

JFE Group's Initiatives to Resolve Social Issues

The JFE Group is using DX to resolve social issues in various ways by maximizing the Group's technological capabilities. The following section introduces some of those initiatives being carried out internally, including DX human resource development, which has become a social issue.

Initiative 01 Offshore Wind Power Generation Business



Engineering Business, etc.

The JFE Group is using the Group's comprehensive strength, which includes JFE Steel's material production, JFE Shoji's supply chain capabilities, and JFE Engineering's monopile production and plant operation expertise, to expand its business in the field of offshore wind power generation. In the area of operation and maintenance (O&M), JFE Engineering is using its technologies and expertise gained through the operation of a Global Remote Center that monitors 88 sites in Japan and overseas (as of the end of March 2024), big data analysis technologies to detect signs of abnormalities, and operation and maintenance technologies and expertise that allow steelworks to continue 24 hours without interruption, to achieve labor savings and improved efficiency.

JFE Engineering has developed the ASUNAG integrated management system, which flexibly manages various kinds of information, including the substation, weather, and ship information required for the stable operation of an offshore wind power business. In November 2023, the company delivered its first unit to Nyuzen Marine Wind LLC's Nyuzen Offshore Wind Farm.



Nyuzen Offshore Wind Farm

Overview of ASUNAG integrated management system



Initiative 02 Solutions Business

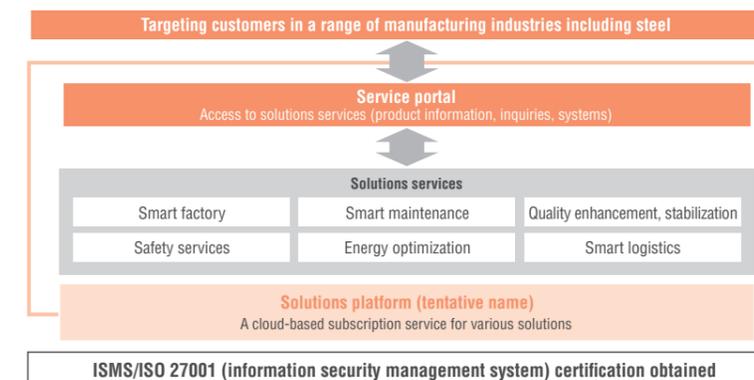


Steel Business

JFE Steel Corporation is pursuing a solutions business that uses its expertise related to areas including improved quality and productivity, equipment maintenance, and the reduction of the environment impact cultivated through steelworks operations and management, to provide external customers with "solutions technologies."

During fiscal 2023, the company built a system platform and an operation structure that allow solutions products to be cloud based.

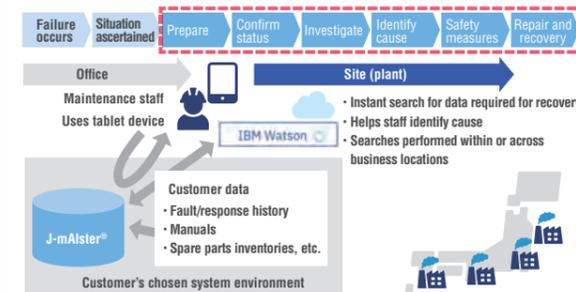
In addition, various technologies developed in-house are being commercialized, and sales are gradually beginning to customers in a range of manufacturing industries including steel.



