

JFE Holdings' Financial Results for Fiscal Year 2013 ended March 31, 2014

— 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 24, 2014

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Annual shareholders meeting (planned) Dividend payment starting date: Scheduled date to submit securities report: Preparation of supplementary materials for quarterly results: Quarterly results briefing:	Yes Yes Yes Yes Yes

(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in Fiscal 2013 (April 1, 2013 to March 31, 2014)

(1) Consolidated Operating Results

	Net sales (million yen)	Year-on-year change (%)	Operating income (million yen)	Year-on-year change (%)	Ordinary income (million yen)	Year-on-year change (%)	Net income (million yen)	Year-on-year change (%)
FY 2013	3,666,859	15.0	153,327	284.5	173,676	232.6	102,382	158.5
FY 2012	3,189,196	0.7	39,873	(11.0)	52,214	(1.4)	39,599	-

Note: Comprehensive income: 178,013 million yen in FY 2013 (up 59.4%)
111,672 million yen in FY 2012 (-)

	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; %)
FY 2013	177.44	-	6.3	4.2	4.2
FY 2012	71.20	-	2.7	1.3	1.3

Note: Equity in earnings of affiliates: 19,374 million yen as of March 31, 2014
9,586 million yen as of March 31, 2013

(2) Consolidated Financial Position

	Total assets (million yen)	Net assets (million yen)	Equity capital ratio (%)	Net assets per share (yen)
FY 2013	4,241,700	1,745,930	40.1	2,950.61
FY 2012	4,107,519	1,596,797	37.9	2,700.83

Note: Shareholders' equity: 1,702,120 million yen as of March 31, 2014
1,558,675 million yen as of March 31, 2013

(3) Consolidated Statements of Cash Flows

(million yen)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of the year
FY 2013	254,809	(164,020)	(105,576)	62,318
FY 2012	287,071	(163,616)	(147,550)	64,463

2. Dividends

	Dividend per share (yen)		Total dividend payout (million yen)	Dividend payout ratio (consolidated; %)	Dividend per net assets (consolidated; %)
	Interim	Year-end			
FY 2012	20.00	0.00	11,565	28.1	0.8
FY 2013	40.00	20.00	23,091	22.5	1.4
FY 2014 (forecast)	-	-	-	-	-

Note: Total dividend payout for fiscal 2014 is yet to be determined.

3. Forecasts of Consolidated Financial Results for Fiscal 2014 (from April 1, 2014 to March 31, 2015)

The company has decided to refrain from publishing consolidated financial results forecasts for fiscal 2014 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 2014" on page 2 of the attached document.

Notes

1. Significant changes in subsidiaries during term (changes in designated subsidiaries resulting in changes in consolidated structure): No
2. Changes in accounting policies, accounting estimates and restatements
 - 1) Changes in accounting policies resulting from amendments to accounting standards: Yes
 - 2) Changes other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Restatements: No
3. Number of outstanding shares (common stock)
 - 1) Outstanding shares at end of term (including treasury stock)
 - As of March 31, 2014: 614,438,399 shares
 - As of March 31, 2013: 614,438,399 shares
 - 2) Treasury stock at end of term
 - As of March 31, 2014: 37,566,828 shares
 - As of March 31, 2013: 37,328,220 shares
 - 3) Average number of shares during term
 - FY 2013: 577,015,487 shares
 - FY 2012: 556,186,900 shares

Status of Quarterly Review

At the time of disclosing these quarterly financial results, the review of consolidated balance sheets in accordance with the Financial Instruments and Exchange Act was still underway.

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

1. Forecasts are based on information available on the date of publication of this document, as well as rational assumptions 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 "Consolidated results forecasts" on page 2 of the attached document.
2. Notes to the financial results can be viewed at the JFE Holdings website.

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1. Qualitative Information

(1) Consolidated Business Results

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 in fiscal 2013, which ended March 31, 2014.

The Japanese economy in fiscal 2013 achieved a moderate recovery aided by robust domestic demand. Conditions for exports also showed signs of improvement thanks to a correction of the yen's excessive appreciation, but remained uncertain due to economic slowdowns in China and other emerging countries.

