

Corporate Governance Report

(English Translation of the Japanese original)

This translation has been prepared for reference only. The Japanese language version will prevail if any discrepancy arises.

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JFE Holdings, Inc.

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The corporate governance of JFE Holdings, Inc. (hereinafter the “Company”) is as follows.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

With the aim of promoting sustainable growth of the Company and the JFE Group (or the “Group”) and medium to long-term corporate value, and achieving and hence further enhancing the best corporate governance to embody the Corporate Vision, the Company has established the “Basic Policy on Corporate Governance,” which is published on the Company’s website.

JFE Holdings, Inc. Basic Policy on Corporate Governance

<https://www.jfe-holdings.co.jp/en/company/info/pdf/basic-policy.pdf>

- (1) The Company continuously aims at achieving the best corporate governance and its further enhancement.
- (2) From the viewpoint of enhancing sustainable growth and medium to long-term corporate value of the JFE Group, the Company makes effort to pursue thoroughly fair, objective and transparent corporate governance based on the following basic concept.
 - ① The Company respects the rights of shareholders and makes effort to ensure an environment which allows shareholders to execute their rights appropriately, as well as to secure effective equal treatment of shareholders.
 - ② In addition to shareholders, the Company gives consideration to the interests of various stakeholders including employees, customers, business partners, creditors, local communities and cooperates with them appropriately.
 - ③ The Company discloses its information appropriately and ensures the transparency of the Company.
 - ④ The Company endeavors to ensure the effectiveness of the supervisory function of the Board of Directors on business execution as a core holding company of the JFE Group.
 - ⑤ The Company engages in constructive dialogue with shareholders to contribute to the enhancement of sustainable growth and medium to long-term corporate value.
- (3) The Company establishes and discloses the JFE Group’s “Corporate Vision,” “Corporate Values” and “JFE Group Standards of Business Conduct” which form the framework of basic business principles which are applicable to all business activities shared by all executives and employees of the JFE Group.

“Corporate Vision”

The JFE Group - contributing to society with the world’s most innovative technology

“Corporate Values”

A Challenging Spirit, Flexibility, Sincerity

“JFE Group Standards of Business Conduct”

All JFE Group personnel are required to faithfully adhere to the following Standards of Conduct in all corporate activities. These standards embody the JFE Group's Corporate Vision and go hand-in-hand with its Corporate Values.

Senior managers are responsible for communicating these standards to employees of Group companies and their supply chain partners, and in creating effective systems and mechanisms to ensure adherence to ethical standards.

Senior managers are also responsible for measures to prevent the recurrence of any violation of these standards. Additionally, they must report violations promptly and accurately to internal and external stakeholders, determine the persons of relevant authority and accountability, and resolve matters rigorously.

1. Provide quality products and services
Earn the trust and acclaim of customers by endeavoring to provide safe, high-quality products and services based on superior technologies, and by fully respecting and protecting the privacy of personal and customer information. Also, leverage our superior technologies for the sustainable growth of our Group and society.
2. Be open to society
Disclose corporate information actively and engage in constructive dialogues with diverse stakeholders to enhance our corporate value.
3. Work with communities
Actively contribute to host communities as a good corporate citizen by emphasizing harmony and cooperation.
4. Globalize
Endeavor to achieve understanding with people around the world, working from a global perspective and with respect to international norms, and also local cultures and customs.
5. Exist harmoniously with the global environment
Actively work to exist harmoniously with the global environment, as well as to raise living standards and advance societies.
6. Maintain proper relations with governments and political authorities
Endeavor to build and maintain sound and proper relationships with governments and political authorities.
7. Maintain crisis readiness
Firmly resist all elements and organizations that threaten social order and stability, and refuse all illegal or improper demands. Also, contribute to order and safety in society by thoroughly and methodically preparing for crises such as terrorism, cyber-attacks, natural disasters and others, including by ensuring the stable availability of products and services.
8. Respect human rights
Respect all employees and members of the general public as individuals and refrain from any discrimination in corporate activities.

(Translation for reference only)

9. Provide challenging work environments
Provide employees with attractive, safe, healthy and challenging work environments.
10. Comply with laws and ordinances
Comply with all applicable laws and ordinances, endeavor to compete fairly and freely, refrain from illegal business activities, promote sound business practices, and be faithful and sincere in all activities and dealings.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with and practices all the Principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4 Strategic-Shareholdings]

- (1) Policy on strategic holdings of listed stocks
 - 1) The Company's operating companies, namely JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation (hereinafter the "Operating Companies"), do not hold listed stocks as strategic holdings, in principle, provided, however, that stocks of a company deemed necessary for maintaining and growing the Group's businesses are exceptionally held as strategic shareholdings.
(Basic Policy on Corporate Governance 2-1.(5) 1))
 - 2) The Board of Directors meetings regularly confirm the significance of the strategic shareholdings and whether the benefits and risks of such holdings are commensurate with their capital cost, and sell strategic shareholdings if there is no significance of such shareholdings or there is a risk of damage to shareholders' interest.
(Basic Policy on Corporate Governance 2-1.(5) 2))
In FY2023, the Company sold all or part of 16 stocks for 21.6 billion yen (on a market value basis).
Furthermore, the Board of Directors, at a meeting held in September 2023, examined the significance of its strategic holdings and the return on investment from the above perspective.
- (2) Standards on the exercise of voting rights of strategic holdings
The exercise of voting rights of strategic shareholdings is decided upon reviews by Operating Companies on content of the proposal and is appropriately implemented in consideration of shareholder interest. To be specific, the content of the proposal is to be checked by the investment application department and the investment control department, and approval will be given to proposals which are considered to pose no threat to the maximization of interest of these Operating Companies as shareholders.
(Basic Policy on Corporate Governance 2-1.(5) 3))

[Principle 1.7 Related Party Transactions]

- (1) Competing transactions and conflict of interest transactions between the Company and Directors or Corporate Officers are to be specified as approval matters in the Board of Directors meeting in accordance with the regulations of the Board of Directors. If such transactions are to be initiated, the transactions have to be discussed and approved in the Board of Directors meeting with regard to the rationality, validity, etc. to ensure that the transactions shall not damage the interest of the Company and its shareholders.
- (2) The Company discloses material facts concerning the transactions stated in the preceding paragraph in an appropriate manner in accordance with laws and regulations.
- (3) In order to prevent related parties of the Company from carrying out any insider trading, the Company stipulates regulations concerning the handling of undisclosed material facts and applies them strictly.
(Basic Policy on Corporate Governance 2-1.(7))

(Translation for reference only)

[Supplementary Principle 2.4.1 Ensuring Diversity in the Appointment, etc. of Core Human Resources]

< Diversity and inclusion >

In this rapidly changing business environment, we believe that the mixing of various values and views will give rise to unprecedented ideas and solutions, which will lead to the sustainable enhancement of corporate value. For this reason, the JFE Group positions the promotion of diversity and inclusion as an important management issue, and is working to create an environment where human resources with diverse backgrounds, including gender, nationality and values, and differing lifestyles, are able to demonstrate their capabilities. With regard to the active participation of women in particular, we revised the appointment of female employees in managerial positions and the ratio of female hires to more ambitious KPIs from FY2022 following discussions by the Board of Directors. Each Operating Company formulates and implements company-wide policies through discussions with top executives, and promotes various measures from the perspectives of “recruitment” to increase the number of female candidates for managerial positions, “establishment” such as enhancing internal and external networking and presenting role models, and “placement and training” such as creating individual training programs for female employees.

In addition, in response to “having women account for at least 10% of employees qualified as section managers and above by 2030 (of which, at least 20% should be in the administrative and sales divisions),” which is the KPI related to the appointment of female managers, the current percentage of women among employees qualified as section managers and above in the Company and Operating Companies is 3.9%, and the Company will continue to actively promote the appointment of female employees in managerial positions.

The company appointed a female Audit & Supervisory Board Member in June 2019 and a female Director in June 2020.

The Company proactively hires diverse human resources for its mid-career hires, including those with experience of other industries. The Company engages in fair evaluation regardless of hiring period. Currently, however, the percentage of mid-career hires qualified as section managers and above at the Company and its operating companies stands at 18.1%. Going forward, the Company will strive to promote them to managerial positions with the goal of exceeding the current level.

Each Operating Company hires around 10 foreign nationals each year and aims to train them as core human resources to promote them to managerial positions. The Company and its Operating Companies foster and appoint employees without differentiation based on nationality. Going forward, the Company will strive to promote them to managerial positions with the goal of exceeding the current level.

<Human resource development>

We are working to enhance training and education, emphasizing the enhancement of each employee’s capabilities and the fostering of global human resources suited to the expansion of overseas business. We are also focusing on securing and training the human resources necessary to promote our DX strategy, which is one of the JFE Group’s management strategies. For example, JFE Steel Corporation is proceeding with the training of internal data scientists by reskilling in-house human resources who are familiar with actual operations and manufacturing processes according to their proficiency level. Approximately 610 persons have been trained as at the end of FY2023, and the number will increase to 660 persons by the end of FY2024.

<Creating a rewarding workplace>

We are working to create an in-house environment where employees feel rewarded so that diverse human resources can actively demonstrate their capabilities.

The JFE Group aims to provide diverse employees with work that gives them a sense of job satisfaction and fulfilment by allowing each employee to choose a flexible working style in accordance with their circumstances, which in turn leads to improved productivity at the company and is promoting initiatives for new work styles. For example, we are promoting telework by expanding the work-from-home system, introducing the core-less flex-time system, introducing chat and online conferencing tools, promoting RPA, and going paperless with the aim of creating high-added-value work styles through such initiatives. In addition, in order to improve work-life balance, we are developing a culture that makes it easier to take vacations by setting recommended annual leave days.

The Company and each Operating Company conduct an engagement survey once a year to regularly understand employee awareness, identify issues related to job satisfaction, etc., and consider measures.

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For example, JFE Steel Corporation newly established in April 2024 the “Human Resources Strategy Headquarters” in charge of not only the personnel system but also implementing multifaceted measures that include corporate culture change, promoting corporate reform initiatives aimed at increasing employee job satisfaction and enabling the company and its employees to grow together. The company plans to implement a series of measures going forward, including formulating a company purpose, investing in offices and welfare facilities, mainly at manufacturing sites, to create a more positive working environment, and revising the personnel and wage system with the aim of improving the job satisfaction of each employee.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

In 2011, JFE Steel Corporation and JFE Engineering Corporation transitioned from a defined benefit pension plan to a defined contribution pension plan, and the employees eligible for the corporate pension personally manage their pension assets. However, the part of the pension attributable to the pension recipients and the qualified recipients at the time of the transition is being managed at and paid out from a general account of a major life insurance company.

JFE Shoji Corporation has a defined benefit pension plan. The company avoids conflicts of interests between pension fund beneficiaries and the company by entrusting the management of the defined benefit pension plan to an asset manager who has declared its acceptance of the Stewardship Code, and each asset manager makes investment decisions and exercises voting rights at its discretion.

Each company has assigned a person in charge of pension management to its finance division, and conducts regular monitoring of the asset managers, while making efforts to foster human resources to engage in the management of pension assets.

[Principle 3.1 Full Disclosure]

- (1) The Group has established and discloses its “Corporate Vision,” “Corporate Values” and “JFE Group Standards of Business Conduct.” Please refer to “I.1. Basic Views” of this report.

(Basic Policy on Corporate Governance 1-2.(3))

The Group also formulated and discloses its Medium-term Business Plan. Detailed information is available on the Company’s website.

Medium-Term Business Plan

<https://www.jfe-holdings.co.jp/en/investor/management/plan/index.html>

- (2) “Basic Policy on Corporate Governance” which stipulates the basic concept, framework and operation policy concerning corporate governance of the Group has been established and is disclosed on the Company’s website.

JFE Holdings, Inc. Basic Policy on Corporate Governance

<https://www.jfe-holdings.co.jp/en/company/info/pdf/basic-policy.pdf>

(Basic Policy on Corporate Governance 1-2., 4-1.)

- (3) Policies and procedures in determining the remuneration of senior management and Directors by the Board of Directors

Policy and procedures in determining the remuneration of Directors, etc. are stated in “II.1.(6) Director Remuneration” of this report.

In October 2015, the Company established the Remuneration Committee which comprises of a majority of Outside Directors/Audit & Supervisory Board Members and acts as an advisory body of the Board of Directors to ensure fair, objective and transparent remuneration of Directors.

The Remuneration Committee deliberates matters pertaining to the basic policy on the remuneration of Directors, etc. of the Company and the Operating Companies, and reports to the Board of Directors.

(Basic Policy on Corporate Governance 4-6.(4))

- (4) Policies and procedures in appointing and dismissing senior management and nominating candidates for Directors and Audit & Supervisory Board Members by the Board of Directors

- Based on the following views, the Board of Directors decides the candidates for Directors with the involvement and advice of Outside Directors, and election will be carried out at the General Meeting of Shareholders.

- 1) The Company’s Board of Directors comprises of members who possess diversified knowledge, experiences and abilities. The number of the Directors shall not exceed 12.

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- 2) With regard to inside Directors, persons with appropriate insight to bear decision-making of management of the whole Group and supervision of business execution will be elected from those who possess profound understanding and knowledge on the business by way of processes such as engagement in management of the Company or each Operating Company.
 - 3) The Company elects several Independent Outside Directors with composing one-third or more of the Directors by Independent Outside Directors. Independent Outside Directors will be elected from persons who are appropriate to bear the responsibility of strengthening governance such as those who possess abundant experience as management in global enterprises or experts who possess profound knowledge, and satisfy the Company's Independence Standards.
- Based on the following views, the Board of Directors decides the candidates for Audit & Supervisory Board Members with the consent of the Audit & Supervisory Board as well as the involvement and advice of Outside Directors, and election will be carried out at the General Meeting of Shareholders.
 - 1) The Audit & Supervisory Board comprises of members who possess sufficient knowledge concerning finance and accounting. The number of Audit & Supervisory Board Members shall not exceed 6, among which half or more shall be Outside Audit & Supervisory Board Members.
 - 2) With regard to inside Audit & Supervisory Board Members, persons with knowledge and experience enabling the auditing of execution of duties by Directors in an accurate and fair manner, who delivers an insight appropriate to bear the supervision function will be elected from those who possess profound understanding and knowledge on the business by way of processes such as engagement in management or auditing of the Company or each Operating Company.
 - 3) The Company elects several Independent Outside Audit & Supervisory Board Members. Independent Outside Audit & Supervisory Board Members will be elected from persons who are appropriate to bear the role of enhancing auditing function such as those who possess abundant experience as management in global enterprises or experts who possess profound knowledge, and satisfy the Company's Independence Standards.

In October 2015, the Company established the Nomination Committee which comprises of a majority of Outside Directors/Audit & Supervisory Board Members, and acts as an advisory body of the Board of Directors.

The Nomination Committee deliberates and reports to the Board of Directors on matters pertaining to the basic policy on the election and dismissal of the President of the Company, proposals for the election of candidates for the President of the Company, succession plans of the President of the Company, and the nomination of candidates for Outside Directors and Outside Audit & Supervisory Board Members.

Furthermore, in the case where any circumstances requiring the dismissal of the President of the Company occur, the Nomination Committee deliberates and reports to the Board of Directors in a timely manner.

The Board of Directors deliberates these matters based on the report from the Nomination Committee.

