Annual Securities Report

24th Term (from April 1, 2025 to March 31, 2026)

JFE Holdings, Inc.

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Document title	Annual Securities Report
Clause of stipulation	Article 24, paragraph 1 of the Financial Instruments and Exchange Act
Place of filing	Director-General of the Kanto Regional Finance Bureau
Filing date	June 19, 2026
Fiscal year	The 24th term (from April 1, 2025 to March 31, 2026)
Company name	JFE Holdings Kabushiki Kaisha
Company name in English	JFE Holdings, Inc.
Title and name of representative	Yoshihisa Kitano, Representative Director, President and CEO
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Place for public inspection	Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Section I. Company Information

I. Overview of Company

1. Key Financial Data

(1) Consolidated financial data

Fiscal year		20th term	21st term	22nd term	23rd term	24th term (current fiscal year)
Fiscal year ended		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Revenue	(million yen)	4,365,145	5,268,794	5,174,632	4,859,647	4,539,270
Business profit	(million yen)	416,466	235,841	298,224	135,339	135,385
Profit before tax	(million yen)	388,535	210,282	268,386	144,315	87,417
Profit attributable to owners of parent	(million yen)	288,058	162,621	197,421	91,867	70,165
Comprehensive income attributable to owners of parent	(million yen)	352,318	198,999	284,357	135,807	148,830
Equity attributable to owners of parent	(million yen)	1,988,268	2,120,322	2,464,128	2,529,578	2,619,535
Total assets	(million yen)	5,287,909	5,524,040	5,754,964	5,647,637	5,895,238
Equity attributable to owners of parent per share	(yen)	3,452.82	3,649.79	3,874.62	3,976.84	4,117.88
Basic earnings per share	(yen)	500.28	280.68	323.33	144.43	110.30
Diluted earnings per share	(yen)	500.12	280.52	315.09	138.24	105.47
Equity ratio	(%)	37.6	38.4	42.8	44.8	44.4
ROE	(%)	15.7	7.9	8.6	3.7	2.7
PER	(times)	3.4	6.0	7.9	12.7	16.5
Net cash provided by (used in) operating activities	(million yen)	298,738	395,797	478,967	378,968	379,081
Net cash provided by (used in) investing activities	(million yen)	(288,034)	(274,308)	(325,259)	(283,179)	(452,784)
Net cash provided by (used in) financing activities	(million yen)	(57,427)	(110,175)	(45,487)	(157,435)	61,681
Cash and cash equivalents at end of period	(million yen)	101,773	119,391	243,079	172,841	167,807
Number of employees	(persons)	64,296	64,241	62,218	61,296	61,628

Notes: 1. The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS").

2. The figures in parentheses represent cash outflows.

3. Business profit refers to profit before tax excluding financial profit and loss and one-time items of a materially significant value. It is a benchmark indicator of the consolidated earnings of the Company.

(2) Key financial data of the reporting company

Fiscal year		20th term	21st term	22nd term	23rd term	24th term (current fiscal year)
Fiscal year ended		March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Operating revenue	(million yen)	62,219	68,825	66,534	77,155	50,808
Operating profit	(million yen)	49,716	52,383	51,102	60,005	26,395
Ordinary profit	(million yen)	49,716	52,383	51,102	60,005	26,395
Profit	(million yen)	49,438	52,115	50,758	59,613	38,393
Share capital	(million yen)	147,143	147,143	171,310	171,310	171,310
Total number of shares issued	(thousand shares)	614,438	614,438	639,438	639,438	639,438
Net assets	(million yen)	1,032,718	1,017,702	1,133,905	1,130,049	1,111,234
Total assets	(million yen)	2,767,173	2,734,669	2,843,701	2,816,037	2,992,286
Net assets per share	(yen)	1,793.10	1,751.50	1,782.71	1,776.33	1,746.61
Dividend per share [of which, interim dividend per share]	(yen)	140.00 [60.00]	80.00 [50.00]	100.00 [50.00]	100.00 [50.00]	80.00 [40.00]
Basic earnings per share	(yen)	85.84	89.93	83.12	93.71	60.35
Diluted earnings per share	(yen)	85.80	89.87	80.91	89.28	57.35
Equity ratio	(%)	37.3	37.2	39.9	40.1	37.1
ROE	(%)	4.8	5.1	4.7	5.3	3.4
PER	(times)	20.1	18.7	30.6	19.5	30.1
Payout ratio	(%)	163.1	89.0	120.3	106.7	132.6
Number of employees	(persons)	51	55	53	55	60
Total shareholder return [Benchmark: TOPIX Total Return Index]	(%) (%)	136.7 [102.0]	139.3 [107.9]	209.8 [152.5]	165.0 [150.2]	169.9 [202.2]
Highest share price	(yen)	1,950.0	1,846.0	2,646.5	2,534.0	2,359.0
Lowest share price	(yen)	1,206.0	1,303.0	1,548.0	1,654.0	1,555.5

Notes: 1. The highest and lowest share prices are quoted prices on the First Section of the Tokyo Stock Exchange on and before April 3, 2022 and those on the Prime Market of the Tokyo Stock Exchange on and after April 4, 2022.
2. Of the dividend of 80 yen per share for the fiscal year ending in March 2026, the year-end dividend of 40 yen is subject to approval at the Ordinary General Meeting of Shareholders held on June 24, 2026.

2. History

September 2002	Through a share transfer, Nippon Kokan K.K. and Kawasaki Steel Corporation (hereinafter referred to as the “two preceding companies”) jointly established JFE Holdings, a wholly-owning parent company. Common shares of JFE Holdings were then listed on the First Sections of the Tokyo Stock Exchange, the Osaka Securities Exchange, and the Nagoya Stock Exchange. (Shares of the two preceding companies were delisted).
January 2003	Approved a split agreement between the two preceding companies
April 2003	Reorganized the two preceding companies into JFE Steel, JFE Engineering, JFE Urban Development and JFE R&D, and made Kawasaki Microelectronics, Inc. a wholly-owned subsidiary of JFE Holdings through a company split
March 2008	Established Universal Shipbuilding Corporation as a subsidiary through the acquisition of shares owned by Hitachi Zosen Corporation and JFE Engineering
April 2009	Transferred engineering research functions of JFE R&D to JFE Engineering, and also integrated JFE R&D into JFE Steel
April 2011	Merged JFE Steel with JFE Urban Development to take over the latter’s business of managing real property holdings
July 2012	Transferred all shares issued by Kawasaki Microelectronics to MegaChips Corporation
October 2012	Established JFE Shoji as a wholly-owned subsidiary through a share exchange
January 2013	Integrated IHI Marine United Inc with Universal Shipbuilding Corporation, a surviving company, and changed its name to Japan Marine United Corporation (now an equity-method associate)
December 2021	Delisted from the Nagoya Stock Exchange
April 2022	Shifted from the Tokyo Stock Exchange’s First Section to Prime Market due to a revision of market classifications
June 2022	Changed “JFE” acronym in trade name from Japanese (katakana) to English (alphabetic) spelling
April 2024	JFE Engineering opened the Kasaoka Monopile Factory
June 2025	Transitioned to a company with an Audit & Supervisory Committee

3. Business Overview

The Company takes on functions as a group head office, into which various Group-wide functions are consolidated, with minimum physical presence as a listed company representing the JFE Group. Such functions include the formulation of Group-wide management strategy, the management of Group companies and their risks, the Group's investor relations and other public accountability, and financing across the Group.

The JFE Group comprises three operating companies, JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation, each of which has developed its own system suited to the characteristics of its respective business.

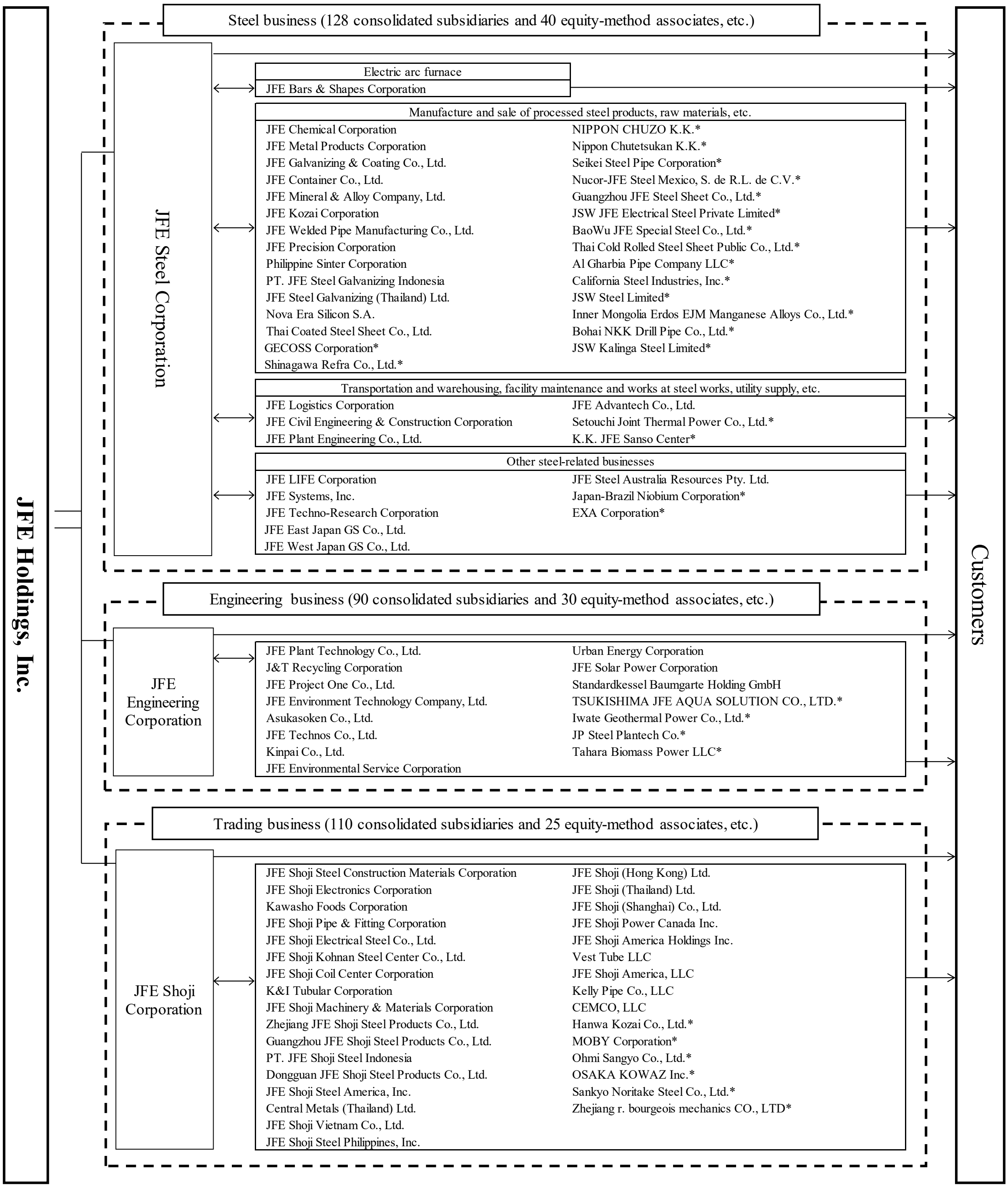
Segment information is described in "V. Financial Information, Consolidated financial statements, Notes to consolidated financial statements, 6. Segment information." Information on major subsidiaries and associates is described in "4. Subsidiaries and Associates."

The Company falls under the category of a special listed company, etc. prescribed in Article 49, paragraph 2 of the Cabinet Office Order on Restrictions on Securities Transactions. Thus, the criteria for assessing the material facts under the insider trading regulations are determined based on consolidated figures.

The business activities, major products and services of each reporting segment are as follows:

Segment	Business activities	Key products and services
Steel business (JFE Steel Corporation and its subsidiaries and associates)	Manufacture and sale of various steel products, steel processed products, raw materials, etc., as well as the transportation business and peripheral businesses such as the equipment maintenance and equipment work businesses	Cold-rolled/galvanized steel sheets, steel plates, hot-rolled steel sheets, steel pipes, steel bars/wire rods, electrical steel sheets, steel shapes, stainless/specialty steels, iron powders, and solutions
Engineering business (JFE Engineering Corporation and its subsidiaries and associates)	Engineering business regarding steel structures, industrial machinery, energy, the environment, recycling business and electricity retailing business	Bridges, steel structures, industry/machinery systems, offshore wind power generations, energy plants, pipelines, electric power business, environmental plants, recycling, and water wastewater
Trading business (JFE Shoji Corporation and its subsidiaries and associates)	Purchasing, processing, and sale of steel products, raw materials for ironmaking/steelmaking, non-ferrous metal products, foods, etc.	Cold-rolled/galvanized steel sheets, steel plates, hot-rolled steel sheets, steel pipes, steel bars/wire rods, electrical steel sheets, steel shapes, stainless/specialty steels, iron powders, bridges, steel structures, industry/machinery systems, offshore wind power generations, raw materials for ironmaking/steelmaking, environmental resources, materials and equipment, construction materials, electronics, foods

The Company, the three operating companies, and major subsidiaries and associates that comprise the JFE Group are positioned as follows:



Notes: 1. Arrows show the flows of products and services.
2. Companies marked with asterisk are equity-method associates, etc. (including joint operations), and the other companies are consolidated subsidiaries.
3. Information on changes in subsidiaries and associates is described in “4. Subsidiaries and Associates.”
4. To three consolidated subsidiaries and one equity-method associate of the steel business, the equity method is applied under the trading business.

4. Subsidiaries and Associates

Name	Address	Capital (Millions of yen)	Major business operations	Voting rights ratio (%)	Description of relationship		
					Interlocking directorates, etc.	Lending of funds for business	Other
(Consolidated subsidiaries)							
[Steel business]							
JFE Steel Corporation*1,3	Chiyoda-ku, Tokyo	239,644	Manufacture and sale of steel products	100.0	Yes	Yes	Concluded an agreement on business administration. Leased building from the company.
JFE Bars & Shapes Corporation*1	Minato-ku, Tokyo	30,000	Manufacture and sale of shaped steel and rebar products	100.0 (100.0)	—	—	—
JFE Chemical Corporation	Taito-ku, Tokyo	6,000	Manufacture and sale of chemical products	100.0 (100.0)	—	—	—
JFE Metal Products Corporation	Minato-ku, Tokyo	5,000	Manufacture, processing, and sale of secondary steel products	99.6 (99.6)	Yes	—	—
JFE Galvanizing & Coating Co., Ltd.	Shinagawa-ku, Tokyo	5,000	Manufacture, processing, and sale of secondary steel products	100.0 (100.0)	—	—	—
JFE Logistics Corporation	Chiyoda-ku, Tokyo	4,000	Various transportation and warehousing businesses	89.2 (89.2)	—	—	—
JFE Container Co., Ltd.	Chiyoda-ku, Tokyo	2,365	Manufacture and sale of various containers	100.0 (100.0)	—	—	—
JFE Civil Engineering & Construction Corporation	Chuo-ku, Tokyo	2,300	Contracting for civil engineering and construction works	100.0 (100.0)	—	—	—
JFE Mineral & Alloy Company, Ltd.	Minato-ku, Tokyo	2,000	Mining and exploitation, processing and sale of mineral products; and manufacture and sale of functional materials, ferroalloys, and iron and steel slag	100.0 (100.0)	Yes	—	—
JFE LIFE Corporation	Taito-ku, Tokyo	2,000	Real estate, insurance agency, and various service businesses	100.0 (100.0)	—	—	—
JFE Plant Engineering Co., Ltd.	Taito-ku, Tokyo	1,700	Manufacture and sale of machinery and equipment, and contracting for electrical construction, telecommunications construction, equipment management, and construction works	100.0 (100.0)	—	—	—
JFE Systems, Inc.*2	Minato-ku, Tokyo	1,390	Development and sale of various computer systems	68.1 (68.1)	—	—	—
JFE Kozai Corporation	Chuo-ku, Tokyo	488	Shearing and fusing of steel plates/sheets; and sale of steel materials	100.0 (100.0)	—	—	—
JFE Welded Pipe Manufacturing Co., Ltd.	Chuo-ku, Tokyo	450	Manufacture and sale of electric resistance welded steel pipes	100.0 (100.0)	—	Yes	—
JFE Precision Corporation	Higashi-ku, Niigata	450	Manufacture and sale of formed and fabricated materials	100.0 (100.0)	—	Yes	—
JFE Advantech Co., Ltd.	Nishinomiya, Hyogo	319	Manufacture and sale of measuring and weighing instruments	100.0 (100.0)	—	—	—
JFE Techno-Research Corporation	Chiyoda-ku, Tokyo	100	Material analysis, environmental research, technical information surveys, and support for intellectual properties	100.0 (100.0)	—	Yes	—
JFE East Japan GS Co., Ltd.	Kawasaki-ku, Kawasaki	50	Various service businesses	100.0 (100.0)	—	—	—

Name	Address	Capital (Millions of yen)	Major business operations	Voting rights ratio (%)	Description of relationship		
					Interlocking directorates, etc.	Lending of funds for business	Other
JFE West Japan GS Co., Ltd.	Fukuyama, Hiroshima	50	Various service businesses	100.0 (100.0)	—	—	—
JFE Steel Australia Resources Pty. Ltd.*1	Brisbane, Australia	AUD 884 mil	Investments in coal mining and iron ore mining businesses in Australia	100.0 (100.0)	—	—	—
Philippine Sinter Corporation*1	Manila, The Philippines	PHP 3,581 mil	Manufacture and sale of sintered ore	100.0 (100.0)	—	—	—
PT. JFE Steel Galvanizing Indonesia*1	Bekasi, Indonesia	USD 189 mil	Manufacture and sale of cold-rolled and hot-dip zinc galvanized steel products	100.0 (100.0)	—	—	—
JFE Steel Galvanizing (Thailand) Ltd.	Rayong, Thailand	THB 4,362 mil	Manufacture and sale of hot-dip zinc galvanized steel products	100.0 (100.0)	—	—	—
Nova Era Silicon S.A.	Belo Horizonte, Brazil	BRL 225 mil	Manufacture and sale of ferroalloy	100.0 (100.0)	—	—	—
Thai Coated Steel Sheet Co., Ltd.	Bangkok, Thailand	THB 2,206 mil	Manufacture and sale of electrogalvanized steel products	81.4 (81.4)	—	—	—
103 other companies							
[Engineering business]							
JFE Engineering Corporation	Chiyoda-ku, Tokyo	10,000	Engineering business	100.0	Yes	Yes	Concluded an agreement on business administration.
JFE Plant Technology Co., Ltd.	Mihama-ku, Chiba	1,000	Design, construction, and maintenance related to basic chemical and functional chemical plants, and chemical supply systems for semiconductor manufacturing	66.6 (66.6)	—	—	—
J&T Recycling Corporation	Tsurumi-ku, Yokohama	650	Total recycling business	64.0 (64.0)	—	Yes	—
JFE Project One Co., Ltd.	Mihama-ku, Chiba	450	Design, construction, and maintenance of oil refining, petrochemical, and energy-related plants	100.0 (100.0)	—	Yes	—
JFE Environment Technology Company, Ltd.	Mihama-ku, Chiba	450	Design, procurement, construction, operation management, and maintenance of various environmental facilities	100.0 (100.0)	—	—	—
Asukasoken Co., Ltd.	Shinagawa-ku, Tokyo	356	Gas pipe burial and gas facility construction works	57.2 (57.2)	—	—	—
JFE Technos Co., Ltd.	Tsurumi-ku, Yokohama	301	Machinery and facility maintenance	100.0 (100.0)	—	—	—
Kinpai Co., Ltd.	Taisho-ku, Osaka	300	Gas pipe burial and gas facility construction works; sale and installation of home fixtures and equipment	66.7 (66.7)	—	—	—
JFE Environmental Service Corporation	Tsurumi-ku, Yokohama	97	Operation, maintenance, and management of waste processing facilities	100.0 (100.0)	—	—	—
Urban Energy Corporation	Tsurumi-ku, Yokohama	50	Electricity retailing business	100.0 (100.0)	—	—	—
JFE Solar Power Corporation	Tsurumi-ku, Yokohama	10	Generation, supply, and sale of electricity using photovoltaic systems	100.0 (100.0)	—	—	—
Standardkessel Baumgarte Holding GmbH	Mülheim, Germany	EUR 1,303 thou	Construction and maintenance of waste power plants, biomass power plants, waste heat recovery power plants	100.0 (100.0)	—	—	—
78 other companies							

Name	Address	Capital (Millions of yen)	Major business operations	Voting rights ratio (%)	Description of relationship		
					Interlocking directorates, etc.	Lending of funds for business	Other
[Trading business]							
JFE Shoji Corporation*1	Chiyoda-ku, Tokyo	14,539	Domestic and export/import trade of steel products; raw materials for ironmaking/steelmaking; non-ferrous metal products; chemical products; petroleum products; and various equipment and materials	100.0	Yes	Yes	Concluded an agreement on business administration.
JFE Shoji Steel Construction Materials Corporation	Chiyoda-ku, Tokyo	1,500	Sale of construction material products and equipment and materials for civil engineering/construction works; metallic processing business; and civil engineering/construction works and various other works	100.0 (100.0)	—	—	—
JFE Shoji Electronics Corporation	Chiyoda-ku, Tokyo	1,000	Sale of semiconductor products; and sale, installation, and maintenance of device assembling and inspection equipment for electronic components	100.0 (100.0)	—	Yes	—
Kawasho Foods Corporation	Chiyoda-ku, Tokyo	1,000	Domestic and import/export trade of various foods	100.0 (100.0)	—	—	—
JFE Shoji Pipe & Fitting Corporation	Chiyoda-ku, Tokyo	500	Sale of steel pipe and pipe material products	100.0 (100.0)	—	—	—
JFE Shoji Electrical Steel Co., Ltd.	Chiyoda-ku, Tokyo	400	Processing and sale of electromagnetic steel sheets	100.0 (100.0)	—	—	—
JFE Shoji Kohnan Steel Center Co., Ltd.	Higashinada-ku, Kobe	250	Processing and sale of steel sheets	100.0 (100.0)	—	—	—
JFE Shoji Coil Center Corporation	Kanazawa-ku, Yokohama	230	Processing and sale of steel sheets	98.4 (98.4)	—	Yes	—
K&I Tubular Corporation	Chiyoda-ku, Tokyo	50	Export/overseas trade of specialty pipes/tubes	60.0 (60.0)	—	—	—
JFE Shoji Machinery & Materials Corporation	Chiyoda-ku, Tokyo	30	Export/import and domestic trade of ironmaking/industrial materials	100.0 (100.0)	—	—	—
Zhejiang JFE Shoji Steel Products Co., Ltd.	Pinghu, China	CNY 295 mil	Processing and sale of steel sheets	97.9 (97.9)	—	—	—
Guangzhou JFE Shoji Steel Products Co., Ltd.	Guangzhou, China	CNY 162 mil	Processing and sale of steel sheets	100.0 (100.0)	—	—	—
PT. JFE Shoji Steel Indonesia	Bekasi, Indonesia	USD 23 mil	Processing and sale of steel sheets	95.3 (95.3)	—	—	—
Dongguan JFE Shoji Steel Products Co., Ltd.	Dongguan, China	CNY 90 mil	Processing and sale of steel sheets	100.0 (100.0)	—	—	—
JFE Shoji Steel America, Inc.	Los Angeles, United States	USD 6 mil	Processing and sale of steel sheets	100.0 (100.0)	—	—	—
Central Metals (Thailand) Ltd.	Samut Prakan, Thailand	THB 240 mil	Processing and sale of steel sheets	100.0 (100.0)	—	—	—
JFE Shoji Vietnam Co., Ltd.	Ho Chi Minh, Vietnam	VND 176,790 mil	Export/import and domestic trade of steel products, raw materials for ironmaking/steelmaking, various equipment and materials	100.0 (100.0)	—	—	—
JFE Shoji Steel Philippines, Inc.	Laguna, The Philippines	USD 3 mil	Processing and sale of steel sheets	100.0 (100.0)	—	—	—

Name	Address	Capital (Millions of yen)	Major business operations	Voting rights ratio (%)	Description of relationship		
					Interlocking directorates, etc.	Lending of funds for business	Other
JFE Shoji (Hong Kong) Ltd.	Hong Kong, China	USD 1 mil	Export/import and domestic trade of steel products, chemical products	100.0 (100.0)	—	—	—
JFE Shoji (Thailand) Ltd.	Bangkok, Thailand	THB 20 mil	Export/import and domestic trade of steel products, raw materials for ironmaking/steelmaking, various equipment and materials	100.0 (100.0)	—	—	—
JFE Shoji (Shanghai) Co., Ltd.	Shanghai, China	CNY 3 mil	Export/import and domestic trade of steel products, raw materials for ironmaking/steelmaking, nonferrous metal products, chemical products	100.0 (100.0)	—	—	—
JFE Shoji Power Canada Inc.	Burlington, Canada	USD 0 mil	Processing and sale of electromagnetic steel sheets	100.0 (100.0)	—	—	—
JFE Shoji America Holdings Inc.	Los Angeles, United States	USD 0 mil	Business management of subsidiaries in the United States	100.0 (100.0)	—	—	—
Vest Tube LLC	Los Angeles, United States	—	Manufacture and sale of welded steel pipes	100.0 (100.0)	—	—	—
JFE Shoji America, LLC	Los Angeles, United States	—	Export/import and domestic trade of steel products and raw materials for ironmaking/steelmaking	100.0 (100.0)	—	—	—
Kelly Pipe Co., LLC	Santa Fe Springs, United States	—	Sale of steel pipes	100.0 (100.0)	—	—	—
CEMCO, LLC	City of Industry, United States	—	Processing and sale of steel frames for construction	100.0 (100.0)	—	—	—
83 other companies							

Name	Address	Capital (Millions of yen)	Major business operations	Voting rights ratio (%)	Description of relationship		
					Interlocking directorates, etc.	Lending of funds for business	Other
(Equity-method associates) [Steel business] Japan-Brazil Niobium Corporation	Chiyoda-ku, Tokyo	37,272	Investment in niobium mining in Brazil	25.0 (25.0)	—	—	—
Setouchi Joint Thermal Power Co., Ltd.	Fukuyama, Hiroshima	5,000	Thermal power generation business	50.0 (50.0)	—	—	—
GECOSS Corporation*2	Bunkyo-ku, Tokyo	4,397	Rental and sale of temporary construction materials	39.5 (39.5)	—	—	—
Shinagawa Refra Co., Ltd.*2, 4	Chiyoda-ku, Tokyo	3,300	Manufacture and sale of various refractories, and contracting for furnace construction work	34.9 (34.9)	—	—	—
Nippon Chuzo K.K.*2	Kawasaki-ku, Kawasaki	2,627	Manufacture and sale of cast steel products	36.2 (36.2)	—	—	—
Nippon Chutetsukan K.K.*2	Kuki, Saitama	1,855	Manufacture and sale of cast-iron pipes	30.0 (30.0)	Yes	—	—
EXA Corporation	Nishi-ku, Yokohama	1,250	Development and sale of various computer systems	49.0 (49.0)	—	—	—
Seikei Steel Pipe Corporation	Sano, Tochigi	950	Manufacture and sale of cold press-formed square steel pipes	27.0 (27.0)	—	—	—
K.K. JFE Sanso Center	Fukuyama, Hiroshima	90	Manufacture and sale of oxygen gas, nitrogen gas, argon gas	50.0 (50.0)	—	—	—
Nucor-JFE Steel Mexico, S.de R.L. de C.V.	Silao, Mexico	USD 481 mil	Manufacture and sale of hot-dip zinc galvanized steel products	49.0 (49.0)	—	—	—
Guangzhou JFE Steel Sheet Co., Ltd.	Guangzhou, China	CNY 3,191 mil	Manufacture and sale of cold-rolled and hot-dip zinc galvanized steel products	50.0 (50.0)	—	—	—
JSW JFE Electrical Steel Private Limited	Mumbai, India	INR 19,850 mil	Manufacture and sale of grain-oriented electrical steel	50.0 (50.0)	—	—	—
BaoWu JFE Special Steel Co., Ltd.	Shaoguan, China	CNY 1,372 mil	Manufacture and sale of specialty steel rods	50.0 (50.0)	—	—	—
Thai Cold Rolled Steel Sheet Public Company Limited	Bangkok, Thailand	THB 4,816 mil	Manufacture and sale of cold-rolled steel sheets	36.0 (36.0)	—	—	—
Al Gharbia Pipe Company LLC	Abu Dhabi, UAE	AED 353 mil	Manufacture and sale of large-diameter welded steel pipes primarily for the energy industry	27.0 (27.0)	—	—	—
California Steel Industries, Inc.	Fontana, United States	USD 40 mil	Manufacture and sale of steel products	49.0 (49.0)	—	—	—
JSW Steel Limited	Mumbai, India	INR 3,050 mil	Manufacture and sale of steel products	15.0 (15.0)	—	—	—
Inner Mongolia Erdos EJM Manganese Alloys Co., Ltd.	Ordos, China	CNY 232 mil	Manufacture and sale of ferroalloy	24.5 (24.5)	—	—	—
Bohai NKK Drill Pipe Co., Ltd.	Cangzhou, China	CNY 129 mil	Processing, manufacture, and sale of drill pipes and drill pipe accessories	28.3 (28.3)	—	—	—
JSW Kalinga Steel Limited	Mumbai, India	INR 680 mil	Business management of subsidiaries engaged in the manufacture and sale of steel products in India	25.0 (25.0)	—	—	—
20 other companies							
[Engineering business] TSUKISHIMA JFE AQUA SOLUTION CO., LTD.	Chuo-ku, Tokyo	5,000	Design, manufacture, and construction of equipment and plants for water purification plants, sewage treatment plants, biomass usage facilities, and sludge recycling facilities	40.0 (40.0)	—	—	—
Iwate Geothermal Power Co., Ltd.	Hachimantai, Iwate	2,626	Geothermal power generation business	29.9 (29.9)	—	—	—

Name	Address	Capital (Millions of yen)	Major business operations	Voting rights ratio (%)	Description of relationship		
					Interlocking directorates, etc.	Lending of funds for business	Other
JP Steel Plantech Co.	Nishi-ku, Yokohama	1,995	Design, manufacture, and installation of steelmaking machinery	34.0 (34.0)	—	—	—
Tahara Biomass Power LLC	Tahara, Aichi	1	Biomass power generation business	40.0 (40.0)	—	—	—
26 other companies							
[Trading business] Hanwa Kozai Co., Ltd.	Yodogawa-ku, Osaka	1,076	Processing and sale of stainless steel products	47.9 (47.9)	—	—	—
MOBY Corporation	Ichikawa, Chiba	211	Processing and sale of steel plates for containers	20.0 (20.0)	—	—	—
Ohmi Sangyo Co., Ltd.	Taisho-ku, Osaka	100	Processing and sale of steel sheets	35.7 (35.7)	—	—	—
OSAKA KOWAZ Inc.	Taisho-ku, Osaka	60	Processing and sale of steel sheets	30.7 (30.7)	—	—	—
Sankyo Noritake Steel Co., Ltd.	Nishi-ku, Sakai	10	Processing and sale of steel sheets	20.0 (20.0)	—	—	—
Zhejiang r. bourgeois mechanics CO., LTD	Haining, China	CNY 150 mil	Processing and sale of steel sheets	23.0 (23.0)	—	—	—
19 other companies*5							
[Other businesses] Japan Marine United Corporation	Nishi-ku, Yokohama	57,500	Design, manufacture, sale, installation, repair, and maintenance of ships, naval vessels, and marine structures	20.0	Yes	—	—

Notes: 1. Companies marked with *1 are specified subsidiaries.

2. Companies marked with *2 file Annual Securities Reports.

3. The figures in parentheses under "Voting rights ratio" represent the percentages of indirectly held voting rights and are included in the above percentages.

4. *3 Revenue of JFE Steel Corporation exceeded 10% of the consolidated revenue.

Information on profit or loss, etc. (Japanese GAAP)

Revenue	2,319,162 million yen
Ordinary loss	(35,476) million yen
Loss	(30,536) million yen
Net assets	895,016 million yen
Total assets	3,500,263 million yen

5. Equity-method associates include joint operations.

6. Changes in subsidiaries and associates

- JFE West Japan GS Co., Ltd. and JFE Shoji Steel Philippines, Inc. are listed as significant consolidated subsidiaries from the fiscal year ended March 31, 2026.
- Al Gharbia Pipe Company LLC, Tahara Biomass Power LLC, and Zhejiang r. bourgeois mechanics CO., LTD are listed as important equity-method associates from the fiscal year ended March 31, 2026.
- JSW Kalinga Steel Limited became an equity-method associate (joint venture) of JFE Steel Corporation due to the acquisition of shares on March 30, 2026, and changed its trade name to JSW JFE Kalinga Steel Limited with effect on April 17, 2026.
- Thai Coated Steel Sheet Co., Ltd. transferred its entire business to Thai Cold Rolled Steel Sheet Public Company Limited on October 1, 2025 and is currently in the process of liquidation.
- JFE Steel Corporation transferred 9.6% of its equity interest in Inner Mongolia Erdos EJM Manganese Alloys Co., Ltd. to Inner Mongolia Erdos EJM Electric Power and Metallurgy Group Co., Ltd. on April 23, 2026.

7. *4 Shinagawa Refractories Co., Ltd., which was listed in the fiscal year ended March 31, 2025, changed its trade name to Shinagawa Refra Co., Ltd., effective October 1, 2025.

8. *5 The other 19 equity-method associates of the trading business include three consolidated subsidiaries and one equity-method associate of the steel business.

II. Business Operations and Performance

1. Management Policy, Business Environment, Issues to Address

(1) Basic management policy

Corporate Vision: Contributing to society with the world's most innovative technology

Corporate Values: Challenging Spirit. Flexibility. Sincerity.

Purpose statements:
- JFE Steel Corporation — Dream for your Future, Steel takes you Further.
- JFE Engineering Corporation — Create, Sustain and Connect the Foundation of Lives — Just For the Earth
- JFE Shoji Corporation — Steel and More: Bridging Global Progress.

(2) Corporate structure

The JFE Group is a corporate group operating mainly three businesses: steel, engineering, and trading.

With steel at its core, the JFE Group is expanding its domains into a wide range of fields, including energy technology and resource recycling technology. The JFE Group will further expand the synergies that its three businesses, backed by world-class technologies, continue to generate, in order to create a sustainable society.

(3) Sources of the JFE Group's competitive strengths

Steel business and trading business

JFE Steel Corporation, an integrated steel manufacturer with the world's leading production scale and advanced technological development capabilities, plays a central role in the steel business, supplying steel products globally to meet the diverse needs of customers and society.

JFE Shoji Corporation plays a central role in the trading business, dealing in a wide range of products from steel materials, non-ferrous metals, chemicals, machinery, and ships to food and electronics, with an over-arching focus on steel products. JFE Shoji Corporation globally provides services that add value to overall supply chain operations.

The competitive advantages of JFE's steel and trading businesses are on three fundamental capabilities: (i) leading-edge technological development capabilities focused on customer needs, (ii) production capabilities constantly being developed and enhanced at production sites, and (iii) sales capabilities underpinned by solid relationships of trust with customers established over years by JFE Steel Corporation and JFE Shoji Corporation. We create new value tailored to customer needs and provide optimized solutions based on these three strengths. These competitive advantages, treasured assets accumulated through many decades of effort and not easily matched by other companies, are the driving force behind our sustainable growth.

● Technological development capabilities to realize value creation (steel business)

JFE Steel Corporation has accumulated industry-leading technological capabilities by meeting the sophisticated demands of customers around the world. The company creates new value through the development and provision of highly functional and high-quality products and services in a wide range of fields, helping industries and societies develop and people's lives evolve around the world. In addition, the company's superior technologies that achieve environmental protection, resource conservation, and energy conservation enable the company to produce steel products with the lowest level of environmental impact in the world, and it uses these technologies as measures to help address environmental issues around the world and as an opportunity for growth.

● Production capabilities constantly being developed and enhanced at production sites (steel business)

Through years of manufacturing steel products, JFE Steel Corporation has accumulated a myriad of high-quality, high-productivity production technologies, intellectual property, and operational knowledge at its production sites. These production capabilities, integrated with additional technologies such as GX-compatible high-quality steel manufacturing technologies with low CO_2 emissions and DX technologies such as data science and robotics, are the sources of its unique competitive strengths. To respond to changes in the business environment caused by declining domestic demand, it will maintain and improve production efficiency by suspending the operation of blast furnaces, and establish an optimal domestic production system.

Specifically, compared to its current crude steel production capacity of 26 million tonne (seven blast furnaces, excluding the electric arc furnace at the Sendai Works), it will transition to a leaner crude steel production capacity of 21 million tonnes by FY2027. By FY2028, it will begin operation of an innovative electric arc furnace at the West Japan Works (Kurashiki district), resulting in production capabilities including five blast furnaces and one innovative electric arc furnace.

- Responding to needs of our stable customer base (steel business and trading business)

We have built relationships of trust with our customers through interactive communication with many customers over the years of doing business. We have helped our customers resolve their issues by creating new value through efforts such as collaborating with them from the early development stage to accurately address their exacting needs. As a result, we have built a solid and highly stable global customer base—one that cannot be easily matched by rivals.

- The JFE Group's global steel product supply chain management (SCM) network (trading business)

JFE Shoji Corporation has built a global steel product SCM network spanning Japan, China, North America, Australia, India, and Europe in strategic coordination with JFE Steel Corporation. In addition to steel products manufactured by JFE Steel Corporation in Japan, JFE Shoji Corporation provides JFE brand products manufactured by the steel business' manufacturing bases abroad and the JFE Group's alliance partners, together with high-quality services, to customers who have manufacturing bases in various parts of the world. The companies also have systems in place that enable them to globally provide products that have undergone slitting or other cut processing in line with customer needs as well as processed steel parts such as motor cores and transformer cores for high-efficiency transformers, for which demand is expanding against the backdrop of environmental regulations and energy conservation.

- Functions as the JFE Group's core trading company (trading business)

JFE Shoji Corporation maximizes its contribution to customer value by anticipating customer needs in rapidly changing global markets and, as the core trading company, developing trading business and operations while considering the overall optimization of the JFE Group. Through an unrivaled trading business model that pursues Group-wide optimization, we will maintain and increase the competitive advantages of the entire Group across global markets.

Engineering business

The engineering business, with JFE Engineering Corporation at its core, is engaged in the construction of infrastructure essential for people's daily lives, including gas, oil, and water pipelines; renewable energy generation systems; municipal waste incinerators; water treatment systems; and bridges, port and harbor structures. The engineering business is also engaged in the EPC (engineering, procurement, and construction) and O&M (operation and maintenance) of such infrastructure as well as recycling, power generation, and other business operations.

JFE Engineering Corporation has also established a global and detailed sales network with numerous domestic branch and sales offices and overseas subsidiaries and branch offices. Over the years, the company has provided advanced technologies and services to government agencies and a wide range of private-sector customers including major electric power companies and gas companies.

The sources of competitive strengths in the engineering business are based on a wide range of business developments, from the delivery of advanced and diverse products and services that respond to the changing times, to business operations that leverage the company's advanced project execution capabilities and manufacturing expertise.

- Advanced core technologies and diverse product technologies

JFE Engineering Corporation has conducted business in diverse fields such as energy, the environment, and bridges, taking advantage of its advanced technological capabilities, which were developed by combining and advancing the following technologies: technologies for processing and assembling in shipbuilding business and technologies relating to materials and combustion in the steel business.

The company especially possesses many technologies for solving issues, such as the creation of next-generation energy and the reduction of CO_2 emissions by using high-efficiency power generation plants, to address global warming, which has become a global issue. The company actively works to plan, design, and promote new business models based on these technologies.

● Proven track record and project execution capabilities underpinned by diverse human resources

The company has built many high-functioning, high-quality facilities in fields such as energy, the environment, and bridges while satisfying the needs of its customers every step of the way, from design to delivery. Furthermore, the company possesses production sites, including one of the largest steel structure production factories in Japan, allowing it to provide high-quality products at low cost. The company has also built global engineering structures in overseas bases, centered in Asian countries, to further reinforce its competitive strength.

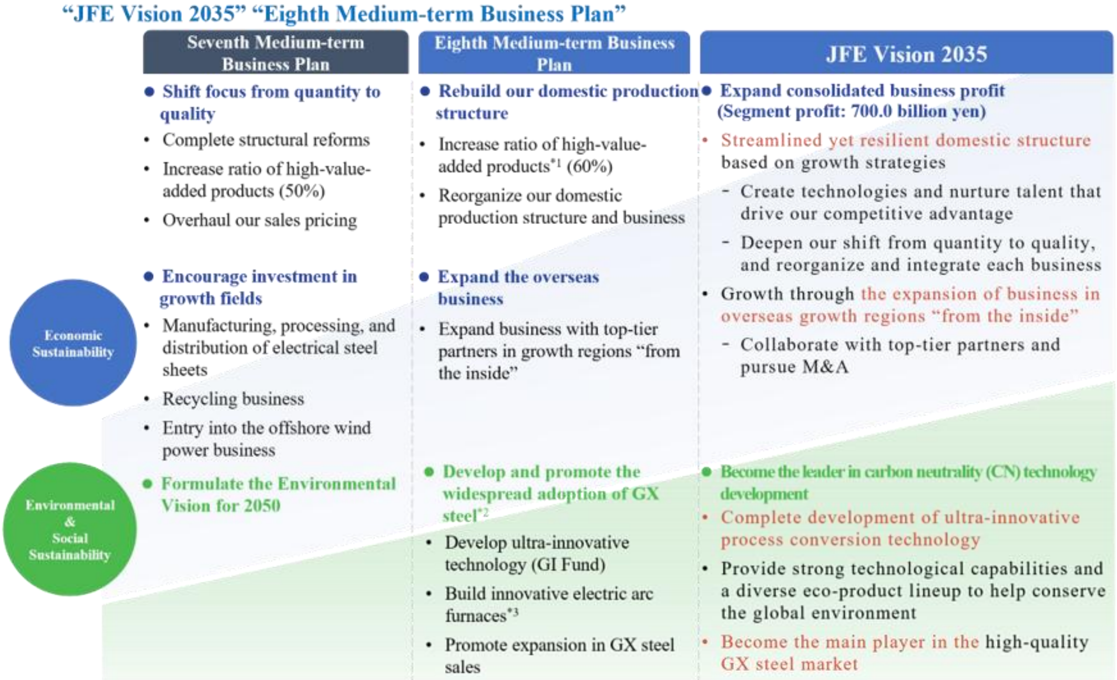
● Business management with strengths in manufacturing expertise

The company engages in many private-public initiatives in the field of public services by applying the operational and maintenance know-how acquired over many years, primarily with regard to the environment and water and sewage plants. Furthermore, its plants undertake the recycling business and renewable energy business, and the company takes the initiative to realize a recycling-oriented sustainable society. The company will strive to further expand its operating business domains, including private-public initiatives and energy service operations, applying its strengths in manufacturing and management expertise.

(4) Priority business and financial issues to address

In May 2025, we formulated JFE Vision 2035 and the Eighth Medium-term Business Plan (FY2025 to FY2027) to achieve the JFE Group’s aspirations. We will complete this Medium-Term Business Plan and link it to further growth.

“JFE Vision 2035” “Eighth Medium-term Business Plan”

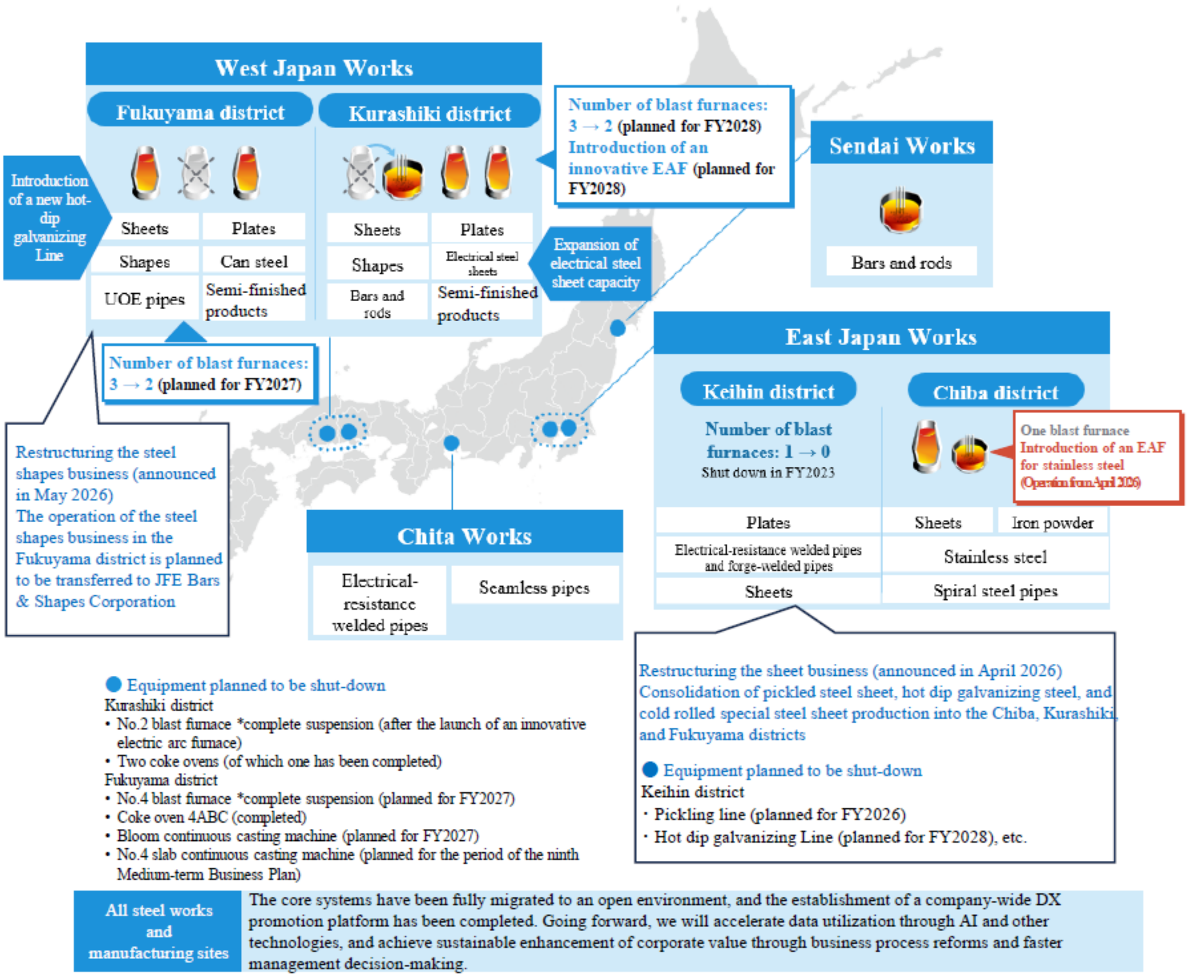


*1 Products with a technological edge which are recognized by customers as having added value and earning power exceeding that of commodity products (definition by the Company)
*2 Steel materials that significantly reduce CO_2 emissions in the steelmaking process compared to conventional products
*3 A high-efficiency, large, innovative electric arc furnace that is capable of producing high-quality, high-performance steel materials
*4 Carbon neutrality

<Streamlined yet resilient domestic structure based on growth strategies>

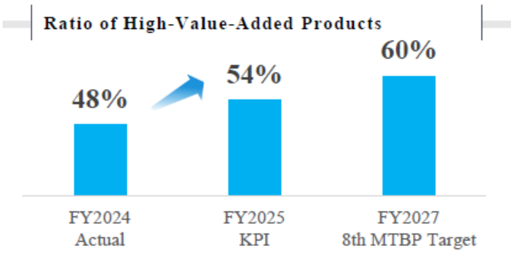
JFE Steel Corporation’s crude steel production capacity is currently 26 million tonnes (through its seven blast furnaces*). JFE Steel Corporation will transition to a leaner crude steel production capacity of 21 million tonnes in FY2027 by shutting down blast furnaces. In FY2028, JFE Steel Corporation will begin operation of a high efficiency, large electric arc furnace (innovative electric arc furnace) capable of manufacturing high-quality high-performance steel materials in the Kurashiki district, resulting in a production system of five blast furnaces and one innovative electric arc furnace.

* Excluding the electric furnace at the Sendai Works



<Expansion of the ratio of high-value-added products>

JFE Steel Corporation will enhance profit per ton of product by expanding sales of products (replaced exported commodity products), such as highly functional electrical steel sheets, high-tensile steel for automobiles, plates for offshore wind power generation, plates for new energy, and seamless pipes utilizing the JFE Steel Corporation's technological capabilities. While some areas of the current market environment lack momentum, solid demand is expected in the medium to long term.



Actual results for FY2025 will be disclosed in the Sustainability Report to be issued at the end of September 2026.

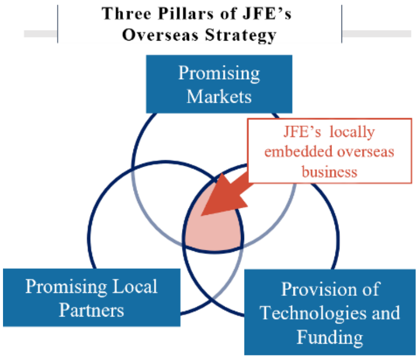
Market Environment, etc.

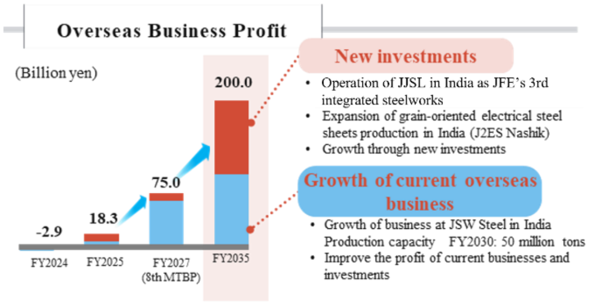
Type		Market Environment	Major Capital Investment
Electrical steel sheet	(Current)	• The NOES demand has deteriorated. (due to delay in automotive electrification and other matters) • The GOES market has remained steady (electric power infrastructure and other matters)	September 2024 Phase I of the NOES capacity expansion at Kurashiki (2X the previous capacity)
	(Medium to long term)	• The trend towards automotive electrification remains unchanged in the long term. • Driven by rising global electricity demand, the GOES is expecting to stay strong.	FY2026 Planned Phase II of the NOES capacity expansion at Kurashiki (3X the previous capacity)
High-tensile steel for auto-mobiles	(Current)	• No significant change in domestic sales trends.	October 2028 Planned Construction of a hot dip galvanizing Line at Fukuyama (for manufacturing ultra-high tensile steel sheets)
	(Medium to long term)	• The demand for high-strength, high-performance high-tensile steel that meets the need for improved safety and weight reduction, remains strong.	
Plates for offshore wind power generation	(Current)	• Manufacturing of the monopile for the Akita Katagami project is underway.	June 2021 Construction of a new continuous caster at Kurashiki
	(Medium to long term)	• Steady demand is expected to continue.	
Steel for new energy	(Medium to long term)	• Demand for stable energy supply remains unchanged. • Demand for seamless pipes in areas such as CCS will increase.	

* NOES: Non-oriented electrical steel sheets
GOES: Grain-oriented electrical steel sheets
CCS: Carbon dioxide capture and storage

<Achieve growth through locally embedded business expansion in strategic overseas markets>

In the steel business, JFE Steel Corporation has developed locally embedded business by providing technologies and funding to top-tier partners who align with the three pillars of its overseas strategy. In addition to business growth from existing overseas business investments, we aim for overseas business profit of 200.0 billion yen through proactive investments in growth areas and regions.





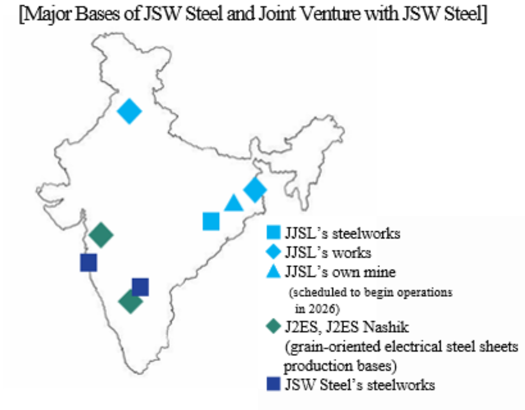
* JJSL: JSW JFE Steel Limited

J2ES: JSW JFE Electrical Steel Private Limited

●Operation of JFE's third integrated steelworks in India following East and West Japan Works

On March 30 of this year, JFE Steel Corporation completed the formation of an integrated steel plant joint venture in Odisha, India, with our strategic alliance partner JSW Steel, and plan to make a second investment around June of this year. JFE Steel Corporation will quickly capture demand in the rapidly growing Indian market and promote higher added value and productivity improvement through the integration of technological and operational capabilities. Positioning this joint venture as its third integrated steelworks, JFE Steel Corporation aims to expand overseas business earnings and achieve our long-term vision.

[Major Bases of JSW Steel and Joint Venture with JSW Steel]



[Overview of the joint venture]
JFE investment: INR157.5 billion (approx. ¥270.0 billion)
Shareholding structure: JFE Steel 50%, JSW Steel 50%

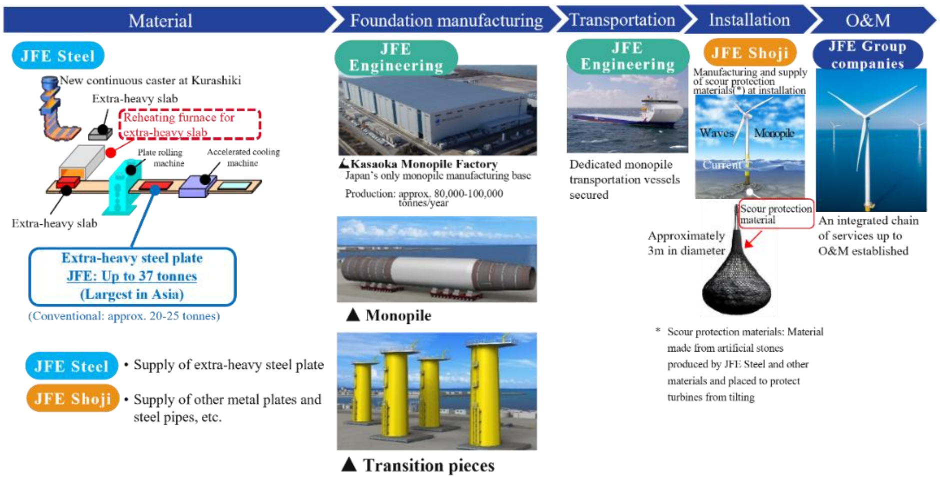
[Overview of JJSL]
・Current crude steel production capacity: 4.5 million tonnes/year (integrated steelmaking process)
* A brownfield project with expansion capacity to the 10-million-tonne class by 2030, and expansion potential to the 15-million-tonne class.
FY2024 revenue: INR 214.4 billion (approx. ¥360.0 billion)
・It is possible to build a competitive high-grade steel plant by utilizing the Company's technological strength.
・It owns its own mines in India's largest iron ore producing region, **and is highly cost competitive.**

<Monopile orders received for the offshore wind power business>

JFE Engineering Corporation received its first order in December 2025 for the Offshore Wind Power Project Off Oga City, Katagami City, and Akita City, Akita Prefecture, and began manufacturing at the Kasaoka Monopile Factory in February 2026. Going forward, we will play a key role in Japan's supply chain for offshore wind power projects, which are widely regarded as a cornerstone of renewable energy expansion, and contribute to the early realization of a carbon-neutral society.

