



JFE Group

***Financial Results for Fiscal Year 2016
ended March 31, 2017***

JFE Holdings, Inc.

April 27, 2017



JFE

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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 Financial Results in
Fiscal Year 2016
(April 1, 2016 to March 31, 2017)**

Financial Results in Fiscal Year 2016



(billion yen)	FY2015	FY2016			Change	FY2016 Forecast (C)	Change (B-C)
	Full Year (A)	1H	2H	Full Year (B)	(B-A)		
Net Sales (a)	3,431.7	1,499.5	1,809.4	3,308.9	(122.8)	3,320.0	(11.1)
Steel Business	27.8	(24.4)	64.9	40.5	12.7	25.0	15.5
Engineering Business	20.0	7.6	19.0	26.6	6.6	27.0	(0.4)
Trading Business	15.7	7.6	14.2	21.8	6.1	21.0	0.8
Adjustments	0.6	(1.0)	(3.2)	(4.2)	(4.8)	(3.0)	(1.2)
Ordinary Income (b) [ROS](b/a)	64.2 [1.9%]	(10.1) [(0.7%)]	94.8 [5.2%]	84.7 [2.6%]	20.5 [0.7%]	70.0 [2.1%]	14.7 [0.5%]
Extraordinary Profit (Loss)	10.0	3.5	17.2	20.7	10.7	20.0	0.7
Income Before Income Taxes and Minority Interest	74.3	(6.5)	111.9	105.4	31.1	90.0	15.4
Tax Expense and Profit Attributable to Non-controlling Interests	(40.6)	(1.8)	(35.7)	(37.5)	3.1	(40.0)	2.5
Profit Attributable to Owners of Parent	33.6	(8.4)	76.3	67.9	34.3	50.0	17.9

Underlying Profit before One-off Effects

	FY2015 Actual	FY2016 Actual
Net Sales (a)	3,431.7	3,308.9
Ordinary Income (b)	64.2	84.7
ROS * (b/a)	1.9%	2.6%
One-off Effects	(78.0)	28.0
Underlying Profit before One-off Effects (c)	142.2	56.7
ROS * (c/a)	4.1%	1.7%

*Return on Sales: Ordinary Income / Net Sales



JFE Steel

Financial Results

in Fiscal Year 2016

Financial Results in Fiscal Year 2016

JFE

		FY2015 (A)	FY2016				Change (B-A)	FY2016 Forecast (C)
			1H	2H		(B)		
				3Q	4Q			
Net Sales	Billion yen	2,445.1	1,072.4	583.1	693.6	2,349.1	(96.0)	2,330.0
Ordinary Income [ROS]	Billion yen [%]	27.8 [1.1%]	(24.4) [(2.3%)]	38.0 [6.5%]	26.9 [3.9%]	40.5 [1.7%]	12.7 [0.6%]	25.0 [1.1%]

Crude Steel (Standalone)	Mt	27.36	14.00	7.12	7.02	28.14	0.78	Approx. 28.20
Crude Steel (Consolidated)	Mt	29.75	15.14	7.66	7.61	30.41	0.66	Approx. 30.50
Shipment (Standalone)	Mt	25.39	12.60	6.43	6.68	25.70	0.31	Approx. 25.80
Export Ratio (Standalone)	%	45.8	43.9	43.3	44.9	44.0	(1.8)	44
Average Sales Price	000 yen/t	66.8	58.6	61.5	72.0	62.8	(4.0)	63
Exchange rate	¥/\$	120.6	107.3	106.1	114.3	108.8	(11.8)	108
Exchange rate (End of Term)	¥/\$	112.7	101.1	116.5	112.2	112.2	(0.5)	110



15.5 Billion Yen Increase in JFE Steel's Ordinary Income (FY16(Forecast) vs. FY16(Actual))

(billion yen)

JFE Steel	FY2015	FY2016	FY2016(Actual)			Change FY2015 →FY2016 C-A	Change Forecast →Actual C-B
	Actual A	Forecast B	1H	2H	Full Year C		
Ordinary Income	27.8	25.0	(24.4)	64.9	40.5	12.7	15.5

- Volume and Mix ± 0.0
- Sales and Raw materials $+ 5.0$
- Cost reduction ± 0.0
- Inventory valuation $+ 3.0$
- Others $+ 7.5$

Increase in profit of subsidiary companies etc.

TOTAL

+15.5



JFE Engineering

Financial Results

in Fiscal Year 2016

Financial Results in FY2016 of JFE Engineering

(billion yen)

	FY2015 (Actual)	FY2016 (Forecast)	FY2016 (Actual)	Change	Change
	A	B	C	(C-A)	(C-B)
Orders	509.4	500.0	424.4	(85.0)	(75.6)
Net Sales	397.5	450.0	426.1	28.6	(23.9)
Ordinary Income	20.0	27.0	26.6	6.6	(0.4)

【Change: FY2015 Actual to FY2016 Actual】

Orders : Decrease with time gap of occurrence of big projects including biomass power plants

Net Sales, Ordinary Income : Reach record high due to increase in ordered projects

【Change: FY2016 Forecast to FY2016 Actual】

Orders : Decrease with time gap of occurrence of overseas projects

Net Sales : Decrease with delay in progress of construction

Classification of Placed Orders

(billion yen)

Category	FY2015 (Actual)	FY2016 (Actual)	Change	Main Orders (FY2016)
Environment	208.0	157.4	(50.6)	<ul style="list-style-type: none"> - Construction of waste incineration plants (New: 2, Renovation: 4) - Construction of Gasifying and Direct Melting Furnace in Singapore - Renovation of the filtration plant
Energy	159.5	148.9	(10.6)	<ul style="list-style-type: none"> - 2 Biomass Power Plants - 7 Solar Power Stations - Construction of the geothermal power plant
Social Infrastructure etc.	141.8	118.1	(23.7)	<ul style="list-style-type: none"> - Reconstruction of the steel bridge at Joshin-etsu Expressway - Reconstruction of the steel bridge in Miyagi-Pref. - Construction of the steel bridge at Tokai Ring Road - Construction of the steel bridge at Shin-Tomei Expressway - Construction of the grain storage facility - Install of Ballast water management system, "Ballast Ace", for 413 ships - JFE smart agriculture system for Tomato in Niigata
Total	509.4	424.4	(85.0)	



JFE Shoji

Financial Results

in Fiscal Year 2016

Financial Results in FY2016 of JFE Shoji



(billion yen)

	FY2015 (Actual) A	FY2016 (Forecast) B	FY2016 (Actual) C	Change (C-A)	Change (C-B)
Net Sales	1,756.4	1,640.0	1,671.0	(85.4)	31.0
Ordinary Income	15.7	21.0	21.8	6.1	0.8

【Change: FY2015 Actual to FY2016 Actual】

- ◆ Domestic Business ▪ Almost the same as last fiscal year
- ◆ Overseas Business ▪ Increase of sales volume in automobile and consumer electronics sectors in China and Thailand
- Increase with improvement of profitability of overseas business including Kelly Pipe

【Change: FY2016 Forecast to FY2016 Actual】

- Increase with sales price increase and improvement of profitability of business overseas

Net Sales of JFE Shoji (by Segment)

(billion yen)

		FY2015 (A)		FY2016 (A)		Change	
Domestic Business		905.3		880.5		(24.8)	
Overseas Business	Export	417.7	689.0	383.4	638.3	(34.3)	(50.7)
	Foreign Operation	271.3		254.9		(16.4)	
Raw Materials, Equipment etc.		162.1		152.2		(9.9)	
TOTAL		1,756.4		1,671.0		(85.4)	



**Consolidated Financial Forecasts for
Fiscal Year 2017
(April 1, 2017 to March 31, 2018)**

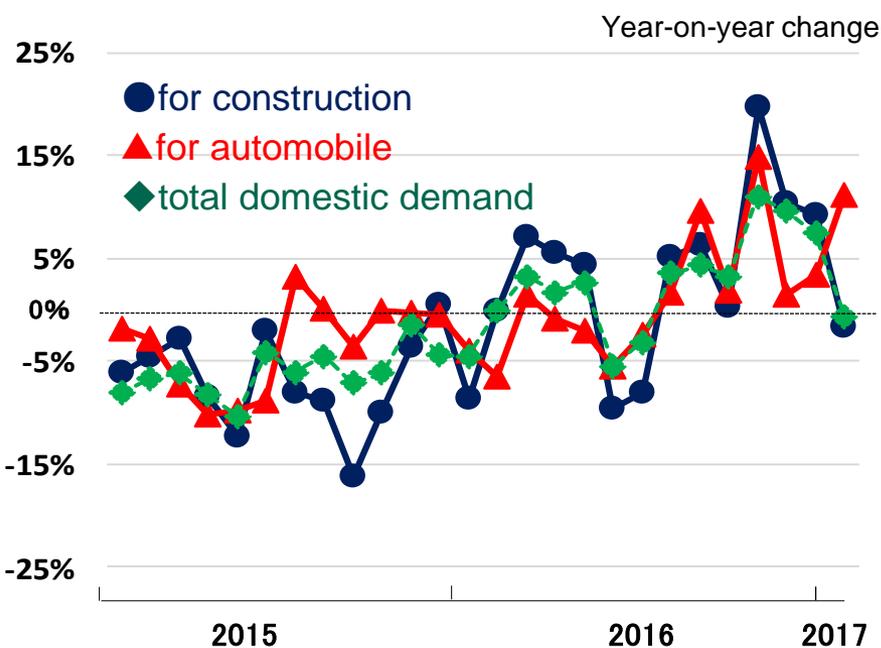
Current Business Environment

Current Business Environment (Domestic)

JFE

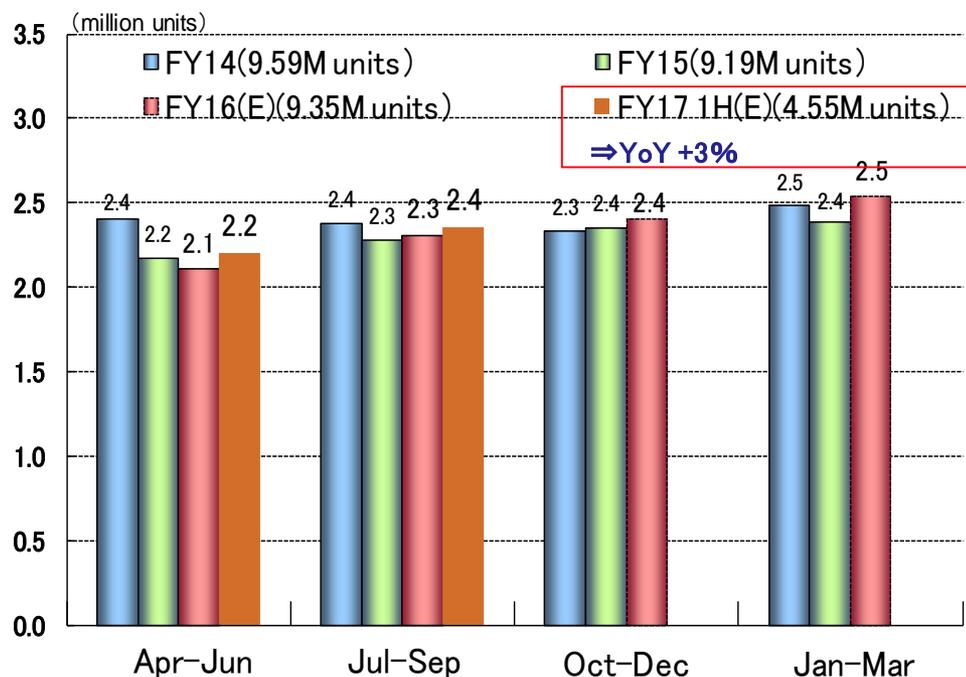
- Domestic steel demand remains robust mainly due to construction activities including urban redevelopment projects and projects connected with the Tokyo 2020 Olympics and Paralympics, and steady auto production.
- Ordinary steel orders in February 2017 for manufacturing industry increased by 1.6% (for automobile use: +11.2%) though for construction use recorded ▲1.7% on a year-on-year basis.

