



JFE Group
*Financial Results for Fiscal Year 2015
ended March 31, 2016*

JFE Holdings, Inc.

April, 2016



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This presentation material is for information and discussion purpose only.

Any statements in the presentation which are not historical facts are future projections based on certain assumptions and currently available information. Please note that actual performance may vary significantly due to various factors



Consolidated Results in Fiscal 2015 (April 1, 2015 to March 31, 2016)



Financial Results in Fiscal Year 2015

JFE

(Mt, billion yen)	FY2014 Full Year (A)	FY2015			Change (B-A)	FY2015 Forecast (C)	Change (B-C)
		1H	2H	Full Year (B)			
Crude Steel Production	28.44	13.45	13.91	27.36	(1.08)	Approx.27.5	
Crude Steel Production (Consolidated)	31.04	14.69	15.06	29.75	(1.29)	Approx.30.0	
Net Sales	3,850.3	1,713.2	1,718.5	3,431.7	(418.6)	3,420.0	(11.7)
Steel Business	188.5	38.6	(10.8)	27.8	(160.7)	30.0	(2.2)
Engineering Business	18.0	(0.0)	20.0	20.0	2.0	20.0	0
Trading Business	24.6	9.8	5.9	15.7	(8.9)	15.5	0.2
Adjustments	(0.2)	(0.0)	0.6	0.6	0.8	(0.5)	1.1
Ordinary Income [ROS]	231.0 [6.0%]	48.3 [2.8%]	15.9 [0.9%]	64.2 [1.9%]	(166.8) [(4.1%)]	65.0 [1.9%]	(0.8) [0.0%]
Extraordinary Profit (Loss)	(4.3)	-	10.0	10.0	14.3	0	10.0
Income Before Income Taxes and Minority Interest	226.6	48.3	26.0	74.3	(152.3)	65.0	9.3
Tax Expense and Profit Attributable to Non-controlling Interests	(87.3)	(18.4)	(22.2)	(40.6)	46.7	(40.0)	(0.6)
Profit Attributable to Owners of Parent	139.3	29.9	3.7	33.6	(105.7)	25.0	8.6



JFE Steel

Financial Results

in Fiscal Year 2015



Financial Results in FY15 of JFE Steel

(billion yen)

JFE steel	FY2014 Actual A	FY2015 Forecast B	FY2015 Actual C	Change 2014 →2015 C-A	Change Forecast →Actual C-B
Net sales	2,873.8	2,460.0	2,445.1	(428.7)	(14.9)
Ordinary Income	188.5	30.0	27.8	(160.7)	(2.2)
ROS	6.6%	1.2%	1.1%	(5.4%)	(0.1%)



JFE

JFE Steel

Production and Shipments

(million tons)

■ Crude Steel Production and Shipments (non-consolidated basis)

	FY2014 (A)	1H	2H		FY2015 (B)	Change (B)-(A)	
			Oct-Dec	Jan-Mar			
	Actual	Actual	Actual	Actual	Actual	Actual	
Crude Steel	28.44	13.45	6.98	6.93	13.91	27.36	(1.08)
Shipments	26.07	12.37	6.45	6.56	13.02	25.39	(0.68)

Avg. Sales Price (000yen/t)	77.1	71.0	65.1	60.6	62.8	66.8	(10.3)
Exchange rate (yen/\$)	109.2	121.8	121.2	117.7	119.5	120.6	11.4
Period end rate (yen/\$)	120.2	120.0	120.6	112.7	112.7	112.7	(7.5)

■ Crude Steel Production (consolidated basis)

Crude Steel	31.04	14.69	7.57	7.48	15.06	29.75	(1.29)
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2.2 Billion Yen decrease in JFE Steel's Ordinary Income (FY15(Forecast) vs. FY15(Actual))

(billion yen)

JFE Steel	FY2014	FY2015	FY2015(Actual)			Change FY2014 →FY2015 C-A	Change Forecast →Actual C-B
	Actual A	Forecast B	1H	2H	Full Year C		
Ordinary Income	188.5	30.0	38.6	(10.8)	27.8	(160.7)	(2.2)

■ Sales and Raw materials ±0

■ Cost reduction ±0

■ Others -2.2



Exchange loss, etc.

TOTAL -2.2



160.7 Billion Yen decrease in JFE Steel's Ordinary Income (FY14 (Actual) vs. FY15 (Actual))

(billion yen)

JFE Steel	FY2014	FY2015	FY2015(Actual)			Change FY2014 →FY2015 C-A	Change Forecast →Actual C-B
	Actual A	Forecast B	1H	2H	Full year C		
Ordinary Income	188.5	30.0	38.6	(10.8)	27.8	(160.7)	(2.2)

■ Sales and Raw materials -120.0



Decline in sales volume, product mix and export sales price etc.

■ Cost reduction +35.0

■ Inventory valuation -40.0

■ Others -35.7



Decrease in profit of subsidiary companies
Increase in depreciation, labor and outsourcing costs
Impairment loss of mining interests etc.

TOTAL

-160.7



JFE Engineering

Financial Results

in Fiscal Year 2015



JFE

Financial Results in FY2015 of JFE Engineering

(billion yen)

	FY2014 (Actual)		FY2015 (Actual)		Change
	2H	Full year	2H	Full year	Full year
Orders	244.7	459.5	312.2	509.4	49.9
Net Sales	222.7	367.3	244.0	397.5	30.2
Ordinary Income	17.4	18.0	20.0	20.0	2.0

【Change: FY2014 Full year to FY2015 Full year】

- Orders: +49.9 Increase in orders of environment plants, biomass power generation plants, and overseas large-scale bridge construction etc. [Historical Record]
- Net Sales: +30.2 Increase with increase in orders [Historical Record]
- Ordinary Income: +2.0 Increase with increase in net sales [Historical Record]



JFE

Classification of placed orders

(billion yen)

Category	FY2014 (Actual)	FY2015 (Actual)	Change	Main Orders (FY2015)
Environment, Energy	345.2	367.6	22.4	<ul style="list-style-type: none"> - Improvement works of waste incineration in Mie Pref., Hokkaido Pref., Chiba Pref. and Mie Pref. - Waste Incineration Power Plant in Myanmar. - Treatment and Recycling sewage sludge PFI project in Yokohama City - Biomass Power Generation Plants - Construction of gas pipelines for JAPEX between Souma City and Iwanuma City - 18 Solar power stations
Steel Structure, Industrial Machinery etc.	114.2	141.8	27.6	<ul style="list-style-type: none"> - Hybrid seawall for Okawa-Kesennuma Port in Miyagi Pref. - Construction of steel bridges in Bangladesh. - Manufacturing jackets for piers in Myanmar. - Construction and setting up a crane for containers in Tokyo-Bay - Feed mill for J-OIL MILLS, Inc. - Install of Ballast water management system, "Ballast Ace", for 409 ships
Total	459.5	509.4	49.9	



Received order of renovation work of waste incineration plant in Suzuka City

JFE Engineering

-Adopt DBO method, including Main facility Renovation Work, and Operation and Maintenance-

DBO: Design, Building, Operation

- Received order with DBO method which includes renovation work of main facilities of incineration plant and operation work for 17 years in Suzuka City.
- By renovating aged main facilities and by efficient operation and appropriate maintenance, the plant can be used for longer time in the future.



- Project period: EPC Apr 2016 – Mar 2021
Operation & Maintenance Apr 2017 – Mar 2034
- Capacity: 90 ton × 24 hour × 3 incinerators
- Power generation amount: 3,000kwh
- First Building: 2003
(Designed and Built by JFE Engineering)
- Orders received: 19 billion yen
(Main facility renovation: 5.1 billion yen
Operation & Maintenance: 14.0 billion yen)

●JFE Engineering Construction Performance

Total Orders
Received
19 Orders (*)



*After starting financial aid from Ministry of the Environment in 2010

- The demand for replacement of incineration plants is growing because about a half of 1,200 waste incineration plants in Japan is operated for more than 15 years since they were built.
- DBO method will increase in renovation work of main facilities, although the method has been common for construction of new plants and replacement.

As the leading company in the environment and energy plant field, JFE Engineering continues to contribute to help reducing financial cost of municipal and conserving environment.



JFE Shoji

Financial Results

in Fiscal Year 2015



Financial Results in FY2015 of JFE Shoji

(billion yen)

	FY2014 (Actual)		FY2015 (Actual)		Change
	2H	Full year	2H	Full year	Full year
Net Sales	988.2	1,934.4	841.9	1,756.4	(178.0)
Ordinary Income	13.2	24.6	5.9	15.7	(8.9)

【Change: FY2014 Full year to FY2015 Full year】

- Ordinary Income: -8.9
 - Decrease in sales price and volume both in domestic and overseas market
- Valuation losses;
 - Foreign-currency debt valuation loss of subsidiaries in China due to RMB depreciation
 - Inventory valuation loss of subsidiaries in North America due to price decline of energy-related steel products



Net Sales of JFE Shoji (by Segment)

(billion yen)		FY2014 (A)		FY2015 (A)		Change	
Domestic Business		1,007.1		905.3		(101.8)	
Overseas Business	Export	452.7	743.8	417.7	689.0	(35.0)	(54.8)
	Foreign Operation	291.1		271.3		(19.8)	
Raw Materials, Equipment etc.		183.5		162.1		(21.4)	
TOTAL		1,934.4		1,756.4		(178.0)	



**Forecasts of Consolidated Financial
Results in Fiscal 2016
(April 1, 2016 to March 31, 2017)**



Current Business Environment



Current Business Environment

JFE

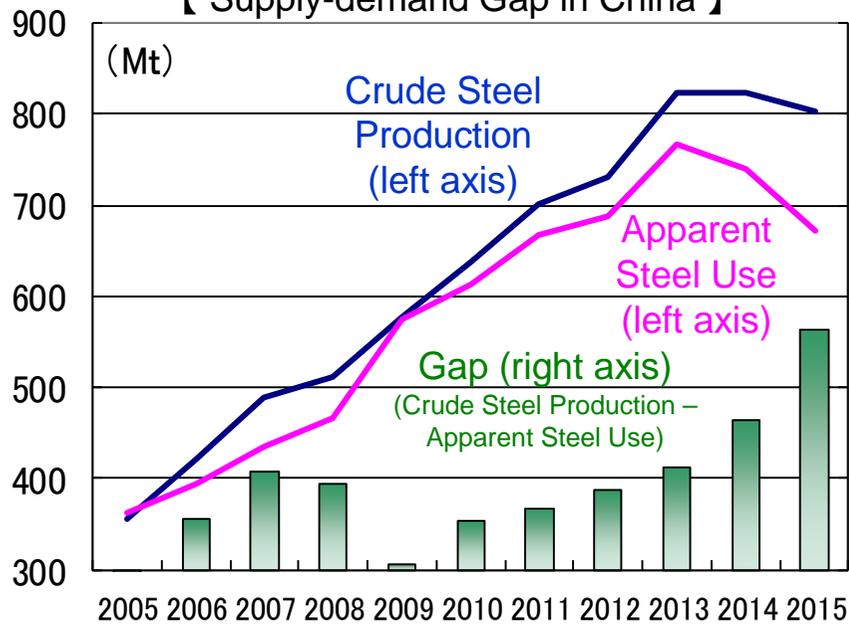
Domestic Business Environment

- Domestic steel demand remains robust, although some products are experiencing a delay in demand recovery.

Overseas Business Environment

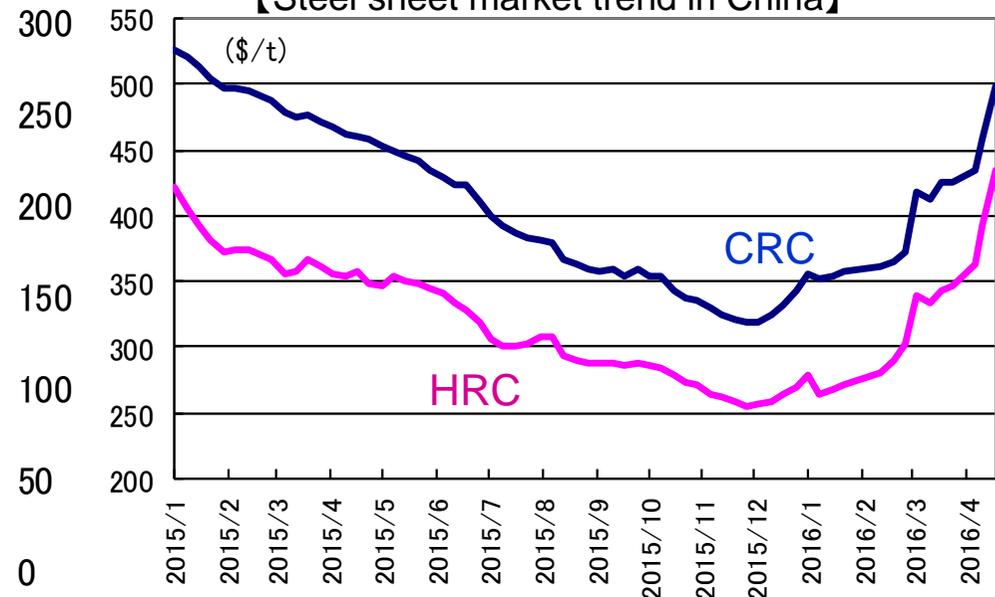
- Steel market in China has been maintaining an upward trend since the beginning of Dec. 2015, after a sharp fall of steel prices in 2015 due to growing oversupplies in China
- Need to watch the situation of crude steel production cut and continuity of price hike in China, and final effects to international steel market

【 Supply-demand Gap in China 】



Source: World Steel Association

【 Steel sheet market trend in China 】



Source: Chinese spot basis

(1) The statement announced by China State Council on February 4, 2016

【Target】

To reduce crude steel production capacity by 100 to 150 million tons within five years starting from 2016

<Measures>

- ① Prohibit to increase production capacity
- ② Resolve overcapacity
To enforce the law and the policy regarding environment conservation (*) and energy saving and to drive the companies which do not meet the standards out of the market.
- ③ Reinforce law-enforcement and government's supervisory
- ④ Improve sophistication of steel industry

<Actions>

- ① Enhance incentive and subsidy
 The central government establishes the fund to move steel workers to other industries
- ② Develop related tax policy

※In Jan 2015, the new law for environmental conservation has been put into operation.

