

## **Matters Omitted from the Paper Copy of the Notice of the 23rd Ordinary General Meeting of Shareholders**

**23rd Fiscal Year  
(From April 1, 2024 to March 31, 2025)**

- **“Share Acquisition Rights,” “Accounting Auditor,” “Basic Policy Regarding the Control of the Company,” and “Systems to Ensure the Propriety of Business Operations and the Status of Operation of Such Systems” in the Business Report**
- **“Consolidated Statement of Changes in Equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements <International Financial Reporting Standards (IFRS)>**
- **“Non-consolidated Balance Sheet,” “Non-consolidated Statement of Income,” “Non-consolidated Statement of Changes in Equity,” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements <Japanese Standards>**
- **“Certified Copy of Independent Auditor’s Report on the Non-consolidated Financial Statements” of the Audit Reports**

**JFE Holdings, Inc.**

<p><b>These Notes are published on our website (<a href="https://www.jfe-holdings.co.jp/en/">https://www.jfe-holdings.co.jp/en/</a>) in accordance with the applicable laws and regulations and the Articles of Incorporation.</b></p>
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(Translation for reference only)

## Share Acquisition Rights (As of March 31, 2025)

JFE Holdings, Inc. issued euro-yen Zero Coupon Convertible Bonds due 2028 on September 28, 2023.

### Outline of euro-yen Zero Coupon Convertible Bonds

Class, details, and number of shares to be issued upon exercise of share acquisition rights	The class and details of the shares to be issued upon exercise of share acquisition rights shall be the Company's common shares (100 shares per unit), and the number of shares the Company will issue upon exercise shall be the total face value of the bonds requested for conversion divided by the conversion price stated below. However, any fractional shares arising from the exercise will be rounded down, and no cash adjustments will be made. If the exercise of the share acquisition rights results in the issuance of fractional shares, such shares will be delivered to the bondholders in the same manner as shares constituting one unit, and the Company will not make any cash settlement for such shares.
Number of share acquisition rights	9,000
Conversion price	¥2,837.7 (Note)
Exercise period	From October 12, 2023 to September 14, 2028 (local time where the bonds are deposited for the exercise of the share acquisition rights). However, there are provisions regarding the exercise period under certain circumstances as specified in the terms and conditions of issuance.
Details and value of the property contributed upon the exercise of share acquisition rights	Upon exercise of each share acquisition right, the bonds related to the share acquisition rights will be contributed, and the value of the bonds will be equivalent to their face value.

(Note) At the meeting of the Board of Directors held on November 6, 2024, the conversion price was adjusted from ¥2,910.7 to ¥2,837.7 in accordance with the conversion price adjustment clause, in conjunction with the approval of the proposal for dividend of surplus of ¥50 per common share for our interim dividend.

## Accounting Auditor

- (1) Designation of Accounting Auditor: Ernst & Young ShinNihon LLC
- (2) Amount of remuneration for the Accounting Auditor pertaining to the 23rd term
  - 1) Amount of remuneration paid by JFE Holdings, Inc. to the Accounting Auditor pertaining to the 23rd term: ¥24,379 thousand
  - 2) Total amount of money and other financial profits paid by JFE Holdings, Inc. and its subsidiaries to the Accounting Auditor: ¥513,531 thousand
  - 3) Amount of payments described in 2) above, which fall under the business set forth in Article 2, Paragraph 1, of the Certified Public Accountants Act: ¥493,531 thousand

### Notes:

1. Of the significant subsidiaries of JFE Holdings, Inc., the overseas subsidiaries are subject to audits of accounts by a certified public accountant or incorporated accounting firm other than the Accounting Auditor of JFE Holdings, Inc.
  2. The audit agreement between the Accounting Auditor and JFE Holdings, Inc. does not separately stipulate audit remunerations based on the Companies Act or the Financial Instruments and Exchange Act, and such a distinction is for all intents and purposes impossible to execute. Hence, the remuneration in 1) above contains these two types of payment.
  3. The Audit & Supervisory Board examined the appropriateness of the audit performance for the prior fiscal year, the content of the audit plan for the 23rd term and the adequacy of the amount of remuneration for the Accounting Auditor, and, as a result, agreed upon the amount of remuneration to be paid to the Accounting Auditor.
- (3) Non-audit work  
JFE Holdings, Inc. and its subsidiaries contract with the Accounting Auditor for non-audit work such as agreed upon procedures, which is outside the scope of work (non-audit duties) stipulated under Article 2, Paragraph 1, of the Certified Public Accountants Act.
  - (4) Policy on decisions of dismissal or non-reappointment of the Accounting Auditor  
At JFE Holdings, Inc., the Audit & Supervisory Board shall, upon consent of all the Audit & Supervisory Board Members, dismiss the Accounting Auditor after reviewing a case if it determines a circumstance falling under any of the items set forth in Article 340, Paragraph 1, of the Companies Act, to have occurred. In case any similar circumstance occurs, or if the Audit & Supervisory Board judges it necessary to do so, a proposal for the dismissal or non-reappointment of the Accounting Auditor shall be submitted to a General Meeting of Shareholders.

## Basic Policy Regarding the Control of the Company

- Basic policy regarding persons who control decisions on JFE Holdings' financial and business policies

Based on the Group's corporate mission of "contributing to society with the world's most innovative technology," JFE Holdings, Inc. will maximize the sources of corporate value accumulated through years of management effort and continuous investment, including world-class manufacturing capabilities, cost competitiveness, development that leverages Group-wide synergies, and superior human capital, and our basic management stance is to endeavor to increase, in good faith, the corporate value and achieve the common interests of shareholders through the steady continuation of various measures from a long-term perspective, including the development of carbon-neutral technologies.

JFE Holdings, Inc. believes that people who control decisions on its financial and business policies should be those who respect its corporate mission and basic management stance and contribute to securing and enhancing the corporate value and the common interests of shareholders over the long term.

In addition, JFE Holdings, Inc. believes that a change of control is an effective means of revitalizing corporate activities and economy, and JFE Holdings, Inc. believes that when a large-scale purchase is commenced, the shareholders of JFE Holdings, Inc. should, in principle, make decisions as to whether or not the large-scale purchase is acceptable.

However, among a large-scale purchase or a proposal related to a large-scale purchase, there may be some that may damage its corporate value and the common interests of shareholders, or may effectively force shareholders to sell their shares in JFE Holdings, Inc.

Therefore, from the viewpoint of ensuring and enhancing its corporate value and the common interests of its shareholders, JFE Holdings, Inc. will promptly and appropriately take measures to the extent permitted by the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations from time to time, such as requiring any person who intends to make a large-scale purchase of its shares to provide necessary and sufficient information for its shareholders to make an appropriate judgment as to whether such a purchase is appropriate or not, as well as disclosing the opinions of the Board of Directors, while respecting the opinions of Independent Outside Directors/Audit & Supervisory Board Members, to ensure that shareholders have the necessary information and time to consider the matter.

## Systems to Ensure the Propriety of Business Operations and the Status of Operation of Such Systems

- (1) Substance of the resolution regarding the systems to ensure the propriety of business operations  
Regarding the above systems, the Company, by resolution at a meeting of its Board of Directors, resolved the following “Basic Policy to Establish the Internal Control Systems,” based on Article 362 of the Companies Act and Article 100 of the Ordinance for Enforcement of the Companies Act.

### Basic Policy to Establish the Internal Control Systems

JFE Holdings, Inc. shall establish its internal control systems as described below to comply with laws, regulations and the Articles of Incorporation and maximize its corporate value toward the realization of the Corporate Vision—“The JFE Group—contributing to society with the world’s most innovative technology”—and the goal of establishing a highly sustainable business structure. JFE Holdings, Inc. shall endeavor to review and improve the basic policies and the internal control systems established in accordance therewith on an ongoing basis.

