

Governance: Executive Summary

With its many companies and partners, the JFE Group is engaged in a broad and diverse range of businesses, centered on the steel, engineering, and trading businesses.

Establishing a proper governance system is essential for increasing the autonomy and efficiency of each operating company and for appropriately managing various business risks, including those related to the environment, safety, and disaster prevention. It is also important for ensuring the Group's sustainable growth and improving corporate value over the medium to long term.

We have been enhancing corporate governance through such initiatives as formulating the Basic Policy on Corporate Governance, establishing the Nomination Committee and Remuneration Committee, and evaluating the effectiveness of the Board of Directors.

Upon the approval of the Ordinary General Meeting of Shareholders held in June 2025, the Company transitioned to a company with an Audit & Supervisory Committee. In line with the launch of the Eighth Medium-term Business Plan, we revised the remuneration system for Directors. We reviewed the remuneration structure to increase the proportion of performance-linked remuneration, changing the ratio of basic remuneration, annual bonus, and stock remuneration from 6:2:2 to 2:1:1. In addition, we introduced employee engagement as a new ESG indicator for bonuses and revised the indicators for the calculation of stock remuneration to return on equity (ROE) and relative total shareholder return (TSR).

Thorough compliance is the foundation of our relationship of trust with stakeholders and the basis of our business activities. While we strive to ensure adherence to corporate ethics and compliance as a material issue of management, the JFE Group Sustainability Council, chaired by the president of JFE Holdings, supervises and provides guidance on compliance efforts, and important measures are reported to and deliberated by the Board of Directors for direction and supervision.

With regard to risk management, JFE Holdings as the holding company is responsible for the comprehensive risk management of the Group and has established a system under which its Board of Directors supervises risk management and confirms its effectiveness. JFE Holdings is continuously improving risk management for the entire Group based on discussions by its Board of Directors.

Objectives and results related to material issues of corporate management concerning governance

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

Key Initiatives

- [In line with the launch of the Eighth Medium-Term Management Plan, we revised the remuneration system for Directors](#) (P. 239)
- [Conducting third-party analysis and evaluation of the Board of Directors' effectiveness](#) (P. 237)
- Disclosure of [skills matrix](#) for Directors (P. 235)
- [Corporate Ethics Awareness Survey](#) implemented periodically for officers and employees of JFE Holdings and operating companies (P. 249)
- [Ongoing oversight and confirmation of the effectiveness of Group-wide risk assessment by the Board of Directors](#) (P. 231)

Corporate Governance

Basic Policy

With the steel business, engineering business and trading business at its core, the JFE Group develops a broad range of businesses in a wide range of areas together with many group companies and partners. Establishing a proper governance system is essential toward improving independence and raising efficiency in each operating company, along with the optimal management of risks, which include those related to the environment, safety, and disaster prevention in the Group. It is also necessary for the sustainable growth of the Group and the medium- to long-term improvement of its corporate value.

With the aim of enhancing the best corporate governance to embody the JFE Groups' Corporate Vision, the Company has established the JFE Holdings Basic Policy on Corporate Governance. The Company has revised the policy pursuant to its transition to a company with an Audit & Supervisory Committee, as approved at the Ordinary General Meeting of Shareholders held in June 2025.

➤ [JFE Holdings, Inc. Basic Policy on Corporate Governance](https://www.jfe-holdings.co.jp/en/common/pdf/company/info/basic-policy.pdf) (https://www.jfe-holdings.co.jp/en/common/pdf/company/info/basic-policy.pdf)

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

Results

Major topics discussed during FY2024 Board of Directors meetings included the following.

- Progress of the Seventh Medium-term Business Plan
- Establishment of JFE Vision 2035 and the Eighth Medium-Term Business Plan
- Large-scale investments (construction of a Continuous Galvanizing Line (CGL) at JFE Steel's West Japan Works (Fukuyama District), acquisition of interests in the Blackwater coal mine in Australia, etc.), follow-up on investments and loans
- ESG initiatives (e.g., efforts to achieve carbon neutrality, assessment and review of KPIs for material issues of corporate management)

Selected governance data can be accessed from the following link.

➤ [Governance Data](#) (P. 279)

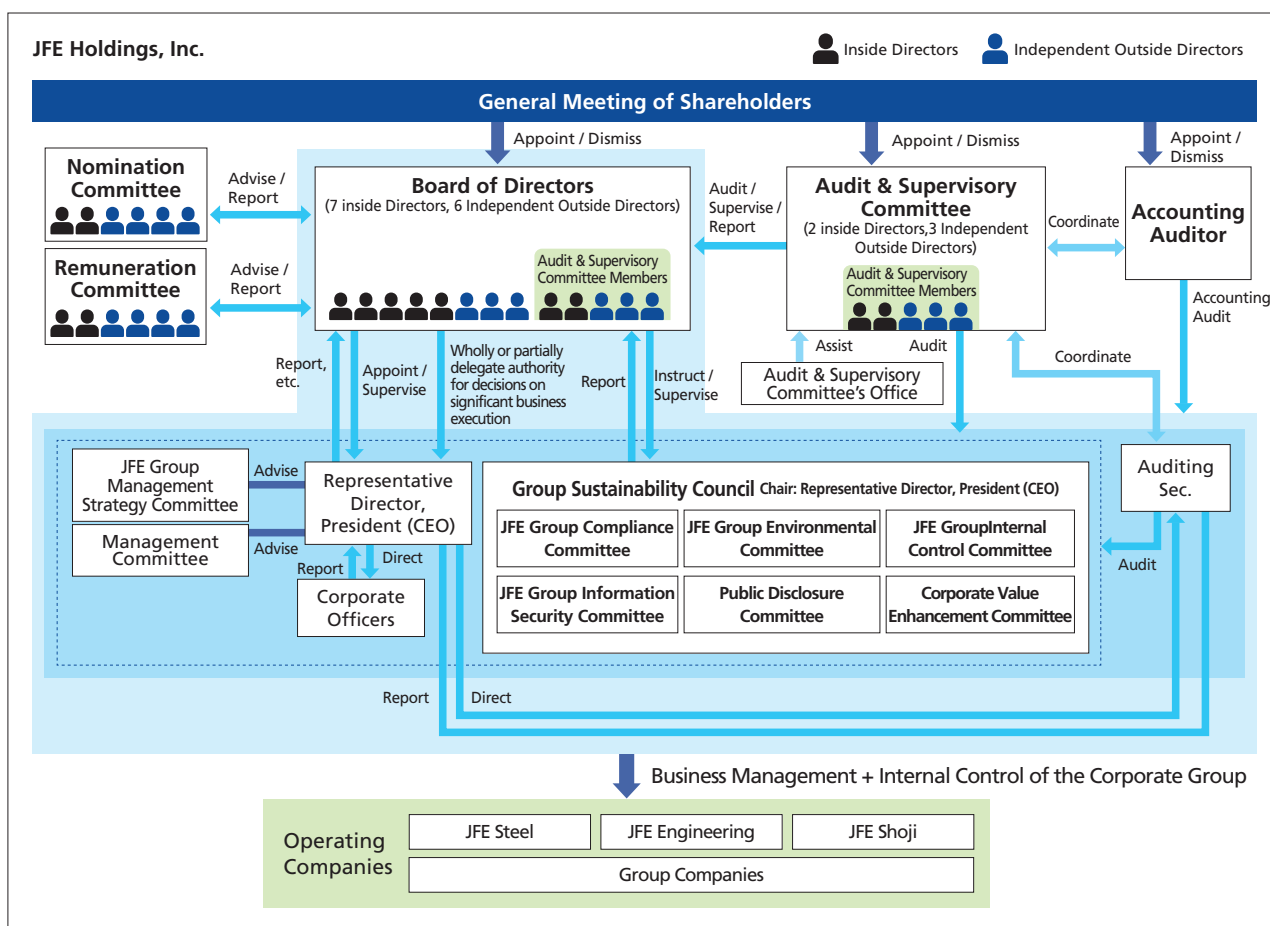
Systems and Initiatives

Corporate Governance System

Group Governance System

The JFE Group comprises a holding company and three operating companies, JFE Steel, JFE Engineering, and JFE Shoji. JFE Holdings, a pure holding company at the core of the Group's integrated governance system, guides Group-wide strategy, risk management, and public accountability.

Each operating company has developed its own system suited to its respective industry, ensuring the best course of action for competitiveness and profitability.