【Trend of ordinary steel orders】



Source: Japan Iron and Steel Federation

【Outlook for domestic auto production】

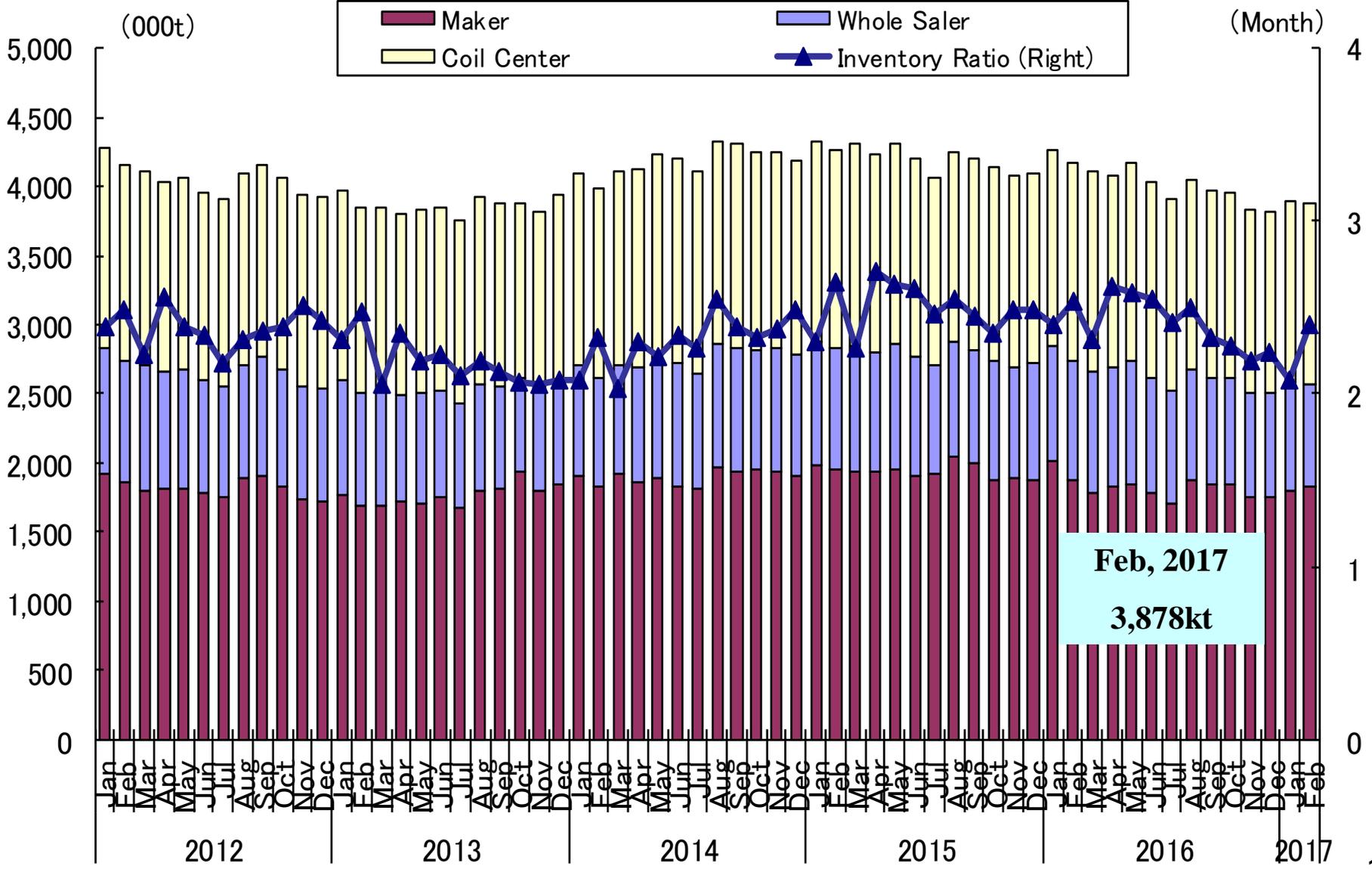


JFE Forecast 18



Domestic Market Environment

Combined Inventories of HR, CR and Coated Steel Sheet



Feb, 2017
3,878kt

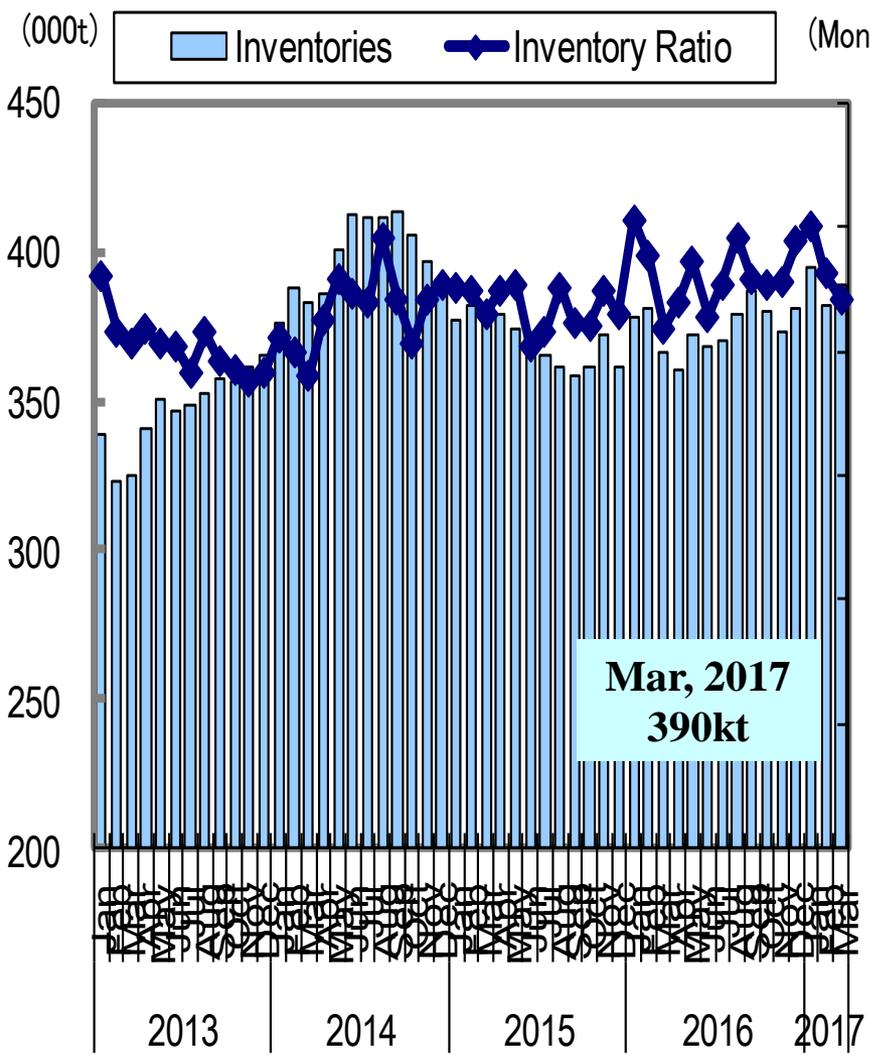


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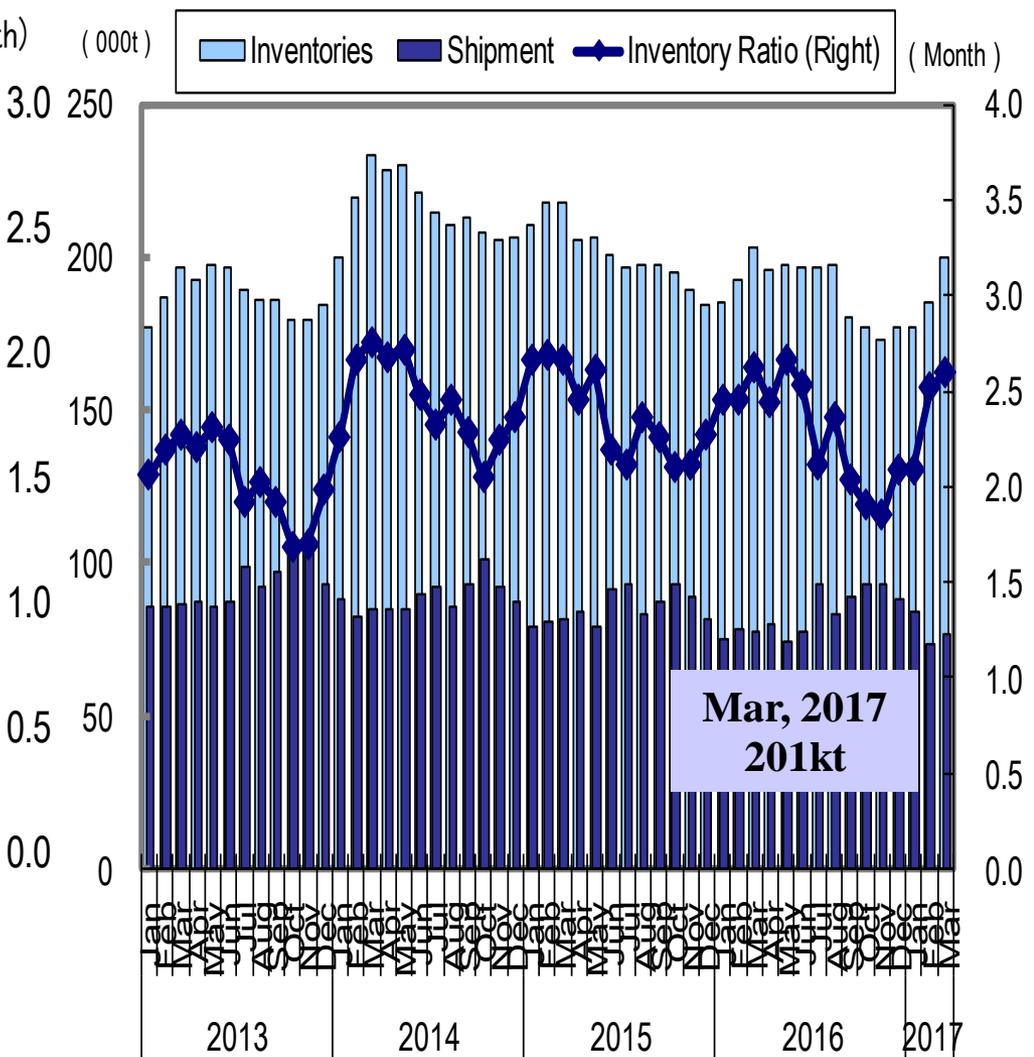
Domestic Market Environment

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

Inventories of Plate (Plate Shear)



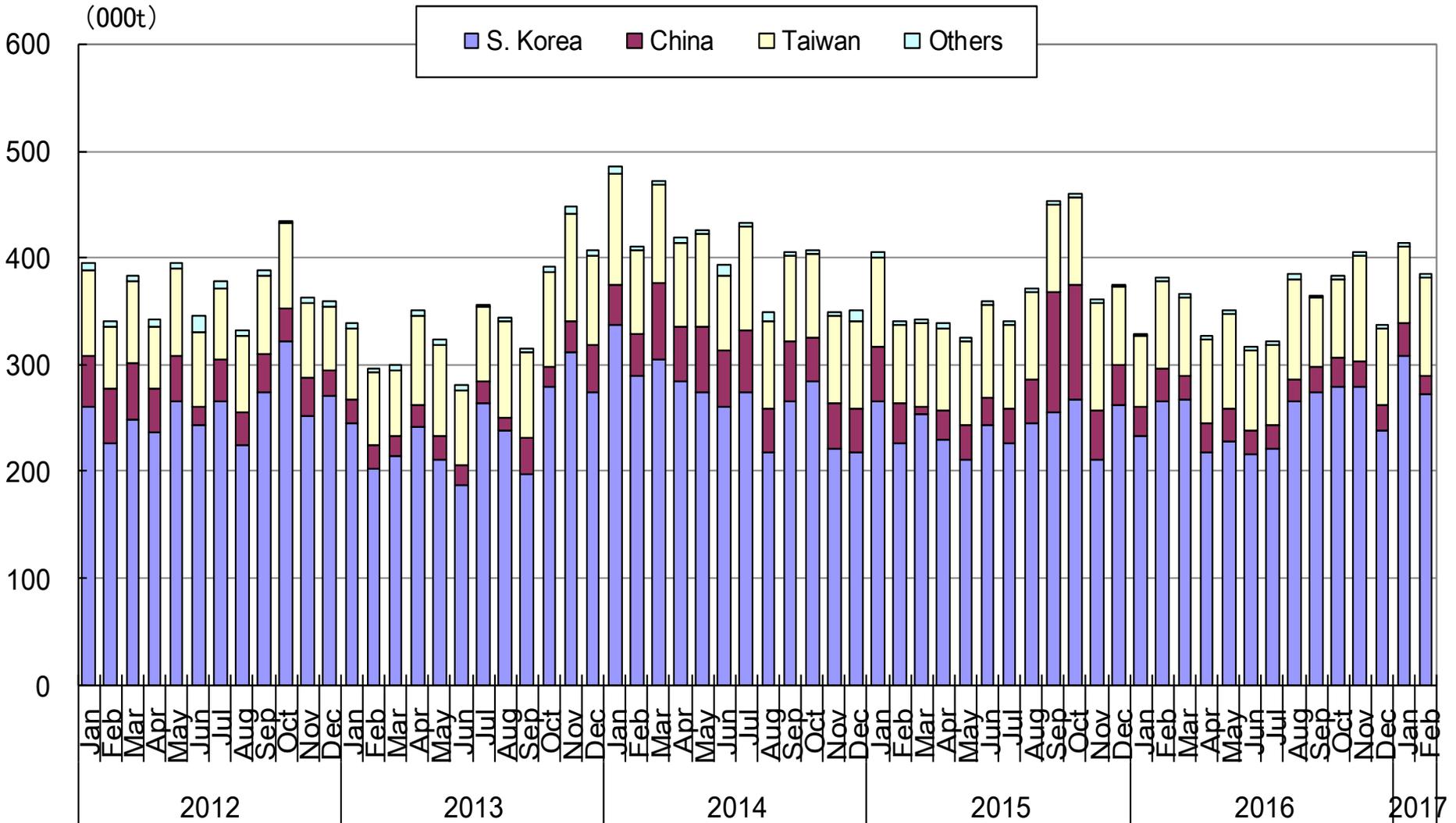
Inventories of Wide Flange Shapes





Domestic Market Environment

Trend of Import Steel (Ordinary Steel)



