

Cover Story

Restructuring for a new stage of growth

We are transforming the company into a leaner, stronger company through restructuring focused on targeted production systems and product types in response to structural changes in our external environment. Furthermore, we are establishing a solid revenue base for the future by pursuing growth through three main strategies: strengthen the competitiveness of our domestic manufacturing sites, pursue digital transformation (DX) and expand new revenue bases overseas.

Cover Story

Creating the future by supporting society with advanced technology

The Yokohama Northwest Line, which improves access from the Tomei Expressway to Yokohama Port, was opened in spring 2020. JFE Engineering managed the construction of the Yokohama-Aoba Junction that connects Tomei and the Northwest Line. With the site located right next to the Tomei Expressway, meticulous planning and precise construction were required to build the structure where many roads intricately intertwine. Construction of the part that straddles the Tomei Expressway was completed in one night by installing a huge block that was assembled in advance. The opening of the road is expected not only to improve traffic congestion, but also revitalize the economy and strengthen the road network at times of disaster.



Yokohama-Aoba Junction

Cover Story

People connect and become power

The global market is constantly changing.

Our business is built upon the connection between people that understands needs of customers, communicates them to manufacturing sites, and speedily responds to them as a team.

JFE Shoji Group's mission is to lead our customers to solutions through capturing the changing needs of society. We will continue to grow by developing new businesses while firmly maintaining our existing businesses.

Photo: Processing center in Vietnam, JFE Shoji Steel Hai Phong Co., Ltd.





Cover Story

Building every ship with heart and soul

The 14,000 TEU type energy-saving container ship ONE CYGNUS, built at the Kure Shipyard of Japan Marine United (JMU), completes the series of 15 vessels. This vessel adopts YP460, an ultra-thick high-tensile steel developed jointly with JFE Steel, to achieve efficiency in transport through container carrying capacity enhanced to the maximum. In addition, by incorporating unique energy saving devices developed by JMU, such as SURF-BULB™ and ALV-Fin™, the vessel delivers high energy saving performance that achieves the Energy Efficiency Design Index (EEDI) regulation Phase 3 requirement. The high-efficiency, electronically controlled main engine provides fuel efficiency over a wide speed range and allows for flexible operations.

Delivery of the final 14,000 TEU type energy-saving container ship

JFE Group History of Growth

2001- History leading to the establishment of JFE

Steel industry in a harsh environment

The Japanese steel industry reached its peak during the high economic growth period of the Izanagi boom (1965-1970), when NKK opened Fukuyama Works in 1965 and Kawasaki Steel lit the No.1 Blast Furnace at Mizushima Works in 1967. However, competitiveness in export dropped sharply due to the Nixon shock of 1971, two oil shocks (1973 and 1979), and the global appreciation of the yen caused by the Plaza Accord of 1985. After that, the situation became more serious after the collapse of the bubble economy in the 1990s. With the better selection and consolidation of suppliers in the steel user industry after 1999, competition among steel companies intensified, steel prices plummeted, and there was rising fear that the steel industry will collapse unless the industry is restructured.

1896-
Kawasaki
Steel

Origin

1912-
NKK
(Nippon Kokan)

Toward integration

There were two other reasons for selecting them as counterparts for the integration in addition to the common historical background of having been private steel companies that were not government-owned. One was that the product lineups of both companies were similar. With similar product lineups, we thought it possible to maximize the benefits of integration, such as purchasing raw materials in bulk and consolidating logistics. The other reason was the location and competitiveness of the steelworks. With Kawasaki Steel/Chiba Works and NKK/Keihin Works located in eastern Japan, and the proximity of Kawasaki Steel/Mizushima Works and NKK/Fukuyama Works in western Japan at only an hour's drive by car, it seemed natural to unify management. In addition, we felt that significant benefits could be obtained from integration due to the fact that the core steelworks of both companies, Mizushima and Fukuyama, were the most competitive large-scale steelworks in the world.

