

JFE Shoji Trade aims to be a trading company that meets customers' new needs by leveraging technical and sales capabilities it cultivates on the front line

In the Fifth Medium-Term Business Plan, JFE Shoji Trade's main priorities are to develop new markets, create added value and improve its overall strength.

Accordingly, the company made JFE Electrical Steel a subsidiary and jointly invested in Ohmi Sangyo with Hanwa Co., Ltd. in Japan. It also invested in a leading coated steel manufacturer and a wire drawing company, and established a rebar processing company abroad. Such moves are part of a far-sighted effort to restructure the business, strengthen distribution and invest in growing markets and fields centered on the ASEAN region.

As JFE's core trading company, JFE Shoji Trade continues to refine its our functions and sales proposal to contribute to maximize group revenue.



President & CEO
JFE Shoji Trade Corporation

Naosuke Oda

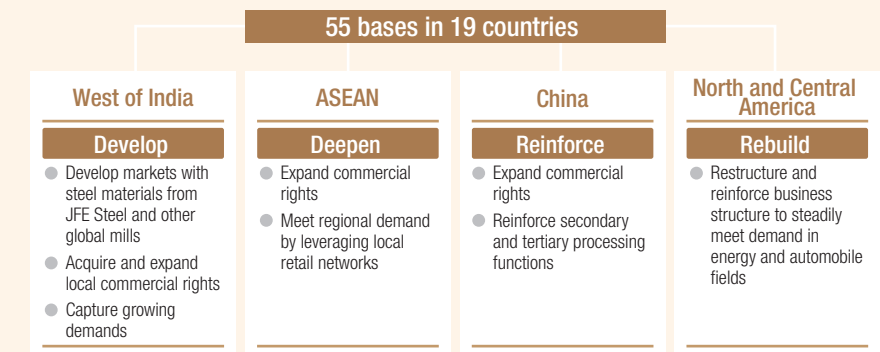
Efforts of JFE SHOJI TRADE

As the group's core trading company, JFE Shoji Trade is refining its strategic capabilities from a far-sighted perspective

As the core trading company of the JFE Group, JFE Shoji Trade works to enhance overall group strengths in Japan and abroad while promptly responding to the increasingly sophisticated needs of customers.

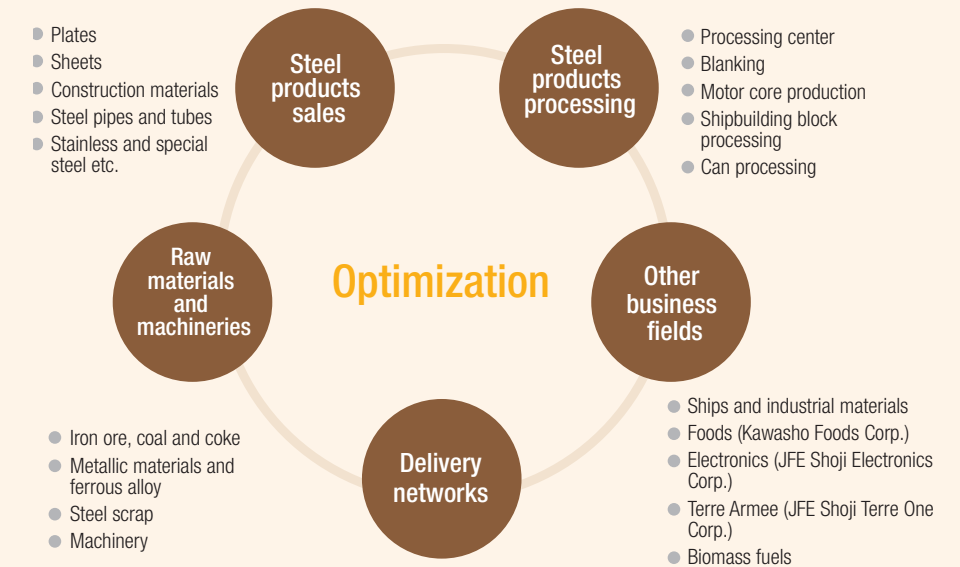
Development of overseas markets

As part of meeting demands in growing regions and fields, JFE Shoji Trade's regional strategies help to facilitate local production for local consumption.



