FY2025 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.

Areas of Focus	Material Issues	FY2025 KPIs	Initiatives and Results for FY2025	Assessment
Address climate change issues	**Reduce the JFE Group's GHG emissions and contribute to reducing GHG emissions across society**	Steel business 1. Approval rate for GX investment designed to reduce GHG emissions by 30% or more by FY2030: 95%	1. Approval rate for GX investment designed to reduce GHG emissions by 30% or more by FY2030: 90%	×
		2. GX steel sales: 100,000 tonnes per year	2. GX steel sales: FY2025 KPI achieved (over 100,000 tonnes)	○
		Engineering business Promote use of own renewable energy; non-fossil fuel electricity use: 90% or more	Promote use of own renewable energy; Non-fossil fuel electricity use: 90%	○
		Engineering business Contribute to reducing CO_2 emissions in society by providing renewable energy power generation facilities and expanding the power supply business: 12.5 million tonnes per year	Contribution to CO_2 emissions reduction: 12.91 million tonnes per year	○
		Trading business FY2025 domestic CO_2 emissions: reduce 22.5% (compared to FY2019)	Reduced domestic CO_2 emissions by 36.6% (compared to FY2019)	○
Contribute to the realization of a recycling-oriented society	**Promote initiatives for realizing a circular economy**	Steel business 1. Expand collection and use of collected "return scrap": 2.0 times (compared to average volume under the Seventh Mediumterm Business Plan)	1. Expand collection and use of collected "return scrap": 2.0 times or more (compared to average volume under the Seventh Mediumterm Business Plan)	○
		2. Recycle co-products generated in the Company (recycling rate of slag, dust, sludge, etc.): 99% or more	2. Recycle co-products generated in the Company (recycling rate of slag, dust, sludge, etc.): 99.6%	○
		3. Expand use of steel slag products for marine area use (cumulative total under the Eighth Medium-term Business Plan): 50,000 tonnes	3. Expand use of steel slag products for marine area use (cumulative total under the Eighth Medium-term Business Plan): 78,000 tonnes	○
		Engineering business Expand bases for recycling / new regional electricity / waste-to-energy power generation business, etc.: 3 sites or more	Expand bases for recycling/new regional electricity/waste-to-energy power generation business, etc.: 4 sites	○
		Trading business 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 product lineup to contribute to a circular economy • Increased products handled by at least four in addition to current products with over 3,000 tons in volume per year	○
Acquire robust profitability	Steel business **Improve sales and manufacturing capabilities, expand and advance business areas**	1. Companywide OPY: +0.3% (compared to FY2024 results)	1. Companywide OPY: +0.3% (compared to FY2024 results)	○
		2. Develop new products and technologies: 20 per year	2. Develop new products and technologies: 23 per year	○
		3. Increase the percentage of total revenue from high-value-added products to 54%	3. Increase the percentage of total revenue from high-value-added products to 53%	△
		4. Improvements through streamlining (core systems, data science, automation) and labor productivity enhancement: Achieved FY2027 target of 25%	4. Improvements through streamlining (core systems, data science, automation) and labor productivity enhancement: Achieved FY2027 target of 28%	○
		5. Time saved by generative AI and low-code development: 3,000 hours per month	5. Time saved by generative AI and low-code development: 6,198 hours per month	○
		6. Labor-saving initiatives in response to declining labor force and population (Eighth Medium-term Business Plan): Reduced by more than 80 employees	6. Labor-saving initiatives in response to declining labor force and population (Eighth Medium-term Business Plan): Reduced by 163 employees	○
		1. Overseas steel business profit: ¥30 billion	1. Overseas steel business profit: ¥18.3 billion	×
		2. Domestic Group companies business profit: ¥80 billion	2. Domestic Group companies business profit: ¥90.6 billion	○
		3. Solutions business profit: ¥8 billion	3. Solutions business profit: ¥10.6 billion	○
		4. Increase in foreign patent applications: 109%	4. Increase in foreign patent applications: 107%	△

Areas of Focus	Material Issues	FY2025 KPIs	Initiatives and Results for FY2025	Assessment
Promote human capital management	Engineering business **Improve profitability and competitiveness, and promote investment in growth areas**	Improve project profitability Proportion of high-value-added and differentiated projects: Aim for over 50% by FY2027, and over 40% by FY2025	Improve project profitability Proportion of high-value-added and differentiated projects: Aim for over 50% by FY2027, and 45% by FY2025	○
