



JFE

Integrated Steel Plant Joint Venture with JSW Steel in India

- Expanding Overseas Business Profit by Augmenting the East and West Steelworks in Japan with a Third Integrated Steelworks**

Dec 4, 2025



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JFE Steel Long-Term Outlook

Operating JFE's 3rd integrated steelworks in India following East and West Japan Works

- In Dec 2025, we have agreed with India's JSW Steel to establish **a JV (50:50) for an integrated steelworks**
- **Brownfield project with expansion capacity to 10 Million tons by 2030**, with potential to scale to 15 Million tons
- **Own Mines in India's largest iron ore producing region**, ensuring strong cost competitiveness

Overview of BPSL

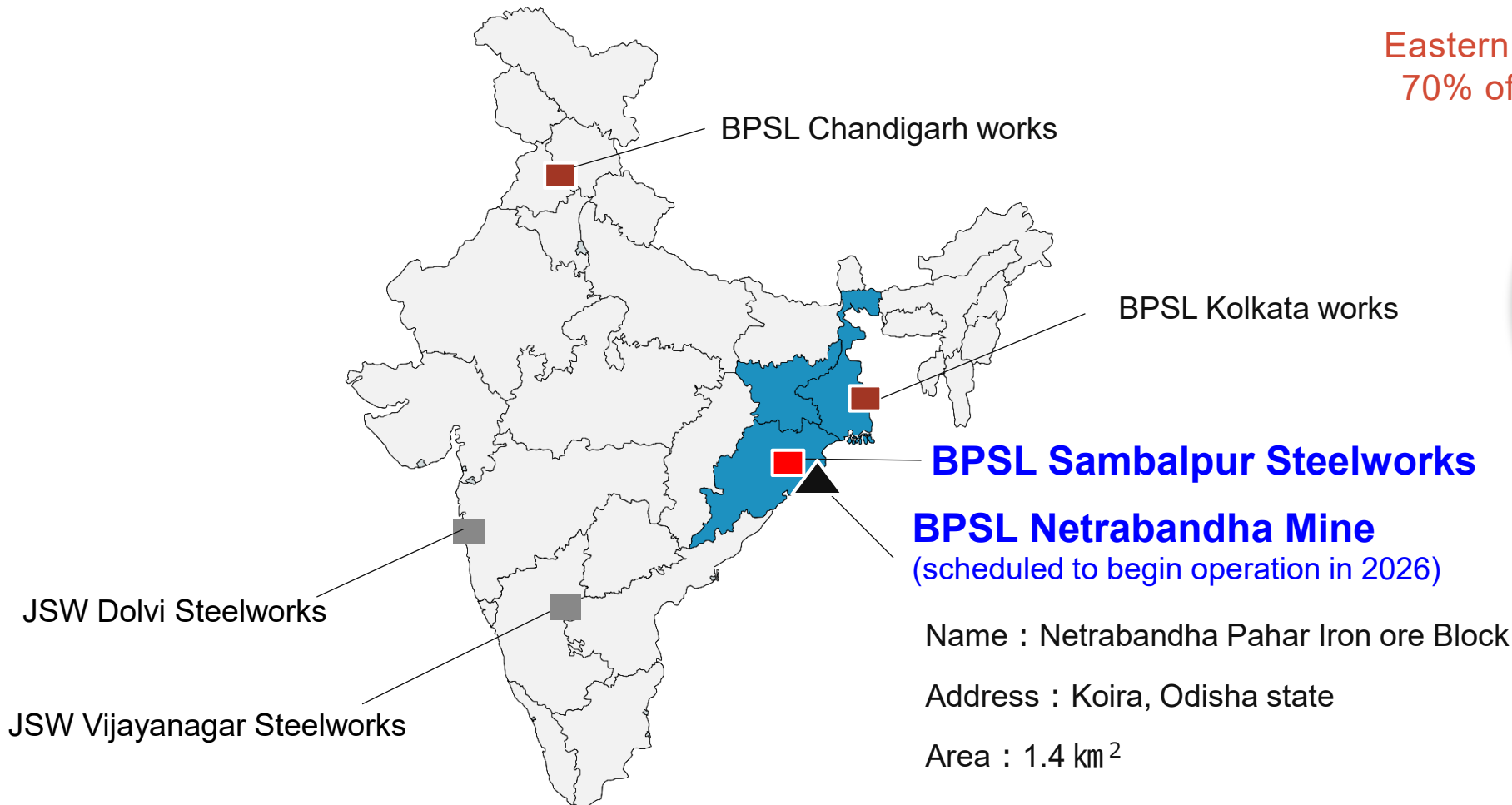
Company Name (Current)	Bhushan Power & Steel Limited (BPSL)
Location of Steelworks	Odisha, India
JFE Investment Amount	INR 157.5bn. (Approx. JPY 270.0bn.)
Shareholding ratio	JFE50%, JSW50%
Production Items	Hot-rolled steel coils and sheets, cold-rolled steel coils and sheets, steel bars and wire rods (alloy steel), steel pipes, etc.
Crude Steel Production Capacity	4.50 MTPA
Key Financial Indicators (Apr–Sep 2025 Results × 2)	Revenue: INR 203.2bn. (Approx. JPY 340.0bn.) EBITDA: INR 29.7bn. (Approx. JPY 50.0bn.) Profit after tax: INR 9.9bn. (Approx. JPY 17.0bn.)