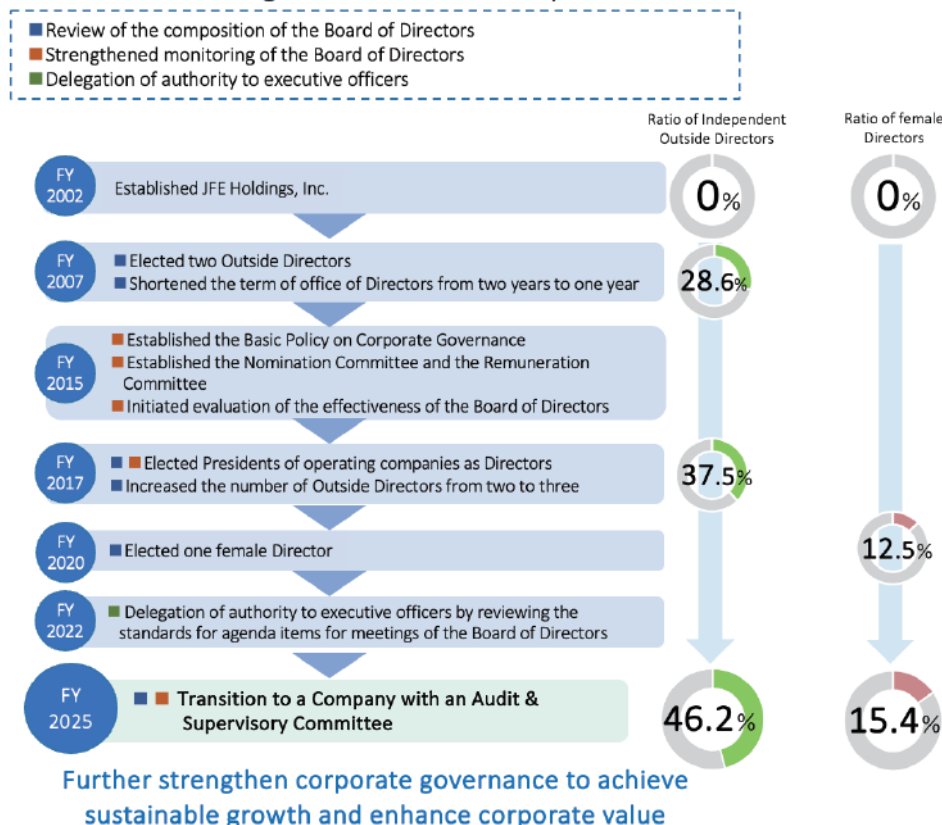
> [Governance Data](#) (P. 279)

Governance System

The Company has constructed the following corporate governance system aimed at continuously increasing corporate value and the common interest of shareholders by reinforcing the fairness, objectivity and transparency of management. Upon the approval of the Ordinary General Meeting of Shareholders held in June 2025, the Company transitioned to a company with an Audit & Supervisory Committee to further strengthen the supervisory function of the Board of Directors by accelerating decision-making and enhancing the discussion of management policies and strategies within the Board of Directors.

Major Initiatives to Strengthen the Governance System

JFE initiatives to strengthen the Governance System



Duties of the Board of Directors and other Bodies

Appointment of Independent Outside Directors

The Company appoints several Independent Outside Directors, ensuring that they make up at least one-third of the Board. Candidates for Independent Outside Director are elected from individuals capable of strengthening corporate governance, such as those with extensive management experience in global enterprises or experts with deep professional knowledge, and who meet the Company's Standards for Independence of Outside Directors. Currently, 6 of the 13 Directors are Independent Outside Directors.

The Company elects several Independent Outside Directors who are Audit & Supervisory Committee Members. Independent Outside Directors who are Audit & Supervisory Committee Members will be elected from persons who are appropriate to bear the role of enhancing auditing function such as those who possess abundant experience as management in global enterprises or experts who possess profound knowledge, and meet the Company's Standards for Independence of Outside Directors. Currently, of the five Audit & Supervisory Committee Members, three are Independent Outside Directors who are Audit & Supervisory Committee Members.

- > [Standards for Independence of Outside Directors of JFE Holdings, Inc.](https://www.jfe-holdings.co.jp/en/common/pdf/company/info/independence.pdf) (<https://www.jfe-holdings.co.jp/en/common/pdf/company/info/independence.pdf>)
- > [Governance Data: Directors](#) (P. 280)

■ Approach to Diversity in the Board of Directors

With regard to the composition of the Board of Directors, the Company elects officers following deliberations by the Nomination Committee by focusing on the enhancement of diversity of the Board members, such as their expertise, knowledge and experience in various fields, while balancing with the appropriate size of the Board. The Company also elects Directors who possess a wealth of knowledge and experience as management in global enterprises. In this way, the Company is working to enhance gender and global diversity. Two female Directors are currently in office. The company will continue to systematically engage in initiatives to foster such human resources suitable for candidates for Directors by setting specific targets.

■ Skill Matrix of Directors

We have established the JFE Holdings, Inc. Basic Policy on Corporate Governance for promoting sustainable growth of JFE Holdings, Inc. and the JFE Group, the medium- to long-term improvement of corporate value, and expressing concretely the JFE Group's Corporate Vision of pursuing best practices in corporate governance and achieving further development in this area. With regard to the composition of the Board of Directors, we strive to enhance the diversity of the Board members, such as their expertise, knowledge, and experience in various fields, and identify necessary skills of corporate management in light of our business and corporate management issues of the Company and the Operating Companies. The Company elects ates for officers following deliberations by the Nomination Committee while balancing with the appropriate size of the Board.

The skills matrix for each Director against identified skills in light of their knowledge, experience, and expertise are summarized below.

		Name	Corporate Management, Strategy	Environment	Technology DX	Finance and Accounting	Internal Control Governance	Legal Affairs Compliance	Personnel and labor, Human resources devel- opment	Sales, Marketing	Operation with knowledge
Directors	Inside	Yoshihisa Kitano	●	●	●		●				Steel
		Masayuki Hirose	●	●			●			●	Steel
		Masashi Terahata	●	●		●	●	●	●		Steel, Trading
		Kazuyoshi Fukuda	●	●	●		●			●	Engineering
		Yoshifumi Ubagai	●	●			●			●	Steel, Trading
	Outside	Yoshiko Ando		●			●	●	●		—
		Takuya Shimamura	●	●			●			●	—
		Keiichi Kobayashi	●	●	●		●			●	—
Directors who are Audit & Supervisory Committee Members	Inside	Nobuya Hara	●			●	●				Steel
		Nakaba Akimoto					●	●			Steel, Engineering, Trading
	Outside	Tsuyoshi Numagami	●			●	●			●	—
		Yoshihisa Suzuki	●	●	●		●			●	—
		Naoto Nakamura	●				●	●			—

(As of June 25, 2025)

Nomination Committee and Remuneration Committee

JFE Holdings has maintained the Nomination Committee as well as the Remuneration Committee, which acts as an advisory body of the Board of Directors to ensure fair, objective, and transparent personnel affairs and remuneration of the Board of Directors. Both committees are composed of a majority of Outside Directors, and their chairpersons are elected from among Outside Directors.

The Nomination Committee deliberates and reports to the Board of Directors on matters pertaining to the basic policies on the election and dismissal of the President of the Company, proposals for the election of candidates for the President of the Company, succession plans of the President of the Company, and the nomination of candidates for Outside Directors. (Four meetings were held in FY2024, all with 100% attendance.) The Remuneration Committee deliberates on matters pertaining to the basic policy on the remuneration of Directors, etc., of the Company and each Operating Company and reports to the Board of Directors. (Five meetings were held in FY2024, all with 100% attendance.)

[> Governance Data: Nomination Committee and Remuneration Committee](#)
(P. 281)

Support for Directors

A Board of Directors' Secretariat is set up in the General Administration Dept. to support Outside Directors with necessary communication and arrangements, etc. Furthermore, dedicated staff to support the duties of the Audit & Supervisory Committee, which is composed primarily of Outside Directors who are Audit & Supervisory Committee Members, are allocated in the Audit & Supervisory Committee's Office.

Directors are provided with opportunities and funding to receive training in legal matters, corporate governance, risk management, and other subjects that help them fulfill their roles and duties.

In addition, the Company provides Outside Directors with briefings, etc. prior to the Board of Directors meetings, and gives materials and explanations on each agenda item.

Furthermore, the Company strives to provide adequate information necessary for execution of their duties by providing explanations on important management issues of the Company and the Group companies from time to time, and offering opportunities such as exchanges of opinions with the senior management including the President, attendance of hearings of important business reporting by each department as necessary, convening of Board of Directors meetings at major business bases and inspections of Group companies, etc. In addition, meetings exclusively for Outside Directors serve as venues for freely exchanging information from an independent, objective standpoint.

