Strategies by Function

GX Strategy: Action on Climate Change Problems

Basic Approach

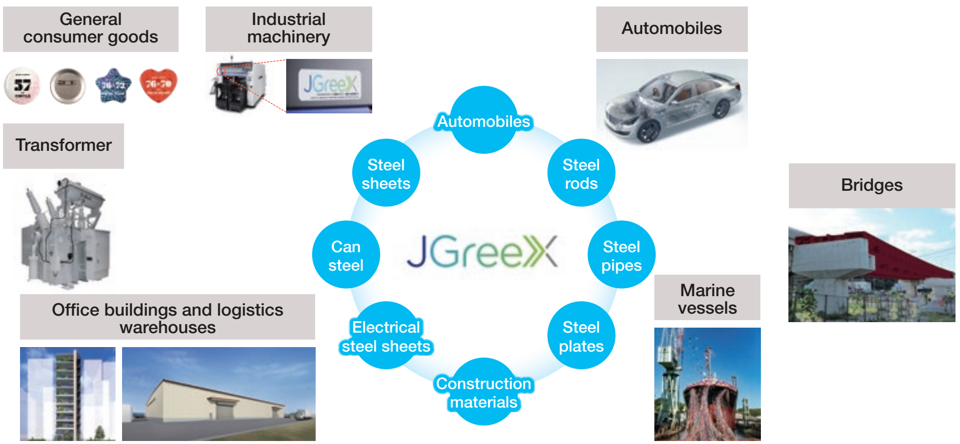
The JFE Group positions climate change as an important management issue and has formulated the Environmental Management Vision 2050 with the aim of achieving carbon neutrality by 2050. To achieve these goals, JFE Steel is striving to introduce innovative technologies and expand the green steel supply. Support from government industrial policies and social collaboration are indispensable to these efforts, and the Company is proactively providing policy recommendations, both individually and through industry organizations. In particular, through recommendations related to GX and energy policies, we are contributing to the realization of a sustainable society. In addition, when participating in industry organizations and initiatives, the Group regularly affirms its policies and positions then makes revisions as necessary. Crucial decisions are deliberated and finalized by the Group Management Strategy Committee and the Board of Directors.

Supplying Green Steel JGreeX™

From 2023, JFE Steel began supplying JGreeX™, a steel product with significantly reduced GHG emissions in the steelmaking process compared to conventional products. We use the mass balance method to calculate the reduction achieved by JFE Steel's GHG emission reduction technology and receive third-party certification. Then, the amount of the reduction can be allocated to any related steel product. By supplying this green steel with high environmental value, we help customers reduce GHG emissions related to steel use.

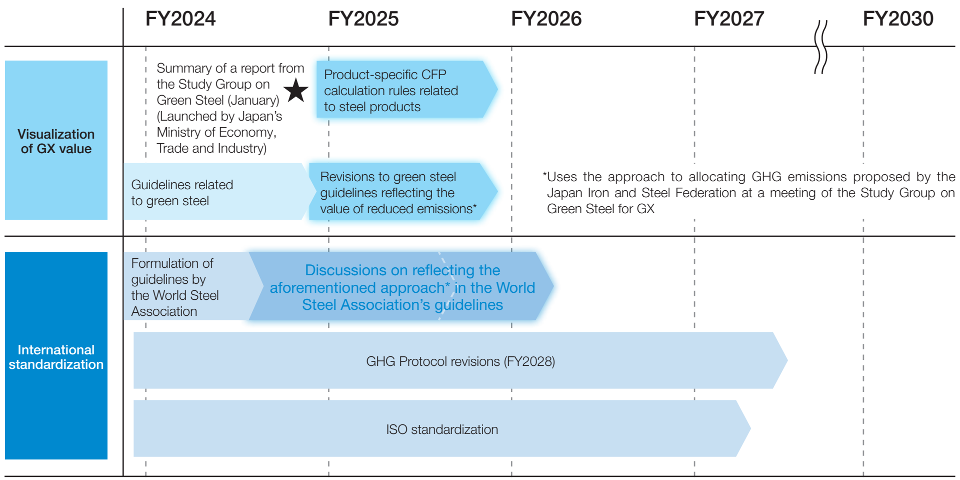
Expanding green steel demand

- To achieve carbon neutrality by 2050, amid efforts to reduce carbon in the economy and society, we will convert high-quality steel to green steel, seeking to enhance competitive advantage throughout the supply chain.
- In fiscal 2024, we expanded use of JGreeX™ into every field by stimulating demand for green steel.
- We will steadily reduce GHGs in the steel business. We aim to expand the supply capacity of green steel to 3 million tonnes/year by fiscal 2035.



Initiatives to standardize green steel

- The World Steel Association formulated initial guidelines in November 2024 as a first step toward international standardization, with Japan taking the initiative.
- The Japan Iron and Steel Federation began revising its guidelines to reflect the value of lower GHGs in the carbon footprint (CFP) of steel products.
- The ISO took up green steel with the aim of improving its reliability as a global standard and began work to reflect this effort in the GHG Protocol.



Stance on major policies

The JFE Group views the government's GX policies as a crucial framework for achieving a sustainable society. We support the "GX 2040 Vision" outlined by the government and are advancing our business operations and environmental strategies in alignment with the direction of these policies.

Policy	Stance
GX policy	This is a national strategy that aims to achieve both decarbonization and industrial development enhancing the predictability of GX-related investments through long-term governmental policies. Robust support from the government is indispensable for decarbonization in the steel industry, including the development of infrastructure to meet increased electricity demand and higher costs associated with technology development and process transitions. Other important issues include establishing supply chains for hydrogen and ammonia, promoting CCUS, and creating markets for GX products. To ensure these policies are put into practice, the JFE Group is proactively working to provide policy recommendations and promote understanding in society through individual companies as well as industry associations.
Energy policy	The government's 7th Strategic Energy Plan outlines a policy for making renewable energy a major power source and utilizing nuclear energy in line with the principle of S+3E (Safety, Energy security, Economic efficiency, and Environment). With the decarbonization of the steel industry, especially the transition of blast furnace processes, and the forecast of significant increases in electricity demand, it will be crucial to secure stable decarbonized power sources, achieve competitive power prices, and establish power transmission infrastructure. In addition, it will be important to establish a supply structure for decarbonized fuels, including hydrogen and ammonia. To ensure the policies addressing these issues are put into practice, the JFE Group is proactively working to provide policy recommendations and promote understanding in society through individual companies as well as industry associations.
Carbon pricing	The JFE Group supports the government's growth-oriented carbon pricing concept. We expect that the introduction of the Japanese emissions trading system (GX-ETS) and a fossil fuel surcharge system will encourage investment in innovative technologies. To ensure these systems contribute to maintaining and enhancing the international competitiveness of the steel industry and are implemented in tandem with policies to foster GX product markets, the JFE Group provides policy recommendations through individual companies as well as industry associations.
Creation of GX product markets	GX products have value in reducing GHG emissions through decarbonization investments. Due to higher costs, it is difficult to generate autonomous market demand, so it will be necessary to establish a mechanism for evaluating GX value throughout society and foster a market environment. To ensure GX products are properly understood and evaluated, the JFE Group is working through public-private partnerships to formulate rules and standards as well as promote public understanding. We are also proactively participating in domestic and international industry associations and international initiatives.

Evaluation related to major organizations we have joined

We evaluated the consistency of the main recommendations and activities published by each organization with JFE Group's aforementioned views and stances. As a result, we confirmed that the policies, stances, and policy recommendations clarified by each organization are aligned with the Group's views and stances. Going forward, we will continue to encourage constructive dialogue and exchanges of opinions with these organizations to ensure that the Group's views and stances are reflected in the activities conducted by the organizations we belong to as members.

Organization name	GX policy	Energy policy	Carbon pricing	GX product market creation
Japan Iron and Steel Federation	Aligned	Aligned	Aligned	Aligned
Keidanren (Japan Business Federation)	Aligned	Aligned	Aligned	Aligned
World Steel Association	Aligned	Aligned	Unstated position	Aligned

Strategies by Function

Examples of main lobbying activities and results

The JFE Group is contributing to the realization of a carbon-neutral society by advancing the development of ultra-innovative technologies and the transformation of the steelmaking process. At the same time, it is actively engaging in policy formation to enhance the sustainability of society as a whole. In particular, we hope to accelerate decarbonization and industrial competitiveness through constructive lobbying efforts that reflect the realities of the industry regarding national strategies such as GX and energy policies and by ensuring their inclusion in institutional design.

Hiroyuki Tezuka
JFE Steel Fellow

Source: World Steel Association

Main activities	Contents	Results
Eighth GX Implementation Council held in November 2023	JFE Holdings President Yoshihisa Kitano (then President of JFE Steel and Chairman of the Japan Iron and Steel Federation) presented initiatives aimed at achieving carbon neutrality in Japan's steel industry. Regarding the necessity of government support, he recommended supporting investment in revolutionary technologies, addressing power and fuel costs, stimulating demand for green steel, and establishing infrastructure (electric power, hydrogen, CCS).	In October 2024, as a project to convert energy and manufacturing processing in industries where reducing emissions is difficult, support was introduced for the installation of innovative electric arc furnaces. The GX 2040 Vision, which was decided on at a Cabinet meeting in February 2025, includes such policies such as support for the procurement and purchase of GX products.
56th Advisory Committee for Natural Resources and Energy held in June 2024 Strategic Policy Committee	Regarding issues related to decarbonization for JFE Steel, JFE Holdings President Yoshihisa Kitano emphasized the necessity of government support related to introducing innovative electric arc furnaces, encouraging the widespread adoption of green steel, upgrading and rebuilding electricity transmission infrastructure, securing a stable supply structure for decarbonized power sources, upgrading non-fossil fuel infrastructure, and promoting a GX national strategy.	The Seventh Strategic Energy Plan, which was decided on at a Cabinet meeting in February 2025, clearly outlines the necessity of securing supply capacity, upgrading power grids (expanding local core grids), upgrading non-fossil fuel infrastructure, and providing support for introducing decarbonization technologies, and then reflects them in policy formation.
Study Group on Green Steel for GX held in November 2024	JFE Steel Fellow Hiroyuki Tezuka emphasized the importance of green steel, the status of rule formulation both domestically and internationally, and policy recommendation activities at COP29. He emphasized the importance of calculating the environmental value of reduction results.	The study group clarified the definition of green steel for GX promotion. For steel products that reflect the value of reduced emissions in steelmaking processes, they also clarified the policies such as priority procurement and purchase support from the government.
April 2025 issuance decision Capital investment support	JFE Steel has consistently highlighted the need for large-scale investment to apply decarbonization technologies and the difficulty of private sector decisions.	The government founded a project to support the conversion of energy and manufacturing processes in industries where reducing emissions is difficult. The Company's plan to introduce revolutionary electric arc furnaces was selected by that project, and it was decided that the plan would receive a maximum of ¥104.5 billion in support out of the total investment of ¥324.9 billion. We are now constructing the furnace and aim to launch operations in the first quarter of fiscal 2028.
January 2022 selection R&D support	The conventional blast furnace method cannot avoid emitting CO_2 from coal, and a fundamental technology conversion is needed. Japan's steel industry has striven to develop iron ore reduction technologies using hydrogen. For practical application, we will need to conduct tests at pilot facilities and establish technologies to achieve further emission reductions. Raw material restrictions and CO_2 emissions also pose issues to electric arc furnaces and direct reduction technologies. To solve these issues, we need R&D and applied to the GI Fund project.	JFE Steel formed a consortium with Nippon Steel, Kobe Steel, and the Japan Research and Development Center and jointly accepted a contract for a project to utilize hydrogen in steelmaking processes (GREINS) for a total of around ¥573.7 billion. The four companies will all together receive support of around ¥449.9 billion and are promoting R&D.

Strategies by Function

GX Strategy: Climate-related Disclosures Based on the TCFD

Support for the TCFD recommendations	**JFE Holdings expressed support for the findings of the final Status Report published by the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019. We provide disclosures in line with this framework.** **For details, please read the JFE Group Sustainability Report.** https://www.jfe-holdings.co.jp/en/sustainability/environment/climate/tcfd/

Governance and risk management

The JFE Group positions greenhouse gas (GHG) reduction as a material issue in its Eighth Medium-term Business Plan and perpetuates PDCA cycles across its Group-wide committee structure. Under the Group Sustainability Council chaired by the President, the Group Environmental Committee manages goals and evaluates risks and opportunities. Material matters are also deliberated and supervised by the Group Management Strategy Committee and Board of Directors. The TCFD framework is used to identify and analyze climate-related risks, which are then reflected in business strategies.

Examples of climate change-related proposals resolved by or reported to the Board of Directors

- Expression of support for the final TCFD Status Report and disclosure of information (scenario analysis, financial impacts)
- Seventh and Eighth Medium-term Business Plan (environmental management policy, GHG emission reduction and reduction contribution targets)
- Introduction of Director compensation for climate change-related indicators
- Decision making for capital investments related to GHG emission reduction, etc.

Strategies, indicators, and goals

The JFE Group made climate change action a top priority for management. Based on the Environmental Management Vision 2050 and Eighth Medium-term Business Plan, we are reducing GHG emissions in the steel business, contributing to society as a whole, and participating in offshore wind power generation projects. We disclose information in line with the TCFD framework and aim to enhance corporate value by developing environmental technologies. For specific indicators and targets, please refer to the content on environmental sustainability in the Eighth Medium-term Business Plan on page 32.

Scenario analysis

Scenario analyses evaluate the impacts of accurately recognized climate-related risks and opportunities on current business strategies and utilize that evaluation in the formulation of future business strategies. Based on the scenarios released by the International Energy Agency (IEA), we conducted analyses for 1.5°C and 4°C scenarios and disclosed them, including impacts of risks and opportunities on finances.

