

# Financial Results for the First 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

July 31, 2008

Company name : JFE Holdings, Inc.  
Stock exchange on which the shares are listed : Tokyo, Osaka, and Nagoya  
Stock Exchanges in Japan  
Code number : 5411  
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## 1. Highlights of Consolidated Results for the First 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) |
|----------------------------------------------------|---------------------------|-----------------------------------------|--------------------------|-----------------------------------------|---------------------------|-----------------------------------------|
| First quarter of fiscal year ending March 31, 2009 | (Millions of yen) 938,048 | - %                                     | (Millions of yen) 91,263 | - %                                     | (Millions of yen) 112,104 | - %                                     |
| First quarter of fiscal year ended March 31, 2008  | 790,859                   | 14.4                                    | 130,700                  | 40.9                                    | 145,222                   | 58.8                                    |

|                                                    | Net income               | (% of change from same previous period) | Net income per share | Net income per share (fully diluted) |
|----------------------------------------------------|--------------------------|-----------------------------------------|----------------------|--------------------------------------|
| First quarter of fiscal year ending March 31, 2009 | (Millions of yen) 68,745 | - %                                     | (yen) 123.12         | (yen) 116.74                         |
| First quarter of fiscal year ended March 31, 2008  | 89,414                   | 62.9                                    | 151.62               | 150.52                               |

### (2) Balance Sheets

|                                                    | Total assets                | Net assets                  | Equity capital ratio | Net assets per share |
|----------------------------------------------------|-----------------------------|-----------------------------|----------------------|----------------------|
| First quarter of fiscal year ending March 31, 2009 | (Millions of yen) 4,351,167 | (Millions of yen) 1,485,900 | % 33.1               | (yen) 2,611.18       |
| Fiscal year ended March 31, 2008                   | 4,170,080                   | 1,541,680                   | 35.9                 | 2,619.11             |

Note: Shareholders' equity First quarter of fiscal year ending March 31, 2009 1,442,375  
Fiscal Year ended March 31, 2008 1,496,513

## 2. Dividends

|                                      | Dividends per share |                   |                |
|--------------------------------------|---------------------|-------------------|----------------|
|                                      | (yen)               | 2nd Quarter (yen) | Year-end (yen) |
| Fiscal Year ended March 31, 2008     | 120.00              | 60.00             | 60.00          |
| Fiscal Year ending March 31, 2009(e) | undecided           | 60.00             | undecided      |

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

|                                               | Net sales                   | (% of change from same previous period) | Operating income          | (% of change from same previous period) | Ordinary income           | (% of change from same previous period) |
|-----------------------------------------------|-----------------------------|-----------------------------------------|---------------------------|-----------------------------------------|---------------------------|-----------------------------------------|
| 1st half of Fiscal Year ending March 31, 2009 | (Millions of yen) 2,090,000 | - %                                     | (Millions of yen) 180,000 | - %                                     | (Millions of yen) 200,000 | - %                                     |
| Fiscal Year ending March 31, 2009             | 4,400,000                   | 24.3                                    | 420,000                   | (17.7)                                  | 450,000                   | (10.5)                                  |

|                                               | Net income                | (% of change from same previous period) | Net income per share |
|-----------------------------------------------|---------------------------|-----------------------------------------|----------------------|
| 1st half of Fiscal Year ending March 31, 2009 | (Millions of yen) 120,000 | - %                                     | (yen) 215.90         |
| Fiscal Year ending March 31, 2009             | 270,000                   | 3.1                                     | 487.16               |

## **Qualitative information, Financial Statement etc.**

### **1. Qualitative information on consolidated business results**

The steel business achieved an increase in net sales over the same quarter of the previous year to 845.0 billion yen, primarily due to rising sales prices that were complemented by efforts to expand sales of value-added products; however, despite efforts to further reduce operating costs, ordinary income decreased to 122.1 billion yen as the result of unprecedentedly high raw materials prices.

The engineering business saw net sales rise to 51.3 billion yen, but recorded an ordinary loss of 1.3 billion yen due to continued soaring materials/equipment prices and construction costs.

The shipbuilding business posted net sales of 46.8 billion yen due to continued strong construction volume, but reported an ordinary loss of 7.3 billion yen on a growing allowance for order construction losses caused by soaring materials/equipment costs centered on steel products as well as an appreciating yen.

The urban development business posted net sales of 2.4 billion yen and an ordinary loss of 1.9 billion yen, both down from the same quarter the previous year as a result of deterioration in the condominium market and lower condominium delivery volumes.

In the LSI business, falling prices for products destined for the LCD panel market resulted in declines in both sales and profits, with net sales coming in at 9.1 billion yen and an ordinary loss of 4 million yen.

