

# Profile of the JFE Group

The JFE Group continues to take on the challenges of establishing high-level technologies and strengthening market competitiveness as a group of future-oriented companies that can be said to represent Japan.

The JFE Group launched its holding company JFE Holdings, Inc. in 2002 through a consolidation of NKK and Kawasaki Steel Corporation. Based on our corporate vision of “always contributing to society with the world’s most innovative technology,” we aim to be a group of excellent companies in the 21st century.

## Holding Company (53 employees)

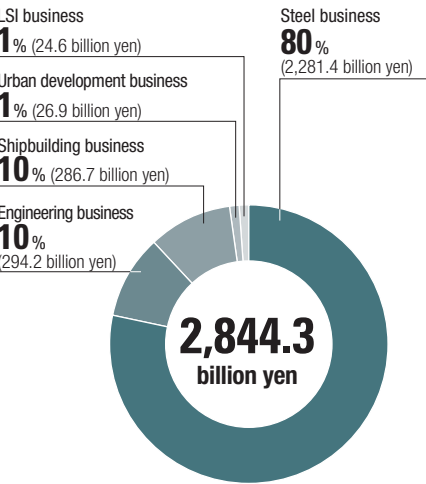
### JFE Holdings, Inc.

JFE Holdings stands at the center of the Group’s integrated governance system. The Company functions as the head office responsible for group-wide strategic functions, risk management, and accountability to the public.

Each of the five operating companies conducts its business based on an operating system specifically designed for its industry. This allows the companies to be more competitive and profitable.

In the course of fulfilling their respective duties, the holding company and operating companies strive to maximize corporate value for shareholders and other stakeholders.

## Breakdown of Consolidated Sales



Note: Eliminations and corporate: 2% reduction (69.7 billion yen reduction)

## Steel Business Net sales: 2,281.4 billion yen Employees: 42,842

### JFE Steel Corporation

Head Office (Chiyoda-ku, Tokyo)

JFE Steel is an integrated steel producer ranked second in Japan in crude steel production. The company is highly competitive internationally, thanks to the respective strengths of its two major steelworks—one in eastern Japan and the other in western Japan. JFE Steel produces and sells a wide range of high value-added products and “Only One” and “Number One” products, taking advantage of its world-class technology and product-development capabilities.

#### Major Works

- East Japan Works (Chiba and Kawasaki)
- West Japan Works (Kurashiki and Fukuyama)
- Chita Works (Handa)



#### 195 Group companies

##### Electric Furnaces and Bar/Shape Steel

- JFE Bars & Shapes Corporation
- Daiwa Steel Corporation
- Toyohira Steel Corporation
- Tohoku Steel Corporation

##### Manufacture and Sale of Processed Steel Products, Raw Materials, etc.

- JFE Chemical Corporation
- JFE Metal Products & Engineering Inc.
- JFE Galvanizing & Coating Co., Ltd.
- JFE Container Co., Ltd.
- JFE Mineral Company, Ltd.
- JFE Steel Pipe Co., Ltd.
- Mizushima Ferroalloy Co., Ltd.
- JFE Pipe Fitting Mfg. Co., Ltd.
- JFE Kozai Corporation
- JFE Material Co., Ltd.
- JFE Precision Co., Ltd.
- River Steel Co., Ltd.
- JFE Electrical Steel Co., Ltd.
- Philippine Sinter Corporation
- Thai Coated Steel Sheet Co., Ltd.
- Shinagawa Refractories Co., Ltd.\*
- Nippon Chuzo K.K.\*
- Dongkuk Steel Mill Co., Ltd.\*
- Guangzhou JFE Steel Sheet Co., Ltd.\*
- Thai Cold Rolled Steel Sheet Public Co., Ltd.\*
- California Steel Industries, Inc.\*

##### Logistics & Warehousing, Facility Maintenance & Construction and Utilities Supply

- JFE Logistics Corporation
- JFE Civil Engineering & Construction Corp.
- JFE Mechanical Co., Ltd.
- JFE Electrical & Control Systems, Inc.
- Setouchi Joint Thermal Power Co., Ltd.\*
- K.K. JFE Sanso Center\*

##### Trading and Other Steel-related Businesses

- JFE Life Corporation
- JFE Systems, Inc.
- JFE Techno-Research Corporation
- JFE Steel Australia Resources Pty Ltd.
- Brazil Japan Iron Ore Corporation\*
- JFE Shoji Holdings, Inc.\*
- Gecoss Corporation\*
- Exa Corporation\*

## Engineering Business Net sales: 294.2 billion yen Employees: 7,390

### JFE Engineering Corporation

Head Office (Chiyoda-ku, Tokyo) Yokohama Head Office (Yokohama)

JFE Engineering provides engineering services focused on two core fields, namely, the construction of natural gas-related facilities and pipelines in the energy field and provision of facilities for the effective use of waste products as resources and energy in the urban environmental field. The company is also engaged in other diverse businesses, including the construction of bridges and other steel structures, architectural steel fabrication, and the production of automatic warehouse systems and other industrial machinery, aiming to provide comprehensive solutions through high-level engineering.

