

JFE Holdings' Financial Results for Fiscal Year 2017 ended March 31, 2018

— All financial information has been prepared in accordance with generally accepted accounting principles in Japan. —
(Note: The following is an English translation of an original Japanese document.)

April 26, 2018

Official name: Listings: Code: English URL: Representative: Contact: Phone: Annual shareholders meeting (planned) Dividend payment starting date: Scheduled date to submit securities report: Preparation of supplementary materials for quarterly results: Quarterly results briefing:	JFE Holdings, Inc. Tokyo and Nagoya stock exchanges 5411 www.jfe-holdings.co.jp/en Eiji Hayashida, President and CEO Hidetsugu Tawara, Manager, Public Relations Section, Investor Relations and Corporate Communications Department +81-3-3597-3842 June 21, 2018 June 22, 2018 June 21, 2018 Yes Yes
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(Figures are rounded down to the nearest million yen.)

1. Consolidated Results in Fiscal 2017 (April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (cumulative total)

	Net sales (million yen)	Year-on-year change (%)	Operating profit (million yen)	Year-on-year change (%)	Ordinary profit (million yen)	Year-on-year change (%)	Profit attributable to owners of parent (million yen)	Year-on-year change (%)
FY 2017	3,678,612	11.2	246,669	155.0	216,339	155.3	144,638	112.9
FY 2016	3,308,992	(3.6)	96,746	6.7	84,735	31.9	67,939	101.9

Note: Comprehensive income: 149,602 million yen in FY 2017 (106.8%)
72,352 million yen in FY 2016 (-)

	Net income per share (yen)	Net income per share (fully diluted; yen)	ROE (%)	ROA (ordinary profit divided by total assets; %)	ROS (operating profit divided by net sales; %)
FY 2017	250.86	-	7.6	4.9	6.7
FY 2016	117.81	-	3.7	2.0	2.9

Note: Equity in earnings of affiliates: (8,732 million yen) in FY 2017
12,006 million yen in FY 2016

(2) Consolidated Financial Position

	Total assets (million yen)	Net assets (million yen)	Equity capital ratio (%)	Net assets per share (yen)
FY 2017	4,460,903	2,006,563	43.6	3,375.82
FY 2016	4,336,069	1,921,809	43.0	3,235.88

Note: Shareholders' equity: 1,946,226 million yen as of March 31, 2018
1,865,836 million yen as of March 31, 2017

(3) Consolidated Statement of Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
FY 2017	298,811	(194,835)	(90,998)	75,225
FY 2016	185,481	(163,799)	(18,159)	69,383

(million yen)

2. Dividends

	Dividend per share (yen)		Total dividend payout (million yen)	Dividend payout ratio (consolidated; %)	Dividend per net assets (consolidated; %)
	Interim	Year-end			
FY 2016	30.00	0.00	17,303	25.5	0.9
FY 2017	80.00	30.00	46,136	31.9	2.4
FY 2018 (forecast)	-	-	-	-	-

Note: Total dividend payout for fiscal 2018 is yet to be determined.

3. Forecasts of Consolidated Financial Results in Fiscal 2018 (April 1, 2018 to March 31, 2019)

	Net sales (million yen)	Year-on-year change (%)	Operating profit (million yen)	Year-on-year change (%)	Ordinary profit (million yen)	Year-on-year change (%)	Profit attributable to owners of parent (million yen)	Year-on-year change (%)	Net income per share (yen)
First Half	-	-	-	-	-	-	-	-	-
FY 2018	-	-	-	-	220,000	1.7	-	-	-

Notes

1. Significant changes in subsidiaries during the term (changes in designated subsidiaries resulting in changes in consolidated structure): No

2. Changes in accounting policies, accounting estimates and restatements

1) Changes in the accounting policies resulting from amendments to accounting standards: No

2) Changes other than 1) above: Yes

3) Changes in accounting estimates: Yes

4) Restatements: No

Note: For details, see (5) Notes to Consolidated Financial Statement: "Changes in Accounting Estimates" and "Change in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates" on page 13 of the attached document.

