Financial Results through Third Quarter of Fiscal Year ending March 31, 2009

(All financial information has been prepared in accordance with generally accepted accounting principles in Japan)
English translation from the original Japanese document

January 30, 2009

Company name : JFE Holdings, Inc.
Stock exchange on which the shares are listed : 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. Highlights of Consolidated Results through Third Quarter of Fiscal Year ending March 31, 2009

(1) Statements of Income

	Net sales	(% of change from same previous period)	Operating income	(% of change from same previous period)	Ordinary income	(% of change from same previous period)
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Through third quarter of fiscal year ending March 31, 2009	3,070,514	-	376,102	-	380,591	-
Through third quarter of fiscal year ended March 31, 2008	2,527,191	10.8	378,792	9.7	387,745	9.4

	Net income	(% of change from same previous period)	Net income per share	Net income per share (fully diluted)
	(Millions of yen)	%	(yen)	(yen)
Through third quarter of fiscal year ending March 31, 2009	169,371	-	307.23	291.82
Through third quarter of fiscal year ended March 31, 2008	233,667	11.7	400.74	398.58

(2)Balance Sheets

	Total assets	Net assets	Equity capital ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	%	(yen)
Through third quarter of fiscal year ending March 31, 2009	4,518,818	1,389,466	29.8	2,527.85
Fiscal year ended March 31, 2008	4,170,080	1,541,680	35.9	2,619.11

Note: Shareholders' equity (Millions of yen)
Through 3rd quarter of FY ending March 31, 2009 1,345,344
Fiscal Year ended March 31, 2008 1,496,513

2. Dividend

	Dividend per share		
		Interim	Year-end
	(yen)	(yen)	(yen)
Fiscal Year ended March 31, 2008	120.00	60.00	60.00
Fiscal Year ending March 31, 2009	Undecided	60.00	Undecided

3. Forecast of Consolidated Financial Results for Fiscal Year ending March 31, 2009

	Net sales	(% of change from previous year)	Operating income	(% of change from previous year)	Ordinary income	(% of change from previous year)
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal Year ending March 31, 2009	3,910,000	10.5	390,000	(23.6)	370,000	(26.4)

	Net income	(% of change from previous year)	Net income per share
	(Millions of yen)	%	(yen)
Fiscal Year ending March 31, 2009	130,000	(50.4)	237.71

JFE Holdings, which considers the return of profits to shareholders as one of its top priorities, follows a basic policy of proactively distributing dividends while maintaining a sound and sustainable operational base for the Group. Under this policy, the company has considered a consolidated payout ratio of 25% over the course of the Second Medium-Term Business Plan (April 1, 2006 through March 31, 2009).
As the result of an uncertain business environment and the possibility of widely fluctuating business performances, estimated year-end and annual dividends had yet to be determined when financial results for the first half were announced. The company, as such, had intended to disclose them together with financial results for the third quarter.

However, the business environment remains unclear, as evidenced by broad production cuts in steel-consuming industries such as automobiles and fluctuations in stock and exchange markets. Therefore, announcement of the year-end dividend has once again been postponed, the intention being to finalize and announce the company's policy for the year-end dividend by early March after taking into consideration the outlook for business conditions and environments in fiscal years to follow.

These forecasts are based on information available on the date of publication of this document as well as rational assumptions that we have made regarding certain factors. Actual results may vary significantly from these forecasts due to a wide range of circumstances. For a description of the results forecasts, see Paragraph 3 ("Qualitative information on consolidated results forecast") under "Qualitative Information, Financial Statement, etc." on page 4.

Qualitative Information, Financial Statement etc.

1. Qualitative information on consolidated business results

Since last fall, the recession triggered by the financial crisis has spread around the world and the business environment has changed drastically, as evidenced by wide fluctuations in stock and exchange markets. Following is an outline of consolidated business results for the nine-month period from April 1, 2008 to December 31, 2008 (hereinafter "third quarter"), broken down according to business segment:

The steel business posted net sales of 2,763.6 billion yen and ordinary income of 403.4 billion yen due to rising raw materials prices and despite rising sales prices over the same quarter of the previous year in conjunction with efforts to reduce costs amid the current sharp downturn in demand.

