

JFE Holdings' Financial Results for Fiscal Year 2016 ended March 31, 2017

— All financial information has been prepared in accordance with generally accepted accounting principles in Japan. —
(Note: The following is an English translation of an original Japanese document.)

April 27, 2017

Official name: Listings: Code: English URL: Representative: Contact: Phone: Annual shareholders meeting (planned) Dividend payment starting date: Scheduled date to submit securities report: Preparation of supplementary materials for quarterly results: Quarterly results briefing:	JFE Holdings, Inc. Tokyo and Nagoya stock exchanges 5411 www.jfe-holdings.co.jp/en Eiji Hayashida, President and CEO Hidetsugu Tawara, Manager, Public Relations Section, Investor Relations and Corporate Communications Department +81-3-3597-3842 June 23, 2017 June 26, 2017 June 23, 2017 Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in Fiscal 2016 (April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results (cumulative total)

	Net sales (million yen)	Year-on-year change (%)	Operating profit (million yen)	Year-on-year change (%)	Ordinary profit (million yen)	Year-on-year change (%)	Profit attributable to owners of parent (million yen)	Year-on-year change (%)
FY 2016	3,308,992	(3.6)	96,746	6.7	84,735	31.9	67,939	101.9
FY 2015	3,431,740	(10.9)	90,638	(59.3)	64,239	(72.2)	33,657	(75.8)

Note: Comprehensive income: 72,352 million yen in FY 2016 (-)
(97,161 million yen) in FY 2015 (-)

	Net income per share (yen)	Net income per share (fully diluted; yen)	ROE (%)	ROA (ordinary profit divided by total assets; %)	ROS (operating profit divided by net sales; %)
FY 2016	117.81	-	3.7	2.0	2.9
FY 2015	58.36	-	1.8	1.4	2.6

Note: Equity in earnings of affiliates: 12,006 million yen in FY 2016
(8,821 million yen) in FY 2015

(2) Consolidated Financial Position

	Total assets (million yen)	Net assets (million yen)	Equity capital ratio (%)	Net assets per share (yen)
FY 2016	4,336,069	1,921,809	43.0	3,235.88
FY 2015	4,234,884	1,857,921	42.6	3,128.36

Note: Shareholders' equity: 1,865,836 million yen as of March 31, 2017
1,804,196 million yen as of March 31, 2016

(3) Consolidated Statement of Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
FY 2016	185,481	(163,799)	(18,159)	69,383
FY 2015	267,102	(137,321)	(144,561)	63,873

(million yen)

2. Dividends

	Dividend per share (yen)		Total dividend payout (million yen)	Dividend payout ratio (consolidated; %)	Dividend per net assets (consolidated; %)
	Interim	Year-end			
FY 2015	30.00	20.00	17,308	51.4	0.9
FY 2016	30.00	0.00	17,303	25.5	0.9
FY 2017 (forecast)	-	-	-	-	-

Note: Total dividend payout for fiscal 2017 is yet to be determined.

3. Forecasts of Consolidated Financial Results in Fiscal 2017 (April 1, 2017 to March 31, 2018)

The company has decided to refrain from publishing consolidated financial results forecasts for fiscal 2017 because forecasting with any reasonable degree of accuracy is not possible at this stage. For details, please refer to “(4) Forecast for Fiscal 2017” on page 3 of the attached document.

Notes

- Significant changes in subsidiaries during the term (changes in designated subsidiaries resulting in changes in consolidated structure): No
- Changes in accounting policies, accounting estimates and restatements
 - Changes in the accounting policies resulting from amendments to accounting standards: Yes
 - Changes other than 1) above: No
 - Changes in accounting estimates: No
 - Restatements: NoNote: For more details, see “(5) Notes to Consolidated Financial Statement/Changes in Accounting Policies” on page 12 of the attached document.
- Number of outstanding shares (common stock)
 - Outstanding shares at the end of term (including treasury stock)
 - As of March 31, 2017: 614,438,399 shares
 - As of March 31, 2016: 614,438,399 shares
 - Treasury stock at the end of term
 - As of March 31, 2017: 37,829,548 shares
 - As of March 31, 2016: 37,714,629 shares
 - Average number of shares during the term (quarterly consolidated cumulative period)
 - FY 2016: 576,686,872 shares
 - FY 2015: 576,740,541 shares

This report is not subject to auditing.