FY2024 Results
<div>Board of Directors Briefings 12 times</div> <div>Board of Directors meetings convened at major business bases</div> <div>1 time JFE Steel East Japan Works (Chiba district)</div> <div>Tours of major business bases and Group Companies</div> <div> <div>•JFE Steel West Japan Steelworks (Kurashiki district)</div> <div>•JFE Steel East Japan Steelworks (Keihin district)</div> <div>•U.S. and Mexico bases (JFE Shoji, 5 JFE Shoji subsidiaries, 1 JFE Steel subsidiary)</div> </div> <div>Training for Directors</div> <div> <div>•Recent trends involving hostile takeovers (Outside Directors)</div> <div>•JFE Group overview, Medium-term Business Plan progress status, financial status, management issues (newly appointed Outside Directors)</div> <div>•Courses related to insider trading (Inside Directors)</div> </div>

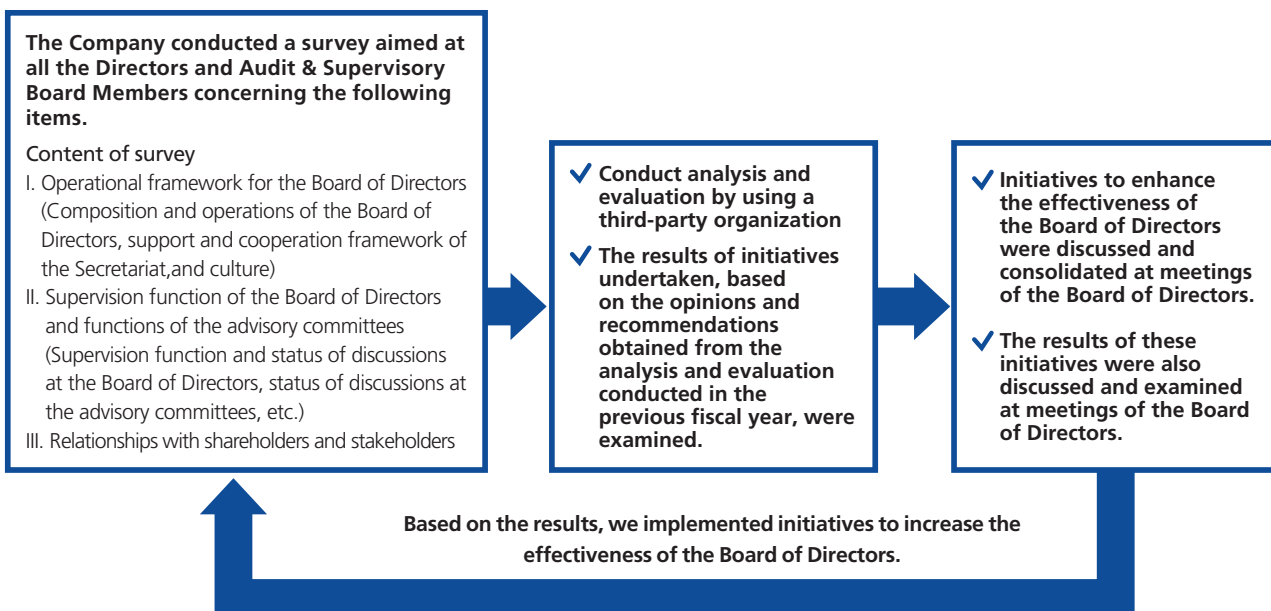
Analysis and Evaluation of the Effectiveness of the Board of Directors

In line with the Basic Policy on Corporate Governance, the Board of Directors of the Company has been evaluating the overall effectiveness of the Board of Directors. The process and results of the effectiveness evaluation are as follows.

The Results of the Effectiveness of the Board of Directors in FY2024

- The overall effectiveness of the Board was ensured through robust discussions among members supported by substantial preliminary briefings at the meeting for Outside Directors and Audit & Supervisory Board Members as well as by appropriate management and leadership by the chairperson.
- The accurate and fair auditing of Directors’ execution of their duties by Audit & Supervisory Board Members
- Audit & Supervisory Board Members’ proactive voicing of opinions and questions regarding the management decision-making and reporting at the Board of Directors meetings have vitalized deliberations at the Board meetings. It was thus determined that the Company is functioning effectively as a company with an Audit & Supervisory Board.

Process of the Evaluation of the Effectiveness of the Board of Directors



Issues Identified in the Evaluation of Effectiveness for FY2023

- Sustainable corporate growth depends upon considering the ideal state of the Group and its long-term strategies while at the same time further deepening discussions on human capital management and respect for human rights as well as other material management issues.
- From the perspective of enhancing corporate value, we must organize the agenda items for Board of Directors meetings to establish a balance between speedy decision-making with supervisory functions. We must also continue to consider the governance structure, including ways to further enhance diversity.
- To further strengthen risk management across the entire Group, we must continuously consider ways to develop our reporting of risk information, including that of subsidiaries and affiliates, to the Board of Directors.



The FY2024 Initiatives

- Reports were made at meetings of the Board of Directors concerning the direction and other facets of the Group's vision, JFE Vision 2035, together with the Eighth Medium-Term Business Plan, which is its growth strategy for achieving this vision, at each stage of consideration, and the Board of Directors held discussions on medium and long-term corporate value enhancement.
- Reports were made at meetings of the Board of Directors concerning sustainability issues, including the human resources strategy that supports management strategy, DE&I initiatives, the results of engagement surveys and the Company's response, and progress on the implementation and expansion of human rights due diligence aimed at ensuring respect for human rights.
- The Company conducted surveys to ascertain the status of compliance at Group companies and to support initiatives. The findings and responses to these surveys were reported at meetings of the Board of Directors, and it engaged in discussions regarding risk management.
- The Company decided to transition to a company with an Audit & Supervisory Committee to further strengthen the supervisory function of the Board of Directors by accelerating decision-making and enhancing the discussion of management policies and strategies within the Board of Directors.



Issues Identified in the Evaluation of Effectiveness for FY2024

- Pursuant to the transition to a company with an Audit & Supervisory Committee, the Board of Directors should engage in fuller discussions concerning its vision for the future, including its approach to the delegation of executive authority and the scale and diversity of the Board of Directors.
- In addition to important management issues that are discussed on an ongoing basis, such as human capital management and respect for human rights, the Board of Directors should further enhance discussions aimed at analyzing and improving the Company's market valuation.
- The Company should enhance reporting to the Board of Directors on risk information, including that of subsidiaries and affiliates, to further strengthen risk management across the Group.



Initiatives will be proactively undertaken to further increase the effectiveness of the Board of Directors and enhance the corporate value of the Group.

Operating System

Key Decision-Making

With regard to significant matters at each company within the Group, internal rules define clear standards and procedures for decision-making. Significant matters concerning overall Group management are ultimately deliberated and decided by JFE Holdings, Inc. Each Operating Company determines important matters related to itself and its subsidiaries through deliberations at the Management Committee and other relevant bodies followed by decisions of the Board of Directors. At JFE Holdings, Inc., the JFE Group Management Strategy Committee deliberates on matters concerning management strategies for the entire Group, while the Management Committee considers specific significant matters related to the Company, the Operating Companies, or Group Companies. Based on these deliberations, the Board of Directors makes final decisions on significant matters in accordance with the Rules of the Board of Directors.

> [Governance Data: Operating System](#) (P. 281)

Executive Remuneration

Executive remuneration is based on the Basic Policy on Remuneration for Directors and Corporate Officers and the Policy for Deciding the Individual Remuneration for Directors and Corporate Officers founded on discussions and reports by the Remuneration Committee, and it is decided through either a resolution of the Board of Directors or deliberations by the Directors who are Audit & Supervisory Committee Board Members, for an amount within the total limit approved at the General Meeting of Shareholders.

Basic Policy on Remuneration for Directors and Corporate Officers

- The Board of Directors (excluding members of the Audit & Supervisory Committee; hereinafter the same) shall determine remuneration system for Directors and Corporate Officers based on deliberations regarding its appropriateness by the Remuneration Committee to ensure fairness, objectiveness, and transparency.
- The remuneration level for Directors and Corporate Officers shall be determined to secure excellent human resources who are able to put the Group's corporate vision into practice, taking into consideration the business environment of the Group and remuneration levels at other companies in the same industry or of the same scale.
- The ratio between basic remuneration and performance-linked remuneration (annual bonus and stock remuneration) shall be properly established according to the roles and responsibilities, etc., of each Director and Corporate Officer so as to function as sound incentives toward the sustainable growth of the Group.

Outline of Policy for Deciding the Individual Remuneration for Directors and Corporate Officers

- Remuneration for Directors (excluding members of the Audit & Supervisory Committee; hereinafter the same) and Corporate Officers shall be determined by a resolution of the Board of Directors in accordance with the Basic Policy and the Decision Policy, based on reports from the Remuneration Committee.
- Remuneration for the Directors and Corporate Officers is comprised of basic remuneration and performance-linked remuneration (annual bonus and stock remuneration).
- Basic remuneration is paid as a fixed amount, in cash, each month according to position.
- An annual bonus is linked to the Company's single-year performance (calculated based on financial and non-financial indicators) and is paid in cash once a year.
- Stock remuneration is granted as the Company's shares and cash equivalent to the amount of the Company's shares converted to market value through the trust upon retirement.
- The ratios of remuneration by type are structured so that the higher the position, the greater the weight of performance-linked remuneration, and the ratio for the Company's President when performance target goals have been attained is set so that the ratio of basic remuneration, annual bonus and stock remuneration stands at 2:1:1.