Analysis Results

	Societal Changes	Opportunities/Risks		Expectations and Concerns of Stakeholders toward the JFE Group	Strategies and Initiatives	Financial Impact (2030–2035 assumptions)*	
						Item	Amount/scale
1.5°C scenario Important factor 1 Decarbonization in steel production processes	Increasing societal demands for decarbonization of steel production processes	Introduction of ultra-innovative technologies for drastic decarbonization	Opportunities	JFE leading the supply of high-environmental-value steel through the introduction of ultra-innovative technologies such as EAF	• Implementation of conventional low-carbon technologies • Introduction of large-scale EAF capable of producing high-quality steel • Utilization of low-carbon direct-reduced iron • Development and implementation of ultra-innovative technologies • Studies of feasibility to commercialize CCUS • Expansion of JGreeX™ supply capacity • Lobbying to create demand for steel with environmental value • Collaboration with other companies in the Japan Iron and Steel Federation to promote steel with environmental value	Increase in sales of steel with added environmental value	+¥120 billion to +¥150 billion per year
			Transition risks	Increase in investment to introduce ultra-innovative technologies such as EAF	• Reinforcement of the earnings base • Secure funding for investments and technology development • Lobbying for government support • Expansion of JGreeX™ sales	Amount of GX-related investment for 2025–2035	Approx. –¥0.6 trillion
		Implementation of carbon pricing	Transition risks	• Higher financial burden due to the mandatory implementation of carbon pricing • Further deepening/strengthening of targets due to environmental changes	• Establishment of reliable carbon-neutral technologies • Policy engagement toward achieving carbon neutrality	Increase in carbon pricing burden	Approx. –¥10 billion per 1% shortfall from emissions reduction target per year

Strategies by Function

	Societal Changes	Opportunities/Risks		Expectations and Concerns of Stakeholders toward the JFE Group	Strategies and Initiatives	Financial Impact (2030–2035 assumptions)*	
						Item	Amount/scale
1.5°C scenario Important factor 2 Increase in demand for the effective utilization of steel scrap	Increased attention on EAF process for low CO_2 emissions	Higher competition and prices for cold iron sources (scrap/direct-reduced iron)	Transition risks	Increase in the cost of purchasing cold iron sources	• Collaboration with customers and users for scrap collection • Establishment of technologies for use of low-grade and difficult-to-use scrap • Participation in direct-reduced iron projects • Expansion of scrap handling volume • Reduction of manufacturing costs • Passing higher costs onto steel sales prices	Increase in purchase cost for cold iron sources	Up to about ¥30 billion per year
		Stronger demand for electric power due to shift from BF-BOF process to EAF process	Transition risks	Increase in electric power used when manufacturing steel (increase in power used, decrease in byproduct gases)	• Reduction of manufacturing costs • Passing higher costs onto steel sales prices • Stable supply of electric power • Lobbying related to prices	Increase in manufacturing costs due to process transition (equivalent to 0.5 nuclear power plants' worth of additional electricity usage)	Up to about ¥50 billion per year
1.5°C scenario Important factor 3 Change in demand for steel for automotive use	Change in demand for automobiles	Changes in product sales mix due to EV production	Opportunities	Increase in sales volume of electrical steel as material for EV motors	• Expansion of production facilities for electrical steel sheets • Establishment of a global processing and distribution system for electrical steel sheets	Increase in sales of electrical steel sheets	Tripling of production capacity for top-grade non-oriented electrical steel sheets for EV main drive motors (compared to FY2024)
			Opportunities	Increase in sales volume of high-strength steel to improve vehicle crash safety	• Increase in production capacity for ultra-high-strength steel sheets	Increase in sales due to expanded orders for high-strength steel sheets	New CGL capacity for manufacturing ultra-high-strength automotive steel sheets +360,000 tonnes
			Transition risks	Decrease in steel sales volume due to decline in internal combustion engines and shift to other materials through use of multi-materials	• Development of high-performance products	Decrease in sales of conventional automotive steel sheets	Small impact
1.5°C scenario Important factor 4 Increase in demand for solutions promoting decarbonization	Transition to decarbonized society	Expansion of business opportunities in decarbonization and solution business	Opportunities	Expansion of renewable energy related business and enhancement of initiatives for next-generation technologies, including CCUS and hydrogen	• Expansion of integrated construction and operation businesses for renewable energy plants (geothermal, solar, offshore wind, etc.) • Development and application of CCUS solutions and commercialization of technologies related to green hydrogen and ammonia	Increase in segment profit in the engineering business's CN-related fields	Approx. ¥31 billion/year
			Opportunities	Expansion of the waste-to-resource-related business	• Integrated construction of plants that thoroughly utilize waste • Expansion of operation businesses (waste-to-energy power generation, recycling, etc.)	Increase in segment profit in the engineering business's WtR-related fields	Approx. ¥37 billion/year
			Opportunities	Expansion of low-carbon business (eco-solutions) as cutting-edge energy conservation technologies developed and commercialized in Japan are offered to emerging countries	• Support for low-carbon steel manufacturing technology	Increase in sales in the overseas solution business	Tens of billions of yen
4°C scenario Important factor 5 Unstable procurement of raw materials due to increased frequency in climate disasters	Intensifying climate disasters alongside global warming	Instability in raw material procurement	Physical risks	• Reduction in sales due to decreases in production • Increase in raw material costs	• Alternative procurement, diversification of raw material sources, and stockpiling • Acquisition of raw material interests	Decrease in sales of steel due to depletion of raw material inventories	Approx. -¥30 billion per year per 1% decrease in annual sales volume
4°C scenario Important factor 6 Damages to business bases due to climate disasters	Intensifying climate disasters alongside global warming	Occurrence of typhoon, heavy rain, and drought damage at manufacturing sites	Physical risks	Reduction in sales due to decreases in production	• Implementation of flood and drought countermeasures at manufacturing sites	Negative impact of flooding and drought on production and sales	No impact due to countermeasures in place
4°C scenario Important factor 7 National resilience	Intensifying climate disasters alongside global warming	Strengthening of infrastructure and disaster countermeasures	Opportunities	Contributing to improved resilience and longevity of infrastructure	• Strengthening of businesses to meet needs for improving resilience and longevity of domestic and international infrastructure • Increase in sales of infrastructure-related steel products	Increase in sales in infrastructure field of the engineering business	Further increase from around ¥12 billion/year under a 1.5°C scenario

* Financial impact is solely an estimated figure based on scenario analysis and does not match with actual business performance.

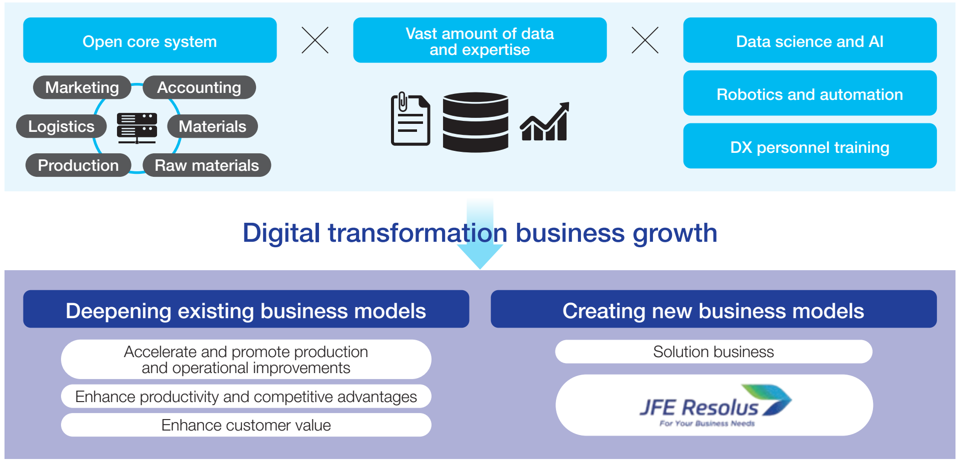
Strategies by Function

DX Strategy

Fundamental Approach

The JFE Group's strengths in promoting DX come from the vast amount of data and expertise it has built up through years of experience in steel, engineering, and trading businesses. These are valuable assets that other companies cannot easily imitate, as well as sources of value creation that enable us to support society with world-class technologies. By combining these intangible assets with advanced technologies, such as AI, we are creating a wide range of products and services. Under the Eighth Medium-term Business Plan, we plan to invest ¥110 billion in DX, positioning the DX strategy at the core of our initiatives to strengthen business competitiveness.

DX Policy



Selected as DX Stock 2025

The JFE Group's DX initiatives are highly evaluated every year by external organizations. In recognition of its outstanding use of digital technology, JFE was the only company in the steel industry to be selected among the 31 companies that were honored with the Digital Transformation (DX) Stock 2025 designation, jointly selected by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan (IPA), from among approximately 3,800 listed companies.

Toshihiro Tanaka
Senior Vice President
JFE Holdings, Inc.

JFE Group's Cybersecurity

The JFE Group positions security as an activity of equal importance to DX promotion and is working to strengthen the entire organization against increasingly advanced and sophisticated threats. Security regulations are standardized across the Group, and initiatives are advanced under a unified policy. In addition to applying universal IT measures at each Group company, we conduct regular security audits and other activities to enhance security management standards Groupwide.

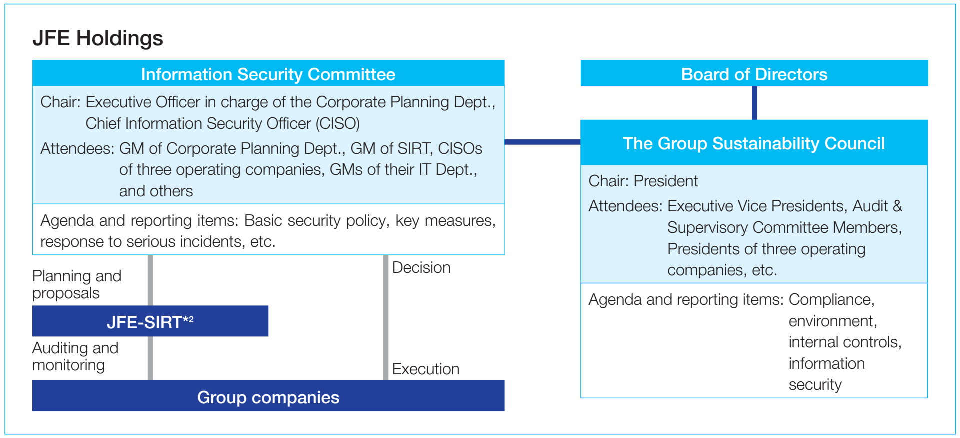
In April 2024, to accelerate DX promotion based on the Secure by Design*1 principle, we established JFE Cyber Security & Solutions, Ltd. under JFE Steel. In tandem with strengthening our security monitoring system, the new company strengthens supply chain security across roughly 300 JFE Group companies by securing and training advanced security specialists without relying on external resources.

*1 Secure by Design: A principle that incorporates security measures from the system design stage

Security Management

JFE Group's framework for digital governance and cybersecurity

The Group's digital governance and security mechanisms are incorporated into the corporate governance framework.



*2 JFE-SIRT: As a CSIRT,*3 JFE-SIRT is responsible not only for incident response but also for planning, proposing, and promoting Group-wide initiatives, auditing Group companies, and reviewing security policies.
*3 CSIRT: An abbreviation for Computer Security Incident Response Team. A general term for an organization established to respond to internal computer security incidents.

Strategies by Function

Steel
Progress of the Eighth Medium-term DX Policy and Opening of Core Systems

Under the Seventh Medium-term Business Plan, we promoted the introduction of cyber-physical systems (CPS) across our processes. CPS has been introduced at approximately 80% of our steelworks, where it has improved operations and reduced labor needs. Under the Eighth Medium-term Business Plan, we will advance development toward an integrated CPS that links multiple manufacturing processes.

In addition, by the end of fiscal 2025, we plan to complete the transition to open core systems at all steelworks and manufacturing sites. We will also advance flexible business process reforms utilizing the latest technologies, such as AI.

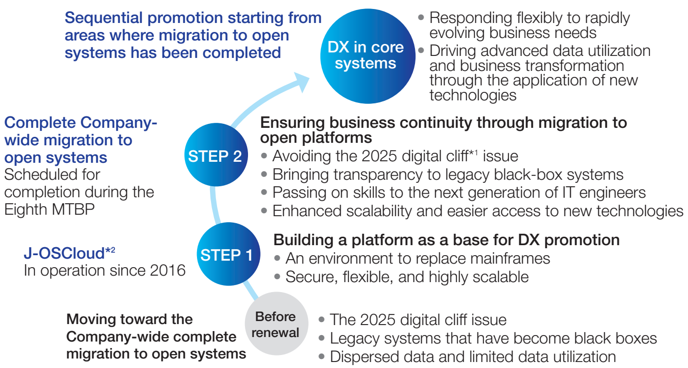
Transition of Company-wide systems to open architecture scheduled for completion within FY2025

JFE Steel Corporation is advancing the renewal of core systems across all steelworks and manufacturing sites. In the Kurashiki district, following the renewal of the shaped steel product category in May 2023, we sequentially advanced our transition to open systems by migrating the steel sheet, electrical steel sheet, and shipping categories in August 2024, and the steelmaking and bar/rod categories in February 2025. As a result, the Kurashiki district's core systems, involving approximately 50 million steps, were fully migrated to an open environment within a short period of four years and five months.

Migration to an open environment requires temporary suspension of existing systems. Accordingly, it is necessary to avoid long stoppages in processes, such as ironmaking, steelmaking, and rolling, and to complete migration to the production environment within a limited timeframe. During the August 2024 migration, we successfully completed the migration of approximately 20 million steps during a planned plant shutdown of just 18 hours, thanks to the full cooperation of the steelworks and the united efforts of every project member, including JFE Systems, Inc.