Explanation of Appropriate Use of Results Forecasts, and Other Matters of Note

- 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 “(4) Forecasts for Fiscal 2017” on page 3 of the attached document.
- Notes to the financial results can be viewed at the JFE Holdings website.

Attachments

1. Qualitative Information.....	2
(1) Overview of Business Results	2
(2) Overview of Financial Position.....	3
(3) Overview of Cash Flow in Fiscal 2016.....	3
(4) Forecasts for Fiscal 2017	3
2. Basic Rationale for Selection of Accounting Standards	4
3. Consolidated Financial Statements.....	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income.....	7
Consolidated Statements of Income	7
Consolidated Statement of Comprehensive Income.....	8
(3) Consolidated Statement of Changes in Net Assets	9
(4) Consolidated Statement of Cash Flow	11
(5) Notes to Consolidated Financial Statement.....	12
Notes Pertaining to the Presumption of a Going Concern.....	12
Changes in Accounting Policies.....	12
Segment Information.....	13
Per-share Information.....	15
Major Subsequent Events	15
4. Reference.....	16

1. Qualitative Information

(1) Overview of Business Results

JFE Holdings, Inc., guided by its corporate mission of contributing to society with world-leading technology, continued to achieve sustainable growth and improved corporate value for shareholders and other stakeholders.

The Japanese economy in fiscal 2016 experienced an overall gradual recovery, particularly in exports and corporate profits, as well as increased capital investment and improved employment conditions. The global economy recovered moderately on the strength of the United States and other developed countries, but evolving economic policies in the United Kingdom and France and the risk of an economic downturn in China added to uncertainty.

Steel demand showed signs of recovery both within and outside of Japan, but markets did not fully recover due to steel oversupply and problems with demand related to energy in Asia. Business conditions shifted rapidly due to wide fluctuations in the prices of raw materials, especially coking coal.

Under JFE's fifth medium-term business plan, the company has worked steadily in Japan to improve its manufacturing base and reduce costs to strengthen its domestic profit base, leverage its technological advantages to develop new products, and secure and nurture diverse human resources. Overseas, JFE has steadily expanded business from a mid- to long-term perspective. Because of such efforts, both ordinary profit and profit attributable to owners of the parent company increased in FY 2016.

On a consolidated basis, net sales decreased to 3,308.9 billion yen. Operating profit increased to 96.7 billion yen and ordinary profit rose to 84.7 billion yen. Extraordinary income of 20.7 billion yen was recorded. Profit before income taxes came to 105.4 billion yen and profit attributable to owners of the parent company was 67.9 billion yen.

By segment, starting with steel business, crude steel production increased to 30.41 million tons thanks to recovered demand in Japan and overseas. Despite efforts to raise steel sales prices, net sales dropped to 2,349.1 billion yen due to factors such as a stronger yen. Although JFE Steel strived to improve profitability, a large, steep rise in coking coal prices from the autumn of 2016 caused difficulties for the company. Ordinary profit increased to 40.5 billion yen, thanks largely to transient factors such as unrealized gains on inventories.

Engineering business net sales rose substantially to 426.1 billion yen. Ordinary profit of 26.6 billion yen reflected efforts to ensure the profitability of projects awarded in previous years, as well as sales targeting the environmental and energy sectors, and infrastructure projects. Orders received, net sales and ordinary profit all reached record highs.

Trading business net sales declined to 1,671.0 billion yen due to factors such as falling steel sales prices worldwide. JFE Shoji Trade strove to meet steel demand centering on the automotive industry. It also worked to improve the revenues of a group company in North America and steel-manufacturing centers in other overseas locations. Based on such efforts, ordinary profit rose to 21.8 billion yen.

