

Financial Results for the Fiscal Year ended March 31, 2010

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

April 21, 2010

Company name:	JFE Holdings, Inc.
Stock exchanges on which shares are listed:	Tokyo, Osaka and Nagoya stock exchanges in Japan
Code number:	5411
URL:	http://www.jfe-holdings.co.jp/en/
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Date of an annual meeting of shareholders: June 28, 2010

1. Highlights of Consolidated Results for the Fiscal Year ended March 31, 2010

(1) Statements of Income

	Net sales (Millions of yen)	(% of change from previous year)	Operating income (Millions of yen)	(% of change from previous year)	Ordinary income (Millions of yen)	(% of change from previous year)
Fiscal Year ended March 31, 2010	2,844,356	(27.2)	88,775	(78.2)	69,289	(82.7)
Fiscal Year ended March 31, 2009	3,908,282	10.4	407,806	(20.1)	400,562	(20.4)

	Net income (Millions of yen)	(% of change from previous year)	Net income per share (yen)	Net income per share (fully diluted) (yen)	ROE %	ROA (Ordinary income divided by total assets) %	ROS (Operating income divided by net sales) %
Fiscal Year ended March 31, 2010	45,659	(76.5)	86.35	86.26	3.3	1.7	3.1
Fiscal Year ended March 31, 2009	194,229	(25.8)	355.64	338.36	13.7	9.4	10.4

Note: Equity in earnings of affiliates (Millions of yen) As of March 31, 2010 6,442
As of March 31, 2009 22,867

(2) Balance Sheets

	Total assets (Millions of yen)	Net assets (Millions of yen)	Equity capital ratio %	Net assets per share (yen)
Fiscal Year ended March 31, 2010	3,918,317	1,465,898	36.3	2,689.88
Fiscal Year ended March 31, 2009	4,328,901	1,378,041	30.9	2,526.26

Note: Shareholders' equity (Millions of yen) As of March 31, 2010 1,422,250
As of March 31, 2009 1,335,895

(3) Statements of Cash Flows

	Net cash provided by operating activities (Millions of yen)	Net cash used in investing activities (Millions of yen)	Net cash used in financing activities (Millions of yen)	Cash and cash equivalents at end of the year (Millions of yen)
Fiscal Year ended March 31, 2010	389,548	(236,725)	(321,617)	32,342
Fiscal Year ended March 31, 2009	243,712	(350,136)	260,065	206,605

2. Dividends

	Dividend per share (yen)			Total dividend payout (Millions of yen)	Dividend payout Ratio (Consolidated) %	Dividend per net assets (Consolidated) %
	Interim	Year-end	Year-end			
Fiscal Year ended March 31, 2009	90.00	60.00	30.00	49,015	25.3	3.5
Fiscal Year ended March 31, 2010	20.00	0.00	20.00	10,582	23.2	0.8
Fiscal Year ending March 31, 2011 (estimate)	undecided	undecided	undecided	undecided	undecided	undecided

3. Forecasts of Consolidated Financial Results for Fiscal Year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)

The company has decided to refrain from publishing consolidated financial results forecasts for the fiscal year ending March 31, 2011 because forecasting with any reasonable degree of accuracy is not possible at this stage. For more information about this decision, please refer to "Forecast for Fiscal Year ending March 31, 2011" on page 4.

4. Others

1. Significant change in subsidiaries during the term (change in designated subsidiaries resulting in adjustment to the scope of consolidation): No

2. Changes in the principles, procedures and presentation method for accounting treatment in the preparation of consolidated financial statements

1) Changes resulting from amendments to accounting standards: Yes

2) Changes other than 1) above: No

3. Number of outstanding shares (common stock)

1) Outstanding shares at the end of term (including treasury stock)

As of March 31, 2010: 614,438,399 shares

As of March 31, 2009: 614,438,399 shares

2) Treasury stock at the end of term

As of March 31, 2010: 85,698,154 shares

As of March 31, 2009: 85,633,905 shares

Explanation of appropriate use of results forecasts, and other matters of note

1. 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 "Analysis of Business Results" on page 3.

2. Regarding the dividend payment forecasts for the fiscal year ending March 31, 2011, current uncertainties about the prospects for the global economy present a significant impediment to credible forecasting, as described in "Forecast for Fiscal Year ending March 31, 2011" on page 4. As soon as a more accurate reading of the business climate is possible, the company will announce its plan for dividend payments in accordance with the policy described in "Basic Guidelines on Profit Distributions and Dividends for Fiscal Year ended March 31, 2010 and Fiscal Year ending March 31, 2011" on page 5.