History of BPSL

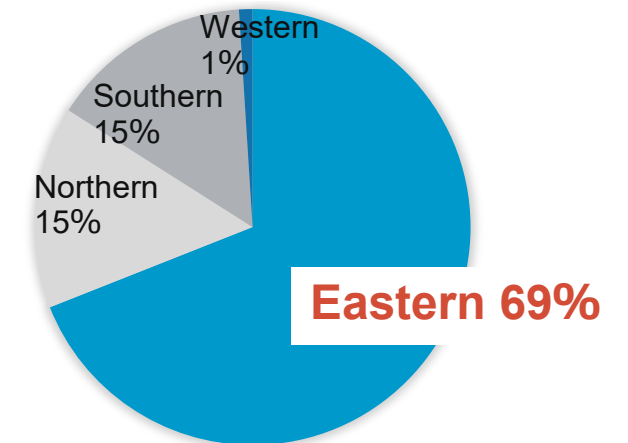
- 1970 Originally Established by Bhushan Singhal Group
- 2005 Commenced Steelworks Operations in Odisha
- 2017 Forced Insolvency Proceedings by Punjab National Bank; Corporate Revival Initiated by JSW Steel
- 2023 Crude Steel Capacity Expanded from 2.75 Million tons to 3.50 Million tons per year
- 2024 Further Expansion to 4.50 Million tons

Own mines in India's largest iron ore producing region, ensuring strong cost competitiveness

- Favorable geology (high-grade ore deposits distributed at shallow depths)
- Strategic location near the steelworks (approx. 200km distance, developed rail & road infrastructure)



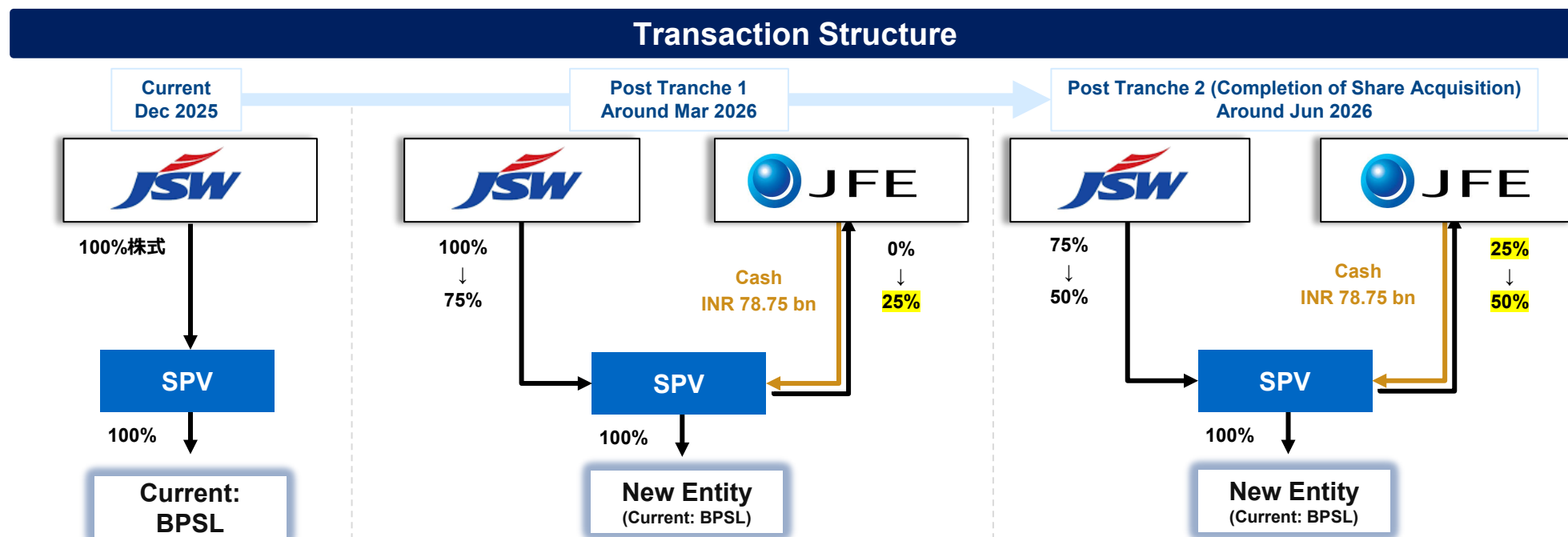
Eastern region accounts for approx. 70% of India's iron ore production



- **Enter India's High-Growth Market as an Insider and Capture Demand**
Domestic Demand Growth of 8%
- **Superior Cost Competitiveness**
Ownership of captive mines and capability to secure low-cost iron ore
- **India's Leading Brownfield Project with Early Expansion Potential**
Already Equipped with 4.50 Mt/year Capacity and Secured Land for Expansion;
Rapid Start-Up and Reinvestment of Earnings Enable Organic Growth
- **Utilize JFE's Technological Strength to Build a Competitive High-Grade Steel Plant**
Enhanced Efficiency and Competitiveness through JFE's Advanced Technology Transfer

Acquisition of 50% stake of India partner JSW's subsidiary

- JFE Steel has agreed to acquire 50% shares in the SPV that owns BPSL, a subsidiary of JSW in India, for a total of INR 157.5 billion.
- This transaction shall be executed in two tranches, each consisting of a 25% share acquisition.



1	Company Name (Current)	Bhushan Power & Steel Limited (BPSL)
2	Investment Amount	INR 157.5bn. (Approx. JPY 270.0 bn.)
3	Shareholding Ratio	JFE Steel (50%) , JSW Steel (50%)
4	Payment Structure	➤ Tranche 1 : Around March 2026, 25% shares acquisition, INR 78.75 bn. ➤ Tranche 2 : Around June 2026, 25% shares acquisition, INR 78.75 bn.
5	Timing of Stock Acquisition Completion	June 2026 (Planned)

- We will enhance our earning power through high-value-added products and innovation technology, including carbon neutrality technologies, which is the source of the competitive advantage of our enhanced domestic steelworks.
- **In overseas growth regions, we will expand business in collaboration with top-tier partners utilizing superior technologies, products, and human resources.**