Under these circumstances, the JFE Group in fiscal 2013 stepped up efforts to improve business in sectors with growing demand, such as construction and automobiles, in overseas markets and in the environmental and energy fields, as well as to further improve earnings, which enabled the company to report significant increases both in ordinary income and in net income compared with last fiscal year.

On a consolidated basis, net sales increased to 3,666.8 billion yen from the previous year. Operating income of 153.3 billion yen and ordinary income of 173.6 billion yen both were increases. The company recorded an extraordinary loss of 13.1 billion yen, income before income taxes and minority interests of 160.5 billion yen and net income of 102.3 billion yen.

By segment, starting with steel business, annual consolidated crude steel production increased to 31.58 million tons due to efforts to expand sales. Net sales rose to 2,691.6 billion yen due to favorable conditions, including exchange rates. Continued efforts to improve earnings helped to increase ordinary income to 126.2 billion yen, partly because it was not necessary—unlike last year—to write down inventory due to declining raw materials prices, thus avoiding this negative impact.

Engineering business net sales rose to 284.1 billion yen and ordinary income increased to 18.4 billion yen, a third consecutive annual record, reflecting vigorous sales targeting the environmental and energy sectors and infrastructure building projects in Japan and other countries.

Trading business posted net sales of 1,781.3 billion yen and ordinary income of 21.5 billion yen. Given that domestic demand began recovering, sales were focused on building materials and steel plates to leverage the company's processing and sales capabilities. Overseas, strong demand drove business in the United States.

Forecast for Fiscal 2014

JFE Holdings has decided not to issue fiscal 2014 consolidated earnings forecasts at this time due to shortened contract periods for primary raw materials and ongoing negotiations concerning the prices of steel products, which have made it impossible to compile rational forecasts. The company will disclose these forecasts as soon as more accurate forecasts become possible. An update about this matter will be provided when fiscal 2014 first quarter earnings are announced.

(2) Analysis of Financial Position

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

Total assets at the end of fiscal 2013 (March 31, 2014) increased 134.2 billion yen from the previous year-end to 4,241.7 billion yen, mainly due to increases in the value of investment securities. Debt decreased 15.0 billion yen to 2,495.7 billion yen. Net assets increased 149.2 billion yen to 1,745.9 billion yen due to reasons including increased retained earnings resulting from net profit and favorable adjustments of foreign currency translations.

Net cash in operating activities amounted to 254.8 billion yen. Net cash used for investment activities totaled 164.0 billion yen, largely the result of acquisitions of fixed assets. Aggregate free cash flow totaled 90.7 billion yen of income.

Cash flow from financing activities came to 105.5 billion yen, primarily due to long-term borrowings.

As a result, outstanding debt at the fiscal year-end was 1,534.0 billion yen, down 62.3 billion yen. Outstanding cash and deposits decreased by 1.7 billion yen to 62.9 billion yen.

Cash Flow and Other Financial Indicators

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Return on sales (ROS)	2.4%	5.2%	1.7%	1.6%	4.7%
Return on assets (ROA)	2.2%	4.6%	1.7%	1.6%	4.5%
Outstanding debt	1,468.4 bil. yen	1,496.4 bil. yen	1,593.6 bil. yen	1,596.3 bil. yen	1,534.0 bil. yen
D/E ratio	75.5%	76.5%	83.5%	76.9%	67.9%
Shareholders' equity ratio	36.3%	36.2%	35.3%	37.9%	40.1%
Shareholders' equity ratio at market prices	50.8%	32.5%	23.9%	24.8%	26.4%
Debt redemption term	3.8 years	4.9 years	14.5 years	5.6 years	6.0 years
Interest coverage ratio	18.9 times	17.9 times	7.2 times	17.6 times	18.0 times

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. Of bonds having a capital component, 75% of the 300 billion yen issue price is deemed to be capital, as assessed by rating agencies
- 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

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

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

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

(3) Basic Guidelines on Profit Distributions and Dividends for Fiscal 2013 and 2014

The return of profits to shareholders is one of JFE Holdings' top priorities. The company's policy is to distribute dividends vigorously while maintaining a sound and sustainable operational basis for the Group. In general, the company's basic target for its consolidated payout ratio is 25%.

In accordance with the above policy, JFE Holdings will propose at its forthcoming General Meeting of Shareholders a payment of 20 yen per share for the year-end dividend, resulting in an annual dividend of 40 yen per share.