1. Business Results

1) Analysis of Business Results

Performance in Fiscal Year ended March 31, 2010

The JFE Group, guided by its corporate mission of contributing to society with the world's most innovative technology, continued to achieve sustainable growth and improved corporate value for its shareholders and all other stakeholders.

When the global great recession took hold two years ago, the group rapidly implemented extensive cost reductions. At the same time, both production and sales were broadly adjusted to match declines in demand. This included the idling of two blast furnaces by JFE Steel Corporation. Thereafter, however, the group quickly capitalized on rising demand in fast-recovering Asian emerging economies, focusing on exports of high grade steel to these markets. As a result of such actions, JFE Holdings achieved a current-account surplus despite the severe business environment in the fiscal year ended March 31, 2010.

In full-year results broken down by business segment, steel business saw consolidated crude steel production decline year on year to 28.35 million tons. Demand decreased both in Japan and overseas in the first half of the fiscal year, although upward momentum was seen in the second half. Net sales fell to 2,281.4 billion yen as sales volumes and prices contracted. Ordinary income declined to 32.3 billion yen despite lower raw-material prices and efforts to improve earnings.

Engineering business saw net sales fall to 294.2 billion yen in the recessionary business environment. Ordinary income, however, rose to 13.3 billion yen thanks to the reduction of fixed costs through the restructuring and consolidation of group companies and the reduction of project costs.

Shipbuilding business increased net sales to 286.7 billion yen, largely the result of delivering 32 new vessels and partly due to the expanded application of percentage-of-completion accounting. Ordinary income grew to 21.5 billion yen, underpinned by company-wide efforts to improve earnings.

Urban development business net sales climbed to 26.9 billion yen due mainly to increased delivery of condominiums. An ordinary loss of 1.8 billion yen, however, reflected the condominium market's overall downward trend despite improvement seen during the year.

LSI business net sales fell to 24.6 billion yen due to the chronically tight market. An ordinary loss of 900 million yen was less than in the previous year, the result of reducing fixed costs by strengthening business structure.

On a consolidated basis, together with JFE Holdings' non-consolidated results, the company recorded net sales of 2,844.3 billion yen, operating income of 88.7 billion yen and ordinary income of 69.2 billion yen, all declines from the previous year. An extraordinary loss of 1.6 billion yen resulted in income before income taxes and minority interests of 70.9 billion yen and net income of 45.6 billion yen, which also were decreases.

Forecast for Fiscal Year ending March 31, 2011

The rising demand for steel in China has greatly tightened the availability of raw materials, prompting raw materials suppliers to push for changes in the pricing systems for iron ore and coking coal. The company is currently negotiating such possible changes and related revisions of steel prices. In view of this highly fluid situation, the company has decided not to issue earnings forecasts at this time for the fiscal year ending March 31, 2011. JFE Holdings intends to disclose its earnings forecasts as soon as these hurdles are cleared and suitably accurate forecasting becomes possible, and at the latest will provide an update about this matter when first quarter earnings are announced.

2) Analysis of Financial Position

Analysis of Positions of Assets, Debt, Net Assets and Cash Flow

Total assets at the end of the fiscal year ended March 31, 2010 contracted 410.6 billion yen from the previous year-end to 3,918.3 billion yen, mainly due to declines in inventory assets and cash and deposits. Debt decreased 498.4 billion yen to 2,452.4 billion yen on reduced borrowings and commercial paper. Net assets grew 87.8 billion yen to 1,465.8 billion yen due to increased retained earnings as a result of net income and valuation differences on available-for-sale securities.

Net cash provided by operating activities amounted to 389.5 billion yen and net cash used for investment activities totaled 236.7 billion yen, mainly the result of fixed-asset acquisitions. Aggregate free cash flow totaled 152.8 billion yen.

Cash flow from financing activities included expenditure of 321.6 billion yen mainly due to repayment of long-term borrowings and redemption of commercial paper.

Outstanding debt at the fiscal year-end was 1,468.4 billion yen, down 300.3 billion yen year on year. Outstanding cash and deposits decreased by 186.6 billion yen to 31.3 billion yen.