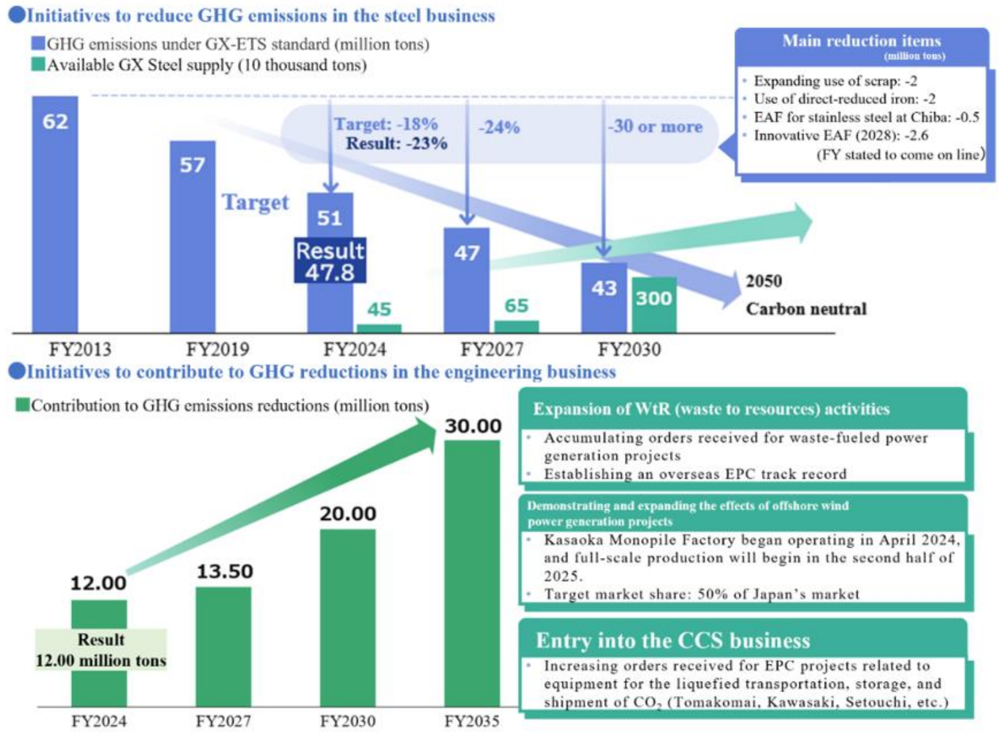
<JFE Group offshore wind power business model>

The JFE Group leverages its manufacturing technology and engineering capabilities built up over the years and utilizes Group synergies spanning the supply of materials through to operation and maintenance (O&M) to carry out the offshore wind power business.



<Environmental sustainability initiatives>

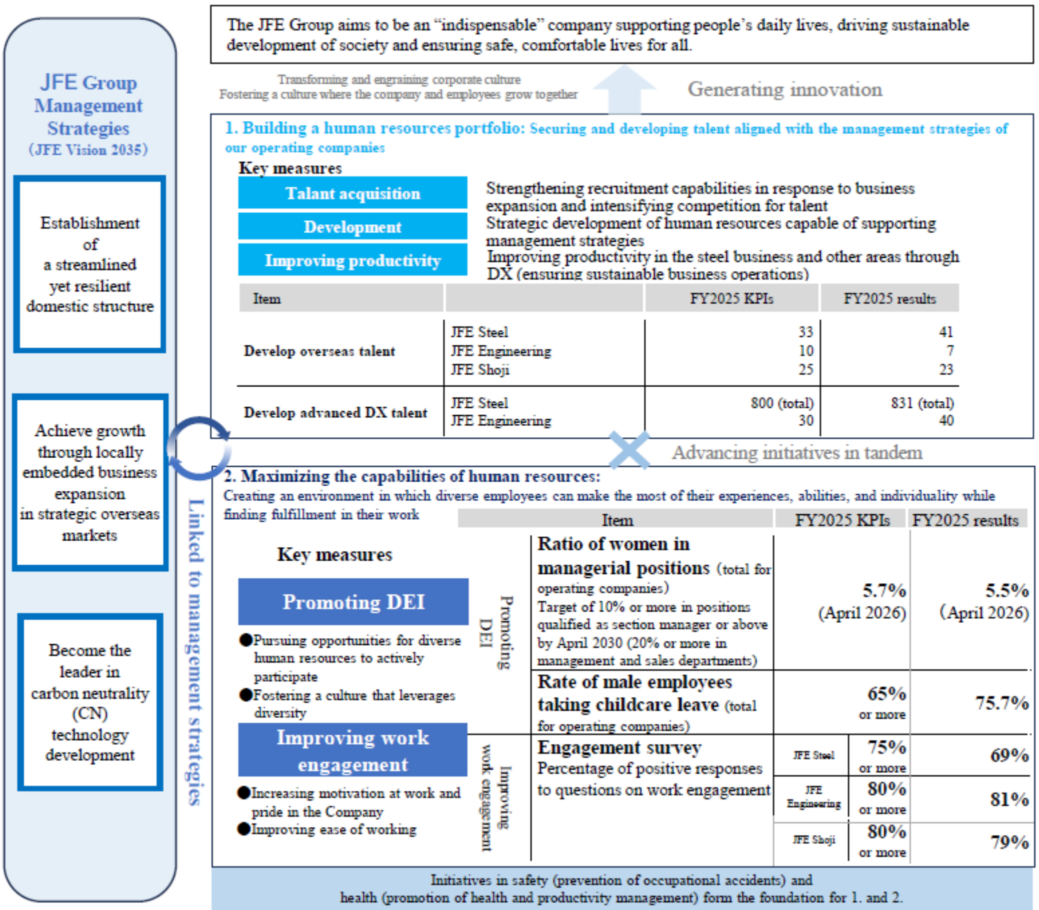
The JFE Group is actively addressing "climate change issues (carbon neutrality)" as its central focus, as well as the "transition to a circular economy (circular economy)" and the "biodiversity conservation and nature positive," and making major contributions to the global environment and society as the entire Group. Results for environment-related activities in FY2025 will be disclosed in the Sustainability Report to be issued at the end of September 2026.



(*)GHG: Greenhouse gas
GX-ETS: Emissions trading system aimed at achieving the voluntary emission reduction targets set by participating companies in the GX (Green Transformation) League, established by the Ministry of Economy, Trade and Industry
CCS: Carbon dioxide Capture and Storage

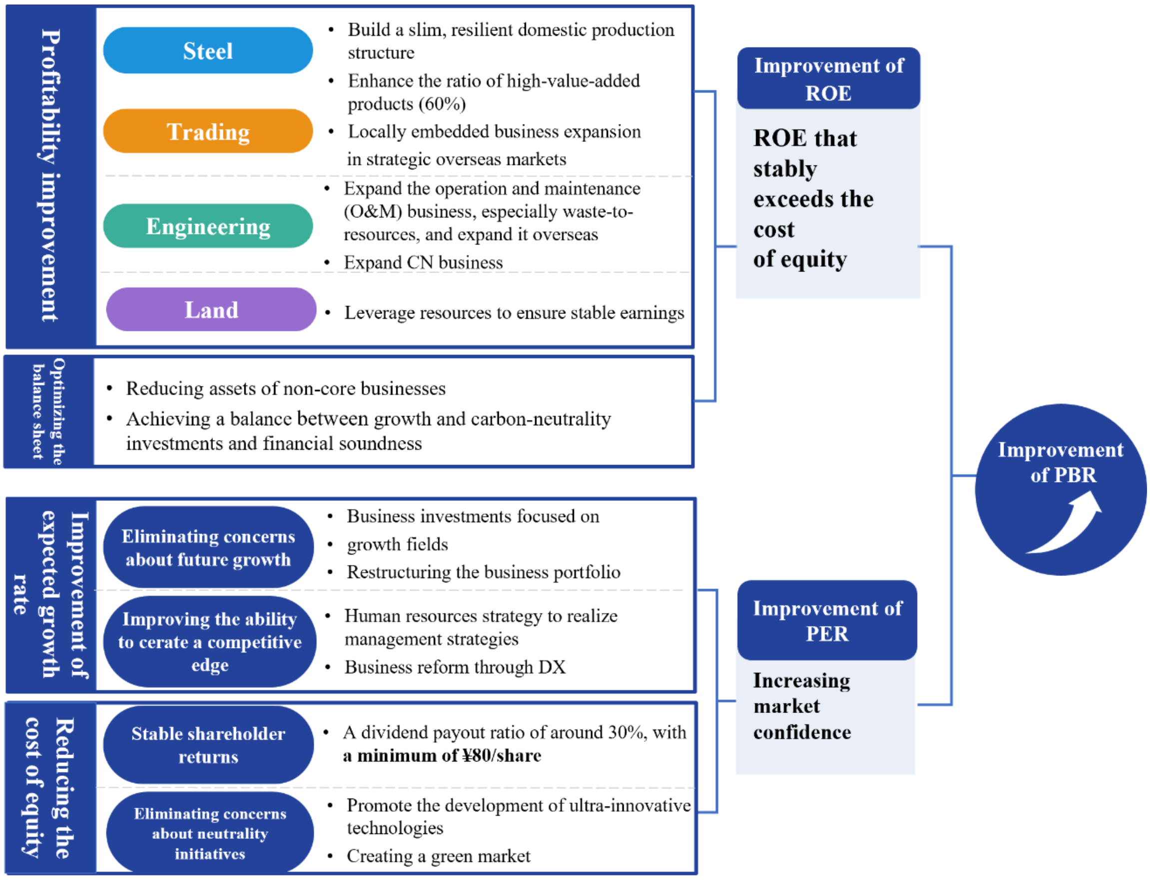
<Human resource strategy>

With the aim of realizing its management strategies, the JFE Group maximizes the skills and vitality of its employees through proactive investment in human resources according to its management strategies and related human resource strategies.



<Initiatives for enhancing corporate value>

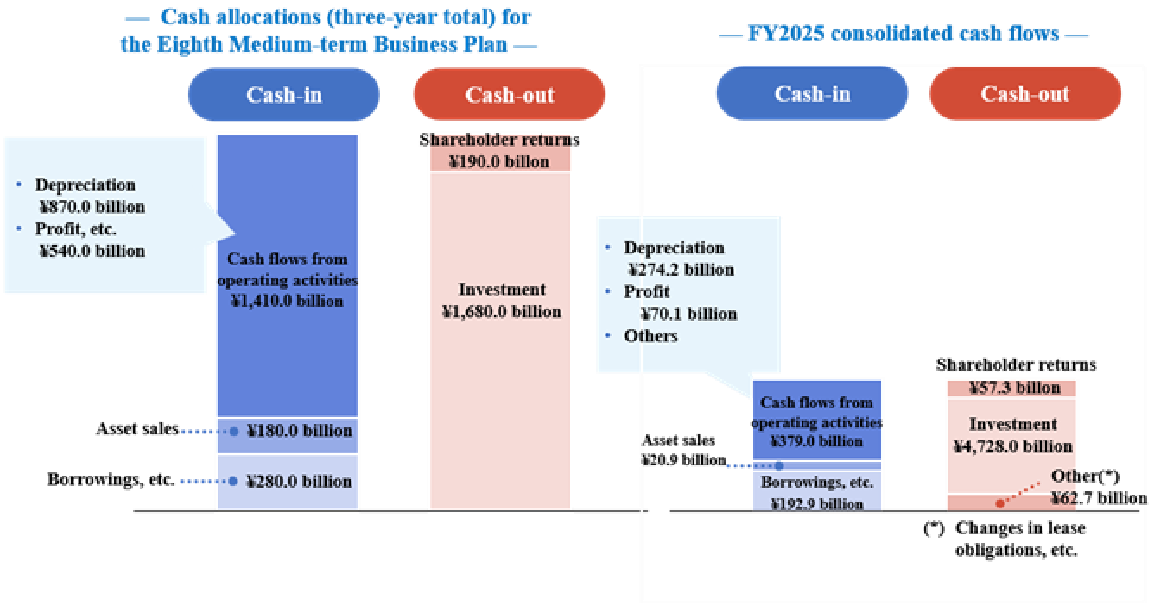
The Company considers its share price to be an important management indicator and recognizes the fact that its current price book-value ratio (PBR) is significantly below 1 to be an important issue. We will achieve a stable return on equity (ROE, target for FY2027 of at least 10%) that exceeds cost of shareholders' equity and increase the trust vested in us by the market. By doing so, we will enhance our corporate value and the capital market's evaluation.



<Medium-term Business Plan key financial targets, earnings targets and performance overview>

		Eighth Merium-term Business Plan FY2027	FY 2025 Results
Groupwide	Consolidated business profit	¥400.0 billion	¥135.3 billion
	ROE	10% or more	2.7%
	Debt/EBITDA	Around 3x	4.8x
	D/E	About 60%	59.4%
Operating companies segment profit	Steel business	¥260.0 billion	¥69.0 billion (*)
	Engineering business	¥42.0 billion	¥23.9 billion
	Trading business	¥60.0 billion	¥40.2 billion
Shareholder returns	Dividend policy	Dividend payout ratio of around 30% with a minimum of ¥80/share	¥80/share (Dividend payout ratio: 72.5%)

(*) Segment profit of the steel business excludes excluding inventory valuation differences.



<Strengthening Corporate Governance>

The Company transitioned to a company with an Audit & Supervisory Committee at the close of the Ordinary General Meeting of Shareholders held on June 25, 2025, in order to speed up management decision-making, enhance discussions of corporate policies and strategies at the meetings of the Board of Directors, and further strengthen the oversight function of the Board of Directors. In conjunction with this transition, after discussing the ideal state of the Group's management at the Board of Directors, the Company revised the standards for agenda items for meetings and operational procedures of the Board of Directors, with the aim of speeding up decision-making and enhancing strategic discussions.

We will continue to take proactive steps to further enhance the effectiveness of the Board of Directors and improve the corporate value of the JFE Group.

Initiatives to address the Company's corporate governance are described in the Reference Materials (pages 21 to 26).

<Compliance>

Former employees of JFE Engineering Corporation were convicted of violating the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and obstructing public contract-related auction bidding in June 2017 and June 2020 concerning submarine water pipe renewal work contracted with Taketomi Town, Okinawa. In accordance with the Construction Business Act, in May 2025, JFE Engineering Corporation was ordered by the Ministry of Land, Infrastructure, Transport and Tourism to suspend sales operations related to public works in the nationwide water and sewerage facilities business for 60 days.

We regard this matter very seriously and sincerely. We will strive to regain public trust as early as possible by continuing to implement recurrence prevention measures.

We have established Chief Compliance Officer (CCO) positions at the Company and the operating companies on April 1, 2026, and established the JFE Group Basic Policy on Compliance to clarify our commitment to thorough compliance and ensure consistent implementation of this commitment.

The JFE Group will continue to make diligent Group-wide efforts to ensure thorough compliance, address environmental issues, and establish safety, which are the basis of our relationship of trust with society.

Note: The information presented above contains forecasts and targets based on forward-looking assumptions, expectations, and plans as of the time of the announcement of the Eighth Medium-term Business Plan and the financial results on May 8, 2026.

2. Disclosure of Sustainability-related Financial Information

The JFE Group's disclosure of sustainability-related financial information is as follows. The forward-looking statements contained in the descriptions below are based on the JFE Group's judgments as of March 31, 2026.

(1) Governance of overall sustainability initiatives

(as of March 31, 2026)

Supervision over sustainability initiatives

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 Representative Director President and CEO of JFE Holdings, Inc., and composed of the Inside Directors and Corporate Officers (Senior executives from the Operating Companies attend as appropriate) 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 Directors.

For climate change issues in particular, under the JFE Group Standards of Business Conduct, the JFE Group actively strives to exist in harmony with the global environment and create a society that is comfortable and convenient. We are aware that efforts to protect the global environment, such as reinforcing our environmental protection activities and addressing climate change issues, are extremely important for creating a sustainable society.

In terms of our environmental sustainability efforts, we are guided by the JFE Group's environmental philosophy: The JFE Group puts top priority on protecting and enhancing the global environment to maintain its business in harmony with the environment and ultimately for the prosperity of society as a whole. Guided by this philosophy, the JFE Group has established a unified environmental management system. While focusing on addressing climate change, the issue with the greatest societal impact, we have also designated the "transition to a circular economy" and the "conservation of biodiversity and restoration of nature" as key priorities in our Eighth Medium-term Business Plan. We are working to resolve global environmental challenges.

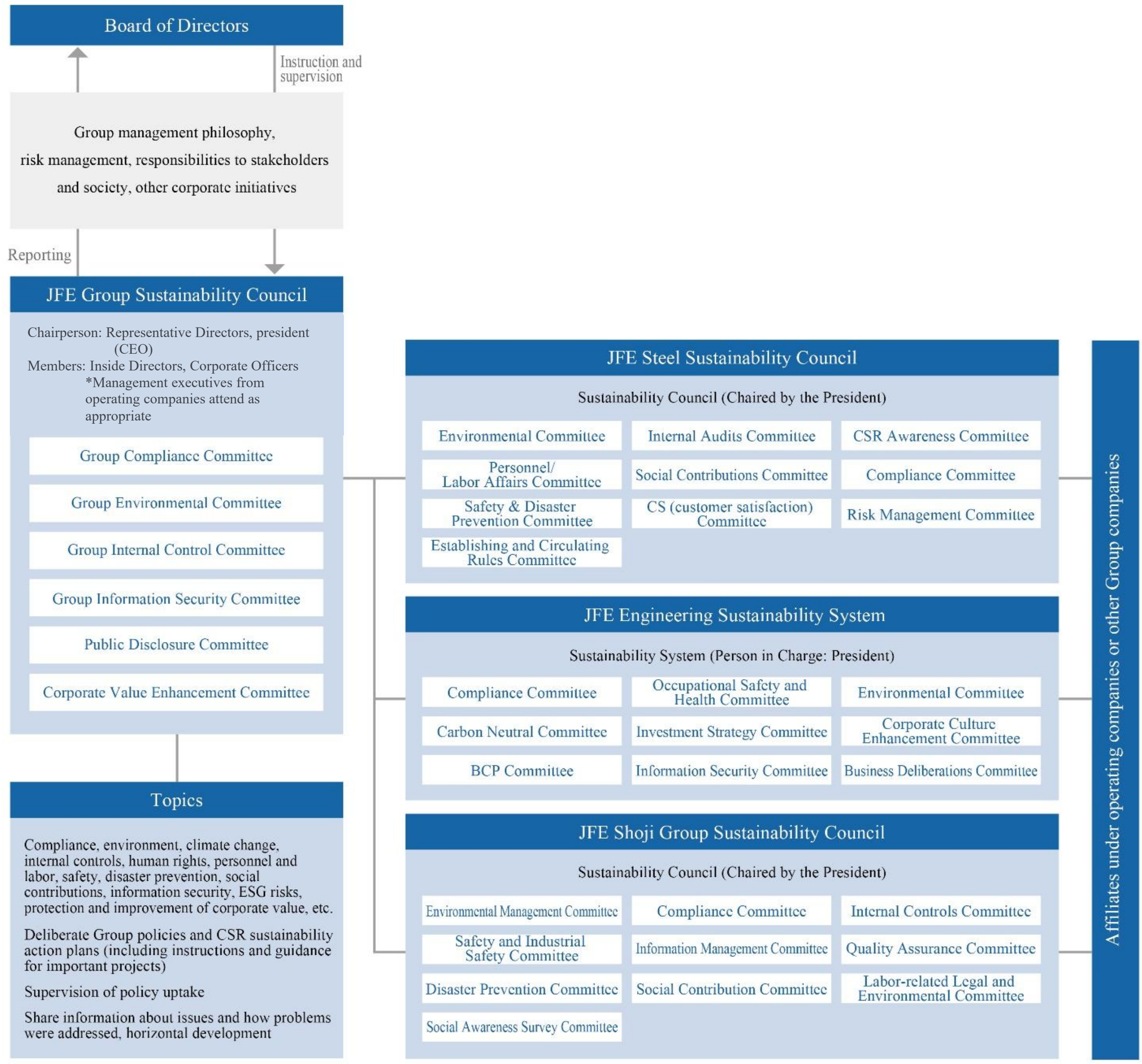
Activities of the Group Sustainability Council

The Group Sustainability Council meets approximately once every three months to discuss wide-ranging issues such as the Antimonopoly Act, compliance with laws and regulations to prevent corruption such as bribery involving public servants and other officials, human rights, human resources, labor issues, safety, disaster prevention, the environment, climate change, quality, financial reports, addressing antisocial forces, risk management including information security and other ESG-related risks, and social contribution. The council deliberates on policies related to Group initiatives, which also include providing instruction and guidance on material issues, monitors the penetration of the policies, and shares information on and carries out horizontal communication regarding our responses to issues and problems.

Cooperation with operating companies

The operating companies have also set up respective entities that operate in collaboration with the JFE Group Sustainability Council to promote Group-wide initiatives from the perspective of preventing damage to the JFE Group's corporate value and enhancing that value. JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation are also working to achieve sustainability through the establishment of committees in areas such as compliance and the environment.

Sustainability promotion structure (as of March 31, 2026)



(2) Risk management of overall sustainability initiatives

JFE Holdings, Inc., the holding company, is responsible for comprehensive risk management of the Group in accordance with its Basic Policy to Establish the Internal Control Systems by establishing a system whereby the Board of Directors oversees risk management and confirms its effectiveness.

Specifically, corporate officers are responsible for recognizing risks, and those deemed material are then confirmed and assessed by the JFE Group Sustainability Council, chaired by the Representative Director President and CEO of JFE Holdings, Inc. Next, the council deliberates and decides on countermeasure policy and action plans for risk management. Such risks include business activities; compliance-related matters such as compliance with the Antimonopoly Act and laws related to anti-corruption including bribery of public officials, observance of company policy and regulations such as the Corporate Vision and JFE Group Standards of Business Conduct; and ESG risks such as those related to the environment, climate change, human affairs, labor, safety and disaster prevention; human rights abuses such as sexual harassment and power harassment, quality management, financial reporting, and information security.

The Board of Directors oversees risk management and confirms its effectiveness by regularly receiving reports on Group policy and action plans on risk management, and through deliberation and decision-making on important matters regarding risk management.

Climate-related risks in particular are identified and evaluated based on a scenario analysis conducted under the framework recommended by the TCFD (Task Force on Climate-related Financial Disclosures). Key factors that may affect management are selected for further analysis and incorporated into the formulation of business strategies, such as the Medium-term Business Plan.

Environmental risks, including climate change issues, that may affect management are monitored by the JFE Group Sustainability Council, the Group Management Strategy Committee, and the Management Committee. Measures are implemented based on reports on environmental issues, including climate change-related risks, deliberated by the specialized committees of each Group company (e.g., the Environmental Committee). The JFE Group Environmental Committee consolidates information and strengthens management systems while striving to reduce the frequency and impact of risks. The Group also promotes initiatives to maximize climate-related opportunities.

(3) Individual disclosure of sustainability items deemed material by the Company

Identification of material issues of corporate management

The JFE Group’s actions related to management issues are based on identifying material issues and setting KPIs to minimize negative societal impact and maximize societal value by investing the JFE Group’s resources from the standpoint of meeting stakeholder needs.

Under the Eighth Medium-term Business Plan, we identified issues requiring special attention over the next three years for realizing the JFE Vision 2035, while also taking into consideration the issues we have been addressing to date. The issues were extracted from the perspectives of developing a business foundation for sustainable growth and pursuing a growth strategy for achieving the vision. Based on a materiality assessment, we identified the following 16 material issues for corporate management across six focus areas.

Material issues of corporate management under the Eighth Medium-term Business Plan

Areas of focus	Material issues
Address climate change issues	(i) Reduce the JFE Group’s GHG emissions and contribute to reducing GHG emissions across society
Contribute to the transition to a circular economy	(ii) Promote initiatives for realizing a circular economy
Acquire robust profitability	(iii) Steel Business: Improve sales and manufacturing capabilities, expand and advance business areas
	(iv) Engineering Business: Improve profitability and competitiveness, promote investment in growth areas
	(v) Trading Business: Revitalize the management foundation, advance insider status in overseas growth markets
Promote human capital management	(vi) Promote talent acquisition and development
	(vii) Promote diversity, equity and inclusion (DEI)
	(viii) Improve work engagement
Ensure occupational safety and health for employees	(ix) Prevent workplace accidents
	(x) Promote health and productivity management
Minimize risks to the business foundation	(xi) Respect the human rights of each person involved in our business
	(xii) Ensure adherence to corporate ethical standards and compliance
	(xiii) Provide appropriate quality assurance
	(xiv) Improve the level of information security
	(xv) Coexist with local communities, society, and nature
	(xvi) Maintain a sound financial structure

Of these, we have selected 11 material issues related to sustainability that fall into the following areas: “Address climate change issues: (i) Reduce the JFE Group’s GHG emissions and contribute to reducing GHG emissions across society,” “Contribute to the realization of a recycling-oriented society: (ii) Promote initiatives for realizing a circular economy,” “Promote human capital management: (vi) Promote talent acquisition and development, (vii) Promote diversity, equity and inclusion (DEI), and (viii) Improve work engagement,” “Ensure occupational safety and health for employees: (ix) Prevent workplace accidents and (x) Promote health and productivity management,” and “Minimize risks to the business foundation: (xi) Respect the human rights of each person involved in our business, (xii) Ensure adherence to corporate ethical standards and compliance, (xiv) Improve the level of information security, and (xv) Coexist with local communities, society, and nature.”

a. (i) Reduce the JFE Group’s GHG emissions and contribute to reducing GHG emissions across society (resolving climate change issues)

Governance and risk management

Governance and risk management of our contribution to resolving climate change issues are described in “(1) Governance of overall sustainability initiatives” and “(2) Risk management of overall sustainability initiatives,” respectively.

Strategy

The Group integrates climate change-related risks and opportunities as follows. The Group formulated the Seventh Medium-term Business Plan (FY2021–2024) and positioned responses to climate change as one of top-priority issues for achieving the Group’s medium- to long-term sustainable growth and enhancing corporate value. In the Eighth Medium-term Business Plan (FY2025–2027), the Group continues to identify responses to climate change as a top priority and is pursuing related initiatives.

In addition, the Group formulated the JFE Group Environmental Vision for 2050 toward achieving carbon neutrality by 2050, as a key initiative for environmental and social sustainability. Through this vision, we have incorporated climate change initiatives into our business strategies and reflected the TCFD philosophy in our environmental management strategy. JFE Vision 2035, the JFE Group’s long-term vision, sets forth the goal of systematically addressing climate change issues and becoming a top runner in carbon neutral technology development. Consistent with TCFD recommendations, we conduct scenario analysis as part of our information disclosure to identify and evaluate key factors affecting the business. These risks and opportunities are reflected in management strategies and used for decision-making.

The JFE Group Environmental Vision for 2050 identifies three strategic pillars for achieving carbon neutrality: “reducing GHG emissions in the steel business,” “expanding contributions to reducing GHG emissions throughout society,” and “initiatives for the offshore wind power generation business.” We also communicate our climate change initiatives through briefings and other channels to strengthen relationships of trust with our stakeholders.

Metrics and targets

The Group’s steel business is led by its operating company, JFE Steel Corporation, which is a member of the Japan Iron and Steel Federation (JISF). The Group is promoting the JISF’s Commitment to a Low Carbon Society, which focuses on the Three Ecos initiatives and the development of innovative new iron and steelmaking processes. Phase I of the plan was completed in 2020. It was rebranded as the JISF’s Carbon Neutrality Action Plan, and the Phase II target (FY2030 target) was revised to a 30% reduction in energy-derived GHG emissions in FY2030, compared to FY2013. In addition, from a neutral standpoint, JFE Steel Corporation participated in formulating and announced the Long-term Vision for Climate Change Mitigation in 2030 and beyond, which is intended to realize zero-carbon steel. In 2021, the JISF announced the Basic Policy of the Japan Steel Industry on 2050 Carbon Neutrality sought by the Japanese government, declaring that the Japanese iron and steel industry will boldly take on the challenge of realizing zero-carbon steel. The Group’s steel business is aggressively pursuing the achievement of this goal.

As the Group, we have declared our intention to reduce GHG emissions in the steel business in FY2030 by at least 30% compared to FY2013 and to achieve carbon neutrality by 2050. The Seventh Medium-term Business Plan targeted a reduction in GHG emissions of 18% by FY2024, compared to FY2013, and we achieved the target. After careful examination and verification of the progress of technological development and other achievements up to FY2024, we have established a GHG emissions reduction target for FY2027 of 24% under the Eighth Medium-term Business Plan.* We will strive to achieve our goal of a reduction of at least 30% by FY2030.

To achieve these plans, we will install an innovative electric arc furnace at the Kurashiki District of the West Japan Works to build a system for the mass supply of GX Steel. In addition, we will steadily reduce GHG emissions in the steel business by developing ultra-innovative carbon neutral technologies. The Group companies in Japan and overseas work together to incorporate efforts to address climate change issues into their business strategies. The Group will systematically pursue its efforts by incorporating the TCFD's principles in its management strategies.

* Beginning with the Eighth Medium-term Business Plan, we set targets for the reduction of GHG emissions, which include CO_2 emissions.

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)
Address climate change issues	Reduce the JFE Group's GHG emissions and contribute to reducing GHG emissions across society	JFE Steel Corporation: FY2030 GHG emissions reduction rate: 30% or more FY2027 GHG emissions reduction rate as a milestone: 24% or more (compared to FY2013)	• Approval rate for GX investment designed to reduce GHG emissions by 30% or more by FY2030: 95% • GX Steel sales: 100,000 tonnes per year
		JFE Engineering Corporation: • Reduction rate of CO_2 emissions in owned plants and offices: 40% (compared to FY2013) • Contribution to reduction in CO_2 emissions: 13.5 million tonnes per year	• Promote use of own renewable energy Non-fossil fuel electricity use: 90% or more • Contribute to reduction of CO_2 emissions in society by providing renewable energy power generation facilities and expanding the power supply business: 12.5 million tonnes per year
		JFE Shoji Corporation: Domestic CO_2 emissions reduction rate (compared to FY2019) • FY2027: –27.5% • FY2030: –35%	• FY2025 domestic CO_2 emissions: Reduce by 22.5% from FY2019 levels

Note: KPI results for FY2025, including GHG emissions (Scope 1–3), will be provided in the JFE Group Sustainability Report to be issued in September 2026.

b. (ii) Promote initiatives for realizing a circular economy (transition to a circular economy)

Strategy

The Group views transition to a circular economy as indispensable for realizing a sustainable society, and we are taking action to shift the overall economic system of society from a conventional linear economy to a circular economy. In these efforts, we are using digital technologies and collaborating with government, municipalities, and customers throughout the value chain, extending beyond the Group's framework. In this context, we have positioned the reduction of resource consumption, the improvement of resource efficiency, and the reduction of waste as key focus areas. We are strengthening initiatives from three perspectives: converting byproducts and waste into resources, developing eco-product/eco-solution technologies with high resource efficiency, and expanding the use and sales of recycled resources. These activities will also contribute to addressing environmental issues such as climate change and biodiversity conservation and nature positive.

Metrics and targets

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)
Contribute to the realization of a recycling-oriented society	Promote initiatives for realizing a circular economy	JFE Steel Corporation: Improve resource recycling of iron sources, co-products, etc.	• Expand collection and use of collected "return scrap": 2.0 times (compared to average volume under the Seventh Medium-term Business Plan) • Recycle co-products generated in the company (recycling rate of slag, dust, sludge, etc.): 99% or more • Expand use of steel slag products for marine area use: 50,000 tonnes (cumulative total under the Eighth Medium-term Business Plan)
		JFE Engineering Corporation: Expand bases for business that contribute to a circular economy	• Expand bases for recycling/new regional electricity/waste-to-energy power generation business, etc.: 3 sites or more
		JFE Shoji Corporation: Expand products that contribute to a circular economy	• Expand product lineup to contribute to a circular economy: Increase products handled by at least three in addition to current products with over 3,000 tonnes in volume per year

Note: KPI results for FY2025 will be provided in the JFE Group Sustainability Report to be issued in September 2026.

c. Promote human capital management; Ensure occupational safety and health for employees

The strategy, metrics and targets for each selected individual disclosure item are presented below. For the overall strategy regarding human capital, please refer to "IV. Information about Reporting Company, 5. Employees, etc."

(vi) Promote talent acquisition and development

Strategy

We are acquiring and developing talent to execute the business strategies of operating companies and building a portfolio aligned with those strategies. Amid intensifying competition for talent, we are pursuing automation and labor-saving measures through DX and establishing optimal production systems in the steel business, and building a lean, resilient domestic production structure. At the same time, we are strengthening our recruitment capabilities by combining diverse sources such as career hires, alumni hires, referral hiring, and the use of scouts and agencies. Additionally, we are enhancing corporate recognition through advertising and offering competitive compensation.

From the perspective of human resource development, we are cultivating an awareness of autonomous career development by providing broad work experience through active job rotation, developing learning environments tailored to employee motivation, and expanding voluntary (self-nominated) training programs. Specialized human resource development will depend on continuously securing and developing global and DX talent to implement the Group's management strategies, such as expanding locally based overseas operations and building a lean, resilient domestic production structure. We are particularly emphasizing these initiatives.

- Initiatives for developing global talent

To cultivate a strong pool of human resources capable of driving our overseas business, we are assigning young employees to overseas posts, increasing employees who have experience working overseas, and leveraging programs for study abroad and overseas dispatch. Beginning in FY2025, JFE Steel Corporation introduced a program under which employees may apply to study abroad and, upon returning, will be assigned to overseas divisions, thereby accelerating talent development by drawing on employees' own drive for growth. Meanwhile, at JFE Shoji Corporation, in anticipation of further localization of overseas offices, we are reinforcing the development of locally hired staff through expatriates.

- Initiatives for developing DX talent

We are focusing on systematically developing DX talent to drive the transformation of production and business processes. At JFE Steel Corporation, we have cultivated data scientists and other specialists by reskilling employees with deep expertise in operations and manufacturing processes. Since FY2025, we have redefined advanced DX human resources to include business innovators and digital designers, and have been fostering them through structured, stage-specific training programs.

Metrics and targets

(* ST: JFE Steel Corporation, EN: JFE Engineering Corporation, SH: JFE Shoji Corporation)

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)	FY2025 results
Promote human capital management	Promote talent acquisition and development	Build a talent portfolio to realize business strategies	ST • New international employees trained: 33 • Advanced DX employees trained (cumulative): 800	 41 831
			EN • New international employees trained: 10 • Advanced DX employees trained (cumulative): 30	 7 40
			SH • New overseas secondments: 25	 23

(vii) Promote diversity, equity and inclusion (DEI)

Strategy

In a rapidly changing business environment, the JFE Group believes that the fusion of various values and ways of thinking will lead to the creation of unprecedented ideas and solutions, which ultimately results in sustainably enhancing corporate value. For this reason, the Group has positioned the promotion of DEI as a key management concern. It has established a DEI promotion department in each of its operating companies to steadfastly advance initiatives such as creating an environment where each employee's diverse experiences, abilities, and individuality can be utilized. In addition, management and the promotion organization are working together to formulate and implement company-wide policies, including the establishment of a DEI promotion committee headed by the president. Initiatives are being strategically advanced to particularly encourage the active participation of women. These efforts include recruitment measures to increase the number of candidates for female management positions, and retention measures through the enhancement of internal and external networking and the presentation of role models, as well as placement and development measures through the creation of individual training plans for female employees. In addition, to foster a culture in which all employees can balance work and childcare, we are encouraging male employees to take childcare leave.

Metrics and targets

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)	FY2025 results
Promote human capital management	Promote diversity, equity and inclusion (DEI)	Realize an environment in which the experience, abilities, and individuality of diverse talent can be maximized	Women in managerial positions: Aim for at least 10% by April 2030 (including at least 20% in management and sales departments), with a target of achieving 5.7% by April 2026	5.5% *
			Percentage of male employees taking childcare leave: 65% or more	75.7%

Note: *The result stated is as of April 1, 2026.

(viii) Improve work engagement

Strategy

The successful execution of our business strategies depends upon every individual in the talent portfolio fully demonstrating their abilities and thriving. To this end, we are developing an environment where every employee experiences a strong sense of work engagement. Companies across the Group are actively implementing initiatives to enhance a supportive working environment, such as promoting flexible workstyles that make it easier to take leave, as well as initiatives to increase work engagement through business process reforms and revised HR systems.

As part of our efforts to improve work engagement, we are focusing on instilling our corporate purpose throughout the organization. The JFE Group defined its purpose through extensive participation and discussion by employees on how each operating company should leverage its strengths to fulfill its role and contribute to society. In these uncertain times, we believe that embedding our purpose, which outlines our long-term vision and aspirations, will help connect each employee's work with social value. We believe this will foster an attitude in which employees approach their work with hope and ambition for the future. Accordingly, we are working to increase awareness of, understanding of, and empathy for our purpose, as well as encourage action based on it.

Specifically, JFE Steel Corporation newly established the Human Resources Strategy Headquarters in April 2024. This new division is in charge of not only the personnel system but also implementing multifaceted measures that include corporate culture change, promoting a corporate reform initiative (ReFuture PROJECT) aimed at increasing employee engagement and enabling the company and its employees to grow together. We will continue to implement a series of measures going forward, including activities to instill the purpose and values established in FY2024 and the vision established in FY2025 in our workforce, town hall meetings to promote stronger communication between the management team and employees, 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 employee engagement.

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.

We conduct an annual engagement survey to regularly understand the progress of our initiatives to improve work engagement and refine our strategies based on established KPIs. In FY2025, we introduced an employee engagement-related metric linked to the performance-linked compensation for directors to strengthen management's commitment to improving employee engagement.

Metrics and targets

(* ST: JFE Steel Corporation, EN: JFE Engineering Corporation, SH: JFE Shoji Corporation)

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)	FY2025 results
Promote human capital management	Improve work engagement	Realize an environment in which every employee can maximize their potential	Engagement survey Affirmative response to questions about employee engagement: ST: 75% or more EN: 80% or more SH: 80% or more	ST: 69% EN: 81% SH: 79%

(ix) Prevent workplace accidents

Strategy

The JFE Group views establishing a safe work environment and preventing occupational accidents as fundamental requirements for allowing diverse employees to work with peace of mind. It also recognizes them as fundamental to manufacturing. Starting with the basic principle of putting safety first, the JFE Group has set KPIs for the number of workplace fatalities (zero occurrences) and the lost-workday injuries rate and implemented measures to ensure safety. Under the Eighth Medium-term Business Plan, we are working to establish workplace conditions in which everyone at Group and partner companies (including contractors) can work safely. In addition to instilling a strong personal and organizational awareness of safety, the operating companies will continue investing in safety at the same scale as the Seventh Medium-term Business Plan (around 10 billion yen per year).

1) Thorough development of people and organizations with strong safety capabilities

At JFE Steel Corporation, to prevent similar and repeated accidents, we are focusing on such initiatives as engaging in frank dialogue with frontline workers to identify and address risks as well as thoroughly reviewing all incidents, including near misses, to implement necessary measures company-wide. In addition, all business sites have obtained certification under the international standard ISO 45001 (JIS Q 45001), and we are conducting autonomous and systematic occupational health and safety management. At JFE Shoji Corporation, safety managers are assigned to each Group company to share knowledge and information, supporting the enhancement of overall occupational health and safety activities.

2) Enhancing equipment through essential safety measures and leveraging DX

Under the Eighth Medium-term Business Plan, we continue safety investments on the same scale as under the Seventh Medium-term Business Plan (around 10 billion yen per year) across all operating companies. These efforts include completing separating operating equipment from people through facility modifications, as well as further promoting multifaceted occupational health and safety management (such as monitoring and detection) by leveraging DX. For example, at JFE Steel Corporation, we are accelerating initiatives that use DX to provide protection so that even if a person makes an error, it does not result in injury. DX-related safety investments are being expanded to approximately 2.5 times the level of the Seventh Medium-term Business Plan. At JFE Engineering Corporation as well, we are actively applying DX in ways tailored to the operational characteristics of construction work, such as reducing work done at high elevation by using drones for high-precision 3D measurements.

To provide an incentive to accelerate these efforts to prevent occupational accidents, we introduced a safety-related metric linked to the performance-linked compensation for directors in FY2022.

Metrics and targets

(* ST: JFE Steel Corporation, EN: JFE Engineering Corporation, SH: JFE Shoji Corporation)

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)	FY2025 results
Ensure occupational safety and health for employees	Prevent workplace accidents	Establish a safe work environment to achieve zero accidents	Workplace fatalities: Zero occurrences	Workplace fatalities: Zero occurrences
			Lost-workday injuries rate ST: 0.10 or less EN: 0.25 or less SH: 0.15 or less	Lost-workday injuries rate ST: 0.08 EN: 0.38 SH: 0.75

(x) Promote health and productivity management

Strategy

The JFE Group formulated the JFE Group Health Declaration in 2016 to realize safe and highly attractive workplaces that provide motivation to workers. In collaboration with our health insurance union and industrial health staff, we are working to maintain and promote the health of employees. Under the Eighth Medium-term Business Plan, we have set a top-level goal of increasing the number of employees who are physically and mentally healthy and able to perform at a high level, thereby reducing presenteeism. To this end, we are systematically implementing improvement initiatives, such as support for early detection and continued medical treatment as well as smoking cessation and sleep improvement programs.

Metrics and targets

(* ST: JFE Steel Corporation, EN: JFE Engineering Corporation, SH: JFE Shoji Corporation)

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)	FY2025 results
Ensure occupational safety and health for employees	Promote health and productivity management	Realize a workplace in which everyone can work with good physical and mental health for a long time	Proportion of employees who are physically and mentally healthy and working at an 80% or higher performance level (presenteeism below 20%) ST: 67% or higher EN: 67% or higher SH: 67% or higher	ST: 68.0% EN: 64.6% SH: 72.2%

d. (xi) Respect the human rights of each person involved in our business

Strategy

The JFE Group views respect for human rights as both a corporate social responsibility and a foundation of its business. Our determination to prevent discrimination in our business operations is clearly expressed in our Standards of Business Conduct, which we have consistently upheld. The JFE Group Human Rights Basic Policy, established as a standard to be observed by Group companies and their officers and employees, was revised in April 2023. The policy also requires all stakeholders, including those in our supply chain, to cooperate in respecting and protecting human rights.

We have also been conducting human rights due diligence since FY2021 in accordance with the United Nations Guiding Principles on Business and Human Rights, as well as engaging in ongoing initiatives such as inviting external experts to present seminars on human rights.

Furthermore, we have been a regular member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) since April 2025. The Company accepts reports, complaints, and consultations on human rights issues from stakeholders across the supply chain through JaCER's non-judicial Engagement and Remedy Platform, which complies with the UN Guiding Principles on Business and Human Rights. Using this third-party contact point ensures fairness and transparency while addressing essential human rights issues and also safeguarding anonymity and confidentiality.

We will continue to promote efforts to realize a society in which human rights are respected and protected.

Metrics and targets

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)
Minimize risks to the business foundation	Respect the human rights of each person involved in our business	Identify, prevent, and mitigate adverse impacts on human rights in the supply chain	• 100% attendance from the target audience for human rights awareness training • Promote human rights due diligence Promote the following initiatives to realize respect for human rights throughout the supply chain: ✓ Continue conducting human rights due diligence at both the Company and Group companies ✓ Build a system for managing human rights risks of suppliers

Note: KPI results for FY2025 will be provided in the JFE Group Sustainability Report to be issued in September 2026.

e. (xii) Ensure adherence to corporate ethical standards and compliance

Strategy

In expanding our businesses in Japan and abroad, it is important that the JFE Group maintains relationships of trust with all stakeholders, including its customers, shareholders, and local communities. Trust can only be built upon a strong foundation of "Ensuring Thorough Compliance." Misconduct and scandals resulting from compliance violations can instantly shatter the trust that has taken many years to establish. Therefore, the JFE Group established the JFE Group Standards of Business Conduct, guiding employees to conduct their business activities based on the Corporate Vision and Corporate Values. They also help to strengthen awareness among all JFE Group executives and employees and ensure adherence to corporate ethics.

We have established Chief Compliance Officer (CCO) positions at the Company and the operating companies on April 1, 2026, and established the JFE Group Basic Policy on Compliance to clarify our commitment to thorough compliance and ensure consistent implementation of this commitment.

In addition, the JFE Group believes it is extremely important that all members of the organization deepen their knowledge and awareness of compliance and perform their jobs accordingly. It conducts training on various topics such as the Antimonopoly Act, SME Transactions Act and anti-corruption, including prevention of bribery of public officials, using e-learning and compliance guidebooks and through guidebook reading sessions as well as by other means.

Metrics and targets

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)
Minimize risks to the business foundation	Ensure adherence to corporate ethical standards and compliance	Raise awareness of compliance	• Compliance training participation rate: 100%

Note: KPI results for FY2025 will be provided in the JFE Group Sustainability Report to be issued in September 2026.

f. (xiv) Improve the level of information security

Strategy

During the course of its business activities, the Group comes into possession of confidential information and personal information on its customers and business partners, and it also holds confidential information and personal information pertaining to the Group. Rigorous controls are in place across the Group to ensure that this information is not leaked, tampered with, or otherwise compromised. If any of this information is leaked or tampered with as a result of negligence, theft, external attacks, etc., this could lead to a loss of technological advantage, the payment of compensation, and loss of reputation, among other impacts, which may affect the Group's financial performance. To address this, the Group has established rules governing information management as a means of preventing information leaks and system failures caused by cyberattacks or unauthorized system use. In addition, the JFE Group Information Security Committee deliberates on important IT issues, particularly information security, and based on the policies and principles determined by this committee, we continue to enhance information security management across the entire Group through JFE-SIRT, an internal team established to plan and drive the implementation of information security measures. In April 2024, we also established JFE Cyber Security & Solutions, Ltd. to recruit and develop security personnel and strengthen our security monitoring function.

Metrics and targets

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)
Minimize risks to the business foundation	Improve the level of information security	Continue zero serious security incidents (Level 3 incidents that impact the business foundation)	• Thorough management of vulnerabilities • Improve resilience against cyberattacks

Note: KPI results for FY2025 will be provided in the JFE Group Sustainability Report to be issued in September 2026.

g. (xv) Coexist with local communities, society, and nature

Strategy

Recognizing that natural capital and biodiversity are foundational for realizing a sustainable society, the Group has endorsed the Declaration of Biodiversity by Keidanren and Action Policy and conducts business in harmony with nature across the world. We particularly recognize biodiversity conservation as a key challenge and conduct assessments to minimize the ecological impact associated with our business activities. We are also engaged in activities that contribute to biodiversity conservation and nature positive at our own production sites, construction sites, and their surrounding areas, and at suppliers. Our initiatives include cooperating with the community to monitor biodiversity and carry out preservation activities around the steelworks, the key facilities for our business, and in surrounding areas. We are also involved in developing iron and steelmaking slag products that can help restore the marine environment. Furthermore, beyond our business operations, we launched a joint research program with a local government and conduct environmental education for local communities. In March 2025, the Group endorsed the recommendations of the Task Force on Nature-related Financial Disclosures (TNFD). We will evaluate the relationship between business activities and natural capital in line with the LEAP approach recommended by the TNFD, and disclose information in accordance with the TNFD framework to share information with society at large.

Metrics and targets

Areas of focus	Material issues	Aspirations	Metrics and targets (FY2025 KPIs)
Minimize risks to the business foundation	Coexist with local communities, society, and nature	JFE Steel Corporation: Expand contributions to biodiversity	• New collaborative activities with local governments to improve blue carbon and marine area environments: +2 projects per year
		JFE Engineering Corporation: Advance efforts to biodiversity conservation	• Conduct conservation activities (i.e., reforestation) and assess biodiversity impacts in the infrastructure construction sector

Note: KPI results for FY2025 will be provided in the JFE Group Sustainability Report to be issued in September 2026.

3. Business and Other Risks

Of the risks to the JFE Group's business, its financial and accounting position, and other areas presented in this report, the following might have a material impact on investors' decisions. This is not a comprehensive list of all risks facing the Group; other risks exist. Any such risks could also affect investors' decisions. The forward-looking statements contained in the descriptions below are based on the JFE Group's judgments as of March 31, 2026.

The Group's risk management system is described in "4. Corporate Governance, (1) Overview of corporate governance, (iii) Management system and internal control system, c. Development of the internal control system and risk management system."

(1) Economic conditions and sales environment (steel business, engineering business, and trading business)

Steel business and trading business

In our steel business and trading business, we face competition in the product markets and regional markets in which we operate. Sales of steel products in Japan span many areas of demand-these include building construction, civil engineering, automobiles, industrial machinery, and electrical machinery-and sales are made through a variety of channels. Beyond Japan-market sales, JFE Steel Corporation also derives around 41% (non-consolidated value basis), and JFE Shoji Corporation around 37% (non-consolidated value basis, including JFE Steel products), of sales from exports. Major export destinations include Thailand and other ASEAN markets, as well as South Korea and China. Therefore, the Group's steel product sales volumes and prices may be affected by changes in supply and demand for steel products both in Japan and abroad, reflecting economic conditions in Japan, Asia, and around the world, as well as the shrinking of the domestic market in Japan amid a falling birthrate coupled with population aging. With respect to overseas markets in particular, the JFE Group may face increasingly intense competition due to structural changes that include increases in exports out of China owing to falling domestic demand in that country and increases in steel production capacity in emerging markets. Further, the imposition of import restrictions such as tariff increases and anti-dumping measures in the businesses' major markets may affect the JFE Group's export transactions and thus affect its financial performance. Meanwhile, the imposition of various import restrictions in markets where the volume of the JFE Group's exports is small, such as the U.S. and the EU, could result in goods excluded from those markets being returned to the JFE Group's major export markets, which could affect those markets, and as a result, the JFE Group's financial performance could be affected. In addition, the potential imposition of significant and comprehensive tariffs in major overseas countries and regions may lead to changes in business strategies and operations, as well as a decrease in production and sales volume among the Group's customers in those countries and regions, ultimately impacting the Group's performance. Further, international conflicts, such as the war that broke out in Ukraine in 2022, could affect the Group's steel product sales volumes and prices by altering supply and demand for steel products both in Japan and abroad. Furthermore, international conflicts such as those that occurred in Ukraine in 2022 and Iran in 2026 could affect our Group's steel sales volume and prices by impacting domestic and international steel supply and demand trends, as well as supply chains. To address this, the JFE Group seeks to optimize its production volumes in response to changes in steel supply and demand levels in Japan and abroad and build optimal production operations by consolidating and closing facilities in anticipation of trends in steel product supply and demand over the long term. As part of these efforts, the JFE Group will transition to a leaner crude steel production capacity of approximately 21 million tonnes by FY2027, compared to crude steel production capacity of 26 million tonnes (seven blast furnaces, excluding the electric arc furnace at the Sendai Works) in FY2024. By FY2028, it will begin operation of an innovative (high-efficiency large-scale) electric arc furnace at the West Japan Works (Kurashiki district), resulting in production capabilities including five blast furnaces and one innovative electric arc furnace. Meanwhile, the JFE Group will configure its operations to be capable of generating profits even in the face of changes in the market environment by investing strategically in JFE Steel Corporation's West Japan Works, its core steelmaking facilities, and improving its cost competitiveness. The JFE Group also seeks to create a stable earnings base by expanding its exposure to sales of products that offer technological advantages over those of mills in emerging markets. The JFE Group will also expand overseas business through strategic local partnerships with companies in growing markets overseas in pursuit of global growth opportunities.

In the trading business, with its focus on steel products, we purchase, process and sell steel raw materials, nonferrous metal products, foodstuffs, and other items. We are also building a distribution and sales network capable of responding efficiently to changes in the environment in product markets in which we do business both in Japan and overseas. Specifically, in Japan, we are strengthening our sales capabilities through measures that include restructuring distribution, and we are updating and renewing the facilities we need to strengthen our foundations in a timely manner. We will also harness overseas growth as a driving force for business expansion. In addition to coordinating with the business strategy of the steel business to strengthen supply chain management for high-value-added products, we will work to upgrade our localized operations. Furthermore, as part of our business efforts to achieve a low-carbon and decarbonized society, we will work on expanding scrap trading, as well as environment-friendly products in the recycling sector, including waste tires and erosion control materials.

Engineering business

In the engineering business, we are engaged in engineering, procurement, and construction activities with a focus on environmental facilities, such as energy plants and environmental facilities (including waste incinerators), bridges and offshore structures. We perform the operation and maintenance of equipment in DBO (design-build-operate) projects as a contractor, and we also run operating businesses in areas including recycling, power generation, and electricity retailing. As the majority of the above business portfolio is related to public infrastructure (waste incinerators, bridges, etc.), reductions in domestic public works projects due to domestic economic conditions, the influence of national and local government policies, and other factors may lead directly to a decrease in the number of bidding projects, which could result in a decline in the volume of orders we receive.

Similarly, the volume of orders we receive in overseas markets may decline owing to changes in economic conditions and policies in countries in which we do business. Also, during the execution of project work, increases in the prices of materials and equipment, etc., may push up construction costs. We will engage in technology development and the like to build competitive strength that is resilient to increases in construction costs. We will also strengthen our operating businesses as a stable, long-term source of earnings.