JFE Holdings is not issuing a dividend forecast for fiscal 2014 at this time, as it is still determining its earnings outlook.

2. Management Policy

(1) Basic Management Policy

(2) Indicators Serving as Business Targets

(3) Medium- and Long-term Business Strategies

(4) Corporate Tasks Requiring Attention

Business environment and related efforts

Although the Japanese economy shows signs of recovery aided by robust domestic demand, the JFE Group continues to face a difficult business environment due to several factors, including economic uncertainty in emerging countries, mainly in Asia, and the expanding supply-demand gap worldwide. Under its fourth medium-term business plan, a strategic operating guideline for the period from April 1, 2012 to March 31, 2015, the JFE Group is striving to improve profitability in its domestic bases through increased production, cost and quality competitiveness, optimized supply chains and enhanced customer service. Along with enhancing corporate value through technological superiority, the Group is developing products that immediately satisfy customer needs and process technologies that improve cost competitiveness. In growing markets such as Southeast Asia, production and sales bases are being expanded and strategic collaborations are being developed with new partners to attract local demand, leading to expanded business in fields of specialty. The JFE Group plans to steadily invest both in Japan and overseas to establish a strong business structure capable of generating profits in any business environment. In addition, JFE is focusing on achieving sustainable growth through strengthened initiatives for social responsibility, corporate governance, environmental management and the nurture of globally diversified human resources, as well as improving its financial position and returning profits to shareholders.

Current management policies are not described here in detail because they have not changed significantly since their introduction in the earnings announcement for the fiscal year that ended on March 31, 2012 (released on April 20, 2012). To view the announcement, see www.jfeholdings.co.jp/en or the Tokyo Stock Exchange website at www.tse.or.jp/listing/compsearch (Japanese).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(million yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets:		
Cash and deposits	64,621	62,913
Notes and accounts receivable	597,275	630,061
Merchandise and finished goods	286,524	336,216
Raw materials and supplies	369,290	380,972
Deferred tax assets	41,493	55,880
Other	164,580	191,887
Allowance for doubtful accounts	(1,628)	(3,615)
Total current assets	1,522,157	1,654,315
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	420,458	415,382
Machinery and equipment, net	588,310	584,619
Land	509,239	506,570
Construction in progress	61,402	59,121
Other, net	27,450	33,454
Total property, plant and equipment, net	1,606,862	1,599,148
Intangible assets	53,970	52,680
Investments and other assets:		
Investments in securities	749,249	826,371
Deferred tax assets	90,502	35,247
Net defined-benefit assets	-	11,652
Other	92,963	69,309
Allowance for doubtful accounts	(8,185)	(7,024)
Total investments and other assets	924,529	935,555
Total non-current assets	2,585,362	2,587,385
Total assets	4,107,519	4,241,700

(million yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities:		
Notes and accounts payable	365,308	401,922
Short-term borrowings	325,368	283,125
Commercial paper	-	22,998
Current portion of corporate bonds	40,000	80,000
Other	295,582	317,048
Total current liabilities	1,026,259	1,105,094
Long-term liabilities:		
Corporate bonds	275,000	205,000
Long-term borrowings	955,995	942,912
Deferred tax liability	12,895	12,000
Deferred tax liabilities on revaluation reserve	10,812	10,799
Accrued retirement benefits	118,845	-
Reserve for special repairs	33,919	25,981
Allowance for losses on specific business	29,047	26,222
Net defined-benefit liabilities	-	115,058
Other	47,948	52,701
Total long-term liabilities	1,484,462	1,390,675
Total liabilities	2,510,722	2,495,769
Net assets		
Shareholders' equity:		
Common stock	147,143	147,143
Capital surplus	647,121	647,121
Retained earnings	886,338	965,204
Treasury stock, at cost	(178,529)	(178,977)
Total shareholders' equity	1,502,072	1,580,491
Accumulated other comprehensive income:		
Net unrealized gains on securities	69,184	102,574
Deferred earnings on hedges	(138)	(411)
Revaluation reserve for land	14,243	14,541
Translation adjustments	(26,687)	9,949
Accumulated adjustments for retirement benefit	-	(5,024)
Total accumulated other comprehensive income	56,602	121,628
Minority interests	38,121	43,810
Total net assets	1,596,797	1,745,930
Total liabilities and net assets	4,107,519	4,241,700