The engineering business achieved an increase in net sales, rising to 192.9 billion yen, while cost cutting and other efforts to ensure profitability resulted in growth of ordinary income to 1.5 billion yen.

The shipbuilding business reported net sales of 136.3 billion yen on continued strong construction volume, but reported an ordinary loss of 19.5 billion yen owing to soaring materials/equipment costs centered on steel products and a rise in the allowance for losses on construction contracts in response to the strong yen.

The urban development business recorded net sales of 15.3 billion yen, an increase due mainly to realized sales for a development project in the Yamanouchi district of Yokohama; it nevertheless recorded an ordinary loss of 0.9 billion yen, a decrease relative to the same period of the previous year, as a result of a deteriorating condominium market.

The LSI business recorded net sales of 23.4 billion yen and ordinary loss of 2.1 billion yen, both down from the year-earlier period, as the result of a rapid decrease in overall demand including products for LCD panels.

Overall, consolidated results for the third quarter showed an increase for sales but a decrease for profit, with net sales of 3,070.5 billion yen, operating income of 376.1 billion yen and ordinary income of 380.5 billion yen.

In addition to the above, the company posted an extraordinary loss of 62.5 billion yen as the result of the decision to book an appraisal loss of 60.1 billion yen on investment securities − a reflection of the prevailing stock market turmoil; accordingly, the company recorded quarterly net income before income taxes and minority interests of 318.0 billion yen and quarterly net income of 169.3 billion yen, a decrease from the same quarter of the previous year.

2. Qualitative information on consolidated financial status

At the end of the third quarter, the company's total assets increased by 348.8 billion yen from the end of March 2008 to reach 4,518.8 billion yen. Net assets came to 1,389.4 billion yen, and the shareholders' equity ratio decreased 6.1 percentage points to 29.8%. Outstanding debt came to 1,792.9 billion yen, an increase of 511.0 billion yen compared to end-March 2008.

3. Qualitative information on consolidated results forecast

Against the backdrop of a global recession, the full-year results forecasts for each business segment are as follows:

The steel business, faced with rapidly declining demand for steel both in Japan and overseas, is taking timely and effective steps to rationalize production under a program that includes shutdown in mid-January of a blast furnace in the Kurashiki district of West Japan Works. In addition to the pursuit of minimum-cost operations at lower production levels, the steel business is addressing cost reduction by means that include urgent cost cutbacks and postponement of non-essential repair work, among other steps. The steel business forecasts ordinary income of 403.4 billion yen, far below the previous forecast, given that the decline in sales and the deterioration in markets centered around exports have been significant, although the raw materials market, including scraps, crude oil and metals, subsequently remains at lower-than-expected levels.

The engineering business faces continued difficult business conditions, but it expects ongoing efforts to improve earnings to result in ordinary income of 5.0 billion yen.

The shipbuilding business forecasts an ordinary loss of 25.0 billion yen, which includes costs for the amortization of goodwill, due to an unavoidable increase in the allowance for losses on construction contracts in response to the yen's sharp appreciation, although the company has improved productivity as part of its cost-reduction effort.

The urban development business expects to report an ordinary loss of 2.0 billion yen on lower

condominium delivery volumes and sales price revisions.

The LSI business expects a rapid decrease in overall demand, including products for LCD panels, to result in an ordinary loss of 5.0 billion yen.

As a result, JFE Holdings' full-year consolidated forecast is for net sales of 3,910 billion yen, operating income of 390 billion yen and ordinary income of 370 billion yen, all of which fall below previous forecasts.

Factoring in an extraordinary loss of 62.5 billion yen due mainly to the decision to write down investment securities, the company forecasts full-year net income of 130 billion yen.

4. Other information

(1) Significant change in subsidiaries during the first three quarters (change in designated subsidiaries resulting in adjustment to the scope of consolidation): None

(2) Application of simplified accounting method and special accounting method in the preparation of quarterly consolidated financial statements

For the current fiscal year, we have applied simplified accounting methods such as proportionally calculating depreciation over time for assets using the fixed-rate declining balance method of depreciation. Furthermore, we are using some calculation assumptions of the previous fiscal year to calculate tax expense.

