

Update
2026

Medium-Term Management Plan

JGP2028

From FY2024 to FY2028

Update

THE JAPAN STEEL WORKS, LTD.

July 13, 2026

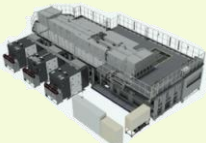
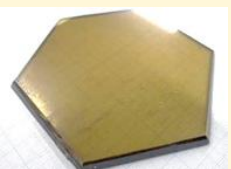
JSW

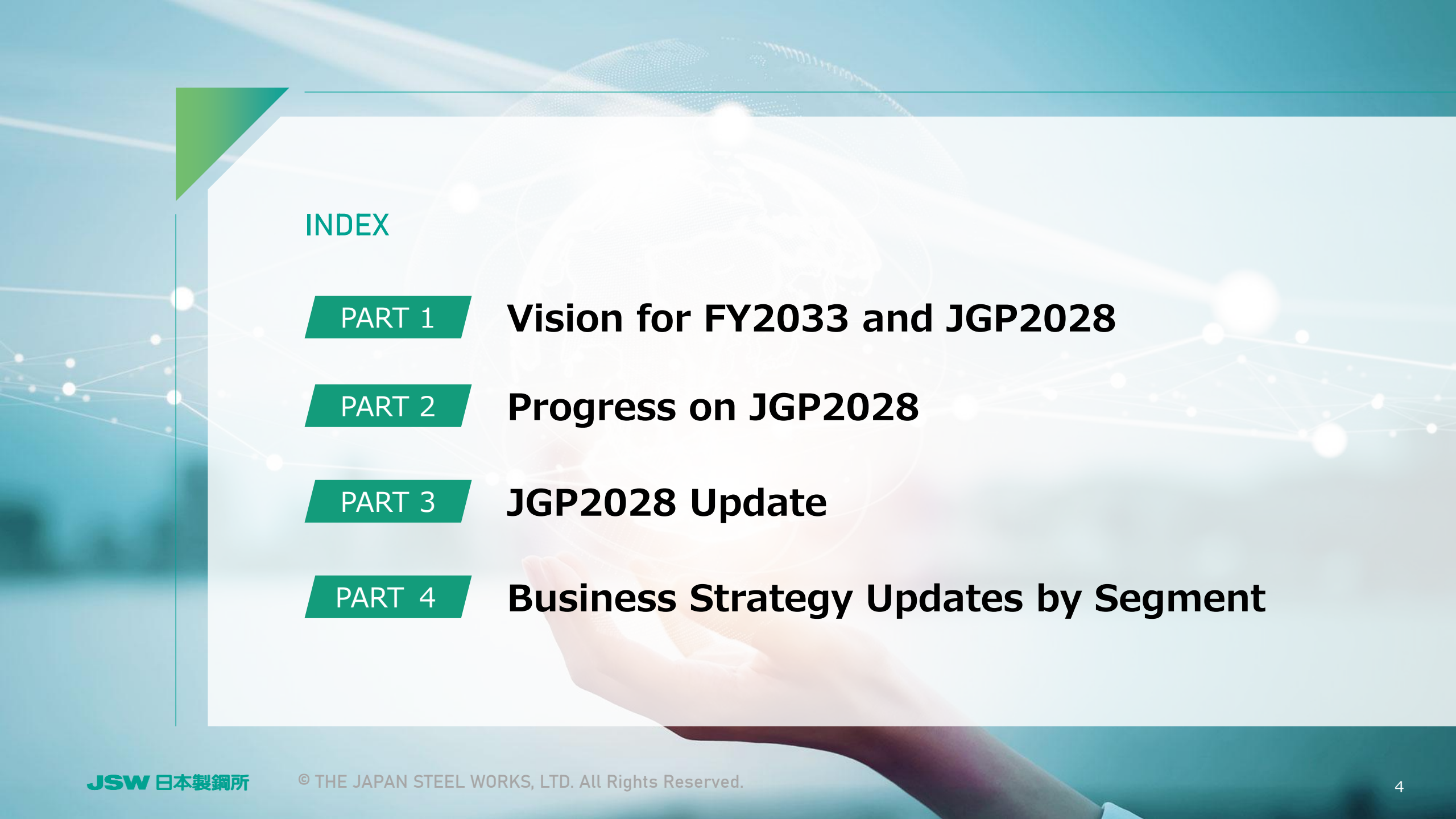
[Note]

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.

This material has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated version and the Japanese original, the original shall prevail.

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	● Pelletizer  ● Twin-screw extruder  ● Film and sheet manufacturing equipment 	● Plastic molding machine (Injection molding machine, blow molding machine)   ● Magnesium injection molding machine 	● Artillery ● Wheeled armoured vehicle ● Missile canister   (Source: JMSDF)  (Source: JGSDF website)	● Laser-applied equipment - FPD manufacturing equipment - Power semiconductor manufacturing equipment  ● Press machine ● Vacuum laminator ● Deposition system 	● Rotor shaft for generator and steam  ● Parts for nuclear power reactor and steam generator  ● Clad steel plate 	● Hydrogen storage steel pressure vessel  ● Non-destructive testing 	● Photonics 
	Main Applications	● Plastic ● Battery, food packaging, optical equipment, semiconductor device	● Automotive, electrical and electronic, daily necessities and general merchandise, IT-related equipment, etc.	● Defense equipment	● OLED/LCD panel ● Printed circuit board, semiconductor package substrate	● 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.)	● Telecommunication and optical equipment ● Electronic devices
Main Customers Markets	Oil and Gas Chemistry	Plastic Products	Ministry of Defense	Display Panel	Heavy Electrical Equipment	Renewable Energy, etc.	Communication and Electronic Equipment
	Automotive Components		Japan Coast Guard	Semiconductor	Oil and Gas Industry		



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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

Achieve
simultaneously

Financial Targets

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

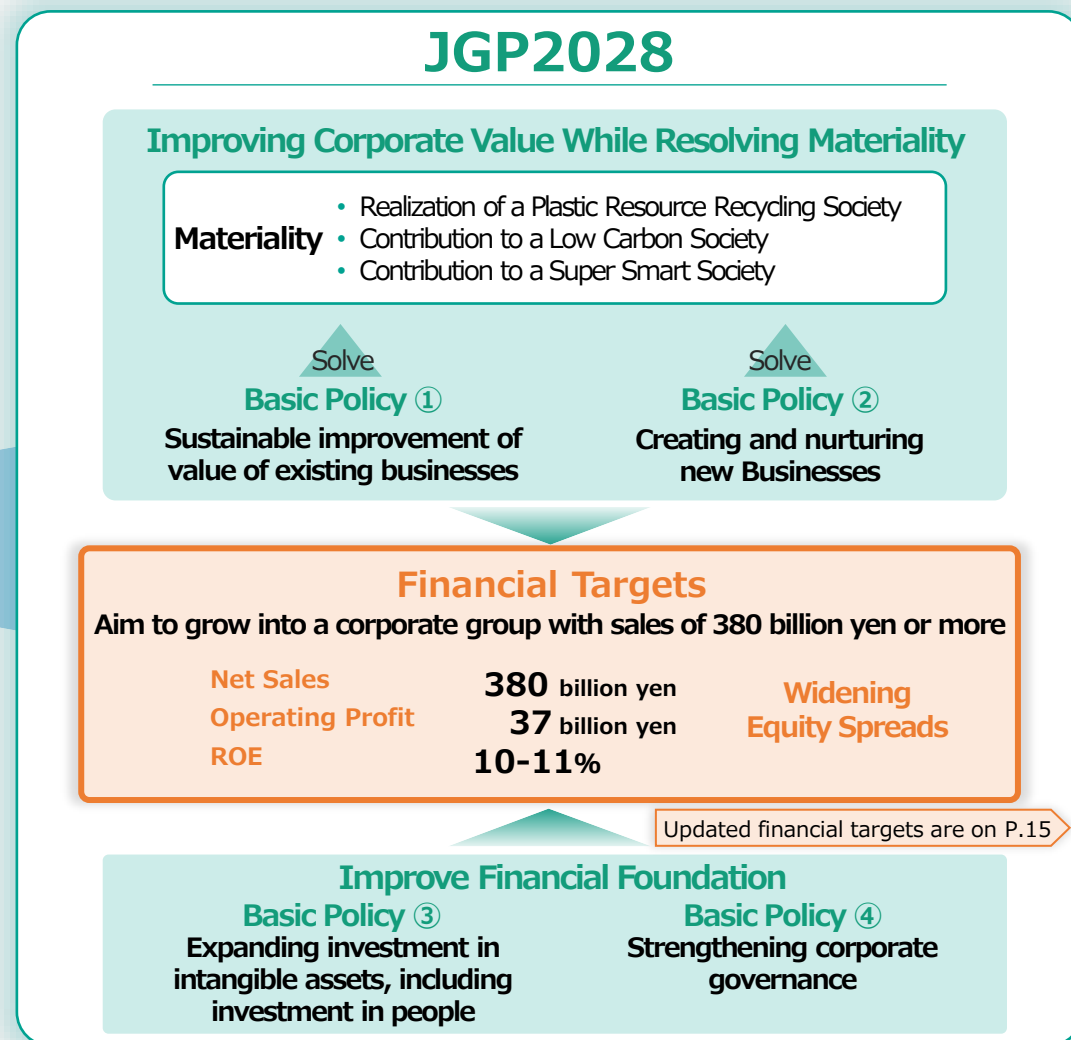
Net Sales	500 billion yen
Operating Profit	50 billion yen
ROE	11-12%

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



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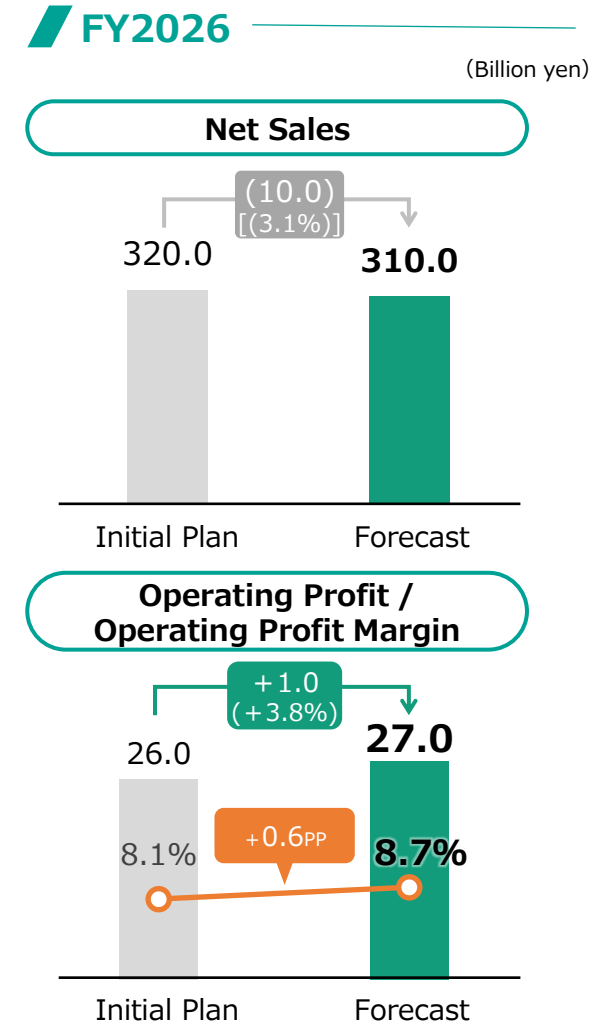
Progress of the 4 Basic Policies of JGP2028

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	- 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	- 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	- 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	- 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	○	- 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	- 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	- 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	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	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	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