(2) The government's report released at 12th National People's Congress starting from Mar 5, 2016

- Reduce overcapacity orderly
- Resolve "Zombie companies"
- Support to move steel workers to other industries (up to 0.5 million people)

- Prohibit new production capacity and dispose aging facilities
- Promote M&A, debt-workout, liquidation
- Prepare 100 billion Yuan for restructuring

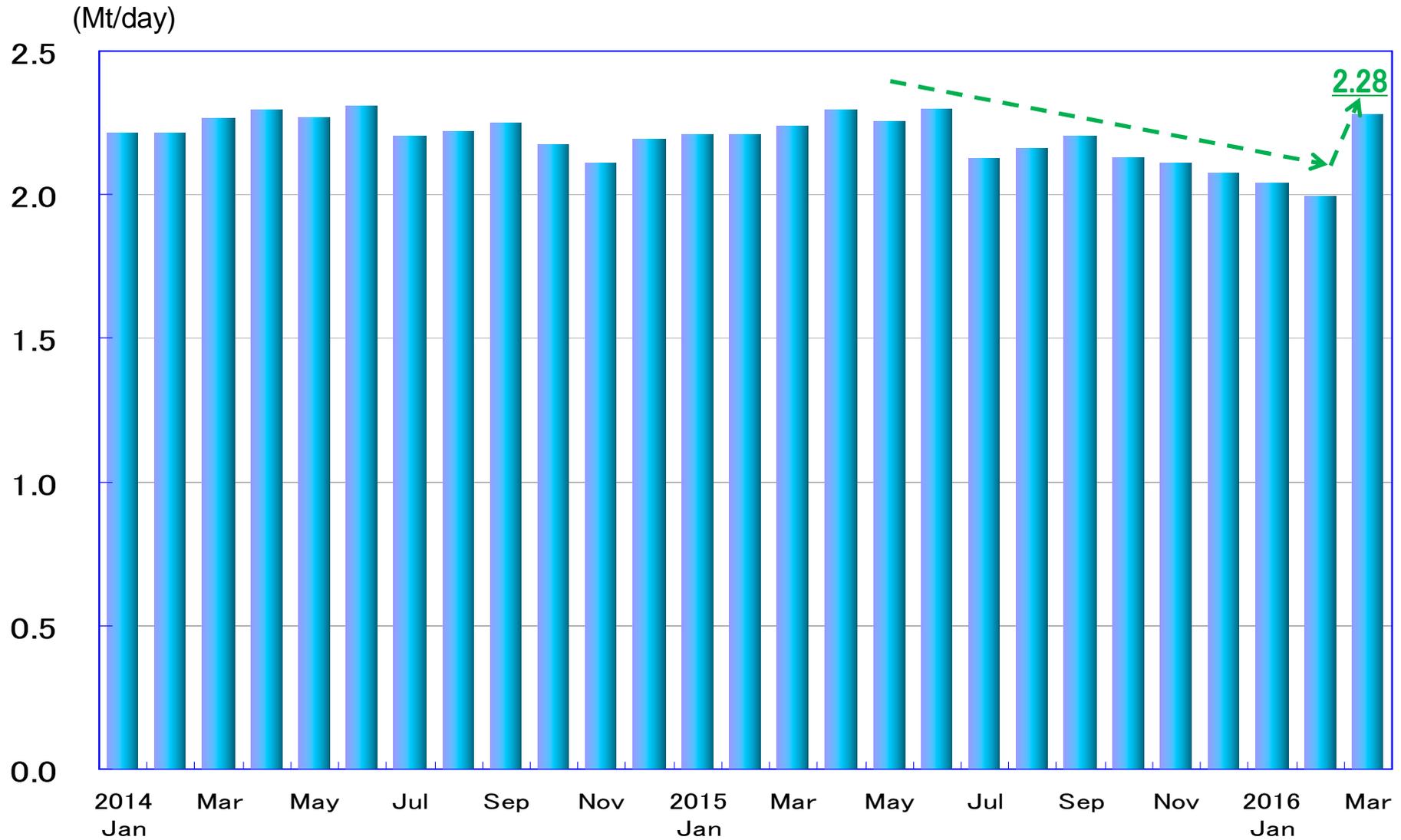


Overseas Market Environment

JFE Steel

Daily Average Crude Steel Production in China

JFE



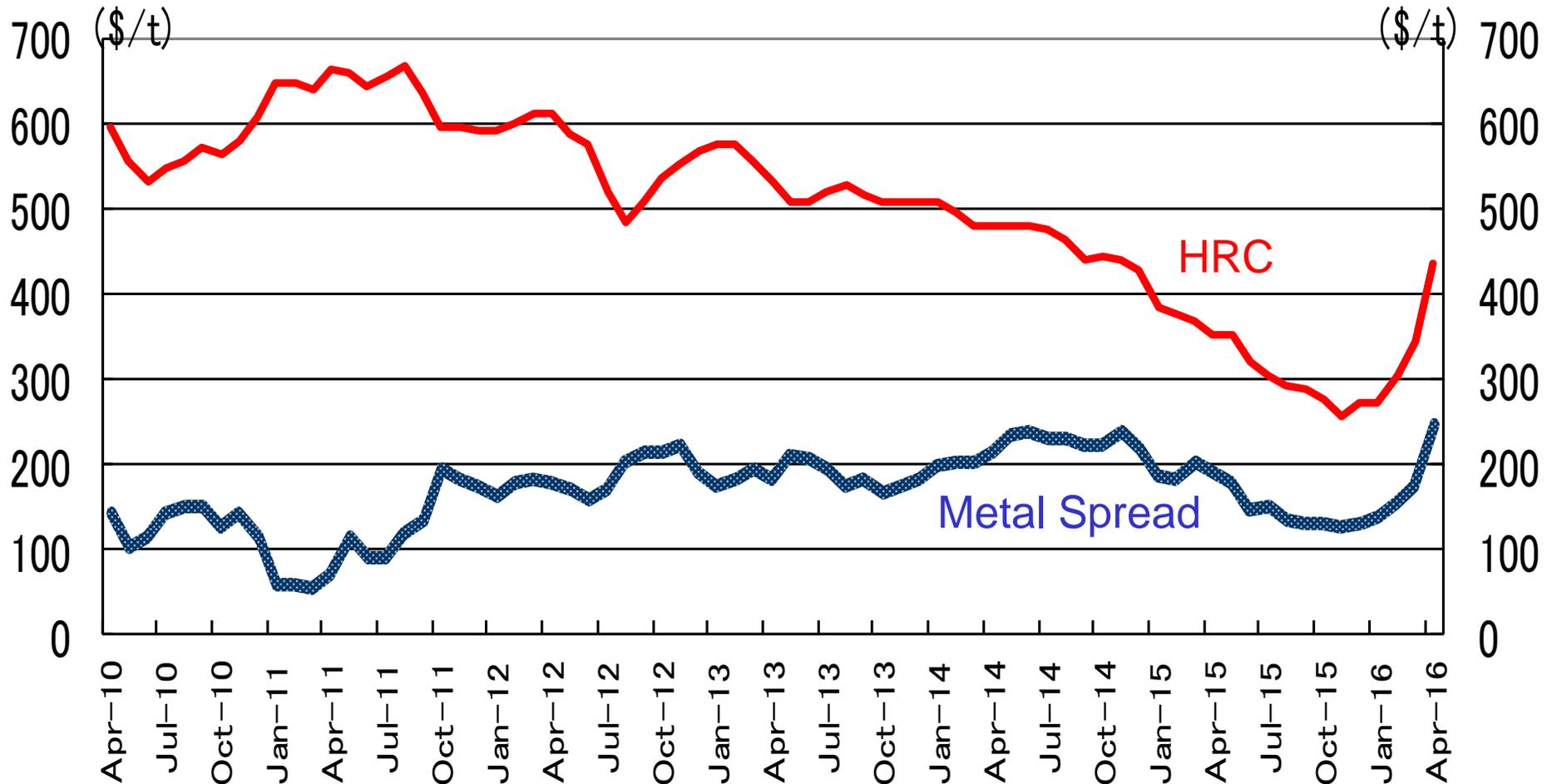
※Daily Average Production = Monthly Production / Dates



Overseas
Market Environment

Metal Spread Trend (Chinese Spot Basis)

JFE Steel



Metal Spread = HRC Price - Raw Materials Cost

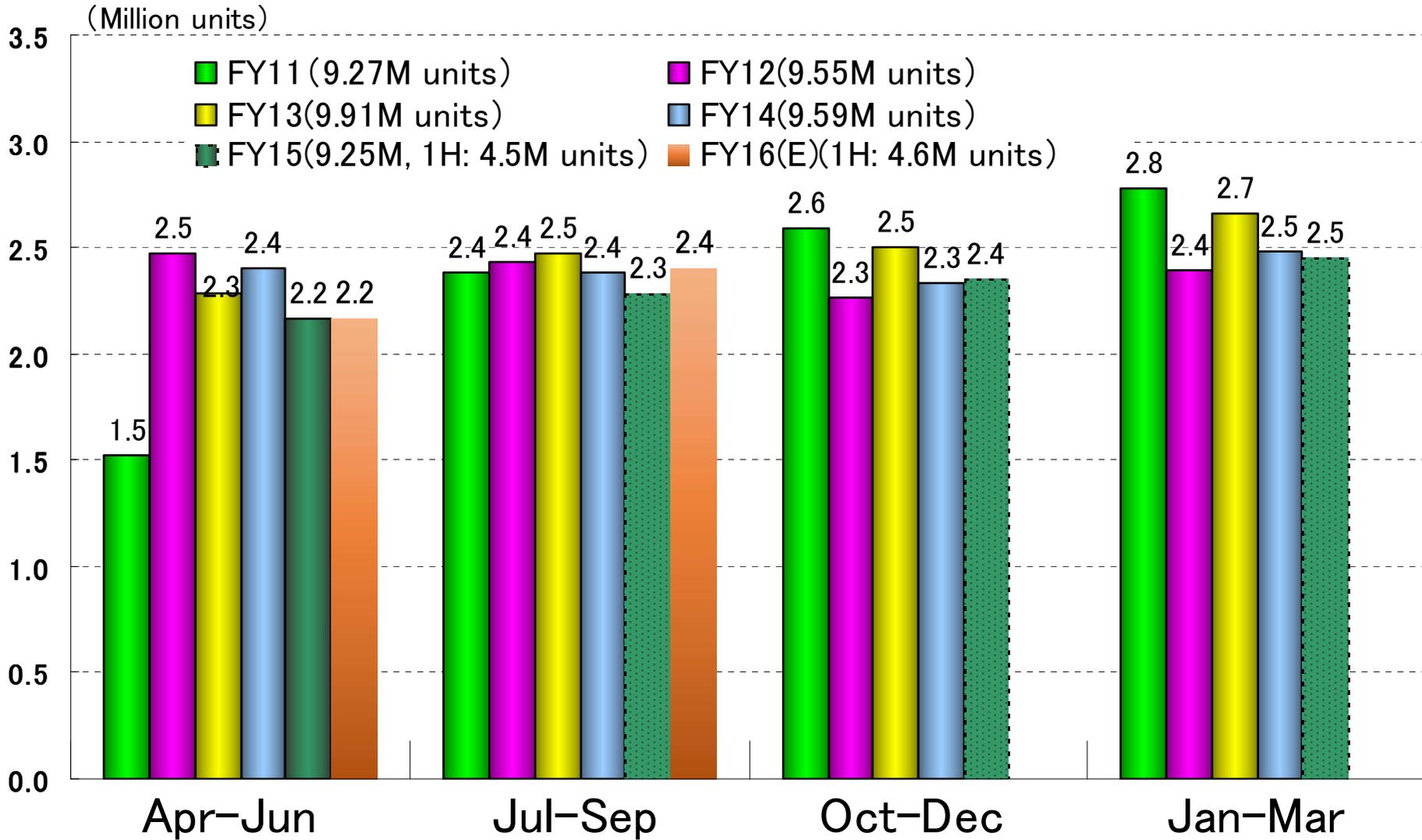
*HRC Price: Chinese Spot basis

Raw Materials Cost: Calculated from market price of Iron Ore and Hard Coking Coal