(2) Overview of Financial Position

Total assets at the end of fiscal 2016 (March 31, 2017) increased from the previous year-end by 101.2 billion yen to 4,336.0 billion yen. This was mainly due to an increase in notes and accounts receivable – trade. Liabilities increased by 37.3 billion yen to 2,414.2 billion yen, mainly due to an increase in notes and accounts payable - trade. Net assets increased by 63.9 billion yen to 1,921.8 billion yen, mainly due to an increase in retained earnings.

(3) Overview of Cash Flow in Fiscal 2016

Net cash provided by operating activities amounted to 185.4 billion yen. Net cash used for investment activities totaled 163.7 billion yen, largely for the purchase of non-current assets. Aggregate free cash flow totaled 21.7 billion yen of income. Cash flows from financing activities came to 18.1 billion yen, primarily for payments for dividend by the parent company.

Outstanding debt at the fiscal year-end was 1,375.4 billion yen, down 3.9 billion yen. Outstanding cash and cash equivalents increased by 5.5 billion yen to 69.3 billion yen.

(4) Forecasts for Fiscal 2017

The steel business is forecast to remain robust, backed by a recovery in capital investment and urban development projects in connection with the 2020 Tokyo Olympics and Paralympics. Demand in most overseas markets, except some areas, is also forecast to remain robust. Cyclone Debbie caused significant damage in Australia, clouding the price outlook for key raw materials and preventing the negotiation of coking coal prices from reaching resolution for the April-June quarter.

JFE Steel is striving to raise its sales prices and expects to produce more crude steel than in FY 2016 in response to robust demand. The company aims to achieve accumulative cost reductions of 110.0 billion yen in the three years to FY 2017, which is one of the targets of the JFE Group's fifth medium-term business plan. Other JFE group companies are also forecast to continue reporting robust profits mainly in overseas markets.

JFE Holdings has decided to refrain from publishing consolidated financial results forecasts for fiscal 2017 because forecasting with any reasonable degree of accuracy is not possible at this stage, given that coking coal prices are rising rapidly, coking coal price negotiations for the three month to June remain unsolved, and future trends in steel sales prices are unclear. The company will disclose its forecasts as soon as accurate forecasting becomes possible. An update about this matter will be provided when fiscal 2017 first quarter earnings are announced.

2. Basic Rationale for Selection of Accounting Standards

The JFE Group is reviewing and evaluating the differences between the International Financial Reporting Standards (IFRS) and the Japan Generally Accepted Accounting Principles (JGAAP), as well as the possible effects that adopting the IFRS might have on the Group, and the creation of systems to ensure IFRS implementation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(million yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets:		
Cash and deposits	64,654	69,936
Notes and accounts receivable - trade	720,639	798,058
Merchandise and finished goods	311,234	313,368
Work in progress	43,657	50,834
Raw materials and supplies	402,406	408,728
Other current assets	166,672	169,336
Allowance for doubtful accounts	(1,434)	(1,416)
Total current assets	1,707,829	1,808,846
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	404,636	406,450
Machinery, equipment and vehicles, net	606,546	654,918
Land	497,285	496,678
Construction in progress	85,981	59,982
Other, net	32,736	32,848
Total property, plant and equipment	1,627,186	1,650,879
Intangible assets	81,403	78,368
Investments and other assets:		
Investment securities	394,538	372,196
Shares of subsidiaries and associates	354,639	349,864
Net defined benefit assets	9,103	13,067
Other assets	64,705	65,800
Allowance for doubtful accounts	(4,521)	(2,953)
Total investments and other assets	818,465	797,975
Total non-current assets	2,527,054	2,527,222
Total assets	4,234,884	4,336,069