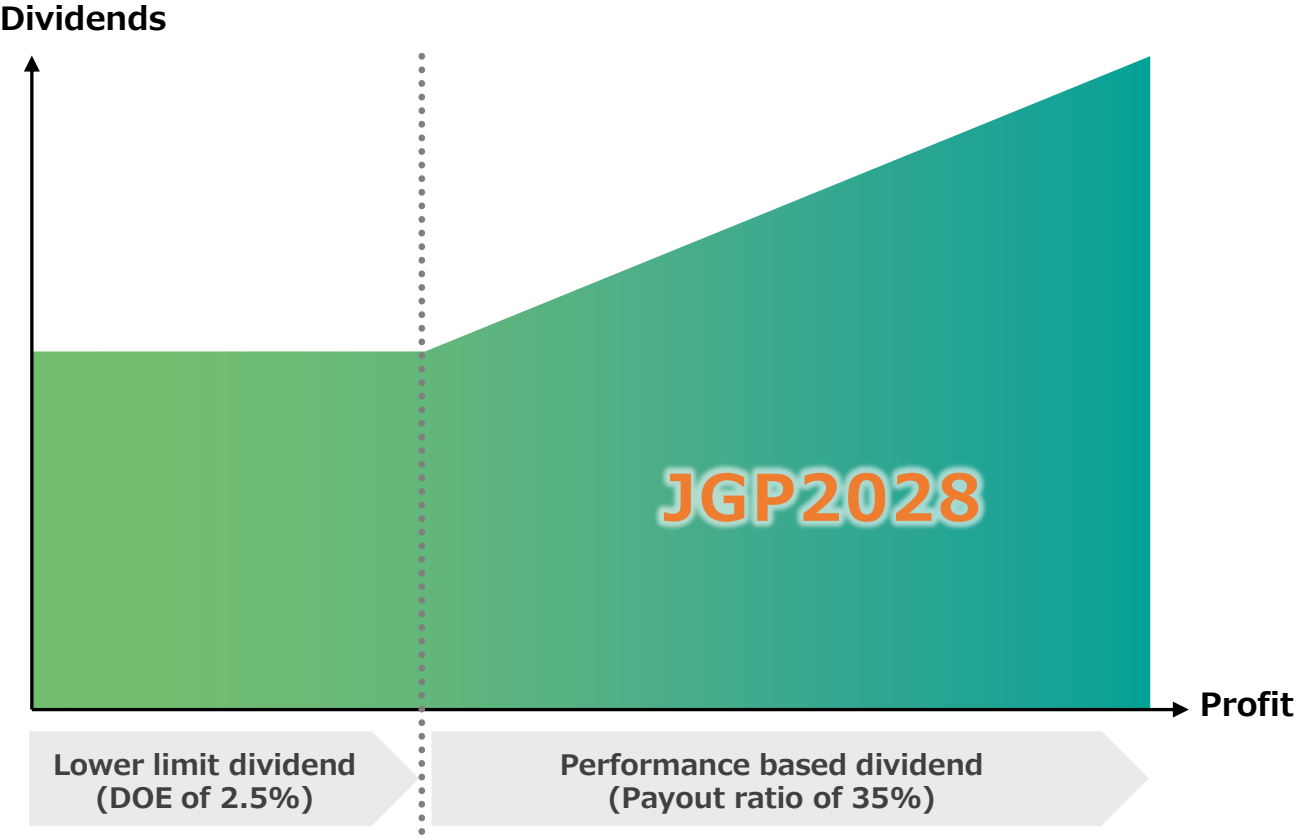
(Billion yen)	JGP2028					
	FY2023 Results	FY2024 Results	FY2025 Results	FY2026		
				Initial Plan (Disclosed Jun. 2024)	Forecast	Forecast vs. Initial Plan
Net Sales	252.5	248.5	274.8	320.0	310.0	(10.0)
Operating Profit	18.0	22.8	25.3	26.0	27.0	+1.0
Operating Profit Margin	7.1%	9.2%	9.2%	8.1%	8.7%	+0.6PP
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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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

		Industrial Machinery Products Business				Material and Engineering Business	Other Businesses
		Plastic Production and processing machinery	Molding machines	Defense equipment	Electronic devices, etc.	Material and engineering	Photonics
Slowing Growth of the EV Market	- 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	- 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	○ → ▲					
	Demand for new equipment is increasing amid continued expansion of defense-related budgets			○ → ◎			
Changes in Energy Policy	- 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	Demand for thermal power generation, nuclear power generation, and energy storage systems (ESS) is increasing to secure computing resources	▲ → ○				○ → ◎	
	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		• 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		• 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		• 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.		• 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		• 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		• 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

Net Sales

400 billion yen

vs. Initial Plan

+5.3%

Operating Profit

40 billion yen

+8.1%

Operating Profit Margin

10.0%

+0.3PP

ROE

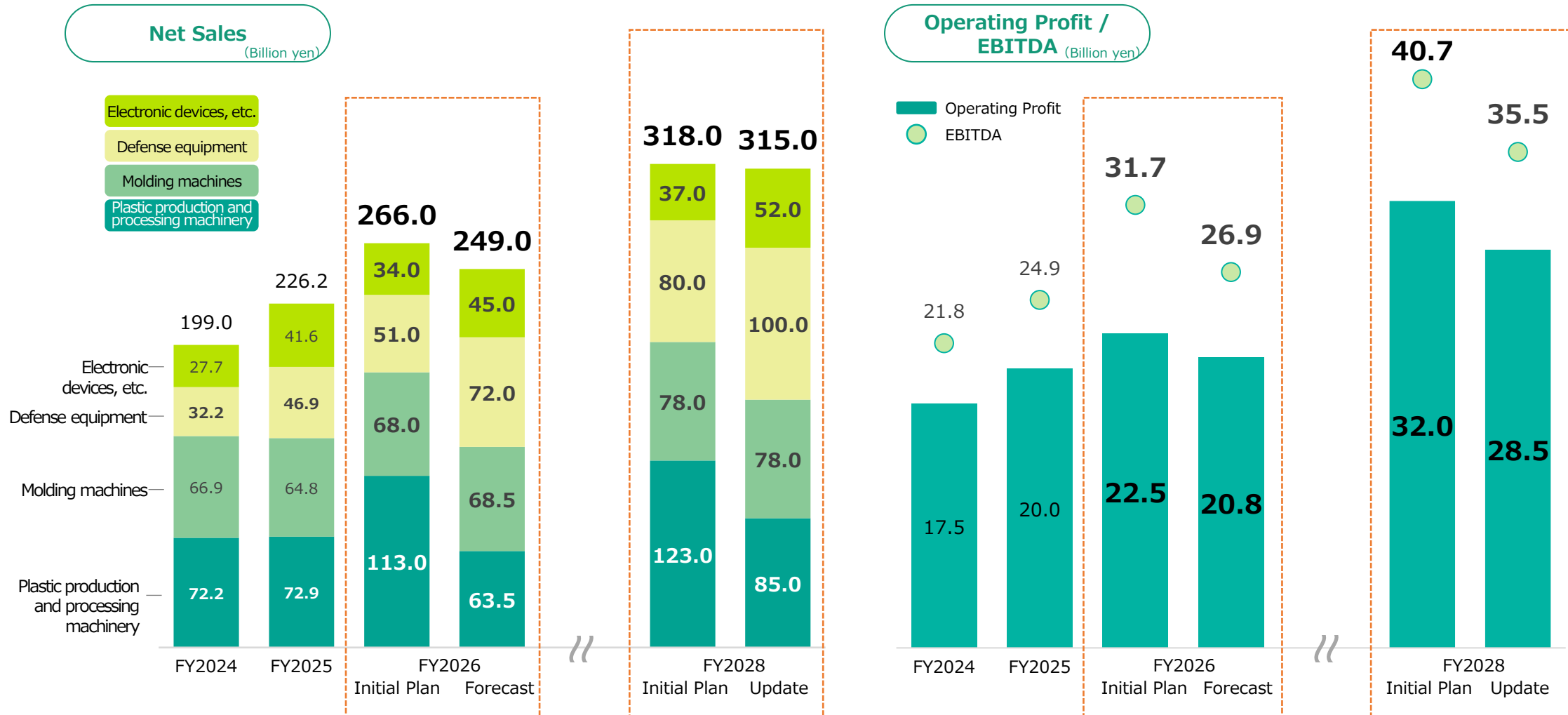
10-11%

—

	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

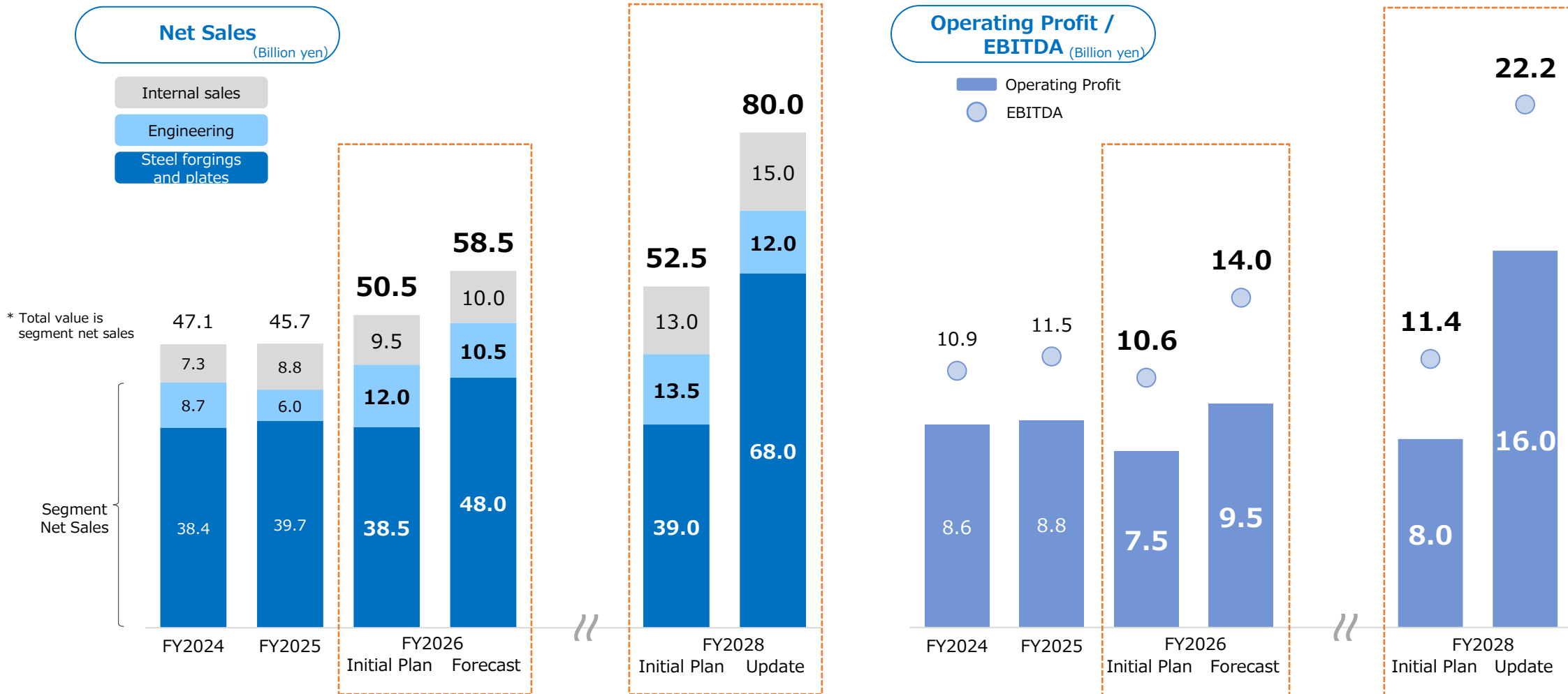
Updated Financial Targets (Industrial Machinery Products Business)

