

Summary of Q&A at JFE Group Investors Meeting
(Financial results in fiscal 2017 and forecast for fiscal 2018)
April 26, 2018

Q. Where do you see prices of metals and materials going in fiscal 2018?

A. As the market has been on an upward trend since last year, we predict that the recent price range will continue.

Q. How do you expect metal spread to trend in fiscal 2018?

A. For exports of general-purpose products, our most recent metal spread reflect certain risks of price adjustments. Regarding other fields, we expect to raise prices for both domestic and export products.

Q. In regard to rising prices for metals and materials, does this mean you just expect costs to be higher rather than expecting to raise prices in fiscal 2018?

A. We used the phrase rising cost because the market is on an upward trend. We expect to reflect this trend onto our product prices.

Q. Is the export metal spread going to be around 250 dollars per ton?

A. We assume that the price range will be tens of dollars lower than the latest spot metal spread rate.

Q. What are the factors behind the 5 billion yen loss in your inventory valuation for fiscal 2018?

A. We forecast losing 2 billion yen in inventory valuation and 7 billion yen due to carryover of raw materials. We also forecast gaining 4 billion yen due to exchange rates, so the expected loss will be 5 billion yen compared to fiscal 2017.

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