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Securities code: 5408

June 8, 2026

(Date of commencement of measures for electronic provision: June 3, 2026)

## To Shareholders with Voting Rights:

Nobuhiko Naito  
Representative Director and President  
NAKAYAMA STEEL WORKS, LTD.  
1-1-66 Funamachi, Taisho-ku,  
Osaka-shi, Osaka, Japan

## NOTICE OF THE 132ND ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We hereby inform you that the 132nd Annual General Meeting of Shareholders of NAKAYAMA STEEL WORKS, LTD. (the “Company”) will be held as described below.

In convening this Annual General Meeting of Shareholders, the Company has taken measures for electronic provision of materials for the general meeting of shareholders and posted the matters to be provided electronically as the “Notice of the 132nd Annual General Meeting of Shareholders” on the website on the internet indicated below.

[The Company’s website]

[https://www.nakayama-steel.co.jp/menu/investment/shareholders\\_meeting.html](https://www.nakayama-steel.co.jp/menu/investment/shareholders_meeting.html) (in Japanese)

The matters to be provided electronically are also posted on the website on the internet indicated below. Please access the Tokyo Stock Exchange website (TSE Listed Company Search) indicated below, enter “Nakayama Steel Works” in the “Issue name (company name)” field or the Company’s securities code “5408” in the “Code” field and click “Search,” select “Basic information,” then “Documents for public inspection/PR information,” and click “Click here for access” below [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] to review the materials.

[Tokyo Stock Exchange website (TSE Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

**If you are unable to attend the meeting, you may exercise your voting rights in writing (voting rights exercise form) or via electromagnetic means (the internet). Please review the Reference Materials for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. Japan time on Wednesday, June 24, 2026, in accordance with the “Guide for exercising voting rights” on pages 3 and 4 (in Japanese only).**

- 1. Date and Time:** Thursday, June 25, 2026 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Place:** Headquarters of the Company  
1-1-66 Funamachi, Taisho-ku, Osaka-shi, Osaka, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report and Consolidated Financial Statements for the Company's 132nd Fiscal Year (April 1, 2025 - March 31, 2026) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 132nd Fiscal Year (April 1, 2025 - March 31, 2026)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal 4:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member
- Proposal 5:** Continuation of the Appropriate Rules Concerning Large-Scale Purchases of the Company's Shares (Takeover Response Policy)

End

Notice:

- ⊙ Of the matters provided electronically, "Status of Accounting Auditor" and "Structure and Policy of the Company" in the Business Report, "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements and "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements are not included in paper copies delivered to shareholders who have requested delivery of such copies, in accordance with provisions of laws and regulations as well as Article 15 of the Articles of Incorporation of the Company. The documents which are in the scope of audit, including the items above, are audited by the Audit and Supervisory Committee and the Accounting Auditor.
- ⊙ Any revisions to the matters provided electronically will be posted on each website on which the matters to be provided electronically are posted (in Japanese only).

# Reference Materials for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company's basic policy for appropriation of surplus is to realize stable dividends, while securing internal reserves necessary to enhance its management base and financial position as well as to prepare for future business development.

Accordingly, the Company proposes a year-end dividend for the fiscal year under review as follows.

Matters concerning year-end dividend

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and the total amount thereof

6 yen per share of common stock of the Company

Total amount: 325,292,706 yen

(3) Effective date of distribution of surplus

June 26, 2026

**Proposal 2:** Election of Seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of seven (7) Directors (excluding Directors who are Audit and Supervisory Committee Members), including two (2) Outside Directors, is proposed, by decreasing the number of Directors by one (1).

In submitting this proposal, the candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) have been determined after deliberation by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

No.	Name	Age	Gender	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings
1	Nobuhiko Naito [Reappointment]	67	Male	Representative Director and President; Chairperson, the Remuneration and Nomination Advisory Committee	19/19 (100%)
2	Masahiro Morikawa [Reappointment]	66	Male	Director and Senior Managing Executive Officer; Supervising General Production Administration, Steel Manufacturing, Rolling, Building Materials Manufacturing Division, and Safety & Disaster Management Office	19/19 (100%)
3	Yoshinobu Shibahara [Reappointment]	60	Male	Director and Managing Executive Officer; Supervising Sales, Building Materials Sales, Engineering Division, and Product Development Sales Department	19/19 (100%)
4	Katsuya Oho [Reappointment]	59	Male	Director and Managing Executive Officer; Supervising General Affairs and Human Resources Department, Systems Department, and Accounting Department	13/13 (100%)
5	Mitsuaki Sakaguchi [Reappointment]	57	Male	Director and Managing Executive Officer; Supervising Planning Department and Purchasing Department; Appointed as General Manager of Purchasing Department and Purchasing Lead for New Steel Making Construction Group, Steel Manufacturing Division	19/19 (100%)
6	Masahiro Nakatsukasa [Reappointment] [Outside] [Independent]	61	Male	Outside Director; Member, the Remuneration and Nomination Advisory Committee	19/19 (100%)
7	Sayuri Murakami [Reappointment] [Outside] [Independent]	64	Female	Outside Director; Member, the Remuneration and Nomination Advisory Committee	18/19 (94%)