(million yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities and net assets		
Current liabilities:		
Notes and accounts payable - trade	422,331	446,645
Short-term loans payable	353,382	204,379
Commercial papers	36,000	8,000
Current portion of bonds	20,000	50,000
Other current liabilities	326,471	330,433
Total current liabilities	1,158,185	1,039,458
Non-current liabilities:		
Bonds payable	125,000	75,000
Long-term loans payable	844,990	1,038,089
Deferred tax liabilities for land revaluation	9,121	9,118
Net defined benefit liability	125,283	123,745
Other non-current liabilities	114,381	128,848
Total non-current liabilities	1,218,776	1,374,801
Total liabilities	2,376,962	2,414,259
Net assets		
Shareholders' equity:		
Capital stock	147,143	147,143
Capital surplus	646,380	646,582
Retained earnings	1,065,037	1,126,633
Treasury shares	(178,654)	(178,853)
Total shareholders' equity	1,679,906	1,741,505
Accumulated other comprehensive income:		
Net unrealized gains on securities	101,709	112,545
Deferred gains or losses on hedges	(3,119)	(544)
Revaluation reserve for land	16,328	16,321
Foreign currency translation adjustment	14,503	(3,596)
Remeasurements of defined benefit plans	(5,130)	(395)
Total accumulated other comprehensive income	124,290	124,330
Non-controlling interests	53,724	55,972
Total net assets	1,857,921	1,921,809
Total liabilities and net assets	4,234,884	4,336,069

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statements of Income

	Fiscal 2015	(million yen) Fiscal 2016
Net sales	3,431,740	3,308,992
Cost of sales	3,017,757	2,889,652
Gross profit	413,982	419,339
Selling, general and administrative expenses	323,343	322,593
Operating profit	90,638	96,746
Non-operating income:		
Interest income	1,190	1,474
Dividend income	10,438	9,566
Rent income	7,318	7,178
Profit on inventories	-	5,521
Share of profit of entities accounted for using equity method	-	12,006
Other	16,651	10,053
Total non-operating income	35,598	45,800
Non-operating expenses:		
Interest expenses	12,279	12,613
Foreign exchange losses	5,914	6,039
Loss on retirement of non-current assets	14,446	18,129
Share of loss of entities accounted for using equity method	8,821	-
Other	20,535	21,029
Total non-operating expenses	61,996	57,811
Ordinary profit	64,239	84,735
Extraordinary income:		
Gain on sales of investment securities	15,090	30,145
Total extraordinary income	15,090	30,145
Extraordinary losses:		
Impairment loss	4,993	9,408
Total extraordinary losses	4,993	9,408
Profit before income taxes	74,337	105,472
Income taxes - current	21,629	23,359
Income taxes - deferred	15,054	9,487
Total income taxes	36,684	32,846
Profit	37,652	72,625
Profit attributable to non-controlling interests	3,995	4,685
Profit attributable to owners of parent	33,657	67,939

Consolidated Statement of Comprehensive Income

	Fiscal 2015	(million yen) Fiscal 2016
Profit	37,652	72,625
Other comprehensive income:		
Valuation difference on available-for-sale securities	(90,438)	10,549
Deferred gains or losses on hedges	(2,429)	3,192
Revaluation reserve for land	648	-
Foreign currency translation adjustment	(12,208)	(6,747)
Remeasurements of defined benefit plans, net of tax	(11,967)	4,436
Share of other comprehensive income of entities accounted for using equity method	(18,418)	(11,704)
Total other comprehensive income	(134,814)	(273)
Comprehensive income:	(97,161)	72,352
(breakdown)		
Comprehensive income attributable to owners of parent	(99,629)	67,988
Comprehensive income attributable to non-controlling interests	2,467	4,363

(3) Consolidated Statement of Changes in Net Assets**Fiscal 2015**

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total
Balance at beginning of current period	147,143	647,121	1,066,517	(179,430)	1,681,350
Changes of items during period					
- Dividends			(34,619)		(34,619)
- Profit attributable to owners of parent			33,657		33,657
- Acquisition of treasury stock				(273)	(273)
- Disposal of treasury stock			(527)	1,049	521
- Change in treasury shares arising from change in equity in entities accounted for using equity method				-	-
- Change of scope of equity method			-		-
- Change in ownership interest of parent due to transactions with non-controlling interests		(740)			(740)
- Reversal of revaluation reserve for land			10		10
- Net changes of items other than shareholders' equity					
Total changes of items during period	-	(740)	(1,479)	775	(1,444)
Balance at end of current period	147,143	646,380	1,065,037	(178,654)	1,679,906

