

Corporate Governance Policy of The Japan Steel Works, Ltd.

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Chapter 1. General Provisions

1. Purpose

The purpose of this document is to prescribe the “Corporate Governance Policy of The Japan Steel Works, Ltd.,” which stipulates basic matters concerning cooperation with shareholders, customers and other business partners, employees and other stakeholders of The Japan Steel Works, Ltd. (the “Company”) and measures for fulfilling the Company’s corporate social responsibilities, and in that way contributes to the Company’s sustainable growth and increased corporate value.

2. Basic Stance on Corporate Governance

The Company shall recognize that it must earn the trust of shareholders, customers and other business partners, employees and other stakeholders to aim to achieve sustainable growth and increased corporate value over the medium to long term, based on the “Corporate Vision (the ideal image of a corporation to which to aspire) and Management Philosophy” and the “Corporate Code of Behavior of The JSW Group” and it shall strive to continually enhance its corporate governance for ensuring management transparency, soundness and efficiency.

3. Establishment, Amendment and Abolition

The establishment, amendment and abolition of this Policy shall be decided by resolution of the Board of Directors.

Chapter 2. Relationship with Stakeholders

4. Securing the Rights of Shareholders

To substantially secure the rights of shareholders, the Company shall take appropriate measures and work to create an environment in which shareholders can properly exercise their rights.

5. General Meeting of Shareholders

Recognizing that General Meetings of Shareholders are an opportunity for constructive dialogue with shareholders, the Company shall strive to create an appropriate environment for shareholders to exercise their rights at those meetings from the perspective of shareholders.

(1) Ensuring Sufficient Time for Consideration

- (i) To ensure that shareholders have sufficient time to consider the meeting's agenda items, the Company shall endeavor to send convening notices at an early stage, and post the convening notices on the Company's website, etc., prior to sending them.
 - (ii) The Company shall provide information deemed to be useful for appropriate decision-making by shareholders at General Meetings of Shareholders as accurately as necessary.
 - (iii) The Company shall prepare an environment to enable the electronic exercise of voting rights, and provide English translations of convening notices.
- (2) **Appropriate Determination of the Date of the General Meeting of Shareholders**
The Company shall appropriately determine schedules in relation to General Meetings of Shareholders in consideration of matters such as enhancing constructive dialogue with shareholders and ensuring the provision of accurate information necessary for such dialogue.
- (3) **Analysis of Reasons for Opposing Votes, etc.**
When a proposal by the Company has been approved at a General Meeting of Shareholders but a considerable number of votes were cast against that proposal, the Board of Directors shall analyze the reasons for the opposing votes and others, and then consider necessary measures for the future.

6. Dialogue with Shareholders

- (1) **Organic Cooperation between Related Departments**
Dialogue with shareholders and investors in general shall be handled mainly by the Public Relations Department under the supervision of the director or corporate officer in charge of that department. To promote constructive dialogue with shareholders and investors, efforts shall be made to understand the composition of the shareholders, and the Public Relations Department shall cooperate with the General Affairs Department, the Finance and Accounting Department and other related departments by exchanging information as appropriate and conducting other activities.
- (2) **Initiatives for Enhancing a Means for Dialogue**
Individual meetings with institutional investors as well as regular results briefings for institutional investors shall be held as a means for dialogue with shareholders and investors. Also, at General Meetings of Shareholders, which are considered as valuable opportunities for dialogue with shareholders, the Company shall endeavor to give careful explanations and secure sufficient time for questions.
- (3) **Utilization of Opinions, etc.**
As necessary, opinions, etc., given in dialogue with shareholders and investors shall be reported to the management team, including the President, and the Board of Directors, and utilized in the management of the Company.
- (4) **Management of Insider Information**
Regarding the handling of insider information in dialogue with shareholders and investors, the Company shall establish Timely Disclosure Regulations and Regulations for the Prevention of Insider Trading, and make them thoroughly known to officers and employees.
- (5) **Establishment and Disclosure of Medium-Term Management Plan**
In establishing and disclosing its medium-term management plan, after ascertaining its cost of capital, the Company shall articulate its earnings plans and basic capital policy, and present its targets for profitability

and capital efficiency, etc. It shall also explain in concrete terms the allocation of management resources, etc., to achieve its plans and targets.

