

Named DX Stock 2021*1

For seven consecutive years, JFE Holdings has been designated as a company proactively pursuing DX, and JFE Holdings has been selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) for inclusion in the Competitive IT Strategy Company Stock Selection, renamed the Digital Transformation (DX) Stock Selection in 2020.

During fiscal 2018 through fiscal 2020, the period covered by the Sixth Medium-term Business Plan, our proactive pursuit of DX yielded results that led to a transformation of the business model to incorporate the use of DX, and the Engineering Business's advanced use of DX has also been recognized externally.

From fiscal 2021 through fiscal 2024, under the Seventh Medium-term Business Plan, we will pursue DX further, making maximum use of the wealth of data, expertise, and technologies we have accumulated to date, leading to greater earnings strength, the realization of our growth strategy, and a more sophisticated business model.

*1 JFE Holdings corporate website (News Release section) (in Japanese only)
<https://www.jfe-holdings.co.jp/release/2021/06/210608.html>



Briefing on the JFE Group DX strategy*2

JFE Holdings held a briefing on our DX strategy for the mass media, securities analysts, and institutional investors on August 26, 2021. The briefing was held online and simultaneously streamed from two locations: JFE Steel's JFE Digital Transformation Center (JDXC®), a base for DX promotion, and JFE Engineering's Global Remote Center (GRC), a remote monitoring and operational support center for plants.

The briefing, the first on DX for the JFE Group, included explanations of the JFE Group's DX strategy and the strategies and specific initiatives being carried out at each operating company. DX is an important strategy for the JFE Group, and we will continue to work to promote a better understanding of our DX efforts.

*2 JFE Holdings corporate website (News Release section) (in Japanese only)
<https://www.jfe-holdings.co.jp/investor/management/plan/index.html#20210826>



JFE Steel's JDXC®, a base for DX promotion



JFE Engineering's GRC, a remote monitoring and operational support center for plants

JFE Group Declaration of Cybersecurity Management

1 Recognize cybersecurity as a management issue

The JFE Group recognizes cyber-related risk as a key management priority. We shall enhance our own understanding of the latest cybersecurity developments and actively engage in management by positioning cybersecurity spending as an investment.

Management shall enhance their cybersecurity measures with responsibility while confronting realities, addressing risks, and exercising leadership. Members of management shall chair cybersecurity-related committees at JFE Holdings and its three operating companies, promote constructive discussions, validate various measures, and allocate appropriate resources to whatever measures deemed necessary.

2 Determine management policies and declare intentions

The JFE Group shall determine management policies and draft a business continuity plan (BCP) aimed at quick recovery in the event of a cybersecurity incident, emphasizing not only identification and defense, but also detection, response, and recovery.

Every year, the JFE Group shall lay out a cybersecurity action plan for the Group, reflecting a review of risk identification, defense mechanisms, and guidelines for responding to an information security incident. Also, the JFE Group shall strengthen incident response capabilities through regular drills and prepare the BCP. Furthermore, the JFE Group shall periodically conduct cybersecurity audits on JFE Group companies. Through these efforts, the JFE Group aims to steadily raise the level of the overall Group.

Management shall take the lead in declaring companies' intentions to internal and external stakeholders, and make every effort to voluntarily disclose recognized risks and measures to deal with them, in corporate reporting.

3 Build internal and external systems and implement security measures

The JFE Group shall establish internal systems mainly through JFE-SIRT, ensure sufficient resources including budgets and personnel, and take necessary human, technical, and physical measures.

Using various internal and external human resources development programs, the JFE Group shall cultivate the skills of high-level, professional staff with detailed knowledge of cybersecurity and shall work with external specialists to leverage the benefits of sharing know-how. The JFE Group shall strive to educate and motivate employees at every level in all divisions at each company under the JFE Group umbrella through in-house training and drills, as well as participation in cross-industry exercises.

The JFE Group shall manage cybersecurity throughout domestic and international supply chains by monitoring security measures at outsourcing contractors and others on the supply chain.

4 Encourage widespread use of cybersafe products, systems, and services

The JFE Group shall manage cybersecurity across the full spectrum of corporate activity, including development, design, production, and supply of products, systems, and services.

5 Help build safe and secure ecosystems

The JFE Group shall collaborate with relevant government agencies, organizations, industry associations, and other bodies to actively share information, engage in dialogue, and build human networks, both in Japan and internationally. The JFE Group shall contribute to reinforcement of cybersecurity throughout global society by raising awareness of measures taken on the basis of such information.