

JFE

Integrated Report

JFE GROUP REPORT

2026

What Matters Most to Stakeholders

JFE GROUP REPORT 2026



Yoshihisa Kitano
Representative Director, President and CEO

Editorial Policy

Publication of JFE GROUP REPORT 2026

Since fiscal 2018, JFE Holdings, Inc. has published an integrated report that combines non-financial information, such as environmental, social, and governance (ESG) initiatives, with financial information including business strategies, with the objective of furthering the understanding of the JFE Group's value creation narratives over the medium to long term among all stakeholders, including shareholders and investors.

In this report, we introduce key aspects of steady progress made under the Eighth Medium-term Business Plan and our future direction. We hope this report furthers everyone's understanding of our initiatives on these fronts.

On editing this report, we referred to the IFRS Foundation's International Integrated Reporting Framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation. Relevant departments worked earnestly together to prepare this report in accordance with the Company's guidelines. We confirm that this report was prepared through an appropriate process and that its content is accurate.

	Overview of Current Conditions	Strengthening Monitoring through Organizational Changes	Achievability of JFE Vision 2035	Ensuring Financial Soundness and the Effectiveness of Growth Investments	Progress on Growth Strategies	Enhancing Capital Efficiency through Overseas Growth	Discussions at Board of Directors Meetings	Carbon Neutral Technologies and Action Plans
Message from the CEO	●	●	●	●	●	●		●
Message from the CFO	●	●		●	●	●		
Eighth Medium-term Business Plan	●				●	●		
Dialogue with Outside Directors	●	●		●			●	
Initiatives on Environmental Sustainability	●							●
Corporate Governance		●					●	

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Reporting Period
FY2025 (April 1, 2025 to March 31, 2026)
Reports on some activities undertaken outside this period are included.

Organizations Covered
The holding company JFE Holdings, Inc. and its three Operating Companies JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation. Additionally, some reports may include the equity-method affiliate Japan Marine United Corporation and Group companies under the Operating Companies (consolidated subsidiaries and equity-method affiliates).

Guidelines
- IFRS Foundation: International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry: Guidance for Collaborative Value Creation
- GRI: Sustainability Reporting Guidelines GRI Standards
- Financial Stability Board: The final report of the Task Force on Climate-related Financial Disclosures (TCFD)

Publication Date
September 2026 (Next issue planned for September 2027)

Disclaimer
All current plans, strategies, and beliefs published in this report that are not historical facts contain forecasts about future performance, which are subject to risks and uncertainties. Actual results may greatly differ from those forecasts due to various factors including future trends in the global and Japanese economies, and in related industries. Accordingly, please note that we do not guarantee the reliability of such forward-looking information.



Group Vision

CORPORATE VISION

Contributing to society with the world's most innovative technology

STANDARDS OF CONDUCT

All JFE Group personnel are required to faithfully adhere to the following Standards of Conduct in all corporate activities. These standards embody the JFE Group's Corporate Vision and go hand-in-hand with its Corporate Values.

Senior managers are responsible for communicating these standards to employees of Group companies and their supply chain partners, and creating effective systems and mechanisms to ensure adherence to ethical standards.

Senior managers are also responsible for measures to prevent the recurrence of any violation of these standards. Additionally, they must report violations promptly and accurately to internal and external stakeholders, determine the persons of relevant authority and accountability, and resolve matters rigorously.

1. Provide quality products and services
2. Be open to society
3. Work with communities
4. Globalize
5. Exist harmoniously with the global environment
6. Maintain proper relations with governments and political authorities
7. Maintain crisis readiness
8. Respect human rights
9. Provide rewarding work environments
10. Comply with laws and ordinances



CORPORATE VALUES

Challenging Spirit.
Flexibility.
Sincerity.







Purpose and Vision

JFE Steel

PURPOSE

Dream for your Future, Steel takes you Further.

VISION

Leading the steel industry as the top runner in carbon neutrality.

Building on a solid domestic business foundation and pursuing fresh growth through bold inroads into overseas markets, and new fields.

JFE Engineering

PURPOSE

Create, Care, Connect The Foundations of Life
Just For the Earth

VISION

Contributing to society in the fields of circular economy and CO_2 emissions reduction

Aiming for segment profits of 100 billion yen (business scale of over 1 trillion yen) by FY2035

Reaching new heights as a global leader by FY2050

JFE Shoji

PURPOSE

Steel and More: Bridging Global Progress

VISION

Improving our abilities to offer proposals and convey information as the JFE Group's core trading company, we will seek to grow sustainably with our customers to be a company with a strong market presence.

The JFE Group's Current Position (As of March 31, 2026)

Produce steel, support society, and deliver it around the world. JFE Holdings brings together the power of steel, engineering, and trading to reinforce the foundations of society and help shape a more prosperous future.

JFE Steel

Revenue
¥3,088.4 billion

Number of employees
41,654

JFE Steel is an integrated steelmaker that manufactures and sells a wide range of steel products with the world's most innovative technology.

Percentage of total revenue
61.5%

JFE Engineering

Revenue
¥599.7 billion

Number of employees
11,170

JFE Engineering constructs infrastructure facilities that are essential to society and provides related services.

Percentage of total revenue
11.9%

JFE Shoji

Revenue
¥1,333.0 billion

Number of employees
8,744

As the core trading company of the JFE Group, JFE Shoji engages in domestic and overseas trade as well as business investment and operations.

Percentage of total revenue
26.5%

Revenue*
¥4,539.2 billion

* After eliminations of ¥481.9 billion

Number of employees (Consolidated)
61,628

JFE Holdings

Japan Marine United

Equity-method affiliate

The JFE Group's Current Position

Six Types of Capital

Financial capital

The foundation that supports growth investments, business restructuring, and shareholder returns. It is a core resource that maximizes corporate value in the medium to long term by allocating capital appropriately and improving capital efficiency.

Total equity (IFRS)

(As of March 31, 2022)
¥2,070.7 billion
▼
(As of March 31, 2026)
¥2,680.1 billion ↗

D/E ratio

(FY2021)
80.8%
▼
(FY2025)
59.4% ↗

Related materiality (p. 49)

Holdings
16. Maintain a sound financial position

Steel Business
3. Improve sales and manufacturing capabilities, expand and advance the business area

Engineering Business
4. Improve profitability and competitiveness, promote investment in growth areas

Trading Business
5. Revitalize the management foundation, advance insider status in overseas growth markets

Initiatives to strengthen our capital

p. 14 Message from the CFO
p. 52 Business Strategies (Steel Business, Engineering Business, and Trading Business)

Manufactured capital

The foundation of a lean and resilient domestic production structure and global supply network. This supports sustainable enhancement of profitability by expanding the supply of high-value-added products and enhancing quality and cost competitiveness.

Crude steel production

(FY2021)
Approx. 25.88 million tonnes
▼
(FY2025)
Approx. 21.37 million tonnes ↘

Property, Plant and Equipment

(As of March 31, 2022)
¥1,850.7 billion
▼
(As of March 31, 2026)
¥2,039.9 billion ↗

Related materiality (p. 49)

Steel Business
3. Improve sales and manufacturing capabilities, expand and advance the business area

Engineering Business
4. Improve profitability and competitiveness, promote investment in growth areas

Trading Business
5. Revitalize the management foundation, advance insider status in overseas growth markets

Initiatives to strengthen our capital

p. 18 Eighth Medium-term Business Plan (Steel Business, Trading Business, and Engineering Business)
p. 82 Main Domestic Bases

Intellectual capital

The source of differentiation driven by steelmaking technologies, R&D capabilities, know-how, and intellectual property. This increases the sophistication of our earnings structure by developing high-value-added products and Green Transformation (GX) and DX technologies.

R&D expenses

(FY2021)
Approx. ¥39.6 billion
▼
(FY2025)
Approx. ¥42.8 billion ↗

Number of registered patents

(As of April 2021)
Approx. 26,000
▼
(As of April 2026)
Approx. 31,000 ↗

Related materiality (p. 49)

Holdings
13. Provide appropriate quality assurance
14. Improve the level of information security

Steel Business
3. Improve sales and manufacturing capabilities, expand and advance the business area

Engineering Business
4. Improve profitability and competitiveness, promote investment in growth areas

Initiatives to strengthen our capital

p. 58 Toward realization of the JFE Group Environmental Vision for 2050
p. 64 DX Strategy
p. 66 Intellectual Property Strategy

Natural capital

The foundation for ensuring sustainability through the effective use of resources and energy, as well as initiatives that reduce environmental impact. It is also a critical management resource for turning GX initiatives into competitive advantage.

Reductions in GHG emissions in the steel business (compared to FY2013)

(FY2021)
–9%
▼
(FY2025)
–24% ↗

Contribution to GHG emissions reductions by the engineering business

(FY2021)
Approx. 10.57 million tonnes
▼
(FY2025)
Approx. 12.91 million tonnes ↗

Related materiality (p. 49)

Holdings
1. Reduce the JFE Group's GHG emissions and contribute to reducing GHG emissions across society
2. Promote initiatives for achieving a circular economy
15. Coexist with local communities, society, and nature

Initiatives to strengthen our capital

p. 24 Eighth Medium-term Business Plan (Engineering Business)
p. 56 Initiatives to Achieve Environmental Sustainability

Human capital

The source of value creation which is driven by the expertise of our diverse workforce and strong frontline capabilities. This capital supports productivity improvements and the creation of new growth opportunities through talent development and organizational transformation for DX, GX, and global business expansion.

Number of employees

(As of March 31, 2022)
64,296
▼
(As of March 31, 2026)
61,628 ↘

Data scientists in the steel business

(FY2021)
450
▼
(FY2025)
698 ↗

Related materiality (p. 49)

Holdings
6. Promote talent acquisition and development
7. Promote diversity, equity and inclusion (DEI)
8. Improve work engagement
9. Prevent workplace accidents
10. Promote health and productivity management

Initiatives to strengthen our capital

p. 35 Human Resources Strategy

Social and other related capital

The foundation of trusted relationships with customers, business partners, and local communities. This supports growth by creating value across the value chain and strengthening our global presence.

Number of overseas Group bases

(As of April 2022)
112 locations in 22 countries and regions
▼
(As of April 2026)
116 locations in 23 countries and regions ↗

Events at manufacturing bases (festivals, etc.)

(FY2025)
Approx. 150,000 attendees

Related materiality (p. 49)

Holdings
11. Respect the human rights of each person involved in our business
12. Ensure adherence to corporate ethical standards and compliance
13. Provide appropriate quality assurance
15. Coexist with local communities, society, and nature

Initiatives to strengthen our capital

p. 41 Stakeholder Engagement
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Message from the CEO

We will improve our reputation in the market by delivering tangible results. We will do this by establishing a leaner, more robust domestic business structure, increasing the proportion of high-value-added products, and implementing our overseas business growth strategy.

Yoshihisa Kitano
Representative Director, President and CEO
JFE Holdings, Inc.



We are accelerating our transformation toward a management approach that prioritizes capital efficiency. This approach is driven by two key pillars: the business structural reform of our domestic operations and the expansion of our overseas business growth strategy. Under our Eighth Medium-term Business Plan, we have set a return on equity (ROE) of at least 10% as a management goal and are implementing the necessary measures to achieve it.

At the same time, the market's valuation of our company remains inadequate. We recognize that concerns about the sustainability of our profitability and expectations for future growth, including our carbon neutrality goals, have not yet been fully reflected in our valuation. We are taking this situation seriously and are committed to enhancing corporate value by improving profitability, increasing capital efficiency and demonstrating the results of our growth investments.

I consider improving capital efficiency through sustained growth in ROE, and the resulting enhancement of our market valuation, to be a key management priority. We will meet the expectations of all our stakeholders, including our shareholders, by consistently implementing structural reforms, growth investments and technological developments towards carbon neutrality, and by showcasing the outcomes of these initiatives.

CEO MESSAGE

Assessment of the current situation during the implementation phase

I view fiscal 2026 as the midpoint of our Medium-term Business Plan and a critical juncture at which each initiative will enter the implementation phase.

Regarding the domestic business environment, the anticipated structural contraction in demand is proceeding as expected. Facing this reality, we are focusing our management resources on areas where we have a competitive advantage and reviewing unprofitable areas.

Overseas, meanwhile, China continues to produce high volume of crude steel and export at high levels. Additionally, protectionist policies are intensifying in various countries. We are closely monitoring these developments as they pose significant risks to our business operations. Furthermore, it is becoming necessary to take measures against geopolitical risks that were not initially anticipated, such as the destabilization of the situation in the Middle East.

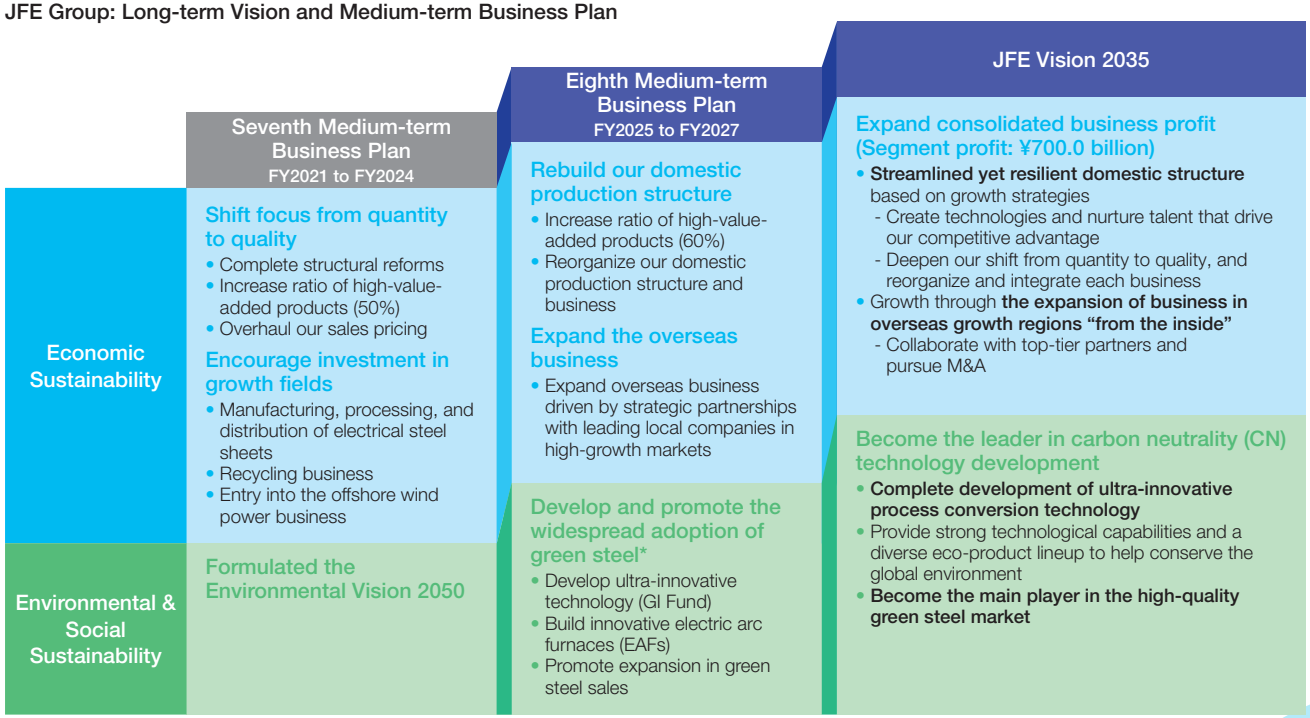
Although there are signs of a slowdown in the push for carbon neutrality, particularly in Europe and the United States, changes are occurring in the short term. However, climate change countermeasures represent an irreversible long-term trend, and we will continue to address them steadily. Based on this understanding, the management issues our company must address in the medium to long term are clear. Guided by the direction set forth in JFE Vision 2035, we are redefining our domestic production sites as “mother steelworks” that serve as bases for technological development and talent cultivation. We are also transforming toward a leaner, more robust organizational structure.

Rather than viewing the rise of protectionism as merely a risk overseas, we will transform it into an opportunity for sustainable growth by expanding our overseas business driven by strategic local partnerships in high-growth markets.

Furthermore, we recognize that carbon neutrality will undoubtedly generate new demand in the future. We believe that developing technology based on a long-term perspective, without being swayed by short-term changes in the business environment, and staying ahead of our competitors will give us a competitive advantage in the future.

Through these initiatives, we will steadily build the foundation for achieving JFE Vision 2035.

JFE Group: Long-term Vision and Medium-term Business Plan



* Working on this as “GX steel” since October 2025.*1



*1 Pioneering the GX steel market
➡ p. 62

Progress and results of the transformation

Even though the business environment remains challenging in Japan and overseas, the Groupwide transformation is making steady progress.

While investment was traditionally heavily weighted toward upgrades aimed at maintaining production capacity at existing domestic steelworks, since the second half of our Seventh Medium-term Business Plan, we have significantly shifted our focus toward growth investments, including those overseas. Due to this shift in our investment structure, we are steadily laying the foundation for enhancing our future profit generation capabilities, not merely maintaining our current capacity.

Domestically, these changes are manifesting as an increase in the proportion of high-value-added products, which rose to an all-time high in fiscal 2025. This indicates that the results of the “shift from quantity to quality” are beginning to appear in concrete figures. The Company is also clearly shifting capital toward growth areas overseas. For example, it made the largest overseas business investment ever in India’s BPSL (now JSL).

When it comes to achieving carbon neutrality, ensuring economic viability is just as critical as ensuring technical feasibility. To achieve economic viability, wide-spread adoption of GX steel is essential, which means creating a market and establishing supporting policies. We are actively collaborating with the government to develop policies and formulate international rules that make the value of carbon neutrality more visible. As a result, we have achieved tangible results, including launching a pilot program for adopting GX steel in domestic public works projects and establishing guidelines for international standardization.*2

Even amid a challenging short-term earnings environment, these initiatives are helping us steadily lay the foundation to strengthen our competitiveness and improve our profitability over the medium to long term.

Engaging with capital markets to enhance corporate value

We acknowledge that the current market valuation of our company is not yet satisfactory. We believe this valuation, as reflected in our stock price and price-to-book ratio (PBR), stems from sluggish revenue amid a challenging business environment, as well as ongoing market concerns about our economic prospects and response to carbon neutrality.

We anticipate that these concerns will be addressed once the recovery in profitability and the results of our growth investments become evident. Furthermore, we believe that enhancing capital efficiency through sustained improvement in ROE will improve our valuation in the capital markets, specifically increasing our PBR. We are keenly aware of this relationship and will work to increase corporate value by improving profitability and capital efficiency.

We are steadily implementing the structural reforms and growth investments outlined in JFE Vision 2035 and the Eighth Medium-term Business Plan which was formulated to achieve the former. We are advancing specific initiatives, making the establishment of a stable profit structure our top priority.

Given the current situation where profits are lower than anticipated, ensuring financial soundness is also critical. When making decisions on growth investments, including those related to carbon neutrality, we will assess the efficiency of each investment individually and promote disciplined growth investment. Furthermore, we will promote the sale of assets, such as real estate, and the divestment of non-core business assets. Then, we will redirect limited management resources toward growth areas. By doing so, we will review our asset portfolio and achieve a virtuous cycle of asset management. As JFE Holdings, we believe it is necessary to flexibly revise investment plans in the event of changes in the business environment. We will manage these matters with even greater rigor.

Strengthening corporate governance is essential to ensuring financial soundness and achieving effective growth investment. Last fiscal year, we transitioned to a company with an Audit & Supervisory Committee. This fiscal year, we are reviewing the criteria for submitting matters to the Board of Directors, as well as the Board’s operations. Additionally, we are delegating authority, such as assigning responsibility for specific issues related to individual investment proposals, to the newly established CFOs of the Operating Companies. This clarifies the division of functions between JFE Holdings and the Operating Companies. At the Operating Companies, we will accelerate decision-making while improving investment efficiency based on the premise of achieving returns that exceed the cost of capital. The Board of Directors of JFE Holdings will improve strategic decision-making by strengthening oversight of the Operating Companies’ execution and managing capital allocation across the entire Group. Through these measures, we aim to achieve our fiscal 2027 target of an ROE of 10% or higher.*3



*2 Pioneering the GX steel market
➡ p. 62



*3 Message from the CFO
➡ p. 14



The evolution of technology management and the purpose of a CTO position

Our competitiveness stems from “technology.” Based on my many years of experience as an engineer engaged in technology development, I have realized that creating new technology is a major source of personal growth and fulfillment. However, technology does not generate value simply by being developed. What is crucial is “technology management”—the process of converting technology into revenue. The resources available for technology development are finite. To focus management resources on areas that generate returns, we must select and concentrate on specific development themes. Starting in fiscal 2026, based on this philosophy, we established CTO positions in both the Steel and Engineering businesses to strengthen our framework for leveraging technological advantages into revenue growth.

Furthermore, as part of our efforts to turn technology into revenue, our solutions business, which we launched and have promoted under the “JFE Resolus™” brand since our previous Medium-term Business Plan, is also based on this philosophy. The JFE Resolus™ brand provides the intellectual property we have accumulated over the years, including manufacturing technologies and know-how, in the form of solutions. While solving customer challenges and creating value, this business is also growing as new revenue streams. Profits from this business exceeded 10 billion yen in fiscal 2025, and our goal is to increase that figure to 15 billion yen by the 2027 fiscal year.*4

Implementing growth strategies and evolving the business portfolio

As part of the rebuilding of an optimal domestic production structure in our steel business—specifically, the transition to a structure comprising five blast furnaces and one innovative electric arc furnace (EAF), as announced in our Medium-term Business Plan—we began construction of the EAF at our Kurashiki site. Additionally, in April, we announced the restructuring of our sheet business, and in May, we announced the reorganization of our Group’s shaped steel business. These changes, including our Group companies, will enable us to build a sustainable profit structure that can adapt to changes in demand patterns.

To increase the proportion of high-value-added products, we are expanding production capacity in sectors where we expect demand to grow. These sectors include electrical steel sheets, high-quality, high-performance steel for offshore wind and energy, and high-strength steel sheets for the automotive industry. These changes will improve our earnings structure.

Last fiscal year, we formed two joint projects with our strategic alliance partner, JSW Steel, in India.

The first involves increasing the production capacity of our Indian grain-oriented electrical steel manufacturing and sales company, which we co-established with JSW in 2024, from 50,000 to 350,000 metric tons per year by fiscal 2030. By expanding our supply capacity to meet the growing demand for grain-oriented electrical steel for transformers, driven by the rising demand for electricity in India, the world’s most populous country, we will solidify our position as the leading supplier in the Indian market.



*4 Promoting the JFE Resolus™ solutions business brand
➡ p. 67

The second involves JJSL, a 50:50 joint venture with JSW. JJSL operates an integrated steel plant in eastern India. JJSL plans to increase its annual crude steel production capacity from 4.5 to the target level of 10 million metric tons by fiscal 2030. To facilitate this expansion, we are establishing a dedicated department and deploying staff to the site. We will combine our technological expertise—a core strength of our company—with JSW's solid business foundation and excellent execution capabilities to increase production of high-value products and improve productivity. We will position JJSL as our "third integrated steelworks," alongside our East and West Japan Steelworks, to capitalize on India's rapidly growing steel demand and increase our overseas business profits.*5

In our engineering business, we view the circular economy as a growth opportunity. We are expanding our operations to focus on the "waste-to-resource" (WtR) and carbon neutrality sectors. In addition to our traditional engineering, procurement, and construction (EPC) plant delivery business, we are improving our revenue model by offering valuable services, such as operations and maintenance (O&M), which use digital transformation (DX) technologies, like remote monitoring.

In fiscal 2025, we achieved a record-breaking order intake of 836.1 billion yen. This was due to securing large-scale projects and capitalizing on the rising demand for recycling and renewable energy. Going forward, we will execute these projects to drive profit growth and capture demand in sectors where growth is anticipated. We believe the key to our future growth lies in deploying our domestic technologies in overseas markets and advancing our business expansion driven by strategic partnerships with leading local companies in high-growth markets.*6

In addition to our trading-focused business model, we are expanding overseas business driven by strategic local partnerships to create local value within our trading business. We believe that we have developed the capability to stably generate annual profits of 40 billion yen by increasing business profit through our investments.

Through M&A transactions in the U.S. and Australia, such as the acquisitions of the building materials companies CEMCO (U.S., 2022) and Studco (Australia/U.S., 2024) during the period of our Seventh Medium-term Business Plan, we are establishing a solid business foundation in the building materials sector. We are also realizing local group synergies, such as supplying steel products from CSI—in which our steel business has an equity stake—to CEMCO and other companies.

Through these initiatives, we are transitioning from a trading-focused structure that is vulnerable to external environmental factors to a system that can generate stable profits.*7

The Keihin District Utilization Project covers a vast 400-hectare area in Kawasaki's coastal region and is poised to become a new growth driver for the JFE Group.

Our goal is to generate annual profit of 10 billion yen starting in fiscal 2035. In collaboration with the national government, the city of Kawasaki, and companies in the Keihin coastal area, we are implementing a comprehensive land management strategy. This strategy aims to maximize the contribution of our assets to corporate value by combining sales, leasing, and business utilization appropriately.

In terms of business applications, JFE Engineering has commissioned one of Japan's largest plastic recycling plants. In March of this year, JFE Holdings signed a memorandum of understanding with Mitsubishi Corporation regarding power generation and data center operations. Together, we are exploring options with the aim of launching these businesses in the early 2030s.*8

Addressing issues related to promoting AI adoption at the management level

The JFE Group aims to enhance corporate value by leveraging AI to improve decision-making and accelerate business operations.

To date, the JFE Group has used AI technology to increase on-site productivity, improve quality, reduce labor requirements, promote automation, and enable remote operations. These efforts aim to build a lean and resilient organizational structure.

This fiscal year, we will evolve our manufacturing floor initiatives into "physical AI" and make full use of it in management decision-making. Leveraging AI will enhance and accelerate each CxO's decision-making processes.

As we move forward with the full-scale adoption of AI at the management level, it is essential to implement organizational measures, such as AI governance. It is crucial to determine how to effectively utilize AI in business operations and link it to value creation while ensuring robust information security. Across the JFE Group, we will elevate AI from "improving on-site efficiency" to "enhancing business competitiveness."*9



*5 The Eighth Medium-term Business Plan Steel Business
➡ p. 18



*6 The Eighth Medium-term Business Plan Engineering Business
➡ p. 24



*7 The Eighth Medium-term Business Plan Trading Business
➡ p. 22



*8 The Eighth Medium-term Business Plan Keihin District Land Utilization
➡ p. 28



*9 DX Strategy
➡ p. 64

People and organization: the foundation supporting transformation

At our company, our people are the driving force behind all growth. We regard talent development as our most important management priority.

In order to drive transformation, it is essential to build an organization where a diverse workforce can utilize all of their abilities. To that end, we are working to foster an open organizational culture by promoting DEI.*10

Furthermore, to ensure that management's vision permeates the entire Group, we are focusing on strengthening communication and improving employee engagement. For example, we hold town hall meetings at each Operating Company where management and employees can engage in direct dialogue. In the steel business, for instance, senior executives, led by the president, regularly leave the head office to visit the steelworks across the country. There, they sit in a circle with frontline employees to engage in dialogue. Management communicates the vision and business policies of each company, and employees offer candid opinions and ask questions about everything from company policies to day-to-day operations. This leads to continuous improvement. We have also introduced an "internal job posting system" that allows employees to apply for positions in other departments based on their preferences, supporting autonomous career development.

As part of our talent development efforts aligned with our business strategy, we are prioritizing the development of international talent responsible for expanding our overseas operations, as well as highly skilled digital transformation professionals who will drive productivity improvements.

As we expand our overseas investments, the number of employees assigned to our overseas locations will certainly increase. Through assignments abroad and study abroad programs, we aim to develop talent capable of leading our overseas operations and strategically deploy them to strengthen our ability to drive business growth in local markets.

Furthermore, we are making steady progress in developing highly skilled DX professionals, and we are beginning to see concrete results in various fields. Moving forward, we will continue to strengthen our talent base, the source of our competitiveness, through investments in human capital fully integrated with our business strategy.

At the same time, I believe that assembling a team of specialists alone is insufficient. We also need individuals with leadership skills, or "captaincy," who can build teams and proactively drive projects forward. The foundation that underpins the JFE Group's future competitiveness will be an organization where diverse talents are fully utilized, and individuals collaborate to generate value.

Commitments for the final year of the Eighth Medium-term Business Plan

In fiscal 2027, the final year of our Medium-term Business Plan, we will demonstrate the tangible results of our efforts. Achieving its profit targets is our fundamental responsibility.

As President and CEO, I am committed to creating a virtuous cycle in which we increase corporate value through profit growth, thereby raising our stock price. While maintaining balance among growth investments, carbon neutrality, and financial discipline, I will rigorously implement management practices that prioritize capital efficiency and focus on delivering results.

Through these efforts, we will achieve sustainable growth and enhance corporate value, thereby living up to the trust placed in us by all our stakeholders, including our shareholders.





*10 Human Resources Strategy
➡ p. 35

Message from the CFO



Eighth Medium-Term Business Plan: Targets of FY2027

		Eighth Medium-term Business Plan FY2027
Across our entire Group	Consolidated business profit	¥400 billion
	ROE	10% or higher
	Debt/EBITDA	Approx. 3 times
	D/E ratio	Approx. 60%
Operating Companies	Steel business (Segment profit)	¥260 billion
	Engineering business (Segment profit)	¥42 billion
	Trading business (Segment profit)	¥60 billion
Shareholder returns	Dividend policy	A dividend payout ratio of approximately 30%, with a minimum of ¥80 per share

In order to achieve the goals of the Eighth Medium-term Business Plan, the JFE Group (the Group) will prioritize capital efficiency and pursue growth investments, shareholder returns, and financial soundness to enhance corporate value

Balancing Growth Investments, Shareholder Returns, and Financial Soundness

The Group's Eighth Medium-term Business Plan began in fiscal 2025, and over a year has passed since then. Under this plan, our goals are to achieve a consolidated business profit of 400 billion yen in fiscal 2027 (the final year of the plan) and ROE of at least 10%, a Debt/EBITDA ratio of approximately 3 times, and a debt-to-equity ratio of approximately 60%. Regarding shareholder returns, in addition to the traditional dividend payout ratio of approximately 30%, we have set a minimum dividend of 80 yen per share. We believe growth investments, primarily overseas, are the most effective strategy for increasing profits and improving ROE. We will enhance corporate value by reinvesting profits into growth initiatives while returning value to shareholders. However, as the Group primarily operates in the materials industry, our profits are susceptible to the external environment. Therefore, during periods of environmental change, it is essential to exercise particular control over investments and maintain financial discipline. In other words, I recognize that optimizing the balance among growth investments, shareholder returns, and financial soundness is a critical mission entrusted to the CFO of JFE Holdings.

As JFE Holdings (the Company) transitioned to a structure with an Audit & Supervisory Committee in June 2025 and delegates investment decision-making authority to each Operating Company, it is necessary to clarify investment-related responsibilities and enhance risk management. Starting in fiscal 2026, we appointed CFOs at three Operating Companies: JFE Steel, JFE Engineering, and JFE Shoji. Each company's CFO will assess investment capacity based on actual results and future cash flows. They will also conduct thorough risk assessments and determine whether to submit investment proposals to their respective management committee.

As a holding company, the Company will balance investments and financial resources across the entire Group. We will improve capital efficiency and maintain financial soundness by monitoring the ROI (return on investment) of individual investment, analyzing the business portfolio, and restructuring it.



FY2025 Results and FY2026 Forecast

Steel business

The business environment for the steel industry remains challenging. Domestic demand is sluggish, and there is no sign of a significant recovery. Meanwhile, China's high level of steel exports is negatively impacting market conditions in Asia.

Excluding inventory valuation, etc., segment profit has not shown significant growth in the actual results for fiscal 2025 or the forecast for fiscal 2026. Progress has not been in line with the Medium-term Business Plan. This is primarily due to rising raw material costs, including the impact of exchange rates starting in the second half of fiscal 2025, and delays in passing these costs on to sales prices. Currently, JFE Steel is working to raise selling prices, considering not only raw material costs but also the general increase in prices. Furthermore, since early spring, overseas market conditions have been trending toward recovery, creating a foundation for catching up on earnings. Additionally, their overseas steel business, a pillar of the Group's Medium-term Business Plan, is gradually yielding results, particularly in India. There, JFE Steel launched a joint venture for electrical steel sheets with our local partner, JSW Steel, and established JJSL, a joint venture for integrated steel manufacturing.

Additionally, JFE Steel is working to quickly pass on the increased costs resulting from the rise in crude oil prices caused by the situation in the Middle East.

FY2025 Financial results	FY2026 Forecast	8th Medium-term Business Plan
Business profit ¥135.3 billion (Steel: Excluding inventory valuation etc. ¥166.3 billion)	Business profit ¥215.0 billion (Steel: Excluding inventory valuation etc. ¥185.0 billion)	Business profit (FY2027) ¥400.0 billion
Profit attributable to owners of parent ¥70.1 billion	Profit attributable to owners of parent ¥150.0 billion (+¥79.9 billion vs 2025)	Annual dividend Dividend payout ratio: Approx. 30% (Minimum of ¥80)
Annual dividend ¥80	Annual dividend ¥80	ROE (FY2027) 10% or higher
ROE 2.7%	ROE Approx. 6%	JFE Vision 2035
(Exchange rate: 150.2 yen/$ Crude steel production (standalone): 21.37 million mt)	(Exchange rate: Approx. 155 yen/$ Crude steel production (standalone): Approx. 21.50 million mt)	Business profits (FY2035) ¥700.0 billion

Engineering business

In the engineering business, current segment profit remains at approximately 25 billion yen. However, orders are steadily increasing, particularly in the waste-to-resource sector. In fiscal 2025, order intake reached a record high of 836.1 billion yen. Starting in fiscal 2026, JFE Engineering expects these projects to generate revenue and contribute to profit growth.

Furthermore, JFE Engineering secured our first domestic contract in fiscal 2025 for the monopile business, for which they operate the only production facility in Japan. JFE Engineering aims to achieve our medium-term goals by reliably securing subsequent contracts.

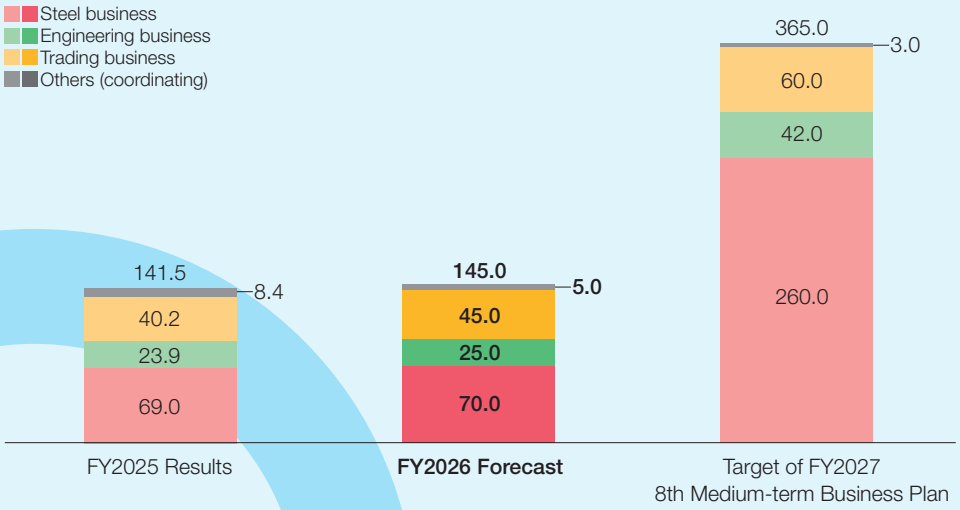
Trading business

In the trading business, transaction volumes temporarily declined in fiscal 2025 due to U.S. tariff policies and other factors, resulting in profits that fell short of expectations. For fiscal 2026, JFE Shoji anticipates increased profits, considering a market recovery in the USA and higher unit prices. Additionally, profits from businesses acquired through M&A in the Americas, Australia and other regions during the previous period of the Medium-term Business Plan remained solid, leaving potential for further upturn.

Furthermore, JFE Shoji will accelerate overseas business driven by strategic partnerships with leading local companies in growth sectors and regions to achieve early contributions to profits.

Segment profit (excluding inventory valuation, etc. in the steel business)

(billion yen)



Cash Allocation and Shareholder Returns

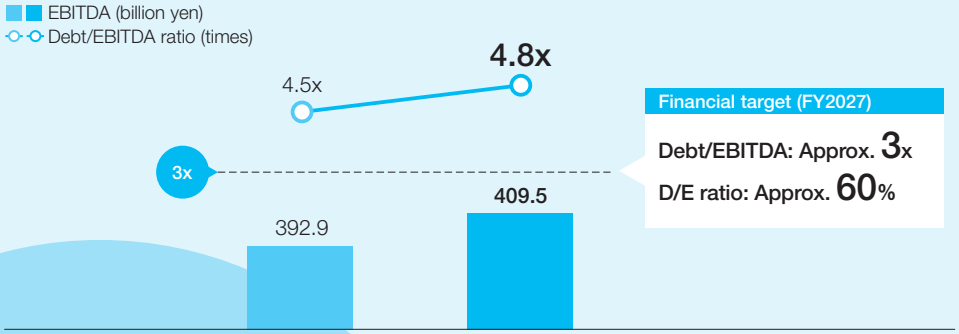
Under the Eighth Medium-term Business Plan, the Group plans to invest a total of 1,680 billion yen over the three-year period, which exceeds our operating cash flow. However, approximately 60% of that amount consists of growth investments, such as the investment in JJSL in fiscal 2025, which will contribute to revenue growth in the next medium-term period and beyond. Nevertheless, neither profit levels nor operating cash flows for fiscal 2025 and 2026 were in line with the Medium-term Business Plan.

Consequently, although the D/E ratio remains at the target level, the Debt/EBITDA ratio has remained high, exceeding four times for two consecutive years, and requires prompt improvement.

Achieving the desired improvement necessitates a meticulous screening of the Group's investments in conjunction with a robust enhancement of our earnings power. Each Operating Company will improve the efficiency of its investments, and the Company will raise its investment profitability standards. We will also optimize the scale of investments to align with our cash generation capacity. Furthermore, we will take a no-holds-barred approach to asset sales. We will pursue the early generation of funds through the sale of tangible assets, such as real estate, as well as through the restructuring and divestiture of non-core, unprofitable, or low-growth businesses.

As we prioritize shareholder returns, we will maintain a dividend payout ratio of approximately 30% and a minimum dividend of 80 yen.