The Company pays only basic remuneration to Outside Directors and the Directors who are Audit & Supervisory Committee Members, given their roles of supervising and auditing management from an independent and objective standpoint. Directors who concurrently serve as Executive Directors of operating companies shall not be paid the annual bonus or the Stock Remuneration from the Company.

Furthermore, the calculation method for performance-linked remuneration, as described below, has been revised from FY2025 based on the Eighth Medium-term Business Plan.

● Annual bonus

The annual bonus is a remuneration package linked to both financial and ESG performance based on fiscal year results. Financial performance is measured by the total segment profit for a single fiscal year. ESG performance is assessed using the following indicators: employee safety (lost-workday injury rates, with 0% for a fatal accident), climate change (achievement of KPIs related to "Initiatives to Address Climate Change Issues"), and employee engagement (achievement of KPIs related to Enhancement of Job Satisfaction under Promotion of Human Capital Management). Among these, the employee engagement indicator was recently introduced starting in FY2025, recognizing the importance of providing incentives to maximize the capabilities of human resources that drive corporate growth and to enhance job satisfaction. The individual remuneration amount is determined by multiplying the level of achievement of these indicators by a given coefficient for each position.

Directors and Corporate Officers who have been dismissed or have committed any misconduct may lose the right to receive benefits based on a resolution of the Board of Directors. Directors and Corporate Officers who have already received benefits may be asked to return the amount based on a resolution of the Board of Directors if they engage in any misconduct.

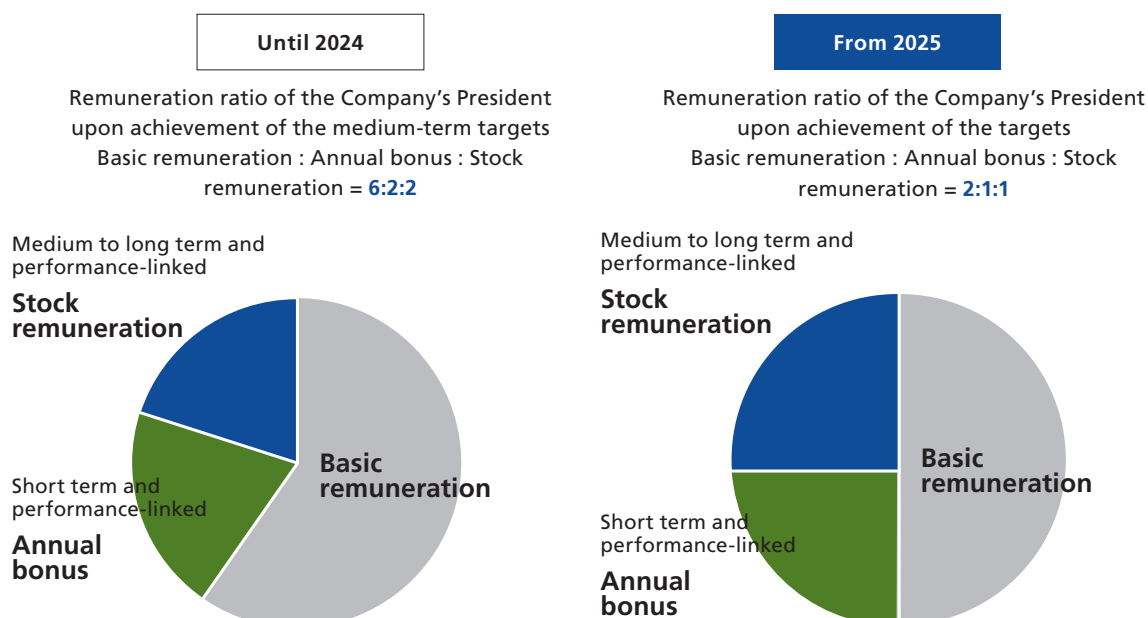
● Stock remuneration

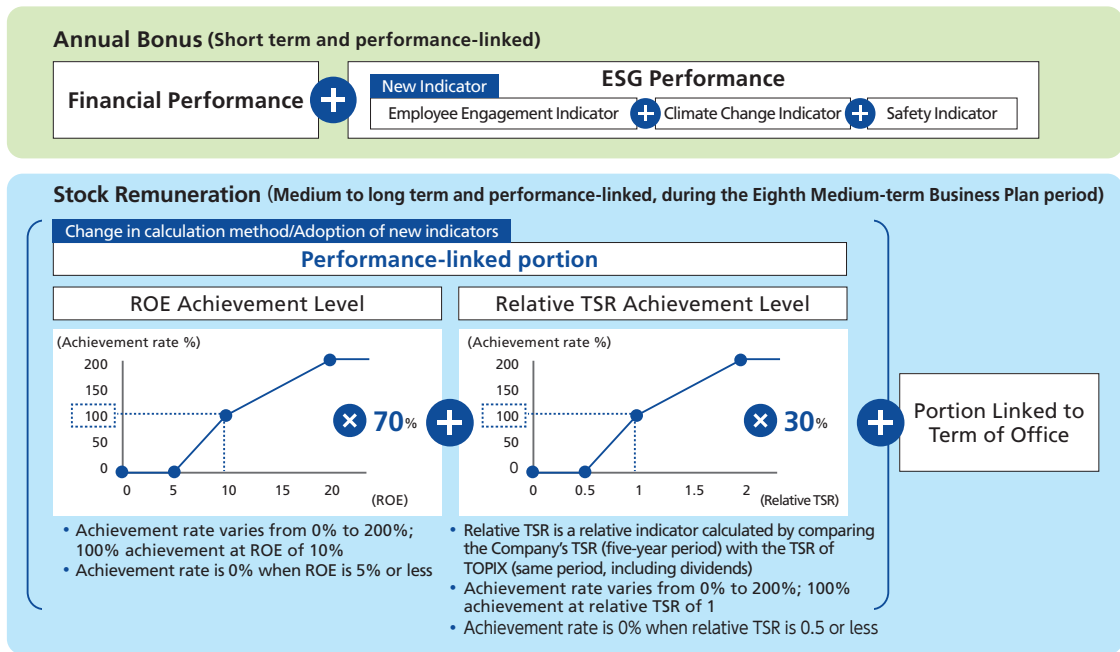
Under the stock remuneration plan, a payment level is determined based on performance targets set in the Group's Medium-term Business Plan, etc. From FY2025, to further promote value sharing with shareholders and increase awareness of contributing to the improvement of medium- to long-term corporate value, we have selected the target values for ROE (10% or more), as set forth in the Eighth Medium-term Business Plan, and relative TSR (1 or higher) as performance indicators for the performance-linked portion. The level of payment is based on the degree of achievement of each indicator.

Directors and Corporate Officers who have been dismissed or have committed any misconduct may lose the right to receive benefits based on a resolution of the Board of Directors. Directors and Corporate Officers who have already received benefits may, based on a resolution of the Board of Directors, be required to return the shares and cash already provided if they engage in any misconduct.

To achieve sustainable corporate growth for the Group, the Remuneration Committee and the Board of Directors continue to improve the remuneration system for Directors to serve as an incentive with a higher level of integrity.

The outline of remuneration system for the Company's and Directors (excluding Directors who are Audit & Supervisory Committee Members)





Audits by Audit & Supervisory Committee

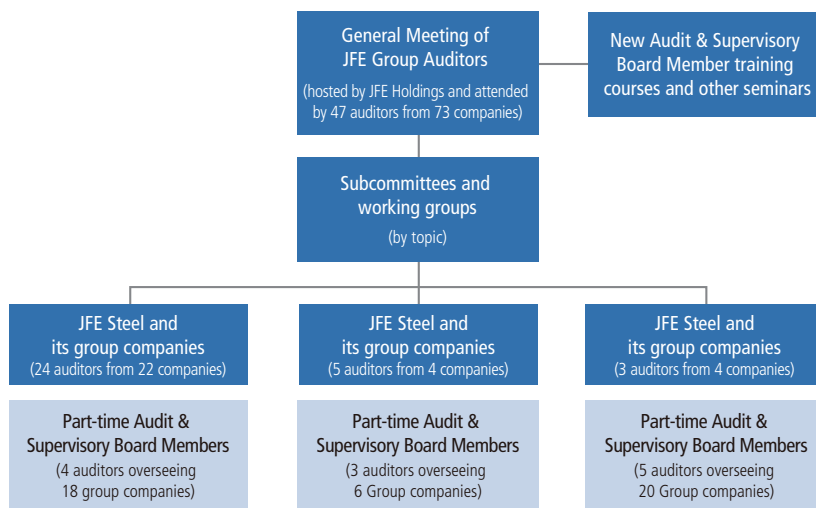
JFE has an Audit & Supervisory Committee composed of five Members including three Outside Directors who serve as Audit & Supervisory Committee Members. Apart from attending the meetings of the Board of Directors, duties are shared between two full-time Audit & Supervisory Committee Members and other members. They also collaborate with the Company's internal auditing department and attend meetings of the Group Sustainability Management Strategy Committee, Management Committee, and Group Sustainability Council, among other important meetings, and express opinions as appropriate. To audit the execution of Directors responsibilities, they engage in activities such as conducting hearings with Directors and Corporate Officers regarding operational status and receiving operational reports from operating companies and Group companies.

