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The Japan Steel Works, Ltd.
Toshio Matsuo, Representative Director & President
Contact: General Affairs Department
+81-3-5745-2001 (main)
Securities code: 5631
https://www.jsw.co.jp/en/

The corporate governance of The Japan Steel Works, Ltd. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views Updated

In order to clarify its basic views and approach to corporate governance, the Company has established the Corporate Governance Policy of The Japan Steel Works, Ltd. (hereinafter the "Company's Governance Policy"), which is published on the Company's website.

https://www.jsw.co.jp/en/sustainability/governance/governance.html

Based on Our Philosophy (Purpose, Vision, Value Creation Process), The Japan Steel Works Group Basic Sustainability Policy, and Compliance Policy for The Japan Steel Works Group, we recognize that it is essential to earn the trust of various stakeholders, including shareholders, customers, business partners and employees, in order to simultaneously create social value and enhance sustainable corporate value. As such, we will continue to strengthen corporate governance to ensure the transparency, soundness and effectiveness of management.

<Our Philosophy>

1. Purpose
   - Material Revolution

   Material Revolution, making the world sustainable and prosperous.

2. Vision
   - Benefiting all stakeholders by developing and implementing industrial machinery and new materials that solve social issues.

3. Value Creation Process

   JSW Group has developed plastic processing machinery based on technologies for melting materials in the equipment, mixing them evenly, and solidifying them into the required shape and has added machine element and precision control technologies to these technologies to meet the diverse needs of customers in a wide range of industries.

   As for crystal materials, we have manufactured high-quality crystals with a wide range of applications by adding precision

control technology to the technologies of melting and solidifying materials in a container.

JSW Group will further hone these core competence of melting, mixing, and solidifying technologies, as well as machine element and precision control technologies to simultaneously create social value and enhance sustainable corporate value through its Value Creation Process of developing and implementing industrial machinery and new materials that solve social issues.

For details of our Corporate Group Philosophy, "Our Philosophy (Purpose, Vision, Value Creation Process)," please refer to the Company's website.
https://www.jsw.co.jp/en/guide/vision.html

<The Japan Steel Works Group Basic Sustainability Policy>

Based on its Purpose−"Material Revolution, making the world sustainable and prosperous"−JSW Group will contribute to stakeholders as follows through the development and implementation of industrial machinery and new materials that solve social issues, and simultaneously ensure thorough organizational crisis management as it works to create social value and sustainably enhance its corporate value.

[For Our Customers and Society]

Through our supply of highly reliable products that emphasize quality and appropriate levels of communication, we aim to solve the problems faced by customers and society, and to realize a sustainable and prosperous society.

[For the Global Environment]

We will strive to reduce the environmental impact of our business activities and the entire supply chain and contribute to enhancing a circular economy and curbing a climate change.

[For Our People Working Together]

As well as developing ways of working that raise individual capabilities and respect diversity, we respect human rights and provide a healthy, safe, and open working environment where everyone can find their work rewarding.

[For Our Business Partners]

Through fair and equitable transactions, we create social value together and build partnerships for co-existence and co-prosperity.

[For Local Communities]

We engage actively in community involvement activities and contribute to community development as a good corporate citizen.

[For Shareholders and Investors]

We will ensure the transparency, soundness, and efficiency of management, and strive to continuously improve corporate value. In addition, as well as striving to disclose appropriate corporate information in a timely and appropriate manner, we undertake constructive dialogue with stakeholders.

In putting the above into practice, we will respect human rights and strive to ensure compliance, and in addition to clarifying these, work to enhance corporate governance.

<Compliance Policy for The Japan Steel Works Group>

To make the social value and sustainable enhancement of our corporate value at the same time, the Japan Steel Works Group always act in good faith and comply with each of applicable laws, regulations and rules based on The Japan Steel Works Group Basic Sustainability Policy.

We consider that “Compliance” means to fulfill our all social responsibilities widely including but not limited to prevention of fraud, compliance with domestic and offshore laws, regulations and rules, our internal rules, and contracts entered between us and our customers, suppliers and third parties.

We comply with as below.

When there are any conflicts between profits generated to us and “Compliance”, we represent and certificate that we comply with “Compliance”.

(1) Managing Products Safety and Warranty for Products Quality

We are committed to managing quality of our products and services properly.

(2) Our Fair Businesses Practices

In our business activities, we conduct fair transactions (including procurement) based on fair and free competition, and we comply with the relevant applicable laws and regulations of each country regarding fair trade.

(3) Anti-Bribery and Anti-Corruption

We ensure transparency in the relationships between the politics and governments of each country, and commit to preventing all kinds of corruption (including but not limited to conflicts of interests, excessive entertainment and gift-giving). We must not engage in anti-bribery and anti-corruption transactions against public officers, and customers, suppliers and business partners of each country.

(4) Complying with the Trade Laws and Regulations including Security Trade Control

We strictly control import and export transactions, and security trade controls. We comply with the relevant applicable treaties, laws and regulations of each country.

(5) Complying with Applicable Laws and Regulations Relevant to Our Business Practices

We confirm and understand with the relevant applicable laws and regulations of each country that are relevant to our business practices, and comply with them throughout our business practices.

(6) Intellectual Property

We protect our intellectual property and do not infringe it owned by the third parties.

(7) Information Management

We are committed to managing our information that we are required to be protected by implementing appropriate information management practices to prevent the leakage of confidential and personal information owned by us and received from our customers, suppliers and business partners, and minimizing damage occurred from cyberattacks, natural disasters and other incidents.

(8) Prevention of Insider Trading

We are committed to causing our officers and employees to purchase or sell publicly traded securities (such as stocks) in accordance with the relevant applicable laws and regulations of each country, and our internal rules.

(9) Proper Management of Public Research Funds and Prevention of Research Misconducts

We ensure the proper management of public research funds, and prevent misconducts and inappropriate behaviors in the public research and development activities.

(10) Proper Accounting and Tax Filing

We record and manage accounting reports and its related information correctly, fairly and on-timely, and comply with the relevant applicable tax laws and regulations and its related laws and regulations of each country, and file taxes properly and pay taxes in accordance with the law.

(11) Respect for Cultural Differences and Human Rights, and Prevention of Discrimination and Harassment

We respect the cultures and customs in all countries and regions of the countries involved in our business practices, and must not accept all kinds of discrimination, the infringement of human rights and harassment.

(12) Environmental Protection

We protect the global environment through our products and services by conducting business activities properly such as conserving resources, saving energies, reducing wastes, and promoting recycling that contribute to the prevention of environmental pollution and mitigation of climate change.

(13) No Relationship with Anti-Social Forces

We must not accept the requirements from and respond to all relationships against anti-social forces (whether individuals or groups) that are given a threat to the order and safety of civil society.

(14) Safety and Health in Workplace, and Proper Working Environment

We maintain safety and health in workplace, do not overlook the excessive working hours and prevent not paying salary such as unpaid overtime work.

For details of The Japan Steel Works Group Basic Sustainability Policy and Compliance Policy for The Japan Steel Works Group, please refer to the Company's website.

The Japan Steel Works Group Basic Sustainability Policy

https://www.jsw.co.jp/en/sustainability/sustainability_policy.html

Compliance Policy for The Japan Steel Works Group

https://www.jsw.co.jp/en/sustainability/compliance_policy.html

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company implements all principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code Updated

[Principle 1-4: Policy on Cross-Shareholdings and Standards for the Exercise of Voting Rights]

<Policy in Relation to Cross-Shareholdings>

The Company shall hold shares that it judges, through regular confirmation and review, to be necessary for policy reasons, and that contribute to the Company's business over the medium to long term through maintaining and strengthening good and continual relationships with business partners, business collaboration and the sound development of investee companies.

<Regular Confirmation and Review of Shareholdings>

Each year, the Company shall confirm the purpose of individual cross-shareholdings and the current status of business partners, etc., and the Board of Directors shall examine the appropriateness of holding the relevant shares by comprehensively considering qualitative and quantitative aspects such as the significance and purpose of the Company's acquisition and holding of the shares

and the security, profitability, economic viability, and risks associated with the shareholding.

The Company proceeded with the sale of cross-shareholdings, based on the plan to reduce such holdings to 10% or less of consolidated net assets by the end of the fiscal year ended March 31, 2026. In the fiscal year ended March 31, 2026, cross-shareholdings of approximately ¥6.6 billion were sold, and the ratio against consolidated net assets was expected to be 8.8% on the basis of stock prices as of the end of the previous fiscal year. The ratio, however, stood at 11.8% as of March 31, 2026, due to the impact of increases in prices of stocks held (up by approximately ¥7.1 billion).

In the previous fiscal year, the Company reviewed the appropriateness of its shareholdings at the Board of Directors' meeting held on April 14, 2025, and sold a portion of such holdings based on the review results. In the fiscal year under review, we conducted a review of the appropriateness of shareholdings at the Board of Directors' meeting held on April 15, 2026.

<Policies on the Exercise of Voting Rights>

The Company shall decide on the exercise of its voting rights based on the state of management of the investee company and its business relationship with the Company, etc., and after confirming the details of each proposal from the standpoint of increasing the corporate value of the relevant company over the medium to long term and its corporate social responsibilities, etc.

(Please refer to "8. Policies in Relation to Cross-Shareholdings" of the Company's Governance Policy.)

[Principle 1-7: Related Party Transactions]

<Procedures for Related Party Transactions>

In the event that a Director, Audit & Supervisory Board Member or Executive Officer engages in a competing transaction or conflict of interest transaction with the Company, or a transaction with a major shareholder, etc. (a related party transaction), to avoid harm to the interests of the Company and its shareholders, the legality of the transaction shall be examined and then the transaction shall be discussed at a meeting of the Board of Directors, to be approved by a resolution of Directors other than the Director in question.

(Please refer to "10. Related Party Transactions" of the Company's Governance Policy.)

[Supplementary Principle 2-4-1: Ensuring Diversity in the Appointment of Core Human Resources, etc.]

The Company recognizes that utilizing diverse perspectives and ideas to create new added value through the active participation of diverse human resources, including women, senior employees, persons with disabilities, and mid-career hires, is essential to executing its management strategy.