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

Consolidated Statements of Income

(million yen)

	Fiscal 2012	Fiscal 2013
Net sales	3,189,196	3,666,859
Cost of sales	2,884,161	3,215,380
Gross profit	305,034	451,479
Selling, general and administrative expenses	265,161	298,151
Operating income	39,873	153,327
Non-operating income:		
Interest income	879	1,148
Dividend income	7,988	8,940
Foreign currency exchange gain	10,108	6,833
Rent receivable	7,437	8,060
Equity in earnings of affiliate	9,586	19,374
Other	23,149	18,812
Total non-operating income	59,150	63,169
Non-operating expenses:		
Interest expense	14,374	13,945
Loss on disposal of fixed assets	9,453	10,002
Other	22,980	18,872
Total non-operating expenses	46,808	42,820
Ordinary income	52,214	173,676
Extraordinary income:		
Profit on acquisition of trading subsidiary	35,762	-
Total extraordinary income	35,762	-
Extraordinary losses:		
Impairment loss	6,825	8,729
Loss on change in equity	5,769	-
Loss on liquidation of affiliates	-	4,437
Total extraordinary loss	12,595	13,167
Income before income taxes and minority interests	75,381	160,509
Income taxes:		
Current	26,302	28,886
Deferred	6,045	25,125
Total income taxes	32,347	54,011
Net income before minority interests	43,033	106,497
Minority interests	3,434	4,114
Net income	39,599	102,382

Consolidated Statements of Comprehensive Income

(million yen)

	Fiscal 2012	Fiscal 2013
Net income before minority interests	43,033	106,497
Other comprehensive income:		
Net unrealized gains on securities	39,075	32,035
Net unrealized gains on hedges	1,586	359
Translation adjustments	10,020	15,345
Share of other comprehensive income of affiliates accounted for using equity method	17,957	23,775
Total other comprehensive income	68,638	71,516
Comprehensive income:	111,672	178,013
Breakdown:		
Comprehensive income attributable to parent shareholder	108,453	172,135
Comprehensive income attributable to minority shareholders	3,218	5,878

(3) Consolidated Statements of Changes in Net Assets

Fiscal 2012

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings (deficit)	Treasury stock, at cost	Total
Balance at beginning of period	147,143	647,121	1,011,124	(378,442)	1,426,945
Changes during current period					
-Dividends			(5,395)		(5,395)
-Net income			39,599		39,599
-Acquisition of treasury stock				(2,428)	(2,428)
-Disposal of treasury stock			(158,299)	202,341	44,042
-Decrease by change in consolidation scope			(253)		(253)
-Transfer from land revaluation account			(437)		(437)
-Net changes of items other than shareholders' equity					
Total current changes	-	-	(124,785)	199,913	75,127
Balance at end of period	147,143	647,121	886,338	(178,529)	1,502,072

	Accumulated other comprehensive income						Minority interests	Total net asset
	Net unrealized gains on securities	Deferred earnings on hedges	Revaluation reserve for land	Translation adjustments	Accumulated adjustments for retirement benefit	Total		
Balance at beginning of period	31,185	(1,780)	13,806	(55,900)	-	(12,689)	42,084	1,456,340
Changes during current period								
-Dividends								(5,395)
-Net income								39,599
-Acquisition of treasury stock								(2,428)
-Disposal of treasury stock								44,042
-Decrease by change in consolidation scope								(253)
-Transfer from land revaluation account								(437)
-Net changes of items other than shareholders' equity	37,999	1,641	437	29,213	-	69,292	(3,962)	65,329
-Total current changes	37,999	1,641	437	29,213	-	69,292	(3,962)	140,456
Balance at end of period	69,184	(138)	14,243	(26,687)	-	56,602	38,121	1,596,797

Fiscal 2013

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings (Deficit)	Treasury stock, at cost	Total
Balance at beginning of period	147,143	647,121	886,338	(178,529)	1,502,072
Changes during current period					
-Dividends			(23,113)		(23,113)
-Net income			102,382		102,382
-Acquisition of treasury stock				(2,201)	(2,201)
-Disposal of treasury stock			(99)	1,753	1,654
-Decrease by change in consolidation scope			(5)		(5)
-Transfer from land revaluation account			(297)		(297)
-Net changes of items other than shareholders' equity					
-Total current changes	-	-	78,866	(448)	78,418
Balance at end of period	147,143	647,121	965,204	(178,977)	1,580,491

