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(Stock Exchange Code 5631)
June 6, 2022

To Shareholders with Voting Rights:

Toshio Matsuo
Representative Director & President
The Japan Steel Works, Ltd.
11-1, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan

NOTICE OF THE 96TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

Please be informed that the 96th Annual General Meeting of Shareholders of The Japan Steel Works, Ltd. (the “Company”) will be held for the purposes as described below.

In light of the situation of concern over the novel coronavirus infection, to ensure the safety and to prevent the spread of the infection, we would like to ask our shareholders to consider exercising your voting rights in advance in writing or via the Internet, etc. wherever possible, by 5:00 p.m. on Thursday, June 23, 2022, Japan time.

For shareholders who are attending the meeting, please be mindful of your physical condition. For those who are of an advanced age, have underlying disease, or are not feeling well, please consider refraining from attending the meeting. We ask your cooperation to prevent infection to yourself and to other shareholders through preventive measures at the venue such as constantly wearing a face mask.

Upon oncoming situation, we may make revisions to the operation of the meeting such as shortening the meeting time and limiting the number of shareholders to be accommodated. We appreciate your kind understanding and cooperation.

- 1. Date and Time:** Friday, June 24, 2022, at 10:00 a.m. Japan time
(The reception desk opens at 9 a.m.)
- 2. Place:** Gate City Hall at West Tower B1, Gate City Ohsaki, located at
11-1, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company’s 96th Fiscal Year (April 1, 2021–March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 96th Fiscal Year (April 1, 2021–March 31, 2022)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of 8 Directors
 - Proposal 4:** Election of 1 Audit & Supervisory Board Member

4. Matters Determined with Regard to the Convocation

- (1) If voting rights are exercised multiple times via the Internet, etc., the last vote shall be deemed to be valid.
- (2) If voting rights are exercised both in writing and via the Internet, etc., the last vote shall be deemed to be valid.
- (3) If you have exercised your voting rights both in writing and via the Internet, and your vote via the Internet and your Voting Rights Exercise Form arrive on the same date, those exercised via the Internet will be taken as valid.

(Requests)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- If you exercise your voting rights by a proxy attending this general meeting of shareholders, please submit a written document certifying the right of proxy representation to this company along with the Voting Rights Exercise Form at the reception desk. (The proxy shall be only one shareholder holding voting rights in the Company.)

(Notices)

- Of the documents that should be provided along with this convocation, the following items are posted on the Company's Web site (<https://www.jsw.co.jp/>) pursuant to laws and regulations, as well as the provision of Article 17 of the Company's Articles of Incorporation.
 - (1) "System to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation as well as other systems necessary to ensure the appropriateness of operations" and "Outline of the operation status of the systems necessary to ensure the appropriateness of operations" in the business report are to be audited.
 - (2) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" in Consolidated Financial Statements
 - (3) "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" in Non-consolidated Financial Statements"System to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation as well as other systems necessary to ensure the appropriateness of operations" and "Outline of the operation status of the systems necessary to ensure the appropriateness of operations" as part of the business report are to be audited by the Audit & Supervisory Board Members of the Company. "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" as well as "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" were audited by the Accounting Auditor and the Audit & Supervisory Board Members of the Company to prepare audit reports as part of the Consolidated Financial Statements and the Non-consolidated Financial Statements that they audited.
- Should the Appendix and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's Web site (<https://www.jsw.co.jp/>) immediately.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Concerning the appropriation of surplus, the Company has a basic policy to provide stable and continuous dividends and to increase the amounts thereof. Also, to improve the corporate value and shareholders' value of the Company, we ensure stable earning capabilities, promote capital investments and investments in R&D to grow new businesses and products and strive to improve our financial structure.

With the recognition of its responsibility toward shareholders, the Company pays an interim dividend and a year-end dividend annually, in principle, based on the business results for each fiscal year.

With regard to a year-end dividend for the fiscal year under review, taking the above policy into account, we will pay ¥34.5 per share.

Combined with the interim dividend of ¥22.5 per share, the annual dividend will be ¥57.0 per share.