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



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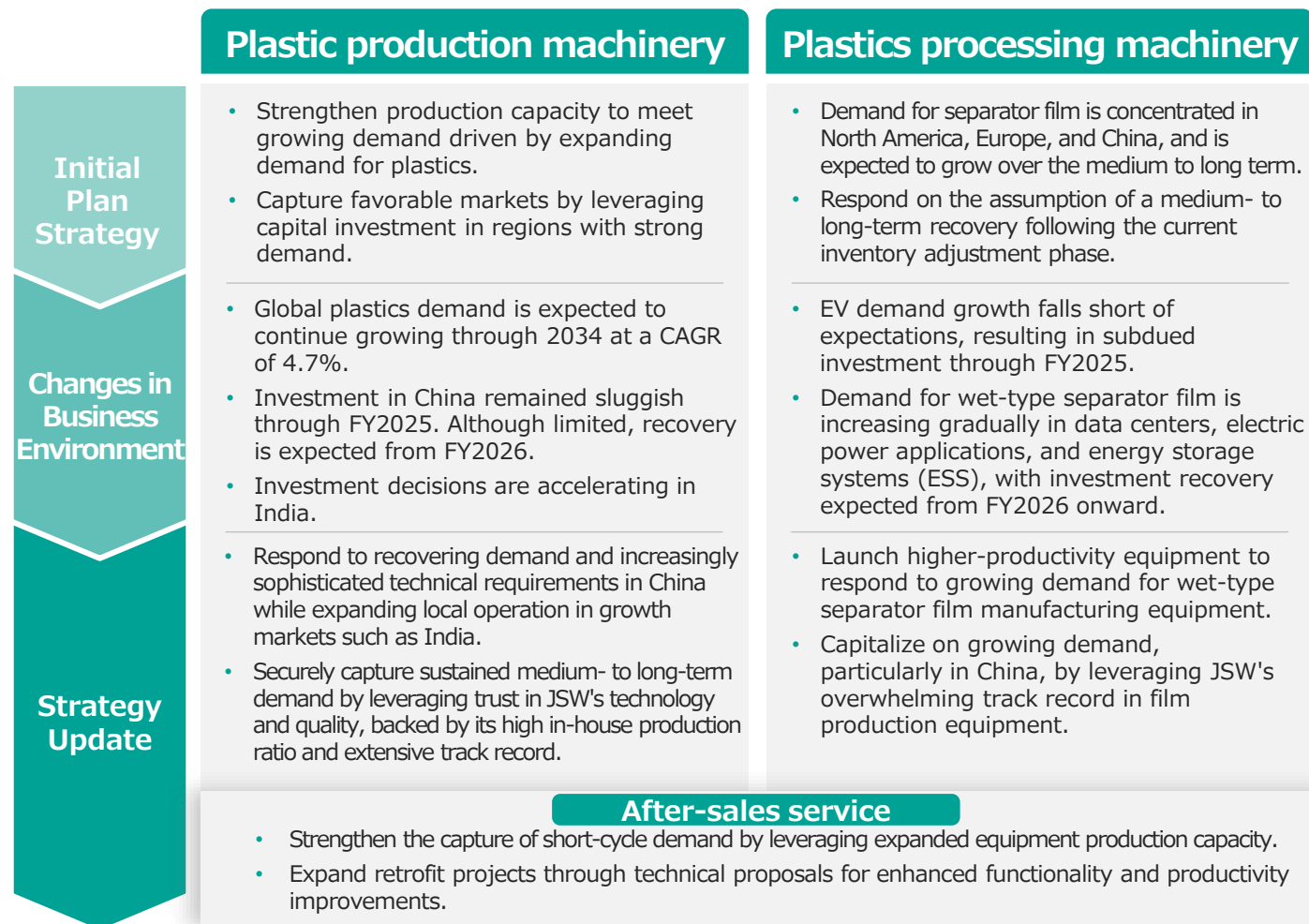
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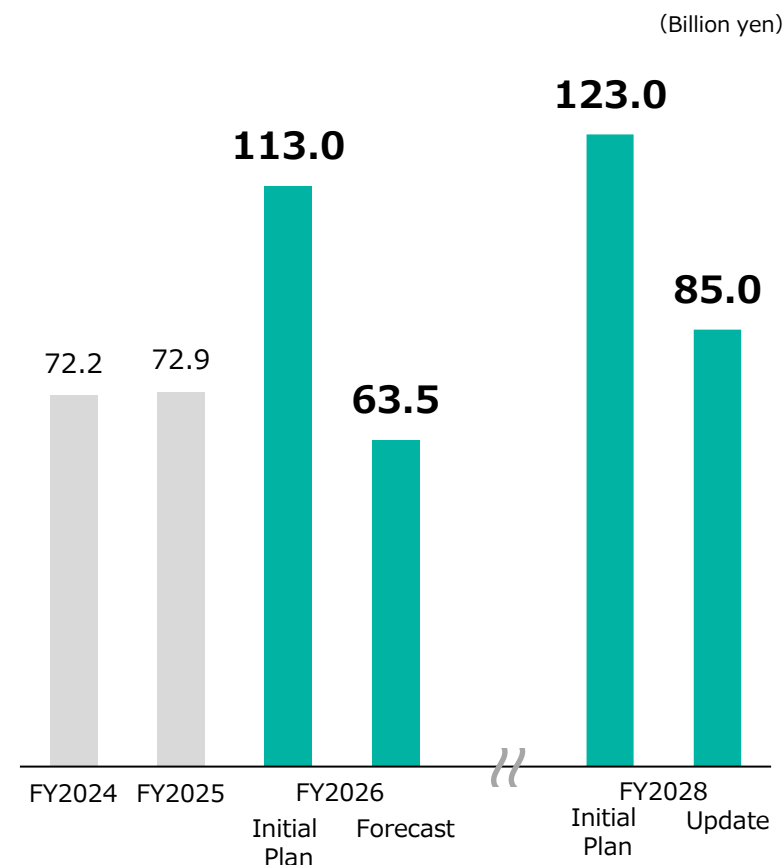
Plastic production and processing machinery

Update summary

Capture demand recovery and growth as well as strengthen profitability, paving the way for renewed growth in the next medium-term management plan



Trend in Sales



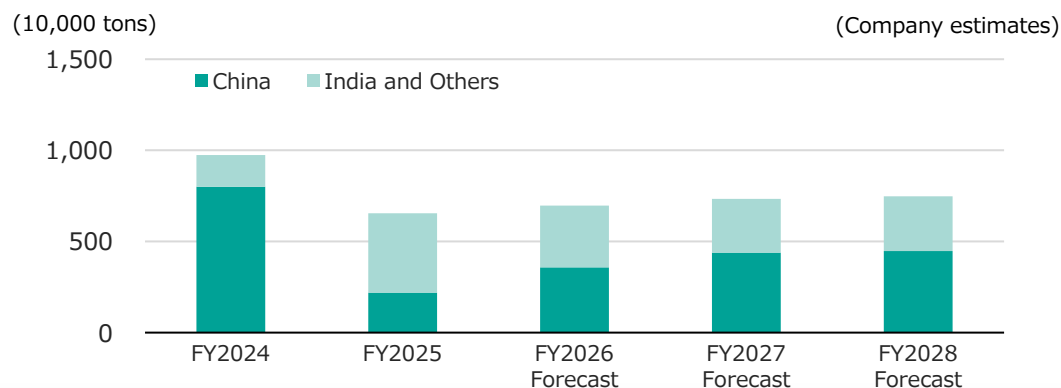
Plastic production machinery

Update

Strengthen local operations in key markets to capture sustained medium- to long-term demand

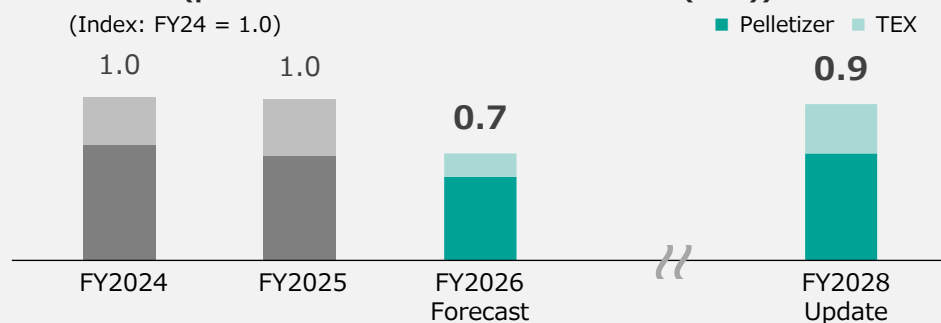
Market Environment for Plastic Production Machinery

Trend and forecast of polyolefin capacity investment decision



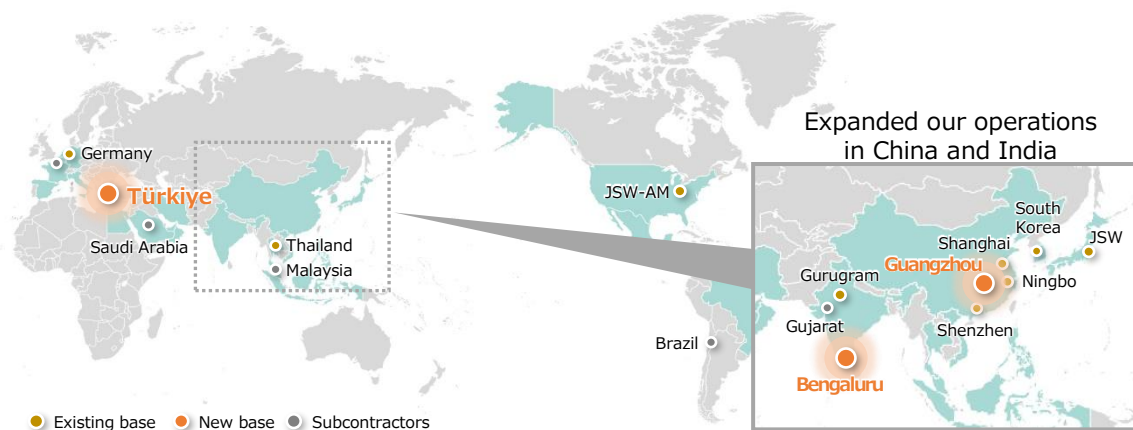
Trend and Forecast of After-sales Service Business Sales

Sales outlook for plastic production machinery (pelletizers + twin-screw extruders (TEX))



Capturing demand through regional strategies

- Investment is resuming in the Chinese market following the new Five-Year Plan. Technical requirements are becoming increasingly advanced as industries move toward higher added value and address environmental needs.
- In the Indian market, investment to expand production capacity for commodity plastics continues. Production expansion for high-performance plastics is also expected going forward.
- Fundamentally strengthen local operations by expanding sales structures in key markets and broadening partnerships with partner companies.



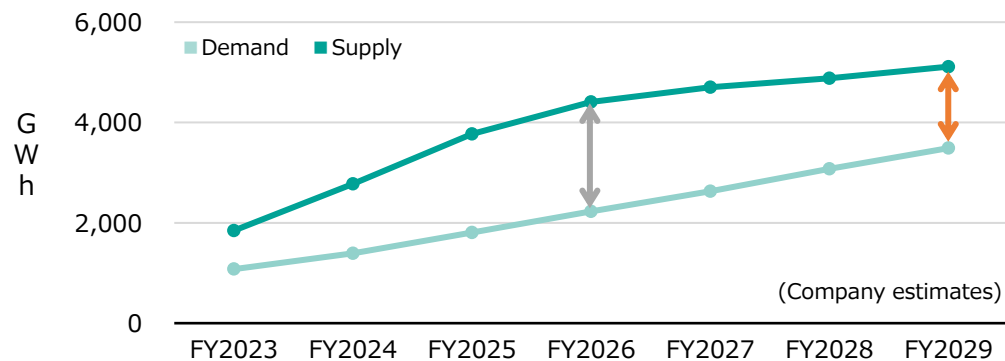
- Through the formulation and swift execution of regional strategies, capture long-term global demand for plastics.

Plastics processing machinery

Update

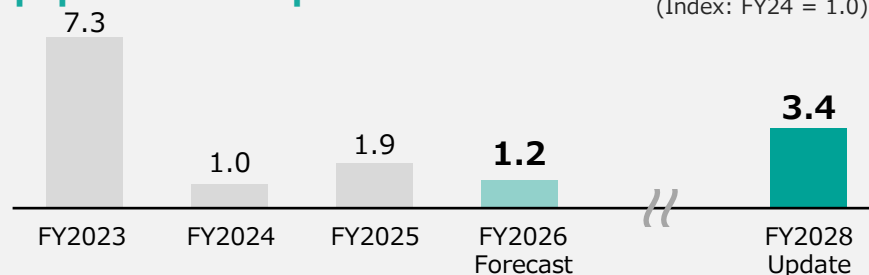
Capture demand by introducing higher-productivity equipment backed by JSW's proven track record

Trends in Battery Demand and Supply for EVs and Energy Storage Systems (ESS)



- Although EV demand has fallen short of expectations, widening the supply-demand gap for separator film manufacturing equipment, the gap is expected to begin narrowing as demand for ESS applications increases.