- Notes: 1. The age of each candidate is as of this Annual General Meeting of Shareholders.  
2. Mr. Kazuaki Hakomori, the current Representative Director and Chairman, will retire from his post as a Director at the conclusion of this Annual General Meeting of Shareholders due to the expiration of his term of office.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	<p>Nobuhiko Naito (July 7, 1958) (Age 67)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 19/19 (100%)</p>	<p>Apr. 1982      Joined the Company</p> <p>Dec. 2007      General Manager, Steel Bars and Wire Rods Sales Department, Sales Division</p> <p>Jun. 2013      Executive Officer; Senior General Manager, Purchasing Division; General Manager, Iron Source Procurement Department</p> <p>Jun. 2014      Executive Officer; Senior General Manager, Purchasing Division</p> <p>May 2015      Executive Officer; Senior General Manager, Sales Division</p> <p>Jun. 2017      Director; supervising Sales, Purchasing Division, and Tokyo Branch; Senior General Manager, Sales Division</p> <p>May 2018      Director; supervising Sales, Purchasing Division, and Tokyo Branch</p> <p>Apr. 2020      Director; supervising Sales Division, Purchasing Department, and Tokyo Branch</p> <p>Jun. 2020      Managing Director; supervising Sales Division, Purchasing Department, and Tokyo Branch</p> <p>Apr. 2022      Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch</p> <p>Jun. 2022      Senior Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Branch</p> <p>Oct. 2023      Senior Managing Director; supervising Sales, Product Development Division, Purchasing Department, and Tokyo Sales Department</p> <p>Apr. 2024      Senior Managing Director; supervising Sales, Building Materials Sales, Product Development Division, and Purchasing Department</p> <p>Jun. 2025      Representative Director and President (to the present)</p>	16,282
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Nobuhiko Naito worked mainly in Sales and Purchasing Departments, accumulating practical experience in business operations. After his appointment as a Director of the Company, he was responsible for Sales, Purchasing, and Product Development Departments, promoting measures to strengthen the Company's competitiveness and expand its business foundation. In June 2025, he was appointed Representative Director and President.</p> <p>Currently, in light of the construction of a new electric furnace, the Company is pursuing important initiatives that will lead to a transformation of its business structure, including the establishment of a joint venture with NIPPON STEEL CORPORATION and a business alliance with YODOKO, Ltd. During the transition period leading up to FY 2030, when the new electric furnace is scheduled to begin operations, we are required to promote various measures with assured decision-making and execution capabilities while responding flexibly to changes in the business environment.</p> <p>Therefore, we believe that Mr. Nobuhiko Naito has knowledge and experience regarding the Company's business, as a whole, as well as insight in corporate management, and is well-suited to effectively promote the various initiatives the Company is pursuing and to meet the expectations of its shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p data-bbox="204 719 437 808">Masahiro Morikawa (June 17, 1960) (Age 66)</p> <p data-bbox="225 846 416 875">[Reappointment]</p> <p data-bbox="213 913 427 1032">[Attendance at the Board of Directors meetings] 19/19 (100%)</p>	<p data-bbox="475 286 592 315">Apr. 1983</p> <p data-bbox="475 322 592 351">Apr. 2007</p> <p data-bbox="475 358 592 387">Jun. 2013</p> <p data-bbox="475 416 592 445">May 2015</p> <p data-bbox="475 517 592 546">Jun. 2016</p> <p data-bbox="475 575 592 604">May 2018</p> <p data-bbox="475 676 592 705">Jun. 2018</p> <p data-bbox="475 777 592 806">Jun. 2021</p> <p data-bbox="475 878 592 907">Feb. 2022</p> <p data-bbox="475 1001 592 1030">Apr. 2023</p> <p data-bbox="475 1102 592 1131">Apr. 2024</p> <p data-bbox="475 1202 592 1232">Jun. 2025</p> <p data-bbox="475 1326 592 1355">Jan. 2026</p> <p data-bbox="692 286 1267 1469">           Joined the Company            General Manager, Steel Manufacturing Plant            General Manager, Production Technology            Department            Senior General Manager, General Production            Administration Division; General Manager,            Production Technology Department            Executive Officer; Senior General Manager,            General Production Administration Division            Executive Officer; supervising General Production            Administration, Manufacturing, and Engineering            Division            Director; supervising General Production            Administration, Manufacturing, and Engineering            Division            Managing Director; supervising General            Production Administration, Manufacturing, and            Engineering Division            Managing Director; supervising General            Production Administration, Manufacturing,            Engineering Division, and Steel Manufacturing            Process Reform Review Group            Managing Director; supervising General            Production Administration, Steel Manufacturing,            and Rolling Division            Managing Director; supervising General            Production Administration, Steel Manufacturing            Division            Director and Senior Managing Executive Officer;            supervising General Production Administration,            Steel Manufacturing, Rolling, Building Materials            Manufacturing Division            Director and Senior Managing Executive Officer;            supervising General Production Administration,            Steel Manufacturing, Rolling, Building Materials            Manufacturing Division, and Safety &amp; Disaster            Management Office (to the present)         </p>	16,270
<p data-bbox="193 1469 1463 1536">[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p data-bbox="193 1536 1463 1603">After joining the Company, Mr. Masahiro Morikawa was involved mainly in Steel Manufacturing and Production Technology Departments and is well versed in such areas.</p> <p data-bbox="193 1603 1463 1753">Since his appointment as a Director of the Company, he has been responsible for the Production Technology, Manufacturing, Environmental Energy, and Engineering Departments. Starting in January 2026, he also assumed responsibility for Safety &amp; Disaster Management Office, taking on broad oversight of all aspects of the Company's manufacturing departments. Therefore, we believe that he will be able to continue to reflect his wealth of experience and achievements in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	<p>Yoshinobu Shibahara (December 20, 1965) (Age 60)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 19/19 (100%)</p>	<p>Apr. 1989      Joined the Company</p> <p>May 2015      General Manager, Sales Department</p> <p>May 2018      Senior General Manager, Sales Division; General Manager, Sales Department</p> <p>Apr. 2020      Executive Officer; Senior General Manager, Sales Division; General Manager, Sales Department</p> <p>Apr. 2022      Executive Officer; Senior General Manager, Sales Division; General Manager, Sales Planning Department; Deputy Senior General Manager, Product Development Division</p> <p>Apr. 2023      Executive Officer; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Deputy Senior General Manager, Product Development Division</p> <p>Jun. 2023      Director; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Deputy Senior General Manager, Product Development Division</p> <p>Apr. 2024      Director; Senior General Manager, Sales Division; General Manager, Tokyo Sales Department; Senior General Manager, Product Development Division</p> <p>Apr. 2025      Director; Senior General Manager, Sales Division; Senior General Manager, Product Development Division</p> <p>Jun. 2025      Director and Managing Executive Officer; supervising Sales, Building Materials Sales Division, and Product Development Department</p> <p>Apr. 2026      Director and Managing Executive Officer; supervising Sales, Building Materials Sales, Engineering Division, and Product Development Sales Department (to the present)</p>	8,828
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Yoshinobu Shibahara was involved mainly in the Sales Department, and is well versed in such area.</p> <p>Since his appointment as a Director of the Company, he has been responsible for Sales and Product Development Departments. Starting in April 2026, he also assumed the responsibility for Engineering Division, tanking on broad oversight of all aspects of the Company's sales operations. Therefore, we believe that he will be able to reflect his wealth of experience and achievements in the Company's management.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	<p>Katsuya Oho (December 17, 1966) (Age 59)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 13/13 (100%)</p>	<p>Apr. 1989      Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Apr. 2011      Branch Manager, Shinyokohama Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Mar. 2013      Deputy General Manager, Corporate Operations Division (Osaka), The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Oct. 2014      Branch Manager, Fukuoka Branch, The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>May 2017      General Manager, Loan Division (Osaka), The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Nov. 2018      Joined MST Insurance Service Co., Ltd.; Managing Executive Officer; Deputy General Manager, Osaka Business Group</p> <p>Apr. 2019      Senior Managing Executive Officer; Division Manager, West Japan Sales Division, MST Insurance Service Co., Ltd.</p> <p>Jun. 2019      Senior Managing Director; Division Manager, West Japan Sales Division, MST Insurance Service Co., Ltd.</p> <p>Jun. 2021      Director &amp; Senior Managing Executive Officer; Division Manager, West Japan Division, MST Insurance Service Co., Ltd.</p> <p>Jul. 2024      Joined the Company; Managing Executive Officer; Deputy Senior General Manager, Corporate Management Division; Deputy General Manager, General Affairs and Human Resources Department</p> <p>Jun. 2025      Director and Managing Executive Officer; supervising General Affairs and Human Resources Department, Systems Department, Accounting Department, and Corporate Planning Department</p> <p>Apr. 2026      Director and Managing Executive Officer; supervising General Affairs and Human Resources Department, Systems Department, and Accounting Department (to the present)</p>	3,559
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>Mr. Katsuya Oho has a wide range of experience and deep insight accumulated over many years mainly at financial institutions. He also has a long career of being responsible for sales divisions as a Director in an insurance agency.</p> <p>After joining the Company, he served as a Managing Executive Officer and subsequently as a Director, assuming broad responsibility for departments including general affairs and human resources, systems, accounting, and corporate planning. Therefore, we believe that he will be able to continue to contribute to the Company's management by leveraging his wealth of experience and achievements in other industries.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	<p>Mitsuaki Sakaguchi (October 20, 1968) (Age 57)</p> <p>[Reappointment]</p> <p>[Attendance at the Board of Directors meetings] 19/19 (100%)</p>	<p>Apr. 1991      Joined the Company</p> <p>Nov. 2012      General Manager, Accounting Department</p> <p>Jun. 2013      Senior General Manager, Corporate Management Division</p> <p>Jun. 2016      Senior General Manager, Accounting Division;</p> <p>Jun. 2018      Executive Officer; Senior General Manager, Accounting Division</p> <p>Apr. 2020      Executive Officer; Senior General Manager, Corporate Management Division</p> <p>Apr. 2022      Managing Executive Officer; Senior General Manager, Corporate Management Division</p> <p>Jun. 2023      Director; Senior General Manager, Corporate Management Division</p> <p>Jun. 2025      Director and Managing Executive Officer; supervising Engineering Division, Corporate Strategy Department, and Purchasing Department</p> <p>Apr. 2026      Director and Managing Executive Officer; supervising Planning Department and Purchasing Department; Appointed as General Manager of Purchasing Department and Purchasing Lead for New Steel Making Construction Group, Steel Manufacturing Division (to the present)</p>	9,397
<p>[Reason for nomination as a candidate for Director (excluding Director who is an Audit and Supervisory Committee Member)]</p> <p>After joining the Company, Mr. Mitsuaki Sakaguchi was involved mainly in Corporate Planning, Accounting, and General Affairs Departments, and is well versed in such areas. After his appointment as a Director of the Company, he served as Senior General Manager of Corporate Management Division, overseeing management control. Subsequently, he has been responsible for various functions such as engineering, management strategy, and purchasing, contributing to the promotion of the Company's business operations and growth strategies. Since April 2026, in addition to being responsible for Planning and Purchasing Departments, he has been addressing important company-wide issues, including being in charge of purchasing operations for the new steel making construction project in the Steel Manufacturing Division. Therefore, we believe that he will be able to further leverage his experience and achievements in the future management of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
6	<p>Masahiro Nakatsukasa (January 19, 1965) (Age 61)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 19/19 (100%)</p>	<p>Apr. 1994 Admitted to the Bar; Member of Osaka Bar Association. Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)</p> <p>Aug. 2005 Served at Kirkland &amp; Ellis LLP, U.S.A.</p> <p>Apr. 2006 Admitted to the New York State Bar, U.S.A.</p> <p>Jun. 2006 Outside Audit &amp; Supervisory Board Member, Asaka Industrial Co., Ltd.</p> <p>Jul. 2012 Representative Partner, Chuo Sogo Law Office, P. C. (to the present)</p> <p>Apr. 2015 Vice Chairman, Osaka Bar Association</p> <p>Jun. 2015 Outside Audit &amp; Supervisory Board Member, ARAKAWA CHEMICAL INDUSTRIES, LTD.</p> <p>Jun. 2015 Outside Audit &amp; Supervisory Board Member, NIPPON DENTSU Co., Ltd.</p> <p>Jun. 2016 Outside Director (Audit and Supervisory Committee Member), Asaka Industrial Co., Ltd. (to the present)</p> <p>Jun. 2016 Outside Director (Audit and Supervisory Committee Member), ARAKAWA CHEMICAL INDUSTRIES, LTD. (to the present)</p> <p>Jun. 2016 Outside Director (Audit and Supervisory Committee Member), NIPPON DENTSU Co., Ltd. (to the present)</p> <p>Jun. 2016 Outside Director, the Company (to the present)</p> <p>Jun. 2018 Outside Audit &amp; Supervisory Board Member, JSH Co., Ltd. (to the present)</p> <p>Jun. 2022 Outside Director, Osaka Mazda Motor Corporation (to the present)</p> <p>Dec. 2022 Managing Partner, Chuo Sogo Law Office, P. C. (to the present)</p> <p>[Significant concurrent positions] Representative Partner, Managing Partner, Chuo Sogo Law Office, P. C. Outside Director (Audit and Supervisory Committee Member), Asaka Industrial Co., Ltd. Outside Director (Audit and Supervisory Committee Member), ARAKAWA CHEMICAL INDUSTRIES, LTD. Outside Audit &amp; Supervisory Board Member, JSH Co., Ltd. Outside Director, Osaka Mazda Motor Corporation</p>	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles]</p> <p>Mr. Masahiro Nakatsukasa has a wide range of experience and insight as an attorney specializing in corporate legal affairs. He represents his law firm and serves as an outside director for several companies. Although he has never been involved in corporate management other than as an outside officer, he has served as an Outside Director of the Company for ten (10) years and has provided opinions on the nature of company-wide risk management by leveraging his wealth of experience and deep insight.</p> <p>In addition, he has provided advice and recommendations to the Company's management from an independent standpoint, such as by actively expressing his opinions as a member of the Company's voluntary Remuneration and Nomination Advisory Committee, thereby playing an appropriate role in enhancing the supervisory functions of the Board of Directors. Based on these achievements, in addition to executing his duties as an Outside Director, we believe that he will be able to ensure fair management that is in compliance with laws and regulations and social norms, and further enhance the Company's governance.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
7	<p>Sayuri Murakami (August 2, 1961) (Age 64)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 18/19 (94%)</p>	<p>Apr. 1984      Joined The Kobe Shimbun</p> <p>Mar. 2009      General Manager, Economics Department, Editorial Bureau, The Kobe Shimbun</p> <p>Mar. 2013      Deputy General Manager, Regional Research Institute, The Kobe Shimbun</p> <p>Mar. 2015      Vice Chairman, Editorial Board, The Kobe Shimbun</p> <p>Mar. 2017      General Manager, Tokyo Branch Office, The Kobe Shimbun</p> <p>Feb. 2019      Registered as a career consultant</p> <p>Mar. 2019      Executive Officer and Representative, Himeji Head Office, The Kobe Shimbun</p> <p>Mar. 2022      Advisor to the Editorial Bureau, The Kobe Shimbun</p> <p>Jun. 2022      Coordinator, Public Relations and Endowment Division, Strategic Planning Office; Regional Partnership Advisory Fellow (faculty member), Office for Promoting Regional Partnership, Kobe University</p> <p>Apr. 2023      Member of the Management Council, University of Hyogo (to the present)</p> <p>Jun. 2023      Outside Director, the Company (to the present)</p> <p>Jun. 2025      Director, Social Welfare Corporation Kirakuen (to the present)</p> <p>[Significant concurrent positions] Member of the Management Council, University of Hyogo Director, Social Welfare Corporation Kirakuen</p>	0
<p>[Reason for nomination as a candidate for Outside Director (excluding Director who is an Audit and Supervisory Committee Member) and overview of expected roles]</p> <p>Ms. Sayuri Murakami has a wealth of experience and insight in journalism accumulated at The Kobe Shimbun. She also has experience and insight in corporate management accumulated as an Executive Officer of The Kobe Shimbun. She has served as the Company's first female outside director since June 2023 and has been active in speaking out at the Board of Directors meetings, utilizing her female perspective and keen sensitivity as a former media journalist.</p> <p>In addition, as a member of the Company's voluntary Remuneration and Nomination Advisory Committee, she provides advice and recommendations from an independent standpoint based on her experience in corporate management. Based on these achievements, we believe that she will be able to provide appropriate advice and recommendations on the Company's management and governance from an independent standpoint as an Outside Director.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Messrs. Nobuhiko Naito, Masahiro Morikawa, Yoshinobu Shibahara, Katsuya Oho, and Mitsuki Sakaguchi satisfy the criteria for selecting Directors (excluding Directors who are Audit and Supervisory Committee Members) established by the Company (see page 21).
  3. Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami satisfy the criteria for selecting Outside Directors (excluding Audit and Supervisory Committee Members) established by the Company (see page 22) and the criteria for independence of Outside Officers (see page 22).
  4. Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami are candidates for Outside Directors. The Company has registered both as independent officers with the Tokyo Stock Exchange (TSE) and will continue to designate them as such if their reappointment is approved.
  5. The term of office of Mr. Masahiro Nakatsukasa as an Outside Director of the Company will be ten (10) years at the conclusion of this Annual General Meeting of Shareholders.  
The term of office of Ms. Sayuri Murakami as an Outside Director of the Company will be three (3) years at the conclusion of this Annual General Meeting of Shareholders.

6. The Company has entered into an advisory agreement with Chuo Sogo Law Office, P. C. where Mr. Masahiro Nakatsukasa serves as a representative partner and managing partner. However, the Company's payment of fees to the said law office is less than 2% of the said law office's annual revenue and the Company has no other special relationship with the said law office.
7. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami to limit their liability for damage under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If reappointment of Mr. Masahiro Nakatsukasa and Ms. Sayuri Murakami is approved, the Company intends to continue the agreements with the same content as above with them.
8. The Company has entered into a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insureds (Directors) assume liability for the execution of their duties and receive a claim for the pursuit of such liability. Each candidate will be insured under the said insurance contract. The Company intends to renew the contract with the same content at the next renewal.
9. Regarding Ms. Sayuri Murakami, Sayuri Murakami is her professional name and her name in the family register is Sayuri Ozaki.