		O&M business sales: over ¥290 billion	O&M business sales: over ¥333.5 billion	○
		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	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	○
		Accelerate the expansion of our sales channels by conducting a full revision of related measures and strengthening the framework for these efforts: Increase the number of new customers by 10% in FY2025 (compared to FY2024) and aim to achieve a 20% increase in FY2027	Accelerate the expansion of our sales channels by conducting a full revision of related measures and strengthening the framework for these efforts: Increase the number of new customers by 8% in FY2025 (compared to FY2024) and aim to achieve a 20% increase in FY2027	△
	Trading business **Revitalize the management foundation and advance insider status in overseas growth markets**	• Aim to complete core system overhaul by FY2027 • In FY2025, visualize current operations and complete workflow creation for over 75% of total	• Aim to complete core system overhaul by FY2027 • Completed visualization of current operations for all sales organizations 100%	○
		Implement growth investments to achieve profits: ¥85 billion over three years	FY2025 KPI target was not achieved	×
Ensure occupational safety and health for employees	**Promote talent acquisition and development**	Steel business 1. New international employees trained: +33 2. Advanced DX employees trained (cumulative): 800	Steel business 1. New international employees trained: +44 2. Advanced DX employees trained (cumulative): 831	○
		Engineering business 1. New international employees trained: +10 2. Advanced DX employees trained (cumulative): +30	Engineering business 1. New international employees trained: +7 2. Advanced DX employees trained (cumulative): +40	×
		Trading business New overseas secondments: +25	Trading business New overseas secondments: +23	△
	Promote diversity, equity and inclusion (DEI)	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	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 5.5% by April 2026	△
		2. Percentage of male employees taking childcare leave: 65% or more	2. Percentage of male employees taking childcare leave: 75.7%	○
	Improve work engagement	Engagement survey Affirmative response to questions about job satisfaction: Steel business 75% or more Engineering business 80% or more Trading business 80% or more	Engagement survey Affirmative response to questions about job satisfaction: Steel business 69% Engineering business 81% Trading business 79%	△
Minimize risks to the business foundation	**Prevent workplace accidents**	Serious injuries: 0 Lost-workday injuries: Steel business 0.10 or less Engineering business 0.25 or less Trading business 0.15 or less	Serious injuries: 0 Lost-workday injuries: Steel business 0.08 Engineering business 0.38 Trading business 0.75	×
	Promote health and productivity management	Proportion of employees who are physically and mentally healthy and working at an 80% or higher performance level (presenteeism below 20%): 67% or higher	Proportion of employees who are physically and mentally healthy and working at an 80% or higher performance level (presenteeism below 20%): Steel business 68.0% Engineering business 64.6% Trading business 72.2%	△
Minimize risks to the business foundation	**Respect the human rights of each person involved in our business**	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: • Continue conducting human rights due diligence at both the Company and Group companies • Build a system for managing human rights risks of suppliers	1. Human rights awareness training participation rate among designated participants: 100% 2. Conduct human rights due diligence 【Expansion of human rights due diligence to Group companies】 Steel business Conducted assessments and provided feedback to three overseas Group companies (the Philippines, the United States, and Singapore). Engineering business Conducted assessments and provided feedback to three overseas Group companies (Indonesia, Malaysia, and Germany). Trading business Provided feedback on the FY2024 survey results to all 45 overseas Group companies. 【Establishment of a human rights risk management system for suppliers】 Steel business Conducted a second-round survey of 219 suppliers. Engineering business Conducted a second-round survey of 76 suppliers. In addition, started surveys for new suppliers at the commencement of transactions and for existing suppliers every three years. Trading business Provided feedback on the FY2024 survey results to 88 suppliers and conducted new surveys of 14 suppliers.	○
	Ensure adherence to corporate ethical standards and compliance	Compliance training participation rate: 100%	Participation rate in compliance training programs by employee level and legal topic: 100%	○

