



**JFE**

**JFE Group**

**Long-Term Vision “JFE Vision 2035”**

**Eighth Medium-term Business Plan [FY2025-2027]**

May 8, 2025

**JFE Holdings, Inc.**

| Security Code: 5411.T |

- 1. JFE Group's Aspirations "JFE Vision 2035"**
- 2. Review of Seventh Medium-term Business Plan**
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# 1. JFE Group's Aspirations "JFE Vision 2035"

~ The JFE Group will play an indispensable role in supporting people's daily lives, driving sustainable development and ensuring safe, comfortable lives for all ~

**Corporate Vision** Contributing to society with the world's most innovative technology

**Corporate Values** Challenging Spirit. Flexibility. Sincerity.

- We held extensive discussions of what role each business should play and how it can contribute to society by utilizing its strengths across our operating companies, based on which we formulated the following corporate-purpose statements.

Purpose

JFE Steel

JFE Engineering

JFE Shoji

**Dream for your Future,  
Steel takes you Further.**

**Create, Care, Connect  
The Foundations of Life**  
— Just For the Earth —

**Steel and More:  
Bridging Global Progress**

- We formulated the JFE Group Long-term Vision, **JFE Vision 2035**, to announce the JFE Group’s aspirations.
- To promote growth strategies aimed at realizing our aspirations, we formulated **the Eighth Medium-term Business Plan (FY2025–2027)**.

## Seventh Medium-term Business Plan

- **Shift focus from quantity to quality**
  - Complete structural reforms
  - Increase ratio of high-value-added products (50%)
  - Overhaul our sales pricing
- **Encourage investment in growth fields**
  - Manufacturing, processing, and distribution of electrical steel sheets
  - Recycling business
  - Entry into the offshore wind power business

Economic Sustainability

Environmental & Social Sustainability

- **Formulated the Environmental Vision 2050**

## Eighth Medium-term Business Plan

- **Rebuild our domestic production structure**
  - Increase ratio of high-value-added products (60%)
  - Reorganize our domestic production structure and business
- **Expand the overseas business**
  - Expand business with top-tier partners in growth regions “from the inside”
- **Develop and promote the widespread adoption of green steel**
  - Develop ultra-innovative technology (GI Fund)
  - Build innovative electric arc furnaces\*
  - Promote expansion in green steel sales

## JFE Vision 2035

- **Expand consolidated business profit (Segment profit: ¥700.0 billion)**
  - **Streamlined yet resilient domestic structure** based on growth strategies
    - Create technologies and nurture talent that drive our competitive advantage
    - Deepen our shift from quantity to quality, and reorganize and integrate each business
  - Growth through **the expansion of business in overseas growth regions “from the inside”**
    - Collaborate with top-tier partners and pursue M&A
- **Become the leader in carbon neutrality (CN) technology development**
  - **Complete development of ultra-innovative process conversion technology**
  - Provide strong technological capabilities and a diverse eco-product lineup to help conserve the global environment
  - **Become the main player in the high-quality green steel market**

\* a large, high-efficiency electric arc furnace capable of producing high-grade and high-function steel products

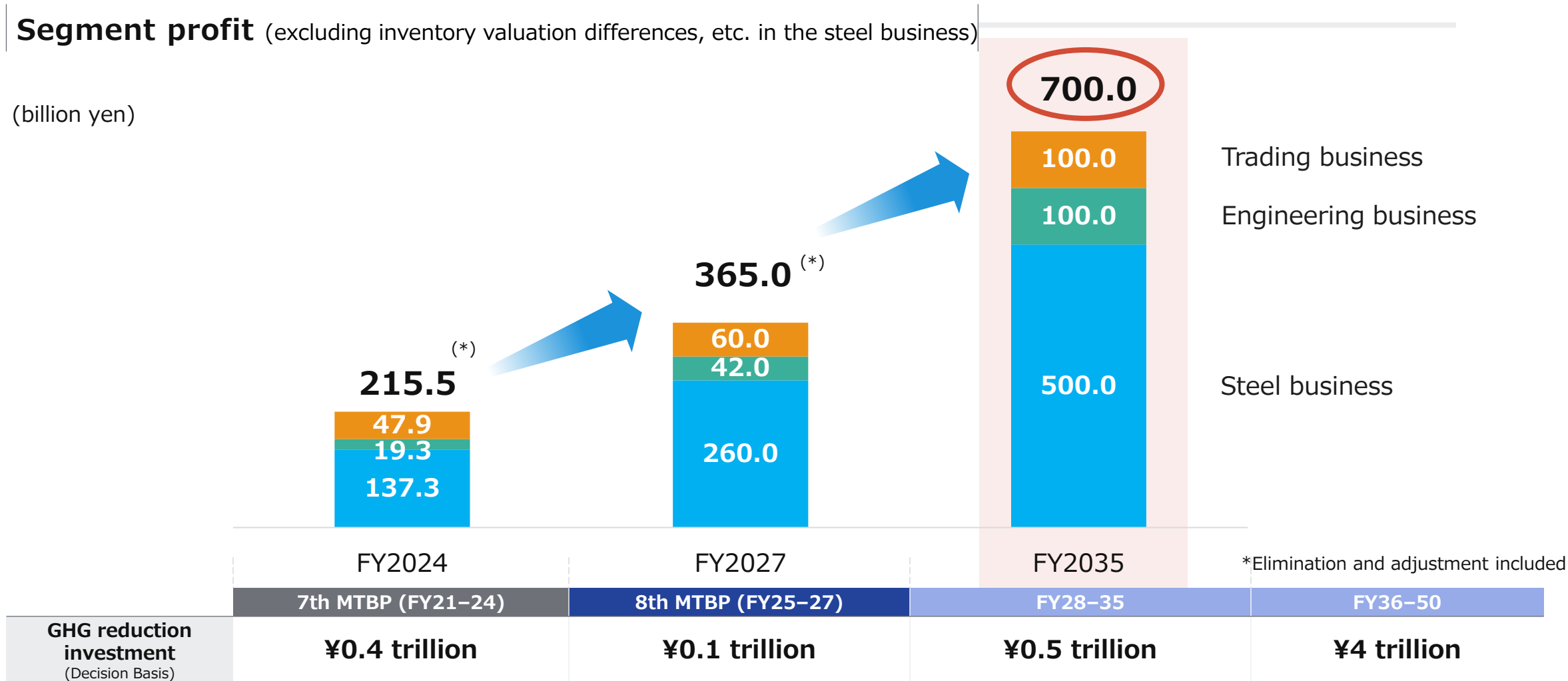
# “JFE Vision 2035” Profit Targets



- **To achieve carbon neutrality by 2050, we need a profit level of ¥700.0 billion by FY35.**  
 (GHG reduction investment: We assume investment of ¥1 trillion by FY35, ¥4 trillion between FY36–50)

## Segment profit (excluding inventory valuation differences, etc. in the steel business)

(billion yen)



## 2. Review of Seventh Medium-term Business Plan

- Despite the completion of the structural reform and the efforts to shift focus from quantity to quality, **earnings in the steel business were significantly under the earnings target due to worsening of the business environment beyond what was expected** in the early days of the Seventh Medium-term Business Plan. The stock price also did not reach a satisfactory level.

## ① Status of implementation of key initiatives

### Steel

- Completion of structural reform and shift of focus from quantity to quality
- Promoting technology development aimed at achieving a carbon-neutral (CN) society
  - Beginning of a development test of an ultra-innovative blast furnace process
- Steady implementation of growth investments
  - Domestic**
    - Expanded electrical steel sheet manufacturing facilities (Kurashiki)
    - Selected investment in construction of CGL for manufacturing ultra-high strength steel (Fukuyama)
    - Selected investment in innovative electric arc furnace construction
  - Overseas**
    - Established (J2ES) and acquired (J2ES Nashik), both electrical steel sheet manufacturing companies in India.
    - Acquired a stake in the Blackwater coal mine (Australia)

### Engineering

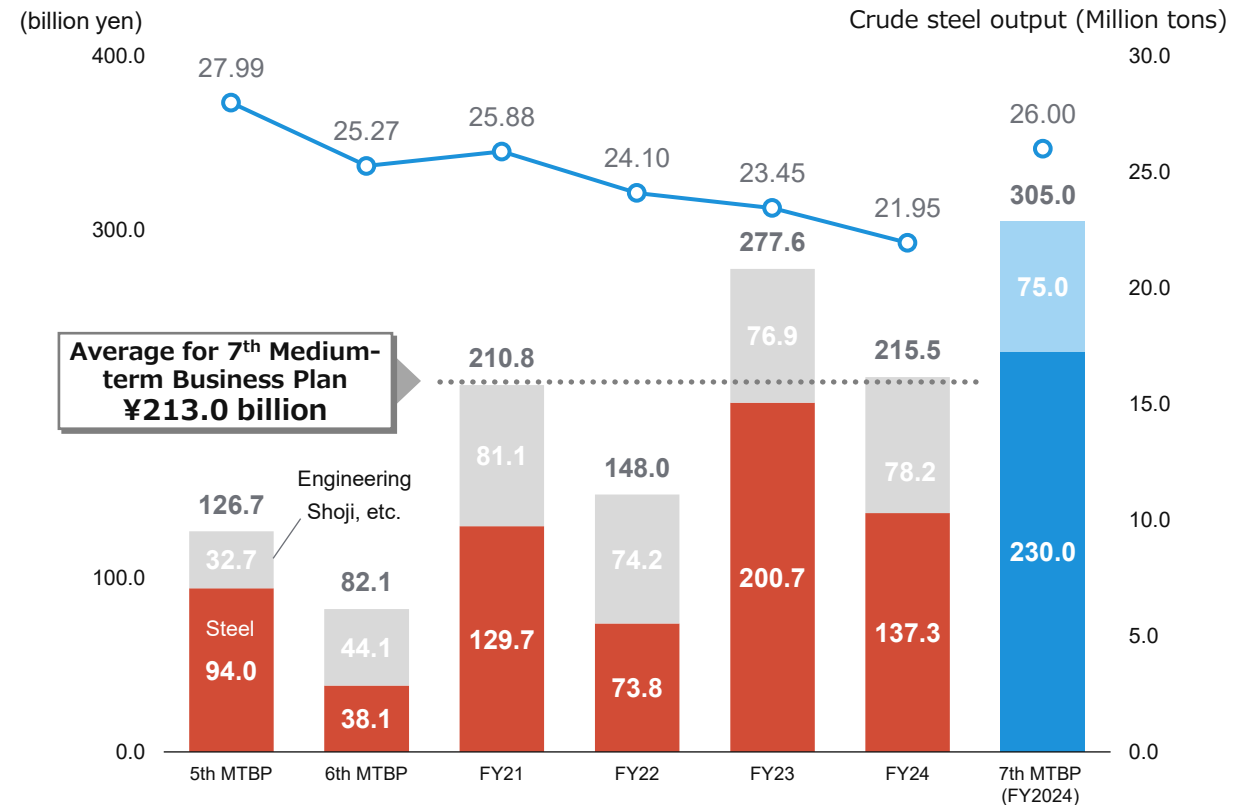
- Focused investment on Waste to Resource (WtR) and carbon-neutral (CN) fields
- Expansion of the operating business (approx. 50% of sales)
- Reorganized industry (acquired a chemical plant company, etc.)

