

Sustainability Management

Basic Policy

Based on its corporate philosophy of “contributing to society with the world’s most innovative technology,” the JFE Group will continue to be a company that provides products and services for a prosperous global future for a long time to come. We also consider it our mission to become an organization that is highly regarded by society by striving to play an indispensable role in supporting people’s daily lives, driving sustainable development and ensuring safe, comfortable lives for all. In addition to our initiatives on environmental sustainability, we will also focus strongly on promoting our human resources strategy and human capital management to achieve sustainable growth and enhance corporate value.

JFE Vision 2035—JFE Group’s Aspirations for 2035

Given our goal of achieving carbon neutrality by 2050, 2035 will be a very important year. By this time we should have completed developing and started implementing our carbon-neutral technologies in a full-scale transformation of our business processes. We have determined the following aspirations for 2035 in response to stakeholder concerns over the steel industry’s ability to meet the technological and financial challenges to achieving carbon neutrality and whether JFE will be capable of sustainable growth in the face of intensifying competition across all fronts.

Become the leader in carbon neutrality (CN) technology development	Expand consolidated business profit (Segment profit: ¥700 billion)
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Streamlined yet resilient domestic structure based on growth strategies <ul style="list-style-type: none"> 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” <ul style="list-style-type: none"> Collaborate with top-tier partners and pursue M&A

JFE Group Sustainability System

The Group established the JFE Group Sustainability Council, chaired by the president of JFE Holdings and comprised of the Executive Vice President (director), full-time Audit & Supervisory Board members, Corporate Officers, the Presidents of Operating Companies, and other members to oversee and direct the sustainability initiatives of the entire organization, including risk management, from the perspective of preventing damage to the JFE Group’s corporate value and enhancing it. Independent, cross-Group committees have also been established under the council, including the JFE Group Compliance Committee, the JFE Group Environmental Committee, the JFE Group Internal Control Committee, the JFE Group Information Security Committee, the Public Disclosure Committee, and the Corporate Value Enhancement Committee. Overseeing and directing the Group’s sustainability initiatives, these committees deliberate on Group policies, monitor how they are being instilled across the Group, and share information on the tasks at hand as well as on issues that have materialized and relevant responses. Included in the agenda discussed by the JFE Group Sustainability Council, the Group’s basic policies, action plans, content of key initiatives and response to critical circumstances are reported regularly to the Board of Directors, which deliberates on the issues and provides the council with direction and supervision.

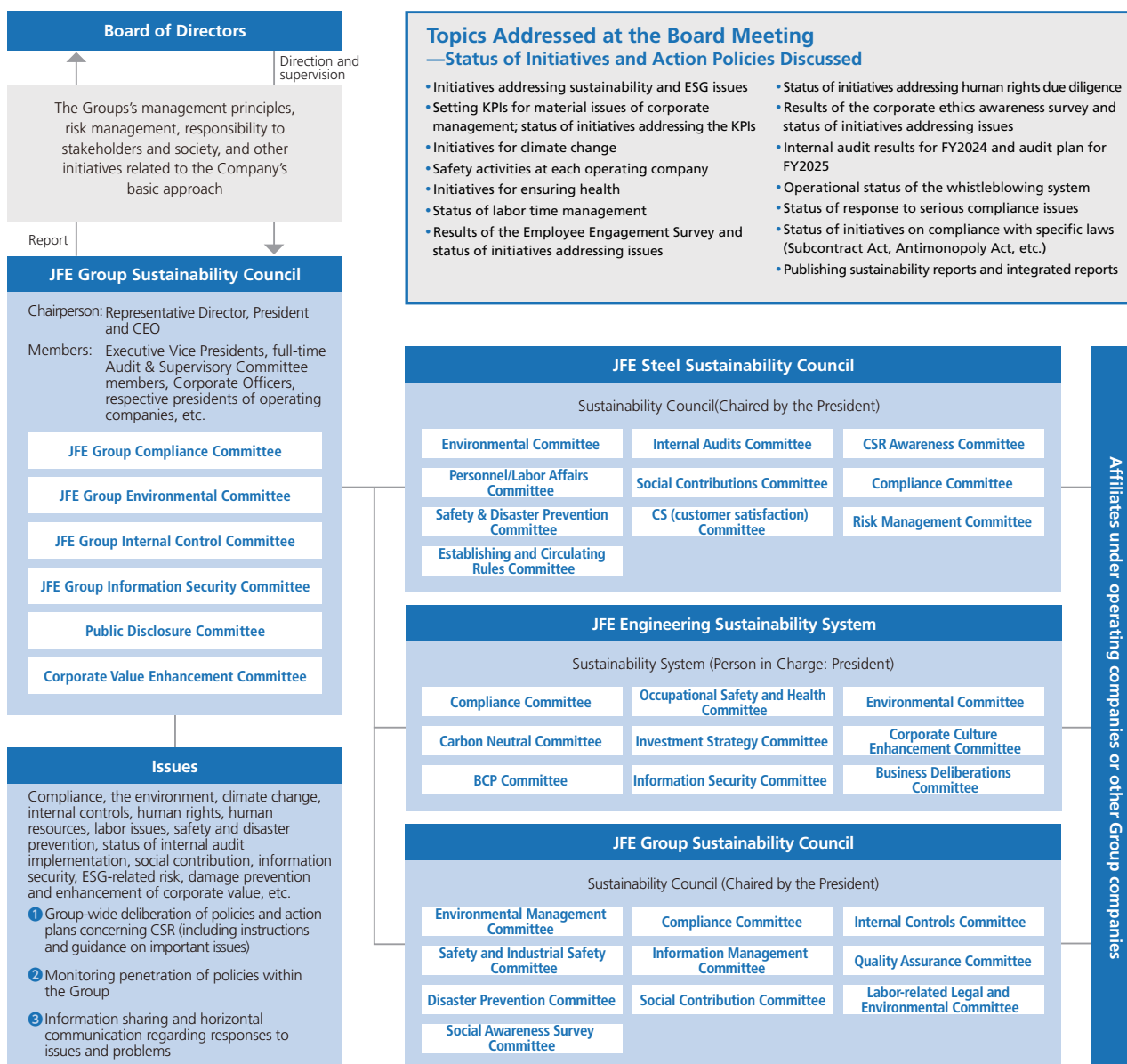
Activities of the Group Sustainability Council

The Group Sustainability Council meets approximately once every three months to discuss wide-ranging issues such as the antimonopoly act, compliance with laws and regulations to prevent corruption such as bribery involving public servants and other officials, human resources, labor issues, safety, disaster prevention, the environment, climate change, quality, financial reports, addressing antisocial forces, risk management including information security and other ESG-related risks, and social contribution. The council deliberates on policies related to Group initiatives, which also include providing instruction and guidance on material issues, monitors the penetration of the policies, and shares information on and carries out horizontal communication regarding our responses to issues and problems.

Cooperation with Operating Companies

The Operating Companies have also set up respective entities that operate in collaboration with the JFE Group Sustainability Council to promote Groupwide initiatives from the perspective of preventing damage to the JFE Group's corporate value and enhancing that value. JFE Steel, JFE Engineering, and JFE Shoji are also working to achieve sustainability through the establishment of committees in areas such as compliance, the environment, safety, and disaster prevention.

Diagram of System for Promoting Sustainability



Confirmation and Improvement through the Employee Awareness Survey

The JFE Group conducts a Corporate Ethics Awareness Survey on a regular basis (twice a year starting FY2024) for directors and employees of JFE Holdings and its operating companies to confirm the penetration and thorough compliance of the Group's Corporate Vision, Corporate Values, and Standards of Business Conduct, along with the identification of potential risks. The survey conducted in FY2024 confirmed that most employees had a good understanding of the Group's Corporate vision and standards of business conduct, as well as the laws, regulations, and rules related to their work, and that the JFE Group's Basic Policy on Preventing Bribery of Public Officials and the Guidelines for entertainment and gifts were being adhered to at workplaces. However, while we confirmed that employees are carrying out their work with a high awareness of compliance, the survey also brought to our attention issues to address going forward. The results of the corporate ethics awareness survey and relevant policies were reported at the JFE Group Sustainability Council and Board of Directors meeting in fiscal 2025. Each Group company will continue to implement specific initiatives under the supervision of the JFE Group Sustainability Council and Board of Directors.

During the formulation of the Eighth Medium-Term Business Plan, JFE Holdings' Board of Directors confirmed that the Group's Corporate Vision and Standards of Business Conduct remain the unchanging philosophy and unifying force of the JFE Group, 22 years after its founding.

Risk Management

JFE Holdings is responsible for comprehensive risk management in accordance with its Basic Policy to Establish the Internal Control Systems. The JFE Group Sustainability Council, chaired by the president of JFE Holdings, consolidates information and strengthens management across the Group to reduce the frequency and impact of risks.

The executive officer responsible for risk strives to identify potential ESG risks such as those associated with climate change. As necessary, the council confirms and evaluates risks and discusses and determines countermeasures. Key managerial issues are deliberated by the Group Management Strategy Committee.

The Board of Directors supervises initiatives on ESG risks such as those related to climate change and CSR by discussing, making decisions on, and receiving reports about these matters.

Monitoring Method for ESG Risks

Issues that may affect management are monitored by the JFE Group Sustainability Council, Group Management Strategy Committee, and Management Committee. The JFE Group Environmental Committee consolidates information and strengthens management to reduce the frequency and impact of risks and to maximize opportunities.

Group Sustainability Strategy

Formulating the Eighth Medium-Term Business Plan and Revising the Material Issues of Corporate Management

The Eighth Medium-Term Business Plan (FY2025–FY2027) covering the next three years was formulated by backcasting from our JFE Vision 2035, which targets the year 2035. Achieving progress toward the JFE 'Group's aspirations under this challenging environment will require a greater-than-ever resolve to implement our growth strategy centered on realizing a resilient, streamlined domestic production structure based on a product portfolio that leverages the JFE Group's strengths, and a business expansion strategy including aggressive investment in overseas growth fields and regions.

We will continue to position climate change as a top-priority business issue and follow the JFE Group Environmental Vision for 2050 to address the issue. Under the Vision, we promote activities for reducing CO₂ emissions at JFE Steel and for society as a whole, while also developing technologies to address these challenges as an opportunity for growth. JFE will continue to systematically ensure a stable supply of steel, the core of JFE's business, to society as an indispensable material for social development and daily life. In formulating the Eighth Medium-Term Business Plan, we also revised the material issues of our corporate management.

Refer to the following on details of the Eighth Medium-Term Business Plan.

➤ [JFE Group Long-term Vision “JFE Vision 2035” and Eighth Medium-Term Business Plan](https://www.jfe-holdings.co.jp/en/investor/management/plan/)

(<https://www.jfe-holdings.co.jp/en/investor/management/plan/>)

Material Issues of Corporate Management

JFE Group's Materiality under the Eighth Medium-Term Business Plan

The JFE Group's actions related to management issues are based on identifying materiality and setting KPIs to minimize negative societal impact and maximize societal value by investing JFE Group's resources from the standpoint of meeting stakeholder needs.

Under the Eighth Medium-Term Business Plan, we identified issues requiring special attention over the next three years for realizing the JFE Vision 2035, while also taking into consideration the issues we have been addressing to date. The issues were extracted from the perspectives of developing a business foundation for sustainable growth and pursuing a growth strategy for achieving the vision. Following a materiality assessment, we identified our material issues of corporate management (16 issues in 6 focus areas).

Areas of Focus	Material Issues
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 realizing a circular economy
Acquire robust profitability	(3) Steel Business: Improve sales and manufacturing capabilities, expand and advance business areas
	(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
Ensure occupational safety and health for employees	(6) Prevent workplace accidents
	(7) Promote health and productivity management
Promote human capital management	(8) Improve work engagement
	(9) Promote diversity, equity and inclusion (DEI)
	(10) Promote talent acquisition and development
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 structure

■ Process for Identifying Material Issues of Corporate Management

During past updates to our medium-term business plans, we have also reevaluated our material issues of corporate management. This time, as we formulated the Eighth Medium-Term Business Plan, we also determined our key material issues through the following process.