1. Systems necessary for ensuring the propriety of business operations conducted by the corporate group consisting of the Company and its subsidiaries
  - (1) Systems to ensure compliance of the execution of duties by Directors and employees with laws, regulations and the Articles of Incorporation
    - (a) The authority of Directors, Corporate Officers and employees shall be clarified in the in-house rules for authority and responsibilities and other internal policy guidelines. Their respective duties shall be executed in compliance with the relevant rules and regulations.
    - (b) A Compliance Committee shall be established. It shall deliberate and make decisions on the basic policies and important matters regarding the compliance of ethics, laws and regulations. The Compliance Committee shall also supervise the progress of the measures implemented.
    - (c) A “Corporate Ethics Hotline” to help ensure that important information regarding the compliance of ethics, laws and regulations is directly communicated from the front lines to top management shall be provided, streamlined and appropriately operated.
    - (d) The internal auditing department shall audit the compliance conditions of the relevant laws, regulations and the Articles of Incorporation.
  - (2) Systems to ensure the efficient execution of Directors’ duties
    - (a) The Directors shall encourage in-depth deliberations at the meetings of the Board of Directors, the JFE Group Management Strategy Committee, and the Management Committee. The Directors shall also sufficiently deliberate before drawing conclusions at appropriate organizational bodies, as required.
    - (b) The internal auditing department shall audit the effectiveness and efficiency of the business.
  - (3) Systems to keep and manage information pertaining to the execution of duties by Directors
    - (a) The minutes of the Board of Directors meetings shall be prepared with regard to information on matters to be resolved by and reported to the Board of Directors, in accordance with the relevant laws and regulations. The board minutes shall be appropriately kept and managed.
    - (b) Information regarding organizational bodies, such as the JFE Group Management Strategy Committee and the Management Committee, that addresses important management matters shall be appropriately recorded, stored and managed.
    - (c) Important corporate documents, such as kessaisho (documents for approval), which are related to the execution of Directors’ duties, shall be appropriately recorded, stored and managed.
  - (4) Rules and other systems regarding loss risk management

(Translation for reference only)

- (a) As for risk management of risks involving business activities, compliance with ethics, laws and regulations, sustainability, financial reporting, and information disclosure, the Corporate Officers in charge shall endeavor to recognize their respective risks. The JFE Group Sustainability Council chaired by CEO shall check, identify, and evaluate the risk factors, as required, and deliberate and make decisions on how to cope therewith. The Board of Directors shall deliberate and make decisions or receive reports on important matters concerning risk management.
  - (b) With regard to disasters such as large-scale earthquakes and pandemics, the JFE Group Sustainability Council shall determine response processes in advance, and immediately deliberate and make decisions on how to cope therewith, in order to minimize losses in the event of occurrence thereof.
  - (c) Important management matters shall be deliberated and decided in accordance with the decision-making procedures set forth in the Rules of the Board of Directors, etc.
- (5) Systems to ensure the propriety of business operations conducted by the corporate group
- (a) The respective Group companies of the JFE Group shall streamline their in-house systems with regard to the matters specified in the basic policies, as required, by taking into account their corporate size, business lines, organizational design of the in-house body, and corporate individuality and characteristics.
  - (b) JFE Holdings, Inc. shall determine its decision-making procedures, etc., for important group management matters, as well as important matters (including matters with regard to loss risk management.) of the operating companies (significant subsidiaries being operating companies of which JFE Holdings, Inc., directly holds shares thereof) and their affiliated Group companies in accordance with the Rules of the Board of Directors, etc., then deliberate and make decisions on such matters at the appropriate organizational bodies or receive reports therefrom. Each operating company shall determine its decision-making procedures, etc., for important matters for itself and its affiliated Group companies in accordance with its regulations of the Board of Directors, etc., then deliberate and make decisions on such matters at the appropriate organizational bodies or receive reports therefrom.
  - (c) JFE Holdings, Inc. shall, at the JFE Group Sustainability Council, deliberate and make decisions on the basic policies and important matters regarding risk management common to the Group, confirm and evaluate the Group's risk management, and supervise the progress of the measures implemented. The Board of Directors shall deliberate and make decisions or receive reports on important matters concerning the Group's risk management
  - (d) JFE Holdings, Inc. shall establish the JFE Group Compliance Committee to deliberate and make decisions related to the Group's basic policy and important matters in regard to compliance with the code of ethics and laws and regulations, and supervise the status of the implementation of related measures. And, in order to promote its group management that is compliant with the code of ethics and laws and regulations, JFE Holdings, Inc. shall closely coordinate with the Compliance Committee of operating companies. Each operating company shall establish a Compliance Committee to deliberate and make decisions related to the basic policy and important matters in regard to compliance with the code of ethics and laws and regulations for itself and its affiliated Group companies, and supervise the status of the implementation of related measures.  
JFE Holdings, Inc. shall streamline and appropriately operate the Corporate Ethics Hotline as a system to help ensure that important information of the entire Group regarding the compliance with the code of ethics, laws and regulations is directly communicated from the front lines to top management.
  - (e) The internal auditing department of JFE Holdings, Inc. shall audit the effectiveness and efficiency of the business and the compliance status with regard to the relevant laws, regulations and the Articles of Incorporation at the operating companies, or receive reports from the respective internal auditing departments of such operating

companies. The internal auditing department of each operating company shall audit the effectiveness and efficiency of the business and the compliance status with regard to the relevant laws, regulations and the Articles of Incorporation at its affiliated Group companies, or receive reports from the respective internal auditing departments of such Group companies.

- (f) The respective Group companies of the JFE Group shall streamline their required systems, which are necessary to ensure the reliability of their financial reporting, and disclose appropriate information at appropriate times.
2. Systems necessary for the Company's Audit & Supervisory Board Members to execute their duties
- (1) Matter regarding employees as assistants to support Audit & Supervisory Board Member's duties  
Employees who support any Audit & Supervisory Board Member in conducting his/her duties shall be staff of the Audit & Supervisory Board Member's Secretariat.
  - (2) Matter regarding the independence of employees as assistant to support Audit & Supervisory Board Member's duties from Directors  
The personnel affairs of the employees who serve as assistants to the Audit & Supervisory Board Members shall be consulted with the Audit & Supervisory Board Members.
  - (3) System for ensuring the effectiveness of the instructions given to employees as assistants to support Audit & Supervisory Board Member's duties  
The employees who serve as assistants to the Audit & Supervisory Board Members shall perform their operations of supporting an Audit & Supervisory Board Member's duties under the supervision of said Audit & Supervisory Board Member.
  - (4) System for reporting to the Audit & Supervisory Board Members
    - (a) The Audit & Supervisory Board Members shall attend the meetings of the Board of Directors, the JFE Group Management Strategy Committee, the Management Committee and other important meetings and receive reports thereat.
    - (b) The Directors, Corporate Officers and employees shall report the execution of their duties (including important matters regarding the operating companies and their affiliated Group companies) to the Audit & Supervisory Board and/or any Audit & Supervisory Board Member as required or if so requested by the Audit & Supervisory Board or any Audit & Supervisory Board Member. The Directors, Corporate Officers and employees of the operating companies or their affiliated Group companies shall report the execution of their duties to the Audit & Supervisory Board and/or any Audit & Supervisory Board Member as required or if so requested by the Audit & Supervisory Board or any Audit & Supervisory Board Member.
    - (c) JFE Holdings, Inc. shall streamline the Corporate Ethics Hotline as a system that allows anyone to directly report to or consult with an Audit & Supervisory Board Member. The details of any violations that have been reported or discussed over the Corporate Ethics Hotline are handled by the department in charge thereof and shall then be reported to the Audit & Supervisory Board and/or the Audit & Supervisory Board Members, as they occur.
  - (5) System to ensure that anyone who has reported to an Audit & Supervisory Board Member does not suffer detrimental treatment for the reason of having made said report  
JFE Holdings, Inc. shall stipulate in the relevant regulations that anyone who has reported any violations through the Corporate Ethics Hotline and that anyone who has reported or discussed any violations with the Audit & Supervisory Board and/or the Audit & Supervisory Board Members shall not be unfavorably treated, and shall appropriately operate said regulations.

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- (6) Policies with regard to expense prepayment and/or reimbursement procedures related to the execution of duties by the Audit & Supervisory Member, and the handling of any other expenses or obligations that derive from the execution of the relevant duties JFE Holdings, Inc., shall respond to the request as soon as possible if a request is made with regard to the prepayment or reimbursement of expenses that are required for the execution of duties of Audit & Supervisory Board Members.
  - (7) Other systems to ensure effective audits by the Audit & Supervisory Board Members
    - (a) The Directors, Corporate Officers and employees shall cooperate with the Audit & Supervisory Board Members in improving the auditing environment so that various Audit & Supervisory Board Members' activities can be smoothly executed, including access to important documents, site examinations, exchanges of opinion with Directors and others, examination of subsidiaries and collaboration with the Audit & Supervisory Board Members of any subsidiaries, all of which are considered necessary for the audits executed by the Audit & Supervisory Board Members.
    - (b) The Audit & Supervisory Board Members shall receive reports from the Accounting Auditor and the internal auditing department on their audit results (including important matters regarding the operating companies and their affiliated Group companies) in an appropriate and timely manner and maintain a close working arrangement with the Accounting Auditor and the internal auditing department.
- (2) Outline of the status of operation of the systems to ensure the propriety of business operations
- The Company has been improving and operating the systems to ensure the propriety of business operations as follows in accordance with the Basic Policy to Establish the Internal Control Systems.
- 1. Systems concerning the execution of duties by Directors, etc., and the internal audit of the Company and the Group
    - (1) With regard to important matters concerning the management of the Group and important matters of the Company, its operating companies and their affiliated group companies, the Company clearly set forth the decision-making procedures in the Rules of the Board of Directors, the Rules of the JFE Group Management Strategy Committee, and the Rules of the Management Committee. In accordance with such decision-making procedures, such important matters shall be fully deliberated at respective meetings and decisions shall be made and reported.
    - (2) The authority of Directors, Corporate Officers and employees has been clarified in the in-house rules, which have been observed.
    - (3) The internal auditing department shall conduct appropriate audits on the effectiveness and efficiency of the business and the compliance conditions of the relevant laws, regulations and the Articles of Incorporation. The results of the audits conducted by each operating company's internal auditing department shall be reported regularly to the Company and verified. The reporting of audit performance and audit plan conducted by the internal auditing department of the Company and each operating company shall also be made to the Board of Directors and the Audit & Supervisory Board. Furthermore, in response to the revision of evaluation of the internal controls and auditing standards, etc. relative to financial reporting, the Company appropriately reviewed the audit items during the 23rd term.
  - 2. Systems concerning risk management and compliance of the Company and the Group
    - (1) The Company established the JFE Group Sustainability Council to deliberate on risk management including the JFE Group's sustainability issues, for its measures to address a broad range of areas including compliance, the environment, personnel and labor, safety and disaster prevention; supervise the implementation of such policies; and exchange related information. At the committees which are operated within the JFE



Group Sustainability Council, specific issues are discussed. The following activities were carried out during the 23rd term. The Board of Directors received reports on significant matters.

