

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

JCR's Rating Review of Blast Furnace Steel Manufacturers

Issuer	Code	Long-Term Issuer Rating		Outlook
NIPPON STEEL CORPORATION	5401	<Outlook Change>	AA-	from Negative to Stable
JFE Holdings, Inc.	5411	<Outlook Change>	AA-	from Negative to Stable
JFE Steel Corporation	-	<Outlook Change>	AA-	from Negative to Stable
Kobe Steel, Ltd.	5406	<Affirmation>	A-	Stable

Issuer	Code	CP	
NIPPON STEEL CORPORATION	5401	<Affirmation>	J-1+
JFE Holdings, Inc.	5411	<Affirmation>	J-1+
Kobe Steel, Ltd.	5406	<Affirmation>	J-1

(See pages 5 through 7 for details about ratings on individual bonds, etc.)

Rating Viewpoints

- (1) Having revised the ratings on blast furnace steel manufacturers (collectively, the “Companies”), JCR affirmed the ratings on NIPPON STEEL CORPORATION and two JFE Group companies (JFE Holdings, Inc. and JFE Steel Corporation), changing the rating outlook from Negative to Stable. For Kobe Steel, Ltd., JCR affirmed the rating and retained the Stable outlook.
- (2) The Companies are expected to drastically improve their performance. Steel demand continues to recover from the slump triggered by the COVID crisis, thus boosting sales volume. Profitability of exports has improved as the supply-demand balance tightened overseas on the back of a quick recovery in demand in China, which helped raise steel prices. As the supply-demand balance is expected to remain tight into the future because of the Chinese government’s restrictions on steel exports and policy to cut steel production, the risk of a sharp drop in market prices in the near future seems to have decreased. Business improvement is also driven by the Companies’ efforts aimed at revising selling prices in response to a rise in raw material prices and so on and by cost-cutting measures. Moreover, the Companies’ financial positions were somewhat weakening in recent years due to the business slump, but the financial base will likely become stronger with an increase in cash flow generation capacity going forward. Based on the above, JCR affirmed the ratings on the Companies with the rating outlook changed to, or retained at, Stable.
- (3) The business environment is favorable for now but allows no optimism for the medium and long term. Domestic demand will inevitably decline in the future as population decreases. As countries around the world are increasingly advocating protectionist policies, local procurement will accelerate, another factor to drag down domestic demand. There also remains a risk that global economy slows down due to the resurgence of the U.S.-China trade conflict, pushing down steel demand again. Given that overseas manufacturers are enhancing their production capacities, export competition may intensify. Moreover, when the global trend toward decarbonization is expanding, any delays in technological development, etc. could result in a decrease in competitiveness in the long run.

- (4) The Companies are taking various measures in anticipation of future changes in the business environment. They intend to enhance cost competitiveness by revising their production systems to prepare for the decline in domestic demand. They are also working to improve profitability by increasing the production ratio of high value-added products, such as magnetic and high strength steel sheets. There are also moves to absorb growing local demand through M&As and alliances overseas. Meanwhile, research aimed at decarbonization through carbon recycling, hydrogen reduction steelmaking, high-grade steel production using electric furnaces, etc. is advancing, and, if the Companies could get ahead of overseas manufacturers, they would probably establish dominant positions.
- (5) Financial structure has been weakening since the fiscal year ended March 2019 (FY2018) for the Companies alike but will probably be making full recovery from FY2021 onward. JCR assumes that the Companies will keep incurring a certain level of expenditures to enhance production capacities for the products with growth potential, upgrade old facilities and so forth. Yet, future business recovery will likely help reduce interest-bearing debt and increase equity capital. Measures to generate cash flows, including asset disposal, are also projected to contribute to strengthening financial positions.

Rationale

Issuer: NIPPON STEEL CORPORATION

<Outlook Change>

Long-term Issuer Rating:	AA-
Outlook:	from Negative to Stable

<Affirmation>

Bonds:	AA-
Bonds (Dated subordinated bonds):	A
Subordinated Loan:	A
Shelf Registration:	Preliminary AA-
CP:	J-1+