Domestic Market Environment

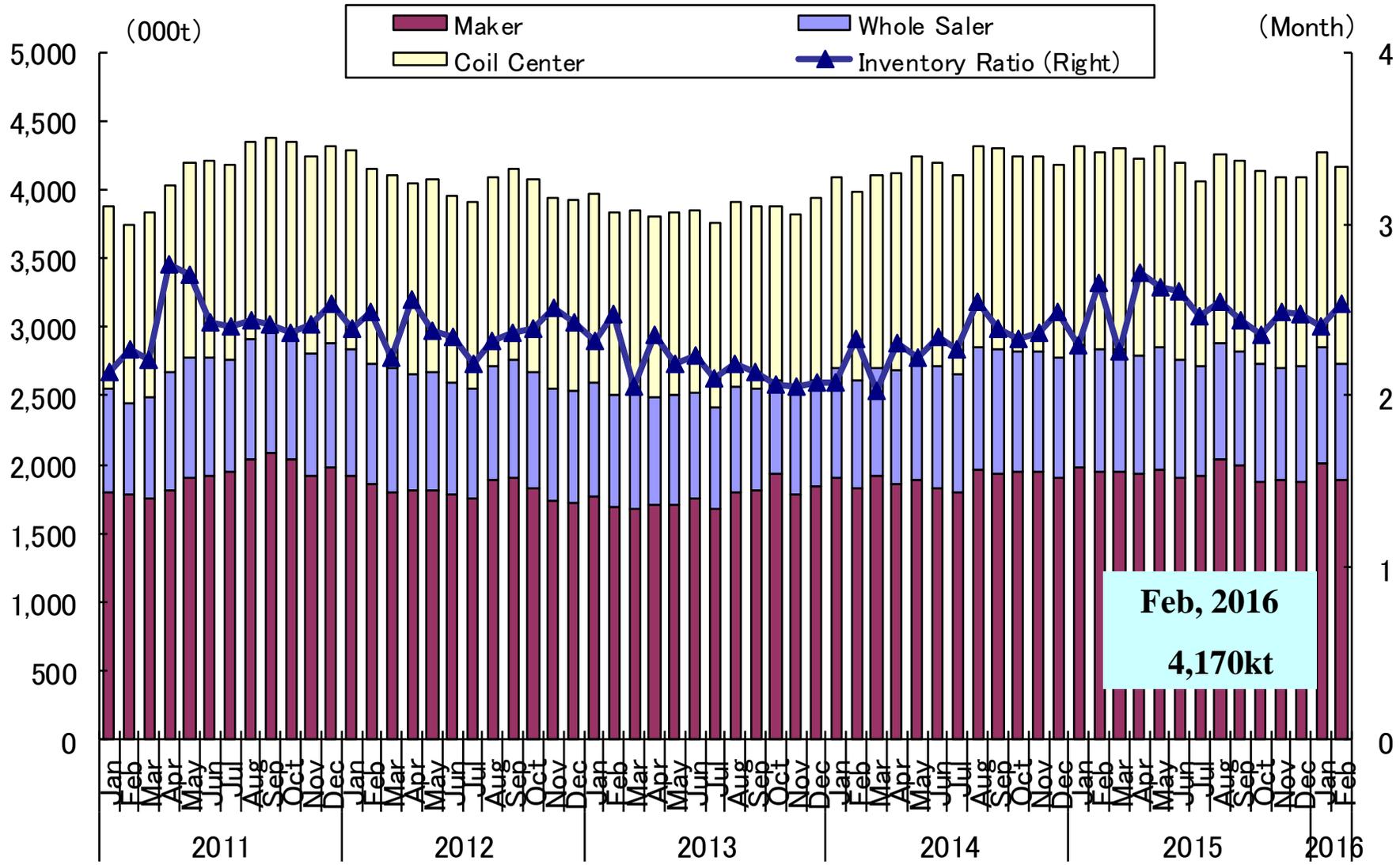
Outlook for Domestic Auto Production





Domestic Market Environment

Combined Inventories of HR, CR and Coated Steel Sheet

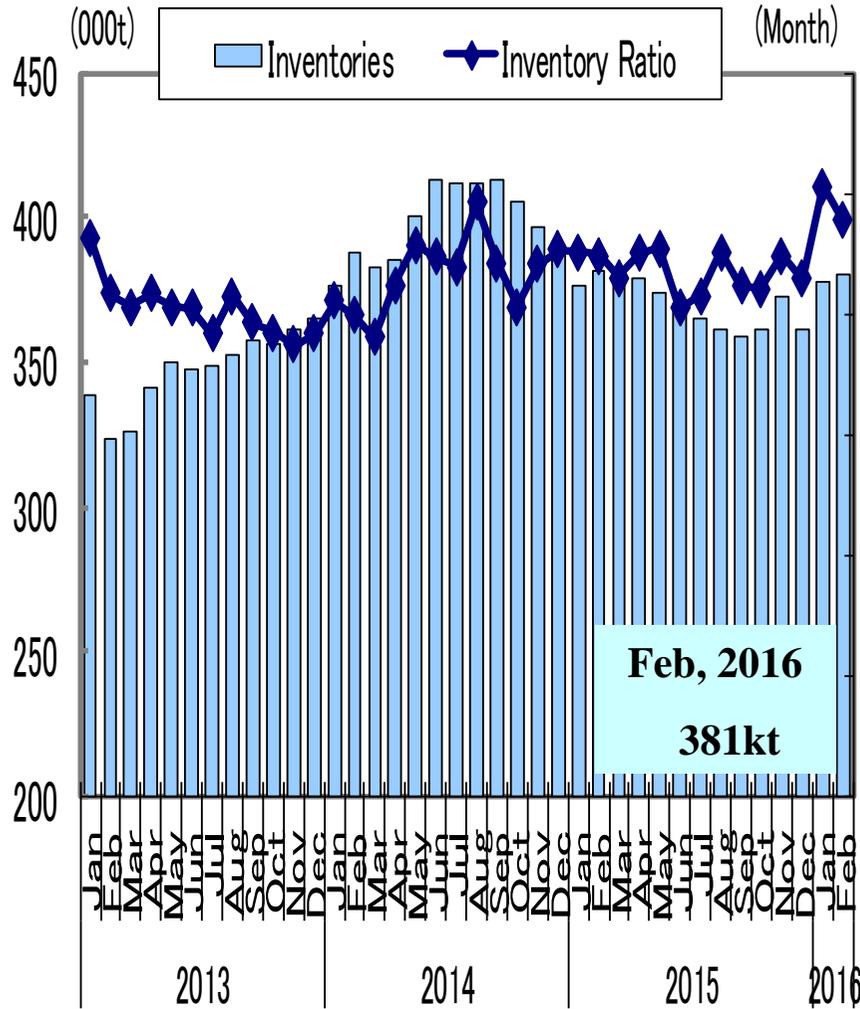




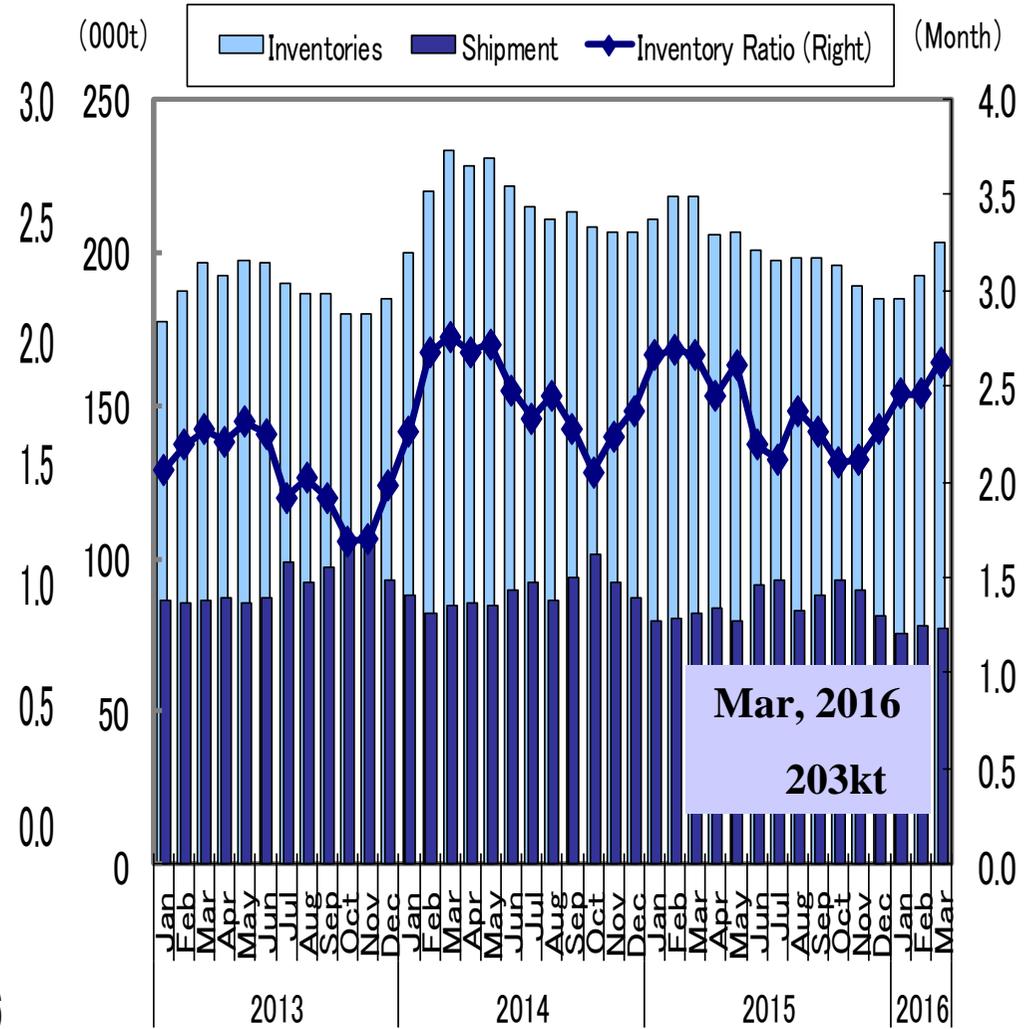
Domestic Market Environment

JFE Steel
Inventories of Plate (Plate Shear)
and Wide Flange Shapes

Inventories of Plate (Plate Shear)