As a result, overall first quarter figures for sales were up but those for profit were down, with net sales of 938.0 billion yen, operating income of 91.2 billion yen, ordinary income of 112.1 billion yen and net quarterly income of 68.7 billion yen.

### **2. Qualitative information on consolidated financial status**

At the end of the first quarter, the company's total assets increased by 181.1 billion yen from the end of March 2008 to reach 4,351.1 billion yen. Net assets came to 1,485.9 billion yen, and the shareholders' equity ratio decreased 2.8 percentage points to 33.1%. Outstanding debt came to 1,499.5 billion yen, an increase of 217.5 billion yen compared to end-March 2008.

### **3. Qualitative information on consolidated results forecast**

The full-year financial forecasts for each business unit are as follows:

The steel business saw unprecedented increases in prices for main raw materials due to the global boom in demand for steel. Prices for metals, scrap and fuel are soaring, too. The company is enhancing its efforts to increase its profits, pursuing continuous cost reductions and building up production capacity for high-end steel while asking customers to accept higher steel prices. The significant rise in raw material prices, however, has outpaced the positive effects of these efforts. As a result, at this current point in time the company expects to report ordinary income of 460 billion yen, down from the previous fiscal year.

The engineering business forecasts ordinary income of 1 billion yen due to successful earnings improvement efforts and despite expectations for further increases in materials/equipment prices and construction costs.

The shipbuilding business expects a significant rise in allowance for losses on construction contracts due to soaring prices of materials/equipment, including steel products, although the company continues to improve productivity as part of its cost-reduction effort. The shipbuilding business forecasts an ordinary loss of 12 billion yen, which includes costs for the amortization of goodwill related to the transformation of Universal Shipbuilding Corporation into a subsidiary.

The urban development business expects growth in revenue compared to the previous fiscal year mainly because it recorded net sales from a development project in the Yamanouchi district of Yokohama during the current fiscal year. The urban development business, however, forecasts a significant decrease in profit due to reductions in selling prices of condominiums.

The LSI business expects both net sales and profit to decrease from the previous fiscal year due to a significant decline in sales of and reduced selling prices for products for digital cameras and LCD panels, and exchange rate fluctuations.

As a result, the company's full-year consolidated forecast is for net sales of 4,400 billion yen, operating income of 420 billion yen, ordinary income of 450 billion yen and net income of 270 billion yen.

JFE Holdings, which considers the return of profits to shareholders as one of its top priorities, pursues a policy of proactively distributing dividends while also maintaining a sound and sustainable operational base for the Group. The company intends to propose payment of an interim

dividend of 60 yen per share for the current fiscal year.

#### **4. Other information**

(1) Significant change in subsidiaries during the first quarter (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 from 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

##### 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 creating the quarterly consolidated financial statements in accordance with “Quarterly Consolidated Financial Statement Rules.”

##### Changes in valuation standards and valuation methods for important assets

###### Inventory

Up until now we have 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 consolidated quarter in the current 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 quarter in the consolidated accounting period decreased respectively by 4,178 million yen.

#### 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.

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

#### (Additional information)

##### Change in the lifetime of tangible fixed assets

Based on revisions to statutory lifetimes in the corporate tax law, we are hereby changing the lifetimes for machinery and equipment, etc, beginning with this first consolidated quarterly accounting period. Based on this change, depreciation in the first quarterly consolidated accounting period increased by 1,853 million yen, resulting in a decrease of 1,837 million yen for operating income and decrease of 1,853 million yen for both ordinary income and quarterly net income before income taxes and minority interests.