- (1) Offering a wide array of highly competitive products, NIPPON STEEL CORPORATION has strong business bases in term of technological capability, sales power, blue-chip customer groups and so forth. Profit level will likely stay high for a while, and robust demand is expected to continue into the future, especially for the products for manufacturers, backed by the global economic recovery. Overseas, steel prices are rising with the tightening of the supply-demand balance partly because of demand recovery and the strengthened policy to cut steel production in China, and exports are thus expected to be highly profitable for the near future. Moreover, the revised production system, improved product mix and strengthened overseas operations will probably help boost profits in the medium run. Financial structure is favorable and presents no particular concerns. Based on the above, JCR, while affirming the ratings on NIPPON STEEL, changed the outlook from Negative to Stable.
- (2) NIPPON STEEL is taking various measures in anticipation of a decline in domestic demand, increase in competition overseas, etc. in the future. It will likely gain more cost competitiveness through the integration of production facilities, as evidenced by the March 2021 announcement to shut down a blast furnace in the East Nippon Works Kashima Area. It is also focusing on increasing profitability by improving product mix, including the enhancement of production capacity for magnetic steel sheets, while stepping up efforts to revise conditional prices to ensure adequate margins. JCR considers that NIPPON STEEL can increase its earnings capacity through these measures even in the changing business environment.
- (3) Overseas business bases are getting stronger. AM/NS India has been making profit contribution since the acquisition, and its earnings capacity is expected to increase further through production capacity enhancement, etc. going forward. Performance of previously ailing USIMINAS in Brazil and Ovako in Sweden will likely turn around, helped by the absorption of demand recovery, rising steel prices, etc. Meanwhile, NIPPON STEEL may acquire or take a stake in integrated steel mills in China and Southeast Asia in the future. As this will likely require large capital, JCR will examine the details and the probability of fund recovery.
- (4) Business profit (IFRS) for FY2021 is forecast at 600 billion yen, growing 5.5 times larger from the previous year to mark a record high since the business integration in 2012, thanks in part to the improved inventory valuation difference, growth in production and sales volumes and increase in

profitability of exports. It will likely remain firm in FY2022 and beyond. Customers' production activities keep recovering from the impacts of the COVID crisis, and sales are expected to remain strong for a while. On the other hand, steel prices are at historically high levels overseas, which could, as one possibility, lower the profitability of exports in the adjustment phase in the medium run. That said, JCR assumes that the deterioration of overall performance will be curbed to a certain extent even when overseas steel prices fall, thanks to cost reductions as a result of the revision of the production system, as well as to the improvement of product mix.

- (5) DER (after the equity content evaluation of hybrid instruments) was 0.7x as of June 30, 2021, staying almost flat from the end of FY2019. Under the medium- to long-term management plan launched in FY2021, NIPPON STEEL projects annual capital expenditures of 480 billion yen on average over the five years, which is greater than the previous plan's amount, and thus a substantial decrease in interest-bearing debt is hardly likely. However, profits will likely accumulate on the back of strong performance, and the financial structure is expected to improve gradually.

Issuer: JFE Holdings, Inc.

<Outlook Change>

Long-term Issuer Rating: AA-
Outlook: from Negative to Stable

<Affirmation>

Bonds: AA-
Bonds (Dated subordinated bonds): A
Subordinated Loan: A
Shelf Registration: Preliminary AA-
CP: J-1+

Issuer: JFE Steel Corporation

<Outlook Change>

Long-term Issuer Rating: AA-
Outlook: from Negative to Stable

- (1) The JFE Group is one of Japan's two largest steelmaker groups and is characterized by the efficient production system that is consolidated into two large-scale steelworks in the eastern and western Japan. Its performance is improving. Production activities on the part of customers are brisk despite the prolonging COVID-19 pandemic, and profits are expected to be underpinned by robust steel demand. Steel prices in overseas markets are surging due to tightened supply-demand balance for steel partly because of demand recovery and the policy to cut production in China, and high margins on exports are projected for the near future. From the medium-term perspective, growth in sales of high value-added products, cost reductions, etc. are also expected to help boost profits. Financial structure was weakening in recent years but will probably start improving going forward thanks to business recovery. Based on the above, JCR, while affirming the ratings on the JFE Group, changed the outlook from Negative to Stable.
- (2) JFE Holdings is taking various measures to enhance its earnings capacity. A blast furnace is slated to shut down in 2023 at East Japan Works (Keihin District), which will likely help reduce fixed costs as a result. JFE Holdings also intends to raise profit margin by increasing the ratio of high value-added products, such as magnetic and high strength steel sheets, to improve product mix. Even though domestic demand will decline further and competition for exports will intensify in the medium and long run, JCR predicts that the above measures will help push up the profit level.
- (3) The overseas business has been weakening in recent years due in part to a drop in demand but will likely increase profit contribution going forward as the business environment turns around. Economic activities are picking up in countries around the world, and growth in production and sales volumes is expected to boost this segment's results. High steel prices in overseas markets will also contribute to profit generation in the near term.
- (4) Business profit (IFRS) for FY2021 is forecast at 350.0 billion yen, dramatically improving from the previous year's 12.9 billion yen in loss, thanks in part to the improved inventory valuation difference, growth in production and sales volumes and increase in profitability of exports. The profit is expected to stay firm into FY2022 and beyond on the back of robust steel demand. Although the profitability of exports may weaken over the medium term due to a fall in overseas

steel prices, JCR assumes that overall performance will be underpinned by cost reductions, growth in sales of high value-added products, etc.

- (5) DER (after the equity content evaluation of subordinated loans) as of June 30, 2021 was 0.9x, improving from 1.0x as at the end of FY2019. Equity attributable to owners of parent has been enhanced with business recovery. Capital expenditures under the medium-term business plan launched in FY2021 are projected at 300 billion yen a year on average over the four years, suggesting that spending will be curbed from the previous plan. Also, given that cash flow generation capacity is expected to increase, the financial structure will probably keep improving.

Issuer: Kobe Steel, Ltd.