(Basic Policy on Corporate Governance 4-2.(2) and (5), 4-3.(2) and (4), 4-6.(3))

- (5) Explanation on each individual election, dismissal and nomination in electing and dismissing the senior management and nominating candidates for Directors and Audit & Supervisory Board Members

With regard to the reasons for election of candidates for Outside Directors/Audit & Supervisory Board Members, "Reasons for Election" are stated in "II.1. (2) Directors and (3) Audit & Supervisory Board Members" of this report.

Reasons for election of inside Directors/inside Audit & Supervisory Board Members are as follows:

(Translation for reference only)

[Inside Directors]

Yoshihisa Kitano

Mr. Kitano has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations in steel making technology and production control departments, and execution of duties as Corporate Officer such as supervision of steel works and overseas business, corporate planning, and IT in JFE Steel Corporation, the Group's core company. He also has abundant experience and knowledge as a corporate manager, which was nurtured through his experience as Representative Director, President and CEO of JFE Steel Corporation. Currently, as Representative Director, President and CEO of the Company, he is striving to sustain the growth and enhance the corporate value of the Group. For these reasons, the Company has judged Mr. Kitano to be suitable as a Director of the Company.

Masayuki Hirose

Mr. Hirose has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations related to sales of steel products and management of group companies, and execution of duties as Corporate Officer in the corporate planning division and management divisions such as general administration and procurement departments in JFE Steel Corporation, the Group's core company. Currently, as Representative Director, President and CEO of JFE Steel Corporation, he is making aggressive efforts such raising selling prices, strengthening the revenue base through expanded sales of high value-added products, deepening overseas business strategies, and promoting growth strategies through expansion of the solutions business. For these reasons, the Company has judged Mr. Hirose to be suitable as a Director of the Company.

Masashi Terahata

Mr. Terahata has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations such as general administration and legal departments in the Company as well as operations in human resources and labor relations departments, and execution of duties as Corporate Officer in management divisions such as accounting, finance and procurement departments in JFE Steel Corporation, the Group's core company. He also has abundant experience and knowledge as a corporate manager through his experience as Representative Director and Executive Vice President of JFE Steel Corporation, and currently, as Representative Director, Executive Vice President of the Company, he is engaged in management control of the Group and implementation of financial and capital policies, while implementing management control of JFE Steel Corporation, the Group's core company, as its part-time Director. For these reasons, the Company has judged Mr. Terahata to be suitable as a Director of the Company.

Toshinori Kobayashi

Mr. Kobayashi has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in operations related to sales of automobile steel, and execution of duties as Corporate Officer such as supervision of sales divisions in JFE Steel Corporation, the Group's core company. In addition, Mr. Kobayashi has abundant experience and knowledge as a corporate manager, which was nurtured through his experience as Representative Director and Executive Vice President of JFE Steel Corporation. Currently, as Representative Director, President and CEO of JFE Shoji Corporation, the Group's core company, he is making aggressive efforts such as reinforcing the domestic earnings base, and expanding overseas business. For these reasons, the Company has judged Mr. Kobayashi to be suitable as a Director of the Company.

Kazuyoshi Fukuda

Mr. Fukuda has abundant experience and knowledge required in management of the Group, which he has accumulated through his experience in sales and design of businesses related to water and wastewater treatment plants, his management experience at group companies of JFE Engineering Corporation, the Group's core company, and his execution of a wide range of duties as Corporate Officer such as promotion of recycling business and supervision of overseas

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business in JFE Engineering Corporation. In addition, Mr. Fukuda has abundant experience and knowledge as a corporate manager, which was nurtured through his experience as Senior Vice President of JFE Engineering Corporation, and currently, as Representative Director, President and CEO of JFE Engineering Corporation., he is making aggressive efforts such as reinforcing the domestic earnings base, and expanding overseas business. For these reasons, the Company has judged Mr. Fukuda to be suitable as a Director of the Company.

[Inside Audit & Supervisory Board Members]

Nobuya Hara

Mr. Hara has abundant experience and knowledge of finance and accounting, which he has accumulated through work in corporate planning, accounting and finance at JFE Steel Corporation, the Group's core company, and through accounting work at the Company. He also has abundant experience and knowledge acquired through work in management of group companies at JFE Steel Corporation and while serving as an Audit & Supervisory Board Member of JFE Steel Corporation. Based on such experience and knowledge, as well as his performance as an Audit & Supervisory Board Member of the Company since he assumed office as such, the Company has judged Mr. Hara to continue to execute appropriately his duties as an Audit & Supervisory Board Member.

Nakaba Akimoto

Ms. Akimoto has abundant experience in properly designing and operating the Group's internal control systems and other operations through work in legal affairs of the Company and JFE Steel Corporation, the Group's core company. In addition, she has insights as a lawyer in the State of New York, U.S.A. and is currently serving as an Audit & Supervisory Board Member of JFE Engineering Corporation and JFE Shoji Corporation, which are the core companies of the Group. Based on such experience and knowledge, we believe that she is capable of accurately and fairly auditing the execution of duties by the Directors, and we have judged Ms. Akimoto to be suitable as an Audit & Supervisory Board Member of the Company.

[Supplementary Principle 3.1.3 Sustainability Initiatives, etc.]

<Sustainability Initiatives>

With regard to the JFE Group's sustainability initiatives, the Company has prepared and published the "JFE GROUP REPORT (Integrated Report)" summarizing the Company's value creation initiatives, as well as the "JFE Group Sustainability Report" comprehensively describing the Company's initiatives from an ESG perspective.

JFE GROUP REPORT (Integrated Report)

<https://www.jfe-holdings.co.jp/en/investor/library/group-report/index.html>

JFE Group Sustainability Report

<https://www.jfe-holdings.co.jp/en/sustainability/index.html>

<System for Promoting Sustainability>

From the perspective of preventing damage to and enhancing the corporate value of the JFE Group, we have established the JFE Group Sustainability Council, chaired by the President of JFE Holdings Inc., and composed of the Vice President, Corporate Officers, full-time Audit & Supervisory Board Members, and the Presidents of each operating company, etc., as a system to supervise and guide the sustainability initiatives of the entire Group, including risk management. Under the JFE Group Sustainability Council, we have established the JFE Group Compliance Committee, the JFE Group Environmental Committee, the JFE Group Internal Control Committee, the JFE Group Information Security Committee, the Public Disclosure Committee, and the Corporate Value Enhancement Committee to supervise policy deliberations as a Group and the status of policy penetration, share information on issues, problems that have arisen and examples of countermeasures, and to supervise and guide the JFE Group's sustainability initiatives. In addition, topics discussed by the JFE Group Sustainability Council include the Group's basic policies, activity plans, details of important measures, and responses to important situations. These topics are regularly reported to and discussed by the Board of Directors, and thereby the Council receives instructions from and is supervised by the Board of

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Directors.

Each Operating Company has its own organizational body, which operates in collaboration with the JFE Group Sustainability Council to promote Group-wide initiatives from the perspective of preventing damage to and enhancing the corporate value of the JFE Group. JFE Steel Corporation has established committees and sub-committees under the Sustainability Council in areas such as compliance, global environment, risk management, safety and disaster prevention, customer satisfaction, social contributions, etc., and has been actively conducting the activities in each area, while promoting sustainability awareness together with the Group companies. JFE Engineering Corporation and JFE Shoji Corporation have also established committees related to compliance and the environment, and are working on sustainability.

In order to enhance environmental initiatives, each Operating Company established not only an independent environmental management organization but also a system for environmental audits by the internal auditing department, and is also striving to further ensure quality control. In order to prevent the occurrence of fraud concerning quality assurance, each Operating Company, including the Group companies, has a quality assurance management organization which is independent from design and manufacturing departments and conducts audits on quality assurance.

<TCFD Disclosure>

In May 2019, the Company announced its endorsement for the final report of the Task Force on Climate-related Financial Disclosures (TCFD) released in June 2017. In the “JFE GROUP REPORT (Integrated Report)” and the “JFE Group Sustainability Report,” the Company has proclaimed that it views the response to climate change as a critical management issue for the JFE Group, and that the Group is communicating a long-term vision and messages, engaging in scenario analyses and improving and expanding information disclosure in line with TCFD recommendations, and proactively addressing risks and opportunities in order to support the sustainable growth of the Group.

<Investment, etc. in Human Capital and Intellectual Property>

For the JFE Group to continue to enhance corporate value into the future in this increasingly complex and rapidly changing business environment, the power of each employee who supports this is important. The Company has established the “JFE Group’s Basic Policy on Human Resources Management” and the “JFE Group Health Declaration,” and we are working on measures to maximize the capabilities and activities of employees through investment in human capital.

The Company has published these initiatives in the “JFE GROUP REPORT (Integrated Report)” and the “JFE Group Sustainability Report.”

Furthermore, as an investment in intellectual property, the JFE Group conducts highly creative R&D regarding intellectual property at each Operating Company. The formulation of Group-wide R&D strategy and the selection and promotion of important, cross-functional issues is discussed at meetings of the Group Management Strategy Committee chaired by the President of the Company, and these are engaged in by all Operating Companies working together as one. Key R&D initiatives, the current state of R&D, and R&D results at each Operating Company, in addition to R&D expenses for the entire Group for the fiscal year, are published in the Annual Securities Report. Furthermore, as an R&D result, the Group’s number of domestic and overseas registered patents is published in the JFE GROUP REPORT (Integrated Report). During the Seventh Medium-term Business Plan period (2021 to 2024), the Company plans to invest 340 billion yen and 120 billion yen, respectively, in GX*1 and DX*2 including R&D.

*1 Green transformation

*2 Digital transformation

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[Supplementary Principle 4.1.1 Summary of Scope of Delegation from the Board of Directors to Management]

- (1) Based on the fiduciary duty to shareholders, the Board of Directors takes the responsibility to ensure sustainable growth of the Company and the enhancement of medium to long-term corporate value. In accordance with laws and regulations, the Articles of Incorporation and related regulations of the Company such as the regulations of the Board of Directors, the Board of Directors makes material decisions on management including formulation of management plans of the Group and basic policies on management. Further, the Board of Directors supervises the overall management including business execution by the executive person.
- (2) According to the internal rules of the Company, the Company establishes clear standards which clarify the authority of decision-making and the decision-making procedures concerning the matters pertaining to the Company and each company within the Group, and significant matters are subject to deliberation at the Company's JFE Group Management Strategy Committee or Management Committee and resolution of the Company's Board of Directors.
- (3) For the purpose of facilitating prompt decision-making related to business execution, the authority of making decisions other than those related to significant business execution set forth in the regulations of the Board of Directors, in principal, is given to Corporate Officers in charge of the corresponding business.

(Basic Policy on Corporate Governance 4-2.(1))

[Principle 4.9 Independence Standards for Independent Directors]

The Company has established a set of Standards for Independence of Outside Directors/Audit & Supervisory Board Members, the outline of which is stated in "II.1.(4) Independent Directors/Audit & Supervisory Board Members" of this report and disclosed on the Company's website.

Standards for Independence of Outside Directors/Audit & Supervisory Board Members of JFE Holdings, Inc.

<https://www.jfe-holdings.co.jp/en/company/info/pdf/independence.pdf>

(Basic Policy on Corporate Governance, Appendix, 4-2.(2) and (5))

[Supplementary Principle 4.10.1 Appropriate Involvement and Advice of Independent Outside Directors through the Establishment of an Independent Nomination Committee and Remuneration Committee]

In October 2015, the Company established the Nomination Committee and Remuneration Committee which act as an advisory body of the Board of Directors to ensure fair, objective and transparent personnel affairs and remuneration of the Board of Directors.

Both committees comprise of a majority of Outside Directors/Audit & Supervisory Board Members, respectively, and the chairpersons are determined from Outside Directors/Audit & Supervisory Board Members. Details of both committees are stated in "II. 1. Supplementary Explanation" of this report.

[Supplementary Principle 4.11.1 View on Appropriate Balance between Knowledge, Experience and Skills of the Board of Directors as a Whole, and on Diversity and Size of the Board]

- (1) The Company's Board of Directors comprises of members who possess diversified knowledge, experiences and abilities. The number of the Directors shall not exceed 12.
- (2) With regard to inside Directors, persons with appropriate insight to bear decision-making of management of the whole Group and supervision of business execution will be elected from those who possess profound understanding and knowledge on the business by way of processes such as engagement in management of the Company or each Operating Company.
- (3) The Company elects several Independent Outside Directors with composing one-third or more of the Directors by Independent Outside Directors. Independent Outside Directors will be elected from persons who are appropriate to bear the responsibility of strengthening governance such as those who possess abundant experience as management in global enterprises or experts who possess profound knowledge, and satisfy the Company's Independence Standards.
(Basic Policy on Corporate Governance 4-2.(2))
- (4) The Board of Directors identifies the skills needed for Company management and, per the Appendix, prepares a summary matrix of the main skills, etc. which each Director and Audit & Supervisory Board Member possesses. The Board of Directors will continue to review the skills, etc. needed by the Company and disclose these in a timely manner.

One of the eight Directors and one of the five Audit & Supervisory Board Members are female. In addition, in terms of internationality as well, the Company has elected Directors and Audit &

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Supervisory Board Members who have abundant knowledge, experience and ability as corporate managers of global enterprises.

The Company will continue to strive to ensure diversity of the Board composition not only in terms of knowledge and experience in various fields but also in terms of gender and internationality.

[Supplementary Principle 4.11.2 Concurrent Posts Assumed by Directors and Audit & Supervisory Board Members]

The Company discloses significant concurrent positions of Directors and Audit & Supervisory Board Members as well as candidates thereof in the Notice of the Ordinary General Meeting of Shareholders of the Company each year.

Notice of the 22nd Ordinary General Meeting of Shareholders -page40-

<https://www.jfe-holdings.co.jp/en/investor/kabushiki/pdf/shosyu/22-20240606.pdf>

The significant concurrent positions of Outside Directors and Outside Audit & Supervisory Board Members as of the date of the update of this report are also shown in “II.1.(2) Directors” and “(3) Audit & Supervisory Board Members” of this report.

(Basic Policy on Corporate Governance 4-2.(4) 2), 4-3.(3) 2))

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Effectiveness of the Board of Directors]

In line with the Basic Policy on Corporate Governance, the Board of Directors of the Company has been evaluating the overall effectiveness of the Board of Directors since FY2015 and has been conducting analysis and evaluation by using a third-party organization to incorporate an objective standpoint independent from the Company since FY2018. In FY2023, the Company conducted a survey aimed at all the Directors and Audit & Supervisory Board Members concerning the following items.

In addition, the results of the initiatives taken in FY2023, based on opinions and recommendation obtained from the analysis and evaluation conducted in FY2022, were also examined.

[Main content of survey]

- I. Operational framework for the Board of Directors
(Composition and operations of the Board of Directors, support and cooperation framework of the Secretariat, and culture)
- II. Supervision function of the Board of Directors and functions of the advisory committees
(Supervision function and status of discussions at the Board of Directors, status of discussions at the advisory committees, etc.)
- III. Relationships with shareholders and stakeholders

As a result of discussions at the Board of Directors based on the survey results and evaluation by the third-party organization, the Board of Directors determined that its overall effectiveness was ensured through robust discussions at its meetings, as comments were proactively expressed, with the help of substantial preliminary briefing sessions at meetings of Outside Directors and Outside Audit & Supervisory Board Members and appropriate proceedings by the chairperson.