Including the Head Office, Sendai Works, and Chita Works, 60% of JFE Steel has already completed migration to open systems. By the end of fiscal 2025, migration is scheduled to be completed for approximately 200 million steps in core systems across all steelworks and manufacturing sites.

Steps involved in opening core systems



*1 2025 digital cliff issue: A term identified by the Ministry of Economy, Trade and Industry, referring to the impact on business continuity from failing to address aging systems. To overcome challenges in maintenance, management, and security, and to respond to rapidly changing business needs, companies are required to renew their systems and migrate to environments capable of adopting new technologies.

*2 J-OSCloud: JFE Steel Corporation's private cloud, designed to guarantee security while enabling the application of advanced digital technologies.

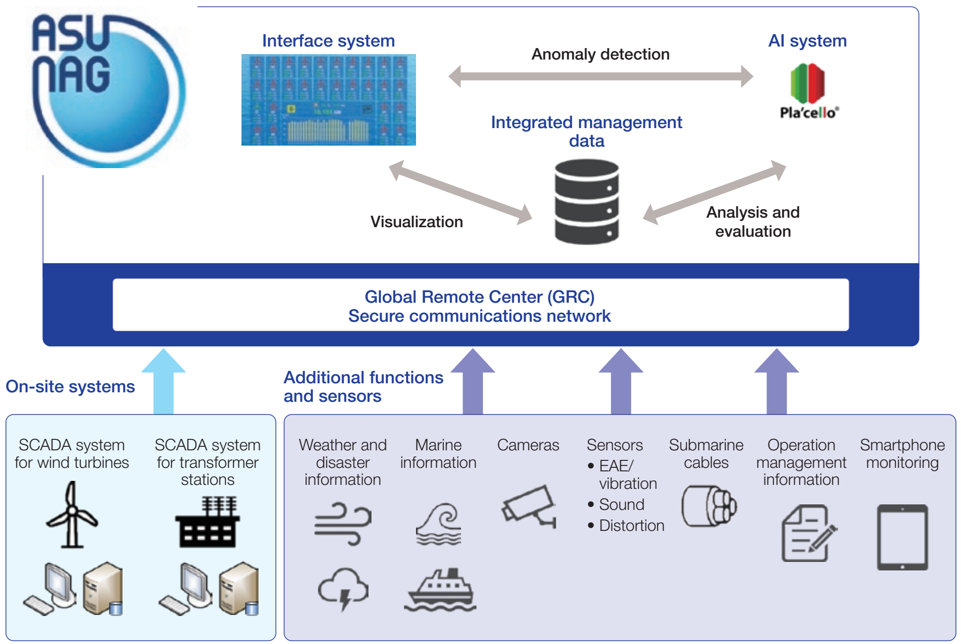
JFE Steel Corporation's initiatives toward building intelligent steelworks (➡ p.44 Our Value Driver)

Engineering
JFE Engineering's DX promotion, steadily delivering results

In the engineering business, under the Seventh Medium-term Business Plan, we worked on strengthening IT/DX infrastructure security, enhancing and promoting the use of the data analytics platform Pla'cello™, and reinforcing profitability through business DX promotion. In recognition of these efforts and results, we received the 2024 IT Award (Transformation Category) from the Japan Institute of Information Technology. As a concrete results, we developed ASUNAG, an integrated remote management system for offshore wind power generation and delivered the first system in fiscal 2023.

Under the Eighth Medium-term Business Plan, we have positioned offshore wind power as one of the key initiatives of our carbon neutrality strategy. Through the smooth integration of ASUNAG with our Global Remote Center for monitoring and our proprietary Pla'cello™ platform, we deliver technology solutions that reduce labor and improve efficiency in operations management, contributing to the achievement of a carbon-neutral society.

Overview of ASUNAG integrated remote management system for offshore wind power



Strategies by Function

Intellectual Property Strategy

Basic Approach

Under the corporate vision of "contributing to society with the world's most innovative technology," the JFE Group engages in highly creative research and development. The advanced technologies and products that result from this R&D are vital management resources of the Group and essential for maintaining its competitive advantage and achieving sustainable growth. We are committed to appropriately securing, strategically protecting, and utilizing these innovations as intellectual property (IP). The JFE Group strategically strengthens the IP generated as a result of its advanced research and development to ensure sustainable growth. The Group also encourages international standardization and engages in other activities that further enhance its competitive edge.

Additionally, JFE Steel ranked first in terms of patent asset value per patent in the Patent Asset Scale Ranking 2024 for the steel, non-ferrous metals, and metal products category, as announced by Patent Result Co., Ltd. JFE Engineering ranked second in the engineering industry in the 2024 Ranking of Companies by the Technological Influence of Patents, Measured by Forward Citations. These plaudits prove the strength of our IP.

Steel, Non-Ferrous Metals, and Metal Products
Patent Asset Scale Ranking 2024

Ranking	Company name	Patent asset Scale (pt)	Number of patents
1	JFE Steel	33,577.9	752
2	Nippon Steel	32,485.2	1,198
3	Sumitomo Electric Industries	26,038.5	791
4	Furukawa Electric	13,364.7	387
5	Proterial	11,327.6	332

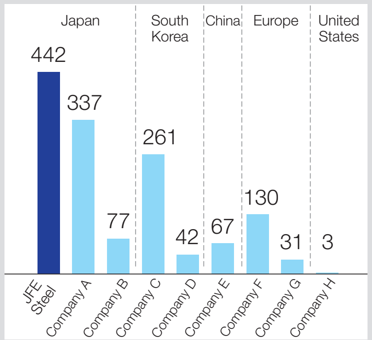
Engineering Industry
2024 Ranking of Companies by the Technological Influence of Patents, Measured by Forward Citations

Ranking	Company name	Number of cited patents
1	Kurita Water Industries	214
2	JFE Engineering	203
3	ORGANO	101
4	NIPPON STEEL ENGINEERING	79
5	Toray Engineering	76

Results of the JFE Group's IP Activities

JFE Steel is actively working to expand its international patent applications to strengthen its global competitiveness, and the number of published international patent applications reached 442 in fiscal 2024. This is the highest number among steel companies, which shows the Company's active engagement in IP activities. These efforts have been highly regarded internationally, and JFE Holdings achieved a remarkable milestone by being selected for the first time for the Innovation Momentum 2025: The Global Top 100. This award is presented by LexisNexis to recognize 100 innovative companies leading the future of science and technology worldwide. This reflects the strong acclaim for JFE Steel's technological innovations and IP strategy, and the global recognition of the Group's accomplishments through its IP activities.

FY2024 new international patent (PCT) publications



The JFE Group's IP activities have also received high praise from various organizations and institutions in Japan, including in the form of multiple awards. These awards reflect the Group's advanced technological capabilities in addition to recognizing our strategic corporate activities utilizing IP. Going forward, the JFE Group will continue to position IP as an important management resource. We will expand our presence both in Japan and abroad by continuously innovating in technology and value creation.

In addition to patents, the JFE Group is also implementing brand strategies to enhance its corporate value. Through the solution business brand JFE Resolus™ for manufacturing technologies, JFE Steel (including its Group companies) provides customers with a wide range of manufacturing solutions cultivated through its steel technology development.
(➡ p. 45 Our Value Driver)

Mr. Iwao Okochi (left), Senior Vice President of JFE Steel, receiving an award from LexisNexis

Recent major external awards related to IP and technology development

Company	Award
JFE Steel	FY2024 Chugoku Region Invention Award: Awarded by the Okayama Prefectural Governor
JFE Steel	71st (FY2024) Okochi Memorial Technology Prize
JFE Steel	FY2025 Commendation for Science and Technology by the Minister of Education, Culture, Sports, Science and Technology, Awards for Science and Technology (Development Category)
JFE Steel	59th (FY2024) Promotion of Machine Industry Award, Minister of Economy, Trade and Industry Award
JFE Engineering	50th Environmental Equipment Excellence Award, Minister of Economy, Trade and Industry Award
JFE Metal Products Corporation	FY2024 Kanto Region Invention Award: Awarded by the Japan Institute of Invention and Innovation Chairman's Prize, Chiba Prefecture

Please refer to the JFE Group Sustainability Report: https://www.jfe-holdings.co.jp/en/sustainability/evaluation/award/

Strategies by Function

Enhancing Our IP Strategy to Support JFE Steel's Growth and Taking on Challenges

• Strategic IP activities through IP strategy meetings

At JFE Steel, the Business, R&D, and Intellectual Property Divisions work together and regularly hold IP strategy meetings. This cross-departmental collaboration encourages strategic IP activities through discussion and decision-making across all aspects of IP, including progress management for priority patent themes, patent application strategies for key technologies, and consideration of open/close strategies.

• Foreign patent application strategies to support global business expansion

In line with the global expansion of our business, we are actively pursuing foreign patent applications, submitting about 10 times the number of applications since JFE was established. We are also strengthening licensing with alliance partners and expanding applications for solution businesses.

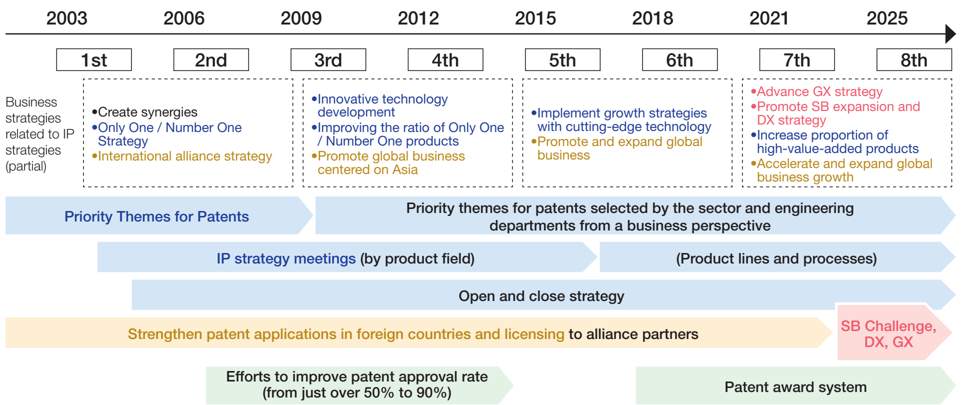
• Taking on Challenges in the Solutions Business (SB) and Leveraging the IP Landscape

We have embarked on an initiative to expand the products, technologies, and expertise we have cultivated in the steel business into new industries. By utilizing IP landscape techniques to develop seeds and uncover needs, we will create new value. As a result, JFE Steel's IP activities have evolved to an offensive approach, to better diversify businesses and develop new markets.

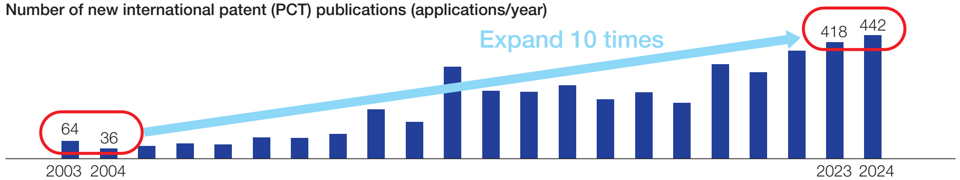
• Increasing Motivation for Inventors and Engineers

To encourage the creation of outstanding inventions, JFE Steel established the JFE Steel Patent Award system in 2018 in addition to the existing Employee Invention System. Every year, more than ten patents are selected for recognition under the President's Award system, and multiple individual inventors are honored for their contributions.

Changes in IP strategy activities



Number of new international patent (PCT) publications (applications/year)



Initiatives in International Rule-Making and Standardization

JFE Steel actively participates in the formation of international rules and standards that are essential for the steel industry. As a member of the Japan Iron and Steel Federation, JFE Steel also promotes such activities as one of the few accredited industrial standardization bodies that undertakes standardization activities. Recently, Japan has taken on the role of chair and secretariat country for the newly established Environmental Subcommittee under ISO/TC17 (Steel). In the domestic committee, JFE Steel and other companies are involved in not only developing ISO standards but also exploring the potential of using standards as a market creation strategy with various companies.*

JFE Steel is also focused on differentiating its technology development and ensuring the appropriate protection of its IP rights. By linking standardization strategies and IP strategies with its management strategy from the R&D stage in collaboration with the Chief Standardization Officer (CSO), the Company aims to contribute to the steel industry while securing a competitive advantage within and outside the industry.

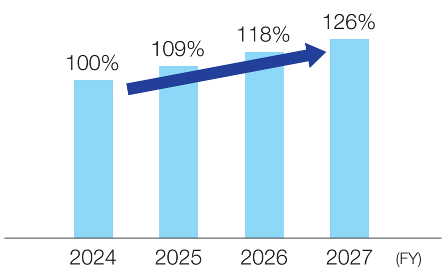
* International industry standardization activities (Japan Iron and Steel Federation)
(➡ p. 63 GX Strategy, Initiatives to standardize green steel)
Please refer to the Global Actions to Address Global Warming section of the JFE Group Sustainability Report.
https://www.jfe-holdings.co.jp/en/sustainability/environment/climate/steel_industry_efforts/

JFE Steel's IP Activity Targets

JFE Steel is ramping up its efforts to secure IP rights in both quantity and quality to build an IP portfolio that contributes to business strategy. In particular, JFE Steel is strategically increasing its patent applications in foreign countries to support the expansion of its overseas business and aims to enhance its competitive edge in the global market.

Accordingly, we plan to increase the number of such patents 26% by fiscal 2027, compared to the number held in fiscal 2024.