**Proposal 3:** Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all three (3) Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members, including two (2) Outside Directors, is proposed.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal, following deliberations by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

No.	Name	Age	Gender	Current positions and responsibilities at the Company	Attendance at the Board of Directors meetings	Attendance at the Audit and Supervisory Committee meetings
1	Ryohei Kishida [Reappointment]	66	Male	Director (Standing Audit and Supervisory Committee Member)	19/19 (100%)	20/20 (100%)
2	Masaya Kakuda [Reappointment] [Outside] [Independent]	68	Male	Outside Director (Audit and Supervisory Committee Member)	19/19 (100%)	20/20 (100%)
3	Kazuyoshi Tsuda [Reappointment] [Outside] [Independent]	60	Male	Outside Director (Audit and Supervisory Committee Member)	19/19 (100%)	20/20 (100%)

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	Ryohei Kishida (February 3, 1960) (Age 66)  [Reappointment]  [Attendance at the Board of Directors meetings] 19/19 (100%)  [Attendance at the Audit and Supervisory Committee meetings] 20/20 (100%)	Apr. 1983 Mar. 2003 Jul. 2007  Apr. 2008 Jun. 2016 Jun. 2019  Apr. 2020 Jun. 2020 Jun. 2022	Joined the Company General Manager, Coke Plant General Manager in charge of Steel Bars and Wire Rods Mill General Manager, Steel Bars and Wire Rods Mill General Manager, General Affairs Division Executive Officer; General Manager, General Affairs Division Executive Officer; Assistant to President Standing Audit & Supervisory Board Member Director (Standing Audit and Supervisory Committee Member) (to the present)	2,000
<p>[Reason for nomination as a candidate for Director who is an Audit and Supervisory Committee Member]            After joining the Company, Mr. Ryohei Kishida was involved mainly in the Pig Iron Manufacturing and Rolling Departments. He has deep insight based on his extensive accomplishments and broad experience in managing the General Affairs and Human Resources Departments since his appointment as an Executive Officer of the Company. He has appropriately performed his duties as a Director (a Standing Audit and Supervisory Committee Member) by leveraging his wealth of experience, such as by actively providing the Board of Directors with opinions on all aspects of management. Therefore, we believe that he is an appropriate person to audit the business execution of the Company as a Director who is an Audit and Supervisory Committee Member.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	<p>Masaya Kakuda (December 2, 1957) (Age 68)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>[Attendance at the Board of Directors meetings] 19/19 (100%)</p> <p>[Attendance at the Audit and Supervisory Committee meetings] 20/20 (100%)</p>	<p>Apr. 1980      Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Apr. 1998      Branch Manager, Higashi-Kobe Branch, The Sanwa Bank, Ltd.</p> <p>Oct. 2002      Chief Credit Officer, Credit Division No. 3, UFJ Bank Limited (currently MUFG Bank, Ltd.)</p> <p>Jan. 2006      Branch Manager, Himeji Branch, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>Jun. 2009      Joined THE TAISHO BANK, LTD. (currently THE TOKUSHIMA TAISHO BANK, LTD.); General Manager, Headquarters Sales Division</p> <p>Jun. 2009      Executive Officer; General Manager, Headquarters Sales Department, THE TAISHO BANK, LTD.</p> <p>Jun. 2010      Director, General Manager, Headquarters Sales Division, THE TAISHO BANK, LTD.</p> <p>Jun. 2014      Managing Director, THE TAISHO BANK, LTD.</p> <p>Apr. 2016      General Manager, Risk Compliance Division, TOMONY Holdings, Inc.</p> <p>Jun. 2016      Managing Director; General Manager, Risk Compliance Division, TOMONY Holdings, Inc.</p> <p>Jun. 2020      Director, TOMONY Holdings, Inc.; Audit &amp; Supervisory Board Member, TOMONY System Service, Inc.</p> <p>Jun. 2021      Outside Audit &amp; Supervisory Board Member, the Company</p> <p>Jul. 2021      Director, J Resort Co., Ltd.</p> <p>Jun. 2022      Outside Director (Audit and Supervisory Committee Member), the Company (to the present)</p>	0
<p>[Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles]</p> <p>Mr. Masaya Kakuda has a wide range of experience and professional knowledge cultivated over many years at financial institutions, as well as a wealth of insight in all aspects of management gained as a corporate manager. He has audited the Company's management as an Outside Director who is an Audit and Supervisory Committee Member. He is expected to continue to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Company that aims to sustainably enhance its corporate value.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Kazuyoshi Tsuda (January 13, 1966) (Age 60)  [Reappointment] [Outside] [Independent]  [Attendance at the Board of Directors meetings] 19/19 (100%)  [Attendance at the Audit and Supervisory Committee meetings] 20/20 (100%)	Oct. 1990      Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC) Aug. 1995      Registered as a certified public accountant Oct. 1998      Director, Inada Shokai Co., Ltd. Oct. 2000      Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) Aug. 2003      Director, MMT Co., Ltd. Mar. 2008      Representative Director, Brain Trust Co., Ltd. (to the present) Mar. 2008      Representative, Kazuyoshi Tsuda CPA and CTA Office (to the present) Aug. 2008      Registered as a certified tax accountant Aug. 2008      Outside Audit & Supervisory Board Member, Hirose Tusho Inc. Mar. 2015      Outside Audit & Supervisory Board Member, Silver Egg Technology Co., Ltd. Apr. 2016      Outside Director, JSH Co., Ltd. (to the present) Jun. 2016      Outside Director (Audit and Supervisory Committee Member), Hirose Tusho Inc. (to the present) Jun. 2021      Outside Audit & Supervisory Board Member, the Company Jun. 2022      Outside Director (Audit and Supervisory Committee Member), the Company (to the present) Jun. 2022      Outside Director, Osaka Mazda Motor Corporation (to the present) [Significant concurrent positions] Representative, Kazuyoshi Tsuda CPA and CTA Office Representative Director, Brain Trust Co., Ltd. Outside Director (Audit and Supervisory Committee Member), Hirose Tusho Inc. Outside Director, JSH Co., Ltd. Outside Director, Osaka Mazda Motor Corporation	0
<p>[Reason for nomination as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected roles]</p> <p>Mr. Kazuyoshi Tsuda has been involved in the management of a number of companies over many years, and he has a wealth of experience and professional knowledge as a certified public accountant and tax accountant specializing in management consulting. He has audited the Company's management as an Outside Director who is an Audit and Supervisory Committee Member. He is expected to continue to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Company that aims to sustainably enhance its corporate value.</p>			

- Notes:
1. There are no special interests between each candidate and the Company.
  2. Mr. Ryohei Kishida satisfies the criteria for selecting Audit and Supervisory Committee Members established by the Company (see page 21).
  3. Messrs. Masaya Kakuda and Kazuyoshi Tsuda satisfy the criteria for selecting Outside Audit and Supervisory Committee Members established by the Company (see page 22) and the criteria for independence of Outside Officers (see page 22).
  4. Messrs. Masaya Kakuda and Kazuyoshi Tsuda are candidates for Outside Directors who are Audit and Supervisory Committee Members. The Company has registered both of them as independent officers with the Tokyo Stock Exchange and will continue to designate them as such if their reappointment is approved.
  5. The term of office of Mr. Masaya Kakuda as an Outside Director who is an Audit and Supervisory Committee Member will be four (4) years at the conclusion of this Annual General Meeting of

Shareholders. If his term as an outside Audit & Supervisory Board Member at a company with an Audit & Supervisory Board prior to the Company's transition to a company with an Audit and Supervisory Committee is totaled, his tenure as an outside officer will be five (5) years.

6. The term of office of Mr. Kazuyoshi Tsuda as an Outside Director who is an Audit and Supervisory Committee Member will be four (4) years at the conclusion of this Annual General Meeting of Shareholders. If his term as an outside Audit & Supervisory Board Member at a company with an Audit & Supervisory Board prior to the Company's transition to a company with an Audit and Supervisory Committee is totaled, his tenure as an outside officer will be five (5) years.
7. Pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Messrs. Masaya Kakuda and Kazuyoshi Tsuda to limit their liability for damage under Article 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations. If reappointment of Messrs. Masaya Kakuda and Kazuyoshi Tsuda is approved, the Company intends to continue the agreements with the same content as above with them.
8. The Company has entered into a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insureds (Directors) assume liability for the execution of their duties and receive a claim for the pursuit of such liability. Each candidate will be insured under the said insurance contract. The Company intends to renew the contract with the same content at the next renewal.

[Reference] Expertise and experience of the candidates for Directors

Under the NAKAYAMA STEEL WORKS Group 2030 Long-Term Vision, the Board of Directors needs to continuously improve its own functions for the Company to realize its Medium-Term Management Plan and increase its corporate value over the long term. The following chart shows the fields in which the Board of Directors expect each Director to demonstrate their skills (including professional knowledge, capabilities, and experience).

Name	Current positions and responsibilities at the Company	Audit and Supervisory Committee	Remuneration and Nomination Advisory Committee	Sustainability Committee	Compliance / Risk Management Committee	Executive Committee
Nobuhiko Naito	Representative Director and President; Chairperson, the Remuneration and Nomination Advisory Committee		●	●	●	●
Masahiro Morikawa	Director and Senior Managing Executive Officer; Supervising General Production Administration, Steel Manufacturing, Rolling, Building Materials Manufacturing Division, and Safety & Disaster Management Office			●	●	●
Yoshinobu Shibahara	Director and Managing Executive Officer; Supervising Sales, Building Materials Sales, Engineering Division, and Product Development Sales Department			●	●	●
Katsuya Oho	Director and Managing Executive Officer; Supervising General Affairs and Human Resources Department, Systems Department, and Accounting Department			●	●	●
Mitsuaki Sakaguchi	Director and Managing Executive Officer; Supervising Planning Department and Purchasing Department; Appointed as General Manager of Purchasing Department and Purchasing Lead for New Steel Making Construction Group, Steel Manufacturing Division			●	●	●
Masahiro Nakatsukasa	Outside Director, Independent Officer, Remuneration and Nomination Advisory Committee Member		●			
Sayuri Murakami	Outside Director, Independent Officer, Remuneration and Nomination Advisory Committee Member		●			
Ryohei Kishida	Director (Standing Audit and Supervisory Committee Member)	●		●	●	●
Masaya Kakuda	Outside Director (Audit and Supervisory Committee Member) Independent Officer	●				
Kazuyoshi Tsuda	Outside Director (Audit and Supervisory Committee Member) Independent Officer	●				

Professional knowledge, capabilities, and experience, etc.												
Governance / Management				Sales / SCM			Production / Technology		Responsibility and new challenges for the future and society			
Corporate Management	Legal Risk Management	Finance Accounting	Human Resources Labor	Sales Strategy Marketing	Purchasing Procurement	Global Business	Manufacturing Quality Control	Technology Development Intellectual Property	IT / DX	Environment Sustainability	Human rights Diversity	Knowledge of other industries
●				●	●	●		●				
●							●	●		●		
●				●		●		●				
●	●	●	●						●		●	●
●	●	●			●			●	●			
●	●										●	●
●											●	●
●	●		●				●					
●	●	●										●
●		●										●

**Proposal 4:** Election of One (1) Director who is a Substitute Audit and Supervisory Committee Member

To prepare for cases where the number of Directors who are Audit and Supervisory Committee Members falls below the number stipulated by laws and regulations, the election of one (1) Director who is a substitute Audit and Supervisory Committee Member is proposed.

The consent of the Audit and Supervisory Committee has been obtained for the submission of this proposal, following deliberations by the Remuneration and Nomination Advisory Committee, an advisory body to the Board of Directors of the Company.

The candidate for Director who is a substitute Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
<p>Kazuto Takahashi (October 8, 1963) (Age 62)  [Outside] [Independent]</p>	<p>Apr. 1987      Joined Hachioji Sogo Co., Ltd. Jul. 1988      Joined Hachioji City Hall Oct. 1993      Joined Chuo Audit Corporation Apr. 1997      Registered as a certified public accountant Aug. 2007      Joined KPMG AZSA LLC Jul. 2016      Representative, Kazuto Takahashi CPA Office (to the present) Aug. 2016      Registered as a certified tax accountant Jun. 2017      Outside Audit &amp; Supervisory Board Member, The Sumitomo Warehouse Co., Ltd. Jul. 2023      Supervisory Officer, Nankai Private REIT Inc. (to the present) [Significant concurrent positions] Representative, Kazuto Takahashi CPA Office</p>	<p>0</p>
<p>[Reason for nomination as a candidate for Outside Director who is a substitute Audit and Supervisory Committee Member and overview of expected roles] Mr. Kazuto Takahashi has been engaged in corporate auditing services as a certified public accountant and tax accountant over many years and has a wealth of experience and insight as an Outside Audit &amp; Supervisory Board Member at audit corporations and companies. Based on the above, he is expected to provide us with useful opinions and guidance on the Company's management from an objective and professional perspective. Therefore, as an Outside Director who is an Audit and Supervisory Committee Member, we believe that he is an appropriate person to audit the business execution of the Directors of the Company that aims to sustainably enhance its corporate value.</p>		

- Notes:
1. There are no special interests between the candidate and the Company.
  2. Mr. Kazuto Takahashi satisfies the criteria for selecting Outside Audit and Supervisory Committee Members established by the Company (see page 22) and the criteria for independence of Outside Officers (see page 22).
  3. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company will designate him as an independent officer in accordance with the rules of the Tokyo Stock Exchange (TSE) and register him as such.
  4. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, pursuant to provisions of Article 427, Paragraph 1 of the Companies Act, the Company will enter into an agreement with him to limit his liability for damage under Articles 423, Paragraph 1 of the said Act to the amount stipulated by laws and regulations.
  5. If Mr. Kazuto Takahashi assumes office as an Outside Director who is an Audit and Supervisory Committee Member, the Company will enter into a Directors and Officers Liability Insurance Contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance contract covers damage that may arise when the insured assumes liability for the execution of his duties or receives a claim for the pursuit of such liability. The candidate will be insured under the said insurance contract.
  6. The term of office of Director who is a Substitute Audit and Supervisory Committee Member shall be from the time of assumption of office until the expiration of the term of office of the retiring Director who is an Audit and Supervisory Committee Member.

