

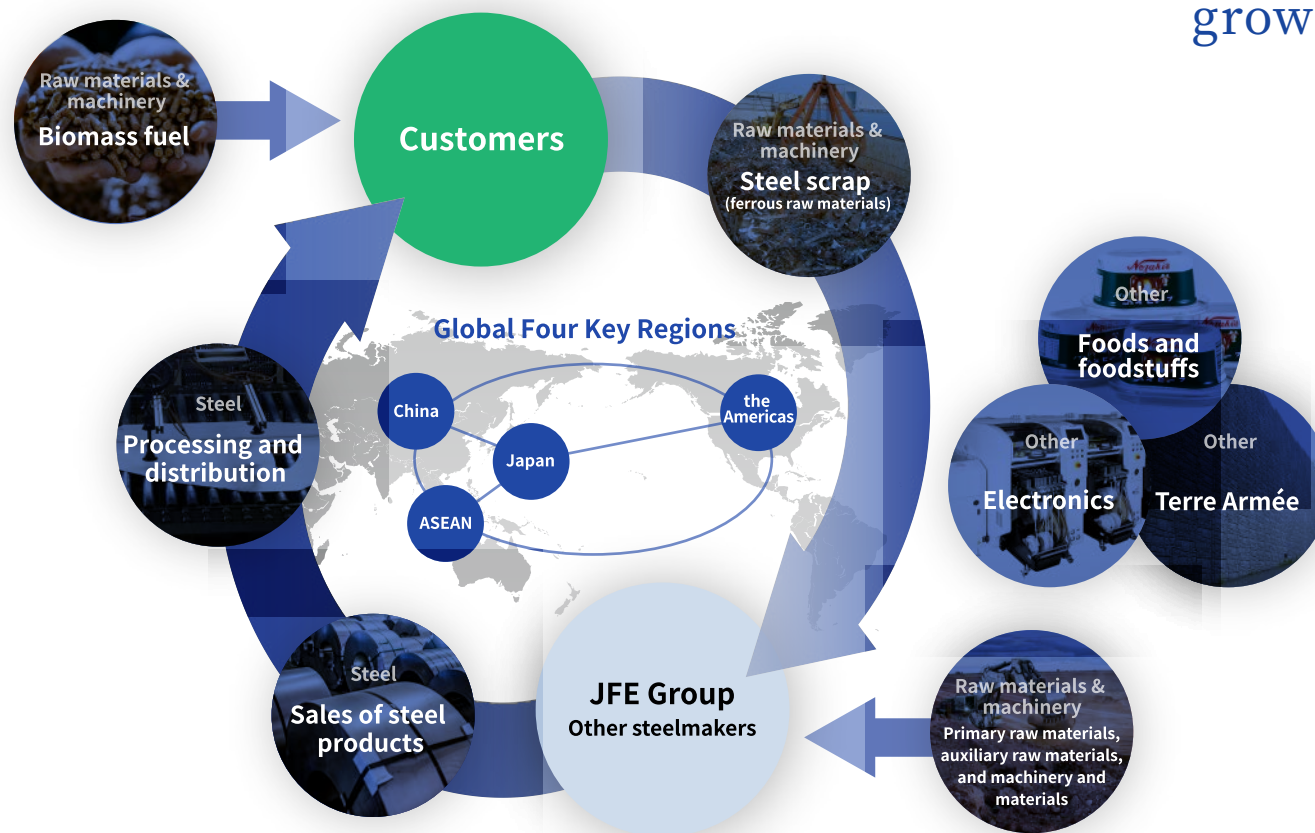
# Company Profile



**JFE Shoji Corporation**

# Business Introduction

Based on this management philosophy, we pursue activities with the aim of becoming a company with a strong market presence that achieves sustainable growth alongside stakeholders, including our customers.

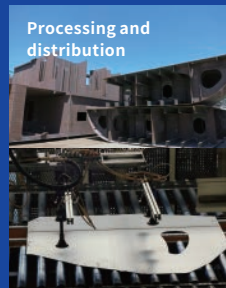


JFE Shoji is working to establish a more stable revenue base by expanding both our trade and our business. In addition, we will strengthen our business foundation by accelerating collaborations between our business bases on the basis of our global four key regions, which focuses on Japan, the Americas, China, ASEAN.

By expanding our supply chain from upstream to downstream with the focus on steel-related businesses, we will open up new possibilities and pursue social and environmental issues such as carbon neutrality and a recycling-oriented society as opportunities for growth. While taking advantage of the management resources and information network we have cultivated to date, we will work on our ESG management to lead during the times ahead.

### Steel

We supply steel products and quality services to customers worldwide from JFE Steel, our alliance partners and other steel mills in Japan and other countries. We have also established a structure to provide steel material products that have already undergone slitting and other cut processing, secondary and tertiary processing, which are closer to the finished product, in line with customer needs.



#### Steel Plate and Steel Sheet

Automotive  
Appliances and Electrical Machinery  
Shipbuilding, Construction  
Machinery and Energy

For more  
information



Stainless Steel, Special Steel  
Construction Materials  
Pipe & Fitting

### Raw Materials, Machinery & Materials

We are always striving to strengthen our relationships with our existing suppliers and cultivating new ones to help ensure stable operations within the JFE Group as well as to improve its cost-competitiveness. We also leverage the knowhow we have accumulated in businesses related to steelmaking to create new businesses, including proposing new supply chains in other fields and other methods.



#### Main Steel Raw Materials

Metallic Materials  
Metal Recycling  
Chemicals  
Biomass Fuel  
Machinery & Materials  
Ships & Fuel

For more  
information



### Other

Foods, electronics, the Terre Armée method . . . JFE Shoji's business domain has expanded far beyond steel.