Eighth Medium-term Business Plan

- **Rebuild our domestic production structure**
 - Increase ratio of high-value-added products (60%)
 - Reorganize our domestic production structure and business
- **Expand the overseas business**
 - **Expand business with top-tier partners in growth regions “from the inside”**
- **Develop and promote the widespread adoption of green steel**
 - Develop ultra-innovative technology (GI Fund)
 - Build innovative electric arc furnaces*
 - Promote expansion in green steel sales

Economic
Sustainability

Environmental & Social
Sustainability

JFE Vision 2035

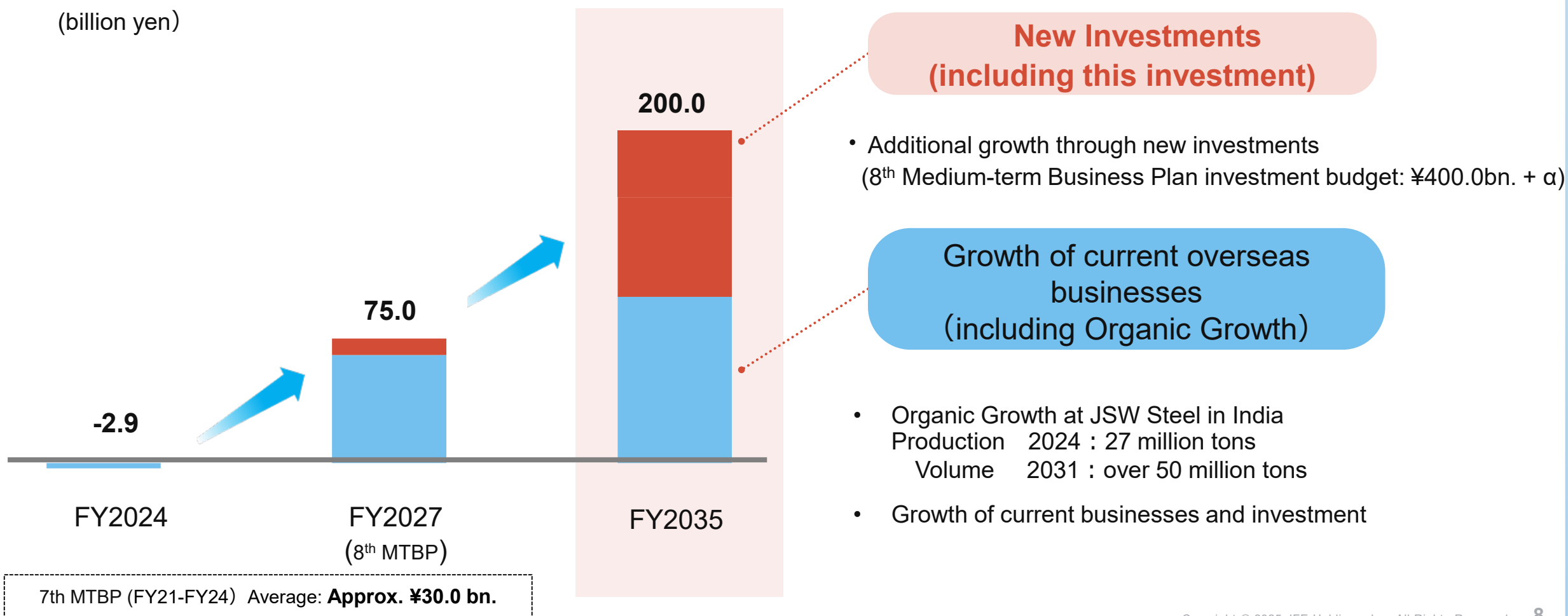
- **Expand consolidated business profit (Segment profit: ¥700.0 billion)**
 - **Streamlined yet resilient domestic structure** based on growth strategies
 - Create technologies and nurture talent that drive our competitive advantage
 - Deepen our shift from quantity to quality, and reorganize and integrate each business
 - **Growth through the expansion of business in overseas growth regions “from the inside”**
 - Collaborate with top-tier partners and pursue M&A
- **Become the leader in carbon neutrality (CN) technology development**
 - **Complete development of ultra-innovative process conversion technology**
 - Provide strong technological capabilities and a diverse eco-product lineup to help conserve the global environment
 - **Become the main player in the high-quality green steel market**

* a large, high-efficiency electric arc furnace capable of producing high-grade and high-function steel products

- To achieve the 500.0 billion yen profit target in the steel segment, we are aiming for **200.0 billion yen in overseas earnings**. In addition to positive effects of investments already made (organic growth), we will realize additional growth through proactive investments in growing areas and regions.