**[Reference]** Selection Criteria and Procedural Requirements for the Selection and Dismissal of Directors (excluding Directors who are Audit Committee Members) and Directors who are Audit Committee Members

I. Eligibility of Directors (excluding Directors who are Audit and Supervisory Committee Members (hereinafter “Audit and Supervisory Committee Members”), Election Procedure, and Composition of the Board of Directors

(Selection Criteria)

Persons who meet all of the conditions set forth in the following items:

1. Possess excellent character and insight as well as superior business sense, and is familiar with various management issues;
2. Possess company-wide perspectives and outstanding ability to make objective analysis and judgments;
3. Have the ability to state one’s own opinion proactively from a company-wide perspective;
4. Does not fall under any of the reasons for ineligibility as Director listed in the items of Article 331, Paragraph 1 of the Companies Act;
5. Hold concurrent positions as officer of no more than three (3) listed companies, excluding one’s own company.

(Election Procedure)

1. The election of Directors (excluding Audit and Supervisory Committee Members) shall be determined by resolution of the general meeting of shareholders pursuant to the provisions of Article 21 of the Articles of Incorporation of the Company. Candidates for Directors (excluding Audit and Supervisory Committee Members) to be proposed to the general meeting of shareholders shall be selected by the President based on the above criteria and referred to the Remuneration and Nomination Advisory Committee.
2. The Board of Directors shall deliberate based on the recommendations of the Remuneration and Nomination Advisory Committee and determine the candidates for Directors (excluding Audit and Supervisory Committee Members).

(Stance on Composition of the Board of Directors)

1. The Board of Directors shall be composed of diverse Directors (excluding Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members with different backgrounds, such as expert knowledge and experience.
2. The appropriate number of members to ensure that the Board of Directors can demonstrate its efficacy in the most effective and efficient way shall be no more than ten (10) Directors (excluding Audit and Supervisory Committee Members) and no more than five (5) Audit and Supervisory Committee Members, pursuant to the provisions of Article 20 of the Articles of Incorporation of the Company.
3. The Board of Directors shall be structured so that the Board of Directors as a whole can fulfill its fiduciary responsibility by complementing the functions of the Board of Directors as a whole with the diverse experience and insight of the Directors (excluding Audit and Supervisory Committee Members) and Audit and Supervisory Committee Members.

II. Eligibility of Audit and Supervisory Committee Members and Election Procedure

(Selection Criteria)

Persons who meet all the conditions set forth in the following items:

1. Possess excellent character and insight as well as superior business sense, and is familiar with various management issues;
2. Possess company-wide perspectives and outstanding ability to make objective analysis and judgments;
3. Have the ability to state one’s own opinion proactively from a company-wide perspective;
4. Does not fall under any of the reasons for ineligibility as Audit and Supervisory Committee Member listed in the items of Article 331, Paragraph 1 and Paragraph 3 of the Companies Act.

(Election Procedure)

1. The election of Audit and Supervisory Committee Members shall be determined by resolution of the general meeting of shareholders pursuant to the provisions of Article 21 of the Articles of Incorporation of the Company. Candidates for Audit and Supervisory Committee Members to be proposed to the general meeting of shareholders shall be selected by the President based on the above criteria and, following deliberation at the Remuneration and Nomination Advisory Committee, the consent of the Audit and Supervisory Committee shall be obtained before the candidates are proposed to the Board of Directors.
2. If Audit and Supervisory Committee Members request the submission to the general meeting of shareholders of a proposal for the election of candidates selected based on the above criteria, the Board of Directors shall deliberate and decide on the candidates for Audit and Supervisory Committee Members.

(Concept on Composition)

1. The Audit and Supervisory Committee shall be composed of a majority of Outside Audit and Supervisory Committee Members. The number of Audit and Supervisory Committee Members shall be no more than five (5), pursuant to the provisions of Article 20 of the Articles of Incorporation of the Company.
2. If a standing Audit and Supervisory Committee Member is to be appointed, he or she shall be selected from among persons in the Company with a wealth of knowledge and experience.
3. It is preferable that at least one (1) Audit and Supervisory Committee Member have considerable knowledge and insights concerning finance and accounting.

### III. Eligibility of Outside Officers and Election Procedure

(Selection Criteria for Outside Directors (excluding Audit and Supervisory Committee Members))

Persons who meet all of the conditions set forth in the following items:

1. Be of sincere character with a high degree of insight and abilities, and, from the perspective of incorporating diverse perspectives into the Company's Board of Directors, possess extensive knowledge, experience, and achievements in one's own background field;
2. Does not fall under any of the reasons for ineligibility as Director listed in the items of Article 331, Paragraph 1 of the Companies Act;
3. Any concurrent posts as officer of other listed companies shall be judged to ensure independence and neutrality and to not impede one's duties;
4. Satisfy the requirements for Outside Director stipulated in Article 2, Item 15 of the Companies Act.

(Selection Criteria for Outside Audit and Supervisory Committee Members)

Persons who meet all of the conditions set forth in the following items:

1. Be of sincere character with a high degree of insight and abilities and possess a high degree of expert knowledge and a wealth of experience particularly in fields such as the law, accounting, and corporate management;
2. Does not fall under any of the reasons for ineligibility as Audit and Supervisory Committee Member listed in the items of Article 331, Paragraph 1 and Paragraph 3 of the Companies Act;
3. Satisfy the requirements for Outside Director stipulated in Article 2, Item 15 of the Companies Act.

(Criteria for Independence of Outside Officers)

1. Any Outside Directors (excluding Audit and Supervisory Committee Members) or Outside Audit and Supervisory Committee Members (hereinafter, collectively "Outside Officers") who do not fall under any of the following criteria shall be recognized as being independent from the Company.
  - 1) A major shareholder (i.e., a party who holds 10% or more of the total voting rights as of the end of the most recent fiscal year) of the Company or an executive thereof;
  - 2) A party to whom the Company is a major business partner or an executive thereof;
  - 3) A major business partner of the Company or an executive thereof;
  - 4) The accounting auditor of the Company or its consolidated subsidiaries or a partner, etc. thereof who is responsible for the auditing of the Company or its consolidated subsidiaries;
  - 5) An attorney, judicial scrivener, patent attorney, certified public accountant, certified tax accountant, or consultant, etc. who has received monetary or other economic benefit other than officer compensation in the amount of more than 10 million yen per year from the Company (provided, however, that if the party receiving such economic benefit is a corporation, union, or other organization, a party belonging to an organization for which the economic benefit received from the Company is greater than 2% of the organization's annual revenue);

- 6) A major lender (i.e., a lender whose name is listed as a major lender in the business report with respect to the most recent business year) of the Company or an executive thereof;
  - 7) A party that has received donations from the Company in the amount of more than 10 million yen per year (provided, however, that if the party receiving such economic benefit is a corporation, union, or other organization, a party who is an executive of an organization for which the economic benefit received from the Company is greater than 2% of the organization's annual revenue);
  - 8) A party for whom any of 1) to 7) above applied in the past three (3) years;
  - 9) A spouse or a close relative within the second degree of kinship of a person to whom any of 1) to 8) above applies (limited to key persons);
  - 10) A spouse or a close relative within the second degree of kinship of a member of the board of directors, executive officer, director, manager, employee, or accounting advisor (in the case of a corporation, an employee charged with such duties) of the Company or its subsidiaries;
  - 11) A spouse or a close relative within the second degree of kinship of a person who was a member of the board of directors, executive officer, director, manager, employee, or accounting advisor (in the case of a corporation, an employee charged with such duties) of the Company or its subsidiaries within the past three (3) years;
  - 12) Any person who has a particular reason other than the above items, for being unable to fulfill their duties as an independent Outside Officer, such as a potential conflict of interest with the Company.
2. At least one (1) of the Outside Officers recognized as having independence based on this Article shall be designated as an Independent Officer as stipulated by a stock exchange. Outside Officers who are no longer independent, regardless of whether they have been designated as such, shall immediately notify the Company of such fact.
  3. "Major business partner" in this Article refers to a party for whom the annual value of transactions with the Company is greater than 2% of the Company's consolidated net sales in the past three (3) business years.

#### IV. Other (Dismissal)

If any Director (excluding Audit and Supervisory Committee Members) or Audit and Supervisory Committee Member (including Outside Officers in either case) no longer satisfies any of the conditions of the selection criteria during their term of office, the required procedures shall be taken pursuant to laws and regulations.

**Proposal 5:** Continuation of the Appropriate Rules Concerning Large-Scale Purchases of the Company's Shares (Takeover Response Policy)

At the Company's 114th Annual General Meeting of Shareholders held on June 27, 2008, the Company secured approval of shareholders for the "Introduction of Appropriate Rules Concerning Large-Scale Purchases of the Company's Shares" in accordance with provisions of Article 17 of the Company's Articles of Incorporation by a majority vote, and decided to introduce such rules, with the aim of ensuring and enhancing the Company's corporate value and the common interests of its shareholders.

Since then, while making amendments as needed, the Company has continued to secure approval from its shareholders for its policy on responding to takeover bids (the "takeover response policy"), as follows:

- (1) The Company's 117th Annual General Meeting of Shareholders held on June 29, 2011  
The Company secured approval for the continuation of the rules with partial amendments but with substantially the same contents.
- (2) The Company's 120th Annual General Meeting of Shareholders held on June 26, 2014  
The Company secured approval for the continuation of the rules with the same contents.
- (3) The 123rd Annual General Meeting of Shareholders held on June 27, 2017  
The Company secured approval for the continuation of the rules with partial amendments as follows:
  - (i) To add Outside Directors as members of the Independent Committee in addition to Outside Audit & Supervisory Board Members and outside experts.
  - (ii) To disclose the names of members of the Independent Committee.
  - (iii) To introduce a mechanism to confirm shareholders' intentions concerning whether to trigger the countermeasures.
- (4) The 126th Annual General Meeting of Shareholders held on June 26, 2020  
The Company secured approval for the continuation of the rules with substantially the same content, except for changes in the names of the members of the Independent Committee.
- (5) The 129th Annual General Meeting of Shareholders held on June 28, 2023  
The Company secured approval for the continuation of the rules after making the following amendments to the proposal approved at the previous meeting. (The applicable rules after the amendments are hereinafter referred to as the "Current Plan.")
  - (i) Revising references to the Audit & Supervisory Board and Audit & Supervisory Board Members in connection with the Company's transition, in June 2022, to a company with an Audit and Supervisory Committee.
  - (ii) Changing the members of the Independent Committee.

The effective period of the Current Plan will expire at the conclusion of this Annual General Meeting of Shareholders.

At a Board of Directors meeting held on May 25, 2026, the Company resolved with the unanimous approval of its Directors, to substantially continue the Current Plan (the continued plan is hereinafter referred to as the "Plan"), subject to approval by a majority of the voting rights of the Company's shareholders present at this Annual General Meeting of Shareholders.

All three Directors who are Audit and Supervisory Committee Members attended the meeting of the Board of Directors, and all of them expressed their opinion in favor of the continuation, provided that the concrete operation of the Plan is properly carried out.

The main changes to the Plan are as follows:

- (i) The names of the members of the Independent Committee under the Current Plan have been changed.
  - (ii) In addition, the wording and expressions have been revised to make the Plan easier to understand.
- Accordingly, the Company requests the approval of its shareholders for the Plan.

Note: The change in the names of the members of the Independent Committee under the Current Plan refers to a reduction of one member due to the retirement of Mr. Noboru Kitazawa, who was previously an Outside Director of the Company.

## 1. Basic policy on corporate control

As an entity listed on a financial instruments exchange, the Company respects the free trading of the Company's shares on the market. The Company's Board of Directors does not categorically oppose large-scale share purchases from specific investors, provided that such purchases contribute to improving the Company's corporate value and serve the interests of its shareholders. The Company believes that the ultimate decision on whether or not to accept a proposal should be left to the judgment of its shareholders.

On the other hand, proposals for the large-scale purchase of shares may include those that: (i) pose a risk of impairing corporate value or the interests of shareholders from the perspective of the purpose of acquisition, post-acquisition policy and others; (ii) effectively force shareholders to sell their shares; or (iii) fail to provide sufficient information necessary for decision-making and do not allow adequate time for consideration. In such cases, it becomes difficult for shareholders to make an appropriate judgment.

Therefore, the Company believes it is important that both the purchaser and the Company's Board of Directors provide necessary and sufficient information and ensure that a period sufficient for consideration is secured, in order to create an environment in which shareholders can make appropriate decisions. Furthermore, if the Board of Directors deems it necessary from the perspective of corporate value and shareholder interests, the Company anticipates engaging in discussions with the purchaser to seek improvements to the acquisition terms and methods, and, if necessary, presenting alternative proposals to shareholders. The Company also believes that sufficient time must be secured for this purpose.

Based on the above, the Company's policy is to continue the Plan after confirming shareholders' intentions regarding the continuation of the Plan at the General Meeting of Shareholders. The Plan requires the purchaser to comply with certain procedures and enables the Company to take necessary and appropriate action if these procedures are not followed or if it is determined that the Company's corporate value or the interests of its shareholders will be significantly impaired.

