

[Translation]

## **ARTICLES OF INCORPORATION**

**JFE HOLDINGS, INC.**

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## **OF**

### **JFE HOLDINGS, INC.**

#### **CHAPTER I GENERAL PROVISIONS**

##### **Article 1. Trade Name**

1. The name of the Company shall be JFE Holdings Kabushiki Kaisha.
2. In English the name of the Company shall be expressed as JFE Holdings, Inc.

##### **Article 2. Purposes**

1. The purposes of the Company shall be to control and manage the business activities of domestic and foreign companies that undertake the following business, through the holding of shares or other equity interest in such companies:

- (1) Production, processing and sale of iron and steel;
- (2) Production and sale of ferroalloy, non-ferrous metals and ceramics;
- (3) Mining, processing and sale of iron ore and other minerals;
- (4) Design, production, sale and repair of all types of ships and construction vehicles;
- (5) Planning, design, production, sale, repair, operation and management of industrial machinery and equipment (such as gas supply plants, power-generating plants and iron and steelworks), environmental health facilities (such as waste disposal facilities and water treatment facilities) and all types of iron and steel structures (such as bridges and construction frames), as well as contracting for work related thereto;
- (6) Planning, design and management of civil engineering and construction work, and the contracting for work related thereto;
- (7) Purchase and sale of the following commercial products and similar, as well as related businesses of trading, agency and brokerage:
  - (i) Iron and steel products and their by-products;
  - (ii) Raw materials and other materials for the manufacturing of iron and steel;
  - (iii) Non-ferrous metal products;
  - (iv) Chemical products and their raw materials;
  - (v) Machinery and appliances, as well as vehicles, ships and vessels;
  - (vi) Electric, electronic or telecommunication equipment appliances and their parts;
  - (vii) Papers, pulps and paper products; and
  - (viii) Agricultural and livestock products, marine products, food articles, alcoholic

beverages and refreshing drinks;

- (8) Sale, purchase, letting, leasing, brokerage and management of real property; and planning, design and management of urban development work, and contracting third parties to perform work relating thereto;
  - (9) Production, processing and sale of chemical products such as tar, pitch, crude light oil, benzene, carbon products, engineering plastics, magnetic materials such as iron oxide and ferrite, catalysts and chemical fertilizers, and of the raw materials for such products;
  - (10) Production and sale of computers, computer peripherals and components for electronic appliances;
  - (11) Planning, development, sale and maintenance of data and telecommunication systems, and telecommunication business;
  - (12) General and industrial waste disposal business and waste recycling business;
  - (13) Supply of electricity;
  - (14) Production and sale of gas;
  - (15) General motor truck transportation business, as well as marine transportation and port and harbor transportation businesses;
  - (16) Production, sale, export and import of medical equipment and related peripheral equipment;
  - (17) Operation of facilities for study and training, medical treatment, sports and parking etc.; planning and holding of events; and general travel agency business;
  - (18) Warehousing business, security business and comprehensive leasing business;
  - (19) Sale, research and development of technology and know-how relating to any of the above subparagraphs, and accepting the delegatin of any of the foregoing; and
  - (20) Any business incidental or relating to any of the above subparagraphs.
2. The Company engages in the business of money lending.
  3. The Company may carry out any business incidental or relating to any of the above paragraphs.

### **Article 3. Location of Head Office**

The head office of the Company shall be located at Chiyoda-ku, Tokyo.

### **Article 4. Organizations**

The Company shall establish the following organizations.

- (1) Board of Directors
- (2) Audit & Supervisory Board Member

- (3) Audit & Supervisory Board
- (4) Accounting Auditor

#### **Article 5. Method of Giving Public Notice**

The means of public notices of the Company shall be electronic public notices. Provided, however, that if the Company is prevented from giving such public notices in the form of electronic public notices due to an accident or for some other unavoidable reasons, public notices shall be given in the Nihon Keizai Shimbun.

### **CHAPTER II SHARES**

#### **Article 6. Total Number of Authorized Shares**

The total number of shares that may be issued by the Company shall be two billion, two hundred and ninety eight million (2,298,000,000) shares.

#### **Article 7. Acquiring of Own Shares**

The Company may, in accordance with Paragraph 2 of Article 165 of the Companies Act, and by resolution of the Board of Directors, acquire its own shares.

#### **Article 8. Number of Shares that Constitutes One Unit of Shares**

The Company shall deem one unit of shares to consist of one hundred (100) shares for which a shareholder may exercise a voting right at the General Meeting of Shareholders.

#### **Article 9. Increase of Shares Less Than One Unit**

Any shareholder of the Company holding shares less than one unit may, in accordance with the rules prescribed by the Board of Directors, make a demand that the Company sell to that shareholder such number of shares as may, together with the number of such shares less than one unit held, constitute the number of one unit shares. Provided, however, that this shall not apply where the Company does not hold the sufficient number of its own shares to sell.