Overseas Business Profit

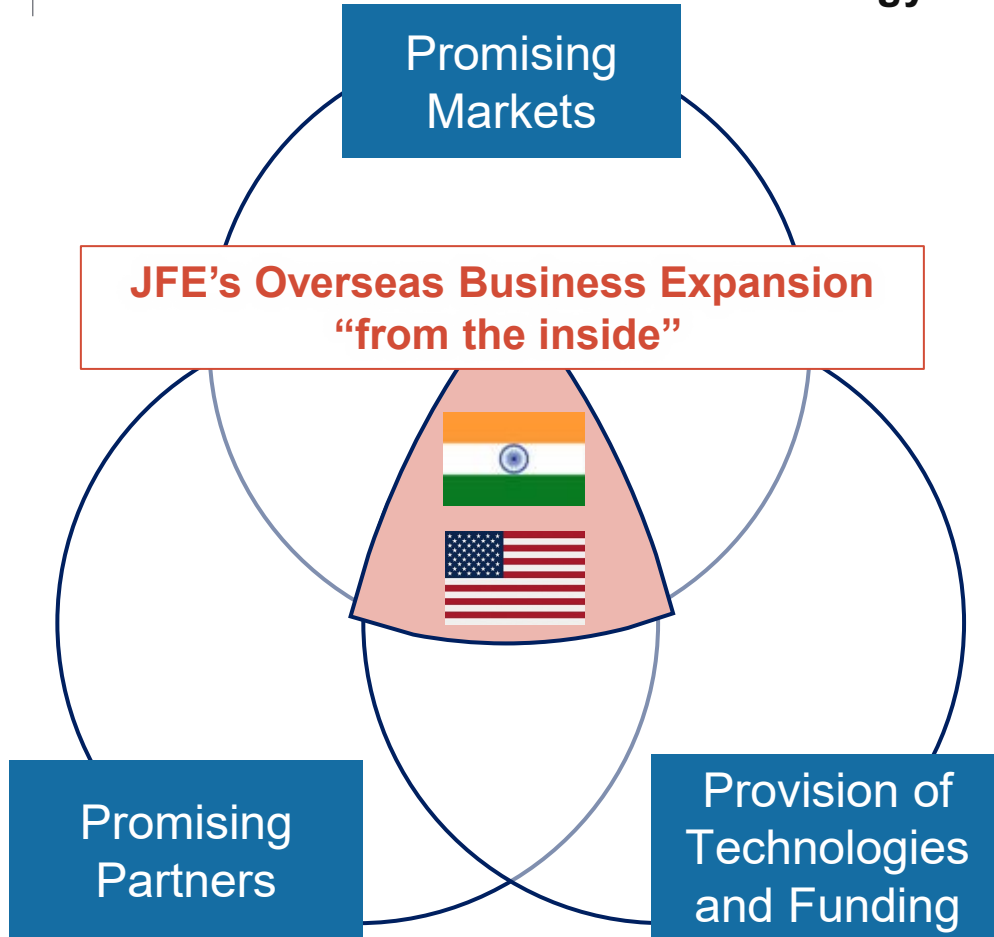
(billion yen)



Three Pillars of Overseas Strategy

- We have been expanding overseas businesses **“from the inside”** by **providing technologies and funding** to top-tier partners who align with **the three pillars of our overseas strategy** including **JSW (India)** and **Nucor (North America)**. To expand further, we aim to capture overseas steel demand in growing markets.

Three Pillars of JFE's Overseas Strategy



Promising Markets

- ① Characterized by growth (population growth, change in demand structure)
- ② With conditions where stable profits can be achieved (not a so-called “red ocean”)
- ③ Where cost advantages exist (Raw materials • Energy – location and availability (logistics costs) • Geopolitical conditions)

Promising Partners

- ① Trustworthy partners : Solid relationships built over the long term
- ② Capable partners : Local management expertise; business infrastructure; business passion and enthusiasm; (political) influence
- ③ Partners with a shared vision : Win-Win mindset, committed to growing with a long-term perspective

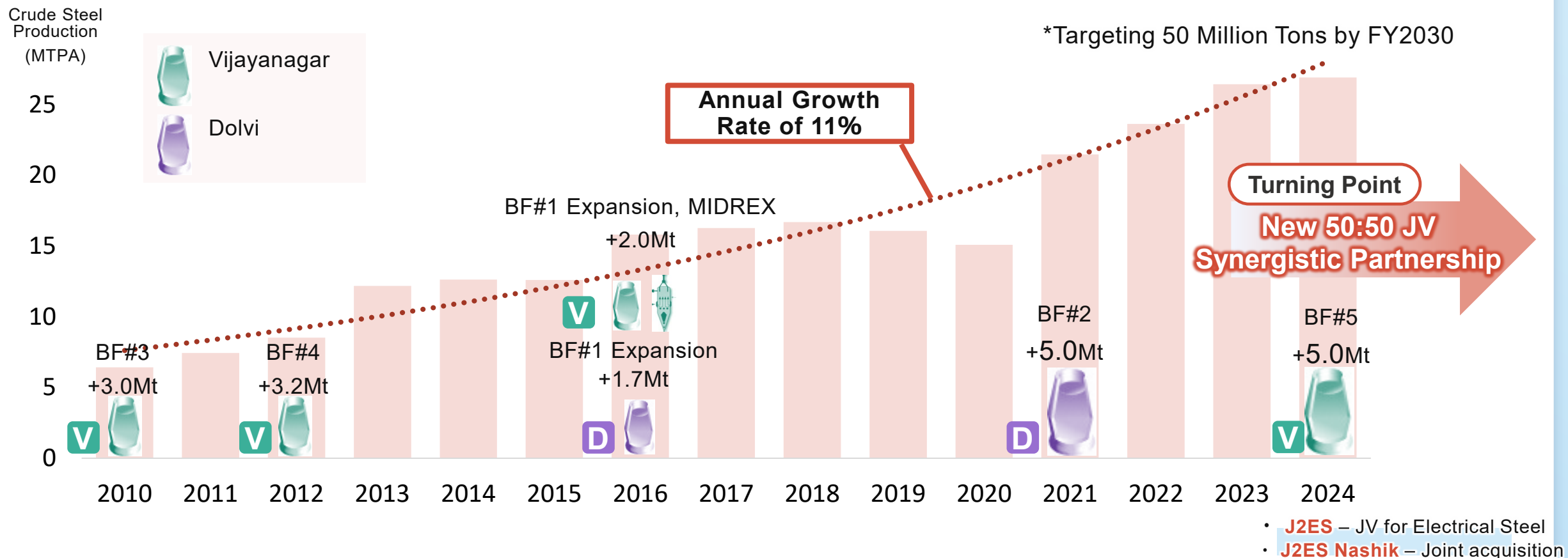
Provision of Technologies and Funding

- ① Not just providing funding but accelerating success by sharing technologies
- ② Ongoing and evolving provision of technologies, rather than a one-time transfer

JSW's Growth – Achievements from Our Journey Together



- Since the initial investment from JFE in 2010, organic growth has been achieved (market capitalization growing at an annual rate of 22%).
- Our technical support has contributed to JSW's crude steel production increasing at an annual rate of 11%.