At this point in time, there is no fact regarding the proposal or implementation of a large-scale tender offer for the Company.

## 2. Source of Company's corporate value and initiatives that contribute to the realization of the basic policy

### (1) Source of the Company's corporate value

Our corporate philosophy is "The NAKAYAMA STEEL WORKS Group creates additional value for the economic society through fair competition and continues to be of service to society." Since its founding in 1919, the Company has developed its operations with the steel business at its core.

The Company is one of the few manufacturers that possess the technology and expertise related to blast furnaces and converters, while also being capable of producing electric furnace steel. Since suspending blast furnace and converter operations in 2002, the Company has been producing and selling steel materials and processed goods using iron sources produced in its electric furnace alongside externally procured iron sources.

The source of the Company's corporate value lies in the technological expertise and on-site capabilities accumulated since its founding, the talents who support these capabilities, and the long-term relationships of trust it has built with its customers and business partners. Based on these, the Company will continue to strive for better quality, stable supply, and continuous improvement, and work on creating added value that benefits society.

The Company plans to decommission its ageing existing electric furnace and construct a new electric furnace to increase its production capacity, taking into account future demand trends for electric furnace steel materials. This initiative will also allow the Company to replace some of its externally procured iron sources with in-house iron sources, which is expected to reduce CO<sub>2</sub> emissions and improve profitability.

The full-scale operation of the new electric furnace is expected to begin in FY2030, and the benefits of the new electric furnace are expected to be seen in FY2033. Based on these assumptions, the Company formulated a long-term plan and set numerical targets for management indicators. The numerical targets for its priority management indicators are as follows:

[Numerical targets for priority management indicators]

	FY2025 Result	FY2030 Target	FY2033 Target
Ordinary profit	4.8 billion yen	10.0 billion yen or more	13.0 billion yen or more
EBITDA	8.0 billion yen	22.0 billion yen or more	26.0 billion yen or more
ROE	2.3%	5% or more	6% or more

## (2) Initiatives regarding corporate governance

The Company transitioned to a company with an Audit and Supervisory Committee pursuant to a resolution adopted at the 128th Annual General Meeting of Shareholders (June 28, 2022) for the purposes of balancing the enhancement of supervisory functions of the Board of Directors with the prompt execution of business operations, increasing management transparency and checks and balances, and improving the effectiveness of risk management and internal controls to prevent the impairment of corporate value. As of March 31, 2026, the Company has four (4) independent outside directors, constituting 36% of the entire Board of Directors (11 members). The areas of expertise of each Director (see page 18 of the Notice of Convocation) cover a wide range of fields, including legal affairs, finance and accounting, sales, manufacturing, and ESG. Furthermore, for matters concerning the election and remuneration of candidates for Directors, a voluntary Remuneration and Nomination Advisory Committee, which is an advisory body to the Board of Directors, has been established to conduct careful deliberations.

To enhance the effectiveness of audits designed to verify corporate governance (Audit and Supervisory Committee, internal audit, and accounting audit), the Company implements measures such as making the activities of the Audit and Supervisory Committee transparent (number of meetings, main themes, and coordination with the accounting auditor), ensuring the independence of internal audit (reporting to the Representative Director and President), and evaluating and managing the accounting auditor (reasons for selection and management of non-audit activities).

In addition, the Company has established a whistleblowing system accessible to all employees, with an external attorney acting as a point of contact.

## 3. Necessity of the Plan

The Company's Board of Directors recognizes that the final decision as to whether or not to accept a large-scale purchase (defined in 4. below) by a large-scale purchaser (defined in 4. below) should be made by the shareholders of the Company. Accordingly, it is necessary that a large-scale purchaser disclose sufficient information in advance regarding the details of its intended management policy and business plan, the impact of the large-scale purchase on shareholders and the management of the Group, and the impact of the large-scale purchase on many parties involved in the Group. In addition, to ensure that the Company's Board of Directors has opportunities to ask questions to the large-scale purchaser, demand the large-scale purchaser to improve the terms and conditions of the acquisition, or present a reasonable alternative proposal that will benefit shareholders, a reasonable amount of time for consideration and opportunities for negotiation must also be secured. The Company believes that these will allow its shareholders to receive appropriate and sufficient information from both the large-scale purchaser and the Company's Board of Directors, and to have sufficient time to consider the information provided, and to make an appropriate decision as to whether or not to accept the large-scale purchase.

Based on this approach, the Company's Board of Directors has judged that the continuation of the Plan is necessary to enable the Company to take necessary and appropriate measures to ensure and enhance the Company's corporate value and the common interests of its shareholders.

The status of the Company's major shareholders is as shown in (Reference) "Status of Major Shareholders of the Company (as of March 31, 2026)" on page 42, and the Company has not received any notice or proposal, etc. to conduct a large-scale purchase of the Company's shares from any specific third party, including shareholders of the Company at this point in time.

#### 4. Requirements for application of the Plan

The Plan is intended to be applied to large-scale purchases of the Company's share certificates, etc. (Note 3) intended to increase the ratio of voting rights (Note 2) of a specific shareholder group (Note 1) to 20% or more, or large-scale purchases of the Company's share certificates, etc. resulting in the ratio of voting rights of a specific shareholder group to 20% or more (hereinafter a "Large-Scale Purchase," and a person conducting such a purchase is referred to as a "Large-Scale Purchaser").

Note 1: A specific shareholder group refers to (i) holders of share certificates, etc. (share certificates, etc. provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) of the Company (including those who are included in the holders pursuant to Article 27-23, Paragraph 3 of the Act) and their joint holders (joint holders provided for in Article 27-23, Paragraph 5 of the Act, including those deemed to be joint holders pursuant to Article 27-23, Paragraph 6 of the Act) or (ii) persons that conduct purchase, etc. (purchase, etc. provided for in Article 27-2, Paragraph 1 of the Act, including purchase, etc. conducted in a financial instruments exchange market) of share certificates, etc. (including share certificates, etc. provided for in Article 27-2, Paragraph 1 of the Act and their specially related parties (specially related parties provided for in Article 27-2, Paragraph 7 of the Act).

Note 2: The ratio of voting rights refers to the ratio of share certificates, etc. held by the relevant holder (the ownership ratio of share certificates, etc. provided for in Article 27-23, Paragraph 4 of the Act) if the specific shareholder group comes under (i) and, in the case of (ii), the total of the ownership ratios of share certificates, etc. (the ownership ratio of share certificates, etc. provided for in Article 27-2, Paragraph 8 of the Act) held by the relevant purchaser and its relevant specially related parties.

The total number of voting rights used as the denominator in the calculation of the percentage of voting rights shall be the number of voting rights represented by the shares excluding the number of treasury shares held by the Company as stated in the most recently filed annual securities report, semi-annual securities report or report on repurchases from the total number of issued shares at that point in time.

Note 3: Share certificates, etc. refer to either share certificates, etc. provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act or share certificates, etc. provided for in Article 27-2, Paragraph 1 of the Act.

#### 5. Outline of the Plan

The Plan requires Large-Scale Purchasers to comply with the rules set forth below (hereinafter the "Large-Scale Purchase Rules"). Specifically, the Plan requires the following: (i) a Large-Scale Purchaser shall provide the Company's Board of Directors with necessary and sufficient information in advance; (ii) a certain period time shall be set for review and assessment by the Company's Board of Directors; and upon expiration of such period, (iii) if a general meeting to confirm the intent of the shareholders (hereinafter the "Shareholders' Intent Confirmation Meeting") is convened as to whether the countermeasures should be triggered or not, the Large-Scale Purchase shall be commenced only after a resolution is passed at the General Meeting of Shareholders to confirm their intent regarding triggering of the countermeasures, etc. The outline is described below. For your reference, a flowchart in the event of the commencement of a Large-Scale Purchase is attached as Appendix 1.

##### (1) Submission of a letter of intent

In the event that a Large-Scale Purchaser intends to conduct a Large-Scale Purchase, the Large-Scale Purchaser shall first submit to the Company a letter of intent in Japanese stating that the Large-Scale Purchaser will comply with the Large-Scale Purchase Rules. In the letter of intention, the Large-Scale Purchaser's name, address, governing law of incorporation, name of representative, domestic contact information, and outline of the proposed Large-Scale Purchase shall be clearly indicated. In the event that a Large-Scale Purchase is proposed, the Company will disclose such information in accordance with laws and regulations and the rules of the financial instruments exchange concerning timely disclosure.

##### (2) Provision of information

A Large-Scale Purchaser shall provide the Company's Board of Directors with sufficient information in Japanese for the Company's shareholders to make judgment and for the Company's Board of Directors to form its opinion (hereinafter "Large-Scale Purchase Information"). Its general items are as follows.

- (i) Outline of the Large-Scale Purchaser and its group (including specific names, capital structure, etc. )

- (ii) Purpose, method and details of the Large-Scale Purchase (including the amount, details and basis of calculation of the purchase consideration, backing of purchase funds, timing and structure of the transaction, etc.)
- (iii) Outline of the parties financing the Large-Scale Purchaser (including specific name, capital structure, etc. )
- (iv) Management policy, business plan, financial plan, capital policy, dividend policy, asset utilization policy, etc. of the Group envisaged for the next three years after the Large-Scale Purchase
- (v) Basis for assuming that the management policy, etc. after the Large-Scale Purchase will enhance the corporate value of the Group
- (vi) Other information that the Board of Directors and the Independent Committee reasonably deem necessary to make appropriate judgments and opinions.

Within 10 business days after receipt of the letter of intent in (1) above, the Company will deliver to the Large-Scale Purchaser a list of the Large-Scale Purchase information to be initially provided, which the Large-Scale Purchaser is required to submit to the Company in Japanese within 60 days from the date of receipt.

If the information initially provided is reasonably considered insufficient as Large-Scale Purchase Information, the Large-Scale Purchaser may be requested to provide additional information until sufficient Large-Scale Purchase Information is available. The Company will disclose in a timely and appropriate manner the fact that a Large-Scale Purchaser has appeared and proposed a Large-Scale Purchase and all or part of the Large-Scale Purchase Information provided to the Company's Board of Directors.

If the Company's Board of Directors judges that the Large-Scale Purchaser has submitted sufficient Large-Scale Purchase Information necessary to assess and examine the Large-Scale Purchase, the Board of Directors will send a notice to that effect (hereinafter the "Notice of Completion of Provision of Information") to the Large-Scale Purchaser and disclose such fact.

### (3) Examination of Large-Scale Purchase Information, negotiation with the Large-Scale Purchaser, and presentation of an alternative proposal

The Company believes that, after having issued a Notice of Completion of Provision of Information, the Company's Board of Directors should have a period for assessment, examination, negotiation, forming an opinion, and preparing an alternative proposal (hereinafter the "Board of Directors Assessment Period") of 60 days (in the case of the purchase of all the Company's shares by a tender offer with cash-only (yen) consideration) or 90 days (in the case of other Large-Scale Purchases), depending on the degree of difficulty of assessment, etc. of the Large-Scale Purchase. Accordingly, a Large-Scale Purchase shall be initiated only after the Board of Directors Assessment Period has elapsed. If the Board of Directors' Assessment Period commences, the Company will disclose that fact.

During the Board of Directors' Assessment Period, the Company's Board of Directors shall fully assess and examine the Large-Scale Purchase Information provided, as necessary, receiving advice from external experts (including financial advisors, certified public accountants, and lawyers) and hearing the views of the Independent Committee, and carefully formulate and disclose its opinion.

If necessary, the Company's Board of Directors may negotiate with the Large-Scale Purchaser to improve the terms and conditions of the Large-Scale Purchase and present an alternative proposal to the shareholders.

### (4) Procedures for confirming the intent of shareholders

If the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering of countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent possible and, if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not.

## 6. Plan in the event of a Large-Scale Purchase

(1) If it is judged that the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules  
If it is judged that the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, the Company's Board of Directors shall not, in principle, trigger specific countermeasures even if the Board of Directors is opposed to such Large-Scale Purchase.

However, the Company's Board of Directors may take action to persuade the Company's shareholders, such as expressing its opinion against such Large-Scale Purchase and/or presenting an alternative proposal. Whether or not to accept the Large-Scale Purchaser's purchase proposal shall be determined by the Company's shareholders, taking into consideration the purchase proposal and the opinion, an alternative proposal, etc. presented by the Company in response to such purchase proposal.