### Shoji

- Reinforcing and enhancing the global electrical steel sheet processing and distribution networks
- Building the foundation for the overseas construction materials business through M&A activities
  - Acquired STUDCO and CEMCO

## ② Segment profit and crude steel output\*

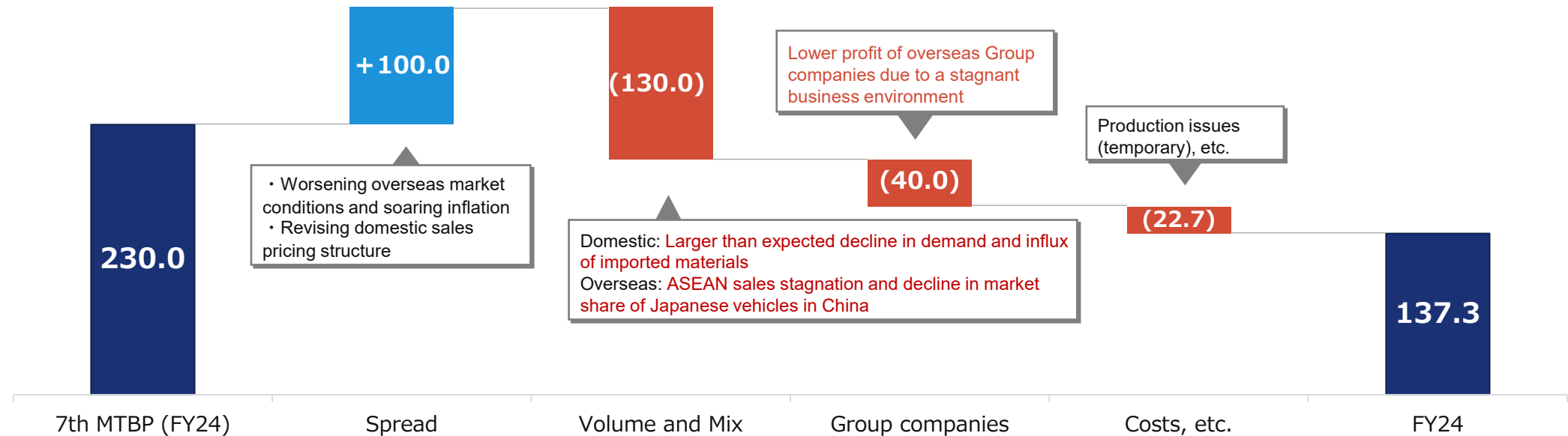
\*Excluding inventory valuation differences, etc. in the steel business



- Profit was ¥92.7 billion below the target of the Seventh Medium-term Business Plan (FY24)  
(7th MTBP: ¥230.0 billion → FY24 result: ¥137.3 billion)
- (+) Spread improved due to the overhaul of our domestic sales pricing structure despite worsening overseas market conditions and soaring inflation.
- (-) Larger than expected reductions in production and sales, lower profit at overseas Group companies, and temporary cost increase (cost reductions due to structural reforms were as planned), etc.

## Segment profit (excluding inventory valuation differences, etc. in the steel business)

(billion yen)



# Major Financial and Earnings Indicators, Shareholder Returns policy



		Seventh Medium-term Business Plan FY2024	FY2024 Results	
<b>Groupwide</b>	Consolidated business profit	¥320.0 billion	¥135.3 billion	
	Profit attributable to owners of the parent	¥220.0 billion	¥91.8 billion	
	ROE	10%	3.7%	
	Debt/EBITDA	Around 3x	4.5x	
	D/E	About 70%	54.3%	
<b>Operating companies</b>	Steel business	Segment profit	¥230.0 billion	¥137.3 billion (*)
		Profit per ton	¥10,000/ton	¥7,000/ton (*)
	Engineering business	Segment profit	¥35.0 billion	¥19.3 billion
		Revenue	¥650.0 billion	¥569.8 billion
	Trading business	Segment profit	¥40.0 billion	¥47.9 billion
<b>Shareholder returns</b>	Dividend payout ratio	Seventh Medium-term Business Plan About 30%	Average for Seventh Medium-term Business Plan Period 34%	

\*Excluding inventory valuation differences, etc. in the steel business

# 3. Eighth Medium-term Business Plan

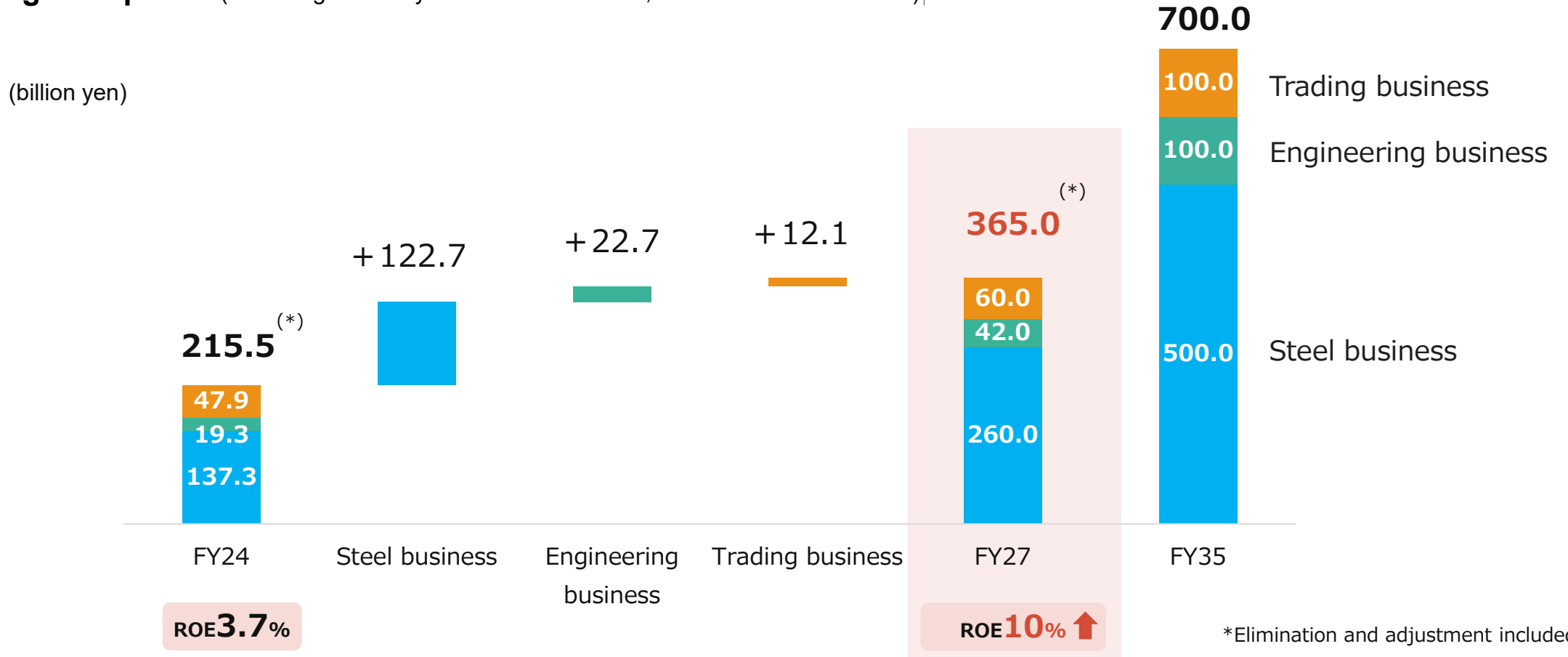
- While there are **risks of declining domestic demand, expansion of low-price exports of Chinese materials, and protectionism** as represented by the tariff policy of the U.S., demand is firm for **growth markets, especially in India, and for the realization of a carbon-neutral society.**

	Domestic	Overseas
Risks	<p>Gradual decline in domestic demand attributed to the population decrease</p> <p>Recruitment challenges attributed to the decrease in the labor force population</p> <p>Stagnation in decarbonization</p>	<p>Expansion in low-price exports from China</p> <p>U.S. tariff policies, shift to protectionism and economic trading blocs</p> <p>Improvement of the technological capabilities of competing overseas mills</p>
Opportunities	<p>Increasing demand for eco-products that help reduce CO<sub>2</sub> emissions (electrical steel sheets, high-strength steel sheets, etc.)</p> <p>Increasing demand for green steel and steel for new energy</p> <p>Progress in establishing a circular economy</p>	<p>Growth markets, especially India</p> <p>Increase in carbon-neutral plants and need for renewable energy</p> <p>Utilization of alliances with top-tier partners</p>

- We formulated the Eighth Medium-term Business Plan centered on business expansion, including **aggressive investment in overseas growth fields and regions as well as reconstruction of a slim, robust structure in Japan.**

## FY2027 target: Segment profit of ¥365.0 billion

**Segment profit** (excluding inventory valuation differences, etc. in the steel business)



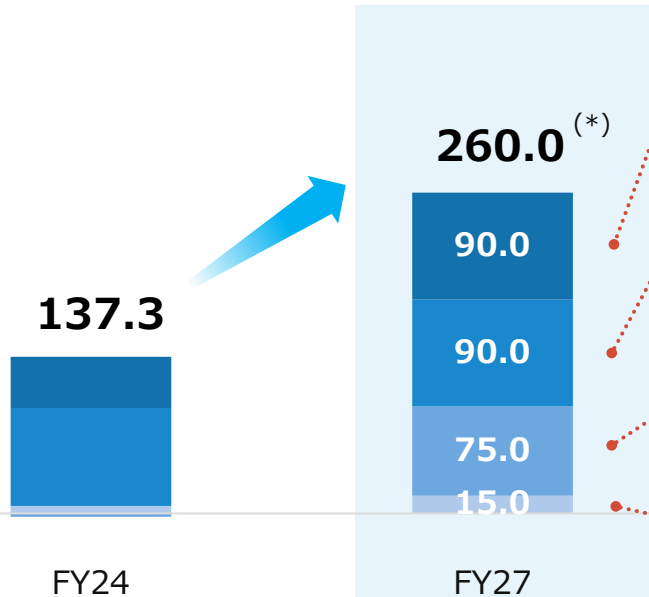
## FY2027 target: Segment profit of ¥260.0 billion

- We will enhance our earning power through high-value-added products and innovation technology, including carbon neutrality technologies, which is the source of the competitive advantage of our enhanced domestic steelworks. In overseas growth regions, we will expand business in collaboration with top-tier partners utilizing superior technologies, products, and human resources.