STEP 1

Reevaluate material issues of corporate management under the Seventh Medium-Term Business Plan

We reevaluated our material issues of corporate management under the plan, along with the implementation and results of KPIs set for each materiality.

Refer to the following on how we identified material CSR issues up to FY2020.

➤ [Material CSR Issues \(CSR REPORT 2020\)](https://www.jfe-holdings.co.jp/common/pdf/sustainability/data/2020/csr_2020_j.pdf) (https://www.jfe-holdings.co.jp/common/pdf/sustainability/data/2020/csr_2020_j.pdf)

Refer to the following on the process we used to identify material issues of corporate management in FY2021.

➤ [Process for Identifying Material Issues of Corporate Management \(CSR Report 2021\)](https://www.jfe-holdings.co.jp/en/sustainability/pdf/csr2021e.pdf)

(https://www.jfe-holdings.co.jp/en/sustainability/pdf/csr2021e.pdf)

STEP 2

Extract candidates for material issues

We formulated a long-term vision targeting 2035 and extracted 28 candidate items for material issues under the Plan from the perspectives of developing a business base for sustainable growth and pursuing a growth strategy for achieving the vision.

- Prevent workplace accidents
- Preserve environmental air and water quality
- Promote health and productivity management
- Reduce disaster risks at production sites
- Respect the human rights of each person involved in our business
- Address aging social infrastructure
- Ensure adherence to corporate ethical standards and compliance
- Ensure employee safety during emergencies
- Provide appropriate quality assurance
- Address economic security risks
- Raise level of information security
- Implement measures for natural and other disasters
- Coexist with local communities, society and nature
- Appropriately disclose information
- Maintain sound financial structure
- Return profits to stakeholders
- Reduce the JFE Group's CO₂ emissions and contribute to reducing CO₂ emissions across society
- Widely provide products and services to society by expanding and advancing business areas
- Improve work engagement
- Sustainable manufacturing based on improvement in sales and manufacturing capabilities
- Promote diversity, equity and inclusion (DEI)
- Realize the scope of profits to ensure sustainable growth
- Promote talent acquisition and development
- Expand business through ongoing investment in operating businesses
- Promote initiatives for realizing a circular economy
- Improve operational efficiency and productivity through digital technology
- Improve the competitiveness of products and services through DX
- Balance trade and business profit

STEP 3 Narrow down material issues

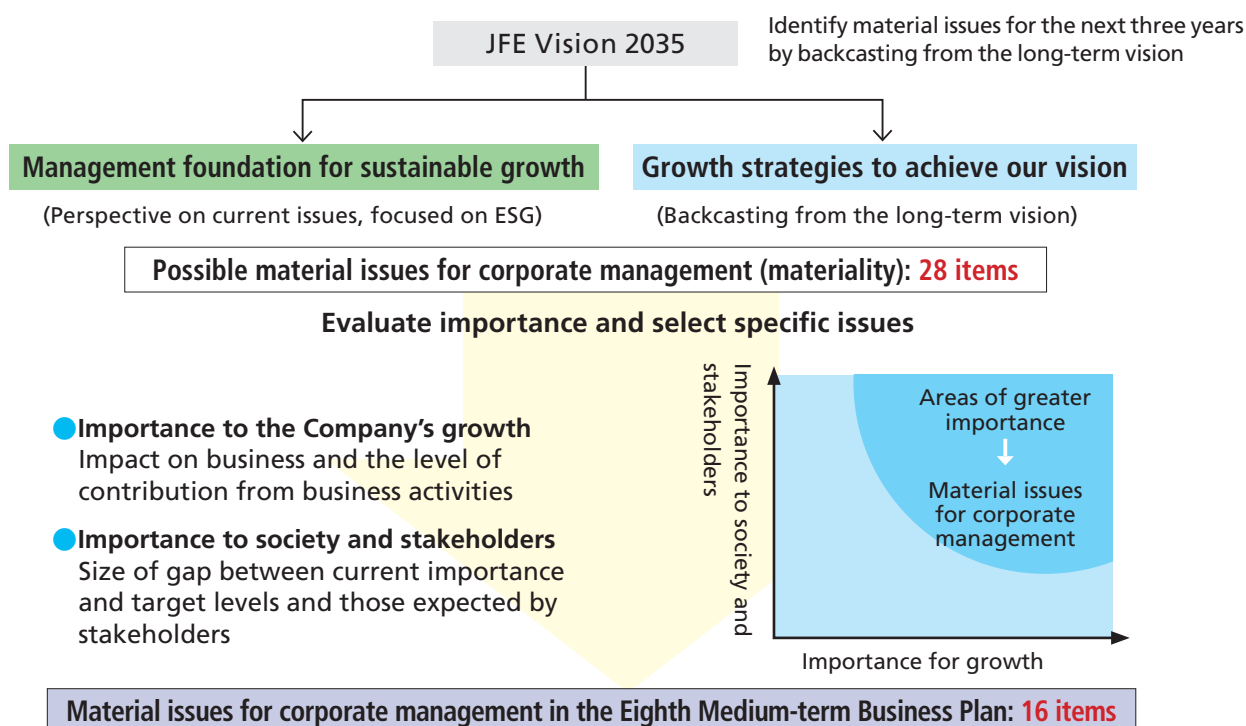
We evaluated the extracted issues in terms of their materiality to the JFE Group's growth and to society and stakeholders and identified the 16 material issues of corporate management under the Eighth Medium-Term Business Plan.

- Prevent workplace accidents
- Promote health and productivity management
- Respect the human rights of each person involved in our business
- Ensure adherence to corporate ethical standards and compliance
- Provide appropriate quality assurance
- Improve the level of information security
- Coexist with local communities, society, and nature
- Maintain a sound financial structure
- Reduce the JFE Group's GHG emissions and contribute to reducing GHG emissions across society
- Improve work engagement
- Promote diversity, equity and inclusion (DEI)
- Promote talent acquisition and development
- Promote initiatives for realizing a circular economy
- Steel Business: Improve sales and manufacturing capabilities, expand and advance business areas
- Engineering Business: Improve profitability and competitiveness, promote investment in growth areas
- Trading Business: Revitalize the management foundation, advance insider status in overseas growth markets

STEP 4 Determine aspirations and targets

We set the targets and aspirations for each identified material issue, together with KPIs as management indicators for achieving them. With regard to these material issues, we conduct an annual materiality assessment that includes reviewing the status of KPI achievement and performance, in addition to a reevaluation during the formulation of the medium-term business plan.

Material Issues for Corporate Management: Review Process



Initiatives to adress Material Issues of Corporate Management

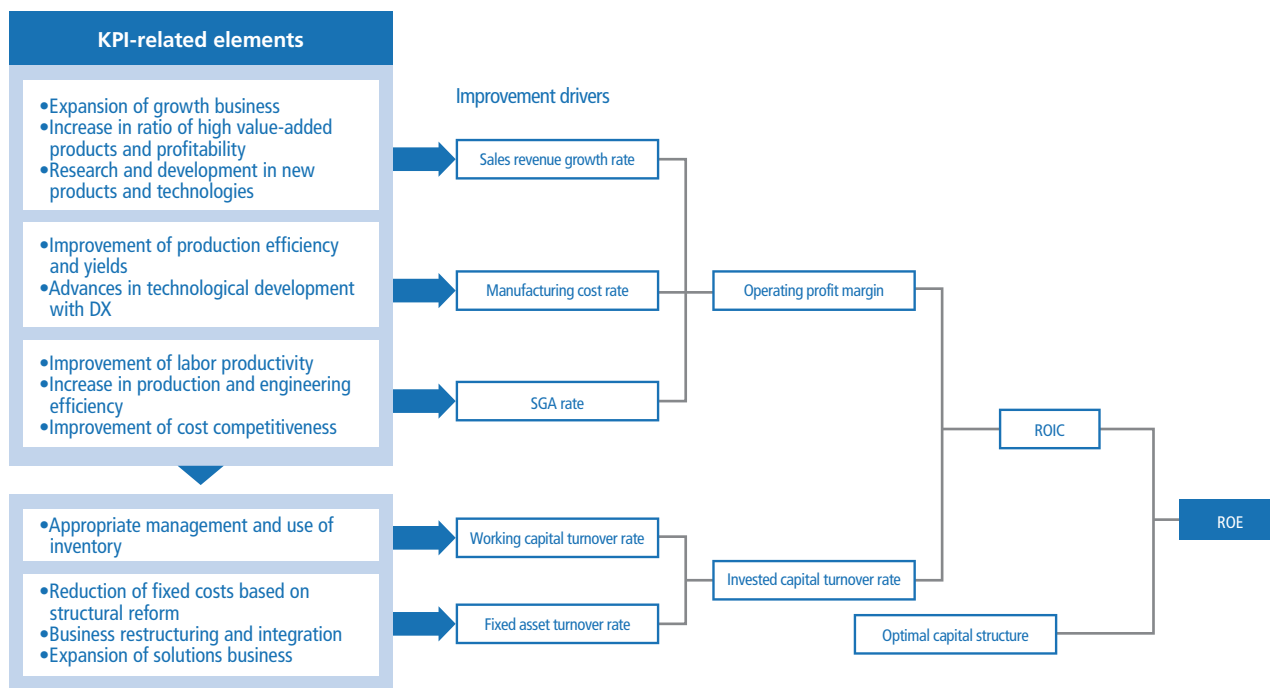
Performance Evaluation for FY2024 KPIs and Establishment of FY2025 KPIs

We assessed the performance of KPIs for FY2024 that were established to address material issues of corporate management identified in FY2021, and established KPIs for FY2025 that correspond to material issues under the Eighth Medium-Term Business Plan, identified through the above-mentioned process. FY2024 performance and KPIs for FY2025 were finalized following discussions by the Management Committee and other organs of each operating company and deliberation by the Group Management Strategy Committee and Board of Directors. Achieving the KPIs will fulfill our corporate social responsibility while also reducing risks that threaten the foundation of management, acquiring robust profitability, and attaining our financial targets.

> [FY2024 KPI Results and FY2025 KPIs](#) (P. 19)

Initiatives for Improving Financial Indicators

Achieving the financial targets will depend upon enhancing performance as measured by financial indicators that serve as drivers for improvement. intentionally linking each initiative to the financial targets will increase effectiveness and lead to raising medium- to long-term corporate value.



Improving the Sales Revenue Growth Rate

We will seek to expand growth businesses including the “from the inside” model in overseas growth regions and those that contribute to advancing the circular economy. We will also promote activities for increasing sales revenue by designating KPIs that include increases in the ratio of high-value-added products and the number of new products and technologies developed in the steel business and improved project profitability in the engineering business.

Improving the Manufacturing Cost Rate

We will consistently work on enhancing production efficiency and yields to improve the manufacturing cost rate. To drive further improvement through DX, we will designate the number of advanced DX personnel trained as a KPI to bolster our human resources.

Improving the SGA Rate

To enhance labor productivity, we will advance operational efficiency and automation through measures such as core system upgrades in each business. In the steel business in particular, we will manage the initiatives by designating KPIs to measure the contribution to profits from rationalization and higher labor productivity due to core system upgrades, use of data science and automation as well as labor savings achieved in line with the decline in Japan's labor force and population.

Impact on the Working Capital Turnover Rate and Fixed Asset Turnover Rate

In addition to implementing the above-mentioned initiatives and undertaking appropriate management and use of inventory, we will seek to make improvements by constructing optimal domestic systems, restructuring and integrating businesses, and promoting the use of land owned in the Keihin district. We will also work to expand revenues from solutions services, primarily in the steel segment, drawing upon our accumulated knowledge and expertise as a KPI.

Initiatives and Relevant SDGs

The JFE Group engages in initiatives for achieving sustainable growth for the Group over the medium to long term and enhancing corporate value.