However, even if it is judged that the Large-Scale Purchase Rules are complied with, if the Large-Scale Purchase is deemed to significantly impair the Company's corporate value and/or the common interests of the Company's shareholders (hereinafter an "Abusive Takeover"), the Company's Board of Directors may take such measures deemed appropriate to protect the interests of the Company's shareholders. In order to ensure objectivity and reasonableness in the examination and determination of such Large-Scale Purchase constitutes an Abusive Takeover or not, the Company's Board of Directors shall, based on the necessary information provided by the Large-Scale Purchaser, including the management policy, etc. after the purchase, consider the specific details of the Large-Scale Purchaser and the Large-Scale Purchase (purpose, method, subject matter, type and amount of consideration for acquisition, etc.) and the impact of such Large-Scale Purchase on the common interests of the Company's shareholders while respecting the recommendation of the Independent Committee consisting of Outside Directors who are Audit and Supervisory Committee Members, independent outside experts, etc. to the maximum extent possible, and shall determine whether such Large-Scale Purchase constitutes an Abusive Takeover or not upon obtaining the approval of the Audit and Supervisory Committee.

Furthermore, if the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering of countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent and, if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not.

(2) If it is judged that the Large-Scale Purchaser has not complied with the Large-Scale Purchase Rules  
If it is judged that the Large-Scale Purchaser has not complied with the Large-Scale Purchase Rules, regardless of the specific purchase method, the Company's Board of Directors may implement countermeasures permitted under the Companies Act, other laws, and the Company's Articles of Incorporation, such as a gratis allotment of share acquisition rights, for the purpose of protecting the common interests of the Company and its shareholders and opposing the initiation of a Large-Scale Purchase. With respect to the specific countermeasures to be implemented, the Company's Board of Directors shall select those it deems most appropriate at that point in time, while respecting the recommendation of the Independent Committee to the maximum extent possible. Appendix 2 shows an outline of the gratis allotment of share acquisition rights, as an example of a specific countermeasure. However, in the case of an actual gratis allotment of share acquisition rights, the Company may set an exercise period and conditions, etc., taking into consideration the effect as a countermeasure, such as making it a condition for exercising share acquisition rights that a shareholder must not belong to a specific shareholder group that holds a certain percentage or more of the Company's share certificates, etc.

If the Company's Board of Directors decides to implement or not to implement countermeasures or to trigger a specific countermeasure, the Company's Board of Directors shall promptly disclose the details of such resolution.

## 7. Measures to ensure objectivity and reasonableness of judgment of the Company's Board of Directors

### (1) Establishment of guidelines

To prevent arbitrary judgment and processing in the operation of the Plan and to ensure transparency of the procedures, the Company has established guidelines as internal standards incorporating objective

requirements (hereinafter the “Guidelines”). The Company’s Board of Directors and the Independent Committee must proceed with the procedures prescribed in the Plan in accordance with the Guidelines. The establishment of the Guidelines has made transparent the criteria for identifying abusive acquirers and responding to their contemplated acquisitions, and has endowed the Plan with sufficient predictability.

In addition, in the Guidelines, an abusive acquirer is defined as follows:

- (i) A person acquires shares, without any serious intention to participate in the Company's management, for the purpose of inflating the share price and inducing the Company to repurchase the shares at a high price (so-called "greenmailing").
- (ii) The purpose of participation in corporate management of the Company is primarily to transfer confidential company information, important assets, major business partners and/or customers, etc. necessary for the Company’s business management to the Large-Scale Purchaser or its group companies, etc. (so-called "scorched-earth management").
- (iii) The Large-Scale Purchaser acquires the Company’s shares with the intention of appropriating the Company’s assets as collateral for or funds for repayment of debts of the Large-Scale Purchaser or its group companies, etc.
- (iv) The purpose of participation in corporate management of the Company is mainly to gain temporary control over management of the Company and cause the Company to sell or otherwise dispose of high-value assets such as securities that have no current relevance to the Company’s business and pay temporarily high dividends based on the gain on such disposal or to sell shares at high prices, taking advantage of the opportunity afforded by the sudden rise in the share price created by the temporarily high dividends
- (v) The terms and conditions of the acquisition of the Company’s shares proposed by the Large-Scale Purchaser (including without limitation, the amount of the purchase consideration, the details, timing, and method, the existence or non-existence of illegality, and feasibility) are insufficient or inappropriate in light of the Company's corporate value.
- (vi) The method of acquisition proposed by the Large-Scale Purchaser is a structurally coercive acquisition that restricts the opportunity or freedom of shareholders to make decisions, such as by setting the first purchase terms favorable and the second purchase terms unfavorable (so-called "two-step purchase").
- (vii) In addition to the above, an acquisition that is clearly detrimental to the common interests of the Company’s shareholders and the Company’s corporate value, based on the content of the Large-Scale Purchase Information (see Appendix 3).

(2) Establishment of the Independent Committee and use of a Shareholders’ Intent Confirmation Meeting In order to ensure transparency, objectivity, fairness, and reasonableness of judgment regarding (i) whether a Large-Scale Purchaser has complied with the Large-Scale Purchase Rules or not , and (ii) whether the Large-Scale Purchaser is an abusive acquirer if the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, and to prevent arbitrary judgment by the Company’s Board of Directors, the Company shall establish the Independent Committee, which consists of Outside Directors (excluding Directors who are Audit and Supervisory Committee Members), Outside Directors who are Audit and Supervisory Committee Members, and external experts, etc., as an organization independent of the Board of Directors. An outline of the Independent Committee is provided in Appendix 4.

The Committee shall deliberate and decide on the matters described in Appendix 4, including recommendations to the Company’s Board of Directors on each matter consulted by the Company’s Board of Directors and on matters deemed necessary by the Independent Committee. In making decisions, the Company’s Board of Directors shall respect the recommendation of the Independent Committee to the maximum extent possible and shall also go through the process of hearing the opinions of the Independent Committee, thereby ensuring the objective and reasonableness of its decisions. Moreover, each Audit and Supervisory Committee Member and each member of the Independent Committee, in addition to the Company’s Representative Director, has the authority to convene the Independent Committee, to ensure holding of meetings of the Independent Committee.

In addition, if the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering countermeasures, the Company’s Board of Directors shall respect such recommendation to the maximum extent possible and, if deemed appropriate, implement the procedures for convening a Shareholders’ Intent

Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not as soon as practicable.

## 8. Impact, etc. on the Company's shareholders and investors

### (1) Impact, etc. of the Plan on shareholders and investors

The purpose of the Plan is to provide the Company's shareholders with the information necessary for them to judge whether to accept the Large-Scale Purchase or not and the opinion of the Company's Board of Directors, which is currently responsible for management of the Company, and also to ensure that the Company's shareholders have an opportunity to be presented with an alternative proposal. The Company believes that this will enable the Company's shareholders to make an appropriate decision as to whether or not to accept the Large-Scale Purchase based on sufficient information, which will lead to the protection of the common interests of the Company's shareholders. Accordingly, the Company believes that the establishment of the Plan is in the best interest of the Company's shareholders and investors.

As stated in 6. above, the Company's plan for a Large-Scale Purchase will differ depending on whether it is judged that the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules or not. Therefore, shareholders and investors of the Company are requested to pay attention to the actions of the Large-Scale Purchaser.

### (2) Impact, etc. on shareholders and investors at the time of triggering of countermeasures

In the event that a Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, the Board of Directors may implement specific countermeasures permitted under the Companies Act and other laws and the Company's Articles of Incorporation for the purpose of protecting the common interests of the Company and the Company's shareholders. The Board of Directors does not anticipate any situation in which the shareholders of the Company other than the Large-Scale Purchaser who violated the Large-Scale Purchase Rules, would suffer any particular loss in terms of legal rights or economic benefits.

And if the Company's Board of Directors decides to implement specific countermeasures, the Company plans to take appropriate measures, such as making timely and appropriate disclosure, to avoid any unforeseen damage to the Company's shareholders, investors, and other related parties.

On the other hand, if it is decided to implement gratis allotment of share acquisition rights as a specific countermeasure, the Company's shareholders as of the allotment date will receive the allotment of share acquisition rights without applying for subscription, but subsequently, may be required to pay a certain amount of money within a prescribed period to exercise their share acquisition rights and acquire new shares. Details of such procedures will be separately announced in accordance with laws and regulations when gratis allotment of share acquisition rights is to be actually conducted. However, the Company's shareholders who are not recorded in the shareholders' register shall receive allotment of share acquisition rights only if they are recorded in the final shareholders' register as of the allotment date of share acquisition rights, which is separately determined and publicly announced by the Company's Board of Directors.

Even after the allotment date of share acquisition rights or the effective date of gratis allotment of share acquisition rights, the Company may cancel the gratis allotment of share acquisition rights by the day before the first day of the exercise period of share acquisition rights or the Company may acquire share acquisition rights without consideration without delivering the Company's shares to the holders of share acquisition rights owing to such reasons as the withdrawal of the Large-Scale Purchase by the Large-Scale Purchaser. In these cases, there will be no dilution of per share value. Therefore, investors who made sales, etc. based on the assumption that there will be dilution of per share value may suffer damage due to fluctuations in the share price.

## 9. Effective period of the Plan, amendments to or abolition of the Plan, and disclosure thereof

### (1) Effective period of the Plan

The effective period of the Plan shall be from the conclusion of this Annual General Meeting of Shareholders to the conclusion of the Company's 135th Annual General Meeting of Shareholders to be held in June 2029, subject to the approval of the Company's shareholders at this Annual General Meeting of Shareholders. However, if the continuation of the Plan is approved at the 135th Annual General Meeting of Shareholders, the Plan shall be extended until the conclusion of the Company's 138th Ordinary General

Meeting of Shareholders to be held in June 2032.

(2) Abolition of the Plan

After the introduction of the Plan, even before the expiration of the effective period, the Plan shall be abolished at that point in time in the following cases:

- (i) In the event that the Company's Board of Directors resolves to abolish the Plan
- (ii) If a proposal to abolish the Plan is approved at the Company's General Meeting of Shareholders

(3) Amendments to the Plan

Even during the effective period of the Plan, the Plan may be amended from time to time as necessary by a resolution of the Board of Directors from the perspective of securing and improving corporate value and the common interests of shareholders, in view of the development of relevant laws and regulations, resolutions of the General Meeting of Shareholders, opinions of the Independent Committee, and other factors.

(4) Disclosure of information on the abolition of or amendments to the Plan

If the Plan is abolished or amended, the Company will disclose such facts and other matters deemed necessary by the Company's Board of Directors to shareholders and investors in a timely and appropriate manner.

## 10. Reasonableness of the Plan

As mentioned above, the Plan is designed to enable shareholders to appropriately judge whether or not to accept a Large-Scale Purchase of the Company's share certificates, etc., in the event such a purchase occurs, and ensure the necessary information and time for the Company's Board of Directors to present an alternative proposal. Furthermore, it enables negotiations with the Large-Scale Purchaser in the interests of the Company's shareholders. Through this approach, the Company intends to continue the Plan with the aim of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, and it is consistent with the Company's basic policy on corporate control.

Therefore, the Company's Board of Directors believes it is clear that the Plan does not impair the common interests of its shareholders, nor is it intended to maintain the positions of the Company's Directors. The specific reasons are as follows:

(1) Satisfying the requirements of the Guidelines concerning takeover response policies

The Plan fully satisfies all three principles (principle of protecting and enhancing corporate value and shareholders' common interests, principle of prior disclosure and shareholders' will, and principle of ensuring the necessity and reasonableness) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" announced on May 27, 2005 by the Ministry of Economy, Trade and Industry ("METI") and the Ministry of Justice.

In addition, the Plan takes into account the report "Takeover Defense Measures in Light of Recent Environmental Changes" announced on June 30, 2008 by the Corporate Value Study Group of METI, the spirit of "Principle 1-5. Anti-Takeover Measures" in Japan's Corporate Governance Code revised on June 11, 2021 by the Tokyo Stock Exchange, and the "Guidelines for Corporate Takeovers" announced on August 31, 2023 by METI.

(i) Principle of protecting and enhancing corporate value and shareholders' common interests

As mentioned above, the Plan provides the Company's shareholders with information necessary for them to judge whether to accept the Large-Scale Purchase or not and the opinion of the Company's Board of Directors, which is currently responsible for management of the Company, and ensures that the Company's shareholders have an opportunity to be presented with an alternative proposal, thereby enabling them to make an appropriate judgment as to whether or not to accept the Large-Scale Purchase based on sufficient information. The Plan will be introduced for the purpose of protecting and enhancing the Company's corporate value and the common interests of its shareholders.

(ii) Principle of prior disclosure and reflection of shareholders' will

Since the contents of the Plan are disclosed in advance, the foreseeability of the Plan to the Company's shareholders and investors is ensured, and the continuation of the Plan is subject to the approval of the Company's shareholders at this Annual General Meeting of Shareholders. Furthermore, the extension of the effective period of the Plan is also subject to the approval of the Company's shareholders, and also a measure is adopted that allows the Plan to be abolished by a resolution of the Company's General Meeting of Shareholders. In this way, a system is in place that reflects the reasonable will of the Company's shareholders.