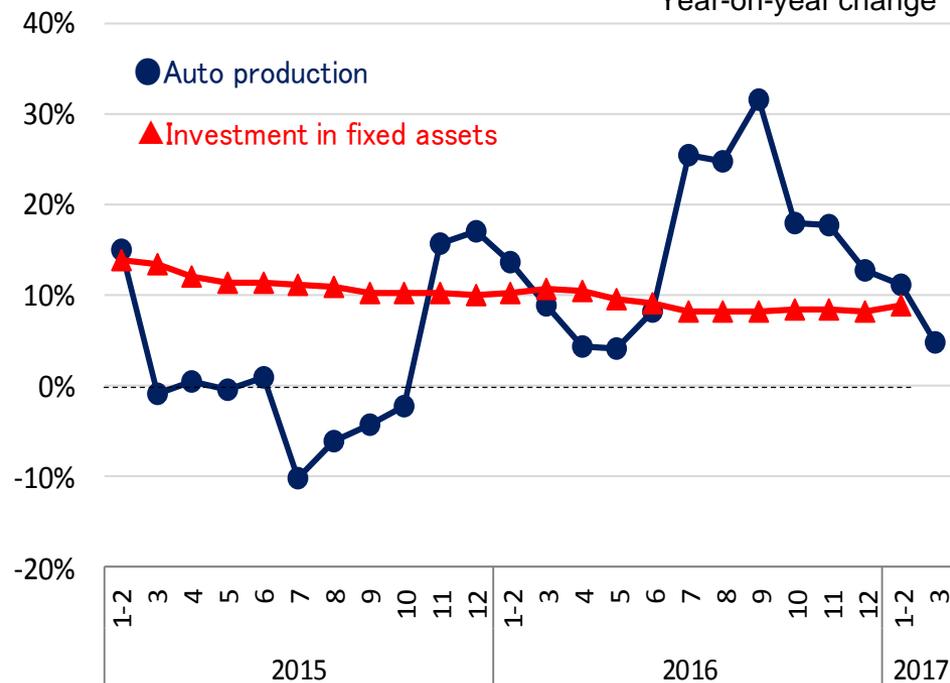


Current Business Environment (Overseas)

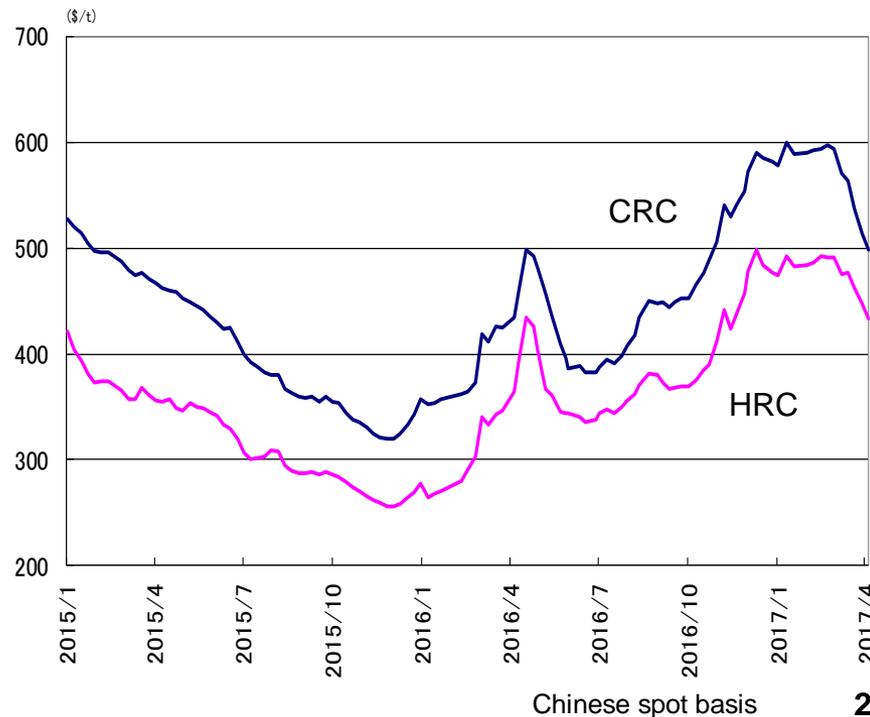
- Steel demand in China remains robust, although steel price in China is currently in a correction phase. Investment in fixed assets recorded +9.2% and auto production recorded +9.0% on a year-on-year basis in January to March quarter.
- Crude steel production capacity in China was decreased by 65 million tons in 2016 and is planned to decrease by 50 million tons in 2017 according to Chinese Central Government.

【Auto production and Investment in fixed assets】 【Steel sheet market trend in China】

Year-on-year change



Source : National Bureau of Statistics of China

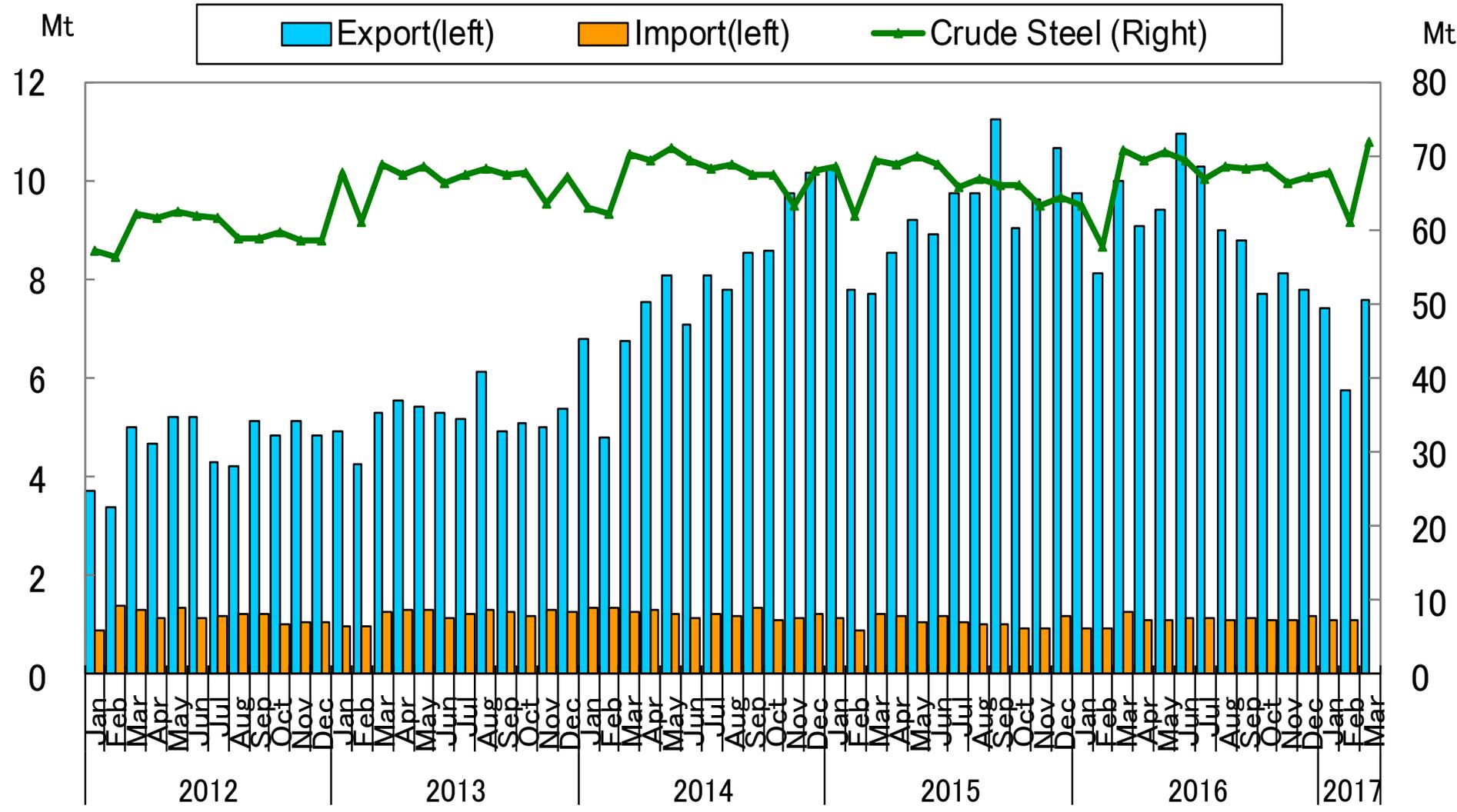




Overseas Market Environment

Crude Steel & Im/Export, China

JFE



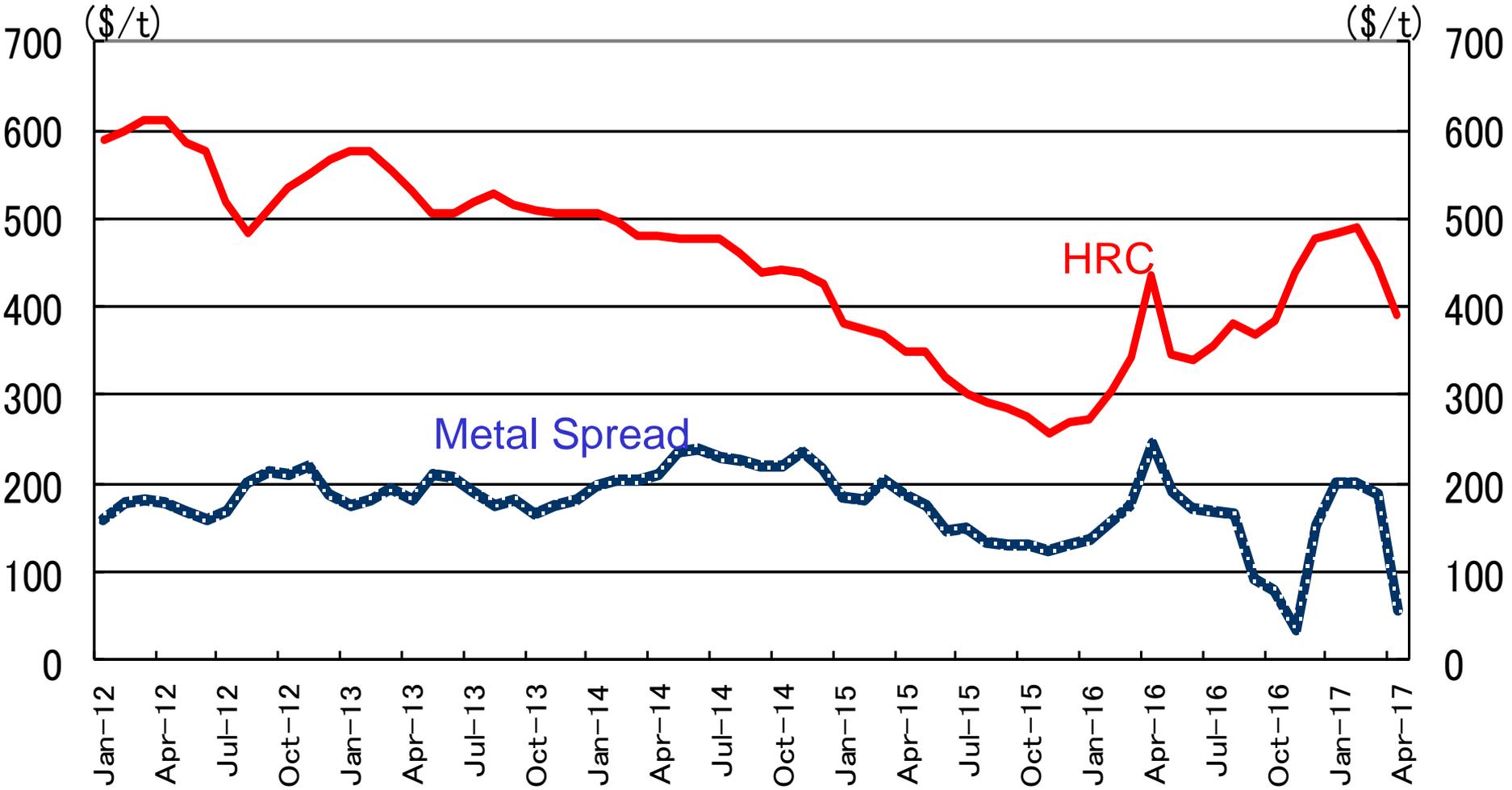
*Crude Steel in Jan and Feb, 2017: WSA's estimation



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Overseas Market Environment

Metal Spread Trend (Chinese Spot Basis)



Metal Spread = HRC Price - Raw Materials Cost

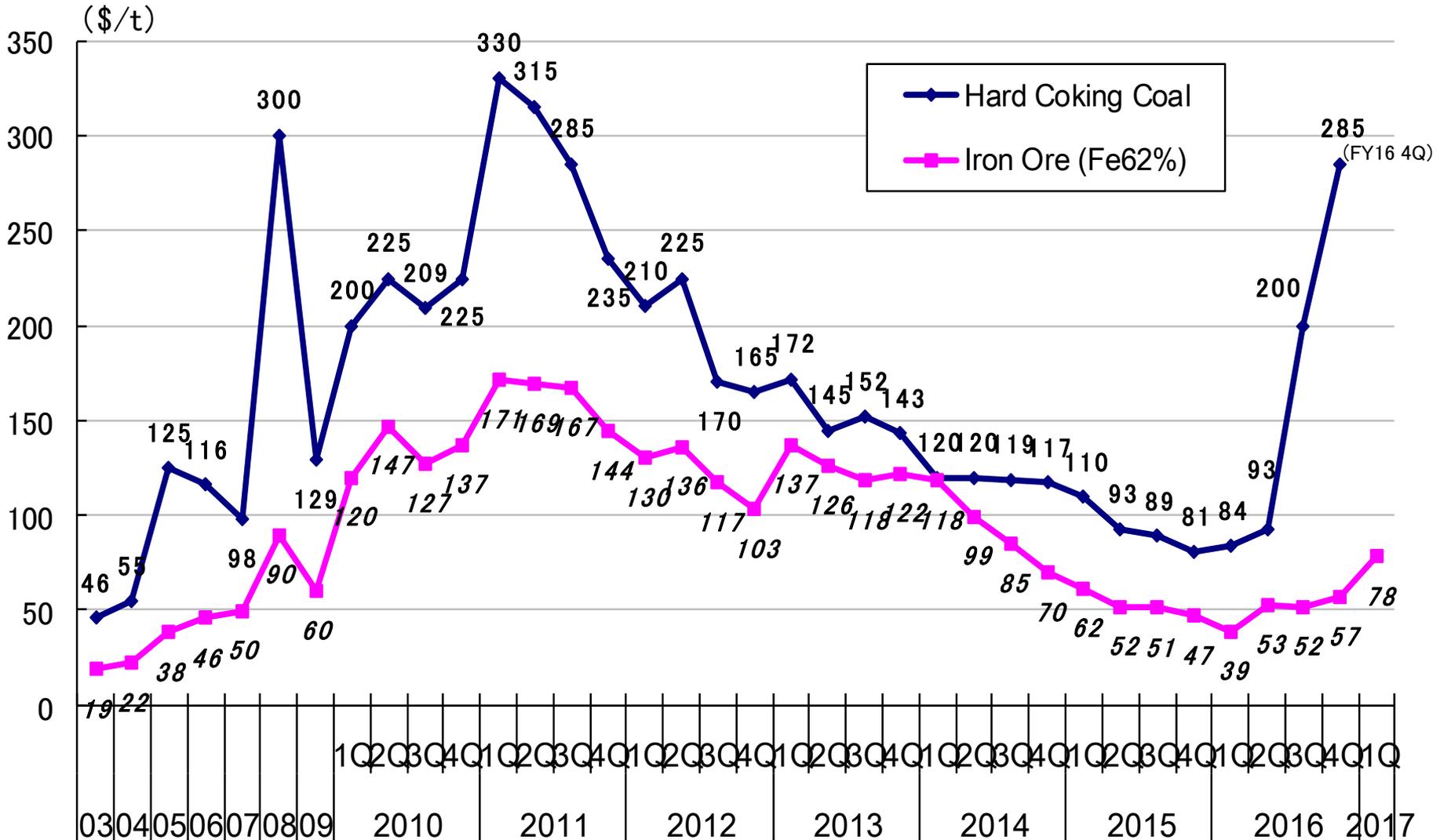
*HRC Price: Chinese Spot basis

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



Raw Materials

Raw Materials Price





JFE Holdings

Financial Forecasts

for Fiscal Year 2017



Financial Forecasts for Fiscal Year 2017

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 due to the cyclone, 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.