First Medium-term Business Plan 2003-2005

Realizing our merger's full potential

- The primary aim behind the establishment of JFE was to secure stable profitability early on and to strengthen its business foundation through active investment and financing. We consolidated facilities, and reorganized and integrated Group companies to build a strong business structure by strengthening the competitiveness of our core businesses in steel and engineering.
- May 2003 ■ The Super-OLAC™ accelerated cooling system, which had been installed in the Fukuyama district (formerly NKK), was installed in the steel plate plant in the Kurashiki district (formerly Kawasaki Steel). The horizontal deployment of proprietary technology realized a significant improvement in productivity.
- March 2004 ■ Developed JAZ™, a hot-dip galvanized (GA) steel sheet for automobiles excellent in formability during pressing.
- March 2004 ■ Developed UHP 15CR-125 Steel Pipe, a seamless stainless steel pipe for oil well pipes, which has excellent strength and corrosion resistance that can be used in places with high seismic intensity in high temperature and high pressure environments.
- March 2005 ■ Completed system integration across all operational areas by launching the new integrated system J-Smile.
- April 2005 ■ Established an extension of the childcare leave period and shortened working hours for childcare as Measures to Support Next-Generation Child-Rearing.
- June 2004 ■ Introduced JFE COLLEGE, a curriculum for developing young employees.
- April 2004 ■ Started operation of Fukuyama Recycle Power Co., Ltd. and promoted environmentally friendly waste treatment recycling business.



Fukuyama Recycle Power Co., Ltd.

Super-SINTER™

Second Medium-term Business Plan 2006-2008

Expanding high-value-added products

- JFE shifted to establishing a highly profitable business structure based on the production and sale of high-quality, high-value-added products and the provision of sophisticated services. We also invested actively to establish systems for stable production and expanded sales of high-value-added products.
- March 2007 ■ Developed the eco-friendly chromate-free steel sheet ECO FRONTIER™ JM that does not contain any environmental pollutants.
- January 2008 ■ Developed a new product, JFE ECOGAL™, which has corrosion resistance three times greater than that of general galvanized steel sheets.
- June 2007 ■ Developed a high-strength steel sheet with a yield stress of 460MPa as a steel material for super-large container vessels in collaboration with IHIMU (currently JMU).
- September 2007 ■ Developed NANO HITEN™, a 1180MPa-grade ultra-high-strength hot-rolled steel sheet, that achieves both strength and easy processing by controlling the steel's structure at a nano level.
- June 2007 ■ Strengthened the governance system by inviting outside directors to join the company.
- January 2007 ■ Built Advanced Plastic Recycling (APR), a waste plastic pulverization plant, to conserve resources and reduce CO₂.
- August 2007 ■ Acquired the next-generation authorization mark (Kurumin), certifying that a company meets the standards set forth in the Act to Advance Measures to Support Next-Generation Child-Rearing.
- January 2009 ■ Achieved reduction of CO₂ emissions by developing Super-SINTER™, a hydrogen-based gaseous fuel injection technology for sintering machines.

External environment
and strategy



Technological
development



ESG initiatives



JFE Holdings JFE Steel JFE Engineering JFE Shoji

Third Medium-term Business Plan 2009-2011

Targeting future-oriented technological development

- Despite a harsh business environment brought on by events including the global financial crisis in 2008 and the Great East Japan Earthquake in 2011, we pursued development of innovative technologies to accelerate our leap forward into the future, with a focus on envisioned developments in the following 10 years. We also reinforced our corporate structure to increase profitability as the No.1 supplier of high-value-added products.
- May 2010 ■ Awarded the 42nd Ichimura Prize in Industry for Distinguished Achievement for HBL™385, a steel material used in construction with a thickness 15% less than previous sheets, and excellent weldability.
- January 2011 ■ Contributed to lighter weight vehicles with UNIHITEN™, a 440MPa-grade high-tensile steel sheet developed for automobiles. It was the first 440MPa-grade steel sheet in Japan to be used for door panels.
- December 2010 ■ Developed and commercialized Mighty Seam™, an electric resistance welded steel pipe that can be used as line pipes in harsh environments such as cold regions.
- March 2010 ■ JFE BallastAce™, the highest-performance ballast water management system, received final approval from the IMO to contribute to maintaining the ecosystem.
- May 2011 ■ Coral spawning observed on Marine Blocks™ made by blowing carbon dioxide into iron-steel slag in a demonstration test at Port of Hirara in Miyako Island.
- 2011- ■ Continued CSR activities such as donating desks, chairs and canned food to the Ministries of Education in both Ghana and Nigeria.



