

The following report addresses the status of corporate governance at Mitsubishi Steel Mfg. Co., Ltd.

## 1. Basic perspective on corporate governance, capital structure, corporate attributes, and other basic information

### 1. Basic perspective

In recognition of the importance of establishing a corporate structure capable of adapting to the evolving business environment, we have adopted, as our fundamental management policy, sustained and global growth based on the development of competitive businesses.

Based on this policy, we have established a Mitsubishi Steel Group Code of Conduct to be shared among all executives and employees. In addition to striving to maximize corporate value, we strive to implement sound, transparent management by enhancing the functions of the Board of Directors and the Board of Corporate Auditors; by building on our competitive strengths; and by acting to ensure swift, rational decision-making.

### Reasons for not implementing the principles of the Corporate Governance Code

The following information is based on the Corporate Governance Code as revised June 2021.

The Company is committed to implementing all the principles specified in the Corporate Governance Code.

### Disclosure based on each of the principles of the Corporate Governance Code Updated

Provided below are disclosures based on the principles of the Corporate Governance Code.

We have established a Basic Policy on Corporate Governance that sets forth the fundamental perspective on our corporate governance activities.

#### Supplementary Principle 1.2.4. The Electronic Voting Platform

We allow shareholders to exercise their voting rights via electronic means and participation in the Electronic Voting Platform.

#### Principle 1.4. Cross-Shareholdings

The Company Board of Directors has established the following basic policies on cross-shareholdings of listed shares and the exercise of voting rights on cross-shareholdings.

*Basic policy on cross-shareholdings of listed shares and standards for exercise of voting rights on cross-shareholdings.*

Each year, the Board of Directors verifies various specific matters, including whether the reasons for individual cross-shareholdings and the risks and benefits of holding these shares are sound in light of their capital costs. It then determines whether to reduce the holdings. Through this process, the Company may retain certain cross-shareholdings to enhance ties to the issuing firms. The exercise of voting rights and the determination of whether to approve or reject resolutions are based on careful individual reviews of whether they would contribute to increasing the issuer's corporate value and whether there is a risk of harming the Company's own corporate value.

In addition, each year, the Board of Directors verifies the medium- to long-term economic rationality and future outlook based on factors such as the returns and risks of major cross-shareholdings and reflects its findings in confirmation of the aims and rationality of holding these shares.

In the event that a company holding shares of Company stock as cross-shareholdings (cross-shareholder) has indicated its intention to sell or otherwise dispose of the shares, we refrain from measures to impede such disposal, such as suggesting curtailment of transactions with the cross-shareholder, and also refrain from any transactions that could harm the interests of the Company or the common interests of its shareholders such as continuing to trade with the cross-shareholder without fully verifying the economic rationality of transactions.

#### Principle 1.7 Related Party Transactions

When the Company engages in transactions with its directors (i.e., related party transactions), the Board of Directors oversees such transactions (including approval of transactions) through appropriate procedures to ensure that such transactions do not harm the interests of the Company or the common interests of its shareholders. The Board of Directors also manages appropriately any possible conflicts of interest between directors and the Company.

#### Supplementary Principle 2.4.1. Ensuring diversity in areas such as promotion of core personnel

The Company's Corporate Philosophy calls for creating a pleasant and vigorous work environment, embracing a diverse workforce with various talents to achieve their full potential.

We promote management that respects employee human rights and individual characteristics and leverages diversity by fostering human resources as well as ensuring a safe and pleasant work environment.

Recognizing the importance of ensuring diversity in core managerial positions as well, we strive to promote diverse human resources.

<Voluntary and measurable goals for ensuring diversity and their status>

(1) Women managers

We consider promotion of outstanding human resources, regardless of gender, to be a major part of maintaining our corporate competitive strengths in light of Japan's low birth rate, aging population, and shrinking workforce. While numbers of women managers are increasing thanks to enhanced hiring of new graduates and midcareer hires, support for work-life balance, and promotion of flexible work styles, we are also working to set numerical targets for women managers. See the Integrated report, financial results presentation and ESG briefing on the Company website for information such as numbers of women managers and initiatives related to human resource development and internal environmental improvements.

Integrated report: <https://www.mitsubishisteel.co.jp/csr/>

Financial results presentation: <https://www.mitsubishisteel.co.jp/ir/presentation/>

ESG briefing: <https://www.mitsubishisteel.co.jp/ir/presentation/>

## (2) Foreign national managers

While the number of foreign national human resources employed in Japan is very small, with only one foreign national manager, we plan to hire capable human resources and promote outstanding candidates to managerial positions regardless of nationality. In addition to hiring international students as new graduates and promoting midcareer hiring of foreign nationals, we also will improve workplace environments to make them more comfortable for foreign national employees.

## (3) Midcareer hires in managerial posts

Midcareer hires are treated in the same way as those who were hired as new graduates, without discrimination. Midcareer hires make up more than 30% of Company managers. To adapt to the Company's changing business environment and other needs, we actively hire highly specialized career human resources. We believe that enhanced hiring of such human resources will lead to promotion to managerial positions and raise the percentage of managerial positions filled by midcareer hires.

<Policies for human resource development and internal environment development to ensure diversity, and their status>

We will strive to nurture human resources by promoting career planning based on mutual understanding through enhancing opportunities for communication between superiors and personnel in their sections to better understand subordinates' values.

Policy 1: Continuing hiring with an emphasis on diversity and evaluations based on competency

### *Details of initiatives*

- Continuing hiring activities balancing new graduates and midcareer hires
- Expanding opportunities for women, including assignment to manufacturing sites
- Target setting, progress management, and fair evaluation through interviews with superiors at least twice a year

Policy 2: Career support for women employees

### *Details of initiatives*

- Career training for women employees
- Individual interviews with women employees

Policy 3: Environmental improvements to promote success of diverse employees

### *Details of initiatives*

- Improving work-life balance in various ways, including remote working, promotion of flexible workstyles, and encouraging employees to take leave
- Promoting workplace environments and system improvements in which human resources can demonstrate their abilities to the fullest regardless of gender, age, nationality, or disability status

## **Principle 2.6 Roles of Corporate Pension Funds as Asset Owners**

Together with systematic recruitment and assignment of qualified personnel to increase the investment management expertise of the corporate pension fund, thus making sure that it performs its expected roles as an asset owner, the Company also strives to raise the quality level of such personnel in various ways, including providing opportunities for continual education.

Decisions concerning asset management are made by the Board of Representatives based on a review of asset managers. The Asset Management Committee and the Board of Representatives are composed of appointed members who possess appropriate qualifications, including leaders of the labor union and others as representatives of beneficiaries.

We also select and appoint personnel who possess appropriate qualifications to the corporate pension fund secretariat.

## **Principle 3.1 Full Disclosure**

(i) See the Company website for the Corporate Philosophy.

Company website: <https://www.mitsubishisteel.co.jp/company/philosophy/>

Also see the Company website for the 2023 Mid-term Business Plan we have formulated to cover the three-year period from FY2023 through FY2025.

Serving as a milestone to achieve our ideal vision for 2030, the 2023 Mid-term Business Plan is intended to realize growth in profits and enhancement of our financial standing while preparing for the next stage of rapid growth. Through initiatives based on its four basic policies (1. Enhancing our earnings capabilities; 2. Growing strategic businesses; 3. Investment in human resources; 4. Sustainability management), we will seek to increase corporate value over the medium to long term while targeting a PBR of 1 or higher.