Improving overall strengths in Japan

By optimizing the storage, processing, retailing and other functions of JFE Shoji Group companies, JFE Shoji Trade offers solutions to improve the value of customers' total supply chains.

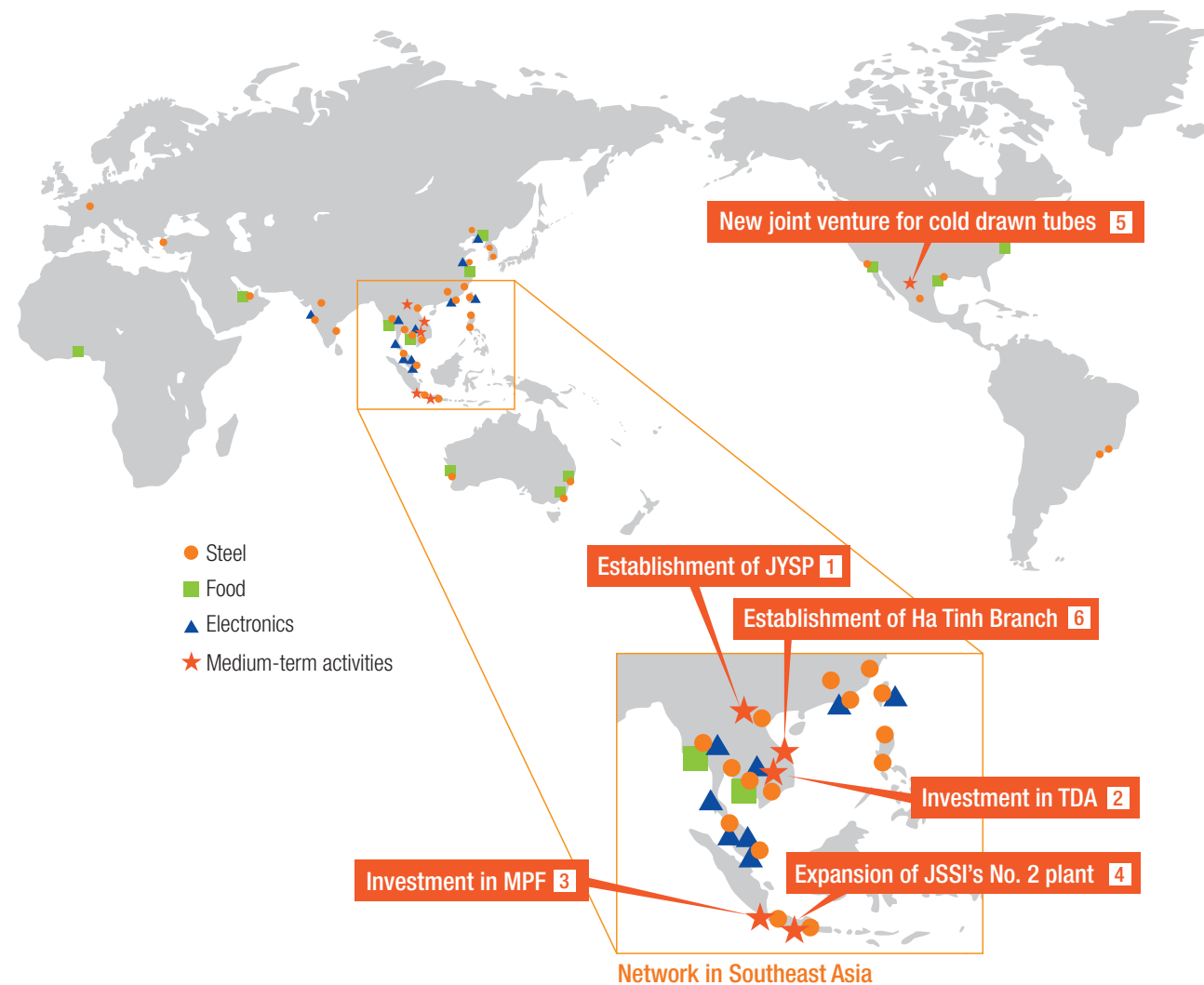


21 bases and 48 group companies in Japan

Efforts of JFE SHOJI TRADE-1

Development of Overseas Markets

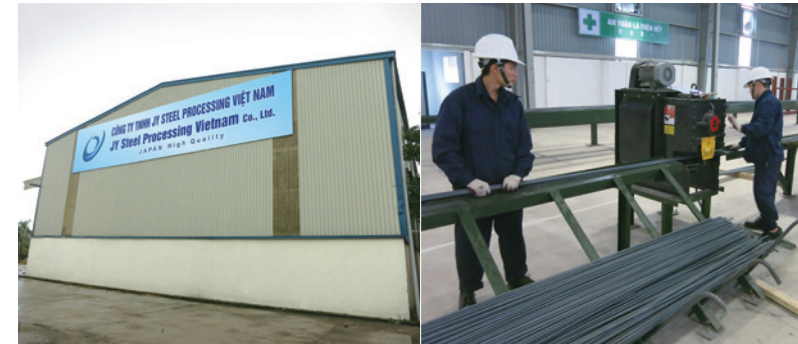
In Asia, North and Central America and new regions, JFE Shoji Trade is responding to customer needs by leveraging its expanding global network.



With 55 bases in 19 countries, JFE Shoji Trade is actively investing in regions and fields where further growth is expected. Particularly in Vietnam and Indonesia, the company has invested in local companies and established its first overseas rebar processing company for construction materials. To promptly respond to local

needs, it is pursuing forward-looking strategies, such as establishing an ASEAN Business Division in April 2017. The America Business Division was established last year for the North/Central America market, where demands in energy and automobile industries are expanding. In Mexico, a joint venture company was set up

with a local steel manufacturer. In short, JFE Shoji Trade is building a worldwide network to multilaterally support customers' manufacturing needs. Furthermore, the company is expanding into other fields to meet new demands, such as producing biomass fuel from PKS and wooden chips.



1 Establishment of JYSP in Vietnam, first overseas processing base for construction materials

JFE Shoji Trade Steel Construction Materials and YB-Techno, a company that produces and sells rebars and wire netting, jointly established JY Steel Processing Vietnam (JYSP) in northern Vietnam to process and sell rebars. As JFE Shoji Trade's first overseas processing base in the construction materials field, the company will sell rebar products for Japanese general contractors. In the future, it is expected to serve as a business model for local production targeted at local consumption by processing deformed bars made by local manufacturers and then supplying the products to local general contractors, thereby contributing to local construction.