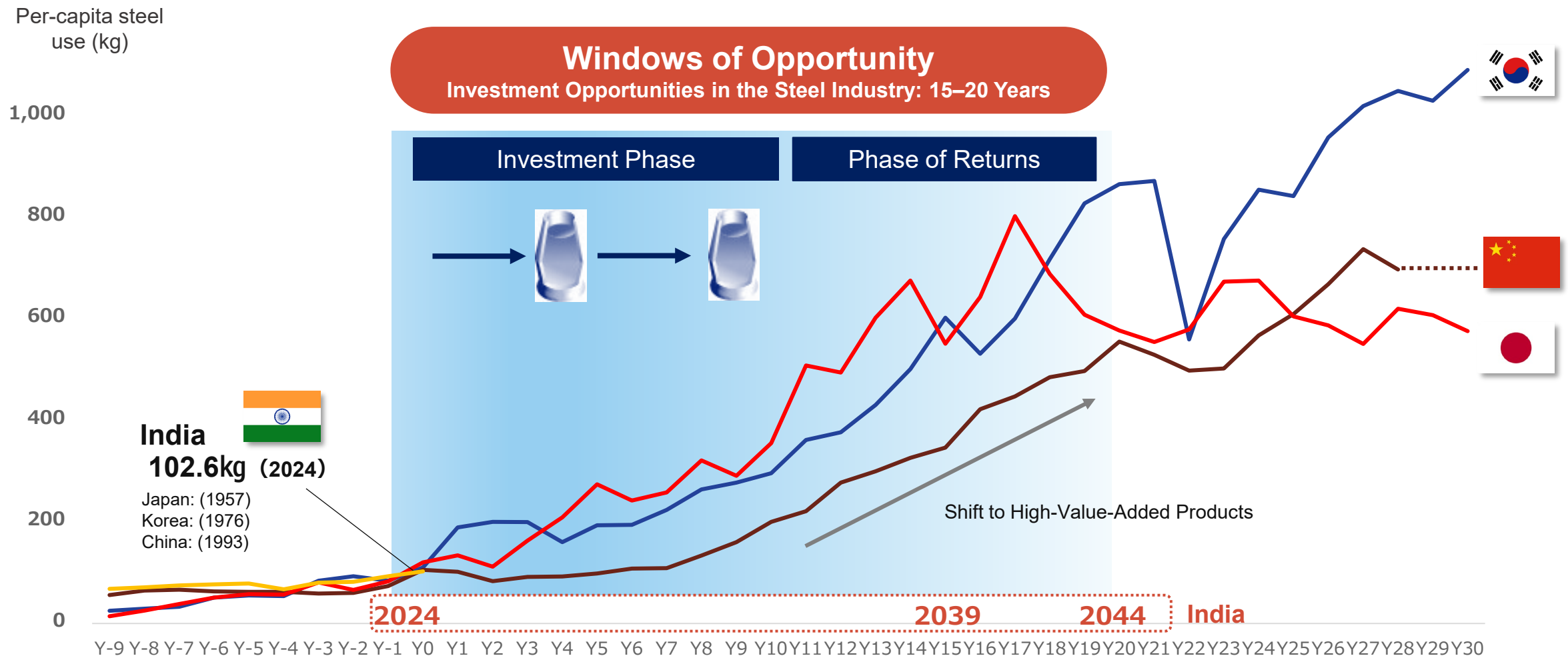


Technical Support for a 5-Million-Ton-Class Blast Furnace and Steelmaking Plant

Automotive Steel Sheets: Technology Transfer

Non-Oriented Electrical Steel Sheets: Technology Transfer

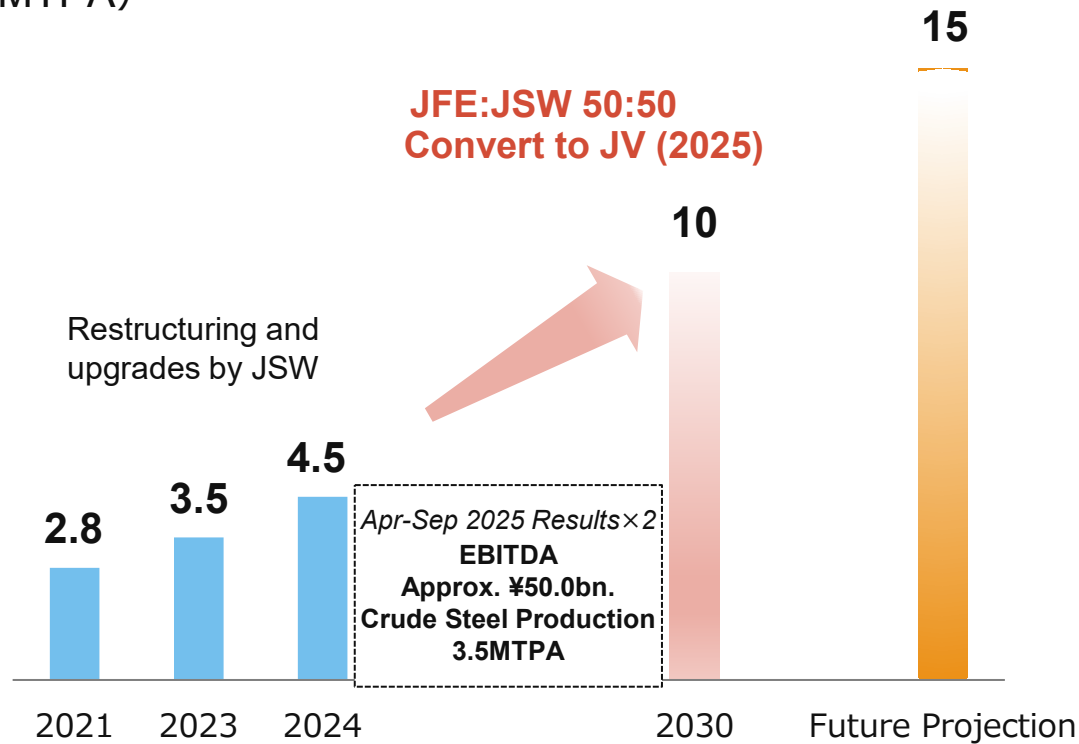
- Per-capita steel use surges for 20 years after passing 100 kg, reaching 800 kg (Japan, Korea, China). India is likely in this rapid-growth phase.
- Early capacity expansion is critical to capture this opportunity because it takes time to expand production capacity.