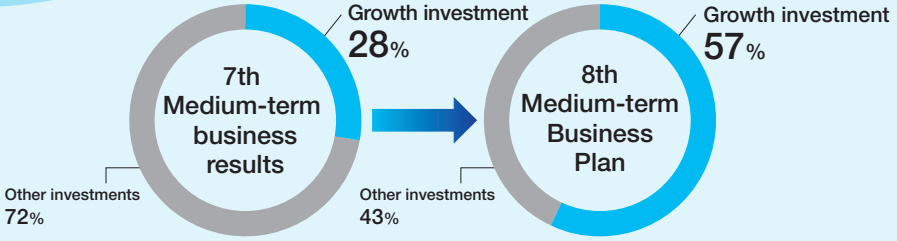
Trends in the Debt-to-EBITDA multiple



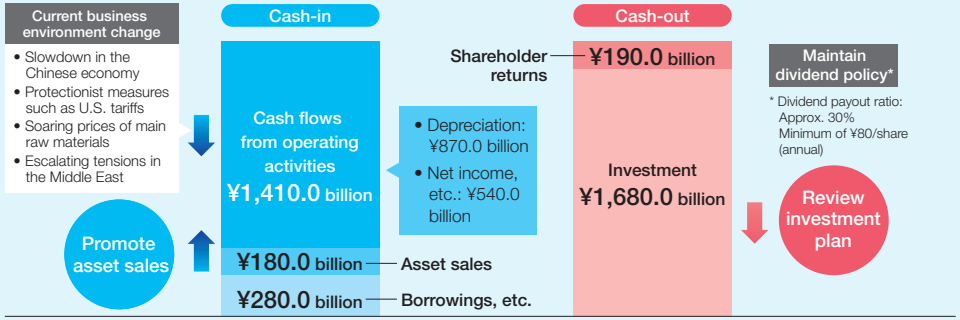
	FY2024	FY2025
Interest-bearing debt outstanding	1,766.4	1,959.3
D/E ratio*	54.3%	59.4%

• EBITDA = Business profit + Depreciation and Amortization
• Debt/EBITDA multiple = Interest-bearing debt outstanding / EBITDA
* For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies

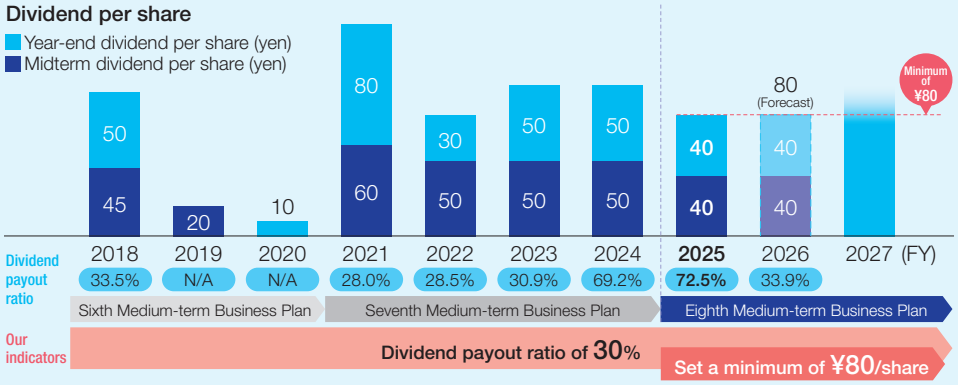
Investment plan (Decision basis)



Eighth Medium-term Business Plan (Disclosed in May, 2025)



Dividend per share

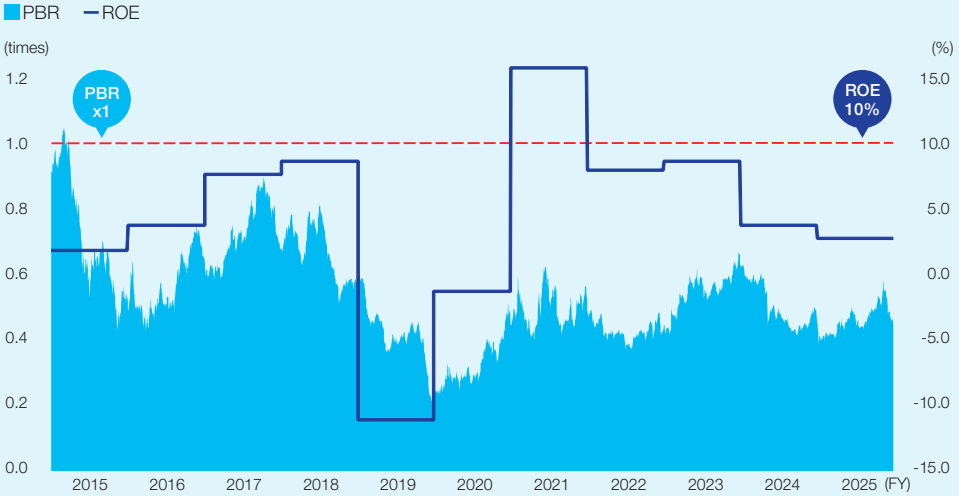


Practicing management that is conscious of the cost of equity and stock price

Although the Company considers the stock price to be one of our key management indicators, our price book-value ratio (PBR) has remained between 0.4 and 0.6 since the decline caused by the pandemic, falling well below 1. We recognize that our inability to consistently achieve an ROE that exceeds the cost of equity is the most significant factor contributing to this.

PBR can be expressed as ROE divided by the cost of equity minus the growth rate. While increasing the growth rate is important, it is equally important to achieve an ROE that exceeds the cost of equity.

Trend in PBR and ROE



ROE can be broken down into three metrics: return on sales, asset turnover, and financial leverage. For the Group, further growth investments and investments related to achieving carbon neutrality are planned for the next medium-term business plan and beyond. Therefore, there are constraints on increasing financial leverage from the perspective of financial soundness.

Accordingly, the Group will increase the total asset turnover ratio by selling assets and optimizing working capital, thereby curbing the growth of total assets, while improving investment efficiency. Furthermore, we will work to improve our profit margin by increasing net income through improved profitability, which we recognize as our top priority.

To this end, we will rebuild lean, resilient domestic production structures in our steel and trading businesses, and we will increase the proportion of high-value-added products. Regarding growth investments, we will rigorously evaluate risks and returns and carefully select and execute only those projects that improve ROE.

$$PBR = \frac{ROE}{\text{Cost of equity (COE)} - \text{Growth rate (g)}}$$

Profitability improvement

- Steel
  - Build a slim, resilient domestic production structure
  - Enhance the ratio of high-value-added products (60%)
- Trading
  - Expansion of overseas business driven by strategic partnerships with leading local companies in high-growth fields and regions
- Engineering
  - Expand the operation and maintenance (O&M) business, especially waste-to-resources, and expand it overseas
  - Expand carbon-neutral business
- Land
  - Leveraging resources to ensure stable earnings

Optimizing the balance sheet

- Reducing assets of non-core businesses
- Achieving a balance between growth and carbon-neutrality investments with financial soundness

Improvement of expected growth rate

- Eliminating concerns about future growth
  - Business investments focused on growth fields
  - Restructuring the business portfolio
- Improving the ability to create a competitive edge
  - Human resources strategy to realize management strategies
  - Business reform through DX

Reducing the cost of equity

- Stable shareholder returns
  - A dividend payout ratio of around 30%, **with a minimum of ¥80/share** New
- Eliminating concerns about carbon neutrality initiatives
  - Promote the development of ultra-innovative technologies
  - Creating a green market

Improvement of ROE

ROE that stably exceeds the cost of equity
(FY2027 Target: 10% or higher)

Revision
Revising the Director compensation system (making ROE and relative TSR indicators)

Improvement of P/E ratio

Increasing market confidence

→ **PBR**

$$ROE = \frac{\text{Net income}}{\text{Equity}} = \underbrace{\frac{\text{Net income}}{\text{Net sales}}}_{\text{Return on sales}} \times \underbrace{\frac{\text{Net sales}}{\text{Total assets}}}_{\text{Asset turnover}} \times \underbrace{\frac{\text{Total assets}}{\text{Equity}}}_{\text{Financial leverage}}$$

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Steel Business

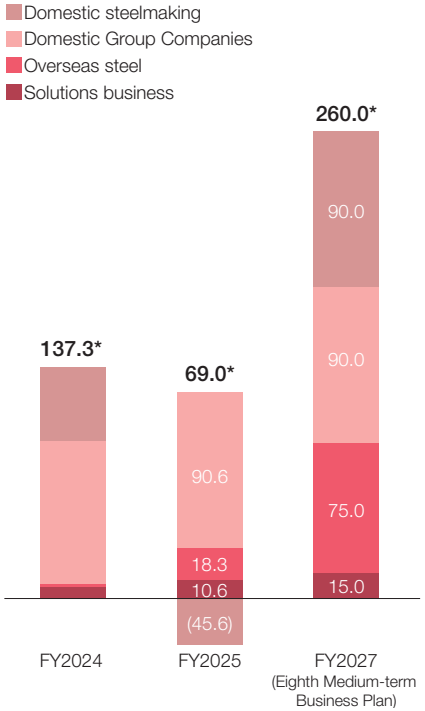


Masayuki Hirose
President and CEO
JFE Steel Corporation

Building a foundation for growth in India: Deepening overseas business through joint management and business expansion

Under the Eighth Medium-term Business Plan, we are positioning our overseas operations as one of the pillars of our growth strategy, with our India operations at its core. Against a backdrop of population growth and economic expansion, India is expected to experience medium- to long-term growth in steel demand, presenting promising opportunities for sustained growth. We have progressively developed our strategic partnership with JSW Steel, evolving from an alliance to capital participation and technology transfer, and finally forming a joint venture for electrical steel sheets. As part of this process, in December 2025 we decided to jointly operate an integrated steelworks in India, marking a new phase in the relationship between our two companies. Going forward, we intend to expand the revenue base of our Indian operations sustainably by integrating our manufacturing technology with JSW Steel's business foundation and operational excellence, and by increasing production capacity and the proportion of high-value-added products.

Segment profit
(billion yen)



* After eliminations and adjustments, but excluding inventory valuation differences, etc. in the steel business

Overseas business growth strategies

In our long-term vision, JFE Vision 2035, the JFE Group identifies strengthening its overseas operations as a key pillar for growing its steel business. In recognition of the maturing domestic market, the Group intends to expand its revenue base by entering markets where demand is expected to grow.

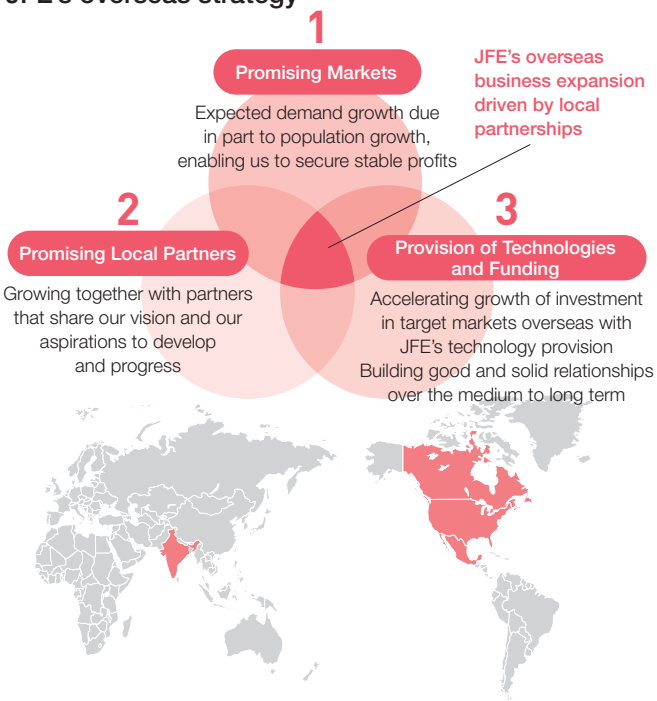
Under the Eighth Medium-term Business Plan, the Group aims to increase profits in its overseas steel operations to 75 billion yen by fiscal 2027, balancing profit growth in existing businesses with new investments.

We have established three pillars that drive our overseas business expansion driven by strategic partnerships with leading local companies in high-growth markets. We believe investment conditions are most favorable when these three points align.

1. **Promising Markets:** Areas where demand is expected to grow, enabling us to secure stable profits
2. **Promising Local Partners:** Partners who share our vision and business sentiment and with whom we can grow in tandem
3. **Provision of Technologies and Funding:** Accelerating growth of investment targets with JFE's technology provision. Building solid relationships over the medium to long term

Above all, it is essential to seek out reliable and influential local partners. We have identified India and North America as priority regions and are developing long-term, revenue-generating models through collaborations with companies such as JSW Steel in India and Nucor in North America. In India, we aim to make the business a key growth driver by capitalizing on increasing demand.

Three pillars and priority regions of JFE's overseas strategy



Eighth Medium-term Business Plan (Fiscal 2025–2027)

Strengthening our business foundation in India by expanding the electrical steel sheet business and participating in an integrated steel plant

Since our strategic comprehensive alliance with JSW Steel in 2009, our business in India has gradually expanded through capital participation and technology transfer. Under the Eighth Medium-term Business Plan, India has been identified as a core region in our overseas growth strategy, with operations advancing on two fronts: the electrical steel sheet business and the operation of an integrated steelworks. These businesses are being developed under an equal partnership with JSW Steel.

Integrated steelworks business: JJSL

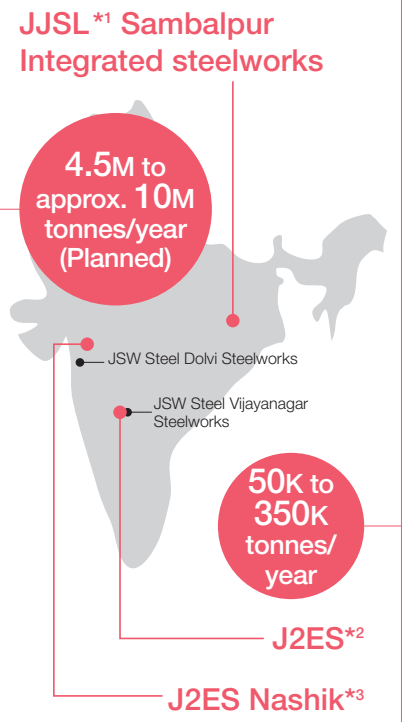
In December 2025, to advance our business operations in India to a new stage of growth, we decided to invest (approximately 270.0 billion yen) in BPSL, an integrated steel plant owned by JSW Steel. In March 2026, JFE Steel and JSW Steel completed the establishment of JJSL (JSW JFE Steel Limited), a 50:50 joint venture, involving BPSL. Going forward, we plan to achieve organic growth through the reinvestment of earnings and aim to expand capacity to the 10-million-tonne range by fiscal 2030.

JJSL Sambalpur Steelworks



Significance of market entry	In the Indian market, where domestic demand is expected to grow, we will participate directly in the operations of a local integrated steelworks and establish a framework to capitalize on this growth.
Business foundation	In addition to an integrated steel plant with a production capacity of 4.5 million metric tons and the Netrabandha iron ore mine, we own land designated for steel plant expansion—a critical component of the steelmaking business in India. This brownfield project offers high cost competitiveness and is expected to contribute to earnings early on by leveraging existing facilities and infrastructure.
Future expansion	Our plan is to increase our crude steel production capacity from the current 4.50 million metric tons to approximately 10 million metric tons by fiscal 2030. We have the potential to expand further to reach the 15-million-metric-ton level in the medium to long term.
Value creation	We have already begun to participate in the management of the business from both operational and technological perspectives by dispatching personnel to the site. Going beyond mere investment, we are leveraging our advanced technology and engaging in joint management to increase the proportion of high-value-added products and enhance productivity, thereby improving profitability.

	JJSL
Shareholding ratio	JFE Steel: 50%, JSW Steel: 50%
Production items	Hot-rolled steel coils and sheets, cold-rolled steel coils and sheets, steel bars and wire rods (alloy steel), steel pipes, etc.
Revenue	FY2025: 222.1 billion rupees (Approx. ¥380.0 billion)
Number of employees	Approx. 25 thousand (Direct employees: Approx. 5,000)
Amount already invested (JFE Steel)	Approx. ¥270.0 billion (Investment decided in December 2025)



*1. JJSL: JSW JFE Steel Limited
*2. J2ES: JSW JFE Electrical Steel Private Limited
*3. J2ES Nashik: JSW JFE Electrical Steel Nashik Private Limited

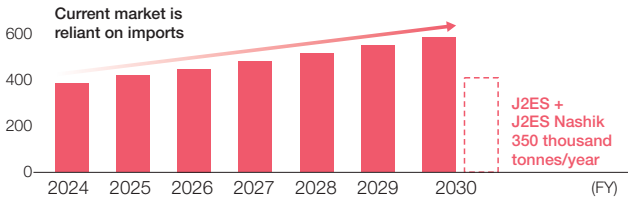
Electrical Steel Business: J2ES and J2ES Nashik

The demand for grain-oriented electrical steel sheets (GOES) in India is growing rapidly due to the increased demand for electricity driven by economic growth, the expansion of renewable energy use, higher transformer efficiency, and the rise in data centers. The market size is expected to grow significantly. To become the undisputed number one supplier of GOES in the expanding Indian market, we are collaborating with JSW Steel on initiatives with a total investment of approximately 290.0 billion yen.

- February 2024: Established a joint venture for the manufacture and sale of GOES (J2ES; investment: Approx. 100 billion yen; operations to begin in fiscal 2027).
- January 2025: Acquired thyssenkrupp's GOES manufacturing and sales company (J2ES Nashik; investment: Approx. 70 billion yen).
- August 2025: Decided to significantly expand production capacity at the two sites, doubling J2ES's capacity from the initial plan to approximately 100 thousand metric tons per year and gradually increasing J2ES Nashik's capacity from the current level of 50 thousand metric tons per year to approximately 250 thousand metric tons per year in stages. This will bring the combined production capacity of the two sites to approximately 350 thousand metric tons per year by fiscal 2030 (investment amount: Approx. 120 billion yen).

Assumptions on the size of the GOES market in India

(1,000 tonnes*)



* Estimated based on the World Energy Outlook.

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Voice from the field



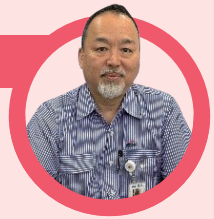
Umesh Rai
JJSL CEO

The fusion of JFE Steel's advanced technologies, strong commitment to quality along with JSW's execution excellence have significantly enhanced JJSL's manufacturing capabilities and competitiveness. Through our collaboration, we have built a strong foundation of trust and developed a deeper mutual understanding in areas such as quality, development of value-added products, safety, and long-term management vision.

At JJSL, our members warmly welcome the Japanese team, and we are working together with passion and a shared commitment toward excellence. This spirit of collaboration is a key strength of our joint venture.

Looking ahead, as we move into our next phase of expansion, we expect JFE to continue playing a vital role in accelerating technology transfer, supporting capacity growth, and developing skilled talent. By combining the strengths of JSW and JFE, we are confident that JJSL will further establish itself as a leading steel producer in India, delivering world-class quality and sustainable growth.

Voice from the field



Hidenari Suzuki
JJSL Vice President
in the Project Department

The India business presents a significant growth opportunity for JFE. We particularly value the opportunity to be directly involved in the operation of an integrated steel plant at JJSL. Through our hands-on involvement in local operations, we have observed distinct differences from Japan, specifically in the speed of decision-making regarding capital investment and operational improvements, and in the ability of on-site teams to take the initiative in resolving challenges. This dynamism has been a valuable learning experience. We recognize that combining these strong on-site capabilities with JFE's technological and quality expertise through our collaboration with JSW is key to enhancing competitiveness. Going forward, we aim to contribute to the sustainable development of the Indian market.

Questions from investors

What will JFE Steel's involvement be with JJSL, the "third integrated steelworks," going forward?

We position JJSL as JFE Steel's "third integrated steelworks," following the East and West Works in Japan. It is a core facility in which we are actively engaged, not only through capital investment, but also through active involvement in technology, operations, quality control, and business operation. To strengthen our business foundation in both governance and business management, we will establish a joint management structure with JSW Steel. In addition to expanding sales volume through phased capacity expansion, we will leverage our proprietary technologies to increase sales of high-value-added products, deploy our quality control expertise, and introduce processes with low greenhouse gas (GHG) emissions. Through these efforts, we will gain a competitive advantage, strengthen the earnings base, and ensure sustainable growth.

Questions from investors

Please tell us about your human resources strategy.

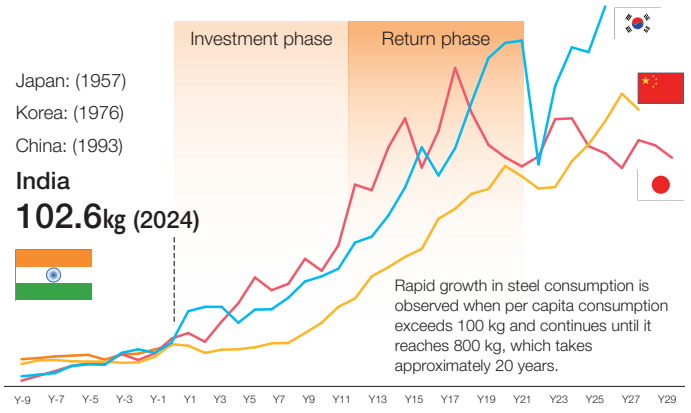
Securing and developing talent are key factors in JJSL's success. Currently, in addition to management personnel, we have begun dispatching engineers and operations support staff from Japan, and going forward, we will transfer our know-how regarding manufacturing technology and project management to the local team. At the same time, we will use this project as a training ground for our company's young engineers. Furthermore, by leveraging opportunities for mutual learning through the exchange of technology and personnel, and by driving further improvements in productivity and quality, we will contribute to a building a sustainable operating structure. We view our workforce not merely as a resource, but as a source of competitiveness. In our India operations as well, we will place our human resources strategy at the core of our efforts to support the sustainable growth of the business.

Questions from investors

How do you assess the growth potential of the Indian market?

In Japan, South Korea, and China, demand had expanded rapidly for approximately 20 years after per capita steel consumption exceeded 100 kg, driven by urbanization and investments in infrastructure and manufacturing. India reached approximately 103 kg in 2024 and is now entering a similar phase of growth. We anticipate strong growth in steel demand driven by robust infrastructure demand.

Windows of Opportunity
Investment opportunity in Steel Industry: 15 to 20 years



Eighth Medium-term Business Plan (Fiscal 2025–2027)

Progress in the relationship with JSW / Deepening long-term partnership

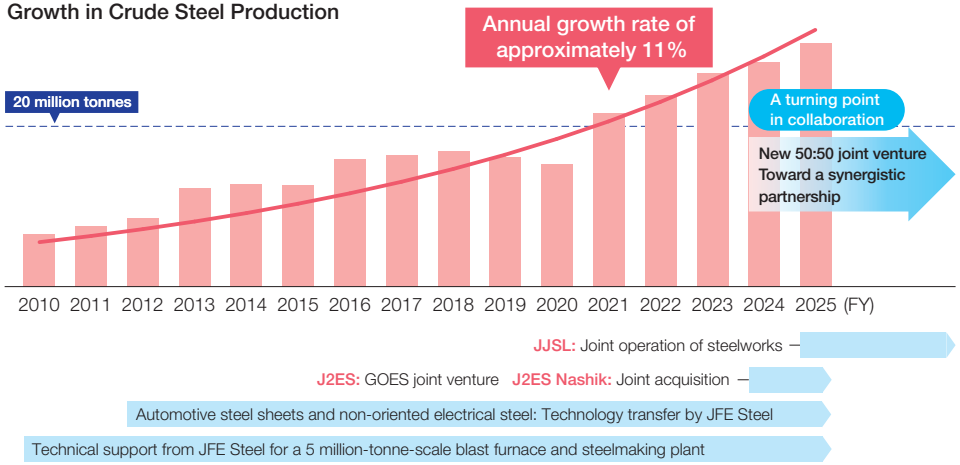
The relationship with JSW Steel is characterized by mutual understanding and trust built over more than 15 years through equity participation, technology licensing, and joint venture operations. When JSW Steel and JFE Steel formed the comprehensive strategic alliance in 2009, JSW Steel sought to increase its ability to supply high-value-added products in the rapidly growing Indian market. JFE Steel also saw the Indian market as a key area for business expansion. The companies established the partnership based on the understanding that JFE Steel would combine its technological capabilities with JSW Steel's operational expertise to create value by leveraging each other's strengths.

JFE Steel strengthened its involvement in management and provided operational support through its investments in 2010 and its acquisition of a 15% stake in 2012. Since 2012, JFE Steel has provided technical expertise in automotive steel sheets and non-oriented electrical steel sheets, which has contributed to an increase in high-value-added products. Based on this track record and trusting relationship with JSW Steel, in 2024, JFE Steel and JSW Steel launched a joint venture for GOES and, in 2026, began operating an integrated steel plant as a 50:50 joint venture. Consequently, the focus of our relationship has gradually shifted from technical support to joint operation as equal partners. These initiatives serve as a solid foundation for establishing a robust revenue base. Looking ahead, we will maintain a long-term perspective to create sustainable value in the Indian market.



Left: Sajjan Jindal, Chairman of JSW Steel
Right: Masayuki Hirose, President and CEO of JFE Steel Corporation

Growth in Crude Steel Production



Note: Prepared based on materials published by JSW Steel (Integrated Report 2024-25, etc.).

JSW Steel overview / A leading company at the heart of the Indian steel market

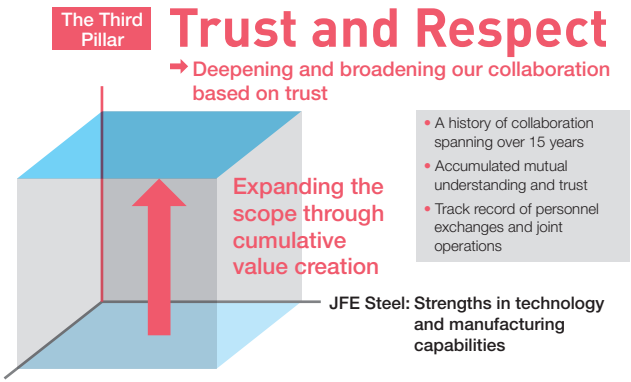
JSW Steel is currently one of India's top steelmakers. It has a crude steel production capacity of 35 million metric tons and is characterized by its steady expansion of production capacity in line with its growth strategy. Over the past five years, JSW Steel has increased its domestic production capacity by about 15 million metric tons, and it plans to reach 62 million metric tons by fiscal 2031. JSW Steel plans to accelerate investments in operational efficiency, raw material procurement, digitalization, and decarbonization.

Furthermore, another strength of JSW Steel is its ability to enhance competitiveness by upgrading and optimizing existing facilities. Since beginning the business restructuring process for the former BPSL (now JJSL) in 2017, JSW Steel has proven its ability to improve facilities and stabilize operations. This demonstrates the company's ability to steadily carry out facility reconstruction and capacity expansion, which serves as the basis for its reliability and business execution capabilities in our collaboration.

In recent years, JSW Steel has expanded the scale of its business and strengthened its ESG initiatives. Regarding its environmental goals, it achieved a 30% reduction in CO_2 emissions intensity as of fiscal 2025, representing approximately 70% progress toward its 2030 target of reducing emissions by 42%. Regarding social initiatives, it continues to engage in community programs such as educational support, vocational training, and medical assistance. It prioritizes balancing its business activities with regional development. Furthermore, JSW Steel has clearly articulated its commitment to the Universal Declaration of Human Rights and the ILO Core Conventions. It promotes human rights risk management through risk assessments and stakeholder engagement.

Value creation by JFE Steel and JSW Steel: expanding with trust as the cornerstone

Based on the synergy of the two companies' distinct strengths (the "1+1=11" concept), we have created value that exceeds the simple sum of our respective strengths. Furthermore, by adding "Trust and Respect" built over more than 15 years as a third pillar, we are further deepening and broadening this value creation.



Eighth Medium-term Business Plan (Fiscal 2025–2027)

Trading Business



Yoshifumi Ubagai
President and CEO
JFE Shoji Corporation

Promoting locally integrated business models overseas and enhancing profitability in the domestic market

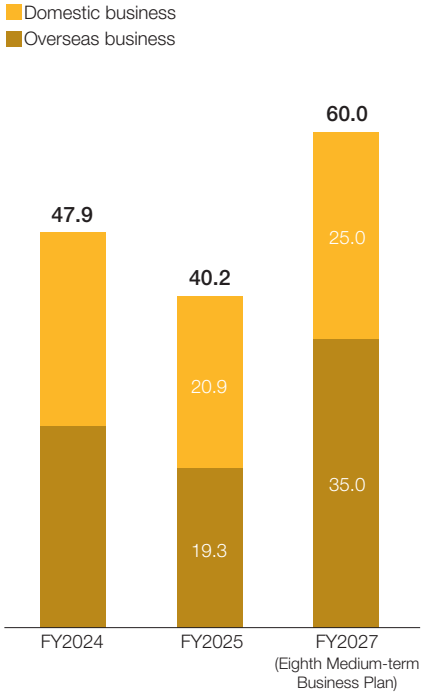
Under the Eighth Medium-term Business Plan, the Company is promoting business locally integrated business models in the overseas market and enhancing profitability in the domestic market.

In the domestic market, we are striving to enhance added value and maintain sales volume even as demand continues to decline. We are also working hard to expand profits by strengthening our business structure.

In the overseas market, which we position as a growth engine, we are steadily implementing growth investments and expanding business, mainly in the key regions of North America, Australia, India, and Europe, as we continue striving to achieve our medium-term goal of ¥60 billion in segment profit.

We are also overhauling the management foundation underpinning these businesses. We are revising operational processes, overhauling our core systems, and delegating authority to speed up decision-making while working to transform into a company that grows sustainably under the keywords of “challenge and transformation.”

Segment profit
(billion yen)

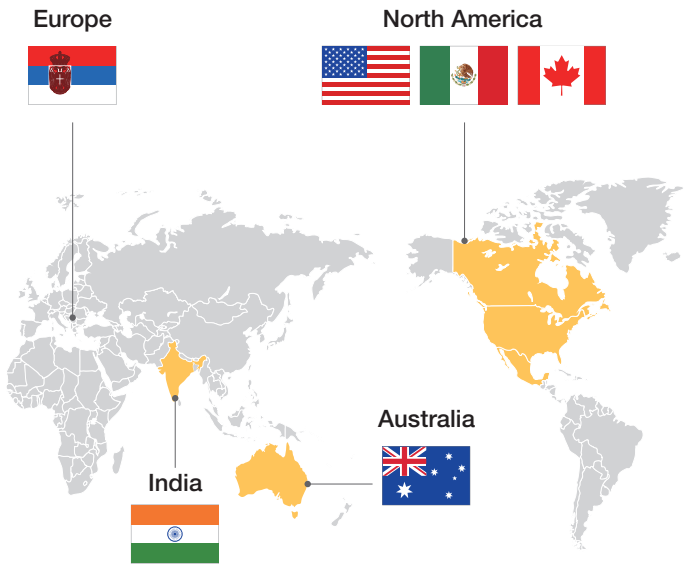


Overseas Business Strategy

The basic policy of the Company’s overseas business strategy is to promote locally integrated business models that integrate manufacturing, sales, and business management in local markets, while expanding our existing trading business. Amid rising uncertainty due to the trade policies of various nations and geopolitical risks, it is becoming increasingly difficult to achieve stable profit growth with a business model that relies solely on importing and exporting.

We are therefore building a business foundation rooted in local markets and creating added value through local supply chains with the aim of converting to a profit structure that is less susceptible to external factors. Our policy is to continue to expand our value-added business domains through our existing business platforms, drawing on both our globally enhanced manufacturing, processing, and distribution capabilities in the electrical steel sheet business and our acquisitions of steel sheet construction material businesses such as CEMCO and Studco in North America and Australia.

By region, we will continue to position North America as a core market and aim to expand business profit there. In Australia, we are working to further expand the steel sheet construction material business, especially Studco. In Europe, we will continue striving to expand electrical steel sheet processing and sales, centered on our Serbian base. In India, we will work to maximize JFE Group synergies while capturing the growth potential of the world’s most populous nation.



- Execute **growth investments totaling ¥85 billion**, mainly in the key regions of North America, Australia, India, and Europe
- Optimally allocate management resources and reorganize our portfolio in line with changes in the business environment

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Specific strategy

Strengthening the overseas construction material business through locally integrated business models

We acquired U.S.-based CEMCO in 2022 and Studco, which operates in both Australia and the U.S., in 2024 with the goal of expanding the steel sheet construction material business. We position each company as a core base for promoting locally integrated business models.

CEMCO relocated its Denver plant in February 2026 and expanded its production capacity to improve its delivery system in a place closer to its customers and strengthen its supply system for construction material products. Going forward, we will expand sales, focusing on the continually growing demand for constructing data centers, and strive to expand profit for these businesses.



Voice from the field



Tom Porter
President, CEMCO

Founded in Los Angeles in 1974, we have expanded manufacturing to Pittsburg, California, Dallas, Texas and Denver, Colorado, building on strong customer relationships and deep industry expertise.

Today, our portfolio of more than 500 steel framing and related products allows us to deliver comprehensive solutions for a broad range of customer needs.

As we look ahead, we will continue strengthening our capabilities, creating greater customer value, and pursuing sustainable growth.



Specific strategy

Expanding the Indian business through group collaboration

In the burgeoning Indian market, the Company is working to expand business leveraging its trading company functions, including processing, warehousing, and delivery. JFE Shoji Steel India Private Limited (JSI), a steel processing center, is expanding its processing capacity and, through its operations, is capturing growing demand in collaboration with the JFE Group. We are also expanding sales to the Indian steel industry, starting with raw material sales, in collaboration with Arfin, a deoxidizer manufacturer in which we own a stake. Going forward, we will continue to seize growth opportunities in India. We will expand sales of raw materials, supplies and machinery in line with the increasing production capacity of Group company JJSL, maximizing Group synergy, and realizing sustainable growth.



Questions from investors

What role is the trading business expected to play in maximizing Group synergy?

To maximize Group synergy, JFE Shoji is responsible for building a vertically integrated supply chain encompassing procurement, processing, logistics, and sales that goes beyond trading functions alone. In the electrical steel sheet field, we are contributing to enhancing added value and expanding sales of JFE Group products while utilizing our global processing and logistics network to capture expanding demand driven by vehicle electrification and energy conservation.

In addition, we will strengthen our steel scrap supply system, which contributes to creating a circular economy, expand sales of steel scrap for use as a recycled raw material, and expand sales of biomass fuels to help enhance profitability and corporate value across the entire Group.





Eighth Medium-term Business Plan (Fiscal 2025–2027)

Engineering Business



Kazuyoshi Fukuda
President and CEO
JFE Engineering Corporation

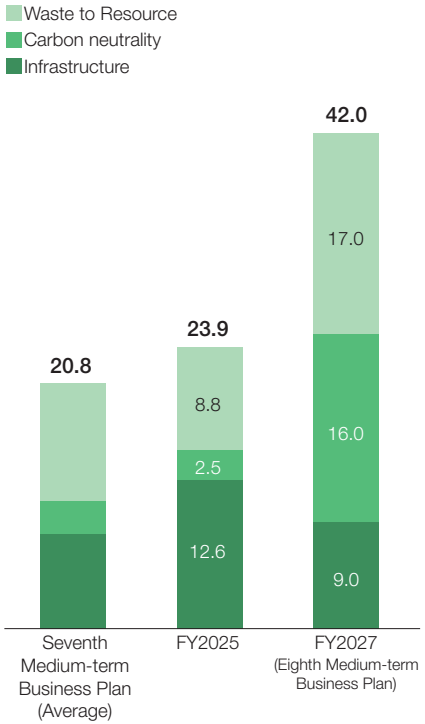
Promoting the circular economy and contributing to society

We are implementing our Eighth Medium-term Business Plan to achieve our long-term vision of generating 100 billion yen in segment profit by fiscal 2035. Our basic policy is to strengthen our revenue base by leveraging our diverse business portfolio and to expand businesses that contribute to the realization of the circular economy and the reduction of CO_2 emissions.

In fiscal 2025, we achieved a record-high order intake of 836.1 billion yen, driven by an increase in orders for large-scale domestic waste-to-resource projects. Revenue reached 599.7 billion yen, setting a new record high for the fourth consecutive fiscal year, and segment profit improved compared to the previous fiscal year.

We are making steady progress in growth areas by expanding our business foundation through carbon neutrality and "waste-to-resource" (WtR) initiatives, including the full-scale operation of an offshore wind monopile factory and an investment in a waste-to-energy project in India. We will continue to work toward achieving our Medium-term Business Plan by ensuring the stable execution of awarded projects and monetizing our growth investments.

Segment profits
(billion yen)



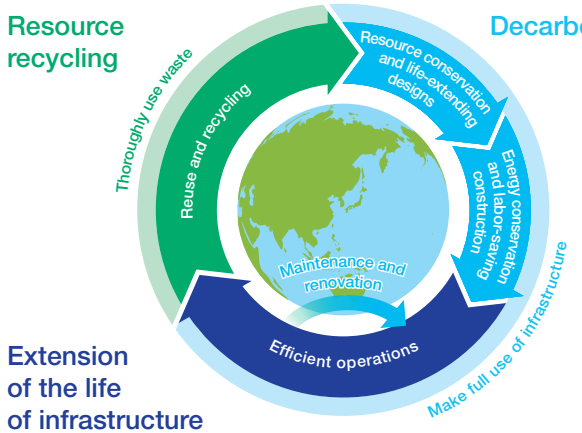
Our approach to transitioning the engineering business to a circular economy

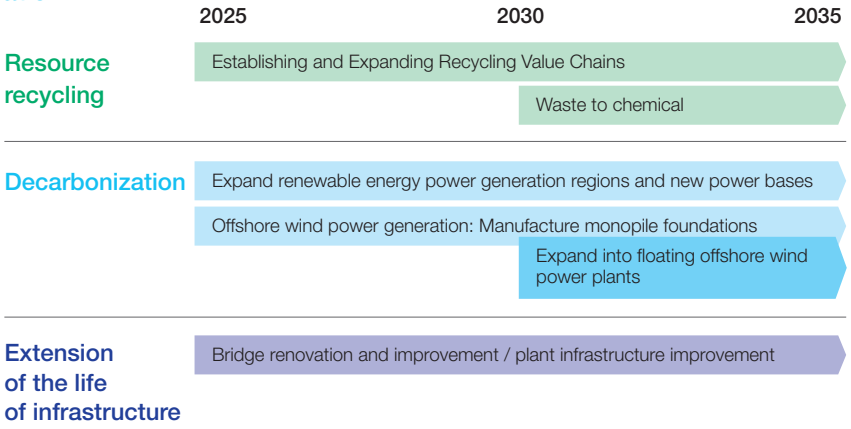
The circular economy we are promoting is built on three pillars: "resource recycling," "decarbonization," and "extension of the life of infrastructure." In the area of resource recycling (waste to resource), we transform waste into energy and resources through incineration, power generation, and recycling. This contributes to the realization of a circular economy.

In the area of decarbonization, we reduce CO_2 emissions by adopting renewable energy and energy-saving equipment.

In the area of extension of the life of infrastructure, we contribute to the resilience of social infrastructure and extend its life by providing new technologies, construction methods, and materials.

Through the synergy of these three areas, we are driving the realization of a circular economy across society as a whole.





Eighth Medium-term Business Plan (Fiscal 2025–2027)

	Field	Initiatives
Waste to Resource	Domestic WtR	**Further strengthen profitability through efficiency** • Focusing on large-scale, high-margin waste-to-energy projects • Strengthen operations and directly managed maintenance services • Secure business resources through DX
	Overseas WtR	**Steadily create projects in the Asian and European markets** • Focusing efforts primarily on India, the Philippines, Vietnam, and developed regions (e.g., Europe and Singapore) • Create projects through business investment • Establish a global engineering structure centered on India
	Domestic Recycling	**Build a solid earnings base** • Establish a recycling value chain, including final disposal facilities • Expand the plastic recycling business through public-private partnership (PPP) projects
Carbon Neutrality	Energy	**Shift our portfolio composition and steadily capture high-profit projects** • Expanding business in the CN field (such as CCS and ammonia) and the chemical plant field • Strengthen our responsiveness through collaboration with other companies and M&A
	Electric Power Business	**Contribute to decarbonization through electricity services and regional new power businesses with renewable energy sources at their core** • Owning and developing renewable energy sources and expanding sales to external private customers, in addition to regional projects and the JFE Group • Expanding retail electricity services, such as solar power purchase agreements (PPAs) and battery storage systems • Contributing to local production for local consumption and decarbonization through regional new power providers
	Offshore Wind Power	**Establish a stable profit structure at the Kasaoka Monopile Factory** • Steadily capture domestic public bid projects
Infrastructure	Bridges & Steel Structures	• Bridges: Expand sales of stainless-clad steel bridges and create demand for truss replacement • Steel structures: Focus on piers run by private-sector operators to support carbon neutrality and new energy sources
	Overseas	• Expand into Africa and Central America with official development assistance (ODA) as a foundation • Enter into PPP projects related to road infrastructure outside of ODA
	Industrial Machinery	• Further promote integrated services combining new installations and maintenance • Take on new businesses through the use of 3D printing technology

Highlights of businesses in each area



Waste to Resource

Fukuyama Rose Energy Center

By integrating multiple waste treatment facilities in Fukuyama City, the center now boasts one of the highest waste treatment capacities in the Chugoku–Shikoku region.