A total of 35 full-time Audit & Supervisory Officers (including full-time Audit & Supervisory Committee Members and full-time Audit & Supervisory Board Members) have been appointed to 30 companies, including JFE Holdings. In addition, operating company personnel are dispatched to Group companies as part-time Outside Audit & Supervisory Board Members. Each dispatched Audit & Supervisory Board Member audits an average of 1.5 Group companies (12 Members covered 44 companies).

The JFE Group Board of Auditors includes both full-time Audit & Supervisory Officers of each Group company and part-time Audit & Supervisory Board Members. Subcommittees and working groups created to address specific issues meet autonomously to share information, investigate issues and enhance understanding. The findings of the year's activities are presented at the general meeting of JFE Group Auditors and used for audits.

These activities are executed to enhance overall auditing within the Group.

The JFE Group Board of Auditors



Cooperation between Audit & Supervisory Committee and Accounting Auditor

The Audit & Supervisory Committee holds meetings on a regular basis and as necessary with Ernst & Young ShinNihon, JFE's outside accounting auditor, in which the latter presents its audit plan, completed work and results. The firm also presents an explanation of its quality management system. In turn, the Audit & Supervisory Committee explains their own audit plans and other matters and exchanges opinions to maintain close coordination.

Operating Company Governance

Some Directors and Corporate Officers of JFE Holdings serve concurrently as the Directors or Audit & Supervisory Board Members of operating companies to strengthen governance and information sharing across the Group. To strengthen governance, JFE Holdings' managers attend each operating company's General Meeting of Shareholders and Management Planning Briefing, receive reports on their activities, and discuss the managerial policies of subsidiaries.

Policy on Listed Subsidiaries and Listed Affiliates

(1) Significance of having listed subsidiaries and affiliates based on group management approach and policies

To put into practice the Group's corporate vision of contributing to society with the world's most innovative technology, and to realize sustainable growth and enhancement of medium- to long-term corporate value, the Company forms a corporate group comprising companies with high expertise, divides business functions within the Group, and conducts businesses development outside of the Group. Within this corporate group, JFE Steel Corporation, a subsidiary of the Company, owns one listed subsidiary and four listed affiliates, described below.

For the listed subsidiary among them, the Company seeks an optimal structure based on the business relationship with JFE Steel Corporation, its parent company, and maintains its listing based on a comprehensive judgement that listing is necessary for the company's growth and increasing the value of the Group as a whole, from the perspective of market recognition and credibility in funding, sales and marketing, and hiring.

In addition, the four listed affiliates maintain their listing as a means to enhance their competitiveness from the perspectives of market recognition and credibility in funding, sales and marketing, and hiring. JFE Steel Corporation holds some shares in the four companies because of associated benefits such as the exchange of steel manufacturing-related technologies and human resources.

Listed Subsidiary

JFE Systems, Inc. (Tokyo Stock Exchange, Standard Market)

The main business of JFE Systems includes system integration consisting of planning, designing, development, operation, and maintenance of information system, system construction utilizing solutions, and the company's own products, and IT infrastructure solutions that support the business system. Computer systems are an important foundation in the steel business that support overall business activities, including order acceptance, production, shipment, and quality management, and in using a variety of data. Guaranteeing the accumulation of know-how and the continuation of personnel exchanges by holding JFE Systems as a subsidiary will also be indispensable for maintaining the competitiveness of JFE Steel in pressing ahead with digital transformation.

JFE Systems, Inc.'s predecessor, Kawasaki Steel Systems R&D Corporation, was listed on the 2nd Section of the Tokyo Stock Exchange in March 2001. As of March 31, 2025, the JFE Group holds 68% shares of JFE Systems, Inc.

Listed Affiliates

Gecoss Corporation (Tokyo Stock Exchange, Prime Market)

Gecoss Corporation is mainly engaged in the rental and sales of temporary construction materials, as well as in design and construction of temporary works, etc. Gecoss Corporation's predecessor, Kawasho Lease System Co., Ltd., was listed on the 2nd Section of the Tokyo Stock Exchange in August 1994 and was subsequently reassigned to the 1st Section of the Tokyo Stock Exchange in September 1996. As of March 31, 2025, the JFE Group as a whole currently holds 39.5% shares of the company.

Shinagawa Refra Co., Ltd. (Tokyo Stock Exchange, Prime Market)

At the Ordinary General Meeting of Shareholders held in June 2025, it was resolved that its trade name would change from Shinagawa Refractories Co., Ltd. to Shinagawa Refra Co., Ltd., effective October 1, 2025. Shinagawa Refra Co., Ltd. is mainly engaged in the manufacture and sale of refractories as well as engineering services such as furnace design and construction. Shinagawa Shirorenga, the predecessor of the company, was listed on the 1st Section of the Tokyo Stock Exchange in May 1949 and subsequently became an affiliate of JFE Steel Corporation. As of March 31, 2025, the JFE Group holds 34.9% shares of Shinagawa Refractories Co., Ltd.

Nippon Chuzo K.K. (Tokyo Stock Exchange, Standard Market)

Nippon Chuzo K.K. is mainly engaged in the formed and fabricated materials business to manufacture a variety of casting products and the engineering business to design and manufacture bridge components, etc. The company was listed on the 2nd Section of the Tokyo Stock Exchange in October 1961. As of March 31, 2025, the JFE Group holds 36.2% shares of Nippon Chuzo K.K.

NIPPON CHUTETSUKAN K.K. (Tokyo Stock Exchange, Standard Market)

NIPPON CHUTETSUKAN K.K. is mainly engaged in the manufacture and sale of ductile iron pipes and polyethylene pipes, as well as water pipe laying works. The company was listed on the 2nd Section of the Tokyo Stock Exchange in July 1962 and subsequently became an affiliate of JFE Steel Corporation. As of March 31, 2025, the JFE Group holds 30.0% shares of NIPPON CHUTETSUKAN K.K.

The aforementioned five companies are subject to rules different from those applicable to other consolidated subsidiaries and affiliates based on the guidelines of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange regarding listed subsidiaries, and other measures are also taken so as to ensure that each of the companies conducts autonomous corporate activities exercising autonomy and flexibility. Each company also secures management independence as listed companies mainly by appointing outside directors who are independent from each company, JFE Steel Corporation and the Company and by establishing special committees composed of independent members such as independent outside directors, and makes sure that the interests of the said subsidiary or affiliate, as well as the interests of shareholders of the subsidiary or affiliate other than the Company, will not be unfairly impaired.

With regard to the adjustment and allocation of business opportunities and business areas for the listed subsidiary and affiliates, the Company respects autonomous management decisions made by each company, except in cases where such decisions have a significant impact on the Company's consolidated financial statements.

In addition, each company independently raises and manages funds based on its own financial strategy. At present, the Company does not receive fund deposits from listed subsidiaries or listed affiliates.

With respect to matters necessary for the Group's risk management, prior consultation and reporting are required from each company while securing their independent decision-making, so as to implement risk management as a member of the Group companies.

(2) Measures to ensure the effectiveness of governance systems at listed subsidiaries and affiliates

Each company independently formulates its own proposals regarding the nomination of officers. JFE Steel Corporation fully respects the independence of each company and the decisions made by each company's nomination committee, and exercises its voting rights with the aim of improving each company's corporate value in the medium to long term.

To maximize the benefits of technological and personnel exchanges with each company, the Company and JFE Steel Corporation may recommend director candidates in some cases.

Furthermore, we shall regularly verify the significance of maintaining the listing of the listed subsidiaries and take necessary measures upon confirmation at its Board of Directors. The above details were verified and discussed at a Board of Directors meeting in May 2025.

Basic Policies for Strategic Shareholdings and Exercise of Related Voting Rights

All shares held by the Company are the shares of subsidiaries or affiliates. In principle, the Company's wholly owned subsidiaries and operating companies, JFE Steel Corporation, JFE Engineering Corporation and JFE Shoji Corporation (hereinafter "Operating Companies"), do not hold listed stocks as strategic shareholdings. Strategic shareholdings, however, are allowed as an exception when holding the stocks of the Company is determined to be necessary for maintaining and achieving growth for the Group.

