

August 4, 2025

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To whom it may concern:

**Notice Regarding the Disposal of Treasury Shares by Third-party Allotment in Conjunction with
Additional Contribution to Medium- to Long-term Performance-linked Remuneration Plan**

JFE Holdings, Inc. (“JFE Holdings” or the “Company”) announced today that it has formally decided to dispose of treasury shares (the “Disposal of Treasury Shares”) through a third-party allotment. This Disposal of Treasury Shares will be formally carried out through an allotment to Custody Bank of Japan, Ltd. (Trust Account E), which serves as the re-trustee under a trust agreement entered into with Mizuho Trust & Banking Co., Ltd. The trust was established in connection with the Company’s stock compensation plan linked to medium- to long-term performance, known as the Board Benefit Trust (BBT; the “Plan”). While the transaction is structured as a formal allotment to the re-trustee, in substance it is equivalent to the allocation of shares as compensation for services provided by certain directors and executive officers. These include directors of the Company (excluding those who are Audit & Supervisory Committee members and outside directors), executive officers of the Company who do not concurrently serve as directors (excluding non-residents of Japan), and executive directors (limited to those with operational duties) and executive officers who do not concurrently serve as directors (excluding non-residents of Japan) of JFE Steel Corporation, JFE Engineering Corporation, and JFE Shoji Corporation (collectively, the “Operating Companies”). These individuals are hereinafter collectively referred to as the “Group Directors, etc.”

1. Outline of disposal

(1) Disposal date	Wednesday, August 20, 2025
(2) No. of shares to be disposed	340,000 shares of common stock
(3) Disposal price	1,770 yen per share
(4) Total value of disposal	601,800,000 yen
(5) Recipient of the shares	Directors of the Company (excluding those who are Audit & Supervisory Committee members and outside directors): 2 individuals, 31,000 shares Executive officers of the Company who do not concurrently serve as directors (excluding non-residents of Japan): 3 individuals, 12,000 shares Executive directors (limited to those with operational duties) of the Operating Companies: 17 individuals, 122,000 shares Executive officers who do not concurrently serve as directors (excluding non-residents of Japan) of the Operating Companies: 65 individuals, 175,000 shares (Notes)
(6) Other	The Disposal of Treasury Shares is subject to the submission of an extraordinary report pursuant to the Financial Instruments and Exchange Act.

Notes:

- The formal allottee of the Disposal of Treasury Shares is Custody Bank of Japan, Ltd. (Trust Account E). This trust account has been established under a trust agreement concluded between the Company, as settlor, and Mizuho Trust & Banking Co., Ltd., as trustee, with Custody Bank of Japan, Ltd. serving as the re-trustee. However, since the Disposal of Treasury Shares is conducted for the purpose of providing shares to the Group Directors, etc. under the Plan, and is substantially equivalent to an allotment of shares as compensation for services provided by the Group Directors, etc., the allotment is described as being made to the Group Directors, etc.
- Under the Plan, points are granted to the Group Directors, etc. based on their position and performance achievement levels. When certain conditions are met and the right to receive benefits is vested, JFE Holdings shares and/or cash equivalent to the market value of such shares (collectively referred to as the “Company Shares, etc.”) corresponding to the granted points will be delivered. Accordingly, the actual number of Company Shares, etc. to be delivered to the Group Directors, etc. will vary depending on their position and performance achievement levels.

2. Purpose of and reason for disposal

Based on a resolution passed at the 16th Ordinary General Meeting of Shareholders held on June 21, 2018, JFE Holdings introduced the Plan and received approval for a partial revision of the Plan at the 19th Ordinary General Meeting of Shareholders held on June 25, 2021. Subsequently, at the 23rd Ordinary General Meeting of Shareholders held on June 25, 2025, shareholders approved the transition to a company with an Audit & Supervisory Committee, and accordingly approved the continuation and partial revision of the Plan, which remains in effect to date (see the Notice of Introduction of Medium- to Long-term Performance-linked Remuneration for Directors, etc. published on April 26, 2018, the Notice of Partial Revision of Medium-/Long-term Performance-linked Remuneration for Directors, etc., published on May 7, 2021, and Notice of Continuation and Partial Revision of Medium-/Long-term Performance-linked Remuneration for Directors, etc., published on May 8, 2025).