7. Basic Capital Policy

- (1) The Company shall formulate its basic capital policy to promote sustainable growth and increased corporate value over the medium to long term, and disclose the policy together with its medium-term management plan.
- (2) With respect to a capital policy of the Company that results in a change of control or in significant dilution, in order to avoid the unfair harming of existing shareholders' interests, the Company shall examine the necessity and rationale for the policy, ensure appropriate procedures and provide sufficient explanation to shareholders.

8. Policies in Relation to Cross-Shareholdings

(1) Policy in Relation to Cross-Shareholdings

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

(2) Regular Confirmation and Review of Shareholdings

Each year, the Company shall confirm the purpose of individual cross-shareholdings and the current status of business partners, etc., and the Board of Directors shall examine the appropriateness of holding the relevant shares by comprehensively considering the significance and purpose of the Company's acquisition and holding of the shares and the security, profitability, economic viability and risks associated with the shareholding, etc.

(3) Policies on the Exercise of Voting Rights

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

9. Anti-Takeover Measures

- (1) When introducing, continuing and using anti-takeover measures, the Company shall examine the necessity and rationale for the measures and ensure proper procedures, while providing sufficient explanation to its shareholders as to how the anti-takeover measures contribute to securing and improving the Company's corporate value and the common interests of shareholders, and assuring them that the measures are not for the purpose of maintaining the positions of the directors.
- (2) In the case of a tender offer for the Company's shares, the Company shall appropriately disclose the policy of the Board of Directors and shall not unfairly interfere with shareholders' rights to sell their shares in response to the tender offer.

10. Related Party Transactions

(1) Procedures for Related Party Transactions

In the event that a director, corporate auditor or corporate officer engages in a competing transaction or conflict

of interest transaction with the Company, or a transaction with a major shareholder, etc. (a related party transaction), to avoid harm to the interests of the Company and its shareholders, the legality of the transaction shall be examined and then the transaction shall be discussed at a meeting of the Board of Directors, to be approved by a resolution of directors other than the director in question.

11. Relationships with Stakeholders Other Than Shareholders

(1) Formulation of Corporate Vision, Management Philosophy and Corporate Code of Behavior

The Company shall aim to realize sustainable growth and increased corporate value over the medium to long term through corporate activities in line with its “Corporate Vision (the ideal image of a corporation to which to aspire) and Management Philosophy” as the foundation for those activities and the provisions of its “Corporate Code of Behavior of The JSW Group” stipulated as the basic principles of those activities.

(2) Addressing Issues Involving Sustainability

To appropriately address issues involving sustainability such as social and environmental issues, the Board of Directors shall receive regular reports on the state of handling such issues, etc., and deal actively and positively with such issues.

(3) Ensuring Diversity within the Company

The Company shall strive to ensure diversity within the Company, and seek to be a sustainably growing company with the advantages provided by the existence of diverse values and points of view.

(4) Establishment of Whistleblowing System

The Company shall set up a point of contact for whistleblowing that is independent of the management, and establish and appropriately operate regulations for the anonymity of whistleblowers and the prohibition of disadvantageous treatment.

Chapter 3. Information Disclosure

12. Information Disclosure and Transparency

(1) Basic Policy for Information Disclosure

Recognizing that the Company must earn the trust of shareholders, customers and other business partners, employees and other stakeholders with regard to its corporate activities, the Company shall ensure transparency in its corporate activities through the appropriate disclosure of information.

(2) Proactive Information Provision

In addition to complying with the system for the disclosure of corporate details, etc., in accordance with the Financial Instruments and Exchange Act, and the rules prescribed by the Tokyo Stock Exchange, the Company shall engage in the active and fair disclosure of information other than the timely disclosure of information through its website and other means to the extent possible.