Company website: <https://www.mitsubishisteel.co.jp/ir/mid-plan/>

(ii) We have established a Basic Policy for Corporate Governance. Please go to our website to review the Policy.

Company website: <https://www.mitsubishisteel.co.jp/ir/governance-policy/>

(iii) Regarding board policies and procedures in determining remuneration of senior management and directors, see "II. State of business administration organization related to management decision-making, execution, and oversight, and other corporate governance systems: 1. Matters related to institutional structure, organizational management, etc.: Compensation of directors: Disclosure of policies on determining compensation amounts and calculation methods."

(iv) Policies on the nominations of candidate Directors and Corporate Auditors and appointments and dismissals of Representative Directors

In nominating candidate Directors and Corporate Auditors, the Board of Directors nominates candidates capable of contributing to maximizing the Company's corporate value over the medium to long term by promoting sustained global growth through developing competitive businesses, in line with our management policies.

In addition, nominations of candidate Directors and Corporate Auditors and appointments and dismissals of Representative Directors take place in consultation with the Nomination and Compensation Committee.

Reasons for nominations of candidate Directors and Corporate Auditors and appointments and dismissals of Representative Directors are described for each candidate, together with the candidate's brief career history, in notices of convocation of general meetings of shareholders.

(v) Procedures for appointing Directors and Corporate Auditors

In the appointment of candidates for the positions of Company Director and Corporate Auditor by the Board of Directors, the Representative Director, President & CEO drafts proposals for such appointments based on our perspective on the balance, diversity, and size of the Board of Directors and policies on the nominations of candidate Directors and Corporate Auditors and appointments and dismissals of Representative Directors. After receiving recommendations from the Nomination and Compensation Committee, a majority of whose membership consists of independent outside Directors, following consultation by the Board of Directors, the Board makes the final decision. The consent of the Board of Corporate Auditors is required for candidate Corporate Auditors.

The Board of Directors also strives to choose candidates for independent outside Directors who are able to contribute to frank, lively, constructive discussions in the Board.

(vi) Procedures for the appointment and dismissal of Representative Directors

The Board of Directors makes decisions concerning the appointment and dismissal of Representative Directors, after receiving recommendations from the Nomination and Compensation Committee, a majority of whose membership consists of independent outside Directors, following consultation by the Board of Directors.

**Supplementary Principle 3.1.2. English language disclosure**

Summaries of financial statements, quarterly financial results, financial results presentations, ESG briefing, the Integrated report, notices of convocation of general meetings of shareholders, and other IR documents are disclosed on our English-language IR site.

**Supplementary Principle 3.1.3. Initiatives on sustainability**

With the goal of strengthening its corporate value over the medium to long term, the Company is enhancing its initiatives on sustainability. See our website for our Basic Policy for Sustainability.

(<https://www.mitsubishisteel.co.jp/csr/>)

In addition, we have established the Sustainability Committee to deliberate on and propose measures to secure the sustained growth of the Group. We have also established a management structure capable of promoting sustainability on a cross-functional basis by establishing the new Carbon Neutral Committee and ESG Subcommittee in addition to the existing Global Environment Committee. All are organizations under the umbrella of the Sustainability Committee.

The deliberations of the Sustainability Committee are reported to and discussed by the Board of Directors as appropriate. In FY2022, such reporting and discussion concerned initiatives related to carbon neutrality and human rights.

As part of our initiatives toward carbon neutrality, we have formulated a roadmap to achieve carbon neutrality by 2050 and set the following targets for reducing CO2 emissions by 2030 by means including more efficient production and machinery and use of renewable energy: reducing carbon intensity in the steel bars segment by 10%, since that segment is expected to grow over the period, and reducing total emissions in other segments by 75% (both targets are vs. FY2013 levels). As part of these efforts, we are aiming to realize carbon neutrality by 2030 in offices, through use of solar power and other means.

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and disclose information on subjects including business risks and opportunities related to climate change and their financial impacts in accordance with the TCFD framework.

For details, see Disclosure Based on TCFD Recommendations on our website

Disclosure Based on TCFD Recommendations: <https://www.mitsubishisteel.co.jp/csr/environment/#anc05>

With regard to employee HR development, work-style reforms, and diversity, we have adopted a new HR treatment system that aims both to make work more rewarding and more motivating for each and every employee and to promote diversity in various ways, including developing workplaces that are comfortable places to work, particularly for women, and improving related systems.

We have also established the DX Promotion Office to increase added value in our businesses and promote transformation of our style of doing business through digital transformation.

See the Integrated report, financial results presentation and ESG briefing on our website for more information of our initiatives related to sustainability and investment in human capital.

Integrated report: <https://www.mitsubishisteel.co.jp/csr/>

Financial results presentation: <https://www.mitsubishisteel.co.jp/ir/presentation/>

ESG briefing: <https://www.mitsubishisteel.co.jp/ir/presentation/>

Also see the “Topics” page on our website for information on our IP investment initiatives.

Topics: <https://www.mitsubishisteel.co.jp/topics/>

**Supplementary Principle 4.1.1. Brief summary of the scope of matters delegated to management**

In the execution of business matters other than those specified by laws, regulations, and in-house rules as subject to resolution by the Board, the Board of Directors entrusts decision-making to directors and performs a management oversight function.

**Principle 4.8 Effective Use of Independent Directors**

To enhance the checks-and-balances functions provided by outside directors, the Company ensures that at least one-third of the members of the Board of Directors (two out of six directors) are outside directors. All outside directors satisfy the standards for independence and are fully qualified to contribute to the Company’s sustained growth and increasing its corporate value over the medium to long term.

**Principle 4.9. Standards for Independence and Qualification for Independent Directors**

Based on the standards for independence established by the Tokyo Stock Exchange, the Company employs standards for independence with a focus on effectively ensuring the independence of independent outside directors.

**Supplementary Principle 4.10.1. Perspective, mandates, and roles concerning the independence of the Nomination and Compensation Committee**

Decisions concerning the nomination and remuneration of Directors and Corporate Auditors (not including remuneration of Corporate Auditors) are made by the Board of Directors in consultation with the Nomination and Compensation Committee, whose membership consists of the chairperson of the Board of Directors and two outside directors and which is chaired by an independent outside director. This is intended to improve the objectivity and transparency of Board functions related to the nomination and remuneration of Directors and Corporate Auditors.

**Supplementary Principle 4.11.1. Perspective on balance, diversity, and size of the Board of Directors**

We strive to balance the diversity of the Board of Directors and ensure its appropriate size through both ensuring membership that provides diverse experiences, knowledge, and abilities, including international experience, and adopting a structure of the minimum necessary size to enable swift, efficient decision-making. By appointing Board membership that consists of at least one-third outside directors, we also strive to ensure fairness and transparency in its decisions on business execution.

We have also prepared and published a skills matrix listing the knowledge, experience, abilities, and other properties of each Director and Corporate Auditor. Information on the skills of each Director and Corporate Auditor is attached.

#### Supplementary Principle 4.11.2. Concurrent posts of Directors

Information on concurrent posts of Directors is disclosed in notices of convocation of general meetings of shareholders.  
Company website: <https://www.mitsubishisteel.co.jp/ir/shareholders-meeting/>

#### Supplementary Principle 4.11.3. Analysis and evaluation of the efficacy of the Board of Directors as a whole

As it strives to improve corporate governance, each year the Company analyzes and evaluates the Board of Directors' effectiveness based on evaluation by each Director and Corporate Auditor, to determine whether the Board is performing its roles effectively.