Increase in new foreign patent publications
(Compared to FY2024)



Strategies by Function

Human Resources Strategies

Basic Approach

The abilities of every employee are a crucial factor in ensuring that we are able to continue enhancing our corporate value over the long term in a rapidly changing business environment.

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

Proactive investment in human resources
Total: Approx.¥80 billion
(Total for operating companies under the Eighth Medium-term Business Plan)

JFE Group Management Strategies (JFE Vision 2035)

- Establishment of a streamlined yet resilient domestic structure
- Growth through the expansion of business in overseas growth regions "from the inside"
- Become the leader in carbon neutrality (CN) technology development

Linked to management strategies

The JFE Group will play an indispensable role in supporting people's daily lives, driving sustainable development and ensuring safe, comfortable lives for all.

Transforming and engraining corporate culture
Fostering a culture where the company and employees grow together

Generating innovation

1. Building a human resources portfolio:
Securing and developing talent aligned with the management strategies of our operating companies

Key measures

Talent acquisition
Strengthening recruitment capabilities in response to business expansion and intensifying competition for talent
•Recruiting human resources from diverse sources (expanding mid-career hires, alumni, referrals, etc.)

Development
Strategic development of human resources capable of supporting management strategies
•Expanding autonomous career development and learning as well as open recruitment to promote more active rotations
•Developing and assigning personnel who can take on key strategies such as overseas business expansion and DX

Improving productivity
Improving productivity in the steel business and other areas through DX (ensuring sustainable business operations)

KPIs

Item		FY2025 KPIs
Develop overseas talent	ST	+33
	EN	+10
	SH	+25
Develop advanced DX talent	ST	800 (total)
	EN	+30

Advancing initiatives in tandem

2. Maximizing the capabilities of human resources:
Creating an environment in which diverse employees can make the most of their experiences, abilities, and individuality while finding fulfillment in their work

Key measures

Promoting DEI
Pursuing opportunities for diverse human resources to actively participate
•Systematic promotion of women to management positions and encouraging male employees to take childcare leave, etc.)
Fostering a culture that leverages diversity
•Creating a psychologically safe workplace environment that encourages new ideas, etc.

Improving work engagement
Increasing motivation at work and pride in the Company
•Promoting awareness of the corporate purpose, enhancing open recruitment, operational reforms, and competitive treatment, etc.
Improving ease of working
•Expanding investment in the workplace environment, advancing workstyle reform, and creating an environment which enables employees to take leave without hesitation

KPIs

Item			FY2025 KPIs
Promoting DEI	Ratio of women in managerial positions (total for operating companies) • Target of 10% or more in positions qualified as section manager or above by April 2030 (20% or more in management and sales departments)		5.7% (April 2026)
	Rate of male employees taking childcare leave (total for operating companies)		65% or more
Improving work engagement	Engagement survey • Percentage of positive responses to questions on work engagement	ST	75% or more
		EN,SH	80% or more

Initiatives in safety (prevention of occupational accidents) and health (promotion of health and productivity management) form the foundation for 1. and 2.

Strategies by Function

Building a human resources portfolio

We are working to secure and develop the human resources needed to execute the management strategies of our operating companies while building a portfolio that is closely linked with those strategies. To execute Groupwide management strategies, such as expanding overseas business through a "from the inside" model and establishing a streamlined yet resilient domestic production system, it is essential to continuously secure and develop overseas and DX human resources, and we are placing particular emphasis on these areas.

Initiatives for developing specialized human resources

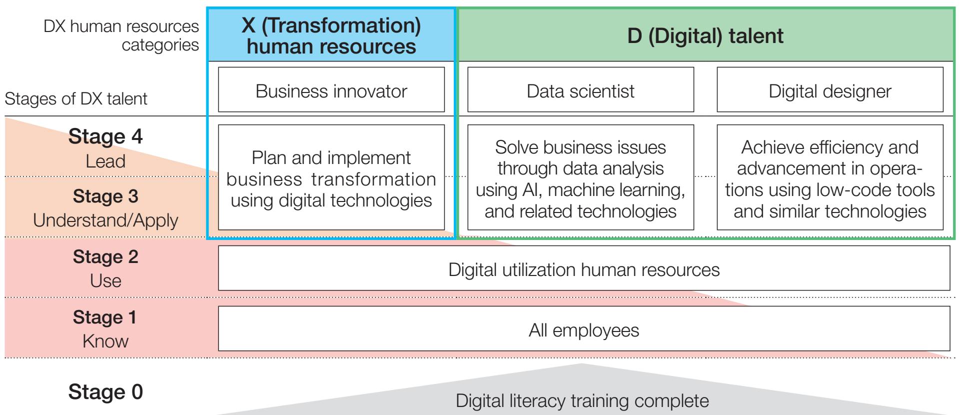
■Overseas business

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 fiscal 2025, JFE Steel will introduce a new 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, in anticipation of further localization of overseas offices, we are reinforcing the development of locally hired staff through expatriates.

■Promoting DX

We are focusing on systematically developing DX talent to drive the transformation of production and business processes. At JFE Steel, we have cultivated data scientists and other specialists by reskilling employees with deep expertise in on-site operations and manufacturing processes. From fiscal 2025, we will redefine advanced DX human resources to include business innovators and digital designers, and will foster them through structured, stage-specific training programs.

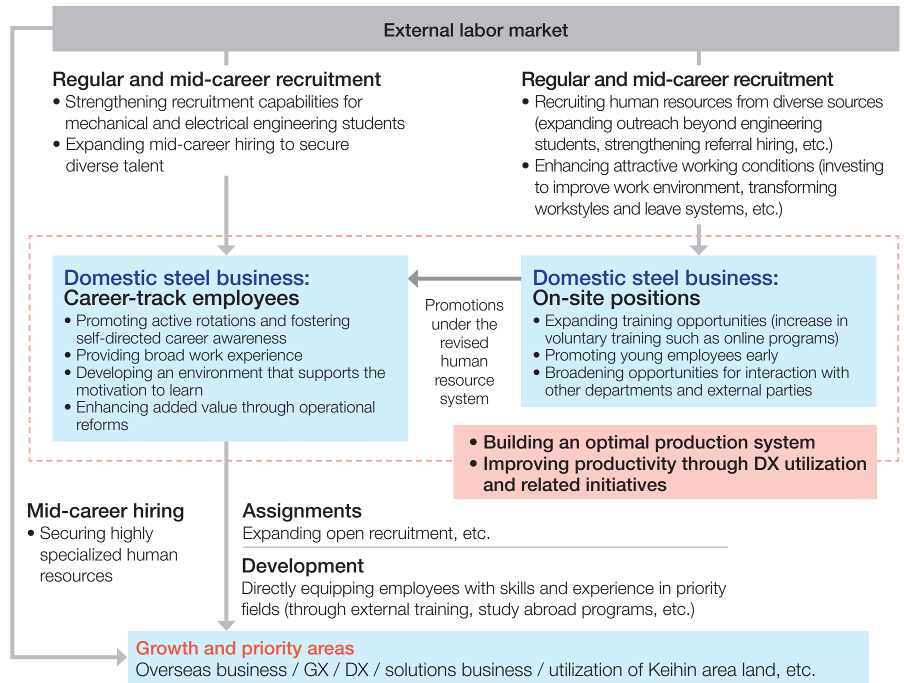
Development framework for advanced DX human resources at JFE Steel



JFE Steel's approach to building a human resources portfolio

Recognizing that the decline in the working-age population is a critical issue affecting business continuity, we are building a streamlined and robust structure for our domestic steel business by establishing an optimal production system and promoting automation and labor-saving through the use of DX.

On that basis, while maintaining our domestic steel business as the foundation of our operations and continuously honing the capabilities of our people, we will strengthen human resources in growth and priority areas by leveraging the depth of our pool of human resources and combining diverse measures for recruitment, development, and placement.



Strategies by Function

Maximizing the Capabilities of Human Resources

Promoting DEI

We aim to create an environment where everyone's diverse experiences, abilities, and individuality are utilized. Amid a rapidly changing business environment, we will integrate diverse values and perspectives to generate new ideas and solutions, thereby contributing to the sustainable enhancement of corporate value.

■Management's commitment

Among other initiatives, we have established a committee on diversity promotion chaired by the President, where management and the diversity promotion organization work together to hold discussions and formulate and implement Company-wide policies.

■Pursuing opportunities for diverse human resources to actively participate

In promoting the advancement of women, we are implementing strategic initiatives with the goal of increasing the ratio of women in managerial positions to 10% or more by 2030 (total for operating companies). These initiatives focus on three areas: recruitment, which includes expanding the pipeline of female managerial candidates through new graduate and mid-career hiring; retention, which includes strengthening internal and external networking opportunities and highlighting role models; and placement and development, which includes creating individual development plans for female employees. In addition, to foster a culture in which all employees can balance work and childcare, we are placing particular emphasis on encouraging male employees to take childcare leave.

■Fostering knowledge sharing across companies

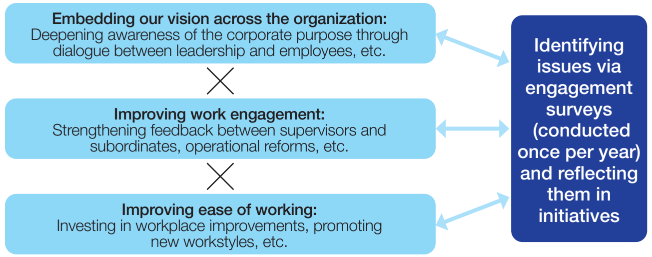
Examples of best practices in promoting DEI are regularly shared across operating companies, and joint initiatives are also undertaken. In FY2024, for example, a joint seminar was conducted on the theme of unconscious bias, which is critical to advancing DEI. We also proactively pursue exchanges with outside organizations and co-host events, thereby further strengthening our inclusive corporate culture.

Scene from the dialogue-based DEI event jointly held by Mitsui O.S.K. Lines and JFE Steel

Improving work engagement

Our goal is to realize an environment in which employees can work with energy and enthusiasm. By maximizing the strengths of each person in our talent portfolio, we will steadily implement our management strategies.

Approach to improving work engagement



Initiatives for improving work engagement at JFE Steel

At JFE Steel, management has identified improving work engagement as a key management issue for sustainable development. In fiscal 2024, we began the ReFuture PROJECT, a corporate reform initiative aimed at enhancing work engagement and fostering mutual growth of the Company and employees, with the President acting as project owner. Within the Human Resource Strategy Headquarters, the Culture Transformation Section is taking the lead on the overall project, working in collaboration with related departments to continuously roll out a series of initiatives.

Item	Result
1. Formulating our vision	Embedding our corporate purpose, vision, and values
2. Operational reforms	Reviewing business processes, promoting digitalization, and improving operations by putting our values into practice, etc.
3. Improving the workplace environment	Realizing a more comfortable work environment through focused investment in offices and other facilities, mainly at manufacturing sites
4. Reviewing personnel and compensation systems	Embedding management practices aligned with the intent of revisions, and diversifying work-styles and leave-taking among on-site employees, etc.
5. Transforming communication	Promoting corporate culture transformation through two-way dialogue (e.g. management ⇔ employees, general managers ⇔ subordinates)
6. Improving management, etc.	Promoting management aligned with the corporate purpose, vision, and values through the restructuring of management training and other measures
7. Supporting growth and career autonomy	Expanding voluntary training programs and open recruitment-based transfers
8. Enhancing psychological safety, etc.	Promoting soft initiatives that lead to changes in awareness and behavior to enhance psycho-logical safety and transform organizational culture

Scene from a business site dialogue session led by the President

Example of new office construction to improve the workplace environment (Kurashiki district)

Strategies by Function

Safety and Health

Preventing workplace accidents

We believe that providing a safe working environment and preventing workplace accidents form the foundation for growth and are fundamental requirements for enabling diverse employees to work with peace of mind. Accordingly, we have set KPIs on the number of fatal accidents (zero) and on the lost-time injury frequency rate. We are working to establish a safe environment for all employees, including those of partner and contractor companies.

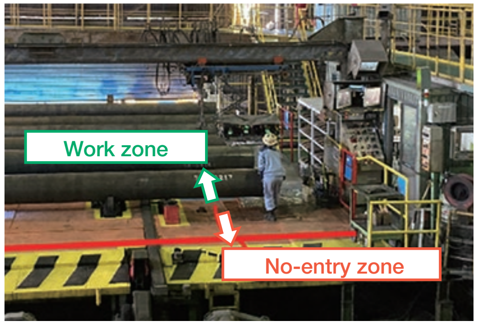
■Thorough development of people and organizations with strong safety capabilities

At JFE Steel, 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, safety managers are assigned to each Group company to share knowledge and information, supporting the enhancement of overall occupational health and safety activities.

Key points of the PDCA cycle at JFE Steel

Enhancing equipment through essential safety measures and leveraging DX

Under the Eighth Medium-term Business Plan, we will continue safety investments on the same scale as under the Seventh Medium-term Business Plan (around ¥10 billion 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, we are accelerating initiatives that use DX to provide protection so that even if a human error occurs, injuries are prevented. DX-related safety investments are being expanded to approximately 2.5 times the level of the Seventh Medium-term Business Plan. At JFE Engineering 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.



Equipment automatically shuts down when the AI camera detects a person
(JFE Steel)


Reducing high-elevation work using high-precision 3D measurement results from drones
(JFE Engineering)

Promoting health management

In collaboration with health insurance unions and industrial health staff, we are working to maintain and enhance employee health. Beginning with the Eighth Medium-term Business Plan, we have set as a top priority increasing the number of employees who are able to work in good physical and mental health with high performance (reducing presenteeism). To achieve this, we are systematically implementing a range of measures, including support for early detection and continued treatment, smoking cessation programs, and initiatives to improve sleep.