Chapter 4. Corporate Governance Structure

13. The Company's Corporate Governance Structure

As a company with a Board of Corporate Auditors, the Company's Board of Directors shall make important management decisions and oversee business execution, and the independent corporate auditors shall state their opinions from an objective and neutral perspective at meetings of the Board of Directors and other important meetings, and carry out strict auditing of business execution by directors. In addition, the Company shall introduce a corporate officer system, in which the decision-making and oversight functions of the Board of Directors are separated from the business execution function of the corporate officers, to accelerate management decision-making, enhance the oversight function and improve the business execution function. Furthermore, to ensure management fairness and transparency, the Company shall establish the Nomination Advisory Committee and the Remuneration Advisory Committee as advisory bodies of the Board of Directors.

14. Board of Directors

(1) Roles

- (i) With awareness of its fiduciary responsibilities, the Board of Directors shall make important management decisions and oversee business execution in accordance with laws, regulations and the Company's regulations.
- (ii) Recognizing that the medium-term management plan is a commitment to shareholders, the Board of Directors shall do its best to realize that plan. The Board of Directors shall fully analyze initiatives for the achievement of the medium-term management plan and provide explanations to shareholders. Also, the Board of Directors shall reflect the analytic findings in the plan for the next fiscal year and subsequent fiscal years.
- (iii) The Board of Directors shall appropriately develop the internal control system, including the risk management system, ensuring reliable financial reports, and oversee its operation.
- (iv) In the execution of business other than matters to be decided by the Board of Directors, the Board of Directors shall appropriately delegate the decision-making and execution of such business to corporate officers, in accordance with laws, regulations and the Company's regulations.
- (v) The Board of Directors views the highly effective oversight of the executive officers from an independent and objective standpoint as a major aspect of its roles and responsibilities, and shall appropriately evaluate the Company's performance, etc., and reflect that evaluation in the personnel matters of executive officers.
- (vi) The Board of Directors shall appropriately carry out the appointment and dismissal of executive officers, based on the evaluation of the Company's performance, etc., and in accordance with procedures that are fair and highly transparent.
- (vii) In order for the remuneration, etc., of directors excluding outside directors, to operate as a sound incentive for the Company's sustainable growth, the proportion of the remuneration linked to medium- to long-term results and the Company's balance of cash and stock shall be examined.
- (viii) The Board of Directors shall engage in appropriate oversight of the succession planning for the President, based on the Company's management philosophy and specific management strategies, etc.
- (ix) Each year, the Board of Directors shall analyze and evaluate its effectiveness as a whole, and disclose a summary of the results.

(2) Composition

- (i) In order to effectively fulfill its roles and responsibilities, the Board of Directors shall be composed of directors with various expertise and experience, and the number of directors shall not exceed 10, in accordance with the Articles of Incorporation.
- (ii) Among the members of the Board of Directors, several directors shall be outside directors, including corporate managers of other companies and academic experts, whose opinions based on their wealth of experience and insights shall be reflected in management decisions of the Company.

(3) Operation

To facilitate full discussion by the Board of Directors, the meeting of the Board of Directors shall be operated in the following manner:

- (i) The chairman of the Board of Directors, as the organizer of the meeting, shall endeavor to create an environment in which free, active and constructive discussion can take place.
- (ii) In consideration of the need for attendees' advance preparation time, materials for the meeting of the Board of Directors shall be distributed prior to the date of the meeting.
- (iii) In addition to the materials for meetings of the Board of Directors, sufficient information shall be provided to directors as necessary.
- (iv) By setting the number of agenda items and the frequency of meetings of the Board of Directors appropriately, sufficient time shall be secured for deliberation.
- (v) The annual schedule of meetings of the Board of Directors shall be prepared and anticipated agenda items shall be planned.

15. Directors

- (1) In accordance with the trust placed in them by the shareholders, directors shall oversee management and promote the Company's sustainable growth and increased corporate value. They shall also perform their duties in line with the "Corporate Vision (the ideal image of a corporation to which to aspire) and Management Philosophy" and the "Corporate Code of Behavior of The JSW Group" so that the Company fulfills its social responsibilities and is managed in a sound way.
- (2) Directors shall gather information necessary for the performance of their duties from the corporate officers, departments under their control, the Internal Audit Division and other relevant internal departments. They shall also seek advice, as necessary, from lawyers, other external specialists and experts, etc. In such cases, the costs shall be borne by the Company.
- (3) As members of the Board of Directors, directors shall mutually oversee the execution of duties by directors and corporate officers.
- (4) Each year, the Company shall disclose any concurrent posts held by directors as officers of other listed companies, etc.