Initiatives in FY2023 based on the evaluation results of the Board of Directors’ effectiveness up to last year are as follows:

- In addition to reviewing KPIs related to diversity and inclusion and human resource development and discussing the Corporate Ethics Awareness Survey that has been conducted in the past, the Company had the results of engagement surveys and responses to them reported to the Board of Directors, thereby enhancing discussions on human capital management.
- The Company had initiatives for carbon neutrality and human rights due diligence reported to the Board of Directors to check their progress and discuss next challenges. Furthermore, the Company had sustainability issues and risk management matters, such as the Group’s BCP development and biodiversity policy, reported to the Board of Directors in order to enhance discussions on them.
- The Company enhanced reporting on risk information at the operating companies and the Group companies, as well as initiatives for management issues. In addition, to further promote compliance awareness and prevent risks from materializing, the frequency of the Corporate Ethics Awareness Survey was revised with the aim of identifying issues in a more timely manner. We will continue to improve our group-wide risk management based on Board discussions.

(Translation for reference only)

The accurate and fair auditing of Directors' execution of their duties by Audit & Supervisory Board Members and their proactive voicing of opinions and questions regarding the management decision-making and reporting at the Board of Directors meetings have vitalized deliberations at the Board meetings. It was thus determined that the Company is functioning effectively as a company with an Audit & Supervisory Board.

Furthermore, the following main issues were extracted from this survey for further improvement of effectiveness.

- To achieve sustainable growth, the Company should evaluate its vision for the Group and long-term strategy, while also further enhancing discussions on critical management issues such as human capital management and respect for human rights.
- From the perspective of improving corporate value, the Company should organize agenda items for the Board of Directors in order to achieve both speedy decision-making and the supervisory function, while also continuing to evaluate its governance structure, including further diversity enhancement.
- To further strengthen risk management across the Group, the Company should continue to consider enhancing reporting to the Board of Directors on risk information, including that of subsidiaries and affiliates.

Bearing the above points in mind, initiatives will be proactively undertaken to further increase the effectiveness of the Board of Directors and enhance the corporate value of the Group.

(Basic Policy on Corporate Governance 4-2.(7))

[Supplementary Principle 4.14.2 Training Policy for Directors and Audit & Supervisory Board Members]

With regard to matters concerning laws and regulations, corporate governance and risk management, etc. necessary for appropriate accomplishment of the roles and duties of Directors and Audit & Supervisory Board Members, the Company provides training opportunities and funding support appropriate for each Director and Audit & Supervisory Board Member at the time they assume office and continuously thereafter. In addition, especially for Outside Directors and Outside Audit & Supervisory Board Members, information is provided such as briefings on the Company's business content, performance, finance and management issues and site visits of major business bases.

(Basic Policy on Corporate Governance 4-5.)

[Principle 5.1 Policies concerning Improvement of Systems and Measures for Promoting Constructive Dialogue with Shareholders]

- (1) The Company makes effort to contribute to the enhancement of sustainable growth of corporate value through dialogue with shareholders and investors, and establishes the Investor Relations and Corporate Communications Dept. responsible for promoting constructive dialogue.
- (2) In addition to the appointment of Directors/Corporate Officers who supervise and are in charge of the Investor Relations and Corporate Communications Dept. as the persons responsible for promoting constructive dialogue with shareholders and investors, the Investor Relations and Corporate Communications Dept. acts as the core and ensures close collaboration including appropriate exchange of information with related departments providing assistance to facilitate dialogue.
- (3) In order to promote active dialogue with institutional investors, a Representative Director offers various briefings concerning Medium-term Business Plan and results announcements, etc., and domestic and international investors' interviews, etc. With regard to individual shareholders and investors, corporate briefings and plant tours are organized.
- (4) The Company collects opinions and questions from the dialogue regularly, reports and shares information with Directors, Audit & Supervisory Board Members and Corporate Officers.
- (5) The Company establishes the disclosure policy and endeavors to prevent leakage of insider information and provide fair disclosure.

(Basic Policy on Corporate Governance 2-1.(3))

The status of dialogue implementation in FY2023 based on the above policy is as follows.

- Main persons engaged in dialogue with shareholders: Representative Director, Directors/Corporate Officers who supervise and are in charge of the Investor Relations and Corporate Communications Dept.

(Translation for reference only)

- Overview of shareholders with whom dialogue was held:
 - IR interviews (mainly aimed at fund managers and analysts of institutional investors): 54 domestic companies (181 interviews), 86 overseas companies (150 interviews)
 - SR interviews (mainly aimed at institutional investors in charge of ESG and the exercise of voting rights of institutional investors): 25 domestic companies (44 interviews), 18 overseas companies (25 interviews)
 - Investors' meetings and ESG briefings (aimed at analysts and persons in charge of ESG, etc.): 5 times in total
 - Online corporate briefings (aimed at individual investors): About 2,000 views
 - On-site/online plant tours (mainly aimed at individual investors): Approximately 1,900 persons (14 times in total)
- Main dialogue themes and matters of interest to shareholders:
 - Performance and share price
 - PBR (Price-to-Book Ratio)
 - Progress of the Medium-term Business Plan and growth strategy
 - Efforts to address ESG issues (carbon neutrality, human rights due diligence, diversity and inclusion, linking non-financial indicators to remuneration for Directors and Corporate Officers, etc.)
- Status of feedback to Senior Management and the Board of Directors regarding opinions and concerns identified through dialogue:

As stated in the above policy (4). What we have learned through dialogue and the results of that internal feedback have been incorporated into many of our efforts to address ESG issues, including carbon neutrality initiatives, and related information disclosure.

The following are some of those initiatives.

<Measures>

 - Establishment and revision of CO2 emission reduction targets
 - Start of human rights due diligence
 - Introduction of non-financial indicators to remuneration for Directors and Corporate Officers
 - Start of initiatives in line with TNFD's LEAP approach

<Information disclosure/enhancement>

 - Disclosure of investment projects and others aimed at achieving CO2 emission reduction targets
 - Disclosure of climate change KPI portion in remuneration for Directors and Corporate Officers

[Measures to realize management that is aware of capital cost and share price] [Update date:2024/06/25]
The Company recognizes the share price as one of the critical management indicators. In the Seventh Medium-term Business Plan (2021 to 2024, hereinafter the "7th Medium-term Plan") announced in May 2021, the Company is aiming to consistently achieve ROE (10% or more) that exceeds the cost of equity capital.

However, the Company's PBR (Price-to-Book Ratio) is well below 1.0. This may be because the steel industry's performance is highly volatile, and the future of the steel industry remains highly uncertain amid the declining birthrate, aging population, and decarbonization.

Under such circumstances, in terms of performance volatility, we believe that we have built, to a certain extent, a structure that generates stable earnings not affected by the external environment, through structural reforms and a pivot from quantity to quality in the steel business under the 7th Medium-term Plan.

Going forward, we will make aggressive investments based on stable earnings and steadily achieve ROE that exceeds the cost of equity capital, demonstrating a growth strategy welcomed by the market.

Furthermore, in response to market concerns over decarbonization, we will strive to complete the development of ultra-innovative technologies aimed at achieving carbon neutrality by mid-2030.

By the end of FY2024, we will formulate a long-term vision that incorporates these goals and the next Medium-term Business Plan based on that vision. We will proactively disclose the progress and results of the vision and the plan through investor relations activities and other means, with an aim to increase corporate value and improve market valuation.

(Translation for reference only)

2. Capital Structure

- (1) Foreign Shareholding Ratio 30% or more
(2) Status of Major Shareholders

Name / Company Name	Number of Shares Owned (Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	88,084,600	13.84
Custody Bank of Japan, Ltd. (trust account)	41,265,220	6.48
Nippon Life Insurance Company	15,855,261	2.49
JFE Employees Stock Ownership Plan	13,096,772	2.06
JPMorgan Securities Japan Co., Ltd.	12,504,093	1.96
STATE STREET BANK WEST CLIENT – TREATY 505234	12,464,990	1.96
Mizuho Bank, Ltd.	9,776,680	1.54
JFE Business Partners Stock Ownership Plan	9,623,767	1.51
JP MORGAN CHASE BANK 385781	8,068,533	1.27
The Dai-ichi Life Insurance Company, Limited	7,679,625	1.21

- (3) Controlling Shareholder (except for Parent Company) —
(4) Parent Company None
(5) Supplementary Explanation

- 1) Mizuho Bank, Ltd. submitted the Report of Possession of Large Volume (Change Report), available for public inspection as of June 22, 2023 (date on which reporting obligation arose: June 15, 2023), which states that four companies jointly own the following shares. However, as of March 31, 2024, the Company could not confirm the number of beneficially owned shares and thus did not include them in the Status of Major Shareholders, as stated above. The shareholding status of the report is as follows.

Name / Company Name	Number of share certificates owned (thousand shares)	Holding ratio of share certificates, etc. (%)
Mizuho Bank, Ltd.	9,776	1.59
Mizuho Securities Co., Ltd.	1,164	0.19
Mizuho Trust & Banking Co., Ltd.	677	0.11
Asset Management One Co., Ltd.	14,420	2.35
Total	26,039	4.24

- 2) Nomura Securities Co., Ltd. submitted the Report of Possession of Large Volume (Change Report), available for public inspection as of October 6, 2023 (date on which reporting obligation arose: September 29, 2023), which states that three companies jointly own the following shares. However, as of March 31, 2024, the Company could not confirm the number of beneficially owned shares and thus did not include them in the Status of Major Shareholders, as stated above.

The shareholding status of the report is as follows.

Name / Company Name	Number of share certificates owned (thousand shares)	Holding ratio of share certificates, etc. (%)
Nomura Securities Co., Ltd.	5,375	0.84
NOMURA INTERNATIONAL PLC	2,261	0.35
Nomura Asset Management Co., Ltd.	27,268	4.26
Total	34,905	5.39

(Translation for reference only)

- 3) Nomura Securities Co., Ltd. submitted the Report of Possession of Large Volume (Change Report), available for public inspection as of December 5, 2023 (date on which reporting obligation arose: November 30, 2023), which states that ten companies jointly own the following shares. However, as of March 31, 2024, the Company could not confirm the number of beneficially owned shares and thus did not include them in the Status of Major Shareholders, as stated above.

The shareholding status of the report is as follows.

Name / Company Name	Number of share certificates owned (thousand shares)	Holding ratio of share certificates, etc. (%)
BlackRock Japan Co., Ltd.	11,990	1.88
BlackRock Advisers, LLC	1,431	0.22
BlackRock Financial Management, Inc.	779	0.12
BlackRock Fund Managers Limited	1,174	0.18
BlackRock Asset Management Canada Limited	836	0.13
BlackRock Asset Management Ireland Limited	4,226	0.66
BlackRock Fund Advisors	11,731	1.83
BlackRock Institutional Trust Company, N.A.	8,186	1.28
BlackRock Investment Management (UK) Limited	1,242	0.19
iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen	1,291	0.20
Total	42,891	6.70

3. Corporate Attributes

(1) Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
(2) Fiscal Year-End	March
(3) Type of Business	Iron & Steel
(4) Number of Employees (consolidated) as of the End of the Previous Fiscal Year	1,000 or more
(5) Sales (consolidated) as of the End of the Previous Fiscal Year	1 trillion yen or more
(6) Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	300 or more

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

- (1) Significance of having listed subsidiaries and affiliates based on group management approach and policies

To put into practice its Corporate Vision of “contributing to society with the world’s most innovative technology” and to realize sustainable growth and enhancement of medium- to long-term corporate value, the Company forms a corporate group comprising companies with high expertise, divides business functions within the Group and conducts businesses development outside of the Group. Within this corporate group, JFE Steel Corporation, a subsidiary of the Company, owns one listed subsidiary and four listed affiliates described below.

For the listed subsidiary among them, the Company seeks an optimal structure based on the business

(Translation for reference only)

relationship with JFE Steel Corporation, its parent company, and maintains its listing based on a comprehensive judgement that listing is necessary for the company's growth and increasing the value of the Group as a whole, from the perspective of market recognition and credibility in funding, sales and marketing, and hiring.

In addition, the four listed affiliates maintain their listing as a means to enhance their competitiveness from the perspectives of market recognition and credibility in funding, sales and marketing, and hiring. JFE Steel Corporation holds some shares in the four companies because of associated benefits such as the exchange of steel manufacturing-related technologies and human resources.

<Listed subsidiary>

[JFE Systems, Inc.] (Tokyo Stock Exchange, Standard Market)

JFE Systems is mainly engaged in systems integration and solutions for the planning, design, development, operation, and maintenance of information systems, as well as in building systems using its products and IT infrastructure solutions that support business systems.

Computer systems in the steel business support overall business activities, such as receiving orders, manufacturing, shipping products, and controlling quality, and are an important base for using diverse data. In addition, as digital transformation (DX) progresses, ensuring the accumulation of know-how and the continuity of personnel exchange will be essential for maintaining the competitiveness of JFE Steel Corporation.

JFE Systems, Inc.'s predecessor, Kawasaki Steel Systems R&D Corporation, was listed on the 2nd Section of the Tokyo Stock Exchange in March 2001. As of March 31, 2024, the JFE Group holds 67.9% shares of JFE Systems, Inc.

<Listed affiliates>

[Gecoss Corporation] (Tokyo Stock Exchange, Prime Market)

Gecoss Corporation is mainly engaged in the rental and sales of temporary construction materials, as well as in design and construction of temporary works, etc. Gecoss Corporation's predecessor, Kawasho Lease System Co., Ltd., was listed on the 2nd Section of the Tokyo Stock Exchange in August 1994 and was subsequently reassigned to the 1st Section of the Tokyo Stock Exchange in September 1996.

Furthermore, Gecoss Corporation used to be a subsidiary of JFE Steel Corporation, but it was determined that further enhancing Gecoss Corporation's independence as well as strengthening its existing business and creating new business opportunities through a capital and business alliance with Mizuho Leasing Company, Limited would contribute to increasing the corporate value of the company and the JFE Group. As such, some shares of Gecoss Corporation were sold to Mizuho Leasing Company, Limited in May 2024. The JFE Group as a whole currently holds 39.5% shares of the company.

[SHINAGAWA REFRACTORIES CO., LTD.] (Tokyo Stock Exchange, Prime Market)

SHINAGAWA REFRACTORIES CO., LTD. is mainly engaged in the manufacture and sale of refractories as well as engineering services such as furnace design and construction. Shinagawa Shirorenga, the predecessor of the company, was listed on the 1st Section of the Tokyo Stock Exchange in May 1949 and subsequently became an affiliate of JFE Steel Corporation. As of March 31, 2024, the JFE Group holds 34.9% shares of SHINAGAWA REFRACTORIES CO., LTD.

[NIPPON CHUZO K.K.] (Tokyo Stock Exchange, Standard Market)

NIPPON CHUZO K.K. is mainly engaged in the formed and fabricated materials business to manufacture a variety of casting products and the engineering business to design and manufacture bridge components, etc. The company was listed on the 2nd Section of the Tokyo Stock Exchange in October 1961. As of March 31, 2024, the JFE Group holds 36.2% shares of NIPPON CHUZO K.K.

[NIPPON CHUTETSUKAN K.K.] (Tokyo Stock Exchange, Standard Market)

NIPPON CHUTETSUKAN K.K. is mainly engaged in the manufacture and sale of ductile iron pipes and polyethylene pipes, as well as water pipe laying works. The company was listed on the 2nd Section of the Tokyo Stock Exchange in July 1962 and subsequently became an affiliate of JFE Steel Corporation. As of March 31, 2024, the JFE Group holds 30.0% shares of NIPPON CHUTETSUKAN K.K.

