

## Dramatically raising competitiveness through DX and establishing a stable, sustainable earnings base

The JFE Group's operating environment, and especially that of the Group's core Steel Business, are undergoing structural transformations. In addition, the effect of the global spread of COVID-19 drastically slowed down economic activity during fiscal 2020 in Japan and overseas, leading to an extremely challenging situation unlike any the JFE Group had ever experienced.

As changes in the business environment accelerate, the JFE Group is proactively using data and digital technologies to rebuild our earnings strength and sustainably enhance our corporate value. With a key strategy of digital transformation (DX), we are currently increasing the value of our products and services for customers, and dramatically increasing productivity in all segments of the value chain. Going forward, we will promote DX as a Groupwide effort to achieve innovation in process technologies and renovate business models.

At the same time, as management becomes increasingly digitalized, information security is becoming increasingly important. Protecting the personal information of customers, vendors, and employees from the risks of increasingly sophisticated and complex cyberattacks and information leaks, and guarding the information assets that are the source of a company's competitiveness, have become major management issues for all companies. The JFE Group is swiftly implementing comprehensive risk countermeasures to make our information security even stronger, including the establishment of JFE-SIRT\* for centralized security governance and emergency responses.

To disseminate the broad range of the JFE Group's competitive and defensive activities in the digital field, from fiscal 2020, we have renamed the previous IT Report as the DX Report and expanded its content.

We have already introduced the JFE Group's DX strategy in our Integrated Report, and in this report, we will present the specific content and achievement of leading examples at each operating company using the DX strategy. We hope that readers will find the information in this report useful and that it will help them gain a fuller understanding of our DX initiatives.

\*JFE-SIRT: JFE-Security Integration and Response Team



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