Cash Flow and Other Financial Indicators

	FY ended March 2006	FY ended March 2007	FY ended March 2008	FY ended March 2009	FY ended March 2010
Return on sales (ROS)	16.7%	15.8%	14.2%	10.2%	2.4%
Return on assets (ROA)	14.6%	14.1%	13.0%	10.0%	2.2%
Outstanding debt	1,162.8 bil. yen	1,180.5 bil. yen	1,281.9 bil. yen	1,768.7 bil. yen	1,468.4 bil. Yen
D/E ratio*	88.7%	78.6%	85.7%	132.4%	103.2%
Shareholders' equity ratio	36.1%	38.8%	35.9%	30.9%	36.3%
Shareholders' equity ratio at market prices	76.6%	106.0%	60.6%	26.2%	50.8%
Debt redemption term	2.9 years	2.8 years	2.9 years	7.3 years	3.8 years
Interest coverage ratio	23.9 times	25.3 times	24.6 times	11.3 times	18.9 times

*In the rating of hybrid bonds having a capital component (unsecured share-warrant convertible bonds with a subordinate purchase option issued in March 2008), if 75% of the 300 billion yen issue price is deemed to be capital, as assessed by rating agencies, the company's D/E ratio was 61.4% on March 31, 2008, 98.9% on March 31, 2009 and 75.5% on March 31, 2010.

Notes:

- Return on sales (ROS) = Ordinary income/Net sales
- Return on assets (ROA) = (Ordinary income + Interest expense)/Total assets¹
- Outstanding debt = Total amount of borrowings, bonds and commercial paper
- D/E ratio = Outstanding debt/Shareholders' equity
- Shareholders' equity ratio = Shareholders' equity/Total assets
- Shareholders' equity ratio at market prices = Market capitalization²/Total assets
- Debt redemption term = Outstanding debt/Operating cash flow³
- Interest coverage ratio = Operating cash flow³/Interest expense⁴

¹(Total assets at beginning of term + Total assets at end of term)/2

²Market capitalization is calculated as term-end market prices multiplied by term-end outstanding shares.

³Operating cash flow corresponds to cash flow from operating activities on the consolidated cash flow statement.

⁴Interest expense corresponds to interest payments on the consolidated cash flow statement.

3) Basic Guidelines on Profit Distributions and Dividends for Fiscal Year ended March 31, 2010 and Fiscal Year ending March 31, 2011

JFE Holdings considers the return of profits to shareholders as one of its top priorities. The company's policy is to proactively distribute dividends while maintaining a sound and sustainable operational base for the group. When deciding consolidated payout ratios, the company considers 25% to be a basic, general target. In the fiscal year ended March 31, 2010, however, given the great uncertainty of the global economy, the company placed a near-term priority on maintaining and improving its sound financial standing and making proactive investments to lay the groundwork for future growth.

Accordingly, the company intends to propose at the next General Meeting of Shareholders a year-end dividend of 20 yen per share, resulting in a full-year dividend of 20 yen per share for the fiscal year ended March 31, 2010.

The currently unclear prospects for the global economy represent a significant impediment to accurate forecasting of dividend payouts in the fiscal year ending March 31, 2011. JFE Holdings will announce its plans for dividends after business trends become more firm.

2. Management Policy

- 1) Basic Management Policy**
- 2) Indicators Serving as Business Targets**
- 3) Medium- and Long-Term Management Strategies**
- 4) Tasks Requiring Attention**

With raw material prices soaring and domestic steel demand not expected to recover, conditions

will remain severe. In reaction to this business environment, JFE intends to boldly pursue growth initiatives in Asia, the key to the group's long-term growth. The strategy includes a number of important measures, including expanding sales capacity, deepening existing alliances, developing new alliances, making investments and securing financing necessary for strong growth, and carrying out major thrusts to capture expanding overseas markets with speed and assurance. The strategy also involves further strengthening of JFE's financial position to ensure that the group has the necessary flexibility.

As part of the JFE mission to contribute to society with the world's most innovative technology, products that offer value both to customers and society will be developed at an accelerated pace, and both "Only One" and "Number One" technologies and products will be further developed for each business segment of the JFE Group.