Accordingly, the Company actively appoints outstanding personnel to core positions regardless of gender or nationality. The Company is also actively working to recruit diverse talent and will expand the number of management candidates by increasing the hiring of women and foreign nationals, which currently remains limited, and by utilizing the career-track conversion system, thereby enhancing diversity among core human resources.

In addition, to realize wellbeing of all employees and improve the working atmosphere where they can thoroughly work with peace of mind, the Company is reviewing its welfare and human resources systems while also enhancing the environment to ensure such systems are easy to use, thereby supporting employees with various circumstances, including childcare and caregiving responsibilities, so that they can fully engage in their work.

Going forward, the Company will continuously implement a broad range of initiatives to foster psychological safety and promote DEI&B in order to create added value through workforce diversity.

<Major Targets for Ensuring Diversity>

Percentage of female new graduate hires for career-track positions: 20.0% or more for the fiscal year ending March 31, 2029

* The percentage is based on the number of women who are offered employment during the fiscal year ending March 31, 2029 and join the Company on April 1, 2029.

Percentage of employees with disabilities: Achievement of the legally mandated employment ratio by the fiscal year ending March 31, 2029

[Principle 2-6: Fulfilling Roles as an Asset Owner of Corporate Pension Funds]

To fulfill its roles as an asset owner, the Company assigns personnel with expertise in investment management to its Personnel Department and Finance & Accounting Department. These personnel receive regular reports from external asset managers regarding investment performance and stewardship activities and conduct monitoring as appropriate.

In addition, by outsourcing the selection of investment targets and the exercise of voting rights to investment management institutions, the Company eliminates arbitrariness and prevents conflicts of interest with beneficiaries.

[Principle 3-1: Enhancement of Information Disclosure]

(1) Management philosophy, management strategy, and management plan

The Company has established and publicly disclosed Our Philosophy (Purpose, Vision, Value Creation Process), The Japan Steel Works Group Basic Sustainability Policy, and Compliance Policy for The Japan Steel Works Group.

In addition, the Medium-Term Management Plan JGP2028 is available on the Company's website.

https://www.jsw.co.jp/pdf/en/ir/library/presentation/2024/Medium-Term%20Management%20Plan%20JGP2028%20(from%20FY2024%20to%20FY2028).pdf

(2) Basic views and policy on corporate governance

Please refer to "I. 1. Basic Views" of this Report.

(3) The Board of Directors' policies and procedures in determining the remuneration of senior management and Directors

<Basic Policy for Decisions on Remuneration>

Remuneration shall be within the scope of amount decided by resolutions at General Meetings of Shareholders, and the levels of remuneration shall depend on the respective roles and responsibilities. Fairness and transparency shall be ensured in the decision-making process.

<Procedures>

Remuneration shall be decided by the Board of Directors upon receipt of report from the Remuneration Advisory Committee. (Please refer to "23. Basic Policy and Procedures for Decisions on Officers' Remuneration" of the Company's Governance Policy.)

(4) The Board of Directors' policies and procedures in the appointment and dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members

<Basic Policy for Officer Nominations and Dismissals>

The selection of candidates for Directors and Audit & Supervisory Board Members, the appointment of Executive Officers and the dismissal of officers shall be decided on the basis of selection and dismissal criteria, etc., and fairness and transparency shall be ensured in the decision-making process. With respect to the appointment of candidates for Directors and Audit & Supervisory Board Members, the reasons for their appointment shall be disclosed. Also, with respect to the dismissal of officers, the reasons for their dismissal shall be disclosed.

<Procedures>

In the process of selecting Director candidates and appointing Executive Officers, the Board of Directors shall decide on the selection and appointment upon receipt of report from the Nomination Advisory Committee. In the process of selecting candidates for Audit & Supervisory Board Members, the Board of Directors shall decide on the selection upon receipt of report from the Nomination Advisory Committee and approval of the Audit & Supervisory Board.

In the process of dismissing Directors and Audit & Supervisory Board Members, the Board of Directors shall decide on the making of a proposal for dismissal upon receipt of report from the Nomination Advisory Committee, and the dismissal shall be decided by resolution of the General Meeting of Shareholders. In the process of dismissing Executive Officers, the Board of Directors shall decide on the dismissal upon receipt of report from the Nomination Advisory Committee.

(Please refer to "21. Basic Policy and Procedures for Officer Nominations and Dismissals" of the Company's Governance Policy.)

(5) Explanations with respect to the individual appointments, dismissals, and nominations in the appointment and dismissal of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members by the Board of Directors

From the 90th Annual General Meeting of Shareholders, the Company has disclosed the individual reasons for nomination of all candidates for Directors and Audit & Supervisory Board Members in the Notice of the Annual General Meeting of Shareholders.

https://www.jsw.co.jp/en/ir/stock/meeting.html

[Supplementary Principle 3-1-3: Sustainability Initiatives, etc.]

<Basic Views on Sustainability>

To simultaneously create social value and enhance sustainable corporate value, the Company, based on Our Philosophy (Purpose, Vision, Value Creation Process), aims to remain as an entity that contributes to all stakeholders going forward by developing and providing to the world industrial machinery and new materials that solve various social issues.

At the Board of Directors' meeting in July 2023, we formulated The Japan Steel Works Group Basic Sustainability Policy.

<Sustainability Initiatives>

The Company smoothly and effectively promotes climate change response and ESG-related activities, led by the ESG Promotion Committee, which is chaired by the Officer in charge of Promoting ESG (and supported by the ESG Promotion Office as its secretariat), in cooperation with head office divisions, business divisions, plants, and Group companies.

In November 2022, in conjunction with the establishment of our Corporate Group Philosophy, "Our Philosophy (Purpose, Vision,

Value Creation Process),” which is anchored in our Purpose, the Company identified and disclosed six material issues (materiality) as priority themes to be addressed in achieving the Purpose.

From a perspective of “creating value and solving social issues through JSW Group’s businesses” of materiality, the Company has identified three focus areas: realization of a plastic resource-recycling society, contribution to a low-carbon society, and contribution to a super-smart society. We will develop and provide products aligned with each area. To visualize the contribution of the Group’s products to a low-carbon society and their downstream impacts within the supply chain, the Company compiled an assessment of the social impact of pelletizers and parts for nuclear reactor pressure vessels under the guidance from a third party organization. Information including CO_2 emissions reduction effects achieved through these two products was published on the Company’s website in July 2025.

In an effort to promote stakeholders’ understanding, the Company also ran special features in the Materiality Management section of Integrated Report 2025 (pages 30 to 35).

The Group recognizes climate change as an important management issue, as it has significant impacts on the global environment, society, and the economy, while also being a long-term issue with a high degree of uncertainty. In June 2022, the Company expressed its endorsement for the Task Force on Climate-related Financial Disclosures (TCFD). The Company analyzes and examines the impacts of climate change-related risks and profit opportunities on its business activities, revenue, etc., and works to disclose information in line with the TCFD disclosure framework. In September 2025, the Company published its Scope 1 and Scope 2 CO_2 emissions for the fiscal year ended March 31, 2025, together with newly disclosed Scope 3 emissions, on its website.

From another perspective of “bolstering JSW Group’s management foundation for sustainable growth” of materiality, the Company has identified the following focus areas: human capital improvement and DEI&B, investment in the future with innovation management, and governance reinforcement of JSW Group.

Human capital (human resources) is the most important asset for the Group as it executes sustainability management aimed at embodying the Purpose and realizing the Vision going forward. The Company recognizes that “individuals” and the “organization” are equals and is steadily formulating human capital strategies and implementing various initiatives to address materiality.

As part of its innovation management initiatives, the Company has decided to establish a new R&D base, the Central Research Laboratory (tentative name), as one of measures aimed at achieving growth to net sales of approximately ¥500.0 billion as our vision for FY2033, as well as creating new products and businesses to support the Group’s next 100 years. Operations are scheduled to commence in the second half of the fiscal year ending March 31, 2028.

In addition, the Company has been progressively organizing and establishing its sustainability management framework, including the establishment of the Human Rights Policy and the enhancement of the Procurement Policy in September 2022, as well as the formulation of The Japan Steel Works Group Basic Sustainability Policy in July 2023.

For details regarding the Group’s material issues (materiality), please refer to the Company’s website.

https://www.jsw.co.jp/en/sustainability/materiality.html

For details regarding our information disclosure in accordance with TCFD disclosure framework, please refer to the Company’s website.

https://www.jsw.co.jp/en/sustainability/environment/climatechange.html

For details regarding the social impact, please refer to the Company’s website.

https://www.jsw.co.jp/ja/sustainability/environment/socialimpact.html (in Japanese only)

For details regarding The Japan Steel Works Group Human Rights Policy, please refer to the Company's website.

https://www.jsw.co.jp/en/sustainability/social/diversity.html

For details regarding The Japan Steel Works Group Procurement Policy, please refer to the Company's website.

https://www.jsw.co.jp/en/sustainability/social/supplychain.html

For details regarding the Group's ESG activities, please refer to our Integrated Report.

https://www.jsw.co.jp/en/ir/library/integrated.html

[Supplementary Principle 4-1-1: Outline of Scope of Matters Delegated to Management]

In the execution of business other than matters to be decided by the Board of Directors, the Board of Directors shall appropriately delegate the decision-making and execution of such business to Executive Officers, in accordance with laws, regulations and the Company's regulations.

(Please refer to "14. Board of Directors, (1) Roles" of the Company's Governance Policy.)

[Principle 4-9: Independence Criteria for Independent Outside Directors]

Please refer to "II. 1. Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members, Other Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members" of this Report.

[Supplementary Principle 4-10-1: Views regarding the Independence of the Nomination Advisory Committee and the Remuneration Advisory Committee]

To strengthen the independence of the Board of Directors' functions related to officers' nomination and remuneration, the Company has established the Nomination Advisory Committee and the Remuneration Advisory Committee as advisory bodies to the Board of Directors, from which it receives appropriate involvement and advice in considering officers' nomination and remuneration. Both the Nomination Advisory Committee and the Remuneration Advisory Committee are composed of six Directors, including five Outside Directors who satisfy the independence criteria, and one officer in charge of the Personnel Department and the Secretary Office, and ensure independence and objectivity by appointing an Outside Director as the chairman.