- (1) Type of asset for the dividends: Cash
- (2) Matters related to the allocation of the assets for the year-end dividend to shareholders and the aggregate amount: ¥34.5 per common share of the Company
Aggregate amount: ¥2,538,137,090
- (3) Effective date and payment start date: June 27, 2022

[Reference] Dividends in the period of the Medium-Term Management Plan “JGP2025”

Concerning the appropriation of surplus, the Company has provided dividends according to the business results for each fiscal year based on the basic policy to provide stable and continuous dividends and to increase the amounts thereof. In order to further clarify the policy to provide profit returns to its shareholders, the Company shall “pay dividends at a level that ensures dividend on equity (DOE) is 2% or higher while aiming for a consolidated dividend payout ratio of 30% or more” during the period of the 5-year medium-term management plan “JGP2025” which started in the FY2021 ended on March 2022.

Annual dividend/Payout ratio/DOE

	95th fiscal year (FY2020)	96th fiscal year (FY2021)
Annual dividend	¥35.0	¥57.0
Payout ratio	37.3%	30.1%
DOE	1.9%	3.0%

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 17, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 17, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the internet disclosure and deemed provision of the reference documents for the general meeting of shareholders, etc. (Article 17 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 17 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p>	<p><Deleted></p>

Current Articles of Incorporation	Proposed Amendments
<p><Newly established></p>	<p><u>(Measures for Electronic Provision, Etc.)</u> <u>Article 17 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p> <p><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p>
<p><Newly established></p>	<p><u>[Supplementary provisions]</u></p> <p><u>1. The amendment of Article 17 of the current Articles of Incorporation shall come into effect on September 1, 2022 which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 17 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or after the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of 8 Directors

The terms of office of all 9 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. It is therefore proposed to elect 8 Directors.

The candidates for Director are as follows, and matters concerning the respective candidates are stated on pages 9 to 14:

No.	Name	Remarks
1	Toshio Matsuo Reappointment	
2	Junichiro Deguchi Reappointment	
3	Hiroki Kikuchi Reappointment	
4	Shingo Mito Reappointment	
5	Shigeki Inoue New appointment	
6	Sadao Degawa Reappointment	Candidate for Outside Director Independent Officer
7	Yoshiyuki Nakanishi Reappointment	Candidate for Outside Director Independent Officer
8	Hisao Mitsui Reappointment	Candidate for Outside Director Independent Officer

(Notes)