(1) In FY2022, as in the previous year, the Company mainly evaluated matters including the operations, deliberations, and structure of the Board of Directors through the following evaluation process:

- Self-evaluations based on surveys of all Directors, including outside Directors, and all Corporate Auditors, including outside Corporate Auditors
- Individual interviews with outside Directors and outside (part-time) Corporate Auditors
- Discussion in the Board of Directors and the Outside Officer Council Meeting based on survey results

- Decision by the Board of Directors on the evaluation of the Board of Directors based on these self-evaluations, discussions, etc.

The results of this evaluation by the Board of Directors indicate no serious concerns or other issues in FY2022 with regard to the effectiveness of the Board of Directors. The evaluation points to no concerns with regard to the operations, deliberations, or structure of the Board of Directors.

As a whole, the Board of Directors functions effectively. ~~The state of responses to issues identified in evaluations of efficacy in the previous fiscal year (FY2021), as well as issues identified in this year's evaluation and proposed future improvements, are reviewed below.~~

~~(2) State of responses to issues identified in evaluations of efficacy in the previous fiscal year (FY2021)~~

##### ~~FY2021 issues:~~

~~1. To enhance discussions in the Board of Directors, we will make the progress of the Mid-term Business Plan and sustainability a scheduled agenda item. We will also make operational improvements that deepen the understanding of Outside Directors with regard to the formulation of the new Mid-term Business Plan.~~

~~2. The oversight functions of the Board of Directors were enhanced by establishing a Nomination and Compensation Committee independent of the Governance Committee.~~

~~3. Efforts will seek to increase corporate value over the medium to long term by developing core management and securing the necessary skills through the steady implementation of a human resource development plan.~~

##### ~~Efforts to address FY2021 issues:~~

~~1. We have enhanced discussions in the Board of Directors by including in the agenda the progress of the Mid-term Business Plan and sustainability monthly, except for months of settlement of accounts. We have also enhanced discussions in the Board by providing briefings in advance concerning Board of Directors meeting materials, to deepen the understanding of Outside Directors with regard to the Mid-term Business Plan and sustainability and other important topics.~~

~~2. We have established a Nomination and Compensation Committee that meets monthly to improve processes in the areas of nomination and compensation.~~

~~3. We have formulated a human resource development plan and are implementing steadily various measures based on it.~~

~~(3) Future responses to major issues identified this year (FY2022)~~

~~■ We will enhance discussions to contribute to future progress, including new businesses.~~

~~■ In human resource management, we will incorporate goals including the enhancement of hiring, strengthening retention, and strategic allocation of human resources into specific HR measures.~~

~~■ While the Board of Directors has traditionally consulted the Governance Committee concerning sharing information with outside directors and matters related to nomination and compensation, the roles and name of the Governance Committee must be reviewed in response to the establishment of the Nomination and Compensation Committee and delegation to it of nomination and compensation functions.~~

We will strive to ensure that the Board of Directors functions effectively through timely future improvements in these areas, as well as by evaluating its results and making further improvements.

#### Supplementary Principle 4.14.2. Training policy for directors and corporate auditors

The Company has established the following Basic Training Policy for Directors and Corporate Auditors, so that they can fulfill the responsibilities entrusted to them by shareholders and their legal responsibilities.

1. When Directors and Corporate Auditors take office, we will provide them with opportunities to grasp the roles and responsibilities expected of them as well as study sessions on corporate management as a whole in light of their important roles in management to increase corporate value.

2. When Directors and Corporate Auditors, including Outside Directors and Corporate Auditors, take office, we will provide them with opportunities to deepen their understanding of the Group, such as through explanations of the necessary knowledge on subjects such as the Group's businesses, finances, and organization and plant tours.

3. Even after they take office, we will continue to provide opportunities or financial support for study suited to each individual Director and Corporate Auditor, such as lectures by outside experts.

#### Principle 5.1. Policy for Constructive Dialogue with Shareholders

See our website for the Basic Policy on Communication with Shareholders and Investors and information on dialogue.

Basic Policy on Communication with Shareholders and Investors: <https://www.mitsubishisteel.co.jp/ir/basic-policy/>

Information on dialogue: <https://www.mitsubishisteel.co.jp/csr/governance/#anc04>

[See our website for the Measures to realize management with awareness of cost of capital and stock price.](https://www.mitsubishisteel.co.jp/english/news/pdf/20240129e.pdf)

[: https://www.mitsubishisteel.co.jp/english/news/pdf/20240129e.pdf](https://www.mitsubishisteel.co.jp/english/news/pdf/20240129e.pdf)

## 2. Capital structure

Percentage of shares held by foreign shareholders

10% or more but less than 20%



## Major shareholders

Name	Shares held (thousand)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,632,600	10.39
Mitsubishi Heavy Industries, Ltd.	1,000,000	6.36
Meiji Yasuda Life Insurance Co.	715,265	4.55
Mitsubishi Steel Mfg. Co., Ltd. Kyoekai	438,610	2.79
Custody Bank of Japan, Ltd. (trust account)	392,300	2.49
Tokio Marine & Nichido Fire Insurance Co., Ltd.	255,900	1.62
Nippon Steel Corporation.	226,000	1.43
The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account - Account No. 76119)	221,421	1.40
MUFG Bank, Ltd.	214,605	1.36
INTERACTIVE BROKERS LLC	204,000	1.29

Controlling shareholder (other than parent company)	—
Parent company	N/A

Supplemental information

### 3. Corporate properties

Listed exchange and market category	Prime Market, Tokyo Stock Exchange
Fiscal year ends	March
Business	Steel
(Consolidated) number of employees at the end of the most recent fiscal year	1000 or more
(Consolidated) net sales at the end of the most recent fiscal year	100 billion or more but less than 1 trillion yen
Number of consolidated subsidiaries at the end of the most recent fiscal year	10 or more but less than 50 companies

### 4. Guidelines on policies for protection of minority shareholders in cases such as transactions with controlling shareholders

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### 5. Other specific conditions that could have a major impact on corporate governance

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## // State of business administration organization related to management decision-making, execution, and oversight and of other corporate governance systems

### 1. Matters related to institutional structure, organizational management, etc.

Organizational form	Company with corporate auditors
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### Directors

Number of directors stipulated in the articles of association	10
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Term of office of a director stipulated in the articles of association	1 year
Chairperson of the board of directors	Chairperson (unless serving concurrently as President)
Number of directors	6
Outside directors appointed?	Y
Number of outside directors	2
Number of outside directors designated as independent directors	2

#### Relationship to the company (1)

Name	Description	Relationship to the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Akira Hishikawa	From another company									△			
Minako Takeuchi	From another company												

\* **Categories of relationship to the Company**

\* **A white circle indicates that the individual currently has or recently had such a relationship. A white triangle indicates that the individual had such a relationship in the past.**

\* **A black circle indicates that a close relative of the individual currently has or recently had such a relationship. A black triangle indicates that a close relative of the individual had such a relationship in the past.**

