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To whom it may concern:

Policy on Large-scale Purchases of JFE Shares to be Suspended and Abolished as a Defense Measure Against Takeovers

JFE Holdings, Inc. announces herewith that the company's Policy on Large-scale Purchases of JFE Shares ("the policy") will be suspended and permanently abolished upon the close of the 19th Ordinary General Meeting of Shareholders on June 25, 2021. This decision was made during a meeting of the Board of Directors held today.

JFE recognizes that changes in management control can be an effective means of stimulating business activity and growth. In general, the company believes that if action involving the large-scale purchase of JFE shares were to be initiated, any decision regarding acceptance of a possible takeover should be determined by JFE's shareholders.

JFE also recognizes that if such action were initiated or proposed, all JFE shareholders must accurately determine the potential impact on corporate value and shareholder interests. This is why a policy was introduced in March 2007 to promptly provide shareholders with necessary and sufficient information, opinions, proposals, etc. from both the potential purchaser and JFE's Board of Directors, and also to ensure sufficient time to review such matters. The policy has remained in effect since then, although it has been modified with various revisions and updates.

Recently, however, the company reexamined the policy, including the pros and cons of its continuation, while taking into consideration the opinions of foreign and domestic shareholders including institutional investors, recent trends concerning takeover defense measures, and changes in JFE's business environment. As a result, the decision was made to suspend and permanently abolish the policy upon the close of the upcoming general shareholders meeting.

After abolishing the policy, however, JFE will continue to pursue sustainable improvements in corporate value and shareholder interests by swiftly implementing appropriate measures within the scope of the Financial Instruments and Exchange Act, company laws, and other relevant laws and ordinances. This will include requiring any entity seeking a large-scale purchase of JFE shares, etc. to provide shareholders with sufficient information necessary to appropriately determine whether the purchase is advisable as well as to disclose the opinions, etc. of the Board of Directors, including those of impartial outside directors, and to secure sufficient time and information to enable shareholders to review all relevant matters.