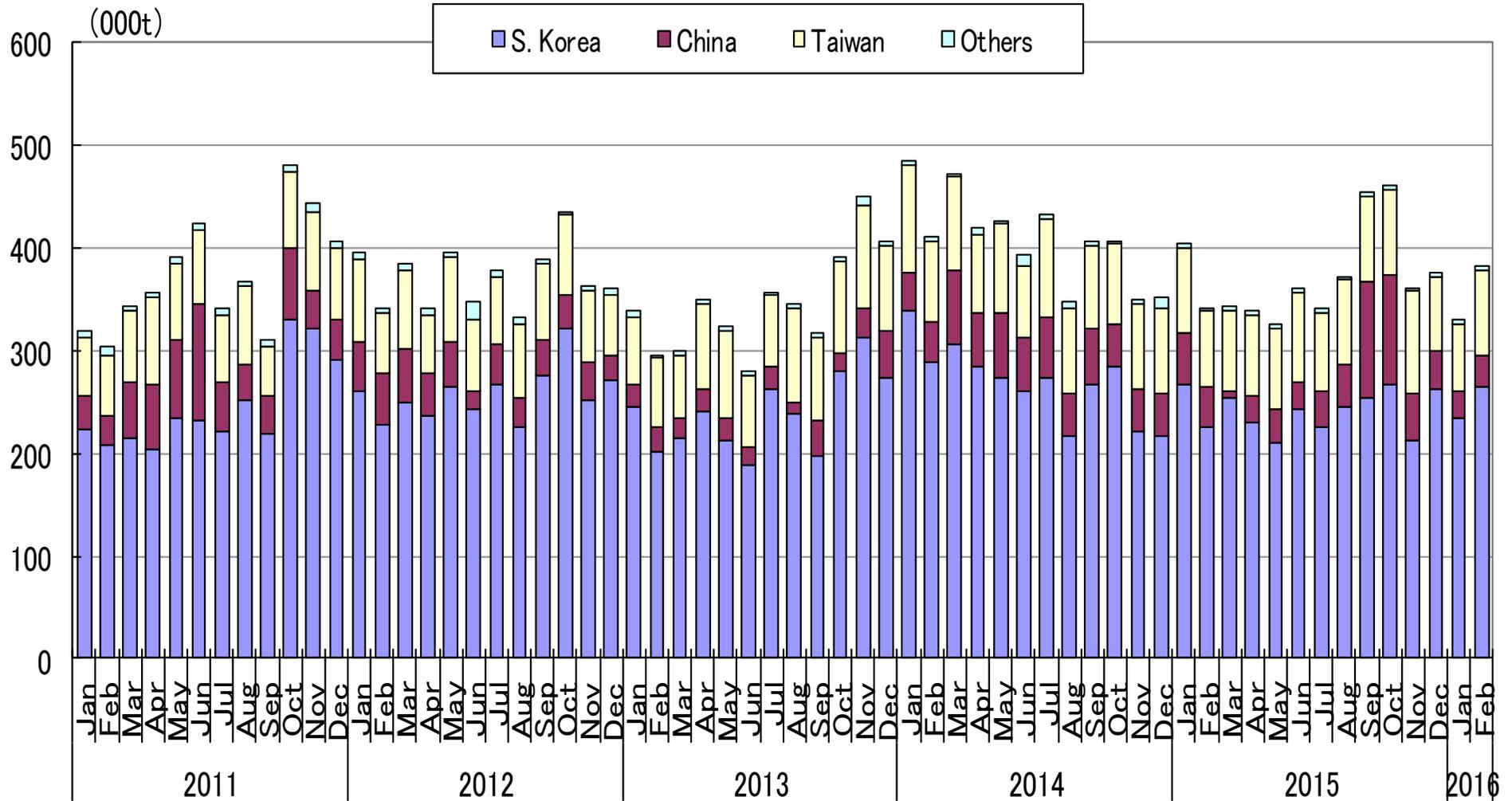
Inventories of Wide Flange Shapes





Domestic Market Environment

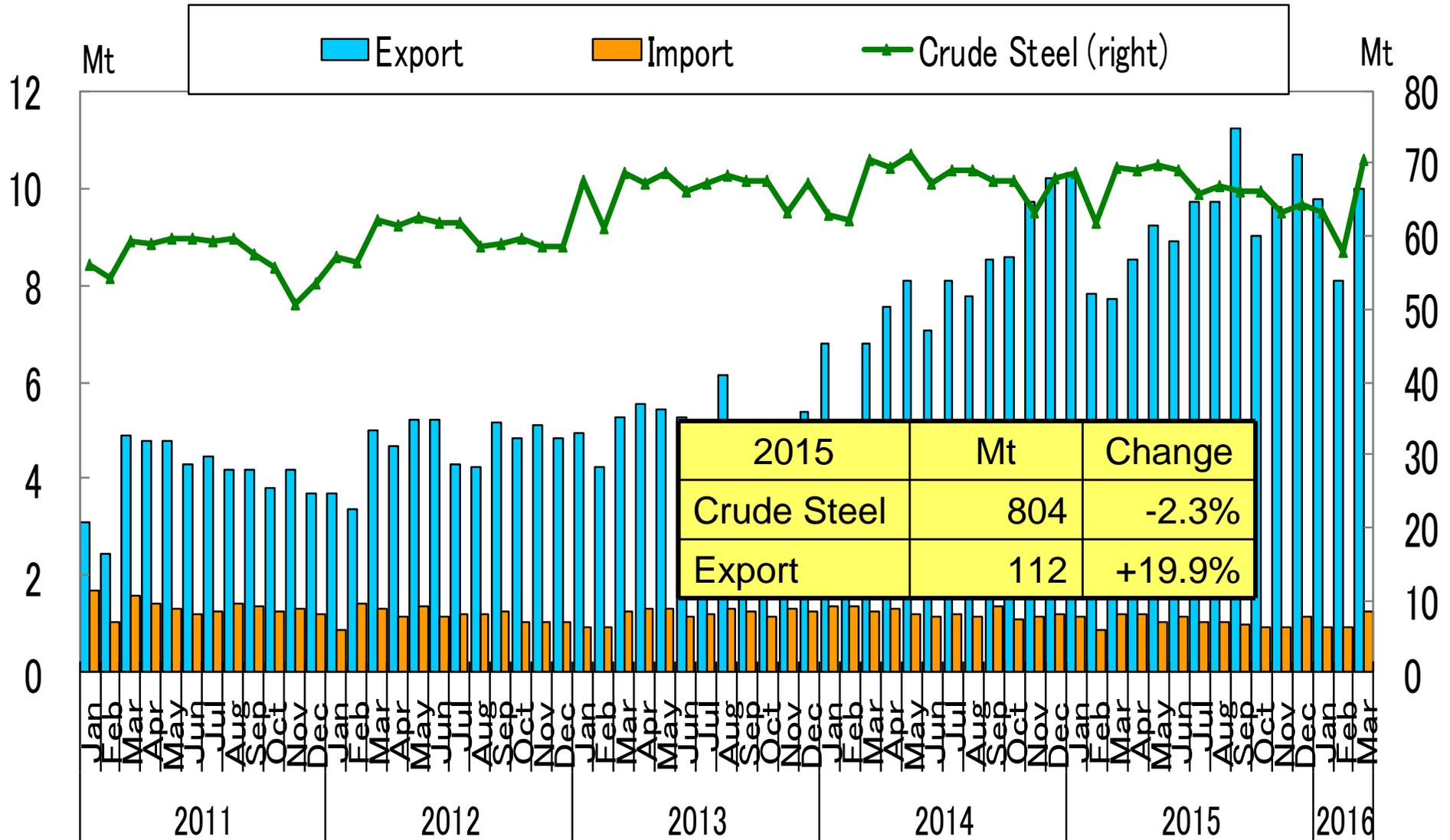
Trend of Import Steel (Ordinary Steel)





Overseas
Market Environment

Crude Steel & Im/Export, China

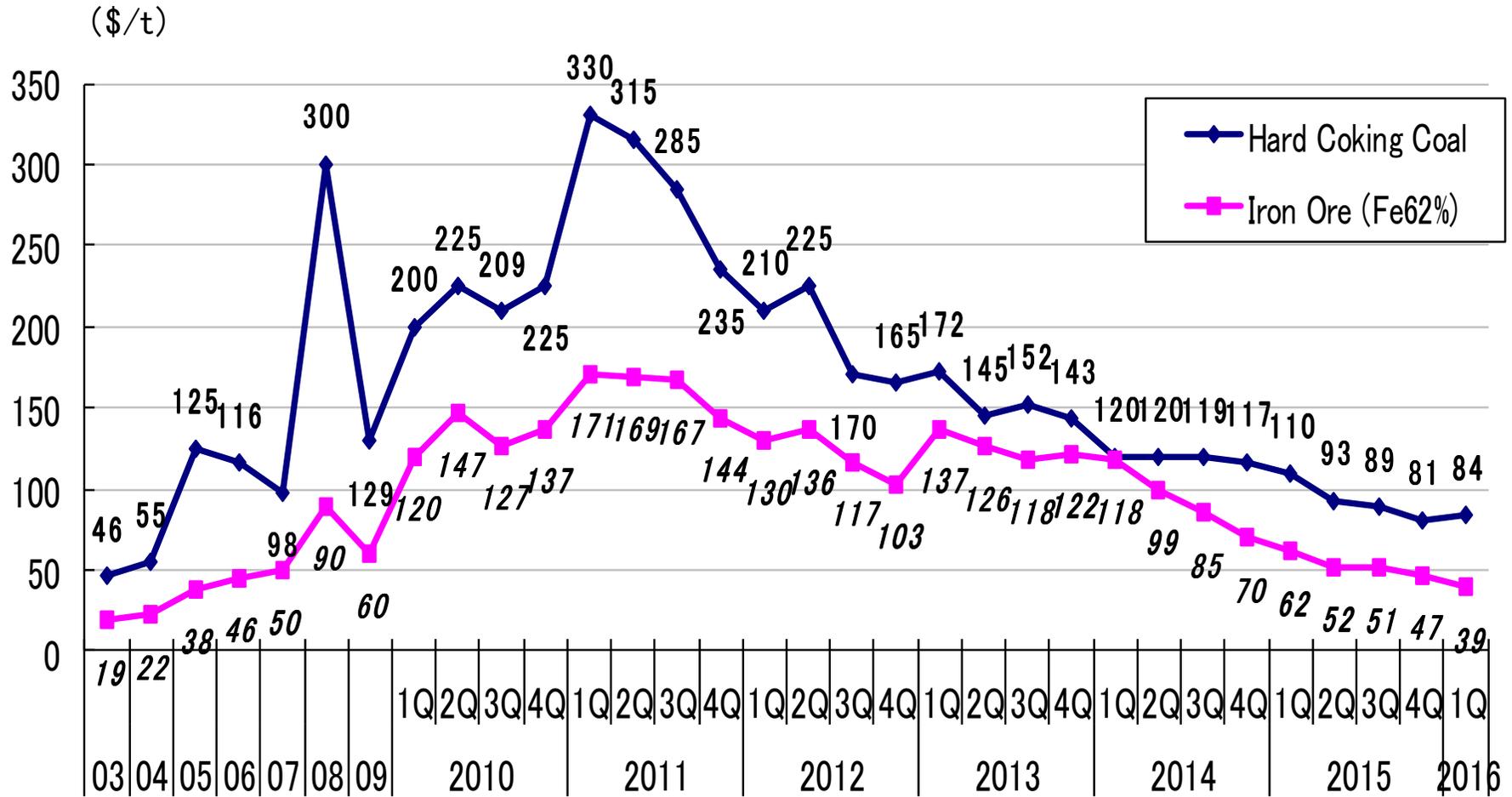


*Crude Steel in Jan and Feb, 2015: WSA's estimation



Raw Materials

Raw Materials Price





JFE Holdings

Financial Forecasts

for Fiscal Year 2016



Financial Forecasts for Fiscal Year 2016

In the steel business, it is difficult to forecast future trends due to various uncertainties, such as the prices of raw materials used in steel production, and steel sale prices. If prices were to remain at current levels, however, JFE Steel forecasts ordinary income to decrease by approximately 10.0 billion yen from fiscal 2015.

The engineering business is expected to increase sales given the high value of orders placed, and the trading business is expected to improve profitability overseas. As a result, these two businesses are expected to increase their combined ordinary income by 10.0 billion yen from fiscal 2015.

The JFE Group forecasts consolidated ordinary income to be around 65.0 billion yen, similar to that of fiscal 2015.



Financial Forecasts for Fiscal Year 2016

Breakdown of Changes in Ordinary Income

Forecast for FY 2016 compared to FY2015: roughly unchanged (64.2→65.0)

(billion Yen)

Steel Business:

Sales and Raw materials	(60.0)
Cost reduction	30.0
Inventory valuation etc.	20.0

Sub Total of Steel Business (10.0)

Engineering Business:

Trading Business:

} 10.0



Underlying Profit before One-off Effects

(billion yen)

	FY2014 Actual	FY2015 Actual	FY2016 Estimate
Net Sales	3,850.3	3,431.7	-
Ordinary Income	231.0	64.2	65.0
ROS (*)	6.0%	1.9%	-
One-off Effects	(32.0)	(78.0)	(38.0)
Underlying Profit before One-off Effects	260.0	140.0	100.0
ROS (*)	6.8%	4.1%	-

*Return on Sales: Ordinary Income / Net Sales



Progress of JFE Group Fifth Medium-Term Business Plan



Progress of Fifth Medium-Term Plan (Domestic)

JFE

Further strengthen the manufacturing base in Japan with stable production and reduce costs by continuous capital investments

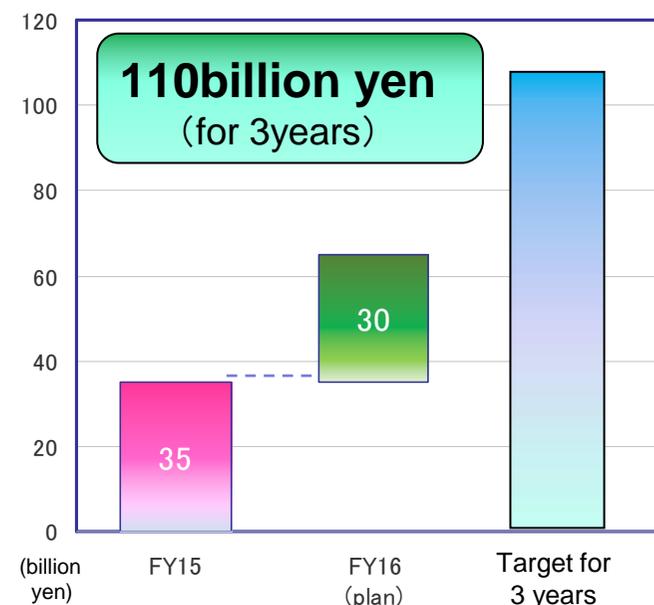
【Capital investments】 650billion yen

Accelerating Capex plan
(adopted 40% planned investments in FY15)

<Progress of main items> finished scheduled

Process	Area	Facility	FY14	FY15	FY16	FY17	FY18
Upper Stream	Kura-Shiki	No.3 Coke oven			Jan. 2016		
	Kura-Shiki	No.2 Coke oven				1H FY2017 (scheduled)	
	Chiba	No.6A Coke oven				2H FY2016 (scheduled)	
	Chiba	No.6B Coke oven					1H FY2018 (scheduled)
Energy	Chiba	No.4 West Power plant			Jul. 2015		

<Cost reduction>



【Strengthen the manufacturing base】

- Intensive maintenance of the manufacturing facilities
 - ◆ Accelerating maintenance work under the current low operational rate
- Strengthen subsidiaries functioning maintenance and renewal
 - ◆ Integration of JFE Mechanical and JFE Electrical & Control Systems in Apr. 2016



Progress of Fifth Medium-Term Plan (Overseas)

JFE

-Strengthen business in prioritized field especially in auto sector
 -Pursue growth investment from a middle- & long-term perspective

Prioritized Business Field	Asia			NAFTA	MENA
	East Asia	Southeast Asia	Southwest Asia		
Automobiles Adopt for global procurement	•China CGL (GJSS) •China (JJP)	•Thailand CGL(JSGT) •Indonesia★ (JSGI)	•India (JSW)	•USA (AK Steel)	
Energy Localization in demand region	•China (PYP) •China (BHNC)	•Singapore (JFE-TC)		•USA (CSI) •USA (Benoit)	•UAE (AL GHARBIA)
Infrastructure Target in growing Asia		•Vietnam (J-Spiral)			•Egypt★ (Kandil)
Overseas BF Aiming JFE Brand 40 million tons		•Vietnam★ (FHS)			

Prioritized region of the fifth medium-term

Projects developed during the fifth medium-term (invested, started operation etc.)



Progress of Fifth Medium-Term Plan (Overseas)

JFE

Field	Company	Country	Equity share	Main products (Capacity)	Main progress
Automobiles	GJSS	China	50%	Automotive steel (1.8Mt/y)	Expanding sales of galvanized sheet mainly for Japanese auto makers and maintaining profits. Promoting local production of ultra high-tensile steel sheet.
	JSGT	Thailand	100%	Automotive steel (0.4Mt/y)	Aiming to be full production with transfer from JFE Steel. Promoting local production of ultra high-tensile steel sheet.
	JSGI	Indonesia	100%	Automotive steel (0.4Mt/y)	Started operation as the first automotive CGL ahead of schedule in Jan. 2016.
	JSW	India	15%	Automotive steel (2.3Mt/y)	Promoting technology transfer for automotive high-grade steel
	JJP	China	51%	Automotive pipe (0.24Mt/y)	Started operation in July 2015
Energy	CSI	USA	50%	HRC, CRC, Coated sheet and pipes	Aiming to improve operation ratio of new pipe mill
	AL GHARBIA	UAE	27%	Large-diameter welded steel pipe (0.24Mt/y)	Started construction in Apr 2016 and will be operational in Oct., 2018
Infrastructure	FHS	Vietnam	5%	Slab and HRC (7.0Mt/y)	Started operation of coke oven and hot strip mill in Dec. 2015. #1 blast furnace and steelmaking plant will be operational in mid 2016. Promoting technical support from JFE.
	Kandil	Egypt	4%	CRC, Coated sheet (approx. 0.6Mt/y)	Acquired stake and started technical support in Mar. 2016. Promote to increase supply of steel sheet for re-roll.
	Dongkuk Steel	Korea	15%	Plate (1.5Mt/y)	Final profit of stand-alone basis turned into black through technical support from JFE and consolidation of plate mills etc.
	JFE Steel Drum	China	75-80%	Steel Drum (9.6M /y)	Started operation of Chongqing plant in Apr. 2016 and achieved 4 production bases including Shanghai, Zhejiang, and Jiangsu in China



Progress of Fifth Medium-Term Plan (Technological development)

JFE Steel

【Main items released in FY2015】

Field	Item	Title
Automobiles	Developed	980MPa grade high-tensile cold rolled steel sheet with excellent ductility and formability
	Developed	Forming technology for auto parts difficult to press
	Awarded	Resource-saving and heat-resistant stainless steel “JFE-TF1”
Energy	Developed	Hydrogen station accumulator to contribute to cost reduction
	Awarded	Earthquake-resistant line pipe, “HIPER [®] ”
	Awarded	Welded steel pipe for line pipe, “Mightyseam [®] ”
	Awarded	Highly efficiency manufacturing process using large-diameter welded steel pipe facility
Infra-structure	Developed	New construction method applicable to high intensity steel pipe pole, “NC Base P”
	Developed	New construction method for composite underground wall using steel sheet pile, “J-WALL II”
	Developed	Large-diameter construction method, “Urban Ring”
	Awarded	Supported technology for huge earthquake by using high performance steel for construction
	Awarded	Highly accurate and highly efficient manufacturing process of high tensile strength heavy plate
Shipbuilding	Developed	World first application of arrest structure technology for 14,000TEU grade container ship
	Developed	World first application of high strength heavy plate to LPG carrier to enhance safety to collision
Process	Developed	New ecological preliminary treatment process of pig iron
	Awarded	New manufacturing process of sinter, “Super-SINTER”