<Affirmation>

Long-term Issuer Rating:	A-
Outlook:	Stable
Bonds:	A-
Shelf Registration:	Preliminary A-
CP:	J-1

- (1) Kobe Steel, Ltd. is aiming to establish three core areas of business: materials, machinery and electric power. Its performance has been weak in recent years but is expected to improve in FY2021. A turnaround in the business environment will likely make the materials businesses profitable, pushing up overall results. Also, the profit level is expected to rise for the electric power business in FY2022 and beyond. As regards high fixed costs for the steel and advanced materials businesses, one of the factors leading to the business downturn, improvement efforts are still underway; therefore, continued attention should be paid to their outcome. Financial structure will likely become stronger going forward as overall performance improves. However, it has yet to return to the level prior to FY2019 when business deteriorated drastically. Based on the above, JCR affirmed the ratings on Kobe Steel and retained the Stable outlook.
- (2) Kobe Steel is taking various measures to improve its earnings capacity in the materials businesses. It is focusing on cost reductions and improvement of product mix in the steel business, while pressing ahead with downsizing, withdrawal from unprofitable products, revision of selling prices, etc. in the advanced materials business. Attention will be paid to whether it can, through these measures, build a structure to ensure profits even when demand declines in the future.
- (3) The machinery businesses are expected to keep securing certain profits. The machinery business is seeing orders pick up and is expected turn around going forward. The construction machinery business will probably achieve firm profits despite intensifying competition with Chinese rivals, thanks in part to the absorption of demand recovery in other regions than China. The electric power business is expected to see an increase in earnings capacity going forward as No. 3 and No. 4 units at Kobe Power Plant are scheduled to go into operation in FY2021 to FY2022.
- (4) Ordinary income of 70.0 billion yen is projected for FY2021, growing 4.3 times larger from the previous year, thanks primarily to increases in production and sales volumes, mainly in the materials businesses, and improvement of inventory valuation difference. However, the materials businesses may weaken in FY2022 and beyond due to the elimination of the said difference. On the other hand, the machinery businesses will likely stay firm, and a higher profit level is expected for the electric power business. As such, JCR assumes that Kobe Steel can ensure certain profits on the whole.
- (5) DER as of March 31, 2021 was 1.4x (1.1x excluding project finance), staying almost flat from a year before. Although interest-bearing debt increased due to the expenditures associated with No. 3 and No. 4 units at Kobe Power Plant, other comprehensive income grew with a rise in stock prices, and profits accumulated, too. Looking ahead, cash flow generation capacity is likely to improve, and Kobe Steel intends to keep capital expenditures at a level below depreciation expenses in FY2022 and beyond. Therefore, JCR predicts that the financial structure will improve from here on.

Masayoshi Mizukawa, Akihiro Kondo

Rating

Issuer: NIPPON STEEL CORPORATION

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Stable

<Affirmation>

Issue	Amount (JPY bn)	Issue Date yyyy.mm.dd	Due Date yyyy.mm.dd	Coupon (%)	Rating
Bonds no. 1	30	2019.06.14	2024.06.20	0.140	AA-
Bonds no. 2	30	2019.06.14	2026.06.19	0.240	AA-
Bonds no. 3	20	2019.06.14	2029.06.20	0.279	AA-
Bonds no. 4	40	2020.06.17	2023.06.20	0.050	AA-
Bonds no. 5	30	2020.06.17	2025.06.20	0.230	AA-
Bonds no. 6	10	2020.06.17	2030.06.20	0.420	AA-
Bonds no. 1*	10	2016.09.26	2026.09.18	0.28	AA-
Bonds no. 2*	10	2016.09.26	2031.09.19	0.64	AA-
Bonds no. 3*	10	2017.05.25	2024.05.20	0.220	AA-
Bonds no. 4*	10	2017.05.25	2027.05.20	0.375	AA-
Bonds no. 5*	10	2017.12.08	2024.12.20	0.230	AA-
Bonds no. 6*	10	2017.12.08	2027.12.20	0.350	AA-
Bonds no. 7*	20	2018.06.12	2023.06.20	0.120	AA-
Bonds no. 8*	20	2018.06.12	2025.06.20	0.250	AA-
Bonds no. 9*	20	2018.06.12	2028.06.20	0.385	AA-
Bonds no. 59**	10	2008.09.02	2028.06.20	2.491	AA-
Bonds no. 70**	20	2012.07.20	2022.06.20	0.951	AA-
1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds	70	2019.09.12	2079.09.12 (Note 1)		A
2nd Series Deferrable Interest and Callable Unsecured Subordinated Bonds	30	2019.09.12	2079.09.12 (Note 2)		A
3rd Series Deferrable Interest and Callable Unsecured Subordinated Bonds	200	2019.09.12	2079.09.12 (Note 3)		A

* Issued by NIPPON STEEL & SUMITOMO METAL CORPORATION

** Issued by Nippon Steel Corporation

Notes:

- 0.71% from Sept. 13, 2019 to Sept. 12, 2024. 6M Euroyen LIBOR + 0.85% from Sept. 13, 2024 to Sept. 12, 2029. 6M Euroyen LIBOR + 1.10% from Sept. 13, 2029 to Sept. 12, 2044. 6M Euroyen LIBOR + 1.85% after that date.
- 0.93% from Sept. 13, 2019 to Sept. 12, 2026. 6M Euroyen LIBOR + 1.05% from Sept. 13, 2026 to Sept. 12, 2029. 6M Euroyen LIBOR + 1.30% from Sept. 13, 2029 to Sept. 12, 2046. 6M Euroyen LIBOR + 2.05% after that date.
- 1.24% from Sept. 13, 2019 to Sept. 12, 2029. 6M Euroyen LIBOR + 1.55% from Sept. 13, 2029 to Sept. 12, 2049. 6M Euroyen LIBOR + 2.30% after that date.

Issue	Amount (JPY bn)	Execution Date yyyy.mm.dd	Repayment Date yyyy.mm.dd	Interest Rate	Rating
Subordinated Loan dated July 2, 2020 (Tranche A)	300	2020.07.21	2080.07.22	(Note 1)	A
Subordinated Loan dated July 2, 2020 (Tranche B)	150	2020.07.21	2080.07.22	(Note 2)	A

Notes:

- 6M TIBOR + initial spread from the borrowing date (inclusive) to the corresponding date (exclusive) 10 years later; 6M TIBOR + initial spread + 0.25% step-up interest rate from the corresponding date (inclusive) of the borrowing date 10 years later to the corresponding date (exclusive) of the borrowing date 25 years later; and 6M TIBOR + initial spread + 1.00% step-up interest rate on and after the corresponding date 25 years later.
- 6M TIBOR + initial spread from the borrowing date (inclusive) to the corresponding date (exclusive) 10 years later; 6M TIBOR + initial spread + 0.25% step-up interest rate from the corresponding date (inclusive) of the borrowing date 10 years later to the corresponding date (exclusive) of the borrowing date 27 years later; and 6M TIBOR + initial spread + 1.00% step-up interest rate on and after the corresponding date 27 years later.

Shelf Registration: Preliminary AA-
 Maximum: JPY 450 billion
 Valid: two years effective from August 21, 2021
 CP: J-1+
 Maximum: JPY 900 billion

Issuer: JFE Holdings, Inc.

<Outlook Change>

Long-term Issuer Rating: AA- Outlook: Stable

<Affirmation>

Issue	Amount (JPY bn)	Issue Date yyyy.mm.dd	Due Date yyyy.mm.dd	Coupon (%)	Rating
Bonds no. 21*	10	2014.03.13	2024.03.13	0.804	AA-
Bonds no. 22*	20	2014.09.19	2024.09.19	0.703	AA-
Bonds no. 23	10	2017.05.23	2022.05.23	0.090	AA-
Bonds no. 24	10	2018.03.01	2023.03.01	0.110	AA-
Bonds no. 25	20	2018.05.21	2025.05.21	0.260	AA-
Bonds no. 26	10	2018.11.22	2023.11.22	0.150	AA-
Bonds no. 27	30	2019.05.27	2024.05.27	0.170	AA-
Bonds no. 28	10	2019.05.27	2026.05.27	0.260	AA-
Bonds no. 29	20	2019.05.27	2029.05.25	0.365	AA-
Bonds no. 30	10	2019.09.20	2024.09.20	0.120	AA-
Bonds no. 31	30	2019.09.20	2026.09.18	0.250	AA-
Bonds no. 32	20	2019.09.20	2029.09.20	0.320	AA-
Bonds no. 33	20	2020.07.14	2023.07.14	0.050	AA-
Bonds no. 34	30	2020.07.14	2025.07.14	0.250	AA-
Bonds no. 35	10	2020.07.14	2030.07.12	0.470	AA-
1st Series Deferrable Interest and Callable Unsecured Subordinated Bonds					
	35	2021.06.10	2081.06.10	(Note)	A

* Guaranteed by JFE Steel Corporation

Note: Fixed interest rate of 0.68% until and including June 10, 2027. 6M Euroyen LIBOR + 0.65% from June 11, 2027 to June 10, 2031. 6M Euroyen LIBOR + 0.95% from June 11, 2031 to June 10, 2047. 6M Euroyen LIBOR + 1.65% from June 11, 2047 onward.

