

Trading Business

JFE Shoji is working daily toward the IT Vision outlined below, according to the medium-term business plan covering fiscal 2018 through fiscal 2020. Along with operational issues at JFE Shoji, we are taking a perspective of consolidated management and have begun working on issues at Group companies for the overall achievement of the JFE Shoji's vision.

With regard to DX promotion, we have begun introducing Robotics Process Automation (RPA), whereby we use data to become more efficient internally and to respond better to customers.

We are introducing RPA at Group companies, and together with systems upgrades at each company, will build a DX platform for JFE Shoji and Group companies, working as one to provide high-quality services to our customers.

Tatsuya Sakamoto
Managing Executive Officer

JFE Shoji's Vision

Trading and operating activities to build a stable profit base and to expand profitability

- Shift to marketing strategy operations
- Strengthen on-site capabilities
- Demonstrate group synergies

JFE Shoji's IT Vision
Themes of advanced IT to support growth

Improve office productivity Use RPA and AI to automate and elevate business operations (Shift to operations directly linked to marketing strategy)	Improve coil center productivity Use IoT technology to integrate sensor data (Various improvements through visualization of operating status)
Demonstrate group synergies Strengthen connections with JFE Holdings, JFE Steel, and JFE Engineering (including SCM, shared security platform and joint procurement)	Enhance efficiency of consolidated management Expand applications and upgrade standard systems Enhance domestic and international communication environment

Platform to support advanced IT

- Enhanced information security
- Stable systems operations
- Retain and train IT staff

Companywide RPA expansion

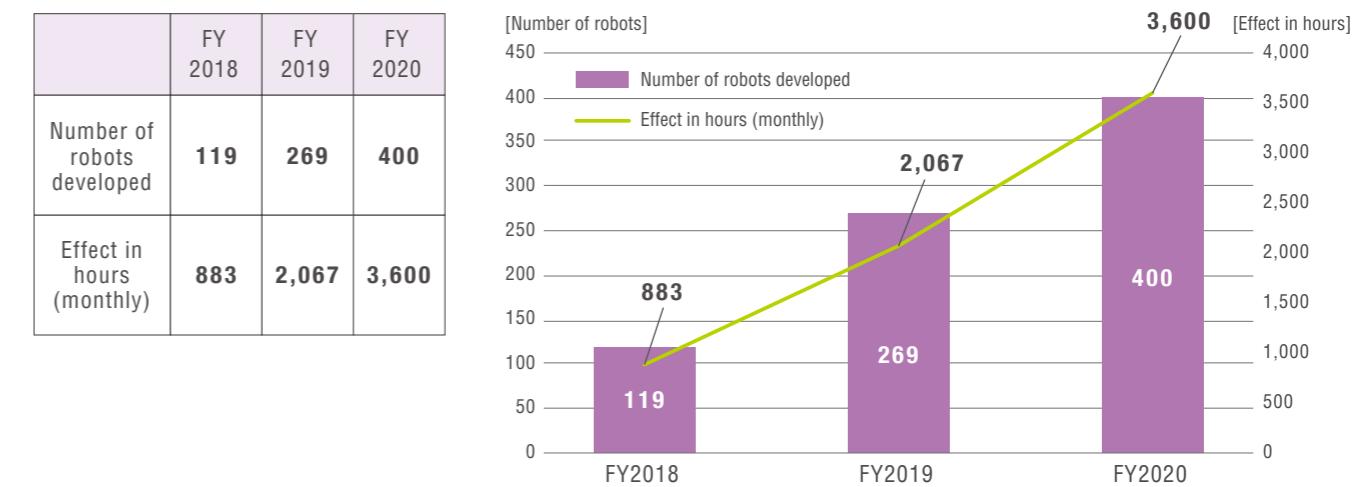
Under our medium-term business plan covering fiscal 2018 through fiscal 2020, JFE Shoji is introducing RPA companywide. Our current forecast is to achieve 43,000 hours of labor savings annually (3,600 hours monthly), surpassing our medium-term target of 40,000 hours (3,300 hours monthly), by the end of fiscal 2020.

Individual operational organizations are not simply adding RPA to operations but are creating an opportunity to review operations and identify additional operations where RPA can be applied. There are many cases where this has eliminated gaps in operational processes by staff members and led to standardization. Some head office organizations also began standardizing internal operations in fiscal 2019, enabling more employees to use robots and leading to an upward trend in the reduction of work hours per robot (a positive effect).

There have also been cases in which contact with customers has become faster, more regular, and more standardized than in the past, contributing to better service.



	FY 2018	FY 2019	FY 2020
Number of robots developed	119	269	400
Effect in hours (monthly)	883	2,067	3,600



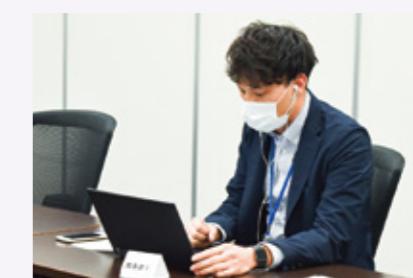
JFE VOICE!

JFE Shoji has been carrying out J-SLIM operational improvement for more than 10 years and holds a briefing to announce successes annually. More than half of JFE Shoji's sections have made announcements at these briefings with RPA as a theme.

- By introducing RPA, we began to think critically about existing ways of doing things
- Now, in addition to internal efficiency, we work to make improvements with vendors as a matter of course
- Branching out with RPA, we plan to launch a project to build a new system by working with other divisions
- Standardizing the project management sheets prepared by individual staff members has been an issue for our section for some time but had been difficult to do because of the many systems involved
- Having introduced RPA, we now expect to be able to do this
- Going forward, as the data stored since RPA was introduced grows, we hope to use it to create new services



Ms. Hojo, making an announcement for the Automotive Steel Overseas Sec. No. 1



Mr. Hashimoto, making an announcement for the Machinery & Materials Overseas Sec.