#### **Article 10. Shareholder Registry Administrator**

1. The Company shall appoint a shareholder registry administrator.
2. The shareholder registry administrator and the place of business of the shareholder registry administrator shall be determined by the Board of Directors.
3. The preparation, storing and other administration of the shareholder registry and the registry of share options of the Company shall be contracted to the shareholder registry administrator, and not directly conducted by the Company itself.

#### **Article 11. Handling of Shares**

The handling and fees of the shares of the Company shall be in accordance with the rules prescribed by the Board of Directors in addition to the laws and regulations and the Articles of Incorporation.

### **CHAPTER III GENERAL MEETINGS OF SHAREHOLDERS**

#### **Article 12. Time of Convocation**

An Ordinary General Meeting of Shareholders shall be convened in June of each year, and an Extraordinary General Meeting of Shareholders may be convened from time to time whenever necessary.

#### **Article 13. Record Date of Ordinary General Meetings of Shareholders**

Shareholders with voting rights whose names have been entered or recorded in the shareholder registry as of the close of business on March 31 each year shall be entitled to exercise voting rights at the Ordinary General Meeting of Shareholders relating to the business year on March 31 of the year concerned.

#### **Article 14. Person to Convene Meeting and Chairperson**

The President-and-Director shall convene General Meetings of Shareholders in accordance with the resolutions of the Board of Directors, and shall serve as chairperson of such meetings. Provided, however, that if the President-and-Director is prevented from doing so, one of the other Directors shall convene and serve as chairperson for such meeting in the order previously fixed by the Board of Directors.

#### **Article 15. Measures for Electronic Provision, Etc.**

Upon convocation of general meetings of shareholders, the Company shall provide information contained in the reference materials for general meetings of shareholders, etc. electronically.

2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.

#### **Article 16. Method of Resolutions**

1. Unless otherwise provided for by laws or regulations or the Articles of Incorporation, any resolution of General Meetings of Shareholders shall be adopted by a majority of the voting rights of the shareholders present thereat who may exercise their voting right.

2. The resolution mentioned in Paragraph 2, Article 309 of the Companies Act shall be adopted

by a vote of two-thirds (2/3) or more of the voting rights of those shareholders who attend the General Meetings of Shareholders, at which shareholders having not less than one-third (1/3) of the total voting rights of shareholders who may exercise their voting rights shall attend.

#### **Article 17. Exercise of Voting Rights by Proxy**

A shareholder may exercise its voting rights at a General Meeting of Shareholders by one proxy who shall be a shareholder of the Company having voting rights. In such event, a power of attorney authorizing such proxy shall be presented in writing to the Company for each General Meeting of Shareholders.

#### **Article 18. Minutes**

The substance of the proceedings of General Meetings of Shareholders, all resolutions made thereat and any other matters provided for by laws and regulations shall be stated in minutes of the meetings.

### **CHAPTER IV DIRECTORS AND BOARD OF DIRECTORS**

#### **Article 19. Number**

The Company shall have not more than twelve (12) Directors.

#### **Article 20. Election**

1. The Directors shall be elected at a General Meeting of Shareholders.
2. The election of the Directors shall require the presence of shareholders having not less than one third (1/3) of the total voting rights of shareholders who may exercise their voting rights, and shall not be made by cumulative voting.

#### **Article 21. Term of Office**

The term of office of each Director shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year which ends within one (1) year after that Director's election.

#### **Article 22. Representative Directors and Directors with Executive Powers**

1. The Representative Directors shall be appointed by resolution of the Board of Directors.
2. One Chairman of the Board and one President-and-Director may be appointed by resolution of the Board of Directors.

### **Article 23. Compensation and Other Allowances**

The compensation, bonus and other property benefits for Directors received from the Company as consideration of their execution of duty (hereinafter referred to as “Compensation and other allowances”) shall be determined by resolution of the General Meeting of Shareholders.

### **Article 24. Notice of Convocation**

1. A notice of convocation of a meeting of the Board of Directors shall be sent three (3) days prior to the date of the meeting to each of the Directors and the Audit & Supervisory Board Members. Provided, however, that in an emergency the notice period may be shortened.

2. A meeting of the Board of Directors may be held without following the convocation procedure with the unanimous consent of all the Directors and the Audit & Supervisory Board Members.

### **Article 25. Person to Convene Meeting and Chairperson**

The Chairman of the Board shall convene meetings of the Board of Directors, and serve as chairperson of such meetings. Provided, however, that if the Chairman of the Board is prevented from doing so, or such office is vacant, the President-and-Director or one of the other Directors as previously fixed by the Board of Directors shall act in his or her place in such order.

### **Article 26. Method of Resolutions**

Any resolution at the meeting of the Board of Directors shall be adopted by a majority vote of the Directors present thereat, provided that those Directors present shall constitute a majority of the Directors who may vote on the said resolution matter.

### **Article 27. Omission of Resolution**

The Company shall deem that a resolution of the Board of Directors to approve the resolution matter has been obtained if all of the Directors (limited to those who may vote on the said resolution matter) have consented to the said resolution matter in writing or in electromagnetic record. Provided, however, that this shall not apply if any Audit & Supervisory Board Member has lodged an objection to the said resolution matter.