Carbon Neutrality

CO_2 transportation system (onshore facility) at The Kansai Electric Power Co., Inc.'s Maizuru Power Station

We provide integrated services from design through construction of world-leading facilities.



Infrastructure

Shintedorigawa Bridge Replacement Project

We are constructing a new bridge using stainless-clad steel designed to withstand punishing salt environments for 100 years.

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Key measures

Improving earning capacity	• For existing businesses in Japan, we will set target profit margins at the time of order receipt and strictly select projects accordingly. • For our global operations overall, we aim to solidify profitability by steadily increasing orders. We will promote market creation through business investments in Asia and establish a global engineering system centered on India. • After optimizing business processes with a thoroughgoing analysis of operations, we will further enhance productivity through DX-driven automation and increased sophistication.
Strategic portfolio reallocation	• With the goal of maximizing growth opportunities as a corporation, we will strategically allocate management resources, such as talent and capital, to fields with high growth potential. To accomplish this, we will review evaluation indicators, such as profitability and growth potential, and establish a new framework for business portfolio management.
Establish a stable profit foundation, e.g. expanding the operation and maintenance (O&M) business	• We will continue to provide safe and secure infrastructure services while prioritizing strategic investment in areas with expected growth, such as the circular economy and CO_2 reduction, as well as in the operation and maintenance (O&M) business that form our earnings base. • For the investment projects approved under the Seventh Medium-term Business Plan, we will strengthen management monitoring and work toward achieving profitability as quickly as possible.

Noteworthy projects

This section introduces representative projects in the three growth areas of focus under the Eighth Medium-term Business Plan.



Waste to Resource

Yamabe Clean Center (Yamato Eco) Begins Operations

JFE Engineering was awarded the contract to construct the waste disposal facility for Yamabe and Northwestern Nara Prefecture Regional Environmental Sanitation Association. The facility has now been completed and begun operations.

Serving as the core waste disposal facility for ten municipalities in Nara Prefecture, the facility ensures the stable processing of waste through two stoker-type incinerators, each with a capacity of 142 metric tons per day. The facility achieves high-efficiency energy recovery and reduced environmental impact by generating electricity from the heat of incineration. Furthermore, operating under a design-build-operate (DBO) model ensures long-term sustainability and contributes to the creation of a circular economy.



Carbon Neutrality

Tahara Biomass Power Plant Begins Operations

JFE Engineering is a partner in the “Tahara Biomass Power Plant,” which was completed and began commercial operation in 2025.

With a generating capacity of 112 MW, it is one of the largest wood-based biomass power plants in Japan. It supplies approximately 770 million kWh of electricity annually.

By utilizing renewable energy from woody biomass, the plant contributes to a stable power supply and the achievement of carbon neutrality.



Infrastructure

Completion of the People’s Republic of Bangladesh Railway Bridge

The “Jamuna Railway Bridge Construction Project (Eastern Section)” in Bangladesh, which JFE Engineering constructed, was completed, and the entire line opened to traffic in March 2025.

The project is expected to contribute to the economic development of Bangladesh and the surrounding regions by reducing the time it takes for trains to cross rivers, improving logistics efficiency, and enhancing operational safety.

We will continue to contribute to the development of various countries through the development of transportation infrastructure in regions around the world, including Asia, Africa, and Latin America.

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Specific strategies

Full-scale operations begin at the Kasaoka Monopile Factory

As a domestic manufacturing hub for foundation structures used in offshore wind power generation facilities, the Kasaoka Monopile Factory manufactures and transports monopiles. In fiscal 2025, the factory won the order for Japan's first project using domestically produced monopiles, which was awarded through public tender. The factory is currently producing the monopiles for this project, which is its first since beginning operations. Building on the technology cultivated through manufacturing large-scale steel structures, such as bridges and offshore structures, the factory is executing production processes steadily, prioritizing quality and safety, and applying the ingenuity and caution required for this inaugural project. Additionally, the factory has started offering a corporate PPA service for solar power generation and is working toward decarbonization by using renewable energy to power its manufacturing processes.

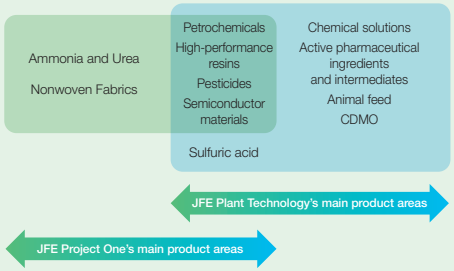


Specific strategies

Expanding the chemical plant business and building a new portfolio

The JFE Engineering Group's chemical plant business has expanded its operational foundation and scope of services through mergers and acquisitions. JFE Project One Co., Ltd., which joined the group in 2020, has a proven track record in engineering, procurement, and construction (EPC), as well as operations and maintenance (O&M), primarily for petrochemical plants. It has also expanded its customer base among chemical manufacturers. JFE Plant Technology Co., Ltd., which joined the group in 2025, handles a diverse range of product areas, including petrochemicals, fine chemicals, semiconductor materials, active pharmaceutical ingredients, and intermediates. The company is contributing to the enrichment of the group's chemical plant business portfolio. Moving forward, we will leverage the strengths of these companies to drive business growth and explore expansion into new fields, such as pharmaceuticals, food, and carbon-neutral sectors.

Product areas in the chemicals business



Message from the manager



Keiji Murakami
Manager
Kasaoka Monopile Factory

At the Kasaoka Monopile Factory, we are steadily advancing the establishment of our manufacturing system and the enhancement of our on-site capabilities through the ongoing Akita-Katagami Project. With safety as our top priority, we aim to improve the precision of our quality and process control while addressing each challenge carefully and promptly, thereby leveraging our experience to fuel future growth.

By bringing together a diverse workforce and ensuring that on-site operations and management work as a unified team, we will cultivate the competitiveness needed to support future mass production and expansion into subsequent projects.



Questions from investors

Please tell us about the results of the M&A and business integrations you have undertaken to date.

We have strengthened our business foundation through M&A and business alliances, focusing on three growth areas: waste to resources, carbon neutrality, and infrastructure. We expanded our business scope by adding JFE Project One Co., Ltd.; JFE Plant Technology Co., Ltd.; and JFE Environment Technology Co., Ltd. (which specializes in small-scale incinerators); Kinpai Co., Ltd. (a gas pipeline construction firm), as well as Tsukishima JFE Aqua Solution Co., Ltd. (a water treatment company) through business integration. We are also continuing to improve our business portfolio, focusing on growth potential and profitability. These efforts are leading to increased orders and improved profitability.



Image of a chemical plant

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Keihin District Land Utilization

Efforts to advance “OHGISHIMA 2050” are going well

OHGISHIMA 2050:
https://www.jfe-holdings.co.jp/uploads/230907_en.pdf

As part of the “OHGISHIMA 2050” we are promoting land use conversions that provide significant public and social benefits by leveraging the potential of Keihin land near the Tokyo metropolitan area.

We are working to launch new businesses that leverage the Keihin land’s location and the JFE Group’s resources, as well as promote business applications that contribute to carbon neutrality and the circular economy. Furthermore, we aim to generate annual profit of 10 billion yen from our land leasing business and business applications by fiscal 2035.



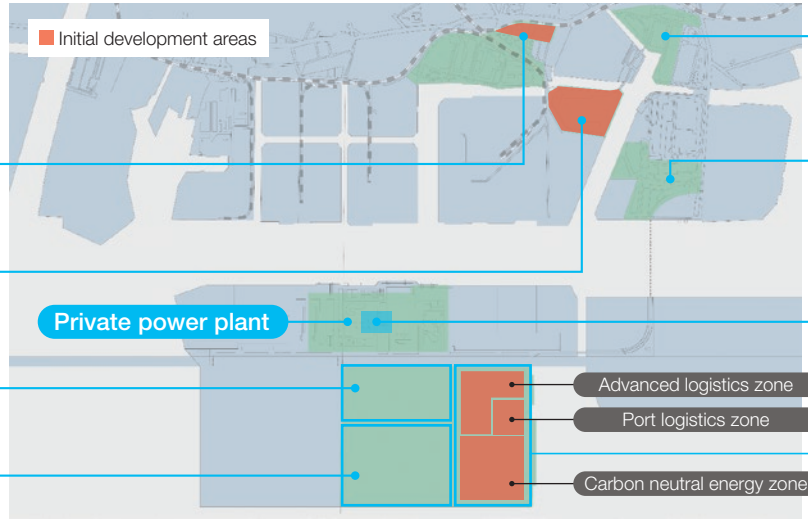
Our Vision for FY2035 (Area of Keihin district land to be repurposed)

The Minami-watarida area
- Development of an industrial hub with research and development functions as its core
- Completion of Phase 1 (6 ha sold in FY2024) and start of land utilization for Phase 2 (4 ha)

The Ogimachi area
- Sale completed FY2024

Roadside area
- Demolition of idle facilities and start of land utilization FY2031

Co-creation area
- Demolition of idle facilities
  To be completed between FY2025 and FY2034



Ikegami area
- To be developed as a transportation hub in the waterfront area

Mizue area
- To be developed as a major recycling business hub of the Tokyo metropolitan area

Ohgishima north area
- Electric power business (using hydrogen)
- Joint data center business

Lead area*1
- Lease to a GI Fund project (commercial testing of liquefied hydrogen supply chain) From FY2025
- Sale of advanced logistics zone From FY2027

*1. The Tokyo Metropolitan Expressway Bayshore Route Ohgishima Interchange (tentative name) is scheduled to partially open in FY2028.

Business use

Promotion of a hydrogen society

Power business (hydrogen utilization)
- Starting to supply electricity from the private power plant to initially developed areas From 2028
- Leading the way toward carbon neutrality through the gradual transition to hydrogen power generation (mixed combustion mono-fuel combustion) From 2030

Data center business (green power utilization)
- Studying joint development of a data center with Mitsubishi Corporation, leveraging the location’s potential to supply green power From 2025

Realizing a circular economy

Recycling business
- Developing the area as a major recycling hub for Tokyo metropolitan area
- The J Circular Systems Kawasaki Super Sorting Center, one of the largest plastic recycling facilities in the metropolitan area, began its full-scale operations in April 2025.

Effective use of CO_2 for achieving carbon neutrality

CO_2 business
- Considering carbon dioxide capture, utilization and storage (CCUS) business leveraging the knowledge and expertise cultivated through advanced carbon capture and storage (CCS) project*2

*2. CCS project implemented as part of the Ministry of Economy, Trade and Industry projects

Eighth Medium-term Business Plan (Fiscal 2025–2027)

Questions from investors

What future value will land-use conversion in the Keihin district generate?



Makoto Iwayama
Senior Vice President
In charge of Keihin Area Land Development Dept.
JFE Holdings, Inc.

Q1 What is the OHGISHIMA 2050 vision? How will it affect the future of the Keihin district?

A1 "OHGISHIMA 2050" is a land-use conversion plan for the Keihin district over the next 100 years. Since our founding in 1912, our operations in the Keihin district have supported the development of the Keihin Industrial Zone. In the future, we plan to convert this historic site into an area of high public interest that addresses national priority issues. We will foster the sustainable development of the district and society by attracting new industries and creating jobs.

The first step in this endeavor is establishing the world's first commercial-scale liquefied hydrogen supply chain. Under the plan, construction of the Kawasaki LH2 Terminal began in 2025. The goal is to start demonstration operations in 2028 and achieve commercialization by 2030. The terminal will receive liquefied hydrogen and supply it to nearby power plants and factories. It will also supply green electricity to data centers and land-use conversion areas. This will facilitate the societal implementation of technologies such as AI, IoT, and next-generation mobility.

Additionally, we will establish "Innovation Field OHGISHIMA," featuring next-generation infrastructure in energy, mobility, and digital technology. This will accelerate the commercialization and societal implementation of future technologies.

Q2 How will you develop Keihin District land to generate future revenue?

A2 The land utilization approach in the Keihin District combines "land sales," "land leasing," and "business use" to advance land management. First, we will secure the necessary funds for demolition and infrastructure development by selling land. Then, we will use those funds to convert land uses. In addition to Ogimachi, we will sell land for the Advanced Logistics Zone and allocate the proceeds to demolition and infrastructure development.

Thereafter, we will generate revenue from the newly available land through leasing income and commercial uses, such as power generation, data centers, and recycling sites. Starting in fiscal 2026, we will begin the full-scale demolition of roadside and co-creation areas. Then, we will proceed with infrastructure development to facilitate the introduction of GX industries and urban functions.

Furthermore, in collaboration with Kawasaki City, we will advance initiatives aimed at securing designation as a GX Strategic Zone. While utilizing subsidy programs and other measures, we will accelerate the conversion of land use across approximately 400 ha, including Minami-Watarida, Mizue, and Ohgishima. The first phase of this effort projects income and expenditure of approximately 80 billion yen in the pilot development area, which covers about 100 ha. As part of our long-term vision, we aim to achieve cumulative income and expenditure of 100 billion yen by 2035 by proceeding with the land-use conversion of approximately 400 ha and establishing stable annual profit of approximately 10 billion yen through land leasing and project utilization.

Q3 What progress has been made toward achieving the goals of OHGISHIMA 2050 so far, and how feasible do you think they are?

A3 To realize OHGISHIMA 2050, we believe it is important to envision the future and systematically establish the necessary prerequisites, one by one. Infrastructure is particularly crucial. In Ohgishima, we are making concrete progress on developing the transportation and logistics infrastructure essential for attracting businesses. This includes the Ohgishima Interchange on the Metropolitan Expressway Bayshore Route, National Route 357, the Rinko Road, and access to public roads from Higashi-Ohgishima.

In terms of business, initiatives in power generation, data center operations, and recycling operations at Mizue are gaining momentum. In the hydrogen sector, construction has begun on the Kawasaki LH2 Terminal, and the liquefied hydrogen supply chain is taking shape.

At the groundbreaking ceremony for the Kawasaki LH2 Terminal, Mayor Fukuda expressed his vision: "I want this to be a project that changes Japan and the world, starting right here in Kawasaki." I strongly sense the mayor's passion and the expectations of the local community. While making full use of institutional support, we will work to achieve land-use conversion and generate revenue.

Q4 Where does the JFE Group's competitive advantage lie as the Keihin district moves forward with land-use conversion?

A4 The Keihin district has several competitive advantages, including its location, infrastructure, scale, and utilization of existing assets. With the ongoing development the interchange for the Metropolitan Expressway Bayshore Route, the district offers excellent access to Haneda Airport and the city center. This makes the district one of the premier land, sea, and air transportation hubs in the Tokyo metropolitan area. The district's port facilities are also a key strength. They include deep-water berths capable of handling hydrogen shipments and large vessels, enabling the district to meet a wide range of needs.

Another major feature is the ability to utilize a contiguous tract of land spanning approximately 400 hectares, which is rare in the Tokyo metropolitan area. Existing buildings and facilities in Minami-Watarida, Ikegami, and Mizue are equipped with high ceilings, cranes, high-voltage power, and industrial water supplies. This allows businesses to begin operations immediately without waiting for the land to be cleared.

Additionally, Kawasaki City is home to a concentration of universities, research institutions, KING SKYFRONT, and Shin-Kawasaki Creative Forest. This provides a regional infrastructure that supports research and development, as well as demonstration and implementation. The Keihin district's competitive advantage lies in its ability to link existing assets with the strength of the local community to foster new industrial clusters.

Dialogue with Outside Directors

Accelerating the Path to Transformation to Enhance Corporate Value



Naoto Nakamura
Outside Director (Audit & Supervisory Committee Member)

Mr. Nakamura was admitted to the bar in April 1985. In the same year, he joined Mori Sogo Law Offices (current Mori Hamada & Matsumoto). He was a Founder and Partner in Hibiya Park Law Offices and a Founder and Partner in Nakamura Naoto Law Offices (current Nakamura, Tsunoda & Matsumoto). After serving as Partner, he established Nakamura Law Firm (current post) in April 2023. He has been a Director (Audit & Supervisory Committee Member) of JFE Holdings since June 2025.

Yoshihisa Suzuki
Outside Director (Audit & Supervisory Committee Member)

Mr. Suzuki joined ITOCHU Corporation in April 1979. After serving as Senior Managing Executive Officer & Member of the Board, President of the ICT & Financial Business Company; President, COO & Member of the Board; Vice Chairman & Member of the Board; Vice Chairman; and Senior Vice Representative for Business Community Relations of ITOCHU, he assumed his present position as Advisory Member in April 2024. He has been a Director (Audit & Supervisory Committee Member) of JFE Holdings since June 2025.

Tsuyoshi Numagami
Outside Director (Audit & Supervisory Committee Member)

Mr. Numagami became a Prof. of the Graduate School of Commerce and Management at Hitotsubashi Univ. in 2000. After serving as its Board Member and EVP and a Prof. in its Graduate School of Business Administration, he assumed his present position as Prof. of Waseda Univ.'s Institute for Business and Finance in April 2023. He became an Audit & Supervisory Board Member of JFE Holdings in June 2018. He has been a Director (Audit & Supervisory Committee Member) of JFE Holdings since June 2025.

Yoshiko Ando
Outside Director

Ms. Ando joined the Ministry of Labour (current Ministry of Health, Labour and Welfare) in 1982 and retired in 2018 after serving as Director General for Labour, Statistics and Information Policy, and Human Resources Development. She has been a Director of JFE Holdings since June 2020.

Takuya Shimamura
Outside Director

Mr. Shimamura joined Asahi Glass Co., Ltd. (current AGC Inc.) in 1980. After serving as Representative Director, President & CEO and subsequently as Chairman & Representative Director of AGC, he assumed his present position as Special Fellow in March 2026. He became an Audit & Supervisory Board Member of JFE Holdings in June 2022. He has been a Director of JFE Holdings since June 2025.

Keiichi Kobayashi
Outside Director

Mr. Kobayashi joined Furukawa Electric Co., Ltd. in 1985. After serving as Representative Director and President and subsequently Chairman of the Board of Directors of the same company, he has served in his present position as Executive Ambassador since June 2026. He has been a Director of JFE Holdings since June 2024.

Dialogue with Outside Directors

Q1 It has been one year since the Company transitioned to a company with an Audit & Supervisory Committee. What kind of changes have there been to the Board of Directors and Audit & Supervisory Committee? And what kind of issues do you anticipate moving forward?

Kobayashi The business environment surrounding JFE is drastically changing, while the supply and demand conditions of the steel market do not inspire optimism. To address these conditions, we must work to delegate authority to the executives and increase the speed of decision-making. Since transitioning to a company with an Audit & Supervisory Committee, we have been able to provide broader and deeper information to enable the Outside Directors to fulfill their monitoring functions. There has also been positive feedback about the higher quality of briefings held prior to Board of Directors meetings, thanks to measures such as sharing agendas and materials from management meetings and other internal meetings.

On the other hand, there is a limit to how much internal material Outside Directors can get through. Establishing mechanisms that enable even outsiders to easily grasp key points, such as creating a dashboard for progress on KPIs and main discussion topics at management meetings, should help strengthen monitoring functions going forward. In addition, at holding companies like JFE that encompass Operating Companies with different types of businesses (namely steel, engineering, and trading), we believe it is meaningful for the CEO and CFO of the holding company and the CEO of each Operating Company to all meet and hold discussions at Board of Directors meetings. It is also important for the CEOs to speak on their own behalf and hold direct dialogues with outside directors to enhance trust in execution.



Keiichi Kobayashi
Outside Director

The percentage of outside directors at JFE is currently 46%, which is not low at all, but from the perspective of further strengthening monitoring functions moving forward and clarifying the independence of the Board of Directors, we will need to continually consider the appropriate percentage of outside directors over the near term.

Shimamura Management's ability to take swift action is becoming increasingly important in an era of volatility, uncertainty, complexity, and ambiguity (VUCA). In the PDCA cycle, plans are usually refined meticulously before execution, which could delay action. We therefore need to strive to speed up the process with OODA cycles: observe, orient, decide, act. Looking at it that way, it is very meaningful that the decision-making process now includes directors who are Audit & Supervisory Committee Members following the recent transition. I feel this has definitely broadened the perspective of the Board of Directors in the last year.

On the other hand, delegating more authority to executives has caused them to shoulder more responsibility, which raises the inextricably linked issue of how to effectively implement internal controls and other supervisory functions. As Director Kobayashi commented, we need a system that enables Outside Directors to identify the key points of topics in order to properly monitor each Operating Company. For example, if the key points of important topics and decisions



Takuya Shimamura
Outside Director

discussed at management meetings and other gatherings are shared in advance, we can skip explanations of materials at Board of Directors meetings and begin with discussion. Since we Outside Directors read through the relevant materials beforehand, this would lead to a livelier and deeper discussion.

Ando Discussions pertaining to the recent transition began with what kind of post-transition outcome we sought and flowed into how exactly we should oversee the process. By clarifying what kind of systems are used on the executive side, how decisions are made, and how propriety is maintained, we can proceed with the delegation of authority and allow the Board of Directors to focus on its monitoring functions.

Following the transition, we confirmed the structure and implementation of internal controls, then identified potential issues for executives and created a system that assigns a chief compliance officer (CCO) at the holding company and each Operating Company. In addition, regarding the investment decision-making process, major investments had traditionally been included on the agenda

for the Board of Directors of the holding company, but we revised the agenda standards so that most aspects of individual projects can be decided by Operating Companies. We therefore installed new CFOs at each Operating Company, creating a structure in which they take greater responsibility for the profitability and capital efficiency of investments. We have just begun this endeavor, so I think it is important to first launch the new system and flexibly respond to any potential issues as they arise.

Moving forward, the Board of Directors should be a forum for discussion that takes a broad view of the entire Group while also regularly following up on issues in line with the Eighth Medium-term Business Plan and Long-term Vision "JFE Vision 2035." In addition, I would like executives to set agenda items based on this idea and clearly present the issues they see. Although JFE has always had meetings reserved for Outside Directors, the number of meetings has increased since last year, and we can freely set the topics for discussion at each meeting. I would like to continue effectively utilizing these meetings going forward to help enrich the discussions at Board of Directors meetings.

Q2 How do the Audit & Supervisory Committee Members view the recent changes in the organizational structure?

Numagami I think this transition has both continuous and discontinuous aspects. I will first talk about the continuous aspects. I was appointed as a JFE Audit & Supervisory Board Member eight years ago. At that time, then-president Hayashida told me: "Because it is JFE's style to accept a wide range of opinions from outside to revitalize governance, please speak freely without distinction between Audit & Supervisory Board Members and Directors." I truly understood what he meant when I saw other Audit & Supervisory Board Members actively speaking their minds at a Board of Directors meeting. I have since freely expressed my opinions based on my areas of expertise: strategy and organization. I feel that the recent transition is an extension of that idea and a system resulting from our efforts to date.

As for discontinuous aspects, the Board has gained two new members: Director Suzuki (an experienced manager at a general trading company) and Director Nakamura (attorney). I feel they bring a breath of fresh air to the Board of Directors and Audit & Supervisory Committee, including our discussions related to future management audits. In addition, although monitoring mechanisms were already in place, after the transition, the focus shifted to whether or not those systems were functioning effectively. The opportunity afforded by this transition is being used as momentum to keep evolving JFE's governance, something I applaud.

Suzuki By continuing to delegate authority, the Board of Directors of the holding company has evolved its role from deliberating each individual project to reviewing the results, using such metrics as the ROIC of Operating Companies, and monitoring whether corporate value is effectively increasing. At the same time, because executives are being asked to further enhance their business vetting capabilities, the newly assigned Operating Company CFOs will enhance the effectiveness of governance.

Amid this situation, I think the role expected of the Audit & Supervisory Committee is to connect oversight by the Board of Directors to governance by executives, as well as to encourage both to work more closely together. From this perspective, it will probably be necessary to exchange information more closely by, for example, increasing the number of liaison meetings between Audit & Supervisory Committee and the Outside Directors. Through these efforts, I hope to continue evolving JFE's governance.

Nakamura Because JFE Holdings is a pure holding company, it has a dual monitoring model where the holding company's Board of Directors monitors business execution, and the holding company monitors the Operating Companies. The key to this model is how to build a system for collecting frontline information. It is important that reports are appropriately made through the normal reporting lines and that the Internal Audit Department functions properly.

The challenge with normal reporting lines is whether information—even when negative—reaches the top without being concealed. This issue depends on corporate culture. From my daily interactions since assuming my role, I have ascertained that JFE is a very sincere company. But recently, because employee engagement has become more deeply entwined with corporate culture, I would like to pay closer attention to the situation.

The key to strengthening the Internal Audit Department is enabling the employees working there to take pride in their work. To this end, learning new specialized skills and


Tsuyoshi Numagami
Outside Director
(Audit & Supervisory Committee Member)

know-how is the most effective method. If employees can apply their expert knowledge to their work, they will naturally gain the respect of the sections under audit. In addition, they need to go beyond conducting compliance audits to determine whether rules and procedures are being followed. They must strive to assess risks and qualitatively strengthen risk-based audits that allocate limited audit resources in line with priorities.

Audit operations tend to become stagnant as they become routine. In broader society, generative AI is beginning to be used to prevent fraud and conduct internal audits. I hope that JFE's internal audits also continue to incorporate new initiatives.

Q3 How would you evaluate progress on the Eighth Medium-term Business Plan from the perspective of future economic potential?

Shimamura Amidst a chaotic business environment, the target of 700 billion yen in segment profit by 2035—as set forth in JFE Vision 2035—holds great significance in terms of clarifying our vision. To realize this target, the Eighth Medium-term Business Plan represents a phase of steadily implementing measures that have been derived by back-casting from the long-term vision. In Japan, we are rebuilding a streamlined, resilient structure and developing technologies aimed at securing future competitive advantages. Overseas, we are focusing on the growth market of India and clarifying region-oriented growth strategies. At the same time, on the basis of function, we are increasing the ratio of high-value-added products and promoting structural reforms for businesses that have profitability issues.

Regrettably, we did not achieve the expected performance for the first year of the business plan due in part to the business environment. Still, in terms of what we can control, I think we are faithfully executing the decided plans, including improving capital efficiency. That said, precisely because the environment is highly uncertain, we must not simply implement previously decided plans to the letter, but instead flexibly make decisions in response to changing conditions, including cash allocation.

Kobayashi Regarding the Eighth Medium-term Business Plan's goals of rebuilding the domestic production system, expanding the overseas business, and increasing the ratio of high-value-added products, the Board of Directors held in-depth discussions and clearly organized a set of initiatives. On the other hand, looking back, I think the painful reductions in fixed costs were made too late. To achieve growth while shrinking production capacity, significant preparation is needed. In that regard, I would like to confirm the facts on the ground and share my insight with executives.

Regarding the expansion of the overseas business, we were able to hold several in-depth discussions while maintaining a fast pace. In particular, we thoroughly discussed investment in JJSL, which is a joint venture with JSW Steel in India, so I would like to see it through to completion. In the course of discussions, I felt that ambition tended to run ahead of analysis. Going forward, we will begin discussions aimed at expansion, but it is important to conduct market analyses and clarify how we will win in each phase. I intend to deepen discussions and keep up with the evolution of the JFE Group as an Outside Director.

Numagami In the steel business, we are implementing a strategy where we improve domestic profitability (by optimizing our domestic production structure and increasing the ratio of high-value-added products) and then use those profits to promote overseas business investment. Speed is required for this three-sided model to function. It is challenging to determine exactly how far ahead of our competitors we can go in reducing fixed costs, but we need to accelerate our efforts even further.

Regarding the trading business, we need to swiftly reorganize domestic processing bases, but because we are strong in overseas M&A related to construction materials,



Yoshihisa Suzuki
Outside Director
(Audit & Supervisory Committee Member)

I would like the Company to seize those opportunities moving forward and fiercely pursue overseas growth in the electrical steel sheet sector, where demand is expected to expand.

In addition, in the engineering business, a major attraction is the growth potential of businesses that contribute to the environment, such as the waste-to-resource sector. We are also focusing on such initiatives as utilizing Indian subsidiaries to make design operations more efficient and enhance global cost competitiveness.

Suzuki Steelmaking is a fundamental industry in Japan and will continue to be the core of the JFE Group even amid a challenging environment. That is why it is important to build a stable earnings base in Japan and blaze a trail toward growth overseas. India is our gateway to overseas

growth, and I would like the Company to succeed in the two pillars of vertically integrated steelworks and grain-oriented electrical steel sheets. When these efforts begin to function as a resilient earnings base, JFE's growth strategy—stably generating profit in Japan and converting it to overseas growth—will truly be on track. In North America, we expect the joint venture with Nucor will create new business. In the overseas business, we invest in raw material interests to ensure stable raw material procurement and capture equity-method investment gains.

From the perspective of investment, we have already achieved results in the trading business from the construction materials business in the United States. Going forward, I would like the business to grow into a highly efficient entity within the Group, characterized by high ROIC and low WACC, by strengthening investment and corporate functions like those of a general trading company. In addition, although it is difficult to expect the engineering business to significantly grow in Japan, there is strength in a stable source of income and growth potential overseas, including India. Through its unique three-pillar growth structure comprising steel, trading, and engineering, I believe the JFE Group will become increasingly attractive.

Q4 From the perspective of environmental and social sustainability, how would you evaluate progress on the Eighth Medium-term Business Plan?

Ando As steelmaking accounts for around 40% of Japan's industrial CO_2 emissions, reducing CO_2 emissions in the steelmaking process is a very important measure. JFE Steel is working to develop multiple new technologies, such as innovative electric arc furnaces (EAFs), carbon recycling blast furnaces, and hydrogen direct reduction. Expanding the supply of green steel is currently important, and in 2023, we launched sales of GX steel (JGreeX™) based on the mass balance method and are steadily expanding our customer base. In 2028, we will begin operations of the innovative EAF, and I strongly feel that we are making progress on cultivating a new market as we expand our supply capacity.



Yoshiko Ando
Outside Director

However, JFE does not just reduce CO_2 emissions in the steelmaking process. JFE also provides technologies that help reduce CO_2 emissions for society as a whole. One of these major pillars is monopiles for offshore wind power generation. Initiatives for environmental sustainability create new business opportunities, and they can also support economic sustainability.

JFE Engineering has various technologies that will help realize a circular economy, including waste-to-energy power generation. Going forward, we expect sales channels to continue expanding overseas. Human resource strategies will help support this kind of future growth. Expanding the pool of personnel for overseas business and DX is a material issue across the entire Group, an issue each Operating Company is addressing systematically.

From the perspective of human resources, the JFE 21st Century Foundation, which runs a university research grant program supported by the JFE Group, has newly established an aid program for young female researchers. I expect that expanding opportunities for diverse human resources will lead to higher quality research across wider society.



Naoto Nakamura
Outside Director
(Audit & Supervisory Committee Member)

Nakamura As Director Ando mentioned earlier, JFE is implementing a multipronged strategy to develop technologies with the aim of achieving carbon neutrality. Currently, I believe this multipronged approach is the right choice, but the Board of Directors needs to monitor technological trends and reflect its findings in its medium- to long-term plan. The Board of Directors must also quickly acquire information needed to make decisions and remain perceptive of economic and social conditions as well as technological trends to enable rapid decision-making. The Audit & Supervisory Committee is an organization that can dynamically access information, such as holding hearings with relevant parties for its own investigations. I therefore would like it to remain a body that can swiftly acquire information and quickly share it with the Board of Directors.

Human Resources Strategy

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 overseas business in high-growth markets and regions
- 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

Creating innovation

ST JFE Steel EN JFE Engineering SH JFE Shoji

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)

KPI

Item		FY2026 KPIs
Develop overseas talent (Cumulative total for FY2025 and FY2026)	ST	66 employees or more
	EN	25 employees
	SH	50 employees
Develop advanced DX talent	ST	1,000 employees (cumulative total)
	EN	90 employees (cumulative total for FY2025 and FY2026)

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
- Systematically promoting 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

KPI

Item		FY2026 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)	7.0% (April 2027)	
	Ratio of male employees taking childcare leave (total for Operating Companies)	70% 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.

Human Resources Strategy

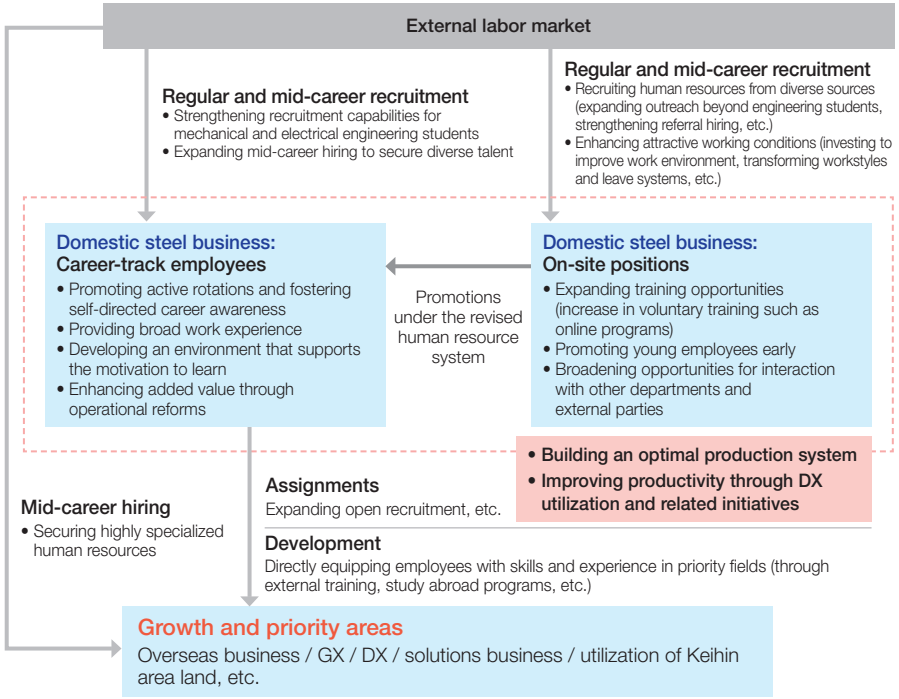
Building a human resources portfolio

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 in high-growth markets 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.

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.



Develop overseas talent

We are focusing on developing overseas talent to expand overseas business in high-growth markets

To cultivate a strong pool of human resources capable of driving our overseas business, we are assigning young employees to overseas posts, increasing the number of employees who have experience working overseas, and leveraging programs for studying abroad and overseas dispatch. Beginning in fiscal 2025, JFE Steel introduced a new program in which employees can apply to study abroad and, upon returning, will be assigned to overseas divisions. This program accelerates talent development by drawing on the employees' own drive for growth. Meanwhile, in anticipation of overseas business expansion, JFE Shoji is accelerating the development of global talent by dispatching young employees overseas.

Comment

Shota Amano

No. 2 Business Promotion Office
Overseas Business Dept.
JFE Steel



I joined JFE Steel as a researcher at a steel research laboratory, focusing on steelmaking process development. After moving to my current department through JFE Steel's internal job posting program, I pursued an MBA in the U.S. through a company-sponsored study abroad program.

Studying with classmates from diverse backgrounds showed me that many things I had regarded as normal or common in Japan were not universal. Living as a minority in a society that values people for their skills, ideas, and character rather than titles was transformative. The experience continues to shape my perspective and has been especially valuable when working with overseas partners.

Currently, I evaluate and develop new business opportunities in North America. Creating value with international partners is both challenging and rewarding. I draw on the technical expertise gained through research and the business knowledge and analytical frameworks acquired during my MBA studies.

I firmly believe that creating new businesses in growth markets contributes not only to the success of our company, but also to the development of society as a whole. Being part of that process is what inspires and drives me every day.

Comment

Since joining JFE Shoji, I have hoped for an overseas assignment, and after serving as a trainee at JFE Shoji Power Canada Inc., I am now involved in corporate support functions at U.S.-based CEMCO, LLC. Through my work overseas, I realized that work styles and values differ significantly between Japan and North America, and what I consider common sense is not necessarily universal.

Rather than unilaterally imposing Japan's way of doing things, I prioritize understanding the approaches and backgrounds of local employees to foster an environment where they can think and act proactively.

Going forward, I intend to continue contributing to the growth of our overseas operations while building relationships based on trust.



Maiko Yoshida

Americas Business Division
Seconded to Cemco, LLC and to JFE Shoji America Holdings Inc.

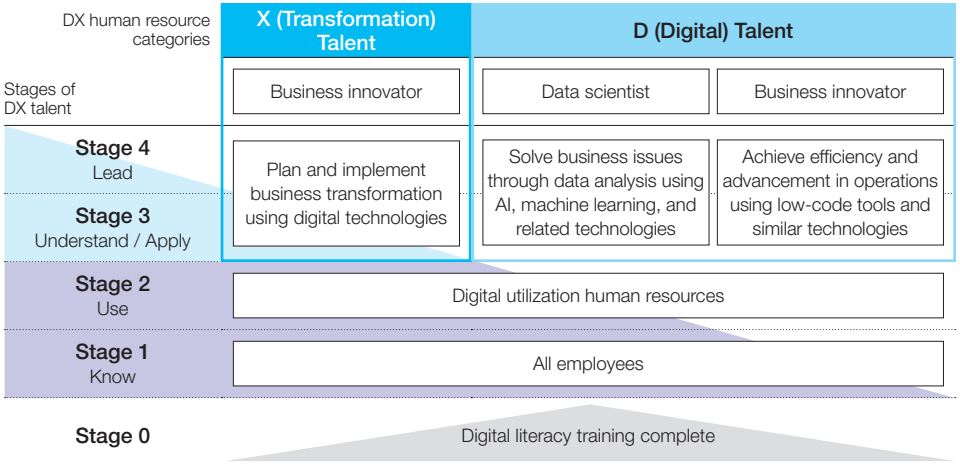
Developing advanced DX talents

We are focusing on developing DX talents to successfully build a slim, resilient domestic production structure.

JFE Steel

Development of DX talents to promote intelligent steelworks and reforms for operational processes

JFE Steel has overhauled its DX talents development system. From fiscal 2025, the company defined DX talents as business innovators, who plan and lead transformations, as well as data scientists and digital designers, who utilize digital technology. The company has clearly defined the requirements for each stage and is now systematically developing talent for Stages 3 and 4, which are for advanced DX talents.