Brownfield investment opportunity with room for expansion; injecting our capital and technology to create synergies

- Restructuring and upgrades by JSW have increased capacity to 4.5 MTPA.
- **Plan to expand to 10 MTPA by 2030; the acquisition of land that is key to the expansion has already been completed;** future potential to scale up to 15 MTPA.

Crude Steel Production capacity (MTPA)

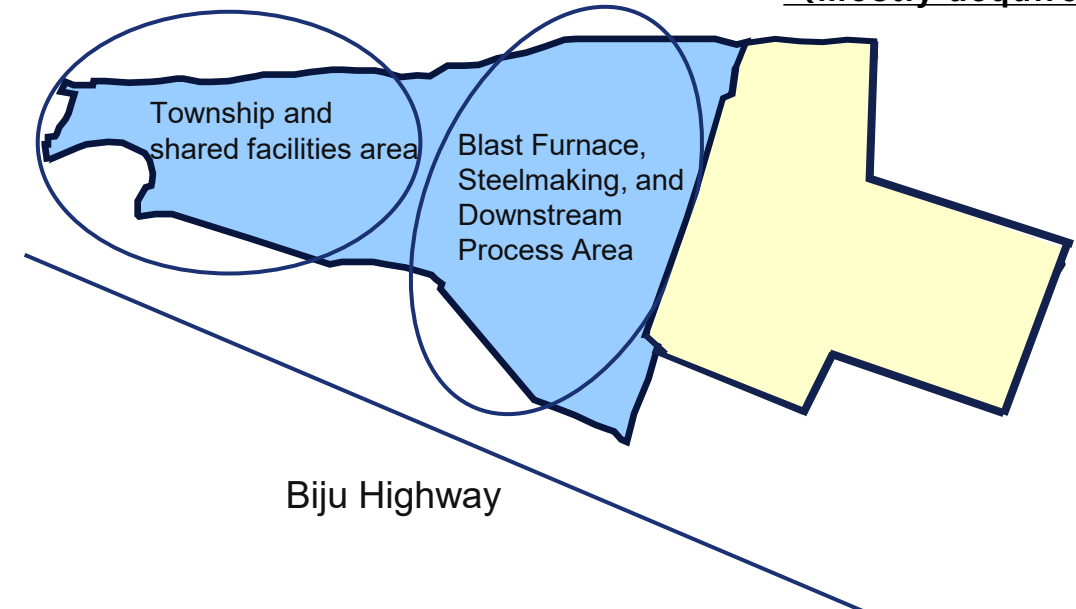


Expansion Area

BPSL Sambalpur Steelworks (Odisha)