Products

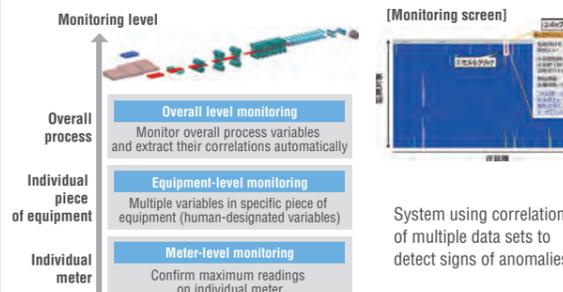
Fault recovery support solution (J-mAlster®)

Uses AI search technologies to rapidly display desired file data from huge volume of internal data



Equipment anomaly detection system (J-dscom®)

Detects signs of system anomalies using multiple data including electric current, temperature, and vibration, and triggers alert



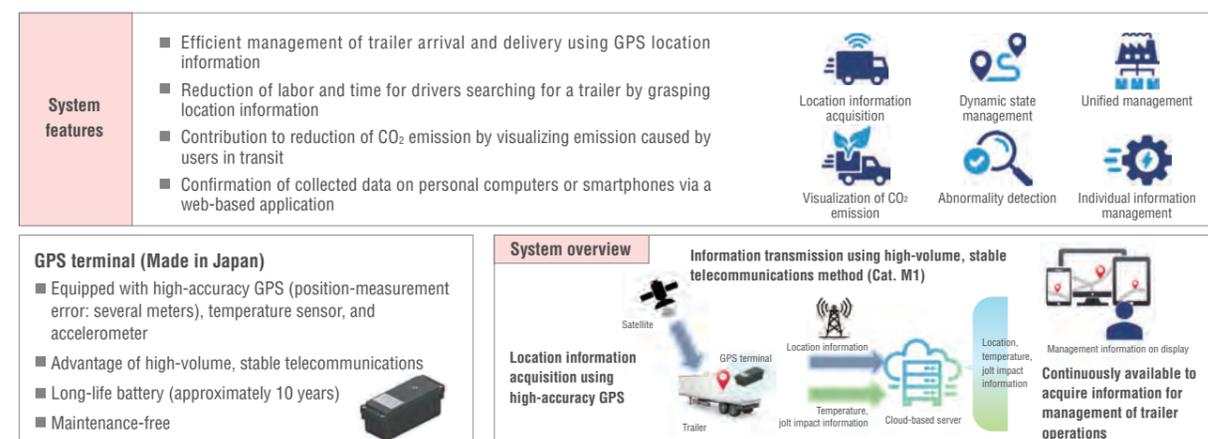
For information regarding other solutions products, please visit: <https://www.jfe-steel.co.jp/en/products/solution/index.html>

Initiative 03 Logistics DX Solutions



Trading Business

JFE Shoji Electronics Corporation is launching a logistics-tracking solutions service business using the GPS terminal in spring 2024. The GPS terminal will "visualize" information on location, temperature, and jolt impact to help improve efficiency in trailer operations and reduce working hours required for various operations, thus contributing to the elimination of the "2024 problem" in the logistics field (when new rules are introduced to limit overtime for long-haul truck and delivery drivers).

