

The state of the Company's corporate governance is as follows.

Basic Approach to Corporate Governance, Capital Structure, Corporate Attributes, and Other Basic Information

1. Basic Approach

We have formulated corporate governance guidelines and will work to strengthen our corporate governance based on the following basic approach and policies.

<Basic approach to corporate governance>

1. As stated in the Maruichi Steel Tube Group Management Philosophy, "Our mission is to contribute to society by supplying superior products and earning the trust of our customers." Under this philosophy, we strive to enhance corporate value by developing continuously together with our shareholders, customers, employees, business partners, and local communities.
2. Led by the Board of Directors, we respect the rights of shareholders and strive to ensure fairness and transparency in management while fulfilling our fiduciary responsibility and accountability to shareholders. To realize our management vision, we position corporate governance as an important management priority and strive to strengthen our decision-making and supervisory functions in a timely and appropriate manner.
3. Going forward, we will work continuously to ensure the best possible corporate governance by enhancing corporate value over the medium to long term and maintaining sound management.

<Basic policies concerning corporate governance>

1. We shall respect the rights of our shareholders and ensure their equality.
2. We shall strive to cooperate appropriately with all stakeholders, including business partners, employees, and shareholders, based on respect for humanity.
3. We shall strive for transparency and appropriate disclosure of company information.
4. We shall strive for appropriate execution of roles and duties by the Board of Directors.
5. We shall engage in constructive dialogue with shareholders to achieve sustainable growth and increase corporate value over the medium to long term.

[Reasons for Not Implementing Certain Principles of Japan's Corporate Governance Code]

We have implemented all principles of the Corporate Governance Code revised in June 2021.

[Disclosure Based on Certain Principles of the Corporate Governance Code] Updated

[Principle 1.4 Cross-Shareholdings]

- Our basic policy is to hold cross-shareholdings only when it is found to be reasonable to do so, such as for maintaining and strengthening business relationships with business partners and returns on dividends, etc., and to reduce such holdings, which are periodically verified by the Board of Directors. Furthermore, if a counterparty holding shares of our company as cross-shareholdings expresses an intention to sell, we will not prevent the sale.
- With regard to the exercise of voting rights in cross-shareholdings, in principle, voting rights shall be exercised on all proposals in accordance with the rules set forth by the Company. Decisions will be made after reviewing the state of each company, such as its business performance, etc., taking into account whether the contents of the proposals are consistent with the purpose of our holdings and whether they will contribute to the improvement of corporate value over the medium to long term.

[Principle 1.7 Related Party Transactions]

In cases where the Company engages in competitive transactions or transactions with a conflict of interest with executives, major shareholders, etc., approval shall first be obtained from the Board of Directors in accordance with the importance and nature of such a transaction from the perspective of taking a serious view to laws and regulations and the common interests of shareholders.

[Principle 2.4.1 Ensuring Diversity, Including Active Participation of Women]

The Company strives to ensure diversity, including the active participation of women, foreign nationals, and mid-career employees, based on the recognition that the presence of a diverse range of perspectives and values reflecting different experiences, skills, and attributes within the company will lead to sustainable growth. The policies and implementation status of human resource development and the improvement of the internal environment are published in our Integrated Report, and the targets for ensuring diversity are disclosed on our website. <https://www.maruichikokan.co.jp/csr/humanresources.html>

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

With regard to the management of corporate pension funds, the Company assigns and appoints personnel with appropriate knowledge to be in charge of administrative affairs, and strives to fulfill the functions expected of an asset owner. The personnel in charge of administrative affairs make investment decisions after verifying the appropriateness and reasonableness of their selection. We also regularly check the management status of the products in which we invest.

[Principle 3.1 Full Disclosure]

(1) Company goals (management philosophy, etc.), management strategies, and management plans

In order to improve corporate value over the medium to long term, the Company has formulated a medium-term management plan. We disclose and explain our management philosophy, management strategy, and management plan in disclosure materials such as financial results briefing materials and on our website.

