



JFE Group

***Financial Results in First Quarter of
Fiscal Year 2017 ending March 31, 2018***

JFE Holdings, Inc.

August 1, 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



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**Consolidated Results in First Quarter
of Fiscal Year 2017
(April 1 to June 30, 2017)**



Financial Results in First Quarter of Fiscal Year 2017

(billion yen)

	FY2016 1Q (Apr-Jun)	FY2017 1Q (Apr-Jun)	Change
Net Sales	740.6	846.8	106.2
Operating Income (Loss)	(4.2)	49.8	54.0
Non-operating Income (Expenses)	(9.1)	6.3	15.4
Ordinary Income (Loss)	(13.3)	56.2	69.5
Extraordinary Profit	-	21.4	21.4
Profit (Loss) before Income Taxes	(13.3)	77.7	91.0
Tax Expense and Profit Attributable to Non-controlling Interests	1.6	(20.5)	(22.1)
Profit (Loss) Attributable to Owners of Parent	(11.7)	57.1	68.8

Financial Results in First Quarter of Fiscal Year 2017

(by Segment)

(billion yen)

	FY2016 1Q (Apr-Jun)	FY2017 1Q (Apr-Jun)	Change
Steel Business	528.4	636.4	108.0
Engineering Business	80.4	72.3	(8.1)
Trading Business	393.0	465.1	72.1
Adjustments	(261.2)	(327.0)	(65.8)
Net Sales	740.6	846.8	106.2
Steel Business	(20.3)	48.6	68.9
Engineering Business	1.8	0.4	(1.4)
Trading Business	4.5	8.3	3.8
Adjustments	0.6	(1.1)	(1.7)
Ordinary Income (Loss)	(13.3)	56.2	69.5



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

Financial Forecasts for Fiscal Year 2017



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(billion yen)

	FY2016(A)		FY2017(F)		Change 1H	Change Full year
	1H	Full year	1H	Full year		
Net Sales	1,499.5	3,308.9	1,700.0		200.5	
Operating Income	4.0	96.7	100.0		96.0	
Non-operating Income (Expenses)	(14.1)	(12.0)	0.0		14.1	
Ordinary Income (Loss)	(10.1)	84.7	100.0	200.0	110.1	115.3
Extraordinary Profit	3.5	20.7	20.0	20.0	16.5	(0.7)
Profit (Loss) before Income Taxes and Minority Interests	(6.5)	105.4	120.0	220.0	126.5	114.6
Tax Expense and Profit Attributable to Non-controlling Interests	(1.8)	(37.5)	(35.0)	(70.0)	(33.2)	(32.5)
Profit (Loss) Attributable to Owners of Parent	(8.4)	67.9	85.0	150.0	93.4	82.1
ROS(*)	(0.7%)	2.6%	5.9%		6.6%	

*Return on Sales: Ordinary Income / Net Sales

Financial Forecasts for Fiscal Year 2017 (by Segment)

(billion yen)

	FY2016(A)		FY2017(F)		Change 1H	Change Full year
	1H	Full year	1H	Full year		
Steel Business	1,072.4	2,349.1	1,300.0		227.6	
Engineering Business	175.3	426.1	160.0		(15.3)	
Trading Business	775.8	1,671.0	905.0		129.2	
Adjustments	(524.0)	(1,137.3)	(665.0)		(141.0)	
Net Sales	1,499.5	3,308.9	1,700.0		200.5	
Steel Business	(24.4)	40.5	85.0	150.0	109.4	109.5
Engineering Business	7.6	26.6	1.5	25.0	(6.1)	(1.6)
Trading Business	7.6	21.8	15.0	28.0	7.4	6.2
Adjustments	(1.0)	(4.2)	(1.5)	(3.0)	(0.5)	1.2
Ordinary Income (Loss)	(10.1)	84.7	100.0	200.0	110.1	115.3



Change in Depreciation Method for Property, Plant and Equipment

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Depreciation method for property, plant and equipment of JFE Steel
Until FY2016 : Primarily applied declining balance method

From FY2017 : Began applying straight-line method

■ Reason for the change

- In the long run, Japan's declining birthrate and aging population are forecast to lead to reduced domestic demand.
- JFE Steel, rather than focusing on increased crude steel output, is striving to ensure stable steel output and to cut costs at its steelworks in Japan through capital investments to strengthen the manufacturing base.

The company made the change because its steelmaking facilities are expected to enjoy stable production, as stated above, so the straight-line method was deemed more appropriate for allocating the costs of assets.

■ Impact on the ordinary income in FY2017

Ordinary income will forecast to increase by 28.0 billion yen compared with the profit by using previous method.



JFE Steel

Financial Results in First Quarter of Fiscal Year 2017

Production and Shipment



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	Unit	FY2016					FY2017
		1Q Actual	2Q Actual	3Q Actual	4Q Actual	Actual	1Q Actual
Crude Steel (Standalone)	Mt	6.94	7.06	7.12	7.02	28.14	7.12
Crude Steel (consolidated)	Mt	7.52	7.62	7.66	7.61	30.41	7.53
Shipment (Standalone)	Mt	6.26	6.34	6.43	6.68	25.70	6.14
Export Ratio (Standalone)	%	43.6	44.1	43.3	44.9	44.0	42.1
Average Sales Prices (Standalone)	000 yen/t	58.5	58.6	61.5	72.0	62.8	74.4
Exchange rate	¥/\$	111.1	103.5	106.1	114.3	108.8	111.5
Exchange rate (End of Term)	¥/\$	102.9	101.1	116.5	112.2	112.2	112.0

21.7 Billion Yen increase in JFE Steel's Ordinary Income (FY16 4Q vs. FY17 1Q)

(billion yen)

JFE Steel	FY16 1Q	FY16 2Q	FY16 3Q	FY16 4Q	FY17 1Q	Change 4Q→1Q
Ordinary Income	(20.3)	(4.1)	38.0	26.9	48.6	21.7

- Cost reductions + 7.0
- Volume and Mix + 2.0
- Sales and Raw materials + 20.0
- Inventory valuation - 20.0
- Impact of change in depreciation method + 4.2
- Others + 8.5

TOTAL + 21.7



JFE Steel

Financial Forecasts for Fiscal Year 2017

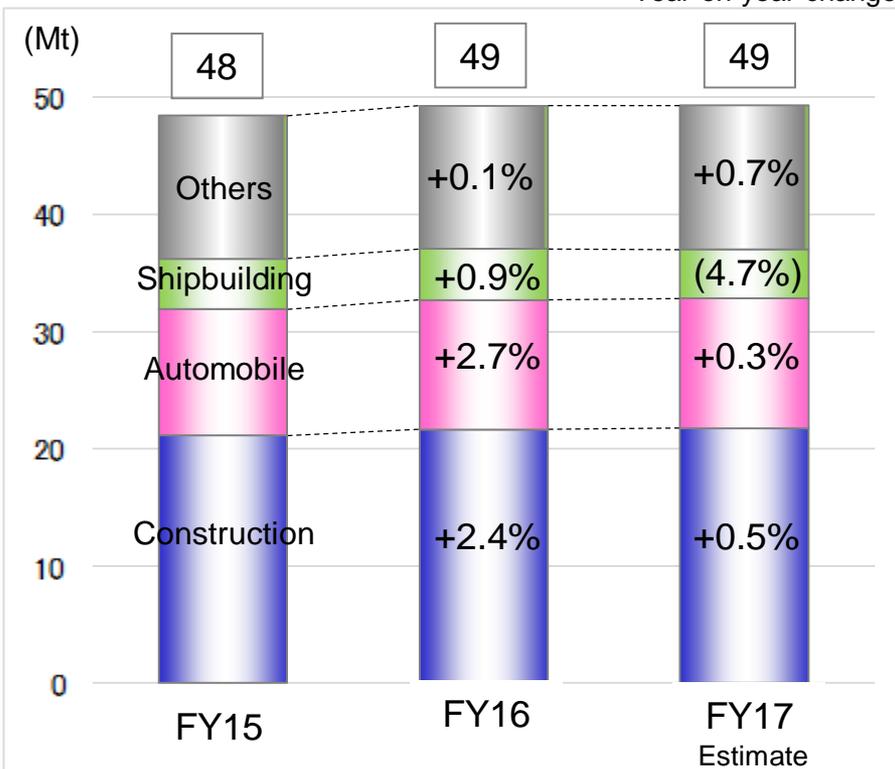


Current Business Environment (Domestic)

- Domestic steel demand in FY17 is forecast to slightly increase from FY16.
- Automobile sector and construction sector are forecast to remain robust (for automobile use: +0.3% for construction use: +0.5%) despite -4.7% decrease in shipbuilding sector.

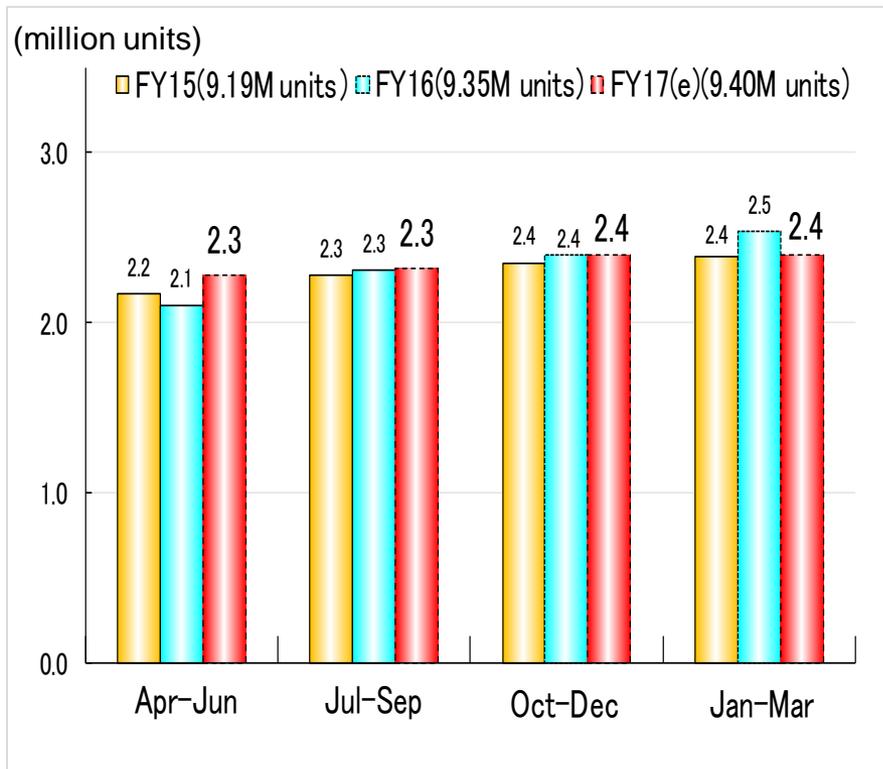
【Outlook for Domestic Ordinary Steel Consumption】