	Accumulated other comprehensive income						Non-controlling interests	Total net asset
	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total		
Balance at beginning of current period	194,733	(535)	15,654	41,107	6,626	257,587	51,085	1,990,023
Changes of items during period								
- Dividends								(34,619)
- Profit attributable to owners of parent								33,657
- Acquisition of treasury stock								(273)
- Disposal of treasury stock								521
- Change in treasury shares arising from change in equity in entities accounted for using equity method								-
- Change of scope of equity method								-
- Change in ownership interest of parent due to transactions with non-controlling interests								(740)
- Reversal of revaluation reserve for land								10
- Net changes of items other than shareholders' equity	(93,023)	(2,584)	673	(26,604)	(11,757)	(133,296)	2,639	(130,657)
Total changes of items during period	(93,023)	(2,584)	673	(26,604)	(11,757)	(133,296)	2,639	(132,102)
Balance at end of current period	101,709	(3,119)	16,328	14,503	(5,130)	124,290	53,724	1,857,921

Fiscal 2016

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total
Balance at beginning of current period	147,143	646,380	1,065,037	(178,654)	1,679,906
Changes of items during period					
- Dividends			(5,768)		(5,768)
- Profit attributable to owners of parent			67,939		67,939
- Acquisition of treasury stock				(216)	(216)
- Disposal of treasury stock			(10)	16	6
- Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
- Change of scope of equity method			(572)		(572)
- Change in ownership interest of parent due to transactions with non-controlling interests		202			202
- Reversal of revaluation reserve for land			8		8
- Net changes of items other than shareholders' equity					
Total changes of items during period	-	202	61,596	(199)	61,599
Balance at end of current period	147,143	646,582	1,126,633	(178,853)	1,741,505

	Accumulated other comprehensive income						Non-controlling interests	Total net asset
	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total		
Balance at beginning of current period	101,709	(3,119)	16,328	14,503	(5,130)	124,290	53,724	1,857,921
Changes of items during period								
- Dividends								(5,768)
- Profit attributable to owners of parent								67,939
- Acquisition of treasury stock								(216)
- Disposal of treasury stock								6
- Change in treasury shares arising from change in equity in entities accounted for using equity method								0
- Change of scope of equity method								(572)
- Change in ownership interest of parent due to transactions with non-controlling interests								202
- Reversal of revaluation reserve for land								8
- Net changes of items other than shareholders' equity	10,835	2,575	(6)	(18,099)	4,735	40	2,248	2,288
Total changes of items during period	10,835	2,575	(6)	(18,099)	4,735	40	2,248	63,887
Balance at end of current period	112,545	(544)	16,321	(3,596)	(395)	124,330	55,972	1,921,809

(4) Consolidated Statement of Cash Flow

(million yen)