2 Investment in a Vietnamese coated steel manufacturer, TDA

In the Vietnamese market where steel consumption growth is expected, JFE Shoji Trade acquired shares of Ton Dong A Corporation (TDA), a leading cold-rolled and galvanized steel sheet manufacturer. We will supply materials, including hot-rolled materials, and conduct export sales of the TDA's products.



3 Investment in MPF, Indonesian wire drawing company

In Indonesia, where demand for cold drawn wire is expected to rise among automobile component manufacturers, JFE Shoji Trade acquired a stake in PT. Mega Pratama Ferindo (MPF), a wire drawing company. JFE Shoji Trade will supply MPF with wire rods produced by JFE Steel and support the company to construct a total supply chain.



4 Establishment of processing base for automotive steel sheets in Indonesia

P.T. JFE Shoji Steel Indonesia (JSSI), our steel processing center in Indonesia, expanded its No. 2 plant for processing automotive steel sheet. The existing plant building was expanded roughly 30% and a large-scale slitter was installed to process high-tensile steel sheet and wide-width coils for automobiles. In partnership with JSGL run by JFE Steel for automotive thin steel sheet, JSSI aims to capture Indonesia's growing demand for such products.



5 Cold drawn tubes joint venture in Mexico

In February 2017, we launched a joint venture with Productos Laminados de Monterrey S.A. de C.V., a large manufacturer of steel pipes in Mexico, and Sankin Corporation, which manufactures and sells cold drawn tubes. The company, named Pro-SANKIN Tuberia de Precision, S.A.P.I de C.V., is producing and selling high-quality cold drawn tubes to meet local demand in Mexico's growing automobile industry.