Year-on-year change



JFE Forecast

【Outlook for domestic auto production】

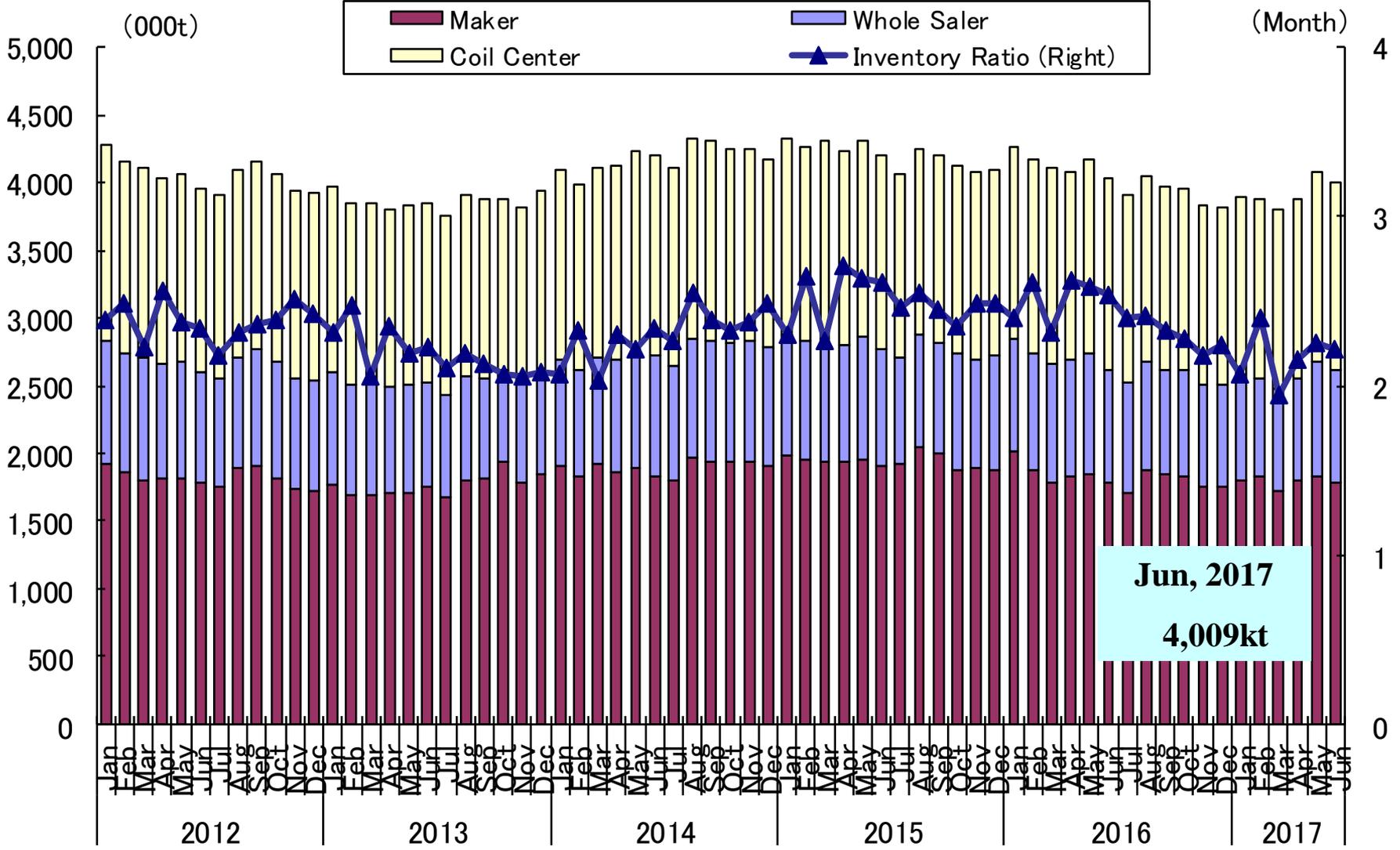


JFE Forecast



Domestic Market Environment

Combined Inventories of HR, CR and Coated Steel Sheet



Jun, 2017
4,009kt

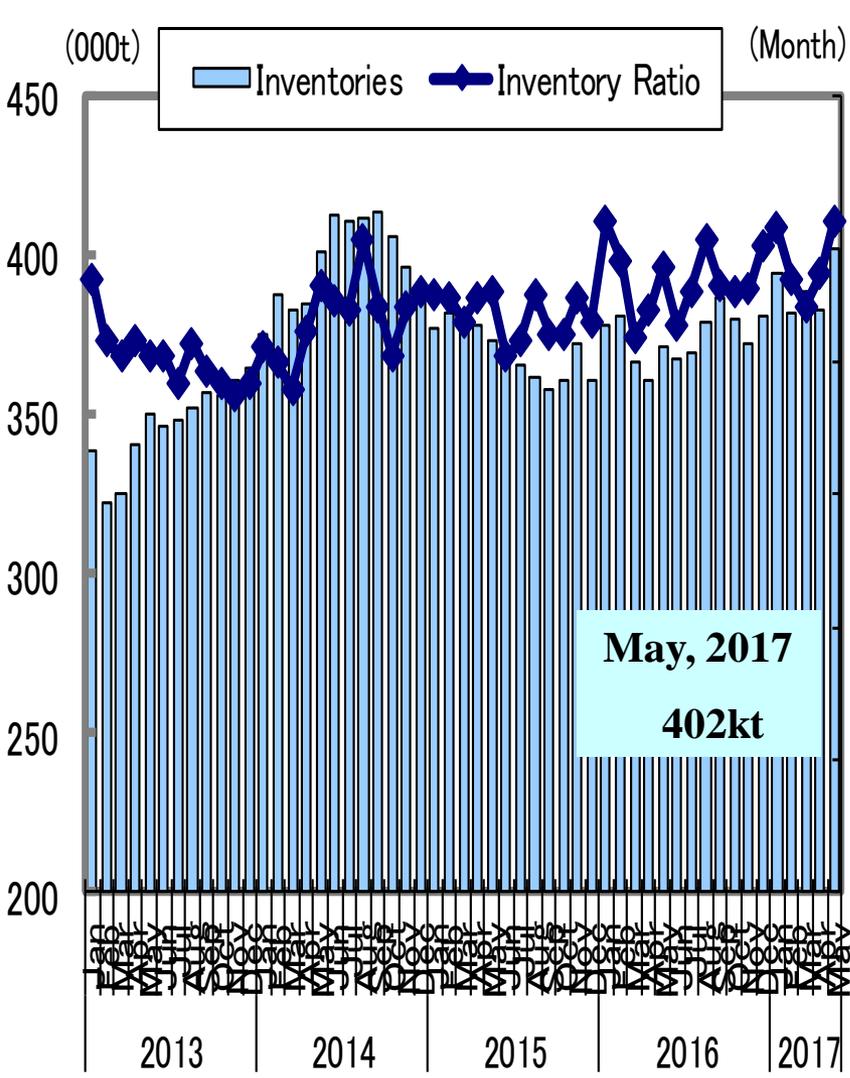


Domestic Market Environment

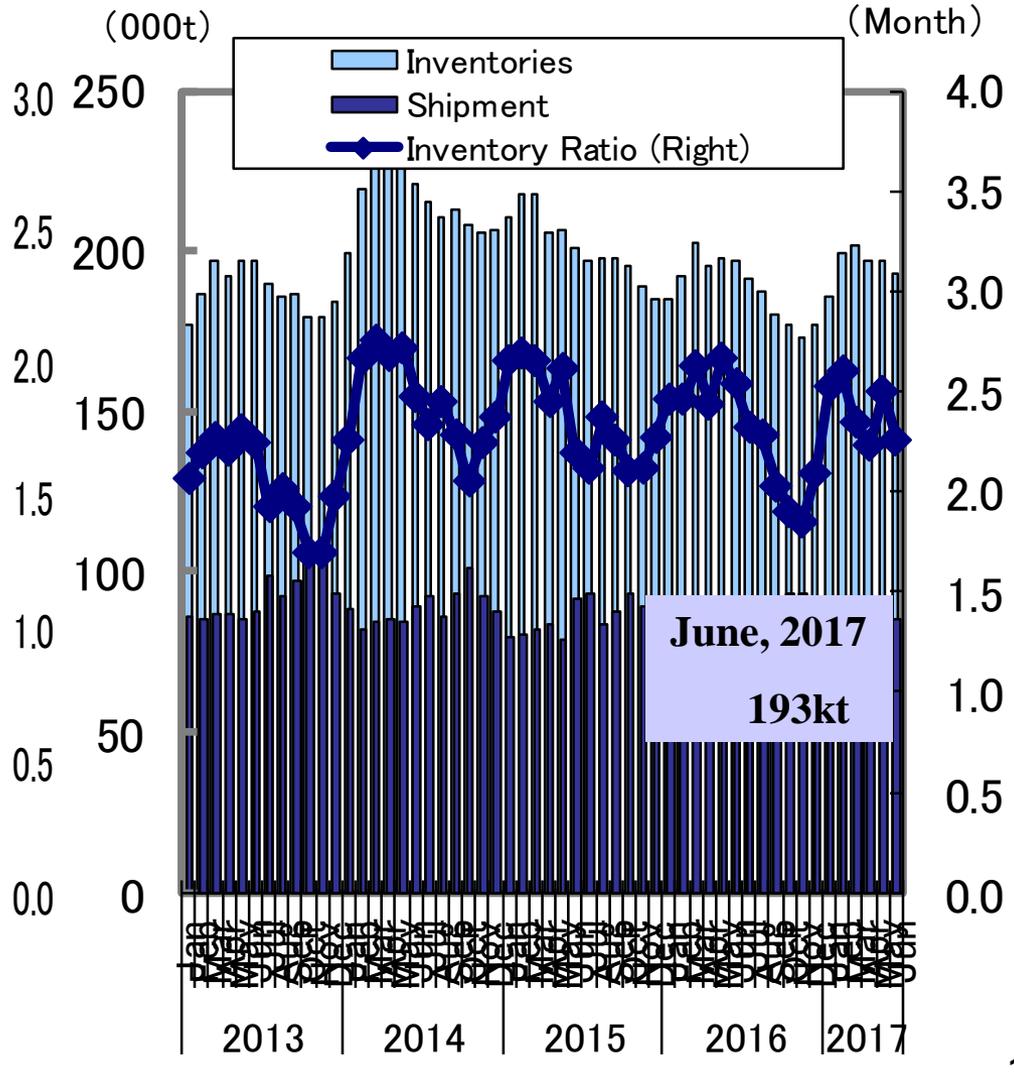
Inventories of Plate (Plate Shear) and Wide Flange Shapes

JFE Steel

Inventories of Plate (Plate Shear)