For details regarding the authority and roles of the Nomination Advisory Committee and the Remuneration Advisory Committee, please refer to "II. 1. Directors, Supplementary Explanation" of this Report.

[Supplementary Principle 4-11-1: Views regarding the Balance of Knowledge, Experience and Skills, Diversity and Size of the Board of Directors as a Whole]

In order to effectively fulfill its roles and responsibilities, the Board of Directors shall be composed of Directors with various expertise and experience, and the number of Directors shall not exceed 10, in accordance with the Articles of Incorporation.

In addition, the Company has identified six material issues (materiality) as themes that should be prioritized in order to realize the Purpose, identified the skills necessary to engage in effective management to resolve materiality, and developed a skill matrix, which is used as one of the criteria for selecting candidates for Directors and Audit & Supervisory Board Members. The skill matrix is disclosed in the Notice of the Annual General Meeting of Shareholders.

(Please refer to “14. Board of Directors, (2) Composition” of the Company’s Governance Policy and “Notice of the Annual General Meeting of Shareholders.”)

[Supplementary Principle 4-11-2: The Status of Concurrent Positions Held by Directors and Audit & Supervisory Board Members]

The status of significant concurrent positions held by Directors and Audit & Supervisory Board Members is disclosed annually in the Notice of the Annual General Meeting of Shareholders.

https://www.jsw.co.jp/en/ir/stock/meeting.html

[Supplementary Principle 4-11-3: Analysis and Evaluation of Board of Directors’ Effectiveness]

The Board of Directors continues to enhance its functions by conducting an annual questionnaire-based analysis and evaluation. The following is a summary of the analysis and evaluation for the fiscal year ended March 31, 2025.

1. Analysis and evaluation methodology

   During January 2026, an anonymous questionnaire was administered to all Directors and Audit & Supervisory Board Members. The planning of the subjects covered and the collection and tabulation of the survey results were outsourced to a third-party organization. At the Board of Directors’ meeting held in March 2025, we reported the results of the questionnaire survey and discussed the effectiveness of the Board, taking into account advice from the third-party organization.

2. Questionnaire content

   - Appropriateness of purpose, structure, and management of the Board of Directors
   - Adequacy of monitoring and deliberation by the Board of Directors
   - Director performance
   - State of information sharing and disclosure, including shareholder response

3. Overview of results of the evaluation and analysis of the Board of Directors’ effectiveness

   The Company has identified the following issues for the fiscal year ended March 31, 2026, based on the analysis and evaluation for the fiscal year ended March 31, 2025: (1) enhancement and strengthening of human capital, and verification and discussion through visualization; (2) enhancement, strengthening, verification, and discussion of value creation capabilities and innovation management; (3) current analysis and evaluation of capital profitability as well as the creation, implementation, verification, and discussion of plans to achieve management with an awareness of stock prices; (4) enhancement, verification, and discussion of information disclosure and dialogue with stakeholders, including shareholders and employees; and (5) enhancement, strengthening, verification, and discussion of Group governance, compliance, internal control, risk management, and organizational culture reform efforts. The Company systematically addressed these issues during the fiscal year ended March 31, 2026, achieved steady improvements in each issue, and confirmed that the effectiveness of the Board of Directors as a whole has been generally ensured.

   In addition, the Company has shared the recognition that, in order to further enhance effectiveness, we should continue to examine the above issues (1) through (5) in greater depth and pursue them on an ongoing basis.

Based on the results of this effectiveness evaluation, the Company's Board of Directors will strive to further enhance its functions by carefully selecting priority management issues to be discussed at the Board and engaging in planned discussions while ensuring sufficient time for thorough deliberation.

<Evaluation of the Audit & Supervisory Board's Effectiveness>

- Purpose: The Audit & Supervisory Board evaluates its own effectiveness so as to clarify areas of its activities that require consideration or improvement. These are then reflected in audit plans for the following fiscal year. By doing so, the Board aims to improve the quality of its audits and its effectiveness overall.
- Evaluation method: A questionnaire survey was conducted targeting four Audit & Supervisory Board Members, the President, one Outside Director, and the General Manager of the Internal Auditors Office. The responses were compiled and analyzed, and the evaluation results were deliberated by the Audit & Supervisory Board.
- Evaluation results: The evaluation results verified that the Audit & Supervisory Board had sufficient opportunities for deliberations and cooperated with the Board of Directors and Outside Directors and that audit activities were generally implemented appropriately and effectively, in response to the areas for improvement raised in the previous year's reflection, which were (1) working on the operational process of the Audit & Supervisory Board meetings and utilizing experts (utilized outside experts for IT governance), (2) cooperating with Audit & Supervisory Board Members of affiliated companies (exchange of opinion meetings were held during and at the end of the fiscal year), (3) cooperating with the Internal Audit Division, and (4) making internal control effective (risk management systems improved throughout the Company and education necessary for internal control was rolled out).

  The results also identified additional areas for the next fiscal year that if improved would allow the Audit & Supervisory Board to be even more effective, which among others included (1) utilizing outside experts in the Audit & Supervisory Board, (2) enhancing internal control system auditing at Group subsidiaries, (3) bolstering cooperation with the Internal Audit Division, and (4) strengthening auditing of enterprise risk management activities.

[Supplementary Principle 4-14-2: Training Policy for Directors and Audit & Supervisory Board Members]

- Internal systems shall be established to accurately and smoothly provide Directors and Audit & Supervisory Board Members with information necessary for fulfilling their roles and responsibilities.
- The Company shall provide and arrange opportunities for Directors and Audit & Supervisory Board Members to acquire the knowledge necessary for carrying out their roles and responsibilities.
- The Company shall provide information in relation to the Company's business, financial affairs and organization, etc., to Outside Officers at appropriate times after they take office, in order to deepen their understanding of the Company. Also, site visits to the Company's plants, etc., shall be carried out as required.
- The costs of these knowledge acquisition and information provision activities shall be borne by the Company.

(Please refer to "25. Support Systems and Training Policies" of the Company's Governance Policy.)

[Principle 5-1: Policy on the Development of an Organizational Structure and Initiatives to Promote Constructive Dialogue with Shareholders]

<Organic Cooperation between Related Departments>

Dialogue with shareholders and investors in general shall be handled mainly by the Public Relations Department under the supervision of the Director or Executive Officer in charge of that department. To promote constructive dialogue with shareholders and investors, efforts shall be made to understand the composition of the shareholders, and the Public Relations Department shall cooperate with the General Affairs Department, the Finance & Accounting Department and other related departments by exchanging information as appropriate and conducting other activities.

<Initiatives for Enhancing a Means for Dialogue>

Individual meetings with institutional investors as well as regular results briefings for institutional investors shall be held as a means for dialogue with shareholders and investors. Also, at General Meetings of Shareholders, which are considered as valuable opportunities for dialogue with shareholders, the Company shall endeavor to give careful explanations and secure sufficient time for questions.

<Utilization of Opinions, etc.>

Opinions, etc., given in dialogue with shareholders and investors shall be regularly reported to the management team, including the President, and the Board of Directors, used to identify expectation gaps with shareholders and investors, and utilized in the management of the Company.

<Management of Insider Information>

Regarding the handling of insider information in dialogue with shareholders and investors, the Company shall establish Timely Disclosure Regulations and Regulations for the Prevention of Insider Trading, and make them thoroughly known to officers and employees.

<Establishment and Disclosure of Medium-Term Management Plan>

In establishing and disclosing its medium-term management plan, after ascertaining its cost of capital, the Company shall articulate its earnings plans and basic capital policy, and present its targets for profitability and capital efficiency, etc. It shall also explain in concrete terms the allocation of management resources, etc., to achieve its plans and targets.

(Please refer to “6. Dialogue with Shareholders” of the Company’s Governance Policy.)

[Status of Dialogue with Shareholders, etc.]

For details regarding the status of dialogue with shareholders, etc., please refer to the Company’s website.

https://www.jsw.co.jp/ja/ir/stock/dialogue.html (in Japanese only)

[Supplementary Principle 5-2-1: Basic Policy on the Business Portfolio and Status of Review]

Under the Medium-Term Management Plan JGP2028, the Company has defined the business portfolio it aims to achieve by the fiscal year ending March 31, 2029, from the perspectives of capital profitability and growth, and has formulated business strategies for each segment. The Company will work to optimize its business portfolio by appropriately allocating management resources to each business and regularly monitoring the progress of individual business strategies.

For details of the business portfolio and segment-specific business strategies targeted for the fiscal year ending March 31, 2029, please refer to the Medium-Term Management Plan JGP2028.

https://www.jsw.co.jp/en/ir/library/presentation.html

The Company has been working on updating the business strategies for each segment in the Medium-Term Management Plan JGP2028, in response to changes in the market environment.

The updated version of JGP2028 will be disclosed in July 2026.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Disclosure of Initiatives (Update)
Availability of English Disclosure	Available
Date of Disclosure Update	December 23, 2025

Explanation of Actions Updated

Under JGP2028, the Company has set net sales, operating income, and ROE as its main KPIs, placing particular emphasis on ROE, and aims to maximize shareholder value by expanding the equity spread (ROE minus the cost of equity). The Company currently recognizes its cost of equity to be approximately 8.0%, based on the Capital Asset Pricing Model (CAPM).

The Company's ROE for the fiscal year ended March 31, 2026 was 9.5%, exceeding its cost of equity. By enhancing the sustainable value of existing businesses and creating and nurturing new businesses, the Company aims to achieve an ROE of 10% to 11% in the fiscal year ending March 31, 2029, the final year of JGP2028, and further targets an ROE of 11% to 12% in the fiscal year ending March 31, 2034, thereby sustainably expanding the equity spread.

The Company's PBR is currently at approximately 3x, representing an appropriate level. However, further improvement remains an important objective. To this end, improvement of both ROE and PER is required, and the Company is placing particular focus on measures to enhance ROE in order to sustainably expand the equity spread by continuously improving the profit level.

Specifically, in both the Industrial Machinery Products Business and the Material and Engineering Products Business, the Company will steadily execute its business strategies, expand production capacity through manufacturing in optimal locations and mutual complementation, and strengthen existing products through elemental technology development at its research facilities, thereby improving ROIC for each business. In addition, the Company has developed ROIC trees tailored to the characteristics of each business, clarified process KPIs, and is promoting their penetration and implementation.