## Consolidated Balance Sheets

|                                                          | As of<br>June 30, 2008 | (Millions of yen)<br>As of<br>Mar. 31, 2008 |
|----------------------------------------------------------|------------------------|---------------------------------------------|
| (Assets)                                                 |                        |                                             |
| Current assets:                                          |                        |                                             |
| Cash and deposits                                        | 49,218                 | 47,366                                      |
| Notes and accounts receivable                            | 605,558                | 577,278                                     |
| Merchandise and finished goods                           | 287,712                | 249,773                                     |
| Work in process                                          | 209,844                | 177,262                                     |
| Raw materials and supplies                               | 333,067                | 294,404                                     |
| Other current assets                                     | 153,304                | 157,491                                     |
| Allowance for doubtful accounts                          | (702)                  | (938)                                       |
| Total current assets                                     | 1,638,004              | 1,502,638                                   |
| Property, plant and equipment, net:                      |                        |                                             |
| Buildings and structures, net                            | 459,854                | 461,590                                     |
| Machinery and equipment, net                             | 726,621                | 742,473                                     |
| Land                                                     | 540,368                | 538,440                                     |
| Other property, plant and equipment, net                 | 130,037                | 100,980                                     |
| Total property, plant and equipment, net                 | 1,856,881              | 1,843,483                                   |
| Intangible assets                                        | 83,770                 | 85,499                                      |
| Investments and other assets:                            |                        |                                             |
| Investments in securities                                | 645,480                | 593,536                                     |
| Other assets                                             | 133,669                | 151,971                                     |
| Allowance for doubtful accounts                          | (8,792)                | (9,309)                                     |
| Total investments and other assets                       | 770,357                | 736,197                                     |
| Deferred assets                                          | 2,154                  | 2,261                                       |
| Total assets                                             | 4,351,167              | 4,170,080                                   |
| (Liabilities and shareholders' equity)                   |                        |                                             |
| Current liabilities:                                     |                        |                                             |
| Notes and accounts payable                               | 525,349                | 472,963                                     |
| Short-term borrowings                                    | 241,614                | 186,133                                     |
| Commercial paper                                         | 134,957                | 30,978                                      |
| Current portion of corporate bonds                       | 40,000                 | 80,000                                      |
| Current portion of convertible bonds                     | 8,079                  | -                                           |
| Reserves                                                 | 35,777                 | 28,005                                      |
| Other current liabilities                                | 480,928                | 537,289                                     |
| Total current liabilities                                | 1,466,706              | 1,335,371                                   |
| Long-term liabilities:                                   |                        |                                             |
| Corporate bonds                                          | 239,992                | 199,992                                     |
| Convertible bonds                                        | 300,000                | 308,089                                     |
| Long-term borrowings                                     | 534,870                | 476,744                                     |
| Accrued retirement benefits                              | 149,452                | 152,278                                     |
| Allowance for losses on specific waste disposal business | 49,441                 | 51,043                                      |
| Other reserves                                           | 57,348                 | 57,827                                      |
| Other long-term liabilities                              | 67,454                 | 47,052                                      |
| Total long-term liabilities                              | 1,398,560              | 1,293,028                                   |
| (Net assets)                                             |                        |                                             |
| Owners' equity:                                          |                        |                                             |
| Common stock                                             | 147,143                | 147,143                                     |
| Capital surplus                                          | 657,589                | 657,597                                     |
| Retained earnings (Deficit)                              | 922,040                | 897,969                                     |
| Treasury stock, at cost                                  | (369,858)              | (270,927)                                   |
| Total owners' equity                                     | 1,356,914              | 1,431,782                                   |
| Valuation and translation adjustments:                   |                        |                                             |
| Net unrealized gains on securities                       | 110,083                | 72,491                                      |
| Deferred earnings on hedges                              | (1,583)                | (469)                                       |
| Revaluation reserve for land, net of tax                 | 5,584                  | 5,658                                       |
| Translation adjustments                                  | (28,623)               | (12,949)                                    |
| Total valuation and translation adjustments              | 85,460                 | 64,731                                      |
| Minority interests                                       | 43,524                 | 45,167                                      |
| Total net assets                                         | 1,485,900              | 1,541,680                                   |
| Total liabilities and net assets                         | 4,351,167              | 4,170,080                                   |

## Consolidated Statements of Income

First Quarter of  
Fiscal Year ending  
Mar. 31, 2009

|                                                             |         |
|-------------------------------------------------------------|---------|
| Net sales                                                   | 938,048 |
| Cost of sales                                               | 769,452 |
| Selling, general and administrative expenses                | 77,333  |
| Operating income                                            | 91,263  |
| Non-operating income(loss):                                 |         |
| Interest income                                             | 339     |
| dividends received                                          | 4,876   |
| Foreign exchange gain                                       | 8,534   |
| Equity in earnings of affiliates                            | 8,914   |
| Interest expense                                            | (5,420) |
| Loss on disposal and sales of property, plant and equipment | (4,359) |
| Other, net                                                  | 7,956   |
| Ordinary income                                             | 112,104 |
| Income before income taxes and minority interests           | 112,104 |
| Income taxes:                                               |         |
| Current                                                     | 33,652  |
| Deferred                                                    | 9,369   |
| Minority interests                                          | 335     |
| Net income                                                  | 68,745  |

(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

The company decided at the Board of Directors meeting held on February 28, 2008 that, in order to make it possible to pursue flexible 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.