	Accumulated other comprehensive income						Minority interests	Total net asset
	Net unrealized gains on securities	Deferred earnings on hedges	Revaluation reserve for land	Translation adjustments	Accumulated adjustments for retirement benefit	Total		
Balance at beginning of period	69,184	(138)	14,243	(26,687)	-	56,602	38,121	1,596,797
Changes during current period								
-Dividends								(23,113)
-Net income								102,382
-Acquisition of treasury stock								(2,201)
-Disposal of treasury stock								1,654
-Decrease by change in consolidation scope								(5)
-Transfer from land revaluation account								(297)
-Net changes of items other than shareholders' equity	33,389	(273)	297	36,636	(5,024)	65,026	5,689	70,715
-Total current changes	33,389	(273)	297	36,636	(5,024)	65,026	5,689	149,133
Balance at end of period	102,574	(411)	14,541	9,949	(5,024)	121,628	43,810	1,745,930

(4) Consolidated Statements of Cash Flow

(million yen)

	Fiscal 2012	Fiscal 2013
Cash flows from operating activities:		
Income before income taxes and minority interests	75,381	160,509
Depreciation and amortization	194,062	181,311
Changes in reserves	(3,681)	(9,626)
Interest and dividend income	(8,867)	(10,089)
Interest expense	14,374	13,945
Changes in accounts receivable	40,145	(26,779)
Changes in inventories	90,878	(61,360)
Changes in accounts payable	(10,177)	13,318
Other	(73,163)	14,327
Sub total	318,953	275,557
Interest and dividend income received	14,782	21,233
Interest paid	(16,342)	(14,165)
Income taxes paid	(30,322)	(27,815)
Net cash provided by operating activities	287,071	254,809
Cash flows from investing activities:		
Payments for purchase of property, plant, equipment and intangible assets	(174,165)	(177,867)
Proceeds from sales of property, plant, equipment and intangible assets	7,708	3,480
Payments for purchase of investments in securities	(7,999)	(4,276)
Proceeds from sales of investments in securities	8,987	15,591
Other	1,852	(948)
Net cash used in investing activities	(163,616)	(164,020)
Cash flows from financing activities:		
Net income (decrease) in short-term borrowings	(30,939)	11,439
Changes in commercial paper	(20,998)	22,998
Proceeds from long-term borrowings	420,800	166,950
Repayments of long-term borrowings	(169,425)	(244,229)
Issuance of corporate bond	30,000	10,000
Redemption of corporate bonds	(70,000)	(40,000)
Payments for retirement by purchase of bonds with subscription rights to shares	(300,000)	-
Acquisition of treasury stock	(811)	(570)
Payments for dividends by parent company	(5,443)	(23,019)
Other	(733)	(9,145)
Net cash used in financing activities	(147,550)	(105,576)
Effect of exchange rate change on cash and cash equivalents	8,053	12,707
Net decrease in cash and cash equivalents	(16,042)	(2,080)
Cash and cash equivalents at beginning of year	50,492	64,463
Changes in cash and cash equivalents by newly consolidated or deconsolidated subsidiaries	30,012	(64)
Cash and cash equivalents at end of year	64,463	62,318

(5) Notes Pertaining to the Presumption of a Going Concern

There is no item this period.

(6) Significant Accounting Policies for Preparing Consolidated Financial Statements

Changes in consolidation scope and application of the equity method

a) Number of consolidated subsidiaries: 303

Added:	16
Excluded:	9

b) Companies accounted for by the equity method: 62

Added:	0
Excluded:	1

Except for “Changes in consolidation scope and application of the equity method” above and in (7) below, items are omitted for any information that did not change significantly in the period since the annual securities report was submitted on June 20, 2013.