Progress of Fifth Medium-Term Plan (Engineering)

JFE

【Main actions in FY 2015】

Focusing Fields

【Expand overseas business】

- ◆ Expand orders received for large-scale steel structure projects
 - Expanded production capacity of J&M Steel Solutions (to 20 k tons / month)
 - Construction of the piers with steel jackets in Myanmar
 - Construction and renovation of steel bridges on the highway in Bangladesh
- ◆ Waste incineration power plant
 - First waste incineration power plant in Myanmar
 - SPSH(*) delivered large Incineration power plant in England

(*)SPSH: Standardkessel Power Systems Holding GmbH

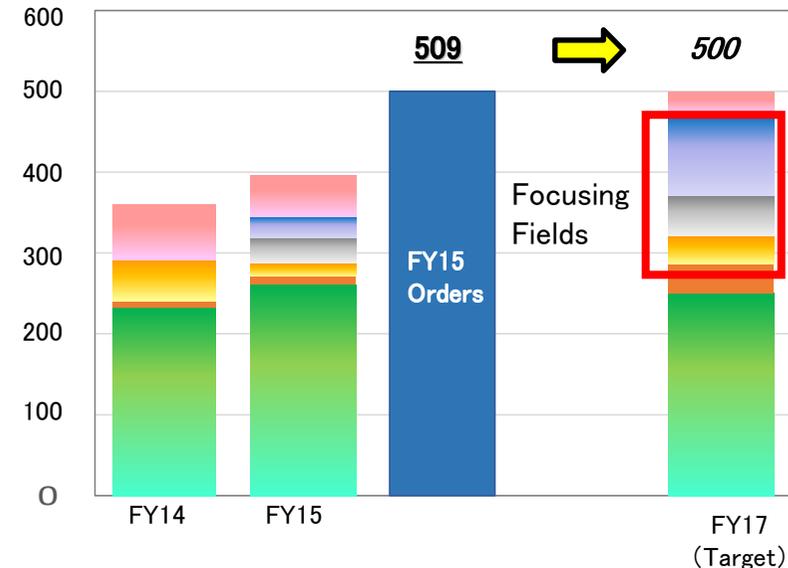
【Support electric energy generation at various plants】

- Expand orders received of biomass power plants
- Increase solar power stations (18 stations in Japan)

【Offer proposal-based services】

- ◆ Offer total solutions for upgrading of infrastructure
 - Received order of PFI project from Yokohama-City

(billion Yen)



【Develop and launch products and services】

- ◆ Expand ballast water management system
 - Cooperate with JMU subsidiary company
- ◆ Develop and offer new products in smart-agriculture field

【Ensure profit in Existing Technology Field】

- Renovation of waste incineration plant
- Construction of Soma-Iwanuma pipeline
- Hybrid coast levee in Miyagi Pref.



Agreement for the Integration of the Shield Tunneling Machine Businesses

(announced on Apr. 26, 2016)

Market Forecast

【Domestic】 Demand is expected to expand in the foreseeable future

【Overseas】 Demand is expected to grow with a need for infrastructure construction such as subway route expansion

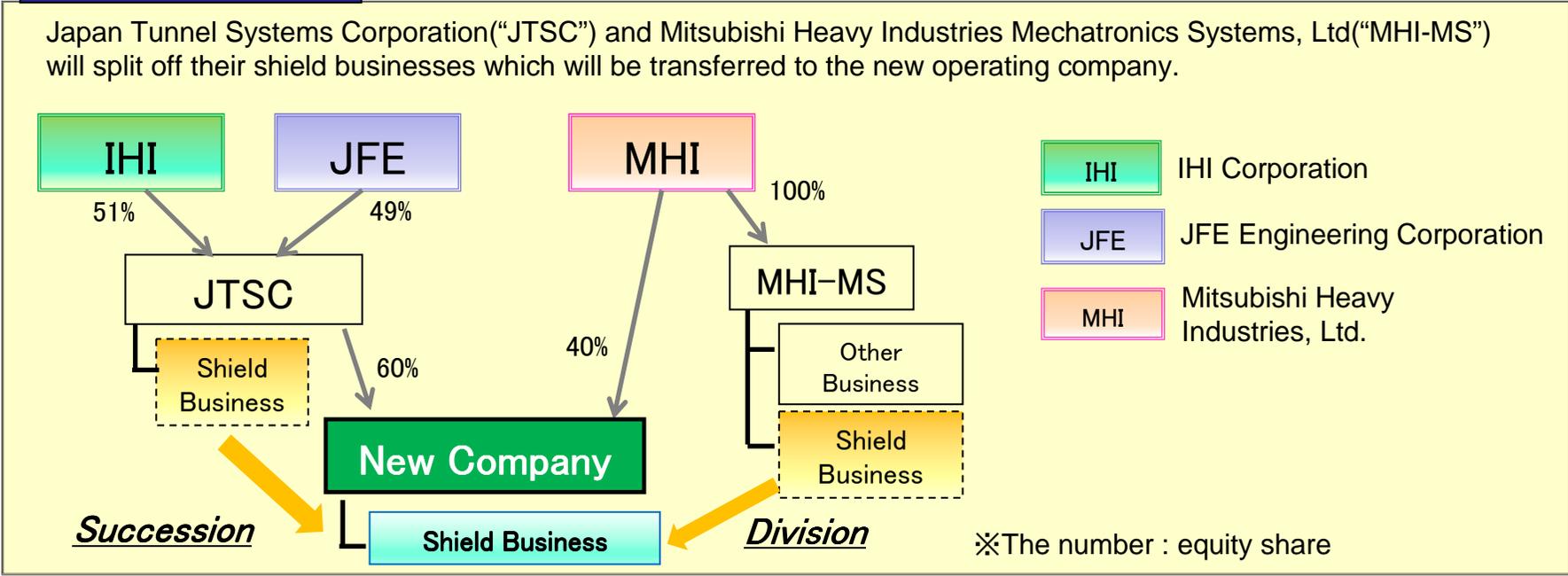


Need to establish a business organization that **can reliably capture growing domestic demand** and **accelerate expansion overseas.**

Shield Tunneling Machine

The machine is used for tunneling such as constructing subways, roads and sewers

Integration Scheme





Progress of Fifth Medium-Term Plan (Trading)

JFE

【Main actions in FY 2015】

【North and Central America】

- ◆ Acquired Kelly Pipe and expanding business in North America
 - Recognized inventory valuation losses due to price decline of energy-related steel products in FY2015
- ◆ Established a steel pipe joint-venture company in Mexico
 - Targeting on demand of steel pipe for automobile in North and Central America (to start operation in the fall of 2016)

【ASEAN】

- ◆ Enhanced coil center facilities in Indonesia (JSSI)
 - Introduction of large slitter machine for growing demand of automotive steel sheet in Indonesia (to start operation in the fall of 2016)

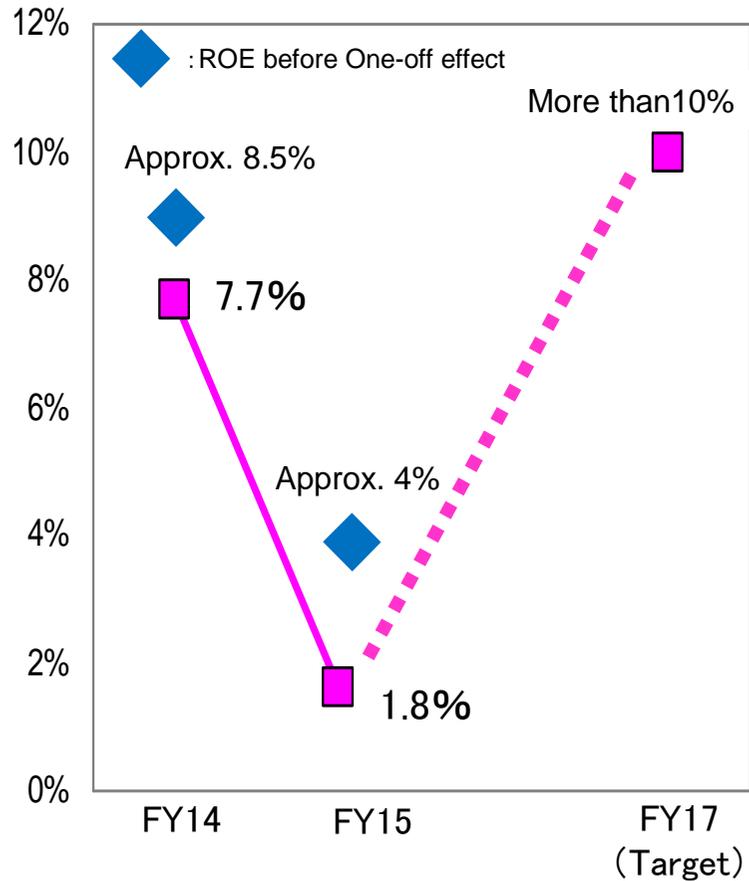
【Domestic】

- ◆ Strengthen domestic distribution and selling base
 - Established JFE Shoji Tin Center
 - Integrated JFE Shoji Osaka Tin Center and Shin Kiyoi Kogyo in Oct, 2015



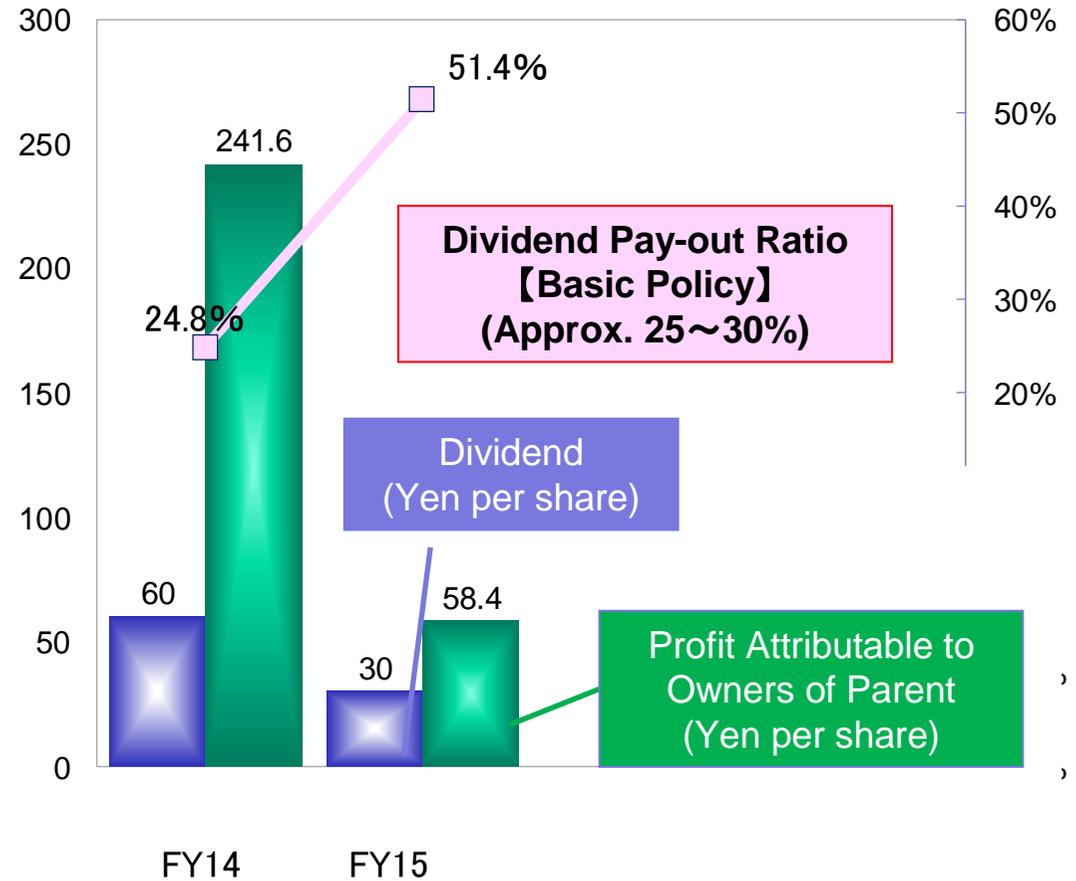
Financial Indices (ROE, Dividend Pay-out Ratio)

ROE



Dividend

(Yen per share)