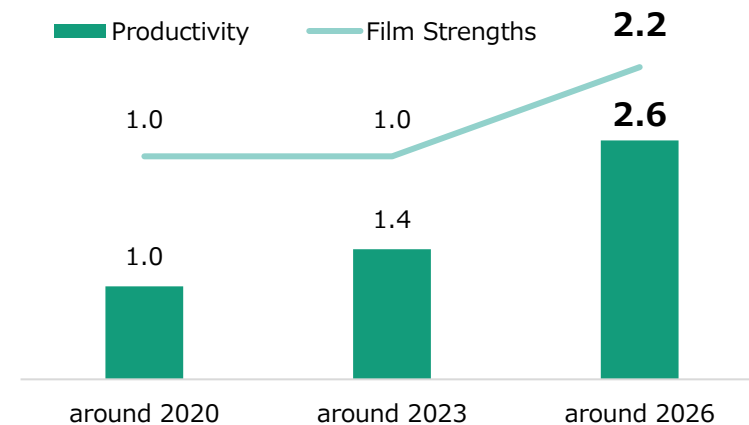
Trends in Sales of Film & Sheet Manufacturing Equipment for Separators



Capturing demand for ESS applications

- In addition to increasing EV sales, demand for energy storage systems (ESS) is rising for high-output infrastructure applications, including those for renewable energy power plants and power grids. Capital investment is expected to resume from FY2026.
- Respond through technological development capabilities to growing requirements for higher-strength and thinner films to improve the safety and energy density of storage batteries, as well as for greater film production efficiency.
- Capture expanding demand based on JSW's outstanding supply track record in high-quality separator film manufacturing equipment.

Trends in productivity and film strength of JSW's separator film manufacturing equipment

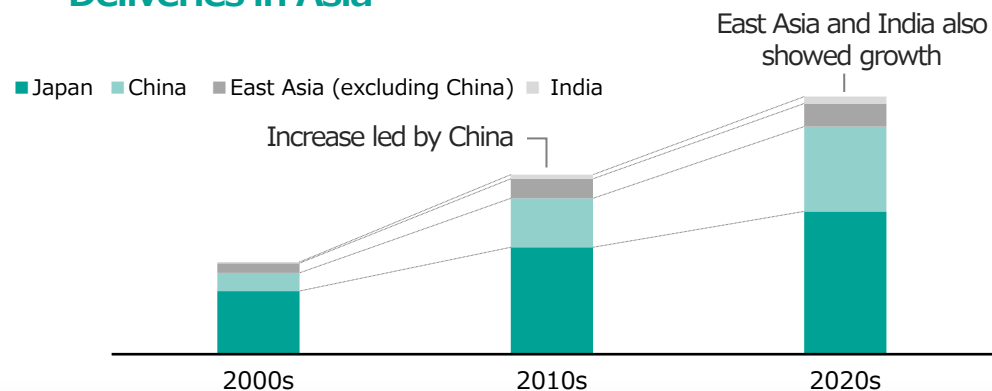


Plastic machinery after-sales service

Update

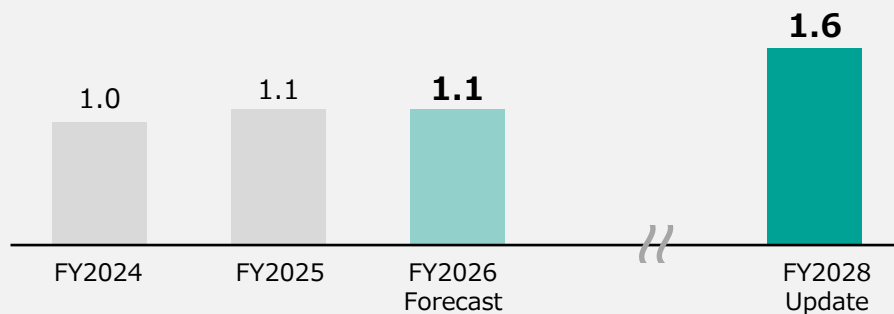
Expand the after-sales service business by leveraging enhanced production capacity through capital investment

Trend in Cumulative Plastic Production Machinery Deliveries in Asia



Trend and Forecast of After-Sales Service Business Sales

Sales outlook for the plastic machinery after-sales service business
(Index: FY24 = 1.0)



Responding to increasing installations and changing regional demand

- Established the Plastics Machinery Solutions Business Division in April 2026. Create a sales and service structure responsible for the after-sales service business for both plastic production and processing machinery.
- Respond to growing after-sales service demand resulting from the increasing number of JSW products in operation worldwide by leveraging the additional production capacity created through capital investment.

FY2025	FY2026		FY2027		FY2028	
H2	H1	H2	H1	H2	H1	H2
No. 3 Machining Shop		Completed and commenced operations in FY2025				
No. 4 Machining Shop		Construction and equipment installation			Scheduled to commence operations in FY2027 H1	



No. 3 Machining Shop, which has commenced operations (left and center)
No. 4 Machining Shop, currently under construction (right)

- Strengthen the after-sales service network and improve demand capture by increasing the deployment of JSW engineers and expanding local partnerships to capture growing demand in Asian markets, including China.
- Create demand for retrofits to existing machinery through retrofit proposals that deliver new value.

Molding machines

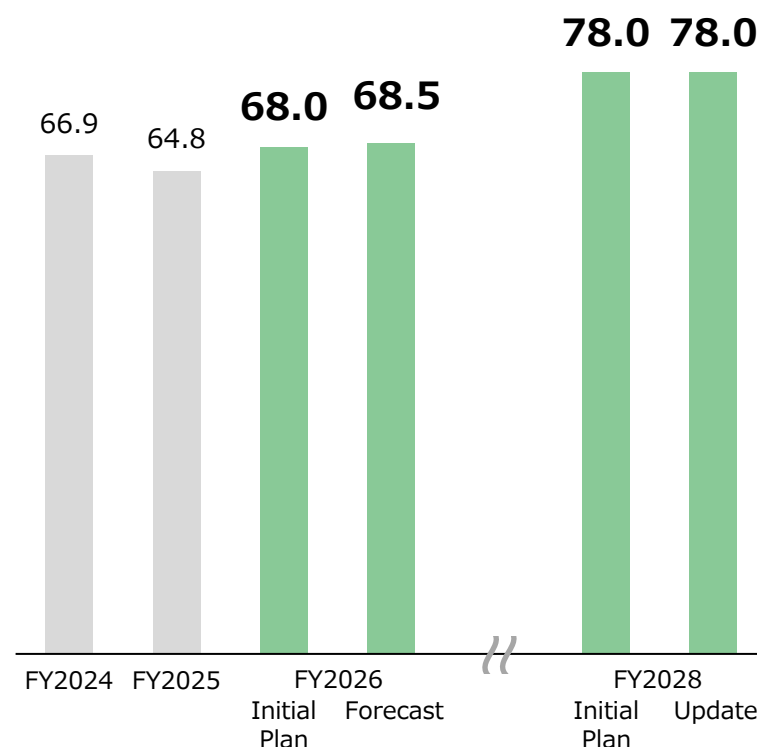
Update summary

Grow the business by accelerating the global expansion of plastic injection molding machines and introducing new magnesium injection molding machines

	Plastic	Magnesium
Initial Plan Strategy	Expand global market share by responding to electrification-related demand in Europe and strengthening JSW's presence and enhancing its sales and service network in India.	Launch new models that meet the automotive industry's growing demand for larger in-vehicle displays and lighter-weight components. Introduce region-specific models to address the expanding market.
Changes in Business Environment	- The Japanese market remains sluggish, particularly in the automotive sector, although a partial recovery is expected going forward. - The high-end machinery market in India continues to expand steadily.	- Although automotive-related investment remains sluggish, the use of magnesium molded products continues to expand steadily. - The use of magnesium is expected to expand in the field of physical AI.
Strategy Update	Drive business growth by responding to customer needs in Europe and accelerating demand capture through a stronger sales and service network in the growing Indian market, including the establishment of the Experience Centre and regional headquarters, thereby increasing global market share.	Leverage JSW's expertise as a pioneer in magnesium injection molding machines and its proprietary materials to offer precise, stable molding and long service life, while introducing new models for physical AI applications.

Trend in Sales

(Billion yen)



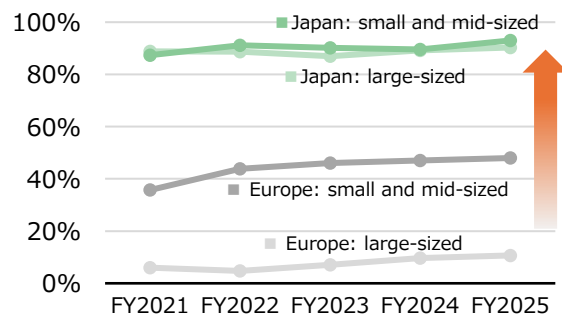
Molding machines: Plastic injection molding machine

Update

Increase global market share by expanding JSW's presence in Europe and capturing growing demand for high-end machinery in India

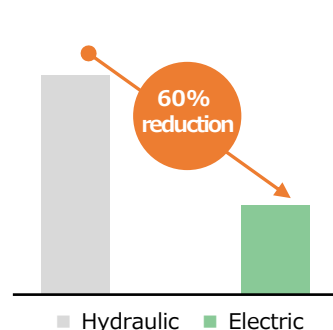
Increasing Adoption of Electric Injection Molding Machines in Europe

Electrification rate expected to increase
(Company estimates)



(Our trial calculation is based on the assumption of a large size electric machine.)

Power consumption [kWh/h]



Expanding global market share

- In Europe, the adoption of electric injection molding machines continues to increase. JSW will leverage its strength of having an assembly base in Poland to respond to customer needs and increase market share.
- In India, imports of electric machines offering excellent high-precision and stable molding performance are increasing in line with the Make in India policy. JSW will capture growing demand by establishing a headquarters for its India business in Bengaluru, enhancing its presence through the Experience Centre, and expanding local partners and distributors.
- Through customer support using **J-Wise** * and collaboration between remote services from Japan and local service personnel, JSW will improve customer satisfaction and trust in overseas markets and increase global market share.

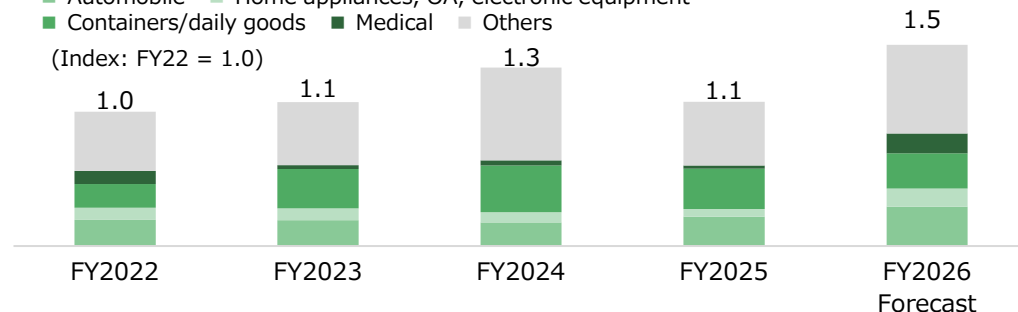
***J-Wise** is an IoT solution that supports customers in shifting to smart factories. It consists of Production Control, Service/Maintenance, Operation Support, and a Production Automation System.