The aforementioned five companies are subject to rules different from those applicable to other consolidated subsidiaries and affiliates based on the guidelines of the Ministry of Economy, Trade and

(Translation for reference only)

Industry and the Tokyo Stock Exchange regarding listed subsidiaries, and other measures are also taken so as to ensure that each of the companies conducts autonomous corporate activities exercising autonomy and flexibility. Each company also secures management independence as listed companies mainly by appointing outside directors who are independent from each company, JFE Steel Corporation and the Company and by establishing special committees composed of independent members such as independent outside directors, and makes sure that the interests of the said subsidiary or affiliate, as well as the interests of shareholders of the subsidiary or affiliate other than the Company, will not be unfairly impaired.

With regard to the adjustment and allocation of business opportunities and business areas for the listed subsidiary and affiliates, the Company respects autonomous management decisions made by each company, except in cases where such decisions have a significant impact on the Company's consolidated financial statements.

In addition, each company independently raises and manages funds based on its own financial strategy. Although the Company receives fund deposits from the listed subsidiary, the transaction terms are determined rationally in consideration of market interest rates, etc.

With respect to matters necessary for the Group's risk management, prior consultation and reporting are required from each company while securing their independent decision-making, so as to implement risk management as a member of the Group companies.

(2) Measures to ensure the effectiveness of governance systems at listed subsidiaries and affiliates

Each company independently formulates its own proposals regarding the nomination of officers. JFE Steel Corporation fully respects the independence of each company and the decisions made by each company's nomination committee, and exercises its voting rights with the aim of improving each company's corporate value in the medium to long term.

To maximize the benefits of technological and personnel exchanges with each company, the Company and JFE Steel Corporation may recommend director candidates in some cases.

Furthermore, the Company shall regularly verify the significance of maintaining the listing of the listed subsidiaries and take necessary measures upon confirmation at its Board of Directors. The content herein was verified and discussed at a Board of Directors meeting held in May 2024.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

(1) Organization Form Company with Audit & Supervisory Board

(2) Directors

1) Maximum Number of Directors Stipulated in Articles of Incorporation	12
2) Term of Office Stipulated in Articles of Incorporation	1 year
3) Chairperson of the Board	President
4) Number of Directors	8
5) Appointment of Outside Directors	Appointed
a) Number of Outside Directors	3
b) Number of Independent Directors	3

(Translation for reference only)

c) Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	G	h	i	j	k
Masami Yamamoto	From another company								△			
Yoshiko Ando	Others											
Keiichi Kobayashi	From another company								△			

- * “○” when the director presently falls or has recently fallen under the category;
- “△” when the director fell under the category in the past
- * “●” when a close relative of the director presently falls or has recently fallen under the category;
- “▲” when a close relative of the director fell under the category in the past

* Categories for “Relationship with the Company”

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/audit & supervisory board member
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors/audit & supervisory board member are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

d) Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Masami Yamamoto	○	<p>(Significant concurrent posts) Outside Member of the Board of Directors of Mizuho Financial Group, Inc.</p> <p>(Attributes of Outside Director) In FY2023, transactions between Fujitsu Limited, where Mr. Yamamoto served as Representative Director until June 2017, and the Company and its operating companies (JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation) did not exceed 1% of the annual consolidated net sales (revenue) of either the Company or Fujitsu Limited. Accordingly, Fujitsu Limited</p>	<p>Mr. Yamamoto has been successful in managing Fujitsu Limited for many years, a company that engages in the total solutions business globally in ICT fields, and has been involved reforming conventional business structures and processes in the rapidly changing ICT industry. The Company expects him to play a role in strengthening governance based on such extensive experience and broad insight in corporate management. Based on such in-depth knowledge and his outstanding insight, as well as his performance as an Outside Director of the Company since he assumed office as such, the Company has judged Mr. Yamamoto to be suitable as an Outside Director of the Company.</p>

(Translation for reference only)

		<p>does not fall under the category of a person for whom the Company or its operating company is a major business partner (see * in “II. 1. [Independent Directors/Audit & Supervisory Board Members]” of this report) or a person who is a major business partner of the Company or its operating company. As of March 31, 2024, neither the Company nor any of its operating companies owned any shares of Fujitsu Limited.</p>	<p>In addition, Mr. Yamamoto satisfies the standards for independence stipulated in the “Securities Listing Regulations” and the Independence Standards established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Yamamoto as Independent Director, based on the judgment that Mr. Yamamoto is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.</p>
Yoshiko Ando	○	<p>(Significant concurrent posts) Outside Director of Kirin Holdings Company, Limited Outside Director of Sansei Technologies, Inc.</p>	<p>Ms. Ando has worked as an administrative official for many years, engaged in policy making in labor administration including woman’s active participation in the workforce. The Company expects her to play a role in strengthening governance based on such professional expertise and abundant experience in a wide range of fields of employment and labor. Although she has no experience of participating in corporate management other than as an outside director or outside audit & supervisory board member, based on such in-depth knowledge and outstanding insight, as well as her performance as an Outside Director of the Company since she assumed office as such, the Company has judged Ms. Ando to be suitable as an Outside Director of the Company.</p> <p>In addition, Ms. Ando satisfies the standards for independence stipulated in the “Securities Listing Regulations” and the Independence Standards established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Ms. Ando as Independent Director, based on the judgment that Ms. Ando is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.</p>

(Translation for reference only)

Keiichi Kobayashi	○	<p>(Significant concurrent posts) Chairman of the Board of Furukawa Electric Co., Ltd. Outside Director of NTT DATA Japan Corporation</p> <p>(Attributes of Outside Director) In FY2023, transactions between Furukawa Electric Co., Ltd, where Mr. Kobayashi served as Representative Director until March 2023, and the Company and its operating companies (JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation) did not exceed 1% of the annual consolidated net sales (revenue) of either the Company or Furukawa Electric Co., Ltd. Accordingly, Furukawa Electric Co., Ltd does not fall under the category of a person for whom the Company or its operating company is a major business partner (see * in “II. 1. [Independent Directors/Audit & Supervisory Board Members]” of this report) or a person who is a major business partner of the Company or its operating company. As of March 31, 2024, neither the Company nor any of its operating companies owned any shares of Furukawa Electric Co., Ltd.</p>	<p>Mr. Kobayashi has been successful in managing Furukawa Electric Co., Ltd for many years, which engages in a wide range of businesses centered on copper and other materials and industrial machinery, and has remarkable knowledge of metallic materials. He has worked to build and strengthen marketing and sales systems, including at overseas locations, and promote business with an emphasis on capital efficiency. The Company expects him to play a role in strengthening governance based on such abundant experience and broad insight in corporate management. The Company expects him to use his in-depth knowledge and outstanding insight to provide valuable suggestions and advice in improving the Company’s corporate value, and the Company has judged Mr. Kobayashi to be suitable as an Outside Director of the Company.</p> <p>In addition, Mr. Kobayashi satisfies the standards for independence stipulated in the “Securities Listing Regulations” and the Independence Standards established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Kobayashi as Independent Director, based on the judgment that Mr. Kobayashi is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.</p>
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6) Voluntary Establishment of Committee(s) Corresponding to
Nomination Committee or Remuneration Committee

Established

Committee’s Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee’s Name	Nomination Committee	Remuneration Committee
All Committee Members	6	6
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	2	2
Outside Experts	0	0
Other	2	2
Chairperson	Outside Director	Outside Director

(Translation for reference only)

Supplementary Explanation

The Nomination Committee deliberates and reports to the Board of Directors on matters pertaining to the basic policy on the election and dismissal of the President of the Company, proposals for the election of candidates for the President of the Company, succession plans of the President of the Company, and the nomination of candidates for Outside Directors and Outside Audit & Supervisory Board Members. The Nomination Committee comprises of 6 members including 2 Inside Directors, 2 Outside Directors and 2 Outside Audit & Supervisory Board Members.

The Remuneration Committee deliberates matters pertaining to the basic policy on the remuneration of Directors, etc. of the Company and each Operating Company and reports to the Board of Directors. The Remuneration Committee comprises of 6 members including 2 Inside Directors, 2 Outside Directors and 2 Outside Audit & Supervisory Board Members.

For both the Nomination Committee and Remuneration Committee, of the six members, four are Outside Directors/Audit & Supervisory Board Members possessing independence and, as these Outside Directors/Audit & Supervisory Board Members comprise a majority, the committees possess sufficient independence and objectivity. In addition, the chairpersons of both committees are determined by an internal vote of the Outside Directors/Audit & Supervisory Board Members. Currently, as an Independent Outside Director has been selected as the chairperson for both committees, the Company considers this to ensure even greater independence and objectivity.

In FY2023, the Nomination Committee was convened six times, and the members attended all the meetings. In addition, the Remuneration Committee was convened three times, and the members attended all the meetings.

(3) Audit & Supervisory Board Members

1) Establishment of Audit & Supervisory Board Established

2) Maximum Number of Audit & Supervisory Board Members 6
stipulated in the Articles of Incorporation

3) Number of Audit & Supervisory Board Members 5

4) Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Departments

Audit & Supervisory Board Members closely cooperate with Ernst & Young ShinNihon LLC, the Accounting Auditor, by holding meetings (eight times in FY2023) periodically or whenever necessary, where Audit & Supervisory Board Members receive detailed reports on audit plans, status of audit implementation and audit results, and detailed explanation on the quality control system of the accounting auditor, and provide explanation on audit plan, etc. and opinions are exchanged. The Audit & Supervisory Board Members also closely cooperate with the internal auditing department by holding meetings (ten times in FY2023) periodically or whenever necessary, where the Audit & Supervisory Board Members receive detailed reports on internal audit plans, status of internal audit implementation and results of internal audit, and opinions are exchanged.

5) Appointment of Outside Audit & Supervisory Board Members Appointed

a) Number of Outside Audit & Supervisory Board Members 3

b) Number of Independent Outside Audit & Supervisory Board Members 3

c) Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	B	C	d	e	f	g	h	i	j	k	l	m
Isao Saiki	Lawyer													
Tsuyoshi Numagami	Scholar										○		○	
Takuya Shimamura	From another company										△			

* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

(Translation for reference only)

* Categories for “Relationship with the Company”

- a. Executive of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Audit & supervisory board member of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as audit & supervisory board member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h)
(the audit & supervisory board member himself/herself only)
- k. Executive of a company, between which and the Company outside directors/audit & supervisory board member are mutually appointed (the audit & supervisory board member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the audit & supervisory board member himself/herself only)
- m. Others

d) Outside Audit & Supervisory Board Member’s Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Isao Saiki	○	(Significant concurrent posts) Partner Lawyer of Abe, Ikubo & Katayama Law Firm	Mr. Saiki has vast experience and impressive knowledge in corporate legal affairs and other matters as a lawyer. Moreover, he has served as Outside Audit & Supervisory Board Member for other listed companies, including the Company. He has been elected as the Company’s Substitute Audit & Supervisory Board Member since June 2009 and appointed as Outside Audit & Supervisory Board Member in April 2014. Although he has no experience of participating in corporate management other than as an Outside Audit & Supervisory Board Member, based on the above reasons, as well as his performance as an Audit & Supervisory Board Member of the Company since he assumed office as such, the Company has judged Mr. Saiki to continue to execute appropriately his duties as an Outside Audit & Supervisory Board Member. No transaction took place between Abe, Ikubo & Katayama Law Firm, for which Mr. Saiki serves as Partner Lawyer, and the Company or its

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			<p>operating companies (JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation) in the last three years (FY2021 to FY2023). Accordingly, Abe, Ikubo & Katayama Law Firm falls under neither the person for whom the Company or its operating company is a major business partner (see * in “II. 1. [Independent Directors/Audit & Supervisory Board Members]” of this report) nor the person who is a major business partner of the Company or its operating company.</p> <p>Mr. Saiki satisfies the standards for independence stipulated in the “Securities Listing Regulations” and the Independence Standards established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Saiki as Independent Audit & Supervisory Board Member, based on the judgment that Mr. Saiki is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.</p>
Tsuyoshi Numagami	○	<p>(Significant concurrent posts) Professor of Institute for Business and Finance, WASEDA University Outside Director, Tokyo Century Corporation Outside Director, EBARA CORPORATION</p> <p>(Attributes of Outside Director) In FY2023, transactions between HITOTSUBASHI UNIVERSITY, where Mr. Numagami served as a Professor until March 2023, and Waseda University, where he is serving as a Professor since April 2023, and the Company and its operating companies (JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation) did not exceed 1% of the annual consolidated net sales (revenue) of the Company, HITOTSUBASHI UNIVERSITY, or Waseda University. Furthermore, neither the Company nor its operating companies have made a donation of 10 million yen or more to either university in the</p>	<p>Mr. Numagami has actively worked on the research on corporate management for many years, and has an impressive academic knowledge with regard to corporate management strategy and an ideal state of an organization, in addition to being familiar with many industrial fields. He also has experience of university management as Executive Vice President of HITOTSUBASHI UNIVERSITY. Although he has no experience of participating in corporate management other than as an Outside Director or Outside Audit & Supervisory Board Member, based on his vast experience and impressive knowledge, as well as his performance as an Outside Audit & Supervisory Board Member of the Company since he assumed office as such, the Company has judged Mr. Numagami to continue to execute appropriately his duties as an Outside Audit & Supervisory Board Member.</p> <p>Mr. Numagami satisfies the standards for independence stipulated in the “Securities Listing Regulations” and the Independence Standards established by the Company, and would have no conflict of interests</p>

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		<p>last three years (FY2021 to FY2023).</p> <p>Accordingly, HITOTSUBASHI UNIVERSITY and Waseda University do not fall under any of the person for whom the Company or its operating company is a major business partner (see * in “II. 1. [Independent Directors/Audit & Supervisory Board Members]” of this report), the person who is a major business partner of the Company or its operating company, or the person who has received donations exceeding a certain amount.</p>	<p>with general shareholders. Hence, the Company has designated Mr. Numagami as Independent Audit & Supervisory Board Member, based on the judgment that Mr. Numagami is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.</p>
Takuya Shimamura	○	<p>(Significant concurrent posts) Director and Chairman of AGC Inc. Outside Director of EBARA CORPORATION</p> <p>(Attributes of Outside Audit & Supervisory Board Member) In FY2023, transactions between AGC Inc., where Mr. Shimamura served as Representative Director until March 2021, and the Company or its operating companies (JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation) did not exceed 1% of annual consolidated net sales (revenue) of either the Company or AGC Inc. Accordingly, AGC Inc. falls under neither the person for whom the Company or its operating company is a major business partner (see * in “II. 1. [Independent Directors/Audit & Supervisory Board Members]” of this report) nor the person who is a major business partner of the Company or its operating company. As of March 31, 2024, neither the Company nor any of its operating companies owned any shares of AGC Inc.</p>	<p>Mr. Shimamura has long been active in the management of AGC Inc., which globally operates a wide range of business, including glass, electronics, chemicals, and ceramics, and he has a wealth of experience and broad insight through his ambidexterity in securing stable earnings and promoting growth strategies through organizational culture change, as well as his active involvement in sustainability management. The Company believes that Mr. Shimamura is capable of augmenting the audit operations of the Company in an independent manner and with a broad perspective, given his in-depth knowledge and outstanding insight, and has judged Mr. Shimamura to be suitable as an Outside Audit & Supervisory Board Member of the Company.</p> <p>In addition, Mr. Shimamura satisfies the standards for independence stipulated in the “Securities Listing Regulations” and the Independence Standards established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Shimamura as Independent Audit & Supervisory Board Member, based on the judgment that Mr. Shimamura is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.</p>

(4) Independent Directors/Audit & Supervisory Board Members

Number of Independent Directors/Audit & Supervisory Board Members

6

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Matters relating to Independent Directors/Audit & Supervisory Board Members

The Company has designated all Outside Directors/Audit & Supervisory Board Members who meet qualification for Independence as Independent Directors/Audit & Supervisory Board Members.