Foods  
Electronics  
Terre Armée

For more  
information

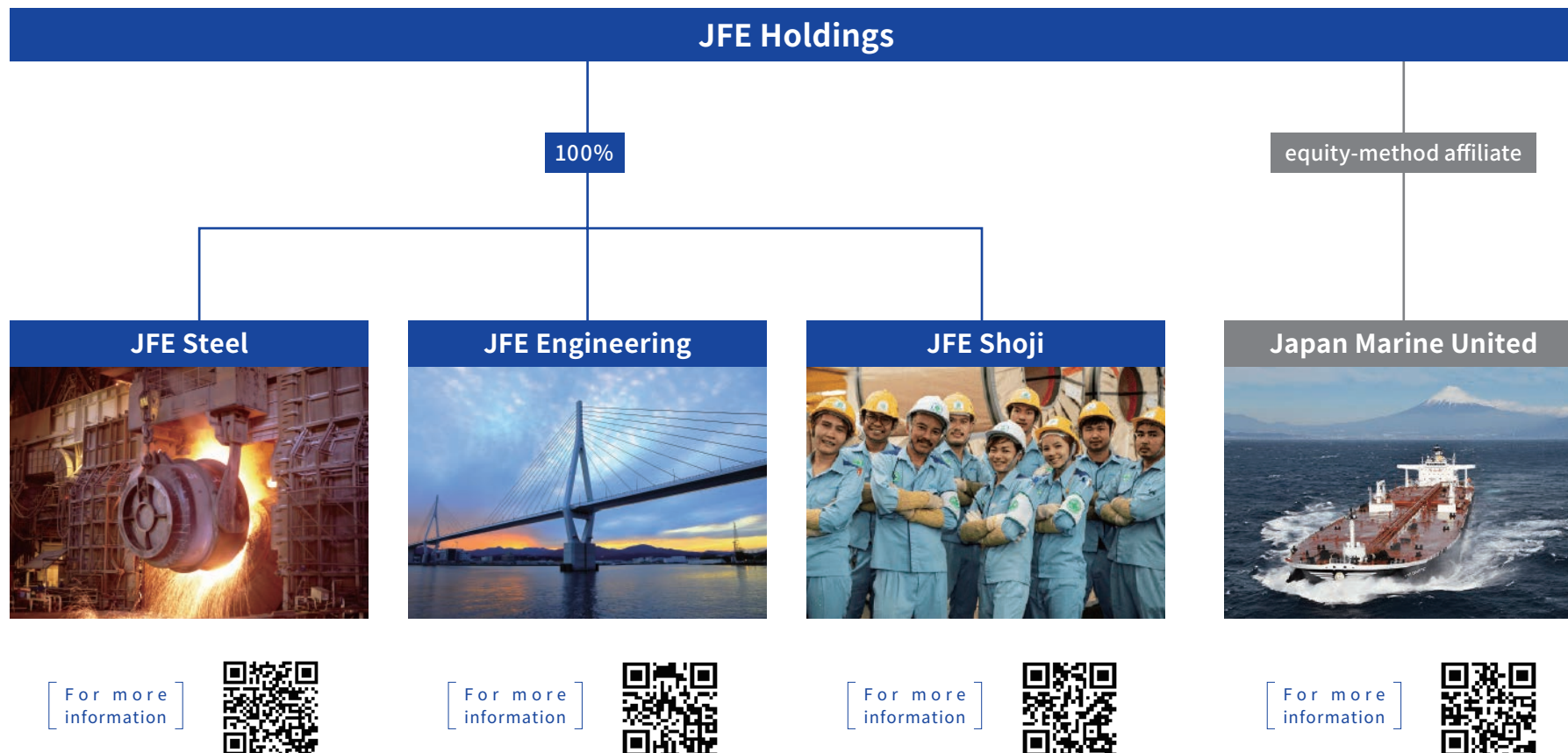


# JFE Group Structure

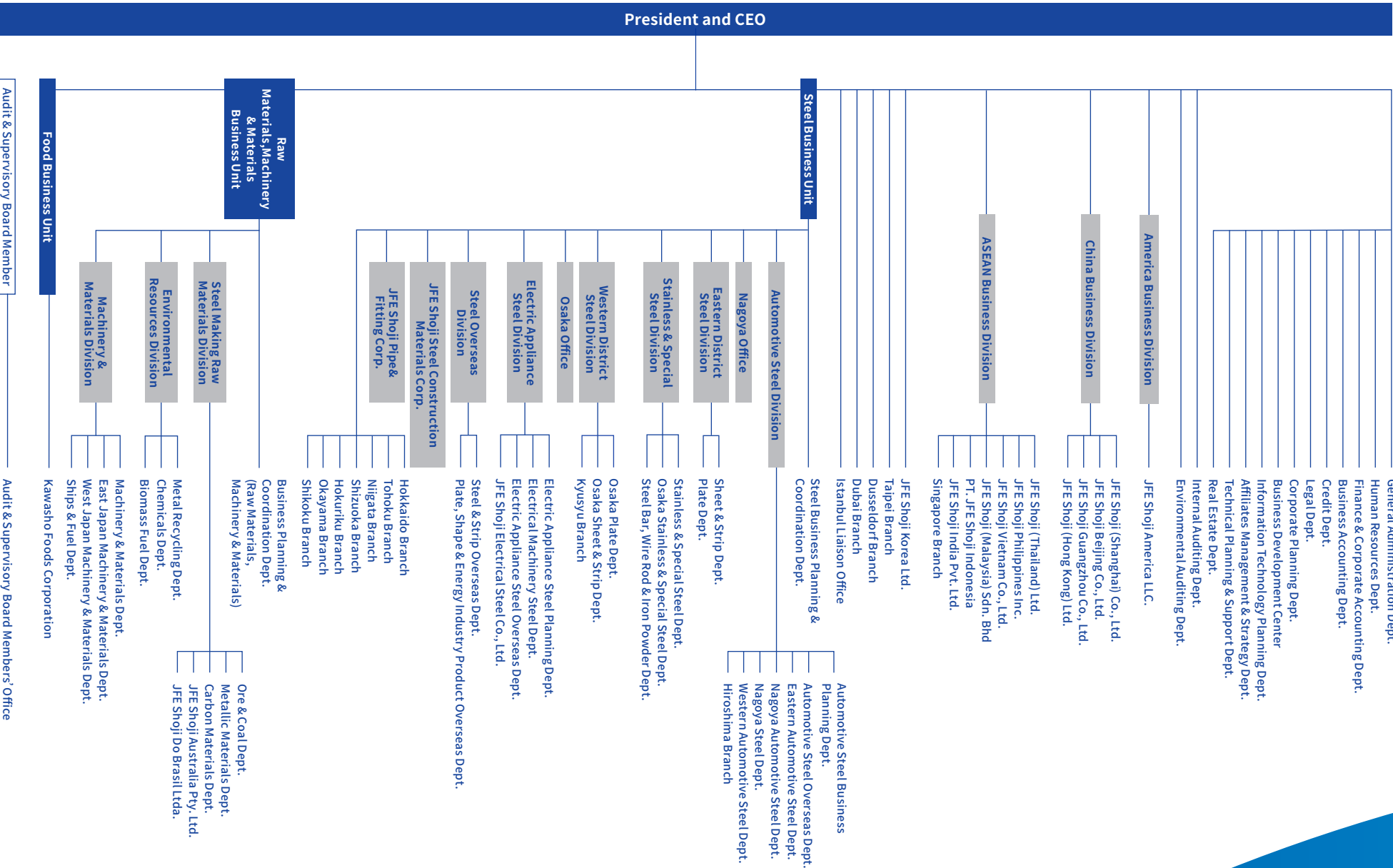
## JFE Group Structure

In October 2012, JFE Shoji became an operating company of JFE Holdings to leverage the JFE Shoji Group's marketing functions throughout the JFE Group and bolster the efficiency of the JFE Group's entire steel business supply chain.

### Group Organizational Chart



# Organization Chart



# Network

## Business Fields across the Globe

### Network (Sales Offices in Japan/Overseas)



## Sales Offices

in Japan **20** Overseas **35**

[ For more  
information ]



[ For more  
information ]



# Network

## Network ( Group company in Japan/Overseas )

### Domestic group companies

-  Steel Plates
-  Construction Materials Distribution
-  Steel Pipe Processing and Sales
-  Steel Sheets Processing and Sales
-  Electrical Steel Sheets Processing & Distribution
-  Stainless & Special Steel Distribution