	Fiscal 2015	Fiscal 2016
Cash flows from operating activities:		
Profit before income taxes	74,337	105,472
Depreciation	177,946	182,638
Changes in allowance	(15,142)	(6,241)
Interest and dividend income	(11,628)	(11,041)
Interest expenses	12,279	12,613
Decrease (increase) in notes and accounts receivable - trade	50,355	(90,601)
Decrease (increase) in inventories	52,960	(17,070)
Increase (decrease) in notes and accounts payable - trade	(24,064)	16,262
Other	(16,989)	2,033
Sub total	300,053	194,066
Interest and dividend income received	17,244	16,324
Interest expenses paid	(12,673)	(12,486)
Income taxes paid	(37,521)	(12,421)
Cash flows from operating activities	267,102	185,481
Cash flows from investing activities:		
Purchase of non-current assets	(205,992)	(226,327)
Proceeds from sales of property, plant, equipment and intangible assets	4,155	1,992
Purchase of investment securities	(29,874)	(9,676)
Proceeds from sales of investment securities	50,051	69,900
Proceeds from capital reduction	30,240	-
Other	14,097	310
Cash flows from investing activities	(137,321)	(163,799)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(6,895)	(5,425)
Increase (decrease) in commercial papers	36,000	(28,000)
Proceeds from long-term loans payable	115,249	291,232
Repayments of long-term loans payable	(182,428)	(236,944)
Redemption of bonds	(80,000)	(20,000)
Purchase of treasury shares	(258)	(216)
Payments for dividends by parent company	(34,551)	(5,795)
Other	8,322	(13,010)
Cash flows from financing activities	(144,561)	(18,159)
Effect of exchange rate change on cash and cash equivalents	(6,038)	1,861
Net increase (decrease) in cash and cash equivalents	(20,819)	5,384
Cash and cash equivalents at beginning of period	83,542	63,873
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,150	125
Cash and cash equivalents at end of period	63,873	69,383

(5) Notes to Consolidated Financial Statement

Notes Pertaining to the Presumption of a Going Concern

There is no item for this period.

Changes in Accounting Policies

Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016

Effective fiscal 2016, JFE Holdings began applying the Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016 (Accounting Standards Board of Japan's [ASBJ] Practical Issues Task Force [PITF] No. 32 of June 17, 2016) as a result of revisions to the Corporate Tax Act. The solution was adopted to change depreciation from the declining balance method to the straight-line method for both facilities attached to buildings and other non-building structures acquired since April 1, 2016.

As a result, in fiscal 2016, operating profit increased by 397 million yen and both ordinary profit and profit before income taxes increased by 399 million yen each.

Segment Information

I. Previous fiscal year (April 1, 2015 to March 31, 2016)

1. Overview

The Group organized under JFE Holdings executed commercial activities through three operating companies—JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Trade Corporation—in accordance with the characteristics of their respective businesses. Consolidated reporting segments, one for each operating company, were characterized by their constituent products and services.

Each segment had its own respective products and services. The steel business produced and sold various steel products, processed steel products and raw materials, and provided transportation and other related businesses, such as facility maintenance and construction. The engineering business handled engineering for energy, urban environments, steel structures and industrial machines, recycling and electricity retailing. The trading business purchased, processed and distributed steel products, raw materials for steel production, nonferrous metal products, and food, etc.

2. Calculation methods for each reporting segment's net sales, profit (loss), assets, etc.

Profits for each reporting segment shown below are ordinary profit. Inter-segment transactions are those conducted between companies at market prices.

3. Net sales, profit (loss), asset and other categories

(million yen)

	Reporting segment				Adjustments	Amount in consolidated statement
	Steel	Engineering	Trading	Total		
-Sales to external clients	1,569,518	387,750	1,474,471	3,431,740	-	3,431,740
-Internal sales or transfer among segments	875,655	9,826	281,973	1,167,455	(1,167,455)	-
Net sales	2,445,173	397,577	1,756,445	4,599,195	(1,167,455)	3,431,740
Profit	27,817	20,030	15,760	63,608	630	64,239
Assets	3,596,123	370,767	619,783	4,586,674	(351,790)	4,234,884
Others:						
-Depreciation	164,952	7,037	5,950	177,940	5	177,946
-Depreciation of goodwill	119	1,876	1,728	3,724	15	3,739
-Interest income	1,051	127	467	1,646	(455)	1,190
-Interest expenses	11,132	320	1,783	13,236	(957)	12,279
-Share of profit (loss) of entities accounted for using equity method	(10,923)	295	890	(9,737)	915	(8,821)
-Investment in equity method affiliates	272,123	7,028	11,874	291,027	60,765	351,792
-Increased amount of tangible and intangible assets	197,786	9,001	5,727	212,514	0	212,515

II. Current fiscal year (April 1, 2016 to March 31, 2017)

1. Overview

There is no item for this period.

