



Decision on Debt Guarantee for JFE Holdings, Incorporated

March 23, 2026

GX Acceleration Agency has decided to provide financial support to JFE Holdings, Incorporated. The company aims to achieve carbon neutrality by 2050 through initiatives such as the deployment of large-scale innovative electric arc furnaces. This project is expected to reduce CO₂ emissions significantly by replacing blast furnaces, while enhancing the industrial competitiveness of end users through a supply of high-quality green steel materials.

GX Acceleration Agency (GXA) has decided to provide a debt guarantee for loans provided to JFE Holdings, Incorporated (JFE) by Mizuho Bank.

This guarantee supports the financing required for JFE's investments in innovative electric arc furnace facilities, as JFE strives to achieve carbon neutrality. This project is based on JFE's Green/Transition Finance Framework and falls under Category 3 of the GXA's Debt Guarantee Program: 'Debt Guarantee for corporates raising funds through Transition Finance'.

1. Outline of the company
 - 1) **Company Name:** JFE Holdings, Inc.
 - 2) **Headquarters:** 2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo
 - 3) **Representative:** President and CEO, Yoshihisa Kitano
 - 4) **Established Year:** September 27, 2002
 - 5) **Main Business:** Steel business, engineering and trading businesses

2. Policy Significance in Alignment with GX Policy
 - 1) CO₂ emission reduction
 - The steel industry accounts for approximately 13% of Japan's total CO₂ emissions, making it a hard-to-abate sector where emissions reduction is inherently challenging.
 - In Japan, blast furnace process accounts for around 75% of crude steel production. However, the use of coke as a reducing agent in this process result in significant CO₂ emissions. Although conventional electric arc furnaces emit less CO₂ per ton of steel compared to blast furnaces, the range of steel products they can produce is limited.
 - JFE's innovative electric arc furnace aims to reduce CO₂ emissions by around 60% compared to typical blast furnaces, while enabling the production of high-quality green steel materials. This is achieved by strengthening refining functions within the electric arc furnace and applying integrated steelmaking technologies traditionally used by blast furnace operators. The process uses high-grade scrap and pre-reduced iron ore. JFE aims to produce these materials in quantities comparable to those of blast furnaces, at approximately 2 million tons per year.



2) Industrial Competitiveness and Economic Growth

- The aim of this project is to establish the world's first large-scale supply system for high-quality, high-performance steel materials, such as electrical steel sheets and high-tensile steel sheets, with JFE's proprietary technology and one of the world's largest electric arc furnaces.
- By maintaining production volumes comparable to those of blast furnaces while reducing CO₂ emissions, JFE will be able to consistently supply green steel to major users in sectors such as automotive and electronics. It is expected that this will support and enhance the international competitiveness of these users.
- Furthermore, transitioning to electric arc furnace will promote the domestic utilization of steel scrap, some of which is currently exported, while also strengthening Japan's energy security by reducing its dependence on overseas resources such as coke.

3. Overview of Debt Guarantee

- 1) **Guarantee Amount:** Approx. 8 billion yen
- 2) **Participating Banks:** Mizuho Bank
- 3) **Guarantee Type:** Type 3 (Debt Guarantee for corporates raising funds through Transition Finance)

GXA will continue to actively support companies that drive the acceleration of GX projects, aiming to catalyze over 150 trillion yen in investment through strategic public-private partnerships.

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