-  Tinplate & Container Sheets Processing and Sales

### Group companies

in Japan **43** Overseas **54**

For more  
information



For more  
information

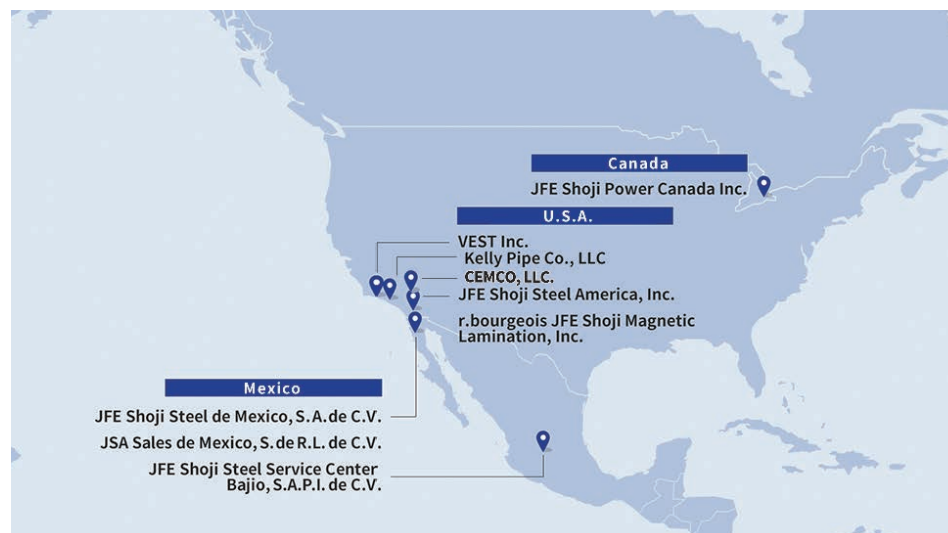


## Steel Business

### China • ASEAN • India



### NORTH AMERICA



## Food



## Electronics



# Business Details

## Steel

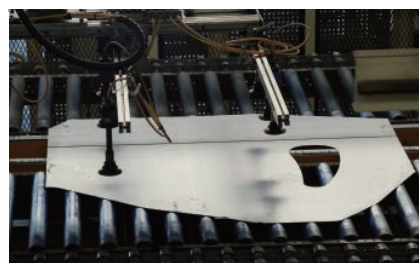
[ For more  
information ]



● Steel (Automotive/Appliances and Electrical Machinery/  
Shipbuilding, Construction Machinery and Energy)

● Stainless Steel and Special Steel ● Construction Materials ● Pipes & Fittings

### Automotive



We play a pivotal role in the automobile manufacturing supply chain, processing, distributing and selling automotive steel sheet to meet the various needs of automobile manufacturers in Japan and other countries. To address the worldwide tightening of environmental regulations in recent years, we are focusing on strengthening the supply chain for light and sturdy high-tensile steel sheet that reduces vehicle weight.