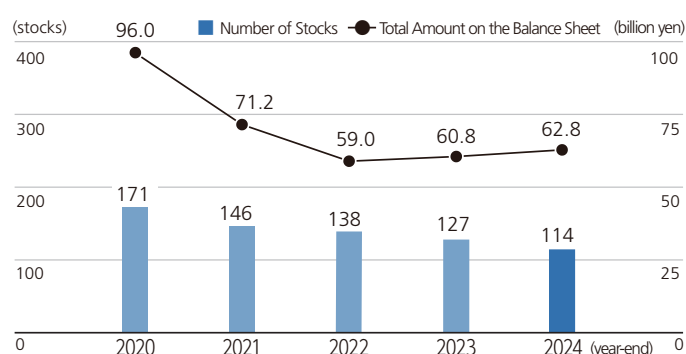
The Board of Directors regularly confirms the relative value of the strategic shareholdings and whether the benefits and risks of such holdings are commensurate with their capital cost, and sell shareholdings that are not significant or if there is a risk of damage to shareholder interests. In FY2024, the Company sold all or part of 11 listed stocks for 14.2 billion yen (market value). Furthermore, the Board of Directors regularly examines the significance of strategic holdings and the return on investment.

The exercise of voting rights of strategic shareholdings is decided upon reviews by operating companies on the content of the proposal and is appropriately implemented in a way that will maximize shareholder interest. To be specific, the content of the proposal is to be checked by the investment application department and the investment control department, and approval will be given to proposals which are considered not to pose any threat to the maximization of interest of these operating companies as shareholders.

Of the shares for investment purposes held by JFE Steel, which has the largest balance sheet amount for investment purposes posted in the consolidated financial statements of the company, those shares of the company held for purposes other than pure investments are shown below.

Number of Stocks and Amount Recorded on the Balance Sheet

	FY2020 year-end	FY2021 year-end	FY2022 year-end	FY2023 year-end	FY2024 year-end
Number of stocks (stocks)	171	146	138	127	114
Total amount recorded on the balance sheet (billion yen)	96.0	71.2	59.0	60.8	62.8



Compliance

Basic Policy

In expanding our businesses in Japan and abroad, it is important that JFE maintains relationships of trust with all stakeholders, including its customers, shareholders and local communities. Trust can only be built upon a strong foundation of ensuring thorough compliance. Misconduct and scandals resulting from compliance violations can instantly shatter the trust that has taken many years to establish. Therefore, JFE believes it is extremely important that all members of the organization deepen their knowledge and awareness of compliance and perform their jobs accordingly. It conducts training on various topics such as the Antimonopoly Act, the Subcontract Act and anti-corruption, including prevention of bribery of public officials, using e-learning and compliance guidebooks and through guidebook reading sessions as well as by other means.

Compliance System

The Compliance Committee chaired by Representative Director, President and CEO of JFE Holdings generally convenes four times a year to deliberate basic policies and issues and then supervise their implementation. Each operating company has a similar in-house system for promoting and supervising compliance. In addition, the JFE Group has introduced a Corporate Ethics Hotline to ensure that crucial information regarding compliance can be communicated directly from the front lines to top management.

For more on the JFE Group Standards of Business Conduct, please refer to the following information.

> [JFE Group Standards of Business Conduct](https://www.jfe-holdings.co.jp/en/company/philosophy/guideline.html) (https://www.jfe-holdings.co.jp/en/company/philosophy/guideline.html)

Targets and Results

The JFE Group Standards of Business Conduct guide employees to conduct their business activities based on the Corporate Vision and Corporate Values. They also help to strengthen awareness among all JFE Group executives and employees and ensure adherence to corporate ethics. We promote the initiatives by upholding the Ensure Adherence to Corporate Ethical Standards and Compliance as material issues of corporate management and setting KPIs to achieve those targets.

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

Initiatives

Ensure Adherence to Corporate Ethical Standards and Compliance

Compliance Education

The JFE Group's Compliance Guidebook, created as part of our effort to foster corporate compliance culture across the Group, is distributed to all Directors and employees inside and outside Japan for individual and group review. In addition to information about laws and ordinances relevant to our business activities, it provides guidance on which actions comply with internal rules and which do not (such as cartels, collusive bidding, the bribing of public officials, insider trading, harassment, and other acts in violation of laws related to the environment, labor standards, and occupational health and safety). The guidebook also provides a simple explanation of concrete standards for complying with laws and internal rules and for acting in accordance with social mores with over a hundred case studies.

Questions that come up in the course of daily operations as well as situations and cases that test our judgment have been compiled in the guidebook with explanations by the relevant department. The content has been reviewed by legal counsel. The guidebook has been reviewed regularly according to the revisions of relevant laws and rules, and some of the cases described have been added, revised, or omitted since the first edition in 2006 to improve its overall content.

The JFE Group also conducts regular training on compliance with the Antimonopoly Act, insider trading restrictions, security export controls, the Construction Business Act, anti-corruption laws including laws against bribery of public officials, and more.

Whistleblowing System

The JFE Group has established a Corporate Ethics Hotline, a contact point accessible to all officers and employees (including contract workers, part-time workers, and temporary staff, either active or retired) of the JFE Group as well as those of suppliers and other business partners. The purpose of the hotline is to ensure adherence to corporate ethics and compliance and to prevent corruption and human rights abuses. Reports and consultations are accepted via e-mail, a dedicated phone line and postal mail, anonymously if preferred, and an external hotline to an independent law firm is also provided.

To encourage the active sharing of information, the Corporate Ethics Hotline is operated under rules and regulations that ensure strict confidentiality and protect people who report information or seek advice against acts of retaliation. We investigate the facts of any incident that has been reported on and consulted about only after consulting with the whistleblower to protect their privacy, and feedback the investigation results to the whistleblower if requested.

We strive to prevent incidents of misconduct and ensure the early detection and correction of wrongdoing by accepting consultations and reports, ranging from compliance issues such as violation of the Antimonopoly Act, corruption, and bribery, to human rights abuses including misconduct and harassment in the workplace. In the event that violations of laws are confirmed, corrective and remedial measures are taken in the organization involved. Details of the reports and consultation received at the Corporate Ethics Hotline are regularly communicated to full-time Audit & Supervisory Board Members (including full-time Audit & Supervisory Committee Members and full-time Audit & Supervisory Board Members) while the operational status of the system is reported to the Board of Directors for their supervision.

We also accept inquiries, anonymously if preferred, on compliance and other issues from external stakeholders via a form available on the corporate website. The content is handled as confidential and appropriately addressed.

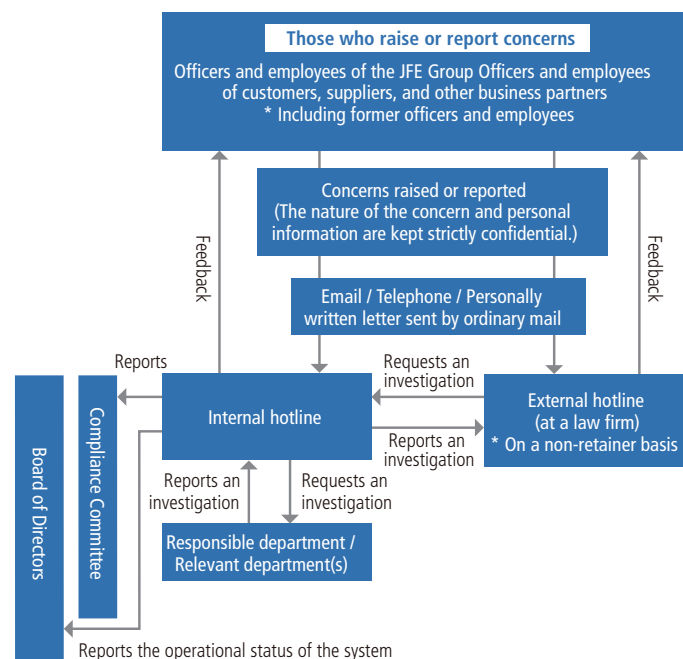
Procedures for handling illegal acts or other violations:

- Departments responsible for compliance at JFE Holdings and each operating company carry out necessary responses, such as implementing the initial response, confirming facts, investigating the cause, and developing measures to prevent recurrence.
- Departments responsible for compliance at each company report on the facts, cause, and recurrence prevention measures to the Compliance Committee at each company to confirm the cause and assess the effectiveness of recurrence prevention measures and the responsibility of related parties.

- Matters such as major violations are reported to the Compliance Committee to be shared across the entire Group and to facilitate horizontal implementation of recurrence prevention measures to make sure that no similar violations occur anywhere in the Group.

➤ [Governance Data: Whistleblowing](#) (P. 282)

Whistleblowing System



Preventing Corruption and Bribery

Under its Standards of Business Conduct, the JFE Group endeavors to comply with laws and ordinances, compete fairly and freely, refrain from illegal business activities, and build and maintain sound and proper relationships with governments and political authorities.