(2) Raw materials and energy market environments (steel business and trading business)

Steel business

We procure iron ore, coking coal, ferroalloys, nonferrous metals, scrap, etc., as raw materials for the production of steel. In recent years, the purchase prices of these raw materials have been rising owing to factors including changes in global supply and demand, natural disasters or accidents in the major producing countries of Australia and Brazil, and international conflicts. If we are unable to reflect such purchase price increases in our steel product prices, this could affect the JFE Group's financial performance. We also purchase electricity, natural gas, and other energy supplies for use in the steelmaking process. If the purchase prices of these rise as a result of changes in global supply and demand, the tightening of environmental regulations, international conflicts, or other such events, and we are unable to reflect this in our steel product prices, this could affect the JFE Group's financial performance.

Further, if natural disasters or accidents in the main producing countries, international conflicts, supply chain disruptions, or other such events make it difficult to procure raw materials and energy, this could affect the Group's financial performance through reductions in production and sales volumes.

In response to these risks, we will aim to reduce costs and mitigate cost fluctuations in raw materials procurement by developing technology for the use of inexpensive raw materials and increasing the proportion of such materials we use.

To address this, we seek to reduce the costs and cost fluctuations involved in the procurement of raw materials by developing technologies allowing the use of low-cost raw materials and by increasing our usage of such materials. We also seek to reduce the risk of procurement instability through measures such as diversifying our procurement sources. Furthermore, we plan to reduce the cost and cost variability of the energy we procure by systematically refurbishing the power plants and other such facilities within our steelworks.

Trading business

In addition to selling raw materials to the JFE Group, our trading business also sells raw materials outside of the Group. Therefore, changes in the JFE Group's activity levels, as well as changes in purchasing or sales conditions resulting from natural disasters or accidents in raw material producing countries, international conflicts, supply chain disruptions, and other events may affect our trading business sales volumes.

To address this, we seek to reduce raw material supply chain risks through the purchase of lower-cost materials, the development of new procurement sources, and similar activities. We also seek to stabilize and maintain sales volumes by developing sales channels outside of the Group.

(3) Stable operating status of manufacturing equipment and systems (steel business)

In the steel business, we manufacture steel products using many large-scale manufacturing facilities such as blast furnaces, coke ovens, converters, continuous casting machines, rolling mills, annealing furnaces, and power plants. Some of these facilities have been in operation for decades and are approaching their renewal dates. To establish a domestic manufacturing base capable of sustaining stable production levels, we have been progressively updating aging facilities based on planned and focused capital expenditures. However, any equipment or system problems affecting these facilities could result in decreases in production volumes and increases in repair and maintenance costs, among other outcomes, which may affect the JFE Group's financial performance.

To address this, we are systematically investing in the renewal of key facilities and equipment to strengthen the manufacturing capabilities of our steelworks. Since 2019, we have been investing in our core facilities and equipment, including outlays to deal with the deterioration of blast furnace ancillary equipment to ensure the stable operation of blast furnaces, and efforts to utilize digital transformation (DX), artificial intelligence (AI), and Internet of Things (IoT) technologies. Under the Eighth Medium-term Business Plan, we will roll out these efforts across all processes.

(4) Effects of capital expenditure and business investments (steel business, engineering business, and trading business)

The JFE Group makes major capital expenditures and business investments with the aim of maintaining and enhancing its earnings base and expanding its businesses.

Capital expenditures

In the steel business, we continue to invest strategically in our production sites in Japan in order to build a stable production base and to improve our productivity and cost competitiveness. We are modernizing and increasing the capacity of facilities in the business's East and West Japan Works, which will include renewing coke ovens, expanding the electrical steel sheet production line, and introducing an innovative electric arc furnace. If the operation of these facilities is delayed or the demand for steel products changes, the expected cost reductions and sales growth effects may not be realized, and this could affect the JFE Group's financial performance.

We therefore periodically check the progress of major works to ensure that they are being executed as planned. We also continuously monitor global economic conditions and demand trends and, when changes occur, make appropriate revisions to the timing and scale of investments and other such areas in our initial capital expenditure plans.

Business investments

In addition to investing in Japan, the JFE Group pursues business investments for the purpose of capturing overseas growth opportunities. Unforeseen circumstances, such as changes in political and economic conditions overseas, conflict, and changes in joint-venture partners' circumstances, could make it difficult to achieve expected earnings levels, recoup investments, and so forth, and this may affect the JFE Group's financial performance.

To address these risks, we continuously monitor global economic conditions and demand trends and, when changes occur, make appropriate revisions to the timing and scale of investments and other such factors in our initial business investment plans. Also, as part of the business investment decision-making process, we assess risks relevant to individual companies and regions, and follow up accordingly in order to manage those risks.

(5) Development status of new products and new technologies (steel business and engineering business)

In order to be globally competitive, the JFE Group has honed its technological capabilities by responding to the sophisticated demands of its customers. To maintain and enhance the Group's earnings base, we must continue to develop the world's most advanced new products and technologies, provide manufacturing solutions, and seek out new businesses that will contribute to society at large. If we are unable to do this as planned or if the effects do not emerge as planned because of changes in external environmental factors, our sales volumes could decline because we miss opportunities to provide new products, our profitability could decline because of an inability to add sufficient value, or we may lose opportunities to receive orders; these and similar outcomes could affect the JFE Group's financial performance.

To address this, in the steel business, we will accelerate our development efforts with a focus on automobiles, infrastructure building materials, and energy. We will also pursue development that captures customer demand more accurately than ever before. For example, we will work to create value through steel in the automotive space by deepening our interactions with customers and stepping up our Early Vendor Involvement (EVI) so that we can continue to offer leading-edge technologies, including advanced high-tensile steel products and the technology to make use of them while in the construction materials field, our JFESCRUM™ solution proposal activities to create new added value in collaboration with customers. We are working hard to create new value for steel by providing the JFE Resolus™ solution business, which offers the manufacturing and operational technologies we have cultivated through steelmaking over many years to customers as solutions to a wide range of issues, not limited to the steel industry. In the engineering business, we are actively advancing the technological development of automated operations, remote monitoring systems for plants, and robots that automate construction work and reduce the need for labor on construction sites. We use cutting-edge AI and IoT technologies to develop these products, and we will continue to offer new products and services, including energy services.

The JFE Group will also continue to leverage new technology developments and revise its development plans as appropriate in response to changes in the market environment.

(6) Quality assurance (steel business, engineering business, and trading business)

The JFE Group provides a wide variety of products and services, including steel products, to customers. The quality of the Group's products is confirmed by a quality assurance department that is independent of the quality design and manufacturing departments, with quality assurance operations being checked by a quality assurance department. However, if problems arise with, for example, the Group's products, services, or quality management systems, this could lead to the payment of compensation, loss of reputation, or similar outcomes, which could affect the JFE Group's financial performance.

To address this, we have set up an organization at the head office to oversee quality control, including that of Group companies, and we are implementing processes designed to eliminate quality defects. With respect to the quality data that we provide to customers, we are working to eliminate human error and data tampering by expanding and enhancing the automatic measurement and transmission of such data. We are also working to prevent aberrant materials from reaching customers by strengthening the identification and management of steel products and by strengthening our quality assurance operations through in-house diagnosis.

In the engineering business, the engineering, procurement, and construction of equipment and facilities involve the use of procured construction materials and equipment, and we remain liable for contract non-conformance for a set period after delivering the equipment and facilities. If faults or defects categorized as contract non-compliance emerge during the construction of this equipment and facilities, as contractor we have a duty to perform rectification work, which may result in additional costs being incurred. To mitigate such risks, we have established quality assurance systems, and we perform inspections of procured products and construction work.

(7) Risk of post-order cost fluctuations (engineering business)

In the engineering business, the engineering, procurement, and construction of equipment and facilities involves the purchasing of materials and equipment and the hiring of external contractors, and some projects involve construction periods spanning several years. Also, our operating businesses involve purchasing the electricity, fuel and other materials required to operate facilities and equipment, with some of these business projects remaining in operation for 20 years or more. As market and economic conditions change, the price of construction materials and contractor labor can fluctuate, affecting construction costs; the cost of electricity, fuel, and other items can also fluctuate, similarly affecting operating costs. These factors could affect the JFE Group's financial performance.

To address this, we seek to mitigate the risk of post-order cost fluctuations by identifying any risks at the bidding stage of orders and, for example, by incorporating allowances for such risks into the contractual conditions. After receiving orders, we seek to discover and mitigate risks early through third-party follow-up assessments performed by people with relevant project experience.

(8) Serious occupational accidents (steel business, engineering business, and trading business)

The JFE Group is engaged in a variety of businesses, some of which feature workplaces with relatively high rates of accidents and incidents, including those involving work at considerable heights or in high-temperature environments, the transportation of heavy objects, and work on gas-related equipment. The Group strives to create work environments in which diverse human resources, including women and the elderly, can work with peace of mind and free from accidents. However, in the event of a serious accident at a production facility or similar or a serious occupational accident, the Group's business activities could face restrictions, and this could affect the JFE Group's financial performance.

As such, the Group's operating companies all strive to eradicate serious accidents and disasters. Each steelworks and production site has obtained ISO 45001 certification for occupational health and safety management systems, and is continually and effectively operating these systems to improve safety and health standards. We are also introducing various safety systems, including an AI-based image recognition system that sounds an alarm and stops the production line if a worker enters an exclusion zone, as well as systems designed to prevent incidents by monitoring gas concentrations and the proximity of workers to heavy machinery in real time.

(9) Climate change (steel business, engineering business, and trading business)

The JFE Group utilizes steel manufacturing processes that emit large amounts of greenhouse gases (GHGs), and we regard the Group's efforts to address climate change as an extremely important business priority with bearing on the sustainability of the Group's businesses. If the Group does not make adequate efforts toward achieving carbon neutrality or is unable to achieve its targets for innovative technology development, this could result in a loss of cost competitiveness, reduced dealings with customers, and difficulty in raising funds, etc., thereby possibly lowering international competitiveness or significantly impacting the Group's financial performance.

The Group has set goals to reduce GHG emissions by 30% or more by FY2030, compared to FY2013, and achieve carbon neutrality by 2050. Toward this end, internal structures and teams are being developed and work is being carried out swiftly and efficiently.

We also participate in the Project to Hydrogen Utilization in Iron and Steelmaking Processes, a Green Innovation Fund Project organized by Japan's New Energy and Industrial Technology Development Organization (NEDO). Through our involvement in this project, we are actively developing ultra-innovative technologies, including hydrogen reduction technology for use in blast furnaces, technology for achieving low levels of carbon in blast furnace exhaust gas (carbon-recycling blast furnaces and carbon capture and utilization), direct hydrogen reduction technology, and impurity removal technology for electric arc furnaces. have started a bench-scale test furnace for the direct hydrogen reduction process in December 2024; a small-scale test furnace for the development of impurity removal technology using an electric furnace in February 2025; and a small-scale carbon recycling test blast furnace in May 2025, and have begun testing all three. In this context, we determined to introduce an innovative new electric arc furnace, which can be put into operation early as a substitute process for blast furnaces that will undergo renovation in FY2027. At the same time, securing a stable source of direct reduced iron is essential for us to manufacture high-quality, high-strength steel using this innovative electric arc furnace and reduce GHG emissions from the blast furnace method. We are pushing ahead with discussions on specific business schemes to establish a low-carbon reduced iron supply chain in the Middle East.

From the first half of FY2023, we have also begun supplying GX steel JGreeX™, which features significantly lower GHG emissions than conventional products from the steel manufacturing process, based on the actual amount of GHG emission reduction achieved. JGreeX™ has already been adopted across a wide range of fields, including automotive, shipbuilding, bridges, construction, industrial machinery, and transformers. We will continue to work toward the realization of a social distribution model in which GHG reductions are achieved across our entire supply chain.

Meanwhile, the introduction of these carbon-neutral processes will necessitate large outlays for technology development and capital expenditure, so we believe that significant increases in manufacturing costs are inevitable. The Japanese government has committed to long-term and continuous support for technological development and capital expenditure aimed at carbon neutrality through national policies such as The Basic Policy for the Realization of GX and the Act on Promoting Transition to the Decarbonized Growth Economic Structure. However, if the government cannot provide the same level of subsidies and other support as other steel-producing countries, or if there are further rises in industrial electricity prices in Japan, which are already high by international standards, or if the cost competitiveness of Japanese steelmakers declines relative to other countries, such developments could affect the JFE Group’s financial performance. To achieve carbon neutrality, it will also be crucial to procure large amounts of green hydrogen at low prices and non-fossil energy at internationally competitive prices, but if such factors are not available in Japan, or if steel prices do not appropriately reflect the high environmental value of GX steel, these separate developments could affect our Group’s financial performance. The creation and expansion of a GX steel market is also essential for us to implement these initiatives for carbon neutrality, and we believe that government support is vital. This includes preferential procurement, purchasing assistance, and regulatory measures.

Additionally, there is concern that policies and systems such as the EU Taxonomy and carbon border adjustments may lead to global protectionism, which could impede a smooth transition to decarbonization. Further, the standards, threshold values, definitions, and standards for GHG quantification concerning GX steel vary throughout the world, including among international and private-sector bodies, which could disrupt international steel trade. Consequently, standardization efforts are underway. In October 2025, the Japan Iron and Steel Federation (JISF) revised its "Guidelines for Green Steel" and published the "Steel CFP Guideline," the "GX Steel Guidelines," and the "Non-Fossil Powered Steel Guideline." In February 2026, the World Steel Association revised its international guidelines. We will continue to help revise these guidelines to ensure that the GHG emissions reduction value of GX steel is appropriately reflected in the carbon footprint of our customers’ products. We will deepen discussions with the Japanese government and relevant organizations aimed at international standardization, including the GHG Protocol and ISO standards, work towards creating a system that adequately evaluates reduction efforts to ensure fair compensation, and advocate for the appropriate and systematic establishment of environmental regulations through collaboration with the relevant organizations.

(10) Large-scale natural disasters, rapid outbreaks of infectious diseases such as new influenza strains, wars, internal disturbances, riots, terrorist activities, etc. (steel business, engineering business, and trading business)

Large-scale natural disasters such as major earthquakes or typhoons, rapid outbreaks of infectious diseases such as new influenza strains, wars, internal disturbances, riots, and terrorist activities are among the events that could hinder the Group’s business activities and affect its financial performance. For example, an outbreak of an infectious disease such as a novel coronavirus could result in measures such as movement restrictions and urban lockdowns being imposed around the world, hindering the Group’s business activities, and could result in a decrease in sales volumes due to large reductions in production levels in industries the Group serves, and such outcomes could have a large impact on the Group’s financial performance. International conflicts arising in regions in which the Group does business could result in reduced sales volumes owing to large reductions in production levels in industries that use the Group’s products, and this could affect the Group’s financial performance. In addition, damage to equipment or buildings or the flooding of steelworks caused by large typhoons could result in reduced production volumes, thereby affecting the Group’s financial performance. Also, if the production or shipment of raw materials used by the Group is suspended because of the suspension of port facilities in locations from which the Group procures these, this could result in reduced production volumes and other outcomes, similarly affecting the Group’s financial performance.

In response to the increasing intensity of typhoons and heavy rainfall in Japan in recent years, we are strengthening and upgrading the drainage facilities at our steelworks. Also, given that we mainly procure raw materials from overseas, we will address the risk of large-scale weather disasters overseas by finding alternative sources, diversifying across sources, and increasing equipment capacity. We have also formulated a business continuity plan (BCP) for emergency situations. In the event of a large earthquake, for example, this plan sets out measures for setting up tsunami evacuation shelters, for maintaining company-wide command functions in the event of communication constraints and power outages, or similar, and for backing up data. With respect to the risk of new infectious diseases, we are putting in place workplace systems and environments that prioritize the health and safety of all employees to ensure that they can continue to work with peace of mind. These include strict sanitation and hygiene controls, flexible business operations such as staggered working hours and telework, and progressive improvements to infrastructure and environments. We also have arrangements in place allowing the setup of a task force that can take prompt action.

(11) Economic security (steel business, engineering business, and trading business)

The Group imports various resources from overseas, including iron ore, coal, and other minerals used as raw materials for steel production, while exporting the steel products it produces to a wide range of overseas markets. In addition, the Group operates a variety of businesses overseas, particularly in Asia.

In recent years, growing tensions between countries and regions and the increasing market fragmentation have had a significant impact on the global business environment. From the perspective of economic security, there is also a growing risk of disruptions to supply chains for critical materials, economic coercion, and the introduction of unforeseen regulatory or policy measures.

If such events occur, the Group's financial performance may be affected by disruptions to production activities resulting from constraints on the supply of raw materials and other inputs, stagnation of production activities throughout supply chains involving the Company, substantial increases in production costs, and difficulties in conducting sales and business activities in specific countries and regions.

To address these economic security risks, the Group will collect information on and conduct research and analysis of the political, economic, and institutional environments in each country and region, closely examine and diversify its value chains, and establish mechanisms to identify, mitigate, and avoid risks.

(12) Competing materials (steel business and trading business)

The Group sells eco-products and environmentally friendly technologies that are highly effective in controlling GHG emissions. The high-tensile steel used in automobile body applications has cost advantages over other materials such as aluminum and carbon fiber, and it also helps to reduce vehicle weight, so we believe there is limited scope for it to be replaced with other materials. However, significant reductions in the costs of other materials could result in a decline in steel demand, which could affect the Group's financial performance. Accordingly, we are working to reduce costs and improve product performance in an effort to limit the potential for other materials to replace steel. We will also propose multi-material structures that incorporate resins and other lightweight materials and by developing components made with combinations of steel as a material, thereby leveraging the unique characteristics of each material and expanding the scope of demand for steel and helping to reduce weight.

(13) Information security (steel business, engineering business, and trading business)

During the course of its business activities, the Group comes into possession of confidential information and personal information on its customers and business partners, and it also holds confidential information and personal information pertaining to the Group. Rigorous controls are in place across the Group to ensure that this information is not leaked, tampered with, or otherwise compromised. If any of this information is leaked or tampered with as a result of negligence, theft, external attacks, etc., this could lead to a loss of technological advantage, the payment of compensation, and loss of reputation, among other impacts, which may affect the Group's financial performance.

To address this, the Group has established rules governing information management as a means of preventing information leaks and system failures caused by cyberattacks or unauthorized system use. In addition, the JFE Group Information Security Committee deliberates on important IT issues, particularly information security, and based on the policies and principles determined by this committee, we continue to enhance information security management across the entire Group through JFE-SIRT, an internal team established to plan and drive the implementation of information security measures. In April 2024, we also established JFE Cyber Security & Solutions, Ltd. to recruit and develop security personnel and strengthen our security monitoring function.

(14) Country risk (steel business, engineering business, and trading business)

The Group actively seeks to develop its business in overseas markets to capture growing demand. In the steel business and trading business, the Group invests in local steel production and processing lines and engages in capital alliances with local steel companies; in the engineering business, the Group takes orders for infrastructure projects in emerging markets. Unforeseen circumstances in the regions in which we do business, including changes in political and economic conditions, terrorism and other sources of turmoil, dispute, law revisions, and large natural disasters, could result in production volumes decreasing, synergies with capital alliance partners being reduced, costs being incurred due to the revision of laws and regulations, logistics costs increasing, the impairment of goodwill recorded in the consolidated financial statements, changes in manufacturing costs in projects undertaken, and other such outcomes, any of which could affect the Group's financial performance.

To address this, we strive to make careful investment decisions by incorporating business risk assessments appropriate to the risks of the relevant countries into our business investment and lending assessment process. To mitigate the impact of unforeseen circumstances, we are strengthening our monitoring capabilities, and seeking to diversify local procurement sources, among other measures.

In the trading business, we are engaged in international trade dealings. We face the risk of being unable to import or export due to circumstances in specific countries, and we may also be exposed to settlement risk if a foreign government suspends international fund transfers due to, for instance, the situation in the foreign exchange markets. We use trade insurance and other means to address these risks.

(15) Exchange rate fluctuations (steel business, engineering business, and trading business)

The Group's financial performance may be affected by exchange rate fluctuations. If the amounts of foreign currency paid (the import value of raw materials, etc.) do not completely offset the amounts of foreign currency received (the export value of products, etc.), exchange rate fluctuations may potentially impact the Group's financial performance. Our measures to address this include using forward exchange contracts to hedge our transactions. When the Japanese yen depreciates, the Group's financial performance can be affected by increases in the cost of raw materials when converted into Japanese yen. In turn, we reflect such increases in our product selling prices.

In addition, when the Japanese yen appreciates, domestic demand for steel products may decrease owing to the reduced export competitiveness of industries that use steel products, such as the automotive industry, and the Group's products may become less price competitive in foreign markets, with such factors potentially affecting the Group's financial performance. To address this, as described in sections (1) and (5), the Group is working to secure its share of the Japanese market for steel products and also establishing global supply capabilities to respond flexibly to changes in global market conditions through strategic local partnerships with companies in growing markets overseas.

(16) Decline in the value of fixed assets (steel business, engineering business, and trading business)

The Group owns many fixed assets, including large-scale steel product manufacturing facilities. When the Group does not expect to be able to recoup the amount invested in a fixed asset because of, for example, a decline in profitability, then it recognizes an impairment loss on the asset, and such occurrences may affect the Group's financial performance.

To address this, we work to maintain and improve the value of our assets, mainly through the measures described in (1) – (5), (9) and (12) above.

(17) Hiring and training human resources and providing proper working environments (steel business, engineering business, and trading business)

As Japan's working-age population declines, the Group is stepping up its efforts to ensure it has sufficient skilled personnel, to improve individual abilities through human resource development, and to improve labor productivity by means of labor-saving measures. But if the Group or companies in the Group's supply chain are unable to secure or develop sufficient human resources, the resulting loss of competitiveness and stability in production operations could affect the Group's financial performance.

In response, the Group views diversity and inclusion (DEI) as key business initiatives, is expanding its hiring sources to secure a wide range of skilled personnel, and is also fostering a corporate culture of respect for diverse people and opinions in order to increase retention rates and productivity. The Group will also continue to improve its workplace environments and systems while, at the same time, using generative AI and other IT technologies, as well as robot technologies, to achieve greater labor savings and efficiencies in the face of ongoing labor shortages.

Improper labor management could result in outflows of personnel and significant harm to the Group's credibility, which could affect the Group's financial performance. Our efforts to prevent this include properly managing working hours, conducting human rights awareness training, and maintaining a harassment consultation office.

(18) Protection of intellectual property (steel business and engineering business)

The Group holds many intellectual property rights in Japan and abroad for the purpose of protecting the right to use the individual technologies and trademarks necessary for its business activities. When doing business, we investigate what intellectual property rights are held by third parties (i.e., parties not part of the Group) and take measures to avoid infringing on such rights; however, if a third party were to claim that the Group has infringed on its intellectual property rights, this could result in the payment of damages or royalties, the suspension of business activities, and other consequences, and this could affect the Group's financial performance. If the intellectual property rights of the Group were to be rendered invalid by a third party, this could result in reduced competitiveness in the relevant business area, which could affect the Group's financial performance. Further, if intellectual property rights of the Group were to be infringed by a third party, or if intellectual property information were to be leaked by information holders inside or outside of the company, the Group's financial performance could be affected by a decline in the value of its technologies or brands, the failure to collect damages, or similar outcomes.

To address this, the Group continues to strengthen its systems for investigating and monitoring the intellectual property rights of third parties, including those outside of Japan, to prevent infringements on such rights. Additionally, the Group is working to acquire rights to important technologies in overseas regions while also strengthening its systems for monitoring third-party counterfeit technologies and counterfeit products in order to prevent and deter people from infringing on the Group's intellectual property rights. We are also enhancing our internal information management training programs and strengthening efforts to manage the confidentiality obligations of retired employees and other individuals.

(19) Financial market fluctuations and changes in the financing environment (steel business, engineering business, and trading business)

The steel business, the Group's core business, has large-scale facilities and requires large amounts of capital to maintain and renew those facilities, so maintaining a sound financial footing is crucial. In recent years, our capital expenditures have exceeded depreciation costs, so we have high levels of interest-bearing debt. Therefore, financial market instabilities, increases in interest rates, the lowering of our credit ratings by rating agencies, and other such events could result in the Group facing financing restrictions and increases in financing costs.

As such, we use financial management indicators—the debt/EBITDA ratio and the debt/equity ratio—to manage the finances of the entire Group and its operating companies. We also use interest rate swaps to hedge some of our borrowings and other transactions. To maintain financial soundness, we are currently working to reduce our interest-bearing debt through measures that include the reduction of inventory and the like to improve the cash conversion cycle, downsizing our asset holdings by, for example, reducing our equity holdings, and conducting order-of-priority reviews of capital expenditures and of other investments and lending.

(20) Fluctuations in the value of equity holdings and the like (steel business, engineering business, and trading business)

Changes in the value of equities and the like held by the Group may affect the Group's financial performance and financial position. As a general rule, the Group does not hold listed equities unless a reasonable justification for holding those equities exists, and we are thus selling off the Group's holdings of listed equities.

(21) Credit risk (steel business, engineering business, and trading business)

If the Group incurs bad debts due to the insolvency or bankruptcy of a trading partner in respect to which the Group has trade receivables, this may affect the Group's financial performance. As such, we engage in rigorous credit management, and we use credit insurance to cover some high-risk transactions.

(22) Laws and regulations (steel business, engineering business, and trading business)

In Japan and other countries in which it does business, the Group is subject to various laws and regulations; these include those pertaining to the environment; labor, safety, and health; commerce, trade, and foreign exchange; intellectual property; and taxation. It is also subject to economic laws and regulations such as anti-trust laws, business-related laws and regulations such as the Construction Business Act, and other relevant laws and regulations. If such laws and regulations become stricter, in addition to the effects described in sections (1), (9), and elsewhere in this document, the Group may face restrictions on its business activities, incur costs related to compliance, and so forth, and this could affect the Group's financial performance. The Group strives to comply with such laws and regulations by ensuring it has rigorous internal controls in place, but if it were determined that the Group is not in compliance, it could face administrative sanctions or similar, which could affect the Group's financial performance.

To address this, we will continue to advocate for the appropriate enactment, revision or abolition of relevant laws and regulations by, for instance, submitting an opinion statement when authorities are considering any such establishment, revision or abolition. In addition, whenever a law or regulation is enacted, revised, or abolished, the business unit primarily responsible for matters relating to that law or regulation evaluates the impact on our business and notifies other relevant departments within the company of its findings. We also regularly conduct compliance training covering a variety of regulatory themes and ensure that the relevant knowledge is shared with and properly understood by employees.

(23) Respect for human rights in the supply chain (steel business, engineering business, and trading business)

The Group procures raw materials and other materials and equipment from all over the world, but if human rights problems occur in the relevant supply chains, in addition to impacting procurement and production, this could lead to damage to the Group's reputation, which could in turn affect the Group's financial performance.

The JFE Group Human Rights Basic Policy, which sets out the Group's overall approach to respect for human rights, was adopted in 2018 and then revised in April 2023 in response to recent changes in attitudes and issues surrounding human rights. We have also established policies for our operating companies, including our Procurement Guidelines, Basic Procurement Policy, and Basic Policy on Sustainability in the Supply Chain, in addition to following purchasing practices that ensure respect for human rights, legal compliance, and environmental protection. We have commenced human rights due diligence in accordance with the United Nations Guiding Principles on Business and Human Rights, and we will continue to identify human rights risks within the Group as well as study and implement measures to rectify such risks.

(24) Retirement benefit obligations (steel business, engineering business, and trading business)

The Group's employee retirement benefit costs and obligations are calculated based on assumptions, such as discount rates, used in actuarial calculations. Fluctuations in interest rates, changes in the fair value of institutional assets, changes in the retirement allowance system, and similar events could affect the Group's financial performance and financial position.

(25) Deterioration in financial performance at equity-method associates

The Company and its consolidated subsidiaries have many equity-method associates. Losses incurred by equity-method associates are recorded in the consolidated financial statements according to the ownership ratios of the Company and its consolidated subsidiaries. If the recoverable value of an equity-method associate is lower than the acquisition cost or carrying amount, the Company or its consolidated subsidiary may have to record an impairment loss on the shares it holds in the equity-method associate. The Company and its consolidated subsidiaries provide debt guarantees for the monetary obligations of some equity-method associates. If, in the future, the Company or its consolidated subsidiaries are required to honor these debt guarantees, this could affect the Group's financial performance and financial position. To address this, we monitor the efforts of equity-method associates to improve their profitability, and we implement a range of measures necessary to reduce risk.

Note that, in addition to the events described above, the Group's business activities, financial performance, and similar areas could also be affected by other events that cannot be predicted at this time.

4. Management Analysis of Financial Position, Operating Results and Cash Flows

(1) Overview of operating results

(i) Financial position and operating results

The overview of the Group's operating results for the fiscal year ended March 31, 2026 is described in "(2) Management discussion and analysis of operating results,etc (ii) Presentation, analysis, and discussion of operating results, etc. for the fiscal year ended March 31, 2026."

(ii) Cash flows

Cash flows for the fiscal year ended March 31, 2026 are described in "(2) Management discussion and analysis of operating results, (ii) Presentation, analysis, and discussion of operating results, etc. for the fiscal year ended March 31, 2026."

(iii) Results of production, orders received and sales

The Group's results of production refer to crude steel output of the steel business, and the Group's orders received refer to orders received and order backlog of the engineering business.

In the steel business, results of orders received are not shown because orders received from specific customers have repetitive and recurring nature. In the engineering business, results of production are not shown in terms of amount or quantity because the business is mainly contracted work. In the trading business, results of production and orders received are not shown in terms of amount or quantity because many of the products are not manufactured on a make-to-order basis.

a. Production

The Group's production for the fiscal year ended March 31, 2026 was as follows.

Segment	Crude steel output (thousand tonnes)	YoY change (%)
Steel Business [JFE Steel Corporation]	22,548 [21,374]	(2.8) [(2.6)]

b. Orders received

Orders received for the fiscal year ended March 31, 2026 were as follows.

Segment	Orders received (million yen)	YoY change (%)	Order backlog (million yen)	YoY change (%)
Engineering Business	836,182	＋44.3	1,223,567	+23.0

Note: During the current fiscal year, there was a significant fluctuation in the number of orders received. This was due to an increase in orders for the construction and operation of waste treatment facilities, among other factors.

c. Sales

Sales for the fiscal year ended March 31, 2026 were as follows.

Segment	Sales (million yen)	YoY change (%)
Steel Business	3,088,430	(8.2)
Engineering Business	599,773	＋5.3
Trading Business	1,333,057	(7.3)
Total	5,021,261	
Adjustments	(481,990)	—
Total	4,539,270	(6.6)

Note: The amounts and proportions of sales to major customers are omitted because no customer accounts for 10% or more of sales.

(2) Management discussion and analysis of operating results, etc.

This section includes the presentation, analysis, and discussion of the Group's operating results and related information from the perspective of management. Except where otherwise specified, the forward-looking statements contained in the descriptions below are based on judgments as of March 31, 2026.

(i) Accounting estimates and assumptions

The Group's consolidated financial statements are prepared in accordance with IFRS.

Material accounting policies are presented in "V. Financial Information, Notes to Consolidated Financial Statements, 3. Material Accounting Policies." Material accounting estimates are presented in "V. Financial Information, Notes to Consolidated Financial Statements, 4. Significant Judgements, Accounting Estimates, and Assumptions."

(ii) Presentation, analysis, and discussion of operating results, etc. for the fiscal year ended March 31, 2026

a. Analysis of operating results for the fiscal year ended March 31, 2026

During the fiscal year ended March 31, 2026, the Japanese and global economies showed signs of a gradual recovery, but they were affected by the slowdown of the Chinese economy and new U.S. trade policies. Furthermore, future economic prospects became more uncertain due to escalating tensions in the Middle East and other factors.

Under these circumstances, the JFE Group implemented continuous cost reduction measures. As a result, business profit remained at the same level as in the previous fiscal year, despite sluggish domestic and overseas steel demand and weak conditions in the steel market. One-time factors such as inventory valuation adjustments also contributed to profit. However, profit attributable to owners of parent decreased due to one-time factors, including a decline in gains from land sales.

The operating results of each segment follow.

The steel business experienced sluggish domestic and overseas demand and weak overseas steel market conditions, partly due to protectionist policies in various countries, including the United States. Consequently, consolidated crude steel production decreased to 22.55 million tonnes. Revenue decreased by 276.7 billion yen (8.2%) year over year to 3,088.4 billion yen, reflecting lower steel prices and a decline in sales volume.

Despite lower steel product prices and a decrease in sales volume, segment profit remained at the same level as in the previous fiscal year at 38.0 billion yen, driven by continuous cost-cutting initiatives and one-time factors, such as inventory valuation adjustments.

In the engineering business, revenue increased by 29.9 billion yen (5.3%) to a new record of 599.7 billion yen, driven by the steady execution of projects under contract and corporate acquisitions. The value of new orders also reached a record high. Engineering segment profit increased by 4.6 billion yen (23.7%) to 23.9 billion yen, driven by the rise in revenue.

In the trading business, annual consolidated revenue declined by 105.5 billion yen (7.3%) from the previous fiscal year to 1,333 billion yen and segment profit fell by 7.7 billion yen (16.2%) to 40.2 billion yen. Steel trading declined due to ongoing weakness in domestic construction demand, the impact of various countries' trade policies, and weak conditions in the overall steel market.

Including performance from the parent company and consolidated subsidiaries, revenue on a consolidated basis declined by 320.4 billion yen (6.6%) to 4.539.2 billion yen, while business profit remained roughly unchanged at 135.3 billion yen. Profit before tax decreased by 56.8 billion yen (39.4%) to 87.4 billion yen and profit attributable to owners of parent decreased by 21.7 billion yen (23.6%) to 70.1 billion yen.

b. Analysis and discussion of cash flows and analysis of the sources of capital and the liquidity of funds

Free cash flow amounted to an outflow of 73.7 billion yen (an increase of 169.4 billion yen in cash outflow year over year). This represents the net of cash inflow of 379.0 billion yen from operating activities (an increase of 100.0 million yen in cash inflow year) and cash outflow of 452.7 billion yen (an increase of 169.6 billion yen in cash outflow) from investing activities, mainly for purchases of property, plant and equipment, intangible assets, and investment property.

Net cash used in financing activities totaled 61.6billion yen (an increase of 219.0 billion yen in cash inflow), primarily due to proceeds of long-term borrowings.

As a result, interest-bearing liabilities outstanding as of March 31, 2026, increased by 192.9 billion yen from the previous year-end to 1,959.3 billion yen, while cash and cash equivalents decreased by 5.0 billion yen to 167.8 billion yen.

Interest-bearing liabilities include bonds payable, borrowings, and lease obligations.

Information on the Group’s sources of capital and the liquidity of funds is presented below.

The Group’s main demands on working capital include payments for the purchase of raw materials, manufacturing costs, contracted construction work, and operating expenses such as selling, general and administrative expenses. The primary funding needs for investment relate to growth and increasing revenue in the steel business, strategic investments in areas such as green transformation (GX) and digital transformation (DX), and capital investments aimed at upgrading manufacturing infrastructure.

Working capital is mainly procured through borrowings from financial institutions and the issuance of commercial papers. Funds for investment are primarily sourced from the Group’s internal reserves. For needs that exceed internal reserves, the Group procures funding through long-term borrowings from financial institutions and the issuance of bonds.

The Group ensures sufficient liquidity through the establishment of commitment lines with multiple financial institutions.

c. Achievement of targets

Under the Eighth Medium-term Business Plan (FY2025–2027), announced in May 2025, the Group established the following financial and revenue targets for FY2027.

To achieve these FY2027 targets, we will implement the initiatives set forth in the Plan, increase steel product prices, and reduce costs through our own efforts.

■ Eighth Medium-term Business Plan

		Targets (FY2027)	Results (FY2025)
Group-wide	Consolidated business profit	400.0 billion yen	135.3 billion yen
	ROE	10% or more	2.7%
	Debt/EBITDA ratio	Around 3x	4.8x
	D/E ratio	About 60%	59.4%
Operating companies	Steel Business • Segment profit	260.0 billion yen	38.0 billion yen
	Engineering Business • Segment profit	42.0 billion yen	23.9 billion yen
	Trading Business • Segment profit	60.0 billion yen	40.2 billion yen

Note: D/E ratio: Liabilities with equity-like features subject to credit ratings are included in equity based on the credit ratings from rating agencies.

	Targets (FY2027)	Results (FY2025)
Shareholder return policy (dividend payout ratio)	Dividend payout ratio of about 30% with a minimum of ¥80/share	¥80/share (Dividend payout ratio: 72.5%)

An analysis of the results for the fiscal year ended March 31, 2026, is presented under “(ii) Presentation, analysis, and discussion of operating results, etc. for the fiscal year ended March 31, 2026, a. Analysis of operating results for the fiscal year ended March 31, 2026.”

5. Material Contracts

(1) Material contracts (excluding contracts concerning technology)

Contracting companies	Contract counterparties	Description of contract	Contract date / term
JFE Holdings, Inc.	IHI Corporation Imabari Shipbuilding Co., Ltd.	Shareholders' agreement regarding the shipbuilding business	March 27, 2020 (revised on January 5, 2026)
JFE Steel Corporation (consolidated subsidiary)	Kyndryl Japan KK	Comprehensive partnership agreement between JFE Steel Corporation and Kyndryl Japan KK, joint venture agreement concerning the business operations of EXA CORPORATION, and outsourcing agreement from JFE Steel Corporation to Kyndryl Japan KK	From April 1, 2011 to March 31, 2031 (revised on September 29, 2025) *1
	Nucor Corporation (USA)	Joint venture agreement regarding California Steel Industries, Inc., a steel business company in the United States	February 2, 2022
	Marubeni-Itochu Steel Inc., Sahaviriya Steel Industries PLC (Thailand), and others	Joint venture agreement regarding Thai Cold Rolled Steel Sheet PCL, a manufacturer and seller of electrical galvanized steel sheets and cold-rolled steel sheets in Thailand	July 12, 2001 (revised on September 29, 2025) *2
	Marubeni-Itochu Steel Inc. and Sahaviriya Steel Industries PLC (Thailand)	Memorandum of agreement on strengthening collaborative relationships in the steel industry in Thailand	October 31, 2012
	Gangzhou Steel Sheet Co., Ltd. (China)	Joint venture agreement regarding the manufacturing and sales company Guangzhou JFE Steel Sheet Co., Ltd. for cold-rolled steel sheets and hot-dip galvanized steel sheets in China	October 29, 2003 (revised on April 11, 2012)
	Dongkuk Holdings Co., Ltd. (South Korea)	Basic agreement on additional investment in (former) Dongkuk Steel Mill Co., Ltd. and business cooperation related to steel plates	September 25, 2006
	ITOCHU CORPORATION, KOBE STEEL, LTD.	Joint venture agreement concerning a company (JAPÃO BRASIL MINÉRIO DE FERRO PARTICIPAÇÕES LTDA.) for investment in the Brazilian iron ore production and sales company CSN Mineração S.A.	November 29, 2019 (revised on February 21, 2020)
	JSW Steel Limited (India)	Agreement on capital participation based on the strategic comprehensive alliance between JFE Steel Corporation and JSW Steel Limited	July 27, 2010
	JSW Steel Limited (India)	Joint venture agreement regarding JSW JFE Electrical Steel Private Limited, a manufacturing and sales company for oriented electrical steel sheets in India	August 2, 2023
	JSW Steel Limited (India), JSW JFE Electrical Steel Private Limited (India), and JSW JFE Electrical Steel Nashik Private Limited (India)*3	Joint venture agreement regarding JSW JFE Electrical Steel Nashik Private Limited, a manufacturing and sales company for oriented electrical steel sheets in India	August 1, 2025
	JSW Steel Limited (India), Piombino Steel Limited (India), JSW JFE Kalinga Steel Limited (India), and JSW JFE Steel Limited (India)	Joint venture agreement concerning the management and related matters of an integrated steel mill in India	December 3, 2025
	NIPPON STEEL CORPORATION, Sojitz Corporation, Japan Organization for Metals and Energy Security	Joint venture agreement for a company (Japan-Brazil Niobium Corporation) to invest in the Brazilian niobium production and sales company CBMM	March 4, 2011
	Marubeni-Itochu Steel Inc. and General Holding Corporation PJSC (UAE)	Joint venture agreement concerning the manufacturing and sales of large-diameter welded steel pipes in the United Arab Emirates	September 1, 2014

Contracting companies	Contract counterparties	Description of contract	Contract date / term
JFE Steel Corporation (consolidated subsidiary)	Formosa Plastics Group (Taiwan), China Steel Corporation (Taiwan), and others	Shareholders' agreement between the relevant parties regarding the operation and related matters for an integrated steel mill project in Vietnam	September 8, 2015
	Formosa Plastics Group (Taiwan)	Comprehensive partnership agreement regarding capital participation in an integrated steel mill project in Vietnam	September 8, 2015
	Nucor Corporation (USA) and others	Joint venture agreement concerning the galvanized steel sheets manufacturing and sales business in Mexico	June 8, 2016
	Guangdong Zhongnan Iron & Steel Co., Ltd. (China)	Joint venture agreement concerning the special steel bar business in China	November 28, 2019
	Ataer Holding A.S. (Turkey)	Joint venture agreement relating to the iron ore mining and pellet production business of Ataer Madencilik A.S. in Türkiye	July 13, 2020
	New Energy and Industrial Technology Development Organization (NEDO)	Contract for the outsourcing of technological development related to the Hydrogen Utilization in Iron and Steelmaking Processes project	From January 1, 2022 to March 31, 2027
JFE Steel Corporation and JFE Shoji Corporation (consolidated subsidiaries)	Marubeni-Itochu Steel Inc., Hanwa Co., Ltd., and others	Joint venture agreement concerning the manufacturing and sales of galvanized steel plates and color steel plates for construction materials in Myanmar	October 26, 2017 (Revised on March 14, 2024)
JFE Chemical Corporation (consolidated subsidiary)	JFE Zhenxing Shandong Chemical Co., Ltd. (China) and Shandong Weijiao Holding Group Co., Ltd. (China)*4	Joint venture agreement concerning the establishment of a second base for the Chinese tar distillation business	June 13, 2013
JFE Steel Australia (BY) Pty Ltd (Australia) (consolidated subsidiary)	QCoal Byerwen Holdings Pty Ltd and Byerwen Coal Pty Ltd (Australia)	Joint venture agreement concerning Byerwen Coal Pty Ltd, a company holding interests in the Byerwen coal mine in Australia	October 8, 2009
JFE Steel Australia (BW) Pty Ltd (Australia) (consolidated subsidiary)	Whitehaven Blackwater Pty Ltd (Australia), NS Blackwater Pty Ltd (Australia), and Blackwater Operations Pty Ltd (Australia)	Joint venture agreement concerning the Blackwater coal mine in Australia	March 31, 2025
JFE Engineering Corporation (consolidated subsidiary)	CEPCO-R LLC*5, Toho Gas Co., Ltd., Tokyo Century Corporation	Agreement among investors relating to a biomass power generation company (Tahara Biomass Power LLC) in Tahara City, Aichi Prefecture	October 5, 2021
	TSUKISHIMA HOLDINGS CO., LTD.	Joint venture agreement related to the integration of the domestic aqua engineering business	December 5, 2022

Notes
1. *1 On September 29, 2025, JFE Steel Corporation and Kyndryl Japan KK agreed to extend the term of the joint venture agreement and the outsourcing agreement between them through March 31, 2031.
2. *2 The revision dated September 29, 2025, amends the terms of the agreement following the transfer of the electrical galvanized steel sheet manufacturing and sales business of Thai Coated Steel Sheet Company Limited to Thai Cold Rolled Steel Sheet PCL.
3. *3 On December 1, 2025, JSQUARE Electrical Steel Nashik Pvt Ltd absorbed and merged with JSW JFE Electrical Steel Nashik Private Limited, and adopted the latter's name.
4. *4 On April 30, 2026, following the sale of the equity interest in JFE Zhenxing Shandong Chemical Co., Ltd. (China), Shandong Weijiao Holding Group Co., Ltd. (China) became the sole contract counterparty.
5. *5 CEPCO-R LLC is a consolidated subsidiary of Chubu Electric Power Co., Inc.

(2) Contracts concerning technology

(i) Contracts for the introduction of technology

Contracting companies	Contract counterparties	Description of contract	Contract term
JFE Steel Corporation (consolidated subsidiary)	Toyo Seikan Co., Ltd. Toyo Kohan Co., Ltd.	Technology relating to polyester film laminated steel plates for talc can bodies	From January 4, 2008 to the date of expiry of the relevant patent
	KOBE STEEL, LTD.	Technology relating to dust reduction processing methods	From September 6, 2007 until the permanent closure of the related facilities
JFE Engineering Corporation (consolidated subsidiary)	Everllence France SAS (France)	Grant of non-exclusive rights to implement patents related to the manufacturing technology of PC land and marine diesel engines and the provision of know-how	From July 7, 1964 until the notification of cancellation (revised on January 14, 2013)

(ii) Contracts for the provision of technology

Contracting companies	Contract counterparties	Description of contract	Contract term
JFE Steel Corporation (consolidated subsidiary)	Guangzhou JFE Steel Sheet Co., Ltd. (China)	Technology related to the construction, operation, and maintenance of cold rolling mills, including continuous pickling and continuous annealing facilities	From June 1, 2008 until the parties agree to terminate the contract
	JSW Steel Limited (India)	Technology for the manufacture of automobile steel sheets (second part)	From July 12, 2012 to July 11, 2032
	JSW Steel Limited (India)	Technology for the manufacture of non-oriented electrical steel sheets	From November 22, 2012 to November 21, 2032
	Formosa Ha Tinh Steel Corporation (Vietnam)	Technology for the manufacture of steel sheets	From September 8, 2015 until cause for cancellation arises
	Al Gharbia Pipe Company LLC (UAE)	Technology for the manufacture of large-diameter welded steel pipes	From September 28, 2015 until cause for cancellation arises
	NUCOR-JFE STEEL MEXICO, S. de R.L. de C.V. (Mexico)	Technology for the manufacture of automobile steel sheets	From October 31, 2016 until cause for cancellation arises
	BaoWu JFE Special Steel Co., Ltd. (China)	Technology for the manufacture of special steel bars	From March 26, 2020 until cause for cancellation arises
JFE Mineral & Alloy Company, Ltd. (consolidated subsidiary)	Cato Ridge Alloys (PTY) Ltd. (South Africa)	Technology for the manufacture of medium and low carbon ferromanganese	From June 28, 1998 until cause for cancellation arises

(iii) Other contracts concerning technology

Contracting companies	Contract counterparties	Description of contract	Contract term
JFE Steel Corporation (consolidated subsidiary)	thyssenkrupp Steel Europe AG (Germany)	Comprehensive technical collaboration in the field of automobile steel sheets	From April 8, 2002 to April 7, 2027

6. Research and Development Activities

At the JFE Group, we uphold the Corporate Vision of contributing to society with the world's most innovative technology. Each of our operating companies is engaged in creative research and development under our Group-wide development concept of constantly leading the industry forward and pioneering new fields through the development of unique new products that anticipate customer needs, the development of technologies that efficiently produce high-quality products, the development of products and manufacturing technologies that contribute to achieving carbon neutrality, and leveraging synergies across the Group. Each operating company has established organizations to promote the use of data science technologies such as AI, IoT, and big data. We are actively utilizing robotics to promote research and development aimed at improving the productivity of manufacturing equipment and the added value of our products and services.

At meetings of the Group Management Strategy Committee, chaired by the President of JFE Holdings, Inc., our operating companies collectively engage in formulating the Group's overall research and development strategy, as well as the Group-wide selection and promotion of efforts to address material issues.

Going forward, we will continue to flexibly respond to changes in the business environment while securing high profitability, gaining a high level of trust from the market and society, and actively engaging in research and development to foster and develop our business base.

During the fiscal year ended March 31, 2026, research and development expenses amounted to 42,802 million yen. Of this, 39,111 million yen was for the steel business and 3,690 million yen was for the engineering business.

The purposes, main topics, and results of research in each of the Group's main businesses for the fiscal year ended March 31, 2026 were as follows.

(1) Steel business

In the steel business, we are developing new steel and steel-related products that serve as the foundation of the economy and society, so that we can achieve sustainable development for society and ensure safe and comfortable lives for people. At the same time, we are forging ahead with the development of innovative production processes with due consideration for the global environment, and advanced digital technologies that support these initiatives. In FY2025, we promoted the development and commercialization of high-value-added steel products and application technologies for the offshore wind power, automotive, and construction sectors. We also advanced operational stability and reduced environmental impact by expanding the application of cyber-physical systems (CPS) and digital technologies in steelmaking processes, thereby contributing to both decarbonization and enhanced industrial competitiveness.

Our main research results this fiscal year were as follows.

Processes

At JFE Steel Corporation, we are promoting the advancement of steelmaking processes through digital technologies and the development of innovative process technologies to achieve carbon neutrality and reduce environmental impact. In FY2025, we advanced initiatives toward the realization of intelligent steelworks by expanding the application of cyber-physical systems (CPS) and digital twin technologies to stabilize operations, improve productivity, and reduce GHG emissions through lower coke consumption.

First, in the sintering process, we began introducing CPS to all sintering facilities in operation in Japan. The quality of the sintered ore directly impacts blast furnace stability and the production cost of hot metal. Although quality based on multiple indicators is strictly managed, quality control and operational decisions require advanced expertise. The newly introduced CPS conducts real-time operational simulations in digital space using an advanced predictive model that integrates a newly constructed statistical model, which is based on extensive sensor data collected from each production site, with a physical model that simulates thermochemical reactions. This enables the efficient prediction of future operating conditions. The results are greater stability in sintered ore quality, improved productivity, and reduced GHG emissions due to decreased coke usage.

As part of efforts to further advance sintering process, JFE Steel Corporation developed a sensor that measures the particle-size distribution of granulated material online on conveyors and deployed it at the sintering plants of its steelworks. Currently, particle-size distribution is monitored manually through sample analysis. Monitoring in real time and making immediate adjustments ensure precise separation and more productive sintering. JFE Steel plans to apply this technology to other processes as well, and offer it to steelmakers and other manufacturers as a new solutions business called Online Granulometer for Materials on Conveyors.

To better understand complex phenomena in steel manufacturing processes and achieve stable operation, JFE Steel Corporation developed a computational fluid dynamics solver specialized for analyzing large-scale gas-liquid two-phase flow phenomena in steel manufacturing processes, such as molten steel stirring inside a converter and water cooling of slabs during continuous casting. This solver employs the Adaptive Mesh Refinement (AMR) method, which uses fine computational meshes in regions with complex gas-liquid interfaces and coarse meshes elsewhere, thereby achieving both highly accurate simulations and a significant reduction in computational load. This enables highly accurate simulation of large-scale phenomena that were previously difficult to analyze, such as the granulation process of hot metal in a pig iron granulator used in upstream steelmaking processes. JFE Steel will leverage this capability to efficiently advance efforts to optimize equipment design and enhance operational stability.

Products

In the field of renewable energy, JFE Steel Corporation developed steel plates with a maximum thickness of 130 mm, which are suitable for use in foundations for offshore wind power generation (e.g., monopiles, jackets and wind turbine towers) using Thermo-Mechanical Control Process (TMCP) technology. Performance evaluations have been completed at the Ministry of Economy, Trade and Industry, making JFE Steel the first in the industry to complete the evaluation. This allows steel plates exceeding 100 mm in thickness to be used in domestic offshore wind power projects. These plates are as strong as JIS SM520, which is used in foundations of wind power generation. As part of the "J-TerraPlate™" large and heavy steel plate line-up for wind power generation, the plates support the increasing size of offshore wind power facilities, improve constructability by reducing welding labor costs, and contribute to the realization of a decarbonized society. We are currently holding discussions regarding its use in domestic offshore wind power projects.

In the automotive space, JFE Steel Corporation developed a component integration technology for automotive structural components using ultra-high-tensile steel sheets and cold-press forming. Applicable to components such as front and rear members (a group of structural components that form the vehicle's front and rear frames and absorb collision energy while maintaining rigidity) and door rings (a group of structural components that form the vehicle's sides to protect occupants during a side-impact collisions), the technology significantly reduces the number of parts used in large modules—which were previously composed of multiple parts—while maintaining strength performance. JFE Steel uses its proprietary systematized application technology, "JESOLVA™," to form the difficult shapes of large parts made of ultra-high-tensile steel sheets up to 1,470 MPa class. In component integration, it is important to integrate components with different strengths to ensure component performance. To achieve this, JFE Steel combined Tailor Welded Blank (TWB) with its proprietary "Cold Patchwork Method," enabling optimal designs with strength variations within a single component. This technology will contribute to increasing productivity and reducing costs in automobile body manufacturing. These technologies were also showcased at the Automotive Engineering Exposition 2026 held in May 2026. Going forward, we will promote the adoption and wider use of these technologies by a broad range of customers.

In the construction field, JFE Steel Corporation developed the ARCHITETSUT™ Wood Fireproof Beam, a fire-resistant H-shaped steel beam structure using wood as a fire-resistant coating material, and obtained certification from the Minister of Land, Infrastructure, Transport and Tourism for a 1.5-hour fire-resistance structure. This structure ensures fire resistance by leveraging the excellent thermal insulation properties of wood and combining wood with calcium silicate boards on H-shaped steel beams. It can be applied to large-section beams, expanding the use of wood in steel-frame buildings while enhancing architectural design and reducing environmental impact.

As a technology for utilizing high-strength steel in building structures, JFE Steel Corporation developed an outer diaphragm construction method for 780 N/mm² class steel, which has been adopted in a large-scale building project. This method streamlines and stabilizes the welding process for connections between box columns and beams made of high-strength steel, and optimizes joint specifications to improve transportation efficiency and constructability. While ensuring high seismic performance, this method contributes to reduced steel weight and improved construction efficiency, thereby supporting national resilience and the realization of sustainable buildings.

Awards

The products and technologies developed by JFE Steel Corporation also have a high degree of recognition from outside the Group. For example, "sour-resistant linepipe requiring ultra stringent specifications through reduced center segregation and reduced hardness of the extreme surface," developed by JFE Steel, received the Minister of Economy, Trade and Industry Award at the 10th Monodzukuri Nippon Grand Awards. JFE Steel's development of blast furnace automatic operation technology for advancing the decarbonization of the steel industry has been recognized with the Science and Technology Award (Development Category) of the Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology in FY2025. JFE Steel Corporation was also awarded the Minister of Economy, Trade and Industry Award, the highest honor in the Energy Conservation Best Practice Category at the FY2025 Energy Conservation Grand Prize, in recognition of its energy conservation initiatives through the development of high-thermal-efficiency, long-service-life radiant tube burners.