The following chart summarizes all activities introduced in this report. Through these activities, the JFE Group intends to contribute to the achievement of the SDGs.

Activities	Related SDGs
Addressing ESG Issues	
<p> > Environmental Management (P. 46) </p> <ul style="list-style-type: none"> Promotion of environmental management system Environmental education Reducing environmental impact 	<div> <div>4 QUALITY EDUCATION</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> </div>
<p> > Initiatives to Address Climate Change Issues (P. 53) </p> <ul style="list-style-type: none"> Steel industry initiatives for achieving carbon neutrality Reduction of CO₂ in the steel business Contributing to reducing GHG emissions across society Greater contribution to reducing CO₂ in society as a whole Adapting to climate change (contribution to achieving societal resilience) Reducing energy usage Scenario analysis based on TCFD recommendations 	<div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> </div>
<p> > Initiatives to Transition to a Circular Economy (P. 124) </p> <ul style="list-style-type: none"> Conversion of byproducts and waste into resources Development of resource-efficient eco-products and eco-solution technologies Expanded use and sales of recycled materials 	<div> <div>6 CLEAN WATER AND SANITATION</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>14 LIFE BELOW WATER</div> </div>
<p> > Biodiversity Conservation and Nature Positive (P. 151) </p> <ul style="list-style-type: none"> Commitments to external initiatives Assessment of relationship between engagement, business activities, and natural capital (based on the LEAP approach) 	<div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div> </div>
<p> > Human Capital: Promoting Talent Acquisition and Development (P. 178) </p> <ul style="list-style-type: none"> Human resource development 	<div> <div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>10 REDUCED INEQUALITIES</div> </div>


Activities	Related SDGs
<p>➤ Promoting Diversity, Equity and Inclusion (DEI) (P. 180)</p> <ul style="list-style-type: none"> Promoting women's professional development Promoting childcare leave taken by men Employment of people with disabilities Programs for employees over 60 years old Creating an inclusive workplace Securing diverse human resources 	    
<p>➤ Human Capital: Improving Work Engagement (P. 185)</p> <ul style="list-style-type: none"> Making working conditions more pleasant and increasing work engagement Operational reforms Invigorating workplaces through small group activities 	    
<p>➤ Human Capital: Occupational Health and Safety (P. 191)</p> <ul style="list-style-type: none"> Occupational health and safety Employee health 	
<p>➤ Human Rights (P. 200)</p> <ul style="list-style-type: none"> Respecting human rights initiatives Conducting human rights due diligence 	  
<p>➤ Providing Quality Products and Enhancing Customer Satisfaction (P. 214)</p> <ul style="list-style-type: none"> Quality initiatives Improving customer satisfaction Ensuring stable supply 	     
<p>➤ Supply Chain Management (P. 220)</p> <ul style="list-style-type: none"> Promoting green procurement Procurement policy and initiatives for each business 	  
<p>➤ Community (P. 222)</p> <ul style="list-style-type: none"> Local activities Support for external organizations Support for youth development JFE 21st Century Foundation 	          
<p>➤ Compliance (P. 246)</p> <ul style="list-style-type: none"> Adherence to ethical standards, legal compliance 	







FY2024 KPI Results

Evaluation criteria

Target attributes		○	△	×
Quantitative	Set for each fiscal year	Accomplished 100% or better.	Accomplished 80%–99%.	Accomplished 79% or less.
	Set medium- to long-terms (in case of setting a multi-year target)	Final target accomplished 100% or better.	Final target partly accomplished with some results (80% or better with linear interpolation).	Working toward the goal but no results yet (79% or less with linear interpolation).
Qualitative		Fully accomplished with significant results.	Partly accomplished with some results.	Working toward the goal but no results yet.

*In Groupwide evaluations, the lowest result among the companies is taken as the overall result.

 JFE Steel  JFE Engineering  JFE Shoji

Areas of Focus		Priority Issues	Operating Company	FY2024 KPIs	Initiatives and Results for FY2024	Assessment
Business activities	Contribute to resolving climate change issues (initiatives for achieving carbon neutrality by 2050)	Reduce the JFE Group's CO ₂ emissions		<ul style="list-style-type: none">Achieve at least 18% of CO₂ reduction target by the end of FY2024 compared to FY2013 levelsAchieve 100% of the CO₂ reduction target of 3.06 million tonnes through energy conservation and technological development, as part of the 18% reduction in CO₂ emissions by the end of FY2024 compared to FY2013 levelsExpand adoption of JGreeX™ by stimulating demand for green steel	<ul style="list-style-type: none">Achieved 23% reduction in CO₂ emissions in FY2024 compared to FY2013 levelsAchieved 101% of the CO₂ reduction target of 3.06 million tonnes through energy conservation and technological development, as part of the 18% reduction in CO₂ emissions, by the end of FY2024 compared to FY2013 levelsExpanded adoption of JGreeX™ by stimulating demand for green steel, received orders in all areas	<div>○</div> <div>○</div> <div>○</div>
				<ul style="list-style-type: none">Reduce CO₂ emissions in its own plants and offices FY2024: 40% reduction from FY2013 levels	<ul style="list-style-type: none">63% reduction from FY2013 levels (FY2013: 15,600 tonnes, FY2024: 5,700 tonnes)	<div>○</div>
				<ul style="list-style-type: none">Reduce CO₂ emissions through the procurement of electricity derived from renewable energy FY2024 domestic CO₂ emissions: Reduce by 20% from FY2019 levels (Reduce by 5% per year from FY2019 levels from FY2021 to FY2024)	<ul style="list-style-type: none">32.4% reduction from FY2019 levels	<div>○</div>
	Contribute to reduction of CO ₂ across the society			<ul style="list-style-type: none">Launch sales and implement eco-friendly products and technologies*: 15 or more cases in FY2024 (cumulative total of 60 or more cases from FY2021 to FY2024) <p>*Products and technologies that contribute to saving energy and resources, reduce waste and environmentally hazardous substances, and do not require hazardous substances for manufacturing or use.</p>	<ul style="list-style-type: none">FY2024: 15 (eco-friendly products: 5, technologies: 10) (FY2021–FY2023: 63)	<div>○</div>
				<ul style="list-style-type: none">Contribute to reduction of CO₂ in society by providing renewable energy power generation facilities and expanding the basis of the recycling business (for plastics, food, etc.) <p>Contribute to reduction in CO₂ emissions (FY2024): 12 million tonnes per year</p>	<ul style="list-style-type: none">Contribution to reduction in CO₂ emissions (FY2024): 12.0 million tonnes per year	<div>○</div>
				<ol style="list-style-type: none">Global resource recycling of steel scrap<ul style="list-style-type: none">FY2024 scrap transactions: +5% from FY2020Increase transaction quantity of fuel for biomass power generation plants and create framework for reliable supply of fuel<ul style="list-style-type: none">FY2024 biomass fuel (palm kernel shells and wood pellets) transactions: 100% increase from FY2020Diversify supply sources to ensure stable supply	<ol style="list-style-type: none">Global resource recycling of steel scrap<ul style="list-style-type: none">6% increase from FY2020Created system for expansion and reliable supply of fuel for biomass power plants<ul style="list-style-type: none">Handling volume: +120% compared with FY2020Expanded new suppliers	<div>○</div>

Areas of Focus	Priority Issues	Operating Company	FY2024 KPIs	Initiatives and Results for FY2024	Assessment
Business activities		Groupwide	<p>Groupwide Workplace fatalities: Zero occurrences</p> <ul style="list-style-type: none"> Lost-workday injuries rate ST 0.10 or less EN 0.25 or less SH 0.15 or less 	<p>Groupwide Workplace fatalities: Zero</p> <ul style="list-style-type: none"> Lost-workday injuries rate ST 0.15 EN 0.22 SH 0.37 <p>(Work-related accidents and frequency rates are tabulated on a calendar year basis.)</p>	
		ST	<p>(Key measures)</p> <p>(1) Reinforce activities to prevent similar injuries</p> <ul style="list-style-type: none"> Horizontal Companywide deployment of measures, including for close calls Strengthen efforts to promote essential safety 100% installment of electromagnetic locks at secondary mill entrances versus plan by FY2024 	<p>(Key measures)</p> <p>(1) Reinforce activities to prevent similar injuries</p> <ul style="list-style-type: none"> Held monthly meetings to prevent similar accidents. Discussed and decided on the importance of horizontal Companywide deployment of measures for 210 cases including close calls and more serious incidents, and thoroughly followed up on progress until all measures decided at the meetings had been fully implemented. Strengthened efforts to promote essential safety Achieved 100% installment of electromagnetic locks at secondary mill entrances versus plan by FY2024 	
		EN	<p>(Key measures)</p> <p>(1) To eliminate serious injuries, conduct pre-operation checks of equipment in use, including work floors</p> <p>Decide work plans (identify and prevent dangerous risks)</p> <p>Through proper work instructions (awareness of work plans and prohibition of unplanned work), raise awareness of occupational safety of related workers and take measures to prevent accidents</p> <p>Implement 100% of the following:</p> <ul style="list-style-type: none"> Pre-operation checks Pre-operation checks of equipment to be used, curing openings in high locations and edges of work floor, install handrails, ensure on-site understanding of work plans, and cover/enduse/ turn off machinery Strict adherence during operations Use of safety belts, prohibit access under suspended loads or within the operating range of heavy machinery, assign worksite guides, disconnect power when equipment or tools are not in use <p>(2) Multifaceted management of occupational safety and health using IT</p> <ul style="list-style-type: none"> Use remote monitoring and information communications systems Use safety management operations support system 	<p>(Key measures)</p> <p>(1) Ensured thorough dissemination of proper work instructions based on pre-operation checks and decisive work plans, and confirmed steady and thorough implementation of measures by conducting daily site inspections and patrol by site safety and health supervisors</p> <p>(2) Multifaceted management of occupational safety and health using IT</p> <ul style="list-style-type: none"> Used apps based on remote monitoring and information communications systems to instantly share problems, safety instructions, and status of corrective action Use of large outdoor waterproof LED monitors for disseminating information and conducting safety training Remote site monitoring of vast construction sites Remote monitoring by site safety and health supervisors through IP cameras and other means Used safety management operations support system Active introduction of CCUSBudee (on-site construction management service) 	x
		SH	<p>(Key measures)</p> <p>(1) 100% implementation of crane operation drills (once a year or more at each company)</p> <p>(2) Advance hardware measures (introduce interlocks for coil lifting equipment)</p> <p>Complete measures for 24 applicable machines in FY2024</p> <p>(3) Reevaluate and update education system for new employees and reassigned employees</p>	<p>(Key measures)</p> <p>(1) Crane operation drills: 100% implementation at least once annually at each company</p> <p>(2) Hardware measures (introduce interlocks for coil lifting equipment): completed for 24 machines</p> <p>(3) Revision of rules on education for new employees and reassigned employees: Individually completed by each company</p>	
	Ensure the health of employees and their families	Groupwide	<p>1. Provision rates of healthcare guidance</p> <p>Groupwide 60%</p>	<p>1. Provision rates of healthcare guidance*</p> <p>ST 72.7% EN 41.3% SH 43.0%</p> <p>*FY2023 results for eligible individuals</p>	x
		Groupwide	<p>2. Reduce rates of smokers ensuring employee health and preventing passive smoking)</p> <p>Groupwide 1.5% reduction per year (total for operating companies)</p>	<p>2. Reduce rates of smokers (ensure employee health and prevent exposure to passive smoke)</p> <p>Groupwide 0.6% reduction per year (total for operating companies)</p>	x
	Recruit and nurture diverse human resources	Groupwide	<p>1. Rates for female recruits</p> <p>ST Career-track (administrative position): Degree of gender parity</p> <p>Career-track (technical position): 10% or more</p> <p>Operational position: 10% or more</p> <p>EN Career-track (administrative position): Degree of gender parity</p> <p>Technical (career-track, production/construction position): 15% or more</p> <p>SH Administrative position: Degree of gender parity</p>	<p>1. Rates for female recruits</p> <p>ST Career-track (administrative position): 55%</p> <p>Career-track (technical position): 12%</p> <p>Operational position: 5%</p> <p>EN Career-track (administrative position): 31%</p> <p>Career-track (administrative position): 9%</p> <p>SH Administrative position: 48%</p>	x
		Groupwide	<p>2. Women in managerial positions</p> <p>Groupwide 10% or more in positions qualified as section manager or above. Of whom, 20% or more to be in management and sales departments (FY2030 target)</p>	<p>2. Women in managerial positions</p> <p>Groupwide 4.3% in positions qualified as section manager or above. Of whom, 8.0% in management and sales departments (total for operating companies)</p>	△
		Groupwide	<p>3. Rate of male employees taking childcare leave or time off related to child-rearing</p> <p>Aim for all male employees whose spouses have given birth to take such leave or time off</p>	<p>3. Rate of male employees taking childcare leave or time off related to child-rearing</p> <p>Groupwide 97.5% (total for operating companies)</p>	△