Areas of Focus	Material Issues	FY2025 KPIs	Initiatives and Results for FY2025	Assessment
Minimize risks to the business foundation	**Promote appropriate quality assurance**	1. Quality audit implementation at Group companies: 100% of planned number	1. Quality audit implementation at Group companies: 100% of planned number	○
		2. Quality assurance investment execution: 30%	2. Quality assurance investment execution: 33%	○
		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	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	○
		Major quality problems: 0	Major quality problems: 0	○
	Improve the level of information security	1. Thorough management of vulnerabilities 2. Improve resilience against cyberattacks	1.Conducted issue analysis and strengthened response measures 2.Conducted training programs and phishing email simulation exercises	–
	Coexist with local communities, society, and nature	Serious environmental or disaster accidents: 0	Serious environmental or disaster accidents: 0	○
		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	1. • Opened manufacturing sites to local communities and held festivals and other community events. • Conducted plant tours primarily for elementary and junior high school students living near business sites. 2. • Employees visited local elementary and junior high schools to deliver outreach classes on the steel manufacturing process and career development. • Organized various sporting events for local residents as well as elementary and junior high school students. • Held baseball clinics led by the East and West baseball teams and running clinics led by the track and field team for local children.	○
		New collaborative activities with local governments to improve blue carbon and marine area environments: +2 projects per year	New collaborative activities with local governments to improve blue carbon and marine area environments: +2 projects per year	○
		Conduct conservation activities (i.e., reforestation) and assess biodiversity impacts in the infrastructure construction sector	Conducted biodiversity impact evaluations in the infrastructure construction sector	○
	Maintain sound financial position	【Eighth Medium-term Business Plan Targets】 1. Debt/EBITDA ratio: Approx. 3 times 2. D/E ratio: Approx. 60%	1. Debt/EBITDA ratio: Approx. 4.8 times 2. D/E ratio: Approx. 59.4%	×

Fiscal 2026 KPIs

Areas of Focus	Material Issues	Aspirations	FY2026 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: 98% 2. GX steel sales: 200,000 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 emissions in society by providing renewable energy power generation facilities and expanding the power supply business: 13.0 million tonnes per year
		Trading business Domestic CO_2 emissions reduction rate (compared to FY2019) FY2027: –27.5%　FY2030: –35%	FY2026 domestic CO2 emissions: reduce 25% (compared to FY2019)
Contribute to the realization of a recycling-oriented society	**Promote initiatives for realizing a circular economy**	Steel business Improve resource recycling of iron sources, co-products, etc.	1. Expand collection and use of collected "return scrap": 2.5 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 area use (cumulative total under the Eighth Medium-term Business Plan): 140,000 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. (cumulative total under the Eighth Medium-term Business Plan): 6 sites or more
		Trading business Expand products that contribute to a circular economy	Expand product lineup to contribute to a circular economy • Under the Eighth Medium-term Business Plan, increase the number of targeted product lines selling 6,000 tonnes per year or more by at least three
Acquire robust profitability	Steel business **Improve sales and manufacturing capabilities, expand and advance business areas**	Expand domestic steelmaking business profitability: ¥90 billion	1. Companywide OPY: +0.6% (compared to FY2024 results) 2. Develop new products and technologies: 20 or more 3. Increase the percentage of total revenue from high-value-added products to 56% 4. Improvements through streamlining (core systems, data science, automation) and labor productivity enhancement: Achieved FY2027 target of 50% 5. Time saved by generative AI and low-code development: 8,500 hours per month 6. Labor-saving initiatives in response to declining labor force and population (Eighth Medium-term Business Plan): Reduced by more than 200 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: ¥45 billion 2. Domestic Group companies business profit: ¥80 billion 3. Solutions business profit: ¥15 billion 4. Increase in foreign patent applications: 114%
