Message from JFE Group's Value of Steel the CEO

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Promoting Talent Acquisition and Development

Initiatives

We are acquiring and developing talent to execute the business strategies of operating companies and building a portfolio aligned with those strategies. Amid intensifying competition for talent, we are pursuing automation and labor-saving measures through DX and establishing optimal production systems in the steel business, and building a lean, robust organizational structure. At the same time, we are strengthening our recruitment capabilities by combining diverse sources such as career hires, alumni hires, referral hiring, and the use of scouts and agencies. Additionally, we are enhancing corporate recognition through advertising and offering competitive compensation.

From the perspective of human resource development, we are cultivating an awareness of autonomous career development by providing broad work experience through active job rotation, developing learning environments tailored to employee motivation, and expanding voluntary (self-nominated) training programs. Specialized human resource development will depend on continuously securing and developing global and DX talent to implement the Group's management strategies, such as expanding locally based overseas operations and building a lean, resilient organizational structure. We are particularly emphasizing these initiatives.

For more on training results, please refer to:

> Social Data (P. 273)



Strengthening the Foundation of the Domestic Steel Business and Developing Human Resources for Growth and Priority Fields

JFE Steel will maintain its domestic steel business as the foundation of its operations while continuously enhancing the capabilities of its human resources. The company is building and implementing a framework to assign personnel to growth and priority fields by leveraging the depth of its workforce talents. In addition, it is reviewing the overall framework and content of its management training to ensure management practices are aligned with its established purpose, vision, and values.

ST Domestic Steel Business

JFE Steel is enhancing the quality of its human resources by encouraging and supporting autonomous career development. This includes providing diverse work experience through active job rotation, developing learning environments tailored to employee motivation, and expanding voluntary (self-nominated) training programs.

Strengthening the skills of younger employees has become increasingly important for operational staff during generational turnovers. In response, the company is leveraging the human resource development system at its manufacturing sites to assess and analyze individual skill levels quantitatively and apply these insights to training. Furthermore, it is working to further strengthen the effectiveness of training by adopting IT, including the introduction of training simulators using mixed reality (MR) technology.

ST Growth and Key Areas

JFE Steel is promoting the transition of personnel from the domestic steel business by equipping them with the skills and experience required in growth and priority areas such as overseas operations and DX. For its overseas business, it is building a pool of human resources capable of managing global operations by actively rotating mainly younger employees into overseas assignments to provide hands-on experience, as well as actively encouraging overseas study. The company introduced a new open-application overseas study program in FY2025 to further accelerate human resource development.

To promote DX, JFE Steel has redefined the required skills and knowledge at each career stage while systematizing and enriching the content of training. It has redefined highly skilled DX personnels as Business Innovators, who drive business process reforms, Data Scientists, who leverage advanced technologies such as AI and machine learning, and Digital Designers, who leverage low-code tools to enhance efficiency and sophistication, and is systematically and strategically developing these professionals.

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EN **Engineering Training Programs to Support Independent Learning**

To enhance the knowledge of underlying technologies that represent a technological foundation for an engineering enterprise, the company's leading expert lectures over 30 different courses on basic technology for younger employees and mid-career hires.

A web-based learning curriculum launched in FY2018 offers employees opportunities to acquire business skills that cater to each job responsibility, including accounting and marketing.

Through these training programs, JFE Engineering provides younger employees with opportunities to grow through independent and continuous learning and strengthens the leadership capabilities of managers to transform corporate management.

Training and Measures to Maximize Employee Potential

To expand the trading business in Japan and overseas, JFE Shoji has established training programs that enable personnel with diverse backgrounds to achieve growth in their respective environments. These programs include skill training courses for developing the basic skills required of trading company personnel, such as negotiation, finance, and strategic thinking, as well as practical trade training for acquiring hands-on knowledge and onboarding programs for newly hired mid-career employees, thereby further strengthening the company's competitiveness. Furthermore, employees in rank-based training are provided opportunities to learn the roles and skills required for their new qualifications before being promoted for fostering talented employees who can make an early impact. Other programs include the Overseas Trainee Program, which dispatches young employees to overseas Group companies early in their careers, and the national staff training program, through which talented locally hired overseas employees are invited to the head office to further boost their abilities and motivation. These programs for a wide range of employees are intended to raise the performance of the entire Group.

Developing Personnel for Overseas Operations

In addition to hiring and developing non-Japanese for career-track positions in Japan and local personnel overseas, the JFE Group is enhancing programs for Japanese employees to gain overseas study and training. The Company is also developing younger employees through practical experience by dispatching them on overseas assignments.

Global Personnel Development Programs

| | JFE Steel | JFE Engineering | JFE Shoji |
|--|-----------|-----------------|-----------|
| Study abroad | 0 | 0 | 0 |
| Short-term overseas language training | 0 | _ | 0 |
| Overseas assignments for younger employees | 0 | 0 | 0 |
| Dispatching engineers to international conferences | 0 | _ | _ |
| Training for local personnel at overseas sites | 0 | 0 | 0 |
| Practical training in Japan for non- Japanese personnel at overseas sites | _ | 0 | 0 |
| Internship for international students | 0 | 0 | _ |