### Shipbuilding, Construction Machinery and Energy



We procure steel plate and sheet from JFE Steel and other steel manufacturers around the world, which are then used to build ships, construction and industrial machinery, offshore wind power generators, bridges, roofs, walls, etc. We meet customer needs with timely and proactive proposals and communication.

### Appliances and Electrical Machinery



Leveraging our robust supply chain in the four key regions (Japan, the Americas, China, ASEAN), we supply electrical steel sheet, surface-treated steel sheet and other steel products to customers that manufacture products designed to support people's lives by handling the distribution of electricity. These products include generators, transformers, home appliances, office automation equipment and electric vehicles.

### Stainless Steel and Special Steel



Leveraging our global procurement of materials and industry-leading distribution and processing supply chain, we supply steel products that meet customer needs in a wide range of industries. In addition to selling general-purpose materials, we are proactively generating new demand through methods that include submitting proposals to customers about switching materials.

# Raw Materials & Machinery

[ For more  
information ]



- Main Steel Raw Materials
- Metallic Materials
- Metal Recycling
- Chemicals
- Biomass Fuel
- Machinery & Materials
- Ships & Fuel

## Construction Materials



In Japan, we promptly and precisely respond to customer requests by leveraging diverse supply sources, including JFE Shoji Steel Construction Materials Corporation and other JFE Group suppliers. Overseas, we are intensifying our efforts to capture construction material demand in ASEAN and North America, where growth is expected.

## Main Steel Raw Materials



Our primary focus is on maintaining a stable supply of the iron ore and coal essential to the ironmaking business to JFE Steel. We are also expanding our imports, exports and cross-border business involving raw materials such as blast furnace slag\*. We are currently prioritizing coal that is more in line with environmental measures.

\*A blast furnace byproduct primarily used to make cement.

## Pipes & Fittings



Leveraging various sources in Japan and overseas, including JFE Steel, we have built a robust supply chain for our businesses that includes processing and warehousing through investments to swiftly meet demand. JFE Shoji Pipe & Fitting Corporation, which serves the domestic steel pipe sector, has thirteen locations nationwide and a sophisticated structure with strong regional roots.

## Metallic Materials



We procure ferrous alloys, nonferrous metals and special metals—auxiliary raw materials that determine the properties of steel—from suppliers around the world and sell them to JFE Steel and domestic and overseas steelmakers. Leveraging our global network, we diversify sources and the countries of purchase to ensure a stable supply of competitive raw materials.

# Business Details

## Metal Recycling



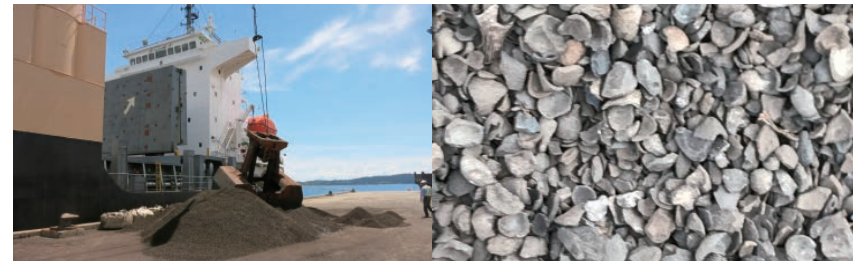
Many countries have declared their intention to become carbon neutral by 2050. As a company, we are contributing to the advent of a low-carbon society by trading steel scrap in Japan and overseas. We leverage our purchasing and sales networks and storage yards in Japan and overseas and provide steel scrap via various kinds of trade.

## Chemicals



The raw materials we carry are used in various applications and products. Examples include tires, agricultural fertilizers, electrodes for secondary lithium-ion batteries, and electronic components used in 5G base station antennas. We leverage our domestic and overseas networks to sell a wide variety of raw materials produced via coal chemistry to various industries.

## Biomass Fuel



We import carbon-neutral biomass products from Southeast Asia such as palm kernel shells and wood pellets made from culled wood and wood waste and sell them to various biomass power generation business operators in Japan. We are also looking into importing torrefied pellets—which are gaining attention as a coal substitute—to expand our product lineup.

## Machinery & Materials



We offer materials and facilities to steelworks in Japan and overseas, focusing in particular on ASEAN, India, South America and Europe. Taking advantage of our strong relationships with suppliers across multiple industries, we seek out proposal-based sales from the customer's point of view. Our attempts now stretch beyond the steel industry. We are also entering the electric power industry and contributing to the spread of renewable energy.

# Other

[ For more  
information ]

● Foods ● Electronics ● Terre Armée



## Ships & Fuel



In the field of shipping, we handle new construction, chartering\*, sale and purchase of secondhand ships and ship recycling, and have a ship-owning business as well. In the fuel field, we primarily engage in transactions involving fuel and lubricants for ships. We will be developing a next-generation business in anticipation of the decarbonization of society.

\*A business involving brokering ships hired according to the needs of shipping companies.

## Foods



Under the theme “delicious food leads to happiness,” we work to provide safe, reliable and delicious food that enriches the diets of people all over the world. In particular, our Geisha brand canned foods have a history of over a century and are collectively recognized as a national staple in the Middle East and West Africa. We are also known for Nozaki’s Corned Beef, which is sold throughout Japan.

