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### Disclaimer

Current plans, strategies, beliefs, and other content described in this report that are not historical facts are forward-looking statements that may involve risks and uncertainties. Actual results, performance, or achievements could differ significantly from the anticipated outcomes presented in this report due to various factors, including changes in the global or domestic economy, as well as unanticipated trends in the industries to which JFE Group companies belong. Readers should understand that JFE Holdings cannot guarantee the certainty of such forward-looking statements.



## Pursuing DX strategy to create new value and contribute to society's sustainable development

The JFE Group has developed a diverse range of businesses over many years, with a focus on a steel business, an engineering business, and a trading business. The huge amounts of operational data, expertise, and technologies built up through these businesses are valuable assets that other companies cannot easily replicate, and our leading world-class technologies are the source of our value creation, which supports society. By combining these intangible assets with cutting-edge technologies including artificial intelligence (AI), the Internet of Things (IoT), and data science, we are creating new value through a range of initiatives that lead to the resolution of social issues.

Countermeasures against increasingly sophisticated cyberattacks and risks from information leakage are also very important issues that we cannot ignore as we develop our businesses around the world. Security countermeasures and enhanced security governance go hand in hand with the pursuit of our DX strategy, and these are steadily being carried out Groupwide, primarily through JFE-SIRT.\*1

This is the third year under the Seventh Medium-term Business Plan, which was formulated in fiscal 2021. We view our DX strategy as an important management strategy and have been pursuing DX Groupwide. The various initiatives we have been carrying out are steadily producing concrete results like the use of CPS\*2 to create intelligent steelworks (please refer to the Steel Business on page 7) and product development that uses GRC\*3 as a core technology (please refer to the Engineering Business on page 11). We are increasingly pursuing DX with even greater strength to achieve the Medium-term Business Plan's targets. This approach is leading to enhanced corporate value.

This report introduces specific DX strategy initiatives being carried out at our operating companies. We hope that readers will find this information useful for better understanding the JFE Group's DX program.



**Seiya Kitajima**  
Vice President  
JFE Holdings, Inc.

\*1 JFE-SIRT: JFE Security Integration and Response Team (please refer to page 17)  
\*2 CPS: Cyber Physical System  
\*3 GRC: Global Remote Center

### JFE Group's DX Strategy

#### Initiatives under the Seventh Medium-term Business Plan (FY2021–24)

- ▶ Aggressive DX to lead to improving earnings power, realizing growth strategy, and advancing business model
- ▶ DX investments: ¥120 billion over four years  
→ FY2021–22 results  
48% of investments selected

### Strategy for Each Business

#### JFE Steel

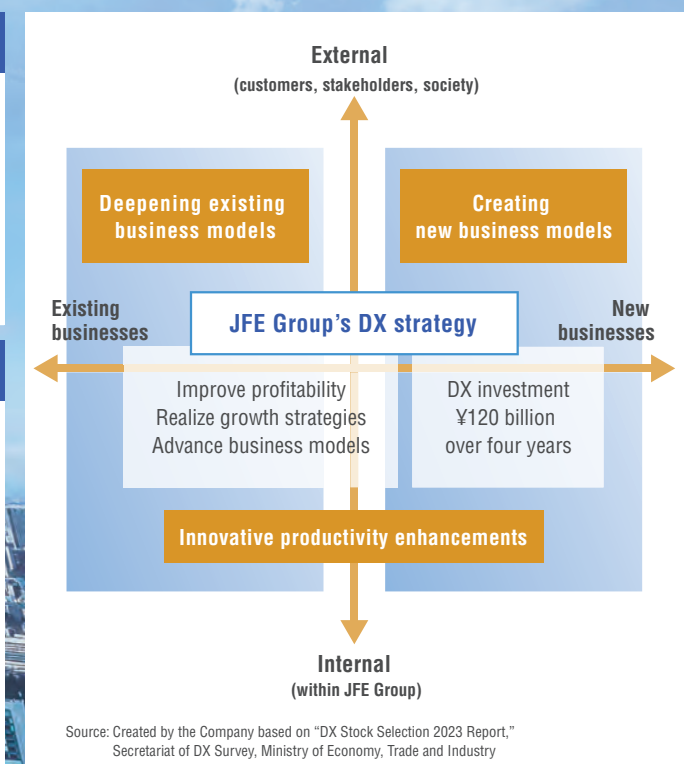
Establish competitive advantage through advanced use of data

#### JFE Engineering

Implement sweeping business reforms with further data utilization and provide digital services

#### JFE Shoji

Create businesses through external sales and intra-Group utilization of DX solutions



Source: Created by the Company based on "DX Stock Selection 2023 Report," Secretariat of DX Survey, Ministry of Economy, Trade and Industry



### JFE Holdings named Noteworthy DX Company 2023

JFE Holdings was named a Noteworthy DX Company 2023 as a firm that merits attention for proactively promoting digital transformation (DX), selected by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan, as part of the Digital Transformation Stock Selection (DX Stock) 2023 program.