JFE's current management policy is not described here in detail because it has not changed significantly since it was announced together with earnings for the fiscal year ended March 31, 2009 (released on April 24, 2009). The announcement can be viewed at www.jfe-holdings.co.jp/en or the website of the Tokyo Stock Exchange www.tse.or.jp/listing/compsearch.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

	As of Mar. 31, 2010	(Millions of yen) As of Mar. 31, 2009
(Assets)		
Current assets:		
Cash and deposits	31,334	217,990
Notes and accounts receivable	497,500	535,199
Merchandise and finished goods	233,485	238,798
Work in process	64,695	182,996
Raw materials and supplies	326,276	406,539
Deferred tax assets	61,065	52,301
Other current assets	117,429	128,171
Allowance for doubtful accounts	(894)	(876)
Total current assets	1,330,893	1,761,121
Property, plant and equipment, net:		
Buildings and structures, net	435,137	446,922
Machinery and equipment, net	703,299	748,746
Land	528,056	531,601
Construction in progress	100,848	76,280
Other property, plant and equipment, net	32,828	39,681
Total property, plant and equipment, net	1,800,170	1,843,232
Intangible assets	69,830	79,786
Investments and other assets:		
Investments in securities	565,053	448,014
Deferred tax assets	50,034	93,214
Other assets	106,873	107,274
Allowance for doubtful accounts	(5,964)	(5,576)
Total investments and other assets	715,996	642,927
Deferred assets	1,426	1,834
Total assets	3,918,317	4,328,901

	As of Mar. 31, 2010	(Millions of yen) As of Mar. 31, 2009
(Liabilities and shareholders' equity)		
Current liabilities:		
Notes and accounts payable	344,336	352,315
Short-term borrowings	133,802	188,918
Commercial paper	13,997	175,935
Current portion of corporate bonds	70,000	40,000
Current portion of bonds with subscription rights to shares	-	8,049
Income tax payable	-	48,043
Allowance for losses on construction projects	-	26,401
Other current liabilities	368,870	451,295
Total current liabilities	931,006	1,290,961
Long-term liabilities:		
Corporate bonds	269,996	259,994
Convertible bonds	300,000	300,000
Long-term borrowings	680,677	795,849
Deferred tax liability	8,155	7,703
Deferred tax liabilities on revaluation reserve	12,397	14,366
Accrued retirement benefits	135,086	144,586
Reserve for rebuilding furnaces	34,134	41,778
Allowance for losses on specific business	39,519	44,711
Other long-term liabilities	41,444	50,908
Total long-term liabilities	1,521,411	1,659,899
(Net assets)		
Owners' equity:		
Common stock	147,143	147,143
Capital surplus	657,258	657,387
Retained earnings	1,039,399	1,005,066
Treasury stock, at cost	(426,602)	(426,649)
Total owners' equity	1,417,198	1,382,947
Valuation and translation adjustments:		
Net unrealized gains on securities	33,392	(12,575)
Deferred earnings on hedges	(52)	(1,221)
Revaluation reserve for land, net of tax	12,004	14,755
Translation adjustments	(40,292)	(48,010)
Total valuation and translation adjustments	5,051	(47,052)
Minority interests	43,648	42,145
Total net assets	1,465,898	1,378,041
Total liabilities and net assets	3,918,317	4,328,901

(2) Consolidated Statements of Income

	Fiscal Year ended Mar. 31, 2010	(Millions of yen) Fiscal Year ended Mar.31, 2009
Net sales	2,844,356	3,908,282
Cost of sales	2,505,746	3,199,268
Selling, general and administrative expenses	249,835	301,207
Operating income	88,775	407,806
Non-operating income:		
Interest income	619	1,233
Dividends received	6,699	9,003
Rents receivable	7,009	7,024
Profit on inventories	4,269	13,023
Equity in earnings of affiliates	6,442	22,867
Other, net	15,030	8,737
Non-operating loss:		
Interest expense	19,463	22,506
Foreign exchange loss	6,930	-
Loss on disposal/sales of property, plant and equipment	12,665	19,540
Other, net	20,496	27,086
Ordinary income	69,289	400,562
Extraordinary profit:		
Profit on sales of property, plant and equipment, etc.	3,563	-
Profit on sales of investments in securities	4,996	13,788
Profit on sales of shares of affiliate companies	-	3,256
Total	8,559	17,044
Extraordinary loss:		
Loss on impairment of property, plant and equipment	3,242	21,265
Write-down of investments in securities	-	55,268
Extraordinary retirement benefit	3,652	-
Cost of structural reform of LSI business	-	6,568
Loss related to relocation/integration of headquarters, etc.	-	3,465
Total	6,895	86,568
Income before income taxes and minority interests	70,952	331,038
Income taxes:		
Current	17,015	131,212
Deferred	4,404	5,396
Minority interests	3,873	199
Net income	45,659	194,229