Sustainability Management

JFE Group Value Chain

Stakeholder Engagement

Areas of Focus	Priority Issues	Operating Company	FY2024 KPIs	Initiatives and Results for FY2024	Assessment
Recruit and nurture diverse human resources	Strengthen human resources development	Groupwide	1. Training hours per person ST 40 hours or more per year EN 20 hours or more per year SH 20 hours or more per year	1. Training hours per person ST 45.2 hours per year EN 24.2 hours per year SH 25.2 hours per year	○
			2. Train DX personnel ST Number of internal data scientist trainees: Total of 660 as of end of FY2024 EN Number of employees who took internal data scientist training: Total of 210 as of end of FY2024	2. Trained DX personnel ST Cumulative total as of end of FY2024: 662 EN Cumulative total as of end of FY2024: 207	△
	Create work environment that motivate employees	Groupwide	1. Groupwide Annual leave acquisition rate: 75% or higher (total for operating companies)	1. Groupwide Annual leave acquisition rate: 83% or higher (total for operating companies)	○
			2. Engagement survey Groupwide Affirmative response to questions about motivation: At least 75%	2. Affirmative response to questions about motivation in engagement survey ST 70% EN 81% SH 77%	△
Business activities	Increase efficiency and enhance cost competitiveness in production and engineering	ST	1. Improvement in labor productivity • Improve labor productivity by 20% by end of FY2024 • Steadily execute investments aimed at improving labor productivity through automation and remote work	1. Improvement in labor productivity • Streamlined operations toward improving labor productivity by 20% by investing in automation and remote work, in addition to implementing structural reform (staff reduction rate: 19.3%; progress rate: 97%) • Effect of investments to improve labor productivity executed in FY2024 (including projected effects): Equivalent to 214 staff reductions (progress rate: 98%)	△
			2. Stabilize production with DS, improve yields through application of quality prediction technologies *FY2024 yields: +2.0% compared to FY2020 *Adjusted for sales composition *DS: Data science	2. FY2024 yields: +1.1% compared to FY2020 (87.2%)	×
	Reinforce resilience of production and engineering capabilities (realize worldclass earnings power through DX and other measures)	EN	• Increase the efficiency of engineering operations by introducing DX technologies AI and big data analysis engineers utilizing Pla'cello*: 2,400 *Pla'cello: Proprietary data analysis platform using AI	• Launched a user community (Pla'cello Users' Group) and promoted expansion AI and big data analysis engineers utilizing Pla'cello*: Approximately 2,700	○
			1. Ensure quality • Continue implementing activities for raising awareness of quality compliance for the Company and Group companies in accordance with the Japan Iron and Steel Federation's guidelines for strengthening the quality assurance system • Promote automated transmission of tensile test results among Group companies Targeting six companies: 83.5% introduction ratio in FY2024 (100% in FY2025)	1. Ensure quality • Maintained activities for raising awareness of quality compliance for the Company and Group companies in accordance with the Japan Iron and Steel Federation's guidelines for strengthening the quality assurance system • Promote automated transmission of tensile test results among Group companies Targeting six companies: 89.1% introduction ratio in FY2024 (100% in FY2025)	○
Raise quality of products and services and ensure reliable supply		ST	2. Strengthen manufacturing infrastructure using DX Companywide CPS installation rate: 80% or more	2. Strengthened production infrastructure using DX Companywide CPS installation rate: 77%	△
			1. Secure a stable number of certified managing engineers	1. Reliably secured certificated managing engineers amid high level of sales	○
		EN	2. Enhance information sharing and verification functions by improving operation of quality management systems No major quality problem	2. Major quality issues: Zero	○
			1. Make consistent investment in processing and distribution operations	1. Steady capital investment in the distribution and processing operations Selected and executed necessary investments to ensure stable supply of products in FY2024 Investment amount: ¥11.0 billion	○
		SH	2. Conduct quality audits at Group companies Continue conducting quality audits at 36 Group manufacturing affiliate companies in Japan and overseas (same as FY2023) (Audits completed: 100%)	2. Conducted quality audits on Group companies Conducted quality audits at 36 companies (100% audit implementation rate)	○

Sustainability Management

JFE Group Value Chain

Stakeholder Engagement

Areas of Focus	Priority Issues	Operating Company	FY2024 KPIs	Initiatives and Results for FY2024	Assessment
Business activities	Strengthen competitiveness of products and services (promote the growth strategy by providing high-value-added solutions)	S T	1. Pursue strategic research and development focusing on priority development fields* Develop new products and technologies, 20 or more *Automobiles, energy, infrastructure construction materials, DX technology, and GX technology	1. Advanced strategic research and development in priority development fields* New products and technologies developed: 20 (7 new products, 13 new technologies) (Cumulative total from FY2021 to FY2024: 90)	○
			2. Increase sales ratio of high-value-added products FY2024 high-value-added product sales ratio: 50%	2. FY2024 sales ratio of high-value-added products: 48%	△
			3. Expand the solution business • Triple solution business revenue in FY2024 compared to FY2020 • Win three or more orders for new JFE Resolus™ brand products, lay the groundwork for significant growth in JFE Resolus® during the next medium-term plan	3. Expanded the solution business • Solution business revenue was ¥6.4 billion, double the ¥3.3 billion revenue in FY2020 but not high enough to achieve the target of tripling that amount • Target achieved with 7 orders received for new JFE Resolus™ brand products The product lineup is being expanded, and sales activities are underway to catch up with the target for the Eighth Medium-term Business Plan	△
		E N	1. Develop technologies in four priority fields of waste to resources, carbon neutrality, combined utility services, and DX Ratio of R&D Expenses on these four fields: 70% or more	1. R&D expense ratio in the four priority fields: 75%	○
		S T	2. Number of patent applications: 80 or more annually • Expand the earnings difference between high-value-added products (A-rank products) and commodity products Maintain earnings difference of ¥8,000 per ton (double the target for FY2024)	2. Number of patent applications: 84 per year • Expanded earnings difference between high-value-added products (A-rank products) and commodity products FY2024: +¥9,400 per ton (achieved the goal of doubling the initial target of +¥4,000 per ton for FY2024)	○
Thoroughly enforce compliance	Ensure adherence to corporate ethical standards and compliance	E N	Expand operating businesses to expand the stable earnings base • Sales: ¥265 billion • Base expansion: 3 or more bases Recycling business (food, plastics, electronic appliances, etc.), regional electricity retail new power business, and waste processing business	• Sales of operating businesses: ¥282.8 billion • New bases: 3 bases (2 recycling businesses, 1 regional electricity retail new power business)	○
		S H	• Enhance the competitiveness of products and services by increasing added value in the supply chain through business expansion Make investments to improve value added in supply chain: 5 or more per year	• Investments to improve value added in supply chain: 7 per year	○
		Groupwide	1. Steady execution of training to foster and maintain a sense of compliance (100% attendance from the target audience) 2. Affirmative response rate of 75% or higher to questions related to compliance awareness in the Corporate Ethics Awareness Survey	1. Participation rate: 100% (rank-based compliance training, training on different laws and regulations, etc.) 2. Survey question related to raising compliance awareness Affirmative response to the question: "Do you think your awareness of compliance has improved?" ST 97% EN 98% SH 98%	○
Basis of activity	Respect human rights across the supply chain	Groupwide	1. Participation rate of targeted attendees in human rights awareness training: 100%	1. Participation rate: 100%	○
			2. Promote human rights due diligence Promote the following initiatives to realize respect for human rights throughout the supply chain: (Expand human rights due diligence to Group companies) • Conduct human rights risk surveys at overseas Group companies, prioritizing those located in countries at high risk of human rights violations • Continue to support the correction and improvement of human rights risks at major domestic Group companies that have already been surveyed, while considering regular risk surveys and methods for checking corrective measures (Build a system for managing human rights risks of suppliers) • Provide feedback on the results of the FY2023 supplier survey, and offer support for improvement to those identified as needing follow-up support	2. Conducted human rights due diligence Promoted the following initiatives to ensure respect for human rights throughout the supply chain: (Expand human rights due diligence to Group companies) ST Conducted human rights risk surveys and provided feedback to three Group companies in Thailand, Indonesia, and Brazil, which were prioritized based on investment ratios, company size, and other factors EN Conducted human rights risk surveys and provided feedback to three Group companies in the Philippines, India, and Thailand, which were prioritized based on their having bases in countries with high human rights risks, and other factors SH Conducted human rights risk surveys with 45 overseas consolidated companies ST EN SH Considered the deployment method and schedule for future supplier surveys of major Group companies in Japan (build a system for managing human rights risks of suppliers) ST EN SH Offered support to improve human rights due diligence at suppliers identified as requiring follow-up in the FY2023 survey, including sending a follow-up tool with explanations of key issues, concrete action plans, and reference cases SH Conducted a new human rights risk survey for 88 suppliers of raw materials for steel production, natural resources, and machinery	○

Fiscal 2025 KPIs

Areas of Focus	Material Issues	Aspirations	FY2025 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: 95 % 2. Green steel sales: 100,000 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 emission in society by providing renewable energy power generation facilities and expanding the power supply business : 12.5 million tonnes per year
Contribute to the realization of a recycling-oriented society	Promote initiatives for realizing a circular economy	Trading business Domestic CO ₂ emissions reduction rate (compared to FY2019) FY2027: -27.5% FY2030: -35%	FY2025 domestic CO ₂ emissions: 22.5% (compared to FY2019)
		Steel business Improve resource recycling of iron sources, co-products, etc.	1. Expand collection and use of collected "return scrap": 2.0 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 use (cumulative total under the Eighth Medium-term Business Plan): 50,000 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.: 3 sites or more
Acquire robust Profitability	Steel business Improve sales and manufacturing capabilities, expand and advance business areas	Trading business Expand products that contribute to a circular economy	Expand product lineup to contribute to a circular economy • Increase products handled by at least three in addition to current products with over 3,000 tons in volume per year
		Expand domestic steelmaking business profitability: ¥90 billion	1. Companywide OPY: +0.3% (compared to FY2024 results) 2. Develop new products and technologies : 20 or more 3. Increase revenue from high-value-added products (proportion, profitability index): 54% 4. Improvements through streamlining (core systems, data science, automation) and labor productivity enhancement: Achieved FY2027 target of 25% 5. Time saved by generative AI and low-code development: 3,000 hours per month 6. Labor-saving initiatives in response to declining labor force and population: Reduced by more than 80 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: ¥30 billion 2. Domestic Group companies business profit: ¥80 billion 3. Solutions business profit: ¥8 billion 4. Increase in foreign patent applications: 109 %
		ROs: 6%	Improve project profitability Proportion of high-value-added and differentiated across projects: Aim for over 50% by FY2027, and over 40% by FY2025
	Engineering business Improve profitability and competitiveness, and promote investment in growth areas	Stabilize profits by expanding scale of O&M business	O&M business sales: Over ¥290 billion
		Improve labor productivity	Progress of operational reforms (to improve business efficiency by FY2035): Completed workflow analysis for specified departments in FY2025, aiming to complete optimization of all business processes in FY2027
		Expand DX solution revenue	Progress of external sales activities for DX solutions: Aim for 20% more new customers in FY2027, and 10% more in FY2025 (compared to FY2024)

