

Members of the Board, Corporate Auditors and Corporate Officers of JFE Holdings



President & CEO
Fumio Sudo



Member of the Board
Executive Vice President
Yuichi Moriyama



Member of the Board
Executive Vice President
Toshikuni Yamazaki



Member of the Board
Hajime Bada



Member of the Board
Osamu Saito



Member of the Board
Uichiro Niwa



Member of the Board
Shigeo Asai

Members of the Board

President & CEO	Fumio Sudo
Member of the Board	Yuichi Moriyama
Executive Vice President	
Member of the Board	Toshikuni Yamazaki
Executive Vice President	
Member of the Board	Hajime Bada
Member of the Board	Osamu Saito
Member of the Board	Uichiro Niwa
Member of the Board	Shigeo Asai

Mr. Uichiro Niwa and Mr. Shigeo Asai are external members of the board.

Corporate Auditors

Full-time Auditor	Tetsuo Miyazaki
Full-time Auditor	Kunioki Kubo
Corporate Auditor	Toshikuni Nishinohara
Corporate Auditor	Takaaki Wakasugi

Mr. Toshikuni Nishinohara and Mr. Takaaki Wakasugi are external corporate auditors.

Corporate Officers

President & CEO	Fumio Sudo	CEO
Executive Vice President	Yuichi Moriyama	Supervision of General Administration Dept. and Corporate Planning Dept.
Executive Vice President	Toshikuni Yamazaki	Supervision of Finance and Investor Relations Dept. and Comptrollers' Dept.
Senior Vice President	Eiji Hayashida	In Charge of Corporate Planning Dept. and Comptrollers' Dept.
Vice President	Sakio Sasamoto	In Charge of General Administration Dept.
Vice President	Shinichi Okada	In Charge of Finance and Investor Relations Dept.

Management Organization and Internal Control

Fundamental Philosophy on Corporate Governance

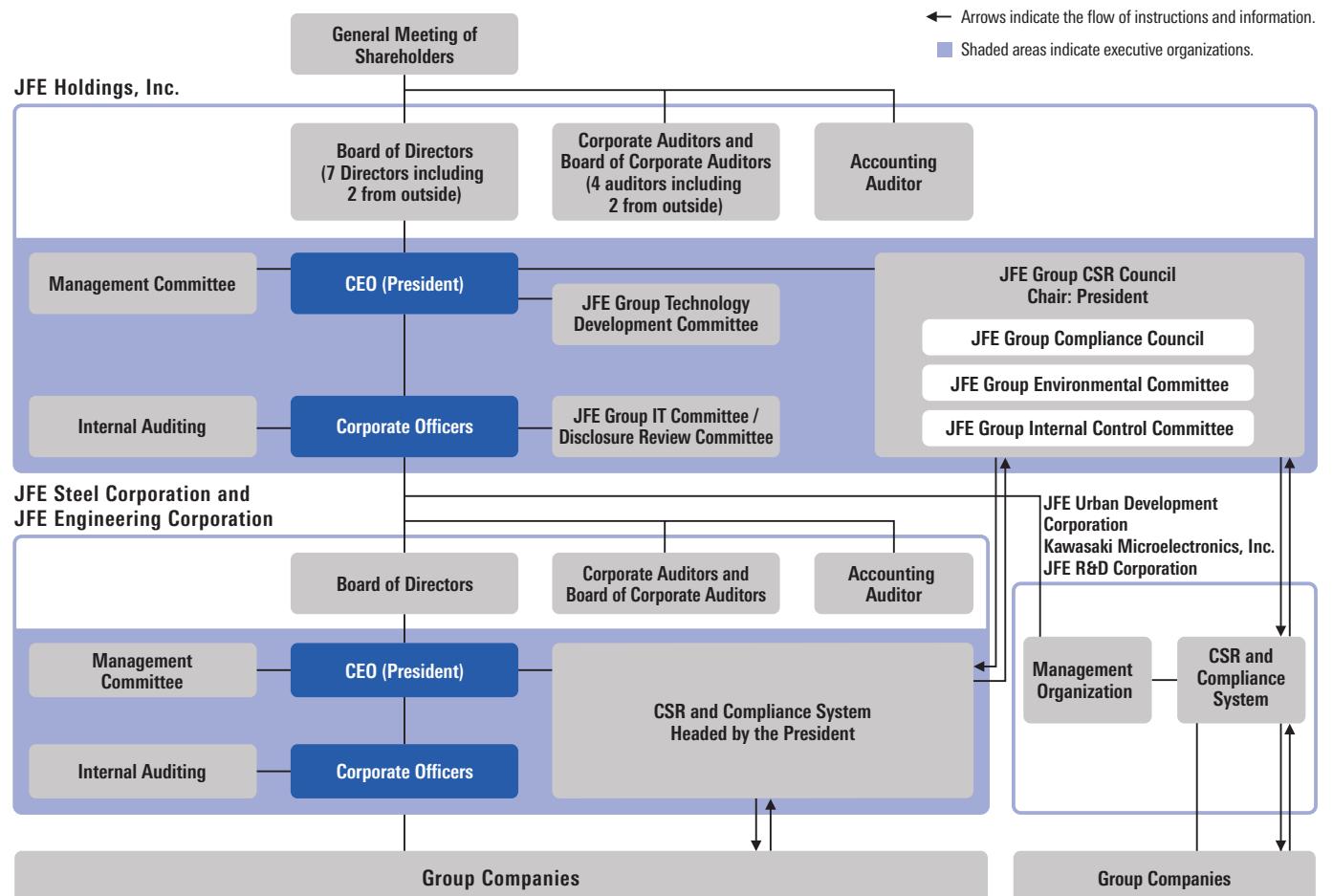
The JFE Group is structured in such a manner that businesses are run by operating companies placed under a holding company.