JFE Steel Corporation also received the 72nd (FY2025) Okochi Memorial Technology Prize for its development of galvannealed high strength steel sheet with excellent formability that contributes to automotive weight reduction. This marks the company's second consecutive Okochi Memorial Technology Prize. In addition, JFE Steel Corporation's robotic system for automatic grinding and removal of surface defects on steel pipes received the Chairman's Prize at the 60th Japan Society for the Promotion of Machine Industry Awards. This also marks the company's second consecutive year of recognition at the Japan Society for the Promotion of Machine Industry Awards.

(2) Engineering business

In the engineering business, we are pursuing research and development focused on four key areas, comprising three business fields—"Waste to resources," "Carbon neutrality," and "Infrastructure"—together with DX, the technological base that supports these business fields. Our main research and development activities are as follows.

In the "Waste to resources" field, as part of our efforts to maximize the effective use of carbon in waste as a chemical raw material, we are working on "Waste-to-Chemical technology development for Green Ethanol production by integration of Advanced Gasification and Biochemical Conversion technologies," a project selected for NEDO Green Innovation Fund. In December 2025, we began pilot testing a new waste gasification technology optimized for waste chemical recycling.

In the "Carbon neutrality" field, we developed and commercialized Japan's first large-scale ammonia co-firing engine. This engine has been tested with a retrofit concept for future fuel conversion, allowing for conversion from heavy oil-only operation to ammonia co-firing with minimal modifications. Additionally, as a dual-fuel engine, it can switch operating modes between ammonia co-firing and diesel oil-only operation according to circumstances, enabling more flexible operation.

In the "Infrastructure" field, we have begun pilot testing the remote operation of a large gantry crane for the first time in a Japanese harbor, at the Minami-Honmoku Pier in Yokohama Port. This pilot testing forms part of a technology development project selected under the Ministry of Land, Infrastructure, Transport and Tourism's program to develop port technologies. Using one of Japan's largest gantry cranes, owned by the Yokohama Kawasaki International Port Corporation, we are studying issues related to introducing the remote operation of gantry cranes used with large container vessels. Through this development, we will contribute to further enhancing safety, improving working conditions, and promoting greater sophistication and international competitiveness at container terminals.

The products and technologies developed by JFE Engineering Corporation have also gained a high degree of recognition from outside the Group. JFE Engineering received the Excellence Prize in Technology Development Category at the Cogeneration Grand Prize 2025 hosted by the Advanced Cogeneration and Energy Utilization Center Japan, for the commercialization of a 45 vol% hybrid hydrogen gas engine cogeneration system with the same output as a city gas-only system. The award recognized this technology as the world's first to achieve the same power output and power generation efficiency as a city gas-only system while operating at a hydrogen co-combustion rate of 45 vol% in 400–800 kW class gas engines (JFE-MWM Series).

III. Information about Facilities

1. Overview of Capital Expenditures

The Company and its consolidated subsidiaries, etc. (including joint operations) have been making capital expenditures mainly in the steel business, engineering business, and trading business, with a focus on investments for upgrading facilities and pursuing green transformation (GX) and digital transformation (DX), in addition to investments for increasing production capacity of high-grade steel, renewing aging facilities, streamlining operations, etc. The breakdown of capital expenditures for the fiscal year ended March 31, 2026 was as follows. The amounts of capital expenditures of joint operations included in the amounts below represent the amounts corresponding to the Group's equity interest.

Segment	Current fiscal year	
	Amount (million yen)	YoY change (%)
Steel Business	333,989	＋25.3
Engineering Business	23,928	(11.6)
Trading Business	27,430	＋10.1
Total	385,347	＋21.0
Adjustments	(5,439)	
Total	379,908	＋20.7

Note: Each of the amounts is the sum of property, plant and equipment, intangible assets, right-of-use asset, and investment property.

2. Major Facilities

Major facilities of the Company and its consolidated subsidiaries (including joint operations) were as follows.

(1) Reporting company

As of March 31, 2026

Business site (Location)	Segment	Major facilities	Carrying amount (million yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land [thousand m^2]	Other property, plant and equipment	Intangible assets	Total	
Head office (Chiyoda-ku, Tokyo)	–	Other facilities	0	–	– [–]	1	34	36	60

Notes: 1. The carrying amounts represent amounts based on Japanese GAAP.
2. The carrying amount of "Other property, plant and equipment" was the number of tools, furniture and fixtures.

(2) Subsidiaries in Japan

(i) JFE Steel Corporation

As of March 31, 2026

Business site (Location)	Segment	Major facilities	Carrying amount (million yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land [thousand m^2]	Other property, plant and equipment	Intangible assets	Total	
East Japan Works (Chiba district) (Chuo-ku, Chiba)	Steel Business	Production facilities for steel products	42,899	133,592	61,158 [8,213]	14,270	23,974	275,894	2,286
East Japan Works (Keihin district) (Kawasaki-ku, Kawasaki)	Steel Business	Production facilities for steel products	28,809	35,876	100,395 [6,909]	2,804	14,410	182,297	1,106
West Japan Works (Kurashiki district) (Kurashiki, Okayama)	Steel Business	Production facilities for steel products	76,413	282,073	36,009 [11,447]	34,343	33,629	462,470	3,868
West Japan Works (Fukuyama district) (Fukuyama, Hiroshima)	Steel Business	Production facilities for steel products	60,790	180,998	78,055 [14,479]	44,040	27,257	391,142	4,072
Chita Works (Handa, Aichi)	Steel Business	Production facilities for steel products	5,220	15,486	6,510 [1,843]	1,096	1,365	29,679	652
Sendai Works (Miyagino-ku, Sendai City)	Steel Business	Production facilities for steel products	8,190	15,372	24,853 [870]	763	1,785	50,965	475
Head office (Chiyoda-ku, Tokyo) and other sites	Steel Business	Other facilities	1,358	320	24,042 [399]	61,208	19,681	106,610	2,288
Total	–	–	223,682	663,719	331,024 [44,162]	158,528	122,104	1,499,059	14,747

Notes: 1. The carrying amounts represent amounts based on Japanese GAAP.
2. The carrying amount of "Other property, plant and equipment" was the sum of tools, furniture and fixtures, leased assets, and construction in progress.
3. Head office and other sites include the head office, branches, sales offices, and overseas offices.
4. The carrying amounts of the East Japan Works (the Chiba district and the Keihin district), West Japan Works (the Kurashiki district and the Fukuyama district), Chita Works, and Sendai Works include the Steel Research Laboratory. The number of employees of the Steel Research Laboratory is included in that of the head office and other sites.

(ii) JFE Engineering Corporation

As of March 31, 2026

Business site (Location)	Segment	Major facilities	Carrying amount (million yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land [thousand m^2]	Other property, plant and equipment	Intangible assets	Total	
Kasaoka Monopile Factory (Kasaoka, Okayama)	Engineering Business	Production facilities for monopiles	9,976	14,623	— [—]	1,973	26	26,599	57
Tsu Works (Tsu, Mie)	Engineering Business	Production facilities for various steel structures	3,927	1,628	4,018 [977]	435	59	10,068	275
Tsurumi Works (Tsurumi-ku, Yokohama) and other sites	Engineering Business	Mainly production facilities for various plants	10,290	6,970	5,215 [581]	2,778	3,122	28,377	3,501
Total	–	–	24,193	23,221	9,234 [1,559]	5,187	3,208	65,045	3,833

Notes: 1. The carrying amounts represent amounts based on Japanese GAAP.
2. The carrying amount of “Other property, plant and equipment” was the sum of tools, furniture and fixtures, leased assets, and construction in progress.
3. Tsurumi Works and other sites include the Tsurumi Works, head office, branches and sales offices.
4. The land of the Kasaoka Monopile Factory is leased.

(iii) JFE Shoji Corporation

As of March 31, 2026

Business site (Location)	Segment	Major facilities	Carrying amount (million yen)						Number of employees (persons)
			Buildings and structures	Machinery, equipment and vehicles	Land [thousand m^2]	Other property, plant and equipment	Intangible assets	Total	
Head office (Chiyoda-ku, Tokyo) and other sites	Trading Business	Other facilities	1,056	21	2,852 [142]	500	3,724	8,155	1,001

Notes: 1. The carrying amounts represent amounts based on Japanese GAAP.
2. The carrying amount of “Other property, plant and equipment” was the sum of tools, furniture and fixtures, and leased assets.

(iv) Subsidiaries, etc. (including joint operations) in Japan

As of March 31, 2026

Company	Main business site (Location)	Segment	Major facilities	Carrying amount (million yen)						Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land [thousand m^2]	Other property, plant and equipment	Intangible assets	Total	
JFE Bars & Shapes Corporation	Kashima Works (Kamisu, Ibaraki) and other sites	Steel Business	Production facilities for steel products	11,694	22,264	49,217 [1,400]	8,762	1,147	93,085	984
JFE Mineral & Alloy Company, Ltd.	Mizushima Ferroalloy Division (Kurashiki, Okayama) and other sites	Steel Business	Production facilities for ferroalloys	11,325	23,862	8,138 [2,138]	3,336	558	47,222	1,311
JFE Logistics Corporation	West Japan Steelworks Office (Kurashiki, Okayama and other locations) and other sites	Steel Business	Warehouses, etc.	7,582	11,191	20,333 [522]	2,983	3,197	45,287	1,485
JFE Chemical Corporation	West Japan Works (Kasaoka, Okayama and other locations) and other sites	Steel Business	Production facilities for coal chemical products	7,097	4,862	4,024 [876]	2,576	352	18,914	591
J&T Recycling Corporation	Tokyo Waterfront Eco Clean Works (Koto-ku, Tokyo) and other sites	Engineering Business	Incinerators, etc.	4,028	5,744	6,566 [98]	414	141	16,896	857
JFE Metal Products Corporation	Kumagaya Plant (Kumagaya, Saitama) and other sites	Steel Business	Production facilities for metal products	1,535	2,791	11,321 [493]	324	596	16,569	798
Setouchi Joint Thermal Power Co., Ltd.	Fukuyama Joint Power Station (Fukuyama, Hiroshima) and other sites	Steel Business	Thermal power generation facilities	3,455	10,744	— [—]	257	18	14,476	—
JFE Container Co., Ltd.	Chiba Plant(Chuo-ku, Chiba) and other sites	Steel Business	Steel drum manufacturing equipment	1,108	1,902	6,472 [151]	364	1,022	10,871	327

Notes: 1. The carrying amounts represent amounts based on Japanese GAAP.

2. Setouchi Joint Thermal Power Co., Ltd. is a joint operation. The carrying amounts of the assets of the company represent the amounts corresponding to the Group’s equity interest. The number of employees of the company is not stated because the number is not included in the number of employees of consolidated companies.

3. The carrying amount of “Other property, plant and equipment” was the sum of tools, furniture and fixtures, leased assets, and construction in progress.

4. The land of Setouchi Joint Thermal Power Co., Ltd. is leased.

(3) Subsidiaries abroad

As of March 31, 2026

Company	Main business site (Location)	Segment	Major facilities	Carrying amount (million yen)						Number of employees (persons)
				Buildings and structures	Machinery, equipment and vehicles	Land [thousand m^2]	Others	Intangible assets	Total	
JFE Steel Galvanizing (Thailand) Ltd.	– (Rayong, Thailand)	Steel Business	Production facilities for steel products	2,880	11,601	1,029 [174]	524	223	16,259	280
PT. JFE Steel Galvanizing Indonesia	– (Bekasi, Indonesia)	Steel Business	Production facilities for steel products	3,266	6,573	3,274 [170]	511	110	13,736	320
Philippine Sinter Corporation	Sintering Plant (Villanueva, Philippines)	Steel Business	Production facilities for sintered ore	599	11,602	— [—]	1,252	0	13,454	239

Notes: 1. The carrying amounts represent amounts based on IFRS.
2. The land of the Sintering Plant of Philippine Sinter Corporation is leased.
3. The carrying amount of “Others” was the sum of tools, furniture and fixtures, right-of-use asset, and construction in progress.

3. Planned Addition, Retirement, and Other Changes of Facilities

The Company and its consolidated subsidiaries, etc. (including joint operations) plan to spend 398.9 billion yen on capital expenditures (construction, refurbishment, and expansion) for one year following the fiscal year ended March 31, 2026. The planned expenditures will be funded mainly by cash on hand and borrowings. The capital expenditures will be made primarily at JFE Steel Corporation, a major consolidated subsidiary engaged in the steel business, and the major future construction projects are as follows.

Company	Business site	Construction project	Construction period	Investment amount (billion yen)
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Kurashiki district)	Construction of innovative electric arc furnace	April 2025–FY2028 1Q	329.4
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Fukuyama district)	Construction of hot-dip zinc galvanizing line	December 2024–October 2028	70.0
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Fukuyama district)	Construction of No. 6 coke oven (Battery A)	May 2022–June 2026	50.0
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Kurashiki district)	Expansion of production capacity of electrical steel sheets (STEP 2)	May 2023–September 2026	46.0
JFE Steel Corporation (consolidated subsidiary)	East Japan Works (Chiba district)	Construction of electric-arc furnace at No 4. steelmaking shop	April 2023–April 2026	18.0
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Fukuyama district)	Construction of 6CDQ	April 2023–April 2026	17.0
JFE Steel Corporation (consolidated subsidiary)	East Japan Works (Chiba district)	Construction of No. 15 oxygen plant	October 2023–September 2026	12.0
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Kurashiki district)	Renewal and electrification of blast furnace blower	June 2022–April 2026	11.0
JFE Bars & Shapes Corporation (consolidated subsidiary)	Mizushima Works	Renewal of steel manufacturing facilities	April 2025–March 2028	11.0
JFE Steel Corporation (consolidated subsidiary)	West Japan Works (Kurashiki district)	Renewal and electrification of blast furnace blower(Second blast furnace blower)	May 2025–March 2029	11.0

Construction projects other than the above include small reinforcement works and small-lot capital expenditure projects.

IV. Information about Reporting Company

1. Company's Shares

(1) Total number of shares

(i) Total number of shares

Class	Total number of shares authorized to be issued (shares)
Common stock	2,298,000,000
Total	2,298,000,000

(ii) Issued shares

Class	Number of issued shares as of fiscal year end (March 31, 2026) (shares)	Number of issued shares as of filing date (June 19, 2026) (shares)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities are registered	Description
Common stock	639,438,399	639,438,399	Prime Market of the Tokyo Stock Exchange	Number of shares constituting one unit: 100 shares
Total	639,438,399	639,438,399	–	–

Note: There were no shares issued upon exercise of share acquisition rights by May 31, 2026. In addition, the number of shares issued upon exercise of share acquisition rights from June 1, 2026 to the filing date of this Annual Securities Report has not been confirmed, and therefore is not included in the number of issued shares as of filing date.

(2) Share acquisition rights

(i) Employee share option plans

There is no applicable item.

(ii) Rights plans

There is no applicable item.

(iii) Share acquisition rights for other uses

Bonds with share acquisition rights issued in accordance with the Companies Act are as follows.

Zero Coupon Convertible Bonds due 2028

(The bonds below are hereinafter referred to as "Bonds with Share Acquisition Rights," and bonds solely are referred to as "Bonds," and share acquisition rights solely are referred to as "Share Acquisition Right(s).")

Resolved on September 5, 2023 Zero Coupon Convertible Bonds due 2028 (issued on September 28, 2023)		
	As of the end of the fiscal year (March 31, 2026)	As of the end of the month immediately prior to the filing date (May 31, 2026)
Number of share acquisition rights (units)	9,000	Same as on the left
Number of share acquisition rights held by the Company included in share acquisition rights (units)	–	–
Class, details, and number of shares to be issued upon exercise of share acquisition rights (shares) (Note 1)	33,361,752 shares of the Company's common stock	Same as on the left

Amount to be paid in upon exercise of share acquisition rights (yen) (Note 2)	2,697.7	Same as on the left
Period for exercise of share acquisition rights (Note 3)	From October 12, 2023 to September 14, 2028	Same as on the left
Issue price and amount to be capitalized when issuing shares upon exercise of share acquisition rights (yen) (Note 4)	Issue price: 2,697.7 Amount capitalized: 1,349	Same as on the left
Conditions for exercise of share acquisition rights	Each Share Acquisition Right shall not be exercised in part.	Same as on the left
Matters concerning transfer of share acquisition rights	Share Acquisition Rights are attached to the Zero Coupon Convertible Bonds and shall not be transferred separately from Bonds.	Same as on the left
Matters concerning delivery of share acquisition rights in connection with reorganization	(Note 5)	Same as on the left
Details and value of property to be contributed upon exercise of share acquisition rights	Upon exercise of each Share Acquisition Right, the Bonds pertaining to the Share Acquisition Rights shall be contributed, and the value of the Bonds shall be equivalent to their face value.	Same as on the left
Balance of bonds with share acquisition rights (billion yen)	90.0	Same as on the left

Notes: 1. The class and details of shares to be issued upon exercise of Share Acquisition Rights shall be the Company's common stock (100 shares per unit). The number of shares of common stock the Company will deliver upon exercise of such rights shall be the total face value of Bonds requested for conversion divided by the conversion price stated in Note 2 below. However, any fractional shares arising from the exercise will be rounded down, and no cash adjustments will be made. If the exercise of the Share Acquisition Rights results in the issuance of fractional shares, such shares will be delivered to the holders of Bonds with Share Acquisition Rights in the same manner as shares constituting one unit, and the Company will not make any cash settlement for such shares.

2. (I) Upon exercise of each Share Acquisition Right, the Bonds pertaining to the Share Acquisition Rights shall be contributed, and the value of the Bonds shall be equivalent to their face value.

(II) The initial conversion price shall be 3,041 yen; provided, however, that the terms and conditions of Bonds contain the provisions that adjustment shall be made if an event stated in (III) below occurs.

At the Board of Directors' meeting held on November 6, 2023, the conversion price was adjusted to 2,973.7 yen on and after October 1, 2023 in accordance with the conversion price adjustment clause pursuant to the approval of the proposal for dividend of surplus of 50 yen per share of common stock for an interim dividend.

At the 22nd Ordinary General Meeting of Shareholders held on June 25, 2024, the conversion price was adjusted to 2,910.7 yen on and after April 1, 2024 in accordance with the conversion price adjustment clause pursuant to the approval of the proposal for dividend of surplus of 50 yen per share of common stock for a year-end dividend.

At the Board of Directors' meeting held on November 6, 2024, the conversion price was adjusted to 2,837.7 yen on and after October 1, 2024 in accordance with the conversion price adjustment clause pursuant to the approval of the proposal for dividend of surplus of 50 yen per share of common stock for an interim dividend.

At the 23rd Ordinary General Meeting of Shareholders held on June 25, 2025, the conversion price was adjusted to 2,759.0 yen on and after April 1, 2025 in accordance with the conversion price adjustment clause pursuant to the approval of the proposal for dividend of surplus of 50 yen per share of common stock for a year-end dividend.

At the Board of Directors' meeting held on November 6, 2025, the conversion price was adjusted to 2,697.7 yen on and after October 1, 2025 in accordance with the conversion price adjustment clause pursuant to the approval of the proposal for dividend of surplus of 40 yen per share of common stock for an interim dividend.

(III) If the Company issues new shares of the Company's common stock or disposes of shares of the Company's common stock held by the Company at a price below the fair value of the Company's common stock after the issuance of Bonds with Share Acquisition Rights, the conversion price shall be adjusted based on the following formula. In the formula below, "Number of issued shares" refers to the total number of issued shares of the Company's common stock (excluding those held by the Company).

$$\text{Conversion price after adjustment} = \text{Conversion price before adjustment} \times \frac{\text{Number of issued shares} + \dfrac{\text{Number of shares issued or disposed of} \times \text{Amount paid per share}}{\text{Fair value}}}{\text{Number of issued shares} + \text{Number of shares issued or disposed of}}$$

The conversion price shall also be adjusted as appropriate when a certain event occurs, such as the split or consolidation of shares of the Company's common stock, a certain level of dividends payment, and issuance of any share acquisition rights with a right to request for the delivery of shares of the Company's common stock at a price below the fair value of shares of the Company's common stock (including share acquisition rights attached to bonds with share acquisition rights).

3. The period shall be from October 12, 2023 to September 14, 2028 (local time at the place where Bonds are deposited for the exercise of share acquisition rights); provided, however, that (i) in the case of early redemption of Bonds by the Company, the period shall be until the date that is three business days in Tokyo prior to the redemption date (excluding Share Acquisition Rights pertaining to Bonds for which early redemption due to a change in the taxation system had not been adopted), (ii) if retirement by purchase is made for Bonds, the period shall be until the time when Bonds are retired, and (iii) if the repayment of Bonds becomes due immediately, the period shall be until the time when immediate repayment occurs. In any of the cases stated above, the Share Acquisition Rights shall not be exercised subsequent to September 14, 2028 (local time at the place where Bonds are deposited for the exercise of share acquisition rights).
   Notwithstanding the above, if the Company reasonably determines that it is required to implement Reorganization, etc. (as defined below) of the Company, Share Acquisition Rights shall not be exercised during the period of up to 30 days, which is specified by the Company and ends within 14 days from the day following the effective date of the Reorganization, etc. of the Company.
   In addition, Share Acquisition Rights shall not be exercised if the calendar day in Japan on which the exercise of the Share Acquisition Rights becomes effective (or the following business day in Tokyo if such calendar day is not a business day in Tokyo) falls within the period from the date in Tokyo two business days prior to the record date specified by the Company or any other date provided for to determine shareholders in connection with the provisions of Article 151, paragraph 1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares (together with the record date of the Company, hereinafter collectively referred to as the "Shareholder Determination Date") (or the date in Tokyo three business days prior to such record date or any other date if such Shareholder Determination Date is not a business day in Tokyo, including the date) until such Shareholder Determination Date (or the following business day in Tokyo if such Shareholder Determination Date is not a business day in Tokyo, including the date). Provided, however, that if any change is made to Japanese law, regulations or practices regarding the delivery of shares related to the exercise of share acquisition rights through the transfer system based on the Act on Book-Entry Transfer of Corporate Bonds and Shares, the Company may change the limit on the period during which Share Acquisition Rights may be exercised pursuant to this paragraph in order to reflect such changes.
   "Reorganization, etc." means that either of the following events that involves the transfer of the Company's obligations under Bonds and/or Share Acquisition Rights to another company to be approved and resolved at a General Meeting of Shareholders of the Company (or the Board of Directors' meeting if a resolution of the General Meeting of Shareholders is not required): (i) a merger of the Company and another company (including consolidation-type merger and absorption-type merger, but excluding a case where the Company is a surviving company; the same shall apply hereinafter), (ii) a transfer of assets (limited to cases where all or substantially all of the Company's assets are sold or transferred to another company, and the Company's obligations under Bonds with Share Acquisition Rights are transferred to or succeeded by the company in accordance with the conditions of such sale or transfer), (iii) a company split (including incorporation-type company split and absorption-type company split, but is limited to a case where the Company's obligations under Bonds with Share Acquisition Rights are transferred to or succeeded by another party to such split), (iv) a share exchange or a share transfer (limited to cases where the Company becomes a wholly owned subsidiary of another company; the same shall apply hereinafter), or (v) other corporate reorganization procedures under Japanese law.
4. The amount of share capital to be increased when shares are issued by exercising Share Acquisition Rights shall be calculated by multiplying the maximum amount of increase in share capital, etc., calculated in accordance with Article 17 of the Regulations on Corporate Accounting, by 0.5. If there is a fraction less than one yen resulting from such calculation, such fraction shall be rounded up. The amount of legal capital surplus to be increased shall be the amount obtained by deducting the amount of share capital to be increased from the maximum amount of increase in share capital.
5. (I) In the event of Reorganization, etc., the Company shall make best efforts so that Succeeding Company, etc. (as defined below) will succeed to the status of the principal obligor of Bonds with Share Acquisition Rights in accordance with the terms and conditions for Bonds with Share Acquisition Rights and deliver new share acquisition rights that replace Share Acquisition Rights. Provided, however, that such succession and delivery stated above are on the conditions that (i) they can be implemented under then applicable law, (ii) a mechanism to enable such has already been established or can be established, and (iii) the Company or Succeeding Company, etc. may implement such succession and delivery without incurring unreasonable (in the Company's opinion) costs (including taxes) from the perspective of the entire Reorganization, etc. In such case, the Company shall also make best efforts to ensure that Succeeding Company, etc. be a listed company in Japan on the effective date of such Reorganization, etc. The Company's obligation to make efforts as stated in this item (I) shall not apply in the case where the Company issues a certificate that states that the Company does not expect Succeeding Company, etc. to be a listed company in Japan, regardless of the reason, on the effective date of such Reorganization, etc. to the trustee company for Bonds with Share Acquisition Rights.
   "Succeeding Company, etc." means a company that is the other party in Reorganization, etc. and assumes the Company's obligations relating to Bonds with Share Acquisition Rights and/or Share Acquisition Rights.

(II) The details of the share acquisition rights of Succeeding Company, etc. to be delivered pursuant to the provisions of (I) above are as follows:

1) Number of share acquisition rights

It shall be the same as the number of Share Acquisition Rights pertaining to Bonds with Share Acquisition Rights outstanding immediately prior to the effective date of such Reorganization, etc.

2) Class of shares to be issued upon exercise of share acquisition rights

Shares of common stock of Succeeding Company, etc.

3) Number of shares to be issued upon exercise of share acquisition rights

The number of shares of common stock of Succeeding Company, etc. to be delivered by exercising the share acquisition rights of Succeeding Company, etc. shall be determined by Succeeding Company, etc. in reference to the terms and conditions of Bonds with Share Acquisition Rights while taking into consideration conditions for such Reorganization, etc. It is also subject to the following <i> or <ii>. The conversion price is subject to the same adjustment as stated in 2. (III) above.

<i> In case of certain merger, share exchange, or share transfer, the conversion price shall be determined so that the holder of the number of the Company's shares of common stock obtained by exercising the Share Acquisition Rights immediately prior to the effective date of such Reorganization, etc. may receive such number of shares of common stock of Succeeding Company, etc. when the share acquisition rights of Succeeding Company, etc. are exercised immediately subsequent to the effective date of such Reorganization, etc. If securities or other property other than the shares of common stock of Succeeding Company, etc. are delivered at the time of such Reorganization, etc., those who receive them shall also receive the shares of common stock of Succeeding Company, etc. in the number obtained by dividing the value of such securities or property by the fair value of the shares of common stock of Succeeding Company, etc.

<ii> In the case of Reorganization, etc. other than the above, the conversion price shall be determined so that the same economic benefit received by holders of Bonds with Share Acquisition Rights upon exercise of Share Acquisition Rights immediately prior to the effective date of such Reorganization, etc. may be received when the share acquisition rights of Succeeding Company, etc. are exercised immediately subsequent to the effective date of such Reorganization, etc.

4) Details and value of property to be contributed upon exercise of share acquisition rights

Upon exercise of share acquisition rights of Succeeding Company, etc., the transferred Bonds shall be contributed, and the value of such Bonds shall be equivalent to the face value of the transferred Bonds.

5) Period during which share acquisition rights may be exercised

From the effective date of such Reorganization, etc. (in some cases, the date within 14 days after the effective date) to the expiration date of the exercise period for Share Acquisition Rights stated in 3. above.

6) Other conditions for exercising share acquisition rights

Each share acquisition right of Succeeding Company, etc. shall not be exercised in part.

7) Share capital and legal capital surplus to be increased by the issuance of shares upon exercise of share acquisition rights

The amount of share capital to be increased when shares are issued by exercising share acquisition rights of Succeeding Company, etc. shall be calculated by multiplying the maximum amount of increase in share capital calculated in accordance with Article 17 of the Regulations on Corporate Accounting, by 0.5. If there is a fraction less than one yen resulting from such calculation, such fraction shall be rounded up. The amount of legal capital surplus to be increased shall be the amount obtained by deducting the amount of share capital to be increased from the maximum amount of increase in share capital.

8) In the event of Reorganization, etc.

In cases where Reorganization, etc. of Succeeding Company, etc. occurs, it will be treated in the same manner as Bonds with Share Acquisition Rights.

9) Others

Any fractional shares arising from the exercise of share acquisition rights of Succeeding Company, etc. will be rounded down, and no cash adjustments will be made. The share acquisition rights of Succeeding Company, etc. shall not be transferred separately from the transferred Bonds.

(III) In cases where the Company makes Succeeding Company, etc. assume or succeed to the Company's obligations based on the trust certificate pertaining to Bonds and Bonds with Share Acquisition Rights in accordance with the provisions of (I) above, the Company shall be subject to the terms and conditions for Bonds with Share Acquisition Rights in addition to providing a guarantee in certain cases specified in the terms and conditions for Bonds with Share Acquisition Rights.

(3) Exercises of moving strike convertible bonds, etc.

There is no applicable item.

(4) Changes in total number of issued shares, share capital and legal capital surplus

Date	Change in total number of issued shares (thousand shares)	Balance of total number of issued shares (thousand shares)	Change in share capital (million yen)	Balance of share capital (million yen)	Change in legal capital surplus (million yen)	Balance of legal capital surplus (million yen)
September 20, 2023 *1, *2	25,000	639,438	24,167	171,310	24,167	796,742

Notes: 1. The balance of the total number of issued shares increased by 25,000 thousand shares due to the issuance of new shares through an international offering.

2. The balance of share capital and legal capital surplus increased by 24,167 million yen, respectively, due to the issuance of new shares through an international offering and the disposal of treasury shares. Issue price and amount capitalized were as follows.

Issue price: 2,172.5 yen per share

Amount capitalized: 966.71 yen per share

(5) Shareholding by shareholder category

As of March 31, 2026

Category	Shareholding status (number of shares constituting one unit: 100 shares)								Shares less than one unit (shares)
	National and local governments	Financial institutions	Financial service providers	Other corporations	Foreign investors: Non-individuals	Foreign investors: Individuals	Individuals and others	Total	
Number of shareholders (persons)	2	131	46	2,748	734	602	301,518	305,781	—
Number of shares held (number of units)	8	2,231,333	130,686	440,932	1,598,925	2,831	1,952,185	6,356,900	3,748,399
Percentage of shareholdings (%)	0.00	35.10	2.06	6.94	25.15	0.04	30.71	100.00	—

Note: 22,235 units of treasury shares are included in “Individuals and others,” and 53 treasury shares are included in “Shares less than one unit.”

(6) Major shareholders

As of March 31, 2026

Name / Company name	Address	Number of shares owned (thousand shares)	Shareholding ratio (excluding treasury shares) (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1-8-1 Akasaka, Minato-ku, Tokyo	97,152	15.25
Custody Bank of Japan, Ltd. (trust account)	1-8-12 Harumi, Chuo-ku, Tokyo	37,121	5.83
Nippon Life Insurance Company	1-6-6 Marunouchi, Chiyoda-ku, Tokyo	15,855	2.49
JFE Employees Stock Ownership Plan	2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo	14,899	2.34
The Nomura Trust and Banking Co., Ltd. (investment trust account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	10,822	1.70
JFE Business Partners Stock Ownership Plan	2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo	10,367	1.63
Mizuho Bank, Ltd.	1-5-5 Otemachi, Chiyoda-ku, Tokyo	9,776	1.53
JP MORGAN CHASE BANK 385781 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (2-15-1 Konan, Minato-ku, Tokyo)	8,729	1.37
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo)	8,544	1.34
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: Mitsubishi UFJ Bank, Ltd.)	AVENUE DES ARTS, 35 KUNSTLAAN, 1040 BRUSSELS, BELGIUM 1-4-5 Marunouchi, Chiyoda-ku, Tokyo	6,780	1.06
Total	–	220,048	34.53

Notes: Nomura Securities Co., Ltd. submitted the Report of Possession of Large Volume (Change Report), available for public inspection as of March 17, 2026 (date on which reporting obligation arose: March 13, 2026), which states that three companies jointly own the following shares. However, as of March 31, 2026, the Company could not confirm the number of beneficially owned shares and thus did not include them in “Major shareholders” 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.	6,772	1.05
NOMURA INTERNATIONAL PLC	909	0.14
Nomura Asset Management Co., Ltd.	31,746	4.96
Total	39,428	6.04

(7) Voting rights

(i) Issued shares

As of March 31, 2026

Category	Number of shares (shares)	Number of voting rights (units)	Description
Shares with no voting rights	–	–	–
Shares with restricted voting rights (treasury shares, etc.)	–	–	–
Shares with restricted voting rights (other)	–	–	–
Shares with full voting rights (treasury shares, etc.)	(Treasury shares) Common stock 2,223,500	–	Number of shares constituting one unit: 100 shares
	(Reciprocally held shares) Common stock 220,200	–	Same as the above
Shares with full voting rights (other) *1	Common stock 633,246,300	6,332,463	Same as the above
Shares less than one unit	Common stock 3,748,399	–	*2 *3
Total number of issued shares	639,438,399	–	–
Number of voting rights held by all shareholders	–	6,332,463	–

Notes: 1.*1The number of "Shares with full voting rights (other)" includes 991,700 Company shares held in trust accounts for employee stock ownership plans. In addition, the "Number of voting rights" includes 9,917 units of voting rights for the shares with full voting rights held in the name of the trust. The9,917 units of voting rights were not exercised.

2.*2They represent shares less than one unit (100 shares).

3.*3They include treasury shares and reciprocally held shares as follows.

Treasury shares	JFE Holdings, Inc.	53 shares
Reciprocally held shares	Shinagawa Refra Co., Ltd.	74
	Hanwa Kozai Co., Ltd.	20
	Nissin-Unyu Co., Ltd.	45
	Total	192

(ii) Treasury shares, etc.

As of March 31, 2026

Name of shareholder	Address of shareholder	Number of shares held in own name (shares)	Number of shares held in others' names (shares)	Total number of shares held (shares)	Shareholding ratio (%)
(Treasury shares)					
JFE Holdings, Inc.	2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo	2,223,500	—	2,223,500	0.35
(Reciprocally held shares)					
Shinagawa Refra Co., Ltd.	1-7-12Marunouchi, Chiyoda-ku, Tokyo	154,800	—	154,800	0.02
Hanwa Kozai Co., Ltd.	1-8-24 Nishi-miyahara, Yodogawa-ku, Osaka, Osaka	65,400	—	65,400	0.01
Subtotal of reciprocally held shares	–	220,200	—	220,200	0.03
Total	–	2,443,700	—	2,443,700	0.38

Notes: 1. In addition to the shares in the table above, there were 900 shares and 100 shares that are not substantially owned by JFE Steel Corporation and JFE Engineering Corporation, respectively, although they are listed in the shareholders' register.

2. The shares in 1. above are all included in the number of "Shares with full voting rights (other)" of (i) Issued shares.

3. Company shares held in trust accounts for employee stock ownership plans are not included in the treasury shares above.

(8) Share ownership plan for directors (and other officers) and employees

(i) Overview of share ownership plan for directors (and other officers)

The Company has introduced a medium- to long-term performance-linked share-based payment plan. Under the plan, shares of the Company's common stock and an amount of cash equivalent to the market price of shares of the Company's common stock are provided to directors of the Company (excluding directors who are Audit & Supervisory Committee members and outside directors), directors (limited to executive directors) of its operating companies, and corporate officers (excluding non-residents of Japan under the Income Tax Act) of the Company and its operating companies (hereinafter collectively referred to as the "Group's Directors/Officers") as part of compensation using a trust (hereinafter, the trust established pursuant to the plan is referred to as the "Trust").

Outline of the Trust

a. Name: Board Benefit Trust
b. Settlor: The Company
c. Trustee: Mizuho Trust & Banking Co., Ltd. (Sub-trustee: Custody Bank of Japan, Ltd.)
d. Beneficiaries: The Group's Directors/Officers who have retired and meet the beneficiary requirements provided in the Stock Grant Regulations for Officers
e. Trust administrator: A third party who has no conflict of interest with the Company
f. Voting rights attached to the Company's shares in the trust: In accordance with instructions from the trust administrator, no voting rights attached to the Company's shares in the Trust's account shall be exercised.
g. Type of trust: Monetary trust other than cash in trust (third-party beneficiary trust)
h. Trust agreement date: August 16, 2018
i. Date of establishment of trust: August 16, 2018
j. Period of trust: From August 16, 2018 until the termination of trust (Trust shall continue without determining a specific expiry date as long as the plan remains in effect.)

Note: The Company's compensation plan for directors and corporate officers, covering the plan, is described in "4. Corporate Governance, (4) Compensation for directors and other officers."

(ii) Total number of shares to be acquired by the Group's Directors/Officers through the Trust

The Trust has acquired 991,700 shares as of the end of the fiscal year ended March 31, 2026.

(iii) Scope of those eligible to receive beneficiary rights and other rights under the Trust

The Group's Directors/Officers who have retired and meet the beneficiary requirements provided in the Stock Grant Regulations for Officers

2. Acquisition and Disposal of Treasury Shares

Class of shares, etc.: Acquisition of common stock under Article 155, Item (vii) of the Companies Act

(1) Acquisition by resolution of the General Meeting of Shareholders

There is no applicable item.

(2) Acquisition by resolution of the Board of Directors

There is no applicable item.

(3) Acquisition not based on resolution of the General Meeting of Shareholders or Board of Directors

Category	Number of shares (shares)	Total value (yen)
Number of treasury shares acquired during the fiscal year ended March 31, 2026	28,494	53,682,552
Number of treasury shares acquired during the current period	3,438	6,118,000

Notes: 1. The “Current period” refers to the period from April 1, 2026 to the filing date of this Annual Securities Report.

2. The “Number of treasury shares acquired during the current period” does not include shares less than one unit purchased during the period from June 1, 2026 until the filing date of this Annual Securities Report.

(4) Disposal of acquired treasury shares and number of treasury shares held

Category	Fiscal year ended March 31, 2026		Current period	
	Number of shares (shares)	Total amount of disposal (yen)	Number of shares (shares)	Total amount of disposal (yen)
Acquired treasury shares for which subscribers were solicited	–	–	–	–
Acquired treasury shares that were disposed of	–	–	–	–
Acquired treasury shares that were transferred for merger, share exchange, share issuance and company split	–	–	–	–
Other (sale of shares less than one unit)	497	891,986	10	16,525
Other (additional contribution to the Board Benefit Trust)	340,000	601,800,000	–	–
Number of treasury shares held	2,223,553	–	2,226,981	–

Notes: 1. The “Current period” refers to the period from April 1, 2026 to the filing date of this Annual Securities Report.

2. “Other (sale of shares less than one unit)” during the current period does not include shares less than one unit sold during the period from June 1, 2026 until the filing date of this Annual Securities Report.

3. The “Number of treasury shares held” during the current period does not include shares less than one unit purchased or sold during the period from June 1, 2026 until the filing date of this Annual Securities Report.

3. Dividend Policy

The Company views appropriation of profit to shareholders as one of the most critical management objectives, and its policy is to actively distribute dividends while building a sustainable corporate structure as the Group. Specifically, we have set a dividend payout ratio of approximately 30% on a consolidated basis. To maintain stable dividend payments, we have also established a minimum dividend of 80 yen per share.

Based on this policy, regarding the distribution of surplus for the current fiscal year, the Company will set an interim dividend of 40 yen per share and a year-end dividend of 40 yen per share, subject to approval at the General Meeting of Shareholders on June 24, 2026.

The Company's Articles of Incorporation stipulate that the Company may pay interim dividends as provided for in Article 454, Paragraph 5 of the Companies Act, and the number of dividend payments is basically twice a year, with the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends as the decision-making bodies for dividends.

Note: The dividend of surplus issued with the record date falling within the fiscal year ended March 31, 2026is as follows.

Date of resolution by the Board of Directors	November 6, 2025	Total amount of dividends	25,489 million yen	Dividend per share	40 yen
Date of resolution by the Ordinary General Meeting of Shareholders	June 24, 2026	Total amount of dividends	25,488 million yen	Dividend per share	40 yen

4. Corporate Governance

(1) Overview of corporate governance

As of the filing date

(i) Basic views on corporate governance

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. The Company has revised the "Basic Policy on Corporate Governance" pursuant to its transition to a company with an Audit & Supervisory Committee, as approved at the Ordinary General Meeting of Shareholders held in June 2025.

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

(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.

(i) 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.

(ii) 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.

(iii) The Company discloses its information appropriately and ensures the transparency of the Company.

(iv) 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.

(v) 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 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"

Contributing to society with the world's most innovative technology

"Corporate Values"

Challenging Spirit. Flexibility. Sincerity.

"JFE Group Standards of 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 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.

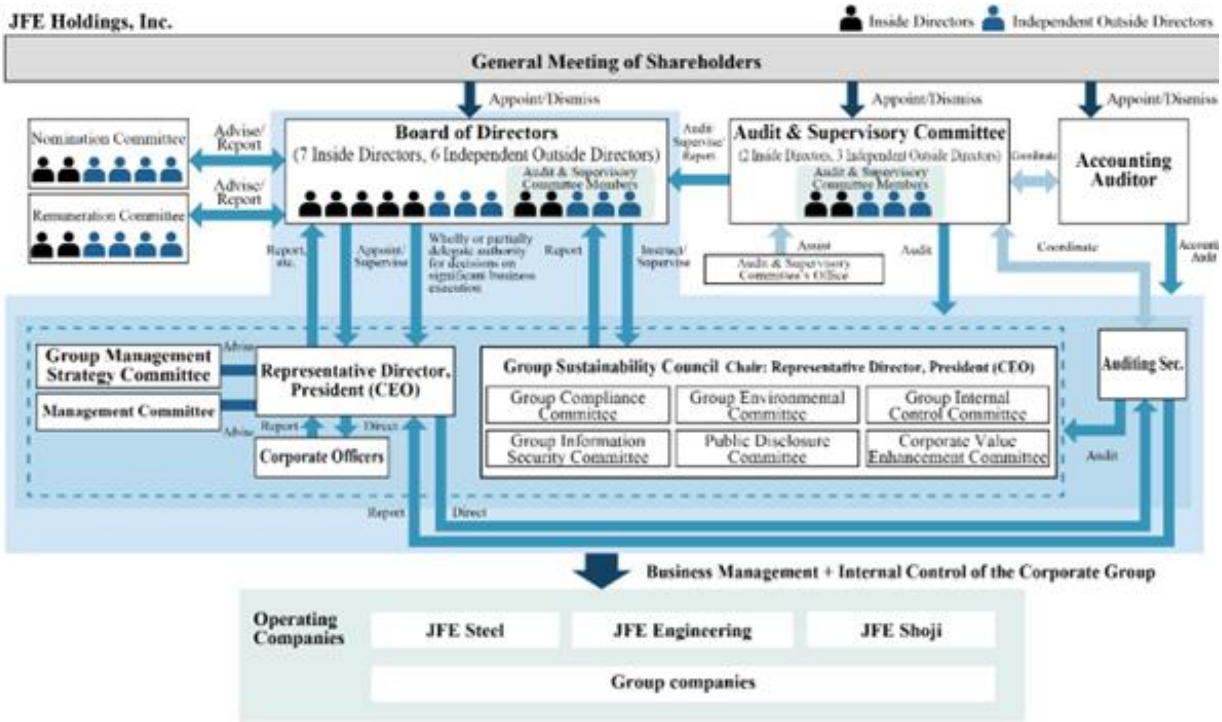
9. Provide rewarding work environments

Provide employees with attractive, safe, healthy and rewarding 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.

(ii) Corporate Governance System



(iii) Management system and internal control system

a. Organizations of the Company

The Company is a pure holding company comprising three 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.

In addition, upon the approval of the Ordinary General Meeting of Shareholders held in June 2025, the Company transitioned to a company with an Audit & Supervisory Committee to further strengthen the supervisory function of the Board of Directors by accelerating decision-making and enhancing the discussion of management policies and strategies within the Board of Directors. The Company has previously engaged in sustainably enhancing the corporate governance function as a company with an Audit & Supervisory Board. Moving forward, it will further enhance its approach in pursuit of the best possible corporate governance to achieve sustainable growth for the Group and increase corporate value. The Company's corporate governance structure is described below.

(1) Board of Directors and Directors

1) Duties and roles of Board of Directors

・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 Rules of the Board of Directors, the Board of Directors makes material decisions on management including formulation of management plans of the JFE Group and basic policies on management. Further, the Board of Directors supervises the overall management including business execution by the executive person. The Board of Directors shall promote the delegation of decision-making authority in order to accelerate decision-making of management and enhance discussions on management policies and strategies.

・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 JFE Group, and significant matters are subject to deliberation at the Company's Management Committee and resolution of the Company's Board of Directors.

・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 Rules of the Board of Directors, in principle, is given to corporate officers in charge of the corresponding business.

2) Structure of Board of Directors

・The Company's Board of Directors comprises of members who possess diversified knowledge, experiences and abilities. The number of the Directors shall not exceed 18.

・The Company elects several Independent Outside Directors, who comprise one-third or more of all Directors of the Company. 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.

・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.

・The Company's Board of Directors establishes a set of Standards for Independence of Outside Directors (hereinafter "Independence Standards"), which are disclosed in a timely and appropriate manner.

As of June 19, 2026 (date of filing of Annual Securities Report), the Board of Directors is composed of 13 Directors, 46.2% of whom are Independent Outside Directors and 15.4% of whom are female Directors.

The Independence Standards are presented in (2) Directors and other officers, (ii) Outside directors."

Please see below for the skill matrix of Directors as of June 19, 2026 (date of filing of Annual Securities Report).

		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
Directors	Inside	Yoshihisa Kitano	●	●	●		●				Steel
		Masayuki Hirose	●	●			●			●	Steel
		Masashi Terahata	●	●		●	●	●	●		Steel/ Trading
		Kazuyoshi Fukuda	●	●	●		●			●	Engineering
		Yoshifumi Ubagai	●	●			●			●	Steel/ Trading
	Outside	Yoshiko Ando		●			●	●	●		—
		Takuya Shimamura	●	●			●			●	—
		Keiichi Kobayashi	●	●	●		●			●	—
Directors who are Audit & Supervisory Committee Members	Inside	Nobuya Hara	●			●	●				Steel
		Nakaba Akimoto					●	●			Steel/ Engineering/ Trading
	Outside	Tsuyoshi Numagami	●			●	●			●	—
		Yoshihisa Suzuki	●	●	●		●			●	—
		Naoto Nakamura	●				●	●			—

3) Information disclosure and internal control

・The Company's Board of Directors establishes a timely and appropriate information disclosure system and supervises the operation of the system.

・With the aim of achieving efficient business execution through appropriate control, the Company's Board of Directors establishes Basic Policy to Establish the Internal Control Systems, and implements the system of the JFE Group for compliance and risk management, and supervises operation thereof.

Please refer to "c. Development of the internal control system and risk management system" for the Company's basic views on the internal control system.

4) Directors

・The term of office of Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company is 1 year as stipulated in the Articles of Incorporation. The Board of Directors decides the candidates who are to be elected in the General Meeting of Shareholders every year.

・The term of office of Directors who are Audit & Supervisory Committee Members of the Company is 2 years as stipulated in the Articles of Incorporation. The Board of Directors decides the candidates with the consent of the Audit & Supervisory Committee, who are to be elected in the General Meeting of Shareholders.

・Directors of the Company recognize the fiduciary duty to shareholders, demonstrate their expected abilities, dedicate sufficient time for the Company, and execute their duties as Directors.

・Directors of the Company collect sufficient information for the execution of their duties, and actively express their opinions and participate in discussions.

・Directors of the Company endeavor to acquire knowledge and engage in further improvement necessary to appropriately fulfill their roles and duties.

5) Outside Directors

・The Board of Directors decides the candidates for Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) of the Company, and election will be carried out at the General Meeting of Shareholders. The candidates are elected among those who do not only fulfill the requirements for Outside Directors as stipulated by the Companies Act, but also meet the "Independence Standards" established by the Board of Directors.

・The Board of Directors decides the candidates for Outside Directors who are Audit & Supervisory Committee Members of the Company with the consent of the Audit & Supervisory Committee, and election will be carried out at the General Meeting of Shareholders. The candidates are elected among those who do not only fulfill the requirements for Outside Directors as stipulated by the Companies Act, but also meet the "Independence Standards" established by the Board of Directors.

・Outside Directors of the Company inspect and evaluate the Company's management results and performance of Directors based on business strategies decided by the Board of Directors, and express their opinions based on judgments from the viewpoint of the interest of stakeholders including shareholders.

6) Formulation of agenda, etc. of the Board of Directors

・The Chairperson of the Board of Directors of the Company decides the agenda of the Board of Directors prior to each meeting, and notifies the Directors accordingly and sets a period of time appropriate for sufficient discussion to take place.

・With the aim of facilitating the discussion in the Board of Directors, the Company distributes the reference concerning the agenda and proposals of the meeting to each Director including Outside Directors, and briefs them when necessary, sufficiently prior to the date of the meeting.

・Concerning the itinerary of the Board of Directors Meeting, the Company decides the annual schedule taking into consideration the availability of the Directors.

During the FY2025, the Company discussed the formulation and progress of the JFE Vision 2035 and the Eighth Medium-term Business Plan, large-scale investment projects (such as the expansion of JSW JFE Electrical Steel Nashik Private Limited's production capacity and the establishment of a joint venture with JSW Steel Limited for an integrated steelworks), and investment follow-up. The Company also discussed initiatives addressing sustainability issues (efforts toward CN, strengthening corporate governance and compliance frameworks, etc.). The number of meetings held and the attendance of individuals in FY2025 are as follows.

Position	Name	Number of meetings of the Board of Directors attended	Attendance rate
Representative Director, President and CEO	Yoshihisa Kitano	15/15	100%
Representative Director	Masayuki Hirose	15/15	100%
Representative Director	Masashi Terahata	15/15	100%
Director	Kazuyoshi Fukuda	15/15	100%
Director	Yoshifumi Ubagai	12/12	100%
Director	Yoshiko Ando	15/15	100%
Director	Takuya Shimamura	15/15	100%
Director	Keiichi Kobayashi	14/15	93%
Audit & Supervisory Committee Member (full-time)	Nobuya Hara	15/15	100%
Audit & Supervisory Committee Member (full-time)	Nakaba Akimoto	15/15	100%
Audit & Supervisory Committee Member	Tsuyoshi Numagami	15/15	100%
Audit & Supervisory Committee Member	Yoshihisa Suzuki	12/12	100%
Audit & Supervisory Committee Member	Naoto Nakamura	12/12	100%

7) Self-evaluation of Board of Directors

・The Board of Directors analyses and evaluates the overall effectiveness of the Board of Directors each year and discloses the summary of the results in a timely and appropriate manner.

The status of evaluation of the effectiveness of the Board of Directors in FY2025 is described below.

In line with the Basic Policy on Corporate Governance, the Board of Directors of the Company has been engaged in evaluating the effectiveness of the Board of Directors as a whole since FY2015, and conducting analysis and evaluation by using a third-party organization to incorporate an objective standpoint independent from the Company since FY2018. In addition, in FY2025, the Company conducted a questionnaire survey covering the following matters for all Directors.

Moreover, the Company verified results of the initiatives implemented in FY2025 based on the opinions and recommendations obtained from the analysis and evaluation in FY2024.

[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 among members, as comments were proactively expressed, supported by substantial preliminary briefing sessions before board meetings and appropriate proceedings by the Chairperson.

Initiatives in FY2025 based on the evaluation results of the Board of Directors' effectiveness up to FY2024 are as follows:

-In conjunction with the transition to a company with an Audit & Supervisory Committee, after discussing the ideal state of the group management at the Board of Directors, the Company revised the standards for agenda items for meetings and operational procedures of the Board of Directors, with the aim of accelerating decision-making and enhancing strategic discussions.

-The Company increased the frequency of the Outside Directors' meetings, which have been held continuously, and, when necessary, the Outside Directors requested the participation of executive members in these meetings, thereby promoting the sharing and exchange of opinions on important management issues, analysis of market evaluations, and initiatives for improvement, leading to more active discussions at meetings of the Board of Directors.

-The Company formulated the Basic Policy on Corporate Governance and worked to strengthen the compliance structure by clarifying responsibilities through the establishment of CCO (Chief Compliance Officer) positions at the Company and each operating company.

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

-The Company should confirm the effectiveness of the Board of Directors, whose operations have been revised in conjunction with the transition to a company with an Audit & Supervisory Committee, and continue discussions toward an optimal structure, including its scale and composition, to achieve further improvements.

-Toward the realization of the medium- to long-term business strategy, in addition to enhancing discussions on consistency with plans and capital efficiency, the market valuation should be analyzed and discussions for improvement should be further enhanced.

-Toward enhancing the effectiveness of the internal audit function, discussions on the role and structure of internal audits should be continued.

While continuing to address the issues identified, we will further enhance the effectiveness of the Board of Directors through ongoing proactive initiatives and work to improve the corporate value of the Group.

(2) Audit & Supervisory Committee and Audit & Supervisory Committee Members

1) Duties and roles of Audit & Supervisory Committee and Audit & Supervisory Committee Members

・Based on the fiduciary duty to shareholders, the Audit & Supervisory Committee of the Company endeavors to ensure the sound and sustainable growth and the enhancement of social trust of the Company through auditing of the execution of duties by Directors. Audit & Supervisory Committee Members of the Company, with the aim of appropriately executing their duties, communicate with Directors, etc. and express their opinions as necessary. In addition, Audit & Supervisory Committee Members communicate with Directors, etc. of subsidiaries and endeavor to collect information and improve the auditing environment.

・Audit & Supervisory Committee Members, through the Audit & Supervisory Committee, endeavor to share the significant information obtained from duties, and aim for appropriate auditing through exchange of opinions with other Audit & Supervisory Committee Members. Full-time Audit & Supervisory Committee Members demonstrate their characteristics, and they endeavor to collect information through examination of the state of business and assets in addition to attending important meetings, and actively contribute to the improvement of the auditing environment. Outside Audit & Supervisory Committee Members of the Company demonstrate their characteristics, aim for the further enhancement of the neutrality and independence of the auditing system and function, and carry out auditing operations from a broad perspective.

・The Company's Audit & Supervisory Committee and Audit & Supervisory Committee Members endeavor to improve the effectiveness of auditing by appropriately executing their authority as stipulated by laws and regulations.

2) Structure of Audit & Supervisory Committee

・The Directors who are Audit & Supervisory Committee Members possess sufficient knowledge concerning finance and accounting. The number of Audit & Supervisory Committee Members shall not exceed 6, among which the majority shall be Outside Directors who are Audit & Supervisory Committee Members.

