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June 11, 2026

To whom it may concern:

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Representative Director and President
Stock code: 5408 (Tokyo Stock Exchange Prime Market)
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Supplementary Explanation of Proposals 3 and 4 of the 132nd Ordinary General Meeting of Shareholders

For the 132nd Ordinary General Meeting of Shareholders of the Company, scheduled to be held on June 25, 2026, Institutional Shareholder Services Inc. ("ISS") recommended voting against Mr. Masaya Kakuda, a candidate under Proposal 3, "Election of Three (3) Directors Who Are Audit and Supervisory Committee Members," and Mr. Kazuto Takahashi, a candidate under Proposal 4, "Election of One (1) Director Who Is a Substitute Audit and Supervisory Committee Member," on the grounds that their independence may be compromised.

The Company believes that both Mr. Masaya Kakuda and Mr. Kazuto Takahashi are sufficiently independent from the Company and are qualified to serve as a Director who is an Audit and Supervisory Committee Member, and a Director who is a Substitute Audit and Supervisory Committee Member, respectively. The reasons for nominating Mr. Kakuda as a candidate for Director who is an Audit and Supervisory Committee Member and Mr. Takahashi as a candidate for Director who is a Substitute Audit and Supervisory Committee Member, as well as information regarding their independence, are described on pages 14-20 of the "Notice of Convocation of the 132nd Ordinary General Meeting of Shareholders"; however, the Company would like to provide the following supplemental explanation.

Shareholders and investors are kindly requested to review this document and understand the proposals.

1. The Company's View on ISS's Recommendation Against the Proposals

ISS recommends voting against the election of Mr. Kakuda and Mr. Takahashi, citing concerns about their independence, because Mr. Kakuda is a former employee of MUFG Bank, Ltd. ("MUFG Bank") (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.), one of the Company's major lenders, and Mr. Takahashi is a former employee of KPMG AZSA LLC ("KPMG AZSA").

ISS's recommendation against these candidates overlooks the fact that 17 years have passed since Mr. Kakuda retired from MUFG Bank and 10 years have passed since Mr. Takahashi retired from KPMG AZSA—namely, the concept of a “cooling-off period,” under which any potential conflict of interest is considered to diminish or cease after a certain period has elapsed following retirement. The Company believes that ISS's recommendation does not appropriately take into account the independence of the Audit and Supervisory Committee Members.

Principle 4-11 of the Tokyo Stock Exchange, Inc.'s Corporate Governance Code (the "Code") encourages the appointment of Audit and Supervisory Committee Members with the expertise necessary to reduce risks in corporate management, stating as follows: "A person with appropriate experience, ability, and the necessary financial, accounting, and legal knowledge should be selected. In particular, at least one person with sufficient financial and accounting knowledge should be selected."

However, categorically denying a director's independence solely because the director previously worked for a major lender or for an audit firm that audits the Company, without considering the time elapsed since retirement and the director's activities during that period, would undermine the purpose of the Code and fail to reflect the reality that financial institutions and audit firms are among the primary sources of professionals with expertise in financial, accounting, and legal matters.

Given that Mr. Kakuda has extensive experience in overall management gained at financial institutions and other companies, and that Mr. Takahashi is well versed in financial statement audits through his experience at a major audit firm capable of conducting audits in accordance with global standards, denying the appointment of both candidates would impair the effectiveness of the Audit and Supervisory Committee and hinder the Company's ability to utilize outside directors serving as Audit and Supervisory Committee Members who possess extensive knowledge and experience as corporate managers and certified public accountants. The Company believes that such an outcome would be unreasonable from the perspective of sound corporate management.

2. Reasons for the Company's Nomination of Candidates for Audit and Supervisory Committee Members and a Substitute Audit and Supervisory Committee Member

After serving as a branch general manager at MUFG Bank, Mr. Kakuda served as a Managing Director of Tokushima Taisho Bank, Ltd. (then Taisho Bank, Ltd.). He later served as a Managing Director of Tomoni Holdings Co., Ltd. and as an auditor of Tomoni System Service Co., Ltd., and has gained broad experience and deep insight over many years at financial institutions, as well as extensive experience in corporate management as a corporate executive.

In addition, Mr. Takahashi has been engaged in corporate auditing for many years as a certified public accountant and tax accountant and has accumulated extensive experience and insight through their roles at an audit firm and as an outside corporate auditor.

Based on the above, the Company expects both individuals to provide useful opinions and guidance on the Company's management from an objective and professional perspective. The Company also considers

them suitable, as Outside Directors, to audit the Company's execution of business with a view to sustainably enhancing corporate value.

3. The Company's View on Independence

Mr. Kakuda worked for MUFG Bank, one of the Company's major lenders, until May 2009, and 17 years have elapsed since he retired from MUFG Bank.

In addition, Mr. Takahashi worked for KPMG AZSA, the Company's current accounting auditor, until June 2016, and 10 years have elapsed since he retired from KPMG AZSA.

Furthermore, both candidates meet the independence requirements set forth by the Tokyo Stock Exchange ("TSE") and the Company's independence standards for outside officers.

For the reasons stated above, the Company believes that their independence is sufficiently ensured.

Mr. Kakuda currently serves as an Outside Director and Audit and Supervisory Committee Member of the Company, and the Company has notified TSE that he is an Independent Director as defined by TSE (a person who poses no risk of a conflict of interest with general shareholders).

If Mr. Takahashi is appointed as an Outside Director and Audit and Supervisory Committee Member, the Company plans to similarly designate him as an Independent Director with TSE.