We explicitly prohibit bribery, such as the offering and receiving of illegal payoffs, excessive entertaining or favors, as well as corruption such as embezzlement from a position of advantage and promotion of conflicting interests. The Group strives to thoroughly prevent corruption by stating in its Company rules that these offenses will be penalized.

The bribing of public officials has become a major business risk in recent years due to growing global awareness of corruption and a stronger drive by authorities to expose such wrongdoing. The JFE Group does not tolerate any kind of illegal activity in Japan or any other country, including bribery, such as offering money or other benefits to public officials, and never resorts to these illegal activities to gain profit or resolve problems.

Considering this, the Group issued JFE Group's Basic Policy on Preventing Bribery of Public Officials and disseminate it throughout the Group including operating companies. The JFE Group also maintains various systems to prevent the bribery of public officials, such as by stipulating that efforts be made to use third-party appointment checklists or have an anti-bribery confirmation letter signed when using external parties including agents or consultants who may have connections with overseas public officials.

In addition, based on the results of risk assessments, the JFE Group provides employees with annual training and e-learning programs on the prevention of bribery of public officials.

For more on our stance on preventing bribery, refer to the following information.

➤ [JFE Group's Basic Policy on Preventing Bribery of Public Officials](#)

(<https://www.jfe-holdings.co.jp/en/company/philosophy/anti-bribery.html>)

— Tax Transparency

The JFE Group upholds the JFE Standards of Business Conduct and complies with both the letter and spirit of the tax laws of each country as well as international rules, including the taxation guidelines issued by the Organization for Economic Co-operation and Development and other international institutions. We will pay taxes in every country where we do business in a timely, appropriate, and fair manner.

Moreover, we seek to forge relationships of trust with the tax authorities in each country by raising transparency and without resorting to tax planning or the use of tax havens to evade taxation.

— Resisting Organized Crime

The JFE Group declares in its standards of business conduct that it will firmly resist all antisocial forces and has established the JFE Group Policies for Addressing Antisocial Forces and Regulations for Addressing Violence Directed at Companies to clarify the measures to be taken against antisocial forces, including an initial response manual.

The JFE Group Policies for Addressing Antisocial Forces has been approved by the Board of Directors, and we will seek to establish sound corporate management based on an organized and unified response to the issue within the framework of our system of compliance. We have specifically set up a section responsible for handling antisocial forces in the General Administration and Legal Affairs departments of each Group company to completely discontinue any dealings with antisocial forces. We will also set up rules for reporting and responding to any related incidents and will resolutely stand against antisocial forces by cooperating with law enforcement.

In addition, we will seek to establish thorough awareness of the JFE Group Policies for Addressing Antisocial Forces and specific rules governing our response among all executives and employees by providing e-learning and distributing the Compliance Guide Book.

— Compliance with the Antimonopoly Act

The JFE Group, in its JFE Group Standards of Business Conduct, requires complying with laws and regulations, engaging in fair and free competition, conducting legitimate business activities, and acting with integrity in accordance with sound business practices. The JFE Group views past violations of the Antimonopoly Act seriously and established the JFE Group Basic Policy on Competition Law Compliance on the principle of zero tolerance for violating the Antimonopoly Act and other laws and strictly responding to any infringements. Under this policy, the Group establishes and maintains operating rules for contact with competitors, conducting in-house training, and performing internal audits to ensure compliance with the Antimonopoly Act. Periodic reports to the Group Compliance Committee strengthen oversight and support the effective implementation of initiatives.

For the JFE Group Basic Policy on Competition Law Compliance, refer to the following information.

➤ [JFE Group Basic Policy on Competition Law Compliance](https://www.jfe-holdings.co.jp/en/company/philosophy/competition-law.html) (<https://www.jfe-holdings.co.jp/en/company/philosophy/competition-law.html>)

— Confirmation and Improvement through the Employee Corporate Ethics Awareness Survey

The JFE Group regularly conducts a Corporate Ethics Awareness Survey (once every two years) for Directors and employees of the Company as well as the operating companies to confirm the penetration of and thorough compliance with 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 many employees sufficiently understood the Group's Vision, Corporate Values, and relevant laws and regulations, with a consistently high awareness of compliance, including adherence in the workplace to the JFE Group's Basic Policy on Preventing Bribery of Public Officials and the Guidelines for Entertainment and Gift. On the other hand, the survey also brought our attention to issues to address going forward. The results of the Corporate Ethics Awareness Survey and the policy responses were reported to the JFE Group Sustainability Council and the Board of Directors in FY2025. Going forward, issues identified will continue to be reflected in the specific initiatives of each company for improvement under the supervision of the JFE Group Sustainability Council and the Board of Directors.

At the time of formulating the Eighth Medium-term Business Plan, the Board of Directors of JFE Holdings reaffirmed that the Group's Corporate Vision and Corporate Values remain the unchanging principles of the JFE Group, serving as a unifying force for the entire organization throughout the 22 years since its founding and far into the future.

■ Compliance Incidents in the JFE Group

■ Indictment of JFE Group Company Employees

With regard to the submarine water pipe renewal work that KFE Engineering Corporation contracted with Taketomi Town, Okinawa, in June 2017 and June 2020, a former employee of JFE Engineering Corporation was convicted for violating the Act on Elimination and Prevention of Involvement in Bid Rigging, etc., and for obstructing public contract-related auction bidding. As a result, in May 2024, the Ministry of Land, Infrastructure, Transport and Tourism issued a business suspension order against the company, covering public works related to the water supply facilities construction business throughout Japan, pursuant to the Construction Business Act.

We deeply regret this situation and sincerely apologize for the inconvenience and concern caused to many of the related parties.

We regard this matter very seriously and sincerely. We will strive to regain public trust as early as possible by preventing a recurrence through the implementation of measures addressing the identified causes of the incident.

■ Inappropriate Conduct in JFE Shoji's Biomass Fuel Trading

JFE Shoji Corporation has confirmed the occurrence of inappropriate conduct* in connection with its biomass fuel trading business involving certain customers.

We deeply regret this situation and sincerely apologize for the inconvenience and concern caused to many of the related parties. We regard this matter very seriously and sincerely. We will strive to regain public trust as early as possible by preventing a recurrence through the implementation of measures addressing the identified causes of the incident.

*With respect to palm kernel shells and wood pellets supplied to biomass power plants, the company's Biomass Fuel Department charged customers prices and marine freight in excess of contractually agreed amounts, thereby obtaining undue profit.

For more on our stance on our measures to prevent recurrence, refer to the following information.

> [JFE Shoji Official Website \(Japanese only\)](https://www.jfe-shoji.co.jp/wjefep/wp-content/uploads/2025/06/news250619.pdf) (https://www.jfe-shoji.co.jp/wjefep/wp-content/uploads/2025/06/news250619.pdf)

Risk Management

Basic Policy

In order to enable the Group to achieve sustainable growth with ever-increasing corporate value through the pursuit of the JFE Group's vision of "contributing to society with the world's most innovative technology," we have properly identified risks across the Group. Our risk management system is subject to ongoing improvement, and effective measures are taken to eliminate as many foreseeable risks as possible.

Risk Management System

JFE Holdings is responsible for comprehensive risk management of the Group in accordance with its Basic Stance for Building an Internal Control System. The Company's Board of Directors fulfills its supervisory responsibility for risk management and has established a system to confirm its effectiveness.

With respect to risks associated with business activities, Corporate Officers responsible for each field recognize and assess these risks. As necessary, risks are further confirmed and assessed at the Group Management Strategy Council or the Management Council, both chaired by the Representative Director and President (CEO) of JFE Holdings, where countermeasure policies and risk management action plans are deliberated and decided. In addition, with respect to ESG-related risks—such as compliance with the Antimonopoly Act and laws related to anti-corruption including bribery of public officials, observance of corporate policy and regulations such as the Corporate Vision and JFE Group Standards of Business Conduct, environment and climate change, human affairs and labor, safety and disaster prevention, human rights abuses such as sexual and power harassment, quality management, financial reporting, and information security—the responsible Corporate Officers recognize and assess such risks. As necessary, these risks are confirmed and assessed by the Representative Director and Group Sustainability Council, chaired by the President (CEO) of JFE Holdings, where countermeasure policy and action plans for risk management are deliberated and decided to ensure a Groupwide response.

The Board of Directors oversees risk management and confirms its effectiveness by regularly receiving reports on Group policy and action plans on risk management, and through deliberation and decision-making on important matters.

We will continue to improve and strengthen Groupwide risk management system in accordance with the discussion by the Board of Directors.

For our risk management policies and systems, refer to the following information.