(7) Changes in Accounting Policies

Application of the Accounting Standard for Retirement Benefits

Effective the end of fiscal 2013, the JFE Group began applying the Accounting Standards Board of Japan’s (ASBJ’s) Accounting Standard for Retirement Benefits (ASBJ Statement No.26, released on May 17, 2012, hereinafter referred to as Retirement Benefit Accounting Standard) and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Statement No.25, released on May 17, 2012, hereinafter referred to as Retirement Benefit Accounting Guidance) to recognize the amount calculated by deducting retirement benefit obligations from plan assets as a liability or asset. Under the Retirement Benefit Accounting Standard, actual gains and losses and past service costs that are yet to be recognized in profit or loss are recognized as a liability or asset for retirement benefits.

In accordance with Section 37 of the Retirement Benefit Accounting Standard, effects of the changes in accounting policy arising from initial application were recognized in accumulated adjustments for retirement benefit within the net asset section (accumulated other comprehensive income) at the end of fiscal 2013.

As a result, a retirement benefit asset of 11.652 billion yen and a retirement benefit liability of 115.058 billion yen were recognized at the end of fiscal 2013. Accumulated other comprehensive income decreased by 5.024 billion yen and net assets per share decreased by 8.71 yen.

(8) Notes to Consolidated Financial Statements

Segment Information

1. Segment Information

I. Previous fiscal year (April 1, 2012 to March 31, 2013)

① Overview

The Group organized under JFE Holdings executes commercial activities in accordance with the characteristics of its respective businesses. Consolidated reporting segments,

one for each operating company, are characterized by their constituent products and services. The Group had four operating companies – JFE Steel Corporation, JFE Engineering Corporation, Universal Shipbuilding Corporation and Kawasaki Microelectronics, Inc., – operating in the fields of steel, engineering, shipbuilding and LSIs, respectively. JFE Holdings sold all shares of its wholly owned subsidiary Kawasaki Microelectronics, Inc. to MegaChips Corporation on July 1, 2012, thereby eliminating the Group's LSI business from the second quarter of fiscal 2012. Also, JFE Shoji, previously an equity-method affiliate of JFE Steel, became a wholly owned subsidiary of JFE Holdings through a share exchange on October 1, 2012. Consequently, JFE Shoji's results have been listed under Trading Business from the second half of fiscal 2012. In addition, the Group eliminated its shipbuilding segment from the fourth quarter of fiscal 2012 because Universal Shipbuilding Corporation, formerly a consolidated subsidiary, was consolidated with IHI Marine United Inc. and became an equity-method affiliate of JFE Holdings, named Japan Marine United Corporation, on January 1, 2013.

Each segment had its own respective products and services. The steel business handled various steel products, processed steel products, raw materials, transportation and other related businesses, such as facility maintenance and construction. The engineering business was involved with engineering for energy, urban environments, recycling, steel structures and industrial machines. The shipbuilding business built general commercial ships and vessels and provided related maintenance. The LSI business handled a variety of LSI products and the trading business purchased, manufactured and distributed steel products, raw materials for steel production, nonferrous metal products, food, etc.

② Calculation methods for each reporting segment's net sales, profit (loss), assets, etc. There is no item in this period.

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

(million yen)

	Reporting segment						Adjustments	Amount in consolidated statement
	Steel	Engineering	Ship-building	LSI	Trading	Total		
-Sales to external clients	2,071,832	256,896	139,869	4,890	670,678	3,144,167	45,028	3,189,196
-Internal sales or transfer among segments	427,982	10,644	24	-	114,985	553,636	(553,636)	-
Net sales	2,499,814	267,541	139,894	4,890	785,663	3,697,804	(508,608)	3,189,196
Profit	15,300	16,446	8,010	410	7,478	47,646	4,567	52,214
Assets	3,523,803	267,093	-	-	523,022	4,313,918	(206,399)	4,107,519
Others:								
-Depreciation	180,123	5,769	4,190	193	2,198	192,474	1,588	194,062
-Depreciation of goodwill	1,058	-	2,596	-	142	3,797	19	3,817
-Interest revenue	716	109	1	0	379	1,208	(328)	879
-Interest expense	14,664	307	48	1	948	15,970	(1,595)	14,374
-Equity method investment gain (loss)	6,640	822	-	-	(179)	7,283	2,303	9,586
-Investment in equity method affiliates	289,660	17,662	-	-	18,876	326,199	38,095	364,294
-Increased amount of tangible and intangible assets	161,773	7,334	5,557	152	3,602	178,420	1,259	179,679

II. Current fiscal year (April 1, 2013 to March 31, 2014)

① Overview

The Group has three operating companies under JFE Holdings, namely, JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji. Each operates in the most appropriate manner according to the needs of its respective field. Consolidated reporting segments, one for each operating company, are characterized by their constituent products and services.