3. Number of outstanding shares (common stock)

1) Outstanding shares at the end of term (including treasury stock)

As of March 31, 2018: 614,438,399 shares

As of March 31, 2017: 614,438,399 shares

2) Treasury stock at the end of term

As of March 31, 2018: 37,919,494 shares

As of March 31, 2017: 37,829,548 shares

3) Average number of shares during the term (quarterly consolidated cumulative period)

FY 2017: 576,572,979 shares

FY 2016: 576,686,872 shares

This report is not subject to auditing by a certified public accountant or an audit corporation.

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

1. Forecasts are based on information available on the date of publication of this document as well as rational assumptions that we have made regarding certain factors. Actual results may vary significantly from these forecasts due to a wide range of circumstances. For a description of the results forecasts, see "(4) Outlook for Fiscal 2018" on page 3 of the attached document.

2. Notes to the financial results can be viewed at the JFE Holdings website.

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1. Qualitative Information

(1) Overview of Business Results

JFE Holdings, Inc., guided by its corporate mission of contributing to society with world-leading technology, continued to achieve sustainable growth and improved corporate value for shareholders and other stakeholders.

In the Japanese economy in fiscal 2017, exports and corporate profits were solid, capital investment increased, as did public investment amid economic stimulus measures, and the economy achieved a mild recovery. Overseas, the global economy recovered modestly as a whole and the United States in particular, although the outlook remained cloudy owing to uncertainties surrounding economic policies in Europe and the United States, the risk of an economic downturn in China, rising geopolitical risks and other factors.

Under JFE's fifth medium-term business plan, the company worked steadily in Japan to improve its manufacturing base and reduce costs to strengthen its domestic profit base, leverage its technological advantages to develop new products and secure and nurture diverse human resources. Overseas, JFE steadily expanded business from a mid- to long-term perspective. Due to such efforts, both ordinary profit and profit attributable to owners of the parent company increased in FY 2017.

On a consolidated basis, both sales and profits were up year over year, with net sales coming to 3,678.6 billion yen, operating income 246.6 billion yen and ordinary income 216.3 billion yen. Despite recording a gain on the sale of investment securities, an overall extraordinary loss of 2.9 billion yen was booked owing to the impairment of non-current assets at JFE Steel's Chita Works and other factors. Profit before income taxes was 213.3 billion yen and profit attributable to owners of the parent was 144.6 billion yen.

Operating results by segment were as follows.

Steel business: Annual crude steel production was 30.06 million tons, on par with the previous fiscal year. Net sales increased to 2,715.4 billion yen as a result of ongoing efforts to improve steel prices. Ordinary income increased sharply to 198.8 billion yen as a result of efforts to raise steel sales prices and ongoing measures to improve earnings, despite a significant increase in costs as a result of surging coking coal prices since autumn 2016 and increases in prices of metals and costs of other auxiliary raw materials, materials prices, distribution and the like.

Engineering business: The focus was placed on smoothly executing project orders received in previous fiscal years while also pursuing new orders to expand the business. Orders grew as a result, but net sales were down to 391.3 billion yen owing to the timing of recognition of sales on ordered projects. Ordinary income fell to 19.3 billion yen owing to declined sales and additional one-time costs incurred at overseas plants, etc.

Trading business: Net sales increased to 1,907.9 billion yen as sales volume was boosted by efforts to capture demand for steel materials in the automotive field and the Greater Tokyo area redevelopment projects as well as better unit sales prices for steel products both in Japan and abroad. Ordinary income rose to 33.0 billion yen on increased sales and stronger profitability at Group companies in Japan and abroad.

In addition to the segment-based operating results mentioned above, an equity-method loss of 31.8 billion yen was recorded on equity-method affiliate Japan Marine United Corporation as the company booked a loss due to delayed progress in certain construction projects and the effects of the strong yen.

(2) Overview of Financial Position

Total assets at the end of fiscal 2017 (March 31, 2018) increased from the previous year-end by 124.9 billion yen to 4,460.9 billion yen. This was mainly due to an increase in notes and accounts receivable – trade. Liabilities increased by 40.1 billion yen to 2,454.3 billion yen, mainly due to an increase in notes and accounts payable – trade. Net assets increased by 84.7 billion yen to 2,006.5 billion yen, mainly due to an increase in retained earnings.

(3) Overview of Cash Flow in Fiscal 2017

Net cash provided by operating activities amounted to 298.8 billion yen. Net cash used for investment activities totaled 194.8 billion yen, largely for the purchase of non-current assets. Aggregate free cash flow totaled 103.9 billion yen of income. Cash flows from financing activities came to 90.9 billion yen, primarily for repayments on long-term loans.