Marine Blocks™ where corals thrive

Ferro-coke pilot plant

Fourth Medium-term Business Plan 2012-2014

Expanding into growing markets overseas

- We further strengthened our profit base for growth by investing overseas and developing innovative new products. Corporate resources were allocated intensively in emerging markets where significant growth was expected over the medium- to long-term. We also reinforced production abroad and strengthened overseas sales and technical functions for further growth.
- May 2013 ■ Developed a new precast seawall for early preparedness against tsunamis. Achieved significant reductions in the local procurement of equipment and manpower, and halved the construction period.
- February 2014 ■ Developed the world's first American Petroleum Institute (API) standard X80-grade 1-inch (25.4 mm) electric resistance welded steel pipe.
- May 2014 ■ Developed JFE-SIP™-CC, the world's first high corrosion resistant steel plate that is revolutionary in preventing the corrosion of a coal carrier's cargo hold, used in coal carriers for the first time.
- August 2014 ■ Developed and launched manufacturing for the first time in Japan of Kona-Bijin™, a premixed iron powder for iron coating direct seeded rice.
- April 2013 ■ Carried out long-term test manufacturing of material for blast furnace called ferro-coke, and its trial use at a blast furnace. Ferro-coke has innovative properties for reducing CO₂ emissions.
- June 2012 ■ Introduced a quick charger for electric vehicles at Cosmo Oil's affiliated gas stations, and implemented a demonstration project for gas stations in the EV era.
- March 2014 ■ Selected as a Nadeshiko Brand for the first time in recognition of the creation of a work environment where women can play more active roles.

Fifth Medium-term Business Plan 2015-2017

Capturing global demand to the fullest extent

- We formulated a manufacturing and sales system to maximize opportunities for capturing demand in Japan stemming from government initiatives to upgrade disaster resilience and prepare for the Olympic and Paralympic Games in 2020. Overseas, we focused on capturing demand related to infrastructure reinforcement in emerging countries and initiatives for energy savings and environmental protection. Also, we continued to invest in new business in fields and geographic regions showing strong potential for future growth.
- December 2015 ■ Developed a 980MPa-grade high-tensile strength cold-rolled steel sheet with both excellent elongation and hole expansion characteristics, that had been difficult to achieve with ultra-high strength steel.
- January 2017 ■ Developed the world's thickest 100-mm thick YP460MPa-grade crack arrest steel plate that can be used in ultra-large container vessels.
- December 2017 ■ Developed JFE's topology optimization technology, a technology that optimizes the joining location, the first applied to vehicles.
- October 2015 ■ Established the JFE Holdings, Inc. Basic Stance on Corporate Governance with the aim of pursuing and enhancing the best corporate governance.
- January 2016 ■ Decided to establish an onsite childcare facility at the East Japan Works (Chiba district).
- March 2017 ■ Decided to launch a food recycling business using bio-gasification from August 2018 to generate renewable energy for helping to build a low-carbon society.
- February 2018 ■ Selected for the Health & Productivity Stock Selection 2018 for the first time, as a company strategically implementing employee health management from an overall management viewpoint.



JFE Sorairo Childcare Center Fukuyama

Global Remote Center

Sixth Medium-term Business Plan 2018-2020

Boosting competitiveness with advanced technology

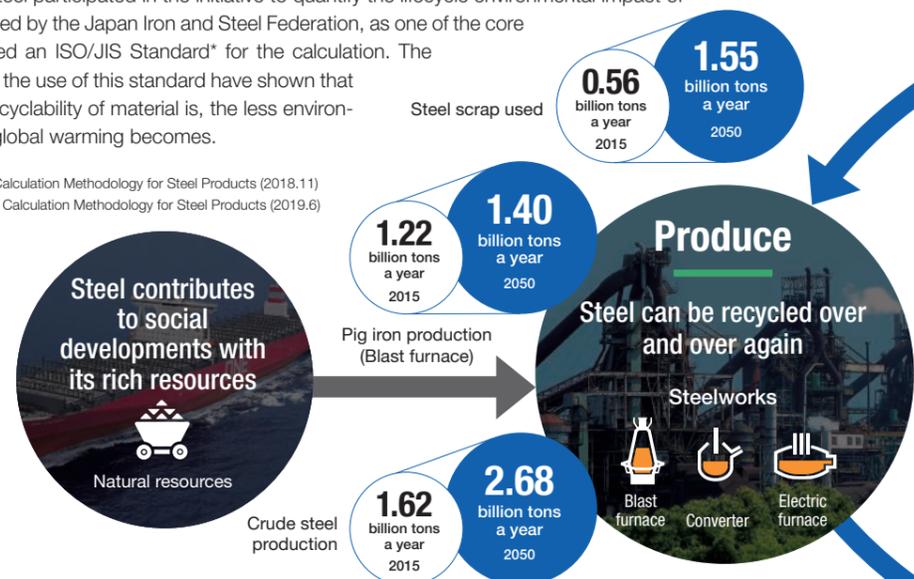
- Our current focus is strengthening competitiveness through the application of data science and other advanced technologies to meet sophisticated and diversifying needs throughout society. Having made sustainable societies one of our priorities, we are pursuing a number of environmental, social and governance (ESG) initiatives, including environmental protection, development of human resources and establishment of a governance system.
- July 2019 ■ Enhanced and developed an automation system for the automatic combustion control (ACC) system at a waste treatment facility to achieve fully automated operation for the first time in Japan.
- November 2019 ■ Introduced the latest data science (CPS) to all blast furnaces in domestic steelworks to improve the operation of blast furnaces.
- December 2019 ■ Systematized proprietary steel sheet application technology for automobiles as JESOLVA™ to provide a comprehensive solution.
- December 2018 ■ Introduced image recognition technology that uses AI to promote safety at steelworks, a first in the steel industry in Japan.
- February 2019 ■ Established the Raw Materials Purchasing Policy in order to build a sustainable raw material purchasing system that takes into account all risks related to raw material procurement.
- May 2019 ■ Agreed to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Since there are rich reserves of steel, which composes approximately 30% of Earth's mass, it can also be mass produced at low cost. Steel has an extremely low impact on the environment at the manufacturing stage when compared to other materials, and has an excellent recyclability. Steel with the low environmental impact is reborn as anything over and over again (closed-loop recycling), contributing to the sustainable development of our society.