(3) Changes in the principles, procedures and presentation method for accounting treatment in the preparation of quarterly consolidated financial statements

① Application of accounting standards in quarterly financial statements
We are applying "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standards No. 12) and "Guidelines for Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standard Application Guidelines No. 14) for the current fiscal year. In addition, we are preparing the quarterly consolidated financial statements in accordance with "Quarterly Consolidated Financial Statement Rules."

② Changes in valuation standards and valuation methods for important assets
Inventory

Previously, we valued ordinary inventory that was principally held for sale in the balance sheet using the cost accounting method at the acquisition price, but as of the first quarter of the current consolidated accounting period, we are calculating this value using the cost accounting method by reducing the book value based on declining profitability in accordance with application of "Accounting Standards for Inventory Valuation" (Corporate Accounting Standards No. 9, July 5, 2006).

Accordingly, operating income, ordinary income and quarterly net income before income taxes and minority interests for the first three quarters of the consolidated accounting period decreased respectively by 8,715 million yen.

③ Application of accounting standards for lease transactions
We began to apply "Accounting Standards for Lease Transactions" (Corporate Accounting Standards No. 13 (June 17, 1993 (First Division of Business Accounting Council), revised March 30, 2007) and "Application Guidelines for Lease Transaction Accounting Standards" (Application Guidelines for Corporate Accounting Standards No. 16 (January 18, 1994 (The Japanese Institute of Certified Public Accountants, Accounting System Committee), revised March 30, 2007)) from the first quarter of the consolidated financial period, changing from an accounting treatment based on the lease transaction method to accounting treatment based on ordinary sales transactions for Ownership Non-transfer Finance Leases. Additionally, depreciation of assets for Ownership Non-transfer Finance Leases uses the straight line method for the duration of the lease period with a remaining balance of zero (in the event the remaining balance is guaranteed in the Lease Agreement, the guaranteed balance shall apply).

The impact of these changes to operating income, ordinary income and quarterly net income before income taxes and minority interests for the first three quarters of the consolidated accounting period was insignificant.

(Additional information)
Change in the lifetime of tangible fixed assets
Based on revisions to legal useful lives in the corporate tax law, we changed part of the useful lives for machinery and equipment, etc, beginning with the first quarter of the consolidated accounting period. Based on this change, depreciation in the first three quarters of the consolidated accounting period increased by 6,149 million yen, resulting in a decrease of 5,812 million yen in operating income and a decrease of 5,852 million yen in both ordinary income and quarterly net income before income taxes and minority interests.

Consolidated Balance Sheets

(Millions of yen)

	As of Dec. 31, 2008	As of Mar. 31, 2008
(Assets)		
Current assets:		
Cash and deposits	**81,966**	47,366
Notes and accounts receivable	**715,462**	577,278
Merchandise and finished goods	**312,266**	249,773
Work in process	**241,445**	177,262
Raw materials and supplies	**407,439**	294,404
Other current assets	**177,244**	157,491
Allowance for doubtful accounts	**(825)**	(938)
Total current assets	**1,935,000**	1,502,638
Property, plant and equipment, net:		
Machinery and equipment, net	**740,552**	742,473
Land	**536,507**	538,440
Other property, plant and equipment, net	**574,501**	562,570
Total property, plant and equipment, net	**1,851,560**	1,843,483
Intangible assets	**80,088**	85,499
Investments and other assets:		
Investments in securities	**466,181**	593,536
Other assets	**189,172**	151,971
Allowance for doubtful accounts	**(5,125)**	(9,309)
Total investments and other assets	**650,228**	736,197
Deferred assets	**1,941**	2,261
Total assets	**4,518,818**	4,170,080
(Liabilities and shareholders' equity)		
Current liabilities:		
Notes and accounts payable	**453,465**	472,963
Short-term borrowings	**262,518**	186,133
Commercial paper	**299,655**	30,978
Current portion of corporate bonds	**40,000**	80,000
Current portion of convertible bonds	**8,059**	-
Accrued income taxes	**81,517**	61,064
Reserves	**42,958**	28,005
Other current liabilities	**449,498**	476,225
Total current liabilities	**1,637,674**	1,335,371
Long-term liabilities:		
Corporate bonds	**279,993**	199,992
Convertible bonds	**300,000**	308,089
Long-term borrowings	**602,708**	476,744
Accrued retirement benefits	**147,262**	152,278
Allowance for losses on specific waste disposal business	**46,491**	51,043
Other reserves	**57,865**	57,827
Other long-term liabilities	**57,355**	47,052
Total long-term liabilities	**1,491,677**	1,293,028
(Net assets)		
Owners' equity:		
Common stock	**147,143**	147,143
Capital surplus	**657,387**	657,597
Retained earnings (Deficit)	**980,248**	897,969
Treasury stock, at cost	**(418,442)**	(270,927)
Total owners' equity	**1,366,336**	1,431,782
Valuation and translation adjustments:		
Net unrealized gains on securities	**696**	72,491
Defferred earnings on hedges	**(745)**	(469)
Revaluation reserve for land, net of tax	**14,750**	5,658
Translation adjustments	**(35,693)**	(12,949)
Total valuation and translation adjustments	**(20,992)**	64,731
Minority interests	**44,122**	45,167
Total net assets	**1,389,466**	1,541,680
Total liabilities and net assets	**4,518,818**	4,170,080