Comment

Osamu Yamaguchi
Group leader
DX Planning Dept.,
DX Strategy Division
JFE Steel

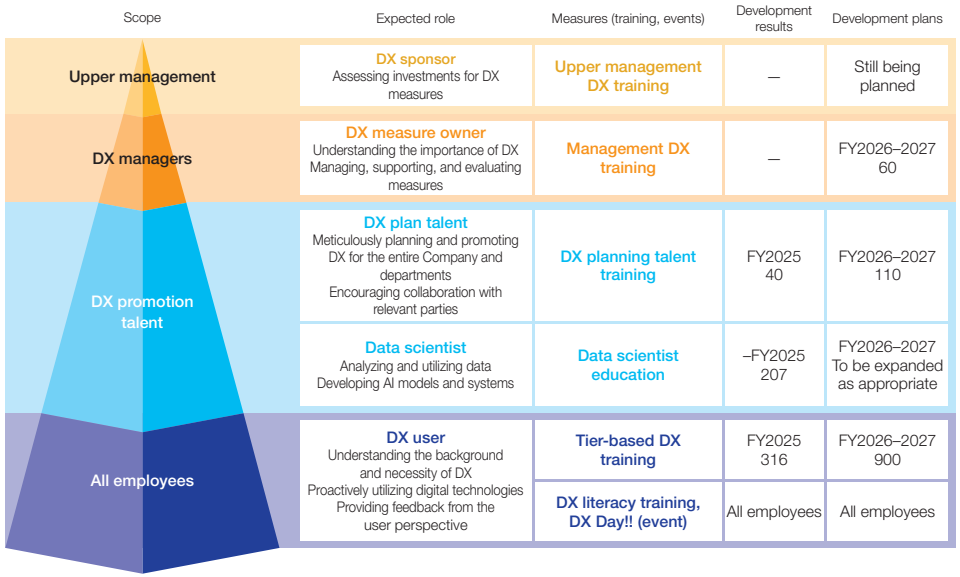


We developed a total of 831 advanced DX talents as of March 31, 2026, and aim to increase this number to 1,200 by March 31, 2028.

Responsibility for DX promotion is not strictly the purview of selected specialists. It is essential for every employee who is well-versed in frontline operations and manufacturing processes to take an active role in leveraging data and digital technologies to solve challenges and create value. We will continue to develop active DX talent who will introduce cyber-physical systems (CPS) for manufacturing processes in order to realize intelligent steelworks, which can autonomously learn and optimize their own operations, and reform operational processes following the transition of core systems to open architecture.

JFE Engineering

Development of DX talents to promote our transformation into an AI-ready company



JFE Engineering positions the development and recruitment of personnel who form the foundation for driving DX and the transformation of organizational culture as material issues. The company is working to create an environment in which all employees proactively engage in DX. Aiming to realize data-driven management and transform into an AI-ready company, JFE Engineering is clarifying the expected roles of each employee by tier, advancing DX training and development systems, and promoting continuous talent growth.

In fiscal 2025, the company introduced tier-based DX training (where employees learn skills, basic knowledge, and mindsets suitable to their tier) and DX planning personnel training (which develops transformation leaders who proactively plan and promote DX measures to address specific needs). To maintain development, the content is improved every year. For data scientists, JFE Engineering overhauled its educational content and will strengthen the development of personnel with the skills to prepare the data required for AI-ready.

In fiscal 2026, the company will launch a management DX training program, designed to enable managers to understand initiatives led by DX planning personnel and drive corporate transformation through management, support, and evaluation. The company is also planning an upper management DX training program to ensure leaders drive the transformation by setting a personal example. By developing human resources across all tiers and fostering organic collaboration, the company aims to realize a business environment that can safely and sustainably utilize AI.

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.

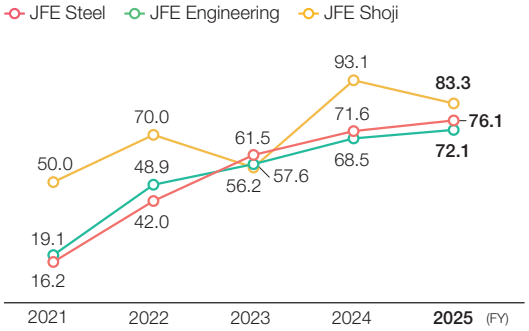
■ Management's commitment

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). Our initiatives focus on three areas: Recruitment: We are expanding the pipeline of female managerial candidates through new graduate and mid-career hiring; Retention: We are strengthening internal and external networking opportunities and highlighting role models; and Placement and development: We are creating individual development plans for female employees. In addition, to foster a culture in which all employees can balance work and childcare, we are emphasizing the importance of male employees to take childcare leave.

Percentage of male employees taking childcare leave (%)



* Does not include time off related to child-rearing

■ Fostering knowledge sharing across companies

Examples of best practices in promoting DEI are regularly shared across Operating Companies, and joint initiatives are also undertaken. For example, a joint seminar was conducted on the theme of unconscious bias in fiscal 2024 and another on gratitude and praise in fiscal 2025, which are critical to advancing DEI. We also engage in exchanges with external organizations and co-host events, to further strengthen our inclusive corporate culture.

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.

The Company and its Operating Companies conduct an annual engagement survey to quantitatively assess employee engagement levels and utilize the data to identify issues related to employee engagement and other such factors as we consider potential improvement measures. We use common questions regarding employee engagement in the survey and manage the results as a KPI aimed at realizing a rewarding workplace.

JFE Steel FY2025 KPI related to employee engagement Target: 75% ➡ Result: 69%

JFE Steel conducts company-wide activities to achieve higher work engagement and sustainable corporate growth. In fiscal 2024, the company launched ReFuture PROJECT with the president as the project owner. The project's stated aim is to implement corporate reforms to enhance employee engagement so that the company and its employees grow together.

As for fiscal 2025 survey results, the average employee engagement score was 69% for all employees, 78.4% for career-track employees, and 64.3% for on-site employees. A shared issue among both career-track and on-site employees is improving operational efficiency. To rapidly address this issue, in fiscal 2026, the company established the Management Transformation Team. This team is an organization that will transform and overhaul operational processes across the entire company. In addition, regarding on-site employees in particular, whose score was relatively low, the company is aware of the issues related to taking days off and making work-styles more flexible. To increase the number of days off for factory shift workers while maintaining productivity, the company is working to give shift workers more options by creating a system of four teams with two shifts from July 2026 in addition to the existing system of four teams with three shifts.

Initiative scope	Main measures
Formulating our vision	Embedding our corporate purpose, vision, and values
Operational reforms	Reforming company-wide operational systems through the Management Transformation Team by, for example, revising operational processes, promoting IT, and improving operations through a value-based approach
Improving the workplace environment	Realizing a more comfortable work environment through focused investment in offices and other facilities, mainly at manufacturing sites
Reviewing personnel and compensation systems	Embedding management practices aligned with the intent of revisions, and diversifying workstyles and leave-taking among on-site employees, etc.
Transforming communication	Promoting corporate culture transformation through two-way dialogue (e.g. management ↔ employees, general managers ↔ subordinates)
Improving management and strengthening leadership, etc.	Promoting management aligned with the corporate purpose, vision, and values through the restructuring of management training and other measures
Supporting growth and career autonomy	Expanding voluntary training programs and open recruitment-based transfers
Enhancing psychological safety and transforming corporate culture, etc.	Promoting soft initiatives that lead to changes in awareness and behavior to enhance psychological safety and transform organizational culture

Maximizing the capabilities of human resources

JFE Engineering FY2025 KPI related to employee engagement Target: 80% ➡ Result: 81%

From the analysis of survey results, JFE Engineering identified three main points to enhance engagement: a growth environment, feedback/evaluations, and corporate culture. The company is taking measures that focus on these points.

Initiative scope	Main measures
Fostering a growth environment	• Establishing educational programs to support autonomous and ongoing growth • Starting job rotations that enable employees to experience multiple fields as ways to develop "Pi-shaped" talent: individuals possessing expertise in multiple fields (evoking the two legs of the Greek letter π).
Enhancing feedback/ evaluations	• Introducing a system for one-on-one feedback • Implementing feedback training and one-on-one training for managers
Transforming corporate culture	• Currently implementing corporate culture reforms, aspiring for a culture where everyone communicates with each other, listens carefully, and makes things together. • Strengthening information dissemination from management and continuing dialogue with employees through roundtable discussions

JFE Shoji FY2025 KPI related to employee engagement Target: 80% ➡ Result: 79%

By reforming systems, enhancing dialogue, and promoting operational reforms, JFE Shoji is striving to create an environment where every employee experiences growth and can work with a sense of satisfaction and pride.

Initiative scope	Main measures
Reforming systems	Reforming human resources systems and introducing an internal job posting system to encourage independent ambition and growth
Encouraging dialogue	Creating opportunities for one-on-one interviews and dialogue with management to support career building and deepen mutual understanding
Enhancing engagement	Announcing scores by organization and taking improvement actions
Reforming operations	Revising operational processes and promoting systematization

■ Status of dialogue between officers and employees

As a part of our efforts to reform corporate culture, the company has implemented activities to proactively create a forum for dialogue between management and employees. Dialogue-based and town hall-style meetings enable management to directly communicate with employees and enable employees to present management with the issues they are facing. This fosters active, two-way communication.

JFE Steel

Communication opportunities	Participants per meeting	Number of meetings held in FY2025
ReFuture PROJECT (Repro) dialogue	President, vice president, and approx. 10 to 50 employees	59 times total

Main Dialogue Themes

- Instilling our purpose, vision, and values in the workplace
- Employee engagement
- Requests for the company



A dialogue-based meeting with the president

JFE Engineering

Communication opportunities	Participants per meeting	Number of meetings held in FY2025
Purpose instillment meetings	President and approx. 40 employees	6 times total
President town hall meetings	President and approx. 10 employees	9 times total
Frontline reports	President and approx. 10 employees	15 times total

Main Dialogue Themes

- Corporate culture and requests for the company and president
- Instilling our purpose and vision
- Frontline employee engagement

JFE Shoji

Communication opportunities	Participants per meeting	Number of meetings held in FY2025
Vision Talk	Five directors and approx. 250 employees	4 times total
Roundtable	One director and approx. 10 employees	17 times total

Main Dialogue Themes

- Vision Talk: Long-term vision and Eighth Medium-term Business Plan
- Roundtable: Ambition and transformation

Safety and health

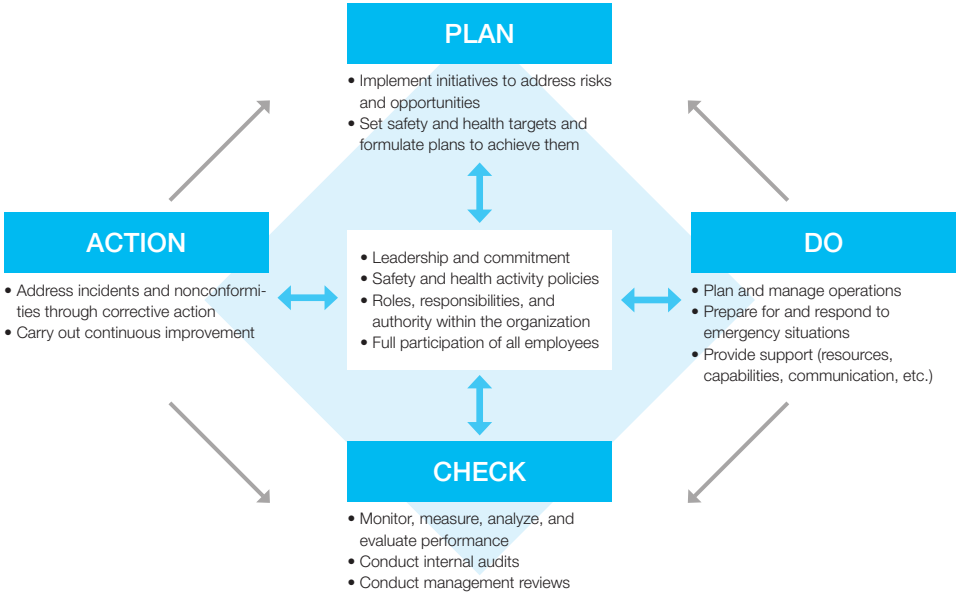
Preventing workplace accidents

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

■ Thorough development of people and organizations with strong safety capabilities

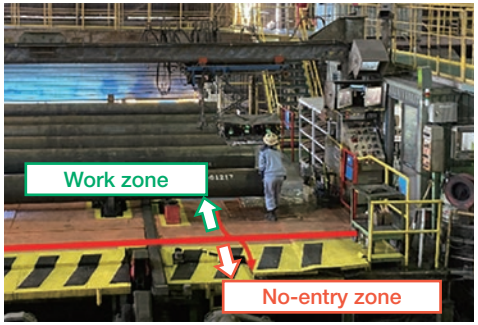
At JFE Steel, to prevent similar and repeated accidents, we are focusing on initiatives such as engaging in frank dialogue with frontline workers to identify and address risks as well as thoroughly reviewing all incidents, including near misses, to implement necessary measures company-wide. In addition, all business sites have obtained ISO 45001 (JIS Q 45001) certification, 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 level as under the Seventh Medium-term Business Plan (around ¥10 billion per year) across all Operating Companies. These efforts include physically separating people from operating equipment 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, ensuring that injuries are prevented even in the event of a human error. 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 improve employee health. Beginning with the Eighth Medium-term Business Plan, we have set as a top priority the goal of increasing the number of high-performing employees who are both physically and mentally healthy (reducing presenteeism). To achieve this, we are systematically implementing various measures, including support for early detection and continued treatment, smoking cessation programs, and initiatives to improve sleep.

Stakeholder Engagement

Dialogues with shareholders and investors

Through our IR activities, we work to disclose information accurately, fairly, and in a timely and appropriate manner as well as strive for active communication.

We established the Investor Relations and Corporate Communications Department as an organization responsible for communication with domestic and international shareholders and investors, and promote constructive dialogue as well as provide management with the information acquired, with the aim of maintaining and improving the relationship of trust.

Dialogue opportunities	Facilitators	Number of times in FY2025
Financial results briefings	President, executive vice president (director overseeing the Investor Relations and Corporate Communications Department, same below), etc.	4 times
Strategy briefings for specific businesses	Executive officers responsible for the business	4 times
Small meetings with security analysts	President	2 times
Plant tours for security analysts	Investor Relations and Corporate Communications Department	2 times
Interviews with investors (mainly with fund managers and analysts at institutional investors)	President, executive vice president, etc.	Japan: 200 times (64 companies) Overseas: 232 times (97 companies)
Interviews with shareholders (mainly with ESG and voting rights officers at institutional investors)	Executive vice president, etc.	Japan: 42 times (23 companies) Overseas: 15 times (18 companies)
Business site and plant tours (mainly with individual shareholders)	President, executive vice president, etc.	16 times (around 2,700 people)

Dialogue content	Details
Main themes, matters of interest to shareholders and investors	• Progress under the medium-term business plan, growth strategies, cash allocation, and investment effect • Business results, share price, P/B ratio, and capital efficiency • Action on ESG issues, including carbon neutrality, the effectiveness of the Board of Directors, human capital, human rights, and AI
Feedback for the Board of Directors	• We strive to share information from the Investor Relations and Corporate Communications Department in a timely manner with relevant internal offices, including Operating Companies and submit reports to the Board of Directors at least once per year.
Results of feedback	**Measures:** • Review of the criteria for submitting matters to the Board of Directors and the Board's operational procedures, in light of the transition to a company with an Audit and Supervisory Committee • Appointment of CFOs for the Operating Companies, and review of the investment decision-making process (to strengthen management with a focus on capital efficiency) **Enhancing disclosure:** • Held strategy briefings for a specific business (In fiscal 2025, a total of four sessions were held. These sessions focused on the Group's environmental management strategy, JFE Steel's overseas operations, JFE Engineering's business, and JFE Steel's integrated steelworks joint venture in India) • Hosting a site tour for analysts to view land utilization projects in the Keihin region • Disclosure of information based on the TNFD framework for natural capital • Expansion of disclosure of policy engagement toward achieving carbon neutrality

Engagement with other key stakeholders

Major stakeholders	Methods of engagement	FY2025 result	
Customers	Communication through sales activities and sales support for quality assurance	Conducted at each Operating Company	
	Interviews and questionnaires, such as those related to customer satisfaction	Conducted at each Operating Company	
	Information via websites (product information), etc.	As needed	
Suppliers	Communication through purchasing activities	Conducted at each Operating Company	
	Interviews and questionnaires	Conducted at each Operating Company	
	Briefings and exchanges of opinion	Conducted at each Operating Company	
	Information disclosure and other communication through the website	As needed	
Employees	Communications through daily operations and in the workplace	As needed	
	Internal newsletters and intranet	As needed	
	Various labor-management committees	2 to 4 times	Management and labor unions at each Operating Company
	Number of ethics hotline and harassment consultation cases	As needed	JFE Holdings and the operating companies: 159 cases (146 cases at the Group companies)
	Position-specific training on compliance and human rights	As needed	Conducted at each Operating Company
	Family days (visits by employee families, lunch at employees' cafeteria), etc.	As needed	Conducted at each Operating Company ST 6 times EN 2 times SH 2 times
	Corporate Ethics Awareness Survey	Once	JFE Holdings and Operating Companies
	Engagement Survey	Once	JFE Holdings and Operating Companies
	Management feedback*	Once	JFE Holdings, JFE Steel, and JFE Engineering
Local communities	Communication through local residents' association, events, etc.	As needed	
	Events at manufacturing bases (festivals, etc.)	Once per region	Approx. 150,000 persons per year
	Plant tours	As needed	Approx. 90,000 persons per year
	Cleanup activities in the vicinity of manufacturing bases and local regions	As needed	
	Sports promotion (baseball or jogging workshops, various sports competitions, etc.)	As needed	
	Dispatch of lecturers to elementary schools, craft workshops, workplace experience events	ST 34 times EN 20 times SH 5 times	
	Information via websites (environmental info, etc.)	As needed	
	Social contribution through JFE 21st Century Foundation (various research support, regional activity support, etc.)	As needed	

* Corporate officers and managers are evaluated by co-workers and subordinates and receive feedback.

History of JFE

Net sales / Revenue
(averages during MTBPs)

HD JFE Holdings ST JFE Steel EN JFE Engineering SH JFE Shoji

2002 Start of the JFE Group

2,791.9 billion yen

First

Medium-term Business Plan
(Fiscal 2003–2005)
Maximize integration synergies
Strengthen the management foundation

Business foundation

September 2002	Established JFE Holdings HD
April 2003	Established JFE Steel and JFE Engineering ST EN
June 2004	Suspended operation of the No. 5 blast furnace in the Chiba district ST
August 2004	Established JFE Shoji Holdings SH

ESG

June 2004	Launched JFE College, a training curriculum for young employees ST



3,569.5 billion yen

Second

Medium-term Business Plan
(Fiscal 2006–2008)
Expand high-value-added products
Achieve stable production and a robust profit structure

Business foundation

November 2008	Established JFE Steel Galvanizing (Thailand) Ltd. ST
February 2009	Established Steel Alliance Service Center (SASC), a steel processing company, in Thailand SH

ESG

June 2007	Added two Outside Directors HD
June 2007	Shortened the term of Directors from two years to one year HD



3,068.8 billion yen

Third

Medium-term Business Plan
(Fiscal 2009–2011)
Promote future-oriented technology development
Become the No. 1 supplier of high-value-added products

Business foundation

July 2010	Acquired an equity stake in JSW Steel in India ST
January 2011	Established JFE Shoji Steel India Private Limited (JSI), a steel processing company, in India SH

ESG

2011	Began donating desks, chairs, and canned goods to the Ministries of Education in Ghana and Nigeria SH



3,568.8 billion yen

Fourth

Medium-term Business Plan
(Fiscal 2012–2014)
Expand into overseas growth markets
Strengthen local production while expanding sales and technical functions abroad

Business foundation

May 2013	Established JFE Steel Galvanizing Indonesia ST
December 2013	Established Urban Energy EN
December 2014	Acquired U.S. steel pipe distributor Kelly Pipe SH

ESG

September 2012	Opened an in-house childcare center in the JR Tsurumi Station building EN

History of JFE

Strengthening earnings power

Fifth

Medium-term Business Plan
(Fiscal 2015–2017)
Fully capture global demand
Strengthen manufacturing and sales systems, invest in new businesses

3,473.1 billion yen

Business foundation

August 2016	Established Nucor-JFE Steel Mexico in Mexico ST
January 2019	Established JFE Shoji Steel Service Center Bajio (JSSB), an automotive processing company, in Mexico SH

Technology

March 2018	Established the Global Remote Center (GRC), an integrated remote monitoring center for plants EN
November 2018	Began full-scale operation of the food recycling plant at J Bio Food Recycle EN

ESG

2015	Began to evaluate the effectiveness of the Board of Directors HD
October 2015	Established JFE Holdings, Inc. Basic Policy on Corporate Governance HD
October 2015	Established the Nomination Committee and Remuneration Committee HD

Sixth

Medium-term Business Plan
(Fiscal 2018–2020)
Strengthen competitiveness through cutting-edge technologies
Proactively utilize data science technologies

3,610.2 billion yen

Business foundation

September 2019	Acquired Cogent Power (now JSC), a Canadian electrical steel sheet processing company SH
March 2020	Completed the acquisition of all shares of Mitsui E&S Plant Engineering to establish JFE Project One EN

Technology

September 2018	Introduced J-mAister, a fault recovery support system utilizing IBM Japan's IBM Watson, to all production lines ST
November 2019	Introduced data science technologies known as blast furnace cyber-physical systems (CPS) to all blast furnaces ST

ESG

May 2019	Endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) HD
June 2020	Appointed the first woman as an Outside Director of the Company HD
September 2020	Announced the JFE Group's CO_2 reduction targets HD

Seventh

Medium-term Business Plan
(Fiscal 2021–2024)
Shift focus from quantity to quality
Address carbon neutrality and advance growth strategies

4,917.1 billion yen

Business foundation

September 2023	Shut down the Keihin district's upstream processes and hot rolling equipment ST
September 2023	Announced OHGISHIMA 2050 conceptual plan for re-use of land in the Keihin district HD
February 2024	Established JSW JFE Electrical Steel, an electrical steel sheet manufacturing and sales company, in India ST

Technology

April 2024	Began operation of the Kasaoka Monopile Factory EN
July 2024	Completed phase I of the capacity expansion of the Kurashiki district's electrical steel sheet production facilities ST

ESG

May 2021	Established the JFE Group Environmental Vision for 2050 HD
May 2023	Commenced supply of JGreeX™ green steel ST
April 2024	Introduced climate-change-related indicators in executive remuneration HD

Eighth

Medium-term Business Plan
(Fiscal 2025-2027)
Expanding high-value-added products and overseas growth
A streamlined yet resilient domestic structure and business foundation for capturing overseas growth

Business foundation

May 2025	Established JFE Shoji Akita Offshore Materials, LTD. SH
September 2025	Large-scale water / sewage treatment plant completed in Vietnam EN
December 2025	Decision made to invest in Indian integrated steelworks (JJSL) ST

Technology

April 2025	Started exploring data center business opportunities in the Keihin district HD
December 2025	Completed the modernization of the steelworks' core system ST

ESG

April 2025	Made the decision to introduce an innovative electric arc furnace ST
June 2025	Transitioned to a company with an Audit & Supervisory Committee HD

The JFE Group's Value Creation

Sources of Value Creation: The Value of Steel

Supporting safe and comfortable lives for a prosperous future

Iron accounts for approximately 30% of the Earth's mass and 86% of its metal resources (about 200 billion tonnes). It is a material that can be mass produced at a low cost with extremely low environmental impact at the manufacturing stage. A highly sophisticated value chain encompassing "production," "use," and "recycling" has been established. Not only is it reusable an unlimited number of times, but the recycling rate has also reached 93.7%. Global steel demand is projected to surge from 1.75 billion to 2.13 billion tonnes per year between 2024 and 2050. Crude steel production is projected to rise from 1.88 billion to 2.68 billion tonnes per year, while scrap utilization is expected to grow from 630 million to 1.55 billion tonnes per year during this period. Against the backdrop of these trends, total steel stock is expected to grow from about 30 billion tonnes (4 tonnes per person) to nearly 70 billion tonnes (7 tonnes per person). Further progress in resource recycling is also anticipated.

Produce
High economic efficiency and low environmental impact

During production, **steel** emits far less CO_2 than other materials, with greenhouse gas (GHG) emissions during the manufacturing stage just 1/4 to 1/5 those of aluminum and carbon fiber on an equivalent-function basis. Furthermore, the Japanese steel industry (converter furnace steel) produces steel with the lowest environmental impact when compared to other major countries in the world.

(On a 2019 index with Japan set at 100, the United States is 129.)
Source: Research Institute of Innovative Technology for the Earth (RITE)

Use
Foundation for daily life and society

In our lives, **steel** helps reduce our burden on the environment. For example, by using high-tensile steel (thinned-down steel sheets that keep their strength), automobile weight can be substantially reduced without sacrificing passenger safety during vehicle collisions, thereby contributing to lower CO_2 emissions in society as a whole.

Recycle
Contribute to the transition to a circular economy

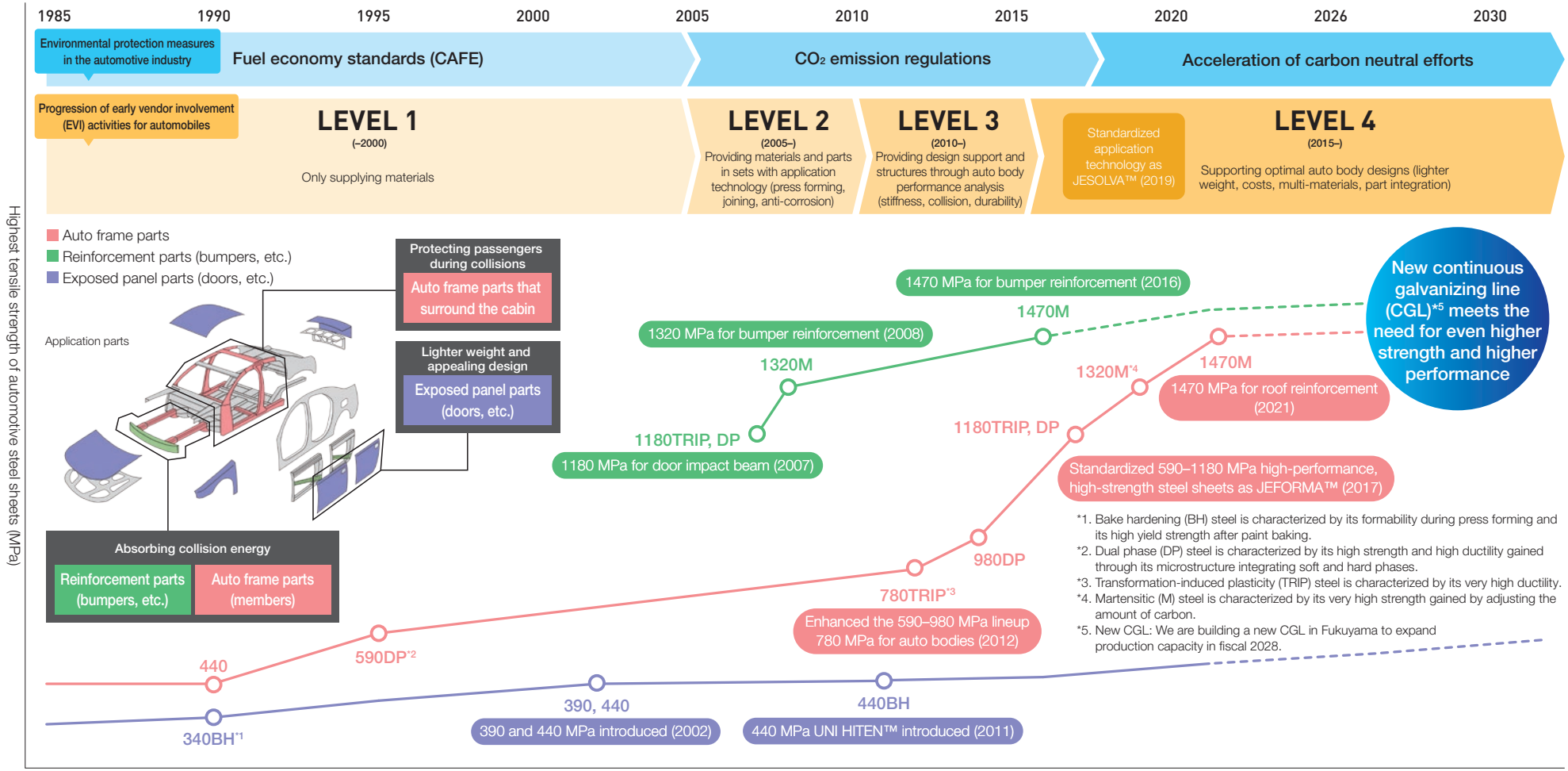
Steel's closed-loop recyclability reduces the amount of natural resources being newly introduced, reduces the discharge of environmentally hazardous substances, and reduces waste, making it more sustainable than the open-loop recycling of other materials. Steel recycling thus contributes to the transition to a circular economy.



The JFE Group's Value Creation

Contributing to Society with Our Technological Capabilities

The need for thinner, higher strength automotive steel sheets has grown in line with changes to the social environment. JFE Steel's high tensile strength steel sheets make vehicles lighter and safer. We are working to expand the applications of ultra-high tensile strength steel, which combines high strength and formability thanks to our proprietary technology. We are also supporting customers in car manufacturing with a comprehensive range of technologies at their disposal, including press forming, welding, and chassis auto body design. Through these efforts, we have enabled reduced CO_2 emissions during vehicle operation and enhanced safety performance during collisions, contributing to the realization of a carbon-neutral society.



The JFE Group's Value Creation

The Business Model Creating the High-Value-Added JFE Brand

Steel Business × Trading Business

Focus points in the Eighth Medium-term Business Plan

- Building world-class profitability to beat the global competition
- Advancing a switch to innovative electric arc furnaces (highly efficient, large-scale electric arc furnaces)
- Expanding profit in markets expecting long-term growth (India and North America)
- Expanding the sales volume of steel processing and distribution in strategic fields (automotive, construction materials, electrical steel)

Sources of competitive advantage that strengthen our business model (production / technology / sales)

Production

Two major integrated steelworks with highly competitive strengths

Our steel business in Japan is centered on two major steelworks, one in the east and one in the west, and it boasts world-class competitiveness in terms of cost, product quality, and technological capabilities. We leverage our accumulated technology and expertise to meet the needs of customers in Japan and abroad.

Technology

Technological development to realize value creation

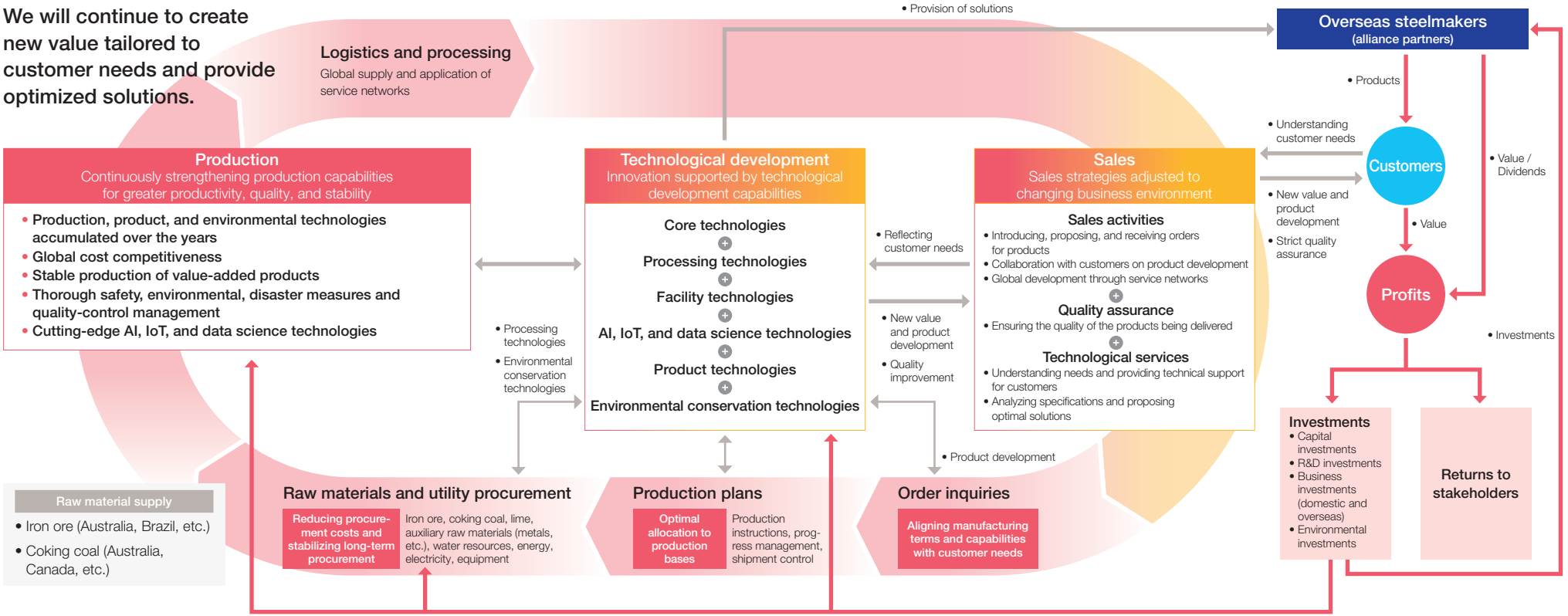
Through our steel and trading business, we meet the demands of Japanese customers, who have the world's most stringent quality standards. In doing so, we refine our world-class technical capabilities to compete globally while providing our accumulated technologies as solutions to customers worldwide.

Sales

Responding to needs in our stable customer base

Through closely aligning our service with the customers' needs and collaboration starting from the early stages of development, we have built a strong customer base in our steel and trading business that cannot be easily replicated by competitors.

We will continue to create new value tailored to customer needs and provide optimized solutions.



The JFE Group's Value Creation

The Business Model Creating the High-Value-Added JFE Brand

Engineering Business

Our company has established "Create, Care, Connect: The Foundations of Life—Just For the Earth" as our purpose, and we are building our business model around it.

Our competitive edge in the engineering business springs from:

- our "Creation" capabilities—planning, engineering, procurement, and construction (EPC)—centered on building infrastructure that supports industry and human life
- our know-how—accumulated over the years—to "Care" for operations, maintenance, and management of infrastructure, especially in waste-to-energy power generation and water & sewage plants
- our diverse human resources and DX projects "Connecting" these strengths to realize more abundant life in the future.

Leveraging these advantages, we aim to help the world become carbon neutral while promoting a circular economy.

The circular economy will be the key to realizing a sustainable society. Because JFE Engineering supports the foundations of society through various phases from a multifaceted perspective, we believe we must play a leading role in the circular economy.

Fully leveraging our unique integrated organization, we will continue working hard on innovative initiatives, designed to maximize the value of existing resources. Our technology and experiences create new value with the aim of realizing a sustainable society.

Sources of competitive advantage that strengthen our business model (create / care / connect)

Create Planning, engineering, procurement, and construction

Technology functions that create and deliver advanced social infrastructure

In a variety of fields, such as the environment, energy, and steel structures, JFE Engineering has constructed numerous highly functional and high-quality structures. These structures satisfy customer needs and are optimized in scale, covering everything from engineering to project handover. Moreover, we will strengthen our competitiveness by building out a global engineering system at overseas bases.

Care Operations management

Operational functions that enable diverse social infrastructure solutions

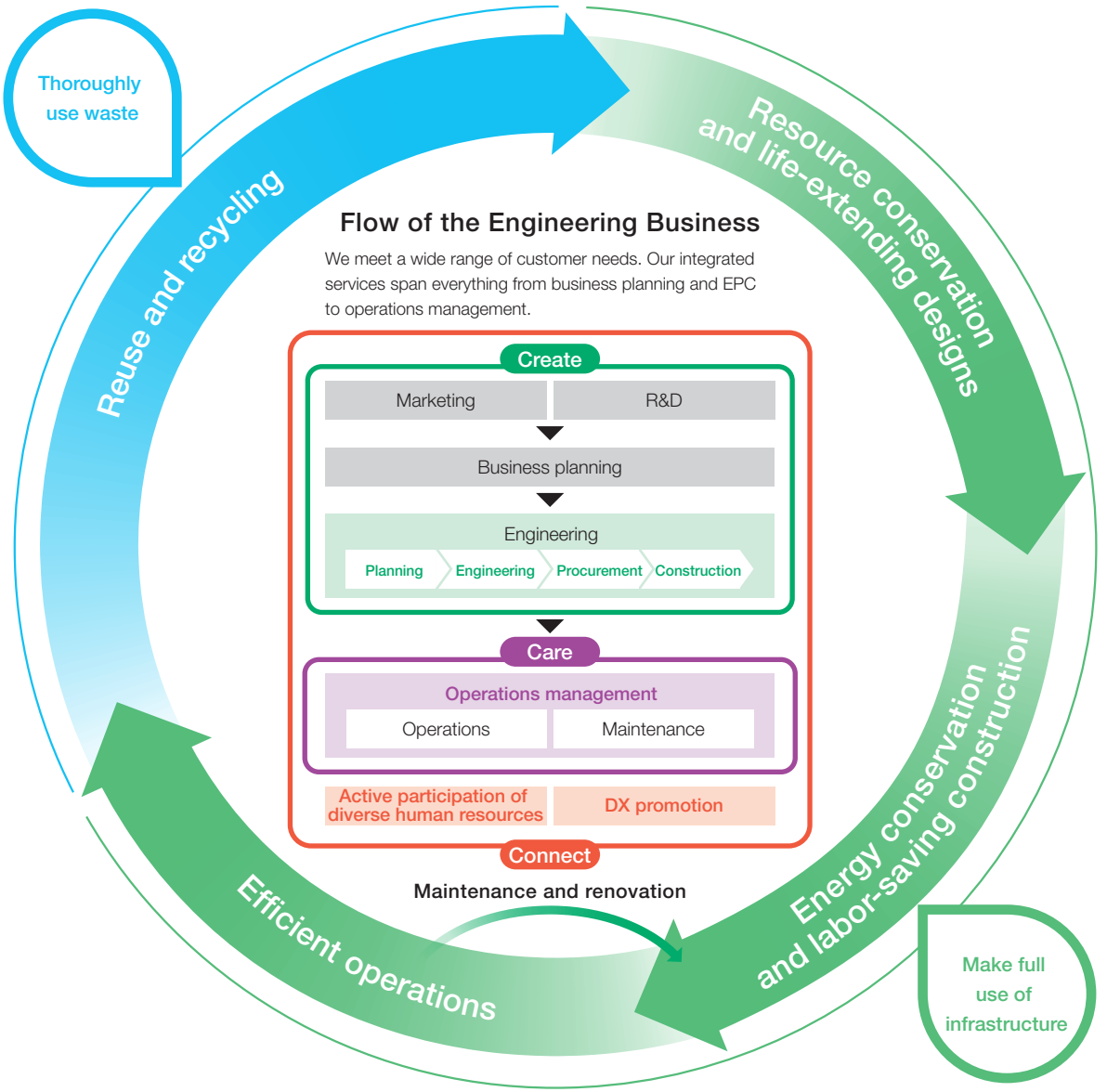
We have cultivated operational know-how, especially in plants such as waste-to-energy power generation water & sewage. In the public services field, the company has achieved an extensive track record in public–private projects. We also engage in our own recycling operations and renewable energy power generation business, and are expanding our presence in operation and maintenance (O&M) business domains around the world. We will leverage this expertise to grow our operations-based business in domestic and international markets.

Connect Diverse human resources and DX

Functions that create added value through diversity and transformation

Approximately 40% of our employees have diverse backgrounds, such as women, foreign nationals, and mid-career hires. We also strive to create work environments that draw out the best abilities of each and every employee. We also provide strong support for the digital transformation of the "Create" and "Care" sectors by leveraging AI and the Internet of Things (IoT).