Steel's Life Cycle Assessment (LCA)

Steel establishes a highly sophisticated value chain of Produce-Use-Recycle thanks to its excellent recyclability, and is reborn as anything over and over again. Therefore, it is important to evaluate steel's environmental impact by encompassing the entire life cycle including recycling. JFE Steel participated in the initiative to quantify the lifecycle environmental impact of steel products, which is led by the Japan Iron and Steel Federation, as one of the core members, and developed an ISO/JIS Standard* for the calculation. The results provided through the use of this standard have shown that the more superior the recyclability of material is, the less environmental impact such as global warming becomes.

* ISO 20915: Life Cycle Inventory Calculation Methodology for Steel Products (2018.11)
JIS Q 20915: Life Cycle Inventory Calculation Methodology for Steel Products (2019.6)



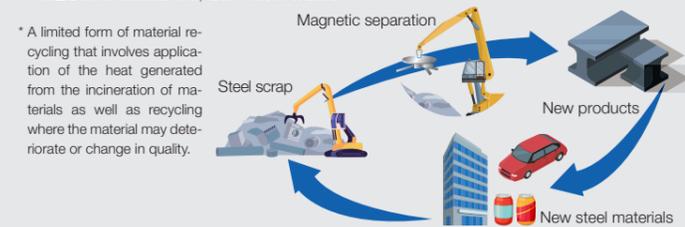
Steel can recycling rate **92%** 2018
Source: Japan Steel Can Recycling Association

Recycle Excellent recyclability

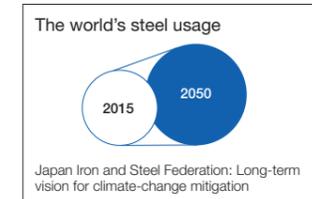
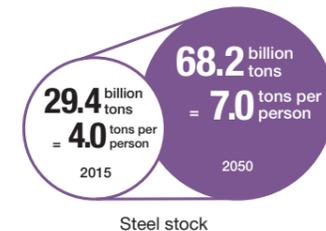
Steel is a material with an excellent recyclability such as its property enabling magnetic separation and retrieval. Even after a final product made of steel ends its life in society, it is reborn over and over again into a high-quality, high-functional product through highly efficient separation and retrieval technologies (closed-loop recycling).

Closed-loop recycling of steel

Steel can be recycled many times as the raw material of products made in the same steel material while maintaining the original properties of the iron material itself. Closed-loop recycling is superior to open-loop recycling* that recycles other materials in terms of sustainability. This is due to the fact that it is designed to reduce the amount of natural resources being newly introduced, moreover reduce the discharge of environmentally hazardous substances, and reduce waste.



Steel can be reborn as anything over and over again



Produce High economic efficiency and low environmental impact

Earth is a steel planet (rich resources)
As much as 85% (190 billion tons) of the Earth's metal resources are iron ore.
Source: Mineral Commodity Summaries (2016)

Recoverable reserves of iron ore on the Earth: Approximately 190 billion tons, 85%

Mass production at low cost
Steel is a material with rich reserves and a long history of development. It can be stably mass produced at a reasonable price, contributing to the sustainable development of society.

Global demand (2017): Approximately 1.7 billion tons
Price: Steel 20-50, Carbon fiber 2-10, Aluminum fiber 1

Reasonably priced!