Outstanding debt at the fiscal year-end was 1,330.9 billion yen, down 44.5 billion yen. The balance of cash and cash equivalents increased by 5.9 billion yen to 75.2 billion yen.

(4) Outlook for Fiscal 2018

JFE Group forecasts consolidated ordinary income of 220.0 billion yen, similar to that of fiscal 2017.

Steel business: In Japan, we expect demand to remain solid overall as major redevelopment projects in the Greater Tokyo area and projects related to the Olympic and Paralympic Games ramp up and activity remains brisk in the automotive, industrial machinery and electrical machinery fields. Internationally, we expect demand to remain solid overall in view of firm growth in many overseas economies. Key raw material prices have been high level since autumn 2016 and earnings have been affected by rising costs in other areas, including auxiliary raw materials, other materials and distribution. Despite factoring in increases in production and sales volumes and improved steel

prices, we also expect increases in the cost of auxiliary and other materials and costs to improve manufacturing base, based on which we forecast steel business ordinary income of 160.0 billion yen. Fiscal 2018 is our sixth medium-term business plan's inaugural year, so we will continue working to improve manufacturing base, improve the product mix and develop overseas business in accordance with our plans.

Engineering business: In view of strong order levels in fiscal 2017, we expect sales to rise as we steadily execute existing project orders, and we expect to eliminate additional cost following the one-time increase in fiscal 2017. Accordingly, we forecast ordinary income of 25.0 billion yen.

Trading business: Market conditions are expected to remain solid both in Japan and abroad. We forecast ordinary income of 33.0 billion yen, basically similar to that of fiscal 2017.

2. Basic Rationale for Selection of Accounting Standards

The JFE Group is reviewing and evaluating the differences between the International Financial Reporting Standards (IFRS) and the Japan Generally Accepted Accounting Principles (JGAAP), as well as the possible effects that adopting the IFRS might have on the Group, and the creation of systems to ensure IFRS implementation.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	As of March 31, 2017	(million yen) As of March 31, 2018
Assets		
Current assets:		
Cash and deposits	69,936	76,111
Notes and accounts receivable - trade	798,058	855,730
Merchandise and finished goods	313,368	351,961
Work in progress	50,834	60,292
Raw materials and supplies	408,728	438,086
Other current assets	169,336	175,947
Allowance for doubtful accounts	(1,416)	(2,188)
Total current assets	1,808,846	1,955,942
Non-current assets:		
Property, plant and equipment:		
Buildings and structures, net	406,450	402,598
Machinery, equipment and vehicles, net	654,918	699,324
Land	496,678	489,588
Construction in progress	59,982	76,544
Other, net	32,848	34,191
Total property, plant and equipment	1,650,879	1,702,248
Intangible assets	78,368	83,724
Investments and other assets:		
Investment securities	372,196	325,413
Shares of subsidiaries and associates	349,864	312,880
Net defined benefit assets	13,067	18,082
Other assets	65,800	64,304
Allowance for doubtful accounts	(2,953)	(1,691)
Total investments and other assets	797,975	718,988
Total non-current assets	2,527,222	2,504,961
Total assets	4,336,069	4,460,903

(million yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities and net assets		
Current liabilities:		
Notes and accounts payable - trade	446,645	471,897
Short-term loans payable	204,379	285,542
Commercial papers	8,000	6,000
Current portion of bonds	50,000	15,000
Other current liabilities	330,433	411,858
Total current liabilities	1,039,458	1,190,298
Non-current liabilities:		
Bonds payable	75,000	80,000
Long-term loans payable	1,038,089	944,376
Deferred tax liabilities for land revaluation	9,118	9,113
Net defined benefit liability	123,745	127,435
Other non-current liabilities	128,848	103,115
Total non-current liabilities	1,374,801	1,264,041
Total liabilities	2,414,259	2,454,339
Net assets		
Shareholders' equity:		
Capital stock	147,143	147,143
Capital surplus	646,582	646,639
Retained earnings	1,126,633	1,208,448
Treasury shares	(178,853)	(179,070)
Total shareholders' equity	1,741,505	1,823,161
Accumulated other comprehensive income:		
Net unrealized gains on securities	112,545	91,359
Deferred gains or losses on hedges	(544)	(186)
Revaluation reserve for land	16,321	16,288
Foreign currency translation adjustment	(3,596)	9,791
Remeasurements of defined benefit plans	(395)	5,812
Total accumulated other comprehensive income	124,330	123,065
Non-controlling interests	55,972	60,337
Total net assets	1,921,809	2,006,563
Total liabilities and net assets	4,336,069	4,460,903