As the holding company, JFE Holdings, Inc. is the backbone of centralized governance of the JFE Group and serves as the Group's streamlined head office, responsible for group-wide strategic functions, risk management and accountability to the public.

Meanwhile, the operating companies run businesses based on optimized operational and executive systems tailored to the characteristics of each business field, with the aims of strengthening competitiveness and expanding earnings power.

The JFE Group endeavors to maximize its enterprise value for shareholders and all the other stakeholders by ensuring that the holding companies and the operating companies fulfill each responsibility.

Relationship Diagram of Management Organization and Internal Control



Management Organization and Internal Control

1. Corporate Institutions

The JFE Group member companies have adopted an auditor system. At JFE Holdings, Inc., there are four auditors (including two external auditors) and seven members of the board, out of whom two external board members have been newly appointed at the general meeting of shareholders effective in June 2007. The holding company has established more objective and transparent management organization by receiving external members of the board, who have superior insights based on experience and who supervise the company's management in a fair manner without any bias on interests of the company's management members or particular stakeholders. In addition, the Board of Corporate Auditors—where external auditors comprise half of the members—keeps an eye on management, endeavoring to ensure and strengthen corporate soundness.

Moreover, JFE Holdings, Inc., JFE Steel Corporation, JFE Engineering Corporation, and Kawasaki Microelectronics, Inc. have adopted a corporate officer system to clearly define authority and responsibility through separation of management decision-making and business execution and to accelerate the execution.

2. Decision-making on Important Matters

With regard to important matters concerning each member company of the JFE Group, each company has its own rules which clearly define the decision-making process. As for important managerial matters concerning the entire Group, JFE Holdings, Inc. is structured to ultimately deliberate and resolve these matters.

More specifically, important matters are deliberated by the Management Committee, etc., and resolved by the Board of Directors of each member company of the JFE Group, with each of the operating companies responsible for key issues of its own and affiliated companies, while JFE Holdings, Inc. is responsible for key issues of its own, the operating companies and the other group companies.

JFE Holdings, Inc., JFE Steel Corporation and JFE Engineering Corporation hold the Management Committee meetings approximately twice a month, with each meeting chaired by the President and attended by Members of the Board, Corporate Officers and Corporate Auditors. Their respective Boards of Directors meet once or twice a month.

The JFE Group intends to accommodate different strategies for different product/business lines, and to optimize product/business management by setting a single profit controlling mechanism. To these ends, JFE Steel has adopted a product-based sector system, while JFE Engineering has adopted a "divisional company" system. The JFE Group has also established the group-wide committees to deliberate issues relating to technology development and IT which are shared across the Group.

3. Internal Control

JFE's internal control (including a risk management system) is defined by the Basic Policy for Building an Internal Control System. In accordance with this policy, regulations of the Board of Directors, rules of the Management Committee, rules of the JFE Group CSR Council, rules of the JFE Group Compliance Council, rules of the JFE Group Internal Control Committee, rules of the Disclosure Review Committee and other various committee rules, as well as organization/work rules and rules on information storage and management have been enacted, the Corporate Ethics Hotline has been established, and internal audit and audit by corporate auditors have been reinforced, thereby ensuring the Group's internal control.

Policy toward Large-scale Purchases of JFE Shares

JFE Holdings, Inc. decided to adopt the Policy toward Large-scale Purchases of JFE Shares at the meeting of its Board of Directors held in March 2007. Later on, two-year continuation of this Policy was approved at the ordinary general shareholders meeting held in June 2007.

JFE believes that a change of management control is an effective tool to revitalize corporate activities and economy and that when a Large-scale Purchase is commenced, the shareholders of JFE should, in principle, make decisions as to whether or not the Large-scale Purchase is acceptable.

However, with respect to a Large-scale Purchase or a proposal related to a Large-scale Purchase, JFE recognizes that the shareholders of JFE need to carefully evaluate effects of the Large-scale Purchase or the proposal on the corporate value of JFE and the common interests of the shareholders. For this purpose, JFE believes that both the Large-scale Purchaser and JFE's Board of Directors should provide the shareholders with necessary and sufficient information, opinions and suggestions, and that the shareholders should be given necessary and sufficient time to review them. Based on this basic philosophy, JFE has decided the adoption of this Policy.

Under the Policy, JFE's Board of Directors has established rules concerning Large-scale Purchases of JFE shares, and will require any Large-scale Purchaser to comply with the Large-scale Purchase Rules. If the Large-scale Purchaser does not comply with the Large-scale Purchase Rules, the Board of Directors intends to take certain countermeasures. Moreover, in cases where it is clear that a Large-scale Purchase will cause irreparable damage or loss to JFE, or where a Large-scale Purchase will cause severe damage to the corporate value of JFE and the common interests of the shareholders, then the Board of Directors intends to take certain countermeasures even if the Large-scale Purchaser has complied with the Large-scale Purchase Rules.

In order to ensure that the decision by JFE's Board of Directors on effects of a Large-scale Purchase on the corporate value of JFE and the common interests of the shareholders as well as the board's decision on the invocation of countermeasures based on this Policy will be made in a transparent, objective, fair, and reasonable manner, a Special Committee has been established, where the outside directors of JFE shall play an important role. For further information, please visit JFE's website at <http://www.jfe-holdings.co.jp/>.