The Business Foundation Supporting Our Corporate Value

Management Organization

Executive Structure (as of July 1, 2025)

Directors

Nomination Committee Member
Remuneration Committee Member

Yoshihisa Kitano
Representative Director
Date of birth: February 20, 1958

1982 Joined Kawasaki Steel Corporation
2019 Representative Director, President and CEO of JFE Steel Corporation, Representative Director of JFE Holdings, Inc.
2024 Representative Director, President and CEO of JFE Holdings, Inc. (current post)

Mr. Kitano has abundant experience and knowledge required for management of the Group, which he has accumulated through his experience in operations in steelmaking technology and production control departments, and execution of duties as Corporate Officer such as supervision of steelworks and overseas business, corporate planning, and IT in JFE Steel Corporation.

Nomination Committee Member

Masayuki Hirose
Representative Director
Date of birth: November 19, 1963

1986 Joined Kawasaki Steel Corporation
2024 Representative Director, President and CEO of JFE Steel Corporation (current post), Representative Director of JFE Holdings, Inc. (current post)

Mr. Hirose has abundant experience and knowledge required for management of the Group, which he has accumulated through his experience in sales of steel products at JFE Steel and business management at Group companies, and execution of duties as Corporate Officer in management divisions such as corporate planning, general administration, and procurement.

Remuneration Committee Member

Masashi Terahata
Representative Director
Date of birth: October 31, 1959

1982 Joined Kawasaki Steel Corporation
2018 Representative Director and Executive Vice President of JFE Steel Corporation
2019 Representative Director and Executive Vice President of JFE Holdings, Inc. (current post)

Mr. Terahata has abundant experience and knowledge required for management of the Group, which he has accumulated through his experience in operations such as general administration and legal departments in the Company as well as operations in human resource and labor administration departments, and execution of duties as Corporate Officer in management divisions such as accounting, finance, and procurement at JFE Steel Corporation.

Kazuyoshi Fukuda
Date of birth: March 1, 1962

1986 Joined Kawasaki Steel Corporation
2024 Representative Director, President and CEO of JFE Engineering Corporation (current post), Director of JFE Holdings, Inc. (current post)

Mr. Fukuda has abundant experience and knowledge required for management of the Group, which he has accumulated through his experience in sales and engineering work related to water and sewage facilities at JFE Engineering, business management at subsidiaries of JFE Engineering, and execution of broad duties as Corporate Officer in promoting the recycling business and supervising overseas businesses.

Newly appointed

Yoshifumi Ubagai
Date of birth: March 4, 1965

1987 Joined Kawasaki Steel Corporation
2025 Representative Director, President and CEO of JFE Shoji Corporation (current post), Director of JFE Holdings, Inc. (current post)

Mr. Ubagai has abundant experience and knowledge required for management of the Group, which he has accumulated through his experience in sales of steel products at JFE Steel and business management at Group companies, and execution of duties as Corporate Officer in administration and sales departments.

Directors (Audit & Supervisory Committee Members)

Newly appointed

Nobuya Hara
Date of birth: December 11, 1961

1984 Joined NKK Corporation
2016 Audit & Supervisory Board Member of JFE Steel Corporation (current post)
2017 Audit & Supervisory Board Member of JFE Holdings, Inc.
2025 Director (Audit & Supervisory Committee Member) of JFE Holdings, Inc. (current post)

Mr. Hara has abundant experience and knowledge in finance and accounting that he has accumulated through operations related to corporate planning, accounting, and finance at JFE Steel Corporation as well as accounting operations at the Company. He also has abundant experience and knowledge gained through corporate management operations at the group companies of JFE Steel Corporation, in addition to duties as its Audit & Supervisory Board Member.

Newly appointed

Nakaba Akimoto
Date of birth: May 2, 1968

1991 Joined NKK Corporation
2022 Audit & Supervisory Board Member of JFE Holdings, Inc., Audit & Supervisory Board Member of JFE Engineering Corporation (current post), Audit & Supervisory Board Member of JFE Shoji Corporation (current post)
2025 Director (Audit & Supervisory Committee Member) of JFE Holdings, Inc. (current post)

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

The Business Foundation Supporting Our Corporate Value

Outside Executive Structure (as of July 1, 2025)

Directors

Independent Executive

Nomination Committee Member

Yoshiko Ando

Date of birth: March 17, 1959

Apr. 1982 Joined Ministry of Labour
Jul. 2013 General Manager, Workers' Compensation Division, Labour Standards Bureau of Ministry of Health, Labour and Welfare
Jul. 2014 Director-General, Equal Employment and Child and Family Bureau of Ministry of Health, Labour and Welfare
Oct. 2015 Director-General for Labour of Ministry of Health, Labour and Welfare
Jun. 2016 Director-General for Statistics and Information Policy of Ministry of Health, Labour and Welfare
Jul. 2017 Director-General for Human Resources Development of Ministry of Health, Labour and Welfare
Jul. 2018 Retired from Ministry of Health, Labour and Welfare
Jun. 2020 Director of JFE Holdings, Inc. (current post)

Significant concurrent posts

- Outside Director of Kirin Holdings Company, Limited
- Outside Director of Sansei Technologies, Inc.

Newly appointed

Independent Executive

Chairperson of Nomination Committee

Remuneration Committee Member

Takuya Shimamura

Date of birth: December 25, 1956

Apr. 1980 Joined Asahi Glass Co., Ltd. (current AGC Inc.)
Jan. 2013 Senior Executive Officer and President of Electronics Company of AGC Inc.
Jan. 2015 President & CEO of AGC Inc.
Mar. 2015 Representative Director and President & CEO of AGC Inc.
Jan. 2021 Representative Director & Chairman of AGC Inc.
Mar. 2021 Director & Chairman of AGC Inc. (current post)
Jun. 2022 Audit & Supervisory Board Member of JFE Holdings, Inc.
Jun. 2025 Director (Audit & Supervisory Committee Member) of JFE Holdings, Inc. (current post)

Significant concurrent posts

- Director and Chairman of AGC Inc.
- Outside Director of EBARA CORPORATION

Independent Executive

Chairperson of Remuneration Committee

Keiichi Kobayashi

Date of birth: June 24, 1959

Apr. 1985 Joined Furukawa Electric Co., Ltd.
Apr. 2016 Representative Director and Corporate Executive Vice President, General Manager of Global Marketing Sales Division of Furukawa Electric Co., Ltd.
Apr. 2017 President and Representative Director of Furukawa Electric Co., Ltd.
Apr. 2023 Chairman of the Board of Furukawa Electric Co., Ltd. (current post)
Jun. 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

Directors (Audit & Supervisory Committee Members)

Newly appointed

Independent Executive

Nomination Committee Member

Remuneration Committee Member

Tsuyoshi Numagami

Date of birth: March 27, 1960

Apr. 2000 Professor of Graduate School of Commerce and Management of Hitotsubashi University
Jan. 2011 Dean of Graduate School of Commerce and Management of Hitotsubashi University
Dec. 2014 Board Member and Executive Vice President of Hitotsubashi University
Apr. 2018 Professor of Graduate School of Business Administration of Hitotsubashi University
Jun. 2018 Audit & Supervisory Board Member of JFE Holdings, Inc.
Apr. 2023 Professor of Institute for Business and Finance of Waseda University (current post)
Jun. 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

Newly appointed

Independent Executive

Nomination Committee Member

Yoshihisa Suzuki

Date of birth: June 21, 1955

Apr. 1979 Joined ITOCHU Corporation
Jun. 2016 Senior Managing Executive Officer, Member of the Board of ITOCHU Corporation President, ICT & Financial Business Company
Apr. 2018 President & Chief Operating Officer, Member of the Board of ITOCHU Corporation
Apr. 2020 President & Chief Operating Officer, Chief Digital & Information Officer, Member of the Board of ITOCHU Corporation
Apr. 2021 Vice Chairman, Member of the Board of ITOCHU Corporation
Apr. 2022 Vice Chairman of ITOCHU Corporation
Apr. 2023 Senior Vice Representative for Business Community Relations of ITOCHU Corporation
Apr. 2024 Advisory Member of ITOCHU Corporation (current post)
Jun. 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

Newly appointed

Independent Executive

Remuneration Committee Member

Naoto Nakamura

Date of birth: January 25, 1960

Apr. 1985 Admitted to the bar
Apr. 1985 Joined Mori Sogo Law Offices (current Mori Hamada & Matsumoto)
Apr. 1998 Founder and Partner in Hibiya Park Law Offices
Feb. 2003 Founder and Partner in Nakamura Naoto Law Offices (current Nakamura, Tsunoda & Matsumoto)
Apr. 2023 Established Nakamura Law Firm (current post)
Jun. 2025 Director (Audit & Supervisory Committee Member) of JFE Holdings, Inc. (current post)

Significant concurrent posts

Attorney at Nakamura Law Firm

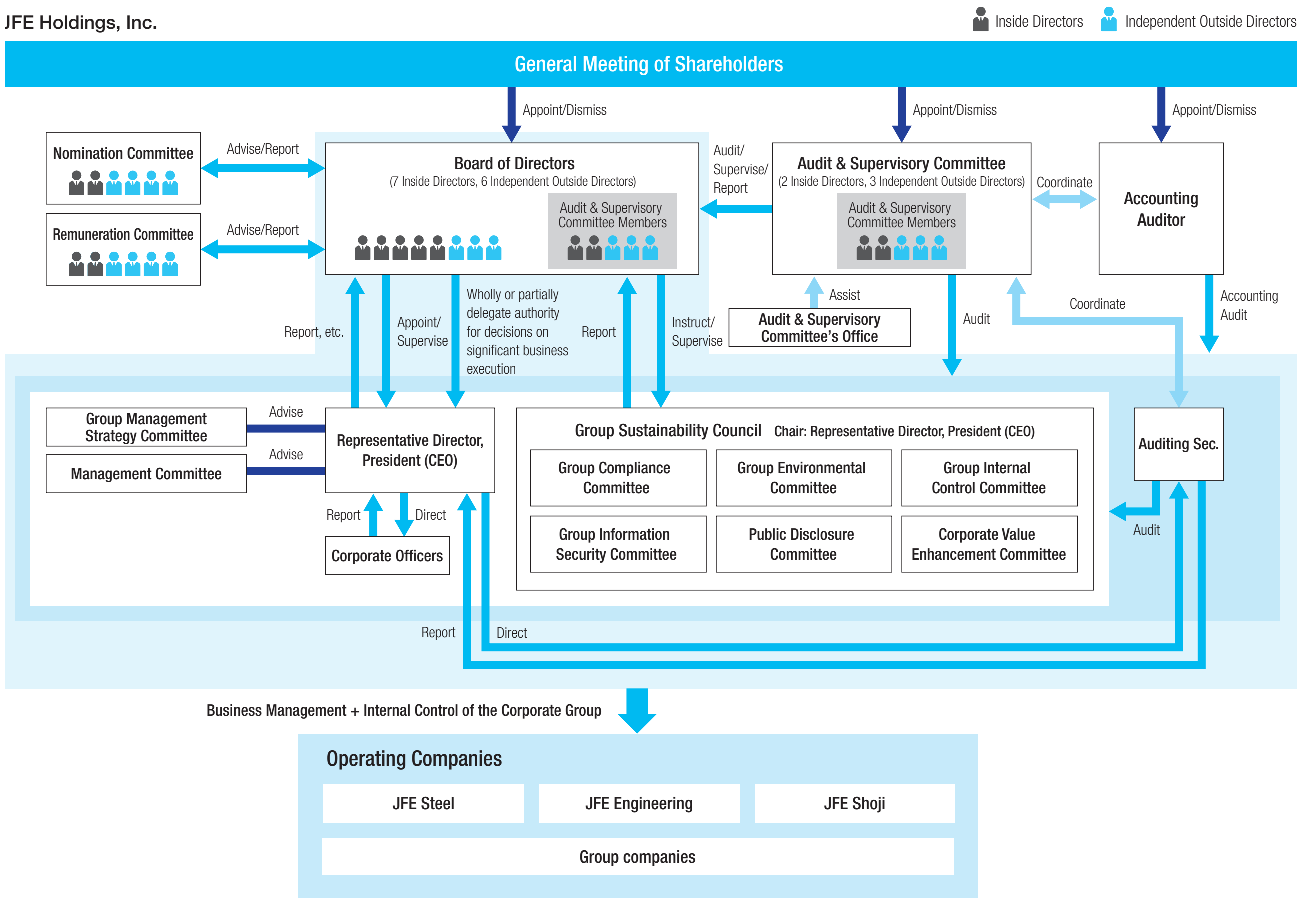
Please see p.80 for skill matrix.

The Business Foundation Supporting Our Corporate Value

Corporate Governance

With the steel business, engineering business, and trading business at its core, the JFE Group develops a broad range of businesses in a wide range of areas together with many Group companies and partners.
Establishing a proper governance system is essential toward improving independence and raising efficiency in each operating company, along with the optimal management of risks, which include those related to the environment, safety, and disaster prevention in the Group. It is also necessary for the sustainable growth of the Group and the medium- to long-term improvement of its corporate value.

Corporate governance system



Overview of the Corporate Governance System

JFE Holdings established the Basic Policy on Corporate Governance with the aim of ensuring the Company and the JFE Group realize sustainable growth, enhance medium- to long-term corporate value, and pursue best governance practices in line with its corporate vision.

Basic Policy on Corporate Governance
https://www.jfe-holdings.co.jp/en/common/pdf/company/info/basic-policy.pdf

Corporate Governance Report
https://www.jfe-holdings.co.jp/en/common/pdf/company/info/corporate-governance.pdf

Group System and Governance System

The JFE Group comprises a holding company and three operating companies: JFE Steel, JFE Engineering, and JFE Shoji.
JFE Holdings, a pure holding company at the core of the Group's integrated governance system, guides Groupwide strategy, risk management, and public accountability.
Each operating company has developed its own business execution system suited to its respective industry, ensuring the best course of action for competitiveness and profitability.

