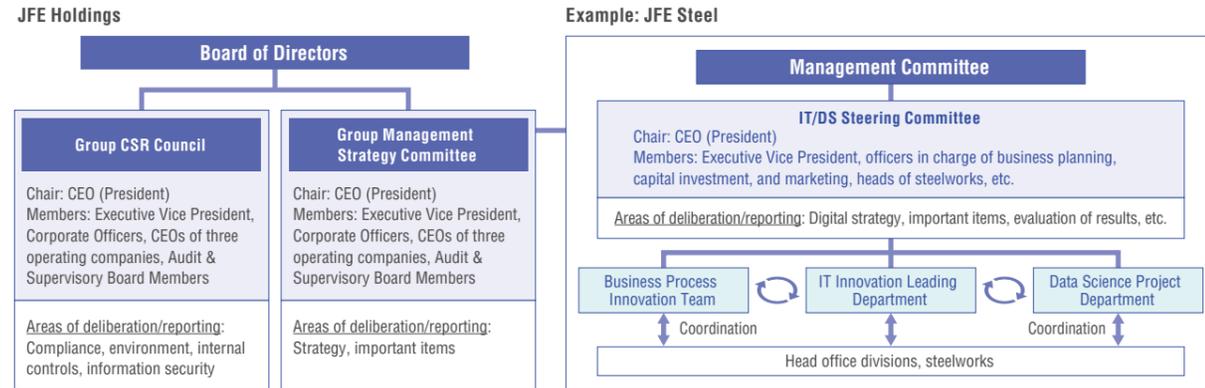


Digital governance

JFE Group digital governance framework

Group digital governance structure is embedded in the corporate governance framework



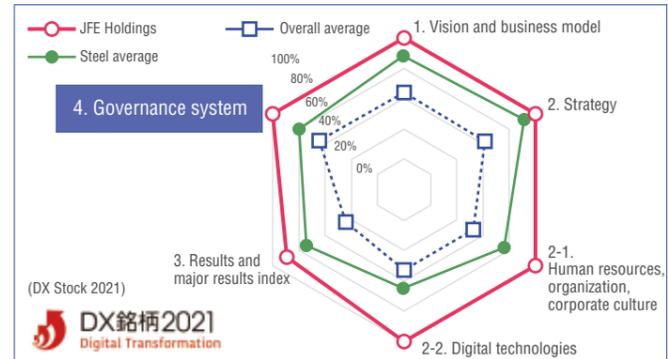
Designation standards and JFE's position under DX certification structure (Ministry of Economy, Trade and Industry)

Designated as a **DX-certified operator** in recognition of ongoing management leadership based on digital governance
Selected as a **DX stock (Competitive IT Strategy Company)** for seven consecutive years

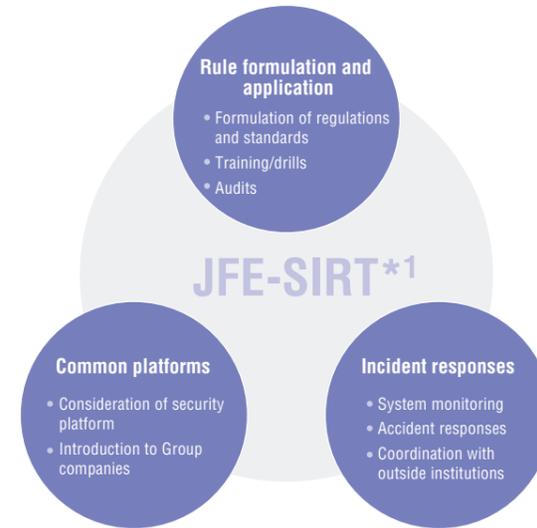
Standards for DX-certified operator designation

1. Management vision and business model
2. Strategy
 - 2-1. Organization, structures, etc., for realization of strategy
 - 2-2. Use of digital technologies for realization of strategy
3. Results and major results index
4. Governance system

Evaluation of JFE Holdings' digital governance by DX Stock Evaluation Committee

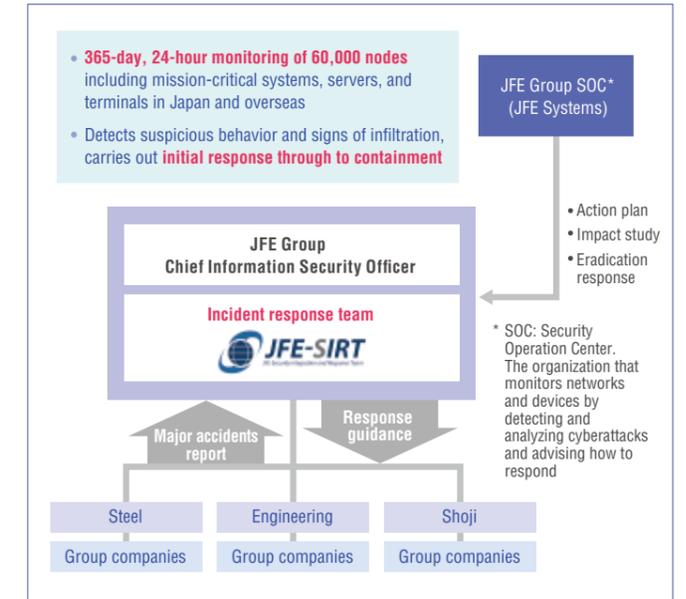


Cybersecurity monitoring initiatives



*1 JFE-SIRT: A CSIRT*2 responsible for responding to incidents of information security, as well as planning, proposing, and promoting Groupwide measures, auditing Group companies, and reviewing security policy
*2 CSIRT: Computer Security Incident Response Team. A general term for a group that responds to internal computer security-related incidents

System monitoring overview



Message from JFE-SIRT

We again had numerous reports of damage from cyberattacks and hacks during 2021. In addition to cases overseas that led to pipelines coming to a halt and affecting social and economic activity, many cases in Japan forced companies to cease operations.

Today, networks and the Internet in particular are indispensable tools and infrastructure for social and economic activity. At the same time, information can be stolen if those tools are breached, and some organizations use them as weapons to disrupt society.

We recognize that we face dangers and that DX and cybersecurity are two sides of the same coin, and we will work to strengthen our people, organization, and technologies.



Ken Sakata
Team Leader, JFE-SIRT

Initiatives being strengthened further

Initiatives going forward



Security management

JFE Group security management structure

In line with the Declaration of Cybersecurity Management, we are **strengthening our management-led cybersecurity countermeasures**, primarily at **JFE-SIRT**, in response to increasingly serious and sophisticated cyberthreats.

Declaration of Cybersecurity Management

1. Recognize cybersecurity as a management issue
2. Determine management policies and declare intentions
3. Build internal and external systems and implement security measures
4. Encourage widespread use of cybersafe products, systems, and services
5. Help build safe and secure ecosystems

JFE Group security governance structure



* Chief Information Security Officer (CISO): The officer in charge of information security, who is responsible for information management and use within companies and organizations

In addition to initiatives at each operating company and the Group's security countermeasures, **specific Groupwide themes will be considered going forward.**

Proposed themes for consideration	Details
• Construction of a CO ₂ emissions management system	• Timely and efficient emissions management • Use of data analysis to reduce emissions
• DX in the logistics supply chain	• Integrated linkage of manufacturing, sales, and logistics information • Enhanced CS and efficiency with lower logistics costs and CO ₂ reductions