## Electronics



In addition to developing and selling many high-value-added products worldwide—from semiconductor devices to large-scale equipment such as electronic component mounting setups—we provide total solutions based on our strengths such as advanced system proposal capabilities and technical support capabilities that quickly address customer needs.

## Terre Armée



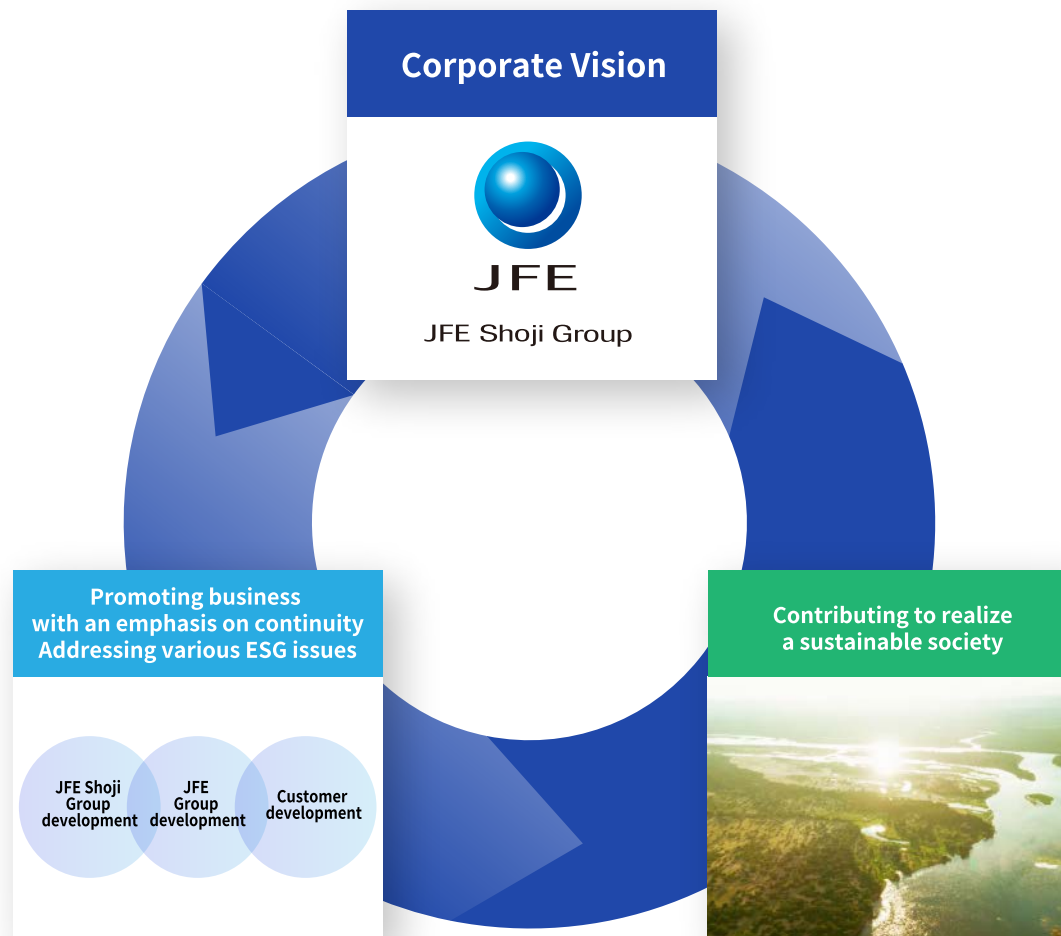
We have been constructing and selling this infrastructure solution nationwide. Terre armée uses iron to reinforce soil, making it possible to construct vertically stable soil structures. In addition to the reputation for reliability the method has earned since it was developed many years ago, its extreme durability has been proven during many major earthquakes.

## JFE Shoji Group Corporate Vision

- We strive for healthy and transparent management through sufficient corporate governance.
- We ensure a broadminded and open corporate culture on the basis of employees creativity.
- We target to be a corporate group whose inherent worth is clear to society and market, and also seek to maximize our group's corporate value.

Based on the JFE Shoji Group's corporate vision, we aim to be a company with a strong market presence that achieves sustainable growth alongside our customers as well as stakeholders including JFE Group.

We continue strengthening our corporate structure to approach ESG challenges including environment, health and safety, diversity and inclusion, and corporate governance in order to achieve more sustainable society. We also work on the stakeholders' challenges by providing "environmentally-conscious products" including steel products and biomass fuels which contribute to overcoming the climate change.



# Policy

## Basic Policy on Sustainability in the Supply Chain

For more  
information



JFE Shoji Group is striving to become a company with a strong market presence that achieves sustainable growth alongside our customers and stakeholders, including the JFE Group. We believe that ensuring sustainability in the supply chain is a pivotal issue in ensuring that outcome. As such, we have established our “Basic Policy on Sustainability in the Supply Chain” as our guiding principle for tackling human rights, labor issues, the global environment, and more in the supply chain. JFE Shoji Group seeks the understanding, cooperation and compliance of suppliers and other business partners with this basic policy as we build a more sustainable supply chain with them.

### 1. Respect for human rights

- Recognize the diverse values of individuals, and support and respect the protection of internationally proclaimed human rights.
- Prohibit inhumane treatment such as harassment and abuse including physical punishment.

### 2. Prohibition of discrimination

- Respect individuals in business activities and avoid all forms of discrimination.

### 3. Prohibition of forced labor and child labor

- Eradicate all forms of forced labor and child labor.

### 4. Improvement of working environment

- Promote the establishment of safer, healthier and more rewarding working environments for all employees.

