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July 7, 2026

To whom it may concern,

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**Notice Concerning the Formulation of an Update to the Medium-Term Management Plan
JGP2028**

The Japan Steel Works, Ltd. (the “Company”) hereby announces that it has resolved, at the meeting of its Board of Directors held today, to update the five-year Medium-Term Management Plan JGP2028, which final year is FY2028.

Please refer to the attached material for an overview of the updates to JGP2028.

Further details regarding the strategies for each business segment and other information are scheduled to be disclosed on Monday, July 13.



Update
2026

Medium-Term Management Plan

JGP2028

From FY2024 to FY2028

Update Summary

THE JAPAN STEEL WORKS, LTD.

July 7, 2026



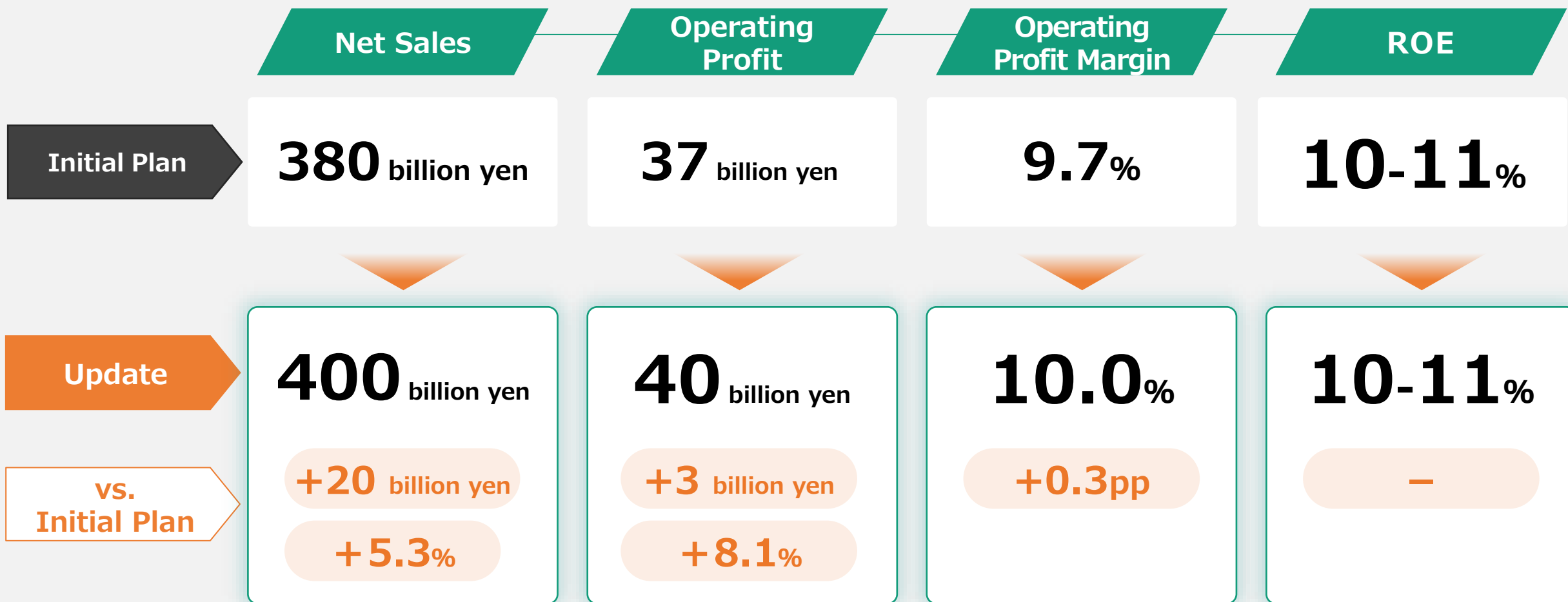
[Note]

The performance forecasts and other forward-looking statements included in this report are based on the information that was available to The Japan Steel Works, Ltd. (the “Company”) and certain assumptions deemed to be reasonable at the time this report was prepared, and the actual results may differ significantly from these forecasts due to a variety of reasons.