The steel business handles various steel products, processed steel products, raw materials, transportation and other related businesses, such as facility maintenance and construction. The engineering business is involved with engineering for energy, urban environments, recycling, steel structures and industrial machines. The trading business purchases, manufactures and distributes steel products, raw materials for steel production, nonferrous metal products, food, etc.

② Calculation methods for each reporting segment's net sales, profit (loss), assets, etc. There is no item 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	1,796,667	275,918	1,513,442	3,586,028	80,831	3,666,859
-Internal sales or transfer among segments	894,955	8,195	267,899	1,171,049	(1,171,049)	-
Net sales	2,691,622	284,114	1,781,341	4,757,077	(1,090,218)	3,666,859
Profit	126,231	18,478	21,568	166,279	7,397	173,676
Assets	3,638,164	286,116	589,171	4,513,452	(271,751)	4,241,700
Others:						
-Depreciation	168,860	5,610	4,873	179,344	1,967	181,311
-Depreciation of goodwill	119	33	82	235	-	235
-Interest revenue	809	100	651	1,560	(411)	1,148
-Interest expense	12,685	189	1,875	14,750	(805)	13,945
-Equity method investment gain (loss)	12,519	3,713	635	16,867	2,506	19,374
-Investment in equity method affiliates	334,200	5,908	20,301	360,409	40,238	400,648
-Increased amount of tangible and intangible assets	154,222	10,861	9,325	174,409	1,306	175,715

Per-share Information

	FY 2012	FY 2013
Net assets per share	2,700.83 yen	2,950.61 yen
Net income per share	71.20 yen	177.44 yen

Note: Adjusted diluted per-share earnings were not listed since there were no diluted shares in FY 2012.

Basis for calculations

(Yen, unless indicated otherwise)

	FY 2012	FY 2013
Total net assets	1,596,797 million	1,745,930 million
Amounts deducted from total net assets	38,121 million	43,810 million
Attributable to:		
Minority interest portion	38,121 million	43,810 million
Net assets at fiscal year-end applicable to common shares	1,558,675 million	1,702,120 million
Number of common shares at fiscal year-end used in calculating net assets per share	577,110,000 shares	576,871,000 shares
Net income	39,599 million	102,382 million
Value not attributed to common shares	-	-
Net income attributed to common shares	39,599 million	102,382 million
Average number of outstanding common shares during period	556,186,000 shares	577,015,000 shares

Major Subsequent Events

There is no item this period.

4. Reference

(1) Consolidated Results

(billion yen)

	Fiscal 2012	Fiscal 2013	Change	
Net sales	3,189.1	3,666.8	477.7	15.0%
Steel business	2,499.8	2,691.6	191.8	7.7%
Engineering business	267.5	284.1	16.6	6.2%
Shipbuilding business ¹	139.8	-	(139.8)	-
Trading business ²	785.6	1,781.3	995.7	126.7%
Adjustments and others ³	(503.8)	(1,090.2)	(586.4)	-
Operating income	39.8	153.3	113.5	284.5%
Non-operating income	12.3	20.3	8.0	65.0%
Ordinary Income	52.2	173.6	121.4	232.6%
Steel business	15.3	126.2	110.9	724.8%
Engineering business	16.4	18.4	2.0	12.2%
Shipbuilding business ¹	8.0	-	(8.0)	-
Trading business ²	7.4	21.5	14.1	190.5%
Adjustments and others ^{1,3}	4.9	7.3	2.4	-
Extraordinary profit (loss)	23.1	(13.1)	(36.2)	-
Income before income taxes and minority interest (loss)	75.3	160.5	85.2	113.1%
Tax expense and minority interest	(35.7)	(58.1)	(22.4)	-
Net income	39.5	102.3	62.8	158.5%

¹ Universal Shipbuilding Corporation, formerly a consolidated subsidiary, was consolidated with IHI Marine United Inc. and became an equity-method affiliate of JFE Holdings, named Japan Marine United Corporation, on January 1, 2013. Equity in earnings of affiliates of Japan Marine United Corporation from January, 2013 is included in adjustments and others.