### Segment profit (excluding inventory valuation differences, etc. in the steel business)

(billion yen)

500.0



**Domestic steelmaking**

- Establish a robust structure by **rebuilding an optimal production structure** +¥20 billion
- Increase the ratio** of green, high-quality **products with high added value** +¥40 billion
- Stabilize raw material procurement and profit by increasing investments to acquire raw material interests

**Domestic Group Companies**

- Strengthen competitiveness through cooperation with industry peers  
Structural shapes: Study integrated operation with us and Yamato Steel Co., Ltd.  
Steel sheets for building materials: Study strategic alliance with us and Yodogawa Steel Works, Ltd.
- Withdraw from or sell off non-core businesses and concentrate on core businesses
- Expand growth fields and new businesses (functional materials, precision chemicals, battery business, etc.)

**Overseas steel**

- Expand “Insider” business with top-tier partners in overseas growth regions

**Profit improvement in overseas steel business effect +¥78.0 billion**

**Solutions**

- Expand the solution business using technologies with competitive advantages

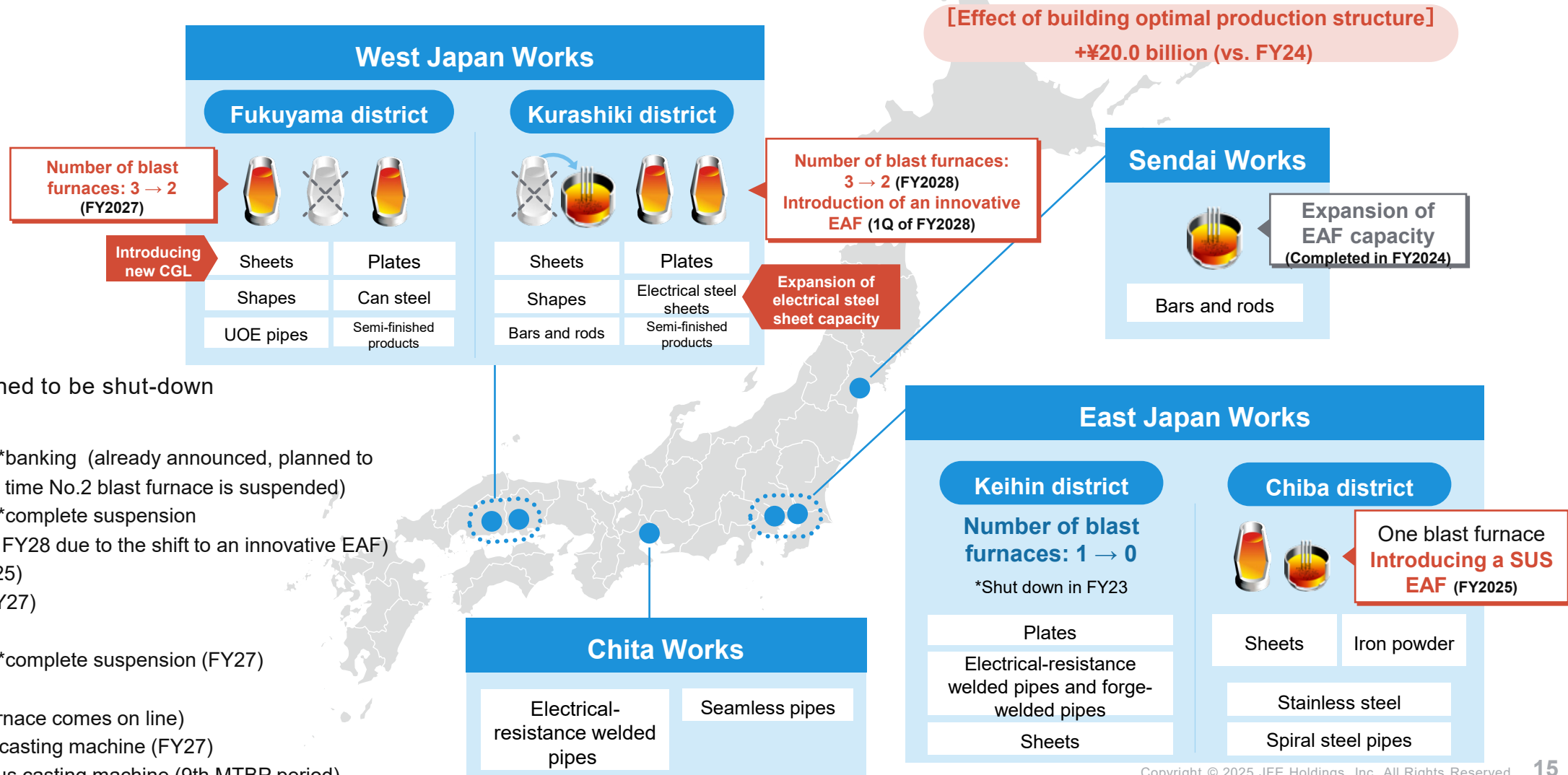


FY35

(\*) Elimination and adjustment included

# Domestic steelmaking Business: Rebuilding Optimal Production Structures

- Compared to crude steel production capacity of 26 million tons (7 blast furnaces), we will **streamline crude steel production to around 21.00 million tons and build an enhanced production structure by suspending blast furnaces.** In FY28, our structure will be 5 blast furnaces + 1 innovative electric arc furnace.



- Equipment planned to be shut-down

## Kurashiki district

- No.3 blast furnace \*banking (already announced, planned to come on line by the time No.2 blast furnace is suspended)
- No.2 blast furnace \*complete suspension (to be suspended in FY28 due to the shift to an innovative EAF)
- Coke oven 1B (FY25)
- Coke oven 4AB (FY27)

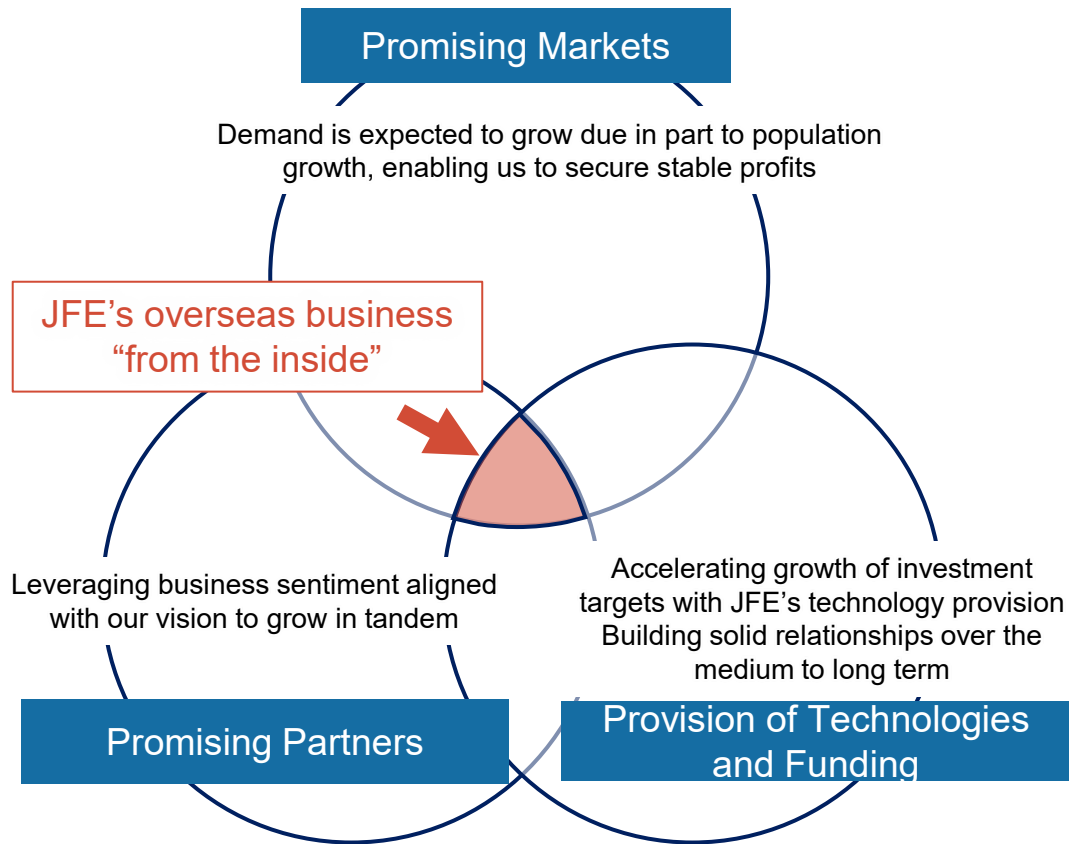
## Fukuyama district

- No.4 blast furnace \*complete suspension (FY27)
- Coke oven 4ABC (FY26, after No.6 furnace comes on line)
- Bloom Continuous casting machine (FY27)
- No.4 slab continuous casting machine (9th MTBP period)

- We have promoted overseas business “from the inside” by providing technologies and funding to JSW (India) and Nucor (North America)—local partners who align with the three pillars of our overseas strategy. To achieve a further expansion, we try to seize overseas steel demand in growth markets.