At the same time, to improve PER, the Company will continuously refine its growth strategy and enhance information disclosure and dialogue (investor relations and shareholder relations activities) to promote understanding of its growth strategy among shareholders and investors.

In addition, the Company has further advanced the sharing of value with shareholders in its officers' remuneration system. Specifically, the Company has strengthened the incentive function for medium- to long-term corporate value enhancement and introduced ROE-based performance-linked remuneration from the fiscal year ended March 31, 2025, as well as changed the transfer restriction period under the restricted stock compensation plan to "the period from the date of the allotment until the date on which eligible Directors retire from any position as Directors or Executive Officers of the Company" in June 2026.

For details of the Medium-Term Management Plan JGP2028, Integrated Report 2025, and dialogue with shareholders and investors, please refer to the Company's website.

The Medium-Term Management Plan JGP2028

https://www.jsw.co.jp/pdf/en/ir/library/presentation/2024/Medium-Term%20Management%20Plan%20JGP2028%20(from%20FY2024%20to%20FY2028).pdf

Integrated Report 2025

https://www.jsw.co.jp/en/ir/library/integrated.html

Dialogue with Shareholders and Investors

https://www.jsw.co.jp/ja/ir/stock/dialogue.html (in Japanese only)

2. Capital Structure

Foreign Shareholding Ratio	30% or more

Status of Major Shareholders Updated

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,318,700	16.73
Custody Bank of Japan, Ltd. (Trust Account)	7,161,200	9.73
TAIJU LIFE INSURANCE COMPANY LIMITED	2,827,600	3.84
STATE STREET BANK AND TRUST COMPANY 505001	1,931,345	2.62
The Nomura Trust and Banking Co., Ltd. (Trust Account)	1,729,200	2.35
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	1,122,249	1.52
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	1,105,660	1.50
Mitsubishi Heavy Industries, Ltd.	1,006,200	1.37
TSUKISHIMA HOLDINGS CO., LTD.	922,900	1.25
JP MORGAN CHASE BANK 385781	920,228	1.25

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	None

Supplementary Explanation Updated

- “Status of Major Shareholders” is as of March 31, 2026.
- The percentages (%) shown under “Status of Major Shareholders” are calculated after deducting treasury shares (805,130 shares) from the total number of issued shares.

- Although the Large Shareholding Report (Change Report) disclosed to the public on November 7, 2025 states that Sumitomo Mitsui Trust Bank, Limited and its joint holders held the shares listed below as of October 31, 2025, the Company is unable to confirm the number of shares actually owned as of March 31, 2026. Accordingly, such holdings are not included in the above Status of Major Shareholders.

The details of the Large Shareholding Report (Change Report) are as follows.

Name or Designation: Sumitomo Mitsui Trust Bank, Limited
Address: 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Number of Shares Held (Shares): 815,200
Shareholding Ratio (%): 1.10

Name or Designation: Sumitomo Mitsui Trust Asset Management Co., Ltd.
Address: 1-1-1 Shibakoen, Minato-ku, Tokyo
Number of Shares Held (Shares): 1,536,200
Shareholding Ratio (%): 2.06

Name or Designation: Amova Asset Management Co., Ltd.
Address: 9-7-1 Akasaka, Minato-ku, Tokyo
Number of Shares Held (Shares): 3,678,600
Shareholding Ratio (%): 4.94

- Although the Large Shareholding Report (Change Report) disclosed to the public on December 5, 2025 states that FMR LLC and its joint holder held the shares listed below as of November 28, 2025, the Company is unable to confirm the number of shares actually owned as of March 31, 2026. Accordingly, such holdings are not included in the above Status of Major Shareholders.
The details of the Large Shareholding Report (Change Report) are as follows.

Name or Designation: FMR LLC
Address: 245 Summer Street, Boston, Massachusetts 02210, USA
Number of Shares Held (Shares): 2,909,268
Shareholding Ratio (%): 3.91

Name or Designation: National Financial Services LLC
Address: 200 Seaport Blvd, Boston, Massachusetts 02210, USA
Number of Shares Held (Shares): 75
Shareholding Ratio (%): 0.00

- Although the Large Shareholding Report (Change Report) disclosed to the public on March 17, 2026 states that Nomura Asset Management Co., Ltd. and its joint holders held the shares listed below as of March 10, 2026, the Company is unable to confirm the number of shares actually owned as of March 31, 2026. Accordingly, such holdings are not included in the above Status of Major Shareholders.
The details of the Large Shareholding Report (Change Report) are as follows.

Name or Designation: NOMURA INTERNATIONAL PLC

Address: 1 Angel Lane, London EC4R 3AB, United Kingdom

Number of Shares Held (Shares): -64,244

Shareholding Ratio (%): -0.09

Name or Designation: Nomura Asset Management Co., Ltd.

Address: 2-2-1 Toyosu, Koto-ku, Tokyo

Number of Shares Held (Shares): 9,621,200

Shareholding Ratio (%): 12.93

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo, Prime Market
Fiscal Year-End	March
Business Sector	Machinery
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100.0 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

—

5. Other Special Circumstances which May have a Material Impact on Corporate Governance

—

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Board

Directors

Number of Directors Stipulated in Articles of Incorporation	10
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	10
Election of Outside Directors	Elected
Number of Outside Directors	5
Number of Independent Directors	5

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoshiyuki Nakanishi	From another company								△			
Hisao Mitsui	From another company								△			
Junko Kawamura	Other											
Yasuyuki Kuriki	From another company											
Nobuko Mizumoto	From another company								△			

*Categories for "Relationship with the Company"
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past)

a. Person who executes business for the Company or its subsidiary
b. Person who executes business for or a non-executive director of the Company's parent company
c. Person who executes business for a fellow subsidiary
d. Person/entity for which the Company is a major client or a person who executes business for said person/entity
e. Major client of the Company or a person who executes business for said client
f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit & Supervisory Board Member
g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
h. Person who executes business for a client of the Company (excluding persons categorized as any of d., e., or f. above) (applies to director him/herself only)
i. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2) Updated

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
Yoshiyuki Nakanishi	○	Mr. Yoshiyuki Nakanishi had served as Representative Director, President & CEO of DIC Corporation, with which the Company has business transactions, until December 2017, Chairman of the Board of the said company until January 2021, and Executive Advisor of the said company until March 2023. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.	Mr. Yoshiyuki Nakanishi served in important posts such as representative director at an international manufacturing company that provides materials and products in the fields familiar in daily life and led the expansion of management strategy to improve its corporate value. By having him supervise the overall management of the Company and take part in important decision-making from an independent standpoint based on his experiences, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and he is therefore appointed as an Outside Director. He satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.
Hisao Mitsui	○	Mr. Hisao Mitsui had served as Director and Managing Executive Officer of Kao Corporation, with which the Company has business transactions, until March 2014. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.	Mr. Hisao Mitsui served in important posts such as plant manager, production technology division manager and director at an international manufacturing company that operates consumer products business and engaged in corporate management. In addition, after retiring from the said company, he made a contribution in an administrative organization. By having him supervise the overall management of the Company and take part in important decision-making from an independent standpoint based on his experiences, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and he is therefore appointed as an Outside Director. He satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore

			been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.
Junko Kawamura	○	Not applicable.	Ms. Junko Kawamura has experience in many important positions in the education, cultural, and science fields, including the Ministry of Education, Culture, Sports, Science and Technology. Furthermore, she has experience working on legislation and policy-related legal work in the Legislative Bureau of the House of Representatives and elsewhere. By having her provide appropriate supervision and advice from a different perspective as an Outside Director on the education and training of employees and career development and training of female employees, as well as compliance, throughout the Company's group to ensure a solid management foundation to achieve the Company's business expansion based on this experience, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and she is therefore appointed as an Outside Director. She satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.
Yasuyuki Kuriki	○	Not applicable.	Mr. Yasuyuki Kuriki has a distinguished record of establishing and expanding the flat panel display business at one of the world's largest semiconductor equipment manufacturers. In addition to his high level of insight as an engineer, he also has experience in leading business at the front lines of sales. By having him strengthen the Company's efforts to create new core businesses, supervise the overall management of the Company and take part in important decision-making from an independent standpoint based on his experiences and knowledge,

			the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and he is therefore appointed as an Outside Director. He satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.
Nobuko Mizumoto	○	Ms. Nobuko Mizumoto had served as Director and Managing Executive Officer until March 2020, and as Director until June 2020 for IHI Corporation, with which the Company has business transactions. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.	Ms. Nobuko Mizumoto possesses abundant management experience gained through spearheading digital transformation, group work process restructuring, and CSR initiatives at a comprehensive heavy industry manufacturer with four business domains, Resources/Energy & Environment, Social Infrastructure, Industrial Systems & General-Purpose Machinery, and Aero Engine, Space & Defense, in addition to expertise in various management initiatives. By having her supervise the overall management of the Company and take part in important decision-making from an independent standpoint based on her experiences, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and she is therefore appointed as an Outside Director. She satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination Advisory Committee	7	0	1	5	0	1	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Remuneration Advisory Committee	7	0	1	5	0	1	Outside Director

Supplementary Explanation

(1) Nomination Advisory Committee

<Roles>

- As an advisory body to the Board of Directors, the Nomination Advisory Committee shall deliberate on matters relating to the nomination and dismissal of Directors, Audit & Supervisory Board Members and Executive Officers, and submit its report to the Board of Directors.
- The Nomination Advisory Committee shall consult on the succession planning for the President, and report the results to the Board of Directors.

<Composition>

- The Committee shall be composed of the Representative Director & President, the Director or Executive Officer in charge of the Personnel Department and the Secretary Office, and Outside Directors. The majority of the committee members shall be Outside Directors.
- The chairman of the Committee shall be selected from Outside Directors by resolution of the Committee.

<Deliberation Matters>

- Matters relating to the selection of Director candidates
- Matters relating to the selection of Audit & Supervisory Board Member candidates
- Matters relating to the appointment of Executive Officers and Executive Officers with executive responsibilities
- Matters relating to the appointment of Directors with executive responsibilities and Representative Directors
- Matters relating to the dismissal of officers
- Matters relating to the succession planning for the President

(Please refer to "19. Nomination Advisory Committee" of the Company's Governance Policy.)