(3) Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Fiscal Year ended Mar. 31, 2010	Fiscal Year ended Mar. 31, 2009
Owners' equity:		
Common stock:		
Balance at the beginning of the period	147,143	147,143
Changes during current period:		
Common stock issue (Exercise of subscription rights to shares)	-	-
Total current changes	-	-
Balance at the end of the period	147,143	147,143
Capital surplus:		
Balance at the beginning of the period	657,387	657,597
Changes during current period:		
Common stock issue (Exercise of subscription rights to shares)	-	-
Disposal of treasury stock	(128)	(209)
Total current changes	(128)	(209)
Balance at the end of the period	657,258	657,387
Retained earnings (Deficit):		
Balance at the beginning of the period	1,005,066	897,969
Changes in accounting standards in overseas consolidated subsidiaries	-	(10,507)
Changes during current period:		
Dividends	(15,876)	(67,422)
Net income	45,659	194,229
Disposal of treasury stock	-	(153)
Increase by newly consolidated or deconsolidated subsidiaries	1,798	-
Decrease by newly consolidated or deconsolidated subsidiaries	-	-
Transfer from land revaluation account	2,750	(9,049)
Decrease due to assets revaluation of the subsidiary in Thailand	-	-
Total current changes	34,332	117,604
Balance at the end of the period	1,039,399	1,005,066
Treasury stock, at cost:		
Balance at the beginning of the period	(426,649)	(270,927)
Changes during current period:		
Acquisition of treasury stock	(323)	(156,483)
Disposal of treasury stock	370	761
Total current changes	46	(155,722)
Balance at the end of the period	(426,602)	(426,649)

	Fiscal Year ended Mar. 31, 2010	(Millions of yen) Fiscal Year ended Mar. 31, 2009
Total shareholders' equity:		
Balance at the beginning of the period	1,382,947	1,431,782
Changes in accounting standards in overseas consolidated subsidiaries	-	(10,507)
Changes during current period:		
Common stock issue (Exercise of subscription rights to shares)	-	-
Dividends	(15,876)	(67,422)
Net income	45,659	194,229
Acquisition of treasury stock	(323)	(156,483)
Disposal of treasury stock	241	398
Increase by newly consolidated or deconsolidated subsidiaries	1,798	-
Decrease by newly consolidated or deconsolidated subsidiaries	-	-
Transfer from land revaluation account	2,750	(9,049)
Total current changes	34,250	(38,327)
Balance at the end of the period	1,417,198	1,382,947
Valuation and translation adjustments:		
Net unrealized gains on securities:		
Balance at the beginning of the period	(12,575)	72,491
Changes during current period:		
Net changes of items other than shareholders' equity	45,968	(85,067)
Total current changes	45,968	(85,067)
Balance at the end of the period	33,392	(12,575)
Deferred earnings on hedges:		
Balance at the beginning of the period	(1,221)	(469)
Changes during current period:		
Net changes of items other than shareholders' equity	1,168	(751)
Total current changes	1,168	(751)
Balance at the end of the period	(52)	(1,221)
Revaluation reserve for land, net of tax:		
Balance at the beginning of the period	14,755	5,658
Changes during current period:		
Net changes of items other than shareholders' equity	(2,750)	9,096
Total current changes	(2,750)	9,096
Balance at the end of the period	12,004	14,755
Translation adjustments:		
Balance at the beginning of the period	(48,010)	(12,949)
Changes during current period:		
Net changes of items other than shareholders' equity	7,718	(35,060)
Total current changes	7,718	(35,060)
Balance at the end of the period	(40,292)	(48,010)

	Fiscal Year ended Mar. 31, 2010	(Millions of yen) Fiscal Year ended Mar. 31, 2009
Total valuation and translation adjustments:		
Balance at the beginning of the period	(47,052)	64,731
Changes during current period:		
Net changes of items other than shareholders' equity	52,104	(111,783)
Total current changes	52,104	(111,783)
Balance at the end of the period	5,051	(47,052)
Minority interests:		
Balance at the beginning of the period	42,145	45,167
Changes during current period:		
Net changes of items other than shareholders' equity	1,502	(3,021)
Total current changes	1,502	(3,021)
Balance at the end of the period	43,648	42,145
Total net assets:		
Balance at the beginning of the period	1,378,041	1,541,680
Changes in accounting standards in overseas consolidated subsidiaries	-	(10,507)
Changes during current period:		
Common stock issue (Exercise of subscription rights to shares)	-	-
Dividends	(15,876)	(67,422)
Net income	45,659	194,229
Acquisition of treasury stock	(323)	(156,483)
Disposal of treasury stock	241	398
Increase by newly consolidated or deconsolidated subsidiaries	1,798	-
Transfer from land revaluation account	2,750	(9,049)
Net changes of items other than shareholders' equity	53,606	(114,804)
Total current changes	87,857	(153,132)
Balance at the end of the period	1,465,898	1,378,041