1. There are no business transactions or special interests between the respective candidates and the Company.
2. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. An overview of this insurance contract is provided in Note 6. of “4. (1) Names, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2022),” on page 33 (available in Japanese). If the candidates assume the office of Director, they will be insured under this insurance contract. The insurance contract is scheduled to be renewed at the next renewal with the same terms and conditions.
3. Of the attendance at Board of Directors' meetings stated in matters concerning the respective candidates on pages 9 to 14, the number of Board of Directors' meetings mentioned in the attendance at Board of Directors' meetings by Mr. Shingo Mito is the number of meetings since his assumption of the office of Director.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	<p>Reappointment</p> <p>Toshio Matsuo (March 6, 1962)</p> <p>Attendance at Board of Directors' meetings 18/18 (100%)</p>	<p>April 1984 Joined the Company</p> <p>April 2013 Deputy General Plant Manager, Hiroshima Plant</p> <p>April 2015 General Plant Manager, Hiroshima Plant</p> <p>April 2016 Executive Officer</p> <p>April 2017 Managing Executive Officer; Director of Injection Molding Machinery Business Division; In charge of Hiroshima Plant</p> <p>June 2017 Director & Managing Executive Officer</p> <p>April 2020 Representative Director & Executive Vice President; In charge of Export Control Administration; In charge of Plastics Machinery Business Division, Injection Molding Machinery Business Division, Industrial Machinery Business Division; In charge of Meiki Plant</p> <p>April 2021 In charge of Ordnance Business Headquarters; In charge of Business Development Office; In charge of Hiroshima Plant and Yokohama Plant</p> <p>April 2022 Representative Director & President (current position)</p> <p>(Significant concurrent positions) None</p>	17,733
<p>[Reasons for nomination as Director]</p> <p>Mr. Toshio Matsuo has supported, from the production aspect, the expansion of the industrial machinery products business having domestic and overseas leading global companies as customers and accelerated the growth of the business. In addition, he is well-versed in engineering knowledge of the Company and capable of operating business and has abundant business experience. Accordingly, he is qualified to assume a role in achieving sustainable improvement in our corporate value, and he is therefore nominated for the position of Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
2	<p>Reappointment</p> <p>Junichiro Deguchi (September 2, 1958)</p> <p>Attendance at Board of Directors' meetings 18/18 (100%)</p>	<p>April 1981 Joined the Company</p> <p>April 2013 Deputy General Plant Manager, Muroran Plant</p> <p>April 2015 Executive Officer; Deputy Director of Steel Business Division</p> <p>October 2017 General Manager, Personnel Department</p> <p>April 2018 In charge of CSR & Risk Management (current position); In charge of Export Control Administration; In charge of Safety & Hygiene Control and Environmental Management (current position); In charge of Secretary Office & General Affairs Department</p> <p>June 2018 Director & Executive Officer</p> <p>July 2018 In charge of General Affairs Department (current position); General Manager, Secretary Office</p> <p>April 2019 Director & Managing Executive Officer</p> <p>April 2020 Chief Information Security Officer; In charge of Office of Information Technology; In charge of Personnel Department</p> <p>April 2021 In charge of Promoting ESG (current position)</p> <p>April 2022 Representative Director & Executive Vice President (current position); In charge of Export Control Administration (current position); In charge of Personnel Department (current position)</p> <p>June 2022 In charge of material and engineering products business</p> <p>(Significant concurrent positions) None</p>	15,612
<p>[Reasons for nomination as Director]</p> <p>Mr. Junichiro Deguchi has engaged in sales activities in the material and engineering products business and also took charge of management duties at a main plant. He has also been in charge of corporate divisions to enhance the overall governance and manage the export control, environment and personnel affairs, promoting ESG determinedly. Accordingly, he is qualified to assume a role in establishing a stable foundation of the overall business of the Company, and he is therefore nominated for the position of Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	<p>Reappointment</p> <p>Hiroki Kikuchi (May 12, 1961)</p> <p>Attendance at Board of Directors' meetings 18/18 (100%)</p>	<p>April 1985 Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2012 General Manager, Nihonbashi-higashi Corporate Business Office, Sumitomo Mitsui Banking Corporation</p> <p>April 2015 Joined the Company</p> <p>July 2015 General Manager, General Affairs Department</p> <p>April 2016 General Manager, Secretary Office</p> <p>April 2018 Executive Officer</p> <p>July 2018 General Manager, Corporate Planning Office (current position)</p> <p>April 2020 Chief Financial Officer (current position), In charge of Finance & Accounting Department (current position); General Manager, Business Development Office</p> <p>June 2020 Director & Executive Officer</p> <p>April 2021 Director & Managing Executive Officer (current position)</p> <p>April 2022 In charge of Plastics Machinery Business Division, Injection Molding Machinery Business Division, Industrial Machinery Business Division and Ordnance Business Headquarters (current position); In charge of Business Development Office (current position)</p> <p>(Significant concurrent positions) None</p>	9,347
<p>[Reasons for nomination as Director]</p> <p>Mr. Hiroki Kikuchi has managed the corporate divisions of the Company and strengthened the governance system and risk management based on his outstanding insight acquired through working in a financial institution. Accordingly, he is qualified to assume a role in strengthening the management of the Group as well as planning and promoting management strategy toward expansion of our scope of business, and he is therefore nominated for the position of Director.</p>			
4	<p>Reappointment</p> <p>Shingo Mito (November 19, 1959)</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p>	<p>April 1984 Joined the Company</p> <p>July 2006 General Manager, Personnel Department</p> <p>July 2011 Deputy General Plant Manager, Hiroshima Plant</p> <p>April 2014 Deputy Director of Machinery Business Division</p> <p>April 2016 Deputy Director of Research and Development Headquarters</p> <p>April 2017 Executive Officer</p> <p>October 2017 Deputy Director of New Business Promotion Headquarters</p> <p>April 2021 Director of New Business Promotion Headquarters (current position)</p> <p>June 2021 Director & Executive Officer</p> <p>April 2022 Director & Managing Executive Officer (current position)</p> <p>(Significant concurrent positions) None</p>	13,043
<p>[Reasons for nomination as Director]</p> <p>Mr. Shingo Mito has acquired wide-ranging experiences and knowledge by putting the base of his duties on personnel and labor matters and overseas sales. He excels at overall management and business operations and has promoted and developed new businesses and established their business bases. Leadership is essential for the Company to further create businesses, and he is qualified to assume the role. He is therefore nominated for the position of Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	<p>New appointment</p> <p>Shigeki Inoue (January 7, 1964)</p> <p>Attendance at Board of Directors' meetings -/- (-%)</p>	<p>April 1986 Joined the Company</p> <p>April 2015 Deputy General Plant Manager, Hiroshima Plant</p> <p>April 2017 General Plant Manager, Hiroshima Plant</p> <p>April 2018 Executive Officer</p> <p>April 2021 Managing Executive Officer (current position); Director of Machinery Business Division (current position); General Manager, Business Development Office (current position)</p> <p>April 2022 CTO (current position); In charge of corporate quality (current position); In charge of Intellectual Property Department (current position); In charge of Yokohama Plant (current position)</p> <p>(Significant concurrent positions) None</p>	9,003
<p>[Reasons for nomination as Director]</p> <p>Mr. Shigeki Inoue has spearheaded the expansion of the scope of business in machinery business and accelerated the growth of the business. He has various experiences in design & development and research & development of our main products, overseas assignment and so forth. Accordingly, he is qualified to assume a role in expanding the machinery business, strengthening the corporate quality management and innovating the research & development system, and he is therefore nominated for the position of Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
6	Reappointment	April 1977 June 2009 April 2011	3,946
	Candidate for Outside Director Independent Officer	April 2012 October 2015	
	Sadao Degawa (July 20, 1951)	April 2016 June 2016	
	Attendance at Board of Directors' meetings 18/18 (100%)	June 2018	
		(Significant concurrent positions) None	
<p>[Reasons for nomination as Outside Director and outline of expected roles] Mr. Sadao Degawa engaged in corporate management at a comprehensive heavy industries company having four business areas: resources and energy, social infrastructure, industrial systems, and aero engine and space, and he served in important posts such as representative director and has a wealth of engineering knowledge. By having him supervise overall management of the Company and take part in important decision making from an independent standpoint based on his experiences, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and he is therefore nominated for the position of Outside Director. If Mr. Degawa is elected, the Company plans to continue having him be involved in the selection of candidates for the Company's officers and the determination of remuneration for officers, etc. as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee from an objective and unbiased standpoint. In addition, the Company plans to continue having him participate in the "Outside Officers Liaison Council", which reports on business status and important management matters of the Company and its Group.</p> <p>[Independence of the candidate for Outside Director] Mr. Sadao Degawa had served as Executive Vice President & Senior Executive Officer of IHI Corporation, with which the Company has business transactions, until March 2016, and served as Director of the said company until June 2016. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales. Therefore, Mr. Degawa satisfies the Company's Criteria of Independence for Outside Officers (on page 16) and it can be judged that he has the necessary independence to be an Outside Director.</p>			