### **Article 28. Minutes**

The substance of the proceedings at the meetings of the Board of Directors, all resolutions made thereat and any other matters provided for by laws and regulations shall be stated in minutes of meeting, and the Directors and Audit & Supervisory Board Members present thereat shall affix their names and seals thereto.

### **Article 29. Rules of the Board of Directors**

Matters concerning the Board of Directors shall be in accordance with the rules prescribed

by the Board of Directors.

### **Article 30. Exemption of Directors from Liability**

1. The Company may, in accordance with Paragraph 1 of Article 426 of the Companies Act, and by resolution of the Board of Directors, exempt the Directors (including those who were Directors) from liability under Paragraph 1 of Article 423 of the Companies Act, to the extent permitted by laws and regulations.

2. The Company may, in accordance with Paragraph 1 of Article 427 of the Companies Act, execute the agreement with the Directors (excluding persons who are Executive Directors, etc.) to limit the liability provided for in Paragraph 1 of Article 423 of the Companies Act. Provided, however, that the maximum amount of the liability in accordance with the said agreement shall be the amount provided for by laws and regulations.

## **CHAPTER V AUDIT & SUPERVISORY BOARD MEMBERS AND AUDIT & SUPERVISORY BOARD**

### **Article 31. Number**

The Company shall have not more than six (6) Audit & Supervisory Board Members.

### **Article 32. Election**

1. The Audit & Supervisory Board Member shall be elected at a General Meeting of Shareholders.

2. The election of Audit & Supervisory Board Members shall require the presence of shareholders having not less than one third (1/3) of the voting rights of shareholders who may exercise their voting rights.

### **Article 33. Term of Office**

The term of office of each Audit & Supervisory Board Members shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last business year which ends within four (4) years after that Audit & Supervisory Board Member's election.

### **Article 34. Full-Time Audit & Supervisory Board Members**

Full-time Audit & Supervisory Board Members shall be appointed by a resolution of the Audit & Supervisory Board.

### **Article 35. Compensation and Other Allowances**

The Compensation and other allowances for Audit & Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.



### **Article 36. Notice of Convocation**

1. A notice of convocation of a meeting of the Audit & Supervisory Board shall be sent three (3) days prior to the date of the meeting to each of the Audit & Supervisory Board Members. Provided, however, that in an emergency the notice period may be shortened.
2. A meeting of the Audit & Supervisory Board may be held without following the convocation procedure with the unanimous consent of all the Audit & Supervisory Board Members.

### **Article 37. Person to Convene Meeting and Chairperson**

An Audit & Supervisory Board Member as determined in advance by the Audit & Supervisory Board shall convene meetings of the Audit & Supervisory Board, and serve as chairperson of such meetings. Provided, however, that where necessary one of the other Audit & Supervisory Board Members may convene and serve as chairperson of the meeting.

### **Article 38. Method of Resolutions**

Unless otherwise provided for by laws or regulations, any resolution at the meeting of the Audit & Supervisory Board shall be adopted by a majority vote of the Audit & Supervisory Board Members in office.

### **Article 39. Minutes**

The substance of the proceedings at the meetings of the Audit & Supervisory Board, all resolutions made thereat and any other matters provided for by laws and regulations shall be stated in minutes of meeting, and the Audit & Supervisory Board Members present thereat shall affix their names and seals thereto.

### **Article 40. Rules of the Audit & Supervisory Board**

Matters concerning the Audit & Supervisory Board shall be in accordance with the rules prescribed by the Audit & Supervisory Board.

### **Article 41. Exemption of Audit & Supervisory Board Members from Liability**

1. The Company may, in accordance with Paragraph 1 of Article 426 of the Companies Act, and by resolution of the Board of Directors, exempt the Audit & Supervisory Board Members (including those who were Audit & Supervisory Board Members) from liability under Paragraph 1 of Article 423 of the Companies Act, to the extent permitted by laws and regulations.
2. The Company may, in accordance with Paragraph 1 of Article 427 of the Companies Act, execute the agreement with the Audit & Supervisory Board Members to limit the liability provided for in Paragraph 1 of Article 423 of the Companies Act. Provided, however, that the maximum amount of the liability in accordance with the said agreement shall be the amount provided for by laws and regulations.

## **CHAPTER VI ACCOUNTS**

### **Article 42. Business Year**

The business year of the Company shall be one (1) year from April 1 of each year through March 31 of the immediately following year.

### **Article 43. Dividends of Surplus**

Dividends of surplus shall be paid to the shareholders or registered share pledgees whose names have been entered or recorded in the shareholder registry as of the close of business on March 31 each year.

### **Article 44. Interim Dividends**

The Company may, by resolution of the Board of Directors, pay dividends of surplus in accordance with the provision of Paragraph 5 of Article 454 of the Companies Act to the shareholders or registered share pledgees whose names have been entered or recorded in the shareholder registry as of the close of business on September 30 each year.

### **Article 45. Relief from Obligation to Pay Dividends**

If any dividend assets that are monetary remain unreceived for three (3) full years from the commencement date for payment thereof, the Company shall be relieved of the obligation to pay such dividend.

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