・The Company elects several Independent Outside Directors who are Audit & Supervisory Committee Members. Independent Outside Directors who are Audit & Supervisory Committee Members will be elected from persons who are appropriate to bear the role of enhancing the auditing function, such as those who possess abundant experience as management in global enterprises or experts who possess profound knowledge.

・With regard to Inside Directors who are Audit & Supervisory Committee Members, persons with knowledge and experience enabling the auditing of execution of duties by Directors in an accurate and fair manner, who deliver 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.

As of June 19, 2026, the date of the Annual Securities Report filing, the Audit & Supervisory Committee is composed of five members, 60% of whom are Independent Outside Directors who are Audit & Supervisory Committee Members.

3) Relationship with the accounting auditor and the internal auditing department

・The Company's Audit & Supervisory Committee cooperates with the accounting auditor and the internal audit department to ensure a sufficient and appropriate auditing system.

・The Company's Audit & Supervisory Committee evaluates the accounting auditor regularly. A new accounting auditor shall be elected when necessary. In addition, appropriate standards, which highlight independence and professionality, are established for election and evaluation.

The status of internal audits is presented in "(3) Audits (ii) Internal audits."

(3) Accounting auditor

1) Duties and roles of accounting auditor

・The Company and the Company's accounting auditor recognize an important responsibility of accounting auditor in ensuring the reliability of the disclosed information related to finance. The accounting auditor cooperate with the Company's Directors, Audit & Supervisory Committee and the internal audit department, etc. to ensure a system which allows the execution of appropriate auditing.

・The Company's accounting auditor ensures its independence and professionality and complies with the necessary standards of quality management for appropriate execution of account auditing.

・The Company implements regular meetings for the accounting auditor and the top management to ensure that the indication of comments and opinions from the accounting auditor are appropriately delivered to the top management. The status of accounting auditor is presented in "(3) Audits (iii) Audits by accounting auditor," below.

(4) Consultation Committee

1) Nomination Committee and Remuneration Committee

・The Company establishes 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.

2) Structure of Nomination Committee and Remuneration Committee

・The Nomination Committee and Remuneration Committee comprise of a majority of Outside Directors, respectively, and the chairpersons are determined from Outside Directors.

3) A Report from Nomination Committee

・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.

4) A Report from Remuneration Committee

・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 composition and chair of each of these committees as of June 19, 2026 (date of filing of Annual Securities Report) are as follows.

Nomination Committee

Chair	Takuya Shimamura	Outside Director
Member	Yoshiko Ando	Outside Director
Member	Tsuyoshi Numagami	Director (Outside Audit & Supervisory Committee Member)
Member	Yoshihisa Suzuki	Director (Outside Audit & Supervisory Committee Member)
Member	Yoshihisa Kitano	Inside Director
Member	Masayuki Hirose	Inside Director

Remuneration Committee

Chair	Keiichi Kobayashi	Outside Director
Member	Takuya Shimamura	Outside Director
Member	Tsuyoshi Numagami	Director (Outside Audit & Supervisory Committee Member)
Member	Naoto Nakamura	Director (Outside Audit & Supervisory Committee Member)
Member	Yoshihisa Kitano	Inside Director
Member	Masashi Terahata	Inside Director

In FY2025, the Nomination Committee and the Remuneration Committee were convened three times and five times, respectively, and the members of both committees attended all the meetings.

(5) Secretariat

The Company establishes a secretariat for the Board of Directors, Nomination Committee and Remuneration Committee in the General Administration Dept. to handle necessary contact affairs and support for adjustments, etc. In addition, the Company establishes the Audit & Supervisory Committee’s Office which is comprised of designated staff to assist Audit & Supervisory Committee Members to carry out their duties and to perform the clerical duties of the Audit & Supervisory Committee under the command of Audit & Supervisory Committee Members.

b. Decision-making on significant matters

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 of the Group are 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 Group Management Strategy Committee deliberates on matters relating to the management strategies involving the entire Group, while the Management Committee deliberates on c 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.

The Group Management Strategy Committee of JFE Holdings, Inc. (Chair: president; Secretariat: Corporate Planning Dept.) consists of all inside directors and corporate officers. The full-time Audit & Supervisory Committee 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 inside directors (excluding three presidents of the Operating Companies) as well as corporate officers. The Audit & Supervisory Committee Members also take part in the Management Committee, and the presidents and senior executives of the Operating Companies will attend as appropriate.

All directors, major corporate officers and audit & supervisory board members take part in the management committees of JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation (Chair: president of each company; Secretariat: corporate planning dept. of each company).

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 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 cyberattacks and the risk of information leakage. In addition, JFE Cyber Security & Solutions, Ltd. was established in April 2024 to promote the recruitment and development of security personnel, as well as strengthen security monitoring capabilities.

c. Development of the internal control system and risk management system

The Company's internal control systems, including the risk management system, in accordance with the Basic Policy to Establish the Internal Control Systems described below, are maintained and operated primarily through the formulation of various committee regulations, including the Rules of the Board of Directors, Regulations for Group Management Strategy Committee, Regulations for Management Committee, Regulations for the JFE Group Internal Control Committee, Regulations for the JFE Group Sustainability Council, Regulations for the JFE Group Compliance Committee, Regulations for Public Disclosure Committee, and Regulations for Organization and Operations and Regulations for Document Management, as well as through the establishment of a Corporate Ethics Hotline. In April 2026, the Company established Chief Compliance Officers (CCOs) at both the Company and the operating companies. The Company's CCO serves as chair of the Group Compliance Committee, and each operating company's CCO serves as chair of its respective Compliance Committee. Following these changes and to clarify the scope of cooperation between the internal auditing department and the Audit & Supervisory Committee, the Company revised its Basic Policy to Establish the Internal Control Systems.

Basic Policy to Establish the Internal Control Systems
JFE Holdings, Inc. shall establish its internal control systems as described below to comply with laws and 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 review and improve this basic policy and the internal control systems established in accordance therewith on an ongoing basis.

1. Systems to ensure compliance of the execution of the duties by Directors of the Company with laws and regulations and the Articles of Incorporation and other systems necessary to ensure the properness of business operations conducted by the corporate group consisting of the Company and its subsidiaries
   (1) Systems to ensure compliance of the execution of the duties by Directors and employees with laws and 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.
      (b) JFE Holdings, Inc. shall appoint a CCO (Chief Compliance Officer) as the person responsible for compliance and establish a Compliance Committee chaired by the CCO. The Compliance Committee shall deliberate on and make decisions on basic policies and important compliance-related matters, as well as supervise the status of implementation of related measures.
      (c) A “Corporate Ethics Hotline” to ensure that significant issues regarding the compliance is directly communicated from the front lines to top management shall be provided, streamlined and appropriately operated.
      (d) The internal auditing department shall audit compliance with laws and regulations and the Articles of Incorporation, and regularly report the audit results to the Board of Directors.
   (2) Systems to ensure the efficient execution of the duties by Directors
      (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, and regularly report the audit results to the Board of Directors.
   (3) Systems to retain and manage information in relation to the execution of the 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 retained and managed.
      (b) Information regarding organizational bodies, such as the JFE Group Management Strategy Committee and the Management Committee, that deliberate on important management matters shall be appropriately recorded, retained and managed.
      (c) Important corporate documents, such as kessaisho (documents for approval), which are related to the execution of the duties by Directors, shall be appropriately recorded, retained and managed.
   (4) Rules and other systems related to management of the risk of loss
      (a) As for management of risks involving business activities, compliance, sustainability, the environment, information security, and 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 properness 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 this basic policy, 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 management of the risk of loss.) 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 Rules 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 Rules 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 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.

(d) JFE Holdings, Inc. shall establish the JFE Group Compliance Committee, which is chaired by its CCO, to deliberate and make decisions related to the Group's basic policy and important matters in regard to compliance, and supervise the status of the implementation of related measures. And, in order to promote its group compliance management, JFE Holdings, Inc. shall closely coordinate with the Compliance Committee of each Operating Company. Each Operating Company shall establish a Compliance Committee, which is chaired by its CCO, to deliberate and make decisions related to its basic policies and important matters in regard to compliance 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 significant issues of the entire Group regarding the compliance, 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 operations and compliance with the relevant laws and 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 operations and compliance with the relevant laws and 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 execution of the duties of the Audit & Supervisory Committee

(1) Matters regarding employees to assist with the duties of the Audit & Supervisory Committee

JFE Holdings, Inc. shall assign one or more dedicated employees to the Audit & Supervisory Committee's Office to assist with the duties of the Audit & Supervisory Committee.

(2) Matters regarding the independence of employees to assist with the duties of the Audit & Supervisory Committee from Directors (excluding Directors who are Audit & Supervisory Committee Members)

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

(3) System for ensuring the effectiveness of instructions given to the employees to assist with the duties of the Audit & Supervisory Committee

The employees who serve as assistants to the Audit & Supervisory Committee shall perform their duties under the direction and supervision of the Audit & Supervisory Committee.

(4) System for reporting to the Audit & Supervisory Committee

(a) The Audit & Supervisory Committee 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.
(b) The Directors (excluding Directors who are Audit & Supervisory Committee Members), 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 Committee and/or any Audit & Supervisory Committee Member as required or if so requested by the Audit & Supervisory Committee or any Audit & Supervisory Committee Member. The Directors, Audit & Supervisory Board Members, Corporate Officers and employees of the Operating Companies or their affiliated group companies shall report the execution of their duties to the Audit & Supervisory Committee and/or any Audit & Supervisory Committee Member as required or if so requested by the Audit & Supervisory Committee or any Audit & Supervisory Committee Member.
(c) JFE Holdings, Inc. shall streamline the Corporate Ethics Hotline as a system that allows direct reporting to or consultation with Audit & Supervisory Committee Members. 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 Committee Members, as they occur.

(5) System to ensure that any person who has reported to the Audit & Supervisory Committee does not suffer detrimental treatment for the reason of having made such report
JFE Holdings, Inc. shall stipulate in the relevant regulations that any person who has reported any violations through the Corporate Ethics Hotline and who has reported or consulted with the Audit & Supervisory Committee Members shall not be unfavorably treated, and shall appropriately operate such regulations.

(6) Policies with regard to expense prepayment and/or reimbursement procedures related to the execution of duties by the Audit & Supervisory Committee Member, and the handling of any other expenses or obligations that derive from the execution of the relevant duties
JFE Holdings, Inc. shall appropriately handle any request, etc. for expenses necessary for the execution of duties by Audit & Supervisory Committee Members.

(7) Other systems to ensure effective audits by the Audit & Supervisory Committee
(a) The Directors (excluding Directors who are Audit & Supervisory Committee Members), Corporate Officers and employees shall cooperate with the Audit & Supervisory Committee in improving the auditing environment so that various Audit & Supervisory Committee's 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 Committee.
(b) The Audit & Supervisory Committee 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.
(c) When the internal auditing department receives instructions or other requests regarding audits from the Audit & Supervisory Committee, it shall respond to such requests and report the status and results thereof to the Audit & Supervisory Committee in an appropriate and timely manner.

(iv) Compliance system

In expanding our businesses in Japan and abroad, it is important that the JFE Group maintains relationships of trust with all stakeholders, including its customers, shareholders, and local communities. Trust can only be built upon a strong foundation of "Ensuring Thorough Compliance." Misconduct and scandals resulting from compliance violations can instantly shatter the trust that has taken many years to establish. Therefore, the JFE Group believes it is extremely important that all members of the organization deepen their knowledge and awareness of compliance and perform their jobs accordingly.

The JFE Group Standards of Conduct guides employees to conduct their business activities based on the Corporate Vision and Corporate Values. They also help to strengthen awareness among all JFE Group executives and employees and ensure adherence to corporate ethics.

We have established Chief Compliance Officer (CCO) positions at the Company and the operating companies on April 1, 2026, and established the JFE Group Basic Policy on Compliance to clarify our commitment to thorough compliance and ensure consistent implementation of this commitment.

The JFE Group Compliance Committee, chaired by the CCO of JFE Holdings, Inc., generally convenes every quarter to deliberate the Group's basic policies and issues on compliance and then supervise their implementation. Each operating company has a similar in-house system for promoting and supervising compliance in their business activities. In addition, the JFE Group has introduced a Corporate Ethics Hotline to ensure that crucial information regarding compliance can be communicated directly from the front lines to top management.

(v) Outline of the contracts for limitation of liability with directors (excluding those who are executive directors) and directors who are Audit & Supervisory Committee members

The Company has entered into agreements, in accordance with the provision of Article 427, Paragraph 1, of the Companies Act, with three directors (excluding those who are executive directors) and five directors who are Audit & Supervisory Committee 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 (excluding those who are executive directors) and director who is Audit & Supervisory Committee member to compensate damages under such agreements is set out to the amount set forth in the relevant laws and regulations.

(vi) Outline of the indemnity agreement

The Company has entered into indemnity agreements stipulated in Article 430-2, paragraph 1 of the Companies Act with all directors listed in "(2) Directors and other officers, (i) List of directors," and the Company will indemnify them to the extent provided by laws and regulations for the expenses stipulated in item 1 of the same paragraph of the Companies Act and for the losses stipulated in item 2 of the same paragraph.

However, the Company has taken measures to ensure that the proper execution of duties by each director is not compromised, by providing, for example, that compensation for litigation expenses will not be paid in cases where the director has executed their duties with malice or gross negligence or in cases where the Company pursues liability against the director (except cases where the director has prevailed in their lawsuits).

(vii) Outline of the directors and officers liability insurance contract

The Company has concluded a directors and officers liability insurance contact with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act, which insures Directors and Corporate Officers of the Company, and Directors, Audit & Supervisory Board Members, and Corporate Officers of JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation.

The contract covers damages and legal costs incurred by the insured due to claims for damages arising out of acts (including omissions) committed by the insured in his or her capacity as an officer, etc. of the Company. However, certain exclusions are provided, such as the exclusion of coverage for damages caused by acts committed by the insured while aware that such acts were in violation of laws and regulations, and measures are taken to ensure that the proper execution of duties by officers, etc. is not compromised. All premiums are borne by the Company, and there is essentially no premium burden on the insured.

(viii) Basic policy regarding the control of the Company

The Company has established the Basic Policy Regarding Persons who Control Decisions on JFE Holdings' Financial and Business Policies as follows.

<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 steadily implementing 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 its Corporate Vision and basic management stance and contribute to securing and enhancing 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 the Company 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 securing and 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 and endeavoring to give the shareholders the necessary information and time to review these.

(ix) Quorum of directors and requirements for the adoption of resolutions for electing directors

The Articles of Incorporation of the Company stipulate that the Company shall have not more than 18 directors.

The Company's Articles of Incorporation also stipulate that the adoption of resolutions for the election of the directors shall require the presence of shareholders having not less than one-third of the total voting rights of shareholders who may exercise their voting rights, and shall not be made by cumulative voting.

(x) Matters to be resolved at the General Meeting of Shareholders that may be resolved by the Board of Directors

The Company's Articles of Incorporation stipulate that the following matters to be resolved at the General Meeting of Shareholders may be resolved by the Board of Directors.

・For the purpose of allowing the Company to implement its capital policies in an agile and flexible manner, the Articles of Incorporation stipulate that the Company may, in accordance with the provisions of Article 165, paragraph 2 of the Companies Act, and by resolution of the Board of Directors, acquire its own shares.

・To enable agile and flexible return of profits to shareholders, the Articles of Incorporation stipulate that the Company may, by resolution of the Board of Directors, pay dividends of surplus (interim dividend) in accordance with Article 454, paragraph 5 of the Companies Act to the shareholders or registered share pledgees whose names have been entered or recorded in the shareholder registry as of the close of business on September 30 each year.

For the purpose of allowing directors to adequately fulfill the roles expected of them, the Articles of Incorporation stipulate that the Company may, in accordance with the provisions of Article 426, paragraph 1 of the Companies Act, and by resolution of the Board of Directors, exempt the directors (including those who were previously directors) from liability under Article 423, paragraph 1 of the same act, to the extent permitted by laws and regulations.

(xi) Requirements for the adoption of special resolution of General Meeting of Shareholders

For the purpose of facilitating the smooth operation of the General Meeting of Shareholders, the Company's Articles of Incorporation stipulate that the resolution prescribed in Article 309, paragraph 2 of the Companies Act shall be adopted by a vote of two-thirds or more of the voting rights of those shareholders who attend the General Meetings of Shareholders, at which shareholders having not less than one-third of the total voting rights of shareholders who may exercise their voting rights shall attend.

(2) Directors and other officers

(i) List of directors

a. Directors and other officers as of June 19, 2026 (the filing date of this Annual Securities Report) are as follows.

Male: 11; Female: 2 (ratio of female directors and Audit & Supervisory Board members: 15.38%)

Position	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held
Representative Director, President and CEO	Yoshihisa Kitano	February 20, 1958	April 1982 Joined Kawasaki Steel Corporation April 2011 Vice President of JFE Steel Corporation April 2014 Senior Vice President of JFE Steel Corporation April 2018 Representative Director and Executive Vice President of JFE Steel Corporation April 2019 Representative Director, President and CEO of JFE Steel Corporation June 2019 Representative Director of JFE Holdings, Inc. April 2024 Retired as Representative Director, President and CEO of JFE Steel Corporation Representative Director, President and CEO of JFE Holdings, Inc. (current post) (Significant concurrent posts) Chairman of the Board of Directors, JFE 21st Century Foundation (Public Interest Incorporated Foundation) (Duties as corporate officer) Chief Executive Officer (CEO)	*1	84,404
Representative Director	Masayuki Hirose	November 19, 1963	April 1986 Joined Kawasaki Steel Corporation April 2017 Vice President of JFE Steel Corporation April 2021 Senior Vice President of JFE Steel Corporation April 2023 Representative Director and Executive Vice President of JFE Steel Corporation April 2024 Representative Director, President and CEO of JFE Steel Corporation (current post) June 2024 Representative Director of JFE Holdings, Inc. (current post) (Significant concurrent posts) Representative Director, President and CEO of JFE Steel Corporation	*1	25,845
Director	Masashi Terahata	October 31, 1959	April 1982 Joined Kawasaki Steel Corporation April 2012 Vice President of JFE Holdings, Inc. Vice President of JFE Steel Corporation April 2015 Senior Vice President of JFE Holdings, Inc. Senior Vice President of JFE Steel Corporation April 2016 Director of JFE Shoji Corporation March 2018 Retired as Senior Vice President of JFE Holdings, Inc. April 2018 Retired as Director of JFE Shoji Corporation Representative Director and Executive Vice President of JFE Steel Corporation April 2019 Executive Vice President of JFE Holdings, Inc. Director of JFE Steel Corporation June 2019 Representative Director of JFE Holdings, Inc. April 2026 Retired as Director of JFE Steel Corporation Director of JFE Holdings, Inc. (current post)	*1	34,200

Position	Name	Date of birth	Career summary	Term of office	Number of the Company’s shares held
Director	Kazuyoshi Fukuda	March 1, 1962	April 1986 Joined Kawasaki Steel Corporation April 2018 Vice President of JFE Engineering Corporation April 2023 Senior Vice President of JFE Engineering Corporation April 2024 Representative Director, President and CEO of JFE Engineering Corporation (current post) June 2024 Director of JFE Holdings, Inc. (current post) (Significant concurrent posts) Representative Director, President and CEO of JFE Engineering Corporation	*1	12,400
Director	Yoshifumi Ubagai	March 4, 1965	April 1987 Joined Kawasaki Steel Corporation April 2018 Vice President of JFE Steel Corporation April 2022 Senior Vice President of JFE Steel Corporation April 2023 Representative Director and Executive Vice President of JFE Steel Corporation April 2025 Retired as Representative Director and Executive Vice President of JFE Steel Corporation Representative Director, President and CEO of JFE Shoji Corporation (current post) June 2025 Director of JFE Holdings, Inc. (current post) (Significant concurrent posts) Representative Director, President and CEO of JFE Shoji Corporation	*1	18,002
Director	Yoshiko Ando	March 17, 1959	April 1982 Joined Ministry of Labour July 2013 General Manager, Workers’ Compensation Division, Labour Standards Bureau of Ministry of Health, Labour and Welfare July 2014 Director-General, Equal Employment and Child and Family Bureau of Ministry of Health, Labour and Welfare October 2015 Director-General for Labour of Ministry of Health, Labour and Welfare June 2016 Director-General for Statistics and Information Policy of Ministry of Health, Labour and Welfare July 2017 Director-General for Human Resources Development of Ministry of Health, Labour and Welfare July 2018 Retired from Ministry of Health, Labour and Welfare June 2020 Director of JFE Holdings, Inc. (current post) (Significant concurrent posts) Outside Director of Kirin Holdings Company, Limited Outside Director of Sansei Technologies, Inc.	*1	4,800
Director	Takuya Shimamura	December 25, 1956	April 1980 Joined Asahi Glass Co., Ltd. (current AGC Inc.) January 2013 Senior Executive Officer and President, Electronics Company of AGC Inc. January 2015 President & CEO of AGC Inc. March 2015 Representative Director and President & CEO of AGC Inc. January 2021 Chairman & Representative Director of AGC Inc. March 2021 Director and Chairman of AGC Inc. June 2022 Audit & Supervisory Board Member of JFE Holdings, Inc. June 2025 Director of JFE Holdings, Inc. (current post) March 2026 Senior Fellow of AGC Inc. (current post) (Significant concurrent posts) Outside Director of EBARA CORPORATION	*1	4,900

Position	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held
Director	Keiichi Kobayashi	June 24, 1959	April 1985 Joined Furukawa Electric Co., Ltd. April 2016 Representative Director, Member of the Board, Corporate Executive Vice President, and General Manager, Global Marketing Sales Division of Furukawa Electric Co., Ltd. April 2017 President and Representative Director and Member of the Board of Furukawa Electric Co., Ltd. April 2023 Chairman of the Board of Furukawa Electric Co., Ltd. (current post) June 2024 Director of JFE Holdings, Inc. (current post) (Significant concurrent posts) Chairman of the Board of Furukawa Electric Co., Ltd. Outside Director of NTT DATA Japan Corporation	*1	2,900
Director (Audit & Supervisory Committee Member) (full-time)	Nobuya Hara	December 11, 1961	April 1984 Joined NKK Corporation April 2011 General Manager, Controller Department of JFE Steel Corporation April 2012 General Manager, Controller Department of JFE Steel Corporation, and General Manager, Controller Department of JFE Holdings, Inc. April 2015 General Manager, Affiliated Business Department of JFE Steel Corporation April 2016 Audit & Supervisory Board Member of JFE Steel Corporation (current post) June 2017 Audit & Supervisory Board Member of JFE Holdings, Inc. June 2025 Director, Audit & Supervisory Committee Member (full-time) of JFE Holdings, Inc. (current post) (Significant concurrent posts) Audit & Supervisory Board Member of JFE Steel Corporation	*2	11,738
Director (Audit & Supervisory Committee Member) (full-time)	Nakaba Akimoto	May 2, 1968	April 1991 Joined NKK Corporation May 2002 Admitted to the bar in the State of New York, U.S.A. April 2015 Manager, Legal Sec., General Administration Dept. of JFE Holdings, Inc. April 2022 Executive Assistant, General Administration of JFE Holdings, Inc. Audit & Supervisory Board Member of JFE Engineering Corporation (current post) Audit & Supervisory Board Member of JFE Shoji Corporation (current post) June 2022 Audit & Supervisory Board Member of JFE Holdings, Inc. June 2025 Director, Audit & Supervisory Committee Member (full-time) of JFE Holdings, Inc. (current post) (Significant concurrent posts) Audit & Supervisory Board Member of JFE Engineering Corporation Audit & Supervisory Board Member of JFE Shoji Corporation	*2	5,869

Position	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held
Director (Audit & Supervisory Committee Member)	Tsuyoshi Numagami	March 27, 1960	April 2000 Professor of Graduate School of Commerce and Management of HITOTSUBASHI UNIVERSITY January 2011 Dean of Graduate School of Commerce and Management of HITOTSUBASHI UNIVERSITY December 2014 Board Member and Executive Vice President of HITOTSUBASHI UNIVERSITY April 2018 Professor of Graduate School of Business Administration of HITOTSUBASHI UNIVERSITY June 2018 Audit & Supervisory Board Member of JFE Holdings, Inc. March 2023 Retired as Professor of Graduate School of Business Administration of HITOTSUBASHI UNIVERSITY April 2023 Professor of Institute for Business and Finance of Waseda University (current post) June 2025 Director, Audit & Supervisory Committee Member of JFE Holdings, Inc. (current post) (Significant concurrent posts) Professor of Institute for Business and Finance of Waseda University Outside Director of Tokyo Century Corporation Outside Director of EBARA CORPORATION	*2	17,700
Director (Audit & Supervisory Committee Member)	Yoshihisa Suzuki	June 21, 1955	April 1979 Joined ITOCHU Corporation June 2016 Senior Managing Executive Officer, Member of the Board of ITOCHU Corporation President, ICT & Financial Business Company April 2018 President & Chief Operating Officer, Member of the Board of ITOCHU Corporation April 2020 President & Chief Operating Officer, Chief Digital & Information Officer, Member of the Board of ITOCHU Corporation April 2021 Vice Chairman, Member of the Board of ITOCHU Corporation April 2022 Vice Chairman of ITOCHU Corporation April 2023 Senior Vice Representative for Business Community Relations of ITOCHU Corporation April 2024 Advisory Member of ITOCHU Corporation (current post) June 2025 Director, Audit & Supervisory Committee Member of JFE Holdings, Inc. (current post) (Significant concurrent posts) Outside Director of the Board of Kyowa Kirin Co., Ltd. Outside Director, OMRON Corporation	*2	1,000
Director (Audit & Supervisory Committee Member)	Naoto Nakamura	January 25, 1960	April 1985 Admitted to the bar April 1985 Joined Mori Sogo Law Offices (current Mori Hamada & Matsumoto) April 1998 Established Hibiya Park Law Offices and became Partner February 2003 Established Nakamura Naoto Law Offices (current Nakamura, Tsunoda & Matsumoto) and became Partner April 2023 Established Nakamura Law Firm (current post) June 2025 Director, Audit & Supervisory Committee Member of JFE Holdings, Inc. (current post) (Significant concurrent posts) Lawyer of Nakamura Law Firm	*2	2,600
Total					226,358

Notes: 1. Directors Yoshiko Ando, Takuya Shimamura, Keiichi Kobayashi, Tsuyoshi Numagami, Yoshihisa Suzuki, and Naoto Nakamura serve as Outside Directors of JFE Holdings, Inc.

2. The terms of office shall expire at the close of the Ordinary General Meeting of Shareholders for the fiscal year ending within one year after the election on June 25, 2025 (*1).

3. The terms of office shall expire at the close of the Ordinary General Meeting of Shareholders for the fiscal year ending within two years after the election on June 25, 2025 (*2).

4. The Company has elected one substitute Director who is an Audit & Supervisory Committee Member, to be ready to fill a vacant position should the number of Directors who are Audit and Supervisory Committee Members fall below the number required by laws and regulations. The career summary and other details of the substitute Director who is an Audit & Supervisory Committee Member are as follows.

Name	Date of birth	Career summary		Number of the Company's shares held
Isao Saiki	August 11, 1961	April 1989	Admitted to the bar	19,443
		April 1989	Joined Ginza Law Office (current Abe, Ikubo & Katayama Law Firm)	
		January 1998	Promoted to partner of Abe, Ikubo & Katayama Law Firm (current post)	
		April 2014	Audit & Supervisory Board Member of JFE Holdings, Inc.	
		June 2014	Retired as Audit & Supervisory Board Member of JFE Holdings, Inc.	
		June 2017	Audit & Supervisory Board Member of JFE Holdings, Inc.	
		June 2025	Retired as Audit & Supervisory Board Member of JFE Holdings, Inc.	
		(Significant concurrent posts) Partner Lawyer of Abe, Ikubo & Katayama Law Firm		

Note: The term of office of a substitute for a Director who is an Audit & Supervisory Committee Member is the period from the assumption of office to the time when the term of office of the retired Director who was an Audit & Supervisory Committee Member would have expired.

Corporate officers

The Company has adopted the corporate officer system to clarify authority and accountability by separating decision-making on management from business execution and to enhance prompt decision-making and execution. Corporate officers as of June 19, 2026 (the filing date of this Annual Securities Report) are as follows.

Position	Name	Responsibility(ies)
President	Yoshihisa Kitano	Chief Executive Officer (CEO)
Executive Vice President	Toshihiro Tanaka	Chief Financial Officer (CFO), Chief Compliance Officer (CCO) Supervision of General Administration Dept., Corporate Planning Dept., Investor Relations and Corporate Communications Dept., Finance Dept., Keihin Area Land Development Dept. and Keihin Area Business Utilization Development Dept.
Senior Vice President	Makoto Iwayama	In charge of Keihin Area Land Development Dept.
Senior Vice President	Hisamitsu Matsuo	In charge of Corporate Planning Dept., Finance Dept. and Keihin Area Business Utilization Development Dept.
Vice President	Tsunao Takura	In charge of General Administration Dept. and Investor Relations and Corporate Communications Dept.

b. The Company has submitted a proposal (item to be resolved) titled "Election of eight Directors (excluding Directors who are Audit & Supervisory Committee Members)" for approval at the Ordinary General Meeting of Shareholders to be held on June 24, 2026. If the proposal is approved, the Directors of the Company and their terms of office will be as follows. The positions of Directors shown below include those to be resolved by the Board of Directors at the meeting to be held immediately after the Ordinary General Meeting of Shareholders.

Male: 11; Female: 2 (ratio of female directors and Audit & Supervisory Board members: 15.38%)

Position	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held
Representative Director, President and CEO	Yoshihisa Kitano	February 20, 1958	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	84,404
Representative Director	Masayuki Hirose	November 19, 1963	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	25,845
Representative Director	Toshihiro Tanaka	January 27, 1963	April 1986 Joined NKK Corporation April 2016 Vice President of JFE Steel Corporation March 2018 Retired as Vice President of JFE Steel Corporation April 2018 Vice President of JFE Holdings, Inc. Director of JFE Shoji Corporation April 2019 Senior Vice President of JFE Holdings, Inc. April 2021 Retired as Director of JFE Shoji Corporation Director of JFE Engineering Corporation April 2026 Retired as Director of JFE Engineering Corporation Executive Vice President of JFE Holdings, Inc. (current post) Director of JFE Steel Corporation (current post) June 2026 Representative Director of JFE Holdings, Inc. (scheduled) (Significant concurrent posts) Director of JFE Steel Corporation Representative Director of JFE 21st Century Foundation (Public Interest Incorporated Foundation) (Duties as corporate officer) Chief Financial Officer (CFO), Chief Compliance Officer (CCO) Supervision of General Administration Dept., Corporate Planning Dept., Investor Relations and Corporate Communications Dept., Finance Dept., Keihin Area Land Development Dept. and Keihin Area Business Utilization Development Dept.	*1	21,646
Director	Kazuyoshi Fukuda	March 1, 1962	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	12,400
Director	Yoshifumi Ubagai	March 4, 1965	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	18,002
Director	Yoshiko Ando	March 17, 1959	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	4,800
Director	Takuya Shimamura	December 25, 1956	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	4,900
Director	Keiichi Kobayashi	June 24, 1959	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*1	2,900
Director (Audit & Supervisory Committee Member) (full-time)	Nobuya Hara	December 11, 1961	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*2	11,738
Director (Audit & Supervisory Committee Member) (full-time)	Nakaba Akimoto	May 2, 1968	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*2	5,869
Director (Audit & Supervisory Committee Member)	Tsuyoshi Numagami	March 27, 1960	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*2	17,700
Director (Audit & Supervisory Committee Member)	Yoshihisa Suzuki	June 21, 1955	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*2	1,000

Position	Name	Date of birth	Career summary	Term of office	Number of the Company's shares held
Director (Audit & Supervisory Committee Member)	Naoto Nakamura	January 25, 1960	As described in (2) Directors and other officers, (i) List of directors, a., the "Career summary" column above.	*2	2,600
Total					213,804

Notes: 1. Directors Yoshiko Ando, Takuya Shimamura, Keiichi Kobayashi, Tsuyoshi Numagami, Yoshihisa Suzuki, and Naoto Nakamura serve as Outside Directors of JFE Holdings, Inc.

2. The terms of office shall expire at the close of the Ordinary General Meeting of Shareholders for the fiscal year ending within one year after the election on June 24, 2026 (*1).

3. The terms of office shall expire at the close of the Ordinary General Meeting of Shareholders for the fiscal year ending within two years after the election on June 25, 2025 (*2).

4. The substitute Director who is an Audit & Supervisory Committee Member is as described in (2) Directors and other officers, (i) List of directors, a., Note 4 above.

(ii) Outside Directors

The Company makes judgment on the election of Outside Directors in light of the requirements for Outside Directors stipulated in the Companies Act, the regulations of financial instruments exchanges for the designation of independent directors, and the Company's Standards for Independence of Outside Directors so that Outside Directors can adequately bear their management supervision function from a standpoint independent from the management of the Company.

Standards for Independence of Outside Directors of JFE Holdings, Inc.

JFE Holdings, Inc. (the "Company") establishes the standards for independence of Outside Directors as described below. An Outside Director 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, corporate 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 three 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 three 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 that 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 three 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 three 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 three 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 three 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 three 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 three years, was the Executive of a lead managing underwriter of the Company.
11) A relative of a person falling under any of the 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 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, by providing the reason to believe that the person is appropriate for an independent outside director of the Company, and by explaining that the person fulfills the requirements for an independent outside director.

* "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.

As of June 19, 2026, the date the Securities Report was submitted, the company had six outside directors, three of whom were members of the Audit & Supervisory Committee. The following is our approach to their appointment.

Outside Director

Name	Perspective about appointment
Yoshiko Ando	Ms. Yoshiko 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 continues to be capable of providing valuable suggestions and advice as an Outside Director of the Company in supervising overall business execution and improving the Company's corporate value. In addition, Ms. Ando satisfies the standards for independence stipulated in the "Securities Listing Regulations" and the "Standards for Independence of Outside Directors" 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.
Takuya Shimamura	Mr. Takuya Shimamura has long been active in the management of AGC Inc., which globally operates a wide range of businesses, including glass, electronics, chemicals, and ceramics, and secured stable earnings and promoted growth strategies through organizational culture change, while also being actively involved in sustainability management. 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 Audit & Supervisory Board Member and Outside Director of the Company since he assumed office as such, the Company has judged Mr. Shimamura to be capable of providing valuable suggestions and advice as an Outside Director of the Company in supervising overall business execution and improving the Company's corporate value.

	In the most recent fiscal year, transactions between AGC Inc., where Mr. Shimamura served as Representative Director until March 2021, and the Company or any of its Operating Companies did not exceed 1% of annual consolidated net sales (revenue) of either the Company or AGC Inc. Accordingly, AGC Inc. does not fall under the category of entities for which the Company or any of its Operating Companies is a major business partner, or entities that are major business partners of the Company or any of its Operating Companies. As of the fiscal year end, neither the Company nor any of its Operating Companies owned any shares of AGC Inc. In addition, Mr. Shimamura satisfies the standards for independence stipulated in the "Securities Listing Regulations" and the "Standards for Independence of Outside Directors" established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Shimamura as Independent Director, 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.
Keiichi Kobayashi	Mr. Keiichi 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. Based on such in-depth knowledge and 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. Kobayashi continues to be capable of providing valuable suggestions and advice as an Outside Director of the Company in supervising overall business execution and improving the Company's corporate value. In the most recent fiscal year, transactions between Furukawa Electric Co., Ltd, where Mr. Kobayashi served as Representative Director until March 2023, and the Company and any of its Operating Companies 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 entities for which the Company or any of its Operating Companies is a major business partner, or entities that are major business partners of the Company or any of its Operating Companies. As of the fiscal year end, neither the Company nor any of its Operating Companies owned any shares of Furukawa Electric Co., Ltd. In addition, Mr. Kobayashi satisfies the standards for independence stipulated in the "Securities Listing Regulations" and the "Standards for Independence of Outside Directors" 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.
Tsuyoshi Numagami (Audit & Supervisory Committee Member)	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. The Company expects him to play a role in strengthening governance based on his high level of expertise and abundant experience in management and other areas. Although he 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 an outstanding insight, 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 be capable of accurately and fairly auditing and supervising the overall execution of the Company's business, as well as of providing valuable suggestions and advice to improve the Company's corporate value as an Outside Director who is an Audit & Supervisory Committee Member of the Company.

	In the most recent fiscal year, 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 any of its Operating Companies did not exceed 1% of the annual consolidated net sales (revenue) of the Company, HITOTSUBASHI UNIVERSITY, or Waseda University. Furthermore, neither the Company nor any of its Operating Companies has made a donation of 10 million yen or more to either university in the last three years. Accordingly, HITOTSUBASHI UNIVERSITY and Waseda University do not fall under the category of entities for which the Company or any of its Operating Companies is a major business partner, entities that are major business partners of the Company or any of its Operating Companies, or entities that have received donations exceeding a certain amount. In addition, Mr. Numagami satisfies the standards for independence stipulated in the "Securities Listing Regulations" and the "Standards for Independence of Outside Directors" established by the Company, and would have no conflict of interests 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.
Yoshihisa Suzuki (Audit & Supervisory Committee Member)	Mr. Yoshihisa Suzuki has been successful in managing ITOCHU Corporation, a company that operates globally for many years, and has extensive experience and broad insight in corporate management in Japan and overseas accumulated through serving as CEO of a North American business and an aviation-related manufacturing company, as well as being involved in creating new businesses in the ICT and financial business. 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 outstanding insight, the Company has judged Mr. Suzuki to be capable of accurately and fairly auditing and supervising the overall execution of the Company's business, as well as of providing valuable suggestions and advice to improve the Company's corporate value as an Outside Director who is an Audit & Supervisory Committee Member of the Company. In the most recent fiscal year, transactions between ITOCHU Corporation, where Mr. Suzuki served as Representative Director until March 2021, and the Company and its Operating Companies did not exceed 1% of the annual consolidated net sales (revenue) of either the Company or ITOCHU Corporation. Accordingly, ITOCHU Corporation does not fall under the category of entities for which the Company or any of its Operating Companies is a major business partner, or entities that are major business partners of the Company or any of its Operating Companies. As of the fiscal year end, neither the Company nor any of its operating companies owned any shares of ITOCHU Corporation. In addition, Mr. Suzuki satisfies the standards for independence stipulated in the "Securities Listing Regulations" and the "Standards for Independence of Outside Directors" established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Suzuki as Independent Director, based on the judgment that Mr. Suzuki is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.
Naoto Nakamura (Audit & Supervisory Committee Member)	Mr. Nakamura has been successful as an attorney at law for many years, and has extensive experience and broad insight in corporate governance and compliance, accumulated through providing guidance, advice, and oversight to companies from the standpoint of a third-party committee, etc. as well as extensive experience as an outside officer of other companies. The Company expects him to play a role in strengthening governance based on his high level of expertise and extensive experience in legal practice cultivated as an attorney. Although he 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, the Company has judged Mr. Nakamura to be capable of accurately and fairly auditing and supervising the overall execution of the Company's business, as well as of providing valuable suggestions and advice to improve the Company's corporate value as an Outside Director who is an Audit & Supervisory Committee Member of the Company.

	No transaction took place between Nakamura, Tsunoda & Matsumoto, where Mr. Nakamura served as a Partner until April 2023 and Nakamura Law Firm, which Mr. Nakamura established in April 2023, and the Company or any of its Operating Companies in the last three years. In addition, Mr. Nakamura satisfies the standards for independence stipulated in the "Securities Listing Regulations" and the "Standards for Independence of Outside Directors" established by the Company, and would have no conflict of interests with general shareholders. Hence, the Company has designated Mr. Nakamura as Independent Director, based on the judgment that Mr. Nakamura is capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.

The number of the Company's shares held by each outside director is provided in "(i) List of directors" above.

(iii) Cooperation between supervision or audits and internal audits by outside directors and audits and accounting audits by Audit & Supervisory Committee, and their relationships with internal control departments

All of the six outside directors (including three outside directors who are Audit & Supervisory Committee members) described in "(ii) Outside directors" have no direct interest in the Company, and the Company believes that they would have no conflict of interests with general shareholders. Hence, the Company has judged that they are capable of adequately bearing the supervision function from a standpoint independent from the management of the Company.

The Audit & Supervisory Committee, including the Outside Directors who are Audit & Supervisory Committee members mentioned above, closely cooperates with the internal auditing departments by holding meetings periodically or whenever necessary, where the directors who are Audit & Supervisory Committee members receive reports on internal audit plans, status of internal audit implementation and results of internal audits, and where opinions are exchanged. The Audit & Supervisory Board members also closely cooperate with Ernst & Young ShinNihon LLC, the accounting auditor, by holding meetings periodically or whenever necessary, where the directors who are Audit & Supervisory Committee members receive reports on audit plans, status of audit implementation, and audit results as well as detailed explanation on the quality control system of the accounting auditor, and provide explanation on audit plans, etc., and where opinions are exchanged.

Important matters regarding the execution of operations by the internal control departments are deliberated at meetings of the Board of Directors, where Outside Directors attend and speak appropriately in the deliberation, drawing on their respective knowledge.

The Company provides outside directors 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 will strive to provide adequate information necessary for execution of their duties by providing explanations on important management issues of the Company and 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 the Board of Directors meetings at major business bases, inspections of Group companies, etc.

(3) Audits

(i) Audits by the Audit & Supervisory Committee

a. Organization, members, and procedures of the Audit & Supervisory Committee

The Company's Audit & Supervisory Committee is composed of five directors who are Audit & Supervisory Committee members (hereinafter referred to as "Audit & Supervisory Committee members"), including three outside directors who are Audit & Supervisory Committee members.

With regard to the internal control system, the Audit & Supervisory Committee receives regular reports from directors and corporate officers regarding its establishment and operation, and, as necessary, requests explanations from directors and corporate officers and expresses its opinions. Members of the Audit & Supervisory Committee follow the Committee's regulations, audit policies, audit plans, and division of duties. They coordinate with the Company's internal auditing department, attend Board of Directors meetings and other important meetings, receive reports from directors and corporate officers regarding their performance, request explanations from directors and corporate officers as necessary, review important approval documents, and investigate the status of the company's operations and assets. With regard to the subsidiaries, the Committee maintains communication with their directors, auditors, and other officers, and receives business reports from them, as necessary. The Committee also reviews the status of their operations and assets. Through these methods, the Audit & Supervisory Committee audits the directors' execution of their duties. Moreover, they hold meetings with the accounting auditor periodically and whenever necessary, as well as receiving explanations on the quality control system of the accounting auditor to confirm its validity. They utilize online tools for holding meetings, hearing reports, and exchanging opinions.

Regarding the appointment, dismissal, and remuneration of directors, the Audit & Supervisory Committee forms its opinions after reviewing the deliberations of the Nomination and Remuneration Committees.

Employees who work as full-time assistants to support the Audit & Supervisory Committee's duties are assigned to the Audit & Supervisory Committee's Office, and the personnel affairs of such employees are consulted with Audit & Supervisory Committee members.

Audit & Supervisory Committee Member Mr. Nobuya Hara has extensive knowledge of and insight into finance and accounting, which he has accumulated through work in corporate planning, accounting and finance at JFE Steel Corporation, and through accounting work at the Company. Audit & Supervisory Committee Member Mr. Tsuyoshi Numagami has been engaged in extensive research on overall corporate management, including business strategy, and has extensive knowledge of and insight into finance and accounting based on his expertise.

b. Activities of the Audit & Supervisory Committee members and the Audit & Supervisory Committee

In the fiscal year ended March 31, 2026, the Company held the Audit & Supervisory Board meeting 6 times before the transition to a company with an Audit & Supervisory Committee. After the transition, the Company held the Audit & Supervisory Committee meeting 14 times by the end of the fiscal year. The attendance of individual Audit & Supervisory Board members and Audit & Supervisory Committee members is as follows.

Before transition to a company with an Audit & Supervisory Committee

From April 1, 2025 to the close of the 23rd Ordinary General Meeting of Shareholders (June 25, 2025)

Position	Name	Number of meetings of the Audit & Supervisory Board held	Number of meetings of the Audit & Supervisory Board attended
Audit & Supervisory Board Member (full-time)	Nobuya Hara	6	6
	Nakaba Akimoto	6	6
Audit & Supervisory Board Member	Isao Saiki	6	6
	Tsuyoshi Numagami	6	6
	Takuya Shimamura	6	6

After transition to a company with an Audit & Supervisory Committee

From the close of the 23rd Ordinary General Meeting of Shareholders (June 25, 2025) to March 31, 2026

Position	Name	Number of meetings of the Audit & Supervisory Committee held	Number of meetings of the Audit & Supervisory Committee attended
Audit & Supervisory Committee Member (full-time)	Nobuya Hara	14	14
	Nakaba Akimoto	14	14
Audit & Supervisory Committee Member	Tsuyoshi Numagami	14	14
	Yoshihisa Suzuki	14	14
	Naoto Nakamura	14	14

Key matters to be discussed by the Audit & Supervisory Board and the Audit & Supervisory Committee include audit policies and audit plans, the development and operation of internal control systems, the appropriateness of the method and results of audits by the accounting auditor (including key audit matters stated in the Independent Auditor's Report of the accounting auditor), matters concerning the appointment, dismissal, and non-reappointment of the accounting auditor, consent on compensation for the accounting auditor, the evaluation of the effectiveness of the Audit & Supervisory Board and the Audit & Supervisory Committee, and the preparation of the audit report. The Audit & Supervisory Committee also forms its opinions regarding the appointment, dismissal, and remuneration of directors.

(ii) Internal audits

As of the filing date

Internal audit organizations of the Group have been established at the Company (six members), its principal operating companies (26 members) and key Group companies, and conduct the audit of business operations of each company. The internal auditing departments of the Company and Group companies mutually share information to enhance the overall internal auditing structure within the Group. In addition, in order to ensure the effectiveness of internal audits, the results of internal audits are reported to the Board of Directors and the Audit & Supervisory Committee.

The internal audit departments, Audit & Supervisory Committee members, and the accounting auditor exchange information any time when necessary, including periodical meetings for reports on audit plans, audit results, among other matters, to promote mutual cooperation.

As for the relationships between these audits and the internal control departments, the internal control departments endeavor to adequately provide necessary information to the internal auditing departments, Audit & Supervisory Committee members, and the accounting auditor on a routine basis.

The internal auditing departments work to reinforce control by the internal control departments by, for example, reporting matters requiring improvement identified as a result of audits at the JFE Group Sustainability Council to ensure that such matters are fully communicated and informed across the Group.

The Audit & Supervisory Committee members report their audit results to the president to exchange opinions, and also communicate the results to the internal control departments to ask for improvements if necessary.

The accounting auditor works to exchange audit results and other information and reinforce control by the internal control departments by, for example, periodically exchanging opinions with the senior management including the president.

(iii) Audits by accounting auditor

a. Designation of the audit firm

Ernst & Young ShinNihon LLC

b. Continuous audit period

Since 2002

c. Certified public accountants who executed accounting audit

Names of the CPAs who executed accounting audit	Name of the audit firm the CPAs belong to
Shin Ichinose, Designated and Engagement Partner	Ernst & Young ShinNihon LLC
Tetsuya Yoshida, Designated and Engagement Partner	Ernst & Young ShinNihon LLC
Keiichi Wakimoto, Designated and Engagement Partner	Ernst & Young ShinNihon LLC
Taichi Fujio, Designated and Engagement Partner	Ernst & Young ShinNihon LLC

Notes: 1. The number of continuous years of service is omitted because the number for each of the above persons is not more than seven years.
2. The composition of assistants in the accounting audit is determined in accordance with the selection standards of the audit firm and specifically, they are composed of certified public accountants and other assistants as major members, in addition to the system professionals.

d. Policy and reasons for the selection of the audit firm

The selection policy is to confirm if the audit firm has no issues with the following points.

(a) If the accounting auditor falls under any of the circumstances that constitute a reason for dismissal

(b) Appropriateness of the method and results of the audit by the accounting auditor

(c) Quality control system of the accounting auditor

(d) Level of audit fees

Note: Policy on decisions of dismissal or non-reappointment of the accounting auditor

At JFE Holdings, Inc., the Audit & Supervisory Committee shall, upon consent of all the Audit & Supervisory Committee members, dismiss the accounting auditor after reviewing a case if it determines a circumstance falling under any of the items set forth in Article 340, paragraph 1 of the Companies Act to have occurred. In case any similar circumstance occurs, or if the Audit & Supervisory Committee judges it necessary to do so, the Audit & Supervisory Committee shall determine the content of a proposal for the dismissal or non-reappointment of the accounting auditor and submit this proposal to the General Meeting of Shareholders.

As a result of the evaluation of Ernst & Young ShinNihon LLC in accordance with the above policy, the Audit & Supervisory Board judged that the audit firm has fulfilled its responsibilities as the Company's accounting auditor. Accordingly, the Company has decided to reappoint the audit firm as the accounting auditor of JFE Holdings, Inc. for the 24th fiscal year.

e. Evaluation of the audit firm by the Audit & Supervisory Committee

The Company's Audit & Supervisory Committee performs the aforementioned evaluation for Ernst & Young ShinNihon LLC. The Audit & Supervisory Committee evaluated the accounting auditor to confirm if, among other factors, the execution of duties, auditing system, and level of audit fees of the accounting auditor were appropriate primarily through hearing reports from the accounting auditor, witnessing the accounting audit, and exchanging opinions with management executive departments. As a result, the Audit & Supervisory Board members and the Audit & Supervisory Board confirmed that the method and results of the audit by the accounting auditor were appropriate, and there were no issues with the quality control system and the level of audit fees for the audit by the accounting auditor. Accordingly, the audit firm was evaluated to have fulfilled its responsibilities as the Company's accounting auditor.

(iv) Details of audit fees, etc.

a. Compensation paid to auditing certified public accountants, etc.

Category	Previous fiscal year		Current fiscal year	
	Audit fees (thousand yen)	Non-audit fees (thousand yen)	Audit fees (thousand yen)	Non-audit fees (thousand yen)
Reporting company	26,059	1,000	23,048	12,600
Consolidated subsidiaries	467,471	19,001	468,302	19,256
Total	493,530	20,001	491,350	31,856

Non-audit services

(Previous fiscal year)

Non-audit services provided to the Company and its consolidated subsidiaries include agreed procedures.

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(Current fiscal year)

Non-audit services provided to the Company and its consolidated subsidiaries include agreed procedures.

b. Compensation to be paid by the Company and its consolidated subsidiaries to audit firms (excluding Ernst & Young ShinNihon LLC) belonging to the Ernst & Young network

Category	Previous fiscal year		Current fiscal year	
	Audit fees (thousand yen)	Non-audit fees (thousand yen)	Audit fees (thousand yen)	Non-audit fees (thousand yen)
Reporting company	–	–	–	–
Consolidated subsidiaries	266,438	144,942	311,223	161,983
Total	266,438	144,942	311,223	161,983

Non-audit services

(Previous fiscal year)

Non-audit services provided to the Company and its consolidated subsidiaries include documentation concerning the transfer pricing taxation.

(Current fiscal year)

Non-audit services provided to the Company and its consolidated subsidiaries include documentation concerning the transfer pricing taxation.

c. Policy for deciding audit fees

The amount of audit fees is determined considering the size and characteristics of the audited company, the number of days required for the audit and other factors in consultation with the audit firm.

d. Reasons for the Audit & Supervisory Board’s consent to compensation to be paid to the accounting auditor

The Audit & Supervisory Board, prior to the transition to the Audit & Supervisory Committee, examined the appropriateness of the audit performance for the previous fiscal year, the content of the audit plan for the current fiscal year and the adequacy of the amount of compensation for the accounting auditor, and, as a result, agreed upon the amount of compensation to be paid to the accounting auditor.

(4) Remuneration for directors and other officers

(i) Total amount, total amount by type, and number of recipients for each position

Category	Total amount (thousands of yen)	Total amount by type (thousands of yen)				Number of eligible Directors and Audit & Supervisory Board Members
		Basic remuneration	Bonus	Stock remuneration		
				Performance-linked portion	Service-length portion	
Director (excluding Directors who are Audit & Supervisory Committee members or outside directors)	260,840	217,415	19,680	11,553	12,191	6
Director who is an Audit & Supervisory Committee member (excluding Outside Directors)	58,680	58,680	–	–	–	2
Auditor(excluding Outside Directors)	19,655	19,655	-			2
Outside director and other officers	111,687	111,687	–	–	–	8

Notes:

1. The Company transitioned to a company with an Audit & Supervisory Committee at the close of the Ordinary General Meeting of Shareholders held on June 25, 2025. Remuneration for Audit & Supervisory Board Members relates to the period before the transition, and remuneration for Directors who are Audit & Supervisory Committee Members relates to the period after the transition.
2. The above external officers include one external director (excluding those who are Audit and Supervisory Committee members) and one external auditor who retired during the current financial year.
3. The Company has established a bonus and a performance-linked portion of stock remuneration as performance-linked remuneration for directors, and the total amount of performance-linked remuneration for the fiscal year ended March 31, 2026 was 31,233 thousand yen.
4. The above-stated stock remuneration is intended only for directors (excluding Directors who are Audit & Supervisory Committee Members and outside directors) and the entire amount is non-monetary remuneration, etc. The total amount of non-monetary remuneration, etc. expensed as stock remuneration for the fiscal year ended March 31, 2026 was 23,744 thousand yen.

(ii) Total amount of consolidated remuneration for officers whose total consolidated remuneration was 100 million yen or more

Name	Total amount (thousand yen)	Position	Company category	Total amount by type (thousands of yen)			
				Basic remuneration	Bonus	Stock remuneration	
						Performance-linked portion	Service-length portion
Yoshihisa Kitano	149,204	Director	JFE Holdings, Inc.	120,047	12,450	7,998	8,708
Masayuki Hirose	133,599	Director	JFE Holdings, Inc.	12,000	—	—	—
		Director	JFE Steel Corporation	104,893	—	7,998	8,708

(iii) Content of and determination method for the policy for determining remuneration amounts for directors and other officers or the methods for calculating thereof

a. Policy for determining remuneration for directors and other officers

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 partially amended by resolution of the Board of Directors on June 25, 2025, 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 June 25, 2025, 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 for Directors (excluding directors who are Audit & Supervisory Committee members; the same applies hereinafter) and Corporate Officers based on deliberations regarding its appropriateness by the Remuneration Committee to ensure fairness, objectiveness and transparency.