2. Calculation methods for each reporting segment's net sales, profit (loss), assets, etc.

There is no item for this period.

3. Net sales, profit (loss), asset and other categories

(million yen)

	Reporting segment				Adjustments	Amount in consolidated statement
	Steel	Engineering	Trading	Total		
-Sales to external clients	1,500,929	416,220	1,391,842	3,308,992	-	3,308,992
-Internal sales or transfer among segments	848,199	9,916	279,189	1,137,305	(1,137,305)	-
Net sales	2,349,129	426,136	1,671,032	4,446,298	(1,137,305)	3,308,992
Profit	40,544	26,616	21,834	88,996	(4,260)	84,735
Assets	3,723,479	390,445	643,273	4,757,198	(421,129)	4,336,069
Others:						
-Depreciation	169,639	7,536	5,457	182,633	5	182,638
-Depreciation of goodwill	0	1,331	1,815	3,146	-	3,146
-Interest income	1,334	71	405	1,811	(336)	1,474
-Interest expenses	11,375	352	1,533	13,261	(647)	12,613
-Share of profit (loss) of entities accounted for using equity method	13,539	970	1,225	15,735	(3,729)	12,006
-Investment in equity method affiliates	268,161	8,351	10,454	286,968	56,661	343,630
-Increased amount of tangible and intangible assets	217,443	10,820	6,502	234,766	1	234,768

Per-share Information

	FY 2015	FY 2016
Net assets per share	3,128.36 yen	3,235.88 yen
Net income per share	58.36 yen	117.81 yen

Note 1: Adjusted diluted per-share earnings were not listed since there were no diluted shares.

Note 2: Basis for calculations (Yen, unless indicated otherwise)

	FY 2015	FY 2016
Total net assets	1,857,921 million	1,921,809 million
Amounts deducted from total net assets	53,724 million	55,972 million
Attributable to: Non-controlling interests portion	53,724 million	55,972 million
Net assets at fiscal year-end applicable to common shares	1,804,196 million	1,865,836 million
Number of common shares at fiscal year-end used in calculating net assets per share	576,723 thousand shares	576,608 thousand shares
Profit attributable to owners of parent	33,657 million	67,939 million
Value not attributed to common shares	-	-
Profit attributable to owners of parent attributed to common shares	33,657 million	67,939 million
Average number of outstanding common shares during period	576,740 thousand shares	576,686 thousand shares

Major Subsequent Events

There is no item for this period.

4. Reference

(1) Consolidated Results

(billion yen)

	Fiscal 2015	Fiscal 2016	Change	
Net sales	3,431.7	3,308.9	(122.8)	(3.6%)
Steel business	2,445.1	2,349.1	(96.0)	(3.9%)
Engineering business	397.5	426.1	28.6	7.2%
Trading business	1,756.4	1,671.0	(85.4)	(4.9%)
Adjustments and others	(1,167.4)	(1,137.3)	30.1	-
Operating profit	90.6	96.7	6.1	6.7%
Non-operating income (expenses)	(26.3)	(12.0)	14.3	-
Ordinary profit	64.2	84.7	20.5	31.9%
Steel business	27.8	40.5	12.7	45.7%
Engineering business	20.0	26.6	6.6	33.0%
Trading business	15.7	21.8	6.1	38.9%
Adjustments and others	0.6	(4.2)	(4.8)	-
Extraordinary income	10.0	20.7	10.7	107.0%
Profit before income taxes	74.3	105.4	31.1	41.9%
Tax expense and profit attributable to non-controlling interests	(40.6)	(37.5)	3.1	-
Profit attributable to owners of parent	33.6	67.9	34.3	101.9%