(iii) Principle of ensuring the necessity and reasonableness

The Plan ensures the objectivity and reasonableness of the judgment of the Company's Board of Directors as to whether to trigger specific countermeasures or not, for example, by respecting, to the maximum extent possible, the opinions of the Independent Committee, which consists of multiple members independent of the management team that executes the business of the Company. Moreover, the Company's shareholders may directly judge whether to continue the Plan or not every three years at an Annual General Meeting of Shareholders, and the Plan also provides for an objective clause for abolition of the Plan, which allows the Plan to be abolished if any takeover proposal that would enhance the common interests of shareholders is made.

(2) Elimination of arbitrary judgment by the Board of Directors

Under the Plan, the Independent Committee will be established as an organization independent from the Company's Board of Directors, and when the Board of Directors judges whether or not to trigger a countermeasure, the recommendation of the Independent Committee shall be respected to the maximum extent possible in order to ensure the transparency, objectivity, fairness, and reasonableness of the judgment and to eliminate arbitrary judgment by the Board of Directors.

If the Independent Committee makes a recommendation for triggering of countermeasures and demands procedures to confirm the intent of shareholders regarding the resolution for triggering of countermeasures, the Company's Board of Directors shall respect such recommendation to the maximum extent possible and, if deemed appropriate, implement the procedures for convening a Shareholders' Intent Confirmation Meeting or implement the procedures for a written ballot to confirm the intent of shareholders as to whether the countermeasures should be triggered or not.

(3) Establishment of reasonable objective requirements for triggering the Plan

As described above, the triggering of countermeasures under the Plan requires satisfaction of reasonable, objective requirements, and a mechanism is secured to prevent arbitrary triggering by the Company's Board of Directors.

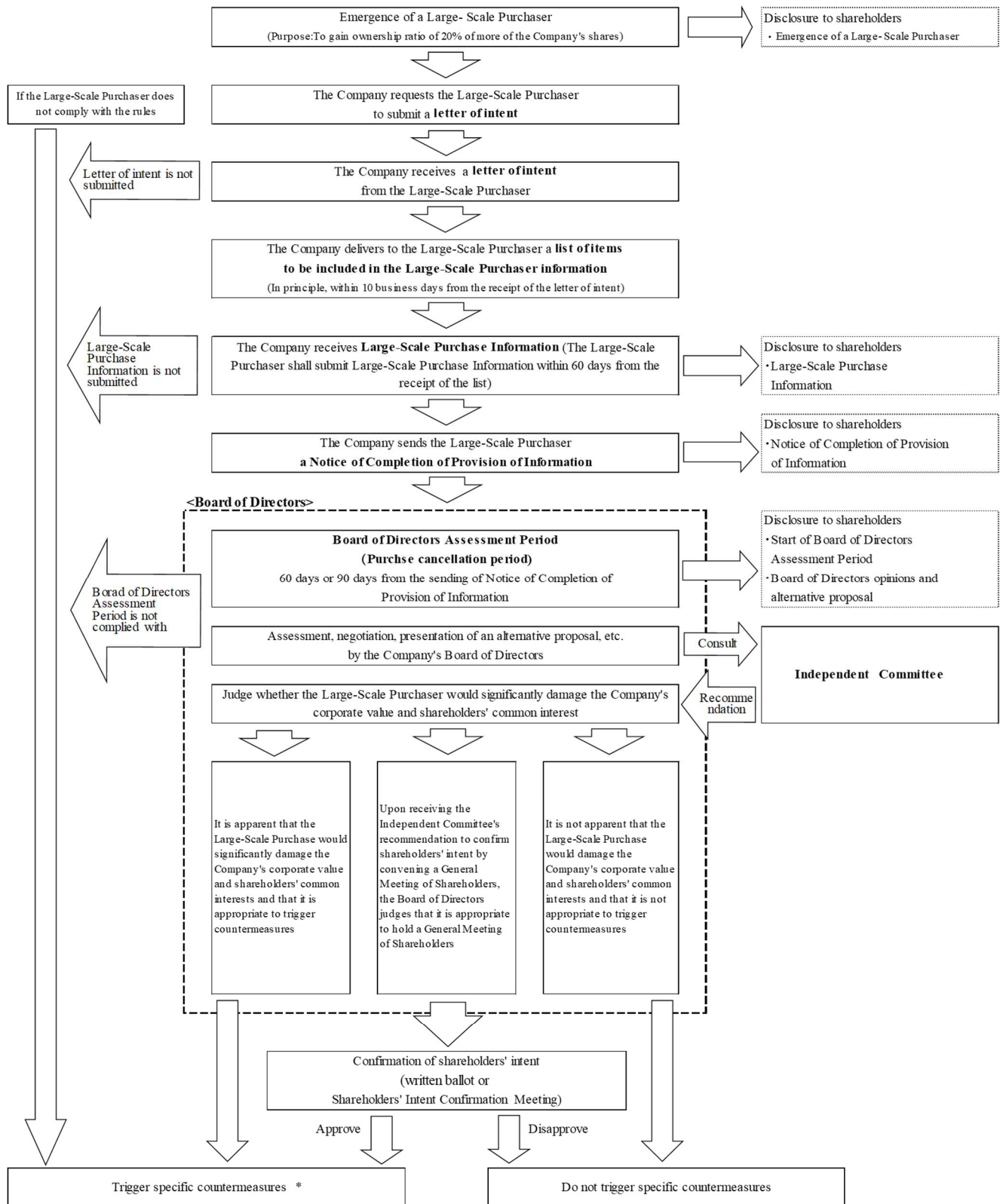
(4) Not a dead-hand or slow-hand type measure

As described in "9. Effective period of the Plan, amendments to or abolition of the Plan, and disclosure thereof" above, the Plan may be abolished at any time by a resolution of one General Meeting of Shareholders or by a resolution of the Board of Directors consisting of Directors elected by the Company's General Meeting of Shareholders. Therefore, the Plan is not a dead-hand takeover response policy (a takeover response policy whose triggering cannot be prevented even if a majority of the members of the Board of Directors are replaced).

Moreover, the Company is a company with an Audit and Supervisory Committee and the term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) is one year. Therefore, the Plan is not a slow-hand takeover response policy (a response policy intended to prevent the replacement of all members of the Board of Directors at once, thereby forcing the acquirer to waste time in the attempt to prevent the triggering of takeover countermeasures).

End

**Flowchart if a Large-Scale Purchase is Initiated**



\*Conduct gratis allotment of share acquisition rights (Class of shares: common stock; Ratio: 1 for each share held)

**Outline of Share Acquisition Rights**

1. Shareholders eligible for gratis allotment of share acquisition rights

The Company shall allot share acquisition rights at a ratio of one (1) share acquisition right per one (1) share held (excluding shares of the Company's common stock held by the Company) to the shareholders recorded in the final shareholders' register as of the allotment date determined by the Company's Board of Directors.

2. Class and number of shares to be issued upon exercise of share acquisition rights

The type of shares to be issued upon exercise of share acquisition rights shall be shares of the Company's common stock, and the number of shares to be issued upon exercise of each share acquisition right shall be one share. However, if the Company conducts a share split or a share consolidation, the necessary adjustments shall be made.

3. Total number of share acquisition rights to be allotted

The total number of share acquisition rights to be allotted shall be the number determined by the Company's Board of Directors and not exceed the total number of shares issued and outstanding as of the allotment date (excluding, however, shares of the Company's common stock held by the Company). The Company's Board of Directors may allot share acquisition rights more than once, provided that the total number of share acquisition rights allotted does not exceed this limit.

4. Amount to be paid upon exercise of each share acquisition right

The amount to be paid upon exercise of each share acquisition right shall be an amount specified by the Company's Board of Directors, and shall be no less than one yen per share.

5. Restrictions on transfer of share acquisition rights

Any transfer of share acquisition rights shall require the approval of the Company's Board of Directors.

6. Exercise period, etc. of share acquisition rights

The exercise period, exercise conditions, reasons for retirement, conditions for retirement and other necessary matters concerning share acquisition rights shall be separately determined by the Company's Board of Directors.

7. Terms and conditions for the exercise of share acquisition rights

A specific shareholder group that holds a certain percentage or more of the Company's share certificates, etc. or a person who has received share acquisition rights from a specific shareholder group without the approval of the Company's Board of Directors may not exercise his/her share acquisition rights.

End

**Guidelines for the Triggering of Specific Countermeasures (Outline)**

1. Purpose

The purpose of the Guidelines for Triggering Specific Countermeasures (hereinafter the “Guidelines”) is to establish specific criteria for triggering specific countermeasures in advance in preparation for the case where the Board of Directors and the Independent Committee judge whether or not to trigger specific countermeasures in order to maintain and enhance the interests of shareholders and the Company’s corporate value in the event that a Large-Scale Purchaser of the Company appears.

2. Cases in which specific countermeasures may be triggered

If the Company’s Board of Directors judges that the Large-Scale Purchase by the Large-Scale Purchaser falls under any of the cases set forth below, the Board of Directors may decide to trigger specific countermeasures.

In making such judgment, the Company’s Board of Directors shall respect the recommendation of the Independent Committee, which is established as an organization independent from the Board of Directors to the maximum extent possible in order to ensure the transparency, objectivity, fairness, and reasonableness of its judgment and to prevent arbitrary judgment by the Board of Directors.

(1) If the Large-Scale Purchase does not comply with the procedures set forth in the Plan

1) If the Large-Scale Purchaser does not provide information

The Large-Scale Purchaser does not provide all or part of the information necessary for the Board of Directors and the Independent Committee to make appropriate judgment and form opinions, such as an outline of the Large-Scale Purchaser, the purpose, method and details of the acquisition, an outline of the parties financing the Large-Scale Purchaser, the management policy and business plan, financial plan, capital policy, dividend policy, asset utilization policy, etc. (hereinafter “post-acquisition management policy, etc.”) of the Company group envisaged for the next three years after the acquisition, and the basis on which the post-acquisition management policy, etc. will enhance the corporate value of the Company group.

2) If it is reasonable to consider that the information provided by the Large-Scale Purchaser is insufficient

Even if the Large-Scale Purchaser provides a certain amount of information regarding the Large-Scale Purchase, it is reasonable to consider that the information provided is insufficient and it becomes difficult for the shareholders to make an appropriate judgment as to whether the Large-Scale Purchase is justified or not.

3) A tender offer is commenced prior to the expiration of a reasonable period of time (60 days in the case of the purchase of all the Company’s shares by a tender offer with cash-only (yen) consideration and 90 days in the case of other Large-Scale Purchases) for the Company’s Board of Directors to examine the Large-Scale Purchase Information and to present an alternative proposal from the perspective of the common interests of shareholders

(2) If the Large-Scale Purchase by the Large-Scale Purchaser is likely to cause obvious harm to the corporate value of the Company and the common interests of its shareholders (if it constitutes an abusive takeover)

1) A person acquires shares, without any serious intention to participate in the Company’s management, for the purpose of inflating the share price and inducing the Company to repurchase the shares at a high price (so-called “greenmailing”).

2) The purpose of participation in corporate management of the Company is primarily to transfer confidential company information, important assets, major business partners and/or customers, etc. necessary for the Company’s business management to the Large-Scale Purchaser or its group companies, etc. (so-called “scorched-earth management”).

3) The Large-Scale Purchaser acquires the Company’s shares with the intention of appropriating the Company’s assets as collateral for or funds for repayment of debts of the Large-Scale Purchaser or its group companies, etc.

- 4) The purpose of participation in corporate management of the Company is mainly to gain temporary control over management of the Company and cause the Company to sell or otherwise dispose of high-value assets such as securities that have no current relevance to the Company's business and pay temporarily high dividends based on the gain on such disposal or to sell shares at high prices, taking advantage of the opportunity afforded by the sudden rise in the share price created by the temporarily high dividends.
- 5) The terms and conditions of the acquisition of the Company's shares proposed by the Large-Scale Purchaser (including but not limited to the amount of the purchase consideration, details, timing, method, existence or non-existence of illegality, and feasibility) are insufficient or inappropriate in light of corporate value of the Company.
- 6) The method of acquisition proposed by the Large-Scale Purchaser is a structurally coercive acquisition that restricts the opportunity or freedom of shareholders to make decisions, such as by setting the first purchase terms favorable and the second purchase terms unfavorable (so-called "two-step purchase").
- 7) In addition to the above, the Large-Scale Purchase is clearly detrimental to the common interests of the Company's shareholders and the Company's corporate value, based on the details of the Large-Scale Purchase Information.