Standards for Independence of Outside Directors/Audit & Supervisory Board Members of JFE Holdings, Inc.

JFE Holdings, Inc. (the “Company”) establishes the standards for independence of Outside Directors and Outside Audit & Supervisory Board Members as described below. An Outside Director or Outside Audit & Supervisory Board Member is deemed not to have sufficient independence from the Company in the event that he/she falls under any of the items below.

- 1) A person who is or was an executive director, executive officer or employee (collectively the “Executive”) of the Company or its subsidiary.
- 2) A person who is currently a major shareholder of the Company. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, has been the Executive of such legal entity or the parent company or a significant subsidiary of such legal entity.
- 3) A person for whom the Company or its operating company is a major business partner. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, has been the Executive of such legal entity or the parent company or a significant subsidiary of such legal entity.
- 4) A person who is a major business partner of the Company or its operating company. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, has been the Executive of such legal entity or the parent company or a significant subsidiary of such legal entity.
- 5) A financial institution or other major creditor of the Company or its operating company who is indispensable for the fundraising of the Company or its operating company and on whom the Company or its operating company depends to the extent that it is irreplaceable. In the event that the financial institution or other major creditor is a legal entity, a person who is or, in the past 3 years, has been the Executive of such legal entity or the parent company or a significant subsidiary of such legal entity.
- 6) A person who has received donations exceeding a certain amount (an annual average, over the past 3 years, of either 10 million yen or 30% of the person’s total expenses, whichever is larger) from the Company or its operating company. In the event that the person is a legal entity such as a company, a person who is or, in the past 3 years, has been the Executive of such legal entity or the parent company or a significant subsidiary of such legal entity.
- 7) A consultant, accounting professional such as a certified public accountant, or legal professional such as a lawyer who has received a large amount of money or other assets (an annual average of 10 million yen or larger over the past 3 years) in addition to the director’s or audit & supervisory board member’s remuneration from the Company or its operating company. In the event that the consultant, accounting professional or legal professional is an organization such as a legal entity or an association, a person who belongs to such organization.
- 8) An accounting auditor of the Company or its operating company, or a person who is a partner, etc. of such accounting auditor; or a person who performed auditing on the Company or its operating company as a partner, etc. of such accounting auditor in the past 3 years.
- 9) A person who is a director, audit & supervisory board member, executive officer or corporate officer of a company which has accepted directors from the Company or its operating company, or of the parent company or a subsidiary of such company.
- 10) A person who is or, in the past 3 years, was the Executive of a lead managing underwriter of the Company.
- 11) A relative of a person falling under any of foregoing items 1) through 10) (the person’s spouse, relatives within the third degree of kinship, or relatives living with the person).

Nevertheless, in the event that a person who falls under any of the foregoing items is deemed by the Company appropriate for an independent outside director/audit & supervisory board member of the Company in light of the person’s personality, insight, etc., the Company may nominate such person as a candidate for an independent outside director/audit & supervisory board member, by providing the reason to assume that the person is appropriate for an independent outside director/audit & supervisory board member of the Company,

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and by explaining that the person fulfills the requirements for an independent outside director/audit & supervisory board member.

- * “Operating company” refers to JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation.
- * “Major business partner” refers to the case where the aggregate amount of transactions with the business partner exceeds 1% of consolidated net sales in the most recent fiscal year.

(5) Incentives

1) Incentive Policies for Directors Performance-linked Remuneration

Supplementary Explanation

This is described in “(6) Director Remuneration” below.

2) Recipients of Stock Options —

(6) Director Remuneration

1) Disclosure of Individual Directors’ Remuneration Selected Directors

Supplementary Explanation

Total amount of remuneration, etc. for Directors (excluding Outside Directors) is 320,247 thousand yen. Information on remuneration (including remuneration as a Director of a consolidated subsidiary) for Directors who receive 100 million yen or more is disclosed in the Annual Securities Report on an individual basis.

2) Policy on Determining Remuneration Amounts and Calculation Methods Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Based on deliberations by and reports from the Remuneration Committee as an advisory body to the Board of Directors, with the majority comprising Outside Directors/Audit & Supervisory Board Members, the Board of Directors of the Company, has established a policy on remuneration for the Company’s Directors and Corporate Officers as follows.

(1) Policy for determining remuneration for Directors and Audit & Supervisory Board Members

The Company has designed and operates a remuneration plan for Directors and Corporate Officers in accordance with the Basic Policy on Remuneration for Directors and Corporate Officers (hereinafter referred to as the “Basic Policy”), which was resolved by the Board of Directors on April 26, 2018, and the Policy for Deciding the Individual Remuneration for Directors and Corporate Officers (hereinafter referred to as the “Decision Policy”), which was resolved by the Board of Directors on February 9, 2021 and partially revised by resolution of the Board of Directors on March 25, 2024, pursuant to the Basic Policy, based on deliberations by and reports from the Remuneration Committee. The content of remuneration, etc. for individual Directors is determined by the Board of Directors, respecting reports made to the Board of Directors following multifaceted reviews, including reviews of consistency with the Basic Policy, etc., by the Remuneration Committee. Therefore, the Board of Directors believes that the content of remuneration, etc. for individual Directors is in line with the Basic Policy and Decision Policy.

The Basic Policy and the outline of Decision Policy established by the company are as follows:.

<Basic Policy>

- The Board of Directors shall determine remuneration system for Directors and Corporate Officers based on deliberations regarding its appropriateness by the Remuneration Committee to ensure fairness, objectiveness and transparency.
- The remuneration level for Directors and Corporate Officers shall be determined to secure excellent human resources who are able to put the Group’s corporate vision into practice, taking into consideration the business environment of the Group and remuneration levels at other companies in

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the same industry or of the same scale.

- The ratio between basic remuneration and performance-linked remuneration (annual bonus and stock remuneration) shall be properly established according to the roles and responsibilities, etc. of each Director and Corporate Officer so as to function as sound incentives toward the sustainable growth of the Group.

<Outline of Decision Policy>

- Remuneration for Directors and Corporate Officers shall be determined by a resolution of the Board of Directors in accordance with the Basic Policy and the Decision Policy, based on reports from the Remuneration Committee.
- Remuneration for the Company's Directors and Corporate Officers is comprised of basic remuneration and performance-linked remuneration (annual bonus and stock remuneration).
- Basic remuneration is paid as a fixed amount, in cash, each month according to position.
- Annual bonus is linked to the Company's single-year performance (calculated based on financial and non-financial indicators) and is paid in cash once a year.
- Stock remuneration is granted as the Company's shares and cash equivalent to the amount of the Company's shares converted to market value through the trust upon retirement.
- The ratios of remuneration by type are structured so that the higher the position, the greater the weight of performance-linked remuneration, and the ratio for the Company's President has been set so that when performance targets are achieved the ratio is "basic remuneration : annual bonus : stock remuneration = 60% : 20% : 20%."

However, the Company only pays basic remuneration to Outside Directors and Audit & Supervisory Board Members, given their roles of supervising and auditing management from an independent and objective standpoint.

Directors who concurrently serve as Executive Directors of operating companies shall not be paid the annual bonus and the Stock Remuneration from the Company.

(2) Method of determining remuneration for Directors and Audit & Supervisory Board Members

By resolution of the 16th Ordinary General Meeting of Shareholders held on June 21, 2018 (the "General Meeting"), the Company decided to set the annual limit of remuneration for Directors at no more than 700 million yen (of which no more than 80 million yen for Outside Directors), and to pay an annual bonus, in addition to basic remuneration, within such limit of remuneration. The number of Directors applicable to this resolution is eight (including three Outside Directors).

In addition, it was also resolved at the General Meeting that the Stock Remuneration plan for Directors would be introduced to pay remuneration separately from the said limit of remuneration, and by resolution of the 19th Ordinary General Meeting of Shareholders held on June 25, 2021, the limit of cash to be contributed to a trust by the Company and the limit of the number of the Company's shares to be acquired by the trust and to be provided to the Directors were amended.

The limit of cash to be contributed to a trust by the Company is 1.5 billion yen per fiscal year multiplied by the number of fiscal years during the covered period (including 0.2 billion yen per fiscal year multiplied by the number of fiscal years during the covered period for the Company's Directors). The limit of the number of the Company's shares to be acquired by the trust and to be provided is 1.6 million shares per fiscal year multiplied by the number of fiscal years during the covered period (including 0.22million shares per fiscal year multiplied by the number of fiscal years during the covered period for the Company's Directors).

By resolution of the General Meeting, the annual limit of remuneration for Audit & Supervisory Board Members was set at no more than 0.2 billion yen. The number of Audit & Supervisory Board Members applicable to this resolution is five.

The specific method of determining each type of remuneration based on the above resolutions of the General Meeting of Shareholders is as follows.

<Basic remuneration>

The amounts of basic remuneration for each Director shall be determined by resolution of the Board of Directors within the limit of remuneration upon the Remuneration Committee's deliberations on the appropriateness, in accordance with the Basic Policy set forth in (1) above.

The amounts of basic remuneration for each Audit & Supervisory Board Member shall be determined

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by deliberation of the Audit & Supervisory Board Members within the limit of remuneration.

<Annual bonus>

Annual bonuses for FY2023 are composed of the portion that takes the total segment profit for a single fiscal year as the performance-linked indicator; the portion that takes the indicator related to employee safety as the performance-linked indicator (calculated according to lost-work injuries rate. However, calculated at 0% in the case of a workplace fatality); and the portion that takes the indicator related to climate change as the performance-linked indicator (calculated based on the degree of achievement of KPIs related to contribution to resolving climate change issues (initiatives for achieving carbon neutrality by 2050). Annual bonuses are calculated by multiplying the level of achievement of each indicator by the standard amount determined for each position.

The Company selected this indicator as it believes that it is important to steadily implement each measure to achieve the profit target of 310 billion yen per year in total in terms of segment profit which was set for the Seventh Medium-term Business Plan. The result for FY2023 is a segment profit of 279.6 billion yen.

Indicators related to employee safety are defined as KPIs for the important management issues of the Company and its operating companies. The Company believes that the prevention of occupational accidents is extremely important for all companies with manufacturing and construction sites. The Company selected these indicators as it believes that the entire JFE Group, including many group companies and related companies, must further raise awareness of occupational health and safety among employees. The level of companywide achievement of this indicator at operating companies in the relevant fiscal year was 140% at JFE Steel Corporation, 0% at JFE Engineering Corporation, and 173% at JFE Shoji Corporation. (However, as JFE Steel Corporation evaluates this indicator by workplace, the level of achievement differs for each workplace.) The Company calculates this indicator based on the level of achievement at each Operating Company. As the companywide level of achievement at JFE Engineering Corporation was 0%, the Company's level of achievement was also 0% in the relevant fiscal year.

The indicator related to climate change is determined as a KPI for material issues for the Company and its operating companies, and was selected based on the need to provide an incentive to accelerate initiatives to address climate change, which is positioned as a top priority management issue. The level of companywide achievement of this indicator at operating companies in FY2023 was 100% for JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation. The Company calculates this indicator based on the level of achievement at each Operating Company, and it was 100% in FY2023.

Among the performance-linked indicators for FY2024, the financial indicator will be based on the same policy from FY2023, and the Company selected total segment profit as the performance-linked indicator, and will maintain the target figure of 310 billion yen. The Company again selected non-financial indicators related to employee safety and climate change as the performance-linked indicators similarly to FY2023, with the aims of achieving zero workplace fatalities defined as a KPI, 100% or more for items related to lost-work injuries rate, and 100% or more for some items selected from the contribution to resolving climate change issues (initiatives for achieving carbon neutrality by 2050).

Annual bonuses are calculated by multiplying the level of achievement of each selected performance-linked indicator by the standard amount determined for each position.

The amounts of bonus for each Director (excluding Outside Directors) shall be determined by resolution of the Board of Directors within the limit of remuneration, after calculating the amount to be paid according to position through linkage with the performance-linked indicator for the relevant fiscal year. If the financial indicators fails to meet criteria set forth in the Remuneration Committee, no bonuses will be paid for the relevant fiscal year.

In determining the method for calculating the annual bonus and the details thereof, the Remuneration Committee deliberates appropriateness of the matters and reports the result of the deliberations to the Board of Directors, in accordance with the Basic Policy set forth in (1) above.

Directors and Corporate Officers (including those who have retired) may lose the right to receive payments based on a resolution of the Board of Directors in the case of dismissal for Directors or a resolution of dismissal for Corporate Officers, or if they have committed certain illegal acts. Furthermore, Directors and Corporate Officers who have already received payments may be asked to return the money they received based on a resolution of the Board of Directors if they have committed certain illegal acts.

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<Stock Remuneration>

The Stock Remuneration plan is a remuneration plan under which the Company's shares and an amount of cash equivalent to the market price of the Company's shares are provided to Directors (excluding Outside Directors) and Corporate Officers of the Company and its operating companies. Under this plan, the Company's shares and cash shall, in principle, be provided through a trust upon retirement at a payment level determined through linkage with performance targets under the Medium-term Business Plan of the Group.

1) Those eligible for the Stock Remuneration plan (the "Plan")

Those eligible for the Plan are as follows. Hereinafter, those eligible for the Plan shall be collectively referred to as the "Group's Directors/Officers."

(1) Directors of the Company and its operating companies (excluding Outside Directors)

(2) Corporate Officers of the Company and its operating companies not concurrently serving as Directors excluding residents outside Japan under the Income Tax Act (the "Corporate Officers").

2) Structure of the Plan and granting of points

(1) Structure of the Plan

Remuneration under the Plan is composed of the following.

[1] Performance-linked portion

The performance-linked portion is granted to the Group's Directors/Officers according to the level of achievement against performance targets under the Medium-term Business Plan.

The level of achievement against performance targets shall be evaluated for every fiscal year from April of the respective year to March of the following year and reflected in the remuneration for the execution period of duties specified in (2) of 2).

The Company selected this performance indicator as the basis for calculating the performance-linked portion of stock remuneration in the belief that it is important to steadily implement each measure to achieve the profit target of 220 billion yen per year of net profit ("Net Profit") attributable to owners of parent, which links directly to return to shareholders, as set at the end of the Seventh Medium-term Business Plan period. Net Profit for FY2023 is 197.4 billion yen.

[2] Service-length portion

The service-length portion shall be granted to the Group's Directors/Officers according to the length of the term of office for the relevant position for the execution period of duties specified in (2) of 2).

(2) Execution period of duties

Remuneration under the Plan shall be granted in consideration for the execution period of duties to the Group's Directors/Officers who had been in office for one month or more in the period specified as follows (the "Execution Period").

[1] Directors of the Company: From the date of the Ordinary General Meeting of Shareholders of the Company for the respective year to the date of the Ordinary General Meeting of Shareholders of the Company for the following year

[2] Others: From April 1 of the respective year to March 31 of the following year

(3) Points

- The Company and its operating companies shall calculate points equivalent to the performance-linked portion and the service-length portion to each Execution Period and grant them to the Group's Directors/Officers.
- The points granted for each Execution Period shall be accumulated until retirement, and the number of the Company's shares, etc. shall be calculated by converting the accumulated points as "one point = one share."