Japan's steel industry keeps the top energy efficiency in the world
Japanese Steel Industry (converter furnace steel) produces steel with the lowest environmental impact when compared to other major countries in the world as a result of its longstanding efforts towards environmental conservation, including developing and spreading the use of energy-saving technologies.

Extremely low environmental impact at the manufacturing stage when compared to other materials
The greenhouse gas (GHG) emission of steel at the manufacturing stage¹ is 1/5 to 1/9 of that of aluminum, and approximately 1/11 of that of carbon fiber.

GHG emissions at manufacturing stage²: Steel 1, Carbon Fiber Reinforced Plastic (CFRP) 11, Aluminum 5-9

Low environmental impact!

The world's quotient, with Japan as 100 (2015)

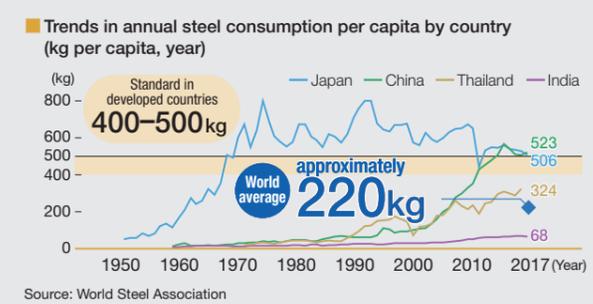
Country	Quotient
Japan	100
South Korea	103
Germany	109
China	116
United Kingdom	117
France	119
Brazil	122
India	123
Russia	128
USA	130

Source: Research Institute of Innovative Technology for the Earth (RITE)

Use Foundation for life and society

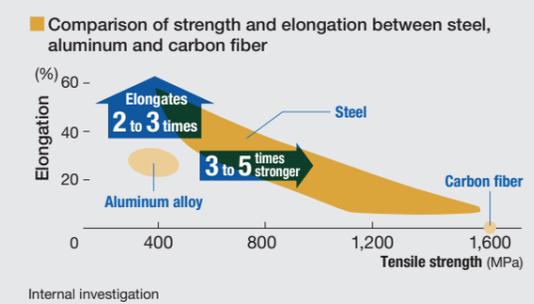
The potential to grow on a global level

The world average of the annual consumption of steel currently stands at around 220 kg per capita. Going forward, the long-term global demand for steel is expected to keep growing alongside the economic development of emerging countries.



Potential for evolution

Steel can be elongated two to three times more than aluminum at the same strength, and is three to five times stronger at the same extended rate, making it the optimal material for the world-class structures of the times, such as Tokyo Skytree. Steel still has considerable potential for evolution. Emerging needs of society will make steel evolve, and contribute to a productive future.



Putting Corporate Vision into Practice **Contributing to Society** with the World's Most Innovative Technology

Input

Business growth drivers Business model

Output into market

Outcome

Intellectual capital

- World-class technologies that have been developed and accumulated in long-term relationships with our customers
- Domestic patent publications (FY2019): **1,051 patents** (entire Group)
- R&D expenses (FY2019): **38.7 billion yen** (Group consolidated)

Manufacturing capital

- Two major, consolidated and highly efficient steelworks and bases for production and process engineering across the globe
- Consolidated crude steel production (FY2019): **28.09 million tons** (consolidated JFE Steel)
- Manufacturing bases (as of April 2020): **111 bases in 23 countries and regions** (entire Group)

Natural capital

- Realizing a recycling-oriented society and reduction of negative environmental impact through leading-edge, energy-saving and resource conservation technologies
- Energy consumption intensity (FY2019): **19% reduction** (23.2 GJ/t) (Comparison with FY1990)
- Recycling of water resources (FY2019): **93.4%** (steelmaking process)

Social and other related capital

- Relationships of trust established over many years with our customers and stakeholders
- Number of customers (delivery destinations) (FY2019): **Approx. 24,000 customers**

Human capital

- Diverse human resources with abundant experience and a high level of knowledge and expertise that support our wide range of operations
- Number of employees (as of the end of March 2020): **64,009 persons** (Group consolidated)
- Annual training hours (FY2019): **0.83 million hours a year** (total of operating companies: 40 hours a year per employee)

Financial capital

- A sound financial base that enables further investment for growth
- Ratio of equity attributable to owners of parent (IFRS) (as of the end of March 2020): **35.0%**
- Total equity (IFRS) (as of the end of March 2020): **1,706.5 billion yen**

Management resources accumulated over time

Business development with the Group as one

Engineering Business

In addition to the urban environment and steel structure sectors, we also focus on renewable energy and resource recycling solutions to support a sustainable society.