(2) Remuneration Advisory Committee

<Roles>

As an advisory body to the Board of Directors, the Remuneration Advisory Committee shall deliberate on matters relating to the remuneration of Directors and Executive Officers, and submit its report to the Board of Directors.

<Composition>

- The Committee shall be composed of the Representative Director & President, the Director or Executive Officer in charge of

the Personnel Department and the Secretary Office, and Outside Directors. The majority of the committee members shall be Outside Directors.

- The chairman of the Committee shall be selected from Outside Directors by resolution of the Committee.

<Deliberation Matters>

The remuneration system and individual remuneration amounts for Directors and Executive Officers

(Please refer to "20. Remuneration Advisory Committee" of the Company's Governance Policy.)

Audit & Supervisory Board Members

Establishment of Audit & Supervisory Board	Established
Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	4

Cooperation among Audit & Supervisory Board Members, Accounting Auditor and Internal Audit Division Updated

Specific matters reviewed by the Audit & Supervisory Board include the audit policy, the legality of the Business Report and its supplementary schedules, the appropriateness of Directors' execution of duties, the appropriateness of the establishment and operation of internal control systems, the appropriateness of the accounting auditor's audit methods and results, evaluation of the accounting auditor, the appropriateness of audit fees, and other significant audit matters.

As part of audit activities, based on the audit policy and audit plan determined by the Audit & Supervisory Board, Audit & Supervisory Board Members exchange views with Directors, attend meetings of the Board of Directors, the Outside Officers Liaison Council, Executive Board (on a rotating basis by full-time Audit & Supervisory Board Members), and other important meetings. They also conduct audits of head office divisions, business divisions, plants, and sales locations, perform on-site audits of Group subsidiaries, and regularly receive reports from the accounting auditor on audit status and results, thereby maintaining a structure that enables sufficient auditing of Directors' execution of duties. In addition, Audit & Supervisory Board Members hold regular meetings with Outside Directors to exchange views on audit status, internal controls, and risk-related concerns, thereby strengthening cooperation. For information sharing, Audit & Supervisory Board Members receive reports from the General Manager of the Internal Audit Division on the establishment and operation of internal control systems, audit plans, and audit results, and exchange views on these matters.

The priority audit items for the fiscal year ended March 31, 2026 were: (1) the establishment and operation of internal control systems and responses to risks; (2) progress in executing the Medium-Term Management Plan JGP2028; and (3) the establishment and operation of JSW Group governance.

The Company has established an Internal Auditors Office, which reports directly to the President, as the Internal Audit Division. The Internal Auditors Office (eight members) evaluates the development and operation of internal controls across the management activities of the Company and its domestic and overseas Group subsidiaries from the perspectives of operational effectiveness and efficiency enhancement, asset protection, and legal compliance, and provides recommendations and follow-up for improvement. In addition, the Company independently and objectively evaluates the effectiveness of internal control over financial reporting in accordance with the Financial Instruments and Exchange Act. The results of these evaluations are regularly

reported to the Representative Director & President, as well as to the Board of Directors, the Audit & Supervisory Board, the Executive Board, and other relevant bodies.
Members of the Internal Auditors Office attend audits conducted by the Audit & Supervisory Board and Audit & Supervisory Board Members, and exchange views with them as appropriate to promote information sharing and mutual cooperation. In addition, with respect to matters deemed significant from an accounting perspective, the members of the Internal Auditors Office regularly receive explanations from the accounting auditor in the presence of Audit & Supervisory Board Members and, as necessary, provide opportunities for information exchange to strengthen coordination.

Coordination among Audit & Supervisory Board Members, the Audit & Supervisory Board, the accounting auditor, and the Internal Audit Division contributes to the effectiveness of their respective audits.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attributes			Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k	l	m
Saori Yamaguchi	Certified Public Accountant													
Shinya Unno	From another company													

*Categories for "Relationship with the Company"
(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past)
a. Person who executes business for the Company or its subsidiary
b. A non-executive director or an accounting advisor of the Company or its subsidiaries
c. Person who executes business for or a non-executive director of the Company's parent company
d. An Audit & Supervisory Board Member of a parent company of the Company
e. Person who executes business for a fellow subsidiary
f. Person/entity for which the Company is a major client or a person who executes business for said person/entity
g. Major client of the Company or a person who executes business for said client
h. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit & Supervisory Board Member
i. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
j. Person who executes business for a client of the Company (excluding persons categorized as any of f., g., or h. above) (applies to the auditor him/herself only)
k. Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the director/auditor him/herself only)
l. Person who executes business for an entity receiving donations from the Company (applies to the person him/herself only)
m. Other

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons for Appointment
Saori Yamaguchi	○	Not applicable.	Ms. Saori Yamaguchi has experience in auditing trading companies and financial institutions as well as many manufacturing companies at auditing firms. She also has extensive expertise in internal controls, strengthening accounting systems, and managing and guiding the improvement of Group subsidiaries. She was also involved in due diligence on corporate acquisitions and quality control operations of accounting audits. In light of her considerable knowledge of finance and accounting as a certified public accountant, the Company believes she is able to provide audit opinions from a neutral and objective standpoint based on her advanced expertise in corporate accounting, therefore the Company has appointed her as an Outside Audit & Supervisory Board Member. She satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.
Shinya Unno	○	Not applicable.	Mr. Shinya Unno has a long career at a financial institution including overseas assignments, and possesses a high level of expertise in finance and accounting. He also assumed important roles related to corporate planning, sales, HR, legal, administration, secretarial, and intellectual property at a leading international pharmaceuticals company; held the positions of Vice President and Executive Officer; and spearheaded initiatives to restructure company management and corporate governance as well as to transform corporate culture. The Company expects him to provide audit opinions, from a neutral and objective perspective, and therefore has

			appointed him as an Outside Audit & Supervisory Board Member. He satisfies the independence criteria prescribed by the stock exchange and the Company's Criteria of Independence for Outside Officers, and has therefore been designated as an Independent Officer, as the Company has determined that there is no risk of a conflict of interest with general shareholders.

Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

Number of Independent Directors and Independent Audit & Supervisory Board Members	7

Other Matters Concerning Independent Directors and Independent Audit & Supervisory Board Members

All Outside Officers who meet the qualifications for Independent Officers are designated as Independent Officers.
In addition, the Company has established the following Criteria of Independence for Outside Officers.

<Criteria of Independence for Outside Officers of The Japan Steel Works, Ltd.>

An Outside Director or an Outside Audit & Supervisory Board Member of the Company (hereinafter collectively an "Outside Officer") shall not fall under any of the following items to be judged to be an independent Outside Officer (hereinafter an "Independent Outside Officer").

1) A person for which the Company is a major customer*1 or a person who executes business thereof;
2) A major customer of the Company*2 or a person who executes business thereof;
3) A person who executes business of a financial institution that is indispensable for the Company's fund procurement and meets an outstandingly high share of the financing needs of the Company;
4) A consultant, an accounting professional or a legal professional who obtained an amount of money or other form of property that exceeds ¥10 million from the Company for the latest fiscal year, other than directors' compensation (if such person is an organization, including a corporation and a partnership, it refers to a person belonging to such organization);
5) A major shareholder of the Company (who directly or indirectly holds the voting rights of the Company that account for not less than 10% of the total voting rights) or a person who executes business thereof;
6) A person who fell under any of 1) to 5) above during the past three years; or
7) A spouse or a relative within the second degree of kinship of a person who falls under any of 1) to 6) above (limited to a person in a significant post*3).

Provided, however, even if an Outside Officer falls under any of 1) to 7) above, the Company may designate such Outside Officer as an Independent Outside Officer, if the Company regards him or her as qualified as an Independent Outside Officer in light of his or her personality, expertise and other factors; such Officer satisfies the relevant requirements of the Companies Act; and the

reasons why such Officer is regarded to be qualified for an Independent Outside Officer of the Company are explained externally.

(Notes)

1. A person for which the Company is a major customer refers to a person who was paid an amount of money from the Company that exceeds 5% of the said person's consolidated net sales for the latest fiscal year.
2. A major customer of the Company refers to a person who paid an amount of money to the Company that exceeds 5% of the Company's consolidated net sales for the latest fiscal year.
3. A person in a significant post refers to a person who is a director (excluding an outside director), an executive officer, an employee in a senior managerial position that equals to or is higher than a division/department manager, a Certified Public Accountant belonging to an auditing firm, a lawyer belonging to a law firm or equivalent.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors	Introduction of Performance-linked Remuneration Scheme

Supplementary Explanation for Applicable Items

Please refer to "Director Remuneration, Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods" below.

Persons Eligible for Stock Options	

Supplementary Explanation for Applicable Items

—

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	No Disclosure for any Directors

Supplementary Explanation for Applicable Items Updated

The total amount of remuneration for all Directors is disclosed in the Annual Securities Report and the Business Report.
The amounts of remuneration paid to Directors and Audit & Supervisory Board Members for the fiscal year ended March 31, 2026 are as follows.

[Directors: eleven persons]	¥353,842 thousand (fixed remuneration: ¥228,180 thousand; variable remuneration: ¥95,100 thousand; stock-based remuneration: ¥30,562 thousand)
(Including five Outside Directors)	¥56,400 thousand (fixed remuneration: ¥56,400 thousand)
[Audit & Supervisory Board Members: five persons]	¥62,400 thousand (fixed remuneration: ¥62,400 thousand)
(Including two Outside Audit & Supervisory Board Members)	¥19,200 thousand (fixed remuneration: ¥19,200 thousand)

[Total: sixteen persons]	¥416,242 thousand (fixed remuneration: ¥290,580 thousand; variable remuneration: ¥95,100 thousand; stock-based remuneration: ¥30,562 thousand)
(Including seven Outside Officers)	¥75,600 thousand (fixed remuneration: ¥75,600 thousand)

Policy on Determining Remuneration Amounts and Calculation Methods Updated	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

(Policy for Determining Directors' Remuneration)

A. Basic policy

Directors' remuneration, which is set within the limits approved by the General Meeting of Shareholders, is positioned as an incentive to promote the execution of sustainability management toward the realization of the Purpose and the Vision. The basic policy is to establish a remuneration structure commensurate with each Director's roles and responsibilities, while ensuring objectivity and transparency in the determination process and promoting the sharing of interests with shareholders. The Company regularly verifies the appropriateness of the level and composition of Directors' remuneration based on benchmarks from companies of similar size and relevant industry/type and salary levels of the Company's employees.