- (a) During the 23rd term, the JFE Group Compliance Committee held five meetings and made confirmations on response policies for raising awareness of compliance at the JFE Group, the implementation of the questionnaire survey concerning compliance on Group companies and the measures taken in relation to issues that were identified in the survey.
- (b) During the 23rd term, the JFE Group Environmental Committee held three meetings to discuss and decide editorial policies and contents of the JFE Group's Integrated Report and Sustainability Report, and confirm future measures based on third-party opinions provided in the Sustainability Report, response policies for information disclosures related to climate change, and the implementation of measures that were taken by operating companies in relation to environmental issues.
- (c) During the 23rd term, the JFE Group Internal Control Committee held two meetings to check and verify the evaluation concerning the effectiveness of the internal controls relative to financial reporting by the Company and the Group, and to confirm the response to the internal control reporting system that was revised during the 23rd term.
- (d) During the 23rd term, the Public Disclosure Committee held six meetings and made necessary confirmations on the lawfulness and appropriateness of the contents of the statutory disclosure documents prior to disclosure.
- (e) During the 23rd term, the JFE Group Information Security Committee held four meetings to make decisions and report on key issues concerning information security of the JFE Group, while formulating common measures for the group companies. Meanwhile, activities at "JFE-SIRT (information security and incident response team)" tasked to formulate and implement group-wide information security-related measures are reported at meetings of the JFE Group Sustainability Council as appropriate. In addition, during the 23rd term, the security system has been enhanced by JFE Cyber Security & Solutions, LTD., which was established with a view to acquiring and training security personnel as well as establishing security monitoring systems and other systems at the JFE Group.
- (f) During the 23rd term, the Corporate Value Enhancement Committee held two meetings to check the progress in the dialogue with institutional investors and other matters, with a view to improving governance.

In addition to the above, reports were made on the audit performance for FY2023, the audit plan for FY2024, the policy on implementing Corporate Ethics Awareness Surveys, the status of measures on human rights due diligence, the internal audit system of the Group, the status of work-related injuries within the Group and FY2025 Policy for Safe Activities, as well as the status of working hours management.

Furthermore, during the 23rd term, training on the prevention of insider trading was conducted for Directors, Audit & Supervisory Board Members and Executive Officers.

- (2) The Company shall improve the "Corporate Ethics Hotline," an internal reporting system that officers and employees of the Company and the Group can use (including retired persons as well as employees of business partners), through which they can report to external lawyers. This system has been operated appropriately, including thorough prohibition of detrimental treatment of anyone who has reported and/or consulted on any violations. The details of any violations that have been reported to or consulted are reported regularly to full-time Audit & Supervisory Board Members. The status of operation of this system has been checked and verified by the JFE Group Compliance Committee and the Board of Directors.

### 3. Systems to keep and manage information

- (1) The documents for deliberation and the minutes of meetings of the Board of Directors, the JFE Group Management Strategy Committee and the Management Committee shall be appropriately prepared, kept and managed in accordance with the relevant laws and

- regulations as well as internal rules.
- (2) Kessaisho (documents for approval), which are prepared in-house, and other important documents pertaining to the execution of duties shall be appropriately prepared, kept and managed in accordance with the internal rules of the Company.
4. System regarding the Audit & Supervisory Board Members
- (1) The Company shall have employees as assistants to support Audit & Supervisory Board Members' duties under the direction of the Audit & Supervisory Board Members, ensuring the independence of such employees from the Directors.
  - (2) To ensure effective audits by the Audit & Supervisory Board Members, the Audit & Supervisory Board Members shall attend the Board of Directors meetings. Full-time Audit & Supervisory Board Members shall also attend meetings of the JFE Group Management Strategy Committee, the Management Committee and the JFE Group Sustainability Council, etc., so that they can verify the status of execution of duties. Furthermore, the status of execution of duties at each department shall be reported to the full-time Audit & Supervisory Board Members regularly.
  - (3) To cover the costs for the execution of duties of Audit & Supervisory Board Members, the Company shall provide the related budget to compensate for the necessary expenses.
  - (4) The Audit & Supervisory Board Members shall maintain a close working arrangement with both the internal auditing department and the Accounting Auditor. Specifically, the Audit & Supervisory Board Members shall receive reports regularly from the internal auditing department on its audit results and hear reports from and exchange opinions with the Accounting Auditor regularly and when necessary.

(Translation for reference only)

## **Consolidated Statement of Changes in Equity**

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Share acquisition rights	Remeasurements of defined benefit plans	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income
Balance as of April 1, 2024	171,310	587,266	1,570,027	(14,938)	3,081	—	48,444
Profit	—	—	91,867	—	—	—	—
Other comprehensive income	—	—	—	—	—	8,934	3,071
Comprehensive income	—	—	91,867	—	—	8,934	3,071
Purchase of treasury shares	—	—	—	(970)	—	—	—
Disposal of treasury shares	—	(924)	—	1,835	—	—	—
Dividends	—	—	(63,672)	—	—	—	—
Share-based payment transactions	—	(193)	—	336	—	—	—
Changes in scope of consolidation	—	—	—	—	—	—	—
Changes in ownership interest in subsidiaries	—	379	—	—	—	—	—
Put options granted to non-controlling interests	—	(7,014)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	9,728	—	—	(8,934)	(793)
Transfer to non-financial assets	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Total transactions with owners	—	(7,752)	(53,944)	1,201	—	(8,934)	(793)
Balance as of March 31, 2025	171,310	579,514	1,607,951	(13,736)	3,081	—	50,722

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	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total			
Balance as of April 1, 2024	96,035	2,900	150,461	2,464,128	74,392	2,538,521
Profit	—	—	—	91,867	1,386	93,254
Other comprehensive income	27,581	4,352	43,939	43,939	502	44,442
Comprehensive income	27,581	4,352	43,939	135,807	1,888	137,696
Purchase of treasury shares	—	—	—	(970)	—	(970)
Disposal of treasury shares	—	—	—	911	—	911
Dividends	—	—	—	(63,672)	(1,207)	(64,880)
Share-based payment transactions	—	—	—	143	—	143
Changes in scope of consolidation	—	—	—	—	(18,741)	(18,741)
Changes in ownership interest in subsidiaries	—	—	—	379	(69)	309
Put options granted to non-controlling interests	—	—	—	(7,014)	—	(7,014)
Transfer from other components of equity to retained earnings	—	—	(9,728)	—	—	—
Transfer to non-financial assets	—	(133)	(133)	(133)	—	(133)
Other	—	—	—	—	1,027	1,027
Total transactions with owners	—	(133)	(9,862)	(70,356)	(18,991)	(89,348)
Balance as of March 31, 2025	123,616	7,118	184,539	2,529,578	57,289	2,586,868

Note: Amounts are rounded down to the nearest million yen.