・The remuneration levels 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 the same industry or of the same scale.

・The ratios 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(excluding directors who are Audit & Supervisory Committee members; the same applies hereinafter) 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 (measured 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 (hereinafter referred to as the "Company's Shares") 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 = 50% : 25% : 25%."

However, the Company only pays basic remuneration to outside directors and directors who are Audit & Supervisory Committee 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.

b. Method of determining remuneration for directors and other officers

By resolution of the 23rd Ordinary General Meeting of Shareholders held on June 25, 2025 (the "General Meeting"), the Company decided to set the annual limit of remuneration for directors (excluding directors who are Audit & Supervisory Committee members) 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).

The limit for stock remuneration plan for directors (excluding directors who are Audit & Supervisory Committee members and outside directors) was also resolved at the General Meeting, separately from the aforementioned annual limit. The limit of cash to be contributed to the trust by the Company is 1.8 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 2.9 million shares per fiscal year multiplied by the number of fiscal years during the covered period (including 0.32 million shares per fiscal year multiplied by the number of fiscal years during the covered period for the Company's directors). The number of directors applicable to this resolution is two.

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

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

<Basic remuneration>

The amount of basic remuneration for each director (excluding the directors who are Audit & Supervisory Committee members) 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 and Decision Policy set forth in a. above.

The amount of basic remuneration for each Audit & Supervisory Committee member shall be determined by deliberation of the Audit & Supervisory Committee members within the limit of remuneration.

<Annual bonus>

Annual bonuses for FY2025 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); 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 "Address Climate Change Issues"); and the portion that takes the indicator related to employee engagement as the performance-linked indicator (calculated based on the degree of achievement of KPIs related to "Improve Work Engagement" under "Promote Human Capital Management"). Annual bonuses are calculated by multiplying the level of achievement of each indicator by the standard amount determined for each position. When the level of achievement for all indicators is 100%, the annual bonus will be weighted as follows: Financial Performance: Safety Indicator: Climate Change Indicator: Employee Engagement Indicator = 8:1:1:1.

The Company selected total segment profit as a performance-linked indicator as it believes that it is important to steadily implement each measure to achieve the profitability target of 365 billion yen per year in total in terms of segment profit which was set for the Eighth Medium-term Business Plan. The result for the fiscal year ended March 31, 2026 was a segment profit of 110.5 billion yen.

The indicator related to employee safety is defined as a KPI for the material issues of corporate management 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 this indicator 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 company-wide achievement of this indicator at operating companies in the relevant fiscal year was 120% at JFE Steel Corporation, 43% at JFE Engineering Corporation, and 0% 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, and it was 54% in the relevant fiscal year.

The indicator related to climate change is determined as a KPI for material issues of corporate management 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 company-wide achievement of this indicator at operating companies in the relevant fiscal year was 120% for JFE Steel Corporation, 100% for JFE Engineering Corporation, and

100% for JFE Shoji Corporation. The Company calculates this indicator based on the level of achievement at each operating company, and it was 114% in the relevant fiscal year.

The indicator related to employee engagement is determined as a KPI for material issues of corporate management for the Company and its operating companies, and was selected based on the importance of enabling the Group's human resources, the driving force behind corporate growth, to make maximum use of their abilities and gain greater engagement. The level of company-wide achievement of this indicator at operating companies in the relevant fiscal year was 80% for JFE Steel Corporation, 110% for JFE Engineering Corporation, and 90% for JFE Shoji Corporation. The Company calculates this indicator based on the level of achievement at each operating company, and it was 93% in the relevant fiscal year.

Among the performance-linked indicators for annual bonuses from FY2026 onward, the financial indicator will be based on the same policy as in FY2025. The Company selected total segment profit as the performance-linked indicator and has maintained a target figure of 365 billion yen. The Company again selected non-financial indicators related to employee safety, climate change, and employee engagement as the performance-linked indicators similarly to FY2025, with the aims of achieving zero workplace fatalities defined as a KPI, 100% or more for items related to lost-work injuries rate, 100% or more for some items selected from "Address Climate Change Issues," and 100% or more for items related to "Improve Work Engagement" under "Promote Human Capital Management."

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 amount of bonus for each director (excluding directors who are Audit & Supervisory Committee members and 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 indicators for the relevant fiscal year. If the financial results fail to meet criteria set forth by 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 and Decision Policy set forth in a. 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 if a resolution for dismissal from the position of director or corporate officer has been adopted, 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 resolution of the Board of Directors if they have committed certain illegal acts.

<Stock remuneration>

The stock remuneration plan is a remuneration plan whereby the Company's shares and an amount of cash equivalent to the market price of the Company's shares (hereinafter referred to as the "Company's Shares") are provided to directors of the Company (excluding directors who are Audit & Supervisory Committee members and outside directors), directors (limited to executive directors) of its operating companies, 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 and other relevant criteria under the Medium-term Business Plan of the Group.

(a) 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."

i. Directors of the Company (excluding directors who are Audit & Supervisory Committee members and outside directors) and directors (limited to executive directors) of its operating companies

ii. Corporate officers of the Company and its operating companies not concurrently serving as directors excluding non-residents of Japan under the Income Tax Act (the "Corporate Officers").

(b) Structure of the Plan and granting of points

i. Structure of the Plan

Remuneration under the Plan is composed of the following.

(i) Performance-linked portion

The performance-linked portion is provided 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 ii. of (b).

(ii) Service-length portion

The service-length portion shall be provided 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 ii. of (b).

The Company believes it is important to further encourage the sharing of value between the Group's Directors/Officers and shareholders and raise awareness regarding their contributions to increasing corporate value over the medium to long term. It has therefore selected the ROE target (10% or more) and the relative TSR target (1 or more) established under the Eighth Medium-term Business Plan as performance indicators to form the basis for calculating the performance-linked portion of stock remuneration. The ROE for the current financial year was 2.7%, while the relative TSR was 0.84.

ii. Execution period of duties

Remuneration under the Plan is provided to the Group's Directors/Officers as consideration for their execution period of duties, provided the Group's Directors/Officers have been in office for at least a month during the period specified as follows (the "Execution Period"):

(i) 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

(ii) Others: From April 1 of the respective year to March 31 of the following year

iii. Points

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

iv. Calculation method of points

(i) Performance-linked portion

Base points according to each position (Table 1) × {(achievement level of ROE target (Graph 1)×70%) + (achievement level of relative TSR target (Graph 2) × 30%)}

The performance-linked portion shall not be paid to directors, etc. at an operating company in the case that the relevant operating company records a segment loss in the relevant fiscal year.

(ii) Service-length portion

Base points according to each position (Table 2) × Adjustment rate according to service length (Table 3)

Notes: 1. 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.

2. When calculating points to be granted for each Execution Period, fractions shall not be rounded during the calculation process. If the calculated number of points contains a fraction of less than one point, it shall be rounded down.

(Table 1) Base points according to each position in the performance-linked portion (the "Performance-linked Points")

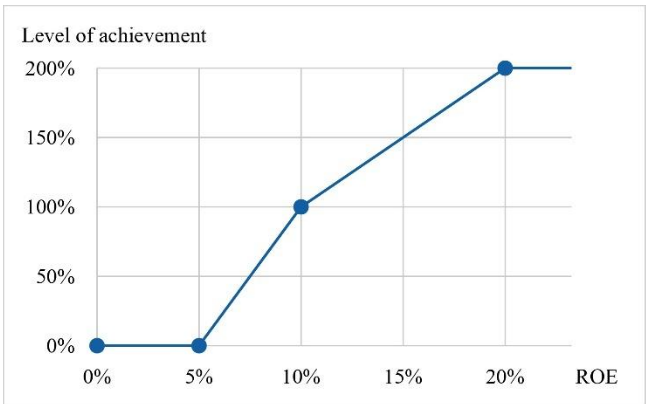
Position	JFE Holdings, Inc.	JFE Steel Corporation	JFE Engineering Corporation	JFE Shoji Corporation
Director and President	18,000	18,000	9,000	9,000
Director and Executive Vice President/Executive Vice President	8,000	8,000	4,500	4,500
Director and Senior Vice President	5,000	5,000	2,500	2,500
Senior Vice President	3,500	3,500	2,000	2,000
Vice President	2,000	2,000	1,000	1,000

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.

(Graph 1) Achievement level of ROE target

The calculation is as follows, with X representing ROE (%) for the relevant fiscal year and Y representing the achievement level against the ROE target (the achievement level is 100% when ROE is 10%):

$Y=200$ ($20 \leqq X$), $Y=10X$ ($10 \leqq X < 20$), $Y=20X - 100$ ($5 \leqq X < 10$), $Y=0$ ($X < 5$)

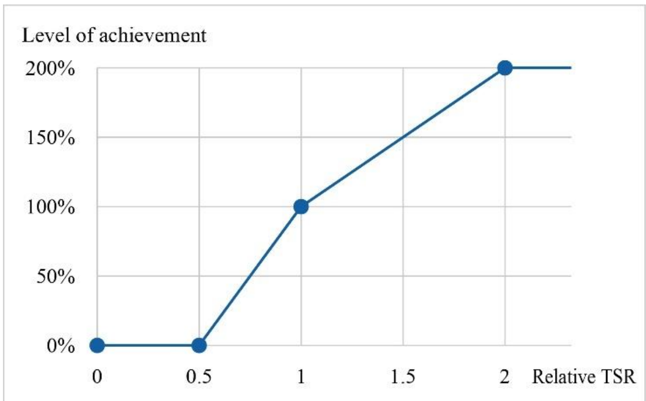


(Graph 2) Achievement level of relative TSR target

"Relative TSR" is defined as the relative level of total shareholder return (TSR) calculated by comparing the Company's TSR with the TSR of the TOPIX stock index including dividends. It is equal to the Company's TSR (over five years: calculated using the formula provided in the Cabinet Office Order on Disclosure of Corporate Affairs) divided by the TSR of the TOPIX stock index including dividends (calculated in the same way).

The calculation is as follows, with X representing relative TSR for the relevant fiscal year and Y representing the achievement level against the relative TSR target (the achievement level is 100% when relative TSR is 1):

$Y=200$ ($2 \leqq X$), $Y=100X$ ($1 \leqq X < 2$), $Y=200X - 100$ ($0.5 \leqq X < 1$), $Y=0$ ($X < 0.5$)



(Table 2) Base points according to each position in the service-length portion (the "Service-length Points")

Position	JFE Holdings, Inc.	JFE Steel Corporation	JFE Engineering Corporation	JFE Shoji Corporation
Director and President	4,000	4,000	2,000	2,000
Director and Executive Vice President/Executive Vice President	1,600	1,600	1,000	1,000
Director and Senior Vice President	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 3) Adjustment rate according to service length

Length of the term in office during the Execution Period	Adjustment rate
Entire Execution Period	100%
Other than the above	(The number of months of the term in office ÷ 12) × 100%

The limit of the number of shares (points) to be granted according to each position for the respective fiscal year is as follows.

Position	JFE Holdings, Inc.	JFE Steel Corporation	JFE Engineering Corporation	JFE Shoji Corporation
Director and President	40,000	40,000	20,000	20,000
Director and Executive Vice President/Executive Vice President	17,600	17,600	10,000	10,000
Director and Senior Vice President	11,200	11,200	5,600	5,600
Senior Vice President	8,200	8,200	4,600	4,600
Vice President	4,900	4,900	2,500	2,500

Note: The above-stated limit of the number of shares to be granted includes the number of shares to be converted and provided in cash upon retirement.

v. Changes during the Execution Period

- With regard to iv. above, if there are changes in the positions during the Execution Period, the number of months shall be divided according to each of the positions.
- When calculating the number of months in office, a month in which any of the Group's Directors/Officers has been in office for at least 16 days shall be rounded up to one month. If a director of the Company assumes the position of director at the date of the Ordinary General Meeting of Shareholders, the month that includes the date of the assumption of such position shall be discarded. On the other hand, if a director of the Company retires from director at the date of the Ordinary General Meeting of Shareholders, the month that includes the retirement date shall be rounded up to one month.
- 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.

vi. Date of granting points

For points to be granted 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).

vii. 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.

viii. Granting of points in case of death of the Group's Directors/Officers

・Notwithstanding vi. above, if any of the Group's Directors/Officers dies during the Execution Period, the date of granting points for the Execution Period shall be the date of his/her death.

・Performance-linked Points for the Execution Period that includes the date of death shall not be granted, whereas Service-length Points for such Execution Period shall be granted in accordance with iv. and v. above.

(c) Time of provision and date of vesting

i. Time of provision

When the Group's Directors/Officers retire, in principle

ii. Date of vesting

・The number of shares and the amount of cash to be provided 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 the Execution Period ends on the same day, the date of the Ordinary General Meeting of Shareholders) (including points granted on the date of such Ordinary General Meeting of Shareholders), and the vesting date shall be the same day.

・Notwithstanding the above, if any of the Group's Directors/Officers dies during the Execution Period, the amount of cash to be provided shall be calculated by the number of points accumulated up to the date of final granting of points, and the vesting date shall be the same date.

(d) Provision

i. The Company's Shares to be provided

The provision of the Company's Shares to the Group's Directors/Officers shall be prescribed in the respective items according to the cases listed in the following items.

(i) 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

The number of shares prescribed in a. and the amount of cash prescribed in b. below shall be provided. However, if the Company or any of the operating companies 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 or the operating company may provide the number of shares calculated by (ii) in place of a. and b.

a. Number of 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 provided calculated by (a)} × Market price of the Company's shares at the vesting date

(ii) If any of the Group's Directors/Officers retires due to other reasons (excluding the case of death)

The number of shares 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.

ii. Provision to the bereaved

Notwithstanding i. above, if any of the Group's Directors/Officers dies, the amount of cash calculated by the following formula shall be provided to his/her bereaved family.

(Formula)

Amount of cash to be provided to the bereaved = Number of points accumulated up to the vesting date × Market price of the Company's shares at the vesting date

Note: The market price of the Company's shares under the Plan shall be the closing price on the vesting date at a main financial instruments exchange where listed, and if the closing price is not announced on the relevant date, it shall be calculated retroactively back to the latest date when the closing price is available.

(e) Exceptional cases that provision shall not be made and refunds be requested

i. 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 the operating companies.

(i) Case where the General Meeting of Shareholders resolved to dismiss a director, or the Board of Directors resolved to dismiss a corporate officer

(ii) 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

ii. Cases where refunds are requested

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

c. Activities of the Board of Directors, etc. during the process of determining the amount of remuneration, etc. for directors and other officers of the Company in the current fiscal year

・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 five times in the fiscal year ended March 31, 2026.

・Based on the reports from the Remuneration Committee, the Board of Directors resolved the amount of basic remuneration for each director at the Board of Directors meeting held after the close of the 23rd Ordinary General Meeting of Shareholders that took place on June 25, 2025.

(5) Shareholdings

(i) Standards for and views on classification of investment shares

The Company classifies investment shares into investment shares held for pure investment and investment shares held for purposes other than pure investment as follows.

・Investment shares held for pure investment

Shares held for the purpose of generating capital gains through changes in share prices or income through dividends from the shares.

・Investment shares held for purposes other than pure investment

Shares of companies deemed necessary for maintaining and growing the Group's businesses

(ii) Investment shares held for purposes other than pure investment

a. Shareholding policy, method of verification of holding rationale, and details of verification by the Board of Directors of the appropriateness of shareholdings in individual stocks

The Company is mainly engaged in corporate management of subsidiaries. All the shares held by the Company are shares of subsidiaries and associates, and the Company does not hold any other shares held for pure investment or for purposes other than pure investment.

The Company's operating companies, including JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation, do not hold listed equities as strategic shareholdings, in principle. However, strategic shareholdings are allowed as an exception when they are deemed necessary for maintaining and growing the Group's businesses.

For the shares of domestic and overseas listed companies held by operating companies, the boards of directors of the Company and respective operating companies 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.

In FY2025, the Company sold all or part of 5 stocks for 2.4 billion yen (on a market price basis). Furthermore, the Board of Directors, at a meeting held in August 2025, examined the significance of its strategic shareholdings and the return on investment from the above perspective.

b. Number of stocks and total balance sheet amount

Such information about JFE Steel Corporation, which has the largest balance sheet amount of investment shares (largest holding company) among the Company and its consolidated subsidiaries, is as follows.

	Number of stocks	Total balance sheet amount (million yen)
Unlisted shares	93	44,628
Shares other than unlisted shares	14	26,400

Stocks whose shares held by the company increased during the current fiscal year

	Number of stocks	Total acquisition cost for increased shares (million yen)	Reason for increase in number of shares
Unlisted shares	1	35	To strengthen business relationship
Shares other than unlisted shares	–	–	–

Stocks whose shares held by the company decreased during the current fiscal year

	Number of stocks	Total sale amount for decreased shares (million yen)
Unlisted shares	4	916
Shares other than unlisted shares	2	264

Such information about JFE Engineering Corporation, which has the second largest balance sheet amount of investment shares after the largest holding company among the Company and its consolidated subsidiaries, is as follows.

	Number of stocks	Total balance sheet amount (million yen)
Unlisted shares	43	2,109
Shares other than unlisted shares	6	25,562

Stocks whose shares held by the company increased during the current fiscal year

	Number of stocks	Total acquisition cost for increased shares (million yen)	Reason for increase in number of shares
Unlisted shares	1	20	To ensure smooth business operations
Shares other than unlisted shares	–	–	–

Stocks whose shares held by the company decreased during the current fiscal year

	Number of stocks	Total sale amount for decreased shares (million yen)
Unlisted shares	2	39
Shares other than unlisted shares	1	1,941

c. Information on the numbers and balance sheet amounts of specified investment shares and deemed holding shares by stock

Such information about JFE Steel Corporation, which has the largest balance sheet amount of investment shares (largest holding company) among the Company and its consolidated subsidiaries, is as follows.

Specified investment shares

Stocks	Current fiscal year	Previous fiscal year	Purpose of holding, outlines of business alliance, etc., quantitative effect of shareholding, and reason for increase in number of shares	Reciprocal shareholdings[*1]
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet amount (million yen)	Balance sheet amount (million yen)		
Mizuho Financial Group, Inc.	1,505,831	1,505,831	・ Shares of the issuer are held to facilitate smooth financial transactions, centered on fundraising, with the issuer.	Yes[*2]
	9,165	6,100		
Mitsubishi UFJ Financial Group, Inc.	1,993,590	1,993,590	・ Shares of the issuer are held to facilitate smooth financial transactions, centered on fundraising, with the issuer.	Yes[*2]
	5,183	4,009		
YODOKO, Ltd.	2,936,885	587,377	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer. The number of the issuer’s shares held by JFE Steel Corporation increased as a result of a 5-for-1 share split of common stock of the issuer conducted during the fiscal year ended March 31, 2026.	Yes
	4,088	3,271		
Ton Yi Industrial Corporation	27,081,764	27,081,764	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	No
	2,459	2,082		
Sumitomo Mitsui Financial Group, Inc.	220,281	220,281	・ Shares of the issuer are held to facilitate smooth financial transactions, centered on fundraising, with the issuer.	Yes[*2]
	1,102	835		

Stocks	Current fiscal year Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of holding, outlines of business alliance, etc., quantitative effect of shareholding, and reason for increase in number of shares	Reciprocal shareholdings*1
TYK CORPORATION	1,865,029	1,865,029	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the purchase of various refractories, with the issuer.	Yes
	1,029	904		
International Steels Limited	20,626,500	20,626,500	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	No
	840	869		
Yorozu Corporation	843,000	843,000	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	Yes
	763	851		
MIYAJI ENGINEERING GROUP, INC.	360,000	360,000	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel plates, with the issuer.	No
	621	642		
TS TECH CO., LTD.	302,000	302,000	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	No
	535	507		
PT. Steel Pipe Industry Indonesia, Tbk.	106,646,860	106,646,860	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	No
	463	254		
ASAGAMI CORPORATION	10,000	10,000	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the outsourcing of coast cargo handling of steelworks, with the issuer.	Yes
	85	59		
Mycron Steel Berhad	5,370,000	5,370,000	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	No
	53	51		
KG Steel Co., Ltd.	17,085	17,085	・ Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer.	No
	9	10		
ASIA PILE HOLDINGS CORPORATION	–	200,000	・ Although shares of the issuer had been held to facilitate smooth steel-related transactions, centered on the sale of steel pipes, with the issuer, all the issuer's shares held by JFE Steel Corporation were sold during the fiscal year ended March 31, 2026.	No
	–	184		
Usinas Siderúrgicas de Minas Gerais S.A.	–	46,200	・ Although shares of the issuer had been held to facilitate smooth steel-related transactions with the issuer, all the issuer's shares held by JFE Steel Corporation were sold during the fiscal year ended March 31, 2026.	No
	–	6		

Deemed holding shares

Stocks	Current fiscal year Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of holding, outlines of business alliance, etc., quantitative effect of shareholding, and reason for increase in number of shares	Reciprocal shareholdings*1
MARUICHI STEEL TUBE LTD.	9,009,000 12,806	3,003,000 9,993	• Shares of the issuer are held to facilitate smooth steel-related transactions, centered on the sale of steel sheets, with the issuer, as well as to contribute to the issuer's retirement benefit trust, thereby holding the authority to give instructions on the exercise of voting rights. The number of the issuer's shares held by JFE Steel Corporation increased as a result of a 3-for-1 share split of common stock of the issuer conducted during the fiscal year ended March 31, 2026.	Yes

Notes: 1. As the aggregated number of stocks of specified investment shares and deemed holding shares is less than 60, information on all the stocks is provided.
2. "–" shows that JFE Steel Corporation does not hold the stock concerned.
3. Information on the quantitative effect of shareholding is not disclosed because such information is deemed to be a trade secret with the business partner.
4. The details of the method of verification of holding rationale are described in "(ii) Investment shares held for purposes other than pure investment, a. Shareholding policy, method of verification of holding rationale, and details of verification by the Board of Directors of the appropriateness of shareholdings in individual stocks."
5. *1 "Reciprocal shareholdings" show whether or not the issuer holds the shares of the reporting company JFE Holdings, Inc. Such information is disclosed to the extent that we can confirm by such means as checking the shareholder registry of JFE Holdings, Inc.
6. *2 We confirmed whether any major consolidated subsidiary of the issuer holds the shares of JFE Holdings, Inc.

Such information about JFE Engineering Corporation, which has the second largest balance sheet amount of investment shares after the largest holding company among the Company and its consolidated subsidiaries, is as follows.

Specified investment shares

Stocks	Current fiscal year Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of holding, outlines of business alliance, etc., quantitative effect of shareholding, and reason for increase in number of shares	Reciprocal shareholdings*
Japan Petroleum Exploration Co., Ltd.	4,620,060 12,049	4,620,060 5,373	• Shares of the issuer are held primarily to facilitate smooth energy-related business with the issuer.	No
Osaka Gas Co., Ltd.	1,018,547 6,499	1,018,547 3,445	• Shares of the issuer are held primarily to facilitate smooth energy-related business with the issuer.	Yes
erex Co., Ltd.	4,391,400 4,246	4,391,400 3,535	• Shares of the issuer are held to facilitate smooth renewable energy-related business with the issuer.	No
Toho Gas Co., Ltd.	450,869 2,270	450,869 1,864	• Shares of the issuer are held primarily to facilitate smooth energy-related business with the issuer.	Yes
Saibu Gas Co., Ltd.	160,493 408	160,493 274	• Shares of the issuer are held primarily to facilitate smooth energy-related business with the issuer.	No
Hokuriku Electric Power Company	82,580 88	82,580 68	• Shares of the issuer are held primarily to facilitate smooth energy-related business with the issuer.	No

Stocks	Current fiscal year Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of holding, outlines of business alliance, etc., quantitative effect of shareholding, and reason for increase in number of shares	Reciprocal shareholdings*
BINH DUONG WATER - ENVIRONMENT JOINT STOCK COMPANY	–	8,279,592	・ Although shares of the issuer had been held to facilitate smooth environment-related business in Asia with the issuer, all the issuer's shares held by JFE Engineering Corporation were sold during the fiscal year ended March 31, 2026.	No
	–	2,088		

Deemed holding shares

Stocks	Current fiscal year Number of shares (shares) Balance sheet amount (million yen)	Previous fiscal year Number of shares (shares) Balance sheet amount (million yen)	Purpose of holding, outlines of business alliance, etc., quantitative effect of shareholding, and reason for increase in number of shares	Reciprocal shareholdings*
Japan Petroleum Exploration Co., Ltd.	1,000,000	1,000,000	・ Shares of the issuer are held primarily to facilitate smooth energy-related business with the issuer, as well as to contribute to the issuer's retirement benefit trust, thereby holding the authority to give instructions on the exercise of voting rights.	No
	2,608	1,163		

Notes: 1. As the aggregated number of stocks of specified investment shares and deemed holding shares is less than 10, information on all the stocks is provided.
2. "–" shows that JFE Engineering Corporation does not hold the stock concerned.
3. Information on the quantitative effect of shareholding is not disclosed because such information is deemed to be a trade secret with the business partner.
4. The details of the method of verification of holding rationale are described in "(ii) Investment shares held for purposes other than pure investment, a. Shareholding policy, method of verification of holding rationale, and details of verification by the Board of Directors of the appropriateness of shareholdings in individual stocks."
5. * "Reciprocal shareholdings" show whether or not the issuer holds the shares of the reporting company JFE Holdings, Inc. Such information is disclosed to the extent that we can confirm by such means as checking the shareholder registry of JFE Holdings, Inc.

(iii) Investment shares held for pure investment

There is no applicable item.

5. Employees, etc.

(1) Basic policy on human resources strategy

<Human capital strategy>

Recognizing that people are the driving force of corporate growth, the JFE Group is promoting a human resources strategy linked to its management strategies.

Under the JFE Group's Basic Policy on Human Resource Management and the JFE Group Health Declaration, it seeks to achieve its management strategies by maximizing employee abilities and vitality by actively investing in human capital. The human resources strategy of the Eighth Medium-term Business Plan stands on two pillars:

・Establishing a talent portfolio to realize management strategies

・Maximizing human resource talent

For each of these pillars, we identify material issues of corporate management and set KPIs to address them. By advancing our efforts under these two pillars, we will strive to foster a corporate culture that helps execute transformation and enhance corporate value, and create an environment where the Company and its employees grow together.

We position ensuring occupational health and safety as the foundation supporting these human capital initiatives. Ensuring employee well-being and safety is a basic corporate requirement, particularly for manufacturers, and is fundamental to the continued existence of any company. The JFE Group adheres to the philosophy of safety first and aims to establish a safe work environment to achieve zero accidents. Together with its Group companies and partner companies (including contractors), the Group is enhancing intrinsic safety through DX and effectively operating an occupational health and safety management system to create workplaces where everyone can work safely and in good health. In addition, it collaborates with its health insurance union and industrial health staff to maintain and strengthen employee health.

We plan to invest approximately 80 billion yen (total for operating companies) in these human resources during the period of the Eighth Medium-term Business Plan.

JFE Group's Basic Policy on Human Resource Management

1. Respect Human Rights and Facilitate Fair Management of Human Resources

The Group manages human resources fairly by respecting the human rights of all employees and nurturing employees who embrace the Group's corporate values and standards of business conduct.

2. Foster a Corporate Culture that Nurtures People and Promotes Satisfying Workplaces

The Group facilitates interactive communication among employees to cultivate a corporate culture that nurtures human resources and creates safe, attractive environments where everyone can enjoy working.

3. Diversify Human Resources

The Group ensures that diverse all people, including women, non-Japanese, the elderly and the disabled, can demonstrate their full potential.

4. Recruit and Steadily Nurture Excellent Human Resources

To survive in an increasingly complicated and diversified business environment, the Group steadily recruits diverse, high-quality skilled human resources, ensures that they receive the skills and knowledge necessary to continue strengthening the Group's technological capabilities, and nurtures their global capabilities.

JFE Group Health Declaration

1. JFE, recognizing that safety and health are fundamental for fulfilling its mission, creates workplaces in which every employee can work with vigor.

2. JFE and its health insurance union work together to advance initiatives for maintaining and upgrading the physical and mental health of employees and their families.

3. JFE gives top priority to safety and health and to creating a health culture in which each employee takes personal responsibility.

Details of the Group's human resources strategy, metrics and targets are described in "II. Business Operations and Performance, 2. Disclosure of Sustainability-related Financial Information."

<Policy for determining the amounts and details of salaries, bonuses, and other remuneration for employees of consolidated subsidiaries>

The JFE Group regards human capital as an important management foundation. Based on this shared philosophy, we focus on designing systems that enable employees to continue working with a sense of fulfillment and security, and strive to achieve competitive and attractive working conditions across our businesses. As a general policy, bonuses are linked to the business results and earnings of each company, so that employees are appropriately rewarded for their performance. Based on this philosophy, each company determines salaries, bonuses and other remuneration under its own authority and responsibility following good-faith consultations with labor unions and other relevant parties. In making these decisions, factors such as its business operations, job mix, labor market conditions, regional characteristics, and employment conditions are comprehensively taken into account.

(2) **Employees**

(i) Information about the Group

As of March 31, 2026

Segment	Number of employees (persons)
Steel business	41,654
Engineering business	11,170
Trading business	8,744
Corporate (common)	60
Total	61,628

Notes: 1. The number of employees represents the number of regular employees, which excludes the number of temporary employees.

2. The number of employees provided under "Corporate (common)" represents the number of employees of the Company.

(ii) Information about the reporting company

As of March 31, 2026

Number of employees (persons)	Average age (years old)	Average years of service (years)	Average annual salary (thousand yen)	Year-on-year change in average annual salary (%)
60	48.0	23.5	12,280	(2.9)

As of March 31, 2026

Note: 1. The number of employees represents the number of regular employees, which includes the number of persons seconded from other companies and excludes the numbers of persons seconded to other companies and temporary employees.

2. The number of persons seconded to other companies was one.

3. For persons seconded from JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation, the aggregated years of service at these companies were used to calculate their average years of service.

4. The average annual salary includes bonuses and extra wages.

(iii) Company with the largest number of employees and company with the second-largest number of employees

As of March 31, 2026

Company	Number of employees (persons)	Average age (years old)	Average years of service (years)	Average annual salary (thousand yen)	Year-on-year change in average annual salary (%)
JFE Steel Corporation	14,747 *1	40.1	17.3	7,783	(3.5)
JFE Engineering Corporation	3,833 *2	44.6	15.6	10,205	(1.9)

Notes: 1. The number of employees represents the number of regular employees, which includes the number of persons seconded from other companies and excludes the numbers of persons seconded to other companies and temporary employees.

2. The number of persons seconded to other companies was 1,270 (*1).

3. The number of persons seconded to other companies was 312 (*2).

4. The average annual salary includes bonuses and extra wages.

(iv) Labor union

There are no labor unions in the Company.

Employees of operating companies have organized unions called the Federation of JFE Steel Workers' Unions, JFE Engineering Labor Union, and JFE Shoji Labor Union.

There are no other special matters to be noted as to the relationships with the labor unions.

(v) Ratio of female managers, ratio of male employees taking childcare leave, and wage gap between male and female employees

Company name	Female managers (%)	Uptake of childcare leave by male employees (%)	Wage gap between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed-term employees	
Current fiscal year						
[Steel business]						
JFE Steel Corporation	2.4	98.2	83.0	83.2	73.6	
JFE Bars & Shapes Corporation	–	96.2	77.2	76.7	69.2	
JFE Chemical Corporation	–	100.0	75.9	75.4	82.5	
JFE Metal Products Corporation	–	107.7	75.3	75.5	75.4	
JFE Galvanizing & Coating Co., Ltd.	0.9	100.0	75.3	75.3	–	(*)
JFE Logistics Corporation	2.4	93.1	80.9	82.5	60.3	
JFE Container Co., Ltd.	–	100.0	79.4	84.1	35.9	
JFE Civil Engineering & Construction Corporation	–	78.2	65.4	65.3	50.6	
JFE Mineral & Alloy Company, Ltd.	4.0	100.0	75.2	81.4	46.6	
JFE LIFE CORPORATION	26.6	100.0	56.5	76.6	29.8	
JFE Plant Engineering Co., Ltd.	–	101.9	77.1	82.4	54.7	
JFE Systems, Inc.	9.8	96.4	84.5	84.8	67.9	
JFE Kozai Corporation	8.6	–	–	–	–	
JFE Welded Pipe Manufacturing Co., Ltd.	–	75.0	83.2	80.9	212.5	
JFE Advantech Co., Ltd.	1.0	100.0	51.3	72.5	75.1	
JFE Techno-Research Corporation	11.5	61.5	86.5	86.1	76.0	
JFE East Japan GS Co., Ltd.	6.9	50.0	51.0	89.2	60.3	
Daiwa Kohtai Co., Ltd.	–	–	77.6	86.8	66.3	
JFE ComService Co., Ltd.	12.0	100.0	–	–	–	
JFE LOGISTICS KEIHIN CORPORATION	–	66.6	78.3	75.9	88.6	
JFE Wing Corporation	–	100.0	76.1	80.9	51.8	
J-Logitec Co., Ltd.	–	116.7	86.5	85.6	–	(*)
JFE West Technology Corporation	–	100.0	74.1	73.7	86.3	
JFE West Japan GS Co., Ltd.	1.6	100.0	89.3	83.9	79.0	
JFE Galvanizing & Coating Integrated Service Co., Ltd.	–	–	70.6	73.6	57.9	
JFE SETOUCHI LOGISTICS CORPORATION	–	100.0	81.8	80.7	–	(*)
KURASHIKI UNYU Co., Ltd.	–	70.5	78.8	79.2	97.7	
JFE LOGISTICS CHUBU CORPORATION	3.4	–	–	–	–	
JFE Apple West Corporation	–	50.0	87.2	85.6	100.3	
[Engineering business]						
JFE Engineering Corporation	3.7	95.0	69.2	70.1	58.9	
J&T Recycling Corporation	5.1	93.7	77.8	80.2	58.0	
JFE Project One Co., Ltd.	4.5	107.1	79.2	78.3	85.5	

Current fiscal year						
Company name	Female managers (%)	Uptake of childcare leave by male employees (%)	Wage gap between male and female employees (%)			
			All employees	Regular employees	Part-time and fixed-term employees	
JFE Environment Technology Company, Ltd.	–	100.0	58.6	77.7	56.4	
Asukasoken Co., Ltd.	–	–	71.7	69.5	77.5	
JFE Technos Co., Ltd.	1.9	92.3	72.3	76.7	57.2	
Kinpai Co., Ltd.	2.7	100.0	73.9	73.1	77.2	
JFE Environmental Service Corporation	7.3	93.3	57.3	69.5	76.5	
JFE Business Support Yokohama Corporation	36.8	100.0	75.4	79.5	58.4	
[Trading business]						
JFE Shoji Corporation	10.5	96.6	70.9	70.7	79.5	
JFE Shoji Steel Construction Materials Corporation	7.5	100.0	66.3	66.0	61.8	
JFE Shoji Electrical Steel Co., Ltd.	5.3	100.0	–	–	–	
JFE Shoji Machinery & Materials Corporation	–	75.0	–	–	–	
Tohsen Ltd.	1.5	–	–	–	–	

Notes: 1. The ratio of female managers and the wage gap between male and female employees were calculated pursuant to the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The uptake of childcare leave by male employees was calculated as the ratio of workers taking childcare leave, etc. and leave for childcare purposes as prescribed in Article 71-6, item 2 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ordinance of the Ministry of Labor No. 25 of 1991), pursuant to the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).
For JFE ComService Co., Ltd. and JFE Apple West Corporation, the ratio was calculated pursuant to the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).

3. The figures disclosed by each company are according to different disclosure requirements applicable to each company based on the number of employees and other criteria. Accordingly, “–” indicates that the figure was not disclosed by the company.

4. The cell marked with * is shown as “–” because there were no applicable workers during the period.

The JFE Group is promoting DEI to create a workplace environment where diverse employees can demonstrate their full potential.

・The Group is faced with the key issue of raising the ratio of female managers. Our continuous effort to hire more women has so far led to a steady increase in the number of female employees. In recent years, we are working to further increase the ratio of managers through initiatives such as increasing mid-career hires who will become the future managers or manager candidates and implementing individual development plans with an eye to their positioning, providing trainings and mentoring programs, and revising the personnel system to do away with segmentation between job types.

・We are committed to increasing the uptake of childcare leave by male employees to create a workplace where employees can balance work and childcare. Our initiatives include providing managers with training to promote childcare leave, encouraging employees to take childcare leave through their supervisors, preparing guidance manuals for employees taking childcare leave, and sharing best practices through interviews with employees who have taken childcare leave in the company newsletter. At the three operating companies—JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation—the childcare leave uptake rate has been established as a key KPI in their human resources strategies. This KPI uses the ratio of employees taking childcare leave, etc. as prescribed in Article 71-6, item 1 of the “Ordinance for Enforcement of the Act on

Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Ordinance of the Ministry of Labor No. 25 of 1991), pursuant to the provisions of the "Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members" (Act No. 76 of 1991). Accordingly, the definition of the ratio differs from that used for the figures in the table above. Specific targets and results for this KPI are described in "II. Business Operations and Performance, 2. Disclosure of Sustainability-related Financial Information."

- As for the wage gap between male and female employees, each company has devised its own personnel evaluation system to ensure that the system is implemented and employees are promoted in a fair and equal way, regardless of gender. The gender wage gap was mainly caused by differences in the ratio of managers, working patterns (e.g., work in rotating shifts), the ratio of rehired employees among part-time and fixed-term employees between male and female.

V. Financial Information

1. Preparation Policy of the Consolidated Financial Statements

The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (hereinafter referred to as "IFRS") pursuant to the provisions of Article 312 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976; hereinafter referred to as the "Ordinance on Consolidated Financial Statements").

2. Audit Certification

In accordance with the provisions of Article 193-2, paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements of the Company for the fiscal year ended March 31, 2026 were audited by Ernst & Young ShinNihon LLC.

3. Particular Efforts to Secure the Appropriateness of Consolidated Financial Statements

The Company is making particular efforts to ensure the appropriateness of consolidated financial statements. Specifically, in order to establish a system for gaining proper understanding of the details and revisions of accounting standards and relevant guidance and responding accordingly, the Company has joined the Financial Accounting Standards Foundation and attends seminars and workshops held by the foundation.

4. Development of a System for Fair Preparation of Consolidated Financial Statements in Accordance with IFRS

In order to prepare appropriate consolidated financial statements under IFRS, the Company keeps up to date with the latest accounting standards and assesses their impact by obtaining press releases and standards issued by the International Accounting Standards Board as necessary. The Company has also formulated the Group Accounting Policies in compliance with IFRS and conducts its accounting based on those policies. In addition, the Company attends seminars and workshops held by the Financial Accounting Standards Foundation, audit firms, and other organizations, thereby accumulating expertise within the Company.

Consolidated Financial Statements

Consolidated Statement of Financial Position

(million yen)

	Notes	As of March 31, 2025	As of March 31, 2026
Assets			
Current assets			
Cash and cash equivalents	7, 21	172,841	167,807
Trade and other receivables	8, 21, 41	692,985	668,994
Contract assets	27	155,257	155,769
Inventories	9	1,228,540	1,188,142
Income taxes receivable		6,257	14,605
Other financial assets	10, 41	22,116	22,956
Other current assets	11	90,786	86,462
Total current assets		2,368,785	2,304,738
Non-current assets			
Property, plant and equipment	12, 21	1,964,041	2,039,974
Goodwill	13	33,999	31,348
Intangible assets	13	201,002	208,881
Right-of-use assets	14, 21	93,447	111,370
Investment property	15	54,126	53,317
Investments accounted for using equity method	6, 18, 21	636,972	816,153
Retirement benefit asset	24	27,432	35,794
Deferred tax assets	19	56,432	44,072
Other financial assets	10, 21, 41	190,524	225,997
Other non-current assets	11	20,873	23,590
Total non-current assets		3,278,851	3,590,500
Total assets	6	5,647,637	5,895,238

(million yen)

	Notes	As of March 31, 2025	As of March 31, 2026
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	20, 21, 41	595,954	571,142
Bonds payable, borrowings, and lease liabilities	21, 40, 41	395,415	443,307
Contract liabilities	27	47,591	38,964
Income taxes payable		29,849	15,096
Provisions	23	10,410	11,906
Other financial liabilities	22, 41	148,830	131,952
Other current liabilities	11	245,661	277,021
Total current liabilities		1,473,713	1,489,391
Non-current liabilities			
Bonds payable, borrowings, and lease liabilities	21, 40, 41	1,371,035	1,516,078
Retirement benefit liability	24	103,092	85,930
Provisions	23	29,355	23,185
Deferred tax liabilities	19	15,430	10,023
Other financial liabilities	22, 41	40,098	54,516
Other non-current liabilities	11	28,042	35,923
Total non-current liabilities		1,587,055	1,725,657
Total liabilities		3,060,768	3,215,048
Equity			
Share capital	25	171,310	171,310
Capital surplus	25	579,514	579,387
Retained earnings	25	1,607,951	1,646,021
Treasury shares	25	(13,736)	(12,608)
Other components of equity		184,539	235,423
Equity attributable to owners of parent		2,529,578	2,619,535
Non-controlling interests		57,289	60,654
Total equity		2,586,868	2,680,190
Total liabilities and equity		5,647,637	5,895,238

Consolidated Statement of Profit or Loss

(million yen)

	Notes	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	27	4,859,647	4,539,270
Cost of sales	12, 13, 29	(4,326,565)	(4,013,367)
Gross profit		533,081	525,903
Selling, general and administrative expenses	12, 13, 28, 29, 30	(409,375)	(431,062)
Share of profit of investments accounted for using equity method	6, 18	29,133	54,537
Other income	31	30,614	28,621
Other expenses	32	(48,115)	(42,614)
Business profit		135,339	135,385
Gain on sales of land	6	86,622	3,202
Cost for promoting and developing land utilization of Keihin district	6, 33	(14,607)	(12,176)
Impairment losses	6, 16	(25,194)	(8,743)
Cost for removal in connection with the construction of Green Transformation (GX) facilities	6, 34	–	(5,464)
Loss relating to loss of control over subsidiaries	6, 35	(13,129)	–
PCB disposal costs	6, 36	(3,962)	–
Operating profit		165,068	112,203
Finance income	6, 37	5,714	5,588
Finance costs	6, 37	(26,467)	(30,373)
Profit before tax		144,315	87,417
Income tax expense	19	(51,060)	(13,385)
Net profit		93,254	74,032
Profit attributable to:			
Owners of parent		91,867	70,165
Non-controlling interests		1,386	3,867
Net profit		93,254	74,032
Earnings per share			
Basic earnings per share (yen)	39	144.43	110.30
Diluted earnings per share (yen)	39	138.24	105.47

Consolidated Statement of Comprehensive Income

(million yen)

	Notes	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net profit		93,254	74,032
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	24, 38	6,899	21,580
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	38, 41	(6,570)	17,369
Share of other comprehensive income of investments accounted for using equity method	18, 38	11,729	(1,935)
Total of items that will not be reclassified to profit or loss		12,059	37,014
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	38	10,041	27,430
Effective portion of cash flow hedges	38	1,725	4,120
Share of other comprehensive income of investments accounted for using equity method	18, 38	20,615	12,372
Total of items that may be reclassified to profit or loss		32,382	43,922
Total other comprehensive income		44,442	80,937
Comprehensive income		137,696	154,969
Comprehensive income attributable to:			
Owners of parent		135,807	148,830
Non-controlling interests		1,888	6,139
Comprehensive income		137,696	154,969

Consolidated Statement of Changes in Equity

(million yen)

	Notes	Equity attributable to owners of parent						
						Other components of equity		
		Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2024		171,310	587,266	1,570,027	(14,938)	3,081	–	48,444
Net profit		–	–	91,867	–	–	–	–
Other comprehensive income		–	–	–	–	–	8,934	3,071
Comprehensive income		–	–	91,867	–	–	8,934	3,071
Purchase of treasury shares		–	–	–	(970)	–	–	–
Disposal of treasury shares		–	(924)	–	1,835	–	–	–
Dividends	26	–	–	(63,672)	–	–	–	–
Share-based payment transactions	30	–	(193)	–	336	–	–	–
Changes in scope of consolidation		–	–	–	–	–	–	–
Changes in ownership interest in subsidiaries		–	379	–	–	–	–	–
Put options granted to non-controlling interests	41	–	(7,014)	–	–	–	–	–
Transfer from other components of equity to retained earnings		–	–	9,728	–	–	(8,934)	(793)
Transfer to non-financial assets	41	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–
Total transactions with owners		–	(7,752)	(53,944)	1,201	–	(8,934)	(793)
Balance as of March 31, 2025		171,310	579,514	1,607,951	(13,736)	3,081	–	50,722

		Equity attributable to owners of parent					
		Other components of equity					
	Notes	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2024		96,035	2,900	150,461	2,464,128	74,392	2,538,521
Net profit		–	–	–	91,867	1,386	93,254
Other comprehensive income		27,581	4,352	43,939	43,939	502	44,442
Comprehensive income		27,581	4,352	43,939	135,807	1,888	137,696
Purchase of treasury shares		–	–	–	(970)	–	(970)
Disposal of treasury shares		–	–	–	911	–	911
Dividends	26	–	–	–	(63,672)	(1,207)	(64,880)
Share-based payment transactions	30	–	–	–	143	–	143
Changes in scope of consolidation		–	–	–	–	(18,741)	(18,741)
Changes in ownership interest in subsidiaries		–	–	–	379	(69)	309
Put options granted to non-controlling interests	41	–	–	–	(7,014)	–	(7,014)
Transfer from other components of equity to retained earnings		–	–	(9,728)	–	–	–
Transfer to non-financial assets	41	–	(133)	(133)	(133)	–	(133)
Other		–	–	–	–	1,027	1,027
Total transactions with owners		–	(133)	(9,862)	(70,356)	(18,991)	(89,348)
Balance as of March 31, 2025		123,616	7,118	184,539	2,529,578	57,289	2,586,868

(million yen)

	Notes	Equity attributable to owners of parent						
						Other components of equity		
		Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2025		171,310	579,514	1,607,951	(13,736)	3,081	–	50,722
Net profit		–	–	70,165	–	–	–	–
Other comprehensive income		–	–	–	–	–	22,232	13,412
Comprehensive income		–	–	70,165	–	–	22,232	13,412
Purchase of treasury shares		–	–	–	(655)	–	–	–
Disposal of treasury shares		–	(979)	–	1,589	–	–	–
Dividends	26	–	–	(57,334)	–	–	–	–
Share-based payment transactions	30	–	(18)	–	194	–	–	–
Changes in scope of consolidation		–	–	–	–	–	–	–
Changes in ownership interest in subsidiaries		–	870	–	–	–	–	–
Transfer from other components of equity to retained earnings		–	–	25,239	–	–	(22,232)	(3,006)
Transfer to non-financial assets	41	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–
Total transactions with owners		–	(126)	(32,094)	1,128	–	(22,232)	(3,006)
Balance as of March 31, 2026		171,310	579,387	1,646,021	(12,608)	3,081	–	61,128

	Notes	Equity attributable to owners of parent				Non-controlling interests	Total equity
		Other components of equity			Total		
		Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2025		123,616	7,118	184,539	2,529,578	57,289	2,586,868
Net profit		–	–	–	70,165	3,867	74,032
Other comprehensive income		30,960	12,059	78,665	78,665	2,271	80,937
Comprehensive income		30,960	12,059	78,665	148,830	6,139	154,969
Purchase of treasury shares		–	–	–	(655)	–	(655)
Disposal of treasury shares		–	–	–	609	–	609
Dividends	26	–	–	–	(57,334)	(1,834)	(59,168)
Share-based payment transactions	30	–	–	–	176	–	176
Changes in scope of consolidation		–	–	–	–	16	16
Changes in ownership interest in subsidiaries		–	–	–	870	(760)	110
Transfer from other components of equity to retained earnings		–	–	(25,239)	–	–	–
Transfer to non-financial assets	41	–	(2,541)	(2,541)	(2,541)	–	(2,541)
Other		–	–	–	–	(195)	(195)
Total transactions with owners		–	(2,541)	(27,780)	(58,874)	(2,774)	(61,648)
Balance as of March 31, 2026		154,577	16,636	235,423	2,619,535	60,654	2,680,190

Consolidated Statement of Cash Flow

(million yen)

	Notes	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities			
Profit before tax		144,315	87,417
Depreciation and amortization		257,638	274,292
Changes in allowance		1,684	(4,388)
Interest and dividend income		(9,312)	(9,619)
Interest expenses		24,064	28,125
Share of loss (profit) of investments accounted for using equity method		(29,133)	(54,537)
Changes in trade and other receivables		55,868	31,436
Changes in inventories		123,540	45,815
Changes in trade and other payables		(66,022)	(35,516)
Other		(80,270)	61,267
Subtotal		422,372	424,293
Interest and dividends received		28,019	30,359
Interest paid		(21,916)	(26,071)
Income taxes paid		(49,507)	(49,499)
Net cash provided by (used in) operating activities		378,968	379,081
Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets, and investment property		(279,417)	(321,720)
Proceeds from sale of property, plant and equipment, intangible assets, and investment property		91,406	4,777
Purchase of investments		(81,242)	(148,877)
Proceeds from sale of investments		3,464	15,339
Other	2	(17,390)	(2,302)
Net cash provided by (used in) investing activities		(283,179)	(452,784)

(million yen)

	Notes	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities			
Changes in short-term borrowings	40	(29,170)	61,995
Changes in commercial papers	40	17,995	15,977
Proceeds from long-term borrowings	40	145,161	214,071
Repayments of long-term borrowings	40	(158,292)	(142,098)
Proceeds from issuance of bonds	40	30,000	70,000
Payments for redemption of bonds	40	(60,000)	(50,000)
Payments for purchase of treasury shares		(62)	(655)
Proceeds from disposal of treasury shares		909	605
Dividends paid to owners of parent	26	(63,672)	(57,334)
Other	40	(40,304)	(50,880)
Net cash provided by (used in) financing activities		(157,435)	61,681
Effect of exchange rate change on cash and cash equivalents		(8,590)	6,987
Net decrease in cash and cash equivalents		(70,237)	(5,034)
Cash and cash equivalents at beginning of period		243,079	172,841
Cash and cash equivalents at end of period	7	172,841	167,807

Notes to Consolidated Financial Statements

1. Reporting Entity

JFE Holdings, Inc. (the "Company") is an incorporated company established under Japan's Companies Act and is located in Japan.

The consolidated financial statements of the Company, as of March 31, 2026, consist of the Company and its subsidiaries (the "Group") and its interests in associates and joint arrangements of the Company.

Details of the Group's business are described in Note "6. Segment Information."

2. Basis of Presentation

(1) Statement of compliance with IFRS

As the Company meets the requirements for treatment as a "specified company under the designated international accounting standards," set out under Article 1-2, item (i) of the Ordinance on Consolidated Financial Statements, the provision of Article 312 of the said ordinance is applied. The Group's consolidated financial statements are therefore prepared in accordance with IFRS issued by the International Accounting Standards Board.

The Group's consolidated financial statements for the fiscal year ended March 31, 2026 were approved by Yoshihisa Kitano, President and CEO of the Company, on June 19, 2026.

(2) Basis of measurement

The Group's consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments described in Note "3. Material Accounting Policies."

(3) Functional currency and reporting currency

The Group's consolidated financial statements are presented in Japanese yen, which is the Company's functional currency. Amounts less than one million yen are rounded down.

(4) Changes in presentation

(Consolidated Statement of Cash Flow)

"Expenditure for acquisition of shares of subsidiaries resulting in changes in scope of consolidation" and "Proceeds from sale of shares of subsidiaries resulting in changes in scope of consolidation," which were presented separately under "Cash flows from investing activities" in the fiscal year ended March 31, 2025, are included in "Other" under "Cash flows from investing activities" in the current fiscal year due to their decreased materiality in terms of amount. The consolidated financial statements for the fiscal year ended March 31, 2025 have been reclassified to reflect this change in presentation.

As a result, the (26,897) million yen previously presented as "Expenditure for acquisition of shares of subsidiaries resulting in changes in scope of consolidation" and the 6,403 million yen previously presented as "Proceeds from sale of shares of subsidiaries resulting in changes in scope of consolidation" under "Cash flows from investing activities" in the consolidated statement of cash flow for the fiscal year ended March 31, 2025 have been reclassified as "Other."

3. Material Accounting Policies

(1) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those companies over which the Company has control. If the Group has an exposure or right to variable returns from involvement in the investee, and has the ability to use its power over the investee to affect the amount of returns, then it is regarded as controlling the investee.

If there is a change in equity interest in a subsidiary without loss of control, it is accounted for as a capital transaction. If there is a change in equity interest in a subsidiary accompanied by a loss of control, the subsidiary's assets and liabilities, non-controlling interests related to the subsidiary, and other components of equity are derecognized, with any gain or loss resulting therefrom recognized in profit or loss.

For subsidiaries whose reporting periods end on a date that differs from that of the parent entity, provisional financial statements as of the consolidated reporting date are used.

(ii) Associates and joint arrangements

An entity in which the Group owns at least 20% and at most 50% of the voting rights is considered an associate unless it can be clearly demonstrated that the Company cannot exercise influence over financial and operating policy decisions of the entity. An entity in which the Group owns less than 20% of the voting rights is considered an associate if the Company can exercise influence over financial and operating policy decisions of the entity. Investments in associates are accounted for using the equity accounting method.

A joint arrangement is an arrangement in which two or more parties have joint control such that decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. If the parties that share joint control have substantial rights to the assets and obligations for the liabilities relating to the arrangement, it is called a joint operation. If an arrangement is structured through a separate vehicle and the parties that share joint control have rights to the net assets of the arrangement, it is called a joint venture. In relation to its interest in a joint operation, the Group recognizes its share of assets, liabilities, revenue, and expenses. Joint ventures are accounted for using the equity accounting method.

For associates whose reporting periods end on a date that differs from that of the parent entity, provisional financial statements as of the consolidated reporting date are prepared.

For JSW Steel Limited, provisional financial statements are prepared based on December 31 as the reporting date because local legislation imposes restrictions on when certain information becomes available to the Company. Necessary adjustments have been made for material transactions or events disclosed between JSW Steel's provisional reporting date and the consolidated reporting date.

(2) Business combinations

Business combinations are accounted for using the acquisition method.

Identifiable assets acquired and liabilities assumed through business combinations, as a general rule, are measured at fair value.