Issue	Amount (JPY bn)	Execution Date yyyy.mm.dd	Repayment Date yyyy.mm.dd	Interest Rate	Rating
Loan agreement dated June 15, 2016 (Tranche B)	67.5	2016.06.30	2076.06.30	(Note 1)	A
Loan agreement dated June 15, 2016 (Tranche C)	64.0	2016.06.30	2076.06.30	(Note 2)	A
Loan agreement dated June 15, 2016 (Tranche D)	36.0	2016.06.30	2076.06.30	(Note 3)	A
Loan agreement dated Feb. 16, 2018 (Tranche A)	200.0	2018.03.19	2078.03.19	(Note 4)	A
Loan agreement dated Feb. 16, 2018 (Tranche B)	100.0	2018.03.19	2078.03.19	(Note 5)	A

Notes:

- 3M Euroyen LIBOR + initial spread for interest periods from loan execution to June 30, 2026. 3M Euroyen LIBOR + initial spread + 1.00% step-up interest rate for interest periods starting on or after June 30, 2026.
- 10-year swap interest rate + initial spread for interest periods from loan execution to June 30, 2026. 6M Euroyen LIBOR + initial spread + 1.00% step-up interest rate for interest periods starting on or after June 30, 2026.
- Predetermined fixed interest rate for interest periods from loan execution to June 30, 2026. 6M Euroyen LIBOR + initial spread + 1.00% step-up interest rate for interest periods starting on or after June 30, 2026.
- 3M Euroyen LIBOR + initial spread for interest periods from loan execution to March 19, 2028. 3M Euroyen LIBOR + initial spread + 1.00% step-up interest rate for interest periods starting on or after March 19, 2028.

5. 3M Euroyen LIBOR + initial spread for interest periods from loan execution to March 19, 2028. 3M Euroyen LIBOR + initial spread + 1.00% step-up interest rate for interest periods starting on or after March 19, 2028.

Shelf Registration: Preliminary AA-
 Maximum: JPY 300 billion
 Valid: two years effective from July 8, 2021
 CP: J-1+
 Maximum: JPY 500 billion

Issuer: JFE Steel Corporation

<Outlook Change>
 Long-term Issuer Rating: AA- Outlook: Stable

Issuer: Kobe Steel, Ltd.

<Affirmation>
 Long-term Issuer Rating: A- Outlook: Stable

Issue	Amount (JPY bn)	Issue Date yyyy.mm.dd	Due Date yyyy.mm.dd	Coupon (%)	Rating
Bonds no. 56	10	2011.11.25	2021.11.25	1.217	A-
Bonds no. 58	10	2012.02.23	2022.02.23	1.232	A-
Bonds no. 60	10	2012.05.22	2022.05.20	1.117	A-
Bonds no. 62	15	2015.05.21	2022.05.20	0.579	A-
Bonds no. 63	25	2015.05.21	2025.05.21	0.924	A-
Bonds no. 65	10	2015.08.27	2025.08.27	0.815	A-
Bonds no. 67	10	2021.06.10	2026.06.10	0.200	A-

Shelf Registration: Preliminary A-
 Maximum: JPY 200 billion
 Valid: two years effective from July 7, 2020
 CP: J-1
 Maximum: JPY 200 billion

Rating Assignment Date: October 1, 2021

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (November 7, 2014), "Iron & Steel" (March 26, 2012), "Rating Viewpoints on Pure Holding Companies (Domestic Industrial Corporations)" (July 1, 2003), "Rating Methodology for a Holding Company" (January 26, 2015) and "Ratings of Hybrid Securities" (September 10, 2012) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Glossary:

A preliminary rating is a credit rating assigned as a preliminary evaluation while material terms for issue to be rated are not yet finalized. When the issuing terms are finalized, JCR will confirm them and will assign a credit rating anew. The rating level of the final rating may be different from that of the preliminary rating, depending on the final content of the terms, etc.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
 Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

Copyright © Japan Credit Rating Agency, Ltd. All rights reserved.



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	NIPPON STEEL CORPORATION
Rating Publication Date:	October 6, 2021

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
- A) Audited financial statements presented by the rating stakeholders
- B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset

quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the order of seniority in repayment of interests and principal. JCR assumes the resultant change of the credit rating is most likely by a notch. The change could be as much as a few notches if the issuer's financial structure differs so much and thereby the balance between debts shifted so greatly. Rating change is also possible in case of the financial products for which non-payment of interest/ principal is contractually permissible, if and when the assumptions made at the time of its determination turns out to be inaccurate. The change of the credit rating is assumed to be by a notch but often as much as a few notches.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
NIPPON STEEL	Issuer(Long-term)	March 22, 2006	AA	Positive
NIPPON STEEL	Issuer(Long-term)	October 18, 2006	AA	Positive
NIPPON STEEL	Issuer(Long-term)	October 4, 2007	AA	Positive
NIPPON STEEL	Issuer(Long-term)	October 7, 2008	AA	Positive
NIPPON STEEL	Issuer(Long-term)	October 23, 2009	AA	Stable
NIPPON STEEL	Issuer(Long-term)	October 5, 2010	AA	Stable
NIPPON STEEL	Issuer(Long-term)	October 5, 2011	AA	Stable
NIPPON STEEL	Issuer(Long-term)	September 27, 2012	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	October 1, 2012	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	October 7, 2013	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	September 30, 2014	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	October 5, 2015	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	September 15, 2016	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	October 5, 2017	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	October 16, 2018	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	October 4, 2019	AA-	Stable
NIPPON STEEL	Issuer(Long-term)	September 30, 2020	AA-	Negative
NIPPON STEEL	CP	March 22, 2006	J-1+	
NIPPON STEEL	CP	October 18, 2006	J-1+	
NIPPON STEEL	CP	October 4, 2007	J-1+	
NIPPON STEEL	CP	March 31, 2008	J-1+	
NIPPON STEEL	CP	October 7, 2008	J-1+	
NIPPON STEEL	CP	October 23, 2009	J-1+	
NIPPON STEEL	CP	October 5, 2010	J-1+	
NIPPON STEEL	CP	October 5, 2011	J-1+	
NIPPON STEEL	CP	September 27, 2012	J-1+	
NIPPON STEEL	CP	October 1, 2012	J-1+	
NIPPON STEEL	CP	October 7, 2013	J-1+	
NIPPON STEEL	CP	September 30, 2014	J-1+	
NIPPON STEEL	CP	October 5, 2015	J-1+	
NIPPON STEEL	CP	September 15, 2016	J-1+	
NIPPON STEEL	CP	October 5, 2017	J-1+	
NIPPON STEEL	CP	October 16, 2018	J-1+	
NIPPON STEEL	CP	October 4, 2019	J-1+	
NIPPON STEEL	CP	September 30, 2020	J-1+	
NIPPON STEEL	Shelf Registration	August 12, 2021	AA-	
NIPPON STEEL	Bonds no.59	August 27, 2008	AA	
NIPPON STEEL	Bonds no.59	October 7, 2008	AA	
NIPPON STEEL	Bonds no.59	October 23, 2009	AA	
NIPPON STEEL	Bonds no.59	October 5, 2010	AA	
NIPPON STEEL	Bonds no.59	October 5, 2011	AA	
NIPPON STEEL	Bonds no.59	September 27, 2012	AA-	
NIPPON STEEL	Bonds no.59	October 1, 2012	AA-	
NIPPON STEEL	Bonds no.59	October 7, 2013	AA-	
NIPPON STEEL	Bonds no.59	September 30, 2014	AA-	
NIPPON STEEL	Bonds no.59	October 5, 2015	AA-	
NIPPON STEEL	Bonds no.59	September 15, 2016	AA-	
NIPPON STEEL	Bonds no.59	October 5, 2017	AA-	
NIPPON STEEL	Bonds no.59	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.59	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.59	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.70	July 13, 2012	AA	
NIPPON STEEL	Bonds no.70	September 27, 2012	AA-	
NIPPON STEEL	Bonds no.70	October 1, 2012	AA-	
NIPPON STEEL	Bonds no.70	October 7, 2013	AA-	
NIPPON STEEL	Bonds no.70	September 30, 2014	AA-	
NIPPON STEEL	Bonds no.70	October 5, 2015	AA-	
NIPPON STEEL	Bonds no.70	September 15, 2016	AA-	
NIPPON STEEL	Bonds no.70	October 5, 2017	AA-	
NIPPON STEEL	Bonds no.70	October 16, 2018	AA-	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
NIPPON STEEL	Bonds no.70	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.70	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.1	September 15, 2016	AA-	
NIPPON STEEL	Bonds no.1	October 5, 2017	AA-	
NIPPON STEEL	Bonds no.1	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.1	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.1	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.2	September 15, 2016	AA-	
NIPPON STEEL	Bonds no.2	October 5, 2017	AA-	
NIPPON STEEL	Bonds no.2	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.2	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.2	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.3	May 16, 2017	AA-	
NIPPON STEEL	Bonds no.3	October 5, 2017	AA-	
NIPPON STEEL	Bonds no.3	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.3	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.3	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.4	May 16, 2017	AA-	
NIPPON STEEL	Bonds no.4	October 5, 2017	AA-	
NIPPON STEEL	Bonds no.4	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.4	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.4	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.5	December 1, 2017	AA-	
NIPPON STEEL	Bonds no.5	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.5	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.5	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.6	December 1, 2017	AA-	
NIPPON STEEL	Bonds no.6	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.6	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.6	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.7	June 6, 2018	AA-	
NIPPON STEEL	Bonds no.7	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.7	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.7	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.8	June 6, 2018	AA-	
NIPPON STEEL	Bonds no.8	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.8	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.8	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.9	June 6, 2018	AA-	
NIPPON STEEL	Bonds no.9	October 16, 2018	AA-	
NIPPON STEEL	Bonds no.9	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.9	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.1	June 6, 2019	AA-	
NIPPON STEEL	Bonds no.1	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.1	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.2	June 6, 2019	AA-	
NIPPON STEEL	Bonds no.2	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.2	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.3	June 6, 2019	AA-	
NIPPON STEEL	Bonds no.3	October 4, 2019	AA-	
NIPPON STEEL	Bonds no.3	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.1(subordinated)	September 6, 2019	A	
NIPPON STEEL	Bonds no.1(subordinated)	October 4, 2019	A	
NIPPON STEEL	Bonds no.1(subordinated)	September 30, 2020	A	
NIPPON STEEL	Bonds no.2(subordinated)	September 6, 2019	A	
NIPPON STEEL	Bonds no.2(subordinated)	October 4, 2019	A	
NIPPON STEEL	Bonds no.2(subordinated)	September 30, 2020	A	
NIPPON STEEL	Bonds no.3(subordinated)	September 6, 2019	A	
NIPPON STEEL	Bonds no.3(subordinated)	October 4, 2019	A	
NIPPON STEEL	Bonds no.3(subordinated)	September 30, 2020	A	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
NIPPON STEEL	Bonds no.4	June 11, 2020	AA-	
NIPPON STEEL	Bonds no.4	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.5	June 11, 2020	AA-	
NIPPON STEEL	Bonds no.5	September 30, 2020	AA-	
NIPPON STEEL	Bonds no.6	June 11, 2020	AA-	
NIPPON STEEL	Bonds no.6	September 30, 2020	AA-	
NIPPON STEEL	Loan(subordinatd) Tranche A	July 2, 2020	A	
NIPPON STEEL	Loan(subordinatd) Tranche A	September 30, 2020	A	
NIPPON STEEL	Loan(subordinatd) Tranche B	July 2, 2020	A	
NIPPON STEEL	Loan(subordinatd) Tranche B	September 30, 2020	A	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Shigenobu Tonomura, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