The Activities for Improvement of Profits in Fiscal Year 2017

[Main items for improvement of profits from Fiscal Year 2016 (Steel Business)]

- **Sales Price** : Continuous efforts to raise price
- **Cost Reduction** : Plan to reduce by 45 billion yen per year
(plan to achieve 110 billion yen cost reduction
plan for 3 years as planned)
- **Volume Increase** : Crude Steel (JFE Steel stand-alone basis)
Production estimate is 29 million ton per year

Progress of JFE Group Fifth Medium-Term Business Plan

Progress of Strengthening Domestic Manufacturing Base



Domestic capital investments of 650 billion yen are in progress

(adopted more than 70% planned by FY16)

<Progress of main items>

			Fifth Medium-Term						
Process	Area	Facility	FY14	FY15	FY16	FY17	FY18	FY19	
Upper Stream	Kura-Shiki	No.3 Coke oven	Jan. 2016						
	Kura-Shiki	No.2 Coke oven		Mar. 2017		Became self-sufficient in West Japan Works			
	Chiba	No.6A Coke oven	Oct. 2016						
	Chiba	No.6B Coke oven		1H FY2018 (scheduled)		To be self-sufficient in East Japan works			
	Fuku-yama	No.3 Sintering plant			FY2019 (scheduled)				
Hot Strip Mill	Kura-Shiki	No.5 Reheating furnace		Mar. 2017		Improved production capacity 400⇒500 thousand ton/month			
Energy	Chiba	No.4 West Power plant	Jul. 2015						
	Keihin	No.1 Ogishima Thermal power plant		2H FY2019 (scheduled)					
System	Renovation of the core system of steel works			2H FY2018 (scheduled)					

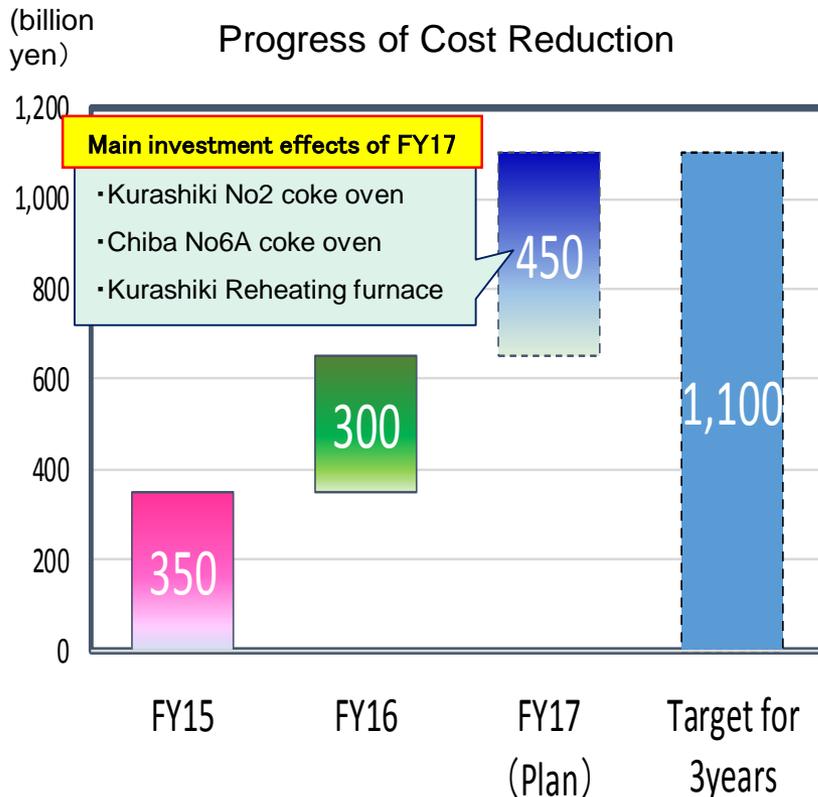
In addition, continual intensive maintenance program of manufacturing facilities has been underway.

finished scheduled



Progress of Cost Reduction

Achieve 110billion yen cost reduction for 3 years as planned



Main items of investment effects

Renovation of coke ovens

- Improve self-sufficiency rate of coke used
- Reduce energy cost by increasing by-product gas recovered

Kurashiki No.5 reheating furnace

- Improve production volume of Hot strip mill (400⇒500 thousand ton/month in Kurashiki)
- Improve product mix
- Improve energy efficiency +10%-20%

Renewal of power plant

- Enhance energy-saving through using high efficiency generating system

[New Fukuyama No.3 sintering plant] To be operational in FY2019 (scheduled) announced on march 30, 2017

- ◆ Cost reduction by enhancing the sintering plant capacity (more than +30% production volume as compared with before in Fukuyama)
 - To exclude pellet purchasing from outside
 - To reduce coke used through stable operation of blast furnace by expanding use of sinter



Progress of Reorganization within JFE Group

Strengthen systems of JFE Group through reorganization

【Main items】

■ **Business integration of facility maintenance and renewal** : JFE Plant Engineering Co., Ltd. (Apr. 2016)

Merger of JFE Mechanical (mechanical system field) and JFE Electrical & Control Systems (electric control system field)

⇒ **Strengthen systems of facility maintenance and renewal within the group**

■ **Business Integration of bars and wire rods business** : (Apr. 2017)

Integration of Bars and wire rods business in JFE Steel and JFE Bars & Shapes's Sendai works

⇒ **Strengthen JFE's bars and wire rods business by integration from production through sales**

■ **Business integration of the small-diameter ERW pipe business** : JFE Welded Pipe Manufacturing Co.,Ltd. (Oct. 2017 scheduled)

Integration of JFE Steel Chita works small-diameter ERW pipe business, JFE Welded Pipe Manufacturing and Kawasaki Kokan

⇒ **Strengthen systems of production and sales by utilizing products and services of each company**



JFE

Progress of Overseas Business

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

Prioritized Business Field	Asia			NAFTA	MENA
	China	Southeast Asia	Southwest Asia		
Automobiles Adopt for global procurement	•GJSS (CGL) •JJP (automotive pipe) •BJCMX (Iron powder)	•JSGT (Thailand CGL) •JSGI (Indonesia CGL)	•JSW (India)	•NJSM (Mexico CGL) •AK Steel (USA)	To start operation in FY2019 To start operation in FY2018
Energy Localization in demand region	•BHNK	•JFE-TC (Singapore) JV with "Baowu Steel" To start operation in FY2018		•CSI (USA) •Benoit (USA)	•AL GHARBIA (UAE Linepipe)
Infrastructure Target in growing Asia		Vietnam •J-Spiral (Steel pipe pile) •A&J (Building material processing) •GECOSS VN (Lease of steel for temporary works)			•Kandil (Egypt CRM CGL) Established in Feb. 2017 JV with "AGRIMECO"
Overseas BF Aiming JFE Brand 40 million tons		•Formosa Ha Tinh Steel (FHS)			

Prioritized region of the fifth medium-term



Build a Supply Chain for Infrastructure Material in Vietnam

~To capture the expanding steel demand in ASEAN~

JFE Steel

To capture the further expanding steel demand in ASEAN focusing on infrastructure material from Vietnam, the largest steel consuming country in the region

Blast Furnace

- **FHS (5%)**
- The first large scale integrated steelworks in Vietnam with crude steel capacity of 7 million tons
- Manufacture slab, billet, HRC, steel bar and wire rods
- Supply base of "JFE Brand" steel to Vietnam and ASEAN

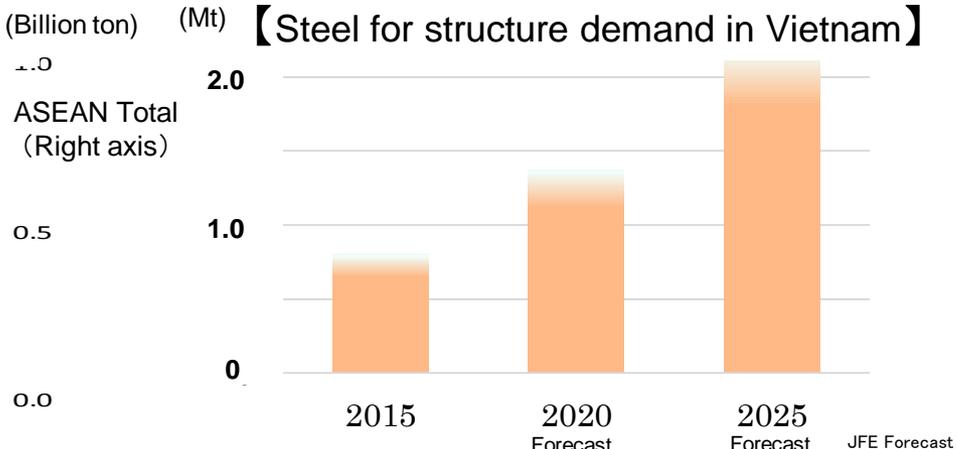
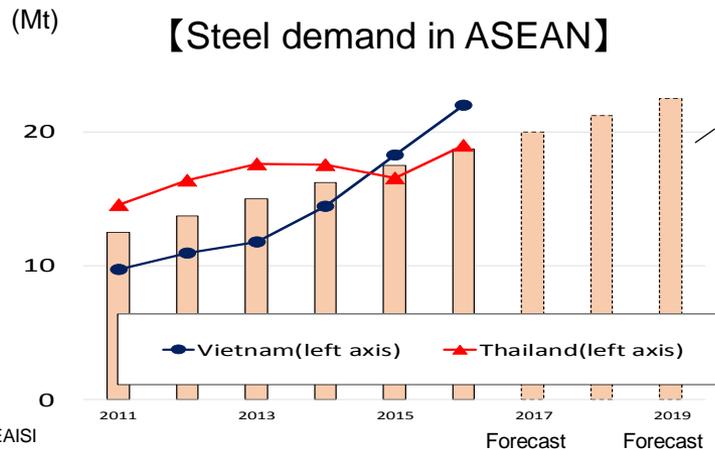
Re-roller

- **J-Spiral (35%)**
- Manufacture and sale of high quality spiral pipe for infrastructure use
- **SUNSCO (8%)**
- Manufacture and sale of galvanized sheets and pipe for infrastructure use

Processing & Construction

- (Investment ratio by JFE Group)
- Approach to overall of supply chain including downstream
- **GECOSS VN (100%)**
 - Design, lease and process steel construction material for infrastructure works
 - **A&J (50%)**
 - Sell steel structure in cooperation with the leading company in Vietnam

To expand the JFE Brand through synergy effects of JFE groups including JFE Shoji



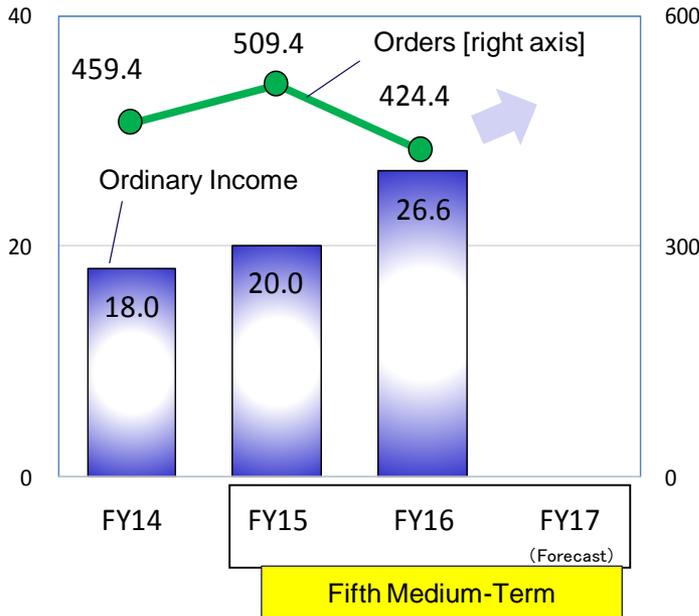
Source:SEANSI



The Effort for Expansion of Profits of Engineering Business

JFE

Orders & Ordinary Income (billion yen)