## Notes to the Consolidated Financial Statements

### Significant Matters on the Basis of the Preparation of the Consolidated Financial Statements, etc.

1. Standards for preparing the consolidated financial statements  
The consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) pursuant to the provisions under Article 120, Paragraph 1 of the Regulations on Corporate Accounting. Pursuant to the provisions of the latter part of the said Paragraph, certain disclosure items required under IFRS are omitted.
2. Matters of scope of consolidation and equity method  
The number of consolidated subsidiaries is 327 and the number of equity method affiliates (affiliates, joint operations and joint ventures) is 87.  
The names of significant consolidated subsidiaries and equity method affiliates, etc., are as stated in “Significant subsidiaries” of the Business Report. Accordingly, listing of these companies is omitted.
3. Matters of material accounting policy information
  - (1) Basis of consolidation
    - 1) Subsidiaries  
Subsidiaries refer to entities controlled by the Company. The Group determines that an investee is controlled when the Group has exposure or rights to variable returns resulting from the Group’s involvement to the investee and the ability to influence those returns through its power over the investee.  
When there are changes in ownership interests in a subsidiary that does not result in a loss of control, the transaction is accounted for as an equity transaction. On the other hand, when there are changes in ownership interest in a subsidiary that result in a loss of control, assets and liabilities of the subsidiary, non-controlling interests related to the subsidiary, and other components of equity are derecognized, and any gains or losses resulting from the loss of control are recognized in profit or loss.  
The financial statements of subsidiaries with different closing dates are prepared on the basis of provisional financial statements prepared for consolidation as of the consolidated closing date.
    - 2) Affiliates and joint arrangements  
Affiliates refer to entities in which the Group owns 20% to 50% of the voting rights and over which it has no rebuttal evidence that it cannot exercise significant influence in the financial and operating policy decisions of the investee, or over which it can exercise significant influence even if it owns less than 20%. Investment accounts in affiliates are accounted for using equity method.  
Joint arrangements are arrangements that require the unanimous agreement of parties that share control over decisions on related activities. Joint agreements are classified as either a joint operation when parties with joint control have substantial rights to assets and obligations for liabilities related to the arrangements, or a joint venture when a joint arrangement is formed through a separate business entity and the parties with joint control have rights to net assets related to the arrangements. Joint operations are accounted for recognizing assets, liabilities, income and expenses in proportion to equity interests, while joint ventures are accounted for using equity method.  
The financial statements of affiliates and joint ventures with different closing dates are prepared on the basis of provisional financial statements prepared for consolidation as of the consolidated closing date.  
In addition, the financial statements of JSW Steel Ltd. are prepared on the basis of provisional financial statements prepared for consolidation as of December 31 as the end of the reporting period, since the timing of availability for the Company is limited due to the company’s local legal system. Necessary adjustments are made to reflect publicly announced significant transactions or matters that occurred between the company’s

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provisional closing date and the consolidated closing date.

(2) Business combinations

Business combinations are accounted for using the acquisition method.

Identifiable assets acquired and liabilities assumed in a business combination are, in principle, measured at fair value.

If the total of the fair value of consideration transferred in a business combination (including any conditional consideration), the value of non-controlling interest in the acquiree and the fair value of equity interest in the acquiree previously held by the acquirer exceeds the net amount of identifiable assets acquired and liabilities assumed (usually fair value) of the acquirer, the excess amount is recognized as goodwill. If the difference above is negative, the amount is recognized in profit or loss as of the acquisition date.

The Company makes a choice, on transaction basis, to measure non-controlling interests either at fair value or at the proportionate share of the fair value of identifiable net assets.

(3) Foreign currency translation

1) Translation of foreign currency transactions

Foreign currency transactions are translated into the functional currency of each company using the exchange rate or similar rate prevailing on the transaction date. Monetary items denominated in foreign currencies at the end of the reporting period are translated into the functional currency at the exchange rate prevailing at the end of the reporting period, and the resulting exchange differences are recognized in profit or loss. When the valuation difference of a non-monetary item is recognized in other comprehensive income, any exchange component is recognized in other comprehensive income.

2) Translation of foreign operations

Assets and liabilities of foreign operations are translated at the exchange rates prevailing at the end of the reporting period. In addition, revenues and expenses of foreign operations are translated at the average exchange rates for the reporting period unless exchange rates fluctuated significantly during the period. Exchange differences arising from translation are recognized in other comprehensive income, and the accumulated amount is included in other components of equity.

When disposing of foreign operations, the cumulative amount of exchange differences related to the foreign operations is recognized in profit or loss at the time of disposal.

(4) Financial instruments

1) Financial assets

(a) Initial recognition and measurement

Financial assets are classified either as financial assets measured at amortized cost at the time of initial recognition or as financial assets measured at fair value. The Group recognizes a financial asset on the transaction date on which it becomes a party to the contractual provisions of the financial asset.

Financial assets that meet the following conditions are classified as financial assets measured at amortized cost:

- The asset is held in a business model of which the objective is to hold the asset in order to collect its contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets other than financial assets measured at amortized cost are classified as financial assets measured at fair value.

With the exception of equity financial assets held for trading purposes that must be measured at fair value through profit or loss, equity financial assets measured at fair value are individually classified either as measured at fair value through profit or loss or as measured at fair value through other comprehensive income, with that classification being made when the asset is initially recognized and applying continuously thereafter.

With the exception of financial assets measured at fair value through profit or loss, financial assets are measured at fair value at initial recognition plus transaction costs directly attributable to the acquisition. Financial assets measured at fair value through profit or loss are measured at fair value at initial recognition, and transaction costs directly attributable to the transaction are recognized in profit or loss.

Compound financial instruments issued by the Group are convertible bonds that is convertible into shareholders' equity at the option of the holder. Liability components of the compound financial instruments are initially recognized at fair value of similar liabilities that do not have options to convert to equity. Equity components are initially recognized as the difference between the fair value of all compound financial instruments and the fair value of the liability components, and are not remeasured subsequent to initial recognition.

(b) Measurement subsequent to initial recognition

(i) Financial assets measured at amortized cost

After initial recognition, measurement is the amortized cost using the effective interest method.

(ii) Financial assets measured at fair value through profit or loss

After initial recognition, measurement is the fair value with subsequent changes recognized in profit or loss.

(iii) Equity financial assets measured at fair value through other comprehensive income

After initial recognition, measurement is the fair value with subsequent changes recognized in other comprehensive income.

Amounts recognized in other comprehensive income are transferred to retained earnings when an asset is derecognized or its fair value declines significantly (except when recovery is deemed probable); they are not transferred to profit or loss. Dividends derived from such financial assets are recognized as profit or loss.

(c) Derecognition

Financial assets are derecognized when the contractual rights to receive cash flows have expired or when the contractual rights to receive cash flows have been transferred and substantially all risks and rewards of ownership of the financial asset are transferred to another entity.

(d) Impairment

For financial assets measured at amortized cost, the Company recognizes allowances for doubtful accounts based on expected credit losses.

Allowances for doubtful accounts are calculated as the present value of the difference between the contractual cash flows due to the Group and the cash flows that the Group expects to receive.

The Group determines whether the credit risk on each financial asset has increased significantly since initial recognition on each reporting date, and if the credit risk has not increased significantly since initial recognition, the amount of the allowance for doubtful accounts is assessed based on the expected credit losses (expected credit losses over 12 months) resulting from default events that may occur within 12 months. If, on the reporting date, credit risk on a financial asset has increased significantly since initial recognition, the amount of the allowance for doubtful accounts is assessed based on the expected credit losses arising from all possible default events over the expected lifetime of the financial asset (expected credit losses over full lifetime). However, in the case of trade receivables, contract assets, and lease receivables that do not contain a significant financing component, regardless of the above, the amount of the allowance for doubtful accounts is always measured using the expected credit losses for the instrument's full lifetime.

In the case of events such as the commencement of legal liquidation due to the borrower's bankruptcy and significant financial difficulty of the borrower, it is determined that such financial assets are credit impaired. For credits when it is clear that they are uncollectable in the future due to the write-off receivables under the provisions of the Corporate Reorganization Act, their book values are directly reduced.

Provisions for allowances for loan losses on financial assets are recognized in profit or loss. In the case of events that reduce the allowance for loan losses, reversals of allowances

(Translation for reference only)

for loan losses are recognized in profit or loss.

Estimates of allowances for doubtful accounts relating to financial assets reflect the following.

- Unbiased probability-weighted amounts calculated by evaluating a range of possible outcomes
- Time value of money
- Rational and supportable information about past events, current conditions, and forecasts of future economic conditions, available at the reporting date without undue cost or effort

## 2) Financial liabilities

### (a) Initial recognition and measurement

Financial liabilities are classified either as financial liabilities measured at amortized cost at the time of initial recognition or as financial liabilities measured at fair value through profit or loss. The Group initially recognizes the issued debt securities on the issuance date, and other financial liabilities on the transaction date on which the Group becomes the contractual party of the financial instrument.

Financial liabilities measured at amortized cost are measured at fair value at initial recognition minus transaction costs directly attributable to the issuance. Financial liabilities measured at fair value through profit or loss are measured at fair value at initial recognition.

### (b) Measurement subsequent to initial recognition

#### (i) Financial liabilities measured at amortized cost

After initial recognition, measurement is the amortized cost using the effective interest method.

#### (ii) Financial liabilities measured at fair value through profit or loss

After initial recognition, measurement is the fair value with subsequent changes recognized in profit or loss.

### (c) Derecognition

Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is either discharged or cancelled or expires.

## 3) Derivative and hedge accounting

The Group enters into derivative transactions such as forward exchange contracts and interest rate swaps in order to hedge foreign exchange risk, interest rate risk, and the like. At the inception of the hedge, the Group formally designates and documents the risk management purpose and strategy for the hedging relationship and the implementation of the hedge. This documentation identifies the hedging instrument, the item or transaction being hedged, the nature of the risk being hedged, and the method of evaluating the effectiveness of the hedging instrument in offsetting the exposure to changes in the fair value or cash flows of the hedged item due to the risk being hedged. The Group makes assessments at the inception of the hedging relationship and on an ongoing basis to determine whether the hedging relationship meets the requirements of the hedge effectiveness.

Derivatives are initially recognized at fair value. After initial recognition, fair value is measured and subsequent changes are treated as shown immediately below.