(4) Calculation method of points

[1] Performance-linked portion

Base Points According to Each Position (Table 1) × Adjustment Rate of Profit (Table 2)

The adjustment rate shall be 0% in the case that ROE is less than 5% in the relevant fiscal

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year.

The adjustment rate applicable to Directors, etc. at an operating company shall be 0% in the case that the relevant operating company records a segment loss in the relevant fiscal year.

[2] Service-length portion

Base Points According to Each Position (Table 3) × Adjustment Rate According to Service Length (Table 4)

* When there are changes in the Execution Period after assumption of the position of Director at the Company's Ordinary General Meeting of Shareholders, the performance-linked portion for the period from the end of the Execution Period immediately before such assumption of position until the start of the Execution Period for the Company's Director shall not be calculated.

(Table 1) The base points according to each position in the performance-linked portion (hereinafter, the "Performance-linked Points")

Position	The Company	JFE Steel Corporation	JFE Engineering Corporation	JFE Shoji Corporation
Director and President	10,000	10,000	5,000	5,000
Director and Vice President/ Corporate Officer and Vice President	4,000	4,000	2,500	2,500
Managing Director	3,000	3,000	1,250	1,250
Senior Vice President	2,000	2,000	1,000	1,000
Vice President	1,000	1,000	600	600
Corporate Officer	—	—	—	300

(Note) If a Director of the Company who concurrently serves as Corporate Officer retires from Corporate Officer at the end of March, the Performance-linked Points from April to the date of the Ordinary General Meeting of Shareholders shall be determined according to the position as of the end of March.

(Table 2) Adjustment Rate of Profit

Based on the level of achievement for each fiscal year against 220 billion yen annually as the profit target, the adjustment rate shall be set as follows.

(setting the adjustment rate to 100% in the case that the target has been achieved)

Level of achievement of profit target	Adjustment rate
150% or more	150%
From 140% to less than 150%	140%
From 130% to less than 140%	130%
From 120% to less than 130%	120%
From 110% to less than 120%	110%
From 100% to less than 110%	100%
From 90% to less than 100%	90%
From 80% to less than 90%	80%
From 70% to less than 80%	70%
From 60% to less than 70%	60%
From 50% to less than 60%	50%
From 40% to less than 50%	40%
From 30% to less than 40%	30%
Less than 30%	0%

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(Table 3) The base points according to each position in the service-length portion
(hereinafter, the “Service-length Points”)

Position	The Company	JFE Steel Corporation	JFE Engineering Corporation	JFE Shoji Corporation
Director and President	4,000	4,000	2,000	2,000
Director and Vice President	1,600	1,600	1,000	1,000
Managing Director	1,200	1,200	600	600
Senior Vice President	1,200	1,200	600	600
Vice President	900	900	500	500

(Note) If a Director of the Company who concurrently serves as Corporate Officer retires from Corporate Officer at the end of March, the Service-length Points from April to the date of the Ordinary General Meeting of Shareholders shall be determined according to the position as of the end of March.

(Table 4) Adjustment rate according to service length

Length of the term of office for the Execution Period	Adjustment rate
Entire service period	100%
Other than the above	$(\text{The number of months of the term of office} \div 12) \times 100\%$

(5) Changes during the “Execution Period”

- With regard to (4) above, if there are changes in the positions for the Execution Period, the number of months shall be divided according to each of the positions.
- If the number of service-length months during the Execution Period is less than 12 months, the performance-linked portion shall be calculated according to the number of service-length months.

(6) Date of granting points

For points for the Execution Period, both the performance-linked portion and service-length portion shall be granted on the date of the first Ordinary General Meeting of Shareholders of the Company held after the end of the Execution Period (for Directors of the Company, this shall be on the date of the end of the Execution Period).

(7) Officers concurrently serving at operating companies

The Company’s Director who concurrently serves as an Executive Director of any operating company shall be granted points from the operating company.

3) Time of granting and date of vesting

(1) Time of granting

When the Group’s Directors/Officers retire, in principle.

(2) Date of vesting

- The number of shares and the amount of cash to be granted shall be calculated by the number of points accumulated up to the date of the first Ordinary General Meeting of Shareholders of the Company held after the end of the Execution Period under which the date of retirement of the Group’s Directors/Officers falls (in the event that an Execution Period ends on the same day, the date of the Ordinary General Meeting of Shareholders) (including points provided on the date of such Ordinary General Meeting of Shareholders), and the Vesting Date shall be the same day.

4) Provision

Provision to the Group’s Directors/Officers shall be prescribed in the respective items according to the cases listed in the following items.

- [1] If the Group’s Directors/Officers retire at the termination of their Execution Period, or if they retire as Corporate Officer during the Execution Period in connection with assumption of the position of Director

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Shares prescribed in (a) below and cash prescribed in (b) shall be granted.

However, if the Company acknowledges that the provision of cash prescribed in (b) is in conflict with Article 166, Paragraph 1 or Article 167, Paragraph 1 of the Financial Instruments and Exchange Act, the Company may provide the number of shares calculated by [2] in place of (a) and (b).

(a) Shares

The number of shares that is calculated as “one point = one share” by the following formula (Formula)

Number of shares = {Number of points accumulated up to the Vesting Date × Coefficient based on the reason of retirement} (the “Defined Number of Points”) × 70% (Fractions corresponding to points less than one unit share shall be rounded down)

(Note) The coefficient based on the reason of retirement shall be 1.0.

(b) Cash

The amount of cash that is calculated by the following formula (Formula)

Amount of cash = {Defined Number of Points - Number of points equivalent to the number of shares to be granted calculated by (a)} × Market value of the Company’s shares at the Vesting Date

[2] If the Group’s Directors/Officers retire for other reasons (excluding cases of death)

The number of shares that is calculated as “one point = one share” by the following formula shall be provided.

(Formula)

Number of shares = Number of points accumulated up to the Vesting Date × Coefficient based on the reason of retirement

(Note) The coefficient based on the reason of retirement shall be 1.0.

(Note) The market value of the Company’s shares under the Plan shall be the closing price of the Vesting Date at its main financial instruments exchange where listed, and if the closing price is not announced on the respective date, it shall be calculated retroactively back to the latest date when the closing price can be acquired.

5) The exceptional cases that provision shall not be made and refunds be requested

(1) Cases that provision shall not be made

Notwithstanding the above, in the event that matters specified in the following items concerning the Group’s Directors/Officers (including those who retired) occur, the right to receive provision may be revoked by the resolution of the Board of Directors of the Company or each of its operating company.

① The case where the General Meeting of Shareholders resolved to dismiss a Director or the Board of Directors resolved to dismiss a Corporate Officer

② The case where certain illegal acts were committed during their tenure or certain illegal acts were committed between the date of retirement and the date when provision is made

(2) Cases where refunds be requested

Notwithstanding the above, in the case where certain illegal acts were committed during the tenure of a person who received stocks and cash, the Company may request the return of the economic value of the stocks and cash received, based on a resolution of the Board of Directors of the Company or each of its operating companies.

(3) Activities of the Board of Directors, etc. during the process of determining the amount of remuneration, etc. for Directors and Audit & Supervisory Board Members of the Company in FY2023

- On multiple occasions, the Remuneration Committee deliberated remuneration levels for the Company’s Directors and reported the results of the deliberations to the Board of Directors. The Remuneration Committee was convened three times.
- Based on the reports from the Remuneration Committee, the Board of Directors resolved the amount of basic remuneration at the Board of Directors meeting held after the close of the 21st Ordinary General Meeting of Shareholders that took place on June 27, 2023, and the bonus for each Director at the Board of Directors meeting held after the close of the 22nd Ordinary General Meeting of Shareholders that took place on June 25, 2024.

(Translation for reference only)

(7) Supporting System for Outside Directors and/or Audit & Supervisory Board Members

A Board of Directors' Secretariat is set up in the General Administration Dept. to support Outside Directors with necessary communication and arrangements, etc.

Furthermore, dedicated staff to support the duties of Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members is allocated in the Audit & Supervisory Board Members' Secretariat. Personnel affairs of the dedicated staff are discussed with Audit & Supervisory Board Members.

The Company provides Outside Directors and Outside Audit & Supervisory Board Members with briefings, etc. prior to the Board of Directors meetings, and gives materials and explanations on each agenda item.

In addition to the above, the Company strives to provide adequate information necessary for execution of their duties by providing explanations on important management issues of the Company and the Group companies from time to time, and offering opportunities such as exchanges of opinions with the senior management including the President, attendance of hearings of important business reporting by each department as necessary, convening of Board of Directors meetings at major business bases and inspections of Group companies, etc.

(8) Status of Those Who Retired from Representative Director, President, etc.

Name of Senior Advisors, Advisors, etc. who are a former Representative Director, President and CEO, etc.

Name	Title/Position	Work duties	Working style/conditions (Full-time/part-time, with/without compensation, etc.)	Date of retirement from President, etc.,	Term of office as Senior Advisors, Advisors, etc.
Koji Kakigi	Special Advisor	- Activities outside the Company	Full-time, with compensation	April 1, 2024	For 4 years
Eiji Hayashida	Honorary Advisor	- Activities outside the Company	Part-time, without compensation	April 1, 2019	Undetermined
Hajime Bada	Honorary Advisor	- Activities outside the Company	Part-time, without compensation	April 1, 2015	Undetermined
Fumio Sudo	Honorary Advisor	- Activities outside the Company	Part-time, without compensation	April 1, 2010	Undetermined

Total number of Senior Advisors, Advisors, etc. who served as Representative Director, President, etc.	4
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Other Matters

- In order to clearly indicate that persons who have retired from the office of President shall in no way be involved in management, the post of Senior Advisor has been abolished in FY2019. It was decided that those who have retired from the office of President can be appointed as Special Advisors in charge of activities outside the Company that are important to the Group, as necessary.
- Concerning Special Advisors and Honorary Advisors, internal rules have been established.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

(1) Organizations of the Company

The Company and its operating companies have adopted a system of "Company with Audit & Supervisory Board Members (Audit & Supervisory Board)" with dual supervision functions of the Directors supervising business execution and Audit & Supervisory Board Members conducting audits. In addition, the Corporate Officer System has been introduced to clarify authority and accountability by separating decision-making on management from business execution and to enhance prompt execution. The Company's Board of Directors strives to maintain and improve

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management efficiency, while making decisions on statutory issues, formulating important management policies and strategies, and supervising business execution, while the Audit & Supervisory Board monitors management and enhances sound management. In FY2023, the Board of Directors held discussions on the progress of the Seventh Medium-term Business Plan, future issues based on it and initiatives related to sustainability measures, etc.

The Group's governance system has been strengthened by reinforcing the fairness, objectivity and transparency of management with the aim of continuously increasing the corporate value and the common interest of shareholders. In June 2007, 2 Outside Directors were added and the term of Directors was shortened from 2 years to one for greater versatility in developing an optimal management structure and greater clarity of management responsibilities.

In October 2015, the Company has established the Nomination Committee and Remuneration Committee which act as an advisory body of the Board of Directors to ensure fair, objective and transparent personnel affairs and remuneration of the Board of Directors.

The Nomination Committee and Remuneration Committee comprise of a majority of Outside Directors/Audit & Supervisory Board Members, respectively, and the chairpersons are determined from Outside Directors/Audit & Supervisory Board Members.

The Nomination Committee deliberates and reports to the Board of Directors on matters pertaining to the basic policy on the election and dismissal of the President of the Company, proposals for the election of candidates for the President of the Company, succession plans of the President of the Company, and the nomination of candidates for Outside Directors and Outside Audit & Supervisory Board Members.

The Remuneration Committee deliberates matters pertaining to the basic policy on the remuneration of Directors, etc. of the Company and each Operating Company and reports to the Board of Directors.

The Company has conducted analysis and evaluation of the overall effectiveness of the Board of Directors since FY2015. Considering these evaluation results, due to active expansion of the Group's engineering and trading businesses, in addition to its steel business, and the increasing importance of management of both businesses, the Company decided to change the composition of the Board of Directors by increasing the number of Directors by 3, including 1 Outside Director, in order to further enhance its corporate governance and reinforce the Company's Group management systems. The Company has also added 1 Outside Audit & Supervisory Board Member to the Audit & Supervisory Board, in an effort to reinforce the audit framework and enhance its neutrality and independence.

As a result, more than one-third of the Company's Board of Directors (3 of 8 Directors) continue to be Independent Outside Directors and the majority of the Audit & Supervisory Board (3 of 5 Audit & Supervisory Board Members) are Independent Outside Audit & Supervisory Board Members who satisfy the Company's Standards for Independence of Outside Directors/Audit & Supervisory Board Members.

(2) Business Execution

With regard to significant matters of each company within the Group, internal rules of each company stipulate clear standards which clarify the determination procedures, and significant matters pertaining to the management as the Group is ultimately subject to deliberation and determination at JFE Holdings, Inc. Specifically, each Operating Company decides significant matters concerning itself and its own group companies through deliberation at the Management Committee, etc., after which the Board of Directors renders its decisions. At JFE Holdings, Inc., the JFE Group Management Strategy Committee deliberates matters relating to the management strategies involving the entire Group and the Management Committee deliberates specific significant matters involving the Company, Operating Companies or Group Companies. Based on these deliberations, the Board of Directors makes its decisions on the significant matters in accordance with the Rules of the Board of Directors.

JFE Holdings, Inc., JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation hold the Management Committee and the Board of Directors meeting once or twice a month, respectively. In FY2023, JFE Holdings, Inc. held the Board of Directors meeting 16 times. The attendance of Directors and Audit & Supervisory Board Members is as follows.

(Translation for reference only)

Position	Name	Number of Meetings of the Board of Directors Attended (FY2023)
Representative Director	Koji Kakigi	16/16 (100%)
Representative Director	Yoshihisa Kitano	16/16 (100%)
Representative Director	Masashi Terahata	16/16 (100%)
Director	Hajime Oshita	16/16 (100%)
Director	Toshinori Kobayashi	13/16 (81%)
Outside Director	Masami Yamamoto	16/16 (100%)
Outside Director	Nobumasa Kemori	16/16 (100%)
Outside Director	Yoshiko Ando	16/16 (100%)
Audit & Supervisory Board Member	Nobuya Hara	16/16 (100%)
Audit & Supervisory Board Member	Nakaba Akimoto	16/16 (100%)
Outside Audit & Supervisory Board Member	Isao Saiki	16/16 (100%)
Outside Audit & Supervisory Board Member	Tsuyoshi Numagami	16/16 (100%)
Outside Audit & Supervisory Board Member	Takuya Shimamura	16/16 (100%)

The JFE Group Management Strategy Committee of JFE Holdings, Inc. (Chair: President, Secretariat: Corporate Planning Dept.) consists of all full-time Directors, including the 3 Presidents of the Operating Companies, and Corporate Officers. The Audit & Supervisory Board Members also take part in the Committee, which is held two to four times each quarter. The Management Committee (Chair: President, Secretariat: Corporate Planning Dept.) consists of 2 full-time Directors as well as Corporate Officers. The Audit & Supervisory Board Members also take part in the Management Committee.