Targets and activities of Fifth Medium-Term Plan

- ◆ **Environment** : Waste incineration plant, Waterworks and Sewerage plant etc.
 - Capture the demand for plants renovation due to aging
 - Capture the demand for operation and maintenance business with increasing needs for private consignment.
- ◆ **Energy** : Power plant, Gas pipeline and LNG station etc.
 - Capture the demand for construction of the plants due to growth of renewable energy and the deregulation of electric and gas retail
- ◆ **Social infrastructure etc.** : Steel structure, Industrial Machinery etc.
 - Capture the demand for bridges replacement in Japan
 - Capture the growing demand for construction of infrastructure in emerging countries

<Main orders in FY15 and FY16>

Category	(billion yen)	Main Orders
Environment	365.4	Waste incineration plants(14 plants) Water supply & sewerage plants, contracting privatization business
Energy	308.4	Power plants (Solar: 25, Biomass: 5, Geothermal: 1) LNG station facilities, Pipeline
Social infrastructure etc.	259.9	Domestic bridge construction (New: 39, Replacement: 22) Ballast water management system (422 ships)
Total	933.8	

The effort for expansion and stabilization of profits

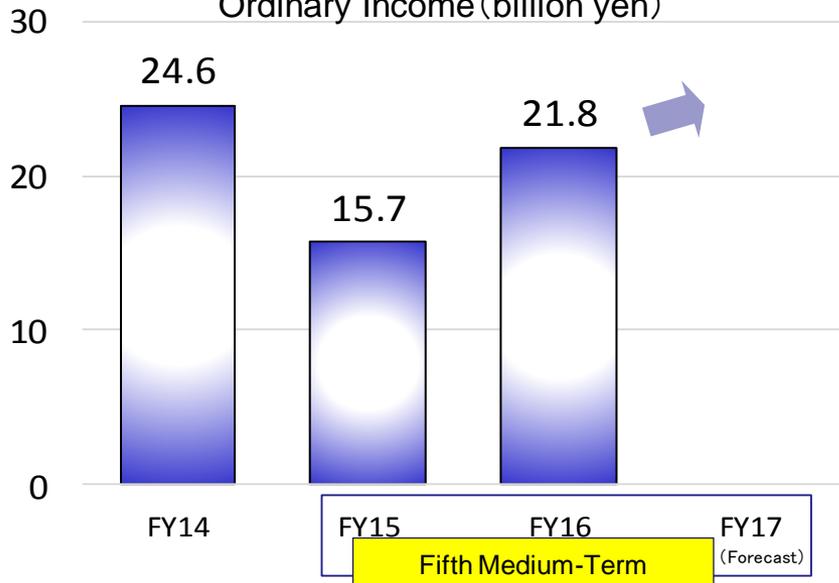
- **Further expansion of overseas business**
- **Expansion of offer proposal-based services**
- **Further introduction of new products and services**
- **Enhance business risk management**



The Effort for Expansion of Profits of Trading Business

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Ordinary Income (billion yen)



◆ Overview of ordinary income

In FY16, profit was increased with improvement of profitability of overseas subsidiaries including Kelly Pipe and coil centers.

◆ The effort for expansion of profits

- To enhance trading volume
- To expand revenue mainly from overseas operation

■ Target of Fifth Medium-Term Plan

【Domestic】 Strengthen functions and efficiency of the group

■ Main activities in FY2016

◆ Strengthen processing and distribution system of JFE group's magnetic steel sheet

- Enhancement of SCM of magnetic steel sheet market both in domestic and overseas market

◆ Investment in Omi Sangyo (coil center)

- Enhancement of domestic processing network

【Overseas】 To capture demand certainly in the growing region

◆ Investment in MPF, a wire drawing processor in Indonesia

- To capture growing steel demand for automotive use in Indonesia

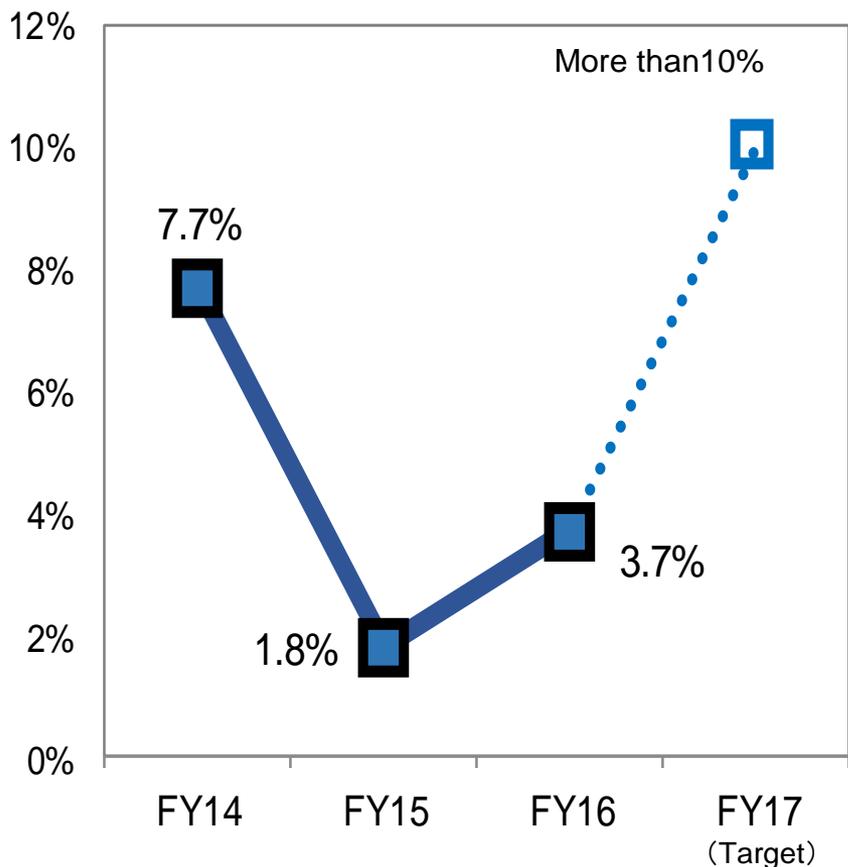
◆ Investment in TDA, a steel sheet producer in Vietnam

- To capture growing steel demand for construction and home appliance use

Financial Indices (ROE, Dividend Pay-out Ratio)

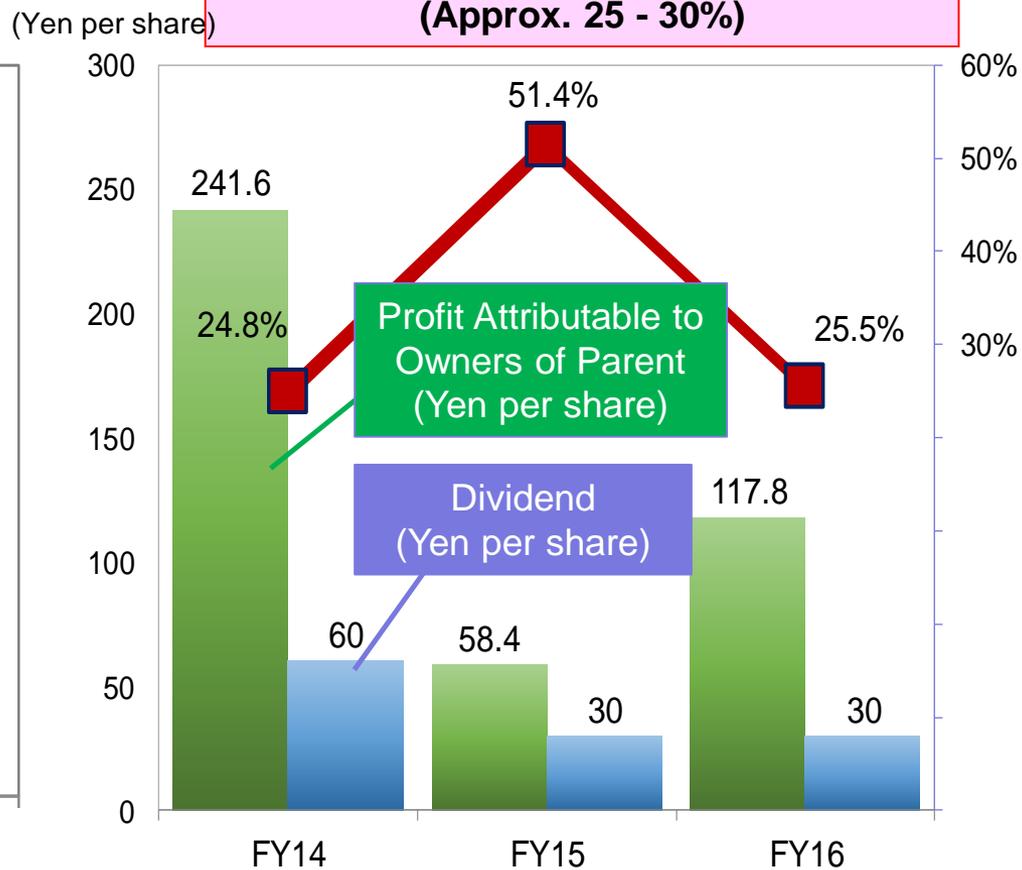


ROE



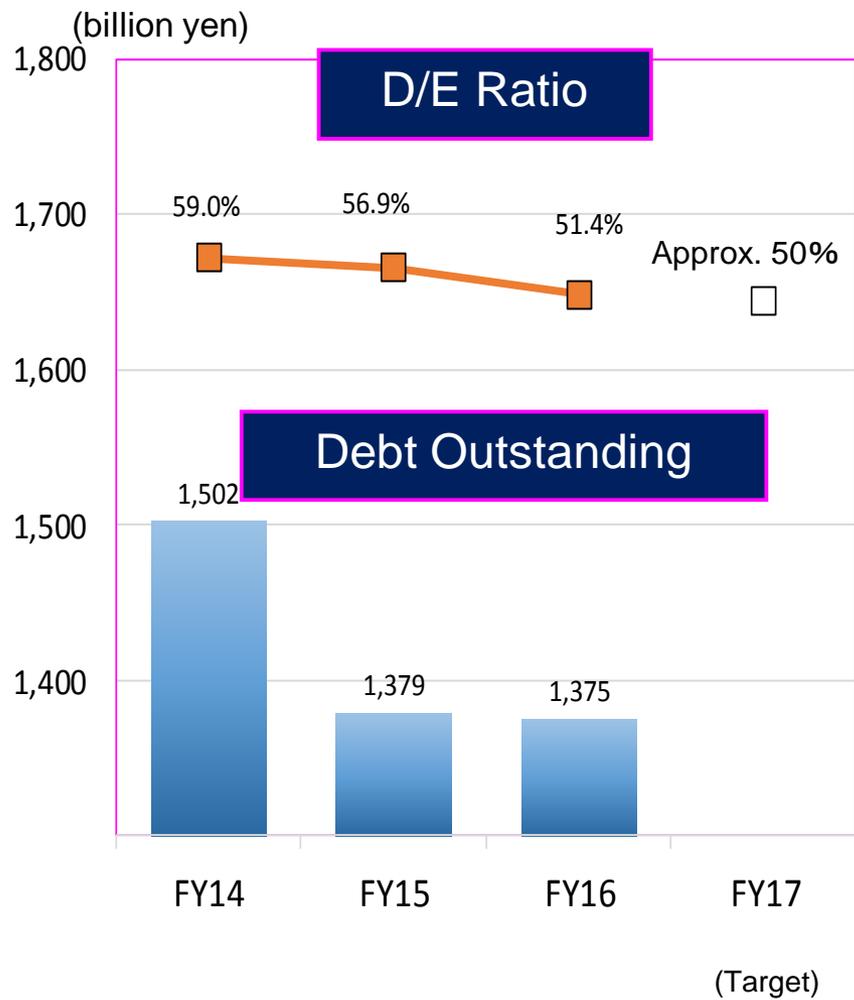
Dividend

Dividend Pay-out Ratio [Basic Policy]
(Approx. 25 - 30%)



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

Financial Indices (Debt Outstanding, D/E Ratio)



Ref: Cash Flow of FY2016 (billion Yen)

Source	Usage
Net Income	Dividends
68	6
	Working Capital etc.
	77
Depreciation	Capex, Investments
183	236
Asset Sales	Repayment of Debt
72	4
322	322

D/E Ratio = Debt Outstanding / Shareholders' Equity

Debt having a capital component 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

Dividends



Dividends

JFE Holdings will propose at its forthcoming General Meeting of Shareholders a payment of 30 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 2017 at this time, as it is still determining its earnings outlook.