End

**Overview of the Independent Committee**

1. Establishment

The Independent Committee shall be established by resolution of the Company's Board of Directors.

2. Composition

(1) The Independent Committee shall have at least three (3) members.

(2) Members of the Independent Committee shall be selected from Outside Directors (excluding Directors who are Audit and Supervisory Committee Members), Outside Directors who are Audit and Supervisory Committee Members, external experts (including, but not limited to, lawyers and other professionals and persons with corporate management experience in the private sector), and other persons.

In light of the roles and expectations of the Independent Committee, the appointment shall be determined by comprehensively considering expertise, knowledge of corporate management, insight into corporate value, practical experience, and other factors.

(3) If a committee member is an external expert, the Company shall enter into a written agreement including a clause on the duty of care to the Company with such member.

3. Roles

(1) Being consulted by the Board of Directors, the Independent Committee shall, in principle, examine and deliberate on the matters set forth below in accordance with the Guidelines and make recommendations to the Board of Directors, together with the reasons and grounds for the recommendations. The Company's Board of Directors shall make the final decision, respecting the recommendation of the Independent Committee to the maximum extent possible.

(i) Examination of materials such as the purchase plan submitted by the Large-Scale Purchaser in prior negotiations with the Large-Scale Purchaser

(ii) Consideration of whether or not to implement specific countermeasures

(iii) Consideration of whether or not to cancel the countermeasures through ex post negotiations with the Large-Scale Purchaser

(iv) Examination of whether it is necessary to convene a Shareholders' Intent Confirmation Meeting or not

(v) Other matters on which the Company's Board of Directors has consulted with the Independent Committee regarding matters on which the Company's Board of Directors should make a judgment.

(2) The Independent Committee may obtain professional advice from accountants, lawyers, and other external experts as necessary for its examination. The Company shall bear the cost of such expenses.

4. Convening

The Company's Representative Director, Audit and Supervisory Committee Members, and members of the Independent Committee shall have the authority to convene a meeting of the Independent Committee at any time.

5. Resolution

In principle, a resolution of the Independent Committee shall be adopted at a meeting attended by all the members of the Independent Committee by a majority vote of the members. However, in the event of unavoidable circumstances, a resolution of the Independent Committee may be adopted at a meeting attended by a majority of the members of the Independent Committee by a majority vote of the members.

End

Appendix 5

**Candidates for Independent Committee Member and their Career Summary**

Committee Member Masahiro Nakatsukasa

(Career Summary)	Apr. 1994	Admitted to the Bar; Member of Osaka Bar Association; Joined Chuo Sogo Law Office (currently Chuo Sogo Law Office, P. C.)
	Aug. 2005	Served at Kirkland & Ellis LLP, U.S.A
	Apr. 2006	Admitted to the New York State Bar, U.S.A.
	Jun. 2006	Outside Audit & Supervisory Board Member, Asaka Industrial Co., Ltd.
	Jul. 2012	Representative Partner, Chuo Sogo Law Office, P.C. (to the present)
	Apr. 2015	Vice Chairman, Osaka Bar Association
	Jun. 2015	Outside Audit & Supervisory Board Member, ARAKAWA CHEMICAL INDUSTRIES, LTD.
	Jun. 2015	Outside Audit & Supervisory Board Member, NIPPON DENTSU Co., Ltd.
	Jun. 2016	Outside Director who is an Audit and Supervisory Committee Member, Asaka Industrial Co., Ltd. (to the present)
	Jun. 2016	Outside Director who is an Audit and Supervisory Committee Member, ARAKAWA CHEMICAL INDUSTRIES, LTD. (to the present)
	Jun. 2016	Outside Director who is an Audit and Supervisory Committee Member, NIPPON DENTSU Co., Ltd.
	Jun. 2016	Outside Director, the Company (to the present)
	Jun. 2018	Outside Audit & Supervisory Board Member, JSH Co., Ltd. (to the present)
	Jun. 2022	Outside Director, Osaka Mazda Motor Corporation (to the present)
	Dec. 2022	Managing Partner, Chuo Sogo Law Office, P. C. (to the present)

Note: The Company has an advisory agreement with Chuo Sogo Law Office, a law firm of which Mr. Masahiro Nakatsukasa is a representative partner, but the payment of fees to the said law firm is minimal and there is no other special relationship.

Committee Member Sayuri Murakami

(Career Summary)	Apr. 1984	Joined The Kobe Shimbun
	Mar. 2009	General Manager, Economics Department, Editorial Bureau, The Kobe Shimbun
	Mar. 2013	Deputy General Manager, Regional Research Institute, The Kobe Shimbun
	Mar. 2015	Vice Chairman, Editorial Board, The Kobe Shimbun
	Mar. 2017	General Manager, Tokyo Branch Office, The Kobe Shimbun
	Feb. 2019	Registered as a career consultant
	Mar. 2019	Executive Officer and Representative, Himeji Head Office, The Kobe Shimbun
	Mar. 2022	Advisor to the Editorial Bureau, The Kobe Shimbun
	Jun. 2022	Coordinator, Public Relations and Endowment Division, Strategic Planning Office; Regional Partnership Advisory Fellow (faculty member), Office for Promoting Regional Partnership, Kobe University
	Apr. 2023	Member of the Management Council, University of Hyogo (to the present)
	Jun. 2023	Outside Director, the Company (to the present)
	Jun. 2025	Director, Social Welfare Corporation Kirakuen (to the present)

Committee Member Masaya Kakuda

(Career Summary)	Apr. 1980	Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
	Apr. 1998	Branch Manager, Higashi-Kobe Branch, The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
	Oct. 2002	Chief Credit Officer, Credit Division No. 3, UFJ Bank Limited (currently MUFG Bank, Ltd.)
	Jan. 2006	Branch Manager, Himeji Branch, The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)
	Jun. 2009	Joined THE TAISHO BANK, LTD. (currently THE TOKUSHIMA TAISHO BANK, LTD.); General Manager, Headquarters Sales Division
	Jun. 2009	Executive Officer; General Manager, Headquarters Sales Department, THE TAISHO BANK, LTD.
	Jun. 2010	Director, General Manager, Headquarters Sales Division, THE TAISHO BANK, LTD.
	Jun. 2014	Managing Director, THE TAISHO BANK, LTD.
	Apr. 2016	General Manager, Risk Compliance Division, TOMONY Holdings, Inc.
	Jun. 2016	Managing Director; General Manager, Risk Compliance Division, TOMONY Holdings, Inc.
	Jun. 2020	Director, TOMONY Holdings, Inc.; Audit & Supervisory Board Member, TOMONY System Service, Inc.
	Jun. 2021	Outside Audit & Supervisory Board Member, the Company
	Jul. 2021	Director, J Resort Co., Ltd.
	Jun. 2022	Outside Director who is an Audit and Supervisory Committee Member, the Company (to the present)

Kazuyoshi Tsuda, Committee Member

(Career Summary)

Aug. 1995	Registered as a certified public accountant
Aug. 2008	Registered as a certified tax accountant
Oct. 1990	Joined Ota Showa Audit Corporation (currently Ernst & Young ShinNihon LLC)
Oct. 1998	Director, Inada Shokai Co., Ltd.
Oct. 2000	Joined Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC)
Aug. 2003	Director, MMT Co., Ltd.
Mar. 2008	Representative Director, Brain Trust Co., Ltd. (to the present)
Mar. 2008	Representative, Kazuyoshi Tsuda CPA and CTA Office (to the present)
Aug. 2008	Outside Audit & Supervisory Board Member, Hirose Tusho Inc.
Mar. 2015	Outside Audit & Supervisory Board Member, Silver Egg Technology Co., Ltd.
Apr. 2016	Outside Director, JSH Co., Ltd. (to the present)
Jun. 2016	Director who is an Audit and Supervisory Committee Member, Hirose Tusho Inc. (to the present)
Jun. 2021	Outside Audit & Supervisory Board Member, the Company
Jun. 2022	Outside Director who is an Audit and Supervisory Committee Member, the Company (to the present)
Jun. 2022	Outside Director, Osaka Mazda Motor Corporation (to the present)

End

(Reference)

Major Shareholders of the Company (as of March 31, 2026)

Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
Hanwa Co., Ltd.	8,058	14.86
AIR WATER INC.	4,729	8.72
The Master Trust Bank of Japan, Ltd. (trust account)	3,836	7.07
Osaka Gas Co., Ltd.	1,923	3.54
Maruichi Steel Tube Ltd.	1,300	2.39
Amagasaki Seikan Co., Ltd.	1,274	2.35
BNYMSANV RE BNYMIL RE WS ZENNOR JAPAN EQUITY INCOME FUND	1,058	1.95
Nakayama Shareholding Mutual Prosperity Association	859	1.58
NIPPON STEEL TRADING CORPORATION	815	1.50
DIMENSIONAL ETF TRUST-DIMENSIONAL INTERNATIONAL SMALL CAP VALUE ETF	598	1.10

Note: Shareholding ratios are calculated excluding 8,863,805 shares of treasury stock and rounded down to two decimal places.

End

## Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Line item	Amount	Line item	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>92,021</b>	<b>Current liabilities</b>	<b>28,123</b>
Cash and deposits	23,245	Notes and accounts payable - trade	15,398
Notes and accounts receivable - trade, and contract assets	31,914	Electronically recorded obligations - operating	3,018
Electronically recorded monetary claims – operating	9,151	Short-term borrowings	2,515
Merchandise and finished goods	11,596	Accounts payable - other	2,745
Work in process	4,870	Accrued expenses	1,575
Raw materials and supplies	10,252	Income taxes payable	167
Other	1,032	Provision for bonuses	981
Allowance for doubtful accounts	(41)	Provision for environmental measures	6
<b>Non-current assets</b>	<b>60,349</b>	Provision for decommissioning and removal	280
<b>Property, plant and equipment</b>	<b>50,321</b>	Other	1,434
Buildings and structures, net	7,853	<b>Non-current liabilities</b>	<b>15,098</b>
Machinery and equipment, net	17,858	Long-term borrowings	6,000
Vehicles, net	79	Deferred tax liabilities	3,907
Tools, furniture and fixtures, net	530	Deferred tax liabilities for land revaluation	1,030
Land	22,613	Provision for loss on business of subsidiaries and associates	893
Leased assets, net	313	Retirement benefit liability	1,938
Construction in progress	1,071	Other	1,328
<b>Intangible assets</b>	<b>394</b>	<b>Total liabilities</b>	<b>43,221</b>
Other	394	<b>(Net assets)</b>	
<b>Investments and other assets</b>	<b>9,633</b>	<b>Shareholders' equity</b>	<b>103,928</b>
Investment securities	3,988	<b>Share capital</b>	<b>20,044</b>
Retirement benefit asset	2,808	<b>Capital surplus</b>	<b>7,879</b>
Deferred tax assets	19	<b>Retained earnings</b>	<b>76,774</b>
Guarantee deposits	1,775	<b>Treasury shares</b>	<b>(769)</b>
Other	1,066	<b>Accumulated other comprehensive income</b>	<b>5,221</b>
Allowance for doubtful accounts	(24)	<b>Valuation difference on available-for-sale securities</b>	<b>1,465</b>
		<b>Deferred gains or losses on hedges</b>	<b>0</b>
		<b>Revaluation reserve for land</b>	<b>2,359</b>
		<b>Remeasurements of defined benefit plans</b>	<b>1,396</b>
		<b>Total net assets</b>	<b>109,149</b>
<b>Total assets</b>	<b>152,371</b>	<b>Total liabilities and net assets</b>	<b>152,371</b>

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

## Consolidated Statement of Income

(April 1, 2025 - March 31, 2026)

(Millions of yen)

Line item	Amount	
Net sales		148,306
Cost of sales		129,769
<b>Gross profit</b>		<b>18,537</b>
Selling, general and administrative expenses		13,625
<b>Operating profit</b>		<b>4,911</b>
Non-operating income		
Interest income	46	
Dividend income	91	
Share of profit of entities accounted for using equity method	47	
Rental income from real estate	70	
Other	126	382
Non-operating expenses		
Interest expenses	190	
Rental expenses	134	
Other	161	487
<b>Ordinary profit</b>		<b>4,806</b>
Extraordinary income		
Gain on sales of scraps	53	
Gain on sale of non-current assets	17	70
Extraordinary losses		
Accident related loss	843	
Loss on retirement of non-current assets	520	
Other	115	1,479
<b>Profit before income taxes</b>		<b>3,397</b>
Income taxes-current	898	
Income taxes-deferred	35	934
<b>Net Profit</b>		<b>2,462</b>
Profit attributable to non-controlling interests		-
<b>Profit attributable to owners of parent</b>		<b>2,462</b>

Note: Figures presented in the financial statements are rounded down to the nearest million yen.