All Directors, major Corporate Officers and Audit & Supervisory Board Members take part in the Management Committee of JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation (Chair: President of each company, Secretariat: Corporate Planning Dept. of each company). Businesses within the Group utilize the best systems to optimize their products and operations, working to achieve unity between strategies and earnings by products and operations. Specifically, JFE Steel Corporation has adopted the By Product Center System, the By Product Sector System and the By Business Division System; JFE Engineering Corporation has adopted the By Business Division System; and JFE Shoji Corporation has adopted the By Sales Division System segmented by products and regions. Meanwhile, as a measure shared across the Group, with regard to technology development, the JFE Group Management Strategy Committee has been set up to deliberate basic policy and important matters. In addition, the JFE Group Information Security Committee has been established as a body to deliberate and decide on important issues concerning information security, and deliberations are carried out on such important issues. Furthermore, the JFE-Security Integration and Response Team (JFE-SIRT), a team dedicated to responding to information security incidents, has been set up for the purpose of protecting information assets within the Group from increasingly sophisticated cyber-attacks and the risk of information leakage.

- (3) Internal Audits, Audit by Audit & Supervisory Board Members and Audit by Accounting Auditor
 (a) Internal audit

Internal audit organizations have been established at the Company (5 members), its principal Operating Companies (27 members) and key Group companies, and conduct the audit of business operations of each company. The internal auditing departments of the Company and the Group companies mutually share information to enhance overall internal auditing structure within the Group. In addition, in order to ensure the effectiveness of internal audits, the results

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of internal audits are reported to the Board of Directors and the Audit & Supervisory Board.

(b) Audit by Audit & Supervisory Board Members

With regard to audit by Audit & Supervisory Board Members, it is carried out by a structure of 5 Audit & Supervisory Board Members including 3 Outside Audit & Supervisory Board Members. In addition to attending the Board of Directors meeting, Audit & Supervisory Board Members divide duties between full-time members and other members and attend the JFE Group Management Strategy Committee, the Management Committee, the JFE Group Sustainability Council, and other important meetings. They audit the manner in which Directors execute their duties by conducting interviews on operational status from Directors and Corporate Officers and by receiving operational reports from the operating companies and the Group companies. Audit & Supervisory Board Members of the Company, operating companies and the Group companies exchange information to promote cooperation.

(c) Audit by Accounting Auditor

Ernst & Young ShinNihon LLC has been designated as the Accounting Auditor. The names of the certified public accountants who executed accounting audit, and the audit corporations which they belong to are as follows.

Yusuke Nakamura

Certified Public Accountant Designated and Engagement Partner
(Ernst & Young ShinNihon LLC)

Tetsuya Yoshida

Certified Public Accountant Designated and Engagement Partner
(Ernst & Young ShinNihon LLC)

Keiichi Wakimoto

Certified Public Accountant Designated and Engagement Partner
(Ernst & Young ShinNihon LLC)

Taichi Fujio

Certified Public Accountant Designated and Engagement Partner
(Ernst & Young ShinNihon LLC)

(Notes) 1. Continuous years of service of each of the above persons are not more than seven years.

2. Composition of assistants in the accounting audit is determined in accordance with the selection standards of the Audit Corporation and specifically, they are composed of certified public accountants and other assistants as major members in addition to the system professionals.

(4) Outline of the Contracts for Limitation of Liability with Directors (Excluding Those Who Are Executive Directors, etc.) and Audit & Supervisory Board Members

The Company has entered into agreements, in accordance with the provision of Article 427, Paragraph 1, of the Companies Act, with Directors (excluding those who are Executive Directors, etc.) and Audit & Supervisory Board Members to limit their liability to compensate damages under Article 423, Paragraph 1, of the Companies Act. The limitation on indemnity liability of each Director and Audit & Supervisory Board Member to compensate damages under such agreements is set out to the amount set forth in the relevant laws and regulations.

3. Reasons for Adoption of Current Corporate Governance System

The Company is a pure holding company comprising 3 Operating Companies with diverse business operations. With the aim of ensuring the autonomy and efficiency of management and exercising the appropriate management supervision function at each Operating Company, the Company adopts for them the Corporate Officer System to clarify authority and accountability by separating decision-making on management from business execution and to enhance prompt execution, and adopts Outside Directors with strong independence to improve transparency of the Board of Directors and secure sound management.

Furthermore, in October 2015, the Company has established the Nomination Committee and

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Remuneration Committee which each comprise of a majority of Outside Directors/Audit & Supervisory Board Members, to reinforce the management supervision function by the Board of Directors, by enhancing the engagement of Outside Directors/Audit & Supervisory Board Members in appointment of the President of the Company and determination of Directors' remuneration.

As the Company's business activities consist of a broad and diverse range of business areas, the Company emphasizes preventing misconducts on a Group-wide basis and ensuring the internal control and compliance system. From this perspective, the Company considers that full-time Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members who act as single-person organs and who are legally empowered to exercise rights such as the right to investigate, right to demand cessation of any misconduct, etc. shall supervise management, independent of the Board of Directors.

The Company considers the current system is most effective in pursuing the sustainable growth and enhancement of corporate value, while striking a proper balance between growth-oriented governance and defensive governance.

(Translation for reference only)

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
a. Early Notification of General Shareholder Meeting	Date of the 22nd Ordinary General Meeting of Shareholders held: June 6, 2024 (Thursday)
b. Scheduling General Shareholder Meetings Avoiding the Peak Day	Date of the 22nd Ordinary General Meeting of Shareholders held: June 25, 2024 (Tuesday)
c. Allowing Electronic Exercise of Voting Rights	An electronic voting system is adopted.
d. Participation in Electronic Voting Platform	A platform for exercise of voting rights for institutional investors operated by ICJ Inc. is adopted.
e. Providing Convocation Notice in English	An English version of the Notice summaries was posted on the Company's website on May 23, at the same time as the Japanese version. Notice of the 22nd Ordinary General Meeting of Shareholders https://www.jfe-holdings.co.jp/en/investor/kabushiki/pdf/shosyu/22-20240523.pdf
f. Other	The Notice (Japanese version) was posted on the Company's website on May 23.

2. IR Activities

	Supplementary Explanations	Presentation by Representatives
a. Preparation and Publication of Disclosure Policy	The Disclosure Policy is posted on the Company's website. Disclosure Policy https://www.jfe-holdings.co.jp/en/investor/management/disclosure-policy/index.html	
b. Regular Investor Briefings for Individual Investors	Briefings are held several times a year by Directors/Corporate Officers and the department in charge, and videos are posted on the Company's website.	Available
c. Regular Investor Briefings for Analysts and Institutional Investors	Investors' meetings are held around once each quarter for analysts and institutional investors, and videos and scripts are posted on the Company's website.	Available
d. Regular Investor Briefings for Overseas Investors	Management and Directors/Corporate Officers in charge engage in dialogue around once a year in various locations.	Available
e. Posting of IR Materials on Website	Financial results information, timely disclosure information other than financial results information, securities reports, references at the Company briefings, notice of ordinary general meeting of shareholders, "To Our Shareholders", "JFE GROUP REPORT (Integrated Report)", etc. Investor Information https://www.jfe-holdings.co.jp/en/investor/index.html	
f. Establishment of Department and/or Manager in Charge of IR	Department in charge of investor relations: Investor Relations and Corporate Communications Dept. Directors/Corporate Officers in charge of investor relations: Vice President, Tsunao Takura	

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3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
a. Stipulation of Internal Rules for Respecting the Position of Stakeholders	Respect for the position of stakeholders is stipulated in the JFE Group's "Corporate Vision", "Corporate Values" and "JFE Group Standards of Business Conduct." Corporate Vision https://www.jfe-holdings.co.jp/en/company/philosophy/index.html
b. Implementation of Environmental Activities, CSR Activities etc.	The Group's sustainability activities are presented in the "JFE GROUP REPORT (Integrated Report)" and the "JFE Group Sustainability Report." <JFE GROUP REPORT (Integrated Report)> https://www.jfe-holdings.co.jp/en/investor/library/group-report/index.html This report provides comprehensive information on the Group's management strategies and financial information together with non-financial information including ESG (environmental, social, and governance) with the aim of helping all stakeholders, including shareholders and investors, understand the medium- to long-term value creation narrative of the Group. <JFE Group Sustainability Report> https://www.jfe-holdings.co.jp/en/sustainability/index.html This report comprehensively presents the Group's sustainability activities from the perspective of ESG (environmental, social and governance).
c. Development of Policies on Information Provision to Stakeholders Specifically	The Company recognizes the importance of timely and appropriate disclosure of information, and strives to improve its internal systems to conduct timely, accurate and fair disclosure of corporate information to its shareholders and investors. The Company filed a declaration with the stock exchanges to pledge to the effect that the Company will carry out disclosure of information in good faith. Specifically, as an internal system, the Company established internal regulations concerning treatment of material facts, based on which departments for controlling, aggregating, confirming and announcing the material facts are established respectively to conduct timely and appropriate disclosure of significant corporate information with cooperation among the departments.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

For the systems to ensure the propriety of business operations, the Basic Policies to Establish the Internal Control Systems was resolved by the Board of Directors, pursuant to which the Company operates and improves the systems.

[Basic Policies to Establish the Internal Control Systems]

JFE Holdings, Inc. shall establish its internal control systems as described below to comply with laws, regulations and the Articles of Incorporation and maximize its corporate value toward the realization of the Corporate Vision—"The JFE Group—contributing to society with the world's most innovative technology"—and the goal of establishing a highly sustainable business structure. JFE Holdings, Inc. shall endeavor to review and improve the basic policies and the internal control systems established in accordance therewith on an ongoing basis.

1. Systems necessary for ensuring the propriety of business operations conducted by the corporate group consisting of the Company and its subsidiaries
 - (1) Systems to ensure compliance of the execution of duties by Directors and employees with laws, regulations and the Articles of Incorporation
 - (a) The authority of Directors, Corporate Officers and employees shall be clarified in the in-house rules for authority and responsibilities and other internal policy guidelines. Their respective duties shall be executed in compliance with the relevant rules and regulations.

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- (b) A Compliance Council shall be established. It shall deliberate and make decisions on the basic policies and important matters regarding the compliance of ethics, laws and regulations. The Compliance Council shall also supervise the progress of the measures implemented.
 - (c) A “Corporate Ethics Hotline” to help ensure that important information regarding the compliance of ethics, laws and regulations is directly communicated from the front lines to top management shall be provided, streamlined and appropriately operated.
 - (d) The internal auditing department shall audit the compliance conditions of the relevant laws, regulations and the Articles of Incorporation.
- (2) Systems to ensure the efficient execution of Directors’ duties
- (a) The Directors shall encourage in-depth deliberations at the meetings of the Board of Directors, the JFE Group Management Strategy Committee and the Management Committee. The Directors shall also sufficiently deliberate before drawing conclusions at appropriate organizational bodies, as required.
 - (b) The internal auditing department shall audit the effectiveness and efficiency of the business.
- (3) Systems to keep and manage information pertaining to the execution of duties by Directors
- (a) The minutes of the Board of Directors meetings shall be prepared with regard to information on matters to be resolved by and reported to the Board of Directors, in accordance with the relevant laws and regulations. The board minutes shall be appropriately kept and managed.
 - (b) Information regarding organizational bodies, such as the JFE Group Management Strategy Committee and the Management Committee, that addresses important management matters shall be appropriately recorded, stored and managed.
 - (c) Important corporate documents, such as kessaisho (documents for approval), which are related to the execution of Directors’ duties, shall be appropriately recorded, stored and managed.
- (4) Rules and other systems regarding loss risk management
- (a) As for risk management of risks involving business activities, compliance with ethics, laws and regulations, sustainability, financial reporting, and information disclosure, the Corporate Officers in charge shall endeavor to recognize their respective risks. The JFE Group Sustainability Council chaired by the CEO shall check, identify and evaluate the risk factors, as required, and deliberate and make decisions on how to cope therewith. The Board of Directors shall deliberate and make decisions or receive reports on important matters concerning risk management.
 - (b) With regard to disasters such as large-scale earthquakes and pandemics, the JFE Group Sustainability Council shall determine response processes in advance, and immediately deliberate and make decisions on how to cope therewith, in order to minimize losses in the event of occurrence thereof.
 - (c) Important management matters shall be deliberated and decided in accordance with the decision-making procedures set forth in the Rules of the Board of Directors, etc.
- (5) Systems to ensure the propriety of business operations conducted by the corporate group
- (a) The respective Group companies of the JFE Group shall streamline their in-house systems with regard to the matters specified in the basic policies, as required, by taking into account their corporate size, business lines, organizational design of the in-house body, and corporate individuality and characteristics.
 - (b) JFE Holdings, Inc. shall determine its decision-making procedures, etc., for important group management matters, as well as important matters (including matters with regard to loss risk management.) of the operating companies (significant subsidiaries being operating companies of which JFE Holdings, Inc., directly holds shares thereof) and their affiliated Group companies in accordance with the regulations of the Board of Directors, etc., then deliberate and make decisions on such matters at the appropriate organizational bodies or receive reports therefrom. Each operating company shall determine its decision-making procedures, etc., for important matters for itself and its affiliated Group companies in accordance with its regulations of the Board of Directors, etc., then deliberate and make decisions on such matters at the appropriate organizational bodies or receive reports therefrom.
 - (c) JFE Holdings, Inc. shall, at the JFE Group Sustainability Council, deliberate and make decisions on the basic policies and important matters regarding risk management common to the Group, confirm and evaluate the Group’s risk management, and supervise the progress of the measures implemented. The Board of Directors shall deliberate and make decisions or receive reports on important matters concerning the Group’s risk management.

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- (d) JFE Holdings, Inc. shall establish the JFE Group Compliance Council to deliberate and make decisions related to the Group's basic policy and important matters in regard to compliance with the code of ethics and laws and regulations, and supervise the status of the implementation of related measures. And, in order to promote its group management that is compliant with the code of ethics and laws and regulations, JFE Holdings, Inc. shall closely coordinate with the Compliance Councils of operating companies.

Each operating company shall establish a Compliance Council to deliberate and make decisions related to the basic policy and important matters in regard to compliance with the code of ethics and laws and regulations for itself and its affiliated Group companies, and supervise the status of the implementation of related measures.

JFE Holdings, Inc. shall streamline and appropriately operate the Corporate Ethics Hotline as a system to help ensure that important information of the entire Group regarding the compliance with the code of ethics, laws and regulations is directly communicated from the front lines to top management.

- (e) The internal auditing department of JFE Holdings, Inc. shall audit the effectiveness and efficiency of the business and the compliance status with regard to the relevant laws, regulations and the Articles of Incorporation at the operating companies, or receive reports from the respective internal auditing departments of such operating companies. The internal auditing department of each operating company shall audit the effectiveness and efficiency of the business and the compliance status with regard to the relevant laws, regulations and the Articles of Incorporation at its affiliated Group companies, or receive reports from the respective internal auditing departments of such Group companies.
- (f) The respective Group companies of the JFE Group shall streamline their required systems, which are necessary to ensure the reliability of their financial reporting, and disclose appropriate information at appropriate times.

2. Systems necessary for the Company's Audit & Supervisory Board Members to execute their duties

- (1) Matter regarding employees as assistants to support Audit & Supervisory Board Member's duties
Employees who support any Audit & Supervisory Board Member in conducting his/her duties shall be staff of the Audit & Supervisory Board Member's Secretariat.

- (2) Matter regarding the independence of employees as assistant to support Audit & Supervisory Board Member's duties from Directors

The personnel affairs of the employees who serve as assistants to the Audit & Supervisory Board Members shall be consulted with the Audit & Supervisory Board Members.