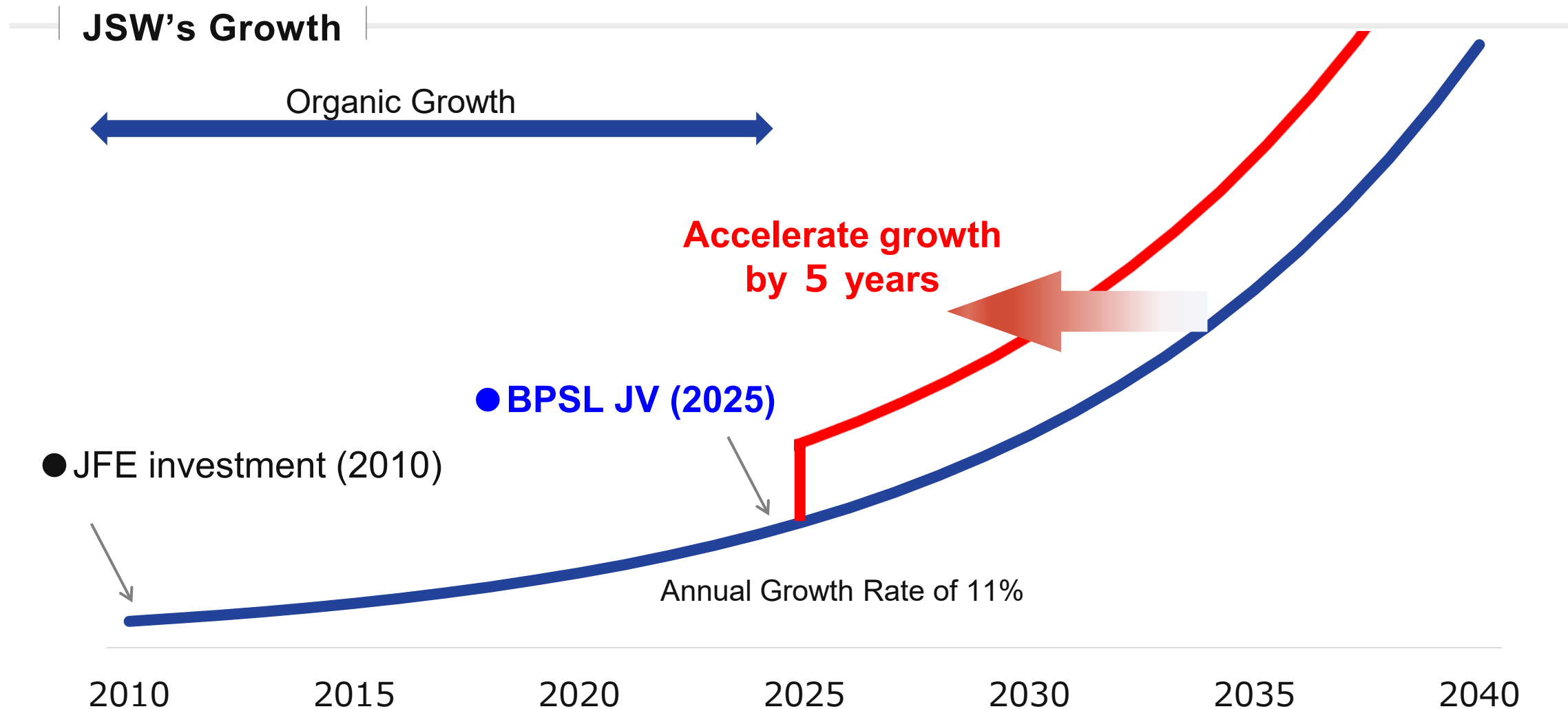
Existing Area:
Approx. 1,300 acres

Expansion Area:
Approx. 700 acres
(mostly acquired)



Realize mutual benefits between JFE – JSW

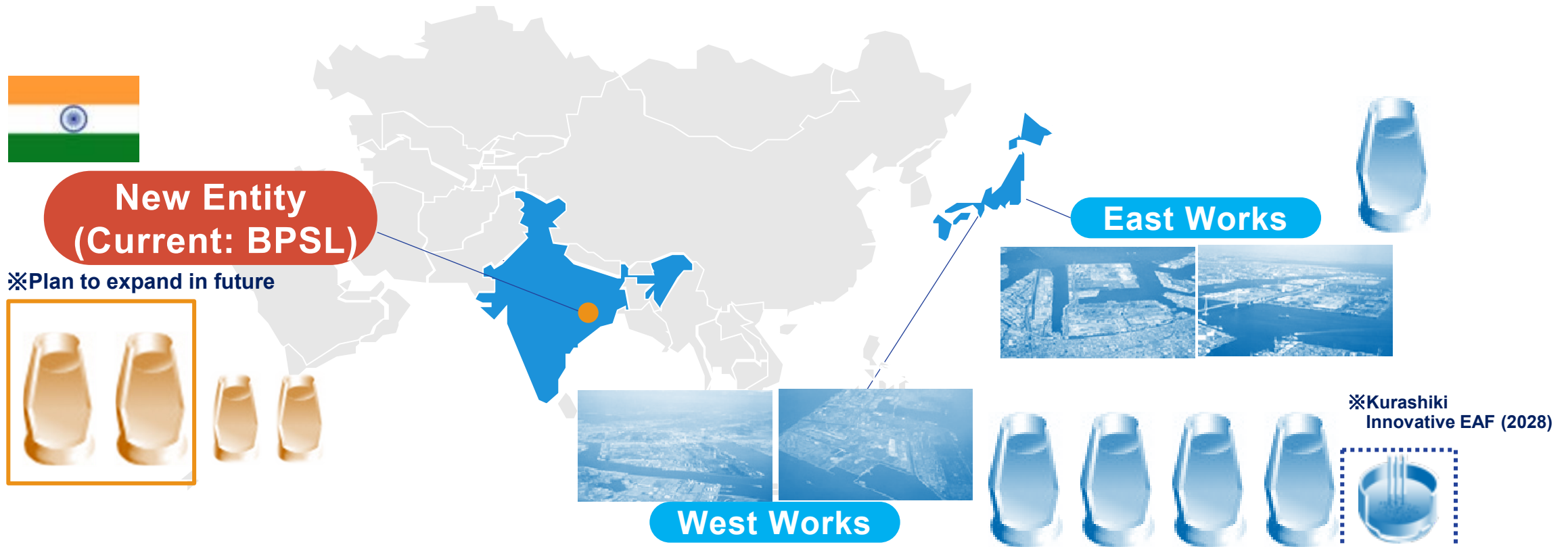
- By converting BPSL into a joint venture, create additional investment capacity for JSW
 - achieving a win-win relationship.
- By injecting JFE's technology, make BPSL produce High-Value-Added products



The Vision JFE Steel Strives to Achieve

- Inject JFE's technology to transform the site into India's most advanced and highly profitable production base.
- Operate proactively as JFE's third steelworks where it will achieve early expansion following JFE's East and West works in Japan.

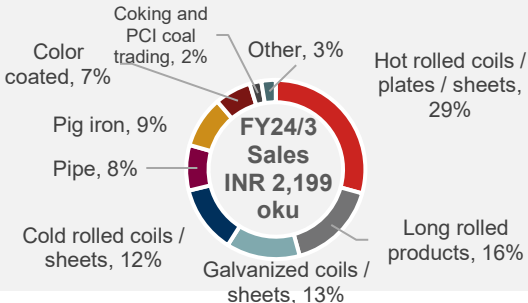
Strategic Production Base Deployment Plan for the Future