Consolidated Statements of Income

	Through third quarter of Fiscal Year ending Mar. 31, 2009
Net sales	**3,070,514**
Cost of sales	**2,464,900**
Selling, general and administrative expenses	**229,511**
Operating income	**376,102**
Non-operating income(loss):	
Interest income	**1,115**
dividends received	**7,880**
Profit on inventories	**15,092**
Equity in earnings of affiliates	**26,507**
Interest expense	**(16,772)**
Exchange loss	**(14,770)**
Other, net	**(14,564)**
Ordinary income	**380,591**
Extraordinary profit:	
Profit on sales of investments in securities	**13,783**
Profit on sales of shares of affiliate companies	**3,252**
Total	**17,035**
Extraordinary loss:	
Loss on impairment	**(19,464)**
Loss on investment securities	**(60,149)**
Total	**(79,613)**
Income before income taxes and minority interests	**318,013**
Income taxes:	
Current	**143,877**
Deferred	**3,584**
Minority interests	**1,180**
Net income	**169,371**

We are applying “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No. 12) and “Guidelines for Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standard Application Guidelines No. 14) for the current fiscal year. In addition, we are preparing the quarterly consolidated financial statements in accordance with “Quarterly Consolidated Financial Statement Rules.”

(3) Notes pertaining to the presumption of a going concern
There are no items this period.

(4) Notes in case of significant changes to shareholders’ equity
① Acquisition of treasury shares
The company decided at the Board of Directors meeting held on February 28, 2008 that, in order to make it possible to pursue dynamic capital policies in response to the changing business environment, it would set an upper limit of 120.0 billion yen, and a limit of 35 million shares, on the company’s acquisition of treasury shares in the period from March 18 to September 30, 2008. This acquisition program was completed on May 1, 2008 (contract base) with accumulated acquisitions in the market of 23,839,200 shares for 119,993 million yen. 4,878,600 shares were acquired for 21,261 million yen as of the end of March 2008, and 18,960,600 shares were acquired in the first quarter of the consolidated financial year for 98,731 million yen.

Furthermore, the company decided at the Board of Directors meeting held on October 24, 2008 that, in reflection of the shareholder return policy but also taking into account the current stock market and in order to position itself to pursue dynamic capital policies in response to future changes in the business environment, it would set an upper limit of 80.0 billion yen, and a limit of 50 million shares, on the company’s acquisition of treasury shares in the period from October 27, 2008 to March 31, 2009. 19,701,200 shares were acquired in the third quarter of the consolidated financial year for 46,412 million yen.

② Distribution of surplus
On June 27, 2008, the company paid 60 yen per common share, a total of 34,283 million yen, as the year-end dividend for fiscal 2007. In addition, on November 28, 2008, the company paid 60 yen per common share, a total of 33,138 million yen, as the interim dividend for fiscal 2008.

