

# Workforce Enhancement

—Securing and Nurturing Diverse Personnel

The JFE Group Basic Policy on Human Resources Management was established under the Fifth Medium-term Business Plan in April 2015 to create workplaces where employees can realize their full potential. In addition, the JFE Group Health Declaration was issued in September 2016 to ensure more attractive, safe and rewarding workplaces and a corporate environment in which diverse human resources can fully demonstrate their abilities.

## JFE Group’s Basic Policy on Human Resource Management

- ① Respect Human Rights and Facilitate Fair Management of Human Resource**  
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 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 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 global environment, the Group steadily recruits diverse, high-quality human resources, ensures that they receive the skills and knowledge necessary to continue strengthening the Group’s technological capabilities, and nurtures their global capabilities.

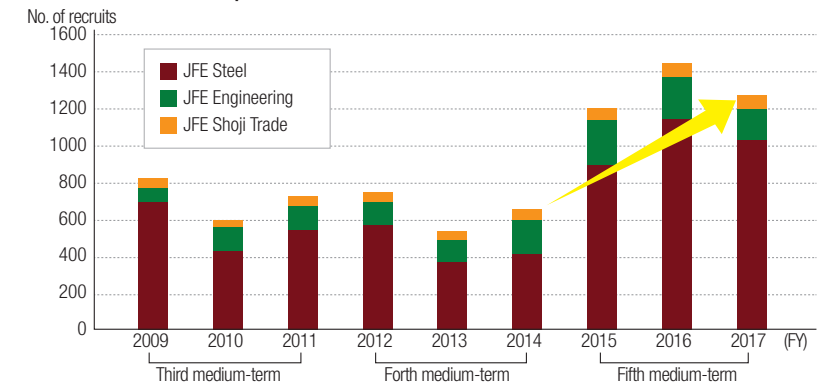
## JFE Group Health Declaration

- ① JFE, recognizing that safety and health are fundamental for fulfilling its corporate 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 creating a health culture in which each employee takes personal responsibility.**

## Securing Diverse Human Resources

We have been steadfastly recruiting excellent human resources to achieve sustainable growth of the JFE Group and compete globally. We recruit from a diverse pool of applicants, including women, foreign nationals and mid-career personnel and actively conduct year-round recruitment.

■ Transition of JFE Group’s recruitment records



## Human Resource Development

To meet the challenges of developing manufacturing bases and expanding overseas, the JFE Group recognizes human resource development as one of its most important undertakings, which it pursues through various initiatives.



## Human resource development and skill transfer

The JFE Group makes every possible effort to nurture human resources, focusing on improving the individual abilities of employees and transferring technical skills to respond to a significant generational shift in employees that is taking place.

### ◆Key measures of group companies

#### JFE Steel

#### Using technical data to upgrade skills evaluations

The skills evaluation system at manufacturing sites has been upgraded to better analyze and deploy quantitative skills. JFE Steel provides education that is organically linked to skill data, including intensive on-the-job training by technical experts for irregular tasks associated with relatively low skill levels.

#### JFE Engineering

#### Stimulating latent abilities through self-nomination and training

JFE Engineering has adopted an in-house recruitment system for employees who are especially interested in particular positions, allowing them to challenge themselves and make the most of their capabilities. Selective online training courses is provided to enable employees to voluntarily participate in training at convenient times and places. Rank-based training, language training and other courses are contributing broadly to our human resource development.

#### JFE Shoji Trade

#### Enhancing communication skills

To improve and strengthen the communication skills of employees, JFE Shoji Trade conducts critical-thinking training to teach employees how to convey messages and negotiation training to facilitate effective negotiations and meetings.

## Developing global personnel

Developing globally capable personnel is an integral component of JFE’s overseas expansion and success in global competition. In addition to hiring and developing non-Japanese for career-track positions in Japan and more local hires overseas, JFE is enhancing programs for Japanese employees to gain overseas study and training experience. The company is also developing younger employees through practical experience by dispatching them on overseas assignments.

■ Personnel development programs

Program	Company		
	S	E	T
Study abroad	●	●	●
Short-term overseas language training	●	●	●
Overseas assignments for younger employees	●	●	●
Training for regional employees of overseas offices	●	●	●
Internships for international students	●	●	

S: JFE Steel E: JFE Engineering T: JFE Shoji Trade





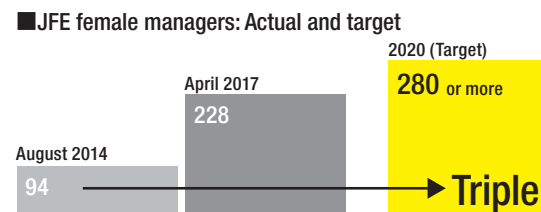
# Workforce Diversity

Recognizing that workforce diversity is a key business strategy, JFE has been working to offer a corporate environment in which employees from varied lifestyles and family backgrounds, including women and foreign nationals, can maximize their individual potential.