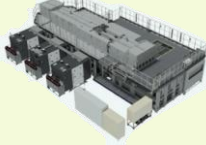






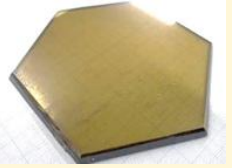
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Update Overview

Business strategies updated to reflect changes in the market environment;
financial targets revised upward



Composition of Business Segments and Major Products

Business Segment	Industrial Machinery Products Business				Material and Engineering Business		Other Businesses
Production Bases	Hiroshima/Yokohama/Meiki (Aichi Prefecture)				Muroran		
Subsegment	Plastic production and processing machinery	Molding machines	Defense equipment	Electronic devices, etc.	Steel forgings and plates	Engineering, etc.	
Main Products	<ul style="list-style-type: none"> ● Pelletizer ● Twin-screw extruder ● Film and sheet manufacturing   	<ul style="list-style-type: none"> ● Plastic molding machine (Injection molding machine, blow molding machine) ● Magnesium injection molding machine   	<ul style="list-style-type: none"> ● Artillery ● Wheeled armoured vehicle ● Missile canister    <p>(Source: JMSDF)</p> <p>(Source: JGSDF website)</p>	<ul style="list-style-type: none"> ● Laser-applied equipment - FPD manufacturing equipment - Power semiconductor manufacturing equipment ● Press machine ● Vacuum laminator ● Deposition system  	<ul style="list-style-type: none"> ● Rotor shaft for generator and steam ● Parts for nuclear power reactor and steam generator ● Clad steel plate   	<ul style="list-style-type: none"> ● Hydrogen storage steel pressure vessel ● Non-destructive testing  	<ul style="list-style-type: none"> ● Photonics 
Main Applications	<ul style="list-style-type: none"> ● Plastic ● Battery, food packaging, optical equipment, semiconductor device 	<ul style="list-style-type: none"> ● Automotive, electrical and electronic, daily necessities and general merchandise, IT-related equipment, etc. 	<ul style="list-style-type: none"> ● Defense equipment 	<ul style="list-style-type: none"> ● OLED/LCD panel ● Printed circuit board, semiconductor package substrate 	<ul style="list-style-type: none"> ● Steam turbines and generators (thermal and nuclear) ● Nuclear reactor pressure vessel, etc. (light water reactor, fast breeder reactor, high temperature gas reactor, fusion reactor, etc.) 	<ul style="list-style-type: none"> ● Telecommunication and optical equipment ● Electronic devices 	
Main Customers Markets	<ul style="list-style-type: none"> Oil and Gas Chemistry Automotive Components 	<ul style="list-style-type: none"> Plastic Products 	<ul style="list-style-type: none"> Ministry of Defense Japan Coast Guard 	<ul style="list-style-type: none"> Display Panel Semiconductor 	<ul style="list-style-type: none"> Heavy Electrical Equipment Oil and Gas Industry 	<ul style="list-style-type: none"> Renewable Energy, etc. 	<ul style="list-style-type: none"> Communication and Electronic Equipment

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Vision for FY2033

Purpose Material Revolution

Material Revolution, making the world sustainable and prosperous

Creating Value and Solving Social Issues

Realization of a Plastic Resource-Recycling Society



Contributing to a Low-Carbon Society



Contribution to a Super- Smart Society



Solving social issues through materiality management

Bolstering Management Foundation for Sustainable Growth

Human Capital Improvement and DEI&B



Investment in the Future with Innovation Management



Governance Reinforcement of JSW Group



DEI&B
Diversity, Equity, Inclusions & Belonging

We have changed the materiality "D&I" to "DEI&B" based on the belief that "E (fairness)" and "B (creating an environment where employees can be themselves)" are essential, in addition to "traditional D (diversity) & I (inclusion)" for each employee to reach his or her full potential.

JSW Group Value Creation Process

The Group will further refine its core competencies while creating social value and sustainably increasing corporate value through the Value Creation Process, which involves the development and implementation of industrial machinery and new materials that solve social issues.

Sustainability Targets

Contribute to the realization of a sustainable and prosperous world through the development and implementation of industrial machinery and new materials that solve social issues.