- > [Basic Policy for Building Internal Control Systems \(Japanese only\)](https://www.jfe-holdings.co.jp/company/info/pdf/naibutousei.pdf) (https://www.jfe-holdings.co.jp/company/info/pdf/naibutousei.pdf)
- > [JFE Group Sustainability System](#) (P. 10)
- > [Whistleblowing System](#) (P. 247)

Initiatives

Response to Specific Risks

Response to Climate Change Risks

The JFE Group has positioned “Ensuring environmental and Social Sustainability” as one of its key initiatives and formulated the JFE Group Environmental Vision for 2050, which aims to achieve carbon neutrality by 2050. Through this vision, the Group incorporates efforts to address climate change into its business strategies and reflects the principles of the TCFD in its management approaches. In doing so, we are systematically advancing initiatives to address climate change issues and striving to become a front-runner in the development of technologies for achieving carbon neutrality.

For climate change risks and opportunities, refer to the following information.

➤ [Scenario Analysis in Line with the TCFD Recommendations](#) (P. 113)

Intellectual Property Management

The JFE Group meticulously manages intellectual property across its diverse business activities. To prevent infringement on third-party intellectual property, it constantly monitors the latest information on intellectual property and implements all necessary measures.

For intellectual property activities, refer to the following information.

➤ [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/)

Privacy Protection

JFE has established the JFE Group Privacy Statement for managing information including “My Numbers,” which are personally identifiable numbers under Japan’s social security and tax number systems.

To maintain the appropriate protection of personal information, employee trainings on the rules, which have been set in place in accordance with the privacy statement, have been conducted as stipulated in applicable laws of each country related to businesses and guidelines.

To reduce information security risks, including cyber-attacks and improper system use such as leaks of personal information, and to promote safe business activities, the JFE-Security Integration and Response Team (JFE-SIRT), comprising the IT division managers of each operating company, participates in the Nippon CSIRT Association, established by private sector volunteers and corporate Computer Security Incident Response Teams (CSIRTs) active in Japan. We seek to enhance the level of our initiatives by exchanging information and coordinating on security incidents.

For privacy protection policies, please refer to the following information.

➤ [JFE Group Privacy Statement](https://www.jfe-holdings.co.jp/en/privacy.html) (https://www.jfe-holdings.co.jp/en/privacy.html)

Information Security

The JFE Group formulates various rules on information security management to prevent information leakage and system failures due to cyber-attacks and improper system use. Efforts are made to enhance information-security knowledge and awareness of rules among employees through training and education. Additionally, shared IT measures are applied in each Group company and regular information security audits are conducted to reinforce the overall information security management level in the Group.

Key issues related to IT, particularly information security, are deliberated by the JFE Group Information Security Committee to determine Group policy.

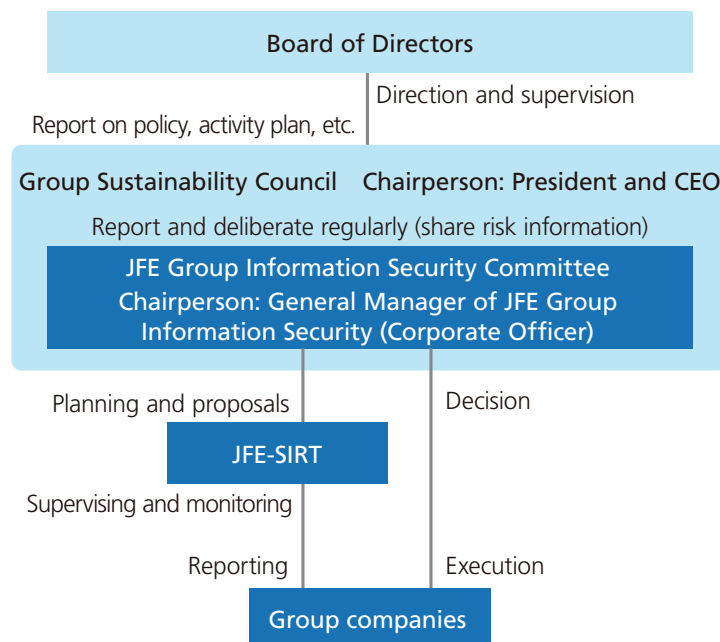
Applying the policies set by the committee, the JFE-SIRT formulates and implements information-security measures, performs information security audits, offers guidance on responding to incidents and generally enhances the level of Groupwide information security management. The JFE-SIRT reports on its activities to the Group CSR Council as appropriate. In addition, we established JFE Cyber Security & Solutions, Ltd. in April 2024 to acquire and develop independent, high-level security personnel and strengthen security monitoring and other systems.

Furthermore, the JFE Group has announced the JFE Group Declaration of Cybersecurity Management. Even as we consider cybersecurity as a vital investment for our digital transformation, we understand its continual enhancement is also a material management concern given the increasing frequency and sophistication of cyber threats. Cybersecurity measures are being accelerated under management leadership, mainly through the JFE-SIRT.

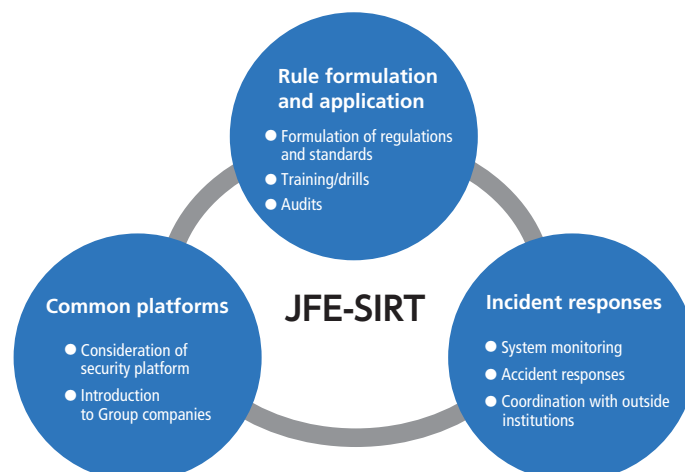
For more details about our cybersecurity measures, please see Security Management in the DX REPORT.

> [DX REPORT](https://www.jfe-holdings.co.jp/en/investor/library/dxreport/index.html) (https://www.jfe-holdings.co.jp/en/investor/library/dxreport/index.html)

Digital Governance and Cyber Security Framework in the JFE Group



JFE-SIRT Initiatives



— Responding to Human Rights Risks within the Supply Chain

The JFE Group procures raw materials, construction materials, and machinery from all over the world. In response to human rights risks associated with the supply chain, the Group established the JFE Group Human Rights Basic Policy in 2018 to take action in accordance with the United Nations Guiding Principles on Business and Human Rights. Each operating company has established raw material purchasing policies, purchasing and procurement policies, and a basic policy on sustainability in the supply chain, and they carry out purchasing in a way that respects human rights, legal compliance, and environmental preservation.

In addition, the Group has been conducting human rights due diligence since FY2021. In April 2023, we revised the JFE Group Human Rights Basic Policy to take account of recent changes in public awareness and issues surrounding human rights. Furthermore, we have endorsed the Ten Principles of the UN Global Compact, which cover protection of human rights, elimination of unfair labor practices, environmental protection, and prevention of corruption. We are a member of the Global Compact Network Japan, an organization that promotes Global Compact activities in Japan. We also participate in the subcommittee activities of the Global Compact Network Japan, and we have been promoting our own initiatives based on information shared with participating companies and organizations. All supply chain members and other stakeholders will continue to be called upon Groupwide to respect and support human rights.

For more details on our human rights due diligence initiatives, refer to Human Rights.

[> Human Rights](#) (P. 200)

JFE Group's Business Continuity Plan

Anticipating the possibility of natural disasters caused by typhoons and major earthquakes as well as a rapid expansion of infectious diseases such as a new strain of influenza, the JFE Group has formulated a business continuity plan (BCP) to address contingencies. We conduct regular training based on the BCP while also pursuing other countermeasures.

In the event of a major earthquake, the Group Sustainability Council will promptly discuss and determine the policy on how to deal with the matter, based on predetermined response processes to minimize loss and other damages.

— Response to Major Natural Disasters

We are preparing to respond in the event of a major earthquake through measures such as establishing tsunami shelters, maintaining a Companywide line of command under restricted communications and power outages, and securing data backup. We have also strengthened the drainage system at our steelworks to address the impact of typhoons and torrential rains that are occurring with increasing severity in Japan.

— Response to Infectious Diseases

Apart from the development of policies against novel influenza virus infections, we have been taking simulation-proven measures for varying scenarios to maintain key operations and prevent stoppages, including those at steel production sites and steelworks, even if there is an increase in the absence rate due to the spread of a disease. The policies are periodically reviewed and improved by the JFE Group Sustainability Council and other relevant bodies. Moreover, as a measure to protect employees against the threat of infectious diseases, we provide vaccinations and health checkups for employees, as well as their families, who are assigned to countries outside Japan and for those who go abroad for work. In addition to safety information in the destination countries, we also provide information about local infectious diseases and prohibit employees from going abroad to protect their safety, depending on prevailing circumstances.