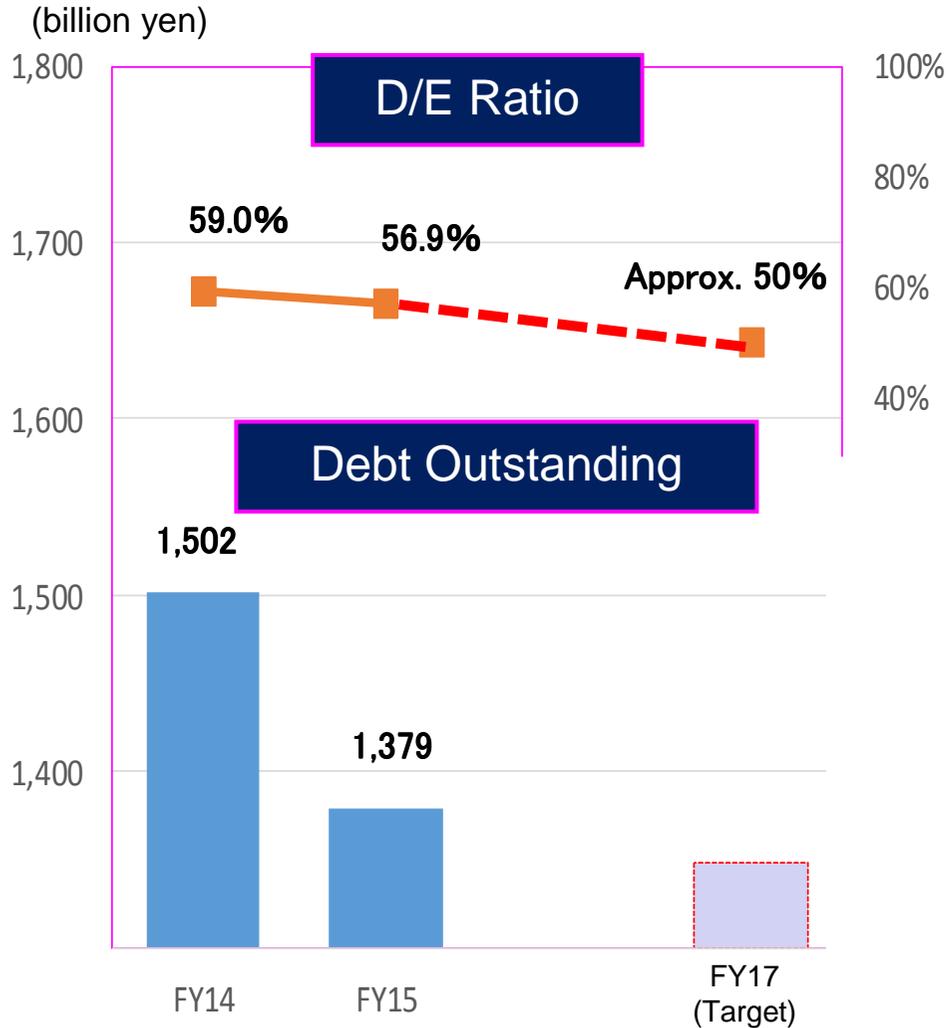


ROE = Profit Attributable to Owners of Parent / Average Shareholders' equity in the fiscal year



Financial Indices (Debt Outstanding, D/E Ratio)

JFE



Ref: Cash Flow of FY2015 (billion Yen)

Sources		Usages	
Net Income	34	Dividends	35
Depreciation	178	Capex, Investment	236
Asset Sales	115	Repayment of debt	122
Working Capital etc.	66		
	393		393

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.



Dividends



Dividends

JFE Holdings will propose at its forthcoming General Meeting of Shareholders a payment of 10 yen per share for the year-end dividend to return some profit to shareholders. That will result in a dividend for the year totaling 30 yen per share.

JFE Holdings is not issuing a dividend forecast for fiscal 2016 at this time, as it is still determining its earnings outlook.



Appendix



Main Financial Data

JFE

	FY03	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Ordinary Income (bn. Yen)	218.3	502.9	400.5	69.2	165.8	52.9	52.2	173.6	231.0	64.2
ROS ※1	8.8%	14.2%	10.2%	2.4%	5.2%	1.7%	1.6%	4.7%	6.0%	1.9%
ROE ※2	15.9%	17.5%	13.7%	3.3%	4.1%	-2.6%	2.7%	6.3%	7.7%	1.8%
ROA ※3	6.5%	13.0%	10.0%	2.2%	4.6%	1.7%	1.6%	4.5%	5.5%	1.7%
Debt Outstanding	1,837	1,282	1,769	1,468	1,496	1,594	1,596	1,534	1,502	1,379
D/E Ratio ※4	246.2%	61.4%	98.9%	75.5%	76.5%	83.5%	76.9%	67.9%	59.0%	56.9%
Profit attributable to owners of parent (yen/share)	185.8	450.5	355.6	86.3	110.7	-68.7	71.2	177.4	241.6	58.4
Dividend (yen/share)	30	120	90	20	35	20	20	40	60	(E) 30
Pay-out Ratio	16.1%	26.6%	25.3%	23.2%	31.6%	—	28.1%	22.5%	24.8%	51.4%

※1 ROS = Ordinary income / Net sales

※2 ROE = Profit attributable to owners of parent / Shareholders' equity,

※3 ROA = Ordinary income before interest expenses / Total assets (average),

※4 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.

• Interim: 20
Year-end: 10 (E)



15.2 Billion Yen decrease in JFE Steel's Ordinary Income (FY15 3Q (Actual) vs. FY15 4Q (Actual))

JFE Steel					FY2015	Change 3Q →4Q
	1H	2H		2H		
		3Q Oct-Dec	4Q Jan-Mar			
Ordinary Income	38.6	2.2	(13.0)	(10.8)	27.8	(15.2)

(billion yen)

- Cost reduction +3.0
 - Sales and Raw materials -7.0 ⇒ Decline in export sales price etc.
 - Inventory valuation +1.0
 - Others -12.2 ⇒ Impairment loss of mining interests etc.
-
- TOTAL -15.2



49.4 Billion Yen decrease in JFE Steel's Ordinary Income (FY15 1H (Actual) vs. FY15 2H (Actual))

JFE Steel						Change 1H→2H
	1H	2H		FY2015	(billion yen)	
		3Q Oct-Dec	4Q Jan-Mar			
Ordinary Income	38.6	2.2	(13.0)	(10.8)	27.8	(49.4)

- Cost reduction +9.0
 - Sales and Raw materials -35.0 ⇒ Decline in export sales price etc.
 - Inventory valuation +6.0
 - Others -29.4 ⇒ Decrease in profit of subsidiary companies
Impairment loss of mining interests
Increase in depreciation etc.
-
- TOTAL -49.4**

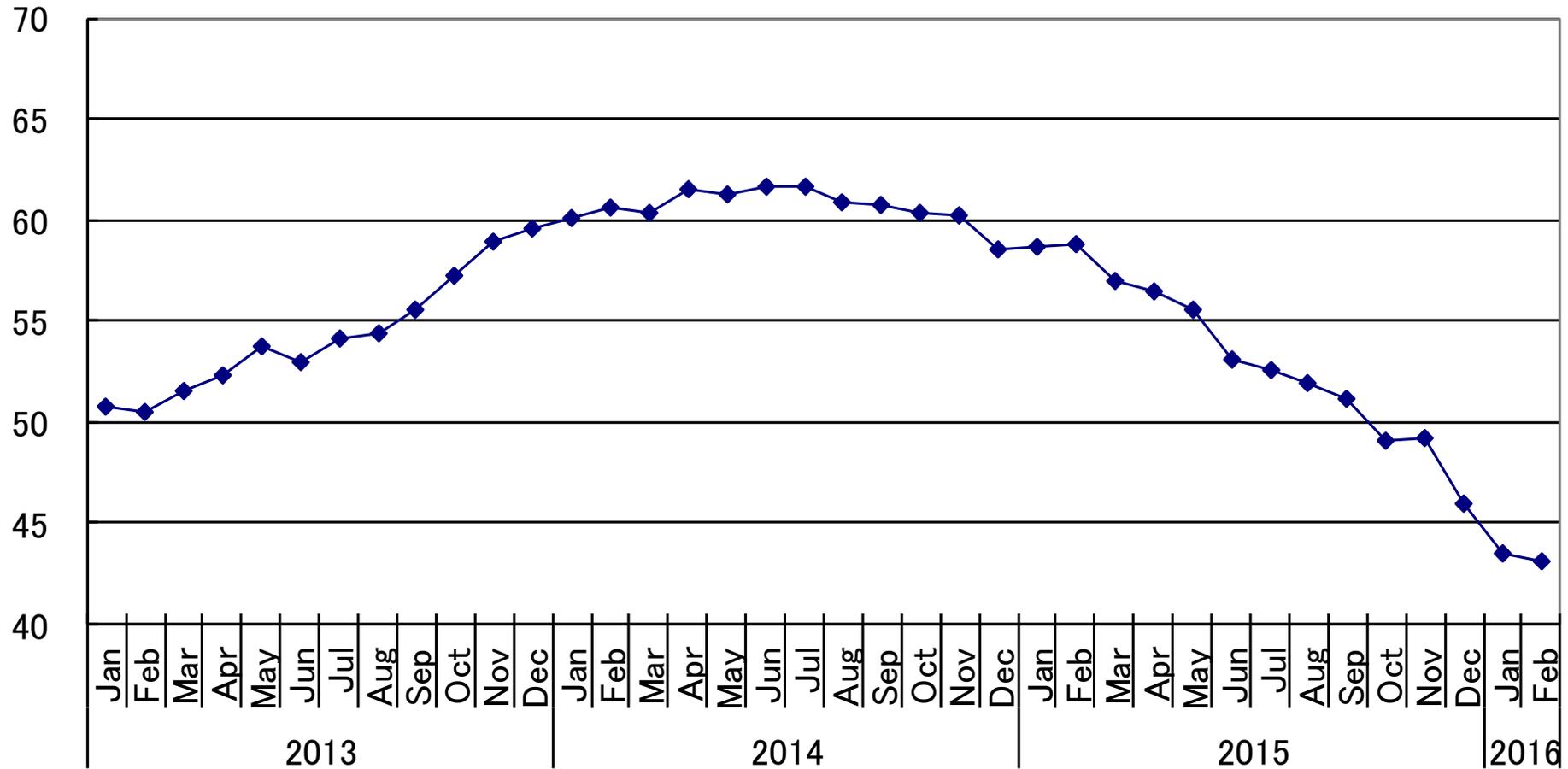


Domestic
Market Environment

JFE Steel

Price Trend of Import Steel

(000 yen/ton)



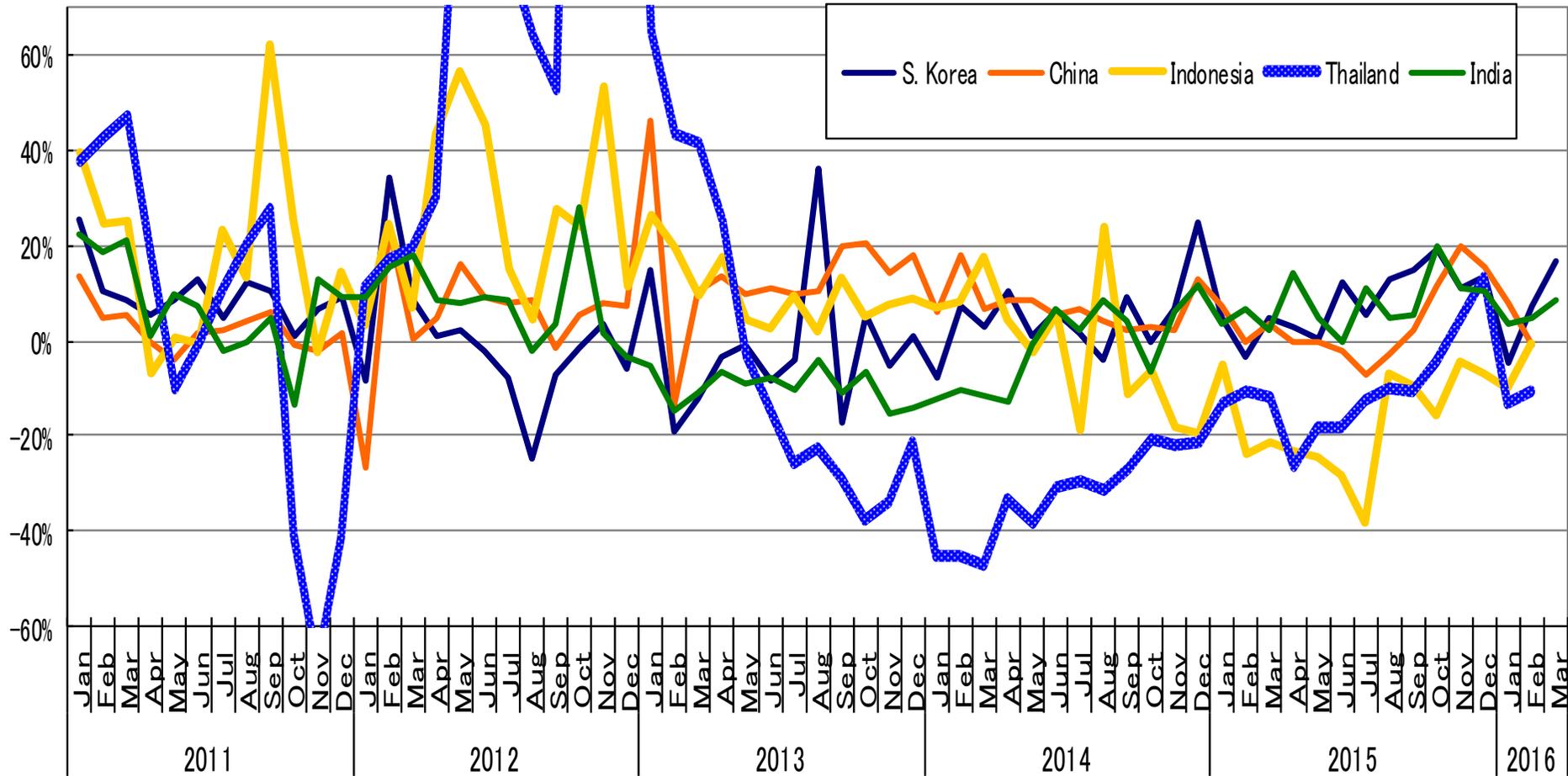
Data: Japanese Steel Association

Import Steel from S. Korea



Auto Sales in Key Countries

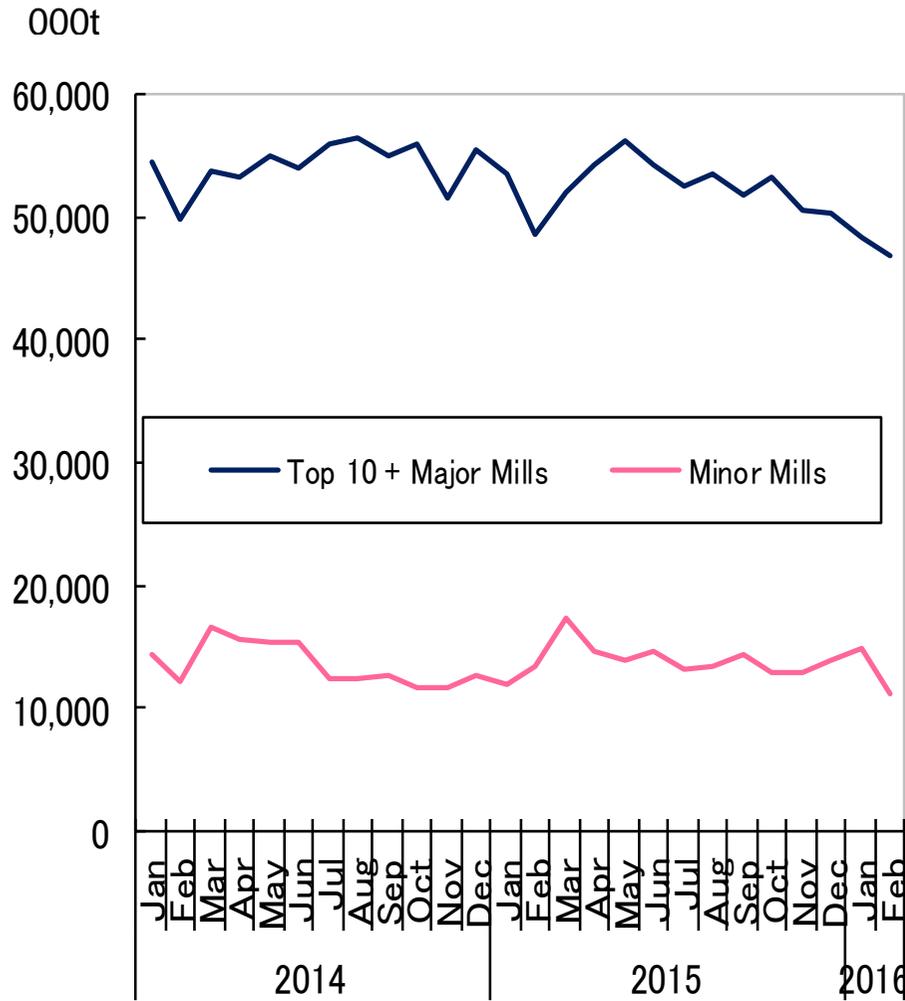
Automobile Sales in Key Countries (YoY Change)



