



January 31, 2007

Summary of Consolidated Financial and Operating Results through Third Quarter of Fiscal Year ending March 31, 2007

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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1. Notes on the Presentation of Quarterly Financial Information

- 1) Adoption of simplified accounting method: Yes
The simplified accounting method has been adopted in part for calculating depreciation charges, taxes and other items.
- 2) Differences between the accounting methods used this quarter and the most recent consolidated financial year: Yes

Previously, earnings from engineering business construction projects lasting longer than one year and having contract values in excess of 500 million yen were posted based on work progress, while earnings for all other construction services were posted upon project completion. To improve the accuracy of profit/loss calculations from this fiscal year, earnings from newly booked construction projects lasting longer than one year and having contract values in excess of 100 million yen are posted based on work progress.
The impact of this change on consolidated net sales, operating income and ordinary income for this quarter is negligible.

- 3) Changes in the scope of consolidation and equity method: Yes
Consolidated: (New) 6 companies (Excluded) 7 companies
Equity method: (New) 4 companies (Excluded) 2 companies

2. Overview of Operating Results through the Third Quarter of the Fiscal Year ending March 31, 2007 (April 1, 2006 to December 31, 2006)

Consolidated operating results

	Net sales	Operating income	Ordinary income	Net income
	(Millions of yen) (%)	(Millions of yen) (%)	(Millions of yen) (%)	(Millions of yen) (%)
Through third quarter of FY ending March 31, 2007	2,280,816 5.4	345,143 (7.6)	354,430 (6.4)	209,117 (17.1)
Through third quarter of FY ended March 31, 2006	2,164,608 -	373,619 -	378,523 -	252,379 -
Reference: Fiscal year ended March 31, 2006	3,098,374	517,171	517,313	325,996

	Net income per share	Net income per share (fully diluted)
	(Yen)	(Yen)
Through third quarter of FY ending March 31, 2007	358.28	340.64
Through third quarter of FY ended March 31, 2006	430.84	409.77
Reference: Fiscal Year ended March 31, 2006	555.02	527.86

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. As the company disclosed quarterly information beginning the first quarter of the fiscal year ended March 31, 2006, no percentages are provided for that quarter.

3. Segment Information Broken down by Business Category

Through the third quarter of the fiscal year ending March 31, 2007 (April 1, 2006 to Dec. 31, 2006)

(Millions of yen)

	Steel	Engineering	Urban development	LSI	Total	Elimination/ Corporate	Consolidated total
Net sales	2,106,265	157,329	11,293	33,670	2,308,557	(27,741)	2,280,816
Operating income	348,992	(5,466)	227	891	344,644	499	345,143
Ordinary income	352,859	1,904	154	680	355,597	(1,167)	354,430

Through the third quarter of the fiscal year ended March 31, 2006 (April 1, 2005 to Dec. 31, 2005)

(Millions of yen)

	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

Qualitative Information concerning Consolidated Business Results

The steel business, including group companies, was able to maintain high levels of profitability and make steady progress towards achieving the forecasts announced last fall. Automobiles, shipbuilding, industrial machinery and other manufacturing sectors continued to buoy domestic demand, which combined with solid overseas demand and greater cost savings to offset the impact of drastically increased prices for scrap and also for zinc, nickel and other metals.

In January, the No. 4 continuous galvanizing line (CGL) came online at JFE Steel's West Japan Works (Fukuyama), as part of a drive to increase the company's capacity to supply high-grade steel sheets to the automotive industry. This boost to high-grade steel sheet capacity comes on the heels

of the new CGL that went into operation at the company's China joint venture, Guangzhou JFE Steel Sheet Co., last spring. January also saw the completion of a capacity expansion for high-grade 13%Cr seamless oil country tubular goods (OCTGs) at the Chita Works in response to growing demand from the global energy sector. Both projects represent significant progress in strategic investments to increase JFE Steel's ability to respond to the growing demand for high-end steel around the world.

In the engineering business, the environment continues to be challenging, but the company is working to improve its profitability with rigorous cost-cutting measures. Results for this business fluctuate seasonally, with the majority of sales concentrated in the fourth quarter.

In the urban development business, results fluctuate seasonally because condominium deliveries typically concentrate in the fourth quarter, but the company is continuing its efforts to raise earnings by supplying high-quality, distinctive condominium properties.

The LSI business continues to experience strong demand for price discounts, particularly for products used in liquid crystal display (LCD) panels. In spite of these difficult circumstances, the company is working proactively to improve profits by developing new markets.

As a result, consolidated net sales through the third quarter (April 1, 2006 to December 31, 2006) were 2,280.8 billion yen, with ordinary income of 354.4 billion yen and net income of 209.1 billion yen.

(Reference)

The consolidated results forecast for the fiscal year ending March 31, 2007 (April 1, 2006 to March 31, 2007) 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)

(million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2006	Parent	6.95	6.64	13.59	6.34	6.79	13.13	26.72
	Consolidated	7.90	7.47	15.37	7.15	7.63	14.78	30.15
FY ending March 2007	Parent	6.92	7.26	14.18	7.36			
	Consolidated	7.88	8.19	16.07	8.34			

2. Shipment (JFE Steel on a non-consolidated basis)

(million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2006		6.27	6.14	12.41	5.76	6.40	12.16	24.57
FY ending March 2007		6.08	6.65	12.73	6.68			

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

(%)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2006		44.3	44.0	44.2	40.5	42.4	41.5	42.8
FY ending March 2007		42.1	45.2	43.8	43.5			

4. Foreign Exchange Rate (Yen/US dollar)

(JPY/USD)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2006		107.3	111.5	109.4	116.2	117.4	116.8	112.9
FY ending March 2007		114.7	115.8	115.3	117.4			

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

(thousand yen/ton)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2006		73.0	78.2	75.6	79.4	77.0	78.1	76.9
FY ending March 2007		73.5	75.7	74.6	76.8			

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

Through third quarter of FY ending March 2007 (April 2006 to December 2006)

Loss from disposal of fixed assets	(4.9)	(billion yen)
Surcharges, etc.	(0.6)	
<u>Total</u>	<u>(5.6)</u>	