The Business Foundation Supporting Our Corporate Value

Highlight

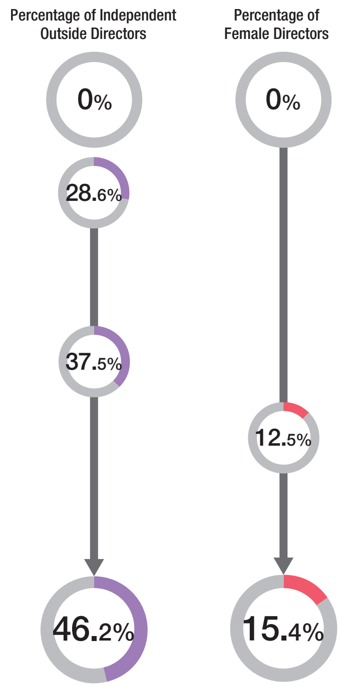
Transition to a company with an Audit & Supervisory Committee

The Company has constructed the following corporate governance system aimed at continuously increasing corporate value and the common interest of shareholders by reinforcing the fairness, objectivity, and transparency of management. 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's initiatives to strengthen the Governance System

■ Review of the composition of the Board of Directors ■ Strengthened monitoring of the Board of Directors
■ Delegation of authority to executive officers

FY2002	Established JFE Holdings, Inc.
FY2007	■ Elected two Outside Directors ■ Shortened the term of Directors from two years to one year
FY2015	■ Established the Basic Policy on Corporate Governance ■ Established the Nomination Committee and Remuneration Committee ■ Initiated evaluation of the effectiveness of the Board of Directors
FY2017	■■ Elected Presidents of Operating Companies as Directors ■ Increased the number of Outside Directors from two to three
FY2020	■ Elected one female Director
FY2022	■ Delegation of authority to executive officers by reviewing the standards for agenda items for meetings of the Board of Directors
FY2025	■■ **Transition to a company with an Audit & Supervisory Committee**



By further strengthening corporate governance, we aim to achieve sustainable growth and enhance corporate governance.

Overview of the corporate governance system

Organizational design	Company with an Audit & Supervisory Committee		
Term for Directors	Directors (excluding Directors who are Audit & Supervisory Committee Members)		1 year
	Directors who are Audit & Supervisory Committee Members		2 years
Composition of the Board of Directors	13 Directors (including 6 Outside Directors)	Directors (excluding Directors who are Audit & Supervisory Committee Members)	8 (including 3 Outside Directors/1 female Director)
		Directors who are Audit & Supervisory Committee Members	5 (including 3 Outside Directors/1 female Director)
Corporate Officer system	Adopted		
Voluntary advisory bodies	Nomination Committee and Remuneration Committee		

Appointment of Independent Outside Directors

We elect Independent Outside Directors so that one-third or more of the Directors are Independent Outside Directors. Independent Outside Directors will be elected from persons who are appropriate to bear the responsibility of strengthening governance, such as those who possess abundant experience as management in global enterprises or experts who possess profound knowledge and satisfy our independence standards. Currently, of the 13 Directors, six are Independent Outside Directors.

Standards for Independence of Outside Directors of JFE Holdings, Inc.
https://www.jfe-holdings.co.jp/en/common/pdf/company/info/independence.pdf

The Business Foundation Supporting Our Corporate Value

Approach to Diversity in the Board of Directors

With regard to the composition of the Board of Directors, following deliberations by the Nomination Committee, the Company elects Officers by focusing on the enhancement of Board member diversity (such as their expertise, knowledge, and experience in various fields) while balancing this with the appropriate size of the Board. The Company is working to enhance gender and global diversity mainly by electing Directors who possess a wealth of knowledge and experience in management in global enterprises. Two female Directors have been appointed. The Company will continue to systematically engage in initiatives to foster such human resources suitable for candidates for Directors by setting specific targets. We have identified skills for the Board of Directors that are necessary for the management of the Company, and arranged the main skills of each director in a matrix, as follows.

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

Nomination Committee and Remuneration Committee

The Company has maintained the Nomination Committee and the Remuneration Committee, which act as advisory bodies of the Board of Directors, to ensure fair, objective and transparent personnel affairs and remuneration of the Board of Directors. Both committees comprise a majority of Outside Directors, and the chairpersons are determined from Outside Directors.

The Nomination Committee deliberates and reports to the Board of Directors on matters pertaining to the basic policies 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. Four meetings were held in fiscal 2024. All committee meetings had 100% attendance rates. The Remuneration Committee deliberates matters pertaining to the basic stance on the remuneration of Directors, etc., of the Company and each operating company and reports to the Board of Directors. Five meetings were held in fiscal 2024. All committee meetings had 100% attendance rates.

Board of Directors Discussions

JFE Holdings' Board of Directors is responsible for maintaining and enhancing management efficiency and passing resolutions as legally required, laying down key management policies and strategies and supervising operational execution. The Audit & Supervisory Committee oversees management for the purpose of strengthening its soundness.

■ Main discussion topics

- Progress of the Seventh Medium-term Business Plan
- Formulation of JFE Vision 2035 and Eighth Medium-term Business Plan
- Large-scale investments (constructing a CGL for JFE Steel West Japan Works (Fukuyama district), acquiring a stake in the Blackwater coal mine in Australia, etc.) and following up on investments
- Initiatives related to sustainability issues (carbon neutrality initiatives, governance structure revisions, evaluating and revising KPIs for material issues of corporate management, etc.)

Evaluation of Effectiveness of the Board of Directors

At JFE Holdings, the effectiveness of the Board of Directors is evaluated based on the Basic Policy on Corporate Governance. The process for evaluating effectiveness and the evaluation results are as follows.

Process for Evaluating the Effectiveness of the Board of Directors

All Directors (and previously Audit & Supervisory Board Members) receive a questionnaire about effectiveness

Questionnaire Content

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

- **Conduct analysis and evaluation by using a third-party organization**
- **The results of initiatives taken, based on the opinions and recommendations obtained from the analysis and evaluation conducted in the previous fiscal year, were examined.**

- **Initiatives to enhance the effectiveness of the Board of Directors were discussed and consolidated at meetings of the Board of Directors.**
- **The results of these initiatives were also discussed and examined at meetings of the Board of Directors.**

Based on the results, we implemented initiatives to increase the effectiveness of the Board of Directors.

FY2024 Evaluation

- The overall effectiveness of the Board was ensured through robust discussions among members supported by substantial preliminary briefings at meetings for Outside Directors and Audit & Supervisory Board Members as well as by appropriate management and leadership by the chairperson.
- The accurate and fair auditing of Directors' execution of their duties by Audit & Supervisory Board Members
- Audit & Supervisory Board Members' proactive voicing of opinions and questions, regarding the management decision-making and reporting at the Board of Directors meetings, has vitalized deliberations at the Board meetings. It was thus determined that the Company is functioning effectively as a company with an Audit & Supervisory Board.

Issues in the FY2023 Effectiveness Evaluation

- Sustainable corporate growth depends upon considering the ideal state of the Group and its long-term strategies while at the same time further deepening discussions on human capital management and respect for human rights as well as other material management issues.
- From the perspective of enhancing corporate value, we must organize the agenda items for Board of Directors meetings to establish a balance between speedy decision-making with supervisory functions. We must also continue to consider the governance structure, including ways to further enhance diversity.
- To further strengthen risk management across the entire Group, we must continuously consider ways to develop our reporting of risk information, including that of subsidiaries and affiliates, to the Board of Directors.

FY2024 Initiatives

- Reports were made at meetings of the Board of Directors concerning the direction and other facets of the Group's vision, JFE Vision 2035, together with the Eighth Medium-Term Business Plan, which is its growth strategy for achieving this vision, at each stage of consideration, and the Board of Directors held discussions on medium- and long-term corporate value enhancement.
- Reports were made at meetings of the Board of Directors concerning sustainability issues. These included the human resources strategy that supports management strategy, DE&I initiatives, the results of engagement surveys, the Company's response to the surveys, and progress on the implementation and expansion of human rights due diligence aimed at ensuring respect for human rights. The Board of Directors discussed these issues on an ongoing basis.
- The Company conducted surveys to ascertain the status of compliance at Group companies and to support initiatives. The findings and responses to these surveys were reported at meetings of the Board of Directors, and it engaged in discussions regarding risk management.
- The Company decided to transition 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. Moving forward, the Board of Directors will continue to work toward improving governance based on ongoing discussions.

Issues in the FY2024 Effectiveness Evaluation

- Pursuant to the transition to a company with an Audit & Supervisory Committee, the Board of Directors should engage in fuller discussions concerning its vision for the future, including its approach to the delegation of executive authority and the scale and diversity of the Board of Directors.
- In addition to important management issues that are discussed on an ongoing basis, such as human capital management and respect for human rights, the Board of Directors should further enhance discussions aimed at analyzing and improving the Company's market valuation.
- The Company should enhance reporting to the Board of Directors on risk information, including that of subsidiaries and affiliates, to further strengthen risk management across the Group.

Initiatives will be proactively undertaken to further increase the effectiveness of the Board of Directors and enhance the corporate value of the Group.

The Business Foundation Supporting Our Corporate Value

Support for Directors

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

Furthermore, dedicated staff to support the duties of the Audit & Supervisory Committee, which is composed primarily of Outside Directors who are Audit & Supervisory Committee Members, are allocated in the Audit & Supervisory Committee's Office.

Directors are provided with opportunities and funding to receive uniquely tailored training when they are appointed and on an ongoing basis in legal matters, corporate governance, risk management, and other subjects that help them fulfill their roles and duties. In addition, the Company provides Outside Directors with briefings, etc. prior to the Board of Directors meetings, and gives materials and explanations on each agenda item.

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

FY2024 Results

Board of Directors Briefings 12 times

Board of Directors meetings convened at major business bases

1 time JFE Steel East Japan Works (Chiba district)

Tours of major business bases and Group Companies

- JFE Steel West Japan Steelworks (Kurashiki district)
- JFE Steel East Japan Steelworks (Keihin district)
- U.S. and Mexico bases (JFE Shoji, 5 JFE Shoji subsidiaries, 1 JFE Steel subsidiary)

Training for Directors

- Recent trends involving hostile takeovers (Outside Directors)
- JFE Group overview, Medium-term Business Plan progress status, financial status, management issues (newly appointed Outside Directors)
- Courses related to insider trading (Inside Directors)

Operating System

Key Decision-making

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

Structure of Group Management Strategy Committee and Management Committee

Group Management Strategy Committee (JFE Holdings)

Chairperson: President

Attendees: Inside Directors (including 3 operating company Presidents) and Corporate Officers

Management Committee (JFE Holdings)

Chairperson: President

Attendees: Inside Directors (excluding 3 operating company Presidents) and Corporate Officers

Management Committee (each Operating Company)

Chairperson: President

Attendees: Directors, major Corporate Officers, and Audit & Supervisory Board Members

The Business Foundation Supporting Our Corporate Value

Director and Corporate Officer Remuneration

Director and Corporate Officer remuneration shall be determined in accordance with the Basic Policy on Remuneration for Directors and Corporate Officers and the Policy for Deciding the Individual Remuneration for Directors and Corporate Officers, which were formulated based on discussions and reports by the Remuneration Committee. Within the scope of the total amount approved at the General Meeting of Shareholders, Director and Corporate Officer remuneration is decided through either a resolution of the Board of Directors or deliberations by Directors who are Audit & Supervisory Committee Members.

Basic Policy on Remuneration for Directors and Corporate Officers

- The Board of Directors (excluding members of the Audit & Supervisory Committee; hereinafter the same) shall determine a remuneration system for Directors and Corporate Officers based on deliberations regarding its appropriateness by the Remuneration Committee to ensure fairness, objectiveness, and transparency.
- The remuneration level for Directors and Corporate Officers shall be determined to secure excellent human resources who are able to put the Group's corporate vision into practice, taking into consideration the business environment of the Group and remuneration levels at other companies in the same industry or of the same scale.
- The ratio between basic remuneration and performance-linked remuneration (annual bonus and stock remuneration) shall be properly established according to the roles and responsibilities, etc., of each Director and Corporate Officer so as to function as sound incentives toward the sustainable growth of the Group.

Outline of the Policy for Deciding the Individual Remuneration for Directors and Corporate Officers

- Remuneration for Directors (excluding members of the Audit & Supervisory Committee; hereinafter the same) and Corporate Officers shall be determined by a resolution of the Board of Directors in accordance with the Basic Policy and the Decision Policy, based on reports from the Remuneration Committee.
- Remuneration for the Company's Directors and Corporate Officers is comprised of basic remuneration and performance-linked remuneration (annual bonus and stock remuneration).
- Basic remuneration is paid as a fixed amount, in cash, each month according to position.
- Annual bonus is linked to the Company's single-year performance (calculated based on financial and non-financial indicators) and is paid in cash once a year.
- Stock remuneration is, upon retirement, granted as the Company's shares and cash equivalent to the amount of the Company's shares converted to market value through the trust upon retirement.
- The ratios of remuneration by type are structured so that the higher the position, the greater the weight of performance-linked remuneration, and the ratio for the Company's President when performance target goals have been attended is set so that the ratio of Basic remuneration, Annual bonus and Stock remuneration stands at 2:1:1.

Furthermore, regarding the annual bonus and stock remuneration, we have introduced malus and clawback conditions.