Progress of Enhancement of Corporate Governance Structure



Improvement of Composition of Board of Directors and Audit & Supervisory Board

(Plan to change after general meeting of Shareholders held in June)

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The company changed the composition of the Board of Directors and Audit & Supervisory Board in accord with the discussion about evaluation of the effectiveness of the Board of Directors

- **Increase Outside Directors and Audit & Supervisory Board Members** [+2 Outsiders]
 - ✓ Audit & Supervisory Board will be made up of a majority of Outsiders.
[3 outsiders out of 5 members]
- **JFE Engineering CEO and JFE Shoji CEO will be Directors** [+2 Insiders]

The Percentage of Outside Directors and Audit & Supervisory Board Members

<p>44% (4 outsiders out of 9 members)</p> <p>⇒</p> <p> { 2 Outside Directors, 2 Outside Audit & Supervisory Board Members } </p>	<p>46% (6 outsiders out of 13 members)</p> <p> { 3 Outside Directors, 3 Outside Audit & Supervisory Board Members } </p>
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To deepen discussion about the company's strategic direction and vision by receiving opinions and advice from members with diverse background



Enhance medium- and long-term JFE Group's corporate value

Appendix



Main Financial Data

JFE

	FY03	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
(bn. Yen)											
Ordinary Income	218.3	502.9	400.5	69.2	165.8	52.9	52.2	173.6	231.0	64.2	84.7
EBITDA ※1	432.3	741.4	670.8	337.1	428.9	306.3	260.6	368.9	421.5	254.4	279.9
ROS ※2	8.8%	14.2%	10.2%	2.4%	5.2%	1.7%	1.6%	4.7%	6.0%	1.9%	2.6%
ROE ※3	15.9%	17.5%	13.7%	3.3%	4.1%	-2.6%	2.7%	6.3%	7.7%	1.8%	3.7%
ROA ※4	6.5%	13.0%	10.0%	2.2%	4.6%	1.7%	1.6%	4.5%	5.5%	1.7%	2.3%
Debt Outstanding	1,837	1,281	1,768	1,468	1,496	1,593	1,596	1,534	1,501	1,379	1,375
D/E Ratio ※5	246.2%	61.4%	98.9%	75.5%	76.5%	83.5%	76.9%	67.9%	59.0%	56.9%	51.4%
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	117.8
Dividend (yen/share)	30	120	90	20	35	20	20	40	60	30	(E) 30
Pay-out Ratio	16.1%	26.6%	25.3%	23.2%	31.6%	—	28.1%	22.5%	24.8%	51.4%	25.5%

※1 EBITDA = Ordinary income + Depreciation and Amortization + Interest expense ※2 ROS = Ordinary income / Net sales Year-end: 30 (E)

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

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

※5 D/E ratio = Debt outstanding / Shareholders' equity. Debt having a capital component 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

11.1 Billion Yen Decrease in JFE Steel's Ordinary Income (FY16 3Q (Actual) vs. FY16 4Q (Actual))



JFE Steel					FY2016	Change 3Q →4Q
	1H	2H				
		3Q Oct-Dec	4Q Jan-Mar			
Ordinary Income	(24.4)	38.0	26.9	64.9	40.5	(11.1)

(billion yen)

- Volume and Mix + 1.0
- Sales and Raw materials + 5.0
- Cost reduction + 2.0
- Inventory valuation -10.0
- Others - 9.1

Decrease in profit of overseas subsidiary companies, decrease in receipt of dividends and increase in depreciation cost etc.

TOTAL -11.1



89.3 Billion Yen Increase in JFE Steel's Ordinary Income (FY16 1H (Actual) vs. FY16 2H (Actual))

JFE Steel	(billion yen)					Change 1H→2H
	1H	2H		FY2016		
		3Q Oct-Dec	4Q Jan-Mar			
Ordinary Income	(24.4)	38.0	26.9	64.9	40.5	89.3

- Volume and Mix + 7.0
- Sales and Raw materials - 45.0
- Cost reduction + 7.0
- Inventory valuation +124.0
- Others - 3.7

→ Increase in depreciation cost, decrease in receipt of dividends etc.

TOTAL +89.3

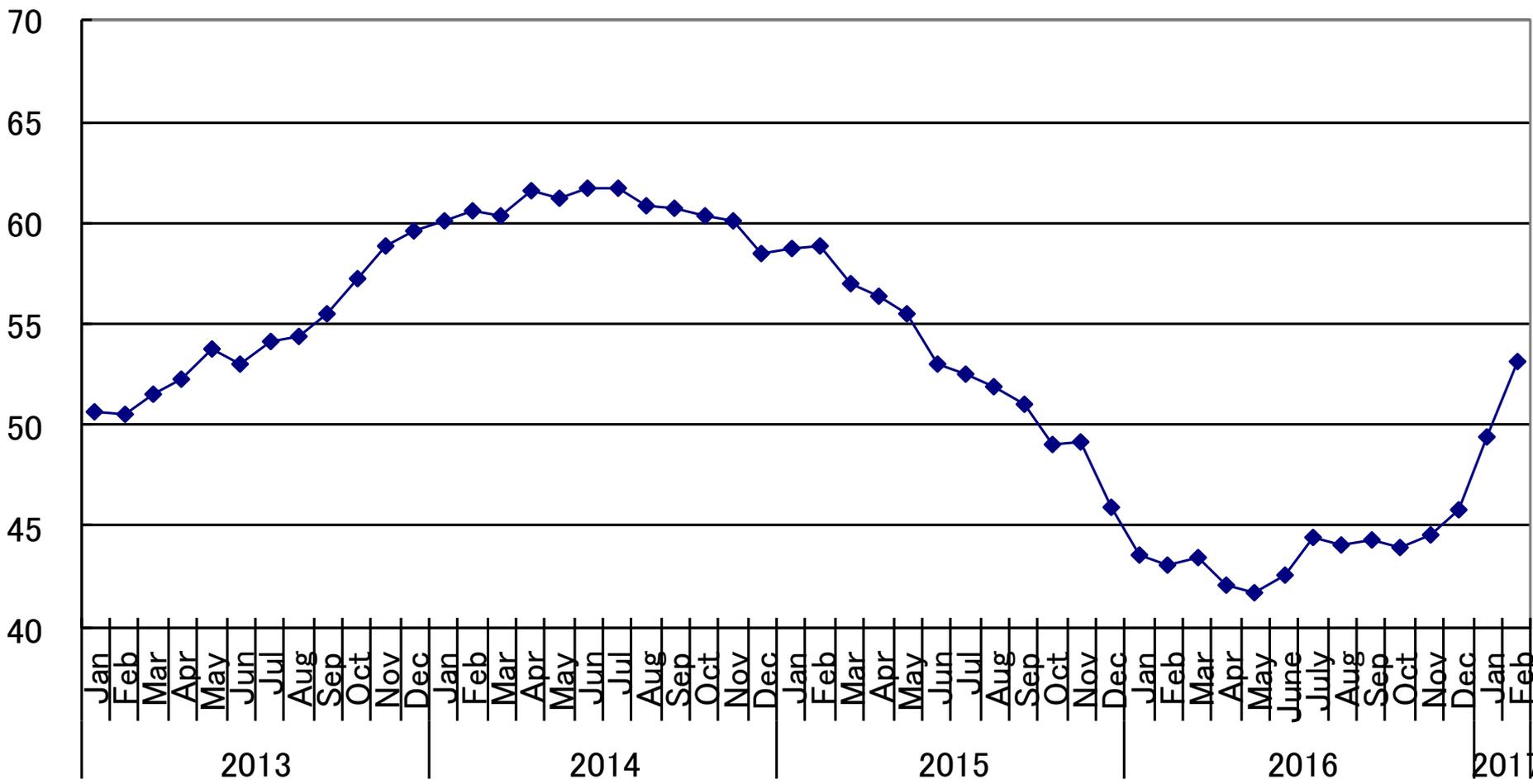


Domestic Market Environment

Price Trend of Import Steel

JFE

(000 yen/ton)



Data: Japanese Steel Association

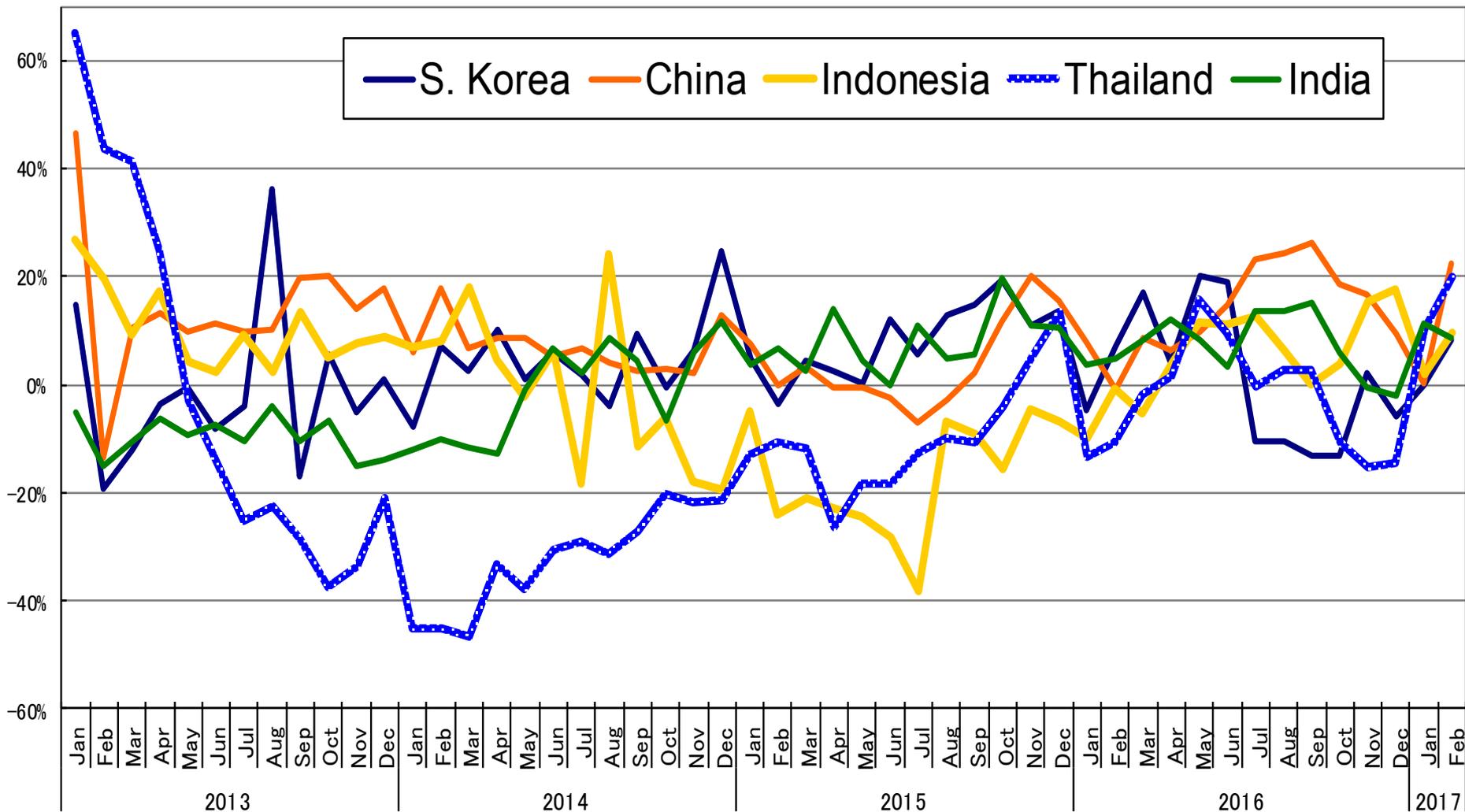
Hot-rolled coil imported from S.Korea



Overseas Market Environment

Auto Sales in Key Countries

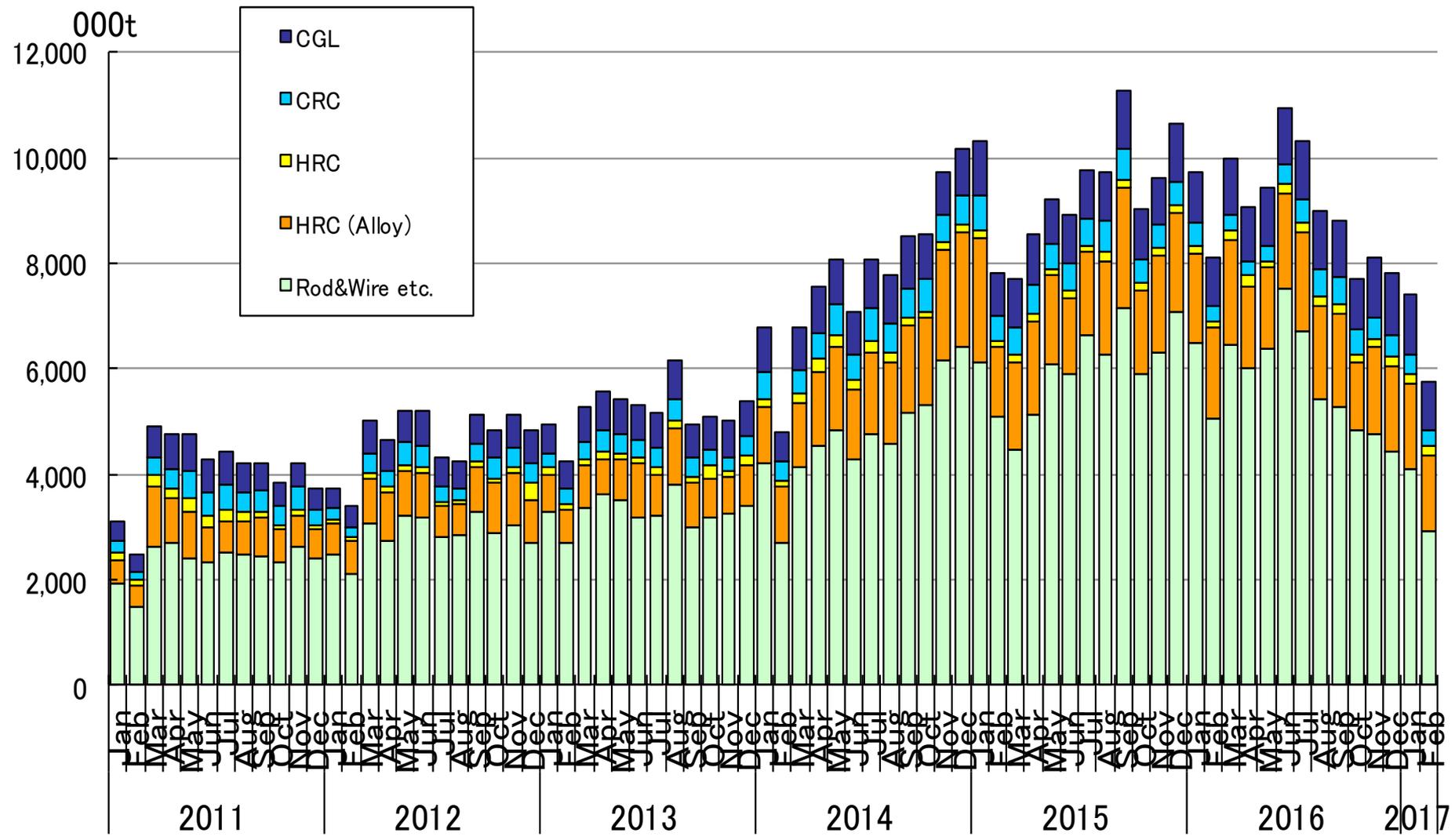
Automobile Sales in Key Countries (YoY Change)