A ¥400 billion growth investment budget has been set.  
(Including investments in raw material interests)

## Three Pillars of JFE’s Overseas Strategy



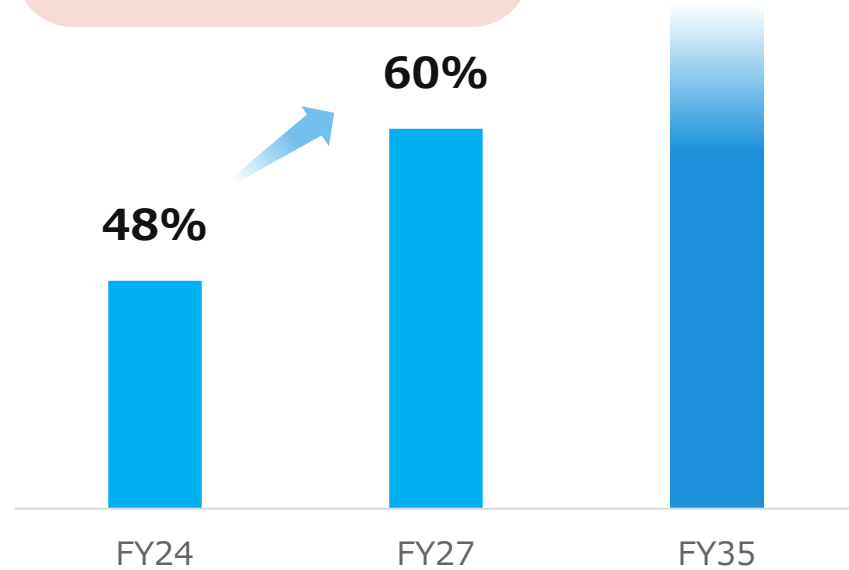
## JFE Steel’s overseas expansion

- India (2011–)**  
Strategic alliance with **JSW Steel**  
(Global steel industry: Market cap No. 1)
  - J2ES: Joint operation of India's first integrated manufacturer and seller of grain-oriented electrical steel sheets (FY2023)
  - J2ES Nashik: Joint acquisition of the formerly named tkESI (FY2024)
- North America (2019–)**  
Collaboration with **Nucor** in CSI (U.S.)  
Establishment of new plant for automotive steel sheets with **Nucor** (Mexico)  
(Global steel industry: Market cap No. 2)
- China (2018–)**  
Expansion of plant for automotive steel sheets
- UAE (2018–)**  
Joint venture for large-diameter welded steel pipes
- Thailand (2012–)**  
Establishment of new plant for automotive steel sheets (industry first)
- Vietnam (2015–)**  
Participation in blast furnace integrated steelworks project
- Indonesia (2012–)**  
Establishment of new plant for automotive steel sheets

- We will enhance profit per ton of product by expanding sales of such products as plates and seamless pipes for new energy (replaced exported commodity products), plates for offshore wind power generation, high-strength steel for automobiles, and highly functional electrical steel sheets utilizing the Company's technological capabilities.

## Increasing the ratio of high-value-added products\*

[Effect of expanded sales of strategic product types]  
+¥40.0 billion (vs. FY24)



## Large-scale growth investment in Japan

**June 2021**      **¥53.0 billion**

Construction of a new continuous caster at Kurashiki  
→ Manufacturing of **large and heavy steel plates** made possible



Large-size steel plate (offshore wind)

**September 2024**      **¥49.0 billion**

Phase I of the **high-grade non-oriented (NO) electrical steel sheet manufacturing** capacity expansion at Kurashiki (twice the previous capacity)



Electrical steel sheets for motor cores

**FY2026**    **Planned**      **¥46.0 billion**

Phase II of the **high-grade non-oriented (NO) electrical steel sheet manufacturing** capacity expansion at Kurashiki (three times the previous capacity)

**1Q of FY2028**    **Planned**      **¥329.4 billion**

Construction of **an innovative EAF** at Kurashiki

**October 2028**    **Planned**      **¥70.0 billion**

Construction of CGL for manufacturing **ultra-high strength steel** at Fukuyama



High strength steel sheets for automobiles

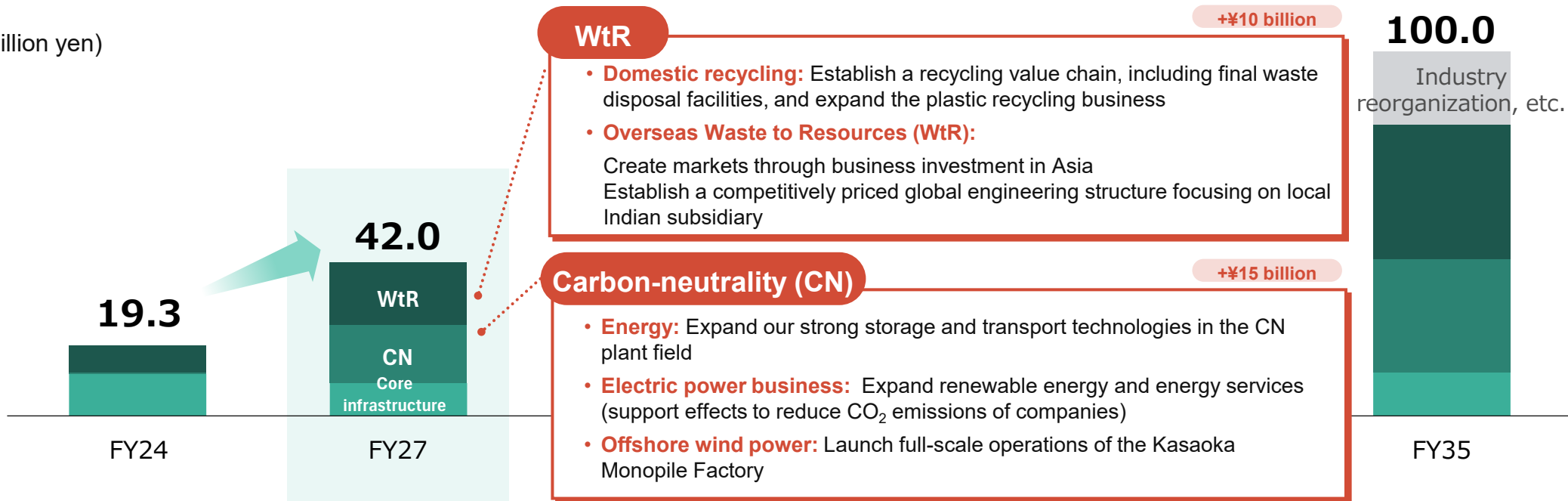
\*High value-added products: Products with a technological edge which are recognized by customers as having added value and earning power exceeding that of commodity products (definition by the Company)

## FY2027 target: Segment profit of ¥42.0 billion

- We will promote the expansion of business by realizing a circular economy while strengthening the profit base with a diverse business portfolio as a strength.
- We will proactively promote an industry reorganization, such as business mergers and acquisitions of a chemical plant company conducted during the period of the Seventh Medium-term Business Plan, build a structure to provide sustainable and safe infrastructure and services, and strengthen our international competitive advantage.

### Segment profit

(billion yen)



- Maximizing the effects of investments in the business of manufacturing monopiles for offshore wind power generation and the operating business

## Operating business

WtR

### Waste-to-energy power generation

- Launching engineering, procurement, and construction (EPC) and operation and maintenance (O&M) businesses that involve business investments
- Driving the overseas expansion of the model



◀ Overseas waste-to-energy power generation project (Vietnam)

Launched in February 2025

WtR

### Food recycling business

- Expanding business in five areas across Japan
- Recycling food waste into electric power and fertilizer



◀ Food recycling business (Fukuoka bio food recycling)

Launched in January 2024

## Business of manufacturing monopiles for offshore wind power generation

CN

- Japan's first manufacturing base of fixed-bottom foundation for offshore wind turbines came on line in April 2024.
- We will take on round projects in Japan and plan to fully launch manufacturing from the second half of FY25.



◀ Kasaoka Monopile Factory



▶ Monopile prototype

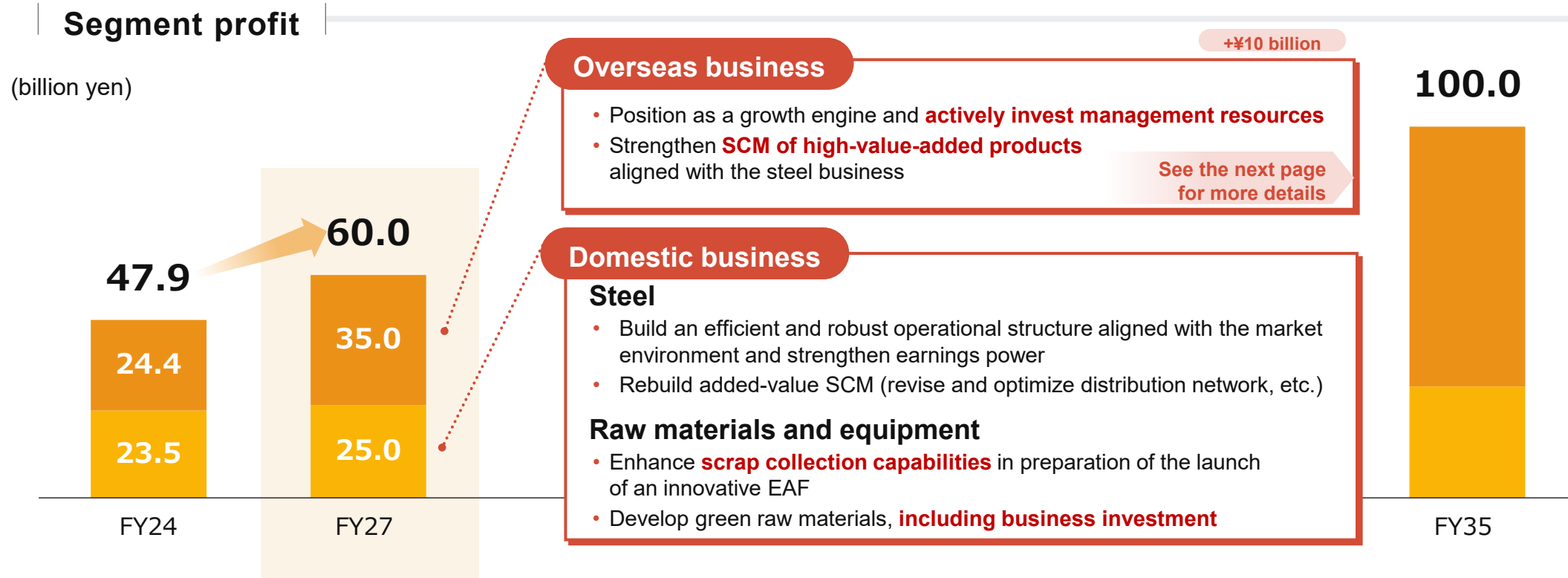
Diameter: approx. 10 m

Length: 60 m

Weight: 1,000-ton level

## FY2027 Target: Segment profit of ¥60.0 billion

- We will strengthen the SCM synchronized with the JFE Group's steel business and shift to **complete local businesses** by aggressively investing **¥85.0 billion**, mainly in key regions.