16. Board of Corporate Auditors

(1) Roles

- (i) In accordance with the trust placed in it by the shareholders, the Board of Corporate Auditors shall carry out the following duties:

- (a) Preparation of audit reports;
 - (b) Selection and dismissal of full-time corporate auditors; and
 - (c) Determination of audit policies, methods of investigating business and property status, and other matters relating to the performance of the corporate auditors' duties.
- (ii) The Board of Corporate Auditors shall provide appropriate explanations and reports to the representative directors and the Board of Directors regarding audit policies, plans, the implementation status and results thereof, and as necessary, take other appropriate measures such as expressing its opinion and providing advice.
 - (iii) The Board of Corporate Auditors shall examine matters concerning the exchange of information and cooperation with outside directors, and endeavor to ensure the effectiveness of audits.
 - (iv) The Board of Corporate Auditors shall endeavor to ensure its cooperation with outside directors to enable outside corporate auditors to enhance their information-gathering capabilities while maintaining their independence.
- (2) Composition
- (i) The Board of Corporate Auditors shall be an organization independent of the Board of Directors and composed of all the corporate auditors, including outside corporate auditors.
 - (ii) The Board of Corporate Auditors shall appoint the full-time corporate auditors and its chairman by resolution.

17. Corporate Auditors

- (1) In accordance with laws and regulations and the trust placed in them by the shareholders, corporate auditors shall promote the Company's sustainable growth and increased corporate value by conducting business audits and accounting audits in cooperation with the Internal Audit Division. They shall also perform their duties in line with the "Corporate Vision (the ideal image of a corporation to which to aspire) and Management Philosophy" and the "Corporate Code of Behavior of The JSW Group" so that the Company fulfills its social responsibilities and is managed in a sound way.
- (2) Corporate auditors shall conduct audits of the legality and appropriateness of the business execution by directors and corporate officers and the performance of management oversight by the Board of Directors.
- (3) Corporate auditors shall gather information necessary for the performance of their duties from the directors, corporate officers, accounting auditor, the Internal Audit Division and other relevant internal departments. They shall also seek advice, as necessary, from lawyers, other external specialists and experts, etc. In such cases, the costs shall be borne by the Company.
- (4) Each year, the Company shall disclose any concurrent posts held by corporate auditors as officers of other listed companies, etc.

18. Outside Directors

- (1) Outside directors shall provide advice on management policies and the improvement of management, based on their knowledge, from the standpoint of promoting the Company's sustainable growth and increasing corporate value over the medium to long term.
- (2) Outside directors shall oversee the management through important decision-making of the Board of Directors.

- (3) Outside directors shall oversee conflicts of interest between the Company and the management or controlling shareholders, etc.
- (4) Outside directors shall appropriately reflect the views of minority shareholders and other stakeholders to the Board of Directors from a standpoint independent of the management and controlling shareholders.
- (5) In light of active contribution to discussions in meetings of the Board of Directors, outside directors shall endeavor to exchange information and develop a shared awareness among themselves based on an independent and objective standpoint.

19. Nomination Advisory Committee

(1) Roles

- (i) As an advisory body to the Board of Directors, the Nomination Advisory Committee shall deliberate on matters relating to the nomination and dismissal of directors, corporate auditors and corporate officers (hereinafter, “officers”), and submit its report to the Board of Directors; and
- (ii) The Nomination Advisory Committee shall consult on the succession planning for the President, and report the results to the Board of Directors.

(2) Composition

- (i) The Committee shall be composed of the President, the directors in charge of the Personnel Department and the Secretary Office, and outside directors, and a majority of the committee members shall be outside directors;
- (ii) The chairman of the Committee shall be selected from outside directors by resolution of the Committee; and
- (iii) An advisor shall be selected from outside corporate auditors by resolution of the Board of Corporate Auditors.