### 5. Respect for basic rights in labor

- Respect the freedom of association and the right to engage in collective bargaining in line with the laws in each country and labor agreements.
- Comply with the minimum wage required by law and restrictions on overtime work.

### 6. Ensuring fair trade and anticorruption

- Comply with the laws and social norms in the countries and territories in which business activities are conducted, and thoroughly ensure fair trade and anticorruption.

### 7. Respect for global environment

- Give due consideration to the resource preservation and environmental conservation, and continuously promote environmentally friendly business activities.

### 8. Information disclosure

- Provide timely and appropriate disclosures of information related to the above.

November 2020 JFE Shoji Corporation

# Sustainability

## Environment

For more  
information



JFE Shoji supports sustainable living and a sustainable society.  
We are working on various environmental initiatives through our businesses.

# 1

### Offshore Wind-Power Generation Business

Spreading the use of renewable energy through our offshore wind-power generation business



As the spread of wind-power generation progresses worldwide, offshore wind-power generation — which involves the installation of wind turbines at sea — has grown rapidly in recent years. JFE Shoji launched its Renewable Energy Steel Products Team in July 2020, and the team has been steadily implementing a strategy to maximize steel sales and earn business income, including promoting collaborations with Taiwanese companies. We are building an integrated supply chain for steel sales and processing to promote collaborations within the JFE Group and to help spread the use of renewable energy.



# 2

### Biomass Fuel Business

Supplying biomass fuels to reduce CO<sub>2</sub>



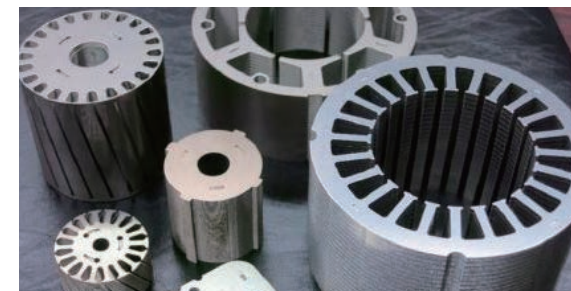
As the world moves toward decarbonization, there is increasing demand for biomass fuels such as palm kernel shells (PKS) and wood pellets, which are not affected by the weather. JFE Shoji was among the first to launch a development project targeting the biomass fuels business, and the volume has been increasing year after year. The introduction of the Ministry of Economy, Trade and Industry's feed-in tariffs scheme in 2012 has accelerated this. We import these biomass fuels from various sources to ensure a stable supply and launched the Biomass Department in April 2020 as part of our efforts to rapidly develop the business.



# 3

### Electrical Steel Business

Introducing supply network initiatives to make the supply and consumption of electric power more efficient



In addition to providing a stable supply of the high-quality electrical steel sheet that is essential for high-efficiency, low-loss motors and transformers, we are building a value chain that includes the necessary processing involved. This is part of our array of initiatives to address climate change, including those to reduce CO<sub>2</sub> emissions. We help preserve the global environment by carefully responding to customer needs based on a supply network that matches the global development of motor and transformer manufacturers.



# 4

## High-Tensile Steel Business

Strengthening our supply chain for high-tensile steel sheet that reduces automobile weight



As automakers work to reduce CO<sub>2</sub> emissions with the aim of becoming carbon neutral, the high-tensile steel sheet the JFE Group develops and sells as automotive steel is being increasingly adopted as a key material that reduces vehicle weight. This is because it improves the strength of vehicles despite reduced sheet thickness. In 2021, our new automotive steel sheet processing and sales base began operations in Mexico, creating a system to meet customer needs in our four pillar regions—Japan, China, ASEAN and North America.



# 5

## Scrap Business

Contributing to a recycling-oriented society by promoting the use of scrap



Steel scrap has attracted greater attention in recent years as the world looks to reduce CO<sub>2</sub> emissions. The amount of steel scrap generated globally is growing, and the JFE Group sees this as a key opportunity. In addition to promoting steel manufacturing using the Group's electric furnaces, we are leveraging engineering technology to put the latest energy-saving electric furnace equipment into operation, seizing business opportunities in the process. We are also developing technology that will allow us to use more scrap in blast furnaces, expanding scrap usage throughout the steel industry.



# 6

## Participation in External Initiatives

Declaring support for the UN Global Compact



We do business globally, so our domestic and overseas offices and supply chains are deeply involved in the social issues affecting each region. To help realize a sustainable society, we have joined the UN Global Compact, the world's biggest sustainability initiative, and are ramping up our efforts in support of it.

# Sustainability

## Society

[ For more  
information ]



We are actively pursuing various social contribution initiatives to help create a more prosperous society. Our overall goal is to become a corporate group whose inherent worth is clear to society and the market.

### JFE Shoji's Initiatives

#### Improving Our Products and Services

To respond to an increasingly diverse market and sophisticated customer requirements in a timely fashion, we are enhancing our integrated supply chain from material procurement to processing and distribution.

- Stable product supply, unwavering quality assurance
- Initiatives to improve customer satisfaction

#### Creating Workplaces in Which Employees Can Work with Vigor

We are working to maintain and improve the health of our employees and their families and create workplace environments in which employees can work safely and with peace of mind and vigor.

- Health and safety initiatives
- Discover illnesses early, and maintain and promote the health of employees and their families
- Initiatives to support diverse workstyles
- J-SLIM operational reform activities
- Revitalizing worksites through small group activities (J1 activities)

#### Initiatives That Make the Most of Diverse Human Resources

We promote initiatives designed to foster a corporate culture in which diverse human resources play active roles based on various workstyles.