Sustainability Management

JFE Group Value Chain

Stakeholder Engagement

Areas of Focus	Material Issues	Aspirations	FY2025 KPIs
Acquire robust Profitability	Trading business Revitalize the management foundation and advance insider status in overseas growth markets	Overhaul core systems	<ul style="list-style-type: none"> Aim to complete core system overhaul by FY2027 In FY2025, visualize current operations and complete workflow creation for over 75% of total
	Prevent workplace accidents	Trade and business profit: ¥30 billion each	Implement growth investments to achieve profits (¥85 billion over 3 years)
Ensure occupational safety and health for employees	Promote workplace accidents	Establish safe work environment to achieve zero accidents	Serious injuries: 0 Lost-workday injuries : Steel business Steel business: 0.10 or less Engineering business Engineering business: 0.25 or less Trading business 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 (presentism below 20%): 67% or higher
Promote human capital management	Improve work engagement	Realize a environment in which every employee can maximize their potential	Engagement survey Affirmative response to questions about job satisfaction : Steel business Steel business: 75% or more Engineering business Engineering business: 80% or more Trading business Trading business: 80% or more
	Promote diversity, equity and inclusion	Realize a environment in which the experience, abilities, and individuality of diverse talent can be maximized	1. Women in managerial positions : Aim for at least 10% by April 2030 (including at least 20% in management and sales departments), with a target of achieving 5.7% by April 2026 2. Percentage of male employees taking childcare leave: 65% or more
Promote talent acquisition and development	Promote talent acquisition and development	Build a talent portfolio to realize business strategies	Steel business 1. New international employees trained: +33 2. Advanced DX employees trained (cumulative): 800 Engineering business 1. New international employees trained: +10 2. Advanced DX employees trained (cumulative): +30 Trading business New overseas secondments: +25
Minimizing 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: <ul style="list-style-type: none"> 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	Compliance training participation rate: 100%
	Promote appropriate quality assurance	Steel business Zero serious quality assurance issues Engineering business Zero quality compliance violations	1. Quality audit implementation at Group companies: 100% of planned number 2. Quality assurance investment execution: 30%
	Improve level of information security	Trading business Consistently deliver products that satisfy quality requirements	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
	Coeexist with local communities, society, and nature	Continue zero serious security incidents (Level 3 incidents that impact the business foundation)	Major quality problems: 0
		Steel business Ensure that steelworks and other plants are trusted by their local communities	1. Thorough management of vulnerabilities 2. Improve resilience against cyberattacks
		Steel business Expand contributions to biodiversity	Serious environmental or disaster accidents: 0
		Engineering business Advance efforts to biodiversity conservation	1. Continue improving 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
			New collaborative activities with local governments to improve blue carbon and marine area environments: +2 projects per year
	Maintain sound financial structure	R&I rating: AA	Conduct conservation activities (i.e., reforestation) and assess biodiversity impacts in the infrastructure construction sector Eighth Medium-term Business Plan Targets: 1. Debt/EBITDA ratio: Approx. 3 times 2. D/E ratio: Approx. 60%

JFE Group Long-term Vision “JFE Vision 2035” and Eighth Medium-Term Business Plan

The JFE Group implemented its Seventh Medium-Term Business Plan (FY2021–FY2024) by pledging to take on the challenges of the most transformative period in the Group's history to ensure a prosperous future for the planet. We tackled climate change as a top-priority business issue and achieved a milestone 18% reduction in greenhouse gas emissions in our steel business in fiscal 2024, compared to levels in fiscal 2013. We continue to make steady progress toward meeting our fiscal 2030 target of reducing emissions by at least 30% over fiscal 2013 by taking actions such as introducing innovative electric arc furnaces, scheduled to come online in fiscal 2028. Meanwhile, due primarily to the unexpectedly steep decline in the business environment for steel, consolidated business profit for fiscal 2024 was 135.3 billion yen, falling far short of the 320 billion yen target of the Medium-Term Business Plan.

Under these circumstances, we believe that two of the greatest concerns stakeholders have with regard to the JFE Group are: (1) its economic outlook, or whether it can achieve sustainable growth as competition intensifies across all fronts; and (2) its response to carbon neutrality, or whether it can meet the technological and financial challenges for achieving carbon neutrality. To address these two issues, we formulated our long-term JFE Vision 2035, targeting the year 2035 to present our aspirations and strategies.

> JFE Group Long-term Vision “JFE Vision 2035” and Eighth Medium-Term Business Plan

(FY2025–FY2027) (<https://www.jfe-holdings.co.jp/en/investor/management/plan/>)

JFE Group's Aspirations

— Our Corporate Purpose

In considering the JFE Group's vision, we reexamined how each business should leverage its strengths to fulfill its role and contribute to society. And through extensive participation and discussion by employees in operating companies, we defined our corporate purpose as follows.

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

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

Corporate Values Challenging Spirit. Flexibility. Sincerity.

- We held extensive discussions of what role each business should play and how it can contribute to society by utilizing its strengths across our operating companies, based on which we formulated the following corporate-purpose statements.

Purpose

JFE Steel

JFE Engineering

JFE Shoji

**Dream for your Future,
Steel takes you Further.**

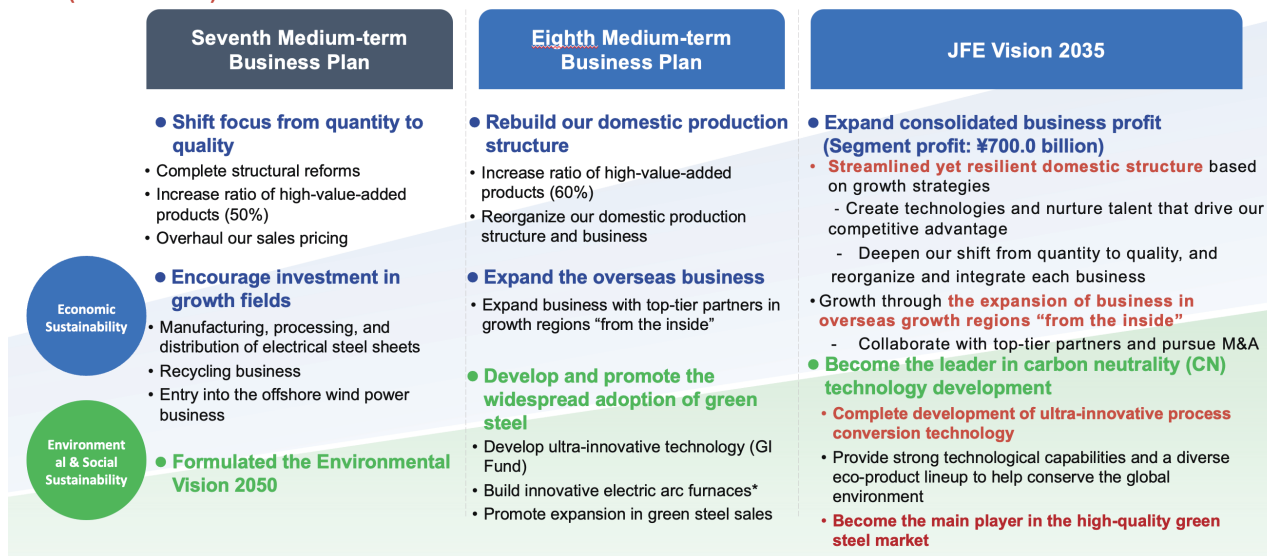
**Foundations of Life
— Just For the Earth —**

**Steel and More:
Bridging Global Progress**

— JFE Vision 2035—JFE Group's Aspirations for 2035

Based on the JFE Group's Corporate Vision and Standards of Business Conduct and the corporate purpose defined by each operating company, we defined the JFE Group aspiration as “becoming the leader in carbon neutrality (CN) technology development.” We set the target of 700 billion yen in consolidated business profit as the level of profit necessary for developing technologies and making capital investments to achieve CN by 2050. We also formulated the Eighth Medium-Term Business Plan (FY2025–2027) to promote growth strategies for realizing the JFE Group's aspirations in the face of a challenging business environment.

- We formulated the JFE Group Long-term Vision, **JFE Vision 2035**, to announce the JFE Group's aspirations.
- To promote growth strategies aimed at realizing our aspirations, we formulated **the Eighth Medium-term Business Plan (FY2025–2027)**.



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

Sustainability Initiatives of the Eighth Medium-Term Business Plan

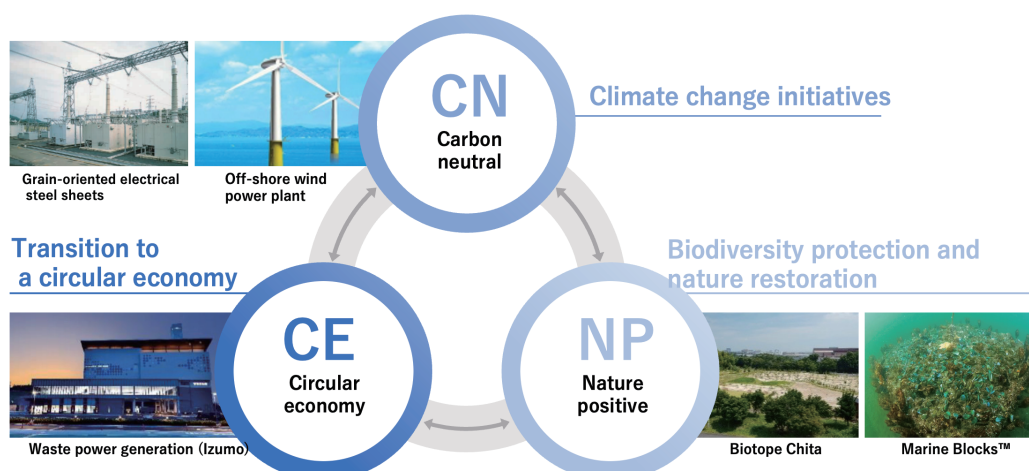
Following the formulation of our Eighth Medium-Term Business Plan, we reviewed our material issues of corporate management and KPIs. We extracted and scrutinized the necessary initiatives for the JFE Group to achieve sustainable growth by backcasting from our past initiatives on environmental and social issues and long-term vision and identified 16 material issues.

- [Process for Identifying Material Issues of Corporate Management](#) (P. 14)
- [KPIs for FY2025](#) (P. 23)

Initiatives to Achieve Environmental Sustainability

In addition to climate change, a top-priority business issue in the previous Medium-Term Business Plan, we will proactively strive Groupwide to drive the transition to a circular economy and engage in biodiversity conservation and nature positive.

- **The entire JFE Group will contribute greatly to the global environment and society by working proactively on the transition to a circular economy, biodiversity conservation, and nature positivity, with a focus on the climate change problem.**



Reference: Reference: The Ministry of the Environment's "Status of the environment, economy, and society and direction of environmental measures" (January 2023)

■ Initiatives to Address Climate Change Issues

We will further promote initiatives for achieving carbon neutrality by 2050, guided by the JFE Group Environmental Vision for 2050 formulated in 2021. In the steel business, we will position the current Medium-Term Business Plan period as a preparatory phase toward achieving the fiscal 2030 target of reducing GHG emissions by at least 30% compared to levels in fiscal 2013 and completing as scheduled the development of ultra-innovative technologies in fiscal 2035. Accordingly, we will continue working to roll out the innovative electric arc furnace in the Kurashiki district of the West Japan Works in Okayama Prefecture and develop ultra-innovative technologies. In the engineering business, we will work to achieve the fiscal 2030 target of reducing GHG emissions across society by 20 million tons by capturing the demand for offshore wind power while also seeking to win EPC* orders and participate in projects in the hydrogen, ammonia, and carbon capture and storage areas, where social implementation is expected to advance in the years ahead.