B. Procedures for determination

The Directors' remuneration is determined by the Board of Directors after receiving a report from the Remuneration Advisory Committee.

C. Composition and percentage of remuneration

The composition and percentage breakdown of Directors' remuneration are as follows:

1) Representative Director & President and Representative Director & Executive Vice President

The composition shall be annual remuneration ((1) base portion, (2) companywide performance-linked portion, (3) efforts to improve medium- to long-term corporate value, and (4) stock-based remuneration). The approximate ratio of fixed remuneration (1): variable remuneration (2) and (3): stock-based remuneration (4) is 55:33:12.

2) Inside Directors

The composition shall be annual remuneration ((1) base portion, (2) companywide performance-linked portion, (3) results-linked portion, (4) efforts toward medium-term action plan items and quality/safety/compliance initiatives as medium- to long-term measures, and (5) stock-based remuneration). The approximate ratio of fixed remuneration (1): variable remuneration (2), (3) and (4): stock-based remuneration (5) is 60:30:10.

3) Remuneration for Outside Directors consists solely of fixed remuneration (base portion of annual remuneration).

(Note) To further advance the sharing of value with shareholders, the Board of Directors resolved to revise the policy for determining Directors' remuneration at its meeting on March 24, 2026. The percentage breakdown of Directors' remuneration will change from July 2026 (the proportion of fixed remuneration will decrease by 5 percentage points and the proportion of stock-based remuneration will increase by 5 percentage points for eligible Directors, and the same changes will apply to Executive Officers' remuneration). As a result, the ratio of fixed remuneration (1): variable remuneration (2) and (3): stock-based remuneration (4) will be 50: 33:17 (currently 55:33:12) for Representative Directors and 55: 30:15 (currently 60:30:10) for Inside

Directors.

Before the adoption of the resolution by the Board of Directors, the Remuneration Advisory Committee deliberated and submitted a report on the contents of the resolution.

(Matters Relating to the Method of Calculation of Directors' Remuneration, etc.)

A. Base portion

The base portion is fixed remuneration determined on the basis of the particular position held by the individual.

B. Companywide performance-linked portion

The companywide performance-linked portion is variable remuneration that is determined on the basis of the consolidated performance of the previous fiscal year and consists of a consolidated operating income portion and a consolidated ROE (return on equity) portion.

This indicator was selected because of its importance in terms of indicating how performance directly links to the companywide performance targets in the medium-term management plan.

1) Consolidated operating income portion

The amount is determined by multiplying 50% of the base amount of the companywide performance-linked portion, determined according to the Director's position, by the achievement rate at the fiscal year-end against the consolidated operating income target set at the beginning of the fiscal year.

2) Consolidated ROE (return on equity) portion

The amount is determined by multiplying 50% of the base amount of the companywide performance-linked portion, determined according to the Director's position, by the achievement rate at the fiscal year-end against the consolidated ROE (return on equity) target set at the beginning of the fiscal year.

C. Results-linked portion

The portion linked to results is determined as variable remuneration based on the performance evaluation for the previous fiscal year of the division for which the Director is in charge.

The amount is determined by multiplying the base amount of the results-linked portion, determined according to the Director's position, by a coefficient based on the divisional performance evaluation (ranked S, A, B, C, or D) determined by the Executive Board.

Divisional performance evaluations are determined by the Executive Board based on the achievement rate at the fiscal year-end against evaluation criteria, including performance indicators and qualitative evaluation items, which are established at the beginning of the fiscal year with the objective of achieving the annual business plan.

D. Evaluation of Representative Directors' efforts to improve medium- to long-term corporate value

The Company consults the Remuneration Advisory Committee on the results of efforts to achieve materiality (creating value and solving social issues through JSW Group's businesses and bolstering JSW Group's management foundation for sustainable growth), which it then reviews and incorporates into remuneration.

E. Evaluation of Inside Directors' efforts toward medium- to long-term measures

The Company consults the Remuneration Advisory Committee on the results of efforts toward medium-term action plan items and quality/safety/compliance initiatives, which it then reviews and incorporates into remuneration.

F. Stock-based remuneration

Stock-based remuneration is granted to provide restricted transferable shares as remuneration for the purpose of providing medium- to long-term incentives to increase corporate value and to further the sharing of value with shareholders.

The Company has entered into a restricted stock allocation agreement with Directors other than Outside Directors that stipulates a transfer restriction period (period from the Allotment Agreement until the date on which the Eligible Directors retire from any position as Directors or Executive Officers of the Company), under which the Company issues or disposes of its common shares to such Directors.

The number of shares to be allocated shall be the number of shares obtained by dividing the standard amount by position according to the Director's position by the closing price of the Company's shares on the Tokyo Stock Exchange on the day before the date of resolution by the Board of Directors regarding the execution of the restricted stock remuneration allocation agreement.

The specific method of share allocation is determined by the Board of Directors following deliberation by the Remuneration Advisory Committee.

Support System for Outside Directors (and/or Outside Audit & Supervisory Board Members)

The Outside Officers Liaison Council meets once a month to provide Outside Directors and Outside Audit & Supervisory Board Members with advance explanations of the agenda for Board of Directors' meetings, and to confirm, report on, and exchange opinions on the status of business execution by Inside Directors and Executive Officers, with the General Affairs Department serving as the secretariat, thereby ensuring the provision of sufficient information.

Staff support functions for Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, are provided by the Internal Audit Division, which works in close coordination with Audit & Supervisory Board Members and the accounting auditor. In conducting audits by Audit & Supervisory Board Members, the Audit & Supervisory Board maintains a framework under which it receives cooperation on audit matters from the Internal Audit Division, the Legal Affairs Department, and the Finance & Accounting Department.

In addition, an environment has been established that allows Outside Directors and Outside Audit & Supervisory Board Members to access materials from Executive Board and Management Council meetings at any time, thereby enabling continuous monitoring of important business execution.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company has adopted an Audit & Supervisory Board system and has a structure consisting of ten Directors (including five Outside Directors) and four Audit & Supervisory Board Members (including two Outside Audit & Supervisory Board Members). The term of office for Directors is set at one year. The Company has also introduced an Executive Officer system that separates management decision-making and supervisory functions from business execution functions conducted by Executive Officers, thereby accelerating management decision-making, strengthening supervision, and enhancing business execution functions. Effective April 1, 2023, the assignment of "oversight responsibilities" to executive Directors was, in principle, abolished. Under the current structure, Directors or Executive Officers oversee and execute duties delegated or appointed by the Board of Directors for head office divisions, while Executive Officers or employees do so for business divisions, thereby clearly separating business execution by business divisions from supervision by the Board of Directors.

The Board of Directors, in principle, meets once a month to decide on and report on basic management policies, matters prescribed by laws and regulations, and other important management matters, and is positioned as the body that mutually supervises the execution of duties by Directors and Executive Officers.

Furthermore, an Executive Board meeting is held once a week. The Executive Board comprises two Representative Directors and Executive Officers appointed by the President, with one Audit & Supervisory Board Member who attends on a rotating basis. At the meeting, important management matters and significant business execution decisions by Directors and Executive Officers are deliberated and approved, and matters relating to overall management are discussed, reported, and monitored.

In addition, Management Council meetings are held in principle once a month, attended by Directors, Audit & Supervisory Board Members, and key business execution personnel including Executive Officers, such as Directors of business divisions, General Plant Managers, and Managers of head office divisions. Management Council meetings are used to share management information, such as analysis of the business environment and progress against business plans, reflect such information in management decision-making, and ensure thorough risk management and compliance.

The Outside Officers Liaison Council also meets once a month in principle. The Council is comprised of five Outside Directors, two Outside Audit & Supervisory Board Members, the President, the Executive Vice President, Audit & Supervisory Board Members, and Executive Officers appointed by the President. At meetings, Outside Directors and Outside Audit & Supervisory Board Members receive advance explanations of agenda items for Board of Directors' meetings, and the members of the Council engage in confirmation, reporting, and exchanges of views regarding important management matters, particularly those deliberated and decided at the Executive Board, as well as the status of business execution across the Group. Opinions and recommendations offered from an independent and objective standpoint are reflected in the Company's decision-making, oversight, and execution functions, thereby enhancing governance.

The Audit & Supervisory Board is comprised of four members, including two Outside Audit & Supervisory Board Members (both of whom serve on a part-time basis). Audit & Supervisory Board Members attend important meetings including those of the Board of Directors, the Executive Board and the Outside Officers Liaison Council. Once every fiscal half in principle they visit plants, sales locations and Group subsidiaries, and receive reports on necessary information from each division. They also exchange opinions with Directors, Executive Officers and key employees, and based on these exchanges, advise management from an objective and impartial standpoint, while strictly monitoring the execution of duties by Directors.

To ensure fairness and transparency in the nomination and remuneration decision-making processes, the Company has established the Nomination Advisory Committee and the Remuneration Advisory Committee as advisory bodies to the Board of Directors. Each Committee consists of seven members, including multiple Independent Outside Officers, and is chaired by an Outside Director. The Nomination Advisory Committee deliberates on matters relating to the nomination and dismissal of Directors, Audit & Supervisory Board Members, and Executive Officers, and submits its recommendations to the Board of Directors. The Remuneration Advisory Committee deliberates on matters relating to the remuneration of Directors and Executive Officers and submits its recommendations to the Board of Directors.

3. Reasons for Adoption of Current Corporate Governance System Updated

Inside Directors report the status of business execution at important meetings such as the Board of Directors' meeting, Executive Board meeting, and Management Council meeting, thereby ensuring mutual supervision among Directors. Executive Officers (14, including three concurrently serving as Directors) are appointed by the Board of Directors and are responsible for business

execution and decision-making related to business execution within the scope of their mandate, and report on the status of business execution at the aforementioned Executive Board meetings and Management Council meetings, etc. The Directors' supervision of the Executive Officers' business execution is ensured. In addition, Outside Directors attend the Board of Directors' meetings, participate in management decision-making, and express their views on management from an objective and neutral standpoint. They also attend meetings of the Outside Officers Liaison Council, where they confirm or receive reports on the status of business execution by Directors and Executive Officers, thereby exercising oversight.