- (Notes)
1. Mr. Sadao Degawa is a candidate for Outside Director. The Company has appointed him as an Independent Director as prescribed by the Tokyo Stock Exchange, and submitted a notification of the appointment to the Exchange.
 2. It will have been four years since the appointment of Mr. Degawa as an Outside Director at the conclusion of this year's Annual General Meeting of Shareholders.
 3. Pursuant to Article 427, Paragraph 1, of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company has concluded a limited liability agreement with Mr. Degawa to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law. If the reappointment of Mr. Degawa is approved, the Company will continue said agreement with him.
 4. As described in "1.(5) Issues to be addressed" on page 20, it was revealed by the internal investigation that during Mr. Sadao Degawa's term of office as Outside Director of the Company, Japan Steel Works M&E, Inc., a subsidiary of the Company, had carried out improper conduct in some of the inspections that should be conducted in the manufacturing process of some of the products that they manufactured that if actual measured values deviated from the customers' required specifications, they were falsified so that they fell within the specifications. Although Mr. Sadao Degawa had not recognized the fact until the fact was revealed, he routinely provided suggestions as necessary on the importance of law compliance and internal control, fulfilling his duties appropriately from a viewpoint of compliance-based management. After the above fact was revealed, he has continued providing suggestions on prevention of recurrence at the board of directors' meetings, etc., fulfilling his duties.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
	<p>Reappointment</p> <p>Candidate for Outside Director Independent Officer</p> <p>Yoshiyuki Nakanishi (November 3, 1954)</p> <p>Attendance at Board of Directors' meetings 18/18 (100%)</p>	<p>April 1978 Joined Dainippon Ink and Chemicals, Incorporated (currently DIC Corporation)</p> <p>April 2010 Executive Officer, DIC Corporation</p> <p>June 2011 Director and Executive Officer, DIC Corporation</p> <p>April 2012 Representative Director, President and CEO, DIC Corporation (retired in December 2017)</p> <p>January 2018 Chairman of the Board of Directors, DIC Corporation (retired in January 2021)</p> <p>June 2020 Director, the Company (current position) Outside Director, IHI Corporation (current position)</p> <p>January 2021 Director, DIC Corporation (retired in March 2021)</p> <p>March 2021 Executive Advisor, DIC Corporation (current position)</p> <p>June 2021 Outside Director, SHIMADZU CORPORATION (current position)</p> <p>(Significant concurrent positions) Executive Advisor, DIC Corporation Outside Director, IHI Corporation Outside Director, SHIMADZU CORPORATION</p>	0
7	<p>[Reasons for nomination as Outside Director and outline of expected roles] Mr. Yoshiyuki Nakanishi served in important posts such as representative director at an international manufacturing company which provides materials and products in the fields familiar in daily life and led the expansion of management strategy to improve its corporate value. By having him supervise overall management of the Company and take part in important decision making from an independent standpoint based on his experiences, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and he is therefore nominated for the position of Outside Director.</p> <p>If Mr. Nakanishi is elected, the Company plans to continue having him be involved in the selection of candidates for the Company's officers and the determination of remuneration for officers, etc. as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee from an objective and unbiased standpoint. In addition, the Company plans to continue having him participate in the "Outside Officers Liaison Council", which reports on business status and important management matters of the Company and its Group.</p> <p>[Independence of the candidate for Outside Director] Mr. Yoshiyuki Nakanishi had served as Representative Director, President and CEO of DIC Corporation, with which the Company has business transactions, until December 2017, and had served as Chairman of the Board of Directors of the said company until January 2021. Although he is currently serving as Executive Advisor of the said company, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.</p> <p>Therefore, Mr. Nakanishi satisfies the Company's Criteria of Independence for Outside Officers (on page 16) and it can be judged that he has the necessary independence to be an Outside Director.</p>		