(3) Deliberation Matters

- (i) Matters relating to the selection of director candidates;
- (ii) Matters relating to the selection of corporate auditor candidates;
- (iii) Matters relating to the appointment of corporate officers and corporate officers with executive responsibilities;
- (iv) Matters relating to the appointment of directors with executive responsibilities and representative directors;
- (v) Matters relating to the dismissal of officers; and
- (vi) Matters relating to the succession planning for the President.

20. Remuneration Advisory Committee

(1) Roles

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

(2) Composition

- (i) The Committee shall be composed of the President, the directors in charge of the Personnel

Department and the Secretary Office, and outside directors, and a majority of the committee members shall be outside directors;

(ii) The chairman of the Committee shall be selected from outside directors by resolution of the Committee; and

(iii) An advisor shall be selected from outside corporate auditors by resolution of the Board of Corporate Auditors.

(3) Deliberation Matters

The remuneration system and individual remuneration amounts for directors and corporate officers

21. Basic Policy and Procedures for Officer Nominations and Dismissals

(1) Basic Policy for Officer Nominations and Dismissals

The selection of director and corporate auditor candidates, the appointment of corporate officers and the dismissal of officers shall be decided on the basis of selection and dismissal criteria, etc., and fairness and transparency shall be ensured in the decision-making process. With respect to the appointment of candidates for directors and corporate auditors, the reasons for their appointment shall be disclosed. Also, with respect to the dismissal of officers, the reasons for their dismissal shall be disclosed.

(2) Selection Criteria

(i) Director candidates

Based on the “Corporate Vision (the ideal image of a corporation to which to aspire) and Management Philosophy” and the “Corporate Code of Behavior of The JSW Group” persons with the abilities, insights, experience and strong ethical values to contribute to the improvement of the Company’s performance and corporate value and its sustainable growth

(ii) Corporate auditor candidates

Persons with the abilities, insights, experience and strong ethical values to accurately and fairly carry out audits of the execution of duties by directors. One of the corporate auditors appointed shall have abundant knowledge of finance and accounting.

(iii) Corporate officers

Persons who are familiar with the business of the JSW Group, and are able to fulfill the required duties

(3) Procedures for Selection

In the process of selecting director candidates and appointing corporate officers, the Board of Directors shall decide on the selection and appointment upon receipt of report from the Nomination Advisory Committee. In the process of selecting corporate auditor candidates, the Board of Directors shall decide on the selection upon receipt of report from the Nomination Advisory Committee and approval of the Board of Corporate Auditors.

(4) Dismissal Criteria

In cases where an officer has damaged the corporate value of the Company by violating laws, regulations or the Articles of Incorporation, etc., and where the execution of an officer’s duties has become difficult for health reasons, or in the event that it is found that an officer no longer has the qualifications prescribed in the selection criteria, the Nomination Advisory Committee shall deliberate on the dismissal of the officer.

(5) Procedures for Dismissal

(i) Directors and Corporate auditors

In the process of dismissing directors and corporate auditors, the Board of Directors shall decide on the making of a proposal for dismissal upon receipt of report from the Nomination Advisory Committee, and the dismissal shall be decided by resolution of the General Meeting of Shareholders.

(ii) Corporate officers

In the process of dismissing corporate officers, the Board of Directors shall decide on the dismissal upon receipt of report from the Nomination Advisory Committee.

(6) Independence of Outside Officers

Outside officers shall be persons who meet the independence criteria separately prescribed and disclosed by the Company.

22. Procedures for Appointment and Dismissal of the President

(1) Formulation and Operation of the Succession Planning for the President

The Nomination Advisory Committee shall consult appropriately on the formulation and operation of the succession planning for the President, based on the Company's management philosophy and management strategies, and taking into consideration experience, abilities, personality and other qualities, and shall report the results as appropriate to the Board of Directors.

(2) Criteria and Procedures for Appointment

The Board of Directors shall decide on the appointment of the President, based on the succession planning and upon receipt of report from the Nomination Advisory Committee.

(3) Criteria and Procedures for Dismissal

In the event that it becomes difficult for the President to carry out their responsibilities as President, the Board of Directors shall decide on the dismissal of the President.