- Conduct growth investment of **¥85.0 billion**, mainly in the key regions of **North America, Australia, India, and Europe**

## Europe



- Expanding trading network in the eastern European area, centered on a Serbian electrical steel sheet processing company
- Expanding new SCM functions, including the offshore wind power field

## North America



- Expanding steel sheets for construction
- Strengthening and enhancing electrical steel sheet and automotive industry processing functions
- Rebuilding North American SCM (expanding business with U.S. steel mills)

## India



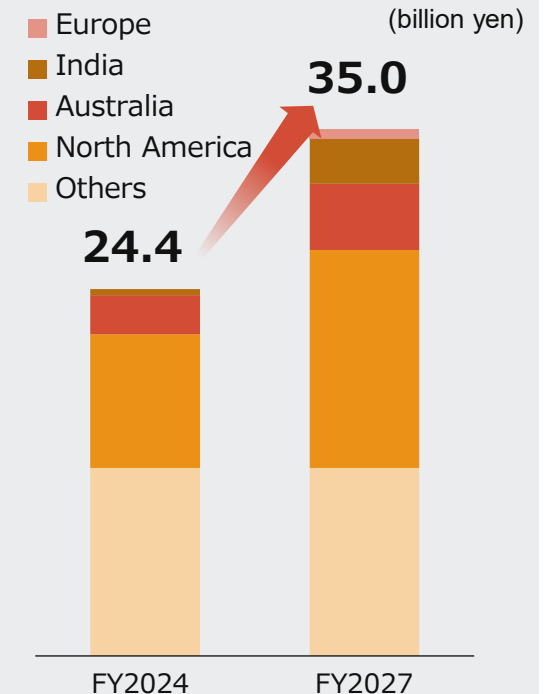
- Strengthening and enhancing electrical steel sheet and automotive industry processing functions (Cooperation with JSW and J2ES and strengthening sales to Japanese OEMs)
- Expanding the lineup of products for local mills (Aluminum deoxidizers, ferroalloys, etc.)

## Australia



- Strengthening steel sheets for construction business
- Expanding business in the recycling field
- Building business with Australian steel mills

## Overseas business: Earnings by region

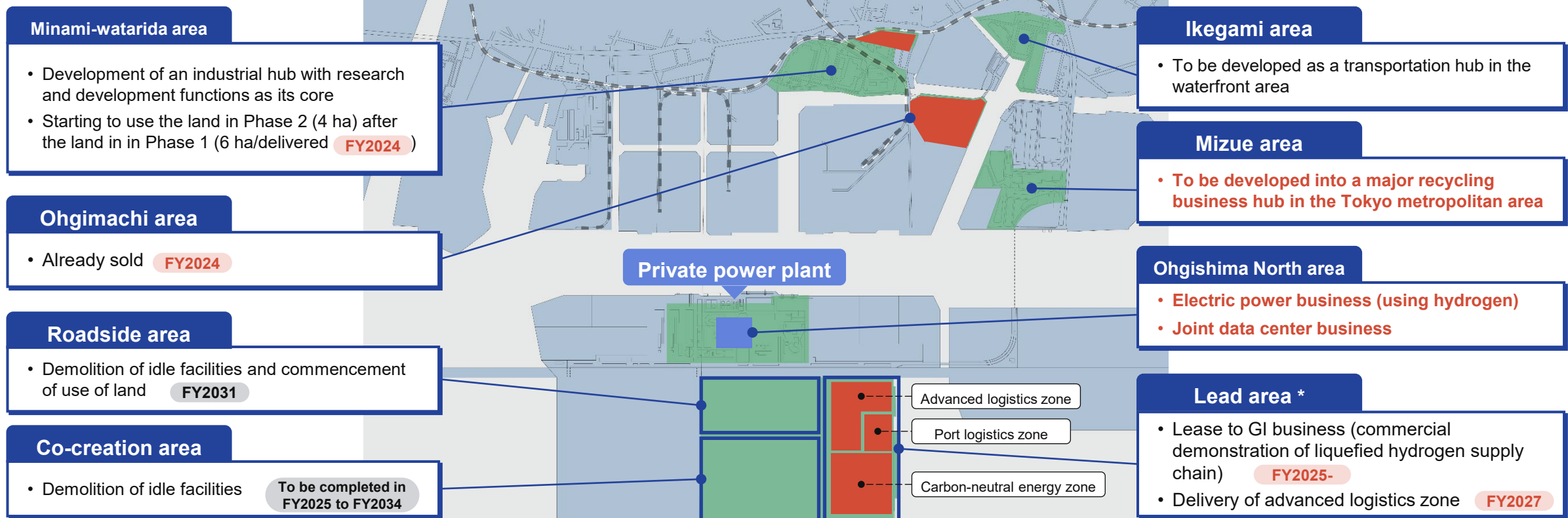


# Keihin District land utilization (Land Business)

- Shifting to the highly public use of land with high public interest in promoting OHGISHIMA 2050
- We anticipate **business proceeds of ¥80.0 billion for a total area developed in advance of 100 hectares** out of 400 hectares in area of land whose use will be changed.
- Under 8<sup>th</sup> MTBP, we will begin leases to the GI business in the CN energy zone of pioneering areas, deliver to advanced logistics zones, and begin demolition of abandoned facilities in roadside and co-creation areas while promote a change in the use of land.

## Vision for FY2035 (Areas for land conversion in the Keihin district)

■ : Area developed ahead of the others

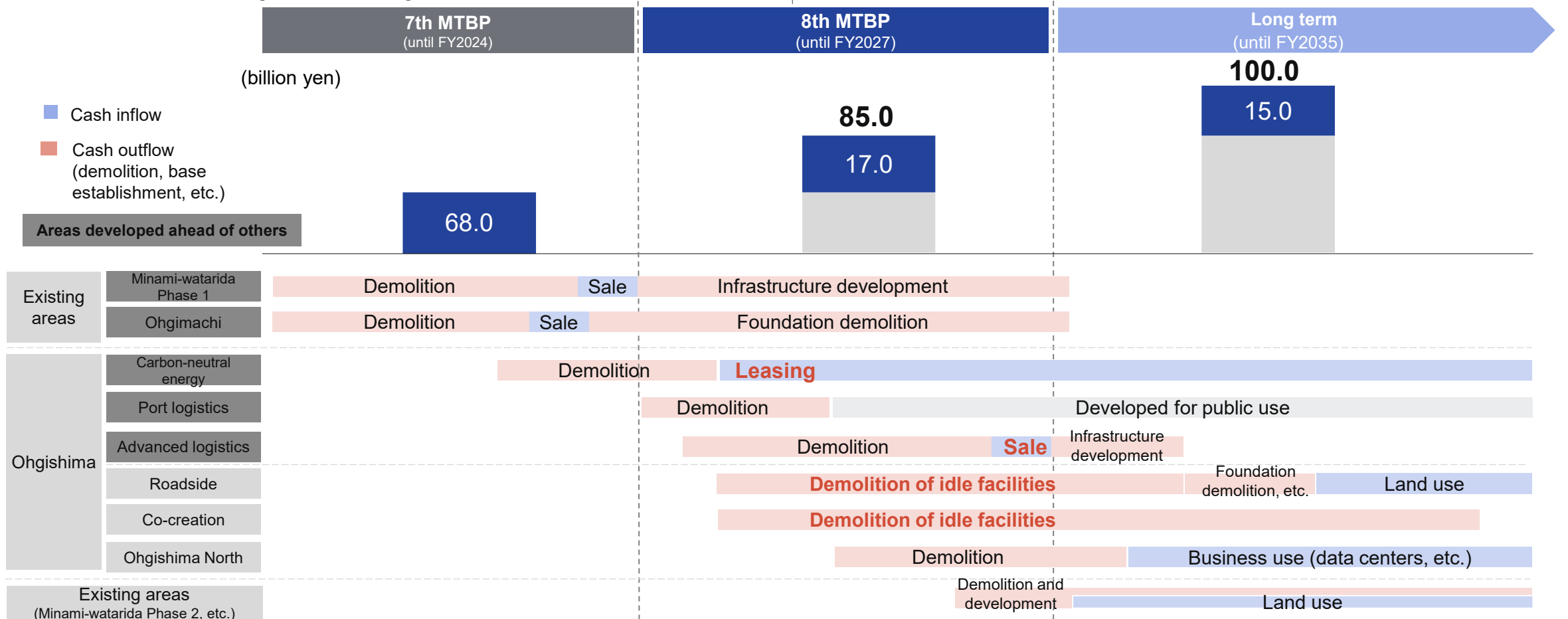


\*Metropolitan Expressway Bayshore route Ohgishima entrance and exit (tentative name) is set for partial joint start in FY2028

# Keihin District land utilization (Land Business)

- **Cumulative business proceeds up to 8<sup>th</sup> MTBP period (FY2027) in the land business will reach ¥85.0 billion and, up to FY2035, ¥100.0 billion.**
- The CN energy zone will begin leases in FY2025, and the advanced logistics zone will be delivered by FY2027.
- The demolition of the roadside and co-creation areas will be launched from FY2025, and roadside areas will begin land use from FY2031.

## Income and expenditure plan for the land business



- Launching new businesses leveraging the location of the land in the Keihin district and the resources of the JFE Group
- Aiming to achieve **a profit of ¥10.0 billion/year from the land business (leasing) and the business uses of the lands** as of FY2035

## Promotion of a hydrogen society

### Electric power business (using hydrogen)

- Starting to supply electricity from the private power plant to areas developed ahead of the others **2028 and onward**
- Leading the way toward carbon neutrality through the gradual transition to hydrogen power generation (mixed combustion --> mono-fuel combustion) **2030 and onward**

### Data center business (use of green electricity)

- **Working with Mitsubishi Corporation to study joint commercialization of data centers** utilizing unique land characteristics that enable the supply of green power **2025 and onward**

## Building a circular economy

### Recycling business

- Developing the area as a major recycling hub for Greater Tokyo
- Expanding the recycling plant to strengthen the expansion of business aimed at establishing a circular economy

## Effective use of CO<sub>2</sub> for achieving carbon neutrality

### CO<sub>2</sub> business

- Considering carbon dioxide capture, utilization and storage (CCUS) business leveraging the knowledge and expertise cultivated through the advanced carbon capture and storage (CCS) project\*

\*CCS project implemented as part of the Ministry of Economy, Trade and Industry projects

- We lead **other companies in operational data and know-how accumulated over many years** in a wide range of business fields. We will **promote DX using an open core system** and build a resilient profit base by innovating production and operational processes.

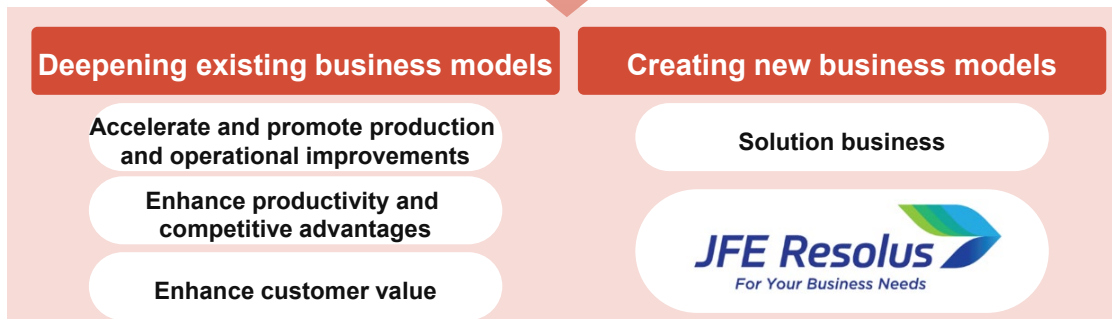


**: 8th Medium-term Business Plan investment: 110.0 billion yen**

## DX Policy



**Digital transformation  
Business growth**



## Initiatives under the 8th medium-term Business Plan

**Steel**

- Enhancing CPS integration to make intelligent steelworks a reality
- Improving flexible operational processes using cutting-edge technologies that leverage our open core system.