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended Mar. 31, 2010	Fiscal Year ended Mar. 31, 2009
Cash flows from operating activities:		
Income before income taxes and minority interests	70,952	331,038
Depreciation and amortization	248,374	247,774
Changes in reserves	(48,903)	(9,014)
Interest and dividend income	(7,318)	(10,236)
Interest expense	19,463	22,506
Profit on sales of property, plant and equipment	-	-
Profit on sales of shares of affiliate companies	-	-
Loss on impairment of property, plant and equipment	-	-
Write-down of investments in securities	-	-
Loss on liquidation of affiliates	-	-
Provision for allowance for losses from lawsuits	-	-
Provision for allowance for losses on specific business	-	-
Changes in accounts receivable	(13,739)	34,863
Changes in operating receivables and trade liabilities	-	-
Changes in inventories	200,622	(110,769)
Changes in accounts payable	6,974	(134,847)
Other, net	21,444	45,064
Sub total	497,870	416,378
Interest and dividend income received	11,305	20,726
Interest paid	(20,567)	(21,550)
Income taxes paid	(99,059)	(171,842)
Other, net	-	-
Net cash provided by operating activities	389,548	243,712
Cash flows from investing activities:		
Payments for purchase of property, plant, equipment and intangible assets	(233,441)	(291,667)
Proceeds from sales of property, plant, equipment and intangible assets	8,628	4,490
Payments for purchase of investments in securities	(52,452)	(77,521)
Proceeds from sales of investments in securities	7,561	19,856
Other, net	32,978	(5,295)
Net cash used in investing activities	(236,725)	(350,136)

(Millions of yen)

	Fiscal Year ended Mar. 31, 2010	Fiscal Year ended Mar. 31, 2009
Cash flows from financing activities:		
Net income (decrease) in short-term borrowings	2,350	(1,770)
Changes in commercial paper	(161,938)	144,957
Changes in short-term borrowings and commercial paper	-	-
Proceeds from long-term borrowings	11,367	500,907
Repayments of long-term borrowings	(180,948)	(174,103)
Issuance of corporate bond	80,000	100,000
Redemption of corporate bonds	(48,040)	(80,000)
Acquisition of treasury stock	(287)	(154,350)
Payments for dividends by parent company	(16,183)	(67,379)
Other, net	(7,937)	(8,194)
Net cash used in financing activities	(321,617)	260,065
Effect of exchange rate change on cash and cash equivalents	(5,436)	653
Net decrease in cash and cash equivalents	(174,231)	154,296
Cash and cash equivalents at beginning of the year	206,605	52,178
Changes in cash and cash equivalents by newly consolidated or deconsolidated subsidiaries	(32)	131
Cash and Cash equivalents at end of the year	32,342	206,605

(5) Note pertaining to the presumption of going concern

There are no items this period.

(6) Significant accounting policies for preparing consolidated financial statements

1) Changes in consolidation scope and application of the equity method

a) Number of consolidated subsidiaries: 198

Added: 8

Excluded: 18

b) Companies accounted for by the equity method: 41

Added: 4

Excluded: 2

2) Changes in accounting standards

a) Revenue recognition

For construction contracts, earnings from work deemed to be certain of achieving progress by the end of the fiscal year are posted under the percentage-of-completion method (percentage of completion estimated using the cost percentage method). Otherwise earnings are posted under the completed-contract method.

Except for "Changes in consolidation scope and application of the equity method" and "Changes in accounting standards" above, items are omitted for any information that did not change significantly since the annual securities report was submitted on June 25, 2009.