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

Consolidated Statements of Income

	Fiscal 2016	(million yen) Fiscal 2017
Net sales	3,308,992	3,678,612
Cost of sales	2,889,652	3,096,019
Gross profit	419,339	582,592
Selling, general and administrative expenses	322,593	335,923
Operating profit	96,746	246,669
Non-operating income:		
Interest income	1,474	1,492
Dividend income	9,566	7,879
Rent income	7,178	7,295
Share of profit of entities accounted for using equity method	12,006	-
Other	15,574	15,636
Total non-operating income	45,800	32,303
Non-operating expenses:		
Interest expenses	12,613	13,026
Loss on retirement of non-current assets	18,129	18,353
Share of loss of entities accounted for using equity method	-	8,732
Other	27,068	22,521
Total non-operating expenses	57,811	62,633
Ordinary profit	84,735	216,339
Extraordinary income:		
Gain on sales of investment securities	30,145	29,388
Total extraordinary income	30,145	29,388
Extraordinary losses:		
Impairment loss	9,408	28,496
Expenses for treatment of PCB waste	-	3,850
Total extraordinary losses	9,408	32,346
Profit before income taxes	105,472	213,381
Income taxes - current	23,359	60,616
Income taxes - deferred	9,487	2,777
Total income taxes	32,846	63,393
Profit	72,625	149,987
Profit attributable to non-controlling interests	4,685	5,349
Profit attributable to owners of parent	67,939	144,638

Consolidated Statement of Comprehensive Income

	Fiscal 2016	(million yen) Fiscal 2017
Profit	72,625	149,987
Other comprehensive income:		
Valuation difference on available-for-sale securities	10,549	(21,736)
Deferred gains or losses on hedges	3,192	(286)
Foreign currency translation adjustment	(6,747)	234
Remeasurements of defined benefit plans, net of tax	4,436	5,657
Share of other comprehensive income of entities accounted for using equity method	(11,704)	15,745
Total other comprehensive income	(273)	(385)
Comprehensive income:	72,352	149,602
(breakdown)		
Comprehensive income attributable to owners of parent	67,988	143,379
Comprehensive income attributable to non-controlling interests	4,363	6,222

(3) Consolidated Statement of Changes in Net Assets**Fiscal 2016**

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total
Balance at beginning of current period	147,143	646,380	1,065,037	(178,654)	1,679,906
Changes of items during period					
- Dividends			(5,768)		(5,768)
- Profit attributable to owners of parent			67,939		67,939
- Acquisition of treasury stock				(216)	(216)
- Disposal of treasury stock			(10)	16	6
- Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
- Change of scope of consolidation			-		-
- Change of scope of equity method			(572)		(572)
- Change in ownership interest of parent due to transactions with non-controlling interests		202			202
- Reversal of revaluation reserve for land			8		8
- Net changes of items other than shareholders' equity					
Total changes of items during period	-	202	61,596	(199)	61,599
Balance at end of current period	147,143	646,582	1,126,633	(178,853)	1,741,505

	Accumulated other comprehensive income						Non-controlling interests	Total net asset
	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total		
Balance at beginning of current period	101,709	(3,119)	16,328	14,503	(5,130)	124,290	53,724	1,857,921
Changes of items during period								
- Dividends								(5,768)
- Profit attributable to owners of parent								67,939
- Acquisition of treasury stock								(216)
- Disposal of treasury stock								6
- Change in treasury shares arising from change in equity in entities accounted for using equity method								0
- Change of scope of consolidation								-
- Change of scope of equity method								(572)
- Change in ownership interest of parent due to transactions with non-controlling interests								202
- Reversal of revaluation reserve for land								8
- Net changes of items other than shareholders' equity	10,835	2,575	(6)	(18,099)	4,735	40	2,248	2,288
Total changes of items during period	10,835	2,575	(6)	(18,099)	4,735	40	2,248	63,887
Balance at end of current period	112,545	(544)	16,321	(3,596)	(395)	124,330	55,972	1,921,809