- (Notes)
1. Mr. Yoshiyuki Nakanishi is a candidate for Outside Director. The Company has appointed him as an Independent Director as prescribed by the Tokyo Stock Exchange, and submitted a notification of the appointment to the Exchange.
 2. It will have been two years since the appointment of Mr. Nakanishi as an Outside Director at the conclusion of this year's Annual General Meeting of Shareholders.
 3. Pursuant to Article 427, Paragraph 1, of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company has concluded a limited liability agreement with Mr. Nakanishi to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law. If the reappointment of Mr. Nakanishi is approved, the Company will continue said agreement with him.
 4. As described in "1.(5) Issues to be addressed" on page 20, it was revealed by the internal investigation that during Mr. Yoshiyuki Nakanishi's term of office as Outside Director of the Company, Japan Steel Works M&E, Inc., a subsidiary of the Company, had carried out improper conduct in some of the inspections that should be conducted in the manufacturing process of some of the products that they manufactured that if actual measured values deviated from the customers' required specifications, they were falsified so that they fell within the specifications. Although Mr. Yoshiyuki Nakanishi had not recognized the fact until the fact was revealed, he routinely provided suggestions as necessary on the importance of law compliance and internal control, fulfilling his duties appropriately from a

viewpoint of compliance-based management. After the above fact was revealed, he has continued providing suggestions on prevention of recurrence at the board of directors' meetings, etc., fulfilling his duties.