<https://www.maruichikokan.co.jp/ir/management-policy/index.html>

<Maruichi Steel Tube Group Management Philosophy>

1. As a leading tube manufacturer, our mission is to benefit society by supplying superior products and earning the trust of our customers.
1. Following our philosophy of respect for humanity, we value all people, including business partners, employees, and shareholders.
1. Through the wisdom, passion, and actions of each and every employee, we will enhance the reliability of our products, our technical capabilities, and our sales force and create growth energy and new value for the future.
1. We will continue to be a wonderful, dream-filled company to which our employees can entrust their lives.

<Management strategy and management plan>

The Company has formulated a medium-term management plan to clearly point in the direction of the Group's management goals, and we began the Seventh Medium-Term Management Plan in April 2024. For fiscal 2026, the final year of this plan, we aim to achieve consolidated targets of 300 billion yen, an operating income of 40 billion yen, an ROE of 8.0%, and a consolidated dividend payout ratio of 45%. The Seventh Medium-Term Management Plan is positioned as a phase for laying the groundwork for our long-term vision, "MARUICHI 2030 VISION," announced in October 2023. We will promote not only core businesses but also further growth businesses, and we will take concrete measures to become a company that supports the semiconductor industry, a decarbonized society, and social infrastructure.

(2) Basic approach and policies regarding corporate governance

For our basic approach and policies regarding corporate governance, please refer to "1.1 Basic Approach" of this report.

(3) Policies and procedures for the Board of Directors to determine the remuneration of senior management and directors

The Company's executive compensation system consists of monthly fixed compensation (basic compensation), annual bonuses in accordance with yearly business performance, and stock compensation composed of restricted stock compensation and performance-linked stock compensation (with transfer restrictions). Total remuneration is approved at the Ordinary General Meeting of Shareholders and is within 500 million yen for Directors and 50 million yen for Auditors.

Basic compensation is determined by taking into account position, responsibilities, etc. Bonuses are determined by the Representative Director with reference to the amount calculated by a formula reflecting the Company's performance.

The purpose of restricted stock compensation is to increase motivation and morale in order to improve business performance by placing Directors in a position to share with shareholders not only the benefits of increases in Company stock price but also the risks of a decline in stock price. The amount to be paid is determined based on internal regulations.

The purpose of performance-linked stock compensation (with transfer restrictions) is to further clarify the link between director compensation and company performance and stock price, to provide incentives for achieving the performance targets set in the Company's medium-term management plan and sustainably increasing corporate value by improving business performance over the medium to long term, and to further share value with shareholders.

Furthermore, the Company has established a Nomination and Compensation Committee composed of Representative and Outside Directors. Decisions are made based on review by the committee. Outside Directors and Auditors (including Outside Auditors) are not eligible for performance-linked compensation. Therefore, only basic compensation, which is fixed remuneration, is provided.

(4) Policies and procedures for the Board of Directors to appoint and dismiss senior management and nominate candidates for Director or Auditor positions

Regarding the policy for nominating candidates for Director in the Company, individuals with extensive experience, deep insight, and a high level of expertise who are suitable for the management responsibilities held by a director are selected. Taking points such as past performance into comprehensive consideration, the Representative Director then selects candidates, who are brought before the Board of Directors for deliberation and consideration before being submitted to the General Meeting of Shareholders. Decisions regarding candidate selection are also made based on the opinions of the Nomination and Compensation Committee, which is established under the Board of Directors and composed of Representative and Outside Directors.

Regarding the policy for appointing senior management such as the Chief Executive Officer (CEO), our objective is to appoint individuals who have the knowledge and ability to strengthen the Company's competitiveness in a rapidly changing global business environment and contribute to improving corporate value over the long term, and who have a sense of responsibility and leadership, and a spirit of compliance with the law. Taking points such as past performance into comprehensive consideration, the Board of Directors deliberates and reviews the opinions of the Nomination and Compensation Committee, which is established under the Board of Directors and composed of Representative and Outside Directors, before making a decision.