### (a) Fair value hedges

Changes in the fair value of derivatives used as hedging instruments are recognized in profit or loss or other comprehensive income. Changes in the fair value of the hedged item corresponding to the hedged risk are recognized in profit or loss or other comprehensive income, with the carrying amount of the hedged item being adjusted.

### (b) Cash flow hedges

The portion of the change in the fair value of derivatives used as hedging instruments that is determined to be an effective hedge is recognized in other comprehensive income, and the cumulative amount is included in other components of equity. The portion of hedges that is ineffective is recognized in profit or loss. Amounts accumulated in other components of



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equity are reclassified from other components of equity to profit or loss in the accounting period in which the transaction being hedged affects profit or loss. However, if the forecast transaction being hedged subsequently results in the recognition of a non-financial asset or non-financial liability, the amount accumulated in other components of equity is treated as an adjustment to the initial book value of that non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires, is sold, or is terminated or exercised, or if the derivative no longer meets the requirements for hedge accounting. When the forecast transaction is no longer expected to occur, the amount accumulated in other components of equity is immediately reclassified from other components of equity to profit or loss.

(c) Derivatives not designated as hedges

Changes in the fair value of such derivatives are recognized in profit or loss.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be withdrawn on demand and short-term investments with maturities of three month or less from the acquisition date that are readily convertible into cash and are subject to insignificant risk of changes in value.

(6) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost consists of material costs, direct labor costs, other direct costs, and an appropriate allocation of related manufacturing overhead costs. Net realizable value is calculated by deducting the estimated selling costs from the estimated selling price. Cost is mainly calculated based on the weighted-average method.

(7) Property, plant and equipment

The Group uses the cost model to measure the carrying value of property, plant and equipment subsequent to its recognition. Under this model, property, plant and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment other than land and construction in progress are mainly depreciated using the straight-line method.

The estimated useful lives of major asset items are as follow:

- Buildings and structures: 2–75 years
- Machinery and vehicles: 2–27 years

The estimated useful lives, depreciation methods, and residual values of property, plant and equipment are reviewed at the end of each fiscal year.

(8) Goodwill and intangible assets

1) Goodwill

Goodwill is not amortized; it is tested for impairment annually or whenever an indication of impairment exists. Impairment losses on goodwill are recognized in the consolidated statement of profit or loss and are not subsequently reversed.

Goodwill is carried at book value less accumulated impairment losses.

2) Intangible assets

Intangible assets acquired separately are measured at cost at the time of initial recognition. Intangible assets acquired in business combinations are measured at fair value as of the acquisition date.

The Group uses the cost model to measure the carrying value of intangible assets subsequent to their recognition. Under this model, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets whose useful lives can be determined are amortized using the straight-line method over their estimated useful lives. Intangible assets mainly comprise software for internal use and have estimated useful lives of 2–10 years. The amortization methods and estimated useful lives are reviewed at the end of each fiscal year and revised as necessary.

(9) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is, or contains, a lease.

1) Leases as a lessee

At the commencement date, the Group recognizes right-of-use assets and lease liabilities. At the commencement date, right-of-use assets are initially measured at the amount of the initial measurement of lease liabilities adjusted for any initial direct costs, costs for restoration as required pursuant to the contract and other costs. After the commencement date, the Group uses the cost model to measure right-of-use assets. Under this model, right-of-use assets are measured at the acquisition price, less any accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless it is reasonably certain that the Group will acquire ownership of the leased assets at the end of the lease term. The lease term is determined as the non-cancellable period of leased assets, together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's incremental borrowing rate. After the commencement date, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. In case of lease modifications, the Group remeasures the lease liability. For a lease modification that is not accounted for as a separate lease and decreases the scope of the lease, the Group decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease. The Group makes a corresponding adjustment to the right-of-use asset for all other lease modifications.

However, we use the exemption for short-term leases and leases of low-value assets; instead of recognizing right-of-use assets and lease liabilities for such leases, it expenses the lease payments on a straight-line basis over the lease term.

2) Leases as a lessor

Leases entered into as a lessor are classified as either finance leases or operating leases according to the substance of the transaction rather than the form of the contract. Assets held under finance leases are presented as receivables in an amount equal to the net investment in the lease.

In the case of subleases, the intermediate lessor classifies the sublease with reference to the right-of-use asset arising from the head lease.

In the case of operating leases, we record the leased assets on the consolidated statement of financial position and recognize lease payments as income on a straight-line basis over the lease term.

(10) Investment property

Investment property is real estate held for the purpose of earning rental income, capital gains, or both.

The Group uses the cost model to measure the carrying value of investment property subsequent to its recognition. Under this model, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Investment property other than land is depreciated mainly using the straight-line method over the estimated useful life. The estimated useful life of the Company's main investment properties is 26 years.

The estimated useful lives, depreciation methods, and residual values of investment

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properties are reviewed at the end of each fiscal year.

(11) Impairment of non-financial assets

For property, plant and equipment and intangible assets, if there is any indication at the end of each reporting period that an asset may be impaired, the asset is assessed based on its recoverable value, being the higher of fair value less costs to sell and its value in use; if the carrying value of the asset exceeds its recoverable value, then the asset is impaired and is written down to its recoverable value.

Goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use are tested for impairment annually and whenever there is any indication of impairment.

Impairment losses recognized on assets other than goodwill in previous years are assessed at the end of each reporting period to determine whether there is any indication that the recognized impairment loss may no longer exist or may have decreased. If any such indication exists, the recoverable amount is estimated, and if the recoverable amount exceeds the carrying amount of the asset or the cash-generating unit to which the asset belongs, an impairment reversal is recognized and the carrying amount is increased to the recoverable amount subject to the condition that the carrying amount of the asset may not exceed the carrying amount (net of accumulated depreciation or accumulated amortization) that would have been determined had no impairment loss been previously recognized. Impairment losses recognized on goodwill are not reversed in subsequent periods.

(12) Post-employment benefits

1) Defined benefit plans

Defined benefit plans are any retirement benefit plans other than defined contribution plans. For each separate plan, the defined benefit obligation is calculated by estimating the future benefits earned as compensation for services provided by employees in previous and current fiscal years, and discounting that amount to the present value. The fair value of plan assets is deducted from the result of that calculation. The discount rate is determined with reference to the market yields of high quality corporate bonds that are denominated in the same currency as the expected benefit payment and that have approximately the same maturity as the Group's defined benefit obligation.

If a retirement benefit plan is revised, costs related to the variable portion of benefits related to employees' past service are immediately recognized in profit or loss.

The Group recognizes changes in net defined benefit liability (asset) due to remeasurement in other comprehensive income and immediately transfers the amounts to retained earnings.

2) Defined contribution plans

Expenses related to defined contribution plans are recognized as expenses in the period in which the employees provide the services.

(13) Provisions

Provisions are recognized when the Company has a present obligation (legal obligation or constructive obligation) resulting from past events, it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

If the impact of the time value of money is material, provisions are measured at a discounted amount calculated using a discount rate that reflects the risks specific to the liability.

(14) Revenue

With the exception of interest, dividend income, etc., under IFRS 9 Financial Instruments, the Group uses the following five-step approach in recognizing revenue that reflects the amount of consideration to which the Company expects to be entitled in exchange for the transfer of

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goods and services to customers:

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to a distinct performance obligation of the contract

Step 5: Recognize revenue when the performance obligation is fulfilled (or as it is fulfilled).

With respect to sales of steel products, etc. in the steel business, revenues mainly are recognized at the point of shipment, when the customer assumes the significant risk and economic value of ownership of the product being physically transferred and the right to receive payment is confirmed. Consideration for these transactions is received primarily within one year after the fulfillment of performance obligations, and does not involve any material financing component.

With regard to construction contracts, etc. in the engineering business, we mainly estimate the progress of fulfilling performance obligations, and revenue is recognized over a fixed period based on the degree of progress. Part of consideration for these transactions is primarily received on a step-by-step basis independent of the fulfillment of performance obligations, while the rest is received within a certain period of time after the fulfillment of all performance obligations. Consideration for some transactions involve some material financing component. For performance obligations fulfilled over a period of time, cost-to-cost input method is applied for the purpose of revenue recognition. Cost-to-cost input method excludes the impact of the inputs that do not reflect the Group's fulfillment of performance obligations in the transfer of control of goods or services to customers. By adjusting the input method to recognize revenue commensurate with the cost incurred, the application of this method faithfully reflects the progress in the fulfillment of performance obligations, in a situation where cost incurred is not commensurate with the progress in the fulfillment of performance obligations.

With respect to the sale of steel products, etc. in the trading business, revenues are recognized at the point of physical transferring ownership rights and physical ownership of the product to the customer, and the significant risk and economic value associated with ownership, and the right to receive payment is confirmed. In addition, for certain transactions in the trading business, the company has the responsibility to carry out work as an agent. Consideration for these transactions is received primarily one year after the fulfillment of performance obligations, and does not involve material financing component.

When the Group is engaged in a transaction as a party to the transaction, revenue is presented as the total consideration received from the customer. When the Group is engaged in transactions as an agent for a third party, revenue is presented as a fee, calculated as the total amount of consideration received from the customer minus the amount collected for the third party.