殿村成信

Shigenobu Tonomura

General Manager of Corporate Rating Department II

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	JFE Holdings Inc.
Rating Publication Date:	October 6, 2021

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
- A) Audited financial statements presented by the rating stakeholders
- B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset

quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the order of seniority in repayment of interests and principal. JCR assumes the resultant change of the credit rating is most likely by a notch. The change could be as much as a few notches if the issuer's financial structure differs so much and thereby the balance between debts shifted so greatly. Rating change is also possible in case of the financial products for which non-payment of interest/ principal is contractually permissible, if and when the assumptions made at the time of its determination turns out to be inaccurate. The change of the credit rating is assumed to be by a notch but often as much as a few notches.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
JFE Holdings, Inc.	Issuer(Long-term)	March 5, 2003	A+	
JFE Holdings, Inc.	Issuer(Long-term)	October 2, 2003	A+	
JFE Holdings, Inc.	Issuer(Long-term)	October 4, 2004	AA-	
JFE Holdings, Inc.	Issuer(Long-term)	October 12, 2005	AA	
JFE Holdings, Inc.	Issuer(Long-term)	October 18, 2006	AA	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 4, 2007	AA	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 7, 2008	AA	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 23, 2009	AA	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 5, 2010	AA	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 5, 2011	AA	Stable
JFE Holdings, Inc.	Issuer(Long-term)	September 27, 2012	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 7, 2013	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	September 30, 2014	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 5, 2015	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 5, 2016	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 5, 2017	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 16, 2018	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	October 4, 2019	AA-	Stable
JFE Holdings, Inc.	Issuer(Long-term)	September 30, 2020	AA-	Negative
JFE Holdings, Inc.	CP	April 1, 2003	J-1	
JFE Holdings, Inc.	CP	October 2, 2003	J-1	
JFE Holdings, Inc.	CP	October 4, 2004	J-1+	
JFE Holdings, Inc.	CP	October 12, 2005	J-1+	
JFE Holdings, Inc.	CP	October 18, 2006	J-1+	
JFE Holdings, Inc.	CP	October 4, 2007	J-1+	
JFE Holdings, Inc.	CP	October 7, 2008	J-1+	
JFE Holdings, Inc.	CP	January 9, 2009	J-1+	
JFE Holdings, Inc.	CP	October 23, 2009	J-1+	
JFE Holdings, Inc.	CP	October 5, 2010	J-1+	
JFE Holdings, Inc.	CP	October 5, 2011	J-1+	
JFE Holdings, Inc.	CP	September 27, 2012	J-1+	
JFE Holdings, Inc.	CP	October 7, 2013	J-1+	
JFE Holdings, Inc.	CP	September 30, 2014	J-1+	
JFE Holdings, Inc.	CP	October 5, 2015	J-1+	
JFE Holdings, Inc.	CP	October 5, 2016	J-1+	
JFE Holdings, Inc.	CP	October 5, 2017	J-1+	
JFE Holdings, Inc.	CP	October 16, 2018	J-1+	
JFE Holdings, Inc.	CP	October 4, 2019	J-1+	
JFE Holdings, Inc.	CP	September 30, 2020	J-1+	
JFE Holdings, Inc.	Shelf Registration	July 8, 2021	AA-	
JFE Holdings, Inc.	Bonds no.21	March 7, 2014	AA-	
JFE Holdings, Inc.	Bonds no.21	September 30, 2014	AA-	
JFE Holdings, Inc.	Bonds no.21	October 5, 2015	AA-	
JFE Holdings, Inc.	Bonds no.21	October 5, 2016	AA-	
JFE Holdings, Inc.	Bonds no.21	October 5, 2017	AA-	
JFE Holdings, Inc.	Bonds no.21	October 16, 2018	AA-	
JFE Holdings, Inc.	Bonds no.21	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.21	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.22	September 12, 2014	AA-	
JFE Holdings, Inc.	Bonds no.22	September 30, 2014	AA-	
JFE Holdings, Inc.	Bonds no.22	October 5, 2015	AA-	
JFE Holdings, Inc.	Bonds no.22	October 5, 2016	AA-	
JFE Holdings, Inc.	Bonds no.22	October 5, 2017	AA-	
JFE Holdings, Inc.	Bonds no.22	October 16, 2018	AA-	
JFE Holdings, Inc.	Bonds no.22	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.22	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.23	May 16, 2017	AA-	
JFE Holdings, Inc.	Bonds no.23	October 5, 2017	AA-	
JFE Holdings, Inc.	Bonds no.23	October 16, 2018	AA-	
JFE Holdings, Inc.	Bonds no.23	October 4, 2019	AA-	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
JFE Holdings, Inc.	Bonds no.23	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.24	February 23, 2018	AA-	
JFE Holdings, Inc.	Bonds no.24	October 16, 2018	AA-	
JFE Holdings, Inc.	Bonds no.24	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.24	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.25	May 15, 2018	AA-	
JFE Holdings, Inc.	Bonds no.25	October 16, 2018	AA-	
JFE Holdings, Inc.	Bonds no.25	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.25	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.26	November 16, 2018	AA-	
JFE Holdings, Inc.	Bonds no.26	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.26	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.27	May 21, 2019	AA-	
JFE Holdings, Inc.	Bonds no.27	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.27	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.28	May 21, 2019	AA-	
JFE Holdings, Inc.	Bonds no.28	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.28	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.29	May 21, 2019	AA-	
JFE Holdings, Inc.	Bonds no.29	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.29	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.30	September 13, 2019	AA-	
JFE Holdings, Inc.	Bonds no.30	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.30	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.31	September 13, 2019	AA-	
JFE Holdings, Inc.	Bonds no.31	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.31	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.32	September 13, 2019	AA-	
JFE Holdings, Inc.	Bonds no.32	October 4, 2019	AA-	
JFE Holdings, Inc.	Bonds no.32	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.33	July 8, 2020	AA-	
JFE Holdings, Inc.	Bonds no.33	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.34	July 8, 2020	AA-	
JFE Holdings, Inc.	Bonds no.34	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.35	July 8, 2020	AA-	
JFE Holdings, Inc.	Bonds no.35	September 30, 2020	AA-	
JFE Holdings, Inc.	Bonds no.1(subordinated)	June 4, 2021	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	June 15, 2016	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	October 5, 2016	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	October 5, 2017	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	October 16, 2018	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	October 4, 2019	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	September 30, 2020	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche C	June 15, 2016	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche C	October 5, 2016	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche C	October 5, 2017	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche C	October 16, 2018	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche C	October 4, 2019	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche C	September 30, 2020	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche D	June 15, 2016	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche D	October 5, 2016	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche D	October 5, 2017	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche D	October 16, 2018	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche D	October 4, 2019	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche D	September 30, 2020	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche A	February 16, 2018	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche A	October 16, 2018	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche A	October 4, 2019	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche A	September 30, 2020	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	February 16, 2018	A	