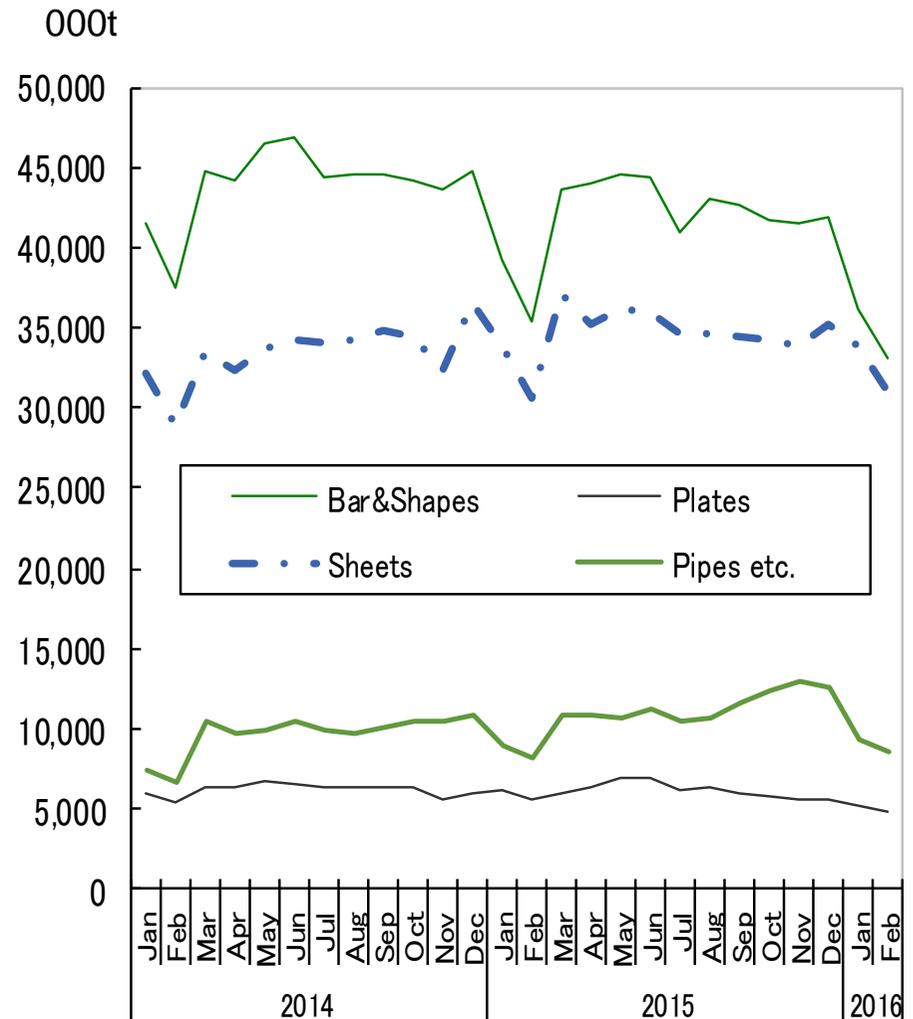


Production Trend in China

Crude Steel Production



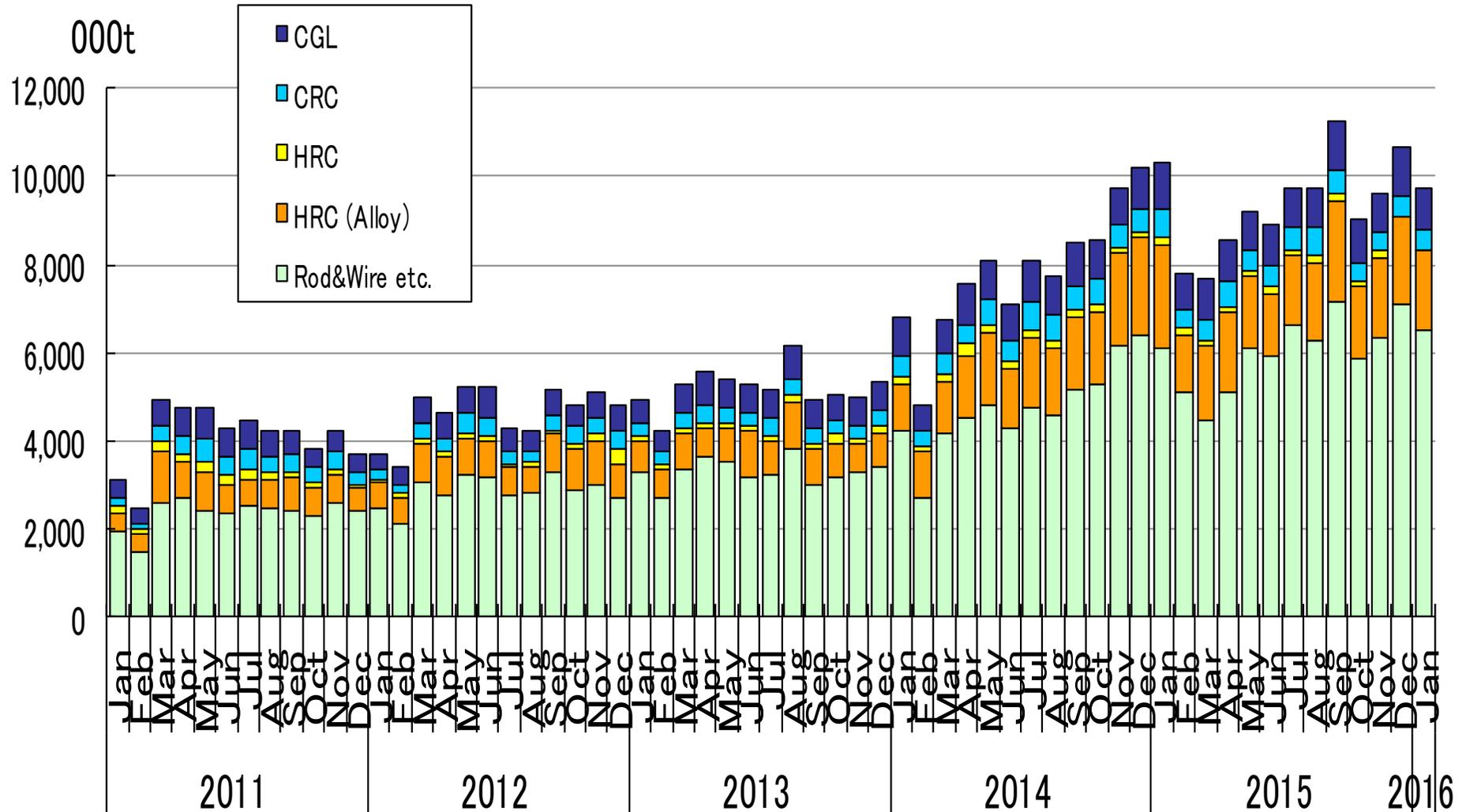
Finished Steel by Products





Overseas Market Environment

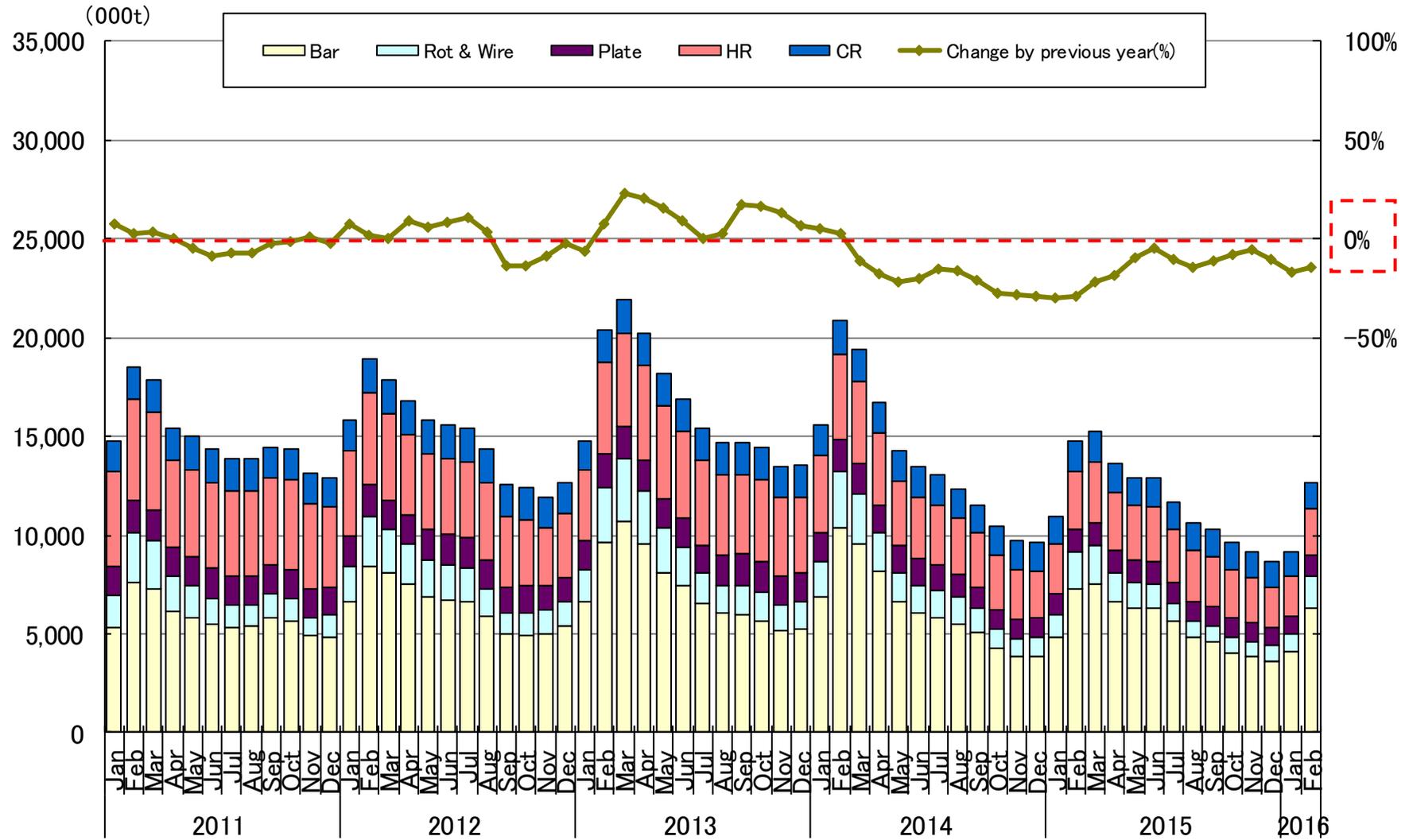
Exports from China by Products





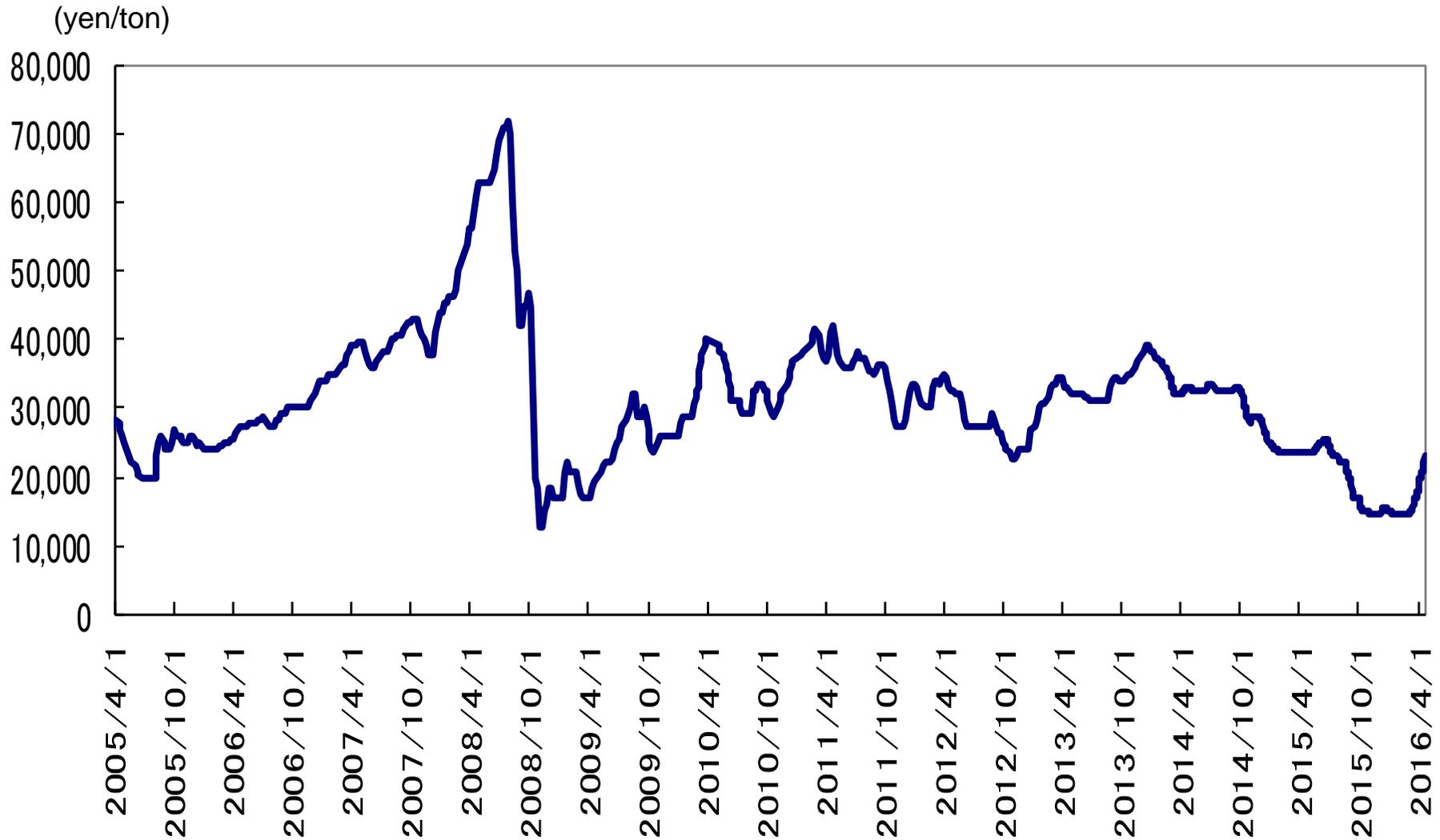
Overseas Market Environment

Inventories in China by Products





Raw Materials Trend of Scrap Price