Each Audit & Supervisory Board Member may attend the important meetings mentioned above and other meetings, and regularly conducts audits of head office divisions, business divisions, and Group subsidiaries. In addition, each Audit & Supervisory Board Member receives reports from each division on risk management, compliance, etc., as necessary, and exchanges opinions with each Director, Executive Officer, and key employees as appropriate, in order to gain an understanding of the Directors' execution of their duties and to provide opinions to the Directors at the above meetings from an objective and neutral standpoint.

Based on the above, we have adopted the current corporate governance system because we have a system that can adequately fulfill the monitoring function of management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Scheduling of the General Meeting of Shareholders on a Non-Peak Day	The date of the General Meeting of Shareholders is chosen to avoid days with a high concentration of shareholders meetings
Electronic Exercise of Voting Rights	Voting rights may be exercised via the internet
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	The Company participates in the electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	Notices of convocation are posted on the Company's website, the Tokyo Stock Exchange website, and the electronic voting platform
Other	The Company takes measures including visual presentation of the proceedings of the General Meeting of Shareholders, distribution of companywide comprehensive catalogues, posting of notices of convocation on the Company's website prior to dispatch and, for a certain period after meetings, streaming a video of explanations given at meetings and posting a summary of the questions and answers on a dedicated website for shareholders

2. Status of IR-related Activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The IR Policy is posted on the Company's website	
Regular Investor Briefings held for Analysts and Institutional Investors	In principle, briefings are held twice a year (full-year results and interim results)	Held
Online Disclosure of IR Information	The Company posts IR presentation materials, summary of financial results, annual securities reports, semi-annual reports, and other materials on its website	
Establishment of Department and/or Placement of a Manager in Charge of IR	Officer responsible for IR: Officer in charge of the General Affairs Department IR department: Corporate Communication Group, General Affairs Department	

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	The Company has established policies that respect the position of stakeholders in Our Philosophy (Purpose, Vision, Value Creation Process), The Japan Steel Works Group Standards of Business Conduct, Corporate Governance Policy of The Japan Steel Works, Ltd., The Japan Steel Works Group Basic Sustainability Policy, and the Multi-Stakeholder Policy.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	The Group recognizes the importance of being an environmentally responsible corporate body. We aim to prioritize environmentally responsible production activities and environmental conservation technologies in order to contribute to the sustainable development of society in harmony with ecosystems. Sustainability promotion activities are carried out by the ESG Promotion Committee, chaired by the Officer in charge of Promoting ESG, with the ESG Promotion Office, established in April 2022 as an organization dedicated to promoting ESG activities throughout the Company, serving as the secretariat. In addition to addressing climate change, the Committee promotes a wide range of ESG-related activities. The Board of Directors exercises appropriate oversight by receiving reports on and deliberating matters relating to the activities of the ESG Promotion Committee. In July 2023, the Board of Directors formulated The Japan Steel Works Group Basic Sustainability Policy, which is posted on the Company's website. For further details of these activities, please refer to the Integrated Report and the Company's website. - Integrated Report https://www.jsw.co.jp/en/ir/library/integrated.html - The Japan Steel Works Group Basic Sustainability Policy https://www.jsw.co.jp/en/sustainability/sustainability_management.html
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company's Governance Policy stipulates that the Company shall engage in the active and fair disclosure of information to stakeholders.

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development Updated

The Company maintains systems to ensure appropriate business execution and the reliability of financial reporting. The Company examines the status of the development and operation of internal control systems and related rules and regulations under the jurisdiction of head office divisions, business divisions, plants, and Group subsidiaries, and the Internal Audit Division evaluates such systems through internal audits. The Company convenes meetings of the Internal Control Committee as necessary and develops its internal control systems in accordance with the Basic Policy on Internal Control determined by the Board of Directors, as outlined below.

1. Systems to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation
   - The Company defines “compliance” not only as the prevention of misconduct and compliance with laws and regulations, internal rules, and contracts with customers and business partners, but also more broadly as the fulfillment of social responsibilities, and establishes and maintains various compliance-related rules and regulations.

     The Company considers that the cornerstones of compliance activities are fostering an open and transparent workplace culture, the leadership and integrity demonstrated by Directors and Executive Officers, and initiatives to thoroughly instill and enhance compliance awareness among employees, and promotes these efforts.
   - To establish companywide internal controls designed to function effectively, the Company has established the Internal Control Committee, which develops rules and systems covering all corporate operations and promotes their operation and evaluation.
   - The Company has established the Internal Audit Division that conducts regular and ad hoc audits covering all corporate operations to assess compliance with laws, regulations, and internal rules. Audit results are reported to the Director & President, the Board of Directors, and the Audit & Supervisory Board, as well as the Executive Board, the Management Council, and other relevant parties, as appropriate.
   - The Company has established whistleblowing and consultation systems for employees who identify compliance-related issues and has secured multiple reporting channels, including external channels.
   - The Company strives to ensure thorough, organizational risk management against antisocial forces and rejects unreasonable demands in accordance with laws, in cooperation with relevant organizations.
2. Systems for the storage and management of information related to the execution of duties by Directors
   - The Company appoints a Director or an Executive Officer as the person responsible for the storage and management of information. In accordance with various rules on document and information management, important information relating to the execution of duties by Directors and Executive Officers, including minutes of important meetings and approval records, is stored and managed in documentary or electronic form.

     Directors and Audit & Supervisory Board Members may access and make copies of such information at any time.
   - The Company discloses financial information and other important management information in a timely and appropriate manner.
3. Rules and other systems concerning the management of the risk of loss
   - The Company stipulates rules regarding risk management and establishes and maintains a companywide risk management framework based on the three lines model, with a Director or an Executive Officer designated as the responsible person.

- Each business execution division identifies and assesses risks arising from its operations and responds to risks of loss within the scope of authority granted under applicable rules and approval system.
- On a companywide and cross-organizational basis, the Risk Management Committee identifies material Group risks, deliberates on risk responses, provides direction and guidance, conducts evaluations, and reports regularly or as necessary to the Board of Directors and the Executive Board. With respect to functional risks, including quality management, health and safety, environmental management, information security, and export control administration, the responsible departments establish committees or rules from a companywide perspective and work to mitigate risks through efforts such as training, guidance, and audits.
- The Internal Audit Division monitors and evaluates the status of risk management and reports its findings regularly or as necessary to the Board of Directors and the Executive Board.
- In the event of a serious incident, the Company establishes the Crisis Management Headquarters to respond to the situation. In addition, risk managers are designated at head office division, business division, and plant levels to identify risks as appropriate, thereby ensuring preparedness in both normal times and emergencies.

4. Systems to ensure the efficient execution of duties by Directors

- To enable prompt decision-making and flexible, efficient business execution, the Director & President serves as Chief Executive Officer. At major head office divisions, Directors or Executive Officers, and at business divisions, Executive Officers or employees, oversee and execute duties delegated or appointed by the Board of Directors.

  Directors and Executive Officers deliberate, approve, and report important matters at meetings of the Board of Directors or the Executive Board, with the Board of Directors exercising oversight.
- At the Board of Directors, the Company sets companywide objectives, including the medium-term management plan and annual business plans, to be shared with Directors, Executive Officers, and employees. Directors and Executive Officers formulate and implement specific measures to achieve these objectives by allocating responsibilities to employees in accordance with internal rules and regulations.

  In addition, Directors and Executive Officers regularly or as necessary evaluate results and report reviews and progress at meetings of the Board of Directors, the Executive Board, or the Management Council, with the Board of Directors exercising oversight.

5. Systems to ensure the appropriateness of operations within the corporate group consisting of the Company and its subsidiaries

- In accordance with Our Philosophy, The Japan Steel Works Group Basic Sustainability Policy, and Compliance Policy for The Japan Steel Works Group, the Company promotes the development and establishment of companywide internal controls, including those covering Group subsidiaries. To this end, the Company provides support and guidance for autonomous and efficient business execution by clarifying appropriate segregation of duties and approval authority based on internal rules and regulations established by each Group subsidiary.
- The Company establishes rules and regulations governing the operation and management of Group subsidiaries, clarifies management responsibilities and guidance frameworks, and establishes systems for decision-making on important matters relating to Group subsidiaries, as well as for the reporting, whistleblowing, and collecting of information on material facts relating to such subsidiaries.
- In addition to dispatching Directors or Audit & Supervisory Board Members to Group subsidiaries, compliance with laws, regulations, and internal rules at Group subsidiaries is supervised by the division in charge of affiliated companies as the first

line under the three lines model, while relevant head office divisions perform monitoring and provide guidance as the second line in accordance with the nature of the risks. The Internal Audit Division, as the third line, conducts audits on a regular or ad hoc basis and provides advice as necessary.

- The Company supports and guides Group subsidiaries in developing systems to independently monitor and evaluate the appropriateness of their operations.

6. Matters relating to employees when Audit & Supervisory Board Members request the appointment of employees to assist the duties of Audit & Supervisory Board Members, matters concerning the independence of such employees from Directors, and matters concerning ensuring the effectiveness of instructions to such employees

- When an Audit & Supervisory Board Member requests an employee to assist in the performance of their duties, the Company appoints such employee from among its employees. When appointing, dismissing, conducting the personnel evaluation, or determining the treatment of such employee, the Company obtains opinions or consent of the Audit & Supervisory Board Member, thereby ensuring the employee's independence from Directors and Executive Officers.
- The Company ensures a system under which employees who assist Audit & Supervisory Board Members can perform their duties in accordance with instructions and directions from Audit & Supervisory Board Members.