(15) Business profit

Business profit is profit before income taxes excluding financial income and one-time items of materially significant value. It is a benchmark indicator of the Company's consolidated earnings.

(16) Income taxes

Income tax expense comprises current tax expense and deferred tax expense. These are recognized in profit or loss with exceptions that they arise from other comprehensive income or items that are recognized directly in equity or that they arise from business combinations.

Current tax expense is measured based on the amount expected to be paid to, or recovered from, taxation authorities. The tax rates and tax laws used to calculate the tax amounts are those that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are recognized for temporary differences between book value of assets and liabilities and their tax bases, unused tax credits and unused tax loss carryforwards. They are estimated and calculated at the tax rates that are expected to

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apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences except as follows.

- Temporary differences arising from initial recognition of goodwill
- Temporary differences arising from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect either the accounting profit or the taxable profit, or does not give rise to equal taxable and deductible temporary difference
- Taxable temporary differences associated with investments in subsidiaries and affiliates and interests in joint arrangements, but only to the extent that the entity is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future

Deferred tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that taxable profit against which deductible temporary differences, etc. can be used is highly likely to be generated, unless the deferred tax assets arise from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect the accounting profit or the taxable profit, or does not give rise to equal taxable and deductible temporary difference.

Deferred tax assets for deductible temporary differences arising from investments in subsidiaries and affiliates, and interests in joint arrangements, are only recognized to the extent that it is probable that the temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilized.

The Company and some of its domestic consolidated subsidiaries have applied the group tax sharing system.

#### (17) Equity

##### 1) Share capital and capital surplus

Paid-in capital from shareholders is recognized as share capital or capital surplus.

##### 2) Treasury shares

When treasury shares are acquired, the consideration paid including direct transaction costs is recognized as a deduction item of equity. When treasury shares are disposed, the difference between the consideration received and the book value of the treasury shares is recognized as equity.

#### (18) Non-current assets held for sale

Non-current assets and disposal groups held not for continuing use but mainly for recovery through sales transactions are classified as assets held for sale. The classification of assets as held for sale is conditional on an extremely high probability of sale and the possibility of immediate sale under present conditions, and is limited to cases where the JFE Group's management has committed to the implementation of sales plans for the relevant asset and where it is expected that the sale will be completed within one year.

After classification as held for sale, assets are measured at the lower of the carrying amount and fair value after deducting selling costs, and depreciation and amortization are suspended.

#### Notes to Accounting Estimates

Items whose amount is recorded on the consolidated financial statements for the fiscal year ended March 31, 2025 based on accounting estimates that may have significant impacts on the consolidated financial statements for the fiscal year ending March 31, 2026 are shown as follows.

(Translation for reference only)

1. Valuation of inventories

Inventories are measured at cost. When their net realizable value is lower than cost at the end of the fiscal year, they are measured at such net realizable value, whose difference with cost is, in principle, recognized as cost of sales. With regard to slow-moving inventories that fall outside the normal operating cycle, net realizable value, etc. is calculated reflecting future demand and market trends. When net realizable value declines significantly due to the market environment deteriorated more than estimated, losses may arise.

The amount of inventories recorded for the fiscal year ended March 31, 2025 is as stated in the consolidated statement of financial position.

2. Impairment of non-financial assets

The Group tests property, plant and equipment, goodwill and intangible assets for impairment pursuant to Note “3. Material accounting policies information.” In calculating the recoverable amounts in impairment tests, assumptions are made for future cash flows and discount rates, etc. These assumptions are determined based on the best estimates and judgements made by the management. However, assumptions may be affected as a result of changes in future uncertain economic conditions, etc., and if their review becomes necessary, there may be a significant impact on the consolidated financial statements.

The amount of property, plant and equipment, goodwill, and intangible assets recorded for the fiscal year ended March 31, 2025 is as stated in the consolidated statement of financial position.

3. Recoverability of deferred tax assets

Deferred tax assets are recognized to the extent that taxable profit against which deductible temporary differences, etc. can be used is highly likely to be generated. For judgements about the likelihood that taxable profit will be generated, the timing and amount of generation of taxable profits are estimated based on the business plan. Such estimates, based on the best estimates made by the management, may differ from actual results as a result of changes in future uncertain economic conditions, etc.

The amount of deferred tax assets recorded for the fiscal year ended March 31, 2025 is as stated in the consolidated statement of financial position.

4. Accounting treatment and valuation of provisions

Provisions are measured based on the best estimate of future expenditures expected to be required to settle the obligations at the end of the fiscal year. The amount of future expenditures expected to be required to settle the obligations is calculated taking into comprehensive consideration the future potential results. The assumptions used to measure these provisions may be affected as a result of changes in future uncertain economic conditions, etc., and there are risks that may cause a significant adjustment to the amount of measurement of provisions in the future.

The amount of provisions recorded for the fiscal year ended March 31, 2025 is as stated in the consolidated statement of financial position.

5. Measurement of defined benefit obligation

With regard to defined benefit plans, the net amount of the defined benefit obligation and the fair value of the plan assets is recognized as liability or asset. The defined benefit obligation is calculated based on actuarial assumptions, which include estimates of discount rate, retirement rate, mortality rate, salary increase rate and others. These assumptions are determined based on a comprehensive judgement of all available information such as market trends of interest rate fluctuations. These actuarial assumptions may be affected by changes in future uncertain economic environment or social conditions, etc., and there are risks that may cause a significant adjustment to the amount of measurement of the defined benefit obligation in the future.

The amounts recorded for the fiscal year ended March 31, 2025 are as stated in the consolidated statement of financial position as retirement benefit asset and retirement benefit liability.

6. Matters related to financial instruments

(Translation for reference only)

The Group, when evaluating the fair value of specified financial instruments, uses significant unobservable inputs for the measurement. The unobservable inputs may be affected as a result of changes in future uncertain economic conditions, etc., and if their review becomes necessary, there may be a significant impact on the consolidated financial statements.

The fair value that is measured using significant unobservable inputs and recorded for the fiscal year ended March 31, 2025 are as stated in “Notes to Financial Instruments.”

7. Contingencies

With regard to contingencies, taking into account all evidence available at the end of the fiscal year, and in consideration of the likelihood of occurrence and monetary impacts, items that may have a significant impact on future businesses are regarded as contingencies.

Contingent liability is as stated in “Notes to the Consolidated Statement of Financial Position.”

(Translation for reference only)

### Notes to the Consolidated Statement of Financial Position

#### 1. Assets pledged as collateral and corresponding secured obligations

##### (1) Assets pledged as collateral

Property, plant and equipment	¥7,823 million
Right-of-use asset	¥161 million
Investments accounted for using equity method	¥14,678 million
Other financial assets (non-current)	¥286 million
(Note) Industrial foundation's assets of property, plant and equipment as mortgage	¥6,578 million

In addition, shares of consolidated subsidiaries (¥870 million book value posted on the consolidated subsidiaries' consolidated financial statements) have been pledged as collateral.

##### (2) Corresponding secured obligations

Trade and other payables	¥28 million
Bonds payable, borrowings, and lease obligations (current)	¥564 million
Bonds payable, borrowings, and lease obligations (non-current)	¥2,777 million
(Note) Those of above corresponding to the industrial foundation's assets	
Bonds payable, borrowings, and lease obligations (current)	¥559 million
Bonds payable, borrowings, and lease obligations (non-current)	¥2,777 million

#### 2. Allowance for doubtful accounts deducted directly from assets

Trade and other receivables	¥2,438 million
Other financial assets (non-current)	¥253 million

#### 3. Accumulated depreciation for property, plant and equipment, right-of-use asset and investment property

Accumulated depreciation for property, plant and equipment and right-of-use asset	¥7,138,283 million
Accumulated depreciation for investment property	¥36,645 million

#### 4. Contingent liability

Guarantees for loans to companies other than subsidiaries which are provided from financial institutes are as follows.

Joint ventures	¥20,314 million
Affiliates	¥548 million
Other	¥1,954 million
Total	¥22,817 million

In addition to the above, the Company offers guarantees for obligations that may arise in the future in relation to its affiliates.

Guarantee limit for the fiscal year under review	¥4,266 million
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## Notes to the Consolidated Statement of Changes in Equity

1. Type and total number of issued shares as of the end of the fiscal year under review  
Common stock 639,438,399

2. Dividends

(1) Amounts of dividends paid

Date of resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 25, 2024	Common stock	31,827	50	March 31, 2024	June 26, 2024

Note: The common stock dividends of ¥31,827 million includes dividends of the Company shares held in trust accounts for employee stock ownership plans of ¥24 million.

Date of resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Board of Directors Meeting held on November 6, 2024	Common stock	31,845	50	September 30, 2024	December 6, 2024

Note: The common stock dividends of ¥31,845 million includes dividends of the Company shares held in trust accounts for employee stock ownership plans of ¥36 million.

