-containing waste	(10.9)
Surcharges, etc.	(2.5)
Total	3.7

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