	Engineering business **Improve profitability and competitiveness, promote investment in growth areas**	ROS: 6%	Improve project profitability Proportion of high-value-added and differentiated projects: Aim for over 50% by FY2027, and over 45% by FY2026
		Stabilize profits by expanding scale of O&M business	O&M business sales: Over ¥330 billion
		Improve labor productivity	Progress of operational reforms (to improve business efficiency by FY2035): Completed workflow analysis for specified departments in FY2026, aiming to complete optimization of all business processes in FY2027
		Expand DX solution revenue	Accelerate the expansion of our sales channels by conducting a full revision of related measures and strengthening the framework for these efforts Increase the number of new customers by 13% in FY2026 (compared to FY2024) and aim to achieve a 20% increase in FY2027
	Trading business **Revitalize the management foundation and advance insider status in overseas growth markets**	Overhaul core systems	• Aim to complete core system overhaul by FY2027 • FY2026: Begin action on the 26 measures to overhaul Companywide operation processes and achieve a 100% implementation rate for the seven key measures
		Trade and business profit: ¥30 billion each	Implement growth investments to achieve profits (¥85 billion over 3 years)

Areas of Focus	Material Issues	Aspirations	FY2026 KPIs
Promote human capital management	**Promote talent acquisition and development**	Build a talent portfolio to realize business strategies	Steel business 1. New international employees trained (cumulative total for FY2025–2026): 66 or more 2. Advanced DX employees trained (cumulative): 1,000
			Engineering business 1. New international employees trained (cumulative total for FY2025–2026): 25 2. Advanced DX employees trained (cumulative total for FY2025–2026): 90
			Trading business New overseas secondments (cumulative total for FY2025–2026): 50
	Promote diversity, equity and inclusion	Realize an environment in which the experience, abilities, and individuality of diverse talent can be maximized	1. Women in managerial positions: Aim for at least 10% in positions qualified as section manager or above by 2030 (including at least 20% in management and sales departments), with a target of achieving 7.0% by April 2027 2. Percentage of male employees taking childcare leave: 70% or more
	Improve work engagement	Realize an environment in which every employee can maximize their potential	Engagement survey Affirmative response to questions about job satisfaction: Steel business 75% or more Engineering business 80% or more Trading business 80% or more
Ensure occupational safety and health for employees	**Prevent workplace accidents**	Establish safe work environment to achieve zero accidents	Serious injuries: 0 Lost-workday injuries: Steel business 0.10 or less Engineering business 0.25 or less 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 (presenteeism below 20%): 67% or higher
Minimize 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: • 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	1. Compliance training participation rate: 100% 2. Percentage of positive responses to questions regarding the enhancement of compliance awareness in the awareness survey related to corporate ethics: 90% or more (once every two years)
	Promote appropriate quality assurance	Steel business Zero serious quality assurance issues	1. Quality audit implementation at Group companies: 100% of planned number 2. Quality assurance investment execution (cumulative): 63%
		Engineering business Zero quality compliance violations	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
		Trading business Consistently deliver products that satisfy quality requirements	Major quality problems: 0
	Improve the level of information security	Continue zero serious security incidents (Level 3 incidents that impact the business foundation)	1. Thorough management of vulnerabilities 2. Improve resilience against cyberattacks
	Coexist with local communities, society, and nature	Steel business Ensure that steelworks and other plants are trusted by their local communities	Serious environmental or disaster accidents: 0
			1. Continue and bolster 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
		Steel business Expand contributions to biodiversity	New collaborative activities with local governments to improve blue carbon and marine area environments: +2 projects per year
		Engineering business Advance efforts to biodiversity conservation	Implementation of biodiversity impact evaluations in the infrastructure construction sector
	Maintain sound financial structure	R&I rating: AA	【Eighth Medium-term Business Plan Targets】 1. Debt/EBITDA ratio: Approx. 3 times 2. D/E ratio: Approx. 60%