The Circular Economy That JFE Engineering Works Toward



The JFE Group's Value Creation

Process of Value Creation

Financial capital
Total assets (IFRS-basis, as of March 31, 2026)
¥5,895.2 billion

Manufactured capital
Bases in Japan (JFE Steel)
4 steelworks (4 districts)

Intellectual capital
Number of registered patents
Approx. 31,000

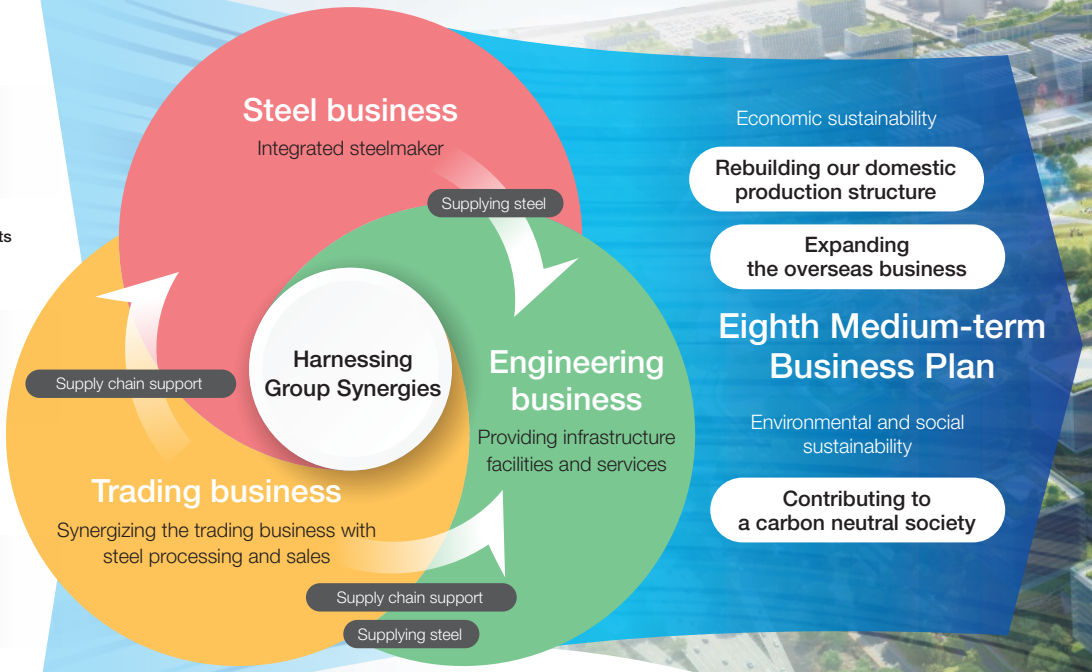
Natural capital
Water resources recycled (JFE Steel)
92%

Human capital
Total annual training hours
790,000 hours

Social and other related capital
Number of customers (delivery destinations) (FY2025)
Approx. 24,000

Six Types of Capital ➡ p.7

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



Material Issues of Corporate Management (Materiality) ➡ p.49

- Address climate change problems
- Contribute to a circular economy
- Acquire robust earnings power
- Promote human capital management
- Ensure occupational safety and health of employees
- Minimize risks to the business foundation

Corporate governance and respect for human rights

Corporate Values: Challenging Spirit. Flexibility. Sincerity.

Our Vision

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

JFE Vision 2035

1. Expand consolidated business profit (Segment profit: ¥700.0 billion)
2. Become the leader in carbon neutrality technology development

Realize carbon neutrality by 2050

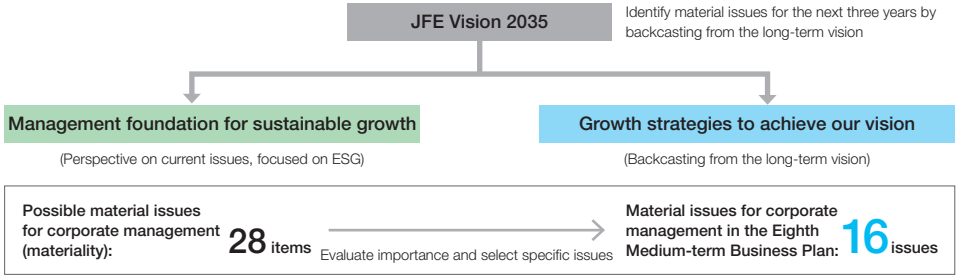
The JFE Group's Value Creation

Material Issues of Corporate Management (Materiality)

The JFE Group aims to realize JFE Vision 2035 by solving social issues through business and sustainably enhancing corporate value. We position materiality as a foundation for management decisions aimed at achieving medium- to long-term value creation. Our decision-making reflects this materiality in matters that include business strategies, investment decisions, and human resource strategies. We intend to manage our progress on these material issues using quantitative targets and link them to business metrics, thereby driving sustainable growth.

Process for identifying material issues of corporate management

Material issues for corporate management are considered in terms of current business issues and backcasting from JFE Vision 2035. We identified 28 possible material issues from the perspective of "a business base for sustainable growth" and "growth strategies to achieve our vision." In the Eighth Medium-term Business Plan, we evaluated the importance of issues that we need to focus on addressing, especially over the next three years, and then identified 16 material issues for the Management Committee in six fields.



Areas of Focus	Material Issues of Corporate Management
Address Climate Change Issues	1. Reduce the JFE Group's GHG emissions and contribute to reducing GHG emissions across society
Contribute to the Transition to a Circular Economy	2. Promote initiatives for achieving a circular economy
Acquire Robust Profitability	3. Steel business: Improve sales and manufacturing capabilities, expand and advance the business area
	4. Engineering business: Improve profitability and competitiveness, promote investment in growth areas
	5. Trading business: Revitalize the management foundation, advance insider status in overseas growth markets
Promote Human Capital Management	6. Promote talent acquisition and development
	7. Promote diversity, equity and inclusion (DEI)
	8. Improve work engagement
Ensure Occupational Safety and Health for Employees	9. Prevent workplace accidents
	10. Promote health and productivity management
Minimize Risks to the Business Foundation	11. Respect the human rights of each person involved in our business
	12. Ensure adherence to corporate ethical standards and compliance
	13. Provide appropriate quality assurance
	14. Improve the level of information security
	15. Coexist with local communities, society, and nature
	16. Maintain a sound financial position

Evaluation of FY2025 KPI results and new KPIs set for FY2026

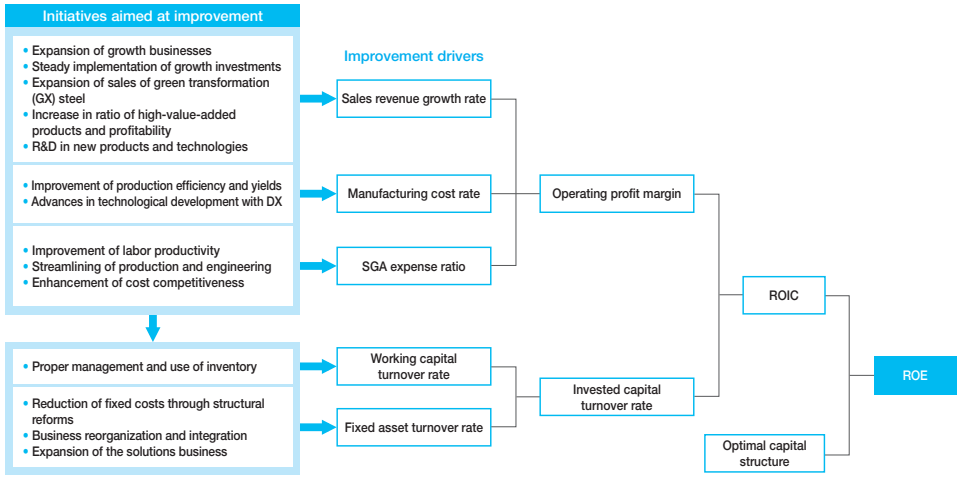
KPIs are set for each material issue, and we manage their progress while striving to align them with our business strategies. Based on our evaluation of fiscal 2025 results, we set targets in fiscal 2026 aimed at achieving the Eighth Medium-term Business Plan and future growth. We continually monitor our achievement of KPIs, revise measures as needed, and optimize the distribution of resources. Our efforts to address these issues are steadily achieving results.

(➡ pp. 50–51 Vision of material issues for corporate management and FY2026 KPIs)

Please see the JFE Group Sustainability Report 2026 for the KPI results from fiscal 2025.
https://www.jfe-holdings.co.jp/en/sustainability/data/

Enhancing corporate value through specific measures

We believe our action on material issues for corporate management goes beyond responding to social demands and serves as the driving force behind enhancing corporate value over the medium to long term. Enhancing our competitive advantage through the creation of environmental and social value helps expand profit opportunities and reduce business risks. In addition, by working to improve productivity and capital efficiency, we aim to enhance our operating profit margin and ROIC, which will lead to sustainable growth and higher corporate value.



The JFE Group's Value Creation

Vision of material issues for corporate management and FY2026 KPIs

Areas of Focus	Material Issues	Aspirations	FY2026 KPIs
Address climate change issues	Reduce the JFE Group's GHG emissions and contribute to reducing GHG emissions across society	Steel business FY2030 GHG emissions reduction rate: 30% or more FY2027 GHG emissions reduction rate as a milestone: 24% or more (compared to FY2013)	1. Approval rate for GX investment designed to reduce GHG emissions by 30% or more by FY2030: 98% 2. GX steel sales: 200,000 tonnes per year
		Engineering business Reduction rate of CO_2 emissions in owned plants and offices: 40% or more (compared to FY2013)	Promote use of own renewable energy Non-fossil fuel electricity use: 90% or more
		Engineering business Contribution to reduction in CO_2 emissions: 13.5 million tonnes per year	Contribute to reduction of CO_2 emissions in society by providing renewable energy power generation facilities and expanding the power supply business: 13.0 million tonnes per year
		Trading business Domestic CO_2 emissions reduction rate (compared to FY2019) FY2027: –27.5% FY2030: –35%	FY2026 domestic CO_2 emissions: reduce 25% (compared to FY2019)
Contribute to the realization of a recycling-oriented society	Promote initiatives for realizing circular economy	Steel business Improve resource recycling of iron sources, co-products, etc.	1. Expand collection and use of collected "return scrap": 2.5 times (compared to average volume under the Seventh Medium-term Business Plan) 2. Recycle co-products generated in the Company (recycling rate of slag, dust, sludge, etc.): 99% or more 3. Expand use of steel slag products for marine area use (cumulative total under the Eighth Medium-term Business Plan): 140,000 tonnes
		Engineering business Expand bases for business that contribute to a circular economy	Expand bases for recycling/new regional electricity/waste-to-energy power generation business, etc. (cumulative total under the Eighth Medium-term Business Plan): 6 sites or more
		Trading business Expand products that contribute to a circular economy	Expand product lineup to contribute to a circular economy • Under the Eighth Medium-term Business Plan, increase the number of targeted product lines selling 6,000 tonnes per year or more by at least three
Acquire robust profitability	Steel business Improve sales and manufacturing capabilities, expand and advance business areas	Expand domestic steelmaking business profitability: ¥90 billion	1. Companywide OPY: +0.6% (compared to FY2024 results) 2. Develop new products and technologies: 20 or more 3. Increase the percentage of total revenue from high-value-added products to 56% 4. Improvements through streamlining (core systems, data science, automation) and labor productivity enhancement: Achieve 50% of FY2027 target 5. Time saved by generative AI and low-code development: 8,500 hours per month 6. Labor-saving initiatives in response to declining labor force and population (Eighth Medium-term Business Plan): Reduce by more than 200 employees
		Expand profits in the overseas steel business, domestic Group companies business, and solutions business Overseas steel: ¥75 billion Domestic Group companies: ¥90 billion Solutions business: ¥15 billion	1. Overseas steel business profit: ¥45 billion 2. Domestic Group companies business profit: ¥80 billion 3. Solutions business profit: ¥15 billion 4. Increase in foreign patent applications: 114%
	Engineering business Improve profitability and competitiveness, and promote investment in growth areas	ROS: 6%	Improve project profitability Proportion of high-value-added and differentiated projects: Aim for over 50% by FY2027, and over 45% by FY2026
		Stabilize profits by expanding scale of O&M business	O&M business sales: Over ¥330 billion
		Improve labor productivity	Progress of operational reforms (to improve business efficiency by FY2035): Completed workflow analysis for specified departments in FY2026, aiming to complete optimization of all business processes in FY2027
		Expand DX solution revenue	Accelerate the expansion of our sales channels by conducting a full revision of related measures and strengthening the framework for these efforts Increase the number of new customers by 13% in FY2026 (compared to FY2024) and aim to achieve a 20% increase in FY2027
	Trading business Revitalize the management foundation and advance insider status in overseas growth markets	Overhaul core systems	• Aim to complete core system overhaul by FY2027 • FY2026: Begin action on the 26 measures to overhaul Companywide operation processes and achieve a 100% implementation rate for the seven key measures
		Trade and business profit: ¥30 billion each	Implement growth investments to achieve profits (¥85 billion over 3 years)

The JFE Group's Value Creation

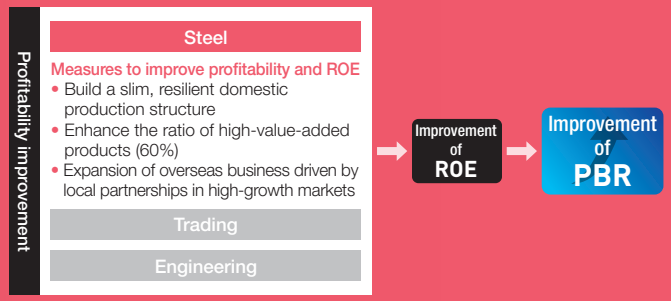
Areas of Focus	Material Issues	Aspirations	FY2026 KPIs
Promote human capital management	Promote talent acquisition and development	Build a talent portfolio to realize business strategies	Steel business 1. New international employees trained (cumulative total for FY2025–2026): 66 or more 2. Advanced DX employees trained (cumulative): 1,000
			Engineering business 1. New international employees trained (cumulative total for FY2025–2026): 25 2. Advanced DX employees trained (cumulative total for FY2025–2026): 90
			Trading business New overseas secondments (cumulative total for FY2025–2026): 50
	Promote diversity, equity and inclusion	Realize an environment in which the experience, abilities, and individuality of diverse talent can be maximized	1. Women in managerial positions: Aim for at least 10% in positions qualified as section manager or above by 2030 (including at least 20% in management and sales departments), with a target of achieving 7.0% by April 2027 2. Percentage of male employees taking childcare leave: 70% or more
	Improve work engagement	Realize an environment in which every employee can maximize their potential	Engagement survey Affirmative response to questions about employee engagement: Steel business 75% or more Engineering business 80% or more Trading business 80% or more
Ensure occupational safety and health for employees	Prevent workplace accidents	Establish safe work environment to achieve zero accidents	Serious injuries: 0 Lost-time injury frequency rate: Steel business 0.10 or less Engineering business 0.25 or less Trading business 0.15 or less
	Promote health and productivity management	Realize a workplace in which everyone can work with good physical and mental health for a long time	Proportion of employees who are physically and mentally healthy and working at an 80% or higher performance level (presenteeism below 20%): 67% or higher
Minimize risks to the business foundation	Respect the human rights of each person involved in our business	Identify, prevent, and mitigate adverse impacts on human rights in the supply chain	1. 100% attendance from the target audience for human rights awareness training 2. Promote human rights due diligence Promote the following initiatives to realize respect for human rights throughout the supply chain: • Continue conducting human rights due diligence at both the Company and Group companies • Build a system for managing human rights risks of suppliers
	Ensure adherence to corporate ethical standards and compliance	Raise awareness of compliance	1. Compliance training participation rate: 100% 2. Percentage of positive responses to questions regarding the enhancement of compliance awareness in the awareness survey related to corporate ethics: 90% or more (once every two years)
	Promote appropriate quality assurance	Steel business Zero serious quality assurance issues	1. Quality audit implementation at Group companies: 100% of planned number 2. Quality assurance investment execution (cumulative): 63%
		Engineering business Zero quality compliance violations	1. Strengthen quality check functions through third-party audits of product departments, including at Group companies: 10 departments 2. Permeate quality compliance awareness e-learning participation rate: 100% of planned participants
		Trading business Consistently deliver products that satisfy quality requirements	Major quality problems: 0
	Improve the level of information security	Continue zero serious security incidents (Level 3 incidents that impact the business foundation)	1. Thorough management of vulnerabilities 2. Improve resilience against cyberattacks
	Coexist with local communities, society, and nature	Steel business Ensure that steelworks and other plants are trusted by their local communities	Serious environmental or disaster accidents: 0 1. Continue and bolster efforts towards more transparency in steelworks 2. Create opportunities for communication with local communities at business sites and conduct social contribution activities tailored to local needs
		Steel business Expand contributions to biodiversity	New collaborative activities with local governments to improve blue carbon and marine area environments: +2 projects per year
		Engineering business Advance biodiversity conservation efforts	Implementation of biodiversity impact evaluations in the infrastructure construction sector
	Maintain sound financial structure	R&I rating: AA	Eighth Medium-term Business Plan Targets: 1. Debt/EBITDA ratio: Approx. 3 times 2. D/E ratio: Approx. 60%

Business Strategies

Steel Business

JFE Steel Corporation

The Company has outlined its long-term vision as: "Become the leader in carbon neutrality (CN) technology development" and "With our resilient domestic production structure as a solid foundation, we will achieve new growth by boldly engaging in the overseas steel business and new businesses." We will continue to execute business strategies with a focus on the long term.



Business environment overview

Opportunities

Japan:
- Increase in demand for eco products that help reduce CO_2, such as electrical steel and high-tensile steel
- Increase in demand for GX steel and steel with new energy applications
- Progress toward a circular economy

Overseas:
- Growth markets, centered on India
- Increase in demand for carbon-neutral plants and growing need for renewable energy
- Utilization of alliances with top-class partners

Risks

Japan:
- Lower demand due to population decline
- Recruitment difficulty due to the shrinking workforce
- Stagnation in decarbonization efforts

Overseas:
- Expansion in inexpensive exports of Chinese steel
- U.S. tariff policies and a shift toward protectionism and Balkanization
- Improvements in technological abilities at competing overseas mills

Business strategies

Domestic steelmaking business
- Enhance resiliency by optimizing our production structure
- Improve ratio of green high-quality, high-value-added products

Domestic Group companies
- Strengthen competitiveness through cooperation with domestic Group companies and partner companies in response to changes in the market environment
- Develop growth sectors and new businesses, including functional materials, fine chemicals, and batteries

Overseas steel
- Expand overseas business driven by strategic partnerships with leading local companies in high-growth fields and regions

Solutions Business
- Further expand the solutions business using technologies borne from our wide range of business fields and our operational data and know-how accumulated over the years, both of which are sources of our competitive edge.

Business overview (initiatives from FY2025 on)

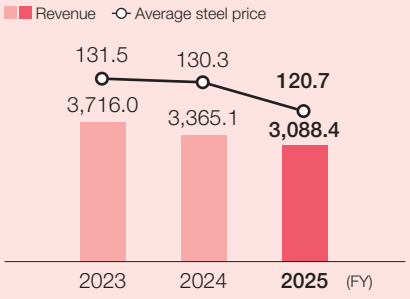
Domestic steelmaking
- Made steady progress on optimizing our production structure, including the suspension of the Fukuyama No.4 blast furnace (FY2027), the suspension of the Kurashiki No.2 blast furnace (FY2028), the reorganization of the shaped steel business (FY2027), the reorganization of the steel sheet business (FY2028)
- Worked to strengthen the supply system foundation for high-value-added products, including the expansion of manufacturing capacity for high-grade non-oriented (NO) electrical steel sheets (Phase II), the construction of a new continuous caster for large and heavy steel plates for offshore wind power generation, the construction of an innovative EAF at Kurashiki for GX steel, and the construction of a new CGL for ultra-high strength steel

Overseas steel
- Launched two joint ventures with JSW in India, strengthened our business base in growth markets
(➡ p. 18 Eighth Medium-term Business Plan, Steel Business)

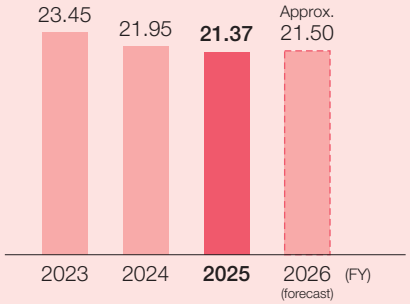
Solutions business
- Developing Groupwide businesses under the JFE Resolus™ brand
(➡ p. 67 Intellectual Property Strategy, Promoting the JFE Resolus™ solutions business brand)

Fiscal 2025 results

Revenue / Average steel price
(billion yen) / (thousand yen/tonne)

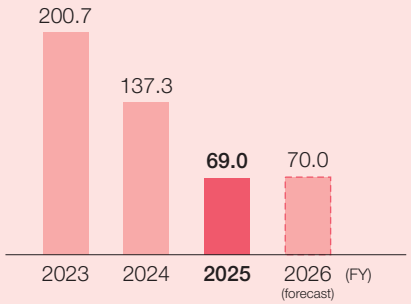


Non-consolidated crude steel output
(million tonnes)



Segment profit
(billion yen)

* After eliminations and adjustments, but excluding inventory valuation differences, etc.



PURPOSE

Dream for your Future, Steel takes you Further.

Business Strategies

Engineering Business

JFE Engineering Corporation

In the field of engineering, which uses steel to support safe and comfortable living, we leverage our capabilities in advanced core technologies, diverse product development, proven project execution, and solid business management. With these strengths, we are expanding globally to contribute to both carbon neutrality and the circular economy.



Business environment overview

Opportunities

- Expansion in demand for upgrades to larger waste-to-energy and recycling equipment as well as new equipment installations
- Increase in demand for carbon-neutral equipment, such as offshore wind power, hydrogen, and ammonia
- Increase in demand for large-scale upgrades and maintenance of aging infrastructure
- Creation of new business opportunities that coincide with efforts to promote a circular economy
- Expansion in demand for waste processing infrastructure in emerging economies, such as India and Southeast Asia

Risks

- Continued rise in costs for construction materials and energy
- Worsening shortage of and difficulty in recruiting engineers and experienced technicians
- Risk of decarbonization investments stagnating and policies changing
- Intensifying competition due to accelerated industry reorganization among competitors
- Impact of protectionism and geopolitical risks on the overseas business

Business strategies

Overall policy

- Enhance our earnings base by leveraging the strengths of our diverse business portfolio
- Expand businesses that will help realize a circular economy and reduce CO_2

Waste to Resource

- Strengthen the earnings base of the domestic waste-to-energy power generation and recycling business
- Expand development into overseas markets, especially Asia and India

Carbon Neutrality

- Expand the carbon-neutral plant and energy service business
- Fully launch the manufacturing base for offshore wind monopiles to enhance profitability

Infrastructure

- Develop and offer new products, construction methods, and materials to enhance the resiliency and lifespan of infrastructure

Business overview (initiatives from FY2025 on)

Waste to Resource

- Set new record highs for orders and revenue by acquiring large-scale domestic projects for waste-to-energy generation
- Invested in the Indian waste-to-energy business and worked to expand the PET bottle and food recycling business

Carbon Neutrality

- Fully launched the Kasaoka Monopile Factory
- Expanded the carbon-neutral, renewable energy, and energy service business

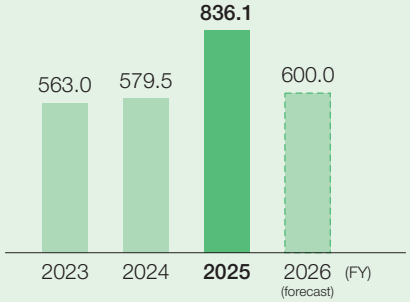
Infrastructure

- Worked to develop new technologies and construction methods, including the first use of stainless-clad steel in a road bridge
- Introduced construction DX technologies, such as automated bolt-fastening robots, at bridge construction sites

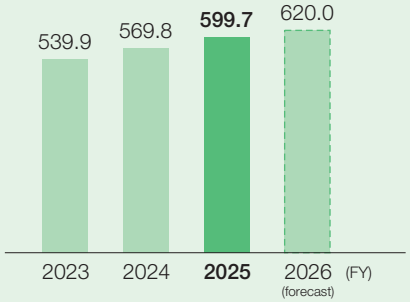
(➡ p. 24 Eighth Medium-term Business Plan, Engineering Business)

Fiscal 2025 results

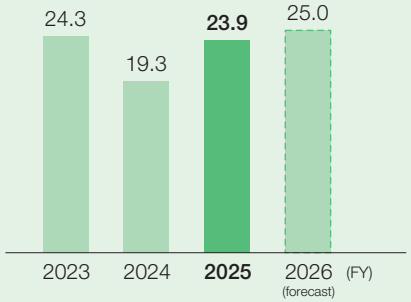
Orders received
(billion yen)



Revenue
(billion yen)



Segment profit
(billion yen)



PURPOSE

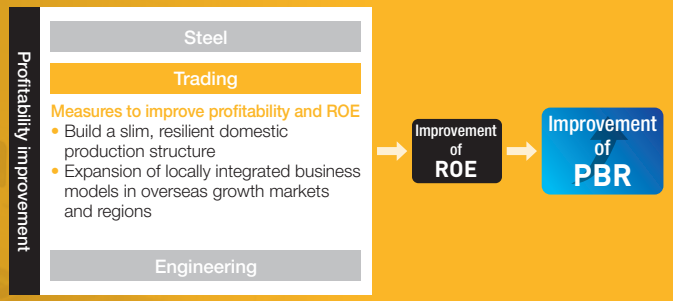
Create, Care, Connect
The Foundations of Life
Just For the Earth

Business Strategies

Trading Business

JFE Shoji Corporation

We will further enhance the proposal and communication capabilities cultivated as the core trading company of the JFE Group. We will also flexibly and dynamically respond to this era of drastic environmental changes by leveraging our global network. While growing as a company under the motto of “ambition and transformation,” we will continue providing new value to customers and society.



Business environment overview

Opportunities

- Expansion of complete local embedded businesses amid the advancement of protectionism
- Expansion in demand in growth markets like North America, Australia, India, and Europe
- Expansion in demand related to environmental resources

Risks

- Trade problems and geopolitical risks in various countries
- Decline in domestic demand amid a shrinking population and stagnant construction demand
- Oversupply of Chinese steel

Business strategies

Domestic business

Steel:

- Amid a shrinking population and market size, we will enhance profitability by focusing on the volume of orders, as well as enhancing added value.
- Establish a lean organizational structure in line with the market environment

Raw materials and machinery:

- Expand the scope of our business activities by, for example, strengthening the green raw materials business, which is expected to grow

Overseas business

- Positioning overseas markets as a key growth driver, promote locally integrated business models in regions where we hold distinct competitive advantages

Overhaul of management foundation

- Strengthen our management foundation by overhauling our operational processes and core systems, delegating authority to accelerate decision-making, and by reforming organizations and systems
- Invest the resources we create in growth fields

Business overview (initiatives from FY2025 on)

Domestic business

- Enhanced added value by expanding business to downstream fields closer to consumers
- Strengthened our ability to collect high-quality scrap and our logistics system in the lead up to the launch of our innovative EAF
- Revised Group company functions and built an optimal business system with an eye toward reorganization and integration

Overseas business

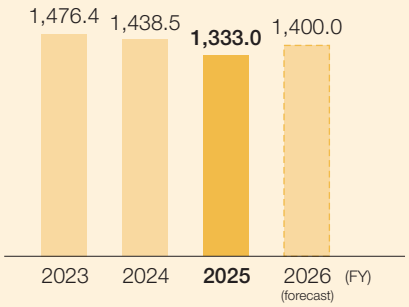
- Conducted growth investments to strengthen processing and logistics functions while assessing the business environment and demand trends in various regions, especially North America, Australia, India, and Europe
  (➡ p. 22 Eighth Medium-term Business Plan, Trading Business)
- Revised the roles and functions of each base in light of changing business environments and changed our business system to enhance profitability

Overhaul of management foundation

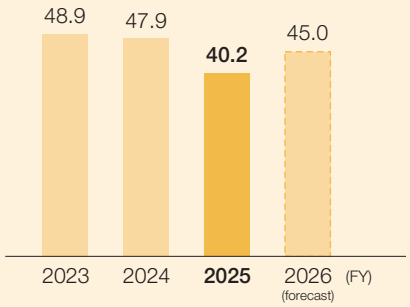
- Sped up decision-making by delegating authority, transitioned to new operational processes, and advanced to the execution stage of our core system overhaul
  (➡ p. 64 DX Strategy, JFE Shoji: Overhauling core systems based on the transformation of operational processes)
- Fostered a corporate culture of supporting “ambition and transformation” by reforming our human resources system

Fiscal 2025 results

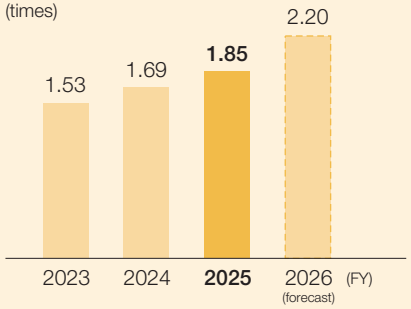
Revenue
(billion yen)



Segment profit
(billion yen)



Ratio of consolidated income to non-consolidated income
(times)



PURPOSE

Steel and More:
Bridging Global Progress

Business Strategies

Group Collaboration Initiatives in the Offshore Wind Power Business

— Securing the order for Japan's first project using domestically produced monopiles —

The JFE Group is advancing its efforts in the foundation sector of an offshore wind power project of Oga City, Katagami City, and Akita City in Akita Prefecture—Japan's first project utilizing domestically produced monopiles. Leveraging our comprehensive capabilities, we are establishing a domestic supply chain in the offshore wind power sector.

2023

- Select offshore wind power operators for areas of Oga City, Katagami City, and Akita City in Akita Prefecture (December 2023)

2024

- The Kasaoka Monopile Factory begins operations (April 2024; the only one in Japan)

2025

- Kajima Corporation is awarded the construction contract (October 2025)
- **Receive an order from Kajima Corporation for the manufacture of monopiles (December 2025).**

JFE Engineering is responsible for **manufacturing the monopiles and transition pieces, as well as transporting them to the base port.** This is the first project undertaken since the Kasaoka Monopile Factory began operations. We are proceeding with it while giving top priority to quality and safety, leveraging our years of expertise in large-scale steel structures. Currently, all processes are progressing smoothly, and we are working to deliver products on schedule.

JFE Steel was the first company in Japan to use "**J-TerraPlate™**," a large and heavy steel plate designed for wind power generation, for monopiles. The company supplied over 1,000 custom-made, wide, thick steel plates with a maximum thickness of 100 mm, all of which met the stringent quality specifications required for wind power applications.

Through the collaboration between JFE Engineering and JFE Steel, the company achieved manufacturing with short lead times.

2026

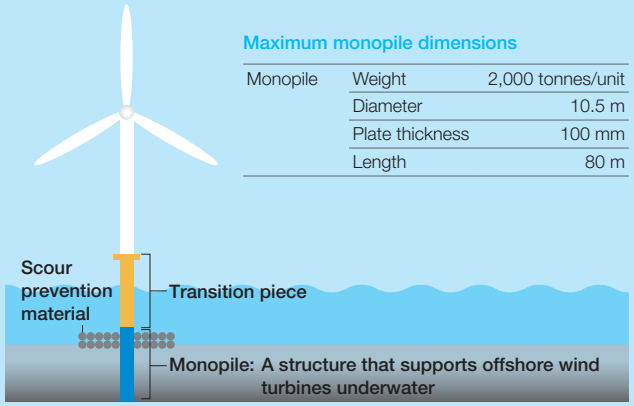
- **First shipment of monopiles (September 2026)**

2027

- Start of construction (scheduled for April 2027)

2028

- Start of operations (scheduled for June 2028)



Maximum monopile dimensions

Monopile	Weight	2,000 tonnes/unit
	Diameter	10.5 m
	Plate thickness	100 mm
	Length	80 m

Advantages of heavy steel plates in monopile manufacturing

Monopile tubes using J-Terra Plate™

Weld seams: Few
Tube length: Long

When using conventional-size steel plates
- Weld seams: Many
- Tube length: Short

- Cost reduction in monopile manufacturing (over 10% reduction)
- Reduction in welding volume
- Reduction in assembly labor hours



First manufactured monopile

Scour prevention materials business initiatives

In May 2025, JFE Shoji partnered with seven local companies to establish "JFE Shoji Akita Offshore Materials, LTD." in Oga City, Akita Prefecture. The company manufactures and sells scour prevention materials for offshore wind power generation and is currently working to build a supply system. These materials protect the seabed around monopiles from erosion caused by waves and tidal currents, providing stable support for offshore wind power facilities. The company will also contribute to resource recycling and the improvement of the marine environment by utilizing artificial stone made from steel slag.



Scour prevention materials

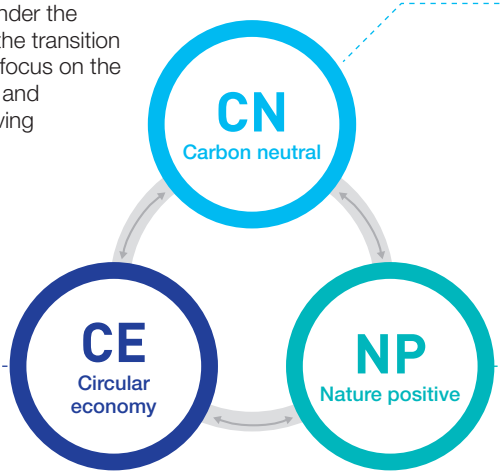
Strategies by Function

Initiatives to Achieve Environmental Sustainability

Business foundation for creating environmental value

Basic philosophy

The JFE Group Environmental Philosophy is: The JFE Group puts top priority on protecting and enhancing the global environment to maintain its business in harmony with the environment and ultimately for the prosperity of society as a whole. In line with this, we will build an environmental management system for the entire JFE Group. Under the Eighth Medium-term Business Plan, we have laid out the material issues of the transition to a circular economy, biodiversity conservation, and nature positive, with a focus on the climate change, which impacts society the most. Considering the synergies and trade-offs among these three environmental issues, we will work toward solving global environmental challenges in an integrated manner.



Climate change initiatives



Carbon recycling test blast furnace (NEDO project on the use of hydrogen in steelmaking (GREINS))



Offshore wind power plant

Transition to a circular economy



Extending the service life of infrastructure (bridge reconstruction)



Waste-to-energy

Biodiversity protection and nature restoration



Biotope Chita (A Nationally Certified Sustainably Managed Natural Site)



Marine Blocks™

Environmental governance

The JFE Group addresses environmental issues through a comprehensive, Groupwide committee structure. The Group Sustainability Council, chaired by the President, deliberates on basic policies and key initiatives. Under its guidance, the Group Environmental Committee implements target management, risk and opportunity assessments, and progress monitoring. The results of these discussions and key matters are reported to the Group Management Strategy Committee and the Board of Directors for executive-level deliberation and supervision. Furthermore, each Operating Company and division has clarified its accountability structure, thereby establishing a unified, Groupwide framework for advancing these initiatives.

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 Plans (environmental management policy, GHG emission reduction and reduction contribution targets)
- Progress on initiatives related to environmental KPIs
- Introduction of Director compensation for climate change-related indicators
- Decision-making for capital investments related to GHG emission reduction, etc.

Environmental risk management

The JFE Group systematically identifies, analyzes, and evaluates environmental risk and opportunity by utilizing international frameworks, such as the TCFD and TNFD. We conduct materiality assessments for transition and physical risks, considering their potential impact on our business and likelihood of occurrence. Significant risks and opportunities identified through this process are incorporated into our business strategy, investment decisions, and Medium-term Business Plan in coordination with our Groupwide risk management process. Furthermore, the Group strives to understand the medium- to long-term impacts through scenario analysis and other methods and continuously reviews and refines its approach.

Strategies by Function (Initiatives to Achieve Environmental Sustainability)

Initiatives to create environmental value

CN Climate change initiatives

The JFE Group considers climate change a critical management issue. Based on its Environmental Vision 2050 and the Eighth Medium-term Business Plan, the Group aims to achieve carbon neutrality by 2050. As an interim goal, the Group plans to reduce greenhouse gas emissions from its domestic steel operations by 24% in fiscal 2027 and by at least 30% in fiscal 2030 compared to fiscal 2013 levels. Having endorsed the TCFD recommendations in 2019, the Group strives to enhance transparency regarding climate-related risks, opportunities, and initiatives by disclosing information aligned with the TCFD framework. The Group will continue to pursue ultra-innovative technologies in the steel manufacturing process. With the goal of finalizing their development by 2035, the Group will lead the way in developing carbon-neutral technologies. Regarding the implementation of ultra-innovative technologies, we will carefully assess factors such as energy supply systems (e.g., hydrogen and electricity), the maturity of the GX product market, and economic feasibility before making decisions. Furthermore, we view contributing to society-wide greenhouse gas reductions as a business opportunity. We will focus on reducing greenhouse gas emissions through our engineering business, including initiatives such as offshore wind power generation, to enhance corporate value.

Key initiatives for reducing greenhouse gas (GHG) emissions

1. We set a target to reduce GHG emissions by 24% by fiscal 2027 and are working to install a new EAF for manufacturing stainless steel at the Chiba district. (Operation began in April 2026)
2. We set a target to reduce GHG emissions by 30% or more by fiscal 2030 and will install a highly efficient, large-scale, innovative EAF at the Kurashiki district. With the innovative EAF, we will continue to build a large volume supply of GX steel that achieves the same quality as a blast furnace.
3. We are working to develop ultra-innovative technologies to realize CN by 2050, namely ultra-innovative blast furnaces, hydrogen utilization for the direct-reduced iron method, and innovative EAFs. We aim to develop CN technologies for steelmaking processes by 2035.

Key initiatives to expand the supply of GX steel and grow the market

1. Fiscal 2030: We aim to be able to supply 3 million tonnes of GX steel.
2. To create a market for GX steel, we aim to stimulate demand by visualizing GX value, promote international standardization for the definition of GX steel, utilize government support (such as public purchases and financial assistance), and expand the existing market.

Key initiatives to contribute to GHG emissions reductions across society

1. Aiming to expand the amount we contribute to reducing GHG emissions, we will steadily capture demand for offshore wind power generation. We will also formulate action plans from the initial concept phase in the hydrogen, ammonia, and CCS fields, where widespread adoption is expected, connecting these efforts to EPC* orders and business participation as we strive to achieve our targets.
2. To maximize the effects of our emission reduction contributions, we will work to develop technologies for waste gasification and ethanol synthesis, as well as CO_2 separation and capture.

* EPC: Turnkey contracts for engineering, procurement, and construction work.

CE Initiatives for the Transition to a Circular Economy

The JFE Group understands that the transition to a circular economy is an important theme that is essential for the realization of a sustainable society. We are going beyond the boundaries of the Group to work together with others (including national governments, local governments, and customers) throughout our value chain while utilizing digital technologies to realize a full-scale societal transition from today's current economic system, dependent on a linear economy, to a circular economy. We will continue promoting activities from the three perspectives of expanding use and sales of recycled resources, developing resource-efficient eco products & eco solution technologies, and converting by-products and waste into resources.

For details on initiatives for the transition to a circular economy, please refer to the JFE Group Sustainability Report.

https://www.jfe-holdings.co.jp/en/sustainability/environment/resource/

NP Initiatives for Biodiversity Conservation and Nature Positivity

The JFE Group strives to deepen the understanding that the JFE Group's business activities depend on and impact biodiversity and natural capital while taking action to reduce related risks. We will continue to take a wide range of approaches on this front, including collaboration with local communities and throughout our supply chain, as well as the development of processes, products, and technologies that contribute to biodiversity and natural capital. In 2025, the JFE Group endorsed the TNFD recommendations and assessed the relationship between its business activities and natural capital through the LEAP approach recommended by the TNFD. We have disclosed relevant information aligned with the TNFD framework, and we continue to share it broadly with our stakeholders.