No.	Name (Date of birth)	Past experience, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	Reappointment	April 1978 June 2006 June 2010 June 2012	255
	Candidate for Outside Director Independent Officer	April 2015 June 2020	
	Hisao Mitsui (February 20, 1953)	Auditor, National Institute of Technology and Evaluation (retired in June 2019) Director, the Company (current position) Outside Auditor, LiveDo Corporation (current position)	
	Attendance at Board of Directors' meetings 18/18 (100%)	(Significant concurrent positions) Outside Auditor, LiveDo Corporation	
	<p>[Reasons for nomination as Outside Director and outline of expected roles]</p> <p>Mr. Hisao Mitsui served in important posts such as plant manager, production technology division manager and director at an international manufacturing company which operates consumer products business and engaged in corporate management. In addition, after retiring from the said company, he made a contribution in an administrative organization. By having him supervise overall management of the Company and take part in important decision making from an independent standpoint based on his experiences, the Company expects to ensure transparency and fairness and strengthen the Board of Directors' functions, and he is therefore nominated for the position of Outside Director. If Mr. Mitsui is elected, the Company plans to continue having him be involved in the selection of candidates for the Company's officers and the determination of remuneration for officers, etc. as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee from an objective and unbiased standpoint. the Company plans to continue having him participate in the "Outside Officers Liaison Council", which reports on business status and important management matters of the Company and its Group.</p> <p>[Independence of the candidate for Outside Director]</p> <p>Mr. Hisao Mitsui had served as Director and Managing Executive Officer of Kao Corporation, with which the Company has business transactions, until March 2014. However, the Company's net sales to the said company for the latest fiscal year account for less than 0.1% of the Company's consolidated net sales.</p> <p>Therefore, Mr. Mitsui satisfies the Company's Criteria of Independence for Outside Officers (on page 16) and it can be judged that he has the necessary independence to be an Outside Director.</p>		

- (Notes)
1. Mr. Hisao Mitsui is a candidate for Outside Director. The Company has appointed him as an Independent Director as prescribed by the Tokyo Stock Exchange, and submitted a notification of the appointment to the Exchange.
 2. It will have been two years since the appointment of Mr. Mitsui as an Outside Director at the conclusion of this year's Annual General Meeting of Shareholders.
 3. Pursuant to Article 427, Paragraph 1, of the Companies Act and Article 28 of the Company's Articles of Incorporation, the Company has concluded a limited liability agreement with Mr. Mitsui to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law. If the reappointment of Mr. Mitsui is approved, the Company will continue said agreement with him.
 4. As described in "1.(5) Issues to be addressed" on page 20, it was revealed by the internal investigation that during Mr. Hisao Mitsui's term of office as Outside Director of the Company, Japan Steel Works M&E, Inc., a subsidiary of the Company, had carried out improper conduct in some of the inspections that should be conducted in the manufacturing process of some of the products that they manufactured that if actual measured values deviated from the customers' required specifications, they were falsified so that they fell within the specifications. Although Mr. Hisao Mitsui had not recognized the fact until the fact was revealed, he routinely provided suggestions as necessary on the importance of law compliance and internal control, fulfilling his duties appropriately from a viewpoint of compliance-based management. After the above fact was revealed, he has continued providing suggestions on prevention of recurrence at the board of directors' meetings, etc., fulfilling his duties.

Proposal 4: Election of 1 Audit & Supervisory Board Member

Audit & Supervisory Board Member Takashi Shibata will retire at the conclusion of this year's Annual General Meeting of Shareholders. It is therefore proposed to elect 1 Audit & Supervisory Board Member.

This proposal has already gained the consent of the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience and positions at the Company, and significant concurrent positions	Number of shares of the Company held
New appointment	April 1984 Joined the Company October 1998 General Manager, Houston Office June 2008 General Manager, Nagoya Business Office September 2015 Deputy General Manager, Corporate Planning Office	
Hiroyuki Shimizu (November 25, 1961)	April 2017 General Manager, Osaka Business Office April 2019 Deputy Director of Machinery Business Division (in charge of sales management) April 2020 Representative Director & President, GM ENGINEERING Co., Ltd. (scheduled to retire in June 2022) (Significant concurrent positions) None	2,426
[Reasons for nomination as Audit & Supervisory Board Member] Mr. Hiroyuki Shimizu has abundant sales experience in industrial machinery business and has contributed to the growth of the business in Japan and overseas. In April 2020, he assumed the office of representative director & president of GM ENGINEERING Co., Ltd. which is an affiliate of the Company, and he also has experience in supervising overall corporate management. Since Mr. Shimizu has considerable experience and achievements, he is judged to have the ability to conduct objective and appropriate audits, and he is therefore nominated for the position of Audit & Supervisory Board Member.		