- a. Individual involved in the business execution of the listed company or subsidiary thereof
- b. Individual involved in the business execution or a non-executive director of a parent company of the listed company
- c. Individual involved in the business execution of a sister company of the listed company
- d. Party for which the listed company is a major trading partner or individual involved in the business execution thereof
- e. Major trading partner of the listed company or individual involved in the business execution thereof
- f. Consultant, accounting specialist, or legal specialist receiving monetary payments or other assets in significant amounts from the listed company other than executive compensation
- g. A major shareholder of the listed company (or individual involved in the business execution of a corporation that is a major shareholder of the listed company)
- h. Individual involved in the business execution of a trading partner of the listed company other than those under d, e, and f (individual in question only)
- i. Individual involved in the business execution of an organization that exchanges outside directors with the listed company (individual in question only)
- j. Individual involved in the business execution of a recipient of donations from the listed company (individual in question only)
- k. Other

#### Relationship to the company (2)

Name	Independent director?	Supplemental explanation of applicable items	Reasons for appointment
Akira Hishikawa	○	Outside Director Akira Hishikawa has a background with Mitsubishi Heavy Industries, Ltd. In addition, he has served as an outside director at Caterpillar Japan LLC for three years and eight months starting in August 2008. While both of these companies purchase products from the Company, business transactions with each account form a negligible share of Company net sales.	Mr. Hishikawa provides appropriate advice and guidance based on his experience and knowledge accumulated as a management specialist through a career that includes serving as representative director and managing executive director of Mitsubishi Heavy Industries, Ltd. He also provides highly meaningful advice as chairperson of the Nomination and Compensation Committee newly established in 2022. He is free of any potential conflicts of interest with ordinary shareholders and satisfies the standards of an independent director. The Company regards his participation in Company management decision-making as a director at a time of substantial changes to the Company to contribute to its sustained growth and to increasing its corporate value.
Minako Takeuchi	○	—	Ms. Takeuchi provides appropriate advice and guidance based on the experience and knowledge that she has accumulated as a specialist in fields including IT and human resource development through a career that includes serving as a director with multiple companies. She also provides highly meaningful advice as a member of the Nomination and Compensation Committee newly established in 2022. She is free of any potential conflicts of interest with ordinary shareholders and satisfies

			the standards of an independent director. The Company regards her participation in Company management decision-making as a director at a time of substantial changes to the Company to contribute to its sustained growth and to increasing its corporate value.
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Optional committee established corresponding to a nomination committee or a compensation committee?	Y
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State of establishment of optional committees, their membership, and their chairpersons

	Name of committee	Total membership	Full-time member(s)	Internal director(s)	Outside director(s)	Outside expert(s)	Other	Chairperson
Optional committee corresponding to a nomination committee	Nomination and Compensation Committee	3	0	1	2	0	0	Outside director
Optional committee corresponding to a compensation committee	Nomination and Compensation Committee	3	0	1	2	0	0	Outside director

Supplemental information

The Nomination and Compensation Committee, whose membership consists of the chairperson of the Board of Directors and two outside directors and which is chaired by an independent outside director, is intended to improve the objectivity and transparency of Board functions related to the nomination and remuneration of Directors and Corporate Auditors through consultation on the nomination and remuneration of Directors and Corporate Auditors (not including remuneration of Corporate Auditors).

Corporate Auditors

Board of Corporate Auditors established?	Y
Number of Corporate Auditors stipulated in the articles of association	4
Number of Corporate Auditors	4

State of cooperation among Corporate Auditors, the accounting auditor, and the internal auditing section

Corporate Auditors receive regular reports on the status of implementing the audit plan prepared by the accounting auditor at the start of the period. They also ascertain the status of progress of audits by observing audits by the accounting auditor and receiving reports as needed, as well as exchanging viewpoints to ensure the validity of auditing. Corporate Auditors receive from the internal auditing section, which is under the direct supervision of the President, reports on the status of implementing internal auditing and information necessary for business auditing, and they offer their viewpoints as needed.

Outside Corporate Auditors appointed?	Y
Number of Corporate Auditors directors	3
Number of outside Corporate Auditors designated as independent directors	3

Relationship to the company (1)

Name	Description	Relationship to the Company*													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Hirokuni Sakamoto	From another company													△	
Tetsuya Nakagawa	Attorney														



Yuka Matsuda	Certified Public Accountant														
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- \* Categories of relationship to the Company
- \* A white circle indicates that the individual currently has or recently had such a relationship. A white triangle indicates that the individual had such a relationship in the past.
- \* A black circle indicates that a close relative of the individual currently has or recently had such a relationship. A black triangle indicates that a close relative of the individual had such a relationship in the past.
- a. Individual involved in the business execution of the listed company or subsidiary thereof
- b. Non-executive director or accounting advisor of a parent company of the listed company or subsidiary thereof
- c. Individual involved in the business execution or a non-executive director of a parent company of the listed company
- d. Corporate auditor of a parent company of the listed company
- e. Individual involved in the business execution of a sister company of the listed company
- f. Party for which the listed company is a major trading partner or individual involved in the business execution thereof
- g. Major trading partner of the listed company or individual involved in the business execution thereof
- h. Consultant, accounting specialist, or legal specialist receiving monetary payments or other assets in significant amounts from the listed company other than executive compensation
- i. A major shareholder of the listed company (or individual involved in the business execution of a corporation that is a major shareholder of the listed company)
- j. Individual involved in the business execution of a trading partner of the listed company other than those under f, g, and h (individual in question only)
- k. Individual involved in the business execution of an organization that exchanges outside directors with the listed company (individual in question only)
- l. Individual involved in the business execution of a recipient of donations from the listed company (individual in question only)
- m. Other

Relationship to the company (2)

Name	Independent director?	Supplemental explanation of applicable items	Reasons for appointment
Hirokuni Sakamoto	○	Outside Corporate Auditor Hirokuni Sakamoto has a background with Mitsubishi UFJ Trust and Banking Corporation, a financial institution with which the Company engages in transactions. Loans from Mitsubishi UFJ Trust and Banking Corporation account for a negligible share of Company consolidated total assets. (Due to a reorganization of Mitsubishi UFJ Financial Group, Inc., effective April 16, 2018, loans from the former Mitsubishi UFJ Trust and Banking Corporation became loans from the reorganized Mitsubishi UFJ Trust and Banking Corporation.)	Mr. Sakamoto undertakes all auditing functions based on the wealth of experience and knowledge accumulated through a career that includes serving as standing statutory auditor and director and standing audit and supervisory board member of Mitsubishi UFJ Trust and Banking Corporation. He also contributes to efforts to ensure sound and appropriate Company business and to strengthen transparency by comprehensively implementing auditing functions in undertaking his duties in accordance with audit policies established by the Board of Corporate Auditors. He is free of any potential conflicts of interest with ordinary shareholders. The Company regards him capable of providing appropriate advice from a perspective that is fair, neutral, and independent of Company management.
Tetsuya Nakagawa	○	—	Mr. Nakagawa has many years of experience as an attorney and fully audits the Company based on his specialized knowledge of the law and compliance as a Company Outside Corporate Auditor. He also helps ensure effective audits, sound and appropriate Company management decision-making, and strengthened transparency. He is free of any potential conflicts of interest with ordinary shareholders. The Company regards him as capable of providing appropriate advice from a perspective that is fair, neutral, and independent of Company management.
Yuka Matsuda	○	—	Ms. Matsuda is able to reflect in her audit activities her specialized knowledge and experience gained in serving for many years as a Certified Public Accountant. She is free of any potential conflicts of interest with ordinary shareholders. The Company regards her capable of providing appropriate advice from a perspective that is fair, neutral, and independent of Company management.