Overseas Market Environment

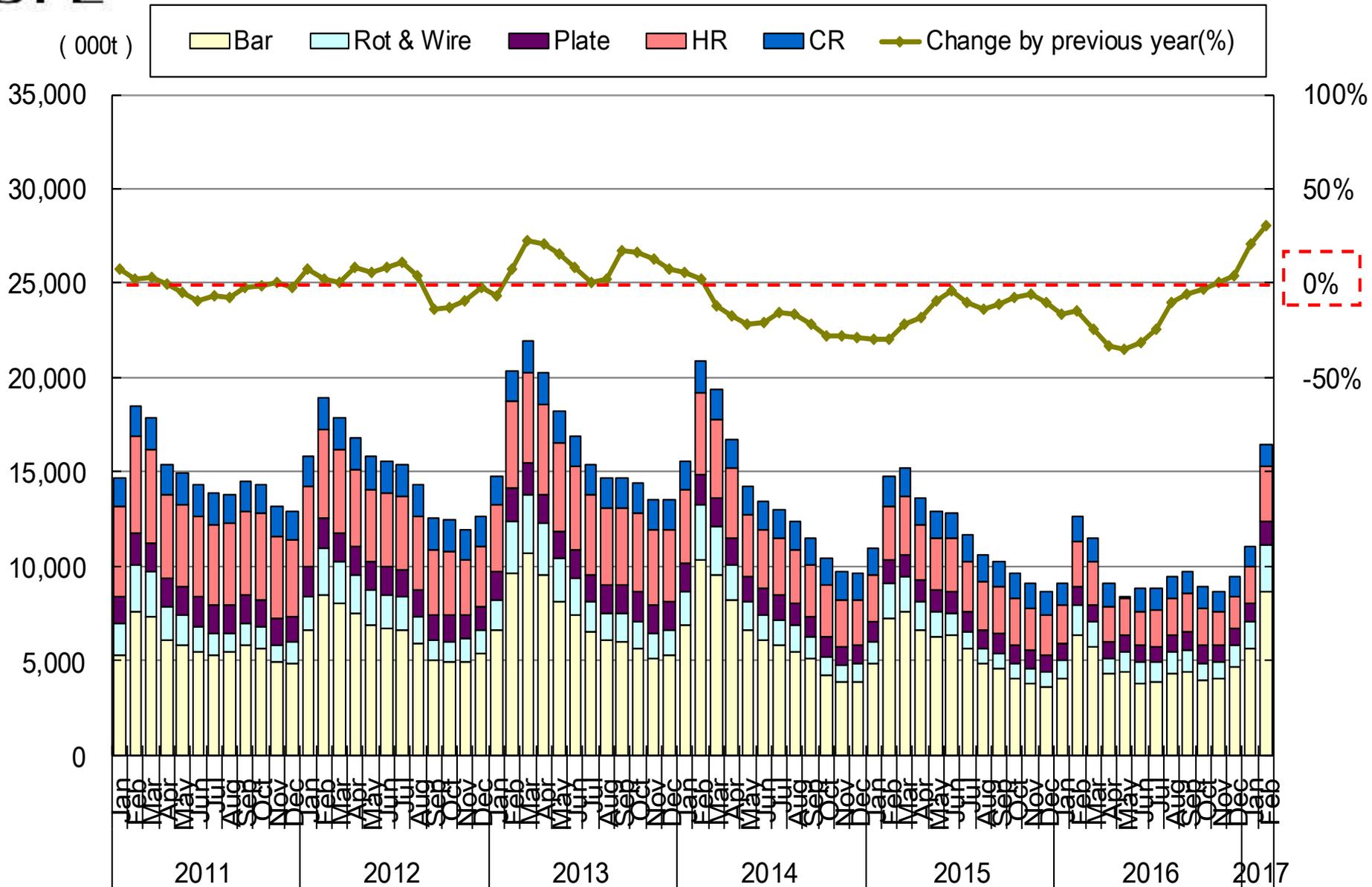
Exports from China by Products





Overseas Market Environment

Inventories in China by Products



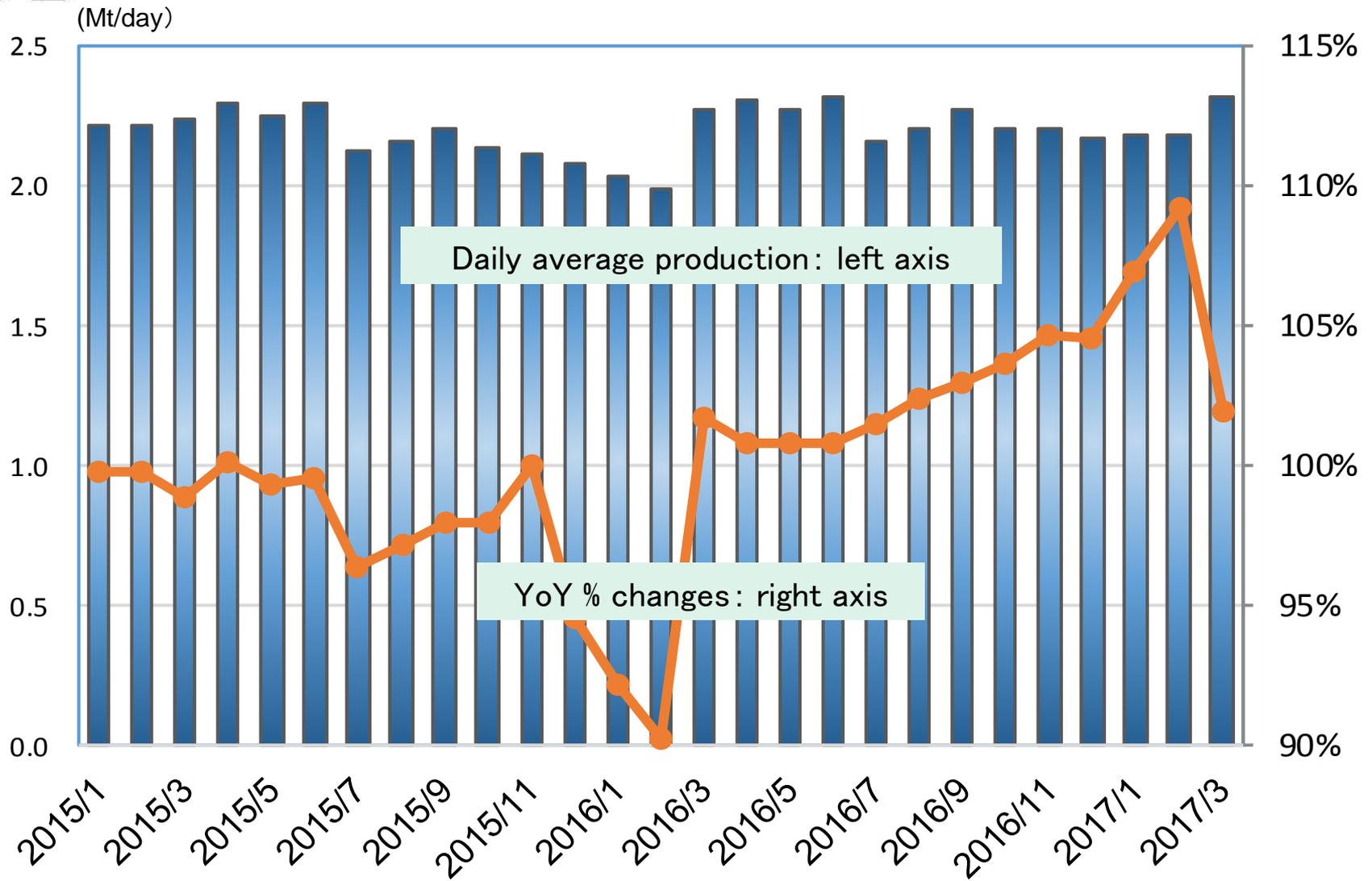


JFE

Overseas Market Environment

Daily Average Crude Steel Production in China

JFE Steel



※Daily Average Production = Monthly Production / Dates

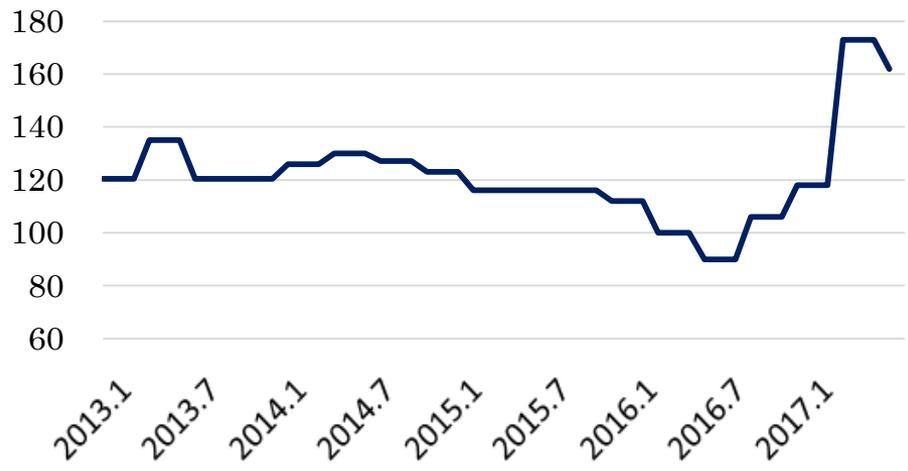


Raw Materials

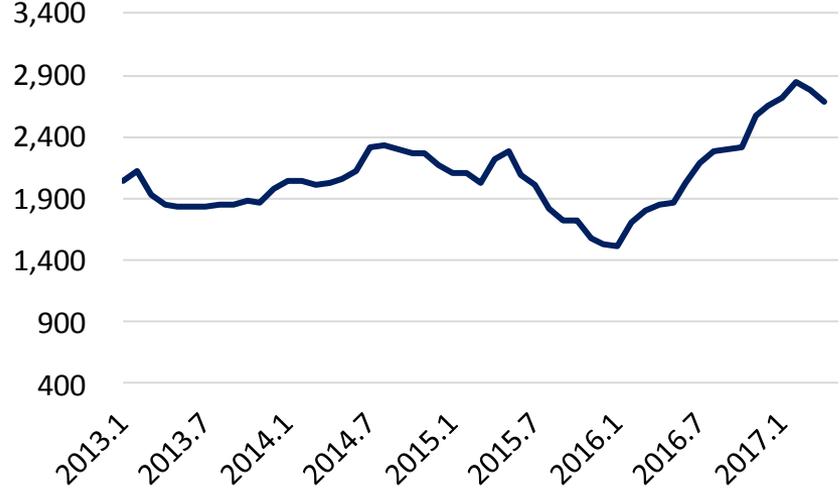
Trend of Metals' Market Price

JFE

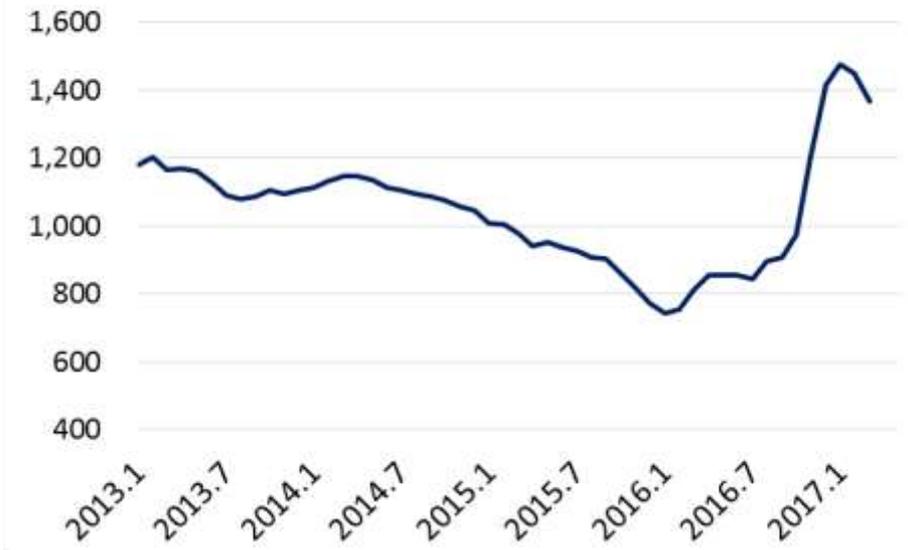
(¢/lb) FeCr