- (3) System for ensuring the effectiveness of the instructions given to employees as assistants to support Audit & Supervisory Board Member's duties

The employees who serve as assistants to the Audit & Supervisory Board Members shall perform their operations of supporting an Audit & Supervisory Board Member's duties under the supervision of said Audit & Supervisory Board Member.

- (4) System for reporting to the Audit & Supervisory Board Members

- (a) The Audit & Supervisory Board Members shall attend the meetings of the Board of Directors, the JFE Group Management Strategy Committee, the Management Committee and other important meetings and receive reports thereat.

- The Directors, Corporate Officers and employees shall report the execution of their duties (including important matters regarding the operating companies and their affiliated Group companies) to the Audit & Supervisory Board and/or any Audit & Supervisory Board Member as required or if so requested by the Audit & Supervisory Board or any Audit & Supervisory Board Member. The Directors, Corporate Officers and employees of the operating companies or their affiliated Group companies shall report the execution of their duties to the Audit & Supervisory Board and/or any Audit & Supervisory Board Member as required or if so requested by the Audit & Supervisory Board or any Audit & Supervisory Board Member.

- (b) JFE Holdings, Inc. shall streamline the Corporate Ethics Hotline as a system that allows anyone to directly report to or consult with an Audit & Supervisory Board Member. The details of any violations that have been reported or discussed over the Corporate Ethics Hotline are handled by the department in charge thereof and shall then be reported to the Audit & Supervisory Board and/or the Audit & Supervisory Board Members, as they occur.

- (5) System to ensure that anyone who has reported to an Audit & Supervisory Board Member does not suffer detrimental treatment for the reason of having made said report

JFE Holdings, Inc. shall stipulate in the relevant regulations that anyone who has reported any violations through the Corporate Ethics Hotline and that anyone who has reported or discussed any violations with the Audit & Supervisory Board and/or the Audit & Supervisory Board

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Members shall not be unfavorably treated, and shall appropriately operate said regulations.

- (6) Policies with regard to expense prepayment and/or reimbursement procedures related to the execution of duties by the Audit & Supervisory Member, and the handling of any other expenses or obligations that derive from the execution of the relevant duties
JFE Holdings, Inc., shall respond to the request as soon as possible if a request is made with regard to the prepayment or reimbursement of expenses that are required for the execution of duties of Audit & Supervisory Board Members.
- (7) Other systems to ensure effective audits by the Audit & Supervisory Board Members
 - (a) The Directors, Corporate Officers and employees shall cooperate with the Audit & Supervisory Board Members in improving the auditing environment so that various Audit & Supervisory Board Members' activities can be smoothly executed, including access to important documents, site examinations, exchanges of opinion with Directors and others, examination of subsidiaries and collaboration with the Audit & Supervisory Board Members of any subsidiaries, all of which are considered necessary for the audits executed by the Audit & Supervisory Board Members.
 - (b) The Audit & Supervisory Board Members shall receive reports from the Accounting Auditor and the internal auditing department on their audit results (including important matters regarding the operating companies and their affiliated Group companies) in an appropriate and timely manner and maintain a close working arrangement with the Accounting Auditor and the internal auditing department.

2. Basic Views on Eliminating Anti-Social Forces

- (1) Basic views on eliminating anti-social forces
The Company has established “JFE Group Policies for Addressing Anti-social Forces” by resolutions of the Board of Directors and, based on the policies, works to ensure sound company management through uniform organization-wide measures under the JFE Group's compliance system in response to anti-social activities.

“JFE Group Policies for Addressing Anti-social Forces”

The JFE Group aims to completely avoid any relationships with anti-social forces, and the general administration and legal affairs departments of Group companies have been designated as the departments responsible for dealing with issues related to anti-social forces. These departments report any incidents involving anti-social forces, establish regulations for dealing with such incidents, and will work with police and other authorities to resolutely address matters involving anti-social forces.

- (2) Progress of eliminating anti-social forces
 - (a) Establishment of JFE Group Standards of Business Conduct
The JFE Group Standards of Business Conduct stipulates “Firmly resist all elements and organizations that threaten social order and stability, and refuse all illegal and improper demands.”
 - (b) Establishment of Regulations for Addressing Violence Directed at Companies
“Regulations for Addressing Violence Directed at Companies” have been established to clarify the standards of response to anti-social forces, including a manual on the initial steps that should be taken in responding to violence targeting companies.
 - (c) Training conducted
E-learning is conducted and guidebooks on compliance are distributed to ensure that all JFE Group executives and employees are thoroughly informed on the “JFE Group Policies for Addressing Anti-social Forces” and the standards of response to anti-social forces, etc.

(Translation for reference only)

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	No Adopted
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Supplementary Explanation

<Basic Policy Regarding Persons who Control Decisions on JFE Holdings' Financial and Business Policies>

Based on the JFE Group's Corporate Vision of "contributing to society with the world's most innovative technology," JFE Holdings' basic management stance is to endeavor to increase, in good faith, the corporate value and achieve the common interests of the shareholders by fully utilizing the source of our corporate value accumulated through long-term management efforts and ongoing investments, such as world-leading manufacturing capabilities, cost competitiveness, development utilizing Group-wide synergy, and excellent human capital, and by steady implementation of various measures based on a long-term perspective including development of technologies for carbon neutrality.

The Company believes that persons who control decisions on JFE Holdings' financial and business policies should respect this corporate philosophy and basic management stance and help to enhance the Company's long-term corporate value and the common interests of shareholders.

In addition, the Company believes that a change of control is an effective means of revitalizing corporate activities and economy, and the Company believes that when a large-scale purchase of JFE shares is commenced, the shareholders of JFE should, in principle, make decisions as to whether or not the large-scale purchase is acceptable.

However, some large-scale purchases of the Company's shares or proposals related to large-scale purchases may impair the corporate value of the Company or the common interests of shareholders, which may in effect compel the shareholders to sell their shares of the Company.

Therefore, at such times, from the perspective of enhancing corporate value and the common interests of shareholders, the Company shall promptly take timely and appropriate measures to the extent permitted by the Financial Instruments and Exchange Act, the Companies Act, and other related laws and ordinances, such as requesting that the person proposing a large-scale purchase of the Company's shares provide necessary and sufficient information for the shareholders to appropriately determine whether or not to proceed, disclosing the opinions of the Company's Board of Directors while respecting the independent opinions of Outside Directors/Audit & Supervisory Board, and endeavoring to give the shareholders the necessary information and time to review these.

2. Other Matters Concerning Corporate Governance System

Outline of timely disclosure system

In order to maintain the credibility of the Group in the securities markets, the Company, Operating Companies and Group companies formulate internal regulations concerning material facts, and, by establishing departments managing information and judging and implementing timely disclosure of information, disclose significant corporate information in a timely and appropriate manner in addition to statutory disclosure such as annual securities reports and extraordinary reports based on the Financial Instruments and Exchange Act.

With regard to timely disclosure of corporate information, the information is disclosed by registering with TDnet, in accordance with the "Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities" set out by the Tokyo Stock Exchange (the "Timely Disclosure Rules").

[Flow of timely disclosure of corporate information]

- 1) "Information on decisions made" and "Information on financial results" that fall under the "Timely Disclosure Rules"
"Department controlling material facts" which administers relevant events communicates and coordinates with "department aggregating information on material facts" (department in charge of

(Translation for reference only)

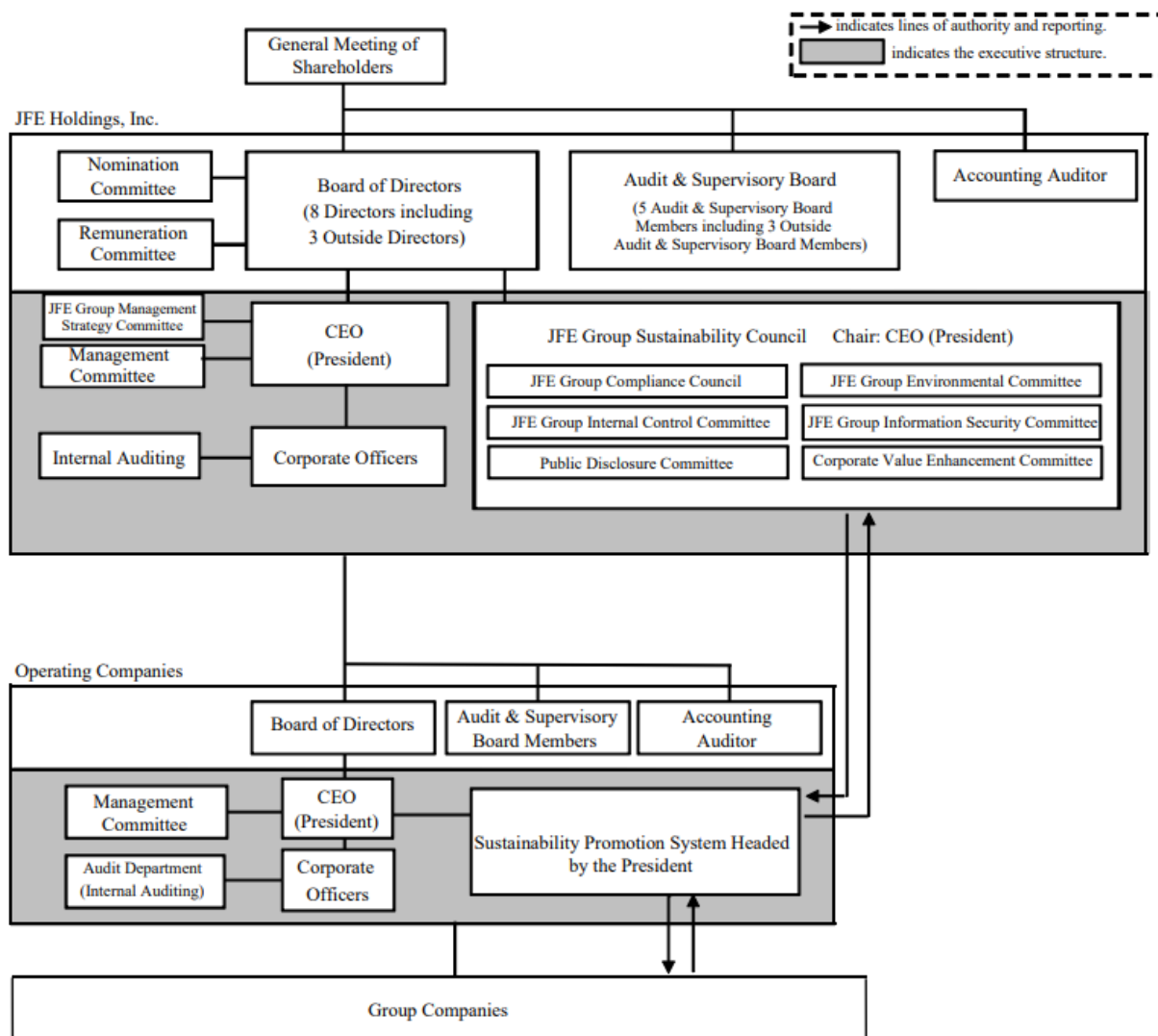
general administration), “department confirming material facts” (department in charge of legal affairs) and “department controlling announcement” (department in charge of public relations) on the form and contents, etc. of the timely disclosure. In the event that the Company makes decisions on the events, the “department controlling announcement” promptly conducts the timely disclosure via TDnet.

2) “Information on events occurred” that falls under the “Timely Disclosure Rules”

In the event that relevant events occur, “department controlling material facts” which administers relevant events communicates and coordinates with “department aggregating information on material facts” (department in charge of general administration), “department confirming material facts” (department in charge of legal affairs) and “department controlling announcement” (department in charge of public relations) on the form and contents, etc. of the timely disclosure, and the “department controlling announcement” conducts the timely disclosure via TDnet appropriately.

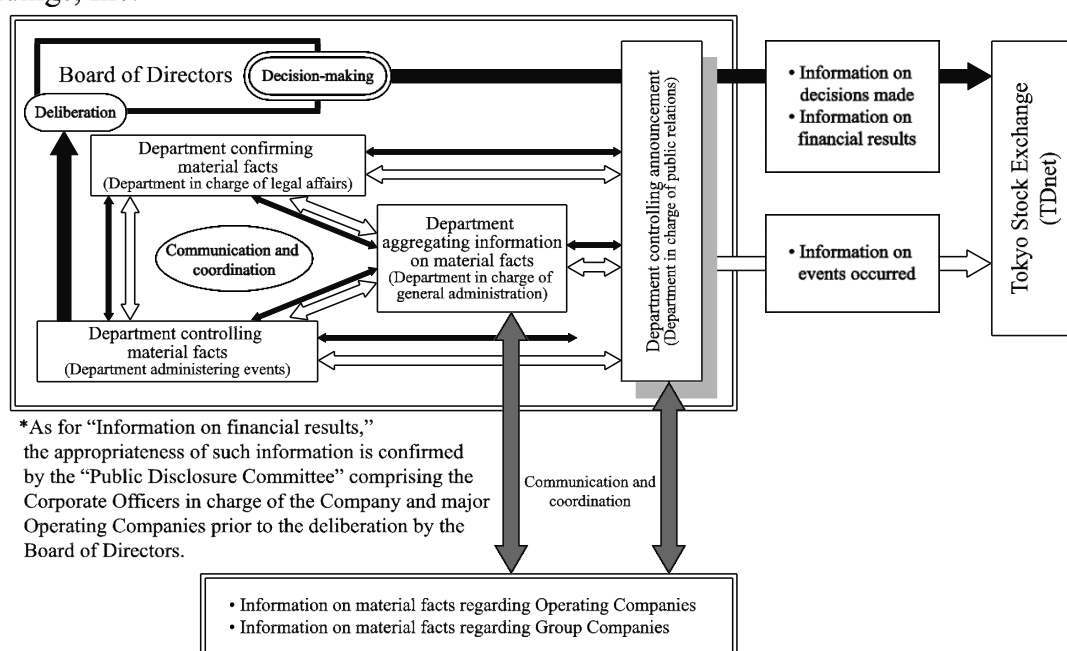
(Translation for reference only)

[Diagram 1] Corporate Governance System



[Diagram 2] Timely Disclosure System

JFE Holdings, Inc.



(Translation for reference only)

(Appendix)

Skills Matrix of Directors and Audit & Supervisory Board Members

Position / Name	Corporate management/ Management strategy	Sustainability/ Environment	Technology / DX	Finance / Accounting	Internal control / Governance	Legal / Compliance	Personnel and labor/ Human resources development	Sales / Marketing	Operation with knowledge
Representative Director Yoshihisa Kitano	○	○	○		○				Steel
Representative Director Masayuki Hirose	○	○			○			○	Steel
Representative Director Masashi Terahata	○	○		○	○	○	○		Steel / Trading
Director Toshinori Kobayashi	○	○	○		○			○	Steel / Trading
Director Kazuyoshi Fukuda	○	○	○		○			○	Engineering
Outside Director Masami Yamamoto	○	○	○		○				-
Outside Director Yoshiko Ando		○			○	○	○		-
Outside Director Keiichi Kobayashi	○	○	○		○			○	-
Audit & Supervisory Board Member Nobuya Hara	○			○	○				Steel
Audit & Supervisory Board Member Nakaba Akimoto					○	○			Steel / Engineering / Trading
Outside Audit & Supervisory Board Member Isao Saiki					○	○	○		-
Outside Audit & Supervisory Board Member Tsuyoshi Numagami	○			○	○			○	-
Outside Audit & Supervisory Board Member Takuya Shimamura	○	○			○			○	-