Increasing Imports of Japanese Injection Molding Machines in India

Import outlook of Japanese injection molding machines in the Indian market

■ Automobile ■ Home appliances, OA, electronic equipment
■ Containers/daily goods ■ Medical ■ Others

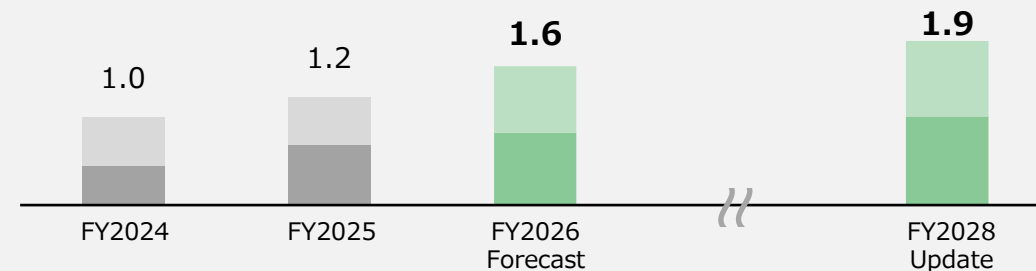
(Index: FY22 = 1.0)



Sales Performance and Forecasts for Europe and India

■ Europe ■ India

(Index: FY24 = 1.0)



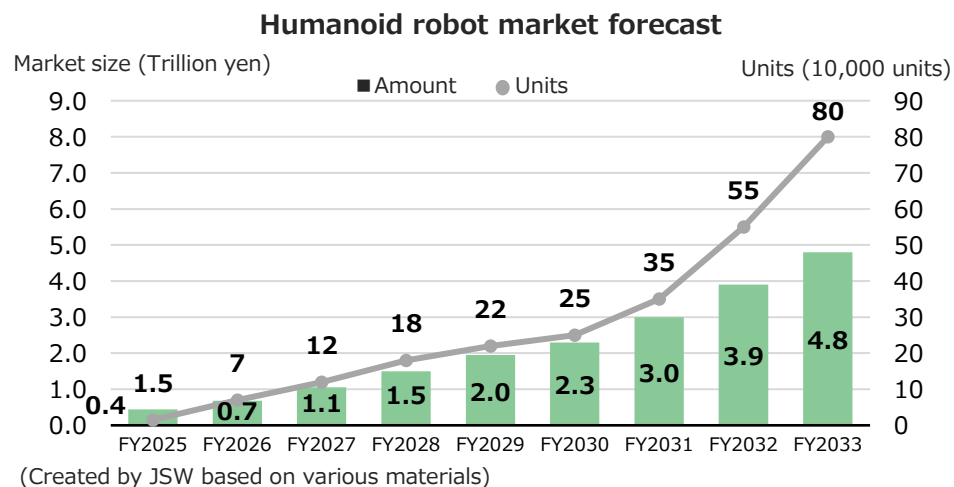
Europe: Includes Türkiye, Morocco, North Africa, and Russia

Molding machines: Magnesium injection molding machine

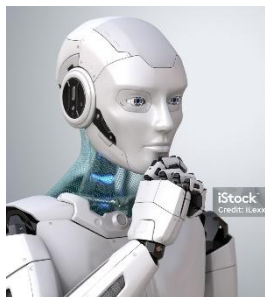
Update

Develop new machines for physical AI applications to capture growing demand for precision, high-rigidity components in emerging fields

Humanoid Robot Market Forecast



Required Characteristics for Physical AI Components



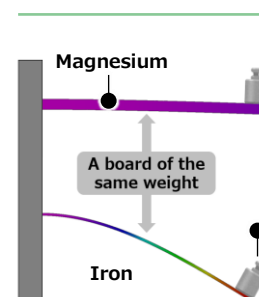
- Lightweight and high rigidity**
 Reduced power consumption and agility are required.
- Precision molding capability**
 Because these components are used in joints and other moving parts, extremely high molding accuracy is required.

Develop and launch new machines to meet emerging demand

- Magnesium alloy injection molding enables the precision molding of thin-walled parts and offers superior dimensional accuracy compared with the die-casting process.
- Leveraging the materials technology of the Muroran Plant and the metalworking technology of the Hiroshima Plant, JSW has developed cylinder and screw components with an exceptionally long service life. Drawing on its accumulated technical expertise and the magnesium molding know-how of its Group company, JSW plans to launch a compact, precision injection molding machine for physical AI applications in FY2026.
- In addition to growing adoption in the automotive sector, JSW aims to expand the business by addressing broader applications, including demand related to physical AI.

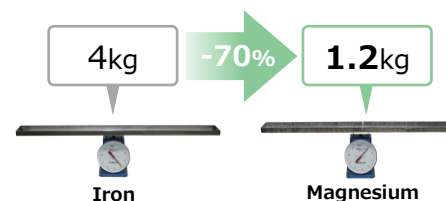
Advantages of Magnesium Injection-Molded Products for Physical AI Applications

Rigidity: Higher than iron



Weight: Lighter than iron

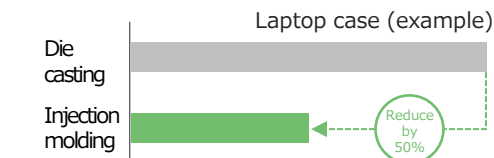
Weight comparison with same dimensions (long tray sample)



Dimensional accuracy: Higher than die casting

Magnesium injection molding minimizes warpage, resulting in higher dimensional accuracy

Error from reference dimension

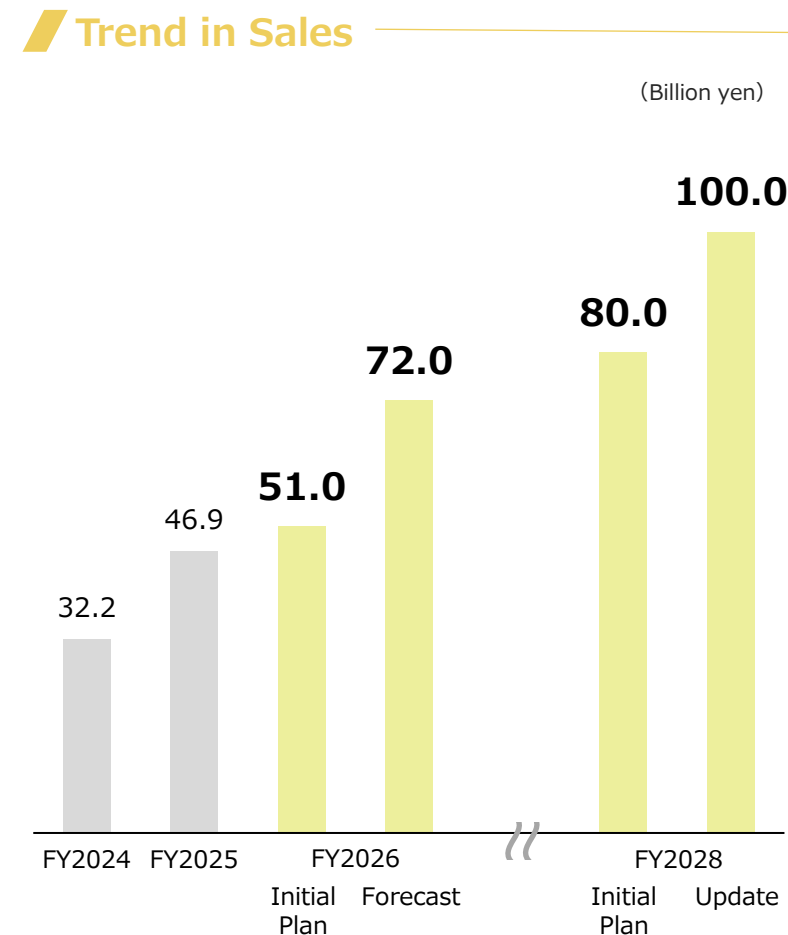
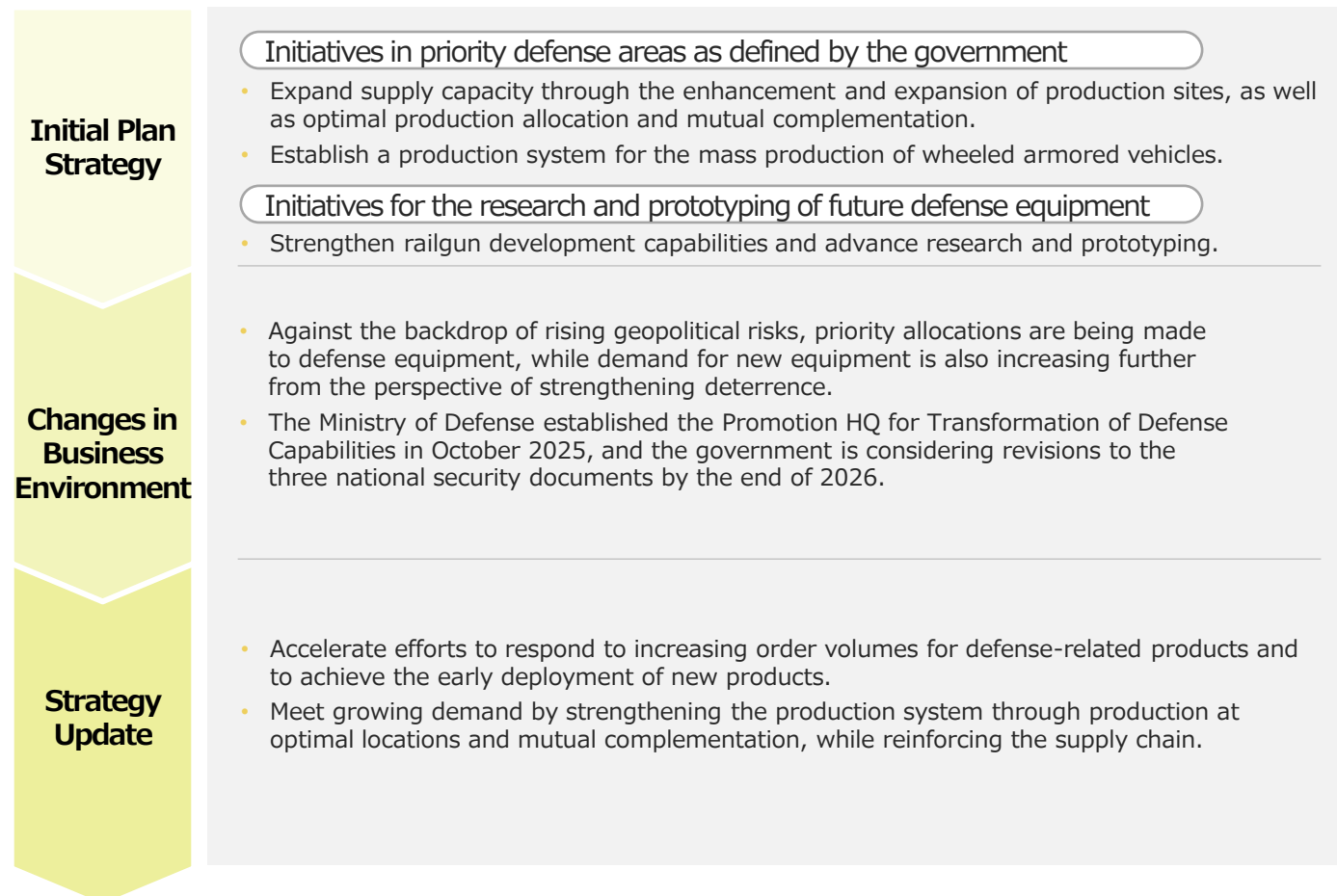


Dimensional tolerances in injection molding can be kept to approximately half those of die casting.