Independent directors

Number of independent directors	5
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Other matters related to independent directors

Based on the standards for independence established by the Tokyo Stock Exchange, the Company employs standards that focus on ensuring the independence of independent outside directors.

## Incentives

Status of measures related to director incentives

Adopting a performance-linked compensation system

Supplemental explanation related to this item

(1) Policies on determining percentages of pay corresponding to performance-linked remuneration and compensation other than performance-linked remuneration

The Company's performance-linked remuneration consists of bonuses and stock-based compensation.

If the performance target is fully achieved (100%), performance-linked remuneration is paid at a rate of 45 (25 for bonuses and 20 for stock-based compensation) for 100 points of baseline remuneration. Bonuses reflect the degree of improvement in business performance.

(2) Indicators related to performance-linked remuneration, reasons for selecting these indicators, and how actual remuneration is determined

• Bonuses

We have adopted a bonus system that reflects single-year consolidated operating profit as well as ESG indicators (e.g., CO2 emissions) and personal evaluations. Bonuses are paid to directors at fixed points of the fiscal year. Consolidated operating profit and ESG indicators were chosen as business performance indicators to strengthen motivation to achieve steady increases in annual company earnings and to achieve the ESG-related targets identified as basic policies in the Mid-term Business Plan.

Amounts of bonuses are calculated using a rate reflecting the indicators of business results (consolidated operating income and ESG indicators) on a single-year basis and the extent of improvements in business results from the previous year, as well as personal evaluations, to improve incentives.

• Stock-based compensation (non-monetary remuneration)

The Board Incentive Plan (BIP) Trust was adopted to incentivize improvements in business results and to boost corporate value over the medium to long term. Based on the view that improvements in profitability and capital efficiency, together with growth in the scale of business, strengthen corporate value over the medium to long term, progress toward the Mid-term Business Plan's targets for consolidated net sales, consolidated operating income, ROE, and ESG indicators (e.g., CO2 emissions) are used as business performance indicators. The 2023 Mid-term Business Plan targets for the period FY2023–2025 call for achieving consolidated net sales of JPY185 billion, consolidated operating income of JPY11 billion, and ROE of 8%. At the end of the period covered by the Mid-term Business Plan or upon the director's retirement, shares corresponding to 50% of the number of points calculated based on points allocated annually to each position multiplied by a performance-linked coefficient in the range 0–200% are awarded. The performance-linked coefficient varies depending on the extent to which business performance targets are achieved. The remainder is paid in amounts equivalent to the conversion price of the shares.

Recipients of stock options

Supplemental explanation related to this item

## Compensation of directors

State of disclosure (of individual directors' compensation)

Individual compensation is not disclosed.

Supplemental explanation related to this item

Compensation paid to directors in the period under review was 218 million yen. This compensation amount does not include employee salaries paid to directors serving concurrently as employees.

Policies in place on determining compensation amounts or calculation methods

Y

Disclosure of policies on determining compensation amounts or calculation methods

The Board of Directors determines policies for determining director compensation. The compensation of directors other than outside directors consist of (fixed) baseline remuneration corresponding to position and bonuses and stock-based compensation linked to business performance. If the performance target is fully achieved (100%), performance-linked remuneration is paid at a rate of 45 (25 for bonuses and 20 for stock-based compensation) for 100 points of baseline remuneration. Bonuses reflect the degree of improvement in business performance. Since

outside directors are appointed to advise the management based on their wide-ranging knowledge and experience, they are paid baseline remuneration only, reflecting consideration for their roles and job duties.

Detailed decisions concerning remuneration for each Director are entrusted to the Representative Director, President & CEO. To ensure the appropriate exercise of this authority by the Representative Director, President & CEO, the Board of Directors is advised by the Nomination and Compensation Committee, a majority of whose membership consists of Outside Directors.

## Support structures for outside directors (outside corporate auditors)

The executive directors and others in charge of the relevant matters provide prior briefings to outside directors and outside corporate auditors regarding important matters discussed in the Board of Directors.

## Status of retirees as Representative Director, President & CEO

Names and other information on retirees as Representative Director, President & CEO serving as advisors or consultants

Name	Title, position	Duties	Form of employment, conditions (full-/part-time, paid/unpaid, etc.)	Date of retirement as president, etc.	End of term of office
Nobumichi Ono	Special advisor	Advising based on his knowledge and experience, as requested by the Company	Part-time, paid	June 19, 2015	June 1, 2027

Total number of retirees as Representative Director, President & CEO serving as advisors or consultants

1

Other matters

The primary role of a Company special advisor or consultant is to provide advice as requested by the President. A Company special advisor or consultant does not participate in Company management.

## 2. Matters related to functions such as business execution, auditing/supervision, nomination, and compensation decisions (overview of current corporate governance structure)

To fulfill our social responsibilities as an enterprise trusted by society, in addition to establishing the Corporate Philosophy, Mitsubishi Steel Group Code of Conduct, and Detailed Rules for Mitsubishi Steel Manufacturing Group Corporate Code of Conduct, we have also established our Basic Policy for Corporate Governance to enhance programs that seek to achieve effective corporate governance. Our corporate governance structure seeks to enhance the functions of the Board of Directors and the Board of Corporate Auditors and to strengthen oversight of business execution, compliance, and risk management through the Management Committee.

In June 2021, we adopted an executive officer system. Its objectives include further strengthening our management oversight functions through accelerating decision-making and enhancing checks and balances, to focus more on decisions concerning medium- to long-term courses of action, and to develop management human resources systematically to delegate business execution to highly capable and knowledgeable human resources.

### (1) State of business execution and supervision

The Board of Directors determines the strategic course for the Group as a whole. It formulates basic management policies with attention to accelerating decision-making, makes decisions concerning matters for which it is responsible under laws, regulations, and the articles of association as well as other important matters concerning management, and oversees the performance of duties of directors. The Board has adopted the minimum necessary size to enable swift and efficient decision-making. The Board takes responsibility for instructing authorized employees concerning its policies and other decisions, and each authorized individual executes business accordingly.

The Board consists of six Directors (including two Outside Directors) and four Corporate Auditors (including three Outside Corporate Auditors). It meets regularly once a month in principle (and at other times as needed). A total of 15 Board meetings (not including resolutions made in writing) was held during FY2022. These were characterized by swift and effective decision-making and lively exchange of viewpoints on important matters concerning the Company and its subsidiaries. Outside Directors and Outside Corporate Auditors attended the meetings, ensuring fairness and transparency in the business execution.

In addition, the Outside Officer Council Meeting (renamed June 28, 2023, from the Governance Committee to reflect its current role) has been established under the umbrella of the Board of Directors for purposes such as engaging in information exchange and achieving shared understanding among Independent Outside Directors. Its free and open discussions enhance functions related to the oversight of the execution of duties by the Board. Meetings are held once every three months. Each meeting is attended by five members consisting of Outside Directors and Outside Corporate Auditors.

Decisions concerning the nomination and remuneration of Directors are made by the Board of Directors in consultation with the Nomination and Compensation Committee, whose membership consists of the chairperson of the Board of Directors and two Outside Directors. This is intended to improve the objectivity and transparency of Board functions related to the nomination and remuneration of Directors.