Vision for FY2033



Financial Targets

Aim to grow into a corporate group with sales of 500 billion yen

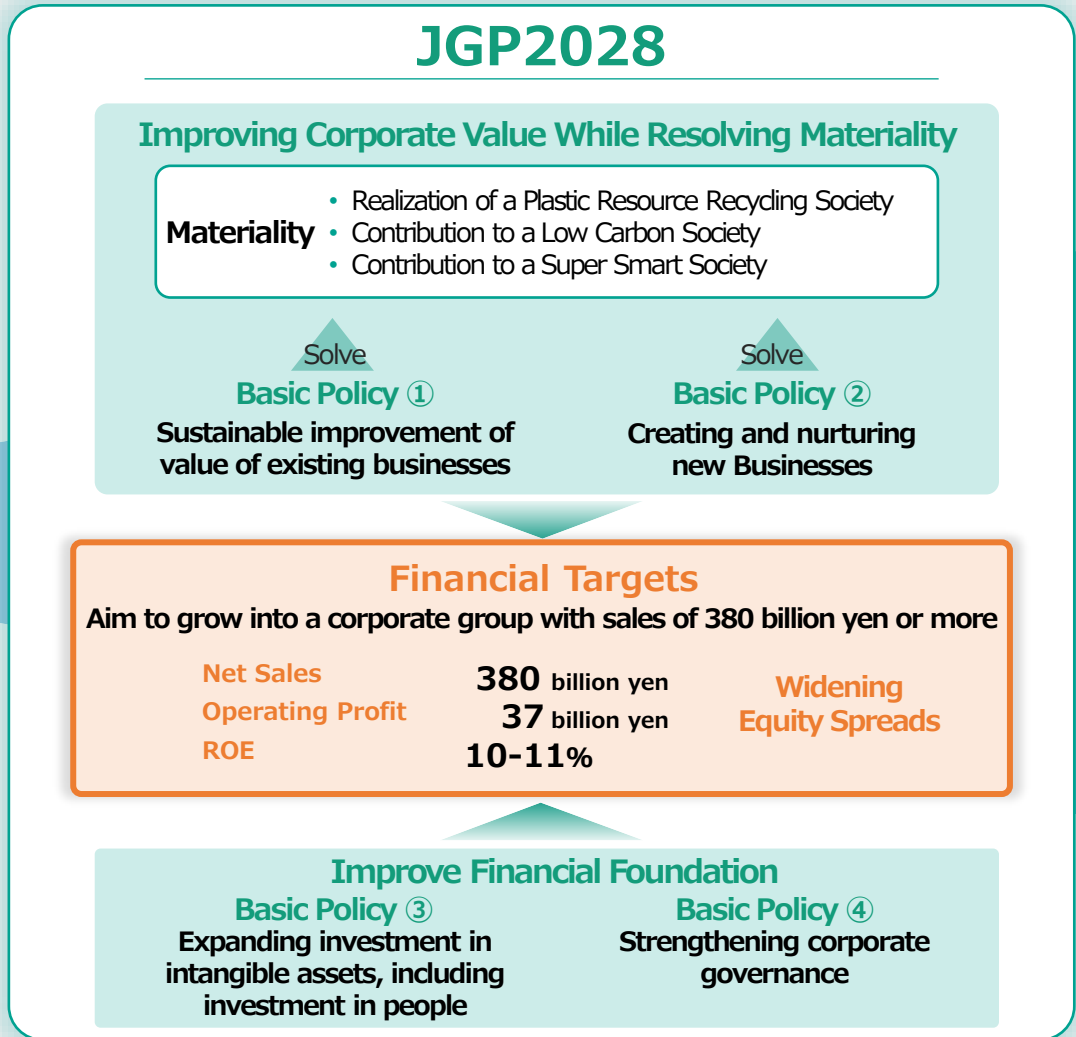
Net Sales	500 billion yen
Operating Profit	50 billion yen
ROE	11-12%

Vision

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

Positioning of Medium-Term Management Plan JGP2028 and Basic Policy

Reforms and challenges for new growth: Sustainably increase corporate value while resolving materiality in order to realize our vision for FY2033.



PART 2

Progress on JGP2028

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Vision for FY2033 and JGP2028

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JGP2028 Update

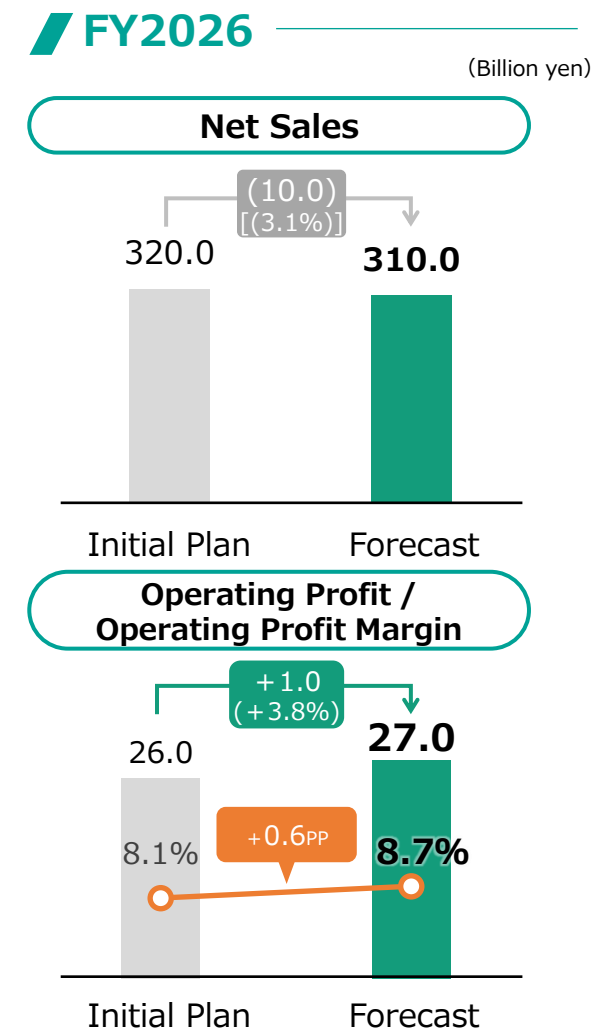
Progress of the 4 Basic Policies of JGP2028