23. Basic Policy and Procedures for Decisions on Officers' Remuneration

(1) Basic Policy for Decisions on Remuneration

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

(2) Remuneration of Directors and Corporate Officers

(i) Procedures

Remuneration shall be decided by the Board of Directors upon receipt of report from the Remuneration Advisory Committee.

(ii) Details of Remuneration

(a) In order for remuneration to be a healthy incentive for the improvement of business performance and corporate value and sustainable growth, the annual amount of remuneration shall comprise fixed and variable parts. The fixed part shall be according to the person's position and the years of tenure, and the variable part shall depend on the Company's performance and individual business results. However, the remuneration of outside directors shall comprise the fixed part only.

(b) Bonuses shall be paid within the scope of the annual remuneration referred to in (a) above.

- (c) As stock price-linked compensation, a proportion of the annual remuneration and bonuses separately specified by the Board of Directors shall be contributed to the officers' shareholding association for acquisition of the Company's stocks. However, contributions to the officers' shareholding association shall be voluntary for outside directors.
- (d) For the purpose of providing an incentive for the sustainable improvement of the Company's corporate value and promoting greater sharing of that value with shareholders, the Company shall pay remuneration to directors, excluding outside directors, and corporate officers separately from the annual remuneration referred to in (a) above in order to grant restricted shares.

(3) Corporate Auditors' Remuneration

- (i) The annual amount of remuneration shall comprise a fixed part only and determined by consultation of the Board of Corporate Auditors.
- (ii) Contributions to the officers' shareholding association shall be voluntary.

24. Ensuring Proper Audits by Accounting Auditor

Appropriate measures shall be taken to ensure proper audits by the accounting auditor.

(1) Measures taken by the Board of Corporate Auditors

- (i) Establishing criteria for the appropriate selection and evaluation of the accounting auditor
- (ii) Confirming whether the state of performance of duties, the audit system, the independence and the expertise, etc., of the accounting auditor are appropriate

(2) Measures taken by the Board of Directors and Board of Corporate Auditors

- (i) Ensuring that there is sufficient audit time to enable high-quality audits
- (ii) Receipt of regular reports from the accounting auditor in relation to accounting audit plans, their state of implementation and the details of the audits. Also, as appropriate, providing opportunities for consultation and exchange of information with the representative directors, CFO, outside directors, outside corporate auditors and others regarding matters deemed important for the accounting audit, and promoting mutual cooperation
- (iii) In the event that a report is received from the accounting auditor to the effect that there has been improper conduct by directors, etc., in the performance of their duties, or there are material facts in violation of laws, regulations or the Articles of Incorporation, a necessary investigation shall be made and appropriate measures shall be taken, such as advice given to the directors, etc.

25. Support Systems and Training Policies

- (1) Internal systems shall be established to accurately and smoothly provide directors and corporate auditors with information necessary for fulfilling their roles and responsibilities.
- (2) The Company shall provide and arrange opportunities for directors and corporate auditors to acquire the knowledge necessary for carrying out their roles and responsibilities.
- (3) The Company shall provide information in relation to the Company's business, financial affairs and organization, etc., to outside officers at appropriate times after they take office, in order to deepen their understanding of the Company. Also, site visits to the Company's plants, etc., shall be carried out as required.

(4) The costs of these knowledge acquisition and information provision activities shall be borne by the Company.

End

Corporate Vision (the ideal image of a corporation to which to aspire)

A company that creates changes with creative technology, and contributes to the development of society

We aim to be a “Change-Creating Company” that contributes to the development of society by actively exploring new needs among the needs of society that are changing daily, through our proprietary technologies that have been cultivated over many years as well as newly developed technologies.

Management Philosophy

1) Continue to provide clients with surprise and excitement

To satisfy our customers and gain their trust, we always listen to the market and continue to provide creative products and services that exceed customer expectations.

2) Coexist with society and sustain profits

We sustain profits while satisfying our customers, shareholders and employees, coexisting with local communities, and fulfilling our responsibilities to stakeholders.

3) Believe in constant change

We strive to establish a vibrant corporate culture that seeks change by respecting initiative, creativity and the spirit of challenge, while firmly sustaining our corporate culture in which products are launched with consistency and stability. We thoroughly pursue the “three real principles” (*Sangen-shugi*) of real places, real things and real situations, plus real people.