The Board of Corporate Auditors conducts audits of the Group as a whole, including reviews of legal and regulatory compliance and risk management, in accordance with audit policies and the division and delegation of responsibilities, with the goal of ensuring that the performances of duties by Directors complies with all applicable laws, regulations, and the articles of association.

The Board of Corporate Auditors consists of four Corporate Auditors (including three Outside Corporate Auditors; Outside Corporate Auditor Yuka Matsuda provides an appropriate level of financial and accounting knowledge as a Certified Public Accountant and licensed tax

accountant). It meets regularly once a month in principle (and at other times as needed). It met 15 times in total during FY2022. Each meeting was attended by all Corporate Auditors.

Furthermore, the Management Committee, whose membership includes Directors, Corporate Auditors, executive officers, and other members of management, meets weekly in principle (and at other times as needed). It deliberates on and addresses important matters concerning Group business execution, legal and regulatory compliance, and risk management. During FY2022, the Management Committee met 47 times in total.

## (2) State of auditing

The Board of Corporate Auditors conducts audits of the Group as a whole, including reviews of legal and regulatory compliance and risk management, in accordance with audit policies and the division and delegation of responsibilities, with the goal of ensuring that the performance of duties by Directors complies with all applicable laws, regulations, and the articles of association. While sharing important management information among all Corporate Auditors through the exchange of viewpoints concerning the details of deliberations in the Board of Directors and the Management Committee, the Board of Corporate Auditors also monitors the status of business execution and internal management undertaken mainly by section heads, to swiftly identify any issues. Through these efforts, it strives to assure effective audits and enhance the functions of Corporate Auditors. Together with regularly exchanging viewpoints with the Representative Director and other Directors, the Internal Audit Office, and the accounting auditor, in addition to prompt identification of management issues by the Board of Directors and the Management Committee, Corporate Auditors carry out effective audits of the status of business execution through means including receiving reports from business divisions, planning sections, sales sections, administrative sections, and R&D sections or attending important monthly meetings held by individual business sites and subsidiaries as appropriate. Staff are assigned in concurrent posts to assist in the duties of Corporate Auditors, and Corporate Auditors check on their duties and provide guidance as appropriate to ensure the efficacy of instructions.

The executive director in charge of the Human Resources Department consults with the Board of Corporate Auditors before making decisions concerning reassignment of staff assisting Corporate Auditors. The goal is to maintain their independence.

Directors fully appreciate the importance of audits by Corporate Auditors. Audit costs and other expenses are paid appropriately as required by Corporate Auditors.

In internal audits, in addition to the supervision by Directors and business audits by Corporate Auditors, four dedicated staff members and two staff members in concurrent posts in the Internal Audit Office, which is under the direct supervision of the President, audit the propriety and legality of the execution of duties of employees as part of internal auditing.

Two Certified Public Accountants affiliated with Deloitte Touche Tohmatsu LLC, Yukitaka Maruchi and Masashi Ujigawa, work on Company account auditing, assisted by 13 other CPAs and 29 other staff members. Deloitte Touche Tohmatsu LLC has audited the Company continuously for 17 years.

## (3) Outside Directors and Outside Corporate Auditors

To ensure the fairness and transparency of decisions concerning business execution, two of the Company's six Directors are Outside Directors, while three of its four Corporate Auditors are Outside Corporate Auditors.

## (4) Details of limited liability contracts

Under the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has concluded with each Outside Director and Corporate Auditor a contract limiting liability for damages under Article 423, Paragraph 1 of that Act. The limit on liability under these contracts is the total of the amounts under each of the subparagraphs to Article 425, Paragraph 1 of that Act.

### 3. Reasons for selecting the current corporate governance system

The Company has selected the current corporate governance system based on its judgment that such a system enables adequate management oversight functions, by enabling the views of independent outside directors to be reflected in management in the Board of Directors, appropriate identification of the status of business execution by the Board of Corporate Auditors, and performance of the functions of both boards through close cooperation between them.

## III. Implementation of measures related to shareholders and other interested parties

### 1. Efforts to stimulate the General Meeting of Shareholders and facilitate exercise of voting rights

	Supplemental explanation
<b>Early issue of notice of convocation of the General Meeting of Shareholders</b>	This year, the notice of convocation of the General Meeting of Shareholders was sent early on June 6, about three weeks before the date of the General Meeting. In addition, information contained in the notice of convocation is posted to the Company website and that of the Tokyo Stock Exchange on June 2.
<b>Electronic exercise of voting rights</b>	Electronic exercise of voting rights has been employed since the 92nd Regular General Meeting of Shareholders held June 17, 2016.
<b>Participation in the electronic voting rights exercise platform and other efforts to improve conditions for exercise of voting rights by institutional investors</b>	The Company has used the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc. and taken steps to ensure that institutional investors have adequate time to consider the agenda of the General Meeting since the 92nd Regular General Meeting of Shareholders held June 17, 2016.
<b>Provision of notices of convocation (summaries) in English</b>	English-language editions of notices of convocation are posted to the websites of the Company and the Tokyo Stock Exchange.
<b>Other</b>	Notices of convocation and other materials related to General Meetings of Shareholders are posted to the Company website, where video of the Regular General Meeting of Shareholders is also posted for a limited time.

## 2. IR-related activities

	Supplemental explanation	Explanations by representatives themselves?
<b>Periodic briefings for analysts and institutional investors</b>	Semiannual briefings on financial results are held (at the end of the second quarter and end of the fiscal year) for analysts and institutional investors, in which the Representative Director, President & CEO and other members of the management team describe the details of financial results, future business prospects and ESG.	Y
<b>Posting IR materials to the website</b>	Materials such as summaries of financial statements, quarterly financial statements, securities reports, quarterly reports, materials from briefings on financial results, ESG briefing, timely disclosure, topics, and materials from General Meetings of Shareholders are posted to the Company website in a timely manner.	
<b>Establishment of an IR section (individual in charge)</b>	The Public & Investor Relations Department serves as the IR section. The executive officer responsible for the Public & Investor Relations Department is responsible for achieving constructive dialogue with shareholders.	
<b>Other</b>	The Company has established a basic policy on dialogue with shareholders and investors. This is published on the Company website.	

## 3. Efforts related to respect for the perspectives of stakeholders

	Supplemental explanation
<b>Rules on respect for the perspectives of stakeholders in in-house rules, etc.</b>	The Company has established and meets such rules in the Mitsubishi Steel Group Code of Conduct and the Detailed Rules for Mitsubishi Steel Group Code of Conduct. See the Company website for more information. Company website: <a href="https://www.mitsubishisteel.co.jp/company/philosophy/">https://www.mitsubishisteel.co.jp/company/philosophy/</a>
<b>Implementation of environmental protection activities, CSR activities, etc.</b>	The Company has established a Basic Policy for Sustainability, which is published on our website. In addition, the Sustainability Committee, which is chaired by the President & CEO and whose membership includes the executive officers who concurrently serve as directors, heads of planning sections, heads of administrative sections, and heads of individual business divisions, is tasked with drafting strategies on sustainability management, formulating and evaluating targets and policies on matters related to the environment, social responsibilities, and employee training, and formulating policies and details regarding disclosures on sustainability initiatives. It works with the Global Environment Committee (in charge of environmental ISO standards), the Carbon Neutral Committee (in charge of decarbonization), and the ESG Subcommittee (secretariat), all of which are organizations under the umbrella of the Sustainability Committee, to promote the sustainability of the Company based on a Companywide sustainability management structure. Important matters are reported to and deliberated on by the Board of Directors, and its recommendations and other feedback are reflected in related activities. See the Integrated Report on the Company website concerning the status of the Company's CSR activities.
<b>Establishment of policies, etc. on provision of information to stakeholders</b>	The Company establishes its basic position and methods of disclosure in the Basic Policy on Communication with Shareholders and Investors.
<b>Other</b>	We promote a corporate culture that emphasizes respect for employee human rights, personality, and individual characteristics, in which employees can thrive by working with vitality while demonstrating their individual abilities to the fullest. We promote diversity through a top-down approach to contribute to corporate continuity and growth. As part of our efforts to promote diversity, we promote women in the workplace through setting targets for women as a percentage of employees and managers as well as improving workplace environments, hiring women engineers and technicians, and expanding the domains in which women can succeed. To contribute to these efforts, we provide continual training on self-growth for women employees and consciousness reforms. We are also promoting improvements in the working environment to help