**Engineering**

Providing diverse solutions, including next-generation plant remote monitoring and operation in global remote centers.

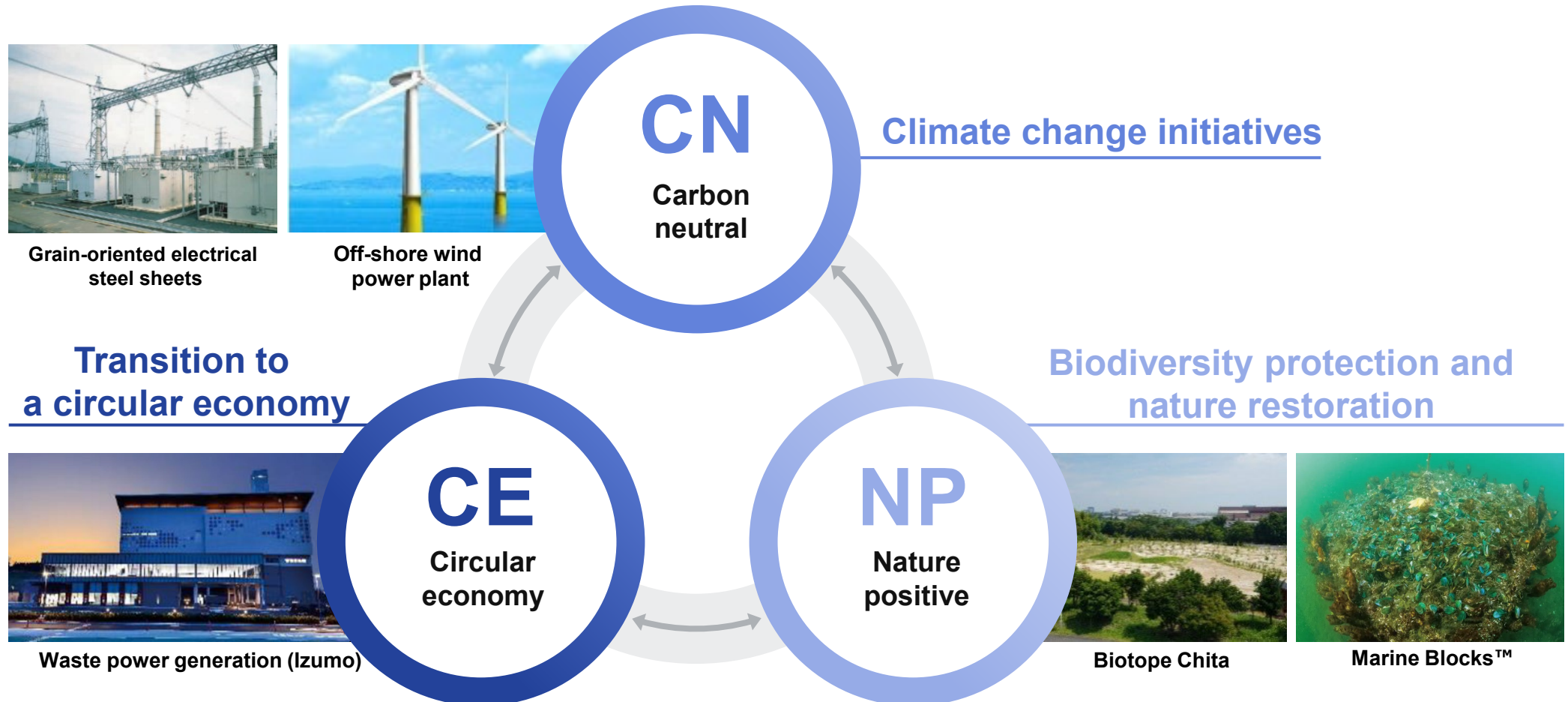
**Group common**

Visualizing, streamlining, and automating business processes by using generative AI and renewing systems

# 4. Initiatives for Achieving Environmental and Social Sustainability

# Initiatives to Achieve Environmental Sustainability

- The entire JFE Group will contribute greatly to the global environment and society by working proactively **on the transition to a circular economy, biodiversity conservation, and nature positivity**, with a focus **on the climate change problem**.



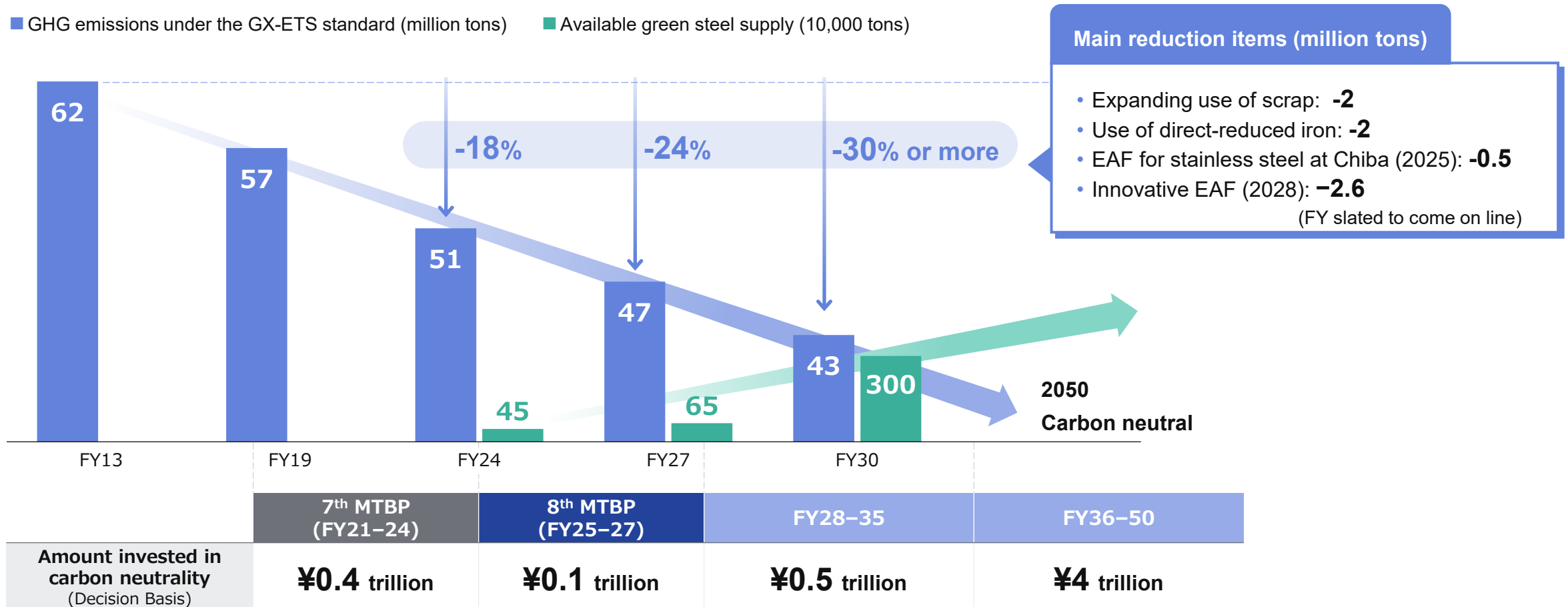
Reference: Reference: The Ministry of the Environment's "Status of the environment, economy, and society and direction of environmental measures" (January 2023)

# GHG reduction initiatives in the Steel business

- In the steel business, **GHG emissions will be reduced steadily**. An innovative electric arc furnace will be installed at Kurashiki **to build a system for the mass supply of green steel**. Development of ultra-innovative technologies will be promoted to achieve carbon neutrality.

## Domestic steel business: GHG emissions reduction plan

■ GHG emissions under the GX-ETS standard (million tons) ■ Available green steel supply (10,000 tons)



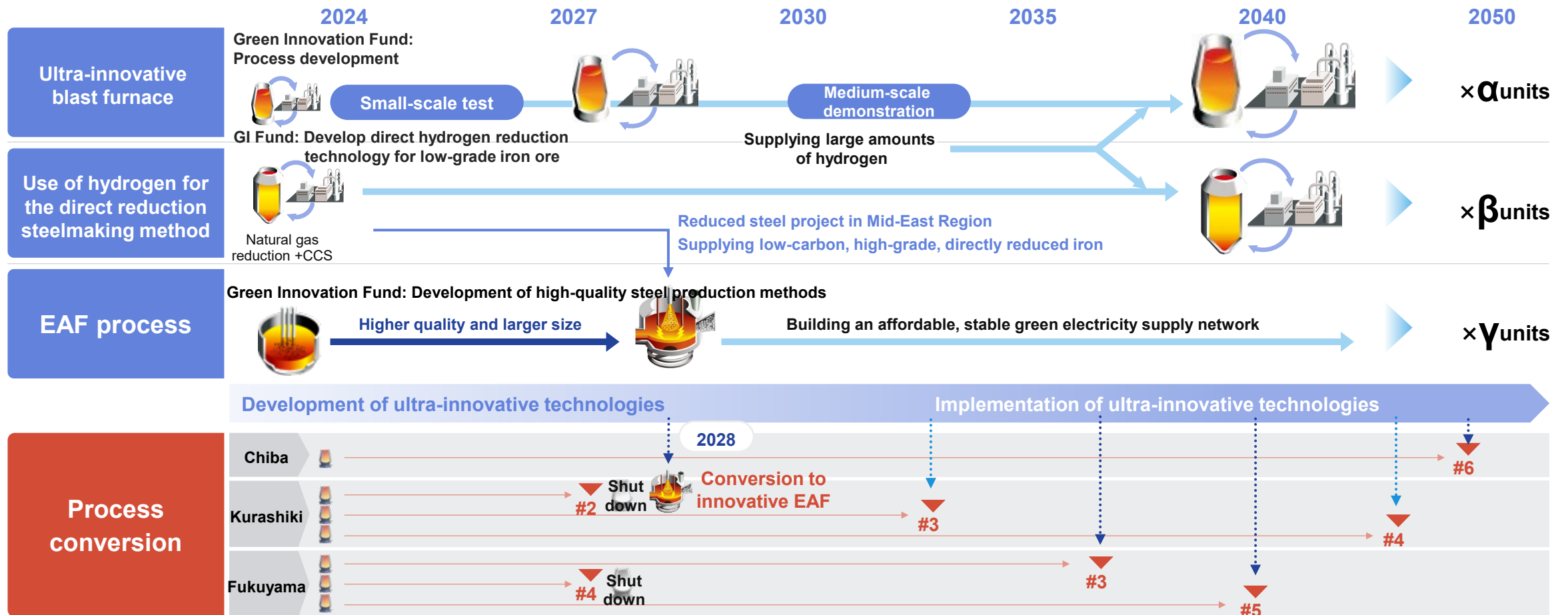
### Main reduction items (million tons)