- (2) Of the dividends for which the record date belongs to the fiscal year under review, those dividends for which the effective date will be after the end of the fiscal year under review

Date of proposal for resolution	Type of share	Total amount of dividends (Millions of yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on June 25, 2025	Common stock	31,845	Retained earnings	50	March 31, 2025	June 26, 2025

Note: The common stock dividends of ¥31,845 million includes dividends of the Company shares held in trust accounts for employee stock ownership plans of ¥36 million.

3. Type and number of shares for subscription rights (excluding those for which the initial date of the exercise period has not arrived) as of the end of the fiscal year under review  
Common stock 31,715,826

## Notes to Financial Instruments

1. Status of financial instruments

(1) Policy on treatment of financial instruments

The Group raises the necessary funds mainly through bank loans, commercial papers and bond issuance, taking into consideration the stability and cost of funds. Temporary surplus funds are being managed with short-term financial instruments. The Group uses derivatives as a hedge against risks described below and not for speculative transactions.

(2) Content and risks of financial instruments, and the risk management systems relating to financial instruments

Notes and accounts receivable - trade, which are trade claims, are exposed to the credit risks

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of customers. To manage such risks, each company of the JFE Group conducts regular reassessments of the financial standing of business partners. In addition, some of the claims were sold before due dates.

For notes and accounts payable - trade, which are trade obligations, payment due dates are usually within one year.

Trade claims and obligations in foreign currencies are exposed to risks of currency fluctuations. Hedge transactions, including forward exchange contracts, are conducted as necessary for the parts that were not balanced out by the offsets between receipts of foreign currencies through transactions denominated in the relevant foreign currencies (exports of products, etc.), and payments of foreign currencies through transactions denominated in the relevant foreign currencies (imports of raw materials, etc.).

Equity instruments are exposed to risks of market price fluctuations. Equity instruments denominated in foreign currencies are exposed to risks of currency fluctuations. Most of the equity instruments are equities of the companies with which business relationships are maintained, and the fair values of such equities are regularly determined.

Taking into consideration the liquidity risk of loans and bonds payable, due dates of these obligations are set not to fall on the same day. Loans payable with floating interest rates are exposed to risks of interest-rate fluctuations. Some loans payable are hedged through interest rate swaps, etc., to cope with risks of interest-rate fluctuations and to reduce interest payments.

Derivative transactions used by the JFE Group carry risks of market price fluctuations in the future, including that of currencies, interest-rates, etc. The JFE Group uses derivatives that are only based on actual demand, such as export and import transactions, loans and bonds payable. Accordingly, these risks are limited within the scope of loss of opportunity gains. Furthermore, as the JFE Group only conducts derivative transactions primarily with financial institutions with high credit ratings, the credit risk of failure to perform contracts due to bankruptcy of the counterparty, etc., is considered to be close to non-existent. The Company has established the internal rule on derivative transactions, and conducts transactions related to derivatives pursuant to the rule. On each actual transaction, the Company conducts a transaction upon authority by the Corporate Officer for Finance pursuant to the rule stated above. Balances, fair values and losses/gains on valuation of derivatives are to be reported to the management council regularly. The consolidated subsidiaries also conduct derivative transactions pursuant to the respective internal rules.

- (3) Supplemental explanation for matters relating to fair values, etc., of financial instruments  
Fair values of financial instruments include values based on market prices and values reasonably calculated if they have no market prices. Since calculations of the relevant values adopt certain assumptions, etc., the relevant values may vary depending on the assumptions applied.

2. Fair values, etc., of financial instruments

- (1) Book values and fair values of financial instruments

Amounts on the consolidated statement of financial position and fair values as of March 31, 2025 are shown as follows.

(Millions of yen)		
	Amounts on the consolidated statement of financial position	Fair value
Long-term borrowings	1,007,011	999,591
Current portion of bonds payable	49,991	49,952
Bonds payable	184,397	179,751
Convertible bonds	87,770	86,184

Fair values of financial assets and financial liabilities measured at amortized cost excluding the long-term borrowings, current portion of bonds payable, bonds payable, and convertible bonds

(Translation for reference only)

are not included as they are close to their book values.

Financial instruments measured ordinarily at fair value are also not included as the fair values and book values are equal.

The fair value of long-term borrowings payable is determined by discounting the total of principal and interest by the estimated interest rate on similar new loans payable.

The fair value of the current portion of bonds payable and bonds payable is based on market values. The fair value of convertible bonds is determined by the present value discounted by the yields of similar bonds payable without convertible options to equity.

Fair value of long-term borrowings, current portion of bonds payable, bonds payable and convertible bonds is classified into Level 2 within the fair value hierarchy.

(2) Fair value hierarchy of financial instruments

Fair value of financial instruments subject to recurring fair value measurement after the initial recognition is classified into one of the following three levels within the fair value hierarchy, depending on the observability and materiality of the inputs used for measurement.

Level 1: Fair values measured by the market price of identical asset or liability in an active market

Level 2: Fair values measured by using directly or indirectly observable inputs other than those classified into Level 1

Level 3: Fair values measured by using significant but unobservable inputs

Where multiple inputs are used for measuring fair value of a financial instrument, its fair value shall be classified based on the lowest level of input that is significant in the overall measurement of fair value.

Transfer between levels within the fair value hierarchy is evaluated at each year-end.

There was no transfer between Level 1 and Level 2 in the fiscal year under review.

(Millions of yen)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	—	24,586	—	24,586
Other	—	4,557	—	4,557
Equity financial assets measured at fair value through other comprehensive income				
Securities	61,176	—	62,847	124,024
Capital contributions	—	—	5,544	5,544
Total	61,176	29,143	68,392	158,712
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	—	632	7,014	7,646
Total	—	632	7,014	7,646

· Securities and capital contributions

Fair value of listed securities is calculated based on market price, and thus classified into Level

(Translation for reference only)

1.

Fair value of unlisted shares and capital contributions is calculated by using evaluation techniques as appropriate, such as the comparable industry method, based on one or more significant inputs not supported by observable market data, and thus classified into Level 3. Significant but unobservable inputs that are used by the Company are largely illiquidity discount, whereby fair value decreases when illiquidity discount rate increases. The Company uses a 30% illiquidity discount.

· Derivative assets and derivative liabilities

Fair value of derivatives such as forward exchange contracts and interest rate swaps is calculated based on the price indicated by correspondent financial institutions, and thus classified into Level 2.

Of derivative liabilities, fair value of written put options related to non-controlling shareholders is calculated based on the exercise price of the contract, and is classified into Level 3 because it uses unobservable inputs.

Fair value of the financial instruments classified into Level 3 is calculated at each group company directly holding such financial instruments including shares, etc., pursuant to the policies and procedures for evaluating fair value measurement set out by the Group. The results of fair value measurement are subject to approval by managers with appropriate authority.

Increase or decrease in fair value of Level 3 financial instruments subject to recurring fair value measurement during the fiscal year under review is as follows:

	(Millions of yen)	
	Financial assets	Financial liabilities
Balance at April 1, 2024	75,030	—
Other comprehensive income	(6,112)	—
Acquisition	833	—
Sale	(984)	—
Changes from the changes from the scope of consolidation	(206)	—
Other	(169)	7,014
Balance at March 31, 2025	68,392	7,014

Note: “Other” under financial liabilities refers to written put options related to non-controlling shareholders.

(Translation for reference only)

### Notes to Investment properties

1. Status of investment properties

The Group owns rental warehouses and other properties in Chiba and other regions.

2. Fair value of investment properties

Amounts on the consolidated statement of financial position and fair values as of March 31, 2025 are shown as follows.

(Millions of yen)

	Amounts on the consolidated statement of financial position	Fair value
Investment property	54,126	120,640

Notes: 1. Amounts on the consolidated statement of financial position are acquisition costs less any accumulated depreciation and any accumulated impairment losses.

2. Fair value is principally based on the real estate appraisal values provided by independent licensed real estate appraisers.

### Notes to Per-share Information

1. Equity attributable to owners of parent per share

¥3,976.84

2. Basic profit per share

¥144.43

Note: The Company shares held in trust accounts for employee stock ownership plans are included in treasury shares, which are excluded from the calculation of the number of outstanding shares at the end of the term and the weighted average number of shares used in the calculation of equity attributable to owners of parent and basic profit per share. The number of treasury shares at the end of the term excluded from the calculation of equity attributable to owners of parent per share for the current consolidated fiscal year is 733,000 and the weighted average number of treasury shares excluded from the calculation of basic profit per share for the consolidated fiscal year under review is 686,000.

### Notes on Revenue Recognition

1. Disaggregation of revenue

(1) Disaggregation of sales revenue

(Millions of yen)

	Steel	Engineering	Trading	Elimination of intersegment revenue	Total
By region					
Japan	2,147,734	493,617	663,158	(212,066)	3,092,444
Other	1,217,456	76,197	775,401	(301,852)	1,767,202
Total	3,365,191	569,815	1,438,559	(513,919)	4,859,647
Timing of transfer of goods or services					
Single point in time	3,155,321	10,784	1,438,548	(488,779)	4,115,874
Over a period of time	209,869	559,030	11	(25,139)	743,773
Total	3,365,191	569,815	1,438,559	(513,919)	4,859,647

(Translation for reference only)

(2) Contract balance

	(Millions of yen)	
	Balance at April 1, 2024	Balance at March 31, 2025
Receivables arising from contracts with customers	704,123	625,505
Contract assets	134,569	155,257
Contract liabilities	50,186	47,591

Contract assets mainly comprise the amount of consideration receivable in exchange for the portion of construction contracts in the engineering business for which performance obligations have been satisfied, measured based on progress as of the end of the fiscal year, after deducting obligations. Contract assets are transferred to receivables at the time when all performance obligations are satisfied.