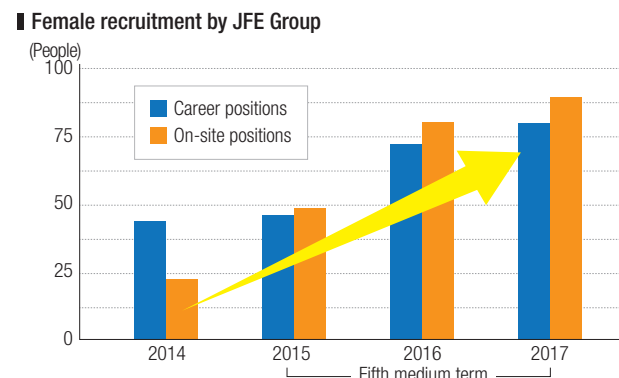
## Supporting women in their professional development

JFE is implementing a broad range of initiatives, centering on the Diversity Promotion Section in each company, to recruit and promote female employees. To ensure steady progress in promoting women's careers, JFE aims to triple the number of women it has in managerial positions by 2020, compared to the FY2014 level.



## ◆Promoting female participation in manufacturing sites

JFE is promoting female participation not only in career positions, but also in manufacturing sites, including through improved work environments and tools designed specifically for female employees and their expanding roles. Moreover, we are implementing various measures to enable employees to balance their personal and professional lives. Examples include the enhancement of our work-life balance support system, which significantly exceeds statutory requirements, and the provision of corporate childcare services, such as JFE Engineering's JFE Children's Forest and JFE Steel's Umikaze Minami Daycare.



## ◆Career training

### JFE Steel

JFE Steel conducts training to encourage female career awareness and is striving to expand job opportunities and actively assign women to managerial positions. Furthermore, supervisors are trained in how manage employees with childrearing responsibilities to enhance their attainment of career and personal achievements.

### JFE Engineering

JFE Engineering actively recruits people with diverse personalities and values, including people from other business sectors. To support broader professional development, the personnel system was revised to abolish employee rankings based on operational tasks, thereby broadening career paths for females.

### JFE Shoji Trade

JFE Shoji Trade hires diverse people regardless of attributes such as gender or nationality, and adopts diverse workstyles. The company is expanding opportunities for female employees by promoting them to managerial positions, expanding job categories and revising duties. It also supports career development through enhanced training programs.

## Advancement of workstyle reform

In anticipation of a declining labor force due to Japan's low birthrate and aging population, JFE is drastically reviewing conventional procedures. The aim is to develop workstyles that enable all employees to feel proud, achieve job satisfaction and develop values linked to high productivity. The challenges also include providing support for female careers and meeting diversifying employee needs. In addition to operational reforms centered on continued systemization and the use of IT tools at each Group company, JFE is implementing support for work-life balance and other measures to achieve more flexible workstyles.

## ◆Key measures of each Group company

### JFE Steel

To accelerate efforts to strengthen our manufacturing bases, overseas expansion and meet other business challenges, such as diversification of employee needs, JFE Steel set 2017 as the first year for workstyle reforms, including the introduction of concrete initiatives. These reforms are targeted at creating an organizational climate in which our diverse workforce can maximize its abilities.

- 1 Establish days for each employee to leave work on time
- 2 Implement off-duty intervals on a trial basis
- 3 Encourage employees to take paid vacation
- 4 Implement a trial telecommuting system
- 5 Promote paternity leaves

### JFE Engineering

JFE Engineering is nurturing a corporate culture of "coming early and leaving early" by designating 8:00 am to 4:45 pm as its standard working hours, and in principle prohibiting work after 8 pm. Work-life balance is being promoted with work schedules in which employees and their supervisors coordinate holidays in advance, and by designating days on which employees are encouraged to take paid leave or leave work on time.

The company is also raising operational efficiency through its "Super Shape Up" initiative supported with IT tools.

A telework system was introduced in April 2017 to enable flexible workstyles and a satellite office was introduced in Shinyokohama on a trial basis.

### JFE Shoji Trade

JFE Shoji introduced its Change of Work Time initiative to reduce overtime work. In addition to designating Wednesday as a day to leave work on time, the company prohibits work after 10 pm.

Moreover, efforts to adopt diverse workstyles are being strengthened by encouraging employees to take annual paid vacation, expanding flextime around the core hours of 11am to 2pm, and trying out a telecommuting system for employees with time restrictions due to childrearing and caregiving responsibilities.

Measures	Company		
	S	E	T
Introduction of flextime	●	●	●
Recommended days for annual paid leaves	●	●	●
Encouragement to leave work on time	●	●	●
Trial implementation of telecommuting	●	●	●
Trial implementation of satellite office		●	



## Selection as a Nadeshiko Brand

In recognition of our Group company efforts to promote female career success, JFE was selected as a Nadeshiko Brand, a designation granted jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to introduce investors to companies that empower women in the workplace. This is our third selection as a Nadeshiko Brand (previous selection was two years ago).