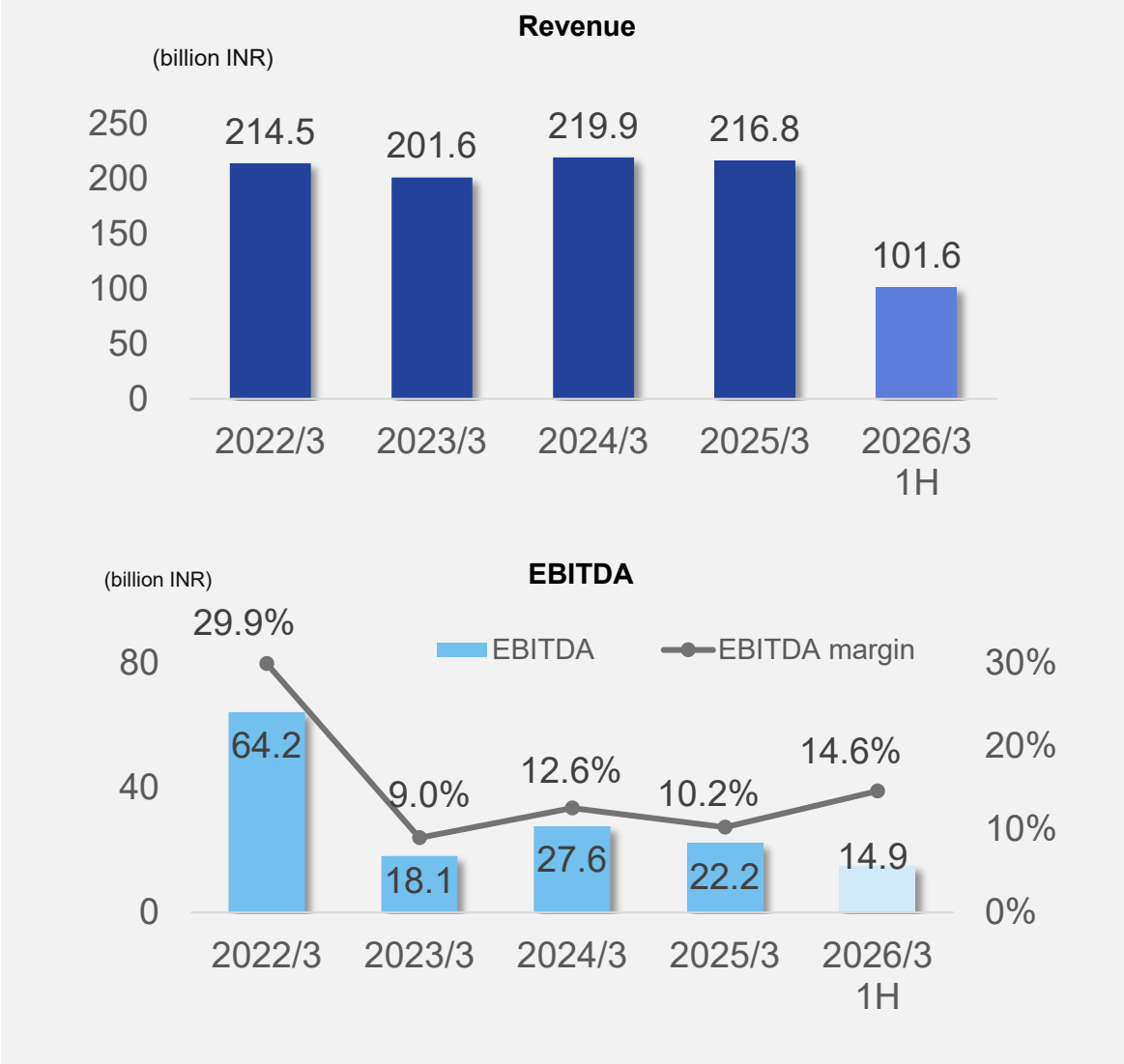


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Overview of BPSL

Company Name (Current)	Bhushan Power & Steel Limited
Established	1970
Key Facilities	Odisha State, Sambalpur Works: 4.50 MTPA Odisha State, Netrabandha Pahar Iron ore Block: Iron ore reserves of Approx. 80.0 million tons (In process of obtaining permits and licenses) Downstream Facilities: Chandigarh, Kolkata
Key Products	
Strategy	<ul style="list-style-type: none">• Plan to expand crude steel capacity to 10 million tons per year, and the land has already been acquired.• Future potential to scale up to 15 MTPA.

Financial Performance



Overview of JSW Steel



Crude Steel Capacity	35.7 MTPA (2025/3)
Key Facilities	Coke oven, pellet plant, sintering plant, blast furnaces (4 units), direct reduction plant, slab continuous casting, hot rolling mill
Key Products	Hot rolled steel sheets, cold rolled steel sheets, galvanized steel sheets, wire rods, steel bars, etc.
Relationship with JFE Steel	Strategic alliance partner; Entered into a strategic comprehensive partnership agreement in 2009; Invested (15% shares) since 2010.

Value-added steel products

Maintaining a ratio of Value-added steel products at **50% or more**

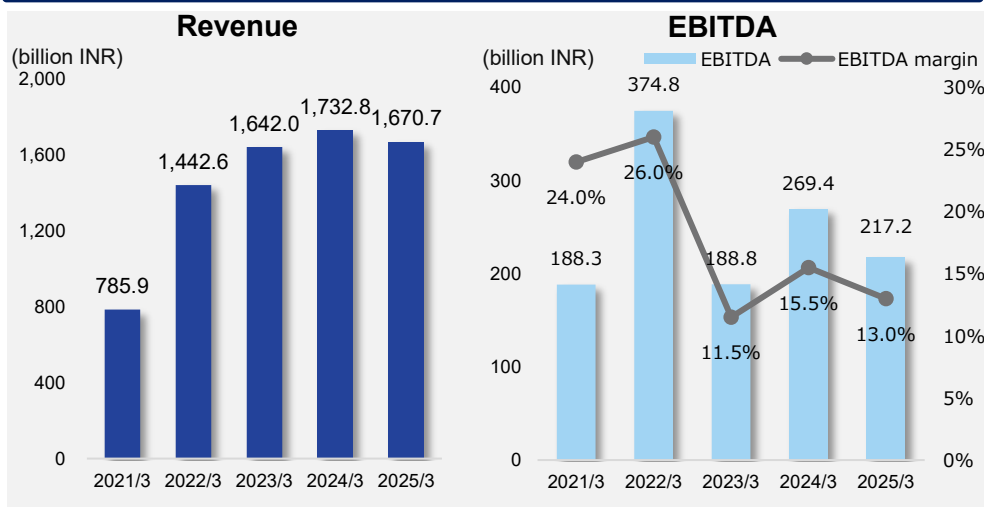
Crude Steel Capacity

35.7 MTPA
Planned expansion to **51.5 MTPA** by FY2030-FY2031

Planned Capex

In 3 years
INR 618.6bn.

Financial Performance



Key Locations