The Company's Director and Corporate Officer Compensation System

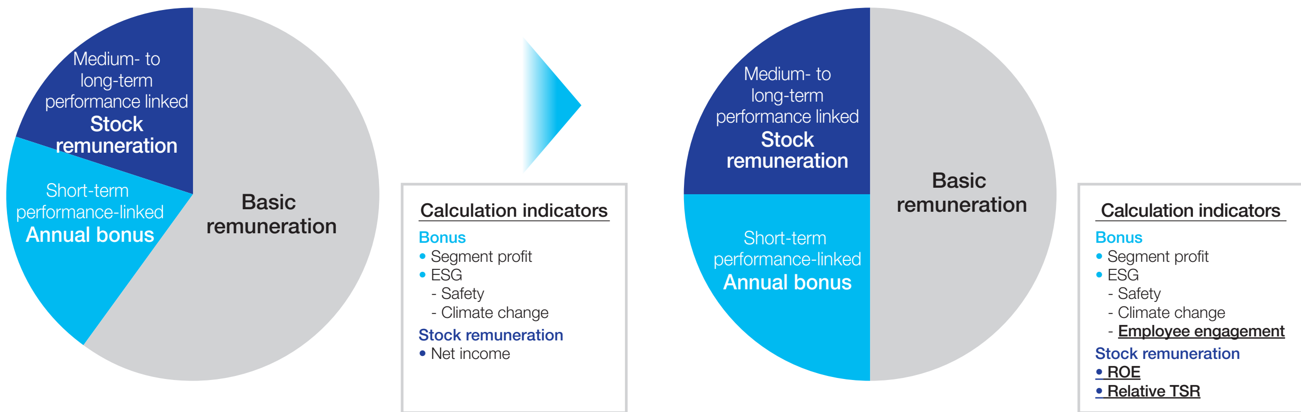
The Company has reformed its Director and Corporate Officer compensation system with the aim of further encouraging enhancement of medium- to long-term corporate value to coincide with the start of the Eighth Medium-term Business Plan. The main changes are: revising the composition of remuneration to increase the proportion of performance-linked compensation, adding a new employee engagement indicator as ESG remuneration for bonuses in consideration of the importance of human capital management, and modifying the calculation indicators to be conscious of share price and the cost of equity for stock remuneration.

At meetings of the Remuneration Committee and Board of Directors, the JFE Group will continue to consider future changes with the aim of ensuring the Director compensation system functions as a more robust incentive for achieving sustainable growth.

Main changes to the Director and Corporate Officer compensation system

Former system — Percentage of compensation when the Company's President achieves performance targets
Basic remuneration : Annual bonus : Stock remuneration
6 : 2 : 2

New system — Percentage of compensation when the Company's President achieves performance targets
Basic remuneration : Annual bonus : Stock remuneration
2 : 1 : 1



The Business Foundation Supporting Our Corporate Value

Annual bonus

The annual bonus is calculated by multiplying the total amount of segment profit in a single fiscal year and performance-linked indicators (comprised of an employee safety-related indicator, climate change-related indicators, and an employee engagement-related indicator) by the degree of achievement of each indicator and a preset coefficient for each position.

The employee safety-related indicator is calculated as the achievement rate for zero workplace fatalities and the lost-work injuries rate, which are KPIs set for each operating company.

Climate change-related indicators are calculated as the achievement rate for a selection of metrics related to contributions to resolving climate change issues, which is a KPI set for each operating company.

The employee engagement-related indicator is calculated as the achievement rate for the percentage of positive responses related to employee job satisfaction in the engagement survey, which is a KPI set for each operating company.

Annual bonus (short-term performance-linked)

The table below does not show the percentage for each type of remuneration.

Financial performance

Total segment profit

+

ESG performance

Safety indicator

+

Climate change indicators

New indicator +

Employee engagement indicator

Each company's KPIs used to calculate achievement of climate change indicators

JFE Steel

- GHG emission reduction rate
- Green steel sales volume

JFE Engineering

CO_2 reduction contributions from providing renewable energy-related power generation facilities and expanding the electric power provision business

JFE Shoji

Domestic CO_2 emission reduction rate

Stock remuneration

The stock remuneration plan is determined in accordance with the performance targets, etc., in the Group's medium-term business plan.

To ensure the remuneration system further promotes shared value with shareholders, we have adopted a mechanism that determines pay levels according to the rate of achievement for return on equity (ROE) and relative total shareholder return (TSR).

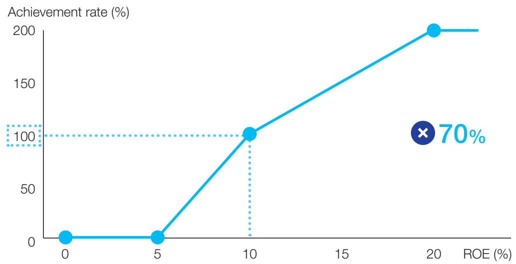
In addition, by changing the calculation method, we created a balanced system that ensures sound incentives function properly. It lowers compensation when targets go unmet and raises compensation when targets are exceeded.

The Company's Director and Corporate Officer Remuneration
https://www.jfe-holdings.co.jp/en/sustainability/governance/governance/

Stock Remuneration (medium- to long-term performance-linked, during the Eighth Medium-term Business Plan)

Calculation methods changed and new indicators adopted | Performance-linked portion

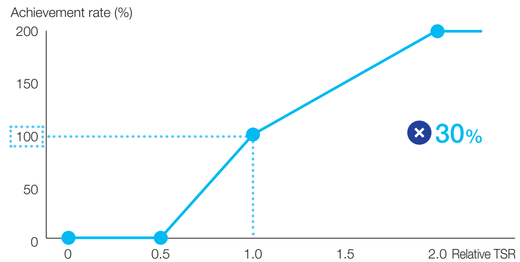
Return on equity (ROE) target achievement rate



- The achievement rate varies between 0% to 200%. When ROE is 10%, the achievement rate is 100%.
- When ROE is 5% or less, the achievement rate is 0%.

+

Relative total shareholder return (TSR) achievement rate



- Relative TSR is calculated by comparing the Company's TSR over a 5-year period with the TOPIX's TSR (including dividends) during the same period.
- The achievement rate varies between 0% to 200%. When the relative TSR is 1, the achievement rate is 100%.
- When the relative TSR is 0.5 or less, the achievement rate is 0%.

+

Portion during appointed term

The Business Foundation Supporting Our Corporate Value

Internal Control

The JFE Group's internal control system, in accordance with the Basic Policy for Building an Internal Control System, is maintained through various committee regulations including the Rules of the Board of Directors, Regulations for the Group Management Strategy Committee, Regulations for the Management Committee, Regulations for the JFE Group Sustainability Council, Regulations for the Organization and Operations, Regulations for Document Management, Regulations for Addressing Violence Directed at Companies, and installation of the Corporate Ethics Hotline. We regularly amend our policies to boost sustainable corporate value, and we did so in June 2025 in light of our transition to a company with an Audit & Supervisory Committee.

Basic Policy to Establish the Internal Control System
http://www.jfe-holdings.co.jp/en/company/info/pdf/corporate-governance.pdf

Strengthening Internal Control

■ Internal audits

JFE Holdings, the operating companies, and key Group companies had internal audit organizations comprising 179 people as of April 1, 2025. These organizations share information to enhance overall auditing within the Group. Moreover, to ensure the effectiveness of internal audits, the results of internal audits are reported to the Board of Directors, the Audit & Supervisory Committee, and the Group Sustainability Committee.

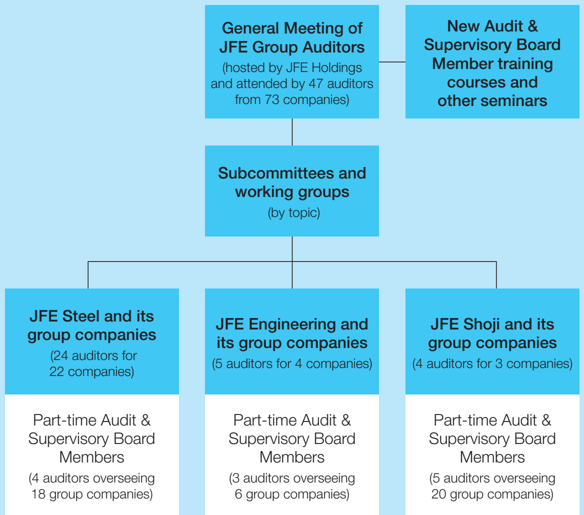
■ Audits by Audit & Supervisory Committee Members

The Audit & Supervisory Committee comprises five members, including three who are Outside Directors. Two full-time Audit & Supervisory Committee Members share duties with the other members and collaborate with Company's internal auditing department. The members attend meetings of the Board of Directors, Group Management Strategy Committee, Management Committee, and Group Sustainability Council, as well as other important meetings, and express their opinions as needed. To audit how Directors execute their responsibilities, they conduct hearings with Directors and Corporate Officers regarding operational status and receive operational reports from subsidiaries.

A total of 35 full-time corporate auditors (full-time Audit & Supervisory Committee Members and full-time Audit & Supervisory Board Members) have been appointed to 30 Group companies, including JFE Holdings. Operating Company personnel are dispatched to Group companies as part-time Audit & Supervisory Board Members. Each dispatched part-time Audit & Supervisory Board Member audits one to five Group companies. Twelve Audit & Supervisory Board Members served 44 companies in total.

The JFE Group Board of Auditors includes both full-time and part-time corporate auditors of each Group company. Subcommittees and working groups created to address specific issues meet autonomously to share information, investigate issues, and enhance understanding. The findings of the year's activities are presented at the General Meeting of JFE Group Auditors and used for audits.

Structure of JFE Group Board of Auditors



■ State of cooperation between the Audit & Supervisory Committee, accounting auditor, and internal auditing department

The Audit & Supervisory Committee regularly holds meetings with the outside accounting auditor, or when necessary, to hear its audit plans, status updates, and reports of audit results. The committee also receives briefings on the accounting auditor's quality management system. In turn, the Audit & Supervisory Committee explains its own audit plans and other matters to the firm, exchanges opinions, and takes other actions with the aim of fostering close cooperation. The committee also regularly holds meetings with the internal auditing department or, when necessary, to hear its internal audit plans, status updates, and reports of audit results. The committee also exchanges opinions and takes other actions with the aim of fostering close cooperation.

■ Operating Company governance

Some Directors and Corporate Officers of JFE Holdings serve concurrently as the Directors or Audit & Supervisory Board Members of operating companies to strengthen governance and information sharing across the Group. To strengthen governance, JFE Holdings' managers attend each Operating Company's General Meeting of Shareholders and Management Planning Briefing, receive reports on their activities, and discuss the managerial policies of subsidiaries.

JFE Group's Internal Control
https://www.jfe-holdings.co.jp/en/sustainability/governance/governance/

The Business Foundation Supporting Our Corporate Value

Policy on Listed Subsidiaries and Listed Affiliates

The Company forms a corporate group comprising companies with high expertise, divides business functions within the Group, and conducts business development outside of the Group. Among this group of companies, JFE Steel Corporation, a subsidiary of JFE Holdings, has one listed subsidiary and four listed affiliates.

Listed Subsidiary

JFE Systems, Inc.

Computer systems in the steel business support overall business activities, such as receiving orders, manufacturing, shipping products, and controlling quality, and are an important base for using diverse data. In addition, ensuring the accumulation of know-how and the continuity of personnel exchange will be essential for advancing DX and maintaining the competitiveness of JFE Steel moving forward. In the Group, parent JFE Steel pursues an optimal structure depending on the relevance in terms of business. The decision to list the subsidiary was based on a comprehensive evaluation that concluded it was necessary for its growth and for enhancing the overall value of the Group, while considering the advantages of being listed, such as the subsidiary's visibility and credibility in fundraising sales and marketing, and hiring.

Listed Subsidiary

GECOSS Corporation

SHINAGAWA REFRA Co., Ltd.

(company name changed as of October 1, 2025)

Nippon Chuzo K.K

Nippon Chutetsukan K.K.

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

The autonomous management decisions of each company are respected regarding the calibration and distribution of business opportunities and business fields among the listed subsidiaries and listed affiliates, except in instances where such decisions could have a serious impact on the consolidated financial statements of the Company.

With regard to capital procurement and management, each company makes independent decisions based on their respective financial strategies. The Company currently does not receive funds from listed subsidiaries or listed affiliates.

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

JFE Holdings regularly reviews the rationale for having its subsidiaries listed and confirms these considerations with the Board of Directors, taking necessary actions as appropriate. This matter was discussed and reviewed at the Board of Directors' meeting held in May 2025.

JFE Group's Policy Related to Listed Subsidiaries and Listed Affiliates
https://www.jfe-holdings.co.jp/en/sustainability/governance/governance/

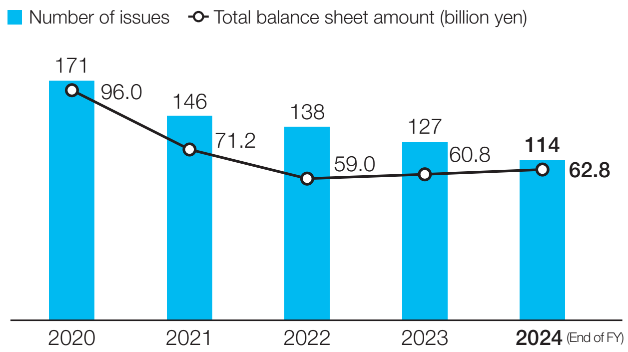
Basic Policies for Strategic Shareholdings, etc.

All shares held by the Company are the shares of subsidiaries or affiliates. Operating companies do not hold listed shares as strategic shareholdings, in principle. Strategic shareholdings, however, are allowed as an exception when holding the stocks of a company is determined to be necessary for maintaining and achieving growth for the Group's business.