Of contract assets at the beginning of the fiscal year, the amount recognized as receivables was ¥99,615 million.

Contract liabilities mainly comprise the portion of consideration received under construction contracts in the engineering business, progressively during the contract term and independently of the satisfaction of performance obligations, that exceeds the amount recognized as revenue.

Contract liabilities are transferred to revenue as performance obligations are satisfied.

Of outstanding contract liabilities at the beginning of the fiscal year, the amount recognized as revenue was ¥47,988 million.

(3) Remaining performance obligations

	(Millions of yen)
	Balance at March 31, 2025
Transaction price allocated to unfulfilled or partially unfulfilled performance obligations at year-end	1,150,418
Expected timing of revenue recognition	
Within one year	399,774
Over one year or more	750,644

These are mainly for the engineering business.

**Material Subsequent Events**

There is no item for this period.

(Translation for reference only)

### **Non-consolidated Balance Sheet**

As of March 31, 2025

(Millions of yen)

Items	Amount	Items	Amount
(ASSETS)		(LIABILITIES)	
<b>Current assets</b>	<b>550,518</b>	<b>Current liabilities</b>	<b>439,514</b>
Cash and deposits	7,152	Short-term loans payable	128,443
Operating accounts receivable	2,012	Commercial papers	17,995
Short-term loans receivable	540,773	Current portion of bonds	50,000
Other	580	Accounts payable - other	614
<b>Non-current assets</b>	<b>2,265,518</b>	Accrued expenses	1,666
<b>Property, plant and equipment</b>	<b>2</b>	Income taxes payable	162
Buildings	0	Deposits received	240,630
Tools, furniture and fixtures	1	Unearned revenue	0
<b>Intangible assets</b>	<b>45</b>	<b>Non-current liabilities</b>	<b>1,246,473</b>
Trademark right	17	Bonds payable	185,000
Software	27	Bonds with share acquisition rights	90,000
<b>Investments and other assets</b>	<b>2,265,471</b>	Long-term loans payable	971,258
Shares of subsidiaries and associates	904,392	Provision for share-based remuneration for directors and corporate officers	89
Investments in capital	23	Other	125
Long-term loans receivable	1,358,381	<b>Total liabilities</b>	<b>1,685,988</b>
Long-term prepaid expenses	9		
Deferred tax assets	62		
Other	2,601		
		(NET ASSETS)	
		<b>Shareholders' equity</b>	<b>1,129,915</b>
		<b>Capital stock</b>	<b>171,310</b>
		<b>Capital surplus</b>	<b>796,788</b>
		Legal capital surplus	796,742
		Other capital surplus	46
		<b>Retained earnings</b>	<b>169,160</b>
		Other retained earnings	169,160
		Retained earnings brought forward	169,160
		<b>Treasury shares</b>	<b>(7,344)</b>
		<b>Valuation and translation adjustments</b>	<b>133</b>
		Deferred gains or losses on hedges	133
		<b>Total net assets</b>	<b>1,130,049</b>
<b>Total assets</b>	<b>2,816,037</b>	<b>Total liabilities and net assets</b>	<b>2,816,037</b>

Note: Amounts are rounded down to the nearest million yen.

(Translation for reference only)

**Non-consolidated Statement of Income**

From April 1, 2024 to March 31, 2025

(Millions of yen)

Items	Amount	
Operating revenue		
Dividend income	58,706	
Financial revenue	14,002	
Management fee income	4,447	77,155
Operating expenses		
Financial expenses	13,486	
General and administrative expenses	3,663	17,150
<b>Operating income</b>		<b>60,005</b>
<b>Ordinary income</b>		<b>60,005</b>
<b>Profit before income taxes</b>		<b>60,005</b>
Income taxes - current		326
Income taxes - deferred		65
<b>Profit</b>		<b>59,613</b>

Note: Amounts are rounded down to the nearest million yen.



(Translation for reference only)

### **Non-consolidated Statement of Changes in Equity**

From April 1, 2024 to March 31, 2025

(Millions of yen)

	Shareholders' equity							Valuation and translation adjustments		Total net assets
	Capital stock	Capital surplus			Retained earnings	Treasury shares	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings					
					Retained earnings brought forward					
Balance at April 1, 2024	171,310	796,742	—	796,742	173,220	(7,575)	1,133,697	208	208	1,133,905
Changes of items during period										
Dividends of surplus					(63,672)		(63,672)			(63,672)
Profit					59,613		59,613			59,613
Purchase of treasury shares						(969)	(969)			(969)
Disposal of treasury shares			46	46		867	913			913
Share-based payment transactions						334	334			334
Net changes of items other than shareholders' equity								(74)	(74)	(74)
Total changes of items during period	—	—	46	46	(4,059)	231	(3,781)	(74)	(74)	(3,856)
Balance at March 31, 2025	171,310	796,742	46	796,788	169,160	(7,344)	1,129,915	133	133	1,130,049

Note: Amounts are rounded down to the nearest million yen.

## Notes to the Non-consolidated Financial Statements

- (1) Equities of affiliated companies are valued at cost by the moving-average method.
- (2) Depreciation of property, plant and equipment is computed by the straight-line method.
- (3) Provision for share-based remuneration for directors and corporate officers is recorded at the estimated payment amount corresponding to points granted to Directors (excluding Outside Directors) and Corporate Officers (excluding non-residents under the Income Tax Act), based on the Stock Grant Regulations for Officers.
- (4) Revenue from contracts with customers is recognized based on the following five-step approach, except for the items stated in Paragraph 3 of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020).

The Company conducts its operations as a group head office with minimum physical presence tasked to engage in group management operations, including strategies functions and responsibility for governance and accountability, as well as to engage in operations for achieving optimum efficiency across the Group. Specifically, the Company is responsible for fulfilling performance obligations through management and administration of subsidiaries that are engaged in the steel business, the engineering business and the trading business. As these performance obligations are fulfilled over a period of time, revenue is recognized over the contract term.

2. Notes to the non-consolidated balance sheet, etc.

Short-term monetary payables to affiliated companies	¥240,474 million
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Operating expenses ¥1,423 million

Note: Company shares held in trust accounts for employee stock ownership plans of 733,200 shares are included in treasury stock above.

(Translation for reference only)

5. Note to tax-effect accounting

Loss on valuation of shares of subsidiaries and associates constitutes a primary factor of deferred tax assets, less valuation allowance.

6. Notes to per-share information

Net assets per share	¥1,776.33
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Profit per share	¥93.71
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Note: The Company shares held in trust accounts for employee stock ownership plans are included in treasury shares, which are excluded from the calculation of the number of outstanding shares at the end of the term and the average number of shares during the term used in the calculation of net assets per share and profit per share. The number of treasury shares at the end of the term excluded from the calculation of net assets per share for the fiscal year under review is 733,000. The average number of shares during the term excluded from the calculation of profit per share for the fiscal year under review is 686,000.

Certified Copy of Independent Auditor's Report on the Non-consolidated Financial Statements

**Independent Auditor's Report**

May 20, 2025

Mr. Yoshihisa Kitano  
Representative Director, President and CEO  
JFE Holdings, Inc.

Ernst & Young ShinNihon LLC  
Tokyo Office

Shin Ichinose  
Certified Public Accountant  
Designated and Engagement Partner

Tetsuya Yoshida  
Certified Public Accountant  
Designated and Engagement Partner

Keiichi Wakimoto  
Certified Public Accountant  
Designated and Engagement Partner

Taichi Fujio  
Certified Public Accountant  
Designated and Engagement Partner

**Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of JFE Holdings, Inc. (the "Company") for the 23rd fiscal year from April 1, 2024 through March 31, 2025.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Other Information**

Other information consists of the business report and accompanying supplementary schedules. Management is responsible for the preparation and disclosure of the other information. The Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for the other information.

Our audit opinion on the financial statements and the accompanying supplementary schedules does not include any other information, and we express no opinion on any other information.

Our responsibility in the audit of the financial statements and the accompanying supplementary schedules is to read the other information and, in the course of reading it, to consider whether there are material discrepancies

between the other information and the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, and to pay attention to whether there are any indication of material errors in the other information besides such material discrepancies.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report those facts.

We have no other matters to report in respect to other information.

**Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules

(Translation for reference only)

including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any measures that have been taken to eliminate obstacles or safeguards that have been put in place to reduce these obstacles to an acceptable level.

**Interest**

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

*(English Translation of the Japanese original)*

*This translation has been prepared for reference only. The Japanese language version will control if any discrepancy arises.*