7. Systems for reporting to Audit & Supervisory Board Members by Directors, employees, etc. of the Company and its subsidiaries, other systems for reporting to Audit & Supervisory Board Members, and systems to ensure protection against disadvantageous treatment for making such reports

- The Company ensures that Audit & Supervisory Board Members are given opportunities to attend meetings of the Board of Directors, the Executive Board, the Management Council, and other meetings at which important deliberations, decisions, and reports are conducted.
- In accordance with the approval system, the Company makes approval records available to Audit & Supervisory Board Members. Audit & Supervisory Board Members may also request reports from Directors, Executive Officers, employees, etc. of the Company, its Group subsidiaries, etc. at any time. In addition, the Company ensures a system under which any person who receives reports from Directors, Executive Officers, employees, etc. of the Company, its Group subsidiaries, etc. can report such matters to the Audit & Supervisory Board Members.
- When Directors, Executive Officers, employees, etc. of the Company discover or become aware of significant risks and other matters in the course of business operations, they promptly report such matters to the Audit & Supervisory Board Members.
- The Company guarantees that persons who make a report to Audit & Supervisory Board Members will not be subject to disadvantageous treatment as a result of making such report.

8. Matters concerning policies on procedures of the prepayment or reimbursement of expenses and other treatments of expenses or liabilities incurred in the execution of duties by Audit & Supervisory Board Members

- The Company bears expenses and other costs required by Audit & Supervisory Board Members in the execution of their duties.

9. Other systems to ensure the effectiveness of audits conducted by Audit & Supervisory Board Members

- The Company maintains an environment in which Directors, Executive Officers, and employees recognize the importance and usefulness of audits by Audit & Supervisory Board Members and, to the extent possible, give priority to cooperating with such audits over other duties.

  Audit & Supervisory Board Members may also request collaboration and cooperation with audits from the Internal Audit

Division, head office divisions, etc.

- The Company maintains an environment that enables Audit & Supervisory Board Members to work in close collaboration with the accounting auditor and the Internal Audit Division.
- The Company maintains an environment in which Audit & Supervisory Board Members may, at their own discretion, engage legal counsel or other external experts.

10. Systems to ensure the reliability of financial reporting

- In accordance with the basic policy of internal controls for financial reporting, the Company evaluates the effectiveness of such internal controls for financial reporting and reports and discusses the results at meetings of the Board of Directors or the Executive Board.

2. Basic Views on Measures for Eliminating Antisocial Forces and Status of Development Updated

Compliance Policy for The Japan Steel Works Group sets forth a firm stance against antisocial forces, clearly stating that all officers and employees of The Japan Steel Works Group will confront, as a corporate organization, any antisocial forces or groups that threaten the order or safety of civil society, will refuse to comply with any illegal or unreasonable demands, and will respond with a resolute attitude without yielding to or colluding with such forces. Based on these basic views, the Company has established a framework for the exclusion of antisocial forces by designating the General Affairs Department as the contact and response point and by exchanging information and consulting with external organizations such as the police and legal counsel.

V. Other

1. Adoption of Antitakeover Measures

Adoption of Antitakeover Measures	Not Adopted

Supplementary Explanation for Applicable Items

<Basic Policy on the Approach to Persons Who Control Decisions on the Company's Financial and Business Policies>

The Company believes that the determination of whether a person who controls decisions on the Company's financial and business policies will secure and enhance the Company's corporate value and the common interests of its shareholders should ultimately be made based on the collective will of the Company's shareholders.

However, some takeover proposals, in light of their objectives or other circumstances, may clearly harm the Company's corporate value and the common interests of its shareholders, or may virtually coerce shareholders into selling their shares.

Therefore, when any person intends to conduct a large-scale purchase of the Company's shares or other securities, the Company will, in order to enable shareholders to appropriately assess the merits of such purchase, request the provision of necessary and sufficient information, disclose the views of the Board of Directors after giving due consideration to the opinions of Independent Outside Directors, and endeavor to ensure that shareholders are provided with the time and information necessary for their consideration. The Company will take appropriate measures, such as these, in accordance with the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations.

2. Other Matters Concerning the Corporate Governance System

<Overview of the Timely Disclosure System>

1. Internal framework for timely disclosure of information
   - The Head Office General Affairs Department and Public Relations Department serve as the departments responsible for disclosure, and the Officer in charge of General Affairs is designated as the information handling officer.
   - The departments responsible for disclosure consolidate material information within the Company, determine whether such information is subject to timely disclosure, and guide and implement internal information control and timely disclosure.
   - Timely disclosure of information is the exclusive responsibility of the departments responsible for disclosure and is carried out by the Head Office General Affairs Department with the approval of the Representative Director. However, in the event of an emergency in which it is not possible to obtain approval from the Representative Director, disclosure is made with the approval of the information handling officer.
2. Internal management framework for material information
   - To ensure timely and appropriate disclosure, information administrators are appointed at each plant, business division, and other units. Information administrators report material information and potential timely disclosure information within their respective units to the departments responsible for disclosure.
   - If any doubt arises as to whether information falls under the scope of timely disclosure, information administrators promptly consult with the departments responsible for disclosure regarding information within their respective units.
3. Timely disclosure to the stock exchange

   (1) Timely disclosure of decisions

- Decisions concerning the Company and its subsidiaries that are subject to timely disclosure are submitted or reported to the Executive Board or the Board of Directors, or reported to the information handling officer, in accordance with internal rules, and are disclosed via TDnet in compliance with stock exchange rules upon approval of the Representative Director.

(2) Timely disclosure of facts which occurred

- Facts which occurred concerning the Company and its subsidiaries that are subject to timely disclosure are reported to the Representative Director or the information handling officer in accordance with internal rules and are disclosed via TDnet in compliance with stock exchange rules upon approval of the Representative Director.

(3) Timely disclosure of financial results

- Financial results are submitted or reported to the Executive Board or the Board of Directors in accordance with internal rules and are disclosed via TDnet in compliance with stock exchange rules upon approval of the Representative Director.

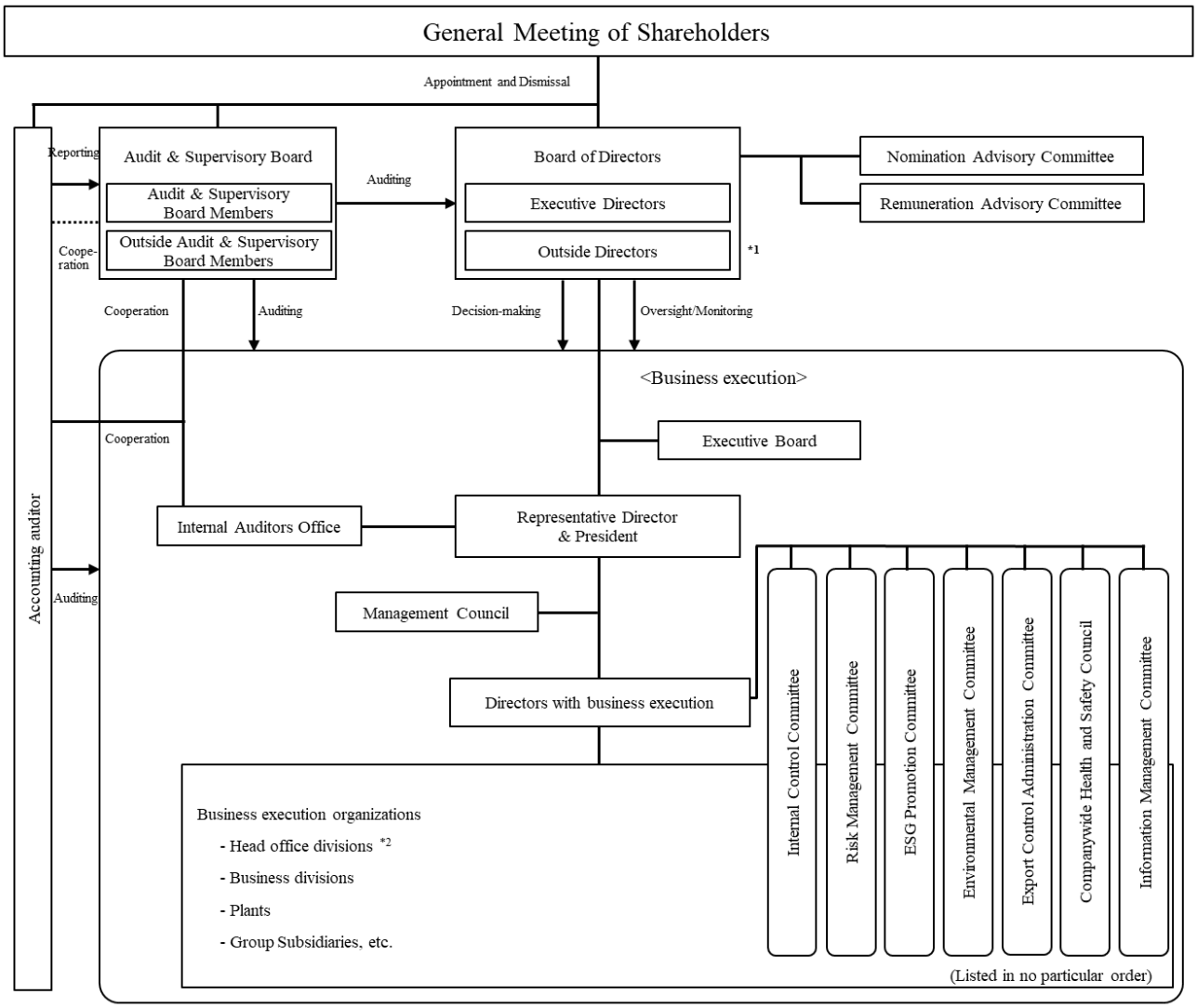
4. Audit of the internal timely disclosure framework

- The Head Office Internal Audit Division audits the internal timely disclosure framework, verifies its appropriateness and effectiveness, and reports audit results and improvement recommendations to the Representative Director.
- Audit & Supervisory Board Members audit the execution of duties by Directors relating to the development and maintenance of the internal timely disclosure framework.

5. Framework for voluntary disclosure

- Even where it is clear that information does not fall under the scope of timely disclosure, the Company discloses information that is considered to be useful to stakeholders.
- Voluntarily disclosed information is posted on TDnet or the Company’s website by the departments responsible for disclosure.

Corporate Governance Structure



*1: The Outside Officers Liaison Council was established as a venue to provide Outside Officers with advance explanations of the agenda for Board of Directors' meetings, and as a forum for Outside Directors, Inside Directors and Executive Officers to confirm, report on, and exchange opinions on the status of business execution.

*2: The quality assurance system involves the Quality Management Office, a head office division, overseeing and guiding quality management activities at the business division or plant level.

Overview of the Timely Disclosure System