For details on initiatives for biodiversity conservation and nature positivity, please refer to the JFE Group Sustainability Report.

https://www.jfe-holdings.co.jp/en/sustainability/environment/biodiversity/

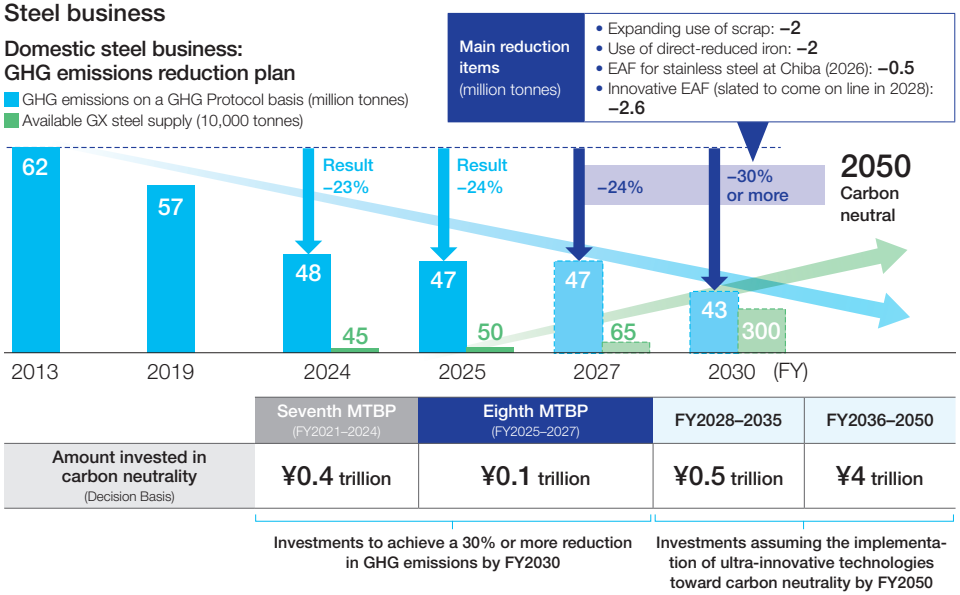
Strategies by Function (Initiatives to Achieve Environmental Sustainability)

Toward realization of the JFE Group Environmental Vision for 2050

Climate-related metrics and targets

Steel business

Domestic steel business: GHG emissions reduction plan



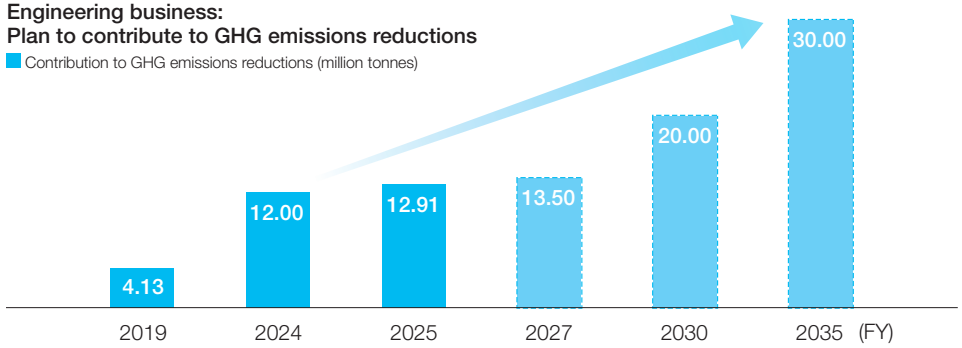
	Seventh MTBP (FY2021–2024)	Eighth MTBP (FY2025–2027)	FY2028–2035	FY2036–2050
Amount invested in carbon neutrality (Decision Basis)	¥0.4 trillion	¥0.1 trillion	¥0.5 trillion	¥4 trillion

Investments to achieve a 30% or more reduction in GHG emissions by FY2030

Investments assuming the implementation of ultra-innovative technologies toward carbon neutrality by FY2050

Engineering business

Engineering business: Plan to contribute to GHG emissions reductions



Expansion of waste-to-resource field
- Accumulating orders received for waste-to-energy power generation projects
- Accumulating overseas EPC achievements

Demonstrating and expanding the effects of offshore wind power generation projects
- The Kasaoka Monopile Factory began operating in April 2024, and full-scale production began in the second half of 2025.
- Target market share: 50% of Japan's market

Entry into the CCS business
- Increasing orders received for EPC projects related to equipment for the liquefied transportation, storage, and shipment of CO_2 (Tomakomai, Kawasaki, Setouchi, etc.)

Climate-related 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.

Important factor	Societal Changes	Opportunities / Risks		Expectations and Concerns of Stakeholders toward the JFE Group	Strategies and Initiatives	Financial Impact (2030–2035 assumptions)*1 Item	Financial Impact (2030–2035 assumptions)*1 Amount / scale
1.5°C scenario (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	Up 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 ↘	• Increased financial burden due to the purchase of emission allowances and an increased burden of compliance requirements due to strengthened regulation • Decline in sales volume to Europe	• Ensuring full compliance with environmental regulations • Establishment of reliable carbon-neutral technologies • Policy engagement toward achieving carbon neutrality	Increased costs burdens resulting from the introduction of systems such as GX-ETS*2 and EU-CBAM, and a decline in sales to Europe	Up to about –¥10 billion per year

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

*2 The GX-ETS figure is calculated based on the assumption that 1% of emissions were not met.

Strategies by Function (Initiatives to Achieve Environmental Sustainability)

(Continued)

Important factor	Societal Changes	Opportunities / Risks		Expectations and Concerns of Stakeholders toward the JFE Group	Strategies and Initiatives	Financial Impact (2030–2035 assumptions)*1	
						Item	Amount / scale
1.5°C scenario (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 • Lobbying related to prices and stable supply of electric power	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 (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 ultra-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 (4) Increase in demand for solutions promoting decarbonization	Transition to decarbonized society	Expansion of business opportunities in decarbonization and solutions business	Opportunities	Expansion of renewable energy-related business	• Expansion of integrated construction and operation businesses for renewable energy plants (offshore wind, geothermal, solar, 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	• Expansion of integrated construction and operation businesses for plants that thoroughly utilize waste (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 (ecosolutions) 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 solutions business	Tens of billions of yen
4°C scenario (5) Unstable procurement of raw materials due to increased frequency of 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 (6) Damages to business bases due to climate disaster	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 (7) Resilience to physical risks	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 segment profit in infrastructure field of the engineering business	Further increase from around ¥12 billion/year under a 1.5°C scenario

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

*2 The GX-ETS figure is calculated based on the assumption that 1% of emissions were not met.

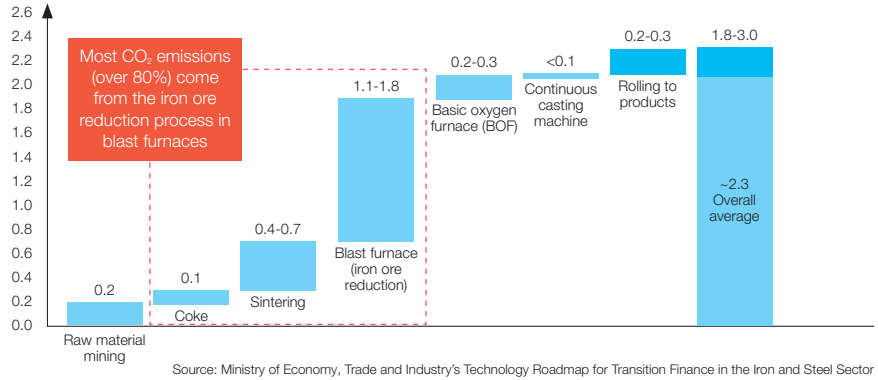


Carbon Recycling Blast Furnaces: Advantages and Challenges

Features

- The blast furnace (BF) and basic oxygen furnace (BOF) process enables the highly efficient mass production of high-quality, high-performance steel. Approx. 80% of CO_2 emissions in the steel manufacturing process are from the iron ore reduction process in blast furnaces.
- Carbon recycling blast furnaces convert the emitted CO_2 into methane and recycle it as a reductant, significantly reducing the use of coke.
- We pursue carbon neutrality utilizing CCUS.

Ratio of CO_2 emissions from steel manufacturing processes (t-CO_2/t-crude steel)



Source: Ministry of Economy, Trade and Industry's Technology Roadmap for Transition Finance in the Iron and Steel Sector

Challenges

- Strive to develop the world's first technology to reduce CO_2 emissions by injecting large amounts of methane along with oxygen blown into a blast furnace
- Strive to develop the world's first integrated operation with large-scale methanation facilities

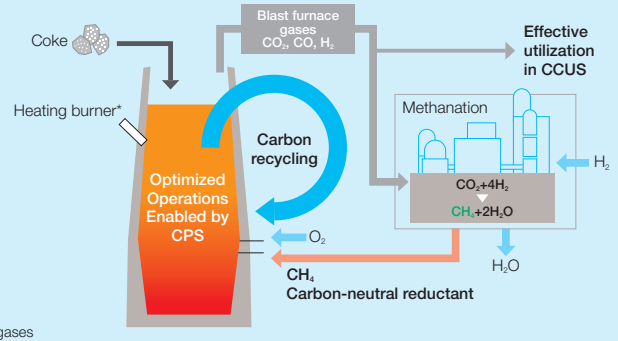
Advantages

- Highly efficient production, equal to that of conventional blast furnaces
- High-quality, high-performance steel manufacturing equivalent to that of conventional blast furnaces
- Most existing facilities can still be used
- Low-grade iron ore can be used

External hydrogen is used to convert CO_2 contained in gas emissions into methane, which is then blown into blast furnaces, significantly reducing CO_2 generated.

Technology

Carbon Recycling Blast Furnace Systems and Initiatives



* Uses circulating gases

Development currently underway with funding from the "Green Innovation (GI) Fund Project" under "Hydrogen Utilization in Iron and Steelmaking Processes," commissioned by NEDO.

Progress

- The start-up of the small-scale (150 m^3) carbon recycling test blast furnace at the East Japan Works (Chiba District) was completed in May 2025. Technical verification through demonstration operations is currently underway.
- While advancing demonstrations on the integrated operation between oxygen blast furnace and/or blast furnace and methanation facilities, we are exploring options for future scaling up.

Target

- Develop technologies to reduce CO_2 emissions from the steelmaking process by 50% in the blast furnace method through an integrated approach combining all available decarbonization technologies.
- Maintain stable operations through the utilization of Cyber-Physical System (CPS) technologies that optimize operations by continuously analyzing and feeding back sensor data.
- Ultimately achieve carbon neutrality by combining it with CCUS technologies.

Strategies by Function (Initiatives to Achieve Environmental Sustainability)

Innovative Electric Arc Furnaces: Advantages and Challenges of Large, High-Efficiency EAFs

Large-scale investment in process conversion to reduce GHGs **30%** or more by FY2030

Features

- CO_2 emissions from the electric arc furnace (EAF) method are roughly a quarter of those generated by the blast furnace (BF) and basic oxygen furnace (BOF) process, but challenges with production capacity and product quality remain.
- Innovative EAFs can produce high-quality, high-performance steel for the manufacturing industry (e.g. for vehicles, ships, energy facilities, and construction) equivalent to that of blast furnaces.
- We aim to achieve zero CO_2 emissions by utilizing hydrogen reduced iron and decarbonized electric power in the near future.

Challenges

- Developing high-speed, high-efficiency melting technology for use in electric arc furnaces
- Developing technology to remove and neutralize impurities from scrap and direct reduced iron

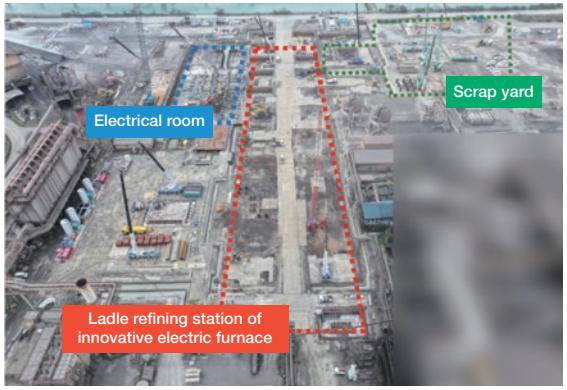
Advantages

- We can introduce innovative EAFs to replace blast furnaces faster than our competitors.
- We can solve issues by applying the processing technologies we have cultivated to date.

Progress

- Following the April 2025 subsidy approval*, we removed existing equipment and began installation of foundation piles in late October 2025.
- Through testing with existing electric arc furnaces and demonstration furnaces, we are on track to develop high-quality, high-efficiency technologies.
- Going forward, we will transition to engineering work aimed at implementing these technologies in innovative electric arc furnaces and moving toward line production.

* Support Program for Energy and Manufacturing Process Transformation in hard-to-abate (HTA) Industries

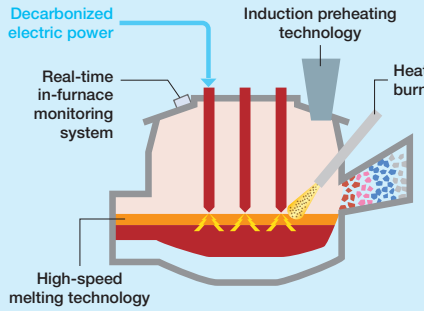


Construction progress as of April 2026

Building a mass production system for high-quality, high-performance GX steel produced from innovative EAFs

Technology

Introducing an innovative EAF to the West Japan Works (Kurashiki district)



Investment size	¥329.4 billion (Of this amount, the maximum government support is 104.5 billion yen. The self-financed portion will be covered by Japan's first transition loan, which was secured in March 2026 through the GX Acceleration Agency's debt guarantee program and other mechanisms.)
Investment details	Innovative EAF, external refining facilities, cold iron logistics facilities, seawall upgrades, power distribution facilities, etc.
Production capacity	Approx. 2 million tonnes/year
Production start	FY2028 Q1
GHG reduction effects	Approx. 2.6 million tonnes/year

- A formal decision was made in April 2025 to introduce the EAF to the West Japan Works (Kurashiki district) following a decision to authorize the Support Program for Energy and Manufacturing Process Transformation in hard-to-abate (HTA) Industries (Project I: Steel), which is a government support measure utilizing GX economy transition bonds.
- We plan to partially implement the technology developed under "Hydrogen Utilization in Iron and Steelmaking Processes" of the "Green Innovation (GI) Fund Project," commissioned by NEDO.

Target

- Establishing highly efficient melting technology and high-quality, high-performance steel manufacturing technology using the EAF method

Strategies by Function (Initiatives to Achieve Environmental Sustainability)

Pioneering the GX steel market

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 GX 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. GX initiatives are steered by JFE Steel's GX Strategy Headquarters, while key decisions are deliberated and finalized by the Group Management Strategy Committee and the Board of Directors.

GX steel* "JGreeX™" supply

Starting in 2023, JFE Steel began supplying GX Steel "JGreeX™", which significantly reduces GHG emissions in the steel manufacturing process compared to conventional products. JGreeX™ is achieved by allocating verified GHG emission reduction generated through the company's technologies to any steel product. By supplying this steel, which incorporates verified GHG emission reduction and offers high environmental value, we contribute customers to reduce their GHG emissions related to steel use.

* GX steel is defined in the Japan Iron and Steel Federation's GX Steel Guidelines as "Green Steel for GX," as specified in the summary report of the "Study Group on Green Steel for GX" convened by the Ministry of Economy, Trade and Industry in January 2025.

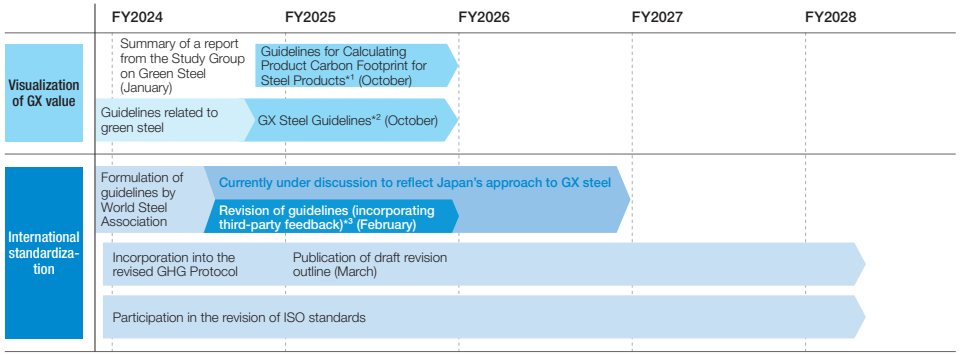
Expanding GX steel demand

- To achieve carbon neutrality by 2050, amid efforts to reduce carbon in the economy and society, we will convert high-quality steel to GX 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 GX steel. Sales volume for fiscal 2025 met the KPI.
- In addition to being eligible for government priority procurement under the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities and CEV subsidies to promote vehicle adoption, our efforts also qualify for pilot projects in public works, the Net Zero Energy Building (ZEB) Demonstration Project run by the Ministry of the Environment, and the funding program for the adoption of zero-emission ships. These measures are designed to stimulate demand.
- We will steadily reduce GHGs in the steel business. We aim to expand the supply capacity of GX steel to 3 million tonnes/year by fiscal 2030.



GX steel standardization initiatives

- October 2025: As a member of the Japan Iron and Steel Federation, formulated the Guidelines for Calculating Product Carbon Footprint for Steel Products*1 and the GX Steel Guidelines*2.
- Revised the World Steel Association guidelines*3 (incorporating third-party feedback). Discussions are ongoing to reflect Japan's GX steel approach.
- Working toward ISO standardization and incorporation into the GHG Protocol to lay the groundwork for international standardization.



*1 https://www.jisf.or.jp/business/ondanka/kouken/greensteel/documents/steelcfpguideline_final.pdf (Japanese only)
*2 https://www.jisf.or.jp/business/ondanka/kouken/greensteel/documents/GXSteelGuidelinev4.1_translation_May2026.pdf
*3 Guidelines for GHG accounting when using chain of custody approaches in the steel industry
https://worldsteel.org/wp-content/uploads/worldsteel-chain-of-custody-guidelines_Version-1.2_Feb2026_FINAL-1.pdf

Strategies by Function (Initiatives to Achieve Environmental Sustainability)

GX strategy aligned with policy

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
R&D support selected in January 2022	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. Solving these issues requires R&D, so we 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). The four companies will all together receive support of around ¥439.2 billion and are promoting efforts toward achieving carbon neutrality by 2050.
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 the energy and manufacturing processes 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 policies such as support for the procurement and purchase of GX products.
56th Advisory Committee for Natural Resources and Energy - Strategic Policy Committee held in June 2024	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.
Working Group on Carbon Pricing toward GX held in September 2024	At the first meeting, Hiroyuki Tezuka, a Fellow at JFE Steel, presented his views on designing the GX-ETS system based on the realities of the steel industry. He explained the industry's unique characteristics, including high marginal abatement costs and the need for long-term technological development, and emphasized the importance of maintaining international competitiveness and creating a market for GX products.	Based on this working group's summary of key issues, the GX-ETS system design incorporates sector-specific characteristics. Additionally, the steel industry's proposals, such as system design measures to encourage GX investment, have been integrated into the system design process.
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.
Issuance of capital investment support decided in April 2025	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 ¥329.4 billion. We are now constructing the furnace and aim to launch operations in the first quarter of FY2028.
Establishment of GX Steel Guidelines in October 2025	At the "Green Steel Study Group for Promoting GX," organized by the Ministry of Economy, Trade and Industry, "Green Steel for Promoting GX" was designated as eligible for government support aimed at increasing demand. The following three guidelines have been established based on this designation: • Guidelines for Calculating Product Carbon Footprint for Steel Products • GX Steel Guidelines (formerly: "Guidelines on Green Steel") • Guidelines for Calculating the Carbon Footprint of Steel Produced Using Non-Fossil Electricity	Starting in FY2025, GX steel has been incorporated into the government's priority procurement program under the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and has been included in the CEV subsidies to promote vehicle adoption. Starting in FY2026, GX steel has been included in pilot projects utilizing it in public works, the Ministry of the Environment's ZEB Demonstration Project, and also the funding program for the adoption of zero-emission ships.

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
World Steel Association	Aligned	Aligned	Aligned	Aligned
Keidanren (Japan Business Federation)	Aligned	Aligned	Aligned	Aligned

DX Strategy

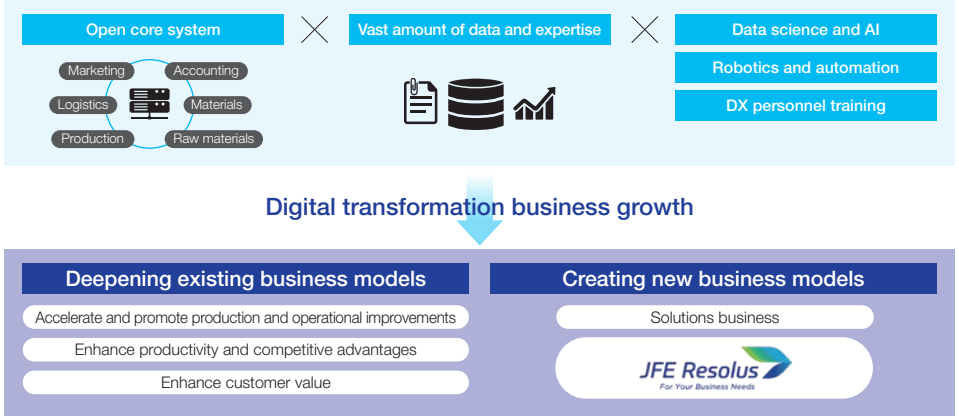
JFE Group's DX Strategy and Eighth Medium-term Business Plan Initiatives

We are promoting DX with the operational data and know-how accumulated across a wide range of business fields throughout our long history as well as the core systems we migrated to open architecture ahead of our peers. Under the Eighth Medium-term Business Plan, we plan to invest ¥110 billion in DX, and the measures at each Group company are proceeding according to plan.

Noteworthy DX Companies 2026 Digital Transformation

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

DX Policy



JFE Group's Cybersecurity

The JFE Group positions cybersecurity as a material issue that goes hand in hand with DX promotion. We are working to strengthen the entire organization against increasingly advanced and sophisticated threats by standardizing regulations, audits, IT measures, and incident responses across the Group.

Furthermore, we are introducing zero trust security measures, strengthening cyber BCP,* and recruiting and developing advanced security professionals with the aim of further enhancing the security level of the entire Group.

* Cyber BCP: Business continuity plans preparing for cyberattacks

Speeding up management and enhancing productivity using AI

In addition to our existing DX strategy, we are promoting the use of AI. With the overarching aim of creating customer value, we are working to speed up management decision-making by introducing AI agents and to achieve revolutionary productivity improvements using AI, including physical AI.

JFE Steel's use of generative AI

JFE Steel has established a generative AI platform and is working to enhance operational efficiency and improve management decision-making. The company expects registered Copilot licenses to reach 5,600 in fiscal 2026, with individual-level use proceeding apace. AI agent development is also accelerating. Agents are being developed and deployed to address over 50 issues, including capital investment decisions and assessments of deals in the sales department, and JFE Steel has even begun using them in fields related to management decisions. In addition, the company is independently building AI-driven systems that index and utilize the tacit knowledge of veteran employees, and we will continue expanding the scope of autonomous business execution this enables.

JFE Engineering's use of generative AI

JFE Engineering positions generative AI at the core of its operational reforms and has expanded the number of users of its company-wide generative AI service Pla'cello xChat™ (released September 2023) to approximately 3,000 users, or about 55% of all employees. In its mainstay plant business, the company uses the service to power a chatbot that rapidly identifies pertinent information from voluminous equipment instruction manuals, which helps to enhance the quality and efficiency of frontline responses.



Instruction manual | Pla'cello xChat™ | Chatbot

JFE Shoji: Overhauling core systems based on the transformation of operational processes

In fiscal 2025, JFE Shoji launched the Operational Process Overhaul Team. To visualize current operations, the team organized company-wide transactions into a total of 425 patterns and identified a total of 2,246 issues. In fiscal 2026, the company is steadily carrying out the transformation of operational processes (As-Is → To-Be) and has begun to create a system with an eye toward becoming AI-ready.

Questions from investors Steel

Driving further transformation of operations following core system overhaul, and advancing to management transformation



Keiichiro Nishi
Senior Vice President,
Head of Steelworks Business
Process Innovation Team
Head of Management
Transformation Team
JFE Steel

Timeline of the modernization of core systems to open architecture

–2015 **Before the overhaul: Black-box system / limited data utilization / technological limits of the mainframe**

2016 **Constructed J-OSCloud**
- Built a platform as a base for DX promotion / secure, flexible, and highly scalable

Began the project to overhaul the core systems of steelworks
- Ahead of the warning sounded in the DX Report, began to migrate a massive system comprising around 200 million steps to a completely open architecture

2018 **Japan's Ministry of Economy, Trade and Industry (METI) announced the 2025 digital cliff issue in its DX Report***
- This refers to the impact on business continuity from failing to address aging systems
- To respond to rapidly changing business needs, METI warned that companies are required to migrate to environments capable of adopting new technologies

2025 **Completed the project to overhaul the core systems of steelworks**
- Completed full migration of core systems to an open environment before the 2025 digital cliff

2026 **Accelerating DX using the massive amount of data from open core systems**
- Accelerating data utilization using AI and other technologies and sustainably enhancing corporate value by improving operations and speeding up management decision-making
- Rolling out system overhaul support as a new product in the lineup of our JFE Resolus™ solutions business brand

* DX Report—Overcoming the 2025 digital cliff for IT systems and fully deploying DX
https://www.meti.go.jp/policy/it_policy/dx/20180907_01.pdf (Japanese only)

Our overhaul of core systems won the Grand Prix at IT Japan Award 2026 in recognition of completing one of the nation's largest and most challenging projects ahead of schedule.

Q1 I would like to hear more about the significance of completing the overhaul of core systems. How will you realize the benefits of this investment?

A1 The term DX began spreading throughout Japan due in part to the DX Report issued by METI in 2018. The report also warned about the issues posed by increasingly complex and aging IT systems, dubbing the problem as "the 2025 digital cliff."

At JFE Steel, we made overcoming the challenging problem of the 2025 digital cliff a pillar of our DX strategy, and tackled the overhaul of core systems head on. In the short period of just five years and two months, we successfully completed the modernization, comprising around 200 million steps, of the massive core systems of all our steelworks to an open environment. We successfully preserved the manufacturing know-how accumulated over many years for the future.

This effort freed us from legacy system issues, enabling us to install new equipment and undertake structural reforms. Going forward, we will strive to cut costs and reform operations by significantly enhancing productivity in system development and maintenance, thereby strengthening our competitive advantage and improving profitability.

Furthermore, we provide other companies with the experience and know-how that we accumulated through our solutions business.

Q2 How will DX contribute to management transformation?

A2 Through the process of overhauling core systems, we thoroughly visualized the operational processes of steelworks.

As a result, the inefficiencies and redundancies of our operations became apparent, and we were able to streamline operations thoroughly. This effort was the driving force that enabled us to complete the overhaul of core systems two years ahead of our initial plans. We are now applying this method to company-wide business transformation. We are reevaluating our operations, and integrating the resulting improvements. Through this activity, we have begun to see more clearly the need to simplify our organizational decision-making and consensus building processes. Starting this fiscal year, we established an organization dedicated to management transformation and began working to transform our corporate culture.

JFE's DX efforts go beyond just introducing digital technologies and instead aim to reorganize the operations themselves.

Q3 Can you tell us about your AI use policy moving forward?

A3 AI capabilities are advancing at a remarkable pace, and we will continue to make full use of them. Many JFE Steel employees have already achieved results in enhancing efficiency and productivity in daily operations. The President and other upper management members utilize AI themselves and have expanded its use to management areas, such as faster and more sophisticated decision-making. We have promoted the introduction of automated devices at manufacturing sites over many years and have begun working to generate significant value through, for example, the evolution of these devices into physical AI to optimize and enhance production and reduce costs. Other material issues include building secure platforms for AI use and establishing governance over its operation. We will continue promoting the application of AI to address the threats of cybersecurity, which have proliferated in recent years.

Intellectual Property Strategy

Securing and utilizing intellectual property as a source of competitive advantage

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 a source of its competitive advantage and constitute vital management resources for achieving sustainable growth. To maximize their value, we are committed to appropriately securing, strategically protecting, and utilizing these innovations as intellectual property (IP).

JFE Steel's intellectual property strategy aligns with Japan's Standardization Acceleration Model, promoted by the Ministry of Economy, Trade and Industry. From the early stages of R&D, JFE Steel integrates IP acquisition and international standardization. By combining open and closed strategies, the company helps shape market rules while protecting the technologies that differentiate its products. This is the basic framework of our IP strategy. More specifically, open strategy involves taking a leading role in establishing common industry rules through international standardization. In contrast, JFE Steel utilizes a closed strategy to secure patents for high-value-added products and advanced technologies that create barriers to entry and sustain competitive advantage. Through these efforts, the company's patent portfolio remains among the steel industry's leaders, both qualitatively and quantitatively.

Strengthening foreign patent filings is a central part of this strategy. As JFE Steel expands its overseas business, it is shifting from a portfolio focused primarily on Japan to one designed with global markets in mind.

In patenting advanced technologies and other innovations, JFE Steel emphasizes both scale and speed. The company strategically concentrates its IP rights in technology fields where JFE Steel is competitive by prioritizing areas based on its business models and the importance of each region. As a result, foreign patent filings in fiscal 2025 rose to 107% of the fiscal 2024 level, and JFE Steel plans to increase them to 114% of the fiscal 2024 level in fiscal 2026.

Alongside its integrated approach to IP strategy and international standardization, JFE Steel is pursuing other ways to create value from its IP. These include using IP landscape analysis*1 to identify competitors and market opportunities, and monetizing IP through JFE Resolus™, its solutions business brand.

Looking ahead, JFE Steel will further align its IP activities with its business and R&D strategies. By swiftly securing rights to advanced technologies and taking a leading role in developing global standards, we will build a robust IP foundation that supports sustainable growth.

*1 IP landscape analysis: A method of examining and analyzing IP held within and outside a company, then combining the findings with market and company information to inform IP and business strategies.

Initiatives in International Rule-Making and Standardization

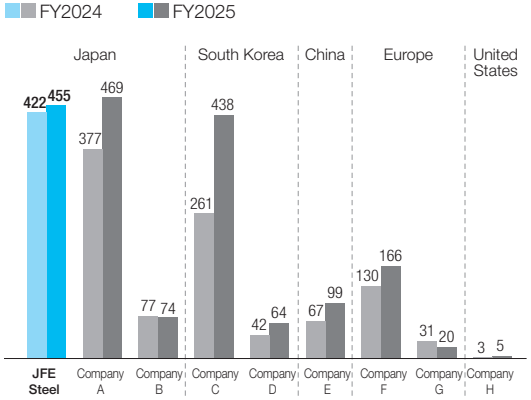
JFE Steel actively participates in the formation of international rules and standards that are essential for the steel industry. It also promotes these activities as a member of the Japan Iron and Steel Federation, an accredited industrial standards development organization. Recently, Japan has taken on the role of chair and secretariat country for the Environmental Subcommittee*2, which was established at Japan's proposal under ISO/TC 17 (Steel). By transcending corporate boundaries, JFE Steel is involved in developing standards and exploring how they can be used to create markets.*3 In addition, a JFE Steel employee chairs the subcommittee on chemical composition analysis*4 and leads efforts to build consensus on international standards by coordinating the views of participating countries. JFE Steel also develops differentiated technologies and secures appropriate IP rights. In collaboration with the Chief Standardization Officer (CSO), the company integrates standardization and IP strategies with its business strategy from the R&D stage, aiming to contribute to the industry while securing competitive advantage.

*2 ISO/TC 17/SC 21 (Environment related to climate change in the iron and steel industry): A subcommittee that develops international standards concerning the environmental impact assessment of steel products and the calculation of greenhouse gas emissions, among other topics.

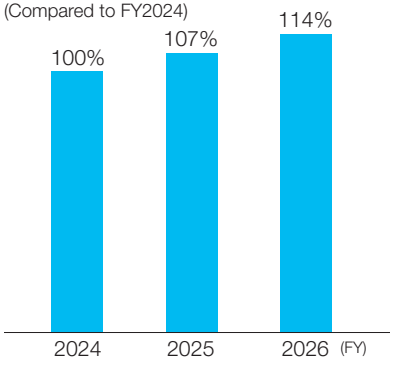
*3 International industry standardization activities (Japan Iron and Steel Federation) (➡ **p. 62 Pioneering the GX steel market**)
Please refer to the Global Actions to Address Global Warming section of the JFE Group Sustainability Report.
https://www.jfe-holdings.co.jp/en/sustainability/environment/climate/steel_industry_efforts/

*4 ISO/TC 17/SC 1 (Methods of determination of chemical composition): A subcommittee that develops international standards for methods of determining the chemical composition of steel products.

Number of PCT*5 publications



Increase in new foreign patent publications
(Compared to FY2024)



*5 International patent applications made under the Patent Cooperation Treaty (PCT)

Strategies by Function (Intellectual Property Strategy)

Results of the JFE Group's IP Activities

The JFE Group regards intellectual property as a vital management resource that supports business growth and pursues IP activities that align with its R&D and business strategies. These efforts have earned strong recognition both in Japan and globally.

JFE Holdings, Inc. was named in LexisNexis's Innovation Momentum 2026: The Global Top 100 for the second consecutive year, making it one of seven Japanese companies selected. The award recognizes 100 innovative companies leading the future of science and technology worldwide. It evaluates the competitive strength of their patent portfolios based on patent value, as well as the rate and scale of change in those portfolios over the preceding two years. JFE was highly rated for the consistent, long-term growth of both its Patent Asset Index (patent volume) and Competitive Impact (patent value). The recognition particularly reflects the strength of JFE Steel's technological innovation and IP strategy, while also demonstrating the global recognition earned by the JFE Group's IP activities.

JFE Steel ranked first in the steel, non-ferrous metals, and metal products category of Patent Asset Scale Ranking 2025 (published by Patent Result Co., Ltd.) for the second consecutive year. The asset value per patent was also substantially higher than that of its competitors, demonstrating the results of its efforts to file applications for valuable inventions and secure patent rights. JFE Steel also received a Commissioner of the Japan Patent Office Award in the patent utilization category of the fiscal 2026 Intellectual Property Achievement Awards. The award recognized its use of IP, not merely for protection, but as a strategic resource to create business through its solutions business, JFE Resolus™.

Through these initiatives, the JFE Group is steadily strengthening its management foundation, with IP strategy and international standardization working in tandem. Going forward, we will make more strategic use of our intangible assets to enhance corporate value over the medium to long term.

Steel, Non-Ferrous Metals, and Metal Products
Patent Asset Scale Ranking 2025

Ranking	Company name	Patent asset scale (pt)	Number of Patents	Asset value per patent (pt)
1	**JFE Steel**	**37,617.4**	**817**	**46.0**
2	Nippon Steel	28,698.8	919	31.2
3	Sumitomo Electric Industries	27,409.4	786	34.9
4	Furukawa Electric	12,406.6	414	30.0
5	Proterial	8,028.2	254	31.6



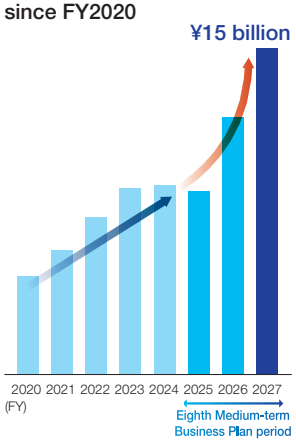
For awards related to technologies, product development, and other areas in fiscal 2025, please see the JFE Group Sustainability Report.
https://www.jfe-holdings.co.jp/en/sustainability/evaluation/award/

Promoting the JFE Resolus™ solutions business brand

JFE Steel strategically puts its IP to work as a management resource for business creation and revenue generation through its solutions business brand. JFE Resolus™ brings together the diverse manufacturing technologies and know-how JFE Steel has amassed in the development of steel-related technologies, combining them into comprehensive solutions to benefit a broad range of customers. This new business model helps customers solve challenges at their manufacturing sites and create new value.

The business has expanded beyond the partner companies and the scope of its services, which were previously limited to partner companies, and its revenue is steadily growing. Compared with fiscal 2020, profit of solution business doubled in fiscal 2023 and more than tripled in fiscal 2025. The JFE Group continues to pursue further profit of solution business growth. To achieve this goal, we are focusing on the following initiatives.

Solutions business profit has more than doubled since FY2020



- Proposing solutions for new projects that will improve profitability and expand the business of existing customers
- Identifying target industries through needs assessments, new customer discovery, and strengthened outreach
- Identifying promising technologies through IP landscape analysis and other methods
- Accelerating commercialization by strengthening internal collaboration
- Strengthening sales and distribution through closer collaboration with Group companies, and adding value through solution packaging
- Promoting the business internally and externally through websites, exhibitions, webinars, email newsletters, and other channels



Through these initiatives, the number of technologies featured on the JFE Resolus™ website has exceeded 200. Inquiries are increasing from Europe, the Americas, and countries across Asia, as well as from Japan, and sales are steadily growing.

JFE Resolus™ solutions business recognized with an Intellectual Property Achievement Award
Futoshi Yasuda, Deputy Commissioner of the Japan Patent Office (left), and Iwao Okochi, Senior Vice President of JFE Steel (right).

For information on the JFE Resolus solutions business, visit:
https://www.jfe-steel.co.jp/en/products/solution/

The Business Foundation Supporting Our Corporate Value

Leadership

Inside Directors (as of July 1, 2026)

Directors



Nomination Committee Member
Remuneration Committee Member

Yoshihisa Kitano
Representative Director
President and CEO
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 a 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 a corporate officer in management divisions, such as corporate planning, general administration, and procurement.



Newly appointed
Remuneration Committee Member

Toshihiro Tanaka
Representative Director
Executive Vice President
Date of birth: January 27, 1963

1986 Joined NKK Corporation
2026 Representative Director, Executive Vice President of JFE Holdings, Inc. (current post), Director of JFE Steel Corporation (current post)

Mr. Tanaka has abundant experience and knowledge required for finance and accounting, which he has accumulated through his experience in corporate planning and accounting/finance at JFE Steel, as well as his role as an executive officer overseeing management control, accounting, and finance at the Group companies. He also has abundant experience and knowledge required for management of the Group, which he has accumulated through management control functions such as corporate planning, finance, and investor relations at JFE Holdings and through his experience as a part-time director at JFE Engineering and JFE Shoji.



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 a corporate officer in promoting the recycling business and supervising overseas businesses.



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 the Group companies, and execution of duties as a corporate officer in the administration and sales departments.

Directors (Audit & Supervisory Committee Members)



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.



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 U.S. state of New York. 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 Directors (as of July 1, 2026)

Directors



Independent Director
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.



Independent Director
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.
Jun. 2022 Audit & Supervisory Board Member of JFE Holdings, Inc.
Jun. 2025 Director of JFE Holdings, Inc. (current post)
Mar. 2026 Senior Fellow of AGC Inc. (current post)

Significant concurrent posts
- Outside Director of EBARA CORPORATION



Independent Director
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.
Jun. 2024 Director of JFE Holdings, Inc. (current post)
Jun. 2026 Executive Ambassador of Furukawa Electric Co., Ltd (current post)

Significant concurrent posts
- Outside Director of NTT DATA Japan Corporation
- Outside Director of Toray Industries, Inc.

Please see p.72 for skill matrix.