(7) Changes in significant items concerning preparation of consolidated financial statements

1) Revenue recognition

Previously, earnings from engineering construction projects were posted with the percentage-of-completion method if a contract lasted longer than one year and had a value in excess of 100 million yen; otherwise earnings were posted with the completed-contract method. Earnings from shipbuilding construction projects lasting longer than one year and having a contract value in excess of 1 billion yen also were posted with the percentage-of-completion method; otherwise they were posted using the completed-contract method.

Beginning from the fiscal year under review, however, consolidated earnings are posted in accordance with the Accounting Standard for Construction Contracts (ASBJ Statement No.15, December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No.18, December 27, 2007). For construction contracts launched during the fiscal year under review, earnings from work deemed to be certain of achieving progress by the end of the fiscal year are posted under the percentage-of-completion method (percentage of completion estimated using the cost percentage method); otherwise earnings are posted under the completed-contract method.

The effects of these changes on earnings for the fiscal year ended March 31, 2010 include an increase of 103,020 million yen in net sales and increases of 17,581 million yen each in operating

income, ordinary income and net income before income taxes and minority interests.

2) Application of partial amendments to Accounting Standard for Retirement Benefits (Part 3)

Beginning from the fiscal year under review, partial amendments are applied to the Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No.19, July 31, 2008). The application of these amendments, however, does not change the amount of projected benefit obligation.

Changes in presentation

In the consolidated balance sheets, "income tax payable" and "allowance for losses on construction projects," which had been presented separately under "current liabilities" in the fiscal year that ended on March 31, 2009, are included in "other current liabilities" under "current liabilities" in the fiscal year under review. Income tax payable amounted to 10,183 million yen and the allowance for losses on construction projects amounted to 4,037 million yen.

In the consolidated statements of income for the fiscal year under review, "foreign exchange loss" is presented separately under "non-operating loss." For the fiscal year that ended on March 31, 2009, "foreign exchange loss" was included in "other, net" under "non-operating loss," and amounted to 4,354 million yen.

(Supplementary Information)

1. Consolidated Results for the Fiscal Year ended March 31, 2010

(Billions of yen)

Items	FY ended March 2009	FY ended March 2010			Change	
		Through 3rd Quarter (Apr-Dec)	4th Quarter (Jan-Mar)	Full Year (Apr-Mar)		
Steel Business	3,423.3	1,650.5	630.8	2,281.4	(1,141.9)	(33.4)%
Engineering Business	338.2	190.5	103.6	294.2	(44.0)	(13.0)%
Shipbuilding Business	181.4	205.5	81.1	286.7	105.3	58.0%
Urban Development Business	25.1	16.0	10.8	26.9	1.8	7.2%
LSI Business	27.8	18.5	6.1	24.6	(3.2)	(11.5)%
Eliminations and Corporate	(87.8)	(49.6)	(20.0)	(69.7)	18.1	-
Net Sales	3,908.2	2,031.7	812.5	2,844.3	(1,063.9)	(27.2)%
Operating Income (Loss)	407.8	15.3	73.4	88.7	(319.1)	(78.2)%
Other Income (Expenses)	(7.2)	(19.6)	0.1	(19.4)	(12.2)	-
Steel Business	412.5	(29.9)	62.2	32.3	(380.2)	(92.2)%
Engineering Business	9.9	6.7	6.6	13.3	3.4	34.3%
Shipbuilding Business	(14.9)	16.2	5.3	21.5	36.4	-
Urban Development Business	(3.7)	(1.5)	(0.2)	(1.8)	1.9	-
LSI Business	(4.2)	0	(0.9)	(0.9)	3.3	-
Eliminations and Corporate	0.9	4.0	0.6	4.7	3.8	-
Ordinary Income (Loss)	400.5	(4.3)	73.5	69.2	(331.3)	(82.7)%
Extraordinary Profit (Loss)	(69.5)	(6.4)	8.1	1.6	71.1	-
Income before income taxes and minority interests (Loss)	331.0	(10.7)	81.7	70.9	(260.1)	(78.6)%
Tax Expense and Minority Interest	(136.8)	9.4	(34.7)	(25.2)	111.6	-
Net Income (Loss)	194.2	(1.3)	47.0	45.6	(148.6)	(76.5)%

2. Consolidated financial indices

Financial Indices	FY ended March 2009	FY ended March 2010	Change
Return on Sales (ROS) *1	10.2%	2.4%	(7.8)%
Return on Assets (ROA) *2	10.0%	2.2%	(7.8)%
Debt Outstanding	1,768.7 billion yen	1,468.4 billion yen	(300.3) billion yen
Shareholders' Equity	1,335.8 billion yen	1,422.2 billion yen	86.4 billion yen
D/E Ratio	132.4%	103.2%	(29.2)%
D/E Ratio*3	98.9%	75.5%	(23.4)%

*1 ROS = Ordinary Income / Net Sales

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

*3 D/E ratio in the rating of hybrid bonds having a capital component (unsecured share-warrant convertible bonds with a subordinate purchase option issued in March 2008), with 75% of the 300 billion yen issue price deemed to be capital, as assessed by rating agencies.