The Board of Directors' meetings regularly confirm the significance of the strategic shareholdings and whether the benefits and risks of such holdings are commensurate with their capital cost, and sell strategic shareholdings if there is no significance of such shareholdings or there is a risk of damage to shareholders' interest.

In fiscal 2024, the Group sold all or part of its shareholdings in 11 listed companies for ¥14.2 billion (market value basis). Furthermore, in August 2024, the Board of Directors verified the significance of its strategic shareholdings and their return on investment.

Of the shares for investment purposes held by JFE Steel, which has the largest balance sheet amount and accounts for the majority of the shares for investment purposes posted in the consolidated financial statements of the company, those shares of JFE Steel that are held for purposes other than pure investments are shown below.



Basic Policies for Strategic Shareholdings, etc.
https://www.jfe-holdings.co.jp/en/sustainability/governance/governance/

The Business Foundation Supporting Our Corporate Value

Compliance

In expanding our businesses in Japan and abroad, it is important that JFE 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, JFE believes it is extremely important that all members of the organization deepen their knowledge and awareness of compliance and perform their jobs accordingly.

Compliance System

The JFE Group’s 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. The Compliance Committee, which was established under the Group Sustainability Council, generally convenes four times a year to deliberate basic policies and issues and then supervise their implementation. Each Operating Company has a similar in-house system for promoting and supervising compliance.

JFE Group’s Standards of Conduct
https://www.jfe-holdings.co.jp/en/company/philosophy/guideline.html

Whistleblowing System

We have established a Corporate Ethics Hotline to maintain corporate ethics, comply with laws and regulations, and prevent corruption and human rights violations. It is accessible to all executives and employees of the JFE Group (employees, contract workers, part-time workers, temporary staff, and retirees) as well as the executives and employees of business partners. As a specific means of reporting and consultation, an environment has been prepared for receiving inquiries (it is also possible to anonymously file reports and seek consultation) by email, a dedicated phoneline, and by regular mail. Additionally, an external hotline to a law firm is also provided. Whistleblowing and requests for consultation are regularly reported to full-time Audit & Supervisory Committee Members. Moreover, the operational status of the system is monitored by the Board of Directors.

Number of consultations handled by the Corporate Ethics Hotline and Harassment Consultation Desk

	FY2023	FY2024
JFE Holdings and Operating Companies	134	161
Group companies	201	153
	335	314

Preventing Corruption and Bribery
Basic Policy on Preventing Bribery of Public Officials
https://www.jfe-holdings.co.jp/en/company/philosophy/anti-bribery.html

Protection of Personal Information
JFE Group Privacy Statement
https://www.jfe-holdings.co.jp/en/privacy.html

Ensure Adherence to Corporate Ethical Standards and Compliance
Compliance-related Initiatives
https://www.jfe-holdings.co.jp/en/sustainability/governance/compliance/index.html

Risk Management

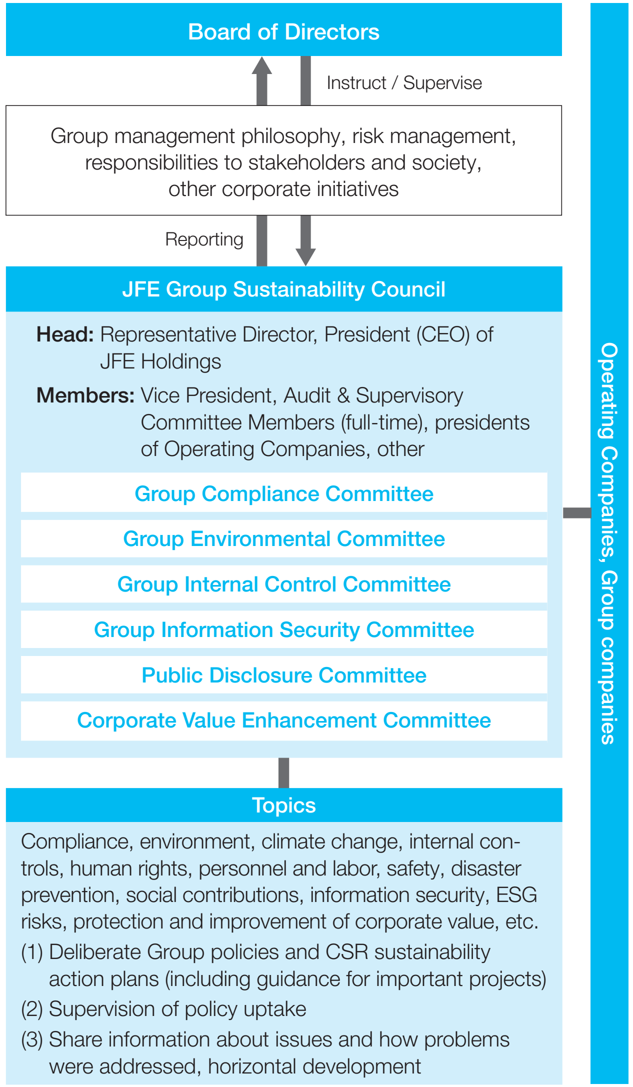
Based on its corporate vision of “contributing to society with the world’s most innovative technology,” the JFE Group maintains and actively uses a risk management structure to accurately identify and respond to Groupwide risks, with the aim of sustaining growth and improving corporate value across the Group.

(➡ pp. 66—67 Disclosures and risk management based on the TCFD)
(➡ pp. 70—71 Management of intellectual property)

DX Report
https://www.jfe-holdings.co.jp/en/investor/library/dxreport/

Risk Management and Data Security
https://www.jfe-holdings.co.jp/en/sustainability/governance/risk/

Risk Management System



Management Foundation to Support Corporate Value

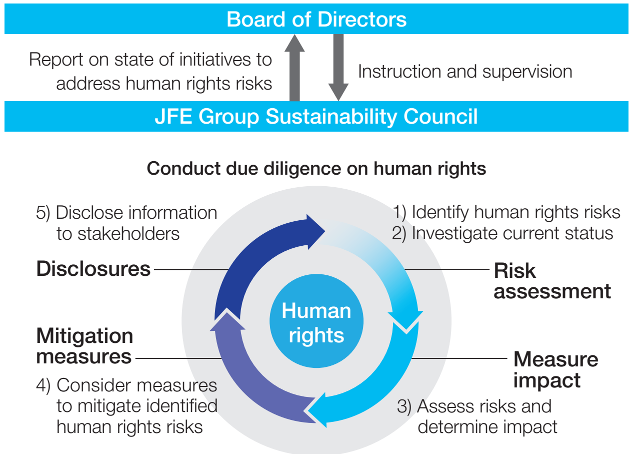
Respect for Human Rights

The JFE Group supports and respects the International Bill of Human Rights, which consists of the Universal Declaration of Human Rights and the International Covenants on Human Rights, as well as the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We believe that respect for human rights is a corporate social responsibility and a foundational aspect of our operations. In addition to clearly stating and implementing our policy to refrain from any form of discrimination in our corporate activities, we will continue to promote initiatives for realizing a society where human rights are respected and protected.

Human Rights Due Diligence

In accordance with the UN Guiding Principles on Business and Human Rights, the JFE Group conducts due diligence on human rights. The Group is a member of Global Compact Network Japan, where information is exchanged with other participating companies and groups in the furtherance of its own initiatives.

Human rights due diligence process



1) Identify human rights risks
We identified human rights risks in the JFE Group's supply chain for each type of stakeholder, i.e., employees and suppliers (women, children, local residents, etc.), taking into consideration local character and human rights risks unique to the sector, after creating a long list of human rights risks while referring to international rules and guidelines.

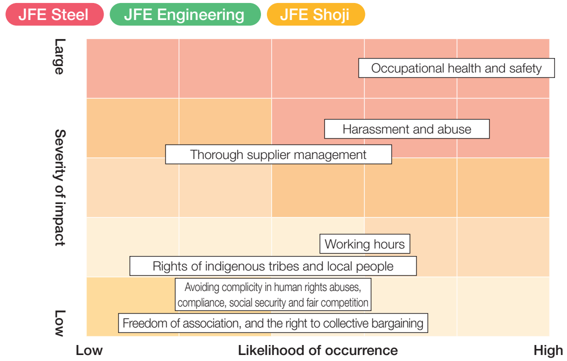
Identified 15 human rights issues to consider

1. Compliance with standards and guidelines for respecting human rights in line with international norms	2. Non-complicity in human rights violations, compliance, social security, fair competition	3. Equality and prohibition of discrimination under the law
4. Access to relief	5. Thorough management of suppliers	6. Harassment and coercion
7. Women's rights	8. Child labor	9. Forced labor
10. Occupational safety and health	11. Work hours	12. Proper work environment
13. Wages that afford adequate living standards	14. Freedom of association, right to group negotiation	15. Rights of indigenous tribes and local residents

2) Investigate current status
The JFE Group Basic Policy on Human Rights and the basic procurement guidelines of each Group company mandate disclosure of policies for dealing with human rights risks, such as child labor and forced labor. As access to relief, a whistleblowing system is also mandated. We audit the aforementioned matters as well as compliance efforts (including the prevention of corruption) and internal and external human rights initiatives, systems, and rules to confirm the current human rights risk management system is working as designed.

3) Assess risks and determine impacts
Regarding identified human rights issues that should be addressed, the Company conducted a risk assessment that considers the seriousness of the impact and likelihood of the risk, and examined the state of initiatives to respect human rights through documented surveys and interviews, in order to gain a more accurate understanding of actual conditions. In the risk assessment process, we identified the negative impact that human rights risks could have on the JFE Group and our stakeholders.

Map of serious human rights risks



Human rights risks identified as requiring a response due to high risk
- Occupational health and safety
- Harassment and abuse
- Thorough supplier management (establishment of a human rights risk management system for the entire supply chain)

4) Consider mitigation measures for identified human rights risks
We addressed the identified human rights risks, took corrective and preventative action, set up promotion structures, and implemented measures to mitigate risks. We have set KPIs for occupational health and safety and workplace harassment, and advanced efforts to eliminate injuries and harassment at work. We continue to implement and strengthen these activities. We are creating a management structure for human rights risks throughout the supply chain with the aim of building a sustainable and robust supply chain. We determine the priority of our investigations while considering the severity and potential emergence of human rights risks. We will also continue to survey our suppliers about human rights risks.

5) Disclose information to stakeholders
We disclose the JFE Group Basic Policy on Human Rights and procurement guidelines of each operating company on our website. We will continue to appropriately disclose information to stakeholders concerning our initiatives for respecting human rights, including human rights due diligence, as well as progress on these initiatives.

Management Foundation to Support Corporate Value

■FY2024 Results

Expanded human rights due diligence to Group companies

JFE Steel

- Conducted human rights risk surveys at three overseas Group companies (in Thailand, Indonesia, and Brazil) determined to be high-priority based on such factors as investment ratios and company size and provided feedback

JFE Engineering

- Conducted human rights risk surveys at three overseas Group companies (in the Philippines, India, and Thailand) determined to be high-priority because they are based in countries at high risk of human rights violations and provided feedback

JFE Shoji

- Conducted human rights risk surveys at 45 overseas Group companies

JFE Steel JFE Engineering JFE Shoji

- Considered methods and schedules for conducting future surveys of suppliers for major domestic Group companies

Created a human rights risk management system for suppliers

JFE Steel JFE Engineering JFE Shoji

- Suppliers deemed in the fiscal 2023 survey to require follow-up were provided with support for making improvements, including follow-up tools with explanations on key issues, proposals for specific initiatives, and examples for reference.

JFE Shoji

- Conducted a new survey on human rights risks at 88 suppliers of steel raw materials, environmental resources, and machinery

■Initiatives Planned for Fiscal 2025

Expand human rights due diligence to Group companies

JFE Steel

- Conduct survey on human rights risks at three major overseas consolidated subsidiaries (in the Philippines, U.S., Singapore)

JFE Engineering

- Conduct survey on human rights risks at three major overseas Group companies (in Malaysia, Indonesia, and Germany)

JFE Shoji

- Provide feedback on fiscal 2024 survey results to overseas Group companies

JFE Steel JFE Engineering JFE Shoji

- Consider methods and schedules for conducting future supplier surveys of major domestic Group companies

Create a human rights risk management system for suppliers

JFE Steel

- Conduct second round of surveys for major suppliers, approx. 200 companies (first round conducted in fiscal 2023)

JFE Engineering

- Conduct second round of surveys for major suppliers, approx. 70 companies (first round conducted in fiscal 2023)

JFE Shoji

- Conduct second round of surveys for major suppliers, approx. 20 companies (first round originally slated to end in fiscal 2023)

Corrective Mechanisms

JFE is a member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which is an organization that aims to provide a non-judicial engagement and remedy platform for redress of grievances and, based on the United Nations Guiding Principles on Business and Human Rights. Through the platform, the center handles whistleblower reports, grievances, and consultations related to human rights problems from various stakeholders throughout the supply chain. By utilizing a third-party grievance reporting system, we ensure fairness and transparency as well as work to resolve fundamental human rights issues. We also ensure the anonymity of the person making the report, as well as the confidentiality of the matter. Between April and July 2025, there was one report made to JaCER, but because the content was not a human rights issue, JaCER provided feedback to the person who made the report and it was resolved.

We have established a Corporate Ethics Hotline at every operating company, an external hotline to an independent law firm, and a Harassment Hotline at every major business site to handle reports and consultations, including those relating to human rights issues. It is possible to anonymously file reports and seek consultation.

The status of these hotlines and any reported cases of harassment or other human rights violations are regularly reported to the Group Sustainability Council and the Board of Directors, which provide instruction and supervision.

JaCER Grievance Form
https://jacer-bhr.org/en/application/form.html

For further details on the whistleblowing system,
please see page 87 of this report.

Other human rights initiatives
https://www.jfe-holdings.co.jp/en/sustainability/social/human_rights/