P.39

Steel Business

We possess two major integrated steelworks in Japan along with global manufacturing and processing bases, which allow us to incorporate world-class technologies to supply products with the high-added value that meets our customers' evolving requirements.

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Trading Business

Supplying steel products with added value globally, this business operates in a broad range of sectors, including food and electronics, as well as handling iron and steel raw materials.

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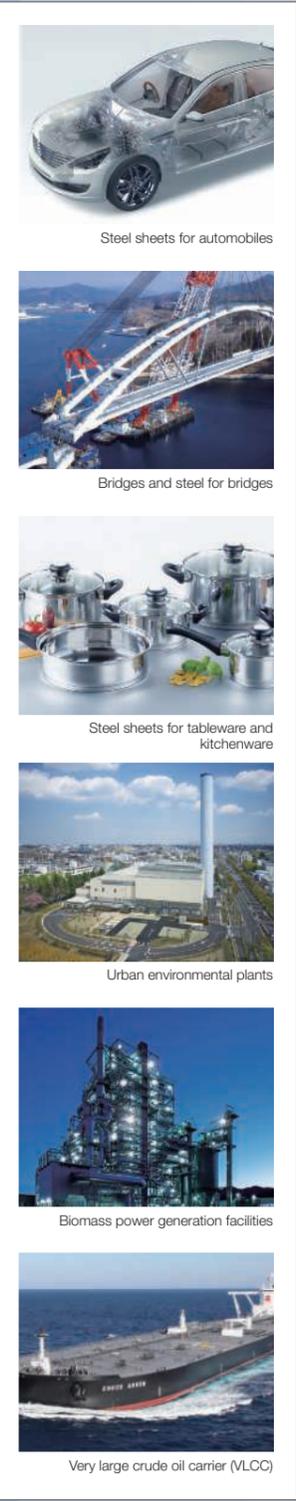
Shipbuilding Business
(Equity-method affiliate)

Building a wide range of vessels, this business possesses advanced technologies and one of the strongest construction capabilities in Japan.

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Building a foundation for sustainable growth (ESG Management) P.71

Creating new value by providing solutions that meet the needs of society in general, and also of our customers



Improving medium- to long-term corporate value

Making sustainable efforts to resolve social issues

Using our operations to make progress possible in diverse industries and lifestyles

- Realizing comfortable lifestyles through supply of automobiles, ships, and household appliances with advanced functions
- Constructing a strong infrastructure through development in the civil engineering and construction fields
- Ensuring a stable energy supply and spreading the use of renewable energy toward a sustainable society
- Developing and supplying environmentally friendly products and promoting resource recycling
- Contributing to resolving climate change issues on a global scale through initiatives to reduce CO₂.
- Securing excellent human resources and enhancing job satisfaction
- Creating a prosperous coexistence with local communities

Creating economic value from sustainable growth

Returning the economic value created through business operations into investments and to shareholders

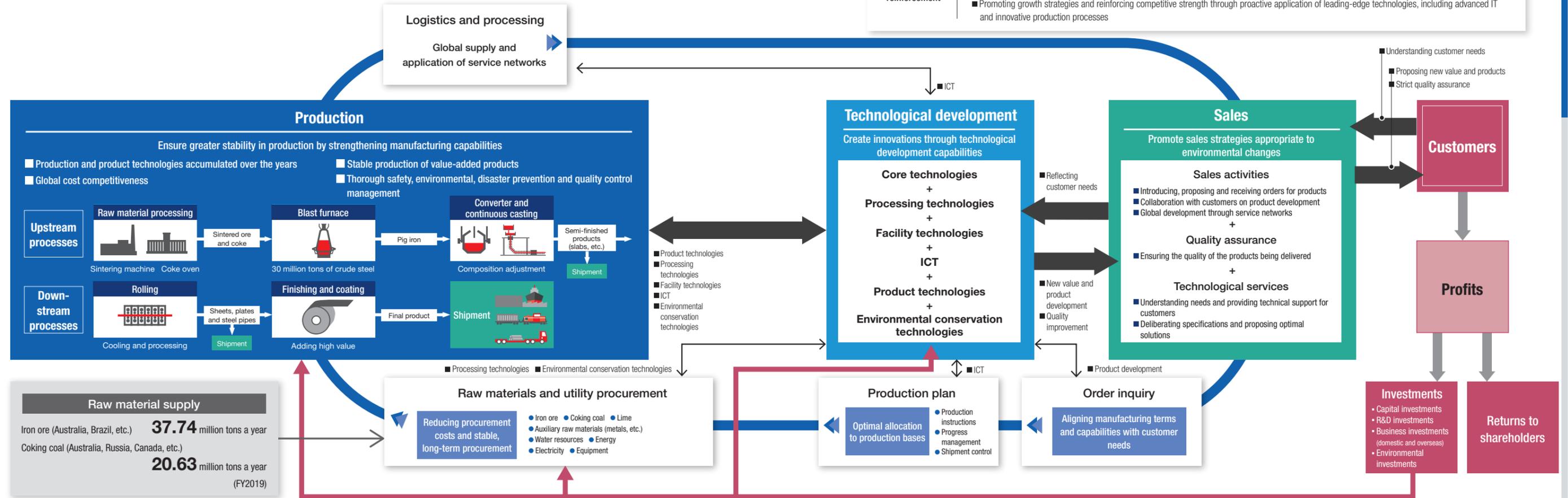
- Sustainable cash flow growth
- Continued business investment in growth sectors and regions and investment in the development of cutting-edge technology
- Return of profit to shareholders: Dividend payout ratio of approximately 30%