Corporate Code of Behavior of The JSW Group

At The Japan Steel Works, Ltd., we will comply with all laws and international rules, both to the letter and in spirit, and fulfill our social responsibilities with a strong sense of ethics in Japan and overseas as a company that aims to realize a sustainable society based on the following ten principles.

1. Sustainable economic growth and the resolution of social issues

To promote sustainable economic growth and the resolution of social issues, we will develop useful products, technologies and services that give consideration to safety through innovation and provide them to society.

2. Fair business activities

We will conduct appropriate transactions and responsible procurement based on fair and free competition. We will also maintain sound relationships with political and government bodies.

3. Fair disclosure of information and constructive dialogues with stakeholders

To enhance our corporate value, we will make appropriate corporate information available to the public willingly and fairly and have constructive dialogues with a wide range of stakeholders.

4. Respect for human rights

We will respect the human rights of all people.

5. Relationships of trust with customers

We will earn the trust and satisfaction of society and customers by responding promptly to inquiries from customers after reflecting the market and customer needs in our products, technologies and services.

6. Workstyle reforms and improvement of the working environment

We will provide a sound working environment by developing workstyles that respect the diversity, personality and individuality of employees.

7. Engagement in environmental issues

We will take actions proactively, recognizing that addressing environmental issues is an important duty for us as a company.

8. Involvement in the community and contribution to its development

We will participate in the community and contribute to its development as a corporate citizen.

9. Thorough crisis management

We will conduct thorough and systematic crisis management against antisocial forces, terrorism, cyberattacks and natural disasters, etc. that will pose a threat to civil society and corporate activities.

10. The role of our management and implementation of this code of behavior

Recognizing the realization of the spirit of this code of behavior as its own role, our management will make it fully known to the employees of the Company and its affiliates after establishing effective governance and encourage the chains to perform acts based on the spirit of this code of behavior.

If any situation that will lose the trust of society occurs in conflict with the spirit of this code of behavior, our management will take the initiative in solving the problem, investigating the cause and preventing recurrence to fulfill our responsibility.

End

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

In order for outside directors and outside corporate auditors of the Company (hereinafter, collectively “outside officers”) to be judged to be outside officers with independence (hereinafter, “independent outside officers”), they must not fall under any of the following items:

- (1) A party whose main business partner is the Company¹, or an executive of the party;
- (2) A party who is a main business partner of the Company², or an executive of the party;
- (3) An executive of a financial institution that is essential to and has a prominent and high share in the financing of the Company;
- (4) A consultant, accountant or legal expert who has received money or other property from the Company exceeding an annual amount of 10 million yen, other than as officer’s remuneration, in the most recent fiscal year (in the event that the party receiving that money or other property is a corporation, association or other organization, or a person belonging to that party);
- (5) A party who is a major shareholder of the Company (a party who holds, directly or indirectly, voting rights not less than 10% of the total voting rights) or an executive of the party;
- (6) A person who has fallen under any of items (1) to (5) above in the past three years; or
- (7) A spouse or a relative within the second degree of kinship of a person falling under any of items (1) to (6) above (limited to a person in an important position³).

However, even if a person falls under any of items (1) to (7) above, the relevant person considered by the Company to be suitable for the position of independent outside officer of the Company in light of his or her personality, insights or other factors, may become an independent outside officer of the Company, provided that the Company explains to relevant authorities that the person has satisfied the requirements of the Companies Act, and also gives reasons for considering that the person is suitable for the position of independent outside officer of the Company.

Notes:

1. “A party whose main business partner is the Company” refers to a party that has received payment from the Company in the most recent fiscal year of an amount exceeding 5% of that party’s annual consolidated net sales.
2. “A party who is a main business partner of the Company” refers to a party that has made payments to the Company in the most recent fiscal year of an amount exceeding 5% of the Company’s annual consolidated net sales.
3. “A person in an important position” refers to a director (excluding an outside director), a corporate officer, an employee in an upper management position such as a departmental general manager or higher, a certified public accountant belonging to an audit corporation, a lawyer belonging to a law firm, or an equivalent of such positions.

End