(Reference)

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2009	Parent Consolidated	7.71	7.78	15.49	6.48	4.58	11.06	26.55
		8.70	8.58	17.28	7.03	4.97	12.00	29.28
FY ended March 2010	Parent Consolidated	5.12	6.90	12.01	6.95	6.87	13.81	25.83
		5.72	7.56	13.28	7.59	7.48	15.08	28.35

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

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2009	6.92	7.22	14.14	6.02	4.90	10.92	25.06
FY ended March 2010	4.34	6.28	10.62	6.20	6.36	12.56	23.18

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 2009	41.6	44.9	43.4	39.2	39.7	39.4	41.6
FY ended March 2010	42.3	47.7	45.3	45.4	46.3	45.8	45.6

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

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY ended March 2009	103.4	108.0	105.7	99.2	92.8	96.0	100.8
FY ended March 2010	97.5	94.7	96.1	89.5	90.4	90.0	93.0

JFE reported an export surplus of approximately 0.2 billion USD for the FY ended March 2010.

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 2009	87.6	109.1	98.5	108.8	97.7	103.8	100.8
FY ended March 2010	75.8	67.9	71.1	69.2	69.6	69.4	70.2

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

(billion yen)

FY ended March 2010	279.2	15.0% decrease from previous year
Backlog as of March 31, 2010	260.4	8.2% decrease from previous year

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

(billion yen)

FY ended March 2010	59.4	41.7% decrease from previous year
Backlog as of March 31, 2010	478.9	32.2% decrease from previous year

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

(billion yen)

	FY ended March 2010
Profit on sales of property, plant and equipment, etc.	3.5
Profit on sales of investments in securities	4.9
Loss on impairment	(3.2)
Extraordinary retirement benefit	(3.6)*
Total	1.6

* Expenditure of incremental benefits to retirees relating to structural reform of LSI business

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

<u>Debt outstanding</u>		<u>Interest expense</u>	
As of	(billion yen)		(billion yen)
March 31, 2009	1,768.7	FY ended March 31, 2009	(22.5)
March 31, 2010	1,468.4	FY ended March 31, 2010	(19.4)
<u>Cash and deposits</u>			
As of	(billion yen)		
March 31, 2009	217.9		
March 31, 2010	31.3		

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

(billion yen)		
	FY March 2010	
Capital investment	225.2	(on construction basis)
Depreciation	248.3	

11. Number of employees (JFE Holdings on a consolidated basis)

As of	
March 31, 2009	56,547
March 31, 2010	53,892

12. Breakdown of changes in ordinary income (FY March 2010 compared to FY March 2009)

		(billion yen)	
		<u>FY March 2009</u>	<u>FY March 2010</u>
Steel Business	(380.2)	412.5	⇒ 32.3
Cost reductions	120.0		
Raw materials	290.0		
Sales volume and price/mix	(600.0)		
Unrealized holding gains on inventories	(137.0)		
Others	(53.2)		
Engineering Business	3.4	9.9	⇒ 13.3

Ordinary income rose to 13.3 billion yen due mainly to improved gross profit by improving sales prices and reducing variable costs, and reduced fixed costs despite the decline in income by decreased sales.

Shipbuilding Business	36.4	(14.9)	⇒ 21.5
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Ordinary income grew to 21.5 billion yen due mainly to a decreased allowance for losses on construction contracts, reflecting improved earnings from higher productivity and lower costs of materials and equipment.

Urban Development Business	1.9	(3.7)	⇒ (1.8)
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Posted an ordinary loss of 1.8 billion yen, despite some improvement, due to the condominium market's continuously protracted slump.

LSI Business	3.3	<u>FY March 2009</u> (4.2)	⇒	<u>FY March 2010</u> (0.9)
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Posted an ordinary loss of 0.9 billion yen, up 3.3 billion yen, due to reduced fixed costs despite the chronically tight market.

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