- (Notes) 1. There are no business transactions or special interests between Mr. Hiroyuki Shimizu and the Company.
2. Pursuant to Article 427, Paragraph 1, of the Companies Act and Article 36 of the Company's Articles of Incorporation, the Company has concluded a limited liability agreement with each Audit & Supervisory Board Member to limit the liability for damages prescribed in Article 423, Paragraph 1, of the Companies Act. The maximum amount of liability for damage under the agreement is equal to the amount prescribed by applicable law. If the appointment of Mr. Hiroyuki Shimizu is approved, the Company will conclude a similar limited liability agreement with him.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. An overview of this insurance contract is provided in Note 6. of "4. (1) Names, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2022)," on page 33 (available in Japanese). If Mr. Hiroyuki Shimizu assumes the office of Audit & Supervisory Board Member, he will be insured under this insurance contract. The insurance contract is scheduled to be renewed at the next renewal with the same terms and conditions.

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

An Outside Director or an Outside Audit & Supervisory Board Member of the Company (hereinafter collectively an “Outside Officer”) shall not fall under any of the following items to be judged to be an independent Outside Officer (hereinafter an “Independent Outside Officer”).

- (1) A person for which the Company is a major customer¹ or a person who executes business thereof;
- (2) A major customer of the Company² or a person who executes business thereof;
- (3) A person who executes business of a financial institution that is indispensable for the Company’s fund procurement and meets an outstandingly high share of the financing needs of the Company;
- (4) A consultant, an accounting professional or a legal professional who obtained an amount of money or other form of property that exceeds ¥10 million from the Company for the latest fiscal year, other than directors’ compensation (if such person is an organization, including a corporation and a partnership, it refers to a person belonging to such organization);
- (5) A major shareholder of the Company (who directly or indirectly holds the voting rights of the Company that account for not less than 10% of the total voting rights);
- (6) A person who fell under any of (1) to (5) above during the past three years; or
- (7) A spouse or a relative within the second degree of kinship of a person who falls under any of (1) to (6) above (limited to a person in a significant post³).

Provided, however, even if an Outside Officer falls under any of (1) to (7) above, the Company may designate such Outside Officer as an Independent Outside Officer, if the Company regards him or her as qualified as an Independent Outside Officer in light of his or her personality, expertise and other factors; such Officer satisfies the relevant requirements of the Companies Act; and the reasons why such Officer is regarded to be qualified for an Independent Outside Officer of the Company are explained externally.

- (Notes)
1. A person for which the Company is a major customer refers to a person who was paid an amount of money from the Company that exceeds 5% of the said person’s consolidated net sales for the latest fiscal year.
 2. A major customer of the Company refers to a person who paid an amount of money to the Company that exceeds 5% of the Company’s consolidated net sales for the latest fiscal year.
 3. A person in a significant post refers to a person who is a director (excluding an outside director), an executive officer, an employee in a senior managerial position that equals to or is higher than a division/department manager, a Certified Public Accountant belonging to an auditing firm, a lawyer belonging to a law firm or equivalent.

(Reference)

In the event that each candidate for Director and Audit & Supervisory Board Member is elected as originally proposed at this Annual General Meeting of Shareholders, the skill matrix of the candidates will be as follows.

	Name	Corporate management	Financing/ accounting	Sales/ marketing	Manufacturing/ quality control/ technology/ research and development	Environment	Personnel/ human resources development	Legal affairs/ compliance/ risk management	Information system/ DX	
Director	Inside	Toshio Matsuo	○		○	○	○			
		Junichiro Deguchi	○				○	○	○	
		Hiroki Kikuchi		○					○	
		Shingo Mito			○	○		○		
		Shigeki Inoue			○	○	○			
	Outside	Sadao Degawa	○			○				○
		Yoshiyuki Nakanishi	○		○					
		Hisao Mitsui	○			○				
	Audit & Supervisory Board Member	Inside	Toru Nishiyama		○				○	
Hiroyuki Shimizu			○		○					
Outside		Fumihiko Tanizawa	○	○						
		Hiroshi Misawa	○	○						