Directors (Audit & Supervisory Committee Members)



Independent Director
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



Independent Director
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



Independent Director
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

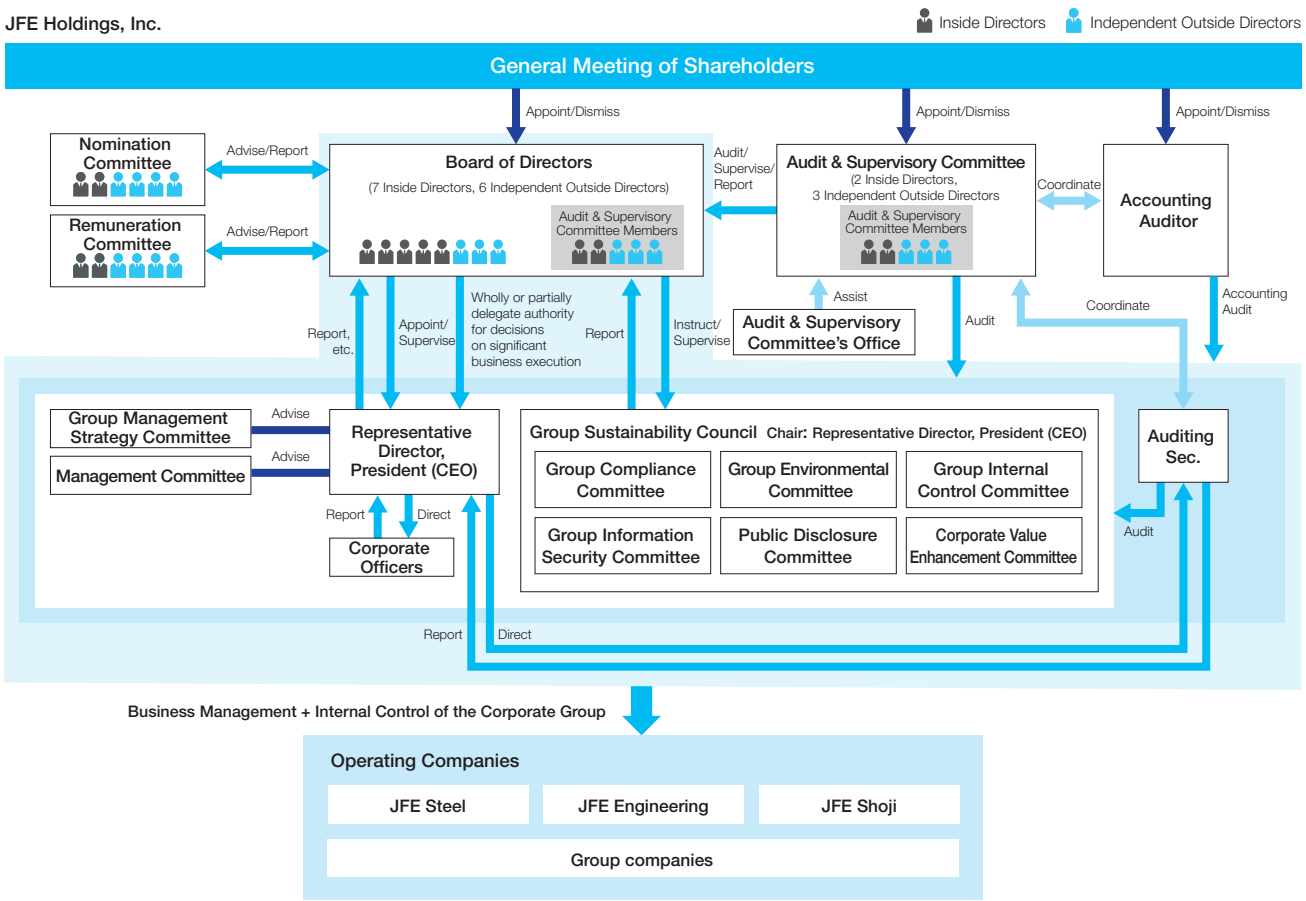
The Business Foundation Supporting Our Corporate Value

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.

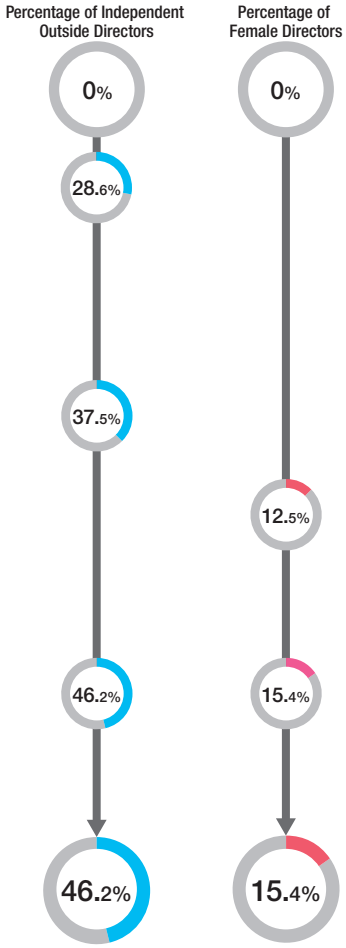
The Business Foundation Supporting Our Corporate Value

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
FY2026	■ Delegation of authority to executive officers by reviewing the standards for agenda items for meetings of the Board of Directors ■■ Establishment of CCO at the Company and Operating Companies (Strengthening of the compliance system) ■■ Establishment of CFO at Operating Companies (Strengthening of management with an awareness of capital efficiency) ■■ Establishment of CTO at Operating Companies* (Strengthening of the technology development system) ■■ Strengthening of the information-sharing system with the Board of Directors and Outside Directors

* Established at JFE Steel Corporation and JFE Engineering Corporation.



Further strengthen corporate governance through speedier decision-making and more effective supervision to achieve sustainable growth and enhance corporate value

Upon the approval of the Ordinary General Meeting of Shareholders held in June 2025, JFE Holdings has 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.

In April of this year, we revised the standards for agenda items for meetings of the Board of Directors, as well as the procedures for handling them. We are also working to strengthen various organizational structures.

Strengthening the compliance system

To ensure thorough compliance, we have appointed a Chief Compliance Officer (CCO) at the Company and our Operating Companies. The CCO is responsible for promoting compliance initiatives and responding to serious compliance incidents. In the event of a particularly serious compliance issue, the matter is promptly reported to the Board of Directors for oversight.

Strengthening management with a focus on capital efficiency

Our Chief Financial Officer (CFO) has promoted management that prioritizes capital efficiency while balancing growth investments with financial discipline. To further this focus, we have appointed CFOs at our Operating Companies. These CFOs will review the business environment, profitability, and risk assessments of investment proposals. The JFE Holdings CFO will then review their alignment with the Groupwide strategy and the Medium-term Business Plan. Through this robust framework involving our CFO and the CFOs of our Operating Companies, we will enhance corporate value.

Strengthening the technology development framework

To improve alignment between technology development and management strategy, as well as to promote technology development that creates value, we have decided to appoint a Chief Technology Officer (CTO) at both JFE Steel and JFE Engineering. This will strengthen the executive framework for technology development.

Additionally, we are working to improve the system for sharing information with the Board of Directors and outside directors.

(➡ p. 73 Operation of the Board of Directors and Audit and Supervisory Committee)

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

Establishment of consultative bodies

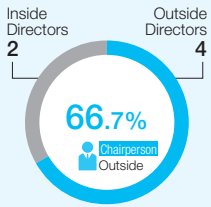
Nomination Committee

No. of meetings held: 3 / Attendance rate: 100%

Main duties and roles
Deliberates and reports to the Board of Directors as an advisory body of the Board of Directors to ensure the fairness, objectiveness and transparency of personnel affairs of Directors, etc.

Main activities
Deliberations on matters pertaining to the basic policies on the election and dismissal of the President, draft proposals for the election of candidates for the President, succession plans of the President, and the nomination of candidates for Outside Directors

Composition



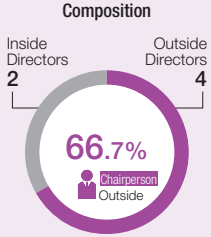
Remuneration Committee

No. of meetings held: 5 / Attendance rate: 100%

Main duties and roles
Deliberates and reports to the Board of Directors as an advisory body of the Board of Directors to ensure the fairness, objectiveness and transparency of remuneration of Directors, etc.

Main activities
Deliberation on basic matters (appropriateness of remuneration levels, composition of remuneration, and calculation indicators and formulas for performance-linked remuneration) related to remuneration for officers of the Company and its Operating Companies

Composition



The Business Foundation Supporting Our Corporate Value

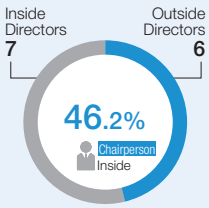
Operation of the Board of Directors and the Audit & Supervisory Committee

Board of Directors — No. of meetings held: 15 / Attendance rate: 99.6%

Main duties and roles
- Be responsible for the Company's sustainable growth and the enhancement of medium-to long-term corporate value.
- Make material decisions on management including formulation of business plans of the JFE Group and basic policies on management.
- Supervise the overall management including business execution by executives.

Composition

13 Directors



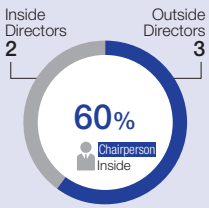
Main matters discussed in FY2025
- Formulation of JFE Vision 2035 and the Eighth Medium-term Business Plan
- Progress of the Eighth Medium-term Business Plan
- Large-scale investment projects (expansion of production capacity at JSW JFE Electrical Steel Nashik Private Limited, joint venture integration of an integrated steelworks with JSW Steel Limited, etc.) and investment follow-up
- Sustainability initiatives (carbon neutrality initiatives, strengthening of corporate governance and compliance systems, etc.)

Audit & Supervisory Committee — No. of meetings held: 14 / Attendance rate: 100%

Main duties and roles
- As members of an independent entity, endeavor to ensure the sound and sustainable growth and the enhancement of social trust of the Company through auditing and other procedures of the execution of duties by Directors, among others.
- Audit & Supervisory Committee Members, through the Audit & Supervisory Committee, endeavor to share the significant information obtained from their duties, and aim for appropriate auditing and other procedures through exchange of opinions with other Audit & Supervisory Committee Members.

Composition

5 Directors who are Audit & Supervisory Committee Members



Main activities
- Conducting hearings of reports from Directors, Corporate Officers, and employees, etc., and exchanging opinions with Representative Directors
- Attendance at important meetings, etc., on-site inspections and visits
- Cooperation with the Accounting Auditor and internal audit departments
- Formation of opinions, etc. concerning the election, dismissal, etc. of Directors and their remuneration, etc.

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.

Training for Directors
- JFE Group overview, Medium-term Business Plan progress status, financial status, management issues (newly appointed Outside Directors)
- Training on GX (Green Transformation)-related policies and the Group's initiatives (all Directors, FY2026)

Board of Directors Briefings: 14 times

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.

Board of Directors meetings convened at major business bases: 2 times
- JFE Steel East Japan Steelworks (Keihin district)
- JFE Steel West Japan Steelworks (Fukuyama district)

Meetings exclusively for Outside Directors: 4 times (Of these, two were meetings to exchange opinions with the executive branch.)

Tours of major business bases and Group companies
- JFE Steel East Japan Steelworks (Keihin district)
- JFE Steel West Japan Steelworks (Fukuyama district)
- JFE Engineering Kasaoka Monopile Factory
- Studco Australia and coking coal mines


JFE Engineering Kasaoka Monopile Factory

Additionally, providing Outside Directors with the following information helps them gain a deeper understanding of the Company's business. This fosters constructive discussions at Board of Directors meetings.

- **Summary of materials and discussions from the management and Group management strategy meetings**
- **Macroeconomic overview and steel supply and demand overview**
- **Monthly profit and loss**
- **Analyst reports**
- **Other topics:** publication of integrated and sustainability reports, participation in trade shows, status and content of business briefings held by the Operating Companies, status of meetings with institutional investors and topics of interest, status and content of analyst site visits and small meetings, etc.

The Business Foundation Supporting Our Corporate Value

Evaluation of the effectiveness of the Board of Directors

In line with the Basic Policy on Corporate Governance, the Board of Directors of the Company has been engaged in evaluating the effectiveness of the Board of Directors as a whole since fiscal 2015, and conducting analysis and evaluation by using a third-party organization to incorporate an objective standpoint independent from the Company since fiscal 2018.

In addition, in fiscal 2025, the Company conducted a questionnaire survey covering the following matters for all Directors.

Moreover, the Company verified results of the initiatives implemented in fiscal 2025 based on the opinions and recommendations obtained from the analysis and evaluation in fiscal 2024.

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

As a result of discussions at the Board of Directors based on the survey results and evaluation by the third-party organization, the Board of Directors determined that its overall effectiveness was ensured through robust discussions among members, as comments were proactively expressed, supported by substantial preliminary briefing sessions before Board meetings and appropriate proceedings by the Chairperson.

Issues identified in the evaluation of effectiveness for FY2024

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

- In conjunction with the transition to a company with an Audit & Supervisory Committee, after discussing the ideal state of the Group management at the Board of Directors, the Company revised the standards for agenda items for meetings and operational procedures of the Board of Directors, with the aim of accelerating decision-making and enhancing strategic discussions.
- The Company increased the frequency of the Outside Directors' meetings, which have been held continuously, and, when necessary, the Outside Directors requested the participation of executive members in these meetings, thereby promoting the sharing and exchange of opinions on important management issues, analysis of market evaluations, and initiatives for improvement, leading to more active discussions at meetings of the Board of Directors.
- The Company formulated the Basic Policy on Corporate Governance and worked to strengthen the compliance structure by clarifying responsibilities through the establishment of CCO positions at the Company and each Operating Company.

Issues for FY2026

- The Company should confirm the effectiveness of the Board of Directors, whose operations have been revised in conjunction with the transition to a company with an Audit & Supervisory Committee, and continue discussions toward an optimal structure, including its scale and composition, to achieve further improvements.
- Toward the realization of the medium- to long-term business strategy, in addition to enhancing discussions on consistency with plans and capital efficiency, the market valuation should be analyzed and discussions for improvement should be further enhanced.
- Toward enhancing the effectiveness of the internal audit function, discussions on the role and structure of internal audits should be continued.

Taking the identified issues into account, 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

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 attained 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

Percentage of compensation when the Company's President achieves performance targets

Basic remuneration : Annual bonus : Stock remuneration 2 : 1 : 1



Annual bonus

The annual bonus is linked to performance achieved in a single fiscal year and consists of both financial and ESG performance components. For the financial performance component, total segment profit is used as the performance indicator to provide incentives aligned with earnings targets. The ESG performance component consists of three indicators: safety, climate change, and employee engagement, which are key management priorities of the Company. For each indicator, KPIs related to the materiality issues of the Company and its Operating Companies are selected as performance measures. The annual bonus for each individual is calculated by multiplying the degree of achievement of each selected performance indicator by a preset amount for the relevant position.

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
Calculate achievement levels based on the number of fatal accidents and the frequency of lost-time injuries.

+

Climate change indicators
Calculate achievement levels based on selected items from our climate change initiatives.

+

Employee engagement indicator
Calculate achievement levels based on the percentage of positive responses to work engagement questions in the engagement survey.

If the target achievement rate for each performance-linked remuneration component were 100%, the ratio would be:
Financial Performance: Safety Indicators: Climate Change Indicators: Employee Engagement Indicators = 8:1:1:1.

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

The Business Foundation Supporting Our Corporate Value

Stock remuneration

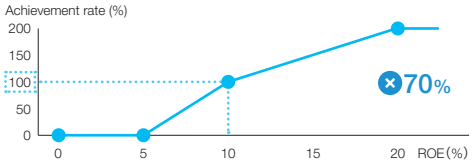
The stock remuneration plan is determined in accordance with the performance targets, etc., in the Group's medium-term business plan. To ensure the remuneration system further promotes shared value with shareholders, we have adopted a mechanism that determines pay levels according to the rate of achievement for return on equity (ROE) and relative total shareholder return (TSR).

Stock Remuneration

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

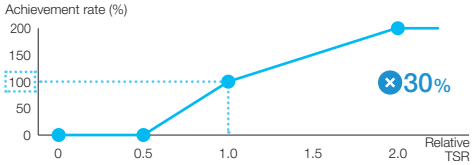
Performance-linked portion

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 Company's Director and Corporate Officer Remuneration

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

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 Board of Directors and the Management Committee, etc. 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.

Following our transition to a company with an Audit & Supervisory Committee in fiscal 2025, we are delegating authority to management and advancing initiatives to strengthen the Board of Directors' oversight functions.

Structure of Group Management Strategy Committee and Management Committee

Group Management Strategy Committee (JFE Holdings)

Chairperson: President
Attendees: Inside Directors and Corporate Officers

Management Committee (JFE Holdings)

Chairperson: President
Attendees: Inside Directors (excluding 3 Operating Company Presidents) and Corporate Officers
* Presidents and management executives from Operating Companies attend as appropriate.

Management Committee (each Operating Company)

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

Sustainability system

Topics addressed by the Board of Directors

- Initiatives for climate change
- Safety activities at Operating Companies
- Results of the employee engagement survey and status of its initiatives
- Strengthening of compliance systems
- Status of initiatives to address human rights due diligence

Board of Directors

Instruct / Supervise

Group management philosophy, risk management, responsibilities to stakeholders and society, other corporate initiatives

Reporting

JFE Group Sustainability Council

Head: Representative Director, President (CEO) of JFE Holdings
Attendees: Inside Directors and Corporate Officers*
* Presidents and management executives from Operating Companies attend as appropriate.

Topics

Compliance, environment, climate change, internal controls, human rights, personnel and labor, safety, disaster prevention, quality, financial reporting, status of internal audits, social contributions, information security, ESG risks, protection and improvement of corporate value, etc.

(1) Deliberate Group policies and CSR sustainability action plans (including guidance for important projects)
(2) Supervision of policy uptake
(3) Share information about issues and how problems were addressed, horizontal development

- Group Compliance Committee
- Group Environmental Committee
- Group Internal Control Committee
- Group Information Security Committee
- Public Disclosure Committee
- Corporate Value Enhancement Committee

Operating Companies, Group companies

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 have established CCO positions at JFE Holdings and the Operating Companies on April 2026 and clarified the details of the collaboration between the internal auditing department and the Audit & Supervisory Committee.

Basic Policy to Establish the Internal Control System
https://www.jfe-holdings.co.jp/en/common/pdf/company/info/basic_policy_internal_control.pdf

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

Strengthening Internal Control

■ Internal audits

JFE Holdings, the Operating Companies, and key Group companies had internal audit organizations comprising 187 people as of April 1, 2026. 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

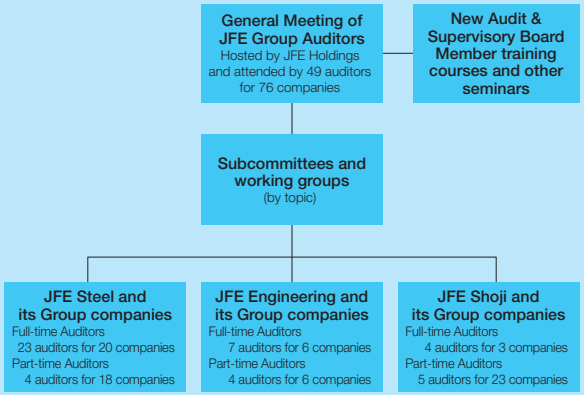
The Audit & Supervisory Committee comprises five members, including three who are Outside Directors. With regard to the internal control system, the Audit & Supervisory Committee receives regular reports from directors and corporate officers regarding its establishment and operation, and, as necessary, requests explanations from directors and corporate officers and expresses its opinions. Members of the Audit & Supervisory Committee follow the Committee's regulations, audit policies, audit plans, and division of duties. They coordinate with the Company's internal auditing department, attend Board of Directors meetings and other important meetings, receive reports from directors and corporate officers regarding their performance, request explanations from directors and corporate officers as necessary, review important approval documents, and investigate the status of the Company's operations and assets. With regard to the subsidiaries, the Committee maintains communication with their directors, auditors, and other officers, and receives business reports from them, as necessary. The Committee also reviews the status of their operations and assets. Through these methods, the Audit & Supervisory Committee audits the directors' execution of their duties. Regarding the appointment, dismissal, and remuneration of directors, the Audit & Supervisory Committee forms its opinions after reviewing the deliberations of the Nomination and Remuneration Committees.

A total of 49 full-time corporate auditors (full-time Audit & Supervisory Committee Members and full-time Audit & Supervisory Board Members) and part-time Audit & Supervisory Board Members* have been appointed to 76 Group companies, including JFE Holdings.

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.

* Each dispatched part-time Audit & Supervisory Board Member audits one to five Group companies. Thirteen Audit & Supervisory Board Members served 47 companies in total.

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 holds meetings with the outside accounting auditor on a regular basis and as needed to receive reports on audit plans, status updates, and 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 holds meetings with the internal auditing department on a regular basis and as needed to receive reports on internal audit plans, status updates, and audit results. To enhance the effectiveness of our audits, we request that the Internal Audit Department conduct investigations as appropriate and provide specific instructions.

■ 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.

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 Affiliates

- **GECOSS Corporation**
- **SHINAGAWA REFRA Co., Ltd.**
- **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 independent 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 2026.

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

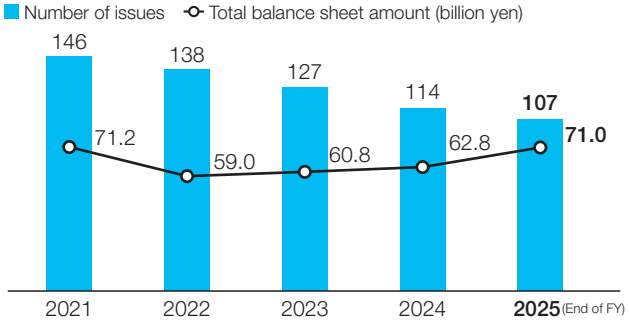
Basic Policies for Strategic Shareholdings, etc.

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 2025, the Group sold all or part of its shareholdings in 5 listed companies for ¥2.4 billion (market value basis). Furthermore, in August 2025, 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

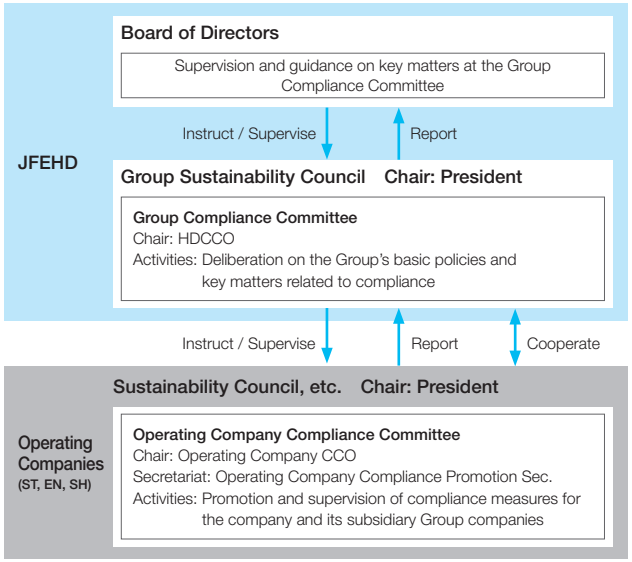
The JFE Group’s Standards of Conduct guides employees to conduct their business activities based on the Corporate Vision and Corporate Values.

In April 2026, we formulated the JFE Group’s Basic Policy on Compliance and worked to strengthen the compliance structure by clarifying responsibilities through the establishment of CCO (Chief Compliance Officer) positions at the Company and each Operating Company. We strive to strengthen compliance during normal operations through collaboration between our CCO and the CCOs of our Operating Companies. In the event of a serious compliance incident, the CCO promptly reports it to the Board of Directors, which provides the necessary oversight. We have also established compliance organizations within our Operating Companies.

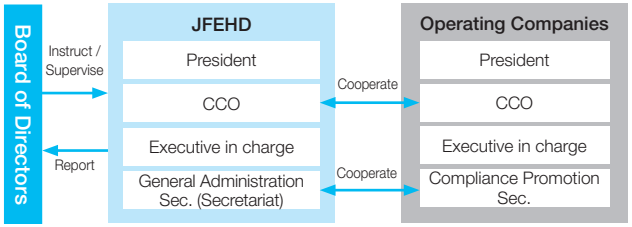
They also help to strengthen awareness among all JFE Group executives and employees and ensure adherence to corporate ethics. The Compliance Committee, which was established under the Group Sustainability Council, generally convenes four times a year to deliberate basic policies and issues and then supervise 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
JFE Group’s Basic Policy on Compliance
https://www.jfe-holdings.co.jp/en/company/philosophy/compliance-policy.html

Compliance system



Procedures in the event of a compliance issue



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

	FY2024	FY2025
JFE Holdings and Operating Companies	161	159
Group companies	153	146
	314	305

JFE Group Basic Policy on Competition Law Compliance
https://www.jfe-holdings.co.jp/en/company/philosophy/competition-law.html
Basic Policy on Preventing Bribery of Public Officials
https://www.jfe-holdings.co.jp/en/company/philosophy/anti-bribery.html
JFE Group Privacy Statement
https://www.jfe-holdings.co.jp/en/privacy.html
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. 57—59 TCFD-aligned disclosures and risk management)
(➡ pp. 66—67 Intellectual Property Strategy)

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/

The Business Foundation Supporting Our Corporate Value

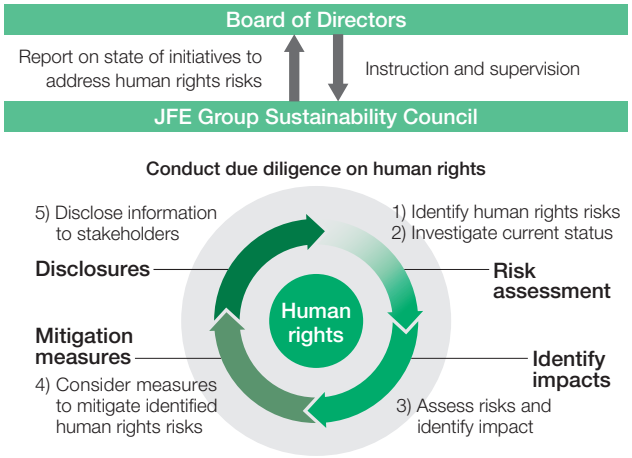
Respect for Human Rights

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

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

Identified 15 human rights issues to consider

1	Compliance with standards and guidelines for respecting human rights in line with international norms	2	Avoiding complicity in human rights abuses, compliance, social security, and fair competition	3	Prohibition of discrimination and equality before the law
4	Access to relief	5	Thorough supplier management	6	Harassment and abuse
7	Women's rights	8	Child labor	9	Forced labor
10	Occupational safety and health	11	Work hours	12	Appropriate working environment
13	Wages that afford adequate living standards	14	Freedom of association and the right to collective bargaining	15	Rights of indigenous and local people

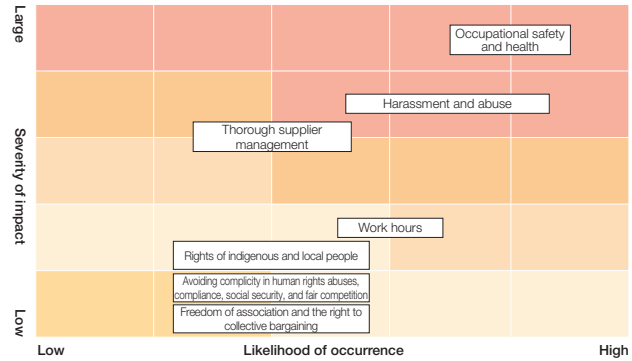
2) Investigate current status

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 Identify 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 measures to mitigate 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.

The Business Foundation Supporting Our Corporate Value

Group's past initiatives and future plans regarding human rights risks

First survey Second survey

		FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 (Planned)
HD and Operating Companies	**Policy formulation, etc.**						
	JFE Holdings and Operating Companies	Identified human rights risks within the Group and considered measures to address them.	Considered survey methods, priorities, and scope in preparation for a supplier survey.	Revised JFE Group Basic Policy on Human Rights and Procurement Guidelines.		Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) as a full member.	
	In-house human rights risk assessment						
	JFE Holdings and Operating Companies						
	Human rights risk assessment of suppliers						
	JFE Steel (Number of business partners: Approx. 2,200)			Survey of material and raw material suppliers: 232	Follow-up with suppliers identified as highly vulnerable among those surveyed: 39	Survey of material and raw material suppliers: 218	Follow-up with suppliers identified as highly vulnerable or at high risk among those surveyed Survey of raw material suppliers (approx. 10 to 20 companies) Scheduled start of survey of new business partners →
	JFE Engineering (Number of business partners: Approx. 3,700)			Survey of major suppliers: 107	Follow-up with suppliers identified as highly vulnerable or at high risk among those surveyed: 42	Survey of major suppliers: 76 Started survey of new business partners →	Follow-up with suppliers identified as highly vulnerable or at high risk among those surveyed: 36 →
	JFE Shoji (Number of business partners: Approx. 2,800)			Survey of suppliers of steel raw materials, environmental resources, and machinery: 65	Follow-up with all survey firms		
					Survey of suppliers of steel raw materials, environmental resources, and machinery: 88	Follow-up with all survey firms	
						Survey of steel suppliers: 14	Follow-up with all survey firms
Group Companies	**In-house human rights risk assessments by major domestic Group companies**						
	JFE Steel (a total of 28 companies)	3	2	23			
	JFE Engineering (a total of 41 companies)	3	2	26	10		
	JFE Shoji (a total of 40 companies)	2	2	36			
	In-house human rights risk assessments by major overseas Group companies						
	JFE Steel (a total of 6 companies)				3	3	
	JFE Engineering (a total of 11 companies)	1			3	3	3
	JFE Shoji (a total of 45 companies)				45		
	Risk assessment of suppliers for Group companies						
	JFE Steel Group companies						Domestic Group companies: 3
	JFE Engineering Group companies						Domestic Group companies conducted risk assessments: 2
	JFE Shoji Group companies						Domestic Group companies conducted risk assessments: 2

Grievance mechanisms

We have been a full member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) since April 2025. The Company accepts reports, complaints, and consultations on human rights issues from stakeholders across the supply chain through JaCER's non-judicial Engagement and Remedy Platform, which complies with the UN Guiding Principles on Business and Human Rights. Using this third-party contact point ensures fairness and transparency while addressing essential human rights issues and also safeguarding anonymity and confidentiality. Three reports were filed with JaCER in fiscal 2025 (One of them was deemed unrelated to human rights.) Regarding the cases we have received, we report them to management and the Sustainability Council. We conduct timely and appropriate investigations and engage in dialogue in dialogue with rights holders based on the specifics of each case.

We have set up a Corporate Ethics Hotline as an internal contact point at each Operating Company and at an independent law firm as an external contact point. Additionally, we have set up dedicated consultation desks on harassment issues at major offices. These desks accept anonymous reporting and consultations on human rights and related issues.

These help desks regularly report on their operational status, as well as reports of harassment and other human rights violations, to the JFE Group Sustainability Council and Board of Directors. This provides guidance and supervision.

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

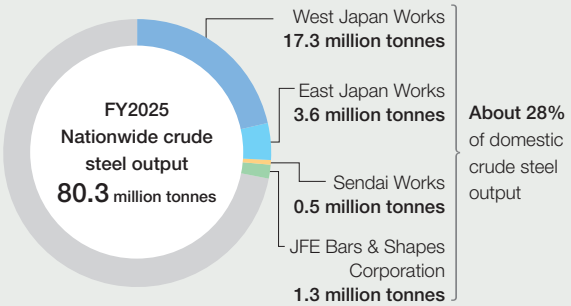
Whistleblowing system (p. 79)

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

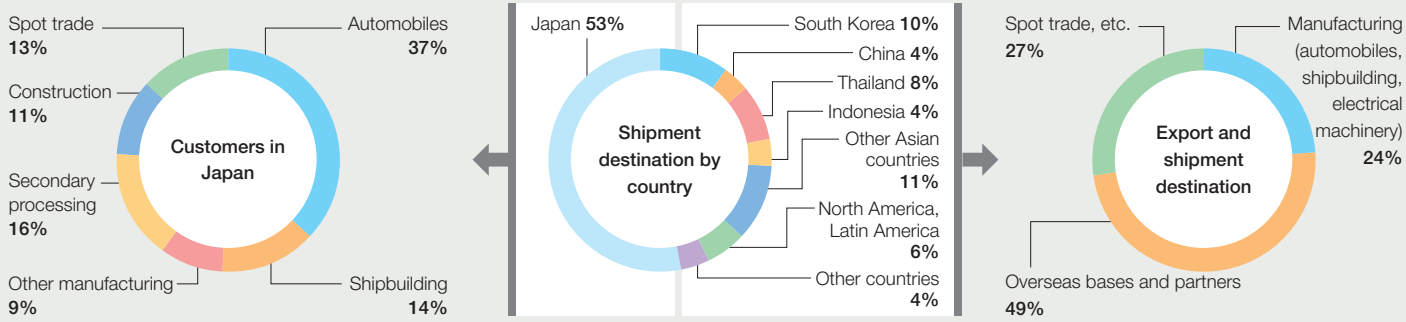
Main Domestic Bases

The Steel Business's Supply Structure

Domestic production volume



Shipment destination



Main domestic bases

JFE Steel

West Japan Works A

- The site encompasses approximately 25.1 million square meters.
- JFE Steel's core steelworks is one of the largest in the world.
- We aim for it to be the best steelworks in the world, both in terms of quality and quantity, with advanced technological capabilities and highly efficient production.

Fukuyama district

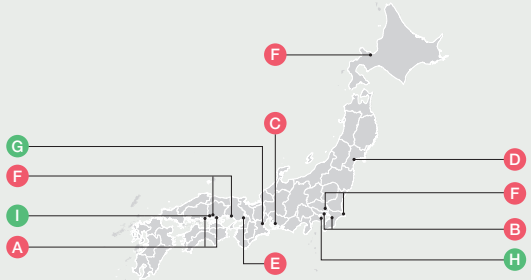


Steel sheets	Steel plates
Shaped steel	Can steel
UOE steel pipes	Slabs

Kurashiki district



Steel sheets	Steel plates
Shaped steel	Electrical steel
Bars and steel wire	Slabs



Chita Works C

- This is one of the few steelworks in the world that specializes in the production of steel pipes.
- It boasts the best product lineup in the world for a single steelworks, producing a wide variety and sizes of steel pipe products.

Electrical resistance welded pipes | Seamless pipes

JFE Bars & Shapes Corporation F

- JFE Bars & Shapes recycles steel products from steel scrap by utilizing the steelmaking process of electric arc furnaces at five domestic steelworks.

Bars and steel wire



Sendai Works D

- This steelworks specializes in bar and steel wire.
- With an integrated production system from steelmaking to rolling, the Sendai Works provides high-quality products thanks to thorough quality and process management.

Bars and steel wire | Shaped steel



East Japan Works B

- The site occupies approximately 14.68 million square meters.
- It is located near the Tokyo metropolitan area.
- It consists of the Keihin district, where Japan's first private-sector steelworks was built, and the Chiba district, where Japan's first integrated steelworks was constructed after the end of World War II.
- The Nishinomiya plant produces stainless steel products with the Chiba district.

Keihin district

Steel plates	Steel sheets
Electrical resistance welded pipes and forge-welded pipes	

Nishinomiya Plant E

Stainless steel sheets	Steel sheets

Chiba district

Steel sheets	Iron powder
Stainless steel sheets	
Spiral steel pipes	



JFE Engineering

Tsu Works G

Bridges	Coastal structures
Shinto shrine archways	Steel-made segments
Container cranes	

Tsurumi Works H

Diesel engines	
Gas engines	Shield tunneling machines
Steel pipes for water supply	Steam turbines
Commissioned metal 3D printing	

Kasaoka Monopile Factory I

Monopiles

Steel Research Laboratory
This laboratory conducts research in basic technology that supports all of our production bases, while also developing production processes and products. It also offers joint development facilities with customers.

Fukuyama district

Customer Center Fukuyama (CCF)
EVI base for customers in the automobile and steel materials fields

Chiba district

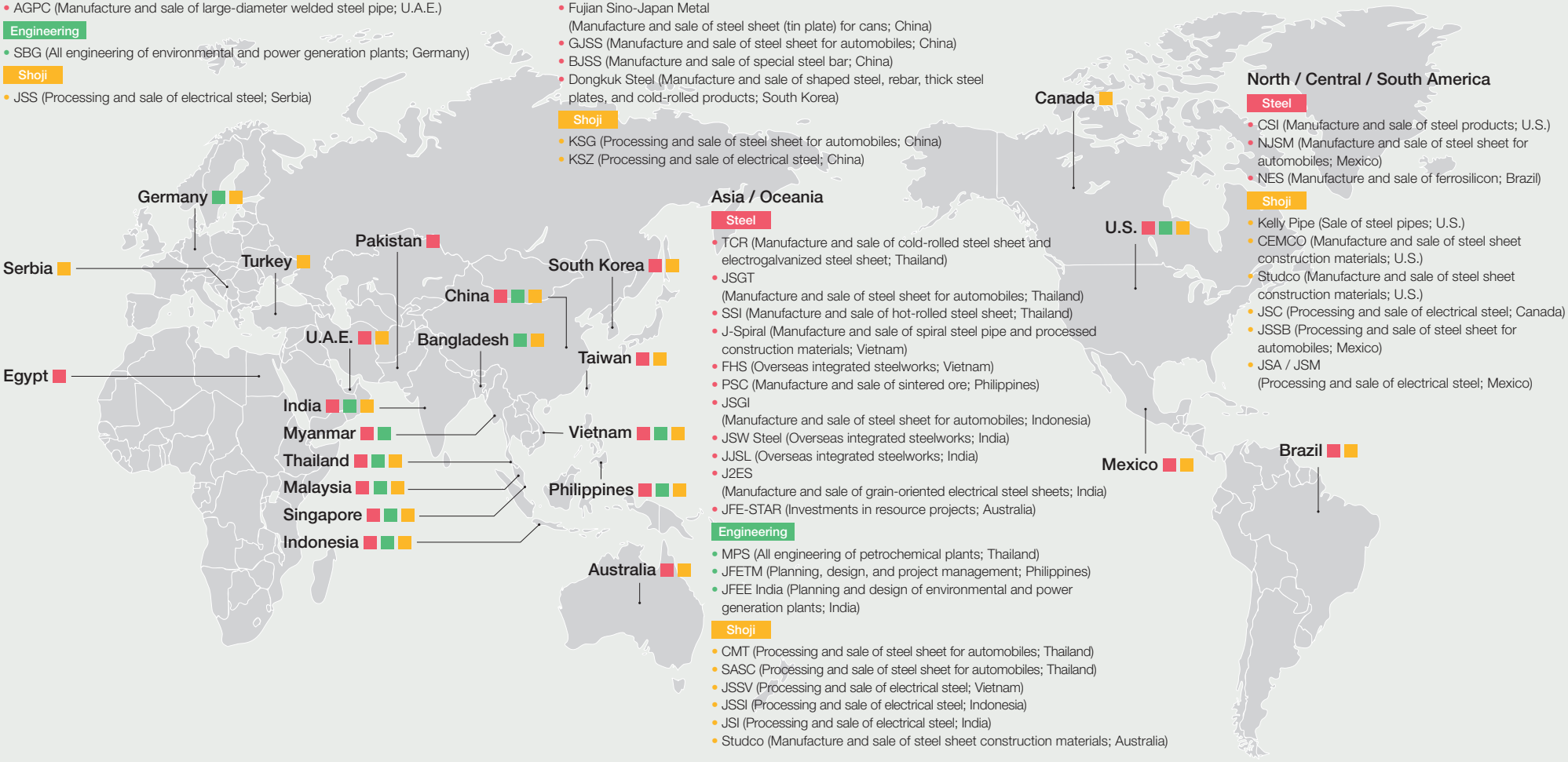
JFE Welding Institute
A research center for welding, fracture, and fatigue, supporting customers worldwide

Customer Solutions Lab (CSL)
Early vendor involvement (EVI) base for customers in the automobile field

Main Overseas Bases

116 bases in **23** countries and regions

Steel business	Engineering business	Trading business
40 bases in **18** countries and regions	**17** bases in **12** countries and regions	**59** bases in **20** countries and regions



Europe / Middle East

Steel

- AGPC (Manufacture and sale of large-diameter welded steel pipe; U.A.E.)