To facilitate the continuity of the Plan, JFE Holdings has decided to make an additional monetary contribution to the Trust (the “Additional Trust Contribution”) in order for the Trust to acquire the shareholdings expected to be necessary to meet future benefits, and to dispose of treasury shares through a third-party allotment (the “Disposal of Treasury Shares”) to trust account E, established at Custody Bank of Japan, Ltd. (sub-trustee entrusted by Mizuho Trust & Banking Co., Ltd., the trustee) to hold and dispose of the Company’s shares in relation to the operation of the Plan.

Although the Disposal of Treasury Shares will formally be conducted as an allotment to Custody Bank of Japan, Ltd. (Trust Account E), it is, in substance, equivalent to an allotment of shares as compensation for services provided to the Group Directors, etc.

The number of shares to be disposed of corresponds to the number of shares expected to be granted to the Group Directors, etc., during the trust period in accordance with the Stock Grant Regulations for Officers, covering the three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028. This represents 0.05% of the total 639,438,399 shares issued as of March 31, 2025, and 0.05% of the total 6,328,564 voting rights as of the same date (both figures rounded to the second decimal place). In light of the objectives of the Plan described in the “Notice of Continuation and Partial Revision of Medium-/Long-term Performance-linked Remuneration for Directors, etc.,” dated May 8, 2025, the Company considers this level of dilution to be reasonable.

Overview of the Additional Trust Contribution

Date of Additional Trust Contribution: August 20, 2025

Amount of Additional Trust Contribution: 601,800,000 yen

Class of shares to be acquired: Shares of the Company’s common stock

Number of shares to be acquired: 340,000

Date of share acquisition: August 20, 2025

Share acquisition method: Acquired through receipt of treasury shares disposed of by the Company (the Disposal of Treasury Shares)

3. Basis for calculating the disposal price and details of calculation

The disposal price is 1,770 yen (rounded down to the nearest full yen), being the simple average of the closing price of JFE Holdings' common stock on the Tokyo Stock Exchange over the one-month period (July 2 to August 1, 2025) leading up to the trading day immediately before the date of the board of directors' resolution on the Disposal of Treasury Shares. JFE Holdings chose to use the simple average of prices over the month leading up to the trading day immediately before the date of the board of directors' resolution, rather than the price at a specific point in time, because averaging over a period of time smooths out extraordinary factors such as the impact of temporary fluctuations in the share price. The Company believes this provides a reasonable and highly objective basis for calculating the price. The Company chose to use the average for the most recent month, as opposed to the most recent three months or six months, because it believes it is rational to use the period that is closest to the most recent market price of the stock.

The disposal price of 1,770 yen is equivalent to the closing price of 1,739.5 yen for JFE Holdings' common stock on the Tokyo Stock Exchange on August 1, 2025, the trading day immediately before the date of the board of directors' resolution multiplied by 101.75%; the simple average of the closing price over the most recent three months before the date of the board of directors' resolution of 1,707 yen (rounded down to the nearest full yen) multiplied by 103.69%; and the simple average of the closing price over the most recent six months of 1,750 yen (rounded down to the nearest full yen) multiplied by 101.14%. Considering the above, JFE Holdings believes that the disposal price for the Disposal of Treasury Shares is reasonable and does not represent a particularly advantageous level.

4. Matters related to procedures under the Tokyo Stock Exchange's Code of Corporate Conduct

The Disposal of Treasury Shares does not require the Company to obtain an opinion from an independent third party or to confirm the intent of shareholders under Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations because (1) the dilution rate is under 25% and (2) it does not involve a change of controlling shareholder.