6 JFE Shoji Trade Vietnam's new Ha Tinh Branch

Ha Tinh Branch was established by JFE Shoji Trade Vietnam in July 2016. In preparation for the full-scale operation of Formosa Ha Tinh Steel (FHS), an integrated steelworks in which JFE Steel has a stake, Ha Tinh Branch will engage in local marketing, mainly for equipment, and eventually as a sales base for steel.

New American Business and ASEAN Business divisions for business expansion

To support regional development and speed up decision-making, JFE Shoji established its America Business Division in April 2016 and ASEAN Business Division in April 2017. The aim is to maximize JFE Group revenue by enhancing overall functions and implementing medium- and long-term growth strategies.

Efforts of JFE SHOJI TRADE-2

Improvement of Group Strengths in Japan

JFE Shoji Trade is optimizing its domestic distribution network to improve JFE Group strengths.

JFE Shoji Trade is strengthening cooperation with its own group companies and optimizing its sales structure to handle comprehensive needs in Japan, including sales of iron and steel raw materials and other materials, processing and sales of steel products, and food, electronics and terre armee equipment and products.

In the current medium term, the company aims to expand revenues by enhancing the functions and optimization of its delivery network and by expanding its market share and our presence.

As part of such efforts, it invested in Ohmi Sangyo, a leading coil center in Kansai area. Furthermore, it is restructuring and strengthening functions from a

broad perspective beyond the Group's conventional framework, for example, by establishing JFE Shoji Electrical Steel after wholly acquiring JFE Steel's electrical steel processing company. By strategically combining products and facilities of various companies, JFE Shoji Trade is improving the entire JFE Group supply chain.



1 Establishment of JFE Shoji Electrical Steel Co., Ltd.

JFE Shoji Electrical Steel was established as a subsidiary of JFE Shoji Trade in April 2017 after its shares were transferred from JFE Steel. Through the new subsidiary, we will facilitate more flexibility in Japan's diversifying electrical steel sheet market. In addition, we will utilize processing technologies and other know-how to strengthen a network of processing centers that JFE Shoji is developing overseas.



2 Investment in Ohmi Sangyo, a leading coil center

JFE Shoji Trade took a stake in Ohmi Sangyo, a leading coil center in Kansai area. As the company's main supplier, our forward-looking collaboration with Hanwa Co., Ltd., the existing shareholder, will help stabilize the company's business and revenue. By growing our processing network, we are preparing to meet anticipated new demands for steel in the Japanese market.

JFE SHOJI TRADE HIGHLIGHT 2016

2016

April	Reorganized stainless & special steel Division Newly established America Business Division Electric Appliance Steel Overseas Section named Premier Partner by Fuji Xerox for 5th time in a row
May	JFE Shoji Steel America, Inc. exhibited at 2016 IEEE PES T&D Conference & Exposition for transformer industry, hosted by Institute of Electrical and Electronics Engineers JFE Shoji Terre One hosted trainees from Myanmar
June	Central Metals (Thailand) Ltd. won Outstanding Supplier Award from Kang Yong Electric Public Co., Ltd. for second year in a row
July	JFE Shoji Trade Vietnam established Ha Tinh Branch
August	JFE Shoji Zosen Kako celebrated its 10th anniversary Kawasho Foods and Nissui jointly exhibited at Food Expo 2016 in Hong Kong Invested in PT. Mega Pratama Ferindo, Indonesian wire drawing company
September	Hanwa Kozai installed solar panels on roof of its Yokawa Plant JFE Shoji Trade Steel Construction Materials and YB-Techno established rebar processing joint venture, JY Steel Processing Vietnam Co., Ltd., in northern Vietnam
October	Formed comprehensive partnership with PT. Jakarta Eco Tuanlaga in Padang, Indonesia for PKS shipments Ship-fitting manufacturer Kyoizumi Industry joined other companies operating on premises of JFE Shoji Zosen Kako
November	Decided to make JFE Electrical Steel a wholly owned subsidiary
December	Kure's steel-frame city hall constructed by JFE Shoji Trade Steel Construction Materials featured in Kindaikenchiku magazine

2017

February	Invested in Ton Dong A Corporation, a leading cold-rolled and galvanized steel sheet manufacturer in Vietnam
March	Decided to invest in Ohmi Sangyo, a leading coil center in Kansai