- Expanding use of scrap: **-2**
- Use of direct-reduced iron: **-2**
- EAF for stainless steel at Chiba (2025): **-0.5**
- Innovative EAF (2028): **-2.6**  
(FY slated to come on line)

2050  
Carbon neutral

# Policy on the Conversion of the Steel Manufacturing Process

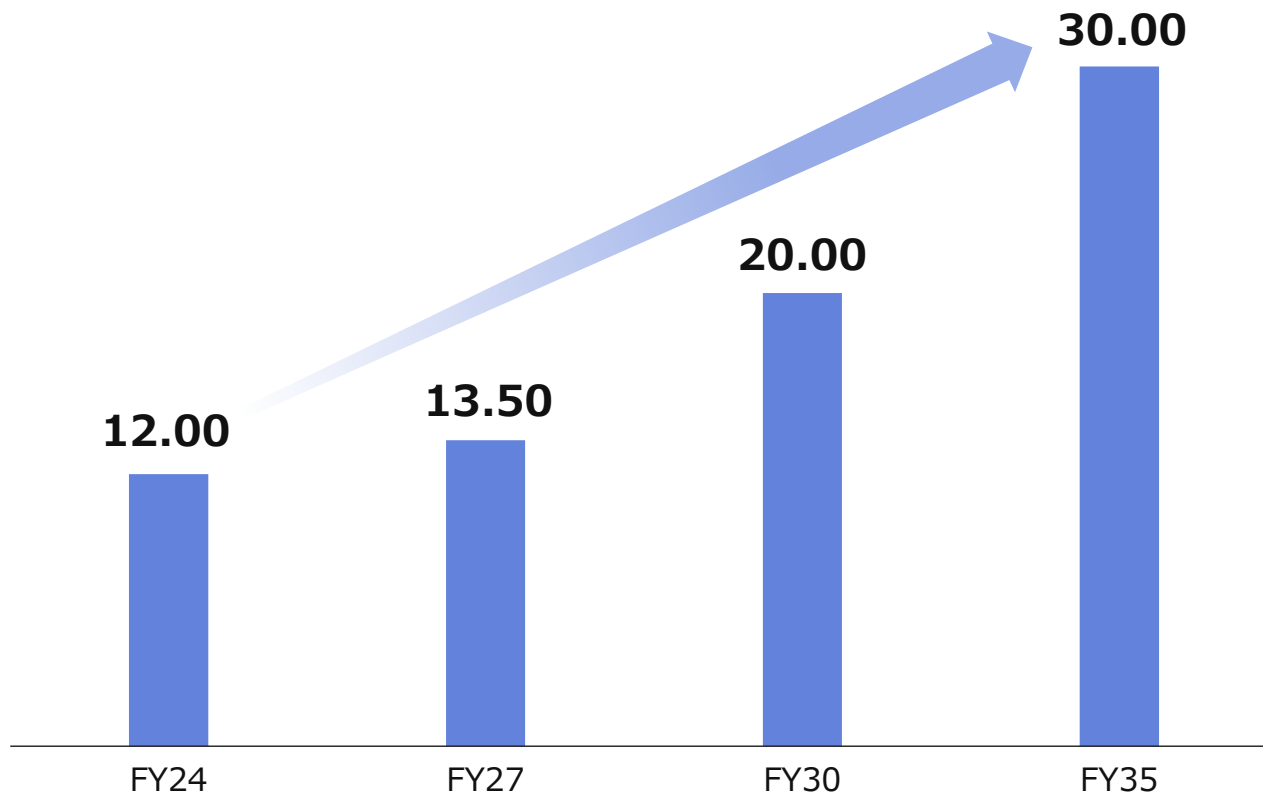
- **Ultra-innovative technologies:** Completing technology development using the Green Innovation Fund, etc. to make the conversion technologically viable (around 2035)
- **Transition policy:** Making comprehensive judgements regarding the method and timing of process conversion by also considering the affordable and stable network for the mass supply of hydrogen and electricity, the entrenchment of green steel, and other factors.



- In the engineering business, **contributions to GHG reduction will be expanded.**  
Entry into the CCS business in addition to the waste to resources, offshore wind power, and other businesses will be considered to help further reduce emissions in various fields.

## Engineering business: Plan to contribute to GHG emissions reductions

■ Reduced GHG emissions (million tons)



### Expansion of waste to resources activities

- Accumulating orders received for waste-to-energy power generation projects
- Establishing an overseas EPC track record

### Demonstrating and expanding the effects of offshore wind power generation projects

- The Kasaoka Monopile Factory began operating in April 2024, and full-scale production will begin in the second half of 2025.
- Target market share: 50% of Japan's market

### Entry into the CCS business

- Increasing orders received for EPC projects related to equipment for the liquefied transportation, storage, and shipment of CO<sub>2</sub> (Tomakomai, Kawasaki, Setouchi, etc.)

- Driving **the transition to a circular economy** not only internally but also by working together with the value chain, including national governments, local governments, and customers, based on the understanding that the transition is an important theme which is essential for the establishment of a sustainable society

## Major initiatives

### Convert by-products and waste into resources

- ST** Recycling of slag, dust, etc. into resources and promoting the use of waste plastics
- EN** Expanding bases for businesses, including waste power generation, plastic recycling, and food recycling

- ST** Steel business
- EN** Engineering business
- SH** Trading business

### Developing resource-efficient eco products & eco solution technologies

- ST** Expanding eco-products such as electrical steel sheets and high-strength steel sheets
- EN** Strengthening initiatives to increase the resilience and extend the service life of infrastructure

### Expanding use and sales of recycled resources

- ST SH** Expanding collection and use of iron scrap
- ST** Increasing the sales volume of steel slag products for use in sea areas
- SH** Strengthening procurement of waste tires and other environmental commercial materials

**Contributing to addressing the climate change problem and protecting biodiversity**

- We believe human resources are the driving force behind corporate growth and formulated a **human resources strategy that links corporate growth and employee growth** with the aim of achieving our management strategies.

8<sup>th</sup> MTBP Investment ¥80.0 billion

## Human resources strategies

Securing human resources

- Recruiting human resources from diverse sources in response to the expansion of the business and the intensification of competition in recruitment
- Strategic development of human resources who can implement management strategies (overseas business, promotion of DX, etc.)



Establishing a human resources portfolio

Promoting Diversity, Equity and Inclusion (DEI)

- Pursuing opportunities for diverse human resources to actively participate (systematic promotion of women to management positions and encouraging male employees to take childcare leave)



Maximizing the talent of human resources

Improving job satisfaction

- Improving engagement with initiatives for improving job satisfaction as a management task
  - Pleasant working conditions: Investment in the workplace environment, workstyle reform, and the development of an environment which enables employees to take leave without hesitation
  - Job satisfaction: Enhancing open recruitment, operational reforms through DX, competitive treatment, etc.

## Safety

- Continuing to invest in safety measures and ensuring intrinsic safety through DX

## Respect for human rights

- Continuing human rights due diligence and enhancing corrective mechanisms using external contacts

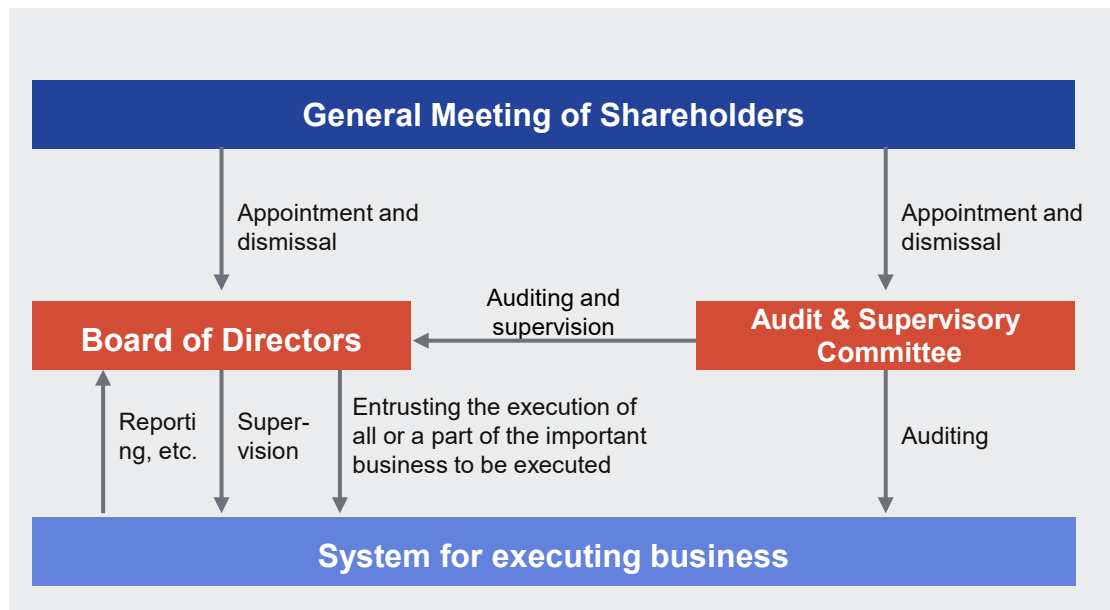
- We transitioned to being a company with an Audit & Supervisory Committee with the aim of swiftly responding to rapid and major changes in the environment surrounding the Company, such as carbon neutrality and DX\*.
- We will change to an officer remuneration system that considers capital costs and share price\*.

\*Subject to approval at the 23rd General Meeting of Shareholders to be held in June 2025.