Fiscal 2017

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury shares	Total
Balance at beginning of current period	147,143	646,582	1,126,633	(178,853)	1,741,505
Changes of items during period					
- Dividends			(34,605)		(34,605)
- Profit attributable to owners of parent			144,638		144,638
- Acquisition of treasury stock				(226)	(226)
- Disposal of treasury stock			(4)	10	5
- Change in treasury shares arising from change in equity in entities accounted for using equity method				0	0
- Change of scope of consolidation			34		34
- Change of scope of equity method			(28,257)		(28,257)
- Change in ownership interest of parent due to transactions with non-controlling interests		56			56
- Reversal of revaluation reserve for land			9		9
- Net changes of items other than shareholders' equity					
Total changes of items during period	-	56	81,814	(216)	81,655
Balance at end of current period	147,143	646,639	1,208,448	(179,070)	1,823,161

	Accumulated other comprehensive income						Non-controlling interests	Total net asset
	Net unrealized gains on securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total		
Balance at beginning of current period	112,545	(544)	16,321	(3,596)	(395)	124,330	55,972	1,921,809
Changes of items during period								
- Dividends								(34,605)
- Profit attributable to owners of parent								144,638
- Acquisition of treasury stock								(226)
- Disposal of treasury stock								5
- Change in treasury shares arising from change in equity in entities accounted for using equity method								0
- Change of scope of consolidation								34
- Change of scope of equity method								(28,257)
- Change in ownership interest of parent due to transactions with non-controlling interests								56
- Reversal of revaluation reserve for land								9
- Net changes of items other than shareholders' equity	(21,186)	358	(32)	13,388	6,207	(1,265)	4,364	3,099
Total changes of items during period	(21,186)	358	(32)	13,388	6,207	(1,265)	4,364	84,754
Balance at end of current period	91,359	(186)	16,288	9,791	5,812	123,065	60,337	2,006,563

(4) Consolidated Statement of Cash Flow

(million yen)

	Fiscal 2016	Fiscal 2017
Cash flows from operating activities:		
Profit before income taxes	105,472	213,381
Depreciation	182,638	159,562
Changes in allowance	(6,241)	(10,082)
Interest and dividend income	(11,041)	(9,372)
Interest expenses	12,613	13,026
Decrease (increase) in notes and accounts receivable - trade	(90,601)	(37,059)
Decrease (increase) in inventories	(17,070)	(75,445)
Increase (decrease) in notes and accounts payable - trade	16,262	2,713
Other	2,033	66,407
Sub total	194,066	323,133
Interest and dividend income received	16,324	16,326
Interest expenses paid	(12,486)	(13,143)
Income taxes paid	(12,421)	(27,504)
Cash flows from operating activities	185,481	298,811
Cash flows from investing activities:		
Purchase of non-current assets	(226,327)	(247,191)
Proceeds from sales of property, plant, equipment and intangible assets	1,992	2,893
Purchase of investment securities	(9,676)	(10,847)
Proceeds from sales of investment securities	69,900	64,798
Other	310	(4,488)
Cash flows from investing activities	(163,799)	(194,835)
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(5,425)	4,523
Increase (decrease) in commercial papers	(28,000)	(1,999)
Proceeds from long-term loans payable	291,232	378,474
Repayments of long-term loans payable	(236,944)	(397,502)
Proceeds from issuance of bonds	-	20,000
Redemption of bonds	(20,000)	(50,000)
Purchase of treasury shares	(216)	(226)
Payments for dividends by parent company	(5,795)	(34,510)
Other	(13,010)	(9,757)
Cash flows from financing activities	(18,159)	(90,998)
Effect of exchange rate change on cash and cash equivalents	1,861	(7,059)
Net increase (decrease) in cash and cash equivalents	5,384	5,917
Cash and cash equivalents at beginning of period	63,873	69,383
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	125	(75)
Cash and cash equivalents at end of period	69,383	75,225

(5) Notes to Consolidated Financial Statement

Notes Pertaining to the Presumption of a Going Concern

There is no item for this period.