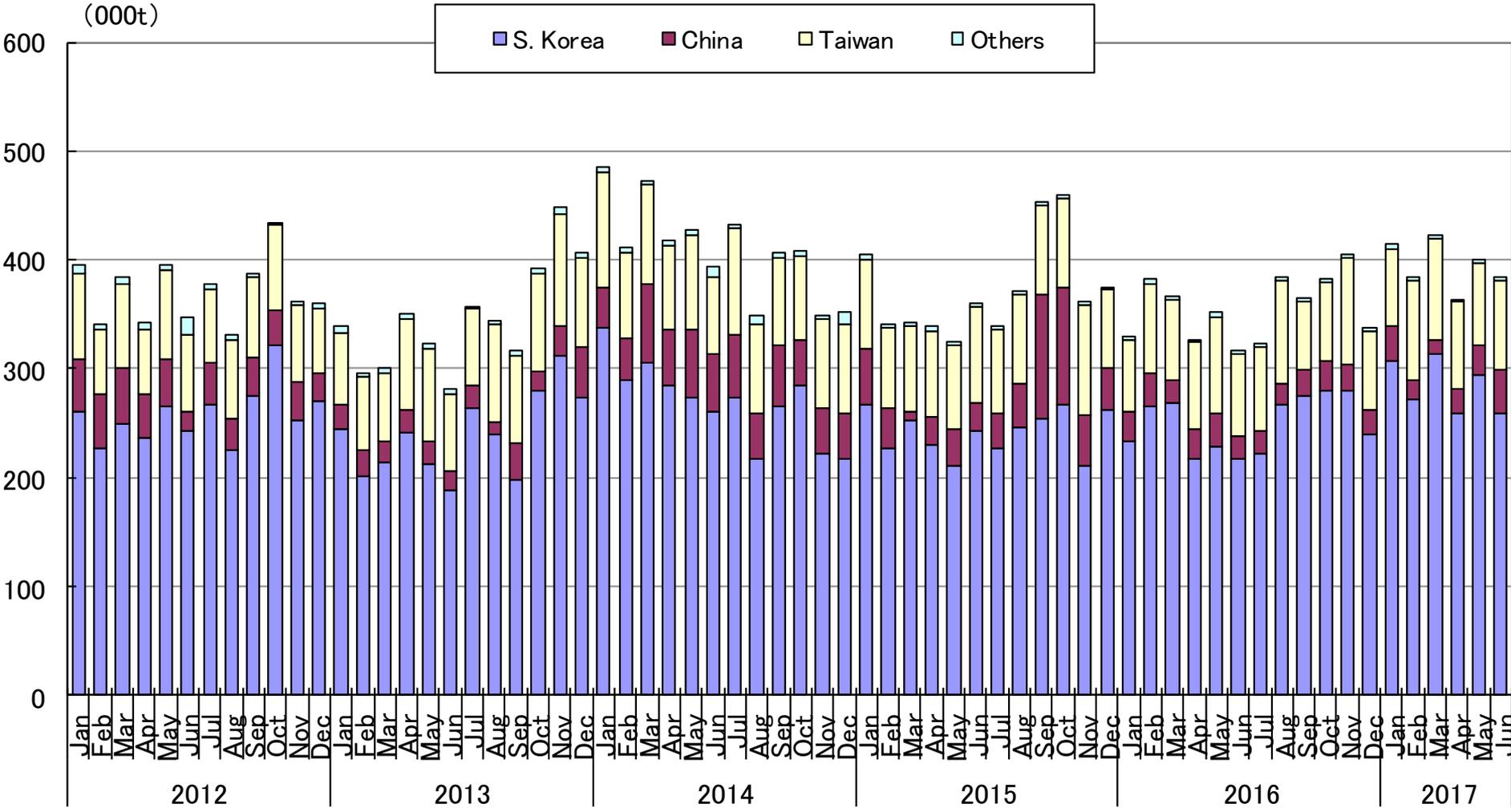
Inventories of Wide Flange Shapes





Domestic Market Environment

Trend of Import Steel (Ordinary Steel)



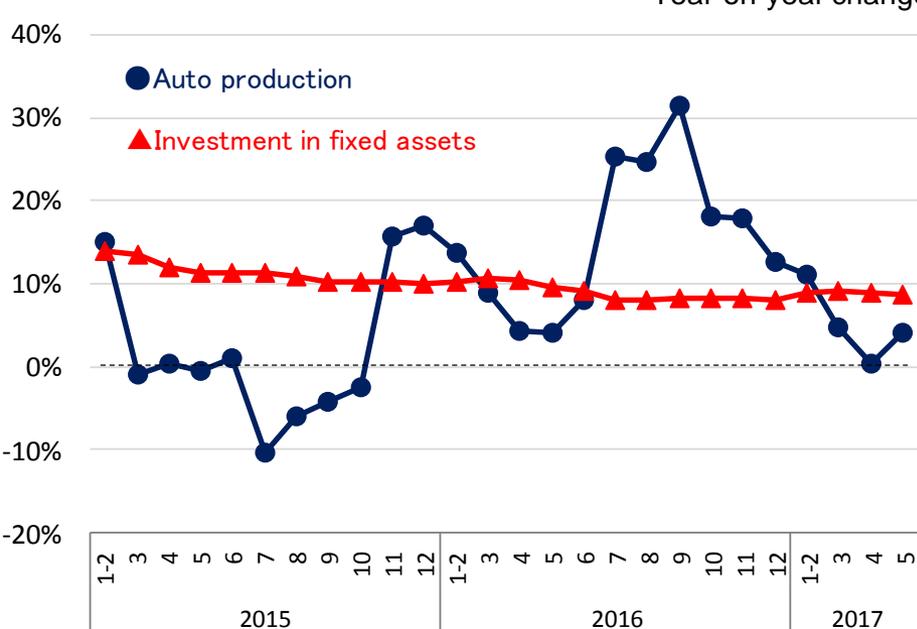
Current Business Environment (Overseas)

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- Steel demand in China remains robust due to economic stimulus measures. Investment in fixed assets recorded +6.4% and auto production recorded +8.6% on a year-on-year basis from January to May period.
- Steel market in China has been maintaining an upward trend since Apr. 2017 due to robust steel demand in China and shutdown of illegal substandard steel mills.

【Auto production and Investment in fixed assets】

Year-on-year change



Source : National Bureau of Statistics of China

【Steel sheet market trend in China】



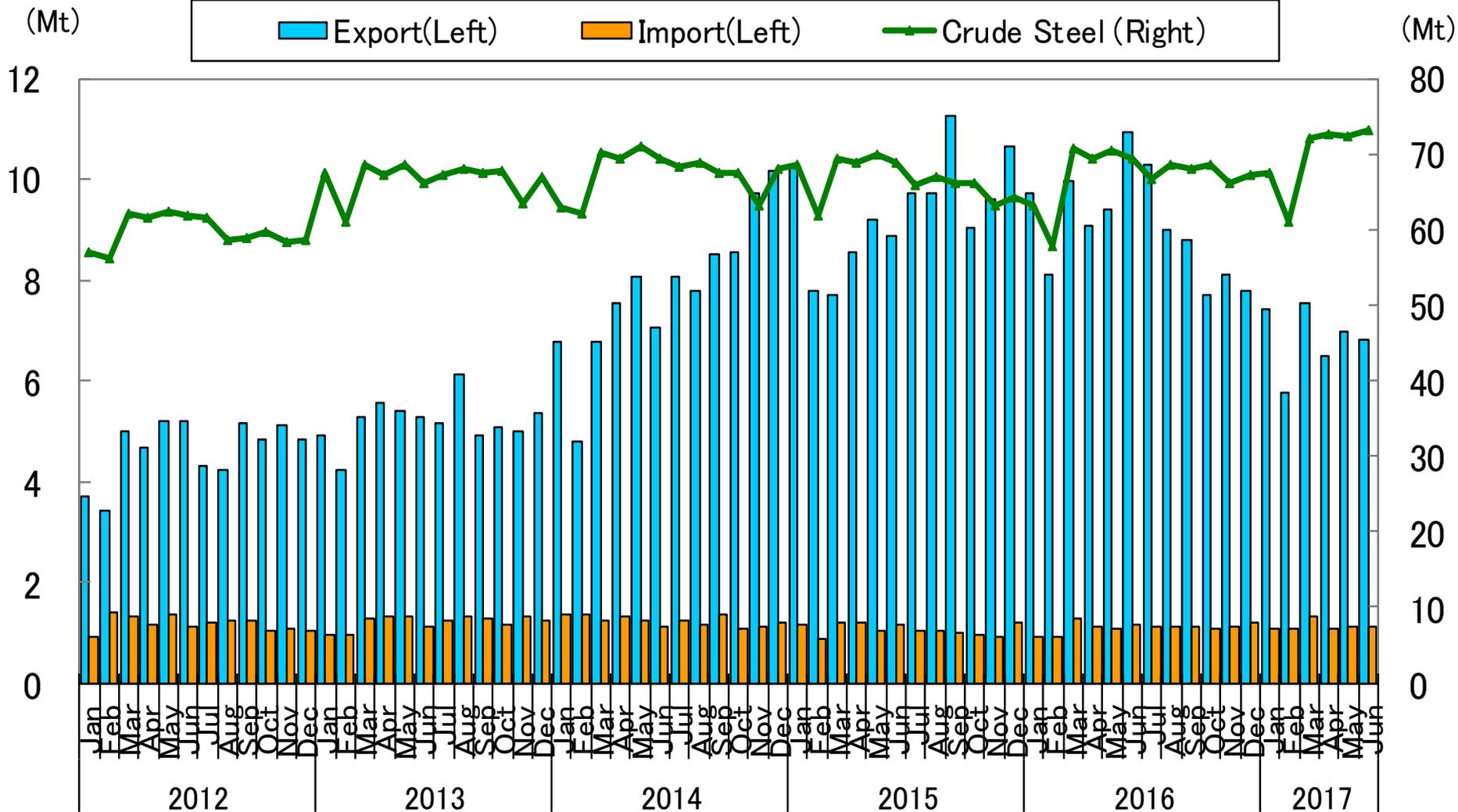
Chinese spot basis



Overseas Market Environment

Crude Steel & Im/Export, China

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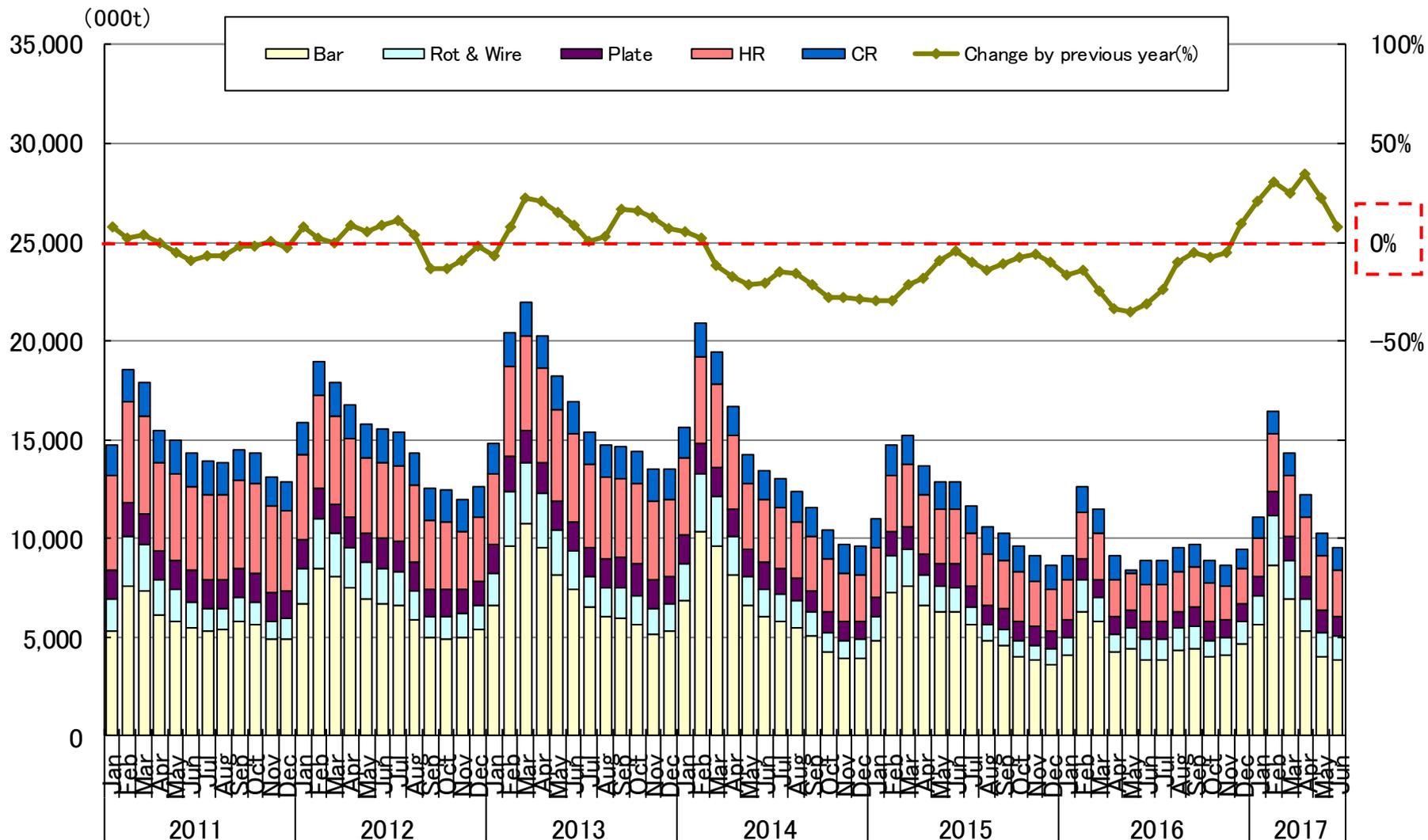