- Promoting diversity
- Re-employment system
- Training and measures to draw out the full potential of human resources
- Global human resources development

#### Social Contribution Activities (See on the right)

### International education



#### Donations to West Africa

Since 2011 we have been donating desks, chairs, Geisha brand products (canned mackerel in tomato sauce) from Kawasho Foods and other items to elementary schools in Nigeria and Ghana. We do this to support the diet, education and wellbeing of children as part of our international contribution activities. In fiscal 2020, for example, we donated 17,000 notebooks, 12,500 cans of Geisha products, and 12,500 masks for children to 10 elementary schools in Nigeria and 5 in Ghana.

### Regional contribution



#### Kasumigaura Marathon corporate volunteer

The Kasumigaura Marathon is one of Japan's largest regional marathons. Started in 1991, it is sponsored by multiple organizations, including Tsuchiura City and Kasumigaura City in Ibaraki Prefecture. Because our Real Estate Department owns lots in Tsuchiura City, we've been participating as a corporate volunteer group since 2015 as part of our regional contribution activities. (Note: The event was not held in fiscal 2020 and 2021 due to COVID-19.)

# Governance

[ For more  
information ]



Under the governance system of JFE Holdings, we have developed a unique system suitable for each industry and ensured the best course of action for competitiveness and profitability.

## Reconstruction support



### Volunteer work to support reconstruction in disaster-stricken areas

JFE employees travel to areas devastated by natural disasters to participate in local volunteer activities. In November 2019, for example, our employees took volunteer leave to help out in Tochigi, which had sustained heavy damage from Typhoon Hagibis the previous month. They cleaned up mud that flowed into houses and covered residential roads.

## Social welfare



### Providing a practical educational opportunity at Eifuku Gakuen

Since fiscal 2020, JFE Shoji has been entrusting the packaging of our annual calendar to Eifuku Gakuen as part of the logistics course, in which students learn about retail distribution and services. We support vocational education such as this as part of our social contribution activities.

## Initiatives to Raise Compliance Awareness

### Comprehensive corporate ethics and legal compliance

#### 1 -Steadily implement training and other programs to thoroughly instill awareness of compliance, even during the COVID-19 pandemic

We believe it is essential to deepen knowledge and awareness of compliance among all members in the organization and to put this into daily practice. As such, we create e-learning materials and our Compliance Guidebook and hold discussion sessions to educate employees on the Antimonopoly Act, the Subcontract Act, the prevention of corruption (such as bribing officials) and more.

#### 2 - Thoroughly institute measures that raise awareness about whistleblowing and consultation hotlines, and strengthen initiatives that address power harassment

We have established compliance and harassment hotlines and are working on comprehensive information management, developing related user manuals, and more.

# About Us

## JFE Shoji by the Numbers

JFE Shoji has around 100 Group companies worldwide and employs more than 8,500 people. JFE Shoji and its Group companies unite as a team in our business activities, so we are able to supply products that match customer needs on a global basis.

### JFE Shoji Group employees

Working worldwide, our employees and Group companies will band together to address global needs while promoting various initiatives.



Number of  
employees  
(consolidated)

8,685

(as of March 31, 2022)



Number of  
employees  
(JFE Shoji)

1,016

(as of March 31, 2022)



Diversity and  
inclusion

We are incorporating more training and refining an environment that better fosters a corporate culture in which diverse talents can play an active role within various workstyles.



Cultivating human  
resources to boost  
quality and services

To strengthen our human resources development, we are providing various training designed to bring out the full potential of our employees and actively dispatching young employees overseas to give them practical global experience.



Health and safety  
initiatives

We conduct Group-wide health and safety management activities as a way to create safer and more pleasant workplaces, which represent the core of our corporate activities.

### Performance

fiscal year ended  
March 2022  
(consolidated)



Sales revenue

¥123.17billion



Segment profit

¥55.9billion

\*IFRS adopted; fiscal year ended March 2022 (consolidated)

[ For more  
information ]