If the total value of the fair value of consideration (including contingent consideration) transferred in the business combination, the amount of any non-controlling interests of the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree ("Value A") exceeds the net value (in principle, fair value) of the acquiree's identifiable assets and liabilities assumed ("Value B"), the excess is recognized as goodwill. If, on the other hand, Value A is less than Value B, the difference is recognized in profit or loss as of the acquisition date.

For each individual transaction, the Company chooses to measure non-controlling interests at fair value or as a proportionate share of the fair value of identifiable net assets of the acquiree.

(3) Foreign currency translation

(i) Translation of foreign currency transactions

Foreign currency transactions are translated into the functional currency of each company using the exchange rate or similar rate prevailing on the transaction date. Monetary items denominated in foreign currencies at the end of the reporting period are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Non-monetary items denominated in foreign currencies measured at fair value are translated into the functional currency at the exchange rate prevailing on the date on which the fair value is determined. The resulting exchange differences are recognized in profit or loss. When the valuation difference of a non-monetary item is recognized in other comprehensive income, any exchange component is recognized in other comprehensive income.

(ii) Translation of foreign operations

Assets and liabilities of foreign operations are translated at the exchange rates prevailing at the end of the reporting period. In addition, revenues and expenses of foreign operations are translated at the average exchange rates for the reporting period unless exchange rates fluctuated significantly during the period. Exchange differences arising from translation are recognized in other comprehensive income, and the accumulated amount is included in other components of equity.

When disposing of foreign operations, the cumulative amount of exchange differences related to the foreign operations is recognized in profit or loss at the time of disposal.

(4) Financial instruments

(i) Financial assets

a. Initial recognition and measurement

At initial recognition, financial assets are classified either as financial assets measured at amortized cost or as financial assets measured at fair value. The Group recognizes a financial asset on the transaction date on which it becomes a party to the contractual provisions of the financial asset.

Financial assets that meet the following conditions are classified as financial assets measured at amortized cost:

• The asset is held in a business model of which the objective is to hold the asset in order to collect its contractual cash flows; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets other than financial assets measured at amortized cost are classified as financial assets measured at fair value.

With the exception of equity financial assets held for trading purposes that must be measured at fair value through profit or loss, equity financial assets measured at fair value are individually classified either as measured at fair value through profit or loss or as measured at fair value through other comprehensive income, with that classification being made when the asset is initially recognized and applying continuously thereafter.

With the exception of financial assets measured at fair value through profit or loss, financial assets are measured at fair value at initial recognition plus transaction costs directly attributable to the acquisition. Financial assets measured at fair value through profit or loss are measured at fair value at initial recognition, and transaction costs directly attributable to the transaction are recognized in profit or loss.

Compound financial instruments issued by the Group comprise convertible bonds, which may be converted into shareholders' equity if the bondholder elects to do so. The financial liability component of the compound financial instrument is initially recognized at the fair value of similar liabilities that have no equity conversion option. The equity component is initially recognized as the difference between the fair value of the entire compound financial instrument and the fair value of the liability component, and is not remeasured subsequent to initial recognition.

b. Measurement subsequent to initial recognition

(a) Financial assets measured at amortized cost

After initial recognition, measurement is the amortized cost using the effective interest method.

(b) Financial assets measured at fair value through profit or loss

After initial recognition, measurement is the fair value with subsequent changes recognized in profit or loss.

(c) Equity financial assets measured at fair value through other comprehensive income

After initial recognition, measurement is the fair value with subsequent changes recognized in other comprehensive income.

Amounts recognized in other comprehensive income are transferred to retained earnings when an asset is derecognized or its fair value declines significantly (except when recovery is deemed probable); they are not transferred to profit or loss. Dividends derived from such financial assets are recognized as profit or loss.

c. Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows have extinguished or when the contractual rights to receive cash flows have been transferred and substantially all risks and rewards of ownership of the financial asset are transferred to another entity.

d. Impairment

For financial assets measured at amortized cost, the Company recognizes allowance for doubtful accounts based on expected credit losses.

Allowance for doubtful accounts is calculated as the present value of the difference between the contractual cash flows due to the Group and the cash flows that the Group expects to receive.

The Group determines whether the credit risk on each financial asset has increased significantly since initial recognition on each reporting date, and if the credit risk has not increased significantly since initial recognition, the amount of the allowance for doubtful accounts is assessed based on the expected credit losses resulting from default events that may occur within 12 months (expected credit losses over 12 months). If, on the reporting date, credit risk on a financial asset has increased significantly since initial recognition, the amount of the allowance for doubtful accounts is assessed based on the expected credit losses arising from all possible default events over the expected lifetime of the financial asset (expected credit losses over full lifetime). However, in the case of trade receivables, contract assets, and lease receivables that do not contain a significant financing component, regardless of the above, the amount of the allowance for doubtful accounts is always measured using the expected credit losses for the instrument's full lifetime.

A receivable is determined to be credit-impaired when a fact such as the commencement of legal liquidation proceedings due to the obligor's bankruptcy or the significant deterioration of the obligor's financial condition occurs. When it becomes apparent that a receivable will be unrecoverable in the future due to a write-off under the provisions of the Corporate Reorganization Act, the carrying amount of the receivable is directly reduced.

Provision of allowance for doubtful accounts on financial assets is recognized in profit or loss. In the case of events that reduce the allowance for doubtful accounts, reversals of allowance for doubtful accounts are recognized in profit or loss.

Estimates of allowance for doubtful accounts relating to financial assets reflect the following.

- Unbiased probability-weighted amounts calculated by evaluating a range of possible outcomes;
- Time value of money; and
- Rational and supportable information about past events, current conditions, and forecasts of future economic conditions, available at the reporting date without undue cost or effort.

(ii) Financial liabilities

a. Initial recognition and measurement

Financial liabilities are classified either as financial liabilities measured at amortized cost or as financial liabilities measured at fair value through profit or loss at the time of initial recognition. The Group initially recognizes issued debt securities on the date of issue, and other financial liabilities are initially recognized on the transaction date on which the Group becomes a party to the contractual provisions of the financial liability.

Financial liabilities measured at amortized cost are measured at fair value minus transaction costs directly attributable to the issue of the instruments at the time of initial recognition. However, financial liabilities measured at fair value through profit or loss are measured at fair value at the time of initial recognition.

b. Measurement subsequent to initial recognition

(a) Financial liabilities measured at amortized cost

After initial recognition, measurement is the amortized cost using the effective interest method.

(b) Financial liabilities measured at fair value through profit or loss

After initial recognition, measurement is the fair value with subsequent changes recognized in profit or loss.

c. Derecognition

Financial liabilities are derecognized when the financial liabilities extinguish; that is, when the liabilities are discharged, are canceled, or expire.

(iii) Derivative and hedge accounting

The Group enters into derivative transactions such as forward exchange contracts and interest rate swaps in order to hedge foreign exchange risk, interest rate risk, and the like.

At the inception of the hedge, the Group formally designates and documents the risk management purpose and strategy for the hedging relationship and the implementation of the hedge. This documentation identifies the hedging instrument, the item or transaction being hedged, the nature of the risk being hedged, and the method of evaluating the effectiveness of the hedging instrument in offsetting the exposure to changes in the fair value or cash flows of the hedged item due to the risk being hedged. Moreover, the Group assesses at the inception of the hedging relationship, and on an ongoing basis, whether a hedging relationship meets the hedge effectiveness requirements.

Derivatives are initially recognized at fair value. After initial recognition, fair value is measured and subsequent changes are treated as shown immediately below.

a. Fair value hedges

Changes in the fair value of derivatives used as hedging instruments are recognized in profit or loss or other comprehensive income. Changes in the fair value of the hedged item corresponding to the hedged risk are recognized in profit or loss or other comprehensive income, with the carrying amount of the hedged item being adjusted.

b. Cash flow hedges

The portion of the change in the fair value of derivatives used as hedging instruments that is determined to be an effective hedge is recognized in other comprehensive income, and the cumulative amount is included in other components of equity. The portion of hedges that is ineffective is recognized in profit or loss. Amounts accumulated in other components of equity are reclassified from other components of equity to profit or loss in the accounting period in which the transaction being hedged affects profit or loss. However, if the forecast transaction being hedged subsequently results in the recognition of a non-financial asset or non-financial liability, the amount accumulated in other components of equity is treated as an adjustment to the initial carrying amount of that non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires, is sold, or is terminated or exercised, or if the derivative no longer meets the requirements for hedge accounting. When the forecast transaction is no longer expected to occur, the amount accumulated in other components of equity is immediately reclassified from other components of equity to profit or loss.

c. Derivatives not designated as hedges

Changes in the fair value of such derivatives are recognized in profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, readily available cash, and short-term investments maturing within three months that are readily convertible to cash and subject to an insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost consists of material costs, direct labor costs, other direct costs, and an appropriate allocation of related manufacturing overhead costs. Net realizable value is calculated by deducting the estimated selling costs from the estimated selling price. Cost is mainly calculated based on the weighted average method.

(7) Property, plant and equipment

The Group uses the cost model to measure the carrying amount of property, plant and equipment subsequent to their recognition. Under this model, property, plant and equipment are carried at their cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment other than land and construction in progress are mainly depreciated using the straight-line method.

The estimated useful lives of major asset items are as follows:

- Buildings and structures: 2–75 years
- Machinery and vehicles: 2–33 years

The estimated useful lives, depreciation methods, and residual values of property, plant and equipment are reviewed at the end of each fiscal year.

(8) Goodwill and intangible assets

(i) Goodwill

Goodwill is not amortized; it is tested for impairment annually or whenever an indication of impairment exists. Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and are not subsequently reversed.

Goodwill is carried at its cost less any accumulated impairment losses.

(ii) Intangible assets

Intangible assets acquired separately are measured at cost at the time of initial recognition. Intangible assets acquired in business combinations are measured at fair value as of the acquisition date.

The Group uses the cost model to measure the carrying amount of intangible assets subsequent to their recognition. Under this model, intangible assets are carried at their cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets with finite useful lives, except for mining rights, are amortized using the straight-line method over their estimated useful lives, while mining rights are generally amortized using the units of production method based on the estimated volume of reserves. Intangible assets mainly comprise software for internal use and have estimated useful lives of 2–10 years. The amortization method and estimated useful lives are reviewed each year at the fiscal year-end and revised, as necessary.

(9) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is, or contains, a lease.

(i) Leases as a lessee

At the commencement date, the Group recognizes right-of-use assets and lease liabilities. At the commencement date, right-of-use assets are initially measured at the amount of the initial measurement of lease liabilities adjusted for any initial direct costs, costs for restoration as required pursuant to the contract, and other costs. After the commencement date, the Group uses the cost model to measure right-of-use assets. Under this model, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless it is reasonably certain that the Group will acquire ownership of the leased assets at the end of the lease term. The lease term is determined as the non-cancelable period of leased assets, together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee’s incremental borrowing rate. After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. In case of lease modifications, the Group remeasures the lease liability. For a lease modification that is not accounted for as a separate lease and decreases the scope of the lease, the Group decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease. The Group makes a corresponding adjustment to the right-of-use asset for all other lease modifications.

However, the Group uses the exemption for short-term leases and leases of low-value assets; instead of recognizing right-of-use assets and lease liabilities for such leases, it expenses the lease payments on a straight-line basis over the lease term.

(ii) Leases as a lessor

Leases entered into as a lessor are classified as either finance leases or operating leases according to the substance of the transaction rather than the form of the contract. Assets held under finance leases are presented as receivables in an amount equal to the net investment in the lease.

In the case of subleases, the intermediate lessor classifies the sublease with reference to the right-of-use asset arising from the head lease.

In the case of operating leases, the Group records the leased assets on the consolidated statement of financial position and recognizes lease payments received as income on a straight-line basis over the lease term.

(10) Investment property

Investment property is real estate held for the purpose of earning rental income, capital gains, or both.

The Group uses the cost model to measure the carrying amount of investment property subsequent to its recognition. Under this model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Investment property other than land is depreciated mainly using the straight-line method over the estimated useful life. The estimated useful life of the Company's main investment properties is 26 years.

The estimated useful lives, depreciation methods, and residual values of investment properties are reviewed at the end of each fiscal year.

(11) Impairment of non-financial assets

For property, plant and equipment and intangible assets, if there is any indication at the end of each reporting period that an asset may be impaired, the asset is assessed based on its recoverable amount, being the higher of fair value less costs of disposal and its value in use; if the carrying amount of the asset exceeds its recoverable amount, then the asset is impaired and is written down to its recoverable amount.

Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment annually or whenever an indication of impairment exists.

Impairment losses recognized on assets other than goodwill in previous years are assessed at the end of each reporting period to determine whether there is any indication that the recognized impairment loss may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated, and if the recoverable amount exceeds the carrying amount of the asset or the cash-generating unit to which the asset belongs, a reversal of the impairment loss is recognized and the carrying amount is increased to the recoverable amount subject to the condition that the carrying amount of the asset may not exceed the carrying amount (net of accumulated depreciation or accumulated amortization) that would have been determined had no impairment loss been previously recognized. Impairment losses recognized on goodwill are not reversed in subsequent periods.

(12) Post-employment benefits

(i) Defined benefit plans

Defined benefit plans are any retirement benefit plans other than defined contribution plans. For each separate plan, the defined benefit obligation is calculated by estimating the future benefits earned as consideration for services provided by employees in previous and current fiscal years, and discounting that amount to the present value. The fair value of plan assets is deducted from the result of that calculation. The discount rate is determined with reference to the market yields of high-quality corporate bonds that are denominated in the same currency as the expected benefit payment and that have approximately the same maturity as the Group's defined benefit obligation.

If a retirement benefit plan is revised, costs related to the variable portion of benefits related to employees' past service are immediately recognized in profit or loss.

The Group recognizes changes in net defined benefit liability (asset) due to remeasurement in other comprehensive income and immediately transfers the amounts to retained earnings.

(ii) Defined contribution plans

Expenses related to defined contribution plans are recognized as expenses in the period in which the employees provide the services.

(13) Provisions

Provisions are recognized when the Company has a present obligation (legal obligation or constructive obligation) resulting from past events, it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

If the impact of the time value of money is material, provisions are measured at a discounted amount calculated using a discount rate that reflects the risks specific to the liability.

(14) Revenue

With the exception of interest, dividend income, and the like under IFRS 9 Financial Instruments, the Group uses the following five-step approach in recognizing revenue that reflects the amount of consideration to which the Company expects to be entitled in exchange for the transfer of goods and services to customers:

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to a distinct performance obligation of the contract

Step 5: Recognize revenue when the performance obligation is fulfilled (or as it is fulfilled).

With respect to sales of steel products in the steel business, revenues are mainly recognized at the point of shipment, when the customer assumes the significant risk and economic value of ownership of the product being physically transferred and the right to receive payment is confirmed. Consideration for transactions is received mainly within one year from the fulfillment of performance obligations and includes no significant financing components.

With regard to construction contracts in the engineering business, the Group mainly estimates the progress of fulfilling performance obligations, and revenue is recognized over a fixed period based on the degree of progress. Consideration for transactions is mainly received in phases during the contract term separately from the fulfillment of performance obligations, and the remaining amount is received after a fixed period from the fulfillment of all performance obligations. Consideration for certain transactions includes significant financing components. A cost-based input method is used for performance obligations fulfilled over time in order to recognize revenue. The cost-based input method excludes the effects of any inputs that do not depict the Group's performance in transferring control of goods or services to the customer. When a cost incurred is not proportionate to progress, the Group's performance is faithfully depicted by adjusting the input method to recognize revenue only to the extent of that cost incurred.

With respect to sales of steel products in the trading business, revenues are mainly recognized at the point of delivery of the product to the customer, when the legal title and physical ownership of the product as well as the significant risk and economic value associated with ownership of the product are transferred to the customer, and the right to receive payment is confirmed. In addition, for certain transactions in the trading business, the Company has the responsibility to carry out work as an agent. Consideration for transactions is received mainly within one year from the fulfillment of performance obligations and includes no significant financing components.

When the Group is engaged in a transaction as a principal to the transaction, revenue is presented as the total consideration received from the customer. When the Group is engaged in transactions as an agent for a third party, revenue is presented as a fee, calculated as the total amount of consideration received from the customer minus the amount collected for the third party.

(15) Business profit

Business profit is profit before income taxes excluding financial income and one-time items of significant value. Management considers it as a benchmark indicator of the Company's consolidated earnings.

(16) Income taxes

Income tax expense consists of current tax expense and deferred tax expense. These items are recognized in profit or loss except when they arise from items that are directly recognized in other comprehensive income or equity and when they arise from business combinations.

Current tax expense is measured as an amount that reflects the amount the Company expects the tax authorities to refund or expects to pay to the tax authorities. The tax rate and tax law used to calculate the amount of tax are those that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are recognized for temporary differences, which are the differences between the carrying amounts and tax bases of assets and liabilities, and for unused tax losses carryforwards and unused tax credits. Deferred tax assets and deferred tax liabilities are determined at the tax rate estimated for the period when the asset is realized or the liability is settled, based on the tax rate and tax law that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are recognized for taxable temporary differences excluding the following:

- Temporary differences arising from initial recognition of goodwill;
- Temporary differences resulting from the initial recognition of an asset or liability in a transaction that is not a business combination and that neither affects accounting income or taxable income at the time of the transaction nor gives rise to the same amounts of taxable temporary differences and deductible temporary differences; and
- Taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint arrangements, when the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences, unused tax losses carryforwards, and unused tax credits, but only to the extent that it is probable that future taxable income will be available against which the deductible temporary difference can be utilized, except when the deductible temporary difference results from the initial recognition of an asset or liability in a transaction that is not a business combination and that neither affects accounting income or taxable income at the time of the transaction nor gives rise to the same amounts of taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognized for deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint arrangements, only when it is probable that the temporary difference will reverse in the foreseeable future and it is probable that taxable income will be available against which the deductible temporary difference can be utilized.

The Company and its certain domestic consolidated subsidiaries apply the group tax sharing system.

(17) Equity

(i) Share capital and capital surplus

Capital paid in by shareholders is recognized in share capital or capital surplus.

(ii) Treasury shares

When treasury shares are acquired, the consideration paid, including direct transaction costs, is recognized as a deduction from equity. When treasury shares are disposed of, the difference between the consideration received and the carrying amount of the treasury shares is recognized directly in equity.

(18) Non-current assets held for sale

A non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For an asset (or disposal group) to be classified as held for sale, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable. The sale is considered highly probable only when the Group’s management is committed to a plan to sell the asset (or disposal group), and the sale is expected to be completed within one year from the date of classification.

After being classified as held for sale, the asset (or disposal group) is measured at the lower of the carrying amount and fair value less costs to sell, and is not depreciated or amortized.

4. Significant Judgements, Accounting Estimates, and Assumptions

In preparing the consolidated financial statements, the Group makes judgments, accounting estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are based on management's best judgments reflecting historical experiences and various factors that are believed to be reasonable under the circumstances. By their nature, however, actual results may differ from the estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects resulting from revisions of these estimates are recognized in the period in which the estimates are revised and in future periods affected by the revision.

Judgments made in applying accounting policies that have a significant effect on the consolidated financial statements are mainly as follows:

・Scope of subsidiaries, associates, and joint arrangements (Note "3. Material Accounting Policies")
・Revenue recognition (Note "3. Material Accounting Policies")
・Leases (Note "3. Material Accounting Policies")

Information on accounting estimates and assumptions that may have a significant effect on the consolidated financial statements is as follows:

・Valuation of inventories (Note "3. Material Accounting Policies" and Note "9. Inventories")

Inventories are measured at cost. However, if net realizable value is lower than cost at the end of the reporting period, inventories are measured at the net realizable value and the difference between cost is recognized in cost of sales in principle. Furthermore, for idle inventories outside the operating cycle, net realizable value and other items are determined by reflecting future demand and market trends. A significant decline in net realizable value due to worse-than-forecast market environment may cause losses.

・Impairment of non-financial assets (Note "3. Material Accounting Policies" and Note "16. Impairment of Non-financial Assets")

The Group tests property, plant and equipment, goodwill, and intangible assets for impairment in accordance with Note "3. Material Accounting Policies." In determining recoverable amounts in impairment tests, assumptions are made for future cash flows, discount rates, and other items. Although these assumptions are determined based on management's best estimates and judgments, they may be affected by uncertain changes in economic conditions in the future and other factors. If a revision is necessary, it may have a significant effect on the consolidated financial statements.

・Recoverability of deferred tax assets (Note "3. Material Accounting Policies" and Note "19. Income Taxes")

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilized. In judging the probability of taxable income, the timing and amount of taxable income are estimated based on the business plan. Although such estimates are made based on management's best estimates, they may differ from actual results due to uncertain changes in economic conditions in the future and other factors.

・Valuation and accounting for provisions (Note "3. Material Accounting Policies" and Note "23. Provisions")

Provisions are measured based on the best estimates of the expenditures expected to be required to settle the obligations in the future on the reporting date. The expenditures expected to be required to settle the obligations in the future are determined by comprehensively taking into account future possible results. Since assumptions which are used for measuring these provisions may be affected by uncertain changes in economic conditions in the future and other factors, the assumptions involve the risk of causing a significant modification on the measurement of provisions prospectively.

・Measurement of defined benefit obligations (Note "3. Material Accounting Policies" and Note "24. Post-employment Benefits")

With respect to defined benefit corporate pension plans, the net amount of defined benefit obligations and fair values of plan assets are recognized as liabilities or assets. Defined benefit obligations are determined based on actuarial assumptions which include the estimates of discount, retirement, mortality, and salary increase rates. These assumptions are determined by comprehensively taking into account all available information, such as market trends in interest rate fluctuations. Since these actuarial assumptions may be affected by uncertain changes in the economic environment in the future, social trends, and other factors, the assumptions involve the risk of causing a significant modification on the measurement of defined benefit obligations prospectively.

・Matters related to financial instruments (Note “3. Material Accounting Policies” and Note “41. Financial Instruments”)

The Group uses significant unobservable inputs for measuring the fair values of specified financial instruments. Unobservable inputs may be affected by future uncertain changes in economic conditions and other factors. If a revision is necessary, it may have a significant effect on the consolidated financial statements.

・Contingencies (Note “44. Contingent Liabilities”)

For contingencies, items that may have a significant effect on future businesses are disclosed after taking into account all available evidence as of the reporting date and considering the possibility and financial effect of the contingencies.

5. New IFRS Standards Not Yet Adopted

Major IFRS standards and interpretations newly established or amended by the approval date of the consolidated financial statements that the Group has not yet adopted are as follows. The impact of the application of this standard on the consolidated financial statements is currently being considered.

Standard	Name of standard	Mandatory (in and after the fiscal year starting from)	Application date of the Company	Overview of the new standard or revision
IFRS 18	Presentation and Disclosures in Financial Statements	January 1, 2027	Fiscal year ending March 31, 2028	A new standard to IAS 1, which is the current accounting standard on the presentation and disclosure in financial statements

6. Segment Information

(1) Overview of reportable segments

The Group organized under JFE Holdings executes commercial activities through three operating companies—JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Trade Corporation—in accordance with the characteristics of their respective businesses.

Consolidated reportable segments, one for each operating company, are characterized by their constituent products and services. There are no operating segments which were aggregated for reporting.

Each segment has its own respective products and services. The steel business produces and sells various steel products, processed steel products, and raw materials, and provides transportation and other related businesses such as facility maintenance and construction. The engineering business handles engineering for steel structures, industrial machines, energy and the environment, recycling, and electricity retailing. The trading business purchases, processes, and distributes steel products, raw materials for steel production, nonferrous metal products, and food.

(2) Information on reportable segments

The accounting treatments for the Group's reportable segments are the same as those described in Note "3. Material Accounting Policies."

The Group assesses segment performance on the basis of segment profit. Segment profit is profit before tax excluding one-time items of a materially significant value.

Intersegment transactions are based on market prices and the like.

Fiscal year ended March 31, 2025

(million yen)

	Steel	Engineering	Trading	Total	Adjustments (Note)	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	3,007,924	554,156	1,297,566	4,859,647	–	4,859,647
Intersegment revenue	357,266	15,659	140,993	513,919	(513,919)	–
Total	3,365,191	569,815	1,438,559	5,373,566	(513,919)	4,859,647
Segment profit	36,385	19,386	47,971	103,743	10,842	114,586
Gain on sales of land						86,622
Impairment losses						(25,194)
Cost for promoting and developing land utilization of Keihin district						(14,607)
Loss relating to loss of control over subsidiaries						(13,129)
PCB disposal costs						(3,962)
Profit before tax						144,315

Segment assets	4,547,582	592,434	1,055,438	6,195,455	(547,818)	5,647,637
Other items						
Depreciation and amortization	220,822	19,314	19,123	259,260	(1,622)	257,638
Impairment losses	(20,013)	(3,389)	(1,681)	(25,084)	(110)	(25,194)
Finance income	3,690	550	2,198	6,438	(724)	5,714
Finance costs	(17,780)	(1,145)	(8,531)	(27,457)	989	(26,467)
Share of profit of investments accounted for using equity method	16,133	2,677	991	19,803	9,330	29,133
Investments accounted for using equity method	537,033	48,305	25,313	610,652	26,319	636,972
Capital expenditures	266,499	27,066	24,911	318,477	(3,651)	314,826

Note: Adjustments are as follows:

- Adjustments to segment profit include corporate profit not allocated to a reportable segment: 60,005 million yen; elimination of dividend income from each reportable segment: (58,706) million yen; share of profit of investments accounted for using equity method related to Japan Marine United Corporation: 6,986 million yen; and elimination of other intersegment transactions: 2,556 million yen. Corporate profit is profit of the Company.
- Adjustments to segment assets: Corporate assets not allocated to a reportable segment: 55,944 million yen and elimination of intersegment receivables and payables: (603,762) million yen. Corporate assets are assets of the Company.

Fiscal year ended March 31, 2026

(million yen)

	Steel	Engineering	Trading	Total	Adjustments (Note)	Amount recorded in consolidated financial statements
Revenue						
Revenue from external customers	2,756,616	583,657	1,198,996	4,539,270	–	4,539,270
Intersegment revenue	331,814	16,115	134,060	481,990	(481,990)	–
Total	3,088,430	599,773	1,333,057	5,021,261	(481,990)	4,539,270
Segment profit	38,022	23,972	40,202	102,197	8,402	110,599
Gain on sales of land						3,202
Cost for promoting and developing land utilization of Keihin district						(12,176)
Impairment losses						(8,743)
Cost for removal in connection with the construction of Green Transformation (GX) facilities						(5,464)
Profit before tax						87,417

Segment assets	4,780,920	627,896	1,072,891	6,481,708	(586,469)	5,895,238
Other items						
Depreciation and amortization	233,602	22,905	19,902	276,410	(2,118)	274,292
Impairment losses	(6,699)	(767)	(1,276)	(8,743)	—	(8,743)
Finance income	4,189	781	2,139	7,110	(1,522)	5,588
Finance costs	(22,771)	(1,881)	(7,756)	(32,410)	2,037	(30,373)
Share of profit of investments accounted for using equity method	45,717	1,856	(458)	47,115	7,421	54,537
Investments accounted for using equity method	708,583	56,024	25,653	790,261	25,892	816,153
Capital expenditures	333,989	23,928	27,430	385,347	(5,439)	379,908

Note: Adjustments are as follows:

- Adjustments to segment profit include corporate profit not allocated to a reportable segment: 26,395 million yen; elimination of dividend income from each reportable segment: (25,006) million yen; share of profit of investments accounted for using equity method related to Japan Marine United Corporation: 6,607 million yen; and elimination of other intersegment transactions: 405 million yen. Corporate profit is profit of the Company.
- Adjustments to segment assets: Corporate assets not allocated to a reportable segment: 42,183 million yen and elimination of intersegment receivables and payables: (628,652) million yen. Corporate assets are assets of the Company.

(3) Information about the categories of products and services

The information is the same as information on reportable segments.

(4) Information about revenue from external customers by geographical areas

The information is provided in Note “27. Revenue.”

(5) Information about non-current assets (excluding financial assets, retirement benefit asset, and deferred tax assets) by geographical areas

(million yen)

	As of March 31, 2025	As of March 31, 2026
Japan	2,111,210	2,176,060
Other	256,280	292,422
Total	2,367,490	2,468,482

Note: Non-current assets are based on the geographical location of each company of the Group.

(6) Information about major customers

This information is omitted as there are no external customers that account for 10% or more of consolidated revenue of the Group.

7. Cash and Cash Equivalents

The breakdown of cash and cash equivalents is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Cash and bank deposits with maturities of three months or less	172,582	165,838
Negotiable certificates of deposit	250	1,950
Deposits paid	8	19
Total	172,841	167,807

Cash and cash equivalents are classified as financial assets measured at amortized cost.

The balance of cash and cash equivalents reported in the consolidated statement of financial position as of March 31, 2025 and 2026 is consistent with that reported in the consolidated statement of cash flow.

8. Trade and Other Receivables

The breakdown of trade and other receivables is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Notes and accounts receivable–trade	625,505	621,442
Other	69,917	50,507
Allowance for doubtful accounts	(2,438)	(2,955)
Total	692,985	668,994

Trade and other receivables are stated as net of allowance for doubtful accounts in the consolidated statement of financial position.

Trade and other receivables are classified as financial assets measured at amortized cost.

9. Inventories

The breakdown of inventories is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Merchandise and finished goods	652,542	618,643
Work in progress	41,296	36,150
Raw materials and supplies	534,701	533,348
Total	1,228,540	1,188,142

Inventories recognized as an expense in cost of sales for the fiscal years ended March 31, 2025 and 2026 amounted to 3,800,807 million yen and 3,465,902 million yen, respectively.

10. Other Financial Assets

(1) The breakdown of other financial assets is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Financial assets measured at amortized cost		
Lease receivables (non-current)	16,074	24,044
Other	38,107	48,600
Allowance for doubtful accounts	(253)	(1,868)
Subtotal	53,928	70,775
Financial assets measured at fair value through profit or loss		
Derivative assets	24,586	20,203
Other	4,557	4,612
Subtotal	29,143	24,816
Equity financial assets measured at fair value through other comprehensive income		
Equity securities	124,024	147,910
Investments in capital	5,544	5,451
Subtotal	129,568	153,362
Total	212,640	248,954
Current assets	22,116	22,956
Non-current assets	190,524	225,997
Total	212,640	248,954

Other financial assets are stated net of allowance for doubtful accounts in the consolidated statement of financial position.

(2) Equity financial assets measured at fair value through other comprehensive income

The issuers and fair values of major equity financial assets measured at fair value through other comprehensive income are as follows:

(million yen)

Issuers	As of March 31, 2025
Formosa Ha Tinh (Cayman) Limited	23,501
Companhia Nipo-Brasileira de Pelotização	8,277
Mizuho Financial Group, Inc.	6,100
Japan Petroleum Exploration Co., Ltd.	5,373
ACTER GROUP CORPORATION LIMITED	4,389

(million yen)

Issuers	As of March 31, 2026
Formosa Ha Tinh (Cayman) Limited	21,660
Japan Petroleum Exploration Co., Ltd.	12,049
Companhia Nipo-Brasileira de Pelotização	11,345
ACTER GROUP CORPORATION LIMITED	9,478
Mizuho Financial Group, Inc.	9,165

Equity securities and investments in capital are held mainly for the purpose of maintaining and developing the Group's business. Therefore, they are designated as equity financial assets measured at fair value through other comprehensive income.

In order to promote the efficiency of held assets and to use them effectively, the Group has sold (derecognized) equity financial assets measured at fair value through other comprehensive income.

The fair value and accumulated gains or losses recognized in other comprehensive income at the time of sale are as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Fair value	2,705	3,665
Accumulated gains or losses recognized in other comprehensive income	957	1,643

11. Other Assets and Liabilities

The breakdown of other current assets, other non-current assets, other current liabilities, and other non-current liabilities is as follows:

(1) Other current assets and other non-current assets

(million yen)

	As of March 31, 2025	As of March 31, 2026
Advance payments	26,285	36,679
Other	85,374	73,372
Total	111,660	110,052
Current assets	90,786	86,462
Non-current assets	20,873	23,590
Total	111,660	110,052

(2) Other current liabilities and other non-current liabilities

(million yen)

	As of March 31, 2025	As of March 31, 2026
Accrued expenses	191,363	203,224
Other	82,340	109,719
Total	273,703	312,944
Current liabilities	245,661	277,021
Non-current liabilities	28,042	35,923
Total	273,703	312,944

12. Property, Plant and Equipment

The movement of carrying amount for property, plant and equipment during the year is as follows:

Fiscal year ended March 31, 2025

(million yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Other	Total
Balance at the beginning of the year	360,887	989,214	51,035	386,790	151,489	8,798	1,948,217
Acquisition	48,245	195,007	19,154	194	(24,531)	492	238,563
Acquisition through business combinations	13,009	9,138	93	2,616	2,057	73	26,988
Sale or disposal	(6,803)	(6,831)	(813)	(13,864)	(1,254)	(5,340)	(34,907)
Depreciation	(28,500)	(148,016)	(15,476)	(9)	–	(157)	(192,159)
Impairment losses	(3,534)	(17,830)	(428)	(162)	–	(171)	(22,126)
Exchange differences on translation of foreign operations	829	(2,253)	463	393	318	(286)	(535)
Balance at the end of the year	384,134	1,018,428	54,029	375,960	128,079	3,408	1,964,041

Fiscal year ended March 31, 2026

(million yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Other	Total
Balance at the beginning of the year	384,134	1,018,428	54,029	375,960	128,079	3,408	1,964,041
Acquisition	39,210	145,854	25,344	2,105	73,148	1,759	287,424
Acquisition through business combinations	0	1	1	–	–	–	3
Sale or disposal	(1,650)	(11,448)	(622)	(878)	(1,936)	(0)	(16,536)
Depreciation	(28,346)	(151,108)	(18,909)	(7)	–	(180)	(198,552)
Impairment losses	(994)	(6,865)	(163)	–	(81)	–	(8,104)
Exchange differences on translation of foreign operations	1,608	4,722	754	1,620	2,233	757	11,697
Balance at the end of the year	393,963	999,585	60,434	378,801	201,444	5,745	2,039,974

Notes:
1. Depreciation of property, plant and equipment is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.
2. Acquisition of construction in progress represents an increase due to new acquisition, net of transfers to each item of property, plant and equipment.

The cost, accumulated depreciation, accumulated impairment losses, and carrying amount of property, plant and equipment are as follows:

(million yen)

	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Other	Total
As of March 31, 2025							
Cost	1,983,806	6,375,720	212,999	399,081	128,717	12,077	9,112,403
Accumulated depreciation and accumulated impairment losses	(1,599,672)	(5,357,291)	(158,970)	(23,120)	(638)	(8,668)	(7,148,361)
Carrying amount	384,134	1,018,428	54,029	375,960	128,079	3,408	1,964,041
As of March 31, 2026							
Cost	2,001,732	6,363,441	223,167	401,843	201,847	17,650	9,209,682
Accumulated depreciation and accumulated impairment losses	(1,607,768)	(5,363,855)	(162,732)	(23,042)	(403)	(11,905)	(7,169,708)
Carrying amount	393,963	999,585	60,434	378,801	201,444	5,745	2,039,974

13. Goodwill and Intangible Assets

(1) Movement of goodwill and intangible assets

The movement of carrying amount for goodwill and intangible assets during the year is as follows:

Fiscal year ended March 31, 2025

(million yen)

	Goodwill	Software	Other	Total
Balance at the beginning of the year	15,446	123,720	16,870	156,038
Acquisition	–	46,811	2,963	49,775
Acquisition through business combinations	19,451	115	49,511	69,078
Sale or disposal	(1,214)	(520)	(121)	(1,856)
Amortization	–	(32,792)	(3,836)	(36,629)
Impairment losses	–	(1,677)	(36)	(1,714)
Exchange differences on translation of foreign operations	356	32	803	1,191
Other	(41)	(216)	(625)	(882)
Balance at the end of the year	33,999	135,473	65,529	235,002

Fiscal year ended March 31, 2026

(million yen)

	Goodwill	Software	Other	Total
Balance at the beginning of the year	33,999	135,473	65,529	235,002
Acquisition	170	40,019	3,249	43,438
Acquisition through business combinations	–	–	0	0
Sale or disposal	–	(1,899)	(5)	(1,904)
Amortization	–	(36,498)	(6,686)	(43,185)
Impairment losses	–	(177)	(0)	(177)
Exchange differences on translation of foreign operations	455	70	7,267	7,793
Other	(3,276)	(166)	2,706	(736)
Balance at the end of the year	31,348	136,821	72,059	240,229

Note: Amortization of intangible assets is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

The cost, accumulated amortization, accumulated impairment losses, and carrying amount of goodwill and intangible assets are as follows:

(million yen)

	Goodwill	Software	Other	Total
As of March 31, 2025				
Cost	38,625	526,581	94,011	659,217
Accumulated amortization and accumulated impairment losses	(4,625)	(391,107)	(28,481)	(424,214)
Carrying amount	33,999	135,473	65,529	235,002
As of March 31, 2026				
Cost	35,974	561,004	107,614	704,593
Accumulated amortization and accumulated impairment losses	(4,625)	(424,183)	(35,554)	(464,363)
Carrying amount	31,348	136,821	72,059	240,229

(2) Significant intangible assets

The carrying amounts of other intangible assets as of March 31, 2025 and 2026 include mining rights of 35,652 million yen and 41,313 million yen, respectively.

(3) Research and development expenses

Research and development expenses recorded in “Cost of sales” and “Selling, general and administrative expenses” for the fiscal years ended March 31, 2025 and 2026 amounted to 42,987 million yen and 42,802 million yen, respectively.

14. Lease Transactions

(1) Lease transactions as a lessee

The Group leases machinery, ships, buildings, and other assets as a lessee. Certain lease arrangements include renewal options, but no significant lease arrangements include escalation clauses. In addition, there are no material restrictions (such as restrictions related to additional borrowings and additional leases) imposed by the lease arrangements.

(i) Disclosure on profit or loss and cash outflow for leases

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Depreciation of right-of-use assets		
Buildings and structures	10,903	11,826
Machinery and vehicles	11,191	13,001
Tools, furniture and fixtures	2,861	3,934
Land	2,045	1,996
Other	1,059	1,068
Total	28,062	31,827
Interest on lease liabilities	543	824
Expense relating to short-term leases	4,415	4,945
Expense relating to leases of low-value assets	707	1,287
Income from subleasing right-of-use assets	1,432	1,853

Total cash outflow for leases	50,390	56,302

(ii) Disclosure on the breakdown of the carrying amounts of right-of-use assets

(million yen)

	As of March 31, 2025	As of March 31, 2026
Buildings and structures	22,692	34,776
Machinery and vehicles	50,293	56,815
Tools, furniture and fixtures	4,899	3,957
Land	12,022	12,400
Other	3,538	3,419
Total	93,447	111,370

Right-of-use assets for the fiscal years ended March 31, 2025 and 2026 increased by 26,305 million yen and 48,883 million yen, respectively.

(2) Lease transactions as a lessor

The Group leases buildings and other assets as a lessor and receives security deposits as a risk management strategy.

(i) Income from operating leases

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Lease income	9,167	10,864

(ii) Maturity analysis of non-cancelable operating lease payments

(million yen)

	As of March 31, 2025	As of March 31, 2026
Within one year	1,449	1,360
Over one year and within two years	1,195	1,184
Over two years and within three years	1,019	456
Over three years and within four years	291	165
Over four years and within five years	–	–
Over five years	–	–
Total	3,956	3,167

(iii) Income from finance leases

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Finance income on the net investment in the lease	768	983

(iv) Maturity analysis of lease payments receivable

(million yen)

	As of March 31, 2025	As of March 31, 2026
Within one year	8,210	11,445
Over one year and within two years	12,587	5,735
Over two years and within three years	2,217	3,745
Over three years and within four years	1,298	2,815
Over four years and within five years	602	3,966
Over five years	4,028	12,413
Total	28,944	40,121
Unearned finance income	1,495	1,700
Net investment in the lease	27,449	38,421

15. Investment Properties

(1) Movement of investment properties

The movement of carrying amount for investment properties is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at the beginning of the year	52,849	54,126
Acquisition	182	163
Reclassification from property, plant and equipment	5,676	373
Reclassification to property, plant and equipment	(506)	(503)
Depreciation	(787)	(727)
Impairment losses	(271)	–
Sale or disposal	(5,728)	(41)
Other	2,712	(74)
Balance at the end of the year	54,126	53,317
Cost (balance at the beginning of the year)	112,213	103,493
Accumulated depreciation and accumulated impairment losses (balance at the beginning of the year)	(59,363)	(49,366)
Cost (balance at the end of the year)	103,493	101,545
Accumulated depreciation and accumulated impairment losses (balance at the end of the year)	(49,366)	(48,228)

(2) Fair values

The carrying amount and fair value of investment properties are as follows:

(million yen)

	As of March 31, 2025		As of March 31, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value
Investment property	54,126	120,640	53,317	139,412

The fair value of investment properties is principally based on the real estate appraisal values provided by independent licensed real estate appraisers.

The fair value hierarchy of investment properties is categorized within Level 3 because unobservable inputs are included.

Fair value hierarchy is described in Note “41. Financial Instruments.”

(3) Income and expenses arising from investment properties

Rental income and direct sales expenses arising from investment properties are as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Rental income	9,167	10,864
Direct sales expenses arising from investment properties which generated income	2,695	2,768
Direct sales expenses arising from investment properties which did not generate income	15	23

16. Impairment of Non-financial Assets

When the Group assesses whether there is an indication that non-financial assets may be impaired, in principle, the assets are classified as idle assets, leased assets, assets for various projects and assets for business use, and then those classified assets are grouped by the smallest unit that generates independent cash flows.

Fiscal year ended March 31, 2025

The carrying amount was reduced to the recoverable amount mainly for assets for business use of JFE Steel Corporation, the consolidated subsidiary in the steel business, (Kurashiki, Okayama and Fukuyama, Hiroshima), in line with the policy of rebuilding the domestic production structure, as set forth in the Eighth Medium-term Business Plan, and the reduction was recorded as an impairment loss. Impairment losses in the consolidated statement of profit or loss totaled 25,194 million yen, consisting of 17,830 million yen of machinery and vehicles, 3,534 million yen of buildings and structures, 1,677 million yen of software, 1,080 million yen of right-of-use assets, and 1,070 million yen of other property, plant and equipment. The recoverable amount of these assets was calculated based on their value in use, but the discount rate was not taken into account due to their short expected period of use.

Fiscal year ended March 31, 2026

The carrying amount was reduced to the recoverable amount mainly for assets for business use of JFE Steel Corporation, the consolidated subsidiary in the steel business (Kawasaki, Kanagawa), following the decision to restructure the steel sheet business, and the reduction was recorded as an impairment loss. Impairment losses in the consolidated statement of profit or loss totaled 8,743 million yen, consisting of 6,865 million yen of machinery and vehicles, and 1,878 million yen of buildings and structures. The recoverable amount of these assets was calculated based on their value in use, but the discount rate was not taken into account due to their short expected period of use.

17. Subsidiaries and Associates

Information on major subsidiaries and associates as of March 31, 2026 is described in “4. Subsidiaries and Associates.”

18. Investments Accounted for Using Equity Method

(1) Material associates

JSW Steel Limited

JSW Steel, located in Mumbai, India, engages primarily in manufacture and sales of steel products. The condensed consolidated financial statements of JSW Steel are as follows.

For JSW Steel, provisional financial statements are prepared based on December 31 as the reporting date because local legislation imposes restrictions on when certain information becomes available to the Company.

However, in the accompanying notes, the condensed consolidated financial statements of JSW Steel that had already been released at the end of each fiscal year are disclosed. Accordingly, financial information as of September 30 is presented in the statement of financial position, and financial information for the first nine months of the reporting period ended December 31 is presented in the statement of profit or loss and the statement of comprehensive income.

(million yen)

	As of March 31, 2025	As of March 31, 2026
Current assets	1,164,453	1,361,588
Non-current assets	3,172,471	3,046,067
Total assets	4,336,924	4,407,656
Current liabilities	1,092,136	1,245,428
Non-current liabilities	1,724,052	1,663,587
Total liabilities	2,816,188	2,909,016
Total equity	1,520,736	1,498,640
Equity attributable to owners of parent	1,481,787	1,459,620
Non-controlling interests	38,948	39,019

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue	2,256,891	2,323,217
Net profit	36,218	108,384
Other comprehensive income	18,109	(86)
Comprehensive income	54,327	108,298

An adjustment between the amount of equity attributable to owners of parent in the above condensed consolidated financial statements and the carrying amount of interests in JSW Steel Limited, as well as the fair value of interests in JSW Steel Limited are as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Equity attributable to owners of parent	1,481,787	1,459,620
Ownership interest (%)	15.0	15.0
Equity attributable to the Group	222,268	218,943
Consolidation adjustment	3,938	22,139
Carrying amount of interests in JSW Steel Limited	226,206	241,082
Fair value of interests in JSW Steel Limited	684,335	699,393

Dividends received from JSW Steel Limited for the fiscal years ended March 31, 2025 and 2026 were 4,825 million yen and

1,768 million yen, respectively.

(2) Immaterial associates and joint ventures

The carrying amount of investments in associates and joint ventures is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Associates	191,578	198,982
Joint ventures	219,187	376,088

Financial information on immaterial associates and joint ventures is as follows, which represents the amounts attributable to the Group based on the Group's interest in those associates and joint ventures.

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Associates		
Net profit	25,428	20,859
Other comprehensive income	5,281	(1,792)
Comprehensive income	30,709	19,067
Joint ventures		
Net profit	(5,286)	5,337
Other comprehensive income	3,476	6,855
Comprehensive income	(1,810)	12,193

(3) Commitments to joint ventures

The Group has commitments to make equity investments or provide loans in certain jointly controlled entities. The amounts of potential new or additional capital contributions or loans by the Group under material equity investment or loan commitments were 18,218 million yen and 149,826 million yen as of March 31, 2025 and 2026, respectively.

The commitments outstanding as of March 31, 2026 relate primarily to the acquisition of an equity interest in JSW Kalinga Steel Limited. Details are provided in "42. Related Parties."

(4) Entities over which the Group has determined that it has significant influence despite holding less than 20% of the voting rights

JSW Steel Limited

Although the Group holds less than 20% of the voting rights in JSW Steel Limited, it applies the equity method because it has significant influence through the concurrent appointment of directors of JFE Steel Corporation (a consolidated subsidiary in the steel business) as directors of JSW Steel Limited, as well as through the provision of technical support related to steel sheet manufacturing technology and operational improvement.

19. Income Taxes

(1) Deferred tax assets and deferred tax liabilities

The breakdown of deferred tax assets and deferred tax liabilities by major cause of accrual is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Retirement benefit liability	30,661	19,951
Impairment losses	19,849	16,672
Accrued bonuses	14,615	16,098
Accrued expenses	10,942	11,849
Cost for promoting and developing land utilization of Keihin district	6,620	9,837
Unrealized gain on non-current assets	1,660	4,840
Cash flow hedges	5,578	3,764
Provisions	2,244	2,901
Unused tax loss carryforwards	1,579	2,734
Other	29,847	35,917
Total deferred tax assets	123,600	124,567
Deferred tax liabilities		
Retained earnings of subsidiaries and associates	35,048	37,445
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	17,614	24,949
Reserve for tax purpose reduction entry of non-current assets	9,397	9,254
Other	20,538	18,868
Total deferred tax liabilities	82,598	90,518
Net deferred tax assets	41,001	34,049

The breakdown of changes in net deferred tax assets (liabilities) is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at the beginning of the year	50,199	41,001
Deferred tax expense	(5,148)	11,305
Deferred taxes on items of other comprehensive income		
Effective portion of cash flow hedges	(1,041)	(1,851)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	323	(8,227)
Remeasurements of defined benefit plans	(3,194)	(9,211)
Other	(135)	1,031
Balance at the end of the year	41,001	34,049

Deductible temporary differences and unused tax loss carryforwards for which deferred tax assets are not recognized in the consolidated statement of financial position are as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Deductible temporary differences	406,204	452,603
Unused tax loss carryforwards	294,319	412,060

Unrecognized deferred tax assets for the above deductible temporary differences were 128,166 million yen and 141,840 million yen as of March 31, 2025 and 2026, respectively. Unrecognized deferred tax assets for the above unused tax loss carryforwards were 27,979 million yen and 38,270 million yen as of March 31, 2025 and 2026, respectively.

The breakdown by expiration date of unused tax loss carryforwards for which deferred tax assets are not recognized in the consolidated statement of financial position is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Year one	23,050	18,211
Year two to year five	135,115	206,592
Over five years	103,079	144,887
No specified expiration date	33,073	42,367
Total	294,319	412,060

Taxable temporary differences arising from investments in subsidiaries and associates for which deferred tax liabilities were not recognized as of March 31, 2025 and 2026 amounted to 56,379 million yen and 76,609 million yen, respectively.

Deferred tax liabilities are not recognized for such temporary differences, where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets of 55,624 million yen and 107,265 million yen were recognized as of March 31, 2025 and 2026, respectively, for taxable entities that incurred net loss in the current or previous period, and whose recoverability of deferred tax assets depends on future taxable income.

In assessing the recoverability of deferred tax assets, the Group considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies.

(2) Income tax expense

The breakdown of income tax expense is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Current tax expense	45,911	24,690
Deferred tax expense	5,148	(11,305)
Total	51,060	13,385

(3) Reconciliation of effective tax rate

The breakdown by major cause of a difference between the effective statutory tax rate and the burden ratio of corporation tax after application of tax effect accounting is as follows:

(%)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Effective statutory tax rate	30.0	30.0
(Reconciliation)		
Items permanently not tax-deductible, such as entertainment expenses	1.1	2.0
Items permanently not taxable, such as dividend income	(0.1)	(0.3)
Changes in valuation allowance	12.6	11.3
Share of profit (loss) of investments accounted for using equity method	(6.1)	(18.7)
Other	(2.1)	(9.0)
Burden ratio of corporation tax after application of tax effect accounting	35.4	15.3

(4) Global Minimum Taxation

The Group has applied “International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12 “Income Taxes”).” These amendments have clarified that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the BEPS Pillar Two GloBE (global minimum taxation) rules published by the OECD. However, the amendments also provide a temporary exception for entities from the requirements to recognize and disclose deferred tax assets and liabilities related to income taxes arising from the global minimum taxation rules. The Group has applied the temporary exception and neither recognized nor disclosed deferred tax assets and liabilities related to income taxes arising from the global minimum taxation rules.

20. Trade and Other Payables

The breakdown of trade and other payables is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Notes and accounts payable–trade	534,070	500,655
Accounts payable–other	61,884	70,486
Total	595,954	571,142

Trade and other payables are classified as financial liabilities measured at amortized cost.

21. Bonds Payable, Borrowings, and Lease Liabilities

(1) The breakdown of bonds payable, borrowings, and lease liabilities is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Short-term borrowings (Note 1)	137,763	202,992
Current portion of long-term borrowings (Note 1)	145,324	116,077
Current portion of bonds (Note 2)	49,991	39,990
Commercial papers (Note 1)	17,995	33,973
Bonds payable (Note 2)	184,397	214,219
Convertible bonds (Note 2)	87,770	88,407
Long-term borrowings (Note 1)	1,007,011	1,099,473
Lease liabilities	136,195	164,249
Total	1,766,451	1,959,385
Current liabilities	395,415	443,307
Non-current liabilities	1,371,035	1,516,078
Total	1,766,451	1,959,385

Bonds payable, borrowings, and lease liabilities are classified as financial liabilities measured at amortized cost.

Bonds payable and borrowings are not subject to financial covenants that have significant effects on the financing activities of the Group.

(Note 1) The weighted average interest rates and repayment dates for the balance of borrowings as of March 31, 2026 are as follows:

	(%)	Repayment date
Short-term borrowings	3.69	–
Current portion of long-term borrowings	1.08	–
Commercial papers	0.98	–
Long-term borrowings	1.52	April 22, 2027 to March 22, 2083

(Note 2) Terms and conditions of issuance of bonds and convertible bonds are summarized as follows:

(million yen)

Company name	Issuers	Date of issuance	As of March 31, 2025	As of March 31, 2026	Interest rate (%)	Collateral	Redemption date
The Company	The 25th unsecured bond	May 21, 2018	19,998	–	0.260	None	May 21, 2025
The Company	The 28th unsecured bond	May 27, 2019	9,992	9,998	0.260	None	May 27, 2026
The Company	The 29th unsecured bond	May 27, 2019	19,959	19,968	0.365	None	May 25, 2029
The Company	The 31st unsecured bond	September 20, 2019	29,974	29,991	0.250	None	September 18, 2026
The Company	The 32nd unsecured bond	September 20, 2019	19,955	19,965	0.320	None	September 20, 2029
The Company	The 34th unsecured bond	July 14, 2020	29,993	–	0.250	None	July 14, 2025
The Company	The 35th unsecured bond	July 14, 2020	9,971	9,977	0.470	None	July 12, 2030
The Company	The 1st unsecured bond with interest deferral and early redemption clauses (subordinated)	June 10, 2021	34,733	34,737	0.680 (*1)	None	June 10, 2081
The Company	The 36th unsecured bond	June 9, 2022	24,954	24,975	0.330	None	June 9, 2027
The Company	The 37th unsecured bond	June 9, 2022	4,977	4,980	0.579	None	June 9, 2032
The Company	Zero Coupon Convertible Bonds due 2028	September 28, 2023	87,770	88,407	–	None	September 28, 2028
The Company	The 38th unsecured bond	July 10, 2024	14,943	14,956	0.823	None	July 10, 2029
The Company	The 39th unsecured bond	December 4, 2024	14,935	14,945	1.162	None	December 4, 2031
The Company	The 40th unsecured bond	June 4, 2025	–	29,897	1.526	None	June 4, 2030
The Company	The 41st unsecured bond	October 23, 2025	–	19,921	1.591	None	October 23, 2030
The Company	The 42nd unsecured bond	October 23, 2025	–	2,983	1.824	None	October 22, 2032
The Company	The 43rd unsecured bond	October 23, 2025	–	16,918	2.184	None	October 23, 2035
Total	–	–	322,159	342,627	–	–	

*1 The interest rate will be fixed until June 10, 2027, and variable after the following day, with a step-up in interest rates after June 11, 2031.