Changes in Accounting Estimates

Expenses for treatment of PCB waste

JFE Holdings has revised its estimated expenses for treatment of polychlorinated biphenyl (PCB) waste due to improved treatment and estimation methods. In the consolidated financial statements for fiscal year 2017, the difference between the previous and current estimates of expenses for treatment of PCB waste as an extraordinary loss, resulting in a decrease of 3,850 million yen in net income before income taxes.

Change in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates

Change in Depreciation Method for Property, Plant and Equipment

In fiscal year 2017, JFE Holdings began primarily applying the straight-line method to depreciate property, plant and equipment (excluding leased assets) instead of the declining balance method that the company had been using primarily. The company made the change because its steelmaking facilities are expected to enjoy stable production, as stated below, so the straight-line method was deemed more appropriate for allocating the costs of assets. The change in the depreciation method increased operating profit by 26,102 million yen and both ordinary profit and profit before income taxes by 27,399 million yen each.

The steel business is forecast to enjoy strong demand in Japan for some years to come, supported by projects related to the Tokyo 2020 Olympic and Paralympic Games. In the long run, however, Japan's declining birthrate and aging population are forecast to lead to reduced domestic demand, making significant increases in steel demand unlikely. On a global basis, persistently excessive steel production in China and other countries will continue to make the business environment extremely harsh.

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, the company's main production base. These objectives are being achieved through capital investments to strengthen the manufacturing base in Japan and by making full use of existing steelmaking capacity. Investments specifically have focused on renewing old facilities.

As of the end of the previous fiscal year, JFE Steel had renewed many upstream facilities, including coke ovens, for improved mid- and long-term competitiveness and stabilized production.

JFE Steel will continue to strengthen its manufacturing base in Japan through lower costs, stable production and a product mix focused on high-grade steel for improved competitiveness.

Segment Information

I. Previous fiscal year (April 1, 2016 to March 31, 2017)

1. Overview

The Group organized under JFE Holdings executed commercial activities through three operating companies—JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Trade Corporation—in accordance with the characteristics of their respective businesses. Consolidated reporting segments, one for each operating company, were characterized by their constituent products and services.

Each segment had its own respective products and services. The steel business produced and sold various steel products, processed steel products and raw materials, and provided transportation and other related businesses, such as facility maintenance and construction. The engineering business handled engineering for energy, urban environments, steel structures and industrial machines, recycling and electricity retailing. The trading business purchased, processed and distributed steel products, raw materials for steel production, nonferrous metal products, and food, etc.

2. Calculation methods for each reporting segment's net sales, profit (loss), assets, etc.

Profits for each reporting segment shown below are ordinary profit. Inter-segment transactions are those conducted between companies at market prices.

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

(million yen)

	Reporting segment				Adjustments	Amount in consolidated statement
	Steel	Engineering	Trading	Total		
-Sales to external clients	1,500,929	416,220	1,391,842	3,308,992	-	3,308,992
-Internal sales or transfer among segments	848,199	9,916	279,189	1,137,305	(1,137,305)	-
Net sales	2,349,129	426,136	1,671,032	4,446,298	(1,137,305)	3,308,992
Profit	40,544	26,616	21,834	88,996	(4,260)	84,735
Assets	3,723,479	390,445	643,273	4,757,198	(421,129)	4,336,069
Others:						
-Depreciation	169,639	7,536	5,457	182,633	5	182,638
-Depreciation of goodwill	0	1,331	1,815	3,146	-	3,146
-Interest income	1,334	71	405	1,811	(336)	1,474
-Interest expenses	11,375	352	1,533	13,261	(647)	12,613
-Share of profit (loss) of entities accounted for using equity method	13,539	970	1,225	15,735	(3,729)	12,006
-Investment in equity method affiliates	268,161	8,351	10,454	286,968	56,661	343,630
-Increased amount of tangible and intangible assets	217,443	10,820	6,502	234,766	1	234,768

II. Current fiscal year (April 1, 2017 to March 31, 2018)

1. Overview

There is no item for this period.

2. Calculation methods for each reporting segment's net sales, profit (loss), assets, etc.

There is no item for this period.