4 Basic Policies	Evaluation	Progress from FY2024 to FY2025	
① Sustainable improvement of value of existing businesses	◎	Increase Production Capacity for Plastic Machinery Products at Hiroshima Plant	<ul style="list-style-type: none"> No. 10 Assembly Shop & No.3 Machining Shop completed, and the construction of No. 4 Machining Shop underway (scheduled for completion in FY2028) Established Plastics Machinery Solutions Business Division (April 2026)
		Increase Production Capacity by Manufacturing in Optimal Locations and Mutual Complementation	<ul style="list-style-type: none"> Defense: Production framework established across Hiroshima Plant and the Muroran and Meiki Plants following completion of the new assembly plant at Hiroshima Plant Flexibly enforce product transfers between plants
		Promote Global Expansion by Strengthening Local Production	<ul style="list-style-type: none"> TEX (twin-screw extruder): Operation of the new plant has started in South Korea (SM Platek) Established Global Strategy Headquarters (April 2026) and the Experience Centre in India
		Expansion of Production Capacity for Steel Forgings at the Muroran Plant	<ul style="list-style-type: none"> Installed a manipulator for forging process Renewal and expansion of steel remelting equipment and large machining lathes for steel products underway (scheduled for completion in FY2028)
② Creating and nurturing new businesses	○	<ul style="list-style-type: none"> Promoted R&D activities focused on key investments to realize contributions to a super-smart society (R&D expenses: cumulative total of 11.8 billion yen over two years) Acquired land for a new R&D center to develop innovative technologies Photonics Office was established for the early commercialization of gallium nitride (GaN) and lithium niobate (LN) crystals. 	
③ Expanding investment in intangible assets, including investment in people	○	Human Capital Strategy	<ul style="list-style-type: none"> Secured a diverse range of talent aligned with business strategies, exceeding the Medium-Term Management Plan target (new graduates and experienced hires) Aiming to improve engagement, we obtained the Kurumin certification from the Ministry of Health, Labour and Welfare.
		DX Strategy	<ul style="list-style-type: none"> Progress in improving internal productivity and providing new solutions to customers Obtained certification as a DX-Certified Business Operator from the Ministry of Economy, Trade and Industry
④ Strengthening corporate governance	○	Review the Officers' Remuneration System	<ul style="list-style-type: none"> Strengthened incentives for enhancing medium- to long-term corporate value by increasing the stock-based compensation ratio
		Increase Diversity of the Board of Directors and Audit & Supervisory Board	<ul style="list-style-type: none"> Increased the ratio of outside directors and female officers (outside directors: 50%, outside Audit & Supervisory Board members: 50%, female directors: 20%, female Audit & Supervisory Board members: 25%)
		Reduction of policy shareholdings	<ul style="list-style-type: none"> FY2025: Ratio of policy-shareholdings to consolidated net assets: 11.8% → FY2026: Planned reduction to below 10%