Defense equipment

Update summary

Steadily strengthen the production system to meet growing demand and contribute to Japan's national security strategy

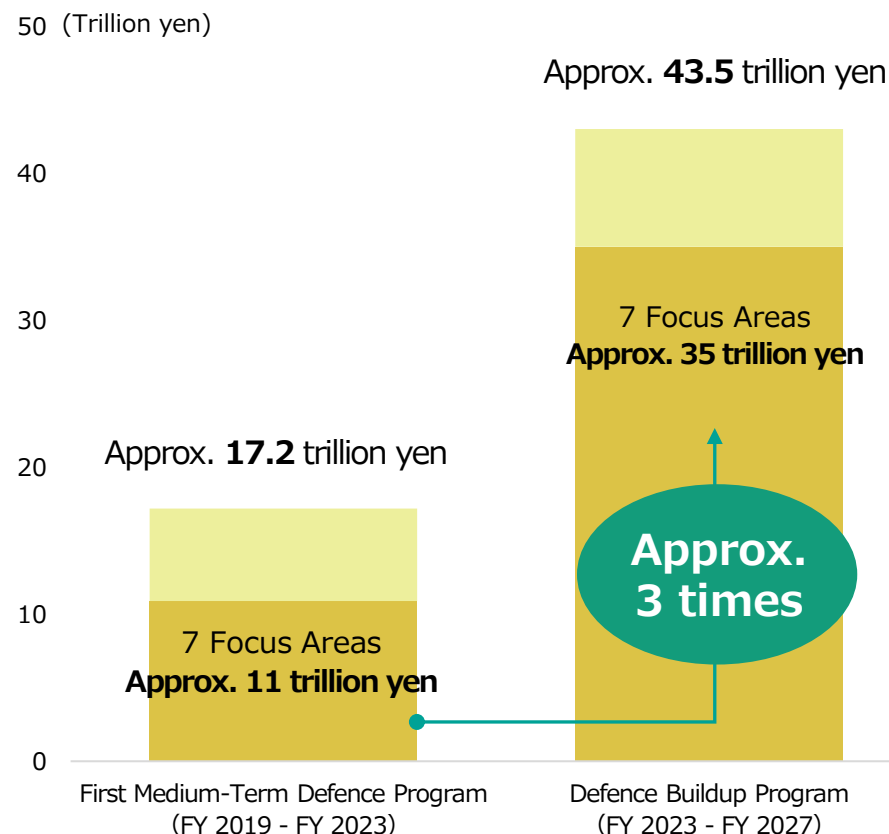


Defense equipment

Update

Meeting increased contract volumes for defense-related products and accelerating the deployment of next-generation products

Expansion of the Defense Buildup Program (material expenses): No change from the initial plan



Responding to increased contract volumes

- Against the backdrop of rising geopolitical risks, budget allocations for strengthening stand-off defense capabilities have increased among the government's priority defense areas, driving growing demand for missile-related products. To support increased production of missile canisters, JSW has established a labor-saving, automated production line, enabling higher production volumes and shorter delivery times.
- Wheeled Armored Vehicle (Personnel Carrier) JSW delivered the first wheeled armored vehicle in September 2025 and has continued production since then.
- Manufacturing in Optimal Locations and Mutual Complementation Meet growing demand by strengthening production systems across manufacturing sites and reinforcing the supply chain.



Missile canisters
(Photo: Type 12 Surface-to-Ship Missile launcher)
(Source: JGSDF website)



Wheeled armored vehicles
(Personnel Carrier)

Accelerating the deployment of next-generation products

- Strengthen the development and proposal of next-generation products, including variants of the wheeled armored vehicle.
- Accelerate the development of future defense equipment.



Prototype railgun
(Source: Ground Systems Research Center website)

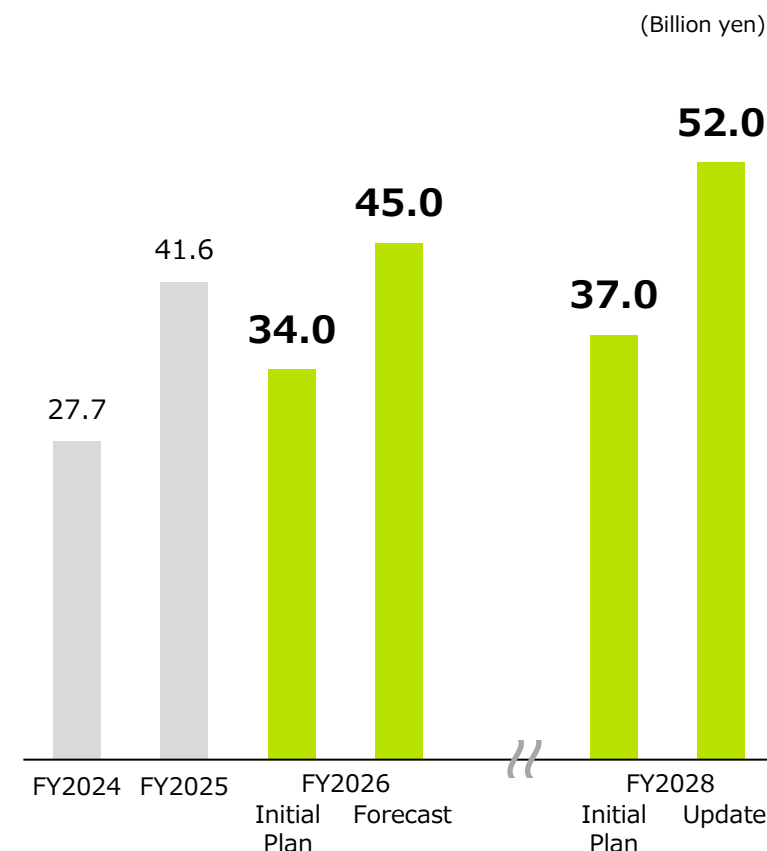
Electronic devices, etc.

Update summary

Expand and stabilize the business by increasing production capacity for FPD applications and capturing growth in AI server applications

Main Products	ELA	Press machine	Laminator
Initial Plan Strategy	- Introduce equipment compatible with Gen 8 (G8) substrates to increase market share. - Develop equipment for power semiconductors and enter the market.	Expand into overseas markets where demand for printed circuit boards (PCBs) is expected to grow.	Introduce new machines for the expanding data center market, where demand for semiconductor package substrates is increasing.
Changes in Business Environment	OLED panel demand has grown beyond expectations and is expected to remain strong over the medium term.	Demand for larger PCBs for data centers is growing, with production expanding in India as well as China.	Customer evaluation and supplier selection for the mass production of next-generation package substrates are underway using JSW's new test machine.
Strategy Update	- Expand orders for F-ELA equipment by leveraging its outstanding productivity and drive growth in the after-sales service business. - Expand and enhance production facilities to meet growing demand for larger products.	Introduce presses for larger high-multilayer PCBs, leveraging JSW's proven track record of supplying leading manufacturers to capture demand in emerging markets.	Leverage the positive evaluation of the test machine to secure orders from leading suppliers of next-generation package substrates.

Trend in Sales



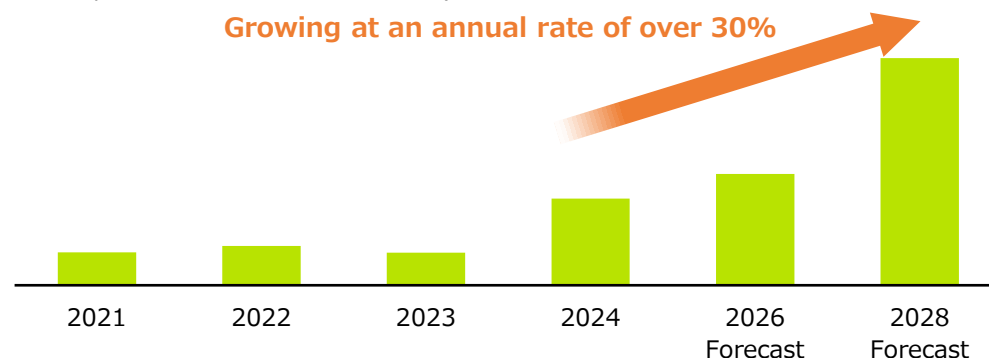
Electronic devices, etc.

Update

Expand production capacity for F-ELA equipment to increase equipment orders and grow the after-sales service business

OLED Panel Demand Forecast for Tablets and Notebooks (by Volume)

(Created by JSW based on various materials)



- Demand for OLED panels for tablets, notebook PCs, and other devices remains on an upward trend, including replacement of LCDs, with annual growth of over 30% expected. Display manufacturers, particularly in China, continue to invest in expanding production of G8 panels and other products.
- Laser annealing equipment (F-ELA) that applies a float-type transfer system received orders for multiple units for the world's first G8 OLED panel manufacturing project in FY2023, backed by its overwhelmingly high productivity. Since then, JSW has continued to receive F-ELA orders from multiple customers, making it the de facto standard for G8 OLED ELA equipment.
- The after-sales service business is also expanding as continued adoption by leading industry companies increases the installed base.

Expand cleanroom facilities to strengthen supply capabilities



F-ELA equipment for G8 OLED panels



New cleanroom building (CG rendering)

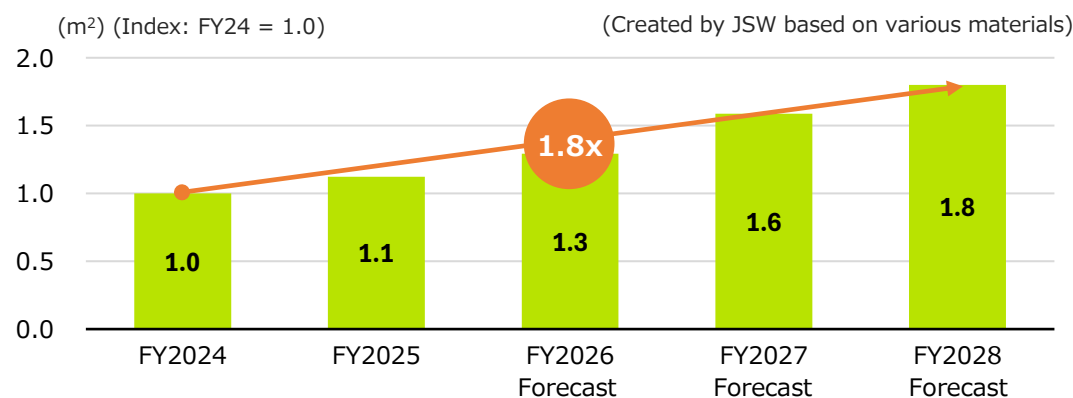
- To accommodate growing demand and larger ELA equipment, JSW will expand its existing cleanroom and has decided to construct a new large-scale cleanroom, scheduled to begin operations in FY2027. This will establish a production system capable of responding more flexibly to customers' delivery schedule requirements.

Electronic devices, etc.

Update

Expand orders by developing equipment to meet market demands

Forecast for the High-Multilayer PCB Market for AI Data Centers



- Demand for high-multilayer printed circuit boards (PCBs) for data centers continues to increase and is expected to grow to 1.8 times the FY2024 level in FY2028.
- JSW developed and launched Japan's first domestically produced hot press machine in 1943, a press machine for PCBs in 1980, and a press machine for CCLs in 2001.
- PCBs for data centers are becoming higher-layer-count and larger. JSW has supported larger high-multilayer PCBs since 2005.

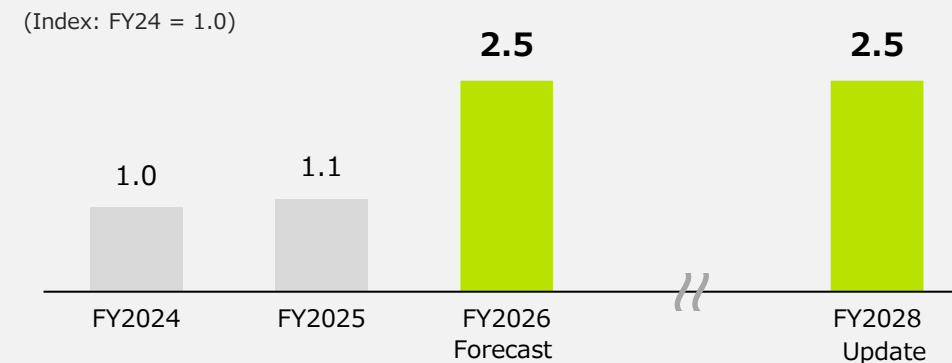
Introduce presses for larger substrates and higher flatness



Vacuum Hot Press Machine for High-Multilayer PCB

- To improve the productivity of high-multilayer PCBs, JSW is promoting multi-stage type hot presses compatible with larger substrates.
- JSW will strengthen its mass production capabilities at the Meiki Plant to meet growing demand.