Reference

Consolidated Statements of Income

	Through third quarter of Fiscal Year ended Mar. 31, 2008
Net sales	**2,527,191**
Cost of sales	**(1,921,433)**
Selling, general and administrative expenses	**(226,966)**
Operating income	**378,792**
Non-operating income(loss):	
Interest income and dividends received	**8,335**
Equity in earnings of affiliates	**22,458**
Interest expense	**(13,328)**
Other, net	**(8,511)**
Ordinary income	**387,745**
Extraordinary profit:	
Profit on sales of property, plant and equipment, etc.	**1,847**
Total	**1,847**
Extraordinary loss:	
Provision for allowance for losses from lawsuits	**(1,466)**
Total	**(1,466)**
Income before income taxes and minority interests	**388,126**
Income taxes:	
Current	**(125,707)**
Deferred	**(26,295)**
Minority interests	**(2,455)**
Net income	**233,667**

Supplementary Information

1. Consolidated Results through third quarter of Fiscal Year ending March 31, 2009

(billions of yen)

Items		Through third quarter of FY ended March 2008	Through third quarter of FY ending March 2009	Change	
	Steel Business	2,322.4	2,763.6	441.2	19.0%
	Engineering Business	184.1	192.9	8.8	4.8%
	Shipbuilding Business	-	136.3	136.3	-
	Urban Development Business	11.7	15.3	3.6	30.8%
	LSI Business	35.6	23.4	(12.2)	(34.3%)
	Eliminations and Corporate	(26.8)	(61.3)	(34.5)	-
	Net Sales	2,527.1	3,070.5	543.4	21.5%
Operating Income		378.7	376.1	(2.6)	(0.7%)
Other Income (Expenses)		8.9	4.4	(4.5)	-
	Steel Business	391.2	403.4	12.2	3.1%
	Engineering Business	(6.6)	1.5	8.1	-
	Shipbuilding Business	-	(19.5)	(19.5)	-
	Urban Development Business	0.3	(0.9)	(1.2)	-
	LSI Business	2.3	(2.1)	(4.4)	-
	Eliminations and Corporate	0.5	(1.6)	(2.1)	-
Ordinary Income		387.7	380.5	(7.2)	(1.9%)
Extraordinary Profit (Loss)		0.3	(62.5)	(62.8)	-
Interest		(154.4)	(148.6)	5.8	-
Net Income		233.6	169.3	(64.3)	(27.5%)

2. Earnings Forecast for Fiscal Year ending March 31, 2009

(billions of yen)

Items	FY ending March 2009(e)		
	Previous forecast	Updated forecast	Change
Steel Business	3,920.0	3,430.0	(490.0)
Engineering Business	330.0	330.0	0.0
Shipbuilding Business	185.0	182.0	(3.0)
Urban Development Business	27.0	25.0	(2.0)
LSI Business	33.0	27.0	(6.0)
Eliminations and Corporate	(85.0)	(84.0)	1.0
Net Sales	4,410.0	3,910.0	(500.0)
Steel Business	510.0	422.9	(87.1)
Engineering Business	(1.0)	1.0	2.0
Shipbuilding Business	(12.0)	(25.0)	(13.0)
Urban Development Business	(2.0)	(2.0)	0.0
LSI Business	(3.0)	(5.0)	(2.0)
Eliminations and Corporate	(2.0)	(1.9)	0.1
Operating Income	490.0	390.0	(100.0)
Other Income (Expenses)	10.0	(20.0)	(30.0)
Steel Business	520.0	403.4	(116.6)
Engineering Business	5.0	5.0	0.0
Shipbuilding Business	(12.0)	(25.0)	(13.0)
Urban Development Business	(2.0)	(2.0)	0.0
LSI Business	(3.0)	(5.0)	(2.0)
Eliminations and Corporate	(8.0)	(6.4)	1.6
Ordinary Income	500.0	370.0	(130.0)
Extraordinary Profit (Loss)	(2.3)	(62.5)	(60.2)
Interest	(217.7)	(177.5)	40.2
Net Income	280.0	130.0	(150.0)

2. Consolidated financial indices

Financial Indices	FY ending March 2009(e)		
	Previous forecast	Updated forecast	Change
Return on Sales (ROS) *1	11.3%	9.5%	(1.8%)
Return on Assets (ROA) *2	12.1%	9.2%	(2.9%)
Debt Outstanding	1,620 bil. yen	1,700 bil. yen	80 bil. yen
Shareholders' Equity	1,470 bil. yen	1,260 bil. yen	(210) bil. yen
D/E Ratio	110.2%	134.9%	24.7%
D/E Ratio*3	82.3%	99.3%	17.0%