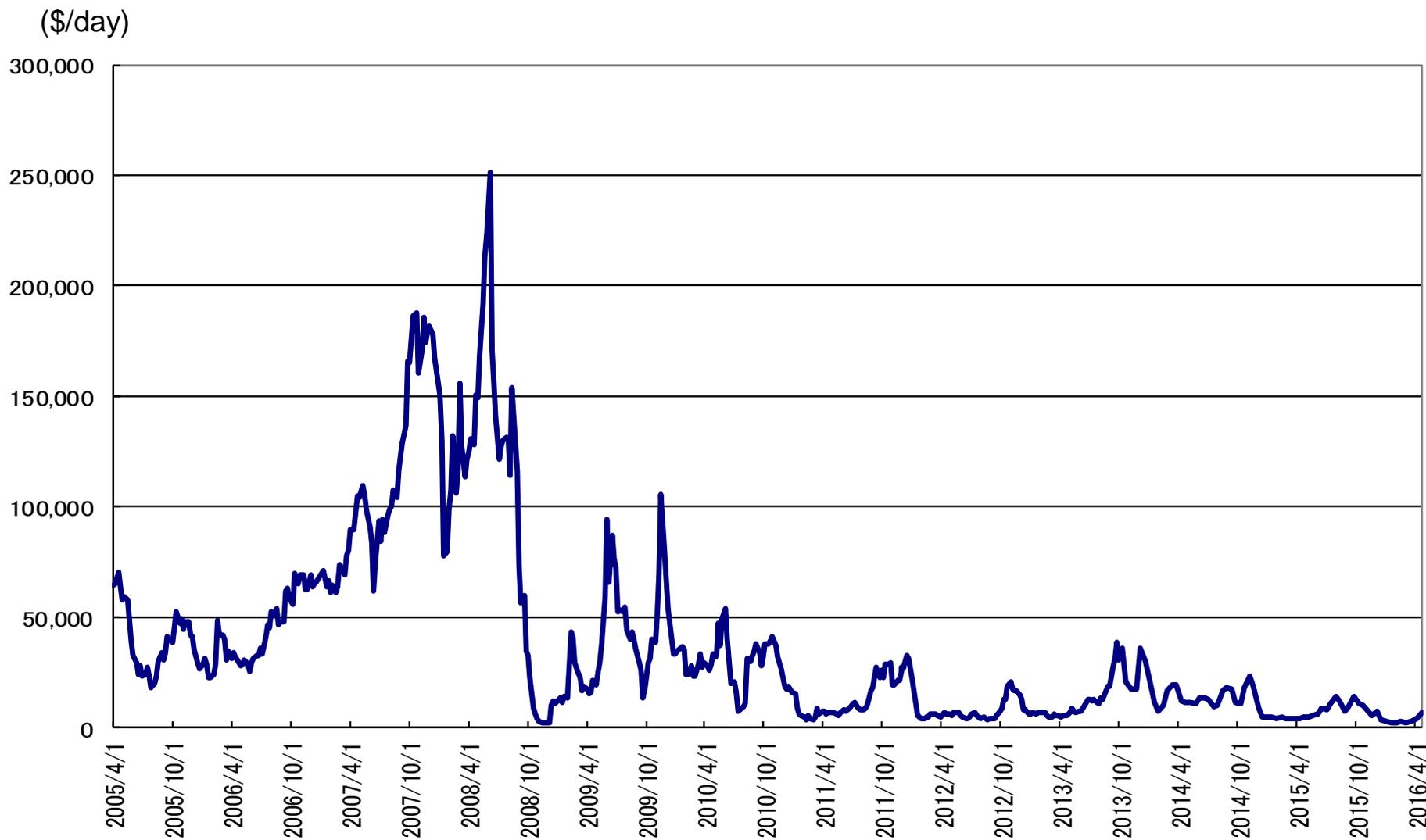




Raw Materials

Trend of Spot Bulker Price

JFE





Raw Materials Trend of LNG Price

JFE
(yen/ton)



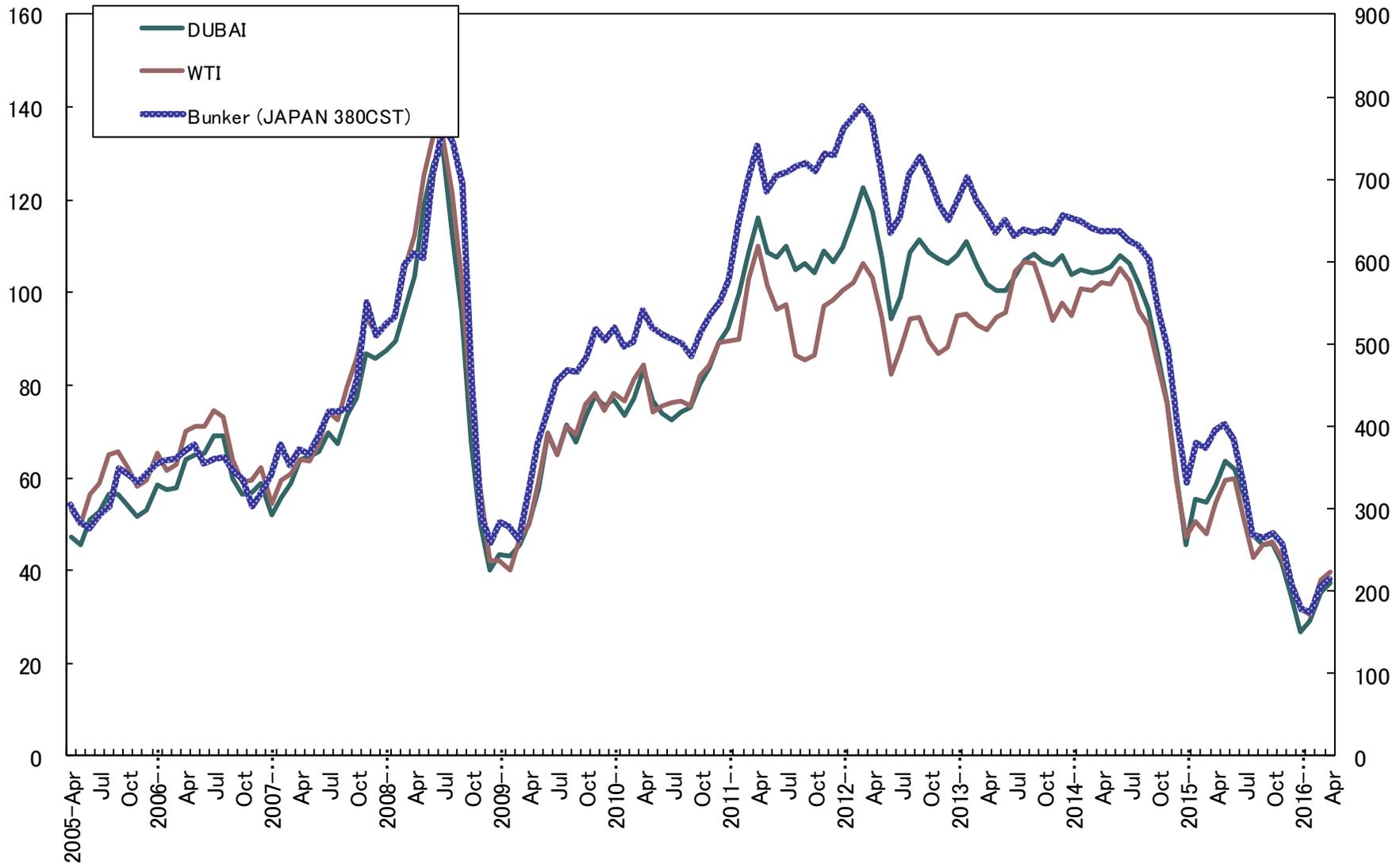


Raw Materials

Trend of Oil Price

(crude oil: \$/bbl)

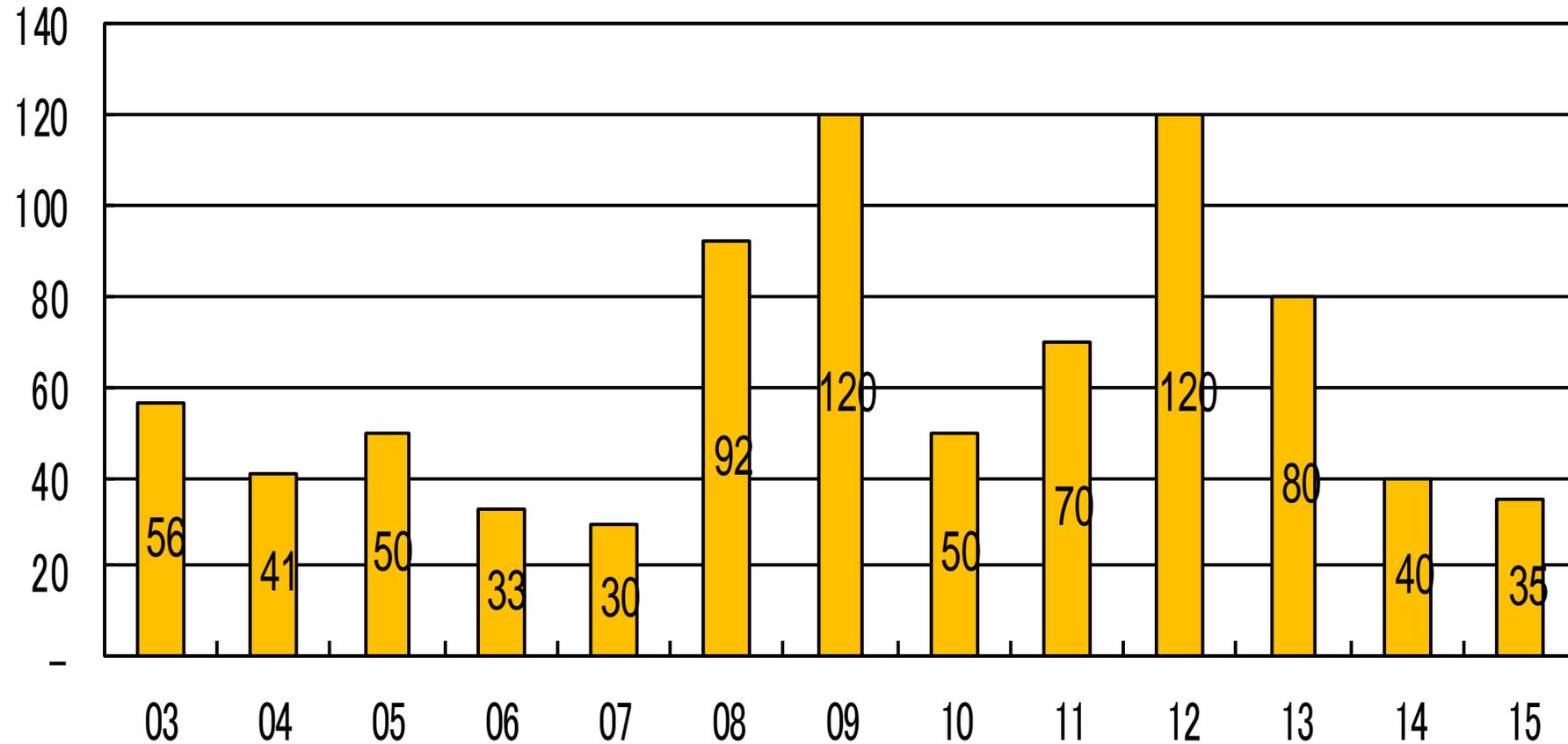
(Bunker oil: \$/t)





Cost Reduction (Steel Business)

(billion yen)



JFE Steel (non-consolidated basis)



JFE

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