Reference

## Consolidated Statements of Income

|                                                   | <b>First Quarter of<br/>Fiscal Year ended<br/>Mar. 31, 2008</b> |
|---------------------------------------------------|-----------------------------------------------------------------|
| Net sales                                         | <b>790,859</b>                                                  |
| Cost of sales                                     | <b>585,380</b>                                                  |
| Selling, general and administrative expenses      | <b>(74,778)</b>                                                 |
| Operating income                                  | <b>130,700</b>                                                  |
| Non-operating income(loss):                       |                                                                 |
| Interest income and dividends received            | <b>4,815</b>                                                    |
| Equity in earnings of affiliates                  | <b>8,313</b>                                                    |
| Interest expense                                  | <b>(4,178)</b>                                                  |
| Other, net                                        | <b>5,572</b>                                                    |
| Ordinary income                                   | <b>145,222</b>                                                  |
| Income before income taxes and minority interests | <b>145,222</b>                                                  |
| Income taxes:                                     |                                                                 |
| Current                                           | <b>(40,349)</b>                                                 |
| Deferred                                          | <b>(14,795)</b>                                                 |
| Minority interests                                | <b>(663)</b>                                                    |
| Net income                                        | <b>89,414</b>                                                   |

**Supplementary Information for Earnings Forecast**  
**for Fiscal Year ending March 31, 2009**

1. Consolidated income statements

(billions of yen)

| Items                              | FY ended March 2008 |                |                | FY ending March 2009(e) |                |                | Change        |               |               |
|------------------------------------|---------------------|----------------|----------------|-------------------------|----------------|----------------|---------------|---------------|---------------|
|                                    | 1st Quarter         | 1st Half       | Full Year      | 1st Quarter             | 1st Half       | Full Year      | 1st Quarter   | 1st Half      | Full Year     |
| Steel Business                     | 739.9               | 1,544.3        | 3,203.3        | 845.0                   | 1,870.0        | 3,900.0        | 105.1         | 325.7         | 696.7         |
| Engineering Business               | 44.2                | 109.6          | 314.2          | 51.3                    | 130.0          | 330.0          | 7.1           | 20.4          | 15.8          |
| Shipbuilding Business              | -                   | -              | -              | 46.8                    | 98.0           | 185.0          | 46.8          | 98.0          | 185.0         |
| Urban Development Business         | 3.1                 | 8.3            | 25.5           | 2.4                     | 7.0            | 29.0           | (0.7)         | (1.3)         | 3.5           |
| LSI Business                       | 9.8                 | 23.2           | 42.9           | 9.1                     | 19.0           | 39.0           | (0.7)         | (4.2)         | (3.9)         |
| Eliminations and Corporate         | (6.4)               | (16.2)         | (46.3)         | (16.8)                  | (34.0)         | (83.0)         | (10.4)        | (17.8)        | (36.7)        |
| <b>Net Sales</b>                   | <b>790.8</b>        | <b>1,669.3</b> | <b>3,539.8</b> | <b>938.0</b>            | <b>2,090.0</b> | <b>4,400.0</b> | <b>147.2</b>  | <b>420.7</b>  | <b>860.2</b>  |
| <b>Operating Income</b>            | <b>130.7</b>        | <b>253.8</b>   | <b>510.5</b>   | <b>91.2</b>             | <b>180.0</b>   | <b>420.0</b>   | <b>(39.5)</b> | <b>(73.8)</b> | <b>(90.5)</b> |
| <b>Other Income (Expenses)</b>     | <b>14.5</b>         | <b>6.9</b>     | <b>(7.5)</b>   | <b>20.8</b>             | <b>20.0</b>    | <b>30.0</b>    | <b>6.3</b>    | <b>13.1</b>   | <b>37.5</b>   |
| Steel Business                     | 146.1               | 264.3          | 508.9          | 122.1                   | 220.0          | 460.0          | (24.0)        | (44.3)        | (48.9)        |
| Engineering Business               | (1.0)               | (4.8)          | (11.0)         | (1.3)                   | (4.0)          | 1.0            | (0.3)         | 0.8           | 12.0          |
| Shipbuilding Business              | -                   | -              | -              | (7.3)                   | (8.0)          | (12.0)         | (7.3)         | (8.0)         | (12.0)        |
| Urban Development Business         | 0.0                 | 0.5            | 1.4            | (1.9)                   | (2.0)          | 0.0            | (1.9)         | (2.5)         | (1.4)         |
| LSI Business                       | (0.0)               | 1.0            | 1.1            | (0.0)                   | 0.0            | 0.0            | 0.0           | (1.0)         | (1.1)         |
| Eliminations and Corporate         | 0.0                 | (0.3)          | 2.4            | 0.6                     | (6.0)          | 1.0            | 0.6           | (5.7)         | (1.4)         |
| <b>Ordinary Income</b>             | <b>145.2</b>        | <b>260.8</b>   | <b>502.9</b>   | <b>112.1</b>            | <b>200.0</b>   | <b>450.0</b>   | <b>(33.1)</b> | <b>(60.8)</b> | <b>(52.9)</b> |
| <b>Extraordinary Profit (Loss)</b> | <b>-</b>            | <b>(0.1)</b>   | <b>(55.7)</b>  | <b>-</b>                | <b>-</b>       | <b>-</b>       | <b>-</b>      | <b>0.1</b>    | <b>55.7</b>   |
| <b>Interest</b>                    | <b>(55.8)</b>       | <b>(99.8)</b>  | <b>(185.3)</b> | <b>(43.3)</b>           | <b>(80.0)</b>  | <b>(180.0)</b> | <b>12.5</b>   | <b>19.8</b>   | <b>5.3</b>    |
| <b>Net Income</b>                  | <b>89.4</b>         | <b>160.8</b>   | <b>261.8</b>   | <b>68.7</b>             | <b>120.0</b>   | <b>270.0</b>   | <b>(20.7)</b> | <b>(40.8)</b> | <b>8.2</b>    |