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

(million yen)

	Reporting segment				Adjustments	Amount in consolidated statement
	Steel	Engineering	Trading	Total		
-Sales to external clients	1,717,038	380,981	1,580,592	3,678,612	-	3,678,612
-Internal sales or transfer among segments	998,436	10,367	327,311	1,336,114	(1,336,114)	-
Net sales	2,715,474	391,348	1,907,904	5,014,727	(1,336,114)	3,678,612
Profit	198,850	19,386	33,070	251,308	(34,968)	216,339
Assets	3,801,264	381,922	710,620	4,893,806	(432,903)	4,460,903
Others:						
-Depreciation	146,163	7,537	5,858	159,559	3	159,562
-Depreciation of goodwill	0	294	1,548	1,842	-	1,842
-Interest income	1,110	106	502	1,718	(226)	1,492
-Interest expenses	11,321	396	1,966	13,684	(657)	13,026
-Share of profit (loss) of entities accounted for using equity method	20,546	1,039	1,426	23,012	(31,744)	(8,732)
-Investment in equity method affiliates	262,658	9,515	12,317	284,490	26,226	310,717
-Increased amount of tangible and intangible assets	238,861	11,859	6,569	257,290	1	257,291

Per-share Information

	FY 2016	FY 2017
Net assets per share	3,235.88 yen	3,375.82 yen
Net income per share	117.81 yen	250.86 yen

Note 1: Adjusted diluted per-share earnings were not listed since there were no diluted shares.

Note 2: Basis for calculations (Yen, unless indicated otherwise)

	FY 2016	FY 2017
Total net assets	1,921,809 million	2,006,563 million
Amounts deducted from total net assets	55,972 million	60,337 million
Attributable to: Non-controlling interests portion	55,972 million	60,337 million
Net assets at fiscal year-end applicable to common shares	1,865,836 million	1,946,226 million
Number of common shares at fiscal year-end used in calculating net assets per share	576,608 thousand shares	576,518 thousand shares
Profit attributable to owners of parent	67,939 million	144,638 million
Value not attributed to common shares	-	-
Profit attributable to owners of parent attributed to common shares	67,939 million	144,638 million
Average number of outstanding common shares during period	576,686 thousand shares	576,572 thousand shares

Major Subsequent Events

There is no item for this period.

4. Reference

(1) Consolidated Results

(billion yen)

	Fiscal 2016	Fiscal 2017	Change		Fiscal 2018 Full-year Forecasts
Net sales	3,308.9	3,678.6	369.7	11.2%	
Steel business	2,349.1	2,715.4	366.3	15.6%	
Engineering business	426.1	391.3	(34.8)	(8.2%)	
Trading business	1,671.0	1,907.9	236.9	14.2%	
Adjustments and others	(1,137.3)	(1,336.1)	(198.8)	-	
Operating profit	96.7	246.6	149.9	155.0%	
Non-operating income (expenses)	(12.0)	(30.3)	(18.3)	-	
Ordinary profit	84.7	216.3	131.6	155.3%	220.0
Steel business	40.5	198.8	158.3	390.9%	160.0
Engineering business	26.6	19.3	(7.3)	(27.4%)	25.0
Trading business	21.8	33.0	11.2	51.4%	33.0
Adjustments and others	(4.2)	(34.9)	(30.7)	-	-
Extraordinary income	20.7	(2.9)	(23.6)	(114.0%)	
Profit before income taxes	105.4	213.3	107.9	102.4%	
Tax expense and profit attributable to non-controlling interests	(37.5)	(68.7)	(31.2)	-	
Profit attributable to owners of parent	67.9	144.6	76.7	112.9%	

(2) Consolidated Financial Indices

	Fiscal 2016	Fiscal 2017	Change
Return on Sales (ROS) ¹	2.6%	5.9%	3.3%
Return on Assets (ROA) ²	2.3%	5.2%	2.9%
Return on Equity (ROE) ³	3.7%	7.6%	3.9%
EBITDA ⁴	279.9 billion yen	388.8 billion yen	108.9 billion yen
Debt Outstanding	1,375.4 billion yen	1,330.9 billion yen	(44.5 billion yen)
Shareholders' Equity	1,865.8 billion yen	1,946.2 billion yen	80.4 billion yen
D/E Ratio ⁵	51.4%	58.2%	6.8%

¹ ROS = Ordinary profit / Net sales

² ROA = (Ordinary profit + Interest expenses / Total assets [average])

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

⁴ EBITDA = Ordinary profit + Interest expenses + Depreciation

⁵ D/E ratio = Debt outstanding / Shareholders' equity. For debt having a capital component,* a portion of its issue price 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
March 19, 2018	300.0 billion yen	25%	75.0 billion yen*

*Subordinated borrowings procured on March 18, 2013 were repaid before maturity in March 19, 2018 and new subordinated borrowings were procured on the same day.