Foundations supporting our businesses

- Compliance P.93
- Corporate Governance P.87
- Human Resources P.59
- Stakeholder Relationships P.83

A business model that creates a JFE brand associated with high-added value

The competitive advantages of our steel and trading businesses have three fundamental sources: **(1) leading-edge technological development capabilities mobilized by customer needs**, **(2) production capabilities constantly developed and enhanced at production sites**, and **(3) sales capabilities underpinned by firm relationships of trust with customers** established over years by JFE Steel and JFE Shoji. We have created new value tailored to customer needs and provided optimized solutions based on these three factors. Our competitive advantages are treasured assets created through many years of effort. They are also the driving force behind our sustainable growth and cannot easily be matched by other companies.



The source of competitive advantages that reinforce our business model

Two major, integrated steelworks with excellent competitive strength

The primary source of our competitive strength in the steel business are two major steelworks located in east and west Japan, both with world-class production scale. West Japan Works boasts a production scale of 20 million tons of steel annually and, by international standards, is among the best in terms of cost, product strength and technological capabilities. In addition, we will carry out a review of the domestic production system in response to changes in the business environment, and develop a lean and resilient system. With leading production technologies, intellectual property, expertise and other strengths accumulated over many years, our production capability is our company's unique source of competitive strength.

See Steel Business Strategy on page 35 for details.

Initiatives and investments for reinforcement

- Establish a robust manufacturing system through restructuring centered on selection and focus to respond to changes in the business environment
- Innovative enhancements in productivity and product quality, and realization of stable production through the proactive introduction of advanced IT and data science
- Utilize solution technologies in the steel business gained through expertise, data and advanced IT accumulated at steelworks in Japan
- Stable procurement of raw materials and cost reduction utilizing technologies for low-cost raw materials and networks, including JFE Shoji

The source of competitive advantages that reinforce our business model

Ability to respond to customer needs and a stable customer base

We have established relationships of trust through two-way communications with many customers during our long years in business. We have created new value by closely communicating with customers to accurately meet their evolving requirements and through other activities, including cooperation from the initial development stage which helps us to contribute to the resolution of customer issues. As a result, we have created a solid customer base that cannot be easily or quickly built by other companies and, at the same time, gained global competitive strength (non-price competition).

Initiatives and investments for reinforcement

- Consolidating product development and sales as well as understanding the needs of customers in an appropriate way and in a timely manner through close communication with them
- Early Vendor Involvement (EVI): Fine-tuning technologies with customers from the initial stage of new product development, to create the finest products possible with the available technologies
- Accurately responding to customer expectations and creating a global network that can deliver products and services in a timely manner

Business models that support society and create the future

The main focus of the engineering business is infrastructure construction that supports people's lives and society, providing products and services based on the Group's comprehensive strengths and advanced technologies.

As long as people in the world long for more comfortable and abundant lives, there will never be an end to our mission.

We will provide optimal solutions for society and strive to realize a sustainable society to create and support the foundations for life.