*1 ROS = Ordinary Income / Net Sales

*2 ROA = Ordinary Income before Interest Expenses / Total Assets (average)

*3 D/E ratio when 75% of the hybrid bond price of ￥300 billion is considered capital

(Reference)

1. Crude Steel Production (JFE Steel) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2008	Parent	7.38	7.66	15.04	7.72	7.76	15.48	30.52
	Consolidated	8.37	8.53	16.90	8.67	8.70	17.37	34.27
FY ending March 2009	Parent	7.71	7.78	15.49	6.48	5.03(e)	11.51(e)	27.0(e)
	Consolidated	8.70	8.58	17.28	7.03	5.49(e)	12.52(e)	29.8(e)

2. Shipments (JFE Steel on a non-consolidated basis) (million tons)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2008	6.61	7.01	13.62	6.87	7.53	14.40	28.02
FY ending March 2009	6.92	7.22	14.14	6.02	4.94(e)	10.96(e)	25.1(e)

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 2008	44.7	45.7	45.2	42.0	43.3	42.7	43.9
FY ending March 2009	41.6	44.9	43.4	39.2	35(e)	38(e)	41(e)

4. Foreign Exchange Rate (Yen/US dollar) (JPY/USD)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2008	119.8	119.4	119.6	113.5	108.4	110.9	115.3
FY ending March 2009	103.4	108.0	105.7	99.2	90(e)	95(e)	100(e)

JFE will report an import surplus of approximately 2.0 billion USD for the FY ending March 2009.

5. Average Selling Price (JFE Steel on a non-consolidated basis) (thousand yen/ton)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2008	78.8	80.6	79.7	79.1	78.5	78.7	79.2
FY ending March 2009	87.6	109.1	98.5	108.8	100(e)	105(e)	101(e)

6. Engineering business orders (including inter-segment transactions)

	(billion yen)
FY ending March 2009(e)	330

7. Shipbuilding business orders (including inter-segment transactions)

	(billion yen)
FY ending March 2009(e)	88

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

(billion yen)

	FY ending March 2009	
	Through third quarter	Full year(e)
Profit on sales of investments in securities	13.7	13.7
Profit on sales of shares of affiliate companies	3.2	3.2
Loss on impairment	(19.4)	(19.4)
Loss on investment securities	(60.1)	(60.1)
Total	(62.5)	(62.5)

9. Debt outstanding and interest expense (JFE Holdings on a consolidated basis)

Debt outstanding		*Interest expense*	
As of	(billion yen)		(billion yen)
March 31, 2008	1,281.9	FY ended March 2008	(18.0)
March 31, 2009	1,700(e)	FY ending March 2009	(23)(e)

10. Capital investment and depreciation cost (JFE Holdings on a consolidated basis)

(billion yen)

	FY March 08	FY March 09
Capital investment	223.6	280(e)
Depreciation	220.4	250(e)

11. Breakdown of a change in ordinary income (FY March 2009 compared to FY March 2008)

(billion yen)		FY March 2008		FY March 2009
Steel segment	(105.5)	508.9	⇒	403.4
Cost reduction	90.0			
Raw material	(740.0)			
Sales volume and price	540.0			
Depreciation and amortization	(20.0)			
Unrealized holding gains on inventories	50.0			
Others	(25.5)			
		FY March 2008		FY March 2009
Engineering segment	16.0	(11.0)	⇒	5.0

Continues to face difficult business conditions, but expects ongoing efforts to improve earnings to result in an increase in profit over the previous year.

Shipbuilding segment	(25.0)	-	⇒	(25.0)

The shipbuilding business forecasts an ordinary loss of 25 billion yen, which includes costs for the amortization of goodwill, due to an unavoidable increase in the allowance for losses on construction contracts in response to the yen's sharp appreciation, although the company continues to improve productivity as part of its cost-reduction effort.

Urban development segment	(3.4)	1.4	⇒	(2.0)

The urban development business expects to report an ordinary loss of 2 billion yen on lower condominium delivery volumes and sales price revisions.

LSI segment	(6.1)	1.1	⇒	(5.0)

The LSI business expects a rapid decrease in overall demand, including products for LCD panels, to result in an ordinary loss of 5 billion yen.

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