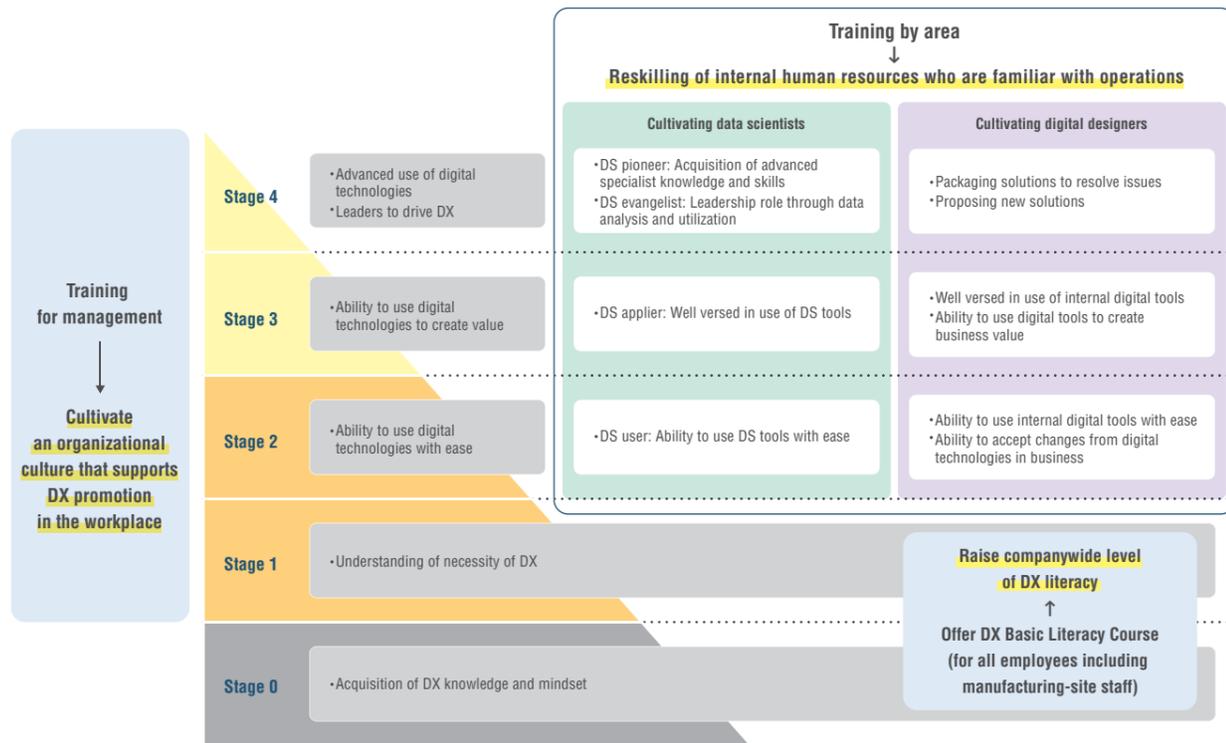




Steel Business

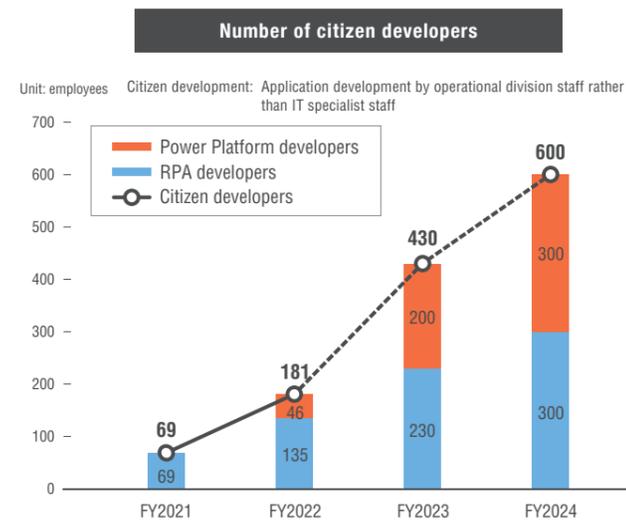
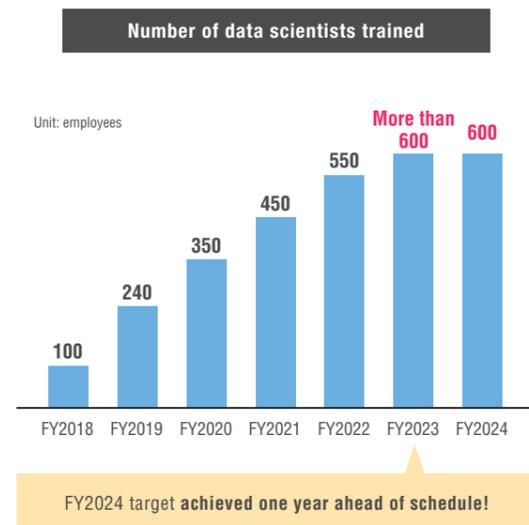
JFE Steel provides educational curricula to encourage all employees to take ownership of DX and actively participate. The **DX Basic Literacy Course** raises the level of DX literacy among all employees, and **training for management including officers** aims to cultivate an organizational atmosphere that facilitates the pursuit of new challenges.