achieve a balance of work and home life, including establishing systems for working from home that are not restricted to employees caring for children or other family members and encouraging male employees to take childcare leave.

## **IV. Matters related to internal controls systems, etc.**

### **1. Basic perspective on internal controls systems, and state of maintenance thereof**

#### *Basic perspective on internal controls systems*

To maintain and operate the Group internal controls system properly, the Board of Directors reviews the basic policy on internal controls once a year to revise it as needed, ensures thorough compliance, and maintains a risk management structure. We review these continuously to improve the maintenance and operation of related systems further.

#### *State of maintenance of the internal controls system*

##### (1) Compliance structure

As a structure to ensure that the performance of duties by employees meets compliance requirements, in addition to supervision by Directors and business audits by Corporate Auditors, the Internal Audit Office, which is under the direct supervision of the President, audits the propriety and legality of the execution of duties of employees as part of internal auditing.

In addition, by appointing compliance officers at the Company and each Group company based on the basic compliance rules, we maintain a compliance promotion structure for the Group as a whole. We also strive to ascertain the status of compliance at each company through periodic exchange of information between the Risk Management Office and compliance officers. Periodic review is conducted of whether this system is operating properly. Furthermore, we provide a full range of training to improve employee understanding of the importance of compliance as well as improve employee awareness of the Mitsubishi Steel Group Code of Conduct and the Detailed Rules for Mitsubishi Steel Group Code of Conduct, to permeate compliance to each and every member of the organization.

We have also established internal whistleblowing hotlines in the Internal Audit Office and a law office, to prevent violations of laws and regulations. Rules specify that whistleblowers shall not be treated at a disadvantage, and this fact is explained in internal training as well. We maintained efforts to establish individual internal whistleblowing systems at overseas subsidiaries this fiscal year, and systems were adopted in Thailand, China, the Philippines, and India during the year.

##### (2) Risk management structure

We have established the Investment and Credit Committee to carry out close examinations of business plans and risks from neutral perspectives on issues potentially entailing business risks at the Company and its subsidiaries. This committee is intended to contribute to management decisions through full consideration and reporting of risks. Based on the views of the Investment and Credit Committee, the Company Management Committee deliberates on risks, and risks related to Group management are deliberated and decided on by the Risk Management Committee. Measures are taken to address them with the Risk Management Office playing a central role. In FY2021, we established the Investment and Credit Committee Rules to enhance the Group risk management structure further.

In addition, under the Board of Directors Rules, the Company Board considers important matters related to subsidiaries as well, as part of a system intended to prevent losses.

##### (3) Structures related to retention and management of information on the performance of Directors' duties

Retention and management of information on the performance of Directors' duties are carried out appropriately in accordance with laws, regulations, and Company rules. During the fiscal year under review, we strived to raise awareness of all personnel on the importance of information security through information security training and drills for Group executives and employees, under the Groupwide information security management structure based on the Basic Policy for Information Security and the rules of that policy.

##### (4) Structures for ensuring the propriety of Group business operations

Directors of subsidiaries perform their duties and oversee employees of their companies based on policies decided by the Company Board of Directors and Management Committee. In addition to audits by subsidiaries' Corporate Auditors, Company Directors, Corporate Auditors, employees, or other personnel supervise and audit important consolidated subsidiaries through concurrent posts as subsidiary Directors or Corporate Auditors, and also cooperate with the Internal Audit Office and the accounting auditor and exchange information regularly with subsidiary Directors or Corporate Auditors, to ensure the propriety of business operations Groupwide.

We also maintain a structure under which Company Directors, Corporate Auditors, employees, or other personnel receive reports from subsidiary Boards of Directors or others regarding important matters concerning the subsidiaries in addition to continuous checks through business sections, planning sections, sales sections, administrative sections, and R&D sections.

We are also drafting and implementing various measures to enhance the subsidiary management structure.

We maintain and appropriately manage internal controls to ensure the accuracy and reliability of Group financial reporting.

### **2. Basic perspective on exclusion of antisocial forces, and state of implementation thereof**

#### *Basic perspective on exclusion of antisocial forces*

The Mitsubishi Steel Group Code of Conduct and the Detailed Rules for Mitsubishi Steel Manufacturing Group Corporate Code of Conduct stipulate that the Group shall have no ties to antisocial forces. Under our basic policy of sound, transparent management, our core stance is to refuse any and all relationships with antisocial forces that threaten the order and safety of civil society and, stand up to such forces dauntlessly.

#### *State of implementation of exclusion of antisocial forces*

The Group has assigned the General Affairs Department with responsibility for countering antisocial forces and appointed an individual responsible for preventing improper demands. We cooperate with law enforcement, attorneys, and other related parties to collect and manage information on antisocial forces.

The Group plans to raise awareness of responding to antisocial forces through training and other means and to continue to enhance its structures for exclusion of antisocial forces.

## V. Other matters

### 1. Adoption of measures to safeguard against takeovers

Adoption of measures to safeguard against takeovers?

N

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Supplemental explanation of applicable items

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### 2. Other matters concerning corporate governance systems, etc.