Engineering

- SBG (All engineering of environmental and power generation plants; Germany)

Shoji

- JSS (Processing and sale of electrical steel; Serbia)

China / South Korea

Steel

- Fujian Sino-Japan Metal (Manufacture and sale of steel sheet (tin plate) for cans; China)
- GJSS (Manufacture and sale of steel sheet for automobiles; China)
- BJSS (Manufacture and sale of special steel bar; China)
- Dongkuk Steel (Manufacture and sale of shaped steel, rebar, thick steel plates, and cold-rolled products; South Korea)

Shoji

- KSG (Processing and sale of steel sheet for automobiles; China)
- KSZ (Processing and sale of electrical steel; China)

Asia / Oceania

Steel

- TCR (Manufacture and sale of cold-rolled steel sheet and electrogalvanized steel sheet; Thailand)
- JSGT (Manufacture and sale of steel sheet for automobiles; Thailand)
- SSI (Manufacture and sale of hot-rolled steel sheet; Thailand)
- J-Spiral (Manufacture and sale of spiral steel pipe and processed construction materials; Vietnam)
- FHS (Overseas integrated steelworks; Vietnam)
- PSC (Manufacture and sale of sintered ore; Philippines)
- JSGI (Manufacture and sale of steel sheet for automobiles; Indonesia)
- JSW Steel (Overseas integrated steelworks; India)
- JJSL (Overseas integrated steelworks; India)
- J2ES (Manufacture and sale of grain-oriented electrical steel sheets; India)
- JFE-STAR (Investments in resource projects; Australia)

Engineering

- MPS (All engineering of petrochemical plants; Thailand)
- JFETM (Planning, design, and project management; Philippines)
- JFEE India (Planning and design of environmental and power generation plants; India)

Shoji

- CMT (Processing and sale of steel sheet for automobiles; Thailand)
- SASC (Processing and sale of steel sheet for automobiles; Thailand)
- JSSV (Processing and sale of electrical steel; Vietnam)
- JSSI (Processing and sale of electrical steel; Indonesia)
- JSI (Processing and sale of electrical steel; India)
- Studco (Manufacture and sale of steel sheet construction materials; Australia)

North / Central / South America

Steel

- CSI (Manufacture and sale of steel products; U.S.)
- NJSM (Manufacture and sale of steel sheet for automobiles; Mexico)
- NES (Manufacture and sale of ferrosilicon; Brazil)

Shoji

- Kelly Pipe (Sale of steel pipes; U.S.)
- CEMCO (Manufacture and sale of steel sheet construction materials; U.S.)
- Studco (Manufacture and sale of steel sheet construction materials; U.S.)
- JSC (Processing and sale of electrical steel; Canada)
- JSSB (Processing and sale of steel sheet for automobiles; Mexico)
- JSA / JSM (Processing and sale of electrical steel; Mexico)

Main Domestic Group Companies (As of April 1, 2026)

Notes:
1. Revenue / Net sales: Results for FY2025
2. Number of employees: As of March 31, 2026
* Equity method affiliate

Steel Business | JFE Steel

Head office Chiyoda-ku, Tokyo Revenue ¥3,088.4 billion Number of employees 41,654

- JFE Mineral & Alloy Company, Ltd.
- Chiba Riverment and Cement Corporation
- Mizushima Riverment Corporation
- JFE Precisions Corporation
- JFE Plastic Resource Corporation
- JFE Bars & Shapes Corporation
- JFE Metal Products Corporation
- JFE Galvanizing & Coating Co., Ltd.
- JFE Welded Pipe Manufacturing Co., Ltd.
- JFE Container Co., Ltd.
- JFE Steel Pipe Co., Ltd.
- JFE GALVATEX Corporation
- JFE Tubic Corporation
- JFE Techno-Wire Corporation
- JFE Kozai Corporation
- DAIWA KOHTAI Co., Ltd.
- JFE Plant Engineering Co., Ltd.
- JFE Advantech Co., Ltd.
- JFE Civil Engineering & Construction Corporation
- JFE Sekkei Ltd.
- JFE Logistics Corporation
- JFE West Technology Corporation
- JFE Wing Corporation
- JFE Techno-Research Corporation
- JFE Systems, Inc.
- JFE Cyber Security & Solutions, Ltd.
- JFE Chemical Corporation
- JFE Life Corporation
- JFE East Japan GS Co., Ltd.
- JFE West Japan GS Co., Ltd.
- JFE Apple East Corporation
- JFE Apple West Corporation
- SHINAGAWA REFRA Co., Ltd.*
- Nippon Chuzo K.K.*
- Nippon Chutetsukan K.K.*
- GECOSS Corporation*
- EXA Corporation*
- Setouchi Joint Thermal Power Co., Ltd.*
- JFE SANSO CENTER Corporation*

Engineering Business | JFE Engineering

Head office Chiyoda-ku, Tokyo Yokohama head office Yokohama, Kanagawa Prefecture Revenue ¥599.7 billion Number of employees 11,170

- Asukasoken Co., Ltd.
- Urban Energy Corporation
- Kitanihon Industrial Co. Ltd.
- Kinpai Co., Ltd.
- J&T Recycling Corporation
- JFE Environmental Service Corporation
- JFE Environment Technology Co., Ltd.
- JFE Career Navi Corporation
- JFE Technos Co., Ltd.
- JFE Pipeline Engineering Corporation
- JFE Business Support Yokohama Corporation
- JFE Plant Technology Co., Ltd.
- JFE Project One Co., Ltd.
- Japan Tunnel Systems Corporation*
- JP Steel Plantech Co.*
- Tsukishima JFE Aqua Solution Co., Ltd.*
- Fuji Kako Co., Ltd.
- Mie Data Craft Co., Ltd.
- Myoko Green Energy Co., Ltd.

Trading Business | JFE Shoji

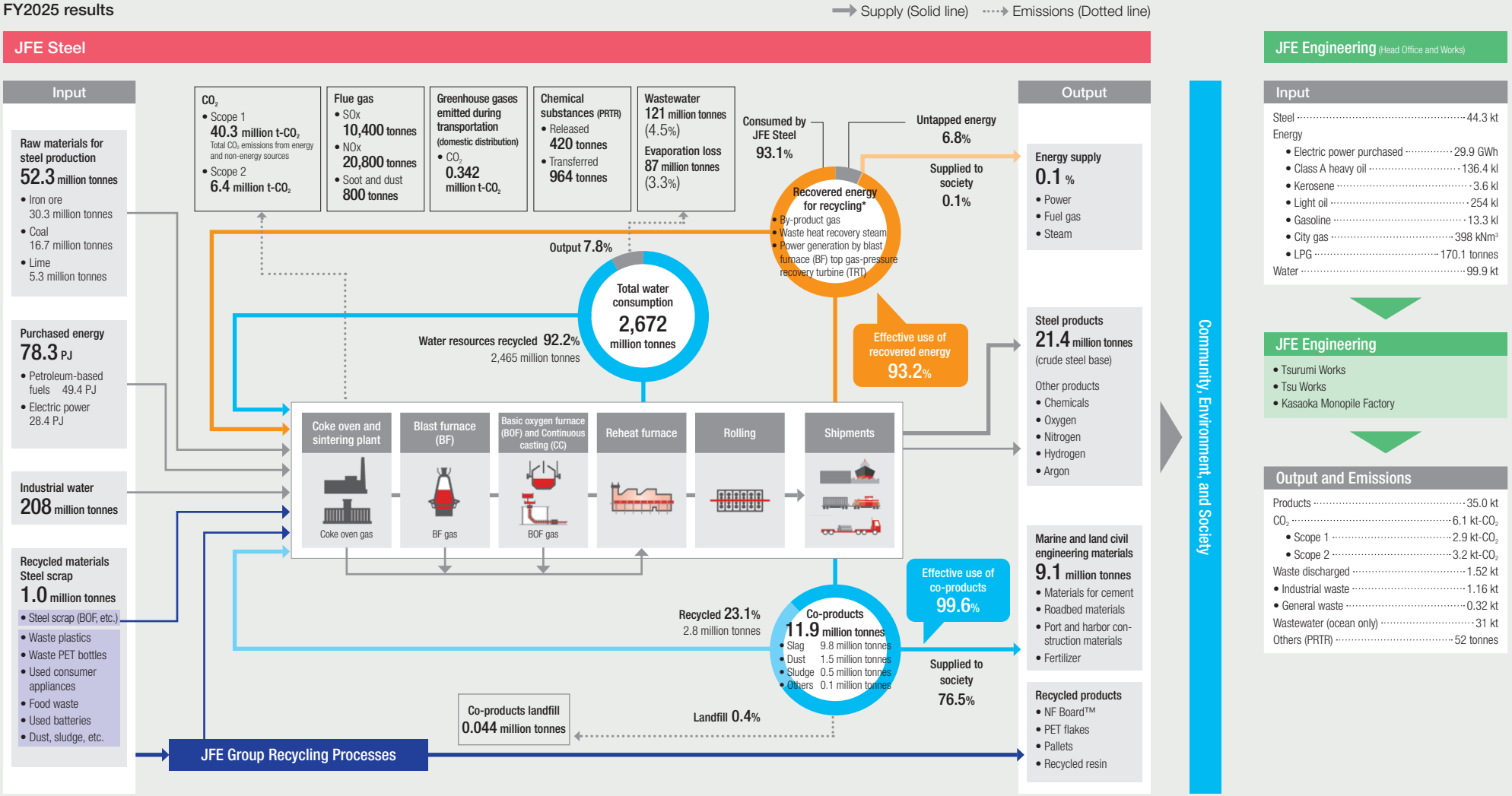
Head office Chiyoda-ku, Tokyo Revenue ¥1,333.0 billion Number of employees 8,744

- JFE Shoji Steel Construction Materials Corporation
- JFE Shoji Pipe & Fitting Corporation
- JFE Shoji Electrical Steel Co., Ltd.
- Kawasho Foods Corporation
- JFE Shoji Electronics Corporation
- JFE Shoji Coil Center Corporation
- Niigata Steel Corporation
- Nagano Can Corporation
- Toyo Kinzoku Corporation
- JFE Shoji Terre One Corporation
- Tochigi Shearing Corporation
- Hokuriku Steel Co., Ltd.
- K&I Tubular Corporation
- Taisei Kogyo Corporation
- Kadota Kozai Corporation
- JFE Shoji Zosen Kako Corporation
- JFE Shoji Kohnan Steel Center Co., Ltd.
- Naigai Steel Corporation
- JFE Shoji Tinplate Center Corporation
- Mizushima Steel Corporation
- Mizushima Metal Products Corporation
- Nihon Jiseizai Kogyo Co., Ltd.
- Kyushu-Tech Corporation
- JFE Shoji Matech Inc.
- JFE Shoji Akita Offshore Materials, LTD.
- JFE Shoji Machinery & Materials Corporation
- JFE Shoji Business Support, Inc.
- JFE Shoji Service Corporation
- Kadowaki Steel Material's Corporation
- Tohsen Corporation
- Shin Nihon Kogyo Corporation
- Yashimanada Corporation
- Mitsuwa Tekken Corporation
- JFE Shoji Jutaku Shizai Corporation
- Rollmat Japan Co., Ltd.
- J Tekken Construction Produce Corporation
- Aichi Kanzai Kogyo Corporation
- Hoshi Kinzoku Corporation
- Hokuriku Kogyo Corporation
- Kohnan Blanking Service Corporation
- JFE Shoji Cormec Co., Ltd.
- Maruhachi Steel Tube Co., Ltd.
- ST Engineering Corporation
- Hanwa Kozai Co., Ltd.*
- Kita-Kanto Steel Corporation*
- Ohmi Sangyo Co., Ltd.*

Material Flow

JFE Steel is working to reduce the environmental impact of its iron and steelmaking processes, including through the effective use of resources. The company recycles 92.2% of the water it uses for production and recycles 99.6% of its co-products, such as iron and steelmaking slag. In addition, 100% of co-product gas generated during production is reused as fuel for reheating slabs, generating power for internal use, and supplying power to the public.

FY2025 results

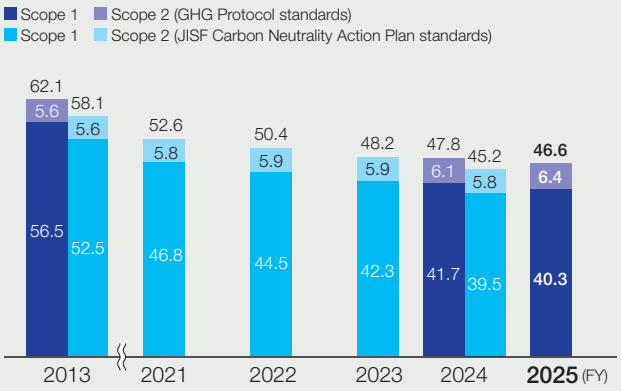


* The calculation method was revised starting in FY2025.

Non-financial Highlights

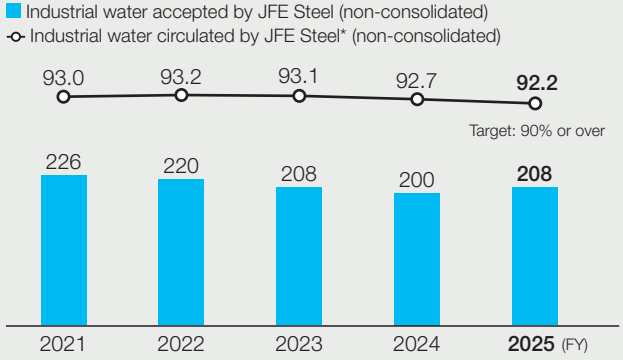
Environmental Indicators

GHG emissions (million t-CO_2e)



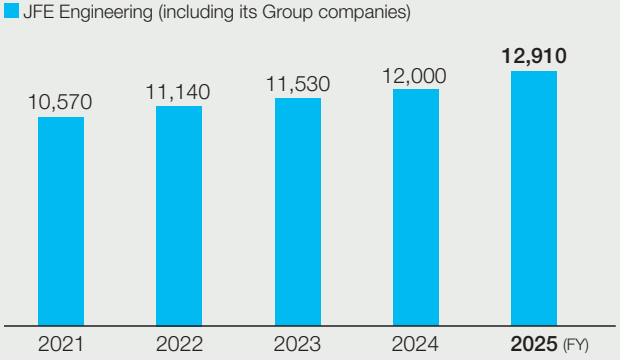
* Emissions between FY2021–2024 were calculated using standards from the Japan Iron and Steel Federation's Carbon Neutrality Action Plan. Emissions from FY2024 onward are calculated using the GHG Protocol standards.

Industrial water accepted (million tonnes) **and circulated** (%) **by JFE Steel**

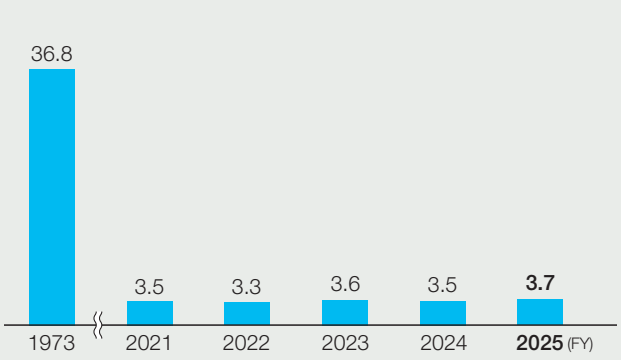


* Industrial water circulated (%) = (Total amount - industrial water accepted) / total amount × 100

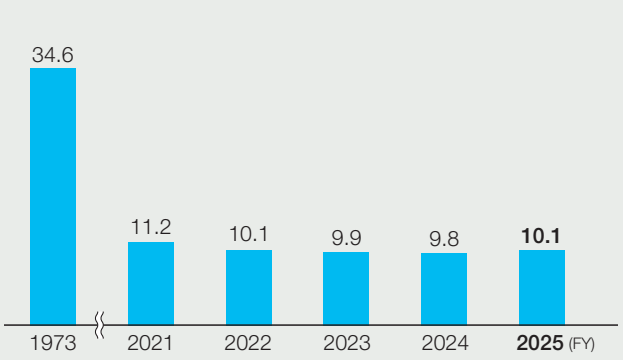
Contribution to GHG emissions reductions (thousand t-CO_2/year) **of JFE Engineering**



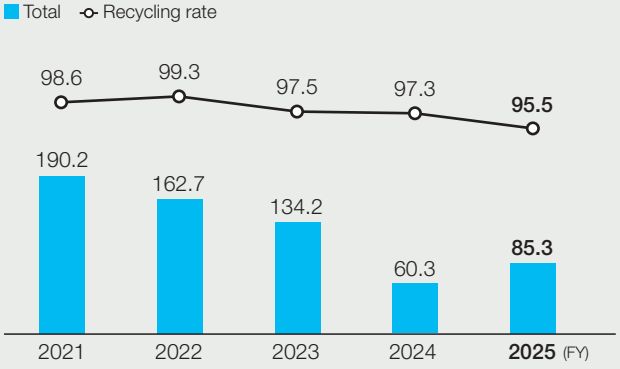
SOx emissions by JFE Steel (million Nm^3)



NOx emissions by JFE Steel (million Nm^3)



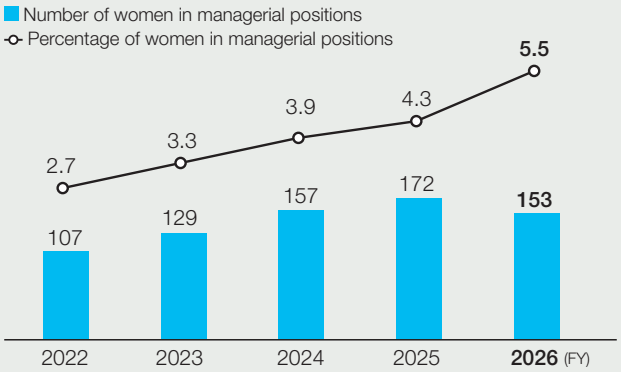
Waste generated at construction sites (thousand tonnes) **and recycling rate** (%) **of JFE Engineering**



Non-financial Highlights

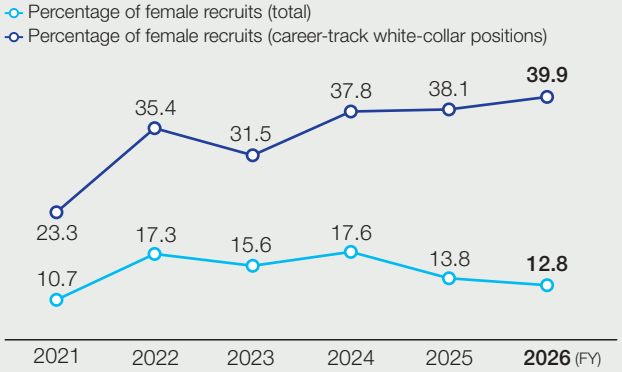
Societal Indicators

Number of women in managerial positions (persons) and percentage of women in managerial positions (%)



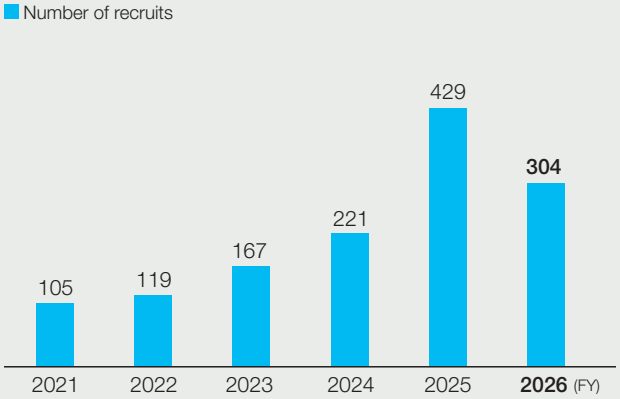
*1 Scope of calculation: JFE Holdings (non-consolidated) and total of three Operating Companies
*2 Results are for section manager rank and higher.
*3 JFE Engineering changed its definition of managerial positions as of April 2026.

Percentage of female recruits (total) (%) and percentage of female recruits (career-track white-collar positions) (%)



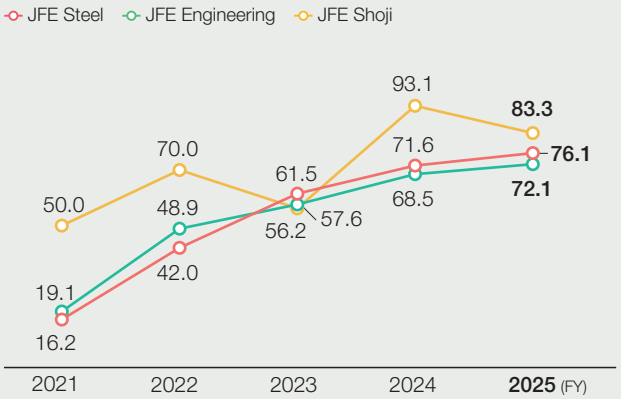
* Scope of calculation: total of three Operating Companies

Number of mid-career recruits



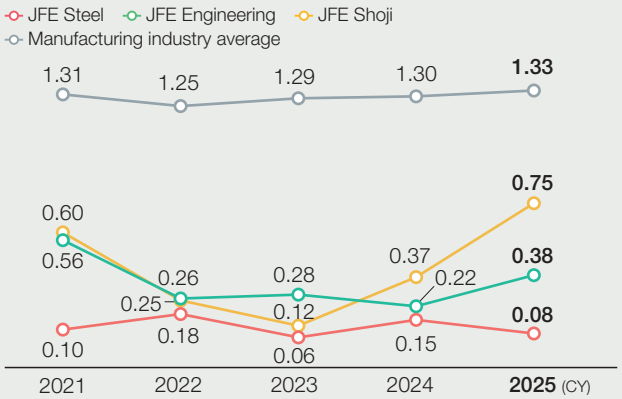
* Scope of calculation: total of three Operating Companies

Percentage of male employees taking childcare leave (%)



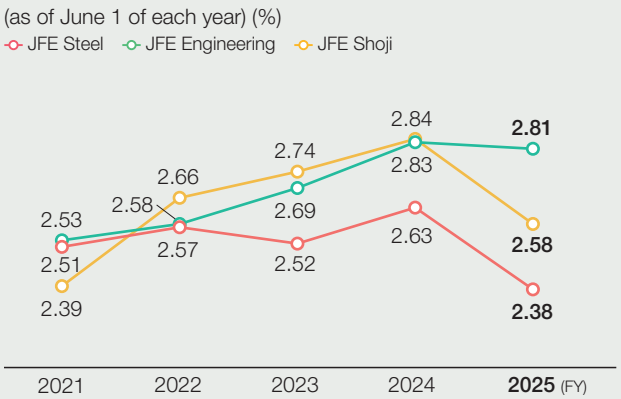
* Does not include time off related to child-rearing

Lost-time injury frequency rate



*1 Scope of calculation: JFE Steel and JFE Engineering: parent company, business associates, and contractors; JFE Shoji: domestic parent and Group companies, business associates, and contractors
*2 Lost-time injury frequency rate =
Number of lost-time injuries / number of hours worked × 1,000,000

Employment of people with disabilities (as of June 1 of each year) (%)



Financial Highlights

The JFE Group adopted International Financial Reporting Standards (IFRS) from FY2018, in place of the generally accepted accounting principles in Japan (JGAAP).

(billion yen)

	JGAAP				IFRS							
	FY2015	FY2016	FY2017	FY2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Operating results												
Net sales (JGAAP) / Revenue (IFRS)	3,431	3,308	3,678	3,961	3,873	3,729	3,227	4,365	5,268	5,174	4,859	**4,539**
Ordinary income (JGAAP) / Business profit*1 (IFRS)	64	84	216	221	232	37	(12)	416	235	298	135	**135**
Income before income taxes (JGAAP) / Profit before tax (IFRS)	74	105	213	209	209	(213)	(4)	388	210	268	144	**87**
EBITDA*2 (JGAAP) / EBITDA*3 (IFRS)	254	279	388	405	428	269	223	668	505	572	392	**409**
Profit attributable to owners of parent	33	67	144	164	163	(197)	(21)	288	162	197	91	**70**
Capital expenditures (construction basis)	212	234	257	287	329	391	342	340	325	346	314	**379**
Depreciation and amortization	177	182	159	172	196	231	236	252	269	274	257	**274**
Research and development expenses	35	35	34	37	37	38	36	39	43	43	42	**42**
Financial position												
Total assets	4,234	4,336	4,440	4,648	4,709	4,646	4,654	5,287	5,524	5,754	5,647	**5,895**
Property, plant and equipment	1,627	1,650	1,702	1,782	1,835	1,717	1,772	1,850	1,891	1,948	1,964	**2,039**
Shareholders' equity (JGAAP) / Equity attributable to owners of parent (IFRS)	1,804	1,865	1,949	2,012	1,926	1,627	1,679	1,988	2,120	2,464	2,529	**2,619**
Net assets (JGAAP) / Equity (IFRS)	1,857	1,921	2,009	2,079	1,991	1,706	1,760	2,070	2,193	2,538	2,586	**2,680**
Debt outstanding (JGAAP) / Interest-bearing debt outstanding (IFRS)	1,379	1,375	1,330	1,449	1,523	1,814	1,806	1,849	1,862	1,830	1,766	**1,959**
Cash flows												
Cash flows from operating activities	267	185	298	235	268	261	247	298	395	478	378	**379**
Cash flows from investing activities	(137)	(163)	(194)	(284)	(313)	(358)	(164)	(288)	(274)	(325)	(283)	**(452)**
Free cash flow*4	129	21	103	(48)	(45)	(97)	83	10	121	153	95	**(73)**
Cash flows from financing activities	(144)	(18)	(90)	56	51	103	(30)	(57)	(110)	(45)	(157)	**61**
Per share data												
Profit attributable to owners of parent (yen/share)	58	118	251	285	284	(343)	(38)	500	281	323	144	**110**
Net assets (JGAAP) / Equity attributable to owners of parent (IFRS) (yen/share)	3,128	3,236	3,382	3,495	3,345	2,826	2,916	3,453	3,650	3,875	3,977	**4,118**
Dividends (yen/share)	30	30	80	95	95	20	10	140	80	100	100	**80**
Payout ratio (%)	51.4	25.5	31.9	33.3	33.5	—	—	28.0	28.5	30.9	69.2	**72.5**

*1 Business profit: Profit before tax excluding finance income and one-time items of a materially significant value
*2 EBITDA (JGAAP): Ordinary income + Interest expenses + Depreciation and amortization
*3 EBITDA (IFRS): Business profit + Depreciation and amortization
*4 Free cash flow: Cash flows from operating activities + Cash flows from investing activities

Financial Highlights

(billion yen)

	JGAAP				IFRS							
	FY2015	FY2016	FY2017	FY2018	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	**FY2025**
Financial indicators												
Debt/EBITDA ratio*5 (JGAAP) / Debt/EBITDA ratio*6 (IFRS) (times)	5.4	4.9	3.4	3.6	3.6	6.7	8.1	2.8	3.7	3.2	4.5	**4.8**
ROE*7 (JGAAP) / ROE*8 (IFRS) (%)	1.8	3.7	7.6	8.3	8.6	(11.1)	(1.3)	15.7	7.9	8.6	3.7	**2.7**
ROA*9 (JGAAP) / ROA*10 (IFRS) (%)	1.7	2.3	5.2	5.1	5.0	0.8	(0.3)	8.4	4.4	5.3	2.4	**2.3**
Equity ratio (%)	42.6	43.0	43.9	43.3	40.9	35.0	36.1	37.6	38.4	42.8	44.8	**44.4**
D/E ratio*11 (JGAAP) / D/E ratio*12 (IFRS) (%)	56.9	51.4	58.1	62.0	68.2	96.4	93.2	80.8	67.8	58.0	54.3	**59.4**
Year-end share price (yen/share)	1,516	1,909	2,144	1,879	1,879	703	1,363	1,723	1,679	2,540	1,829.5	**1,815.5**
Segment information												
Net sales (JGAAP) / Revenue (IFRS)												
Steel business	2,445	2,349	2,715	2,808	2,830	2,681	2,255	3,173	3,881	3,716	3,365	**3,088**
Engineering business	397	426	391	485	485	512	485	508	512	539	569	**599**
Trading business	1,756	1,671	1,907	2,060	1,125	1,084	932	1,231	1,514	1,476	1,438	**1,333**
Ordinary income (JGAAP) / Segment profit*13 (IFRS)												
Steel business	27	40	198	164	161	(8)	(65)	323	146	202	36	**38**
Engineering business	20	26	19	20	20	23	24	26	13	24	19	**23**
Trading business	15	21	33	35	35	27	20	55	65	48	47	**40**
Others												
Crude steel production (JFE Steel on a non-consolidated basis) (million t)	27.4	28.1	28.5	26.3	26.3	26.7	22.8	25.9	24.1	23.5	22.0	**21.4**
Crude steel production (JFE Steel on a consolidated basis) (million t)	29.8	30.4	30.1	27.9	27.9	28.1	24.0	27.3	25.5	24.8	23.2	**22.6**
Shipment (JFE Steel on a non-consolidated basis) (million t)	25.4	25.7	25.3	23.8	23.8	23.5	20.5	22.4	21.7	20.8	19.4	**18.9**
Average selling price (JFE Steel on a non-consolidated basis) (thousand yen/t)	66.8	62.8	75.3	81.5	81.5	78.8	74.8	103.7	130.8	131.5	130.3	**120.7**
Export ratio on a value basis (JFE Steel on a non-consolidated basis) (%)	45.8	44.0	44.4	41.7	41.7	41.5	42.3	45.5	44.5	42.9	41.7	**40.8**
Employees (JFE Holdings on a consolidated basis) (persons)	59,460	60,439	61,234	62,076	62,083	64,009	64,371	64,296	64,241	62,218	61,296	**61,628**

*5 Debt/EBITDA ratio (JGAAP): Debt outstanding / EBITDA
*6 Debt/EBITDA ratio (IFRS): Interest-bearing debt outstanding / EBITDA
*7 ROE (JGAAP): Profit attributable to owners of parent / Shareholders' equity
*8 ROE (IFRS): Profit attributable to owners of parent / Equity attributable to owners of parent
*9 ROA (JGAAP): (Ordinary income + Interest expenses) / Total assets (average)
*10 ROA (IFRS): Business profit / Total assets
*11 D/E ratio (JGAAP): Debt outstanding / Shareholders' equity
For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies.
*12 D/E ratio (IFRS): Interest-bearing debt outstanding / Equity attributable to owners of parent
For debt having a capital component, a portion of its issue price is deemed to be capital, as assessed by rating agencies.
*13 Segment profit (IFRS): Profit including finance income in business profit

Financial Performance

Consolidated Statement of Financial Position

(million yen)

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

(million yen)

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

Financial Performance

Consolidated Statement of Profit or Loss

(million yen)

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

Consolidated Statement of Comprehensive Income

(million yen)

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

Financial Performance

Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025

(million yen)

	Equity attributable to owners of parent												
					Other components of equity								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2024	171,310	587,266	1,570,027	(14,938)	3,081	—	48,444	96,035	2,900	150,461	2,464,128	74,392	2,538,521
Profit	—	—	91,867	—	—	—	—	—	—	—	91,867	1,386	93,254
Other comprehensive income	—	—	—	—	—	8,934	3,071	27,581	4,352	43,939	43,939	502	44,442
Comprehensive income	—	—	91,867	—	—	8,934	3,071	27,581	4,352	43,939	135,807	1,888	137,696
Purchase of treasury shares	—	—	—	(970)	—	—	—	—	—	—	(970)	—	(970)
Disposal of treasury shares	—	(924)	—	1,835	—	—	—	—	—	—	911	—	911
Dividends	—	—	(63,672)	—	—	—	—	—	—	—	(63,672)	(1,207)	(64,880)
Share-based payment transactions	—	(193)	—	336	—	—	—	—	—	—	143	—	143
Changes in scope of consolidation	—	—	—	—	—	—	—	—	—	—	—	(18,741)	(18,741)
Changes in ownership interest in subsidiaries	—	379	—	—	—	—	—	—	—	—	379	(69)	309
Put options granted to non-controlling interests	—	(7,014)	—	—	—	—	—	—	—	—	(7,014)	—	(7,014)
Transfer from other components of equity to retained earnings	—	—	9,728	—	—	(8,934)	(793)	—	—	(9,728)	—	—	—
Transfer to non-financial assets	—	—	—	—	—	—	—	—	(133)	(133)	(133)	—	(133)
Other	—	—	—	—	—	—	—	—	—	—	—	1,027	1,027
Total transactions with owners	—	(7,752)	(53,944)	1,201	—	(8,934)	(793)	—	(133)	(9,862)	(70,356)	(18,991)	(89,348)
Balance as of March 31, 2025	171,310	579,514	1,607,951	(13,736)	3,081	—	50,722	123,616	7,118	184,539	2,529,578	57,289	2,586,868

Fiscal year ended March 31, 2026

(million yen)

	Equity attributable to owners of parent												
					Other components of equity								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total	Total	Non-controlling interests	Total equity
Balance as of April 1, 2025	**171,310**	**579,514**	**1,607,951**	**(13,736)**	**3,081**	**—**	**50,722**	**123,616**	**7,118**	**184,539**	**2,529,578**	**57,289**	**2,586,868**
Profit	**—**	**—**	**70,165**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**70,165**	**3,867**	**74,032**
Other comprehensive income	**—**	**—**	**—**	**—**	**—**	**22,232**	**13,412**	**30,960**	**12,059**	**78,665**	**78,665**	**2,271**	**80,937**
Comprehensive income	**—**	**—**	**70,165**	**—**	**—**	**22,232**	**13,412**	**30,960**	**12,059**	**78,665**	**148,830**	**6,139**	**154,969**
Purchase of treasury shares	**—**	**—**	**—**	**(655)**	**—**	**—**	**—**	**—**	**—**	**—**	**(655)**	**—**	**(655)**
Disposal of treasury shares	**—**	**(979)**	**—**	**1,589**	**—**	**—**	**—**	**—**	**—**	**—**	**609**	**—**	**609**
Dividends	**—**	**—**	**(57,334)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(57,334)**	**(1,834)**	**(59,168)**
Share-based payment transactions	**—**	**(18)**	**—**	**194**	**—**	**—**	**—**	**—**	**—**	**—**	**176**	**—**	**176**
Changes in scope of consolidation	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**16**	**16**
Changes in ownership interest in subsidiaries	**—**	**870**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**870**	**(760)**	**110**
Transfer from other components of equity to retained earnings	**—**	**—**	**25,239**	**—**	**—**	**(22,232)**	**(3,006)**	**—**	**—**	**(25,239)**	**—**	**—**	**—**
Transfer to non-financial assets	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(2,541)**	**(2,541)**	**(2,541)**	**—**	**(2,541)**
Other	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(195)**	**(195)**
Total transactions with owners	**—**	**(126)**	**(32,094)**	**1,128**	**—**	**(22,232)**	**(3,006)**	**—**	**(2,541)**	**(27,780)**	**(58,874)**	**(2,774)**	**(61,648)**
Balance as of March 31, 2026	**171,310**	**579,387**	**1,646,021**	**(12,608)**	**3,081**	**—**	**61,128**	**154,577**	**16,636**	**235,423**	**2,619,535**	**60,654**	**2,680,190**

Financial Performance

Consolidated Statement of Cash Flow

(million yen)

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

(million yen)

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

Company Profile / Share Information

Company profile (As of March 31, 2026)

Head office:	2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo 100-0011, Japan
TEL:	+81-3-3597-4321
Established:	September 27, 2002
Capital:	¥171.3 billion
Number of employees:	61,628 (Consolidated) Male: 51,213 / Female: 9,572

* Gender data for employees has not been collected in certain regions, resulting in discrepancies between total employee counts and the combined totals of male and female employees.

Share data (As of March 31, 2026)

Total number of shares authorized to be issued	2,298,000,000 shares
Total number of shares issued	639,438,399 shares
Total number of shareholders	392,237 persons

Share information (As of March 31, 2026)

Minimum trading unit	100 shares
Fiscal year-end	March 31 of each year
Stock exchange listing	Tokyo Stock Exchange, Inc.
Security code	5411
Shareholder registry administrator	Mizuho Trust & Banking Co., Ltd. 1-3-3 Marunouchi, Chiyoda-ku, Tokyo 100-8241, Japan

Major shareholders (As of March 31, 2026)

Name	Number of shares owned (Thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	97,152	15.25
Custody Bank of Japan, Ltd. (trust account)	37,121	5.83
Nippon Life Insurance Company	15,855	2.49
JFE Employees Stock Ownership Plan	14,899	2.34
The Nomura Trust and Banking Co., Ltd. (investment trust account)	10,822	1.70
JFE Business Partners Stock Ownership Plan	10,367	1.63
Mizuho Bank, Ltd.	9,776	1.53
JP MORGAN CHASE BANK 385781	8,729	1.37
STATE STREET BANK AND TRUST COMPANY 505001	8,544	1.34
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	6,780	1.06

Note: The Company retains 2,223 thousand shares as treasury shares. The treasury shares are not included in the shareholding ratio calculation.

Distribution of shareholders (As of March 31, 2026)



* Percentages for shareholder distribution have been adjusted to ensure the total equals 100%.

Changes in share price, trading volume, and dividends

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Share price (Yen) (As of year-end)	1,516	1,909	2,144	1,879	703	1,363	1,723	1,679	2,540	1,829.5	1,815.5
Trading volume (Million shares) (Fiscal year)	1,080	1,141	896	685	823	1,077	2,708	1,384	1,289	1,081	993
Annual dividends per share (Yen)	30	30	80	95	20	10	140	80	100	100	80

Company Profile / Share Information

External recognition

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

FTSE4Good

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

* FTSE Russell confirms that JFE Holdings, Inc. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index, the FTSE JPX Blossom Japan Sector Relative Index and FTSE4Good Index Series. Created by the global index and data provider FTSE Russell, they are designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. They are used by a wide variety of market participants to create and assess responsible investment funds and other products.

* THE INCLUSION OF JFE HOLDINGS, INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF JFE HOLDINGS, INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

CDP Discloser 2025

CDP Supplier Engagement Leader 2025

Climate change: B
Water security: A-
Supplier Engagement: A

S&P/JPX Carbon Efficient Index

2026 Sompo Sustainability Index

The JFE GROUP REPORT and JFE GROUP SUSTAINABILITY REPORT can also be viewed on smartphones.

JFE GROUP REPORT

JFE GROUP SUSTAINABILITY REPORT

Tool map



JFE GROUP REPORT 2026 (Integrated Report)

Non-financial Information

JFE GROUP SUSTAINABILITY REPORT
https://www.jfe-holdings.co.jp/en/sustainability/

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

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

Financial Information

Financial results, investors' meeting documents
IR Library
https://www.jfe-holdings.co.jp/en/investor/library/

Securities Report
https://www.jfe-holdings.co.jp/en/investor/library/annual_securities_report/

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