Outlook for Press Machines for High-Multilayer PCBs



Steel forgings and plates

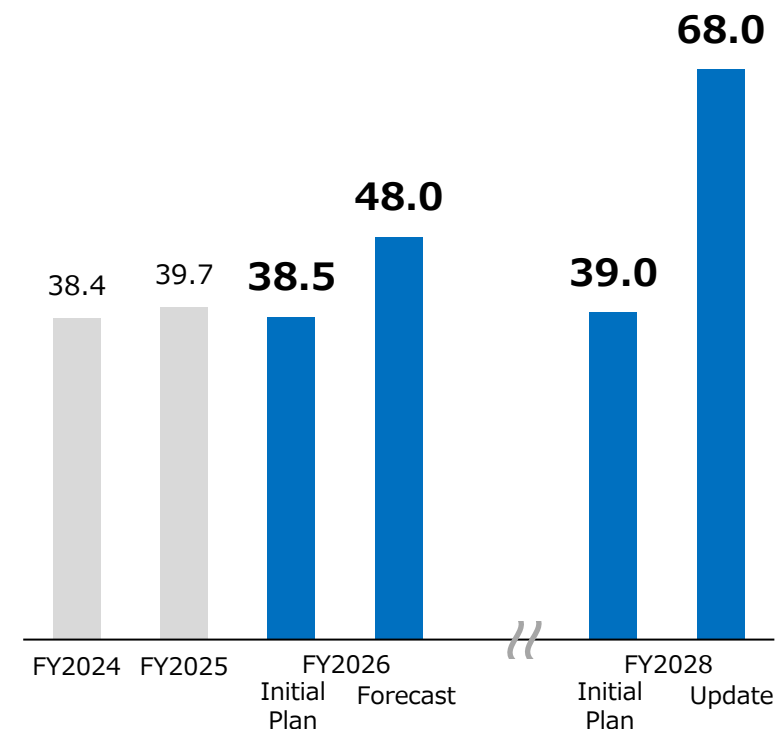
Update summary

Decide to expand production capacity for both power generation and nuclear power products to meet long-term demand growth

Main Products	Power generation	Nuclear energy
Initial Plan Strategy	- From the perspectives of decarbonization and energy security, demand for nuclear power generation and high-efficiency thermal power generation is expected to continue over the long term. - Maintain production capacity and improve production efficiency through investment in the renewal of aging core production facilities, thereby enhancing profitability.	
Changes in Business Environment	- Against the backdrop of growing electricity demand from data centers, demand for rotor shafts for high-efficiency thermal power generation, including gas turbine combined cycle (GTCC) systems, has surged and continues to significantly exceed the assumptions of the Medium-Term Management Plan. - Demand for nuclear power generation also remains strong for both new construction and replacement projects.	- While large-scale nuclear power plant construction projects continue to progress steadily, mainly in Western Europe, projects in Eastern Europe as well as the United States are becoming increasingly viable, driving market expansion. - SMR construction projects, particularly in the United States, are taking shape, increasing the importance of the supply chain.
Strategy Update	Increase production capacity by 1.5 times to meet robust demand for large, heat-resistant rotor shafts.	Double production capacity for nuclear power products by FY2028.

Trend in Sales

(Billion yen)

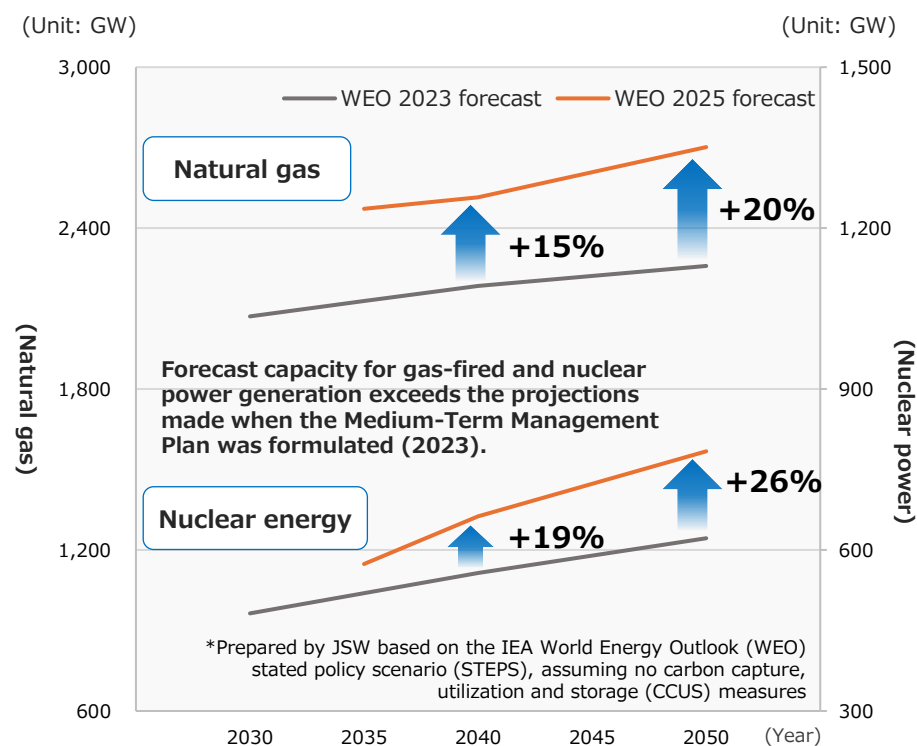


Steel forgings and plates: Electric power products

Update

Expand production capacity by 50% to meet growing electricity demand

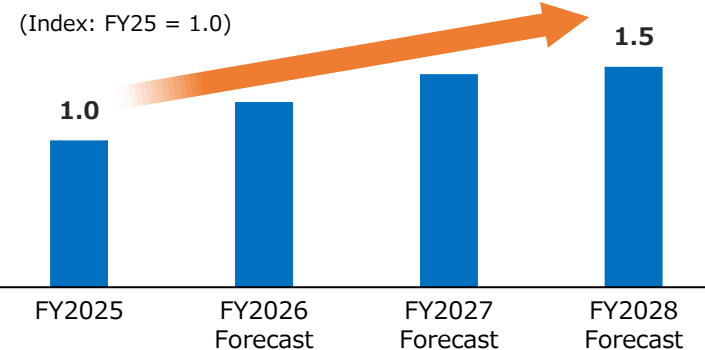
Forecast of Global Power Generation Capacity



Steadily executing investment to expand production capacity

- Demand for rotor shafts for high-efficiency thermal power generation, including gas turbine combined cycle (GTCC) systems, has increased significantly. High levels of demand are also expected to continue over the long term for both new construction and replacement projects in nuclear power.
- Capital investment to meet this long-term growth in demand is progressing steadily, and JSW will steadily advance the plan to increase production capacity in FY2028 to 1.5 times the FY2025 level.

Outlook for rotor shaft demand (delivery volume basis)



Manipulator
(operation commenced in April 2026)

Steel forgings and plates: Nuclear power products

Update

Double production capacity to meet market expansion and long-term demand growth

Market Trends for Nuclear Power Products

- Large-scale nuclear reactor construction projects in the U.K. and France continue to progress steadily. Nuclear power projects in European countries such as Poland and Bulgaria are also advancing steadily.
- In the U.S., plans for new large-scale nuclear reactors are moving forward. SMR construction projects are also taking shape, highlighting the growing importance of the nuclear supply chain.
- In Japan, demand remains strong for cask components used for the transportation and storage of spent nuclear fuel.
- Maintain close dialogue with customers to prepare for medium- to long-term demand growth.



Visit by Framatome CEO Bernard Fontana
(Muranoran Plant, April 2025)

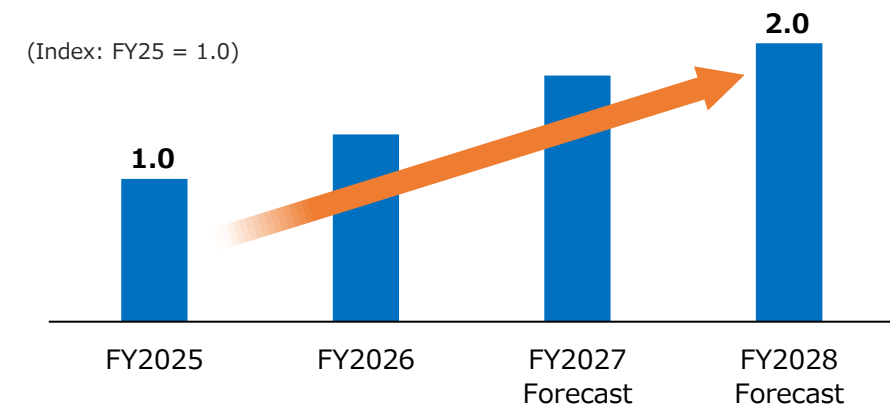


Signed a memorandum of understanding (MOU) with
GE Vernova Hitachi Nuclear Energy regarding BWRX-300
(April 2026)

Strengthening production capabilities to meet growing demand

- To respond to market expansion and long-term demand growth, JSW is increasing its workforce and improving productivity to maximize the utilization of existing facilities and production capacity. JSW plans to double production capacity for nuclear power products by FY2028 compared with the current level.
- In anticipation of further demand growth, JSW is also promoting labor-saving and automation initiatives, primarily in machining and inspection processes, including the introduction of a five-face machining center.

Outlook for nuclear power product production capacity (volume basis)



Engineering, etc.: Copper alloys

Update

Build a supply system to meet growing demand for high-performance copper alloys

Establishment of Muroran Copper Alloy Co., Ltd.

- Muroran Copper Alloy Co., Ltd., a joint venture with JX Advanced Metals Corporation, was established at the Muroran Plant in 2019.
- By combining the steel and copper alloy melting and casting technologies cultivated by the two companies, Muroran Copper Alloy has established a supply system for high-quality copper alloy ingots, including titanium copper.
- Through its materials technologies, the Company supports data centers and next-generation communications infrastructure, contributing to the development of the advanced information society.

Company name	Muroran Copper Alloy Co., Ltd.
Location	The Japan Steel Works Muroran Plant
Business	Melting and casting of copper alloys
Established	August 1, 2019
Equity ownership	The Japan Steel Works, Ltd.: 51%; JX Advanced Metals Corporation: 49%

Establishing a stable supply system for titanium copper with state-of-the-art facilities

- As demand for thermal management solutions increases with the higher performance of servers for data centers, the use of titanium copper, which offers excellent high-temperature heat resistance, is expanding in critical internal server components and connectors.
- Leveraging new state-of-the-art facilities incorporating advanced technologies, the company has established a stable supply system for high-quality copper alloy ingots. The Company will continue to maximize production to meet strong demand.



Titanium copper is used in connectors and other components on server circuit boards

Photonics (GaN, LN, Synthetic quartz)

Update summary

Put the business on track as a new business and make it a core business for the future

Initial Plan Strategy

- For gallium nitride (GaN), targeting applications such as laser diodes (LDs) and high-frequency devices, JSW has established mass-production technology for large single crystals using its proprietary low-pressure acidic ammonothermal method with autoclaves.
- For lithium niobate (LN), JSW has developed materials for optical communication substrates, optical modulator substrates, and various bonded substrates, while establishing a production system and achieving mass production.

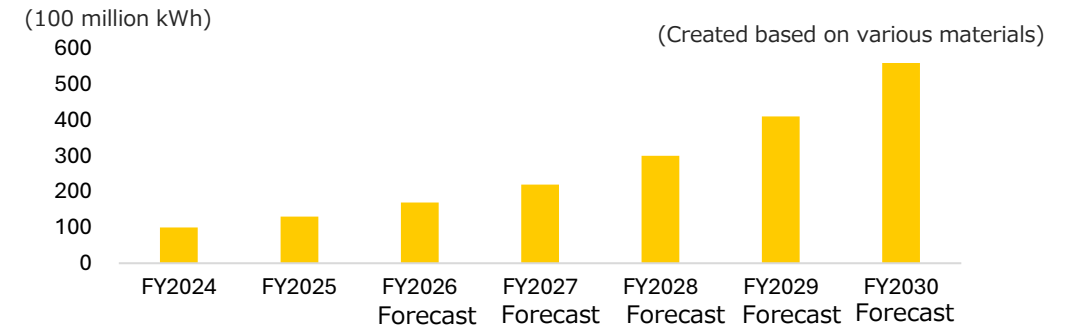
Changes in Business Environment

- Commercialization efforts for GaN are advancing across applications including LDs, high-frequency devices, and power devices. In particular, expectations are growing for enabling smaller and higher efficient power supplies for data centers.
- Development of LN is progressing, albeit more slowly than initially expected, for application in optical communication devices designed to increase transmission capacity, support higher speed communications, and reduce power consumption in data centers.