In addition, the company is providing training and internal tools to core DX human resources to allow them to gain the skills of a **data scientist** or **digital designer**, creating an environment in which people leading businesses can use digital technologies themselves to pursue innovation.



Data scientist
Human resources able to analyze data and acquire new knowledge in response to issues. At JFE Steel, this title indicates a person who has undergone a designated period of on-the-job training (OJT).

Digital designer
Human resources engaged in business design in accordance with issues and strategies in a rapidly changing environment



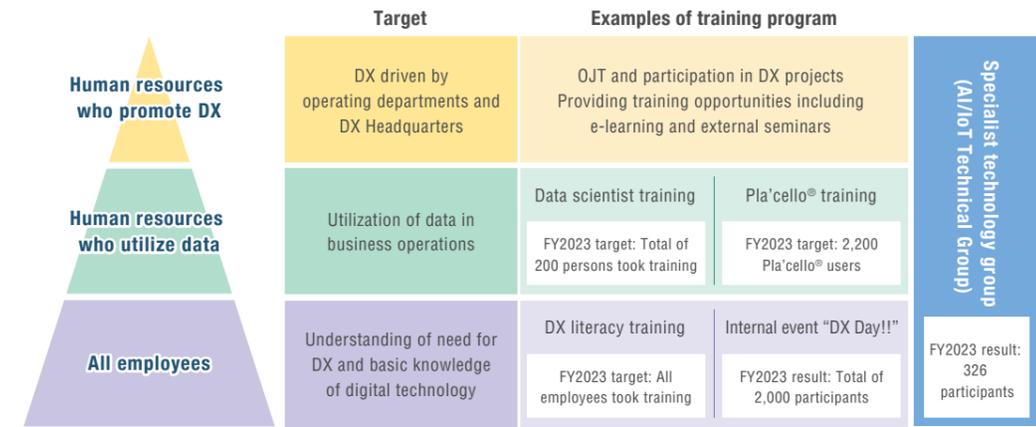
Engineering Business

As part of its companywide DX program, JFE Engineering offers various training courses to raise the level of employees' digital knowledge. During fiscal 2023, DX literacy training was provided to all employees to help them understand the need for DX and supplement their basic knowledge related to digital technologies. In addition, the internal event "DX Day!!" is held once a year to cultivate a DX mindset. The company has also established an internal AI/IoT Technical Group to raise the companywide level of ICT (information and communications technology) skills under specific themes such as strengthening ICT skills and utilizing AI (artificial intelligence).

The company is also actively engaged in training human resources in the utilization of data. It provides introductory training in the use of its Pla'cello® data analytics platform in business operations, and the number of Pla'cello® users has surpassed 2,000. The company has also put in place the entire 17-class, 120-hour data scientist training program to help employees acquire more specialized data science knowledge, with the aim of having a total of 200 employees take the course by the end of fiscal 2023.

DX Day!! → Refer to Engineering Business on page 12

Pla'cello® → Refer to Engineering Business on page 12



Trading Business

Increasing motivation for transformation

As part of its DX promotion activities, in addition to the DX workshop and DX executive seminars for officers held during fiscal 2022, JFE Shoji has been continuing to offer DX literacy training as part of its position-specific training in fiscal 2023 to instill an awareness that the leaders of DX are employees themselves.

Purpose	Content	Targeted employees
<ul style="list-style-type: none"> Cultivate a DX promotion mindset (ownership) Instill awareness of significance and effects of using data efficiently 	<ul style="list-style-type: none"> Examples of DX in the steel industry Features of companies successful in DX Examples of effective use of data 	(1) Newly appointed general managers: 15 (July 2023) (2) Newly appointed managers: 22 (May 2023) (3) Persons promoted to managerial positions: 36 (May 2023)