## Transition to being a company with an Audit & Supervisory Committee

### Purpose

- (1) Transferring authorities for making decisions even more promptly
- (2) Further enhancing discussions focusing on management policies and management strategies
- (3) Enhancing the sophistication of the Board of Directors' supervisory functions



## Revision of the Director compensation system with an awareness of the cost of capital, etc.

Making the following three revisions to the Director compensation system

### ① Increasing the ratio of performance-linked remuneration to compensation



### ② Changing the method of calculating stock remuneration



### ③ Adding a perspective related to human capital to ESG remuneration



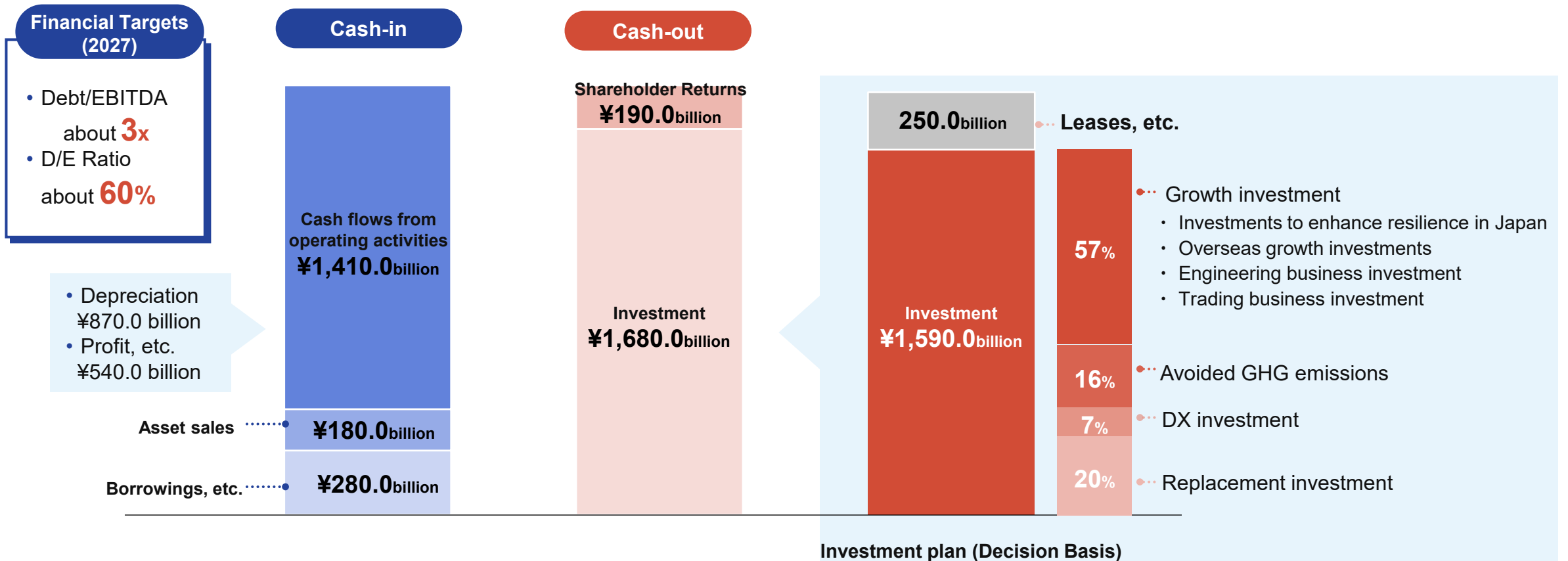
# 5. Financial and Capital Strategy

- We will transition to operations that consider financial targets to ensure both stable shareholder returns as well as growth and carbon-neutral investments while securing financial soundness.

## 1. Cash Allocation (8<sup>th</sup> Medium-term Business Plan period)

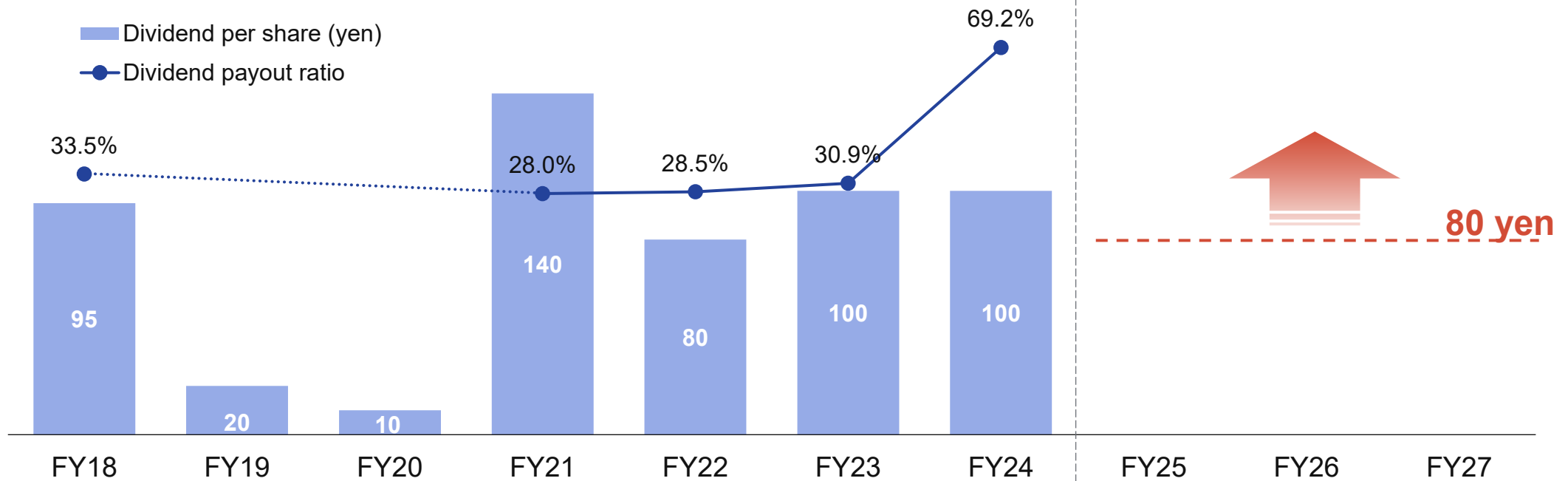
## 2. Investment plan

(8<sup>th</sup> Medium-term Business Plan period: Decision Basis)



# Shareholder Returns Policy

- We consider returning profit to shareholders one of the top management priorities. We will proactively conduct dividends while striving to ensure the entire Group's sustainable corporate structure. Under the Eighth Medium-term Business Plan, our policy is to set **a minimum of ¥80/share from the perspective of conducting stable dividends** in addition to setting a **dividend payout ratio of around 30%**.

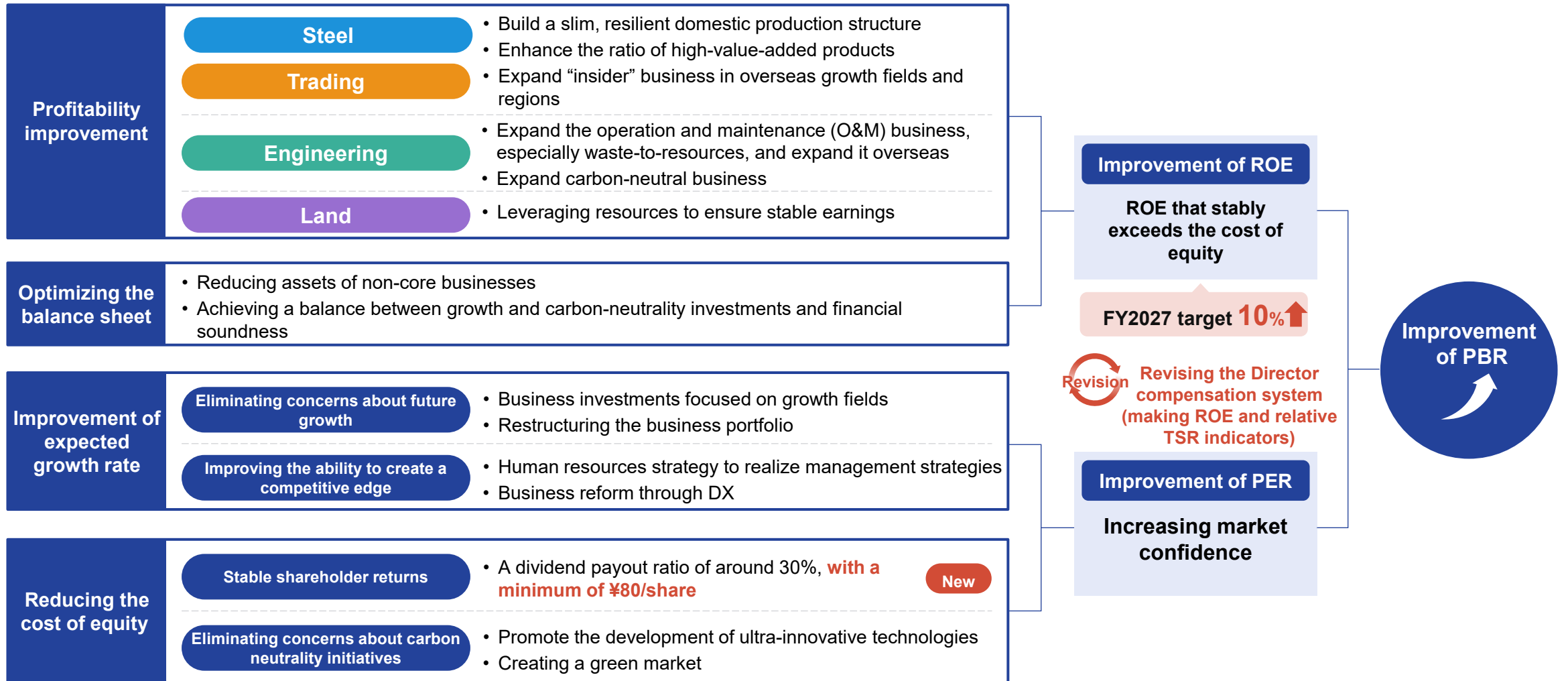


Sixth Medium-term Business Plan | Seventh Medium-term Business Plan | Eighth Medium-term Business Plan

**Our indicators** → Dividend payout ratio of around 30% → Set a minimum of ¥80/share

# Initiatives to Improve Corporate Value

- Promoting **management with an awareness of the cost of capital and the stock price** for the sustainable improvement of corporate value



			Eighth Medium-term Business Plan FY2027
<b>Groupwide</b>	Consolidated business profit		<b>¥400.0 billion</b>
	ROE		<b>10% or more</b>
	Debt/EBITDA		<b>About 3x</b>
	D/E		<b>About 60%</b>
<b>Operating companies</b>	Steel business	Segment profit	<b>¥260.0 billion</b>
	Engineering business	Segment profit	<b>¥42.0 billion</b>
	Trading business	Segment profit	<b>¥60.0 billion</b>
<b>Shareholder Returns</b>	Dividend Policy		<b>Dividend payout ratio of around 30%, with a minimum of ¥80/share</b>



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