The source of competitive advantages that reinforce our business model



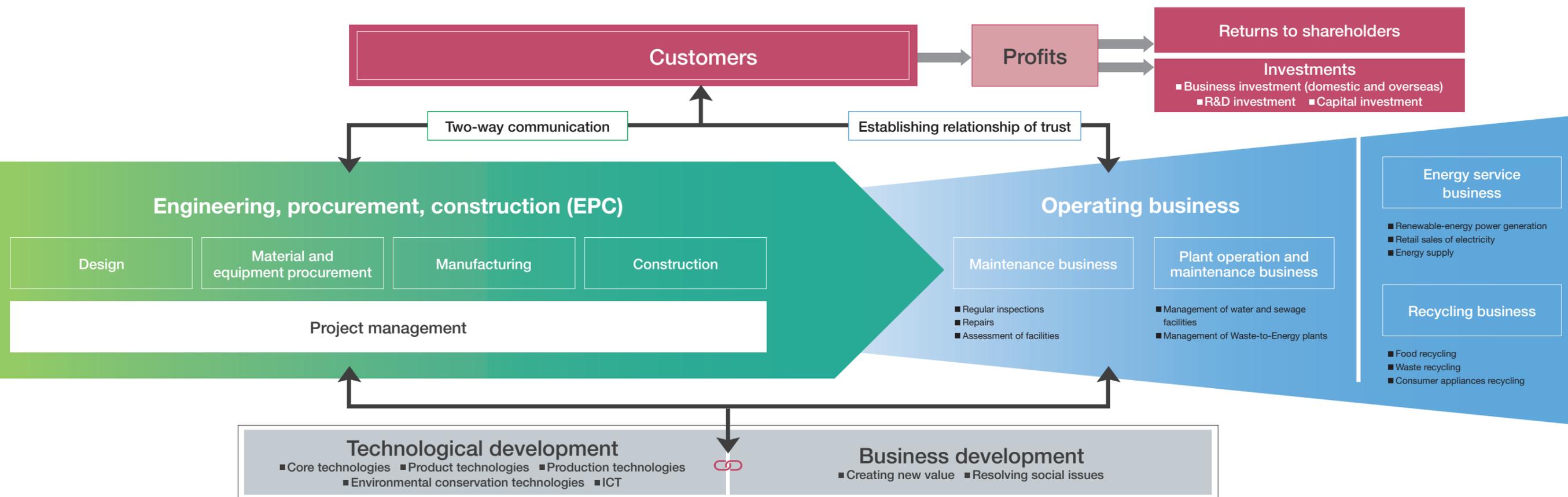
Technological development

Initiatives and investments for reinforcement

- Enhancing existing products with a focus on the energy and environment fields, along with developing new products that meet the needs
- Accelerating the creation and expansion of new businesses by consolidating existing businesses toward a recycling-oriented and sustainable society
- Continued investment and reinforcement of human resources to accelerate the enhancement of products and services, including through application of AI and IoT technologies

Advanced core technologies and diverse product technological capabilities

We have conducted business in diverse fields such as energy, environment and bridges, taking advantage of our advanced technological capabilities, which were developed by combining and advancing the following technologies; processing and assembly technologies based on our shipbuilding business and the material and combustion technologies based on our steel business. We especially possess many technologies that support society, including those for the creation of next-generation energy and solutions for environmental issues. We will make every possible effort to plan, design and promote new business models and develop new technologies based on these technologies.



The source of competitive advantages that reinforce our business model



Engineering, procurement and construction

Initiatives and investments for reinforcement

- Enhancing quality and productivity through active application of advanced IT at construction and manufacturing sites
- A global engineering structure that enables the supply of optimal products for each country
- Further enhancement of project management systems to ensure projects are thoroughly implemented and earnings is secured

Proven track record and project execution capabilities enabled by diverse human resources

We have constructed many high-performance, high-quality facilities that meet customer needs in fields such as energy, environment and bridges, from design to completion. Furthermore, we possess Japan's largest steel structure manufacturing plant and other production bases, allowing us to provide high-quality products at low cost. We also have built global engineering structure in overseas bases, centered in Asia, to further reinforce our competitive strength.

The source of competitive advantages that reinforce our business model



Sales

Initiatives and investments for reinforcement

- Active investment toward expanding operating business, such as public and private sector collaborations in the civil service field, energy services, and recycling
- Establishing a system that provides management solutions with remote monitoring of various plants using AI and IoT technologies
- Active business investment, including collaborations with local overseas partners, to enhance our overseas business

Business management capabilities with strengths in manufacturing expertise

We have nurtured our expertise in operation and maintenance over the years at environmental and water and sewage plants, and conduct various projects collaborating with public and private sectors in the civil service field. Our plants undertake recycling and renewable energy generation businesses for a recycle-oriented and sustainable society. We will strive to further expand our operating business, including public and private sector collaborations and energy service operations, applying our strengths in manufacturing and management expertise.