*Crude Steel in Jan and Feb, 2015: WSA's estimation



Overseas Market Environment

Inventories in China by Products

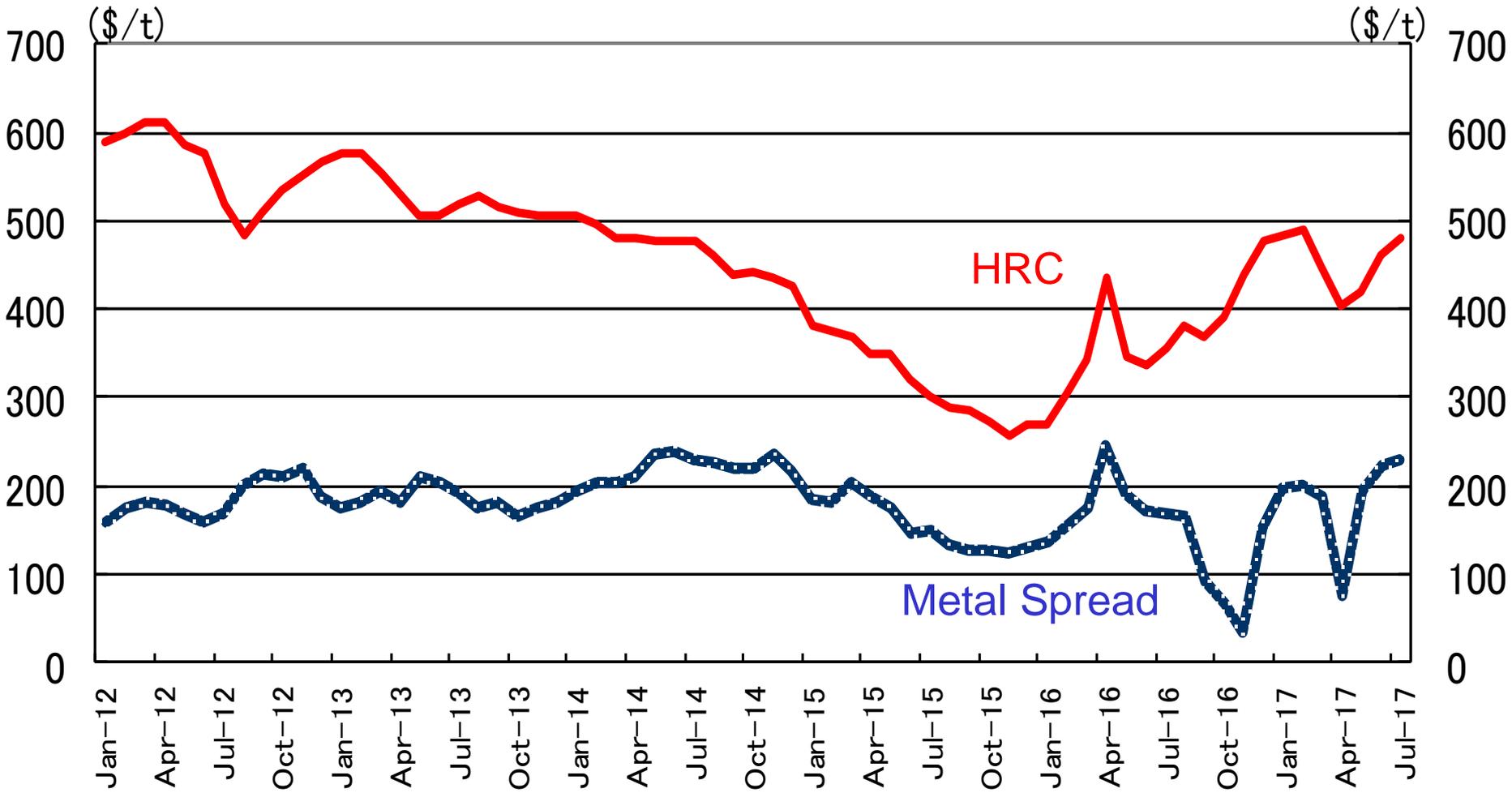




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Overseas Market Environment

Metal Spread Trend (Chinese Spot Basis)



Metal Spread = HRC Price – Raw Materials Cost

*HRC Price: Chinese Spot basis

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



Raw Materials

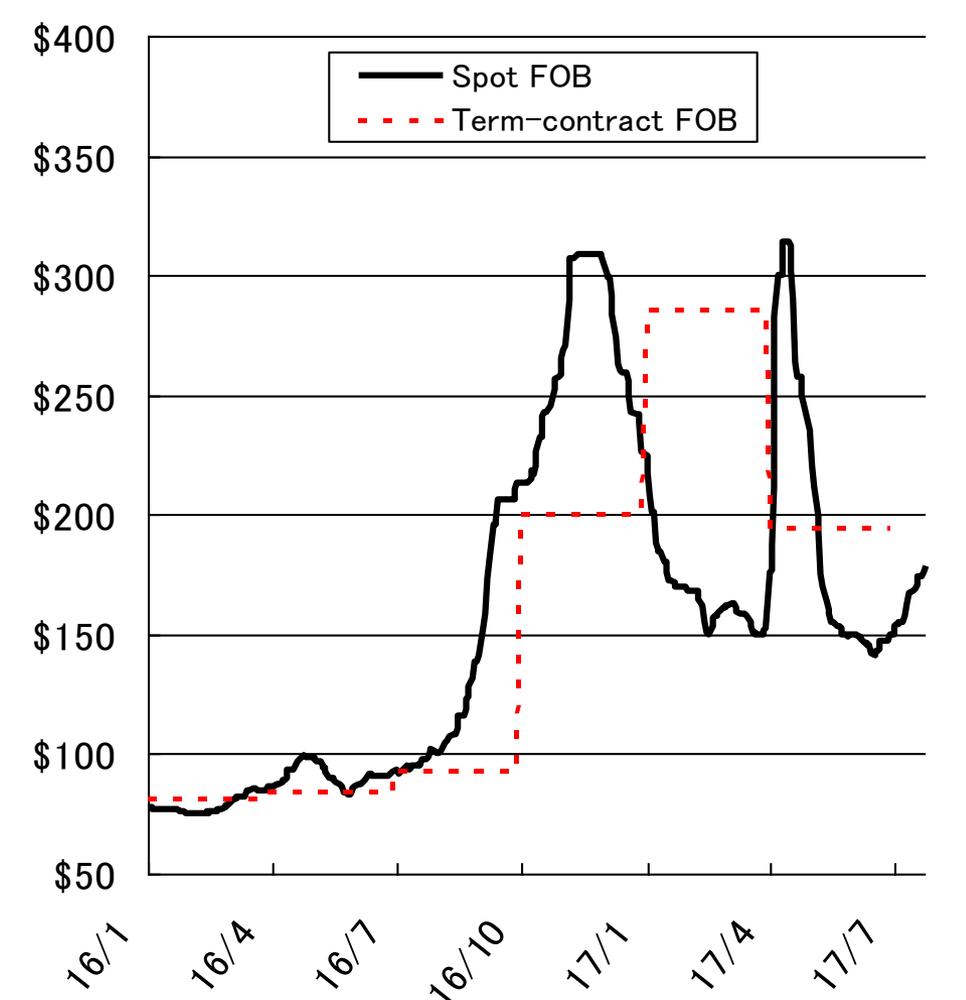
Raw Materials Price

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(\$/DMT) Iron ore (iron ore fines from Australia)



(\$/WMT) Coking Coal (Hard Coking Coal from Australia)



Hard Coking Coal Term-contract FOB in Apr-Jun quarter 2017 refers to average spot FOB (Mar-May)

Financial Forecasts for FY2017 of JFE Steel

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		FY2016	FY2017					Full year Forecast
			Full year Actual	1Q	2Q	1H	2H	
				Actual	Forecast	Forecast	Forecast	
Net Sales	Billion Yen	2,349.1	636.4	663.6	1,300.0			
Ordinary Income [ROS]	Billion yen [%]	40.5 [1.7%]	48.6 [7.6%]	36.4 [5.5%]	85.0 [6.5%]	65.0	150.0	

Crude Steel (Standalone)	Mt	28.14	7.12	Approx. 7.40	Approx. 14.50	Approx. 14.50	Approx. 29.00
Crude Steel (Consolidated)	Mt	30.41	7.53	Approx. 7.80	Approx. 15.30		
Shipment (Standalone)	Mt	25.70	6.14	Approx. 6.60	Approx. 12.80		
Export Ratio (Standalone)	%	44.0	42.1	Approx. 45	Approx. 44		
Average Sales Price (Standalone)	000 yen/t	62.8	74.4	Approx. 74	Approx. 74		
Exchange rate	¥/\$	108.8	111.5	Approx. 111	Approx. 111	Approx. 110	

12.2 Billion Yen decrease in JFE Steel's Ordinary Income (FY17 1Q (Actual) vs. FY17 2Q (Forecast))



(billion yen)

JFE Steel	FY2017 (Forecast)			Change 1Q→2Q
	1Q	2Q	1H	
Ordinary Income	48.6	36.4	85.0	(12.2)

■ Volume and Mix + 5.0

■ Sales and Raw materials + 20.0

■ Inventory valuation - 21.0

■ Others - 16.2 ⇒

▪ Increase in depreciation cost through strengthening the manufacturing base
▪ Decrease in dividends received etc.

TOTAL - 12.2

20.1 Billion Yen increase in JFE Steel's Ordinary Income (FY16 2H (Actual) vs. FY17 1H (Forecast))



(billion yen)

JFE Steel	FY16 2H (Actual)	FY17 1H (Forecast)	Change FY16 2H→FY17 1H
Ordinary Income	64.9	85.0	20.1

- Cost reductions + 15.0
- Volume and Mix + 5.0
- Sales and Raw materials + 70.0
- Inventory valuation - 71.0
- Impact of change in depreciation method + 11.0
- Others - 9.9 ⇒

• Increase of sub raw materials cost including ferro-alloy
 • Increase in depreciation cost through strengthening the manufacturing base etc.