Medium-Term Management Plan JGP2028: Progress on Financial Targets

Steady progress expected through FY2026

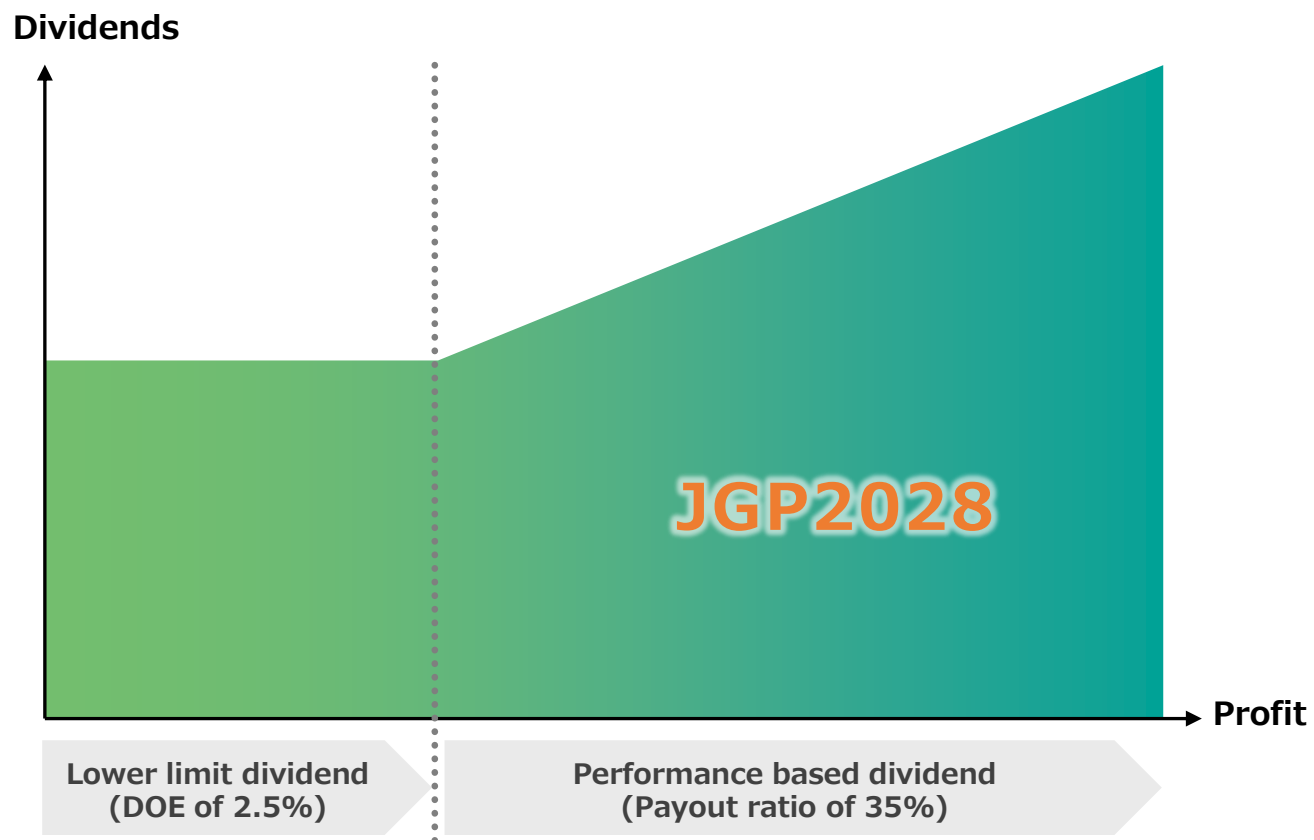
(Billion yen)	FY2023 Results	FY2024 Results	FY2025 Results	FY2026		
				Initial Plan (Disclosed Jun. 2024)	Forecast	Forecast vs. Initial Plan
Net Sales	252.5	248.5	274.8	320.0	310.0	(10.0)
Operating Profit	18.0	22.8	25.3	26.0	27.0	+1.0
Operating Profit Margin	7.1%	9.2%	9.2%	8.1%	8.7%	+0.6PP
ROE	8.5%	9.7%	9.5%	9.0%	8.7%	(0.3PP)
EBITDA	25.7	30.7	34.3	40.1	39.1	(1.0)



Dividend Policy

The consolidated dividend payout ratio target is set as 35% or more, while ensuring a minimum dividend on equity (DOE) of 2.5%.

/// Schematic of dividend policy



	FY2023	FY2024	FY2025	FY2026 Forecast
Annual dividends per share (Yen)	59.0	86.0	92.0	92.0
Dividends payout ratio (Consolidated)	30.4%	35.2%	35.2%	35.6%
DOE	2.7%	3.7%	3.7%	3.5%

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JGP2028 Update

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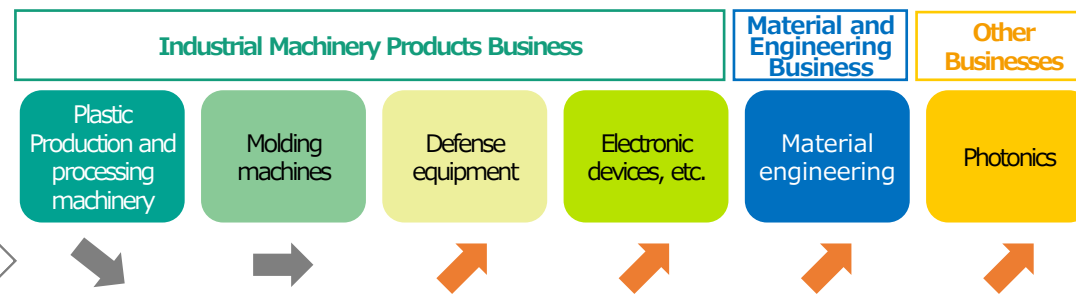
Vision for FY2033 and JGP2028

PART 2

Progress on JGP2028

Medium-Term Management Plan JGP2028: Need for Update




The market environment for key products has changed significantly since the mid-term plan was formulated



Changes in Market Conditions Since the Formulation of the Medium-Term Management Plan