² JFE Shoji, previously an equity-method affiliate of the company's steel business, became a wholly owned subsidiary of JFE Holdings through a share exchange on October 1, 2012. Consequently, JFE Shoji's results were listed under trading business from the second half of fiscal 2012.

³ Adjustments and others in fiscal 2012 includes a loss from the LSI business. JFE Holdings sold all shares of its wholly owned subsidiary Kawasaki Microelectronics, Inc. to MegaChips Corporation on July 1, 2012.

(2) Consolidated Financial Indices

	Fiscal 2012	Fiscal 2013	Change
Return on sales (ROS) ¹	1.6%	4.7%	3.1%
Return on assets (ROA) ²	1.6%	4.5%	2.9%
Debt outstanding	1,596.3 billion yen	1,534.0 billion yen	(62.3 billion yen)
Shareholders' equity	1,558.6 billion yen	1,702.1 billion yen	143.5 billion yen
D/E ratio ³	76.9%	67.9%	(9.0)%

¹ ROS = Ordinary income / net sales

² ROA = Ordinary income before interest expenses / Total assets (average)

³ D/E ratio = Debt outstanding / Shareholders' equity. For debt having a capital component, 75% of the 300 billion yen issue price is deemed to be capital, as assessed by rating agencies.

(3) Crude Steel Production (JFE Steel)

(million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2012	Non-consolidated	7.24	7.09	14.32	6.84	6.82	13.65	27.97
	Consolidated	7.92	7.76	15.68	7.52	7.49	15.01	30.69
FY 2013	Non-consolidated	7.05	7.24	14.29	7.15	7.23	14.38	28.67
	Consolidated	7.82	7.97	15.79	7.88	7.92	15.80	31.58

(4) Shipments (JFE Steel, non-consolidated basis)

(million tons)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2012	6.17	6.55	12.72	6.14	6.37	12.51	25.23
FY 2013	6.15	6.42	12.57	6.33	6.62	12.95	25.52

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

(%)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2012	48.5	50.5	49.5	48.1	52.5	50.3	49.9
FY 2013	51.0	48.5	49.7	47.0	47.2	47.1	48.4

(6) Foreign Exchange Rate

(JPY/USD)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2012	80.8	78.7	79.7	79.8	90.1	84.9	82.3
FY 2013	97.7	98.3	98.0	99.6	103.4	101.5	99.8

(7) Average Selling Price (JFE Steel, non-consolidated basis)

(thousand yen/ton)

	1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2012	75.7	70.1	72.8	68.7	68.0	68.4	70.6
FY 2013	73.4	75.7	74.6	76.6	77.0	76.8	75.7

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

(billion yen)

Orders received	367.0	36.0% increase from previous year
Order Backlog	409.5	25.4% increase from previous year

(9) Debt Outstanding, Interest Expense, and Cash and Deposits (JFE Holdings, consolidated basis)Debt outstanding

As of	(billion yen)
March 31, 2013	1,596.3
March 31, 2014	1,534.0

Interest expense

	(billion yen)
FY 2012	(14.3)
FY 2013	(13.9)

Cash and deposits

As of	(billion yen)
March 31, 2013	64.6
March 31, 2014	62.9

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

(billion yen)

	FY 2013
Capital investment (construction basis)	175.7
Depreciation	181.3

(11) Number of employees (JFE Holdings, consolidated basis)

As of

March 31, 2013 57,044

March 31, 2014 57,210

(12) Breakdown of Changes in Ordinary Income (FY 2013 compared to FY 2012)

(billion yen)

	<u>Change</u>	<u>FY 2012</u>	<u>FY 2013</u>
a. Steel business	110.9	15.3➔	126.2
- Sales volume, sales prices and raw materials	(5.0)		
- Cost reductions and preventive maintenance of facilities	80.0		(including expenditure for intensified construction)
- Unrealized gains on inventories and others	35.9		

b. Engineering business 2.0 16.4➔ 18.4

Ordinary income rose from the previous fiscal year to 18.4 billion yen, reflecting increased sales mainly in environmental and energy sectors.

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