*Projects in which the engineering, procurement, and construction processes are undertaken as a single package.

➤ [Initiatives to Address Climate Change Issues](#) (P. 53)

➤ [JFE Group Environmental Vision for 2050](#) (P. 53)

■ Initiatives to Realize a Circular Economy

The JFE Group is focusing on the priority issues of expanded use and sales of recycled materials, development of resource-efficient eco-products and eco-solution technologies, and conversion of byproducts and waste into resources, and it will promote initiatives that leverage the strengths of each operating company and Group synergies.

➤ [Initiatives to Transition to a Circular Economy](#) (P. 124)

■ Initiatives to Promote Biodiversity Conservation and Nature Positive

By deepening our awareness that the JFE Group's business activities depend on and impact biodiversity and natural capital, we will promote initiatives to mitigate the associated risks. At the same time, we will not only develop processes, products, and technologies that contribute to these initiatives but also advance activities through diverse approaches, including collaborating with local communities and the supply chain. The JFE Group also endorses the TNFD* recommendations and will disclose information in line with the TNFD framework to share information with society at large.

*Taskforce on Nature-related Financial Disclosure

➤ [Biodiversity Conservation and Nature Positive](#) (P. 151)

— Promoting Our Human Resources Strategy and Human Capital Management

The JFE Group believes that human resources are the driving force for corporate growth in times of transformation. In executing and realizing our management strategies, we formulated our human resources strategy from a long-term perspective with the understanding that the Company's sustainable growth must be actively linked with the personal growth of employees. This strategy focuses on securing skilled resources to build our talent portfolio, advancing DEI to maximize individual capabilities, and enhancing work engagement.

➤ [Human Capital](#) (P. 176)

Corporate Governance

We transitioned to being a company with an Audit & Supervisory Committee with the aim of swiftly responding to rapid and major changes in the environment surrounding the Company, such as carbon neutrality and DX. We will further advance initiatives undertaken in the previous Medium-Term Business Plan for enhancing the effectiveness of the Board of Directors and strengthening its supervisory functions. By doing so, we will strive to accelerate management decision-making, enrich Board member discussions on management policies and strategies, and further strengthen the Board's supervisory role. We will also introduce new indicators to calculate ESG remuneration for directors.

> [Corporate Governance](#) (P. 232)

Major Performance and Profitability Targets, Shareholder Returns Policy

Major performance and profitability targets for the current Medium-Term Business Plan are listed below. We consider returning profit to shareholders as one of the top management priorities. We will proactively distribute dividends while striving to ensure the entire Group's sustainable corporate structure. While we intend to maintain a dividend payout ratio of around 30%, our policy is to set a minimum of 80 yen per share from the perspective of conducting stable dividends.

			Eighth Medium-Term Business Plan FY2027
JFE Group	Consolidated business profit		400.0 billion yen
	ROE		10% or more
	Debt/EBITDA		About 3 times
	D/E		About 60%
Operating Companies	Steel business	Segment profit	260.0 billion yen
	Engineering business	Segment profit	42.0 billion yen
	Trading business	Segment profit	60.0 billion yen
Shareholder Returns	Dividend Policy		Payout ratio of around 30% with minimum set at 80 yen per share

For measures of each operating company, refer to JFE GROUP REPORT 2025 (Integrated Report)

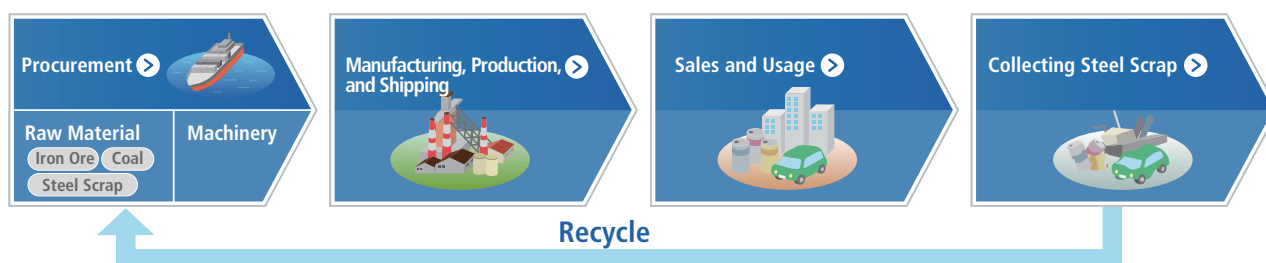
> [JFE GROUP REPORT 2025 \(Integrated Report\)](https://www.jfe-holdings.co.jp/en/investor/library/group-report/) (https://www.jfe-holdings.co.jp/en/investor/library/group-report/)

JFE Group Value Chain

The JFE Group's value chain encompasses upstream and downstream activities across the globe. We seek to address social challenges by identifying the risks and opportunities that the Group must resolve through its business operations and pursue initiatives that tackle those challenges. We will also continue to strengthen the sustainability of the entire Group and implement countermeasures throughout our value chain.

Steel Business and Trading Business

Overview of the Value Chain



Procurement

To ensure stable supply of iron ore and coal used as raw materials in the production of steel products, we purchase from various sources around the world such as Australia, South America, etc., and transport materials to the steelworks on a special vessel. Equipment and materials used at steelworks plants are also purchased globally, and we promote the recycling of steel scrap from the steelmaking process. JFE Steel has established these JFE Steel Procurement Guidelines in accordance with the JFE Group Standards of Conduct and the JFE Group Basic Policy on Human Rights, to enhance sustainability across its entire supply chain. We share these guidelines with our business partners and promote sustainability initiatives throughout our supply chain.

Manufacturing, Production, and Shipping

The JFE Group is one of the world's largest steelmakers and has cutting-edge technologies for the efficient production and stable supply of high-quality steel products, used in products indispensable to daily life such as automobiles, infrastructure, and home appliances. We also promote resource recycling by repurposing iron and steel slag generated in the process of producing steel products as cement and other construction materials.

Sales and Usage

We pay due consideration for the global environment in our own steel production processes as well as by developing eco-products and solution technologies that contribute to the reduction of CO₂ emissions across society. Furthermore, we work at the frontier of production by responding to the diverse needs of different industries through research and development and by improving production technologies.

Collecting Steel Scrap

We collect steel scrap generated by customers after processing and use, as well as scrap from the market, and repurpose it as raw material for steelmaking.

Risks and Opportunities in the Value Chain

Challenges in the Value Chain	Procurement		Manufacturing, Production, and Shipping	Sales and Usage	Collecting Steel Scrap
	Raw Material Iron Ore/Coal/Steel Scrap	Machinery			
Address Climate Change Issues					

JFE Group views the issue of climate change as a critical managerial concern from the perspective of business continuity, and it considers achieving carbon neutrality by 2050 a top priority. By designating climate change issue as a material issue of corporate management, we are actively tackling the challenge to solve this issue.

Risks <ul style="list-style-type: none"> Increased instability in raw material procurement Decline in production caused by typhoons, heavy rains, or droughts at manufacturing sites Burden of investment required for introducing new technologies to realize large-scale decarbonization Introduction of carbon pricing Intensified competition and surge in the price of cold iron sources (scrap and reduced iron) Increased demand for electricity due to a transition from blast furnaces to electric arc furnaces Decline in the sales volume of steel products due to a reduction in internal combustion engines caused by the spread of EVs, and the shift to alternative materials caused by multi-material manufacturing 	●	●	●	●	●
Opportunities <ul style="list-style-type: none"> Increased demand for steel products with high environmental value for achieving decarbonization Growth in demand for products used in EVs caused by expanded production of EVs 	●	●	●	●	●

Key Initiatives

[Initiatives to Address Climate Change Issues](#) (P. 53)

Related Pages

[Policy Engagement](#) (P. 90)
 [Scenario Analysis in Line with the TCFD Recommendations](#) (P. 113)
 [Supply Chain Management](#) (P. 220)
 [Environmental Data](#) (P. 255)

Contribute to the realization of a Recycling-Oriented Society

Recognizing that the transition to a circular economy is essential for realizing a circular society, we will advance this initiative beyond the scope of the JFE Group through collaboration with our value chain partners. We will work to convert byproducts and waste into resources, develop resource-efficient eco-products and solution technologies, and expand the use and sale of recycled resources.

Risks <ul style="list-style-type: none"> Resource depletion Shortage of disposal sites for waste generated Declining in the grade, rising price, and difficulty of obtaining obsolete scrap 	●	●	●	●
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Challenges in the Value Chain	Procurement		Manufacturing, Production, and Shipping	Sales and Usage	Collecting Steel Scrap
	Raw Material Iron Ore/Coal/Steel Scrap	Machinery			
Opportunities <ul style="list-style-type: none"> Renewed interest in recyclability of steel products Increased demand for eco-products and solutions Expanded use and sales of steel slag products and steel scrap Increased demand for recycled materials 			●	●	●

Key Initiatives

[> Initiatives to Transition to a Circular Economy](#)
(P. 124)

Related Pages

[> Environmental Data](#)
(P. 255)

Acquire Robust Profitability

To achieve the JFE Vision 2035, the JFE Group's Aspirations for 2035, we will strive to construct a streamlined yet resilient domestic structure based on growth strategies and realize growth through the expansion of business in overseas growth regions "from the inside."

Risks <ul style="list-style-type: none"> Decline in domestic demand Difficulty in securing human resources due to the contraction of Japan's labor force Stagnation in the drive for decarbonization Expansion of low-cost exports of materials from China and elsewhere Tighter tariff policies and rise of protectionism in various countries Improvement in technological capabilities of overseas competitors 			●	●	●
Opportunities <ul style="list-style-type: none"> Increased demand for eco-products that contribute to reducing CO₂ emissions (steel sheets, high-strength steel sheets, etc.) Increased demand for green steel products and steel products used for new energy applications Progress in the development of a circular economy Capture demand in overseas growth markets 			●	●	●

Key Initiatives

[> Initiatives to Address Climate Change Issues](#)
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Related Pages

[> JFE Group Report](https://www.jfe-holdings.co.jp/en/investor/library/group-report/)
(https://www.jfe-holdings.co.jp/en/investor/library/group-report/)

[> JFE Group Long-term Vision "JFE Vision 2035" and Eighth Medium-Term Business Plan \(FY2025-FY2027\)](https://www.jfe-holdings.co.jp/en/investor/management/plan/)
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[> DX REPORT](https://www.jfe-holdings.co.jp/en/investor/library/dxreport/)
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Challenges in the Value Chain	Procurement		Manufacturing, Production, and Shipping	Sales and Usage	Collecting Steel Scrap
	Raw Material Iron Ore/Coal/Steel Scrap	Machinery			

Ensure Occupational Safety and Health for Employees

Ensuring the occupational safety and health of employees is a basic corporate requirement for manufacturers and is fundamental to the continued existence of any company. The JFE Group adheres to the philosophy of safety first, and, together with its Group companies and partner companies (including contractors), is promoting safety and health activities to create safe and healthy workplaces where all employees remain physically and mentally fit as they continue working for many years.

Risks <ul style="list-style-type: none"> • Occurrence of accidents, including occupational injuries • Talent drain 			●	●	
Opportunities <ul style="list-style-type: none"> • Stable recruitment of human resources and improvement in labor productivity 			●	●	

Key Initiatives
[> Occupational Health and Safety](#) (P. 191)
Related Pages
[> Social Data](#) (P. 273)

Promote Human Capital Management

The JFE Group believes that human resources are the driving force for corporate growth in times of transformation. In executing and realizing our management strategies, we formulated our human resources strategy from a long-term perspective with the understanding that the company’s sustainable growth must be actively linked with the personal growth of employees. This strategy focuses on securing skilled resources to build our talent portfolio, advancing DEI to maximize individual capabilities, and enhancing work engagement.