Overview of timely disclosure structure

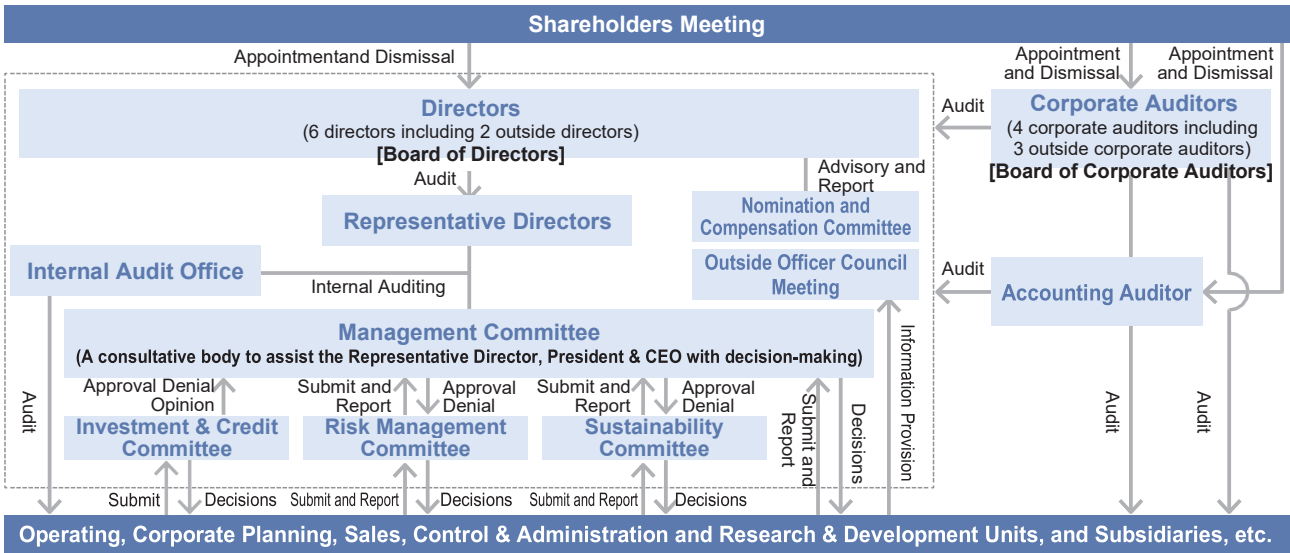
#### 1. The Company's basic policy on timely disclosure of company information

The Company regards sound, transparent management as a priority issue and recognizes timely and appropriate disclosure of company information to be fundamental to such management. Based on this stance, the Company intends to continue to strive to carry out timely and appropriate disclosure of impartial and accurate company information, fully understanding the intents and details of systems established under securities listing regulations.

#### 2. Internal structure related to timely disclosure of company information

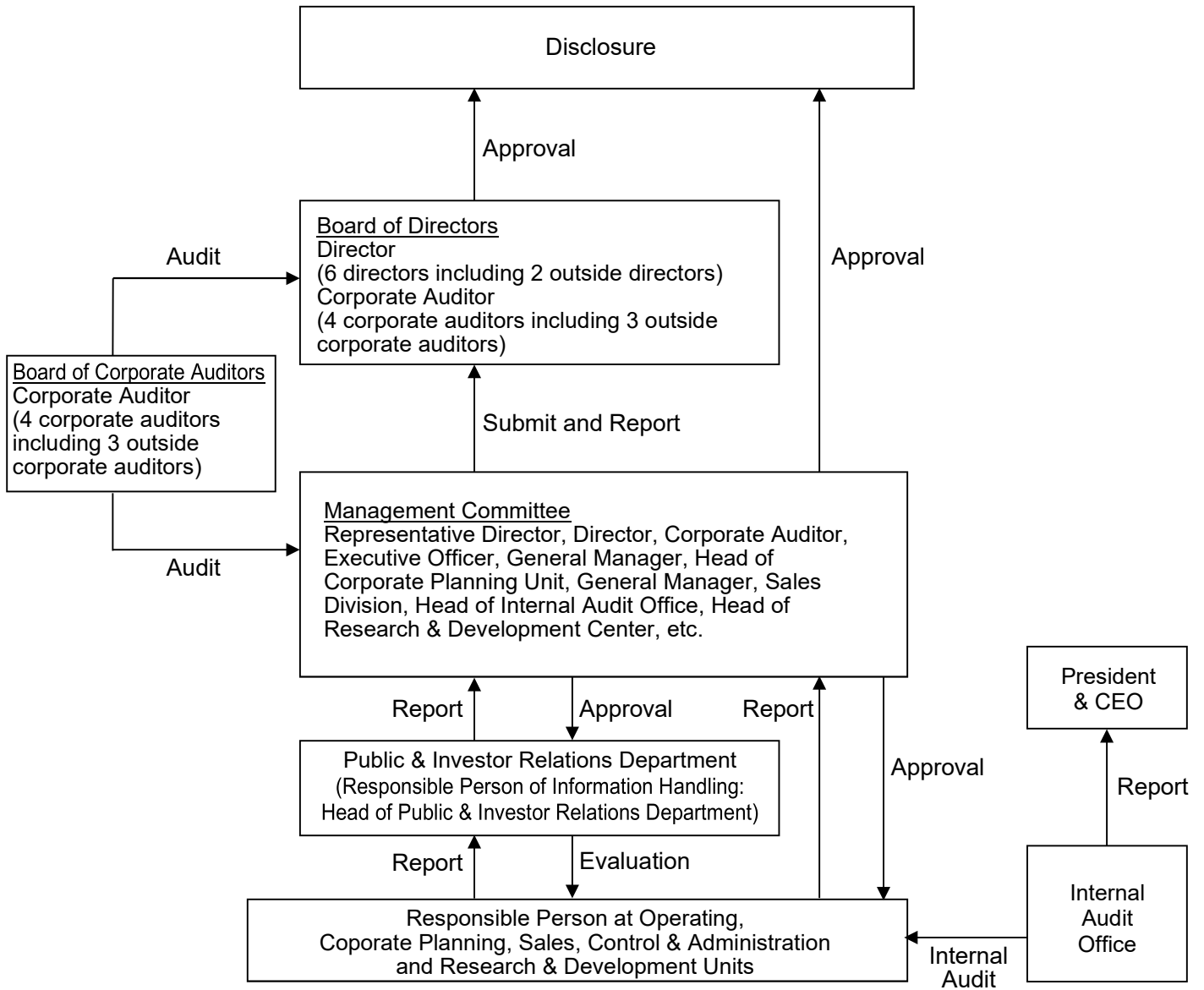
The Company submits and reports basic management policies and various measures to the Management Committee for deliberation. This committee's membership includes Directors, Corporate Auditors, executive officers, and others. In doing so, the Chief Information Officer (Head of the Public & Investor Relations Department) reviews the subjects of deliberation in advance to determine whether they are subject to disclosure under securities listing regulations and Company insider-trading rules. If it is determined that disclosure is necessary, then disclosure documents are prepared and submitted to the Management Committee. After review by the Management Committee, as necessary under the Board of Directors Rules they are submitted and reported for deliberation to a Board of Directors meeting in which two Outside Directors take part. The Management Committee meets weekly in principle (and at other times as needed) to accelerate decision-making. We swiftly disclose the materials decided on regarding decisions of the Management Committee or the Board of Directors for which it has been determined in advance that disclosure is required.

■ Corporate governance structure





# Overview of Corporate Governance



# Skills Matrix

	Name	Gender	Expected fields									
			Corporate management, management strategy	Industry and specialized knowledge	Global	Sales and marketing	Manufacturing and R&D	IT, digital	Legal and risk management	Personnel, labor, and HR development	Finance and accounting	ESG, sustainability
Directors	Motoyuki Sato	M	●	●	●		●	●		●		●
	Jun Yamaguchi	M	●	●	●	●				●		●
	Hiroyuki Nagata	M	●		●				●	●	●	
	Akira Yamao <span>New</span>	M	●	●		●						
	Akira Hishikawa <span>Outside Independent Director</span>	M	●		●	●	●					
	Minako Takeuchi <span>Outside Independent Director</span>	F	●					●		●		●
Corporate Auditors	Hirokuni Sakamoto <span>Outside Independent Director</span>	M			●				●		●	
	Yoshimi Nakamori <span>New</span>	M		●			●					
	Tetsuya Nakagawa <span>Outside Independent Director</span>	M							●			
	Yuka Matsuda <span>Outside Independent Director</span>	F			●				●		●	