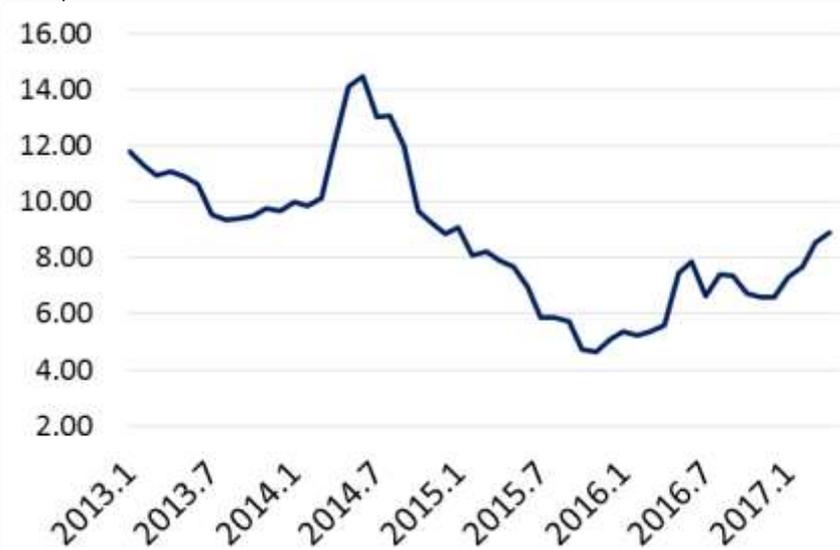
(US\$/t) Zn



(US\$/t) FeMn



(US\$/lb) Mo



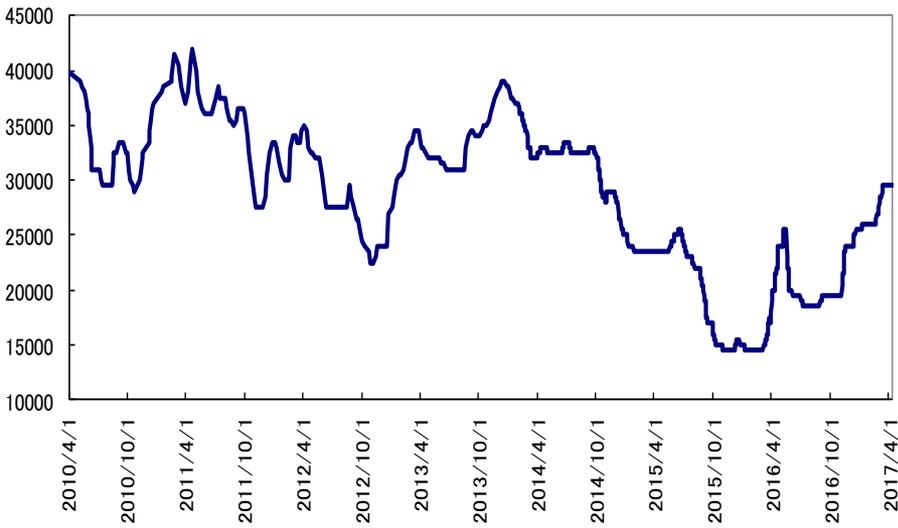


Raw Materials

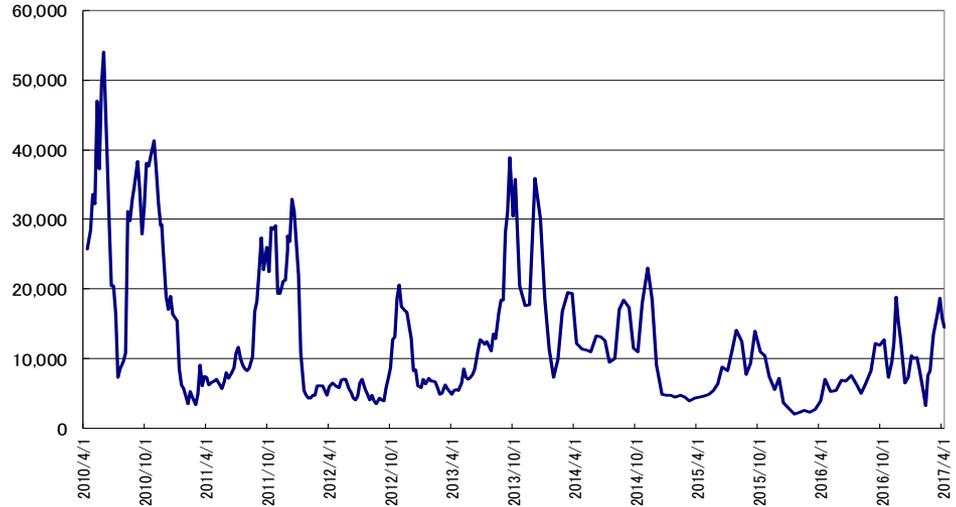
Trend of Market Price

JFE

(yen/t) Scrap



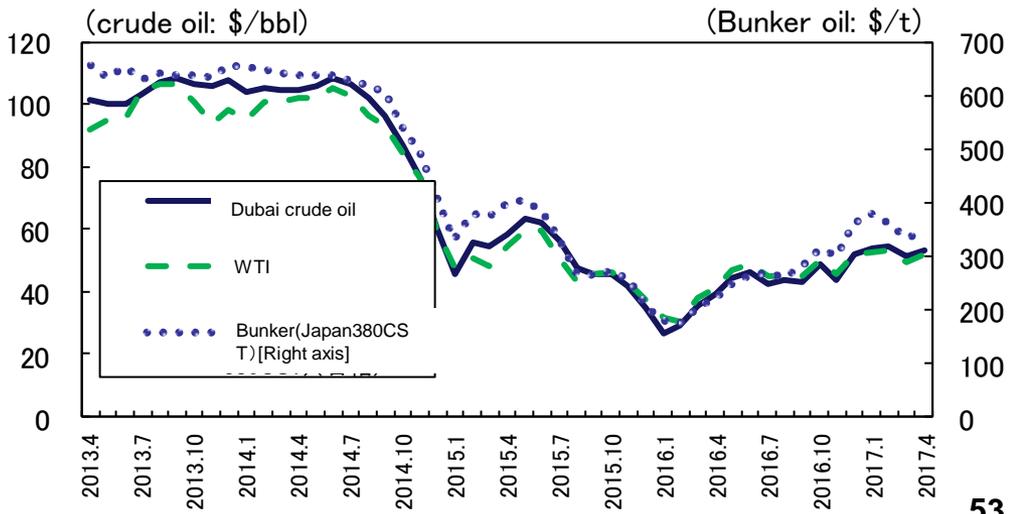
(\$/day) Spot Bulker



(yen/t) LNG Price



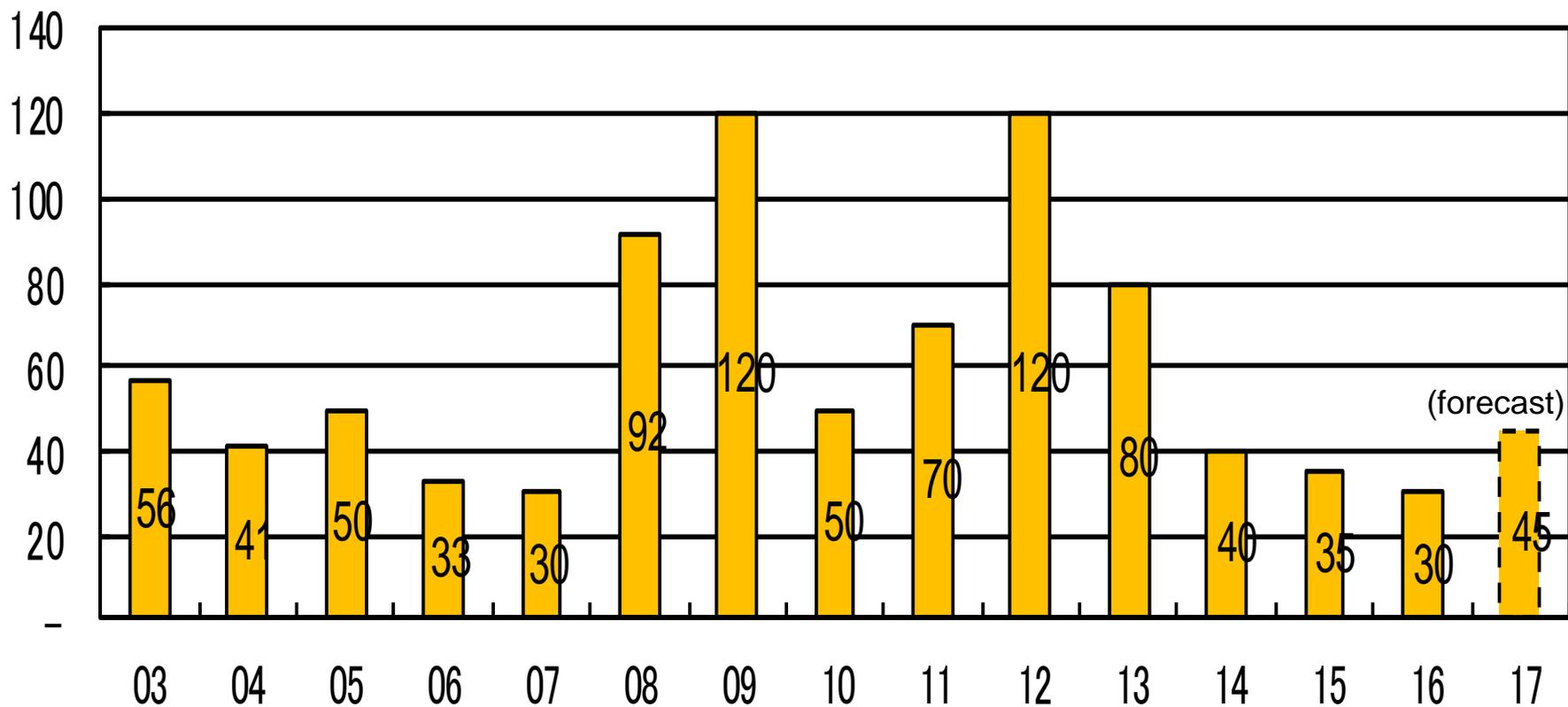
Oil



Cost Reduction (Steel Business)

JFE

(billion yen)



JFE Steel (stand-alone basis)

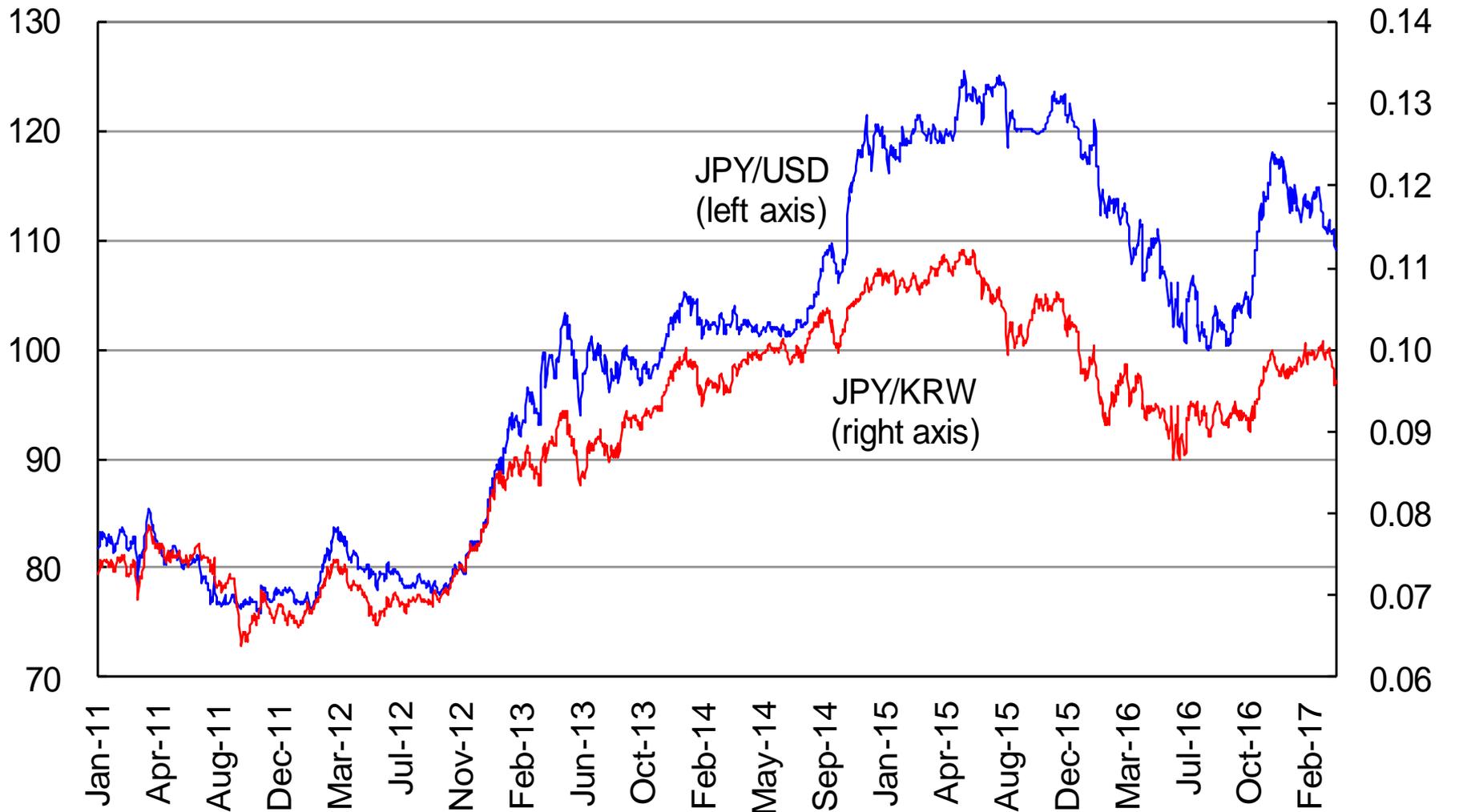


Trend of Exchange Rate (against USD,KRW)

JFE

JPY/USD

JPY/KRW





JFE