(2) Assets pledged as collateral and corresponding secured obligations

Assets pledged as collateral

(million yen)

	As of March 31, 2025	As of March 31, 2026
Property, plant and equipment	7,823	7,219
Right-of-use assets	161	161
Investments accounted for using equity method	14,678	19,060
Other financial assets (non-current)	286	300
Total	22,949	26,741

Note: Industrial foundation’s assets of property, plant and equipment as mortgage

(million yen)

	As of March 31, 2025	As of March 31, 2026
Property, plant and equipment	6,578	5,829

In addition, shares of consolidated subsidiaries have been pledged as collateral.

(million yen)

	As of March 31, 2025	As of March 31, 2026
Shares of consolidated subsidiaries (carrying amount posted on the non-consolidated financial statements of the consolidated subsidiaries)	870	870

Corresponding secured obligations

(million yen)

	As of March 31, 2025	As of March 31, 2026
Trade and other payables	28	77
Bonds payable, borrowings, and lease liabilities (current)	564	561
Bonds payable, borrowings, and lease liabilities (non-current)	2,777	2,217
Total	3,370	2,856

Note: Those corresponding to the industrial foundation’s assets in the above obligations

(million yen)

	As of March 31, 2025	As of March 31, 2026
Bonds payable, borrowings, and lease liabilities (current)	559	559
Bonds payable, borrowings, and lease liabilities (non-current)	2,777	2,217
Total	3,336	2,777

22. Other Financial Liabilities

The breakdown of other financial liabilities is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Financial liabilities measured at amortized cost		
Deposits received	114,455	109,789
Other	66,828	67,220
Subtotal	181,283	177,010
Financial liabilities measured at fair value through profit or loss		
Derivative liabilities	7,646	9,458
Total	188,929	186,469
Current liabilities	148,830	131,952
Non-current liabilities	40,098	54,516
Total	188,929	186,469

23. Provisions

The breakdown and movement of provisions are as follows:

Fiscal year ended March 31, 2026

(million yen)

	Asset retirement obligations	Other provisions	Total
Balance at the beginning of the year	14,849	24,915	39,765
Increase during the year	901	19,028	19,930
Interest expense incurred over the discount period	1	–	1
Decrease due to intended use	(763)	(17,521)	(18,284)
Decrease due to reversal	(1,081)	(4,817)	(5,898)
Decrease due to changes in the scope of consolidation	(904)	482	(421)
Balance at the end of the year	13,003	22,088	35,092
Current liabilities	309	11,597	11,906
Non-current liabilities	12,694	10,491	23,185
Total	13,003	22,088	35,092

Asset retirement obligations

Asset retirement obligations are primarily mine rehabilitation costs relating to the coal mining rights of an Australian consolidated subsidiary engaged in investments in the coal mining business, and are expected to be paid after one year or more has passed from the end of the fiscal year ended March 31, 2026. However, they will be impacted by future business plans and other factors.

24. Post-employment Benefits

The Group has adopted mainly retirement lump-sum payment plans, defined benefit pension plans, and defined contribution pension plans. Retirement lump-sum payment plans and defined benefit pension plans are exposed to general investment risk, interest rate risk, inflation risk, and other risks. However, the Group determines that those risks are immaterial.

The defined benefit pension plans are operated by corporate pension funds legally separated from the Group. The corporate pension funds and pension fund trustees are required by laws and regulations to act in the best interests of the plan participants, and are responsible for managing the plan assets in accordance with the designated policies.

(1) Reconciliation of defined benefit obligations and plan assets

The reconciliation of the defined benefit obligations and plan assets to the retirement benefit liability and asset recognized in the consolidated statement of financial position is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Funded defined benefit obligations	145,044	133,622
Plan assets	(114,608)	(122,979)
Subtotal	30,435	10,642
Unfunded defined benefit obligations	45,224	39,493
Total	75,659	50,136
Amounts recognized in the consolidated statement of financial position		
Retirement benefit liability	103,092	85,930
Retirement benefit asset	(27,432)	(35,794)
Net defined benefit liability (asset) recognized in the consolidated statement of financial position	75,659	50,136

(2) Reconciliation of defined benefit obligations

The movement of defined benefit obligations is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at the beginning of the year	210,902	190,268
Current service cost	12,064	11,188
Interest expense	2,224	3,499
Remeasurements		
Actuarial losses arising from changes in demographic assumptions	(33)	(4,275)
Actuarial losses arising from changes in financial assumptions	(15,078)	(14,430)
Experience adjustments	(1,464)	(1,017)
Past service cost	(1,846)	(653)
Benefits paid	(11,804)	(11,140)
Effects of business combinations and disposals	(4,552)	–
Exchange differences on translation of foreign operations	(144)	(321)
Balance at the end of the year	190,268	173,116

The weighted average duration of defined benefit obligations is as follows:

(years)

	As of March 31, 2025	As of March 31, 2026
Weighted average duration	12.6	12.7

(3) Reconciliation of plan assets

The movement of plan assets is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at the beginning of the year	134,691	114,608
Interest income	1,574	2,253
Remeasurements		
Return on plan assets (excluding interest income)	(5,622)	11,187
Contribution to the plan by employer	1,552	1,552
Benefits paid	(7,810)	(5,993)
Effects of business combinations and disposals	(9,782)	–
Exchange differences on translation of foreign operations	4	(628)
Balance at the end of the year	114,608	122,979

The Group expects to contribute 1,774 million yen to its defined benefit plans in the fiscal year ending March 31, 2027.

(4) Major breakdown of plan assets

The breakdown of the total plan assets by major category is as follows:

(million yen)

	As of March 31, 2025			As of March 31, 2026		
	With quoted market price in an active market	With no quoted market price in an active market	Total	With quoted market price in an active market	With no quoted market price in an active market	Total
Equity instruments						
Domestic stocks	21,065	164	21,229	30,810	151	30,962
Foreign stocks	6,864	277	7,142	7,591	501	8,093
Debt instruments						
Domestic bonds	11,954	2,016	13,971	12,156	2,466	14,622
Foreign bonds	2,303	3,210	5,513	2,560	3,367	5,928
Cash and deposits	35,653	–	35,653	33,432	–	33,432
Life insurance general accounts	–	28,571	28,571	–	27,622	27,622
Other	–	2,526	2,526	–	2,318	2,318
Total	77,842	36,766	114,608	86,551	36,428	122,979

The Group's management policy for the plan assets is to secure stable returns in the medium and long term for ensuring future payments of defined benefit obligations pursuant to internal regulations. Specifically, the target rate of returns and the asset mix ratio by investment asset class are determined within the acceptable risk range every fiscal year, and the plan assets are managed with the asset mix ratio maintained.

(5) Actuarial assumptions

Major actuarial assumptions are as follows:

(%)

	As of March 31, 2025	As of March 31, 2026
Discount rate	Mainly 2.4	Mainly 3.5
Anticipated rate of salary increase	Mainly 0.9 to 3.0	Mainly 0.6 to 2.6

Note: The sensitivities of defined benefit obligations due to changes in the discount rate as of each fiscal year are as follows. Each of these sensitivities assumes that other variables are held constant; however, they do not always change independently. Negative figures indicate a decrease in defined benefit obligations, while positive figures indicate an increase.

The Group does not expect any significant changes in the anticipated rate of salary increase.

(million yen)

	Changes in assumptions	As of March 31, 2025	As of March 31, 2026
Discount rate	Increase by 0.5%	(9,685)	(7,960)
	Decrease by 0.5%	10,341	8,509

(6) Defined contribution pension plans

Contributions to the defined contribution pension plans are as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Contributions to the defined contribution pension plans	37,808	39,888

The above amounts include contributions to employees' pension insurance based on Japan's Employees' Pension Insurance Act.

25. Equity and Other Equity Items

(1) Share capital

(i) Authorized shares

The number of authorized shares as of April 1, 2024, March 31, 2025, and March 31, 2026 was 2,298,000 thousand common shares.

(ii) Fully paid and issued shares

The movement of the number of issued shares is as follows:

	Number of issued common shares (thousand shares)
As of April 1, 2024	639,438
Increase (decrease)	–
As of March 31, 2025	639,438
Increase (decrease)	–
As of March 31, 2026	639,438

Note: All the shares issued by the Company are non-par value common shares that have no restrictions on the rights.

(2) Treasury shares

The movement of the number of treasury shares is as follows:

	Number of shares (thousand shares)
As of April 1, 2024	3,472
As of March 31, 2025	3,360
As of March 31, 2026	3,302

Note: Treasury shares as of March 31, 2025 and 2026 include the Company shares held in trust accounts for employee stock ownership plans.

(3) Capital surplus and retained earnings

Under the Companies Act of Japan, at least one-half of the proceeds from issuance of shares shall be credited to share capital, while the remainder of the proceeds shall be credited to capital reserves included in capital surplus. In addition, the Companies Act of Japan provides that one-tenth of the dividends of retained earnings shall be appropriated as capital reserves or as retained earnings reserves until their aggregate amount equals one-quarter of share capital.

26. Dividends

(1) Amounts of dividends paid

Fiscal year ended March 31, 2025

Resolution	Type of share	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2024	Common stock	31,827	50	March 31, 2024	June 26, 2024

Note: The total amount of dividends of 31,827 million yen includes dividends of the Company shares held in trust accounts for employee stock ownership plans of 24 million yen.

Resolution	Type of share	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' Meeting held on November 6, 2024	Common stock	31,845	50	September 30, 2024	December 6, 2024

Note: The total amount of dividends of 31,845 million yen includes dividends of the Company shares held in trust accounts for employee stock ownership plans of 36 million yen.

Fiscal year ended March 31, 2026

Resolution	Type of share	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2025	Common stock	31,845	50	March 31, 2025	June 26, 2025

Note: The total amount of dividends of 31,845 million yen includes dividends of the Company shares held in trust accounts for employee stock ownership plans of 36 million yen.

Resolution	Type of share	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' Meeting held on November 6, 2025	Common stock	25,489	40	September 30, 2025	December 4, 2025

Note: The total amount of dividends of 25,489 million yen includes dividends of the Company shares held in trust accounts for employee stock ownership plans of 39 million yen.

(2) Of the dividends for which the record date belongs to the fiscal year, those dividends for which the effective date will be after the end of the fiscal year

Fiscal year ended March 31, 2025

Resolution	Type of share	Total amount of dividends (million yen)	Source of funds for dividends	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2025	Common stock	31,845	Retained earnings	50	March 31, 2025	June 26, 2025

Note: The total amount of dividends of 31,845 million yen includes dividends of the Company shares held in trust accounts for employee stock ownership plans of 36 million yen.

Fiscal year ended March 31, 2026

It is planned to submit the following proposal at the Ordinary General Meeting of Shareholders to be held on June 24, 2026.

Resolution	Type of share	Total amount of dividends (million yen)	Source of funds for dividends	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2026	Common stock	25,488	Retained earnings	40	March 31, 2026	June 25, 2026

Note: The total amount of dividends of 25,488 million yen includes dividends of the Company shares held in trust accounts for employee stock ownership plans of 39 million yen.

27. Revenue

(1) Disaggregation of revenue

Fiscal year ended March 31, 2025

(million yen)

	Steel Business	Engineering Business	Trading Business	Elimination of intersegment revenue	Total
Region					
Japan	2,147,734	493,617	663,158	(212,066)	3,092,444
Other	1,217,456	76,197	775,401	(301,852)	1,767,202
Total	3,365,191	569,815	1,438,559	(513,919)	4,859,647
Transfer of goods or services					
At a point in time	3,155,321	10,784	1,438,548	(488,779)	4,115,874
Over time	209,869	559,030	11	(25,139)	743,773
Total	3,365,191	569,815	1,438,559	(513,919)	4,859,647

Fiscal year ended March 31, 2026

(million yen)

	Steel Business	Engineering Business	Trading Business	Elimination of intersegment revenue	Total
Region					
Japan	2,003,534	530,081	613,313	(203,900)	2,943,029
Other	1,084,896	69,691	719,743	(278,089)	1,596,241
Total	3,088,430	599,773	1,333,057	(481,990)	4,539,270
Transfer of goods or services					
At a point in time	2,881,606	10,973	1,332,625	(455,570)	3,769,635
Over time	206,824	588,799	431	(26,420)	769,635
Total	3,088,430	599,773	1,333,057	(481,990)	4,539,270

(2) Contract balances

(million yen)

	As of April 1, 2024	As of March 31, 2025	As of March 31, 2026
Receivables from contracts with customers	704,123	625,505	621,442
Contract assets	134,569	155,257	155,769
Contract liabilities	50,186	47,591	38,964

Contract assets consist primarily of rights on consideration received for construction contracts in the engineering business in exchange for the portion of contract obligations fulfilled measured based on the percentage of completion at the end of the reporting period, excluding receivables. They are reclassified to receivables when all performance obligations have been satisfied.

The amount recognized as receivables that was included in the opening balance of contract assets was 99,615 million yen and 99,162 million yen as of March 31, 2025 and 2026, respectively.

Contract liabilities consist primarily of the portion of consideration for construction contracts in the engineering business received in stages during the contract period, apart from the satisfaction of performance obligations, that exceeds the amount recognized as revenue. They are reclassified to revenue upon satisfaction of performance obligations.

The amount recognized as revenue that was included in the opening balance of contract liabilities was 47,988 million yen and 45,907 million yen as of March 31, 2025 and 2026, respectively.

(3) Remaining performance obligations

(million yen)

	As of March 31, 2025	As of March 31, 2026
Transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied as of the end of the fiscal year	1,150,418	1,420,897
Expected timing of revenue recognition		
Within one year	399,774	413,610
Over one year	750,644	1,007,286

These obligations are mainly related to the engineering business.

28. Selling, General and Administrative Expenses

The breakdown of selling, general and administrative expenses is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Employee benefit expenses	158,659	164,443
Product shipping-related expenses	93,348	95,233
Provision of allowance for doubtful accounts	166	2,445
Other	157,200	168,939
Total	409,375	431,062

29. Employee Benefit Expenses

Employee benefit expenses are as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Employee benefit expenses	536,728	565,971

Employee benefit expenses include salaries, bonuses, legal welfare expenses, and retirement benefit expenses, and are recorded in “Cost of sales” and “Selling, general and administrative expenses.”

30. Share-based Payment

The Company has instituted a share-based payment plan through which a portion of the remuneration of directors of the Company (excluding directors who are Audit & Supervisory Committee members and outside directors), directors (limited to executive directors) of its operating companies, and corporate officers (excluding non-residents of Japan under the Income Tax Act) of the Company and its operating companies (hereinafter referred to collectively as the "Directors/Officers") is provided in the form of employee stock ownership plans. The Group's objective is to establish a clear link between remuneration and the Group's operating performance and equity value and encourage the sharing of value with shareholders, thereby creating a greater incentive to contribute toward enhancing shareholder value over the medium and long term.

The plan is a remuneration plan whereby shares in the Company are acquired through a trust funded by cash contributed by the Company, and the Company's shares and an amount of cash equivalent to the market price of the Company's shares (hereinafter referred to as the "Company's Shares") are provided through the trust to the Directors/Officers, pursuant to the Stock Grant Regulations for Officers established by the Company and its operating companies.

The Company's Shares are granted to the Directors/Officers, in principle, upon their retirement.

Remuneration under the plan is granted to the Directors/Officers as consideration for their execution period of duties, provided the Directors/Officers have been in office for at least a month during the period specified as follows (the "Execution Period"):

・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

・Others: From April 1 of the respective year to March 31 of the following year

The Company and its operating companies calculate points equivalent to the performance-linked portion and the service-length portion for each Execution Period and grant them to the Directors/Officers.

The points granted for each Execution Period are accumulated until retirement, and the number of the Company's Shares is calculated by converting the accumulated points as "one point = one share."

Part of the plan that provides the Company's Shares is accounted for as an equity-settled share-based payment transaction while part of the plan that provides cash is accounted for as a cash-settled share-based payment transaction.

Expenses recognized for the plan as "Selling, general and administrative expenses" in the consolidated statement of profit or loss are as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity-settled	141	176
Cash-settled	(20)	69
Total	121	246

The carrying amount of liabilities for the plan is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Other non-current liabilities	182	192

The number of points granted and the weighted average fair value of points at the grant date for the equity-settled portion of the plan are as follows:

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Number of points granted (points)	57,029	97,864
Weighted average fair value of points at the grant date (yen)	2,508	1,823

Note: The fair value of points granted approximates the share price at the grant date, and thus represents the share price at the grant date.

31. Other Income

The breakdown of other income is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Dividend income		
Equity financial assets measured at fair value through other comprehensive income	3,604	4,058
Rental income	4,977	5,944
Other	22,032	18,618
Total	30,614	28,621

The breakdown of dividend income from equity financial assets measured at fair value through other comprehensive income is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Financial assets derecognized during the year	798	84
Financial assets held as of the reporting date	2,805	3,974

32. Other Expenses

The breakdown of other expenses is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Loss on retirement of fixed assets	14,087	14,278
Loss on disposal of inventories	8,618	5,915
Foreign exchange losses	5,298	–
Other	20,110	22,420
Total	48,115	42,614

33. Cost for Promoting and Developing Land Utilization of Keihin District

Fiscal year ended March 31, 2025

Expenses were recorded for repurposing land, including removal costs, after the JFE Group terminated upstream processes of blast furnaces and other equipment at East Japan Works (Keihin district) of JFE Steel Corporation, one of the consolidated subsidiaries of the steel business.

Fiscal year ended March 31, 2026

Expenses were recorded for repurposing land, including removal costs, after the JFE Group terminated upstream processes of blast furnaces and other equipment at East Japan Works (Keihin district) of JFE Steel Corporation, one of the consolidated subsidiaries of the steel business.

34. Cost for Removal in Connection with the Construction of Green Transformation (GX) Facilities

Fiscal year ended March 31, 2026

Expenses were recorded mainly for the removal of facilities in connection with the construction of an innovative electric arc furnace and other equipment at West Japan Works (Kurashiki district) of JFE Steel Corporation, one of the consolidated subsidiaries of the steel business, to enable the supply of high-quality, high-strength GX Steel in large quantity. These losses were incurred because the removal of existing facilities was necessary to secure land for the transition to the new steelmaking process.

35. Loss Relating to Loss of Control over Subsidiaries

Fiscal year ended March 31, 2025

JFE ComService Co., Ltd., a subsidiary of JFE Steel Corporation and JFE Systems, Inc., the consolidated subsidiary in the steel business transferred 20.0% of the issued shares in GECOSS Corporation to Mizuho Leasing Company, Limited on May 10, 2024. As a result of this transaction, GECOSS Corporation was excluded from the scope of consolidation and became an equity-method associate of JFE Steel Corporation. These losses mainly represent the losses recorded in conjunction with this change. Furthermore, these losses include the loss of 8,746 million yen recognized as a result of remeasuring the fair value of the residual interests on the date of loss of control.

36. PCB Disposal Costs

Fiscal year ended March 31, 2025

Regarding the disposal of low-concentration polychlorinated biphenyl (PCB) waste, pursuant to the Act on Special Measures concerning Promotion of Proper Treatment of PCB Wastes, the JFE Group was approved by the Ministry of the Environment to operate facilities within the Group to render such poisonous waste harmless, and as a result, it has become possible to reasonably estimate the disposal costs of PCB. Accordingly, 3,962 million yen, which primarily corresponds to this amount, was recorded as PCB disposal costs in the consolidated statement of profit or loss.

37. Finance Income and Finance Costs

(1) Finance income

The breakdown of finance income is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Interest income		
Financial assets measured at amortized cost	5,707	5,560
Other	6	27
Total	5,714	5,588

(2) Finance costs

The breakdown of finance costs is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Interest expenses		
Financial liabilities measured at amortized cost	24,063	28,124
Other	1	1
Other	2,403	2,247
Total	26,467	30,373

38. Other Comprehensive Income

The amount arising during the year, reclassification adjustments to profit or loss, and tax effects for each component of other comprehensive income are as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Remeasurements of defined benefit plans		
Amount arising during the year	10,094	30,791
Before tax effects	10,094	30,791
Tax effects	(3,194)	(9,211)
Remeasurements of defined benefit plans	6,899	21,580
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income		
Amount arising during the year	(6,893)	25,597
Before tax effects	(6,893)	25,597
Tax effects	323	(8,227)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(6,570)	17,369
Exchange differences on translation of foreign operations		
Amount arising during the year	10,057	27,430
Reclassification adjustments	(15)	–
Before tax effects	10,041	27,430
Tax effects	–	–
Exchange differences on translation of foreign operations	10,041	27,430
Effective portion of cash flow hedges		
Amount arising during the year	5,930	11,106
Reclassification adjustments	(3,196)	(5,135)
Before tax effects	2,734	5,971
Tax effects	(1,009)	(1,851)
Effective portion of cash flow hedges	1,725	4,120
Share of other comprehensive income of investments accounted for using equity method		
Amount arising during the year	37,358	19,219
Reclassification adjustments	(5,012)	(8,783)
Share of other comprehensive income of investments accounted for using equity method	32,345	10,436
Total other comprehensive income	44,442	80,937

39. Earnings per Share

(1) Basic earnings per share and diluted earnings per share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Basic earnings per share (yen)	144.43	110.30
Diluted earnings per share (yen)	138.24	105.47

(2) Basis for calculation of basic earnings per share and diluted earnings per share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (million yen)	91,867	70,165
Amount not attributable to common shareholders of parent (million yen)	–	–
Profit used in calculation of basic earnings per share (million yen)	91,867	70,165
Profit adjustments (million yen)	430	430
Profit used in calculation of diluted earnings per share (million yen)	92,298	70,595
Weighted average number of common shares used in calculation of basic earnings per share (thousand shares)	636,048	636,124
Impact of dilutive potential common shares		
Share-based payments (thousand shares)	403	350
Convertible bonds (thousand shares)	31,237	32,893
Weighted average number of common shares used in calculation of diluted earnings per share (thousand shares)	667,689	669,367

Note: The Company shares held in trust accounts for employee stock ownership plans are included in treasury shares, which are excluded from the calculation of the weighted average number of shares used in the calculation of basic earnings per share. The weighted average number of treasury shares excluded from the calculation of basic earnings per share for the fiscal years ended March 31, 2025 and 2026 is 686 thousand and 886 thousand, respectively.

40. Supplemental Information on the Consolidated Statement of Cash Flow

(1) Proceeds from sale of shares of subsidiaries resulting in changes in scope of consolidation

Information on proceeds from sale of shares of subsidiaries resulting in changes in scope of consolidation is as follows:

Fiscal year ended March 31, 2025

The breakdown of assets and liabilities at the time of sale, the consideration assumed, and the amount received (net), in conjunction with the sales of shares of GECOSS Corporation and other companies and their exclusion from the scope of consolidated subsidiaries, are as follows:

	(million yen)
Assets sold	
Current assets (including cash and cash equivalents)	68,724
Non-current assets	38,321
Total assets sold	107,044
Liabilities sold	
Current liabilities	(39,922)
Non-current liabilities	(4,204)
Total liabilities sold	(44,126)
Fair value of consideration received	7,538
Cash and cash equivalents included in assets sold	(1,135)
Amount received upon sale	6,403

(2) Liabilities arising from financing activities

The movement of liabilities arising from financing activities is as follows:

Fiscal year ended March 31, 2025

(million yen)

Liabilities arising from financing activities	Balance at the beginning of the year	Changes from financing cash flows	Non-cash changes		Balance at the end of the year
			Increase due to new leases	Other	
Short-term borrowings	162,083	(29,170)	–	4,851	137,763
Current portion of long-term borrowings	160,701	(153,792)	–	138,415	145,324
Current portion of bonds	59,987	(60,000)	–	50,004	49,991
Commercial papers	–	17,995	–	–	17,995
Bonds payable	291,524	30,000	–	(49,355)	272,168
Long-term borrowings	1,015,091	140,661	–	(148,742)	1,007,011
Lease liabilities	140,890	(44,724)	39,596	433	136,195
Total	1,830,278	(99,029)	39,596	(4,393)	1,766,451

Note: "Other" in non-cash changes mainly includes the transfer of long-term borrowings due within one year to current portion of long-term borrowings and the transfer of bonds payable to current portion of bonds.

Fiscal year ended March 31, 2026

(million yen)

Liabilities arising from financing activities	Balance at the beginning of the year	Changes from financing cash flows	Non-cash changes		Balance at the end of the year
			Increase due to new leases	Other	
Short-term borrowings	137,763	61,995	–	3,233	202,992
Current portion of long-term borrowings	145,324	(142,098)	–	112,850	116,077
Current portion of bonds	49,991	(50,000)	–	39,999	39,990
Commercial papers	17,995	15,977	–	–	33,973
Bonds payable	272,168	70,000	–	(39,540)	302,627
Long-term borrowings	1,007,011	214,071	–	(121,609)	1,099,473
Lease liabilities	136,195	(49,244)	76,493	805	164,249
Total	1,766,451	120,701	76,493	(4,260)	1,959,385

Note: “Other” in non-cash changes mainly includes the transfer of long-term borrowings due within one year to current portion of long-term borrowings and the transfer of bonds payable to current portion of bonds.

41. Financial Instruments

(1) Capital management

The Group's capital management principle is to enhance capital efficiency and ensure sound financial conditions in order to achieve sustainable growth and the medium- to long-term improvement of corporate value.

The Group's major indicators for capital management are as follows:

	As of March 31, 2025	As of March 31, 2026
ROE*1	3.7%	2.7%
D/E ratio*2	54.3%	59.4%
Debt / EBITDA multiple*4	4.5x	4.8x

Notes: 1. *1 ROE = Profit attributable to owners of parent / Equity attributable to owners of parent

2. *2 D/E ratio = Bonds payable, borrowings, and lease liabilities / Equity attributable to owners of parent
For debt with an equity component*3, a portion of its issue price is deemed to be equity attributable to owners of parent, as assessed by rating agencies.

3. *3 Debt with an equity component (subordinated loans and bonds payable)

(million yen)

Borrowing date/Bond issuance date	Amount borrowed/Amount issued	Assessment of equity content	Amount deemed to be equity
June 30, 2016	167,500	50%	83,750
March 19, 2018	100,000	50%	50,000
June 10, 2021	35,000	50%	17,500
March 20, 2023	205,000	50%	102,500

4. *4 Debt / EBITDA multiple = Bonds payable, borrowings, and lease liabilities / EBITDA
EBITDA: Business income + Depreciation and amortization

These indicators are monitored as necessary and appropriate.

The Group is not subject to material capital regulation.

(2) Basic policy on financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, interest rate risk, and market price fluctuation risk) in the course of business activities. In order to mitigate these risks, the Group conducts risk management under certain policies. The Group uses derivative transactions to avoid or mitigate the risks described later and does not use them for speculative purposes.

(3) Credit risk

(i) Credit risk management

Trade receivables held by the Group are exposed to the credit risks of customers. To manage such risks, each company of the Group conducts regular reassessments of the financial standing of business partners.

The Group does not have excessive concentration of credit risk on any particular counterparty.

(ii) Maximum exposure to credit risk

Other than undrawn loan commitments and guaranteed obligations, the Group's maximum exposure to credit risk is the carrying amount of financial assets less impairment losses in the consolidated statement of financial position.

The maximum exposure to the credit risk of loan commitments and financial guarantee contracts is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Loan commitments	400	895
Financial guarantee contracts	27,083	27,086

(iii) Movement of allowance for doubtful accounts

(million yen)

	Fiscal year ended March 31, 2025		
	Allowance for doubtful accounts measured at an amount equal to 12-month expected credit losses	Lifetime expected credit losses	
		Allowance for doubtful accounts for trade receivables, contract assets, and lease receivables	Allowance for doubtful accounts for credit-impaired financial assets
Balance at the beginning of the year	208	771	1,682
Increase during the year	19	267	149
Decrease during the year (intended use)	–	–	(112)
Decrease during the year (reversal)	(61)	(209)	(99)
Other	34	59	(18)
Balance at the end of the year	201	889	1,600

(million yen)

	Fiscal year ended March 31, 2026		
	Allowance for doubtful accounts measured at an amount equal to 12-month expected credit losses	Lifetime expected credit losses	
		Allowance for doubtful accounts for trade receivables, contract assets, and lease receivables	Allowance for doubtful accounts for credit-impaired financial assets
Balance at the beginning of the year	201	889	1,600
Increase during the year	46	759	1,896
Decrease during the year (intended use)	–	(133)	(19)
Decrease during the year (reversal)	(34)	(282)	(122)
Other	11	16	(4)
Balance at the end of the year	224	1,249	3,350

Note: An increase during the year and decrease during the year (reversal) in allowance for doubtful accounts for trade receivables, contract assets, and lease receivables (lifetime expected credit losses) resulted from an increase and decrease in trade and other receivables mainly due to sale and collection.

(iv) Carrying amounts (before deducting allowance for doubtful accounts) of financial assets and receivables for which allowance for doubtful accounts is provided

(million yen)

	As of March 31, 2025	As of March 31, 2026
Financial assets with allowance for doubtful accounts measured at an amount equal to 12-month expected credit losses	72,775	46,828
Trade receivables, contract assets, and lease receivables	806,882	814,148
Credit-impaired financial assets	1,607	3,360

(v) Analysis of credit risk

Credit risk ratings are almost similar among financial assets with allowance for doubtful accounts measured at an amount equal to 12-month expected credit losses.

Past due information on trade receivables, contract assets, and lease receivables is as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Not past due	790,608	800,380
Past due within 30 days	7,384	8,601
Past due between 30 days and 90 days	2,530	2,645
Past due over 90 days	6,358	2,519
Total	806,882	814,148

(4) Liquidity risk

(i) Liquidity risk management

Liquidity risk is the risk that the Group may become unable to meet its payment obligations on their due date, including for trade payables and borrowings, owing to deterioration in the financing environment and other factors.

The Group raises the necessary funds mainly through bank loans and the issuance of commercial papers and bonds, taking into consideration the stability and cost of funds, while the due dates of those obligations are managed so as to avoid concentration of payments in view of the liquidity risk. In addition, the Group manages the funds of the domestic Group companies intensively and efficiently in an attempt to mitigate the liquidity risk.

The Group also maintains sufficient liquidity by setting commitment lines with financial institutions (500,000 million yen at the end of the fiscal year ended March 31, 2026).

(ii) Financial liabilities (including derivative financial instruments) by maturity date

As of March 31, 2025

(million yen)

	Carrying amount	Contractual cash flows	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
Non-derivative financial liabilities								
Trade and other payables	595,954	595,954	595,954	–	–	–	–	–
Bonds payable and borrowings	1,630,255	1,697,868	373,189	344,190	237,287	208,118	350,384	184,697
Installment payables	52,802	53,955	24,379	9,077	9,702	8,772	2,023	–
Lease liabilities	136,195	138,076	44,586	38,323	19,036	8,689	5,844	21,595
Subtotal	2,415,208	2,485,855	1,038,110	391,591	266,026	225,580	358,252	206,293
Derivative liabilities	7,646	7,646	7,589	43	12	–	–	–
Total	2,422,854	2,493,501	1,045,700	391,635	266,039	225,580	358,252	206,293

As of March 31, 2026

(million yen)

	Carrying amount	Contractual cash flows	Within one year	Over one year and within two years	Over two years and within three years	Over three years and within four years	Over four years and within five years	Over five years
Non-derivative financial liabilities								
Trade and other payables	571,142	571,142	571,142	–	–	–	–	–
Bonds payable and borrowings	1,795,135	1,875,386	582,105	285,899	246,347	366,521	142,401	252,111
Installment payables	52,474	54,794	11,237	11,842	13,892	4,073	13,749	–
Lease liabilities	164,249	168,387	51,170	37,854	22,159	14,149	9,561	33,492
Subtotal	2,583,002	2,669,711	1,215,655	335,596	282,399	384,744	165,712	285,603
Derivative liabilities	9,458	5,882	7,823	(150)	(234)	(235)	(236)	(1,083)
Total	2,592,461	2,675,594	1,223,479	335,446	282,164	384,508	165,475	284,520

(5) Foreign exchange risk

(i) Foreign exchange risk management

Financial instruments denominated in foreign currencies held by the Group are exposed to foreign exchange rate fluctuation risk. Hedge transactions, including forward exchange contracts, are entered into as necessary for the net balance of foreign currencies received from exports of products and foreign currencies paid for imports of raw materials under transactions denominated in the relevant foreign currencies.

(ii) Foreign exchange sensitivity analysis

The financial impact on profit before tax in the case of a 1% appreciation of Japanese yen against foreign currencies for financial instruments held by the Group at the end of each fiscal year is as follows. The analysis is based on the assumption that all other variables are held constant.

The sensitivity does not include the effects of translating financial instruments and the assets and liabilities of foreign operations denominated in the functional currency into the presentation currency.

(million yen)

	Currency	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Impact on profit before tax	U.S. dollar	(946)	(835)

(6) Interest rate risk

(i) Interest rate risk management

Borrowings with floating interest rates held by the Group are exposed to interest rate fluctuation risk. Hedge transactions, including interest rate swaps, are entered into for certain borrowings to cope with interest rate fluctuations and to reduce interest rate payments.

(ii) Interest rate sensitivity analysis

The financial impact on profit before tax in the case of a 1% increase in interest rate for financial liabilities with floating interest rates held by the Group at the end of each fiscal year is as follows. The analysis is based on the assumption that all other variables are held constant.

The sensitivity does not include borrowings with floating interest rates which are converted to fixed rates by derivative transactions, including interest rate swap agreements.

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Impact on profit before tax	(7,131)	(7,242)

(7) Share price fluctuation risk

(i) Share price fluctuation risk management

Equity instruments (stock) held by the Group are exposed to market price fluctuation risk. Most of the equity instruments are equities of the companies with which business relationships are maintained, and the fair values of such equities are regularly monitored.

(ii) Share price fluctuation sensitivity analysis

The financial impact on other comprehensive income (before tax) in the case of a 1% decrease in quoted price for equity financial assets (stock) in an active market held by the Group at the end of each fiscal year is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Impact on other comprehensive income (before tax)	(611)	(808)

(8) Carrying amounts and fair values of financial instruments

(million yen)

	As of March 31, 2025		As of March 31, 2026	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings	1,007,011	999,591	1,099,473	1,081,036
Current portion of bonds	49,991	49,952	39,990	39,849
Bonds payable	184,397	179,751	214,219	207,010
Convertible bonds	87,770	86,184	88,407	86,237

The fair value of financial assets and financial liabilities measured at amortized cost other than long-term borrowings, current portion of bonds, bonds payable, and convertible bonds are not included as they are close to their carrying amount.

Financial instruments measured at fair value on a recurring basis are also not included as the fair value and the carrying amount are equal.

The fair value of long-term borrowings is determined by discounting the total of principal and interest to present value with the estimated interest rate on a similar new loan.

The fair value of current portion of bonds and bonds payable is based on market prices. The fair value of convertible bonds is determined by discounting to present value with the yields of similar bonds without an equity conversion option.

Long-term borrowings, current portion of bonds, bonds payable, and convertible bonds are categorized as Level 2 within the fair value hierarchy.

(9) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments measured at fair value on a recurring basis after initial recognition is categorized into the following three levels depending on the observability and materiality of inputs used in the measurement.

Level 1: Fair value measured using market prices in active markets for identical assets or liabilities

Level 2: Fair value measured using observable inputs other than those categorized within Level 1, either directly or indirectly

Level 3: Fair value measured using significant unobservable inputs.

When two or more inputs are used for the measurement of fair value, the level of fair value measurement is determined based on the lowest level input that is significant to the entire measurement.

Transfers between levels of the fair value hierarchy are determined at the end of each fiscal year.

There were no transfers between Level 1 and Level 2 for the fiscal years ended March 31, 2025 and 2026.

As of March 31, 2025

(million yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	24,586	–	24,586
Other	–	4,557	–	4,557
Equity financial assets measured at fair value through other comprehensive income				
Equity securities	61,176	–	62,847	124,024
Investments in capital	–	–	5,544	5,544
Total	61,176	29,143	68,392	158,712
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	632	7,014	7,646
Total	–	632	7,014	7,646

As of March 31, 2026

(million yen)

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	–	20,203	–	20,203
Other	–	4,612	–	4,612
Equity financial assets measured at fair value through other comprehensive income				
Equity securities	80,853	–	67,056	147,910
Investments in capital	–	–	5,451	5,451
Total	80,853	24,816	72,508	178,178
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	2,444	7,014	9,458
Total	–	2,444	7,014	9,458

・Equity securities and investments

Listed equity securities are categorized within Level 1 as their fair value is determined based on the market price.

Unlisted equity securities and investments in capital are categorized within Level 3 as their fair value is determined using the comparable peer company analysis or other appropriate valuation techniques, where one or more significant inputs are not based on observable market data. The major significant unobservable input is a discount for illiquidity. The fair value decreases as a discount for illiquidity due to unlisted nature increases. A 30% illiquidity discount has been applied.

・Derivative assets and derivative liabilities

Derivative transactions, such as forward exchange contracts and interest rate swaps, are categorized within Level 2 as their fair value is determined based on the quoted prices from counterparty financial institutions.

Among derivative liabilities, non-controlling interest put options are calculated based on the contractual exercise price, and are categorized within Level 3 as they use unobservable inputs.

The fair value of financial instruments categorized within Level 3 is determined by each Group company which directly holds the relevant equity securities and other instruments, in accordance with the valuation policy and procedures for fair value measurements established by the Group. The results of fair value measurements are approved by an appropriate responsible person.

The movement of financial instruments measured at fair value on a recurring basis that are categorized within Level 3 for the fiscal years ended March 31, 2025 and 2026 is as follows:

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Financial assets		
Balance at the beginning of the year	75,030	68,392
Other comprehensive income (Note 1)	(6,112)	106
Acquisition	833	4,472
Sale	(984)	(302)
Changes due to changes in the scope of consolidation	(206)	(118)
Other	(169)	(40)
Balance at the end of the year	68,392	72,508
Financial liabilities		
Balance at the beginning of the year	–	7,014
Other (Note 2)	7,014	–
Balance at the end of the year	7,014	7,014

Notes: 1. The amount is included in "Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income" in the consolidated statement of comprehensive income.

2. "Other" under financial liabilities recognized during the fiscal year ended March 31, 2025, represents non-controlling interest put options.

(10) Derivative transactions and hedging activities

Derivative transactions used by the Group carry risks of market price fluctuations in the future, including that of currencies, interest rates The Group uses derivatives that are only based on actual demand, such as export and import transactions, and bonds payable and borrowings. Accordingly, these risks are limited within the scope of loss of opportunity gains. Furthermore, as the Group conducts derivative transactions only with financial institutions with high credit ratings, the risk of failure to perform contracts due to bankruptcy of the counterparty, is considered to be close to non-existent. The Company has established the internal rule on derivative transactions, and conducts transactions related to derivatives pursuant to the rule. On each actual transaction, the Company conducts a transaction upon authority by the Corporate Officer for Finance pursuant to the rule stated above. Balances, market prices, and losses/gains on valuation of derivatives are to be reported to the management council regularly. The consolidated subsidiaries also conduct derivative transactions pursuant to the respective internal rules.

If the risk management objective for a hedging relationship is altered, the application of hedge accounting is discontinued.

(i) Fair value hedges

The Group uses interest rate swaps to hedge the fluctuation risk in the fair value of its borrowings and designates such derivative transactions as fair value hedges.

The amount recognized in profit or loss for the hedge ineffectiveness portion and the portion excluded from the assessment of hedge effectiveness was immaterial for the fiscal years ended March 31, 2025 and 2026.

(ii) Cash flow hedges

The Group uses forward exchange contracts and interest rate swaps primarily to hedge the fluctuation risk of the cash flows associated with foreign exchange fluctuations in foreign currency-denominated transactions and interest rate fluctuations in borrowings, and designates such derivative transactions as cash flow hedges.

The amount recognized in profit or loss for the hedge ineffectiveness portion and the portion excluded from the assessment of hedge effectiveness was immaterial for the fiscal years ended March 31, 2025 and 2026.

(iii) Fair value of hedging instruments to which hedge accounting is applied

(million yen)

	As of March 31, 2025		As of March 31, 2026	
	Assets	Liabilities	Assets	Liabilities
Fair value hedges				
Interest rate swap transactions	–	–	–	1,302
Subtotal	–	–	–	1,302
Cash flow hedges				
Forward exchange transactions	1,079	483	2,958	443
Interest rate swap transactions	2,630	–	2,800	–
Cross-currency interest rate swap transactions	19,447	–	12,185	–
Commodity futures transactions	823	–	1,278	–
Commodity swap transactions	43	–	415	–
Subtotal	24,024	483	19,640	443
Total	24,024	483	19,640	1,745

The fair value of the hedging instrument as an asset is recognized in “Other financial assets (current assets)” and “Other financial assets (non-current assets)” in the consolidated statement of financial position. The fair value of the hedging instrument as a liability is recognized in “Other financial liabilities (current liabilities)” and “Other financial liabilities (non-current liabilities)” in the consolidated statement of financial position.

(iv) Notional amount and average price of hedging instruments to which hedge accounting is applied

The notional amount of hedging instruments to which hedge accounting is applied

(million yen)

	As of March 31, 2025		As of March 31, 2026	
	Within one year	Over one year	Within one year	Over one year
Fair value hedges				
Interest rate swap transactions	–	–	–	28,500
Cash flow hedges				
Forward exchange transactions	159,895	3,421	144,135	10,368
Interest rate swap transactions	–	5,581	–	10,266
Cross-currency interest rate swap transactions	25,418	20,655	1,057	19,598
Commodity futures transactions	30,780	–	25,480	–
Commodity swap transactions	415	–	1,978	–

The average forward exchange rate of major currencies under forward exchange transactions and the average paid interest rate under interest rate swap transactions and cross-currency interest rate swap transactions are as follows:

	As of March 31, 2025	As of March 31, 2026
Cash flow hedges		
Forward exchange transactions		
U.S. dollar	148.83 yen	156.26 yen
Euro	152.30 yen	173.97 yen
Interest rate swap transactions		
Receive floating / pay fixed	–	1.68%
Cross-currency interest rate swap transactions		
U.S. dollar	107.52 yen	104.85 yen
Receive floating / pay fixed	0.13%	0.10%

(v) Carrying amount of hedged items in fair value hedges and accumulated amount of fair value hedge adjustments

As of March 31, 2025

There is no applicable item.

As of March 31, 2026

(million yen)

	Line item of the consolidated statement of financial position	Carrying amount		Including accumulated amount of fair value hedge adjustments	
		Assets	Liabilities	Assets	Liabilities
Interest rate swap transactions	Bonds payable, borrowings, and lease liabilities	–	27,197	–	(1,302)

(vi) Other components of equity and gains or losses on hedging instruments of cash flow hedges

Fiscal year ended March 31, 2025

(million yen)

	Forward exchange transactions	Interest rate swap transactions	Cross-currency interest rate swap transactions	Commodity futures transactions	Commodity swap transactions	Total
Balance at the beginning of the year	1,188	190	602	(1,952)	–	29
Hedging gains or losses recognized in other comprehensive income	3,079	(73)	1,628	(676)	(13)	3,944
Reclassification adjustments to profit (Note)	(1,007)	17	(1,229)	–	–	(2,219)
Reclassification amount to cost of non-financial assets	(3,048)	–	–	2,870	43	(133)
Balance at the end of the year	210	133	1,002	242	30	1,620

Fiscal year ended March 31, 2026

(million yen)

	Forward exchange transactions	Interest rate swap transactions	Cross-currency interest rate swap transactions	Commodity futures transactions	Commodity swap transactions	Total
Balance at the beginning of the year	210	133	1,002	242	30	1,620
Hedging gains or losses recognized in other comprehensive income	2,970	102	3,074	1,437	78	7,663
Reclassification adjustments to profit (Note)	(401)	6	(3,148)	–	–	(3,543)
Reclassification amount to cost of non-financial assets	(1,581)	–	–	(1,135)	175	(2,541)
Balance at the end of the year	1,198	243	928	544	285	3,199

Note: Major line items for reclassification adjustments in the consolidated statement of profit or loss for the fiscal year ended March 31, 2025 are “Other expenses” for forward exchange transactions and “Finance costs” for interest rate swap transactions and cross-currency interest rate swap transactions.

Major line items for reclassification adjustments in the consolidated statement of profit or loss for the fiscal year ended March 31, 2026 are “Other income” for forward exchange transactions and “Finance costs” for interest rate swap transactions and cross-currency interest rate swap transactions.

(11) Transfer of financial assets

As of March 31, 2025 and 2026, trade receivables transferred without satisfying conditions for derecognition of financial assets of 2,004 million yen and 4,047 million yen were recognized in "Trade and other receivables," respectively, and the amounts received due to the transfer of 2,004 million yen and 4,047 million yen were recognized in "Bonds payable, borrowings, and lease liabilities," respectively.

With regard to these trade and other receivables, the Group will assume the payment obligations in case the drawer of the notes or the debtor fails to make payment. For this reason, it has been determined that the Group holds almost all of the risks and rewards related to ownership of the transferred assets.

42. Related Parties

(1) Remuneration for key management personnel

(million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Remuneration and bonuses	1,714	1,683
Share-based payment	68	97
Total	1,783	1,781

(2) Transactions with related parties

Fiscal year ended March 31, 2026

JFE Steel Corporation, a consolidated subsidiary in the steel business, acquired a 25% equity interest in JSW Kalinga Steel Limited, a former subsidiary of JSW Steel Limited, an equity-method associate of JFE Steel Corporation, for 78.75 billion rupees in March 2026, and accounted for the company as an equity-method associate (joint venture). JFE Steel Corporation has a commitment to acquire an additional 25% equity interest in the company for INR 78.75 billion, and the acquisition is scheduled to be completed in June 2026.

* JSW Kalinga Steel Limited was renamed JSW JFE Kalinga Steel Limited on April 17, 2026.

43. Commitments

Commitments for the acquisition of assets after the reporting date are as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Acquisition of property, plant and equipment	236,148	364,405

44. Contingent Liabilities

(1) Guarantees of obligations

Guarantees for borrowings from financial institutions to companies other than subsidiaries are as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Joint ventures	20,314	18,599
Associates	548	2,996
Other	1,954	1,967
Total	22,817	23,563

In addition to the above, guarantees of obligations that may arise in the future for associates are as follows:

(million yen)

	As of March 31, 2025	As of March 31, 2026
Guarantee limit for associates	4,266	3,522

(2) Litigation

There is no applicable item.

45. Subsequent Events

The Company issued unsecured bonds with interest deferral and early redemption clauses (subordinated) on June 11, 2026 (hereinafter, the "Subordinated Bonds") under the terms set forth below.

1. Name of bonds	JFE Holdings, Inc. The 2nd Unsecured Bond with Interest Deferral and Early Redemption Clauses (Subordinated)	JFE Holdings, Inc. The 3rd Unsecured Bond with Interest Deferral and Early Redemption Clauses (Subordinated)	JFE Holdings, Inc. The 4th Unsecured Bond with Interest Deferral and Early Redemption Clauses (Subordinated)
2. Issue amount	40 billion yen	10 billion yen	10 billion yen
3. Coupon rate	2.940%	3.372%	3.924%
4. Closing date	June 11, 2026		
5. Optional early redemption date	June 11, 2031 and each interest payment date thereafter	June 11, 2033 and each interest payment date thereafter	June 11, 2036 and each interest payment date thereafter
6. Maturity date	June 11, 2061	June 11, 2063	June 11, 2066
7. Interest payment dates	June 11 and December 11 of each year		
8. Subordination	Subordinated		
9. Replacement restrictions	None. If the Company redeems the Subordinated Bonds prior to maturity, during the 12-month period preceding such early redemption, the Company is expected to replace the amount to be redeemed through common shares, or through securities or debt instruments recognized by a rating agency as having equity credit equal to or greater than that of the Subordinated Bonds (hereinafter, the "Replacement Securities"). However, if certain financial conditions are satisfied on or after the first optional redemption date of the Subordinated Bonds, the Company may reduce the amount of, or forgo, such funding through Replacement Securities.		
10. Credit ratings	Rating and Investment Information, Inc. ("R&I"): A- Japan Credit Rating Agency, Ltd. ("JCR"): A		
11. Equity credit	R&I and JCR recognize 50% of the amount raised as equity.		
12. Use of proceeds	The proceeds will be used in full to repay commercial paper maturing on or before March 2027. In addition, a portion of the Subordinated Bonds will be issued as Replacement Securities for the 35 billion yen 1st Unsecured Bond with Interest Deferral and Early Redemption Clauses (Subordinated), which are scheduled to be redeemed prior to maturity on June 10, 2027.		

JFE Holdings, Inc. and its consolidated subsidiary JFE Steel Corporation resolved at their respective board meetings on December 3, 2025 and November 25, 2025 to make an equity investment in Bhushan Power and Steel Limited (BPSL), a subsidiary of JSW Steel Limited (JSW), and to enter into a joint venture with JSW. The investment based on this resolution is planned to be carried out in two tranches through JSW Kalinga Steel Limited.*

BPSL owns an iron ore mine and integrated steelworks in eastern India. Mainly producing steel coils and sheets, bars, and wire rods, BPSL is a cost-competitive steel company with a wide sales network primarily in eastern and northern India. The company's integrated steelworks plans to expand crude steel production capacity to 10 million tons by 2030, and potentially to 15 million tons thereafter, aiming to become one of the largest integrated steelworks in India.

The formation of the joint venture was completed on March 30, 2026, and JSW JFE Steel Limited (hereinafter "JJSL") was established. JJSL will be positioned as the third integrated steelworks of JFE Steel Corporation, in addition to the company's East Japan and West Japan works, and is expected to contribute to increased earnings as an overseas business.

* JSW Kalinga Steel Limited was renamed JSW JFE Kalinga Steel Limited on April 17, 2026.

BPSL Overview
Location: Sambalpur, Odisha, India
Annual Capacity: 4.5 million tons of crude steel
Products: Hot-rolled steel coils and sheets, cold-rolled steel coils and sheets, bars, wire rods, and steel pipes
FY2024 Sales (April 2024 – Mar 2025): INR 214.4 billion (approx. JPY 360 billion)

Joint Venture Overview
Investment by JFE: INR 157.5 billion (approx. JPY 270 billion)
Ownership: JFE Steel 50% and JSW Steel 50%

Method of Share Acquisition
Tranche 1: 25% stake for INR 78.75 billion (approx. JPY 135.0 billion), completed in March 2026
Tranche 2: 25% stake for INR 78.75 billion (approx. JPY 135.0 billion), to be completed around June 2026

(2) Other

(Significant lawsuits)

There is no applicable item.

(Semi-annual information for the fiscal year ended March 31, 2026)

	Six months ended September 30, 2025	Fiscal year ended March 31, 2026
Revenue (million yen)	2,232,649	4,539,270
Profit before taxes (million yen)	34,174	87,417
Profit attributable to owners of parent (million yen)	26,676	70,165
Basic earnings per share (yen)	41.94	110.30

VI. Outline of Share-related Administration of Reporting Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	June
Record date	March 31
Record date of dividends of surplus	September 30 March 31
Number of shares constituting one unit	100 shares
Purchase and additional purchase of shares less than one unit	
Handling office	Stock Transfer Agency Department, Head Office, Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo, Japan
Administrator of the shareholders' register	Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo, Japan
Forwarding office	–
Purchase and additional purchase fees	Free of charge
Method of public notice	Electronic public notice (posted on the Company's website) URL: https://www.jfe-holdings.co.jp/en/ * Please note that in the event of an accident or other unavoidable reason, public notice shall be given by publication in The Nihon Keizai Shimbun.
Special benefits for shareholders	(Shareholder benefit program) We offer a factory tour to shareholders who hold 100 or more shares of the Company. (If the number of applications exceeds the capacity, visitors are selected by lottery.)

VII. Reference Information of Reporting Company

1. Information about parent of reporting company

The Company does not have any parent company.

2. Other reference information

From the beginning of the current fiscal year until the filing date of this Annual Securities Report, the Company filed the following documents:

(1) Annual Securities Report, attached documents thereof, and Confirmation Letter

Filed for the 23rd term ended March 31, 2025 (from April 1, 2024 to March 31, 2025) with the Director-General of the Kanto Regional Finance Bureau on June 25, 2025

(2) Internal Control Report and attached documents thereof

Filed for the 23rd term ended March 31, 2025 (from April 1, 2024 to March 31, 2025) with the Director-General of the Kanto Regional Finance Bureau on June 25, 2025

(3) Semiannual Securities Report and Confirmation Letter

Filed for the first half of the 24th term (from April 1, 2025 to September 30, 2025) with the Director-General of the Kanto Regional Finance Bureau on November 6, 2025

(4) Extraordinary Report

(i) Filed an Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, item 9-2 (Disclosure of the results of exercise of voting rights) of the Cabinet Office Order on Disclosure of Corporate Affairs with the Director-General of the Kanto Regional Finance Bureau on June 26, 2025

(ii) Filed an Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, item 2-2 (Disposal of treasury shares) of the Cabinet Office Order on Disclosure of Corporate Affairs with the Director-General of the Kanto Regional Finance Bureau on August 4, 2025

(iii) Filed an Extraordinary Report pursuant to the provisions of Article 19, paragraph 2, item 9 (Change in representative) of the Cabinet Office Order on Disclosure of Corporate Affairs with the Director-General of the Kanto Regional Finance Bureau on January 29, 2026

(5) Shelf Registration Statement (shares, corporate bonds, etc.) and attached documents thereof

Filed with the Director-General of the Kanto Regional Finance Bureau on June 30, 2025

(6) Shelf Registration Supplements and attached documents thereof

(i) Filed Shelf Registration Supplements to the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 and attached documents thereof with the Director-General of the Kanto Regional Finance Bureau on October 17, 2025

(ii) Filed Shelf Registration Supplements to the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 and attached documents thereof with the Director-General of the Kanto Regional Finance Bureau on June 5, 2026

(iii) Filed Shelf Registration Supplements to the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 and attached documents thereof with the Director-General of the Kanto Regional Finance Bureau on June 5, 2026

(7) Amended Shelf Registration Statement

(i) Filed Amended Shelf Registration Statement of the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 with the Director-General of the Kanto Regional Finance Bureau on August 5, 2025

(ii) Filed Amended Shelf Registration Statement of the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 with the Director-General of the Kanto Regional Finance Bureau on October 7, 2025

(iii) Filed Amended Shelf Registration Statement of the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 with the Director-General of the Kanto Regional Finance Bureau on January 30, 2026

(iv) Filed Amended Shelf Registration Statement of the Shelf Registration Statement (shares, corporate bonds, etc.) filed on June 30, 2025 with the Director-General of the Kanto Regional Finance Bureau on May 11, 2026