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
JFE Holdings, Inc.	Loan(subordinated) Tranche B	October 16, 2018	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	October 4, 2019	A	
JFE Holdings, Inc.	Loan(subordinated) Tranche B	September 30, 2020	A	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Shigenobu Tonomura, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

殿村成信

Shigenobu Tonomura

General Manager of Corporate Rating Department II

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	JFE Steel Corporation
Rating Publication Date:	October 6, 2021

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
- A) Audited financial statements presented by the rating stakeholders
- B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset

quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the order of seniority in repayment of interests and principal. JCR assumes the resultant change of the credit rating is most likely by a notch. The change could be as much as a few notches if the issuer's financial structure differs so much and thereby the balance between debts shifted so greatly. Rating change is also possible in case of the financial products for which non-payment of interest/ principal is contractually permissible, if and when the assumptions made at the time of its determination turns out to be inaccurate. The change of the credit rating is assumed to be by a notch but often as much as a few notches.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
JFE Steel Corporation	Issuer(Long-term)	October 18, 2006	AA	Stable
JFE Steel Corporation	Issuer(Long-term)	October 4, 2007	AA	Stable
JFE Steel Corporation	Issuer(Long-term)	October 7, 2008	AA	Stable
JFE Steel Corporation	Issuer(Long-term)	October 23, 2009	AA	Stable
JFE Steel Corporation	Issuer(Long-term)	October 5, 2010	AA	Stable
JFE Steel Corporation	Issuer(Long-term)	October 5, 2011	AA	Stable
JFE Steel Corporation	Issuer(Long-term)	September 27, 2012	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	October 7, 2013	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	September 30, 2014	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	October 5, 2015	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	October 5, 2016	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	October 5, 2017	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	October 16, 2018	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	October 4, 2019	AA-	Stable
JFE Steel Corporation	Issuer(Long-term)	September 30, 2020	AA-	Negative

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Shigenobu Tonomura, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

殿村成信

Shigenobu Tonomura

General Manager of Corporate Rating Department II

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Kobe Steel, Ltd.
Rating Publication Date:	October 6, 2021

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