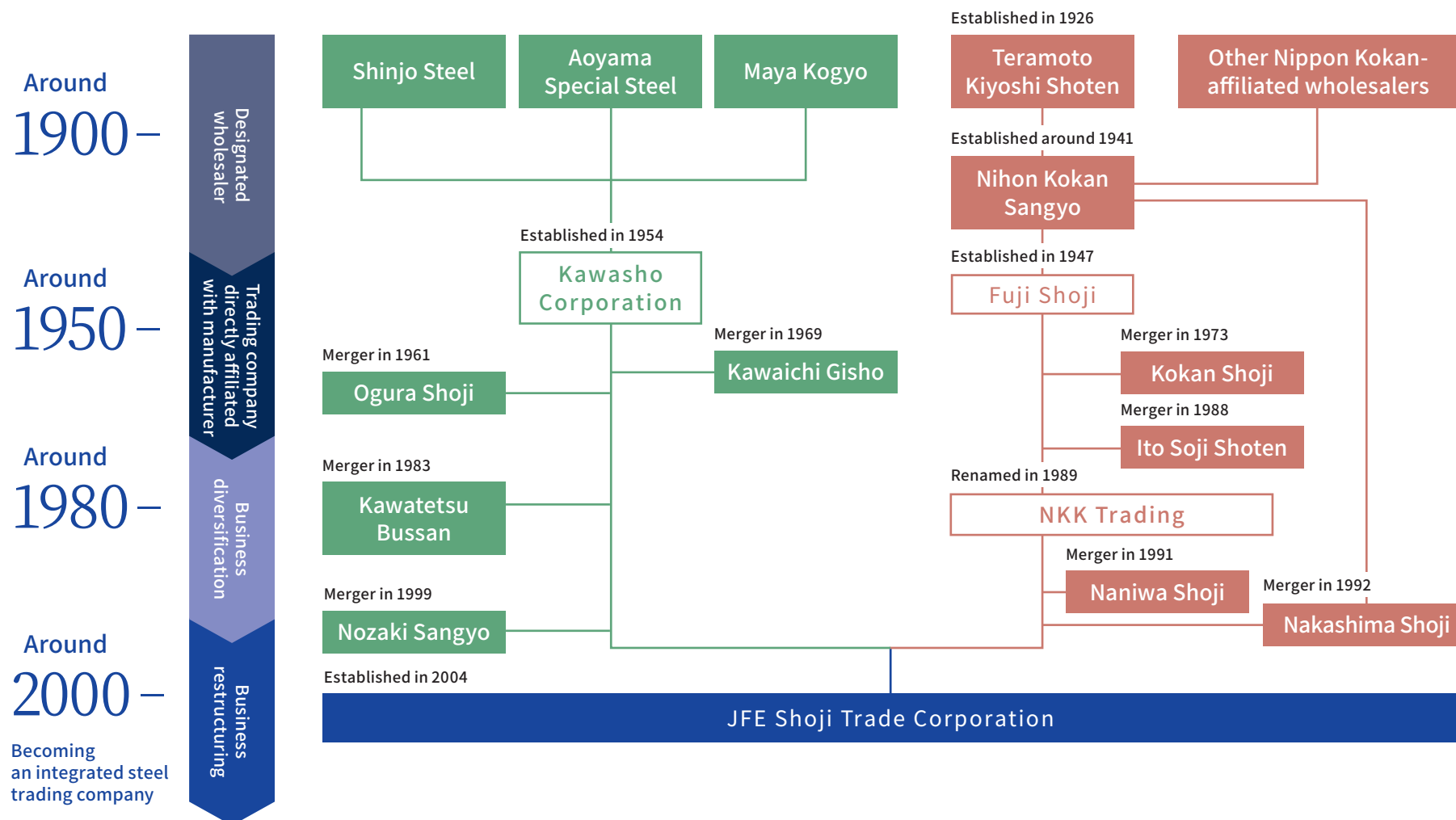


# Establishment of JFE Shoji

[ For more  
information ]



JFE Shoji Group was established in October 2004 when Kawasho Corporation and NKK Trading Inc. merged and restructured themselves. Its mission was and is to handle the core functions of product sales and global procurement for the JFE Group.



# About Us

## Company Summary

Name	JFE Shoji Corporation
Established	January, 1954
President and CEO	Toshinori Kobayashi
Capital	14.5 billion
Major Businesses	Trading of each type of product domestically as well their import and export are the main concerns of the company. Our wide-ranging business interests include steel products, raw materials for steel, machinery and materials, real estate, in our group companies foods, electronics, and more
Settlement Term	March, 31st
Employees	Consolidated 8,565 (As of March 31st, 2021)
Offices (Domestic)	20 locations
Offices (Overseas)	35 locations

## The Location of Head Office

### Head Office

Otemachi Financial City North Tower, 1-9-5, Otemachi, Chiyoda-ku, Tokyo, 100-0004

TEL : 81-3-5203-5053 FAX : 81-3-5203-5289

### Access ( time from nearest station)

- ▶ JR Line, Tokyo Station, Marunouchi North Gate 10 minutes by walk
- ▶ Tokyo Metro, Otemachi station 2 minutes by walk ( Marunouchi Line ) 6 minutes by walk ( Tozai Line )
- ▶ Toei Mita Line, Otemachi station 8 minutes by walk



# Pick up JFE Shoji

Travel log — with a will of iron

Our journey — with a will of iron. We continue that journey daily to deliver the possibilities of steel to the ends of the Earth. Even in this era of drastic changes in society and lifestyles, we provide a stable and continuous supply of products. In cooperation with our customers and other stakeholders, we are tackling various social issues head-on and promoting business activities aimed at solving them and contributing to society. Here, we “pick up” and introduce topics related to the ongoing endeavors of JFE Shoji.

## JFE Shoji Acquires “Eruboshi” Certification



In June 2021, the Minister of Health, Labour and Welfare awarded JFE Shoji the highest level of “Eruboshi” certification in recognition of our initiatives based on the Act on Promotion of Women’s Participation and Advancement in the Workplace. We have made the promotion of diversity and inclusion a core management issue. As such, we are promoting initiatives to draw out the full potential of employees of diverse backgrounds, including in terms of gender, nationality and values.

## Work on Installing Safety Sensors Continues



The JFE Shoji Group establishes a Health and Safety Action Plan every year based on the philosophy of safety first. In 2019, we began installing safety sensors as a way to prevent accidents that occur when workers come in contact with moving parts at Group processing centers overseas and in Japan. We have installed around a thousand of these sensors so far. In addition to physical improvements such as these, we are continually working to raise employee awareness on observing the rules as we seek to create a safer working environment.

## JFE Shoji Participates in Joint Onsite Career Class



In November 2020, we participated in a joint onsite career class with JFE Steel West Japan Works at Takamatsu Junior High School in Okayama City. The class was part of the school’s occupational experience program for students. Employees gave lectures on topics such as what it means to get a job and to work. The serious expressions on the faces of the students as they listened to presentations about difficulties on the job and job satisfaction were memorable. We will continue to proactively participate in programs like this and promote social contribution activities.

## Contact us

### Head Office

Otemachi Financial City North Tower,  
1-9-5, Otemachi, Chiyoda-ku, Tokyo,  
100-0004

Tel:81-3-5203-5055 Fax:81-3-5203-5290

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<https://www.jfe-shoji.co.jp/en/>

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**JFE Shoji Corporation**