2. Consolidated financial indices

| Financial Indices         | FY ended March 2008 | FY ending March 2009(e) | Change<br>Full Year |
|---------------------------|---------------------|-------------------------|---------------------|
|                           | Full Year           | Full Year               |                     |
| Return on Sales (ROS) *1  | 14.2%               | 10.2%                   | (4.0%)              |
| Return on Assets (ROA) *2 | 13.0%               | 10.8%                   | (2.2%)              |
| Debt Outstanding          | 1,281.9 bil. yen    | 1,590 bil. yen          | 308.1 bil. yen      |
| Shareholders' Equity      | 1,496.5 bil. yen    | 1,600 bil. yen          | 103.5 bil. yen      |
| D/E Ratio                 | 85.7%               | 99.4%                   | 13.7%               |
| D/E Ratio*3               | 61.4%               | 74.8%                   | 13.4%               |

\*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 | 7.69(e) | 15.4(e) |      |      |       |           |
|                      | Consolidated | 8.70 | 8.50(e) | 17.2(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 | 7.18(e) | 14.1(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(e) | 43(e) |      |      |      |           |

4. Foreign Exchange Rate (Yen/US dollar)

|                      |  | 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 | 105(e) | 104(e) |       |       |       |           |

JFE reported an export surplus of approximately 0.7 billion USD for the FY ended March 2008.

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 | 107(e) | 97(e) |      |      |      |           |

6. Engineering business orders

|                                        |               |
|----------------------------------------|---------------|
|                                        | (billion yen) |
| FY ended March 2008                    | 290.2         |
| FY ending March 2009(e)                | 320.0         |
| (including inter-segment transactions) |               |

7. Shipbuilding business orders

|                                        |               |
|----------------------------------------|---------------|
|                                        | (billion yen) |
| FY ending March 2009(e)                | 135.0         |
| (including inter-segment transactions) |               |

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

| <u>Debt outstanding</u> |               | <u>Interest expense</u> |               |
|-------------------------|---------------|-------------------------|---------------|
| As of                   | (billion yen) | FY ended March 2008     | (billion yen) |
| Sept. 30, 2007          | 1,261.0       | 1H                      | (8.8)         |
| March 31, 2008          | 1,281.9       | Full year               | (18.0)        |
| March 31, 2009          | 1,590(e)      | FY ending March 2009    |               |
|                         |               | Full year               | (23)(e)       |

9. 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)      |

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

| (billion yen)                              |         | <u>FY March 2008</u> | ⇒ | <u>FY March 2009</u> |
|--------------------------------------------|---------|----------------------|---|----------------------|
| Steel segment                              | (48.9)  | 508.9                | ⇒ | 460.0                |
| Cost reduction                             | 70.0    |                      |   |                      |
| Raw material                               | (870.0) |                      |   |                      |
| Sales volume and price                     | 710.0   |                      |   |                      |
| Depreciation and amortization              | (20.0)  |                      |   |                      |
| Unrealized holding gains<br>on inventories | 40.0    |                      |   |                      |
| Others                                     | 21.1    |                      |   |                      |
| Engineering segment                        | 12.0    | <u>(11.0)</u>        | ⇒ | <u>1.0</u>           |
| Shipbuilding segment                       | (12.0)  | -                    | ⇒ | (12.0)               |
| Urban development segment                  | (1.4)   | 1.4                  | ⇒ | 0.0                  |
| LSI segment                                | (1.1)   | 1.1                  | ⇒ | 0.0                  |

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