Regarding dismissal of a CEO or COO, if it is determined that the executive is not fully performing their functions due to misconduct, etc., dismissal is determined by the Board of Directors after deliberation and consideration based on the opinions of a special committee that consists of the Nomination and Compensation Committee but excludes internal Directors and includes Outside Auditors.

Regarding the policy for nominating candidates for the Audit & Supervisory Board, the Representative Director selects candidates who have abundant experience and deep insight, and who can ensure sound and sustainable growth by providing useful advice to the Board of Directors from a professional perspective. After deliberation and consideration by the Board of Directors with the consent of the Audit & Supervisory Board, candidates are submitted to the General Meeting of Shareholders.

(5) Explanations of individual appointments, dismissals, and nominations when appointing or dismissing senior management and nominating candidates for Director or Auditor positions

When nominating candidates for Director or Auditor positions, the reasons for each nomination are stated in the Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 3.1.3 Sustainability]

The Company discloses our sustainability initiatives. We also express our support for the international framework of the TCFD and will continue to enhance our qualitative and quantitative activities by disclosing information in accordance with TCFD guidance.

[Supplementary Principle 4.1.1 Roles and Responsibilities of the Board]

The Board of Directors, in accordance with the Board of Directors Regulations and the Summary of Items to Be Discussed at Board Meetings, makes resolutions on important management and labor policies, which are matters stipulated by law or the Articles of Incorporation, as well as other important matters concerning the execution of business. We have also formulated a table of authority approval criteria that clearly defines the scope of delegation to management.

[Principle 4.9 Independence Standards and Qualification for Independent Directors]

The Company aims to further improve the soundness and transparency of management by referring to the requirements of the Companies Act as well as the independence criteria, etc., established by the Tokyo Stock Exchange. Candidates are selected who have extensive careers and deep insights, and who can contribute to appropriate decision-making by our Board of Directors.

<Independence criteria>

The Company has established the following independence criteria for outside officers, and considers outside officers to be independent if it is determined that none of the following items apply.

1. An executive director, managing officer, or equivalent thereto, an employee of the Company or an affiliate (hereinafter, the "Group"), or a person who has belonged to the Group at least once in the past
2. A person for which the Group is a major business partner or an executive thereof (Note 1)
3. A major business partner of the Group or an executive thereof (Note 2)
4. A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total voting rights) or an executive thereof
5. An executive of an enterprise, etc., with which the Group holds 10% or more of the total voting rights
6. A person who belongs to an auditing firm that is a financial auditor of the Group

7. A professional such as a lawyer, certified public accountant, tax accountant, or consultant who has obtained a large amount of money or other property from the Group (Note 3)
8. A person receiving a large donation from the Group (Note 3)
9. An executive of another company with whom outside officers are mutually appointed
10. A person whose spouse or relative within the second degree of kinship falls under any of the above items 1 to 9 (except for 4 and 5, limited to important persons) (Note 4)
11. A person who has fallen under the above items 2 to 9 within the past three years

Note 1: A person for which the Group is a major business partner refers to a person who has received payment from the Group equal to 2% or more of that person's annual consolidated net sales in the most recent fiscal year

Note 2: A major business partner of the Group refers to a person who has paid to the Company an amount equal to at least 2% of the Company's annual consolidated net sales in the most recent fiscal year or a person who has financed the Company at least 2% of the Company's consolidated total assets as of the end of the most recent fiscal year

Note 3: A large amount is considered to be 10 million yen or more per year in the case of an individual, or in the case of an organization such as a corporation or association, 2% or more of the consolidated net sales or gross income of said organization

Note 4: Important persons include Directors (excluding Outside Directors), Auditors (excluding Outside Auditors), managing officers, business executives at the general manager level or higher, or business executives with authority equivalent thereto

[Supplementary Principle 4.10.1 Use of Optional