#### Major Works

- Tsurumi Engineering and Manufacturing Center (Yokohama)
- Tsu Works (Tsu)
- Shimizu Works (Shizuoka)

#### 33 Group companies

- JFE Kankyo Corporation
- JFE Environmental Service Corporation
- JFE Technos Corporation
- Asuka Soken Co., Ltd.
- Japan Tunnel Systems Corporation
- JP Steel Plantech Co.\*
- NKKTUBES\*
- Nippon Chutetsukan K. K.\*



## Shipbuilding Business Net sales: 286.7 billion yen Employees: 2,787

### Universal Shipbuilding Corporation

Head Office (Kawasaki) 1 Group company

Universal Shipbuilding has five shipyards and one technical research center. The shipyards construct and recondition tankers and other large merchant ships, escort vessels, minesweepers and other naval ships, and icebreakers. The company leverages its comprehensive marketing system to quickly develop and produce ships that fully meet the needs of customers worldwide and thereby contribute both to industry and society at large.

#### Major Works

- Keihin Shipyard (Yokohama)
- Tsu Shipyard (Tsu)
- Maizuru Shipyard (Maizuru)
- Innoshima Shipyard (Onomichi)
- Ariake Shipyard (Tamana-gun, Kumamoto)



## Urban Development Business Net sales: 26.9 billion yen Employees: 311

### JFE Urban Development Corporation

Head Office (Kawasaki) 2 Group companies

JFE Urban Development redevelops dormant properties, mainly for condominiums, to improve the usefulness and value of real estate owned by the Group.

## LSI Business Net sales: 24.6 billion yen Employees: 509

### Kawasaki Microelectronics, Inc.

Head Office (Chiba) 2 Group companies

The company manufactures semiconductors used in high-function electronics products. Also, its products to be used for liquid crystal panels and optical communications command high market shares.

## Group companies

239  
(including operating companies)

Employees  
53,892

\* Equity-method affiliates

# Members of the Board, Corporate Auditors And Corporate Officers of JFE Holdings



Members of the Board

<b>Hajime Bada</b>	President & CEO
<b>Eiji Hayashida</b>	Member of the Board
<b>Yoshio Ishikawa</b>	Member of the Board
<b>Kohei Wakabayashi</b>	Member of the Board
<b>Sumiyuki Kishimoto</b>	Member of the Board
<b>Shigeo Asai*</b>	Member of the Board
<b>Akimitsu Ashida*</b>	Member of the Board

\* external

Corporate Officers

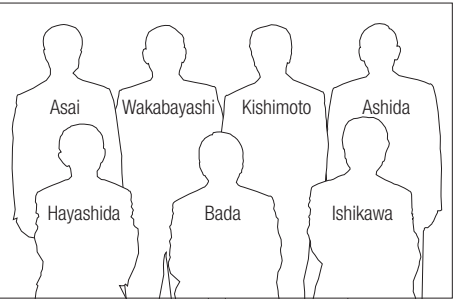
<b>Hajime Bada</b> President & CEO	CEO
<b>Yoshio Ishikawa</b> Executive Vice President	Supervision of the General Administration Dept. and Comptrollers' Dept.
<b>Kohei Wakabayashi</b> Executive Vice President	Supervision of the Corporate Planning Dept. and Finance and Investor Relations Dept.
<b>Hideki Iwanami</b> Senior Vice President	In Charge of the General Administration Dept. and Comptrollers' Dept.
<b>Shinichi Okada</b> Senior Vice President	In Charge of the Corporate Planning Dept. and Finance and Investor Relations Dept.

Corporate Auditors

<b>Toshikuni Yamazaki</b>	Full-time Auditor
<b>Kunio Akita</b>	Full-time Auditor
<b>Toshikuni Nishinohara*</b>	Corporate Auditor
<b>Hiroyuki Itami*</b>	Corporate Auditor

\* external

Members of the Board



# Management and Internal Control

Management

JFE Holdings introduced two external directors in June 2007 to strengthen governance and enhance the fairness, objectivity, and transparency of management. In addition, the term for directors was shortened from two years to one to better clarify managerial responsibility. The Company's board of directors, which comprises seven directors, two of whom are external, is responsible for the supervision of operational performance and the maintenance and improvement of operational efficiency. The board of auditors, which includes two external auditors, monitors operations to ensure the soundness of the business.

JFE Holdings, JFE Steel, JFE Engineering, Universal Shipbuilding, and Kawasaki Microelectronics each has adopted a corporate officer system under which decision-making and execution are separated to clarify authority and responsibility and to accelerate execution.

Key Decision Making

Group companies make decisions about key matters based on their own rules and according to clear procedures. JFE Holdings makes decisions about group-wide matters. Each operating company considers important matters related to the company and its affiliates by holding management meetings, etc., after which its board of directors renders decisions. JFE Holdings follows this procedure regarding matters important to the company, operating companies, and Group companies.

Internal Control

JFE Group's internal control system, which includes risk management, is governed by the Basic Policy for Building an Internal Control System. In accordance with this policy, rules have been established for meetings, organizational and operational matters, information storage and management, and violence countermeasures. A Corporate Ethics Hotline has also been established.

Note: Details of the management structure and internal control system are given in the "JFE Group Sustainability Report 2010: Social Performance."

Management Structure and Internal Control