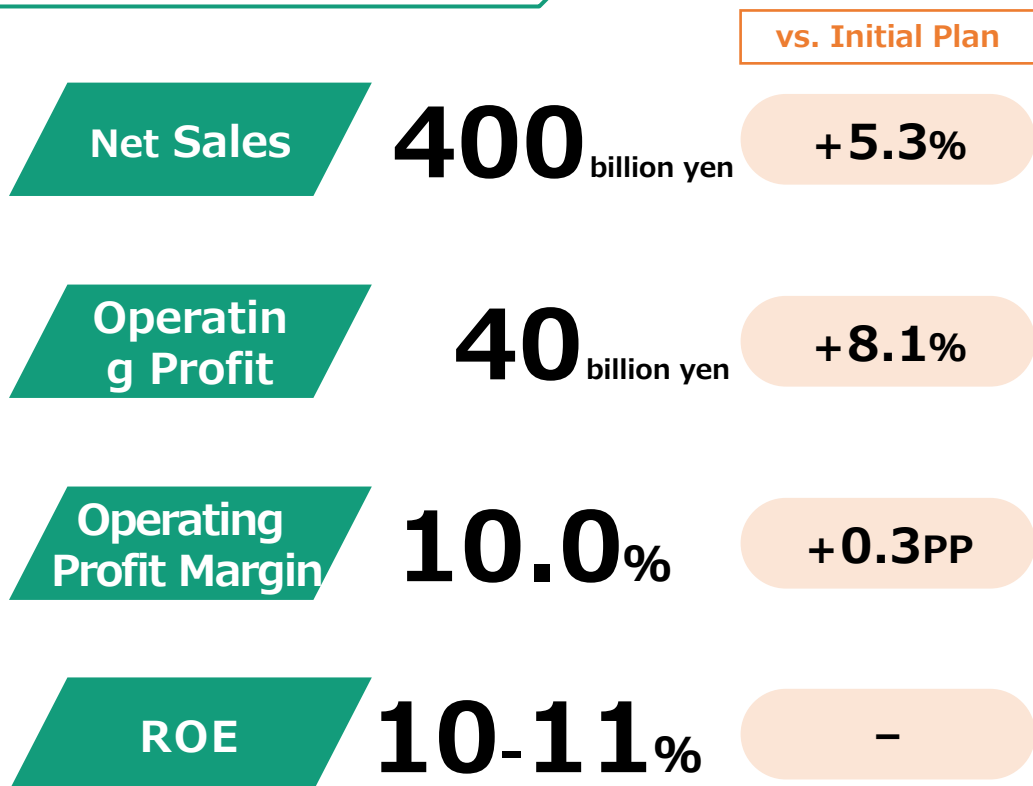
Market Condition	Plastic Production and processing machinery	Molding machines	Defense equipment	Electronic devices, etc.	Material engineering	Photonics
Slowing Growth of the EV Market <ul style="list-style-type: none"> Battery separator film is over capacity. Supply-demand balance shows moderate improvement, but not high expectations Capital investment by automobile manufacturers has stagnated to date, although capacity expansion investment by some manufacturers is expected going forward 	◎ → ▲	○ → ▲				
Rising Geopolitical Risks <ul style="list-style-type: none"> Progress in economic bloc formation has led to shifts in investment trends and temporary stagnation across countries Signs of investment recovery are emerging in China, and market growth is expected in India and other regions 	○ → ▲					
<ul style="list-style-type: none"> Demand for new equipment is increasing amid continued expansion of defense-related budgets 			○ → ◎			
Changes in Energy Policy <ul style="list-style-type: none"> Demand for high-efficiency thermal power generation is increasing as a practical solution for ensuring energy security and securing stable power sources at an early stage Nuclear power generation demand is also expected to increase over the medium to long term and continue growing 					○ → ◎	
Rapid Adoption of AI and Growth in Data Centers <ul style="list-style-type: none"> Demand for thermal power generation, nuclear power generation, and energy storage systems (ESS) is increasing to secure computing resources 	▲ → ○				○ → ◎	
<ul style="list-style-type: none"> Demand related to AI, servers, telecommunications, and data centers is increasing Relevant products: Magnesium molding machines, presses for printed circuit boards, laminators for package substrates, copper alloys, high-frequency devices, and various crystals for optical communications		○ → ◎		○ → ◎	○ → ◎	○ → ◎

Medium-Term Management Plan JGP2028: Review of Business Strategy

Business Segments	Change in Market Conditions	Business Strategy
Plastic production and processing machinery		<ul style="list-style-type: none"> • Capture recovering demand in China while strategically allocating management resources to growth regions such as India and the Middle East in response to changing market dynamics • Capture the demand for higher performance and improved productivity of separator films • Expand production capacity through capital investment to grow aftermarket business, thereby enhancing profitability
Molding machines		<ul style="list-style-type: none"> • Accelerate the globalization of plastic molding machines, focusing on expanding market share in Europe and increasing sales of electric machines in India • Capture demand for magnesium molding machines for physical AI applications through the introduction of new models
Defense equipment		<ul style="list-style-type: none"> • Further increase production capacity by manufacturing in optimal locations and mutual complementation in response to increasing demand • Strengthen proposals for new equipment based on demand trends for defense equipment
Electronic devices, etc.		<ul style="list-style-type: none"> • Respond to growing demand for F-ELA equipment used in FPD manufacturing by enhancing production systems and strengthening efforts to capture both equipment and aftermarket demand • Expand sales of presses for printed circuit boards used in data centers and advance the development of laminators for next-generation package substrates
Material and engineering		<ul style="list-style-type: none"> • Respond to increasing demand for high-efficiency thermal power generation by increasing turbine and generator rotor shaft production capacity by 1.5 times (implementation underway from FY2025) • Meeting growing and long-term demand for nuclear power, doubling production capacity • Build titanium copper supply system for data centers to meet high levels of demand (Muroran Copper Alloys Co., Ltd.)
Photonics		<ul style="list-style-type: none"> • Aiming to accelerate customer evaluation and mass production of gallium nitride (GaN) and lithium niobate (LN) crystals, and to accelerate their commercialization

Updated Financial Targets

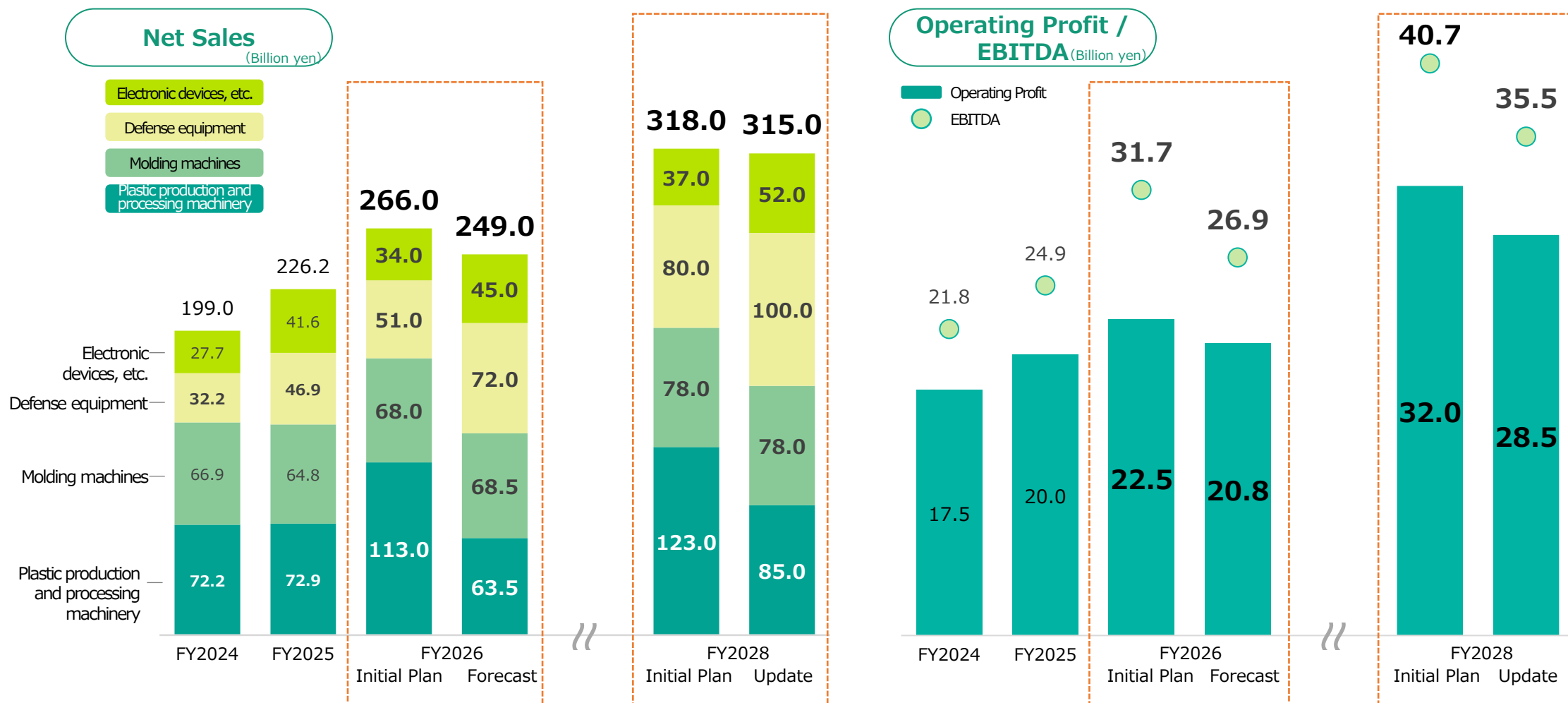
FY2028 Financial Targets



	FY2028		
	Initial Plan (Disclosed Jun. 2024)	Update	Update vs. Initial Plan
(Billion yen)			
Net Sales	380.0	400.0	+20.0
Operating Profit	37.0	40.0	+3.0
Operating Profit Margin	9.7%	10.0%	+0.3PP
ROE	10-11%	10-11%	-
Equity Spread	2-3%	2-3%	-
Dividend Payout Ratio (%)	35%	35%	-
EBITDA	51.8	55.0	+3.2

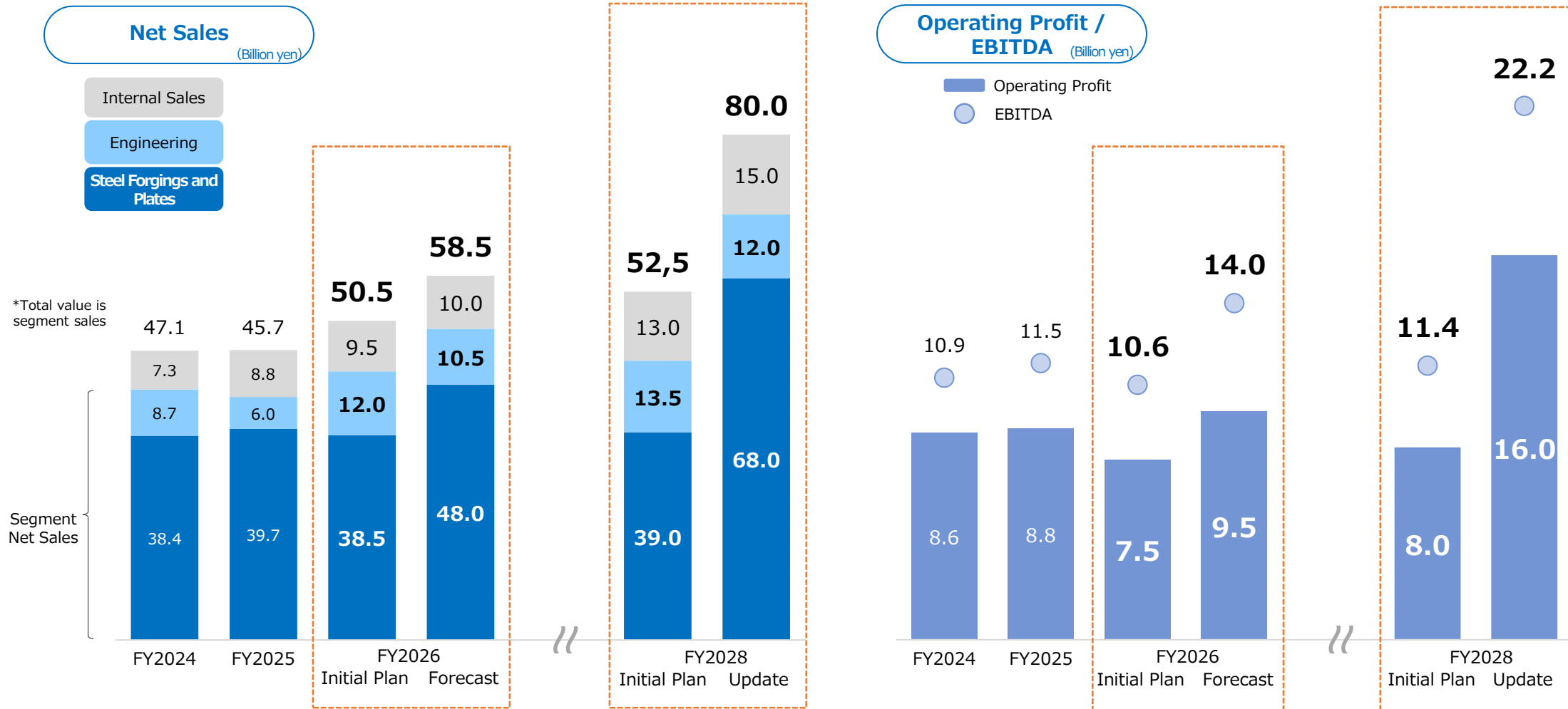
Updated Financial Targets (Industrial Machinery Products Business)

Sales and profit for FY2028 fell short of initial forecast, but the growth trend in both sales and profit remained intact



Update Financial Targets (Material and Engineering Business)

Sales and profit are expected to increase significantly versus the initial plan, driven by power and nuclear products





JSW

THE JAPAN STEEL WORKS, LTD.