(2) Consolidated Financial Indices

	Fiscal 2015	Fiscal 2016	Change
Return on Sales (ROS) ¹	1.9%	2.6%	0.7%
Return on Assets (ROA) ²	1.7%	2.3%	0.6%
Return on Equity (ROE) ³	1.8%	3.7%	1.9%
EBITDA ⁴	254.4 billion yen	279.9 billion yen	25.5 billion yen
Debt Outstanding	1,379.3 billion yen	1,375.4 billion yen	(3.9 billion yen)
Shareholders' Equity	1,804.1 billion yen	1,865.8 billion yen	61.7 billion yen
D/E Ratio ⁵	56.9%	51.4%	(5.5%)

¹ ROS = Ordinary profit / Net sales

² ROA = (Ordinary profit + Interest expenses / Total assets [average])

³ ROE = Profit attributable to owners of parent / Shareholders' equity

⁴ EBITDA = Ordinary profit + Interest expenses + Depreciation

⁵ D/E ratio = Debt outstanding / Shareholders' equity. For debt having a capital component,* a portion of its issue price is deemed to be capital, as assessed by rating agencies.

*Debt having a capital component (subordinated borrowings)

Borrowing Execution Date	Amount Borrowed	Assessment of Equity Content	Amount Deemed to be Capital
March 18, 2013	300.0 billion yen	75%	225.0 billion yen
June 30, 2016	200.0 billion yen	25%	50.0 billion yen

(3) Crude Steel Production (JFE Steel) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2015	Non-consolidated	6.54	6.91	13.45	6.98	6.93	13.91	27.36
	Consolidated	7.19	7.50	14.69	7.57	7.48	15.06	29.75
FY 2016	Non-consolidated	6.94	7.06	14.00	7.12	7.02	14.13	28.14
	Consolidated	7.52	7.62	15.14	7.66	7.61	15.27	30.41

(4) Shipments (JFE Steel on non-consolidated basis) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2015		5.98	6.39	12.37	6.45	6.56	13.02	25.39
FY 2016		6.26	6.34	12.60	6.43	6.68	13.10	25.70

(5) Export Ratio on Value Basis (JFE Steel on non-consolidated basis) (%)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2015		46.2	48.6	47.4	44.8	43.3	44.0	45.8
FY 2016		43.6	44.1	43.9	43.3	44.9	44.2	44.0

(6) Foreign Exchange Rate (Yen/US dollar) (JPY/USD)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2015		121.0	122.6	121.8	121.2	117.7	119.5	120.6
FY 2016		111.1	103.5	107.3	106.1	114.3	110.2	108.8

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2015		73.5	68.8	71.0	65.1	60.6	62.8	66.8
FY 2016		58.5	58.6	58.6	61.5	72.0	66.8	62.8

(8) Engineering Business Orders (including inter-segment transactions)

a. Orders received

Field	FY2015	FY2016	Change
Environment	208.0	157.4	(50.6)
Energy	159.5	148.9	(10.6)
Infrastructure, others	141.8	118.1	(23.7)
Total	509.4	424.4	(85.0)

b. Orders backlog

End of FY2015	End of FY2016	Change
614.7	600.0	(14.7)

(9) Debt Outstanding, Interest Expense, and Cash and Deposits

(JFE Holdings, consolidated basis)

Debt outstanding

As of	(billion yen)
March 31, 2016	1,379.3
March 31, 2017	1,375.4

Interest expense

	(billion yen)
FY 2015	12.2
FY 2016	12.6

Cash and deposits

As of	(billion yen)
March 31, 2016	64.6
March 31, 2017	69.9

(10) Capital Investment and Depreciation Cost (JFE Holdings, consolidated basis)

(billion yen)

	FY 2015	FY 2016	
Capital investment	212.5	234.7	(construction basis)
Depreciation	177.9	182.6	

(11) Breakdown of Changes in Ordinary Profit for Steel Business

FY 2016, compared to FY 2015

(billion yen)

	<u>Change</u>	<u>FY 2015</u>	<u>FY 2016</u>
Ordinary profit	12.7	27.8➔	40.5
- Sales volume, sales prices and raw materials prices	(100.0)		
- Cost reductions	30.0		
- Unrealized gains on inventories and others	98.0		
- Others	(15.3)		

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