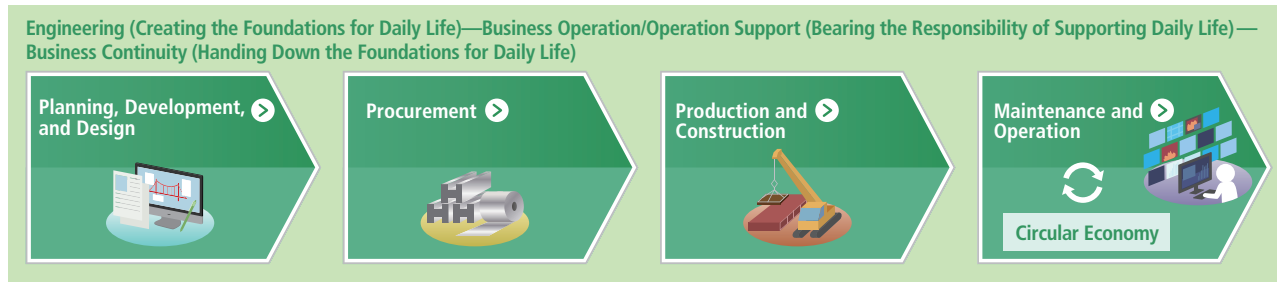
Risks <ul style="list-style-type: none"> • Occurrence of accidents, including occupational injuries • Talent drain • Culture of passing down technical skills is dying out 	●	●	●	●	●
Opportunities <ul style="list-style-type: none"> • Acquisition of diverse talent for promoting the company’s growth strategies • Improvement in employee engagement • Improvement in labor productivity 			●	●	

Key Initiatives
[> Human Capital](#) (P. 176) [> Promoting Diversity, Equity and Inclusion \(DEI\)](#) (P. 180)
[> Promoting Talent Acquisition and Development](#) (P. 178) [> Improving Work Engagement](#) (P. 185)
Related Pages
[> Supply Chain Management](#) (P. 220) [> Social Data](#) (P. 273)

Challenges in the Value Chain	Procurement		Manufacturing, Production, and Shipping	Sales and Usage	Collecting Steel Scrap
	Raw Material Iron Ore/Coal/Steel Scrap	Machinery			
Minimize risks to the business foundation					
To achieve the JFE Group’s sustainable growth and enhance corporate value, we will promote the establishment and operation of a risk management system to accurately identify and appropriately address risks across the Group.					
Risks <ul style="list-style-type: none">• Occurrence of human rights issues and violation of laws and regulations, etc.• Information leaks and system failures caused by cyber-attacks or improper system use• Production and quality issues, decline in customer trust• Deterioration in relationship with local communities• Insufficient response to stricter environmental regulations• Water shortage at the intake source, contamination of drainage destination• Difficulty in fund procurement	●	●	●	●	●
Opportunities <ul style="list-style-type: none">• Expansion in sustainable procurement and construction of stable procurement system• Competitive advantage based on stable production and quality• Diversification in fund procurement	●	●	●	●	●
Key Initiatives > Biodiversity Conservation and Nature Positive (P. 151) > Compliance (P. 246) > Risk Management (P. 251)					
Related Pages > Environmental Data (P. 255) > Supply Chain Management (P. 220) > Governance Data (P. 279) > DX REPORT (https://www.jfe-holdings.co.jp/investor/library/dxreport/index.html)					

Engineering Business

— Overview of the Value Chain



■ Engineering (Creating the Foundations for Daily Life)

The JFE Group has built many high-functioning, high-quality facilities in fields such as energy, the environment, and bridges while satisfying the needs of our customers every step of the way, from design to delivery. We have combined and evolved the technologies for processing and assembling in shipbuilding business and technologies relating to materials and combustion in the steel business to create next-generation energy and to address environmental issues. Many of our technologies support society. In addition, we are assembling our resources to develop new business models and new technologies based on existing technologies. We produce high-quality products at low cost by establishing production sites, including one of the largest steel structure production factories in Japan, overseas bases centered on Asian countries, and global engineering structures.

■ Business Operation/Operation Support (Bearing the Responsibility of Supporting Daily Life)

The JFE Group engages in many private-public initiatives in the field of public services by applying the operational and maintenance know-how acquired over many years, primarily with regard to the environment and water and sewage plants. Furthermore, we build plants, engage in the recycling business and renewable energy business, and take the initiative to realize a recycling-oriented sustainable society. Going forward, we intend to expand our initiatives even further.

■ Business Continuity (Handing Down the Foundations for Daily Life)

The JFE Group is committed to the construction, operation, and maintenance of infrastructure facilities such as plants related to energy and environment, bridges, and coastal structures to hand down safe and secure foundations for the next generation.



Risks and Opportunities in the Value Chain

Challenges in the Value Chain	Planning, Development, and Design	Procurement	Production and Construction	Maintenance and Operations
Address Climate Change Issues				
<p>The JFE Group strives to reduce CO₂ emissions in society through its eco-friendly products and technologies, including renewable energy technologies and energy-saving products in its engineering business. The Group designates climate change issue as a material issue of corporate management and is tackling the challenge to solve this issue.</p>				
Risks <ul style="list-style-type: none"> Damages incurred by typhoon, heavy rain, and drought at manufacturing and construction sites 	●	●	●	●
Opportunities <ul style="list-style-type: none"> Growing demand for strengthening infrastructure and addressing disasters Greater opportunities for decarbonization and solution businesses 	●	●	●	●

Key Initiatives

[> Initiatives to Address Climate Change Issues](#) (P. 53)

Related Pages

[> Policy Engagement](#) (P. 90)
 [> Scenario Analysis in Line with the TCFD Recommendations](#) (P. 113)

[> Supply Chain Management](#) (P. 220)
 [> Environmental Data](#) (P. 255)

Contribute to the realization of a Recycling-Oriented Society				
<p>Recognizing that the transition to a circular economy is essential for realizing a circular society, we will advance this initiative beyond the scope of the JFE Group through collaboration with our value chain partners. We will work to convert byproducts and waste into resources, develop resource-efficient eco-products and solution technologies, and expand the use and sale of recycled resources.</p>				
Risks <ul style="list-style-type: none"> Lack of disposal sites for waste generated Depletion of resources 		●	●	●
Opportunities <ul style="list-style-type: none"> Increased demand for waste to resource technology (plastics recycling, food waste power generation) Growing demand for more resilient, longer-lasting infrastructure Growing need for improving operational efficiency and reducing environmental impact 	●	●	●	●

Key Initiatives

[> Initiatives to Transition to a Circular Economy](#) (P. 124)

Related Pages

[> Environmental Data](#) (P. 255)

Challenges in the Value Chain	Planning, Development, and Design	Procurement	Production and Construction	Maintenance and Operations
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Acquire Robust Profitability

To achieve the JFE Vision 2035, we will strengthen our earnings base by leveraging our diverse business portfolio, while expanding our business operations by transitioning to a circular economy.

Risks <ul style="list-style-type: none"> Decline in domestic demand Difficulty in securing human resources due to the decrease in Japan’s labor force Stagnation in the drive for decarbonization 	●	●	●	●
Opportunities <ul style="list-style-type: none"> Increased demand for carbon neutral plants, growing need for renewable energy Capture demand in overseas growth markets 	●	●	●	●

Key Initiatives

[> Initiatives to Address Climate Change Issues](#) (P. 53)
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 [> DX REPORT](https://www.jfe-holdings.co.jp/en/investor/library/dxreport/) (https://www.jfe-holdings.co.jp/en/investor/library/dxreport/)

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Ensuring the occupational safety and health of employees is a basic corporate requirement for manufacturers and is fundamental to the continued existence of any company. The JFE Group adheres to the philosophy of safety first, and, together with its Group companies and partner companies (including contractors), is promoting safety and health activities to create safe and healthy workplaces where all employees remain physically and mentally fit as they continue working for many years.

Risks <ul style="list-style-type: none"> Occurrence of accidents, including occupational injuries Talent drain 	●		●	●
Opportunities <ul style="list-style-type: none"> Stable recruitment of human resources Improvement in labor productivity 	●		●	●

Key Initiatives

[> Occupational Health and Safety](#) (P. 191)

Related Pages

[> Social Data](#) (P. 273)

Challenges in the Value Chain	Planning, Development, and Design	Procurement	Production and Construction	Maintenance and Operations
Promote Human Capital Management				
The JFE Group believes that human resources are the driving force for corporate growth in times of transformation. In executing and realizing our management strategies, we formulated our human resources strategy from a long-term perspective with the understanding that the Company's sustainable growth must be actively linked with the personal growth of employees. This strategy focuses on securing skilled resources to build our talent portfolio, advancing DEI to maximize individual capabilities, and enhancing work engagement.				
Risks <ul style="list-style-type: none"> Labor shortage Talent drain Culture of passing down technical skills is dying out 	●	●	●	●
Opportunities <ul style="list-style-type: none"> Acquisition of diverse talent for promoting the Company's growth strategies Improvement in employee engagement Improvement in labor productivity 	●	●	●	●
Key Initiatives > Human Capital (P. 176) > Promoting Diversity, Equity and Inclusion (DEI) (P. 180) > Promoting Talent Acquisition and Development (P. 178) > Improving Work Engagement (P. 185) Related Pages > Supply Chain Management (P. 220) > Social Data (P. 273)				
Minimize risks to the business foundation				
To achieve the JFE Group's sustainable growth and enhance corporate value, we will promote the establishment and operation of a risk management system to accurately identify and appropriately address risks across the Group.				
Risks <ul style="list-style-type: none"> Occurrence of human rights issues and violation of laws and regulations, etc. Information leaks and system failures caused by cyber-attacks or improper system use Production and quality issues, decline in customer trust Deterioration in relationship with local communities Lack of adequate responses to stricter environmental regulations Contamination of a drainage destination Difficulty in fund procurement 	●	●	●	●
Opportunities <ul style="list-style-type: none"> Expansion in sustainable procurement and construction of a stable procurement system Competitive advantage based on stable production and quality Diversification in fund procurement 	●	●	●	●
Key Initiatives > Biodiversity Coservation and Nature Positive (P. 151) > Compliance (P. 246) > Risk Management (P. 251) Related Pages > Environmental Data (P. 255) > Supply Chain Management (P. 220) > Governance Data (P. 279) > DX REPORT (https://www.jfe-holdings.co.jp/en/investor/library/dxreport/)				

Stakeholder Engagement

The JFE Group strives to maintain agreeable and favorable relationships with all stakeholders, including Stakeholder Engagement shareholders, customers, clients, employees, and local communities, for the sustainable growth and medium- to long-term increase of corporate value.

JFE Group Standards of Business Conduct

2 Be open to society

Proactively disclose corporate information and engage in constructive dialogues with diverse stakeholders to enhance our corporate value.

Engagement with Major Stakeholders

Engagement with Major Stakeholders in FY2024

Major Stakeholders	Methods of Engagement	FY2024 Results	
Shareholders and Investors	Ordinary General Meeting of Shareholders	Once	Approx. 330,000 shareholders (number of unit shareholders)
	Individual meetings, primarily with institutional investors and securities analysts	In Japan: 71 companies (198 meetings) Overseas: 94 companies (195 meetings)	
	Meetings with shareholders, primarily ESG managers or those with voting rights at institutional investors	In Japan: 24 companies (41 meetings) Overseas: 16 companies (20 meetings)	
	Investor meetings and individual briefings on business strategy for analysts and persons responsible for ESG	5 times	Approx. 1,000 persons in total
	Business site and plant tours primarily for individual shareholders	14 times	Approx. 750 persons
	Newsletters (JFE Dayori)	Twice(mid-year and year-end)	Approx. 690,000 copies
	Various reports, including the JFE GROUP REPORT and JFE Group Sustainability Reports*1	Once	Approx. 22,000 copies
	Information via websites, etc., for shareholders and investors	As needed	
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	

Major Stakeholders	Methods of Engagement	FY2024 Results	
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
	Corporate Ethics Hotline	As needed	JFE Holdings and Operating Companies 161 cases (153 cases at 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
	Corporate Ethics Awareness Survey	Once	JFE Holdings and Operating Companies
	Engagement Survey*2	Once	JFE Holdings and Operating Companies
	Management feedback*3	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. 170,000 persons per year
	Plant tours	As needed	Around 100,000 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	As needed	
	Information via websites (environmental info, etc.)	As needed	
	➤ Social contribution through JFE 21st Century Foundation (http://www.jfe-21st-cf.or.jp/eng/index.html) (various research support, regional activity support, etc.)	As needed	

*1 Number of issues published is for the JFE GROUP REPORT, and the JFE Group Sustainability Report is only posted online.

