

## Enhance Resilience of Domestic Manufacturing Through Sheet Business Restructuring

JFE Steel Corporation has decided to restructure its steel sheet business in order to build a stable and competitive business foundation for the future, in response to fundamental changes taking place in the domestic steel businesses.

This initiative forms part of “reorganizing domestic production structure and businesses” outlined in the “JFE Vision 2035” as a long-term target and the “Eighth Medium-term Business Plan.”

### 1. Restructuring of Sheet Business (Overview)

We plan to suspend operations on the pickling line at the East Japan Works (Keihin) by the end of the 2026 fiscal year, consolidating pickled steel sheet production at the East Japan Works (Chiba) and the West Japan Works (Kurashiki) and (Fukuyama). In addition, we plan to suspend operations at the continuous galvanizing line (No.4 CGL) and other sheet-related facilities in the district by the end of the first half of the 2028 fiscal year. We also intend to consolidate the continuous galvanizing steel production at the West Japan Works (Fukuyama) and the cold rolled special steel sheet production at the East Japan Works (Chiba).

This will enable us to strengthen the production systems for each product type, as well as on a nationwide scale. This will further improve production efficiency and cost competitiveness. Additionally, the Keihin district will serve as a manufacturing hub for eastern Japan, specializing in plates and steel pipes. It will utilize high-quality semi-finished products supplied from other districts to ensure a stable supply of products for the building materials, energy, and infrastructure sectors.

<Facilities scheduled for shutdown (See the attachment.)>

Pickling line, continuous galvanizing line (No.4 CGL), other sheet manufacturing equipment

### 2. Expected Effects of Restructuring

The reductions in fixed costs resulting from the suspension of operations are expected to increase annual profit by around 10 billion yen. Furthermore, by focusing our management resources on growth areas and high-value-added products, we will enhance our medium- to long-term profitability.

### 3. Stakeholder Considerations

While we are restructuring our business, JFE Steel will provide all of the stakeholders, including customers, business partners, employees, local communities and governments, shareholders, and investors, with detailed explanations and handle matters with integrity.

With regard to the employees, we will implement measures such as internal transfers within the district, while continuing to pursue staffing and human resources development that contribute to the growth of both our employees and the company. We will also manage matters involving the group companies and business partners who are expected to be affected with the utmost sincerity.

### 4. Toward the Future

Accurately grasping the structural changes in domestic steel demand, our aim is to continuously improve our corporate value by shifting towards high-value-added products, strengthening our ability to respond to growth sectors and establishing a lean, resilient domestic production system.

(Attachment)

(1) Main facilities scheduled for shutdown

District	Facility	Details	Original startup	Time of shutdown
Keihin	Pickling line	Thickness: 1.2-6.0mm Width: 600-1630mm	April 1979	By FY 2026
	Hot dip galvanizing line (No.4 CGL)	Thickness: 0.27-3.2mm Width: 610-1300mm	May 1992	By the end of September 2028
	Other sheet production included			

(2) Number of employees affected by facilities' shutdown

Company	Number of employees affected	Remarks
JFE Steel	Approx. 250	Including sections for manufacturing, maintenance, and management
Group Companies, Partner Companies	Approx. 300	

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