(3) Crude Steel Production (JFE Steel) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2016	Non-consolidated	6.94	7.06	14.00	7.12	7.02	14.13	28.14
	Consolidated	7.52	7.62	15.14	7.66	7.61	15.27	30.41
FY 2017	Non-consolidated	7.12	6.98	14.10	7.23	7.14	14.37	28.46
	Consolidated	7.53	7.38	14.91	7.63	7.52	15.15	30.06

(4) Shipments (JFE Steel on non-consolidated basis) (million tons)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2016		6.26	6.34	12.60	6.43	6.68	13.10	25.70
FY 2017		6.14	6.28	12.42	6.38	6.50	12.88	25.30

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

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2016		43.6	44.1	43.9	43.3	44.9	44.2	44.0
FY 2017		42.1	44.2	43.2	45.1	45.9	45.5	44.4

(6) Foreign Exchange Rate (Yen/US dollar) (JPY/USD)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2016		111.1	103.5	107.3	106.1	114.3	110.2	108.8
FY 2017		111.5	110.9	111.2	112.6	109.7	111.2	111.2

(7) Average Selling Price (JFE Steel on non-consolidated basis) (thousand yen/ton)

		1Q	2Q	1H	3Q	4Q	2H	Full year
FY 2016		58.5	58.6	58.6	61.5	72.0	66.8	62.8
FY 2017		74.4	73.3	73.8	77.0	76.5	76.8	75.3

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

a. Orders received (billion yen)

Field	FY2016	FY2017	Change
Environment	157.4	234.2	76.8
Energy	148.9	126.9	(22.0)
Infrastructure, others	118.1	134.4	16.3
Total	424.4	495.5	71.1

(billion yen)

b. Orders backlog

End of FY2016	End of FY2017	Change
600.0	691.9	91.9

(9) Debt Outstanding, Interest Expense, and Cash and Deposits

(JFE Holdings, consolidated basis)

Debt outstanding

As of	(billion yen)
March 31, 2017	1,375.4
March 31, 2018	1,330.9

Interest expense

	(billion yen)
FY 2016	12.6
FY 2017	13.0

Cash and deposits

As of	(billion yen)
March 31, 2017	69.9
March 31, 2018	76.1

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

	FY 2016	FY 2017	(billion yen)
Capital investment	234.7	257.2	(on construction basis)
Depreciation	182.6	159.5	

(11) Breakdown of Changes in Ordinary Income

a. FY 2017 vs. FY 2016

	<u>Change</u>	<u>FY 2016</u>	<u>(billion yen)</u> <u>FY 2017</u>
Ordinary income	131.6	84.7➔	216.3
Steel business			
- Cost reductions	45.0		
- Sales volume, sales prices and raw materials prices	123.0		
- Unrealized gains on inventories and others	(1.0)		
- Change in depreciation method	27.4		
- Others	(36.1)		Increases in metal and other auxiliary raw material prices, materials prices and amortization expenses, and disposal loss due to infrastructure development
Total steel business	158.3		
Engineering business	(7.3)		Additional costs for new products and overseas construction, and impact of decreased sales in energy field.
Trading business	11.2		Increased profit from higher steel prices and improved profitability of overseas group companies.
Adjustment amount	(30.7)		Reduced profitability of shipbuilding and the other affiliated companies accounted for by equity method due to delayed progress in certain construction projects, the strong yen and transient effects such as reverse deferred tax assets.

b. FY 2018 forecast vs. FY 2017 actual: Largely unchanged

*approximate estimate

	<u>Change</u>	<u>FY 2017</u>	<u>(billion yen)</u> <u>FY 2018</u>
Ordinary income		216.3➔	220.0*
Steel business			
- Cost reductions	20.0		
- Sales volume, sales prices and raw materials prices	40.0		
- Metals, materials and others	(50.0)		
- Cost of improving manufacturing base	(30.0)		
- Unrealized gains on inventories and others	(5.0)		
- Others	(45.0)		
Total steel business	(40.0)		
Adjusted total for engineering and trading businesses	40.0		
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	19		