*2 Questionnaire targeting all employees for surveying the level of satisfaction and applying results to initiatives and operations.

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

Engaging Our Shareholders and Investors

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 to promote constructive dialogue as well as provide management with the information acquired, with the aim of maintaining and improving the relationship of trust.

Policy on Constructive Dialogue with Shareholders and Investors

The JFE Group endeavors to enhance corporate value sustainably through dialogues with shareholders and investors, and it has established the Investor Relations and Corporate Communications Department to be responsible for promoting such constructive dialogue. The director supervising the department and director in charge are also responsible for promoting constructive dialogues with shareholders and investors, and the department takes the lead in ensuring organic collaboration between relevant departments by appropriately sharing information.

To promote active dialogue, JFE holds various briefings for institutional investors, including announcements of medium-term business plans and financial results by executive directors, and also arranges for visits to investors in Japan and overseas. With regard to individual shareholders and investors, JFE organizes briefings on corporate activity and tours of plants and other sites. Opinions, questions, and other information obtained through these dialogues are regularly collected and reported to directors and corporate officers.

In conducting the dialogues, JFE prevents any leaks of insider information and ensures fair disclosure by adhering to its disclosure policy. In addition, important press releases and IR materials are disclosed in English to provide the same information to overseas investors as to those in Japan.

For more on this, please refer to the following information.

- > [Investor information](https://www.jfe-holdings.co.jp/en/investor/index.html) (https://www.jfe-holdings.co.jp/en/investor/index.html)
- > [Plant tours \(special benefit for shareholders\) \(Japanese only\)](https://www.jfe-holdings.co.jp/investor/stock/factory_tour/index.html) (https://www.jfe-holdings.co.jp/investor/stock/factory_tour/index.html)
- > [Disclosure policy](https://www.jfe-holdings.co.jp/en/investor/management/disclosure-policy/index.html) (https://www.jfe-holdings.co.jp/en/investor/management/disclosure-policy/index.html)

General Meetings of Shareholders

General Meetings of Shareholders are opportunities for dialogue with shareholders, so JFE sends invitations at the earliest possible date to maximize attendance and avoid overlapping with the shareholder meetings of other companies. The company has been posting an invitation on its website at the earliest possible date while allowing online voting for shareholders who are unable to attend. JFE also strives to provide the same information to overseas investors as it does in Japan by, for example, disclosing the convocation notice in English.

For more information on the General Meetings of Shareholders, please refer to the following.

- > [General Meetings of Shareholders](https://www.jfe-holdings.co.jp/en/investor/stock/general_meeting/index.html) (https://www.jfe-holdings.co.jp/en/investor/stock/general_meeting/index.html)

Engaging Our Customers

The Group believes that the stable supply of products and services and reliable quality assurance, along with advancing research and development, are necessary to meet customer needs.

We will work to establish win-win relationships by continuously meeting customer needs and the trust they place in us.

For more on this, please refer to the following information.

> [Provide Quality Products and Enhance Customer Satisfaction](#) (P. 214)

Engaging Our Suppliers

As a key business partner, we actively promote sustainability initiatives in cooperation with suppliers. We have established a basic purchasing (procurement) policy to promote fair and honest procurement activities and build sound relationships with suppliers.

For more on this, please refer to the following information.

> [Supply Chain Management](#) (P. 220)

Engaging Our Employees

Recognizing that human resources are the driving force behind corporate growth, top management has formulated human resources strategies aligned with our management strategies. It has also established the JFE Group's Basic Policy on Human Resource Management and the JFE Group Health Declaration to promote initiatives that maximize the talents and vitality of our human resources through aggressive investment in human capital.

For more on this, please refer to the following information.

> [Human Capital](#) (P. 176)

Engaging the Local Community

To ensure business continuity at manufacturing bases where steelworks are located and elsewhere, constructing a relationship of trust with citizens in local communities and realizing coexistence and prosperity are crucial.

We will pursue various activities with the aim of realizing sustainable growth and regional development, including continued initiatives toward ensuring safety and reducing our environmental impact.

For more on this, please refer to the following information.

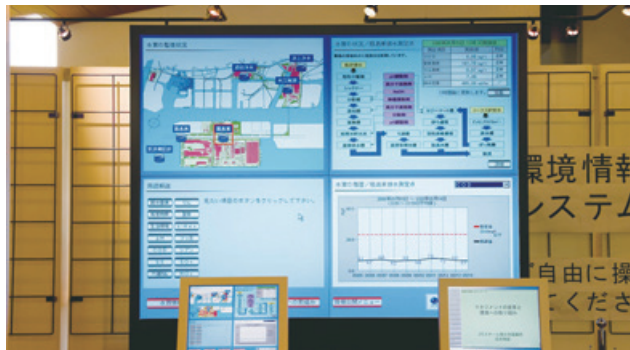
> [Community](#) (P. 222)

Environmental Communication

The JFE Group gives utmost priority to communicating with all stakeholders, including in matters relating to the environment. In addition to disclosing environmental information, the Group carries out extensive two-way communication between the public and the business community by supporting and participating in environment-related activities outside the Group.

— Disclosing Environmental Data

The East Japan Works of JFE Steel discloses real time environmental data on local air and water quality. Visitors can review this information in the first-floor lobby of the Visitor Center in the Chiba District and in the Amenity Hall and the first-floor lobby of the Keihin Building in the Keihin District.



Environmental data display in the Keihin District

— Dissemination of Environmental Information and Public Outreach

■ Commercial Video and Special Website about JFE

We created a commercial video and special website featuring the JFE Group's initiatives for a sustainable future to bring the Group closer to stakeholders. The video and website are titled "Sus-tetsu-nable!" with the word "tetsu" meaning iron inserted into the word "sustainable." We hope that the video and website will help the public better understand iron as an essential element for social infrastructure and recognize the Group's efforts as an indispensable member of society.

> [Special website "Sus-tetsu-nable!" \(Japanese Only\)](https://www.jfe-holdings.co.jp/sus-tetsu-nable/) (<https://www.jfe-holdings.co.jp/sus-tetsu-nable/>)

■ ecobeing Environmental Website

The JFE Group provides support to ecobeing, a web magazine operated by KLEE INC., which disseminates information on the environment under the slogan, "Let's talk more with the Earth!" The website series, ecopeople, has featured people from a variety of fields and also introduced JFE Group employees and initiatives. To date, the magazine has covered JFE Steel's BETTER RECYCLE Shonan, featuring the project for addressing plastic pollution by increasing the application of steel sheets for can-making, and the JFE Dragonfly Path in the Tsurumi Works of JFE Engineering. In 2024, we introduced the "Public-Private Partnership for Creating a Rich Marine Environment," a collaborative effort between Yokohama City and JFE Steel. This ongoing project launched in 2013 has demonstrated how steel slag products such as JFE's Marine Block™ and Frontier Rock™ can be used to build an artificial bed for marine life and create new value. Many other activities and initiatives undertaken outside the JFE Group are also featured. By supporting this website magazine from an objective standpoint, the JFE Group seeks to help stimulate public discussion and awareness about ESG and the SDGs.

Please see the following for further details.

- [ecobeing \(Japanese only\)](https://www.ecobeing.net/) (https://www.ecobeing.net/)
- [Public-Private Partnership for Creating a Rich Marine Environment \(Japanese only\)](https://www.ecobeing.net/ecopeople/2025_spring/) (https://www.ecobeing.net/ecopeople/2025_spring/)
- [JFE Steel's steel slag products \(Japanese only\)](https://www.jfe-steel.co.jp/en/products/slag/index.html) (https://www.jfe-steel.co.jp/en/products/slag/index.html)

■ Sponsoring Midori no Komichi Environmental Diary

The JFE Group sponsors the Midori no Komichi (Green Trail) environmental diary project hosted by Green Cross Japan with the hope that children will become more aware of environmental issues by keeping diaries of their activities and thoughts about ecology.

Please see the following for further details.

- [Midori no Komichi Environmental Diary \(Japanese only\)](https://www.midorinokomichi.net/) (https://www.midorinokomichi.net/)

■ Participation in Environmental Exhibitions Such as EcoPro2024 and Tokyo Bay Festival 2024

The JFE Group's business activities for protecting the environment have been presented at various environmental exhibitions.

EcoPro2024, one of the largest environmental exhibitions in Japan, was held in December 2024 at the Tokyo Big Sight, and the JFE Group participated under the theme: "Sus-tetsu-nable! Let's create an environmentally friendly loop for the future!" The JFE Group develops technologies and products that efficiently use limited resources without generating waste. At our booth, we explained the high recyclability of steel and showcased technologies such as environmentally friendly steel products, power generation using waste materials, and PET bottle recycling, so that visitors could learn about a circular society through JFE's business activities. We also sponsored an Eco Study Note for pre-visit review to aid children's understanding. As in the previous year, our VR factory tour was also well-received.



The JFE Group's booth at EcoPro2024



VR factory tour

The JFE Group's eight companies jointly participated in the WIND EXPO at Tokyo Big Sight in February 2025. The WIND EXPO is one of the Smart Energy Week expos, a set of simultaneous expositions about seven new energy fields, and Japan's largest wind energy exposition that draws participants from around the world. We promoted our initiatives under categories such as foundational structures, construction, O&M, and supply chain, and we offered information on the start of operations at JFE Engineering's monopile manufacturing plant in Kasaoka, Okayama Prefecture, as well as the sales expansion of JFE Steel's high-quality large and heavy steel plate J-TerraPlate™ and green steel product JGreeX™.

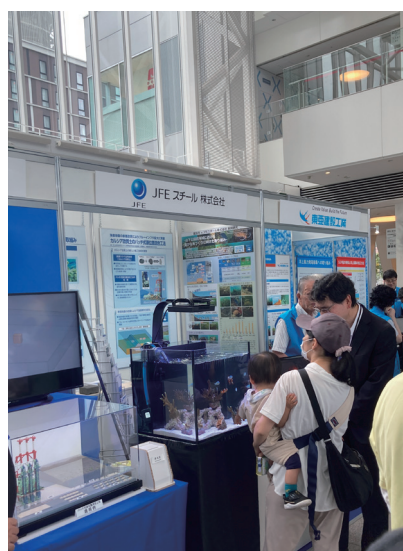
The JFE Group has positioned its work on the offshore wind power business as a key initiative. Our strength lies in having a diverse range of businesses within the Group, which can collaborate to generate synergies and deliver new added value. We will continue to leverage the Group's comprehensive capabilities to commercialize this business.



JFE Group's booth at WIND EXPO

The JFE Group participated as a panelist in the NIKKEI Blue Ocean Forum, sponsored by The Nihon Keizai Shimbun and Nikkei BP and held in May and December 2024. We introduced our project using steel slag products to create seaweed beds and our "blue carbon" effort to calculate the amount of carbon absorbed and fixed by marine life.

In September 2024, JFE Steel took part in Tokyo Bay Festival 2024, an event held in Yokohama City to appreciate the bounty of Tokyo Bay, and presented the company's involvement in the regeneration of the marine environment and contribution to biodiversity through its steel slag products. The event offered a great opportunity for the company to showcase to the many visitors how its products contribute to the SDGs.



JFE Steel's booth at Tokyo Bay Festival 2024