TOTAL

+ 20.1

20.0 Billion Yen decrease in JFE Steel's Ordinary Income (FY17 1H (Forecast) vs. 2H (Forecast))

(billion yen)

JFE Steel	FY2017 (Forecast)			Change 1H→2H
	1H	2H	Total	
Ordinary Income	85.0	65.0	150.0	(20.0)

- Cost reductions + 10.0
- Volume and Mix ± 0.0
- Sales and Raw materials + 10.0
- Inventory valuation - 20.0
- Others - 20.0

⇒

- Decrease in dividends received
- Increase in depreciation cost through strengthening the manufacturing base etc.

TOTAL - 20.0

109.5 Billion Yen increase in JFE Steel's Ordinary Income (FY16 (Actual) vs. FY17 (Forecast))



(billion yen)

JFE Steel	FY16 (Actual)	FY17 (Forecast)	Change FY16→FY17
Ordinary Income	40.5	150.0	109.5

- Cost reductions + 45.0
- Volume and Mix + 15.0
- Sales and Raw materials + 105.0
- Inventory valuation - 38.0
- Impact of change in depreciation method + 28.0
- Others - 45.5 ⇒

• Increase of sub raw materials cost including ferro-alloy
 • Increase in depreciation cost through strengthening the manufacturing base etc.

TOTAL

+ 109.5



JFE Engineering

Financial Forecasts

for Fiscal Year 2017

Financial Forecasts for FY17 of JFE Engineering

(billion yen)

	FY2016(A)		FY2017(F)		Change 1H	Change Full year
	1H	Full year	1H	Full year		
Orders	186.9	424.4	240.0		53.1	
Net Sales	175.3	426.1	160.0		(15.3)	
Ordinary Income	7.6	26.6	1.5	25.0	(6.1)	(1.6)

【Change】

(FY2016 1H to FY2017 1H)

- Orders: Increase with increase in the large scale orders in the environment and the energy category
- Net Sales: Decrease with decrease in the large scale projects
- Ordinary Income: Decrease with decrease in net sales and change of the project mix

Classification of placed orders

(billion yen)

Category	FY2016 1H(A)	FY2017 1H(F)	Change	Main Orders (FY2017 1Q)
Environment	89.1	107.0	17.9	<ul style="list-style-type: none"> - Improvement works of the waste incineration plant in Morioka-City - Construction of the waste incineration plant in Meguro-Ward
Energy	53.1	77.0	23.9	<ul style="list-style-type: none"> - Construction of the long distance pipeline
Social Infrastructure etc.	44.7	56.0	11.3	<ul style="list-style-type: none"> - Foundation work for installing the security facility at the runway - Construction of the bridges - Reconstruction of the container cranes - Install of Ballast water management system, "Ballast Ace", for 3 ships
Total	186.9	240.0	53.1	

Receiving order for renovation work of the water purification plant overseas for the first time (announced on June 12, 2017)

Receiving order for renovation work of the largest water purification plant in the Philippines

- To treat much water equivalent to the half amount (approx. 6 million persons) of people’s usage in Metro Manila
- Received order after the conclusion of a competitive bidding without government support (ODA)

(The reason of winning good evaluation at the bidding)

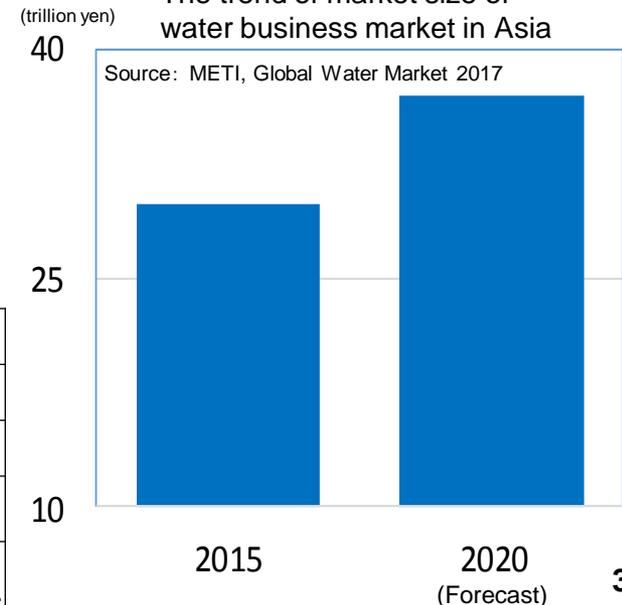
- ✓ The experience of renovation work of the largest scale water purification plant in Japan
- ✓ The experience of the construction of approx. 30 sewage treatment plants in the Philippines



(The Image of completed project)

To capture the needs for water and sewage related projects and to expand the business in Asia where the water business market is forecast to expand with progress of urbanization.

The trend of market size of water business market in Asia



【Outline of the project】

Location	Quezon City, Metro Manila, Republic of the Philippines
Amount of order	Approx. 10 billion yen (total)
Treat amount	1,500 MLD
Construction period	May 2017 – March 2020
Scope of work	Process improvement and structural rehabilitation of sedimentation/ filtration basins, construction of new sludge treatment facility, rehabilitation of administration buildings etc.



JFE Shoji

Financial Forecasts for Fiscal Year 2017

Financial Forecasts for FY2017 of JFE Shoji

(billion yen)

	FY2016(A)		FY2017(F)		Change	Change
	1H	Full year	1H	Full year	1H	Full year
Net Sales	775.8	1,671.0	905.0		129.2	
Ordinary Income	7.6	21.8	15.0	28.0	7.4	6.2

【Ordinary Income Change】

(FY2016 1H to FY2017 1H)

• Increase with sales price increase and improvement of profitability of foreign subsidiaries primarily

Net Sales of JFE Shoji (by Segment)



(billion yen)		FY2016 1H (A)		FY2017 1H (F)		Change	
Domestic Business		416.9		503.9		87.0	
Overseas Business	Export	178.6	289.7	211.7	362.1	33.1	72.4
	Foreign Operation	111.1		150.4		39.3	
Raw Materials, Equipment etc.		69.2		39.0		(30.2)	
TOTAL		775.8		905.0		129.2	



JFE Holdings

Financial Forecasts

for Fiscal Year 2017

Financial Forecasts for Fiscal Year 2017



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(billion yen)

	FY2016(A)		FY2017(F)		Change 1H	Change Full year
	1H	Full year	1H	Full year		
Net Sales	1,499.5	3,308.9	1,700.0		200.5	
Operating Income	4.0	96.7	100.0		96.0	
Non-operating Income (Expenses)	(14.1)	(12.0)	0.0		14.1	
Ordinary Income (Loss)	(10.1)	84.7	100.0	200.0	110.1	115.3
Extraordinary Profit	3.5	20.7	20.0	20.0	16.5	(0.7)
Profit (Loss) before Income Taxes and Minority Interests	(6.5)	105.4	120.0	220.0	126.5	114.6
Tax Expense and Profit Attributable to Non-controlling Interests	(1.8)	(37.5)	(35.0)	(70.0)	(33.2)	(32.5)
Profit (Loss) Attributable to Owners of Parent	(8.4)	67.9	85.0	150.0	93.4	82.1
ROS(*)	(0.7%)	2.6%	5.9%		6.6%	

*Return on Sales: Ordinary Income / Net Sales

Underlying Profit before One-off Effects

(billion yen)

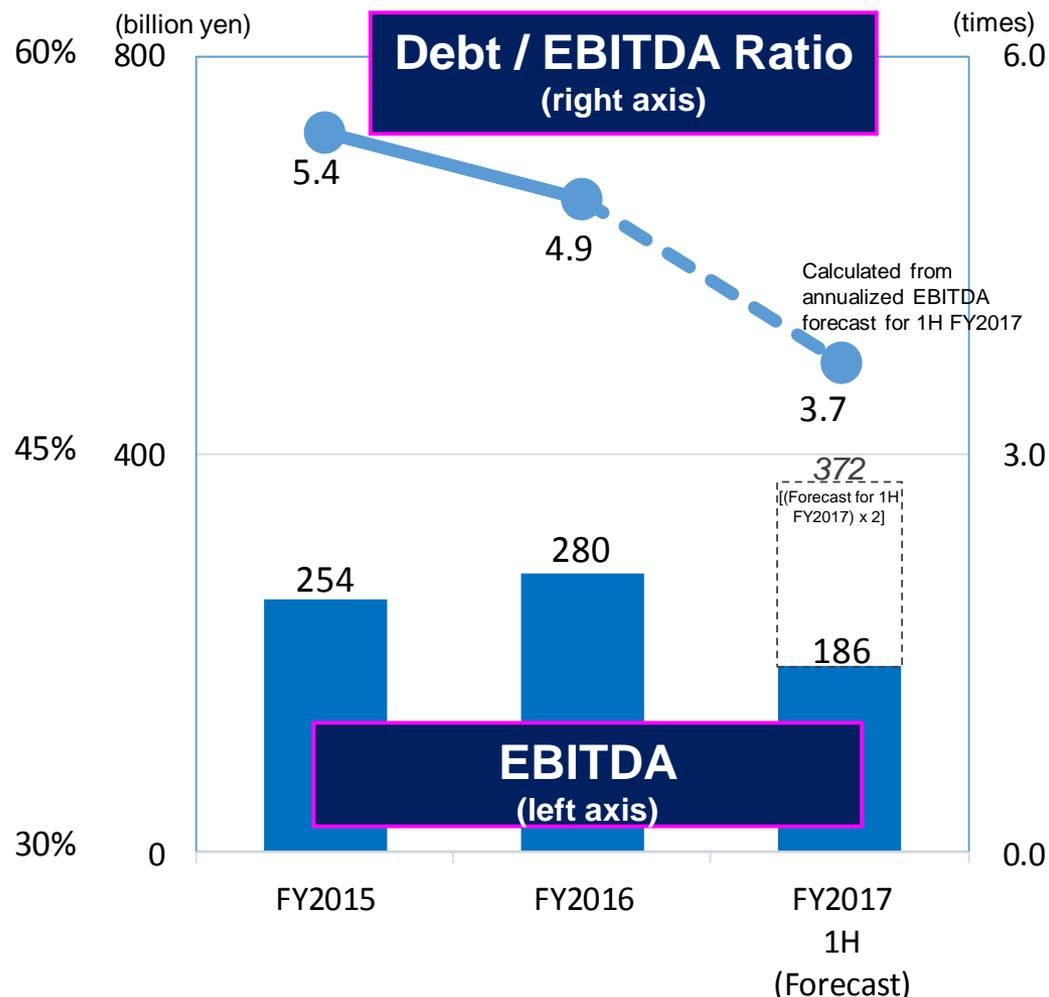
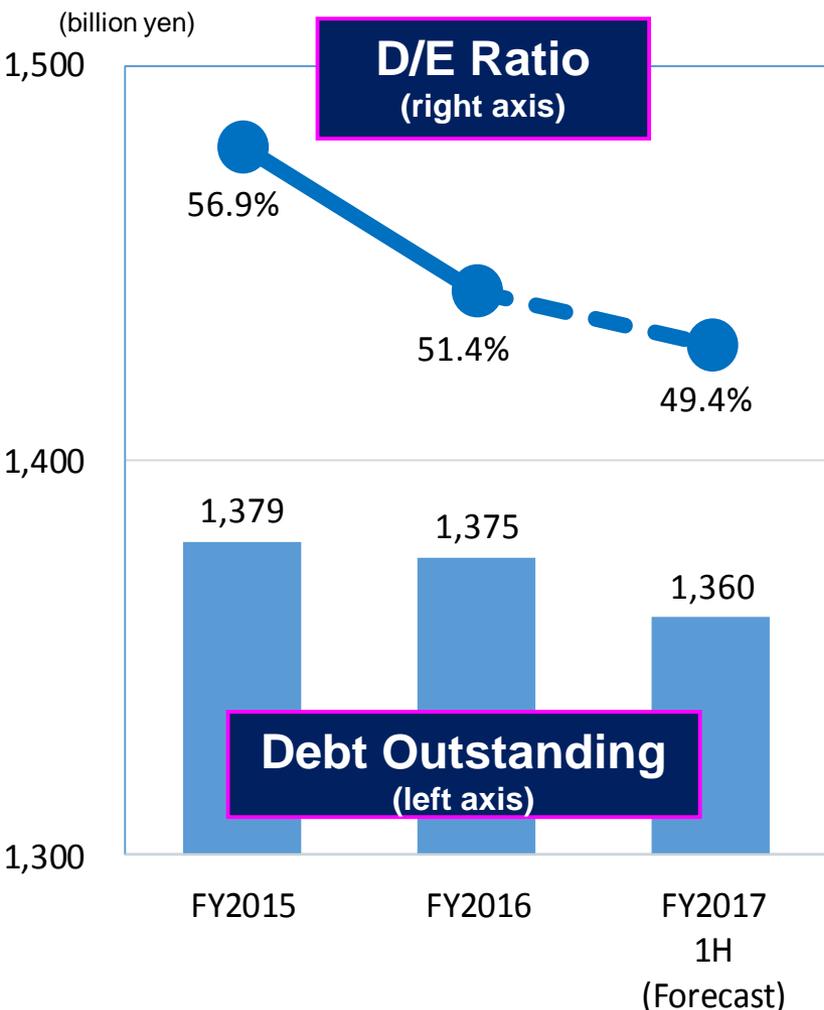
	FY2016 Actual	1H	2H	FY2017 Estimate
		Estimate	Estimate	
Net Sales	3,308.9	1,700.0	–	–
Ordinary Income	84.7	100.0	100.0	200.0
ROS(*)	2.6%	5.9%	–	–
One-off Effects	28.0	5.0	(15.0)	(10.0)
Underlying Profit before One-off Effects	56.7	95.0	115.0	210.0
ROS(*)	1.7%	5.6%	–	–

*Return on Sales: Ordinary Income / Net Sales



Debt Outstanding, D/E Ratio, Debt/EBITDA Ratio

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■ D/E ratio = Debt outstanding / Shareholders' equity.
 Debt having a capital component is deemed to be capital, as assessed by rating agencies.

■ EBITDA = Ordinary income + Interest expense + Depreciation and Amortization
 ■ Debt / EBITDA = Debt Outstanding / EBITDA

Dividends



Dividends

- JFE Holdings has now decided to pay an interim dividend of 30 yen per share at its Board of Directors.
- The company is withholding its decision regarding the year-end dividend to carefully observe performance going forward.

Appendix



Main Financial Data

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(Forecast)

	FY03	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17 (1H)
(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	100.0
EBITDA ※1	432.3	741.4	670.8	337.1	428.9	306.3	260.6	368.9	421.5	254.4	279.9	186.0
ROS ※2	8.8%	14.2%	10.2%	2.4%	5.2%	1.7%	1.6%	4.7%	6.0%	1.9%	2.6%	5.9%
ROE ※3	15.9%	17.5%	13.7%	3.3%	4.1%	-2.6%	2.7%	6.3%	7.7%	1.8%	3.7%	9.0%
ROA ※4	6.5%	13.0%	10.0%	2.2%	4.6%	1.7%	1.6%	4.5%	5.5%	1.7%	2.3%	4.9%
Debt Outstanding	1,837	1,281	1,768	1,468	1,496	1,593	1,596	1,534	1,501	1,379	1,375	1,360
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%	49.4%
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	147.4
Dividend (yen/share)												
	30	120	90	20	35	20	20	40	60	30	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%	20.4%

※1 EBITDA = Ordinary income + Interest expense + Depreciation and Amortization ※2 ROS = Ordinary income / Net sales

※3 ROE (full year) = Profit attributable to owners of parent / Shareholders' equity, ROE (first half) = Profit attributable to owners of parent x 2 / Shareholders' equity

※4 ROA (full year) = Ordinary income before interest expense / Total assets (average),
ROA (first half) = Ordinary income before interest expense x 2 / 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

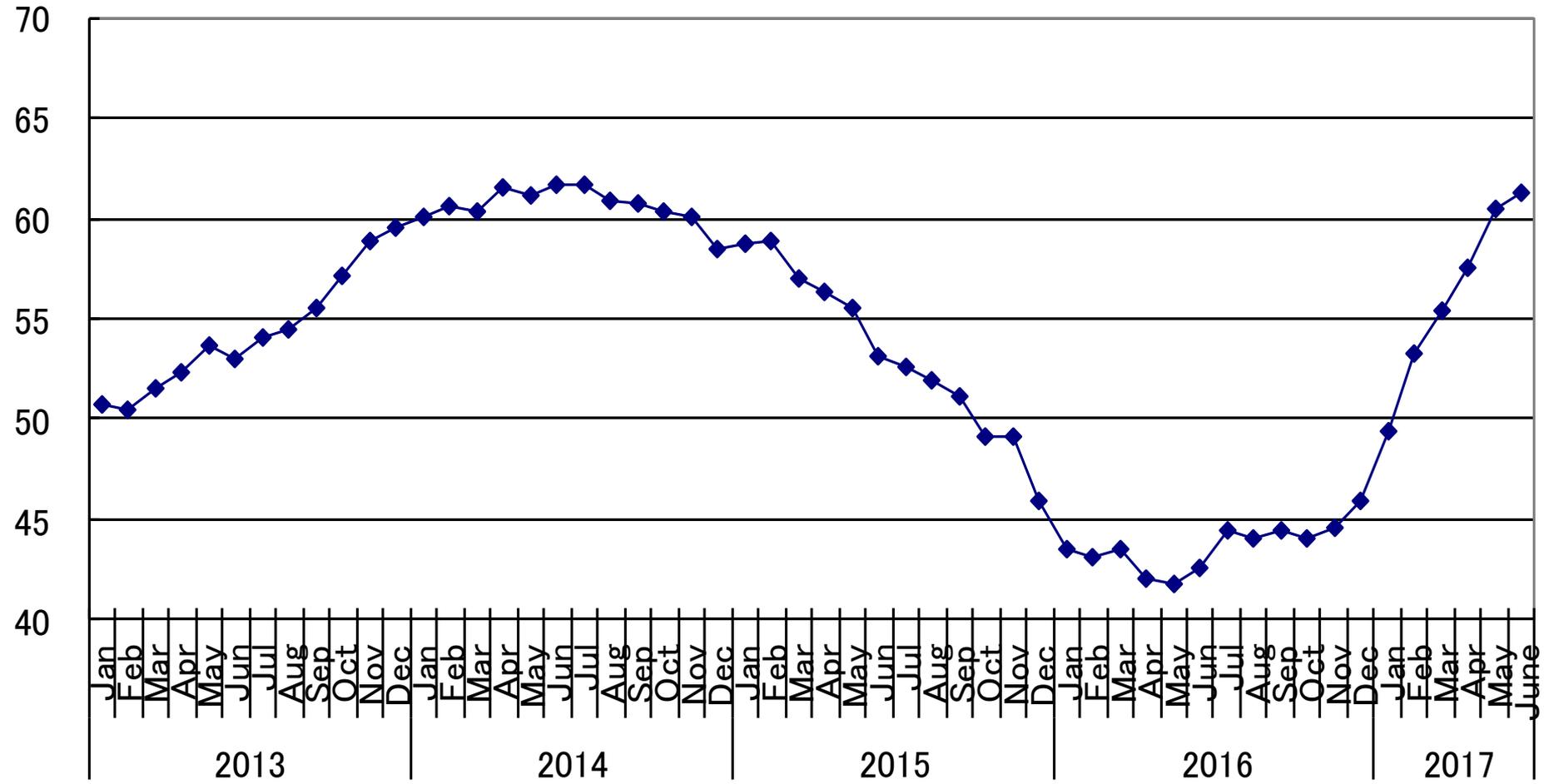


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Domestic Market Environment

Price Trend of Import Steel

(000 yen/ton)



Data: Japanese Steel Association

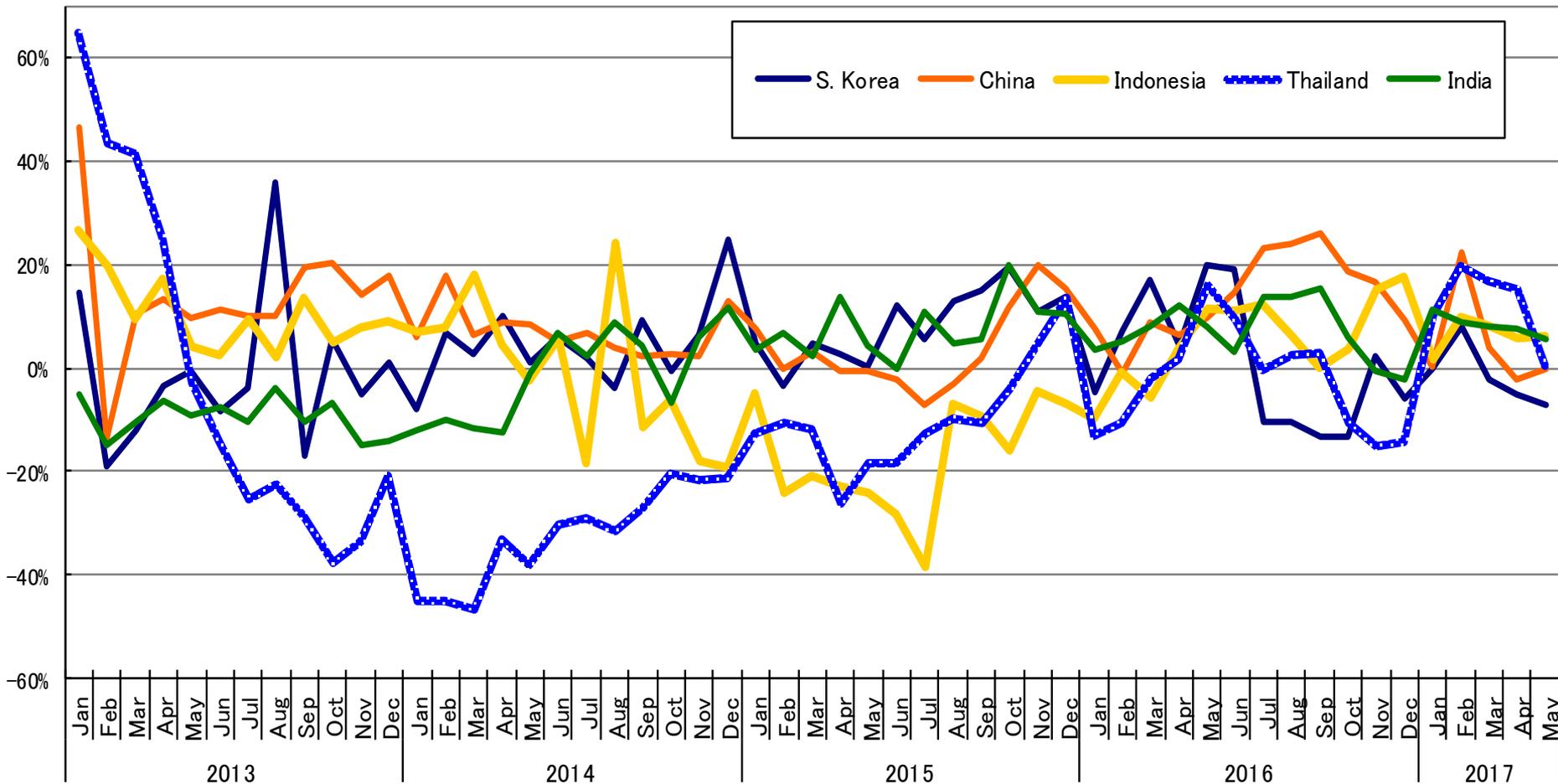
Import Steel from S. Korea



Overseas Market Environment

Auto Sales in Key Countries

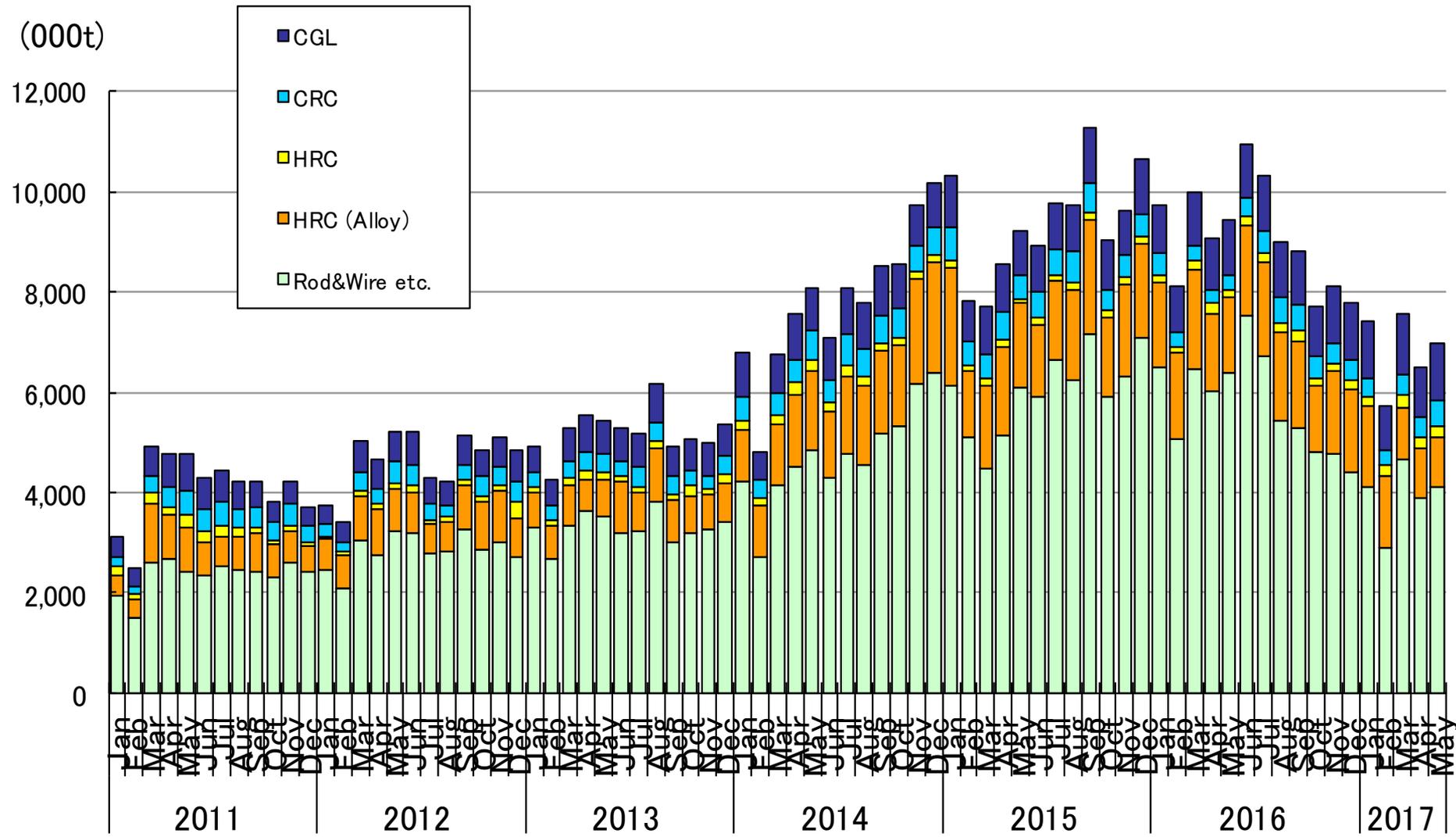
Automobile Sales in Key Countries (YoY Change)





Overseas
Market Environment

Exports from China by Products





Raw Materials

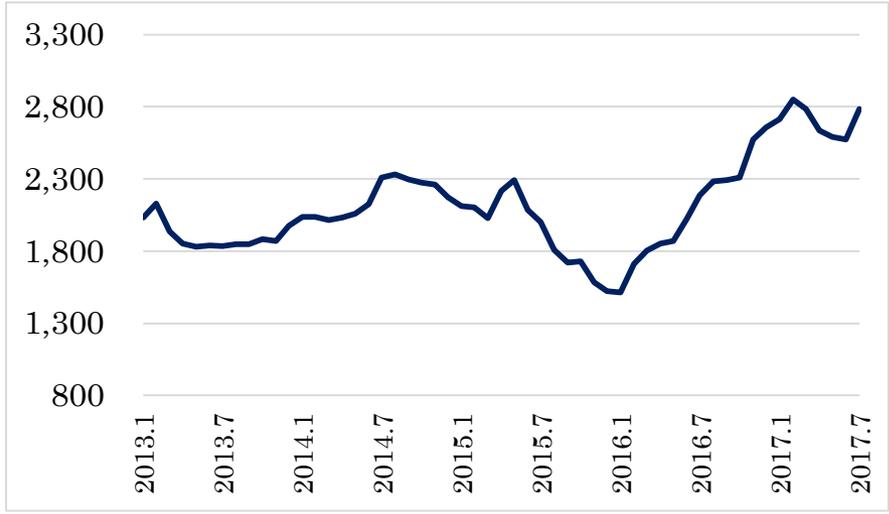
Trend of Metals' Market Price

JFE

(¢/lb) FeCr



(US\$/t) Zn



(US\$/t) FeMn



(US\$/lb) Mo



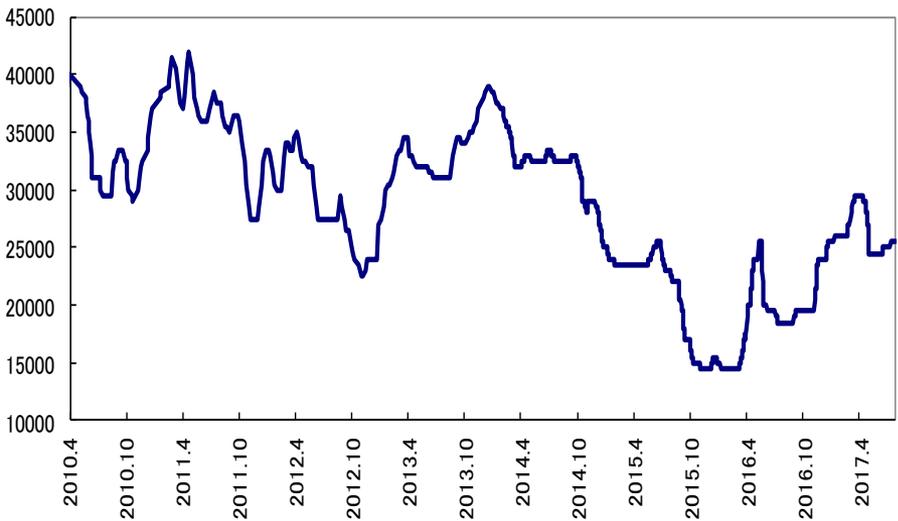


Raw Materials

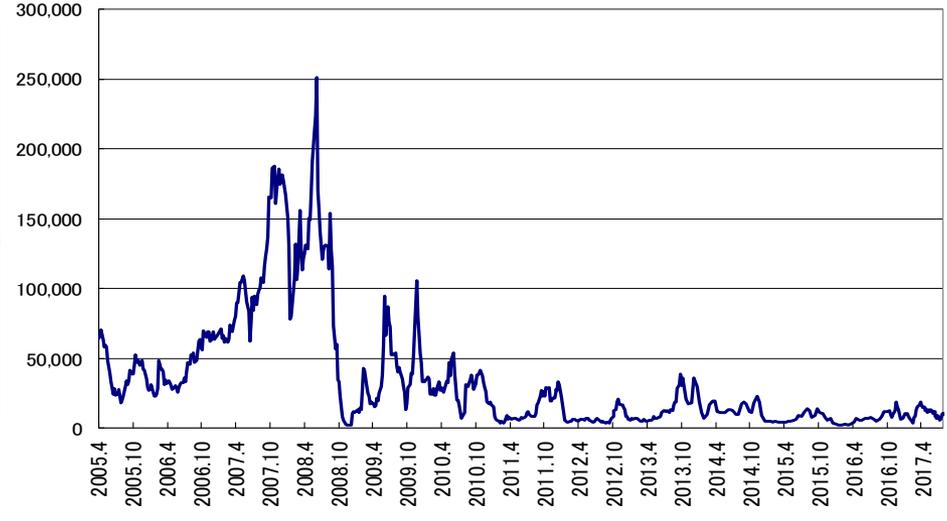
Trend of Market Price

JFE

(yen/t) Scrap



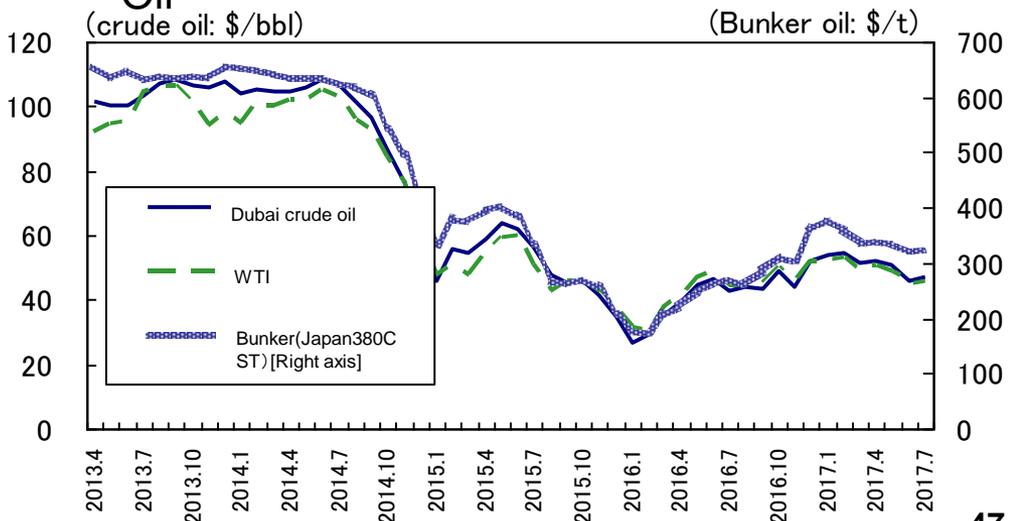
(\$/day) Spot Bulker



(yen/t) LNG Price



Oil

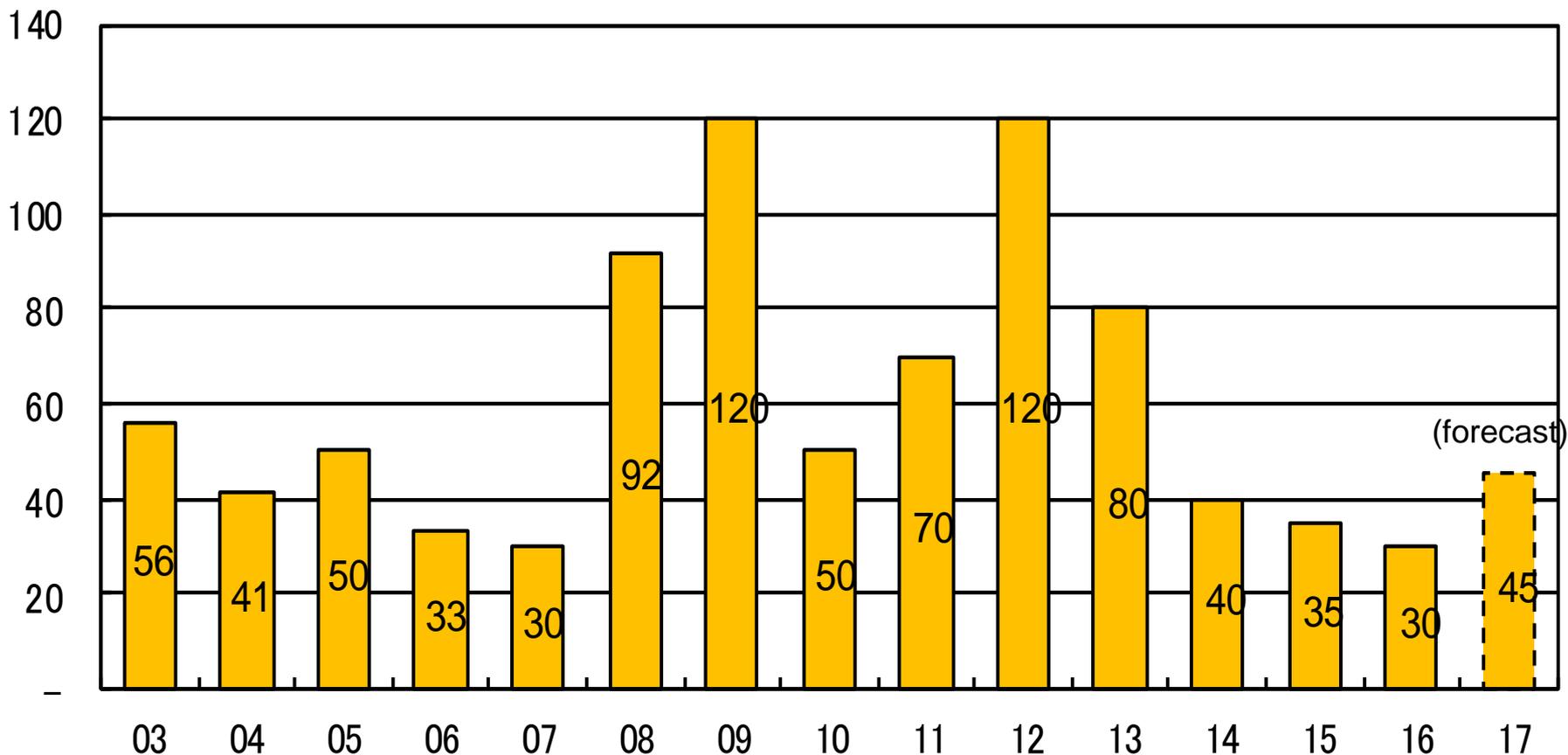


Cost Reductions (Steel Business)



JFE

(billion yen)

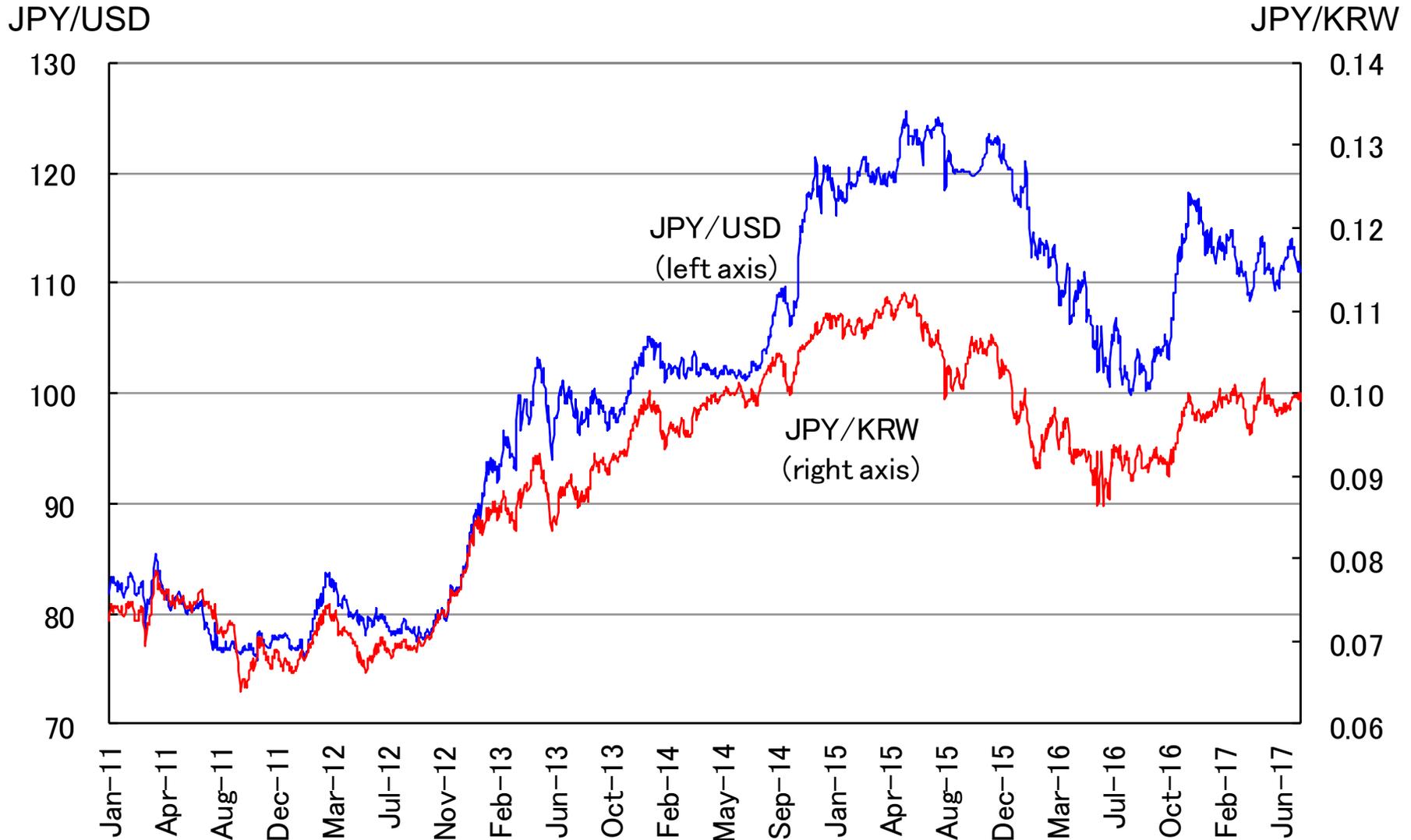


JFE Steel (non-consolidated basis)



JFE

Trend of exchange rate (against USD,KRW)



68.9 billion Yen increase in JFE Steel's Ordinary Income (FY16 1Q vs. FY17 1Q)

(billion yen)

JFE Steel	FY16 1Q	FY16 2Q	FY16 3Q	FY16 4Q	FY17 1Q	Change 1Q→1Q
Ordinary Income	(20.3)	(4.1)	38.0	26.9	48.6	68.9

- Cost reductions + 9.0
- Volume and Mix + 8.0
- Sales and Raw materials - 11.0
- Inventory valuation + 54.0
- Impact of change in depreciation method + 4.2
- Others + 4.7

TOTAL
+ 68.9

109.4 billion Yen increase in JFE Steel's Ordinary Income (FY16 1H (Actual) vs. FY17 1H (Forecast))



(billion yen)

JFE Steel	FY16 1H Actual	FY17 1H Forecast	Change FY16 1H→FY17 1H
Ordinary Income	(24.4)	85.0	109.4

- Cost reductions + 20.0
- Volume and Mix + 15.0
- Sales and Raw materials + 15.0
- Inventory valuation + 53.0
- Impact of change in depreciation method + 11.0
- Others - 4.6

TOTAL

+ 109.4

Progress of 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)				

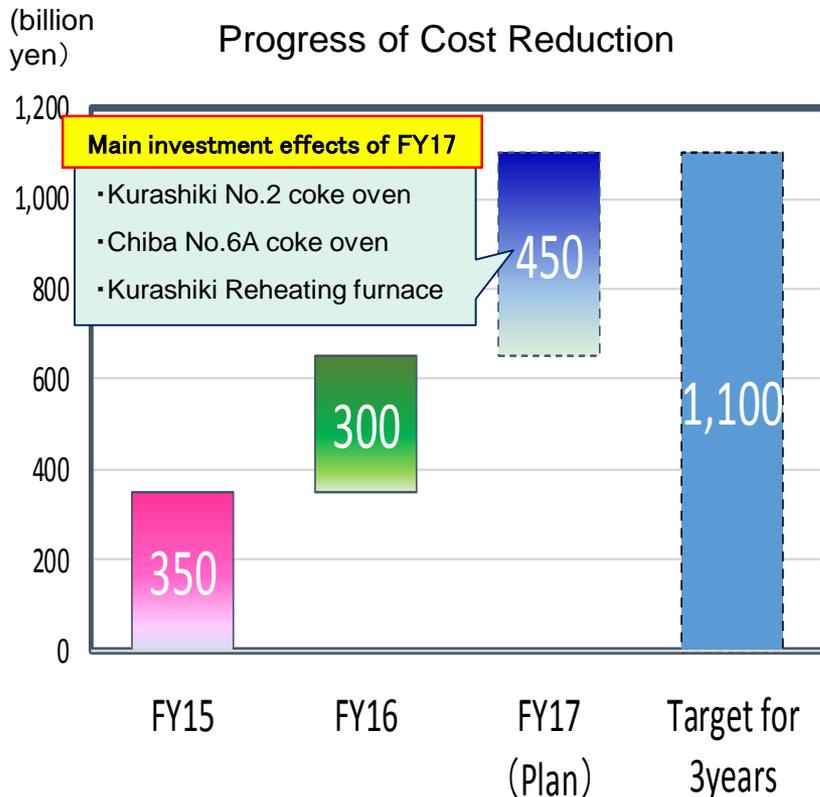
In addition, continual intensive maintenance program of manufacturing facilities has been underway.

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



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)	•Held ground-breaking ceremony in June 2017 •To start operation in FY2019
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)		To start operation in FY2018	•Kandil (Egypt CRM CGL)
Overseas BF Aiming JFE Brand 40 million tons	No.1 blast furnace started operation in May 2017	•Formosa Ha Tinh Steel (FHS)			

 Prioritized region of the fifth medium-term



JFE