Strategy Update

- Established Photonics Office to transition to the commercialization phase.
- Accelerate the mass production and customer evaluation of low-defect GaN crystals. Advance technology development and customer evaluation for LN.
- Centered on GaN, LN, and synthetic quartz crystals, aim to establish a photonics business that supports data centers and next-generation communications infrastructure.

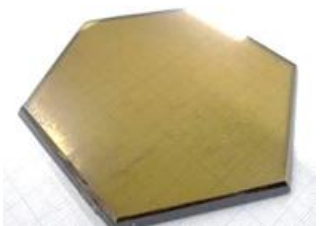
Forecast of Electricity Demand from AI Data Centers



- Electricity demand is expected to increase as the rapid adoption of AI drives the construction and expansion of data centers.

Toward the establishment of the photonics business

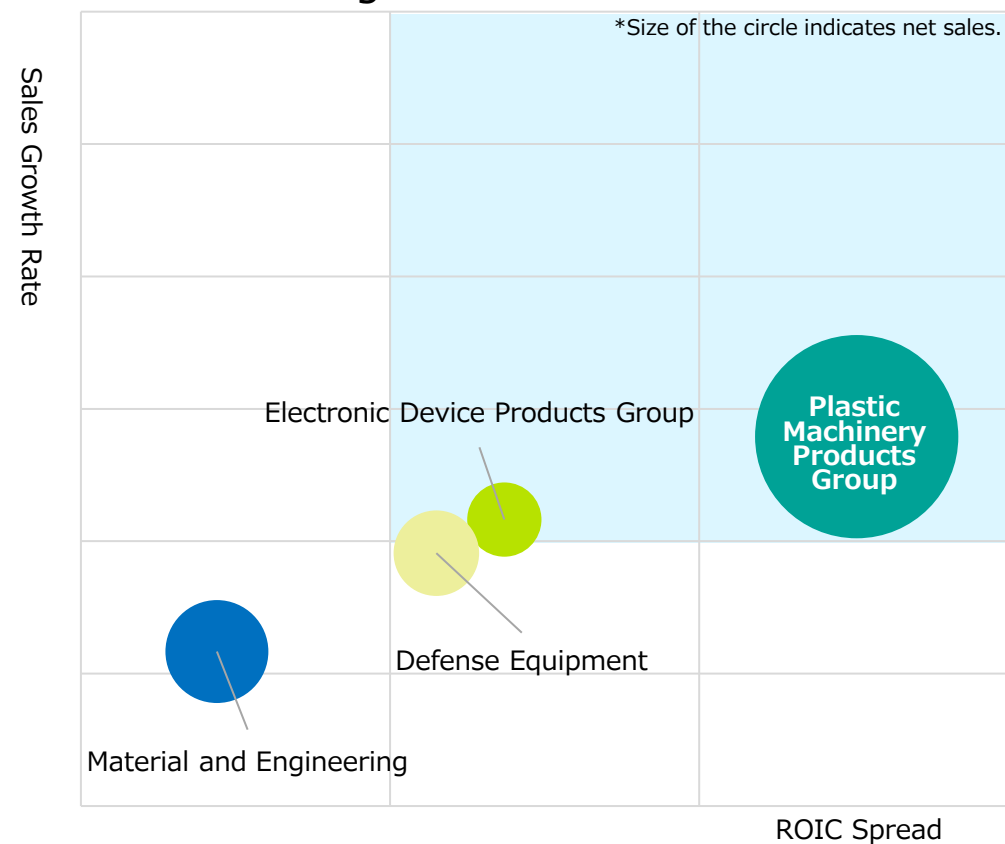
- JSW is establishing a production system for the mass production of low-defect GaN crystals using its proprietary low-pressure acidic ammonothermal method.
- Demand for LN crystals is increasing as demand for optical modulators for data centers continues to grow. JSW is expanding production capacity for LN crystals.
- Sample shipments of both GaN and LN continue to increase as device manufacturers conduct sample evaluations.



Gallium nitride (GaN) crystal

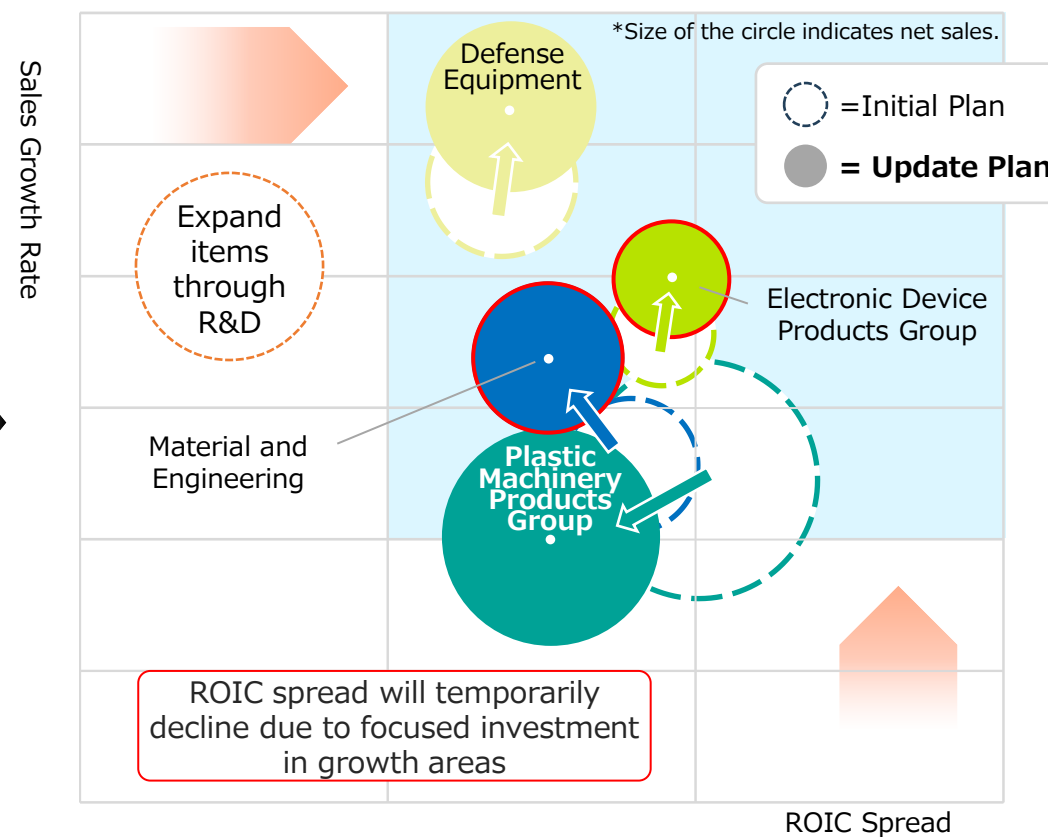
Achieve both focused investment in growth areas, including defense and materials products, and higher ROE

Average of FY2021 to FY2022



FY2028 Plan

Update



Plastic Machinery Products Group

Industrial Machinery Segment (plastic manufacturing and processing machinery, molding machines)

Defense Equipment

Industrial Machinery Segment (defense equipment)

Electronic Device Products Group

Industrial Machinery Segment (electronic devices, etc.) + Other Businesses Segment

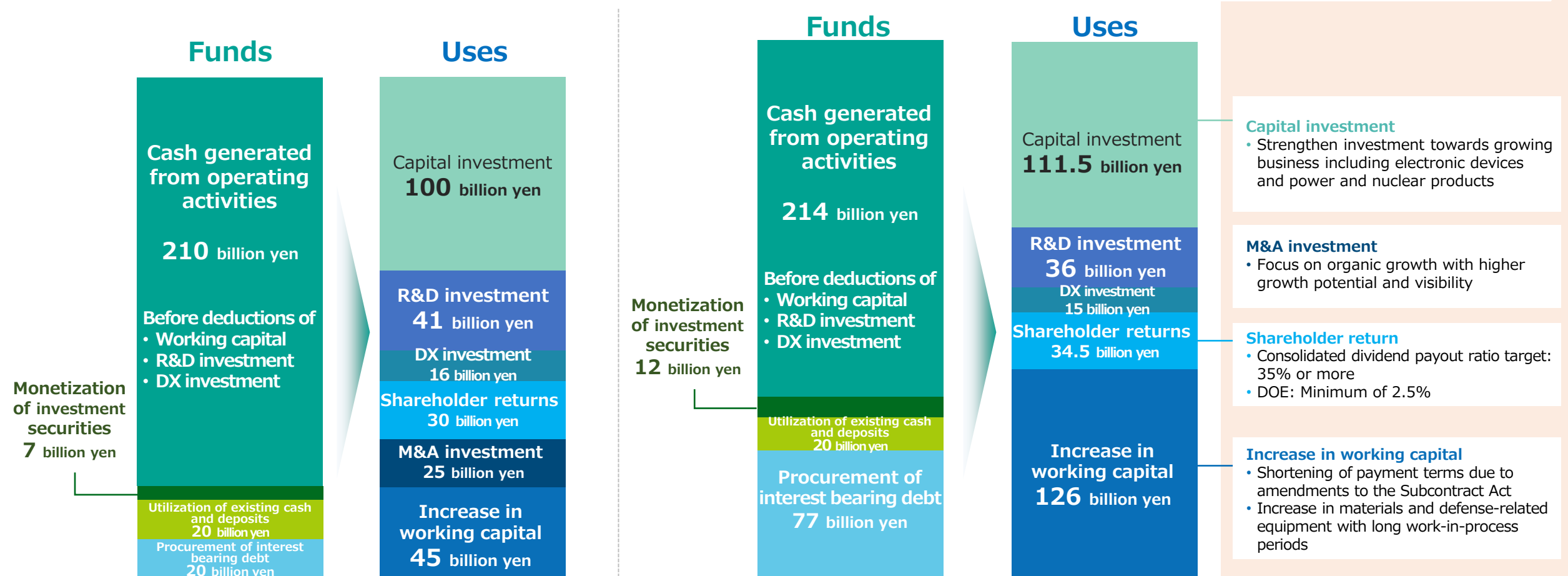
Material and Engineering

Material and Engineering Segment

Enhance growth investments while securing working capital to support business growth

Initial plan (cumulative): 257.0 billion yen

Updated plan (cumulative): 323.0 billion yen



Financial Soundness

Despite an increase in interest-bearing debt financing compared with the initial plan, financial soundness will be maintained

*Figures are as of the end of March of each fiscal year.

(Billion yen)	FY2023	FY2024	FY2025	FY2026 Forecast	FY2027 Update	FY2028 Update
Interest bearing debt	43.6	43.5	88.3	112.0	136.2	120.6
Net interest bearing debt	(53.9)	(32.3)	10.5	50.2	68.8	43.1
Net D/E ratio (times)	(0.30)	(0.17)	0.05	0.22	0.29	0.17
Equity	176.9	193.2	212.4	224.6	239.2	258.0
Equity ratio	48.3%	48.5%	49.4%	46.7%	45.8%	47.5%

Following a temporary increase in leverage due to growth investment, JSW will transition to an improvement phase for its financial position as cash generation recovers

Temporary increase in financial burden due to growth investment

- Against the backdrop of expanding demand for defense equipment, working capital and capital investment needs will increase from FY2023 onward, rising to a maximum of 136.2 billion yen in FY2027. The net D/E ratio will also rise to 0.29 times.

Foundation remains stable through steady accumulation of equity capital

- Equity will increase from 176.9 billion yen in FY2023 to 258.0 billion yen in FY2028, continuously strengthening the financial foundation. The equity ratio will also be maintained at around 45% or higher, ensuring financial soundness.

Leverage to improve toward FY2028

- Compared with FY2023 to FY2027, sales growth in defense equipment will moderate, while proactive acquisition of advance payments and other measures are expected to reduce net interest-bearing debt from 68.8 billion yen in FY2027 to 43.1 billion yen in FY2028. The net D/E ratio will improve to 0.17 times.

A conceptual image featuring a hand holding a glowing, digital globe. The globe is composed of a mesh of white lines and dots, representing a network or data structure. The globe is illuminated from within, creating a bright, warm glow. The background is a soft, out-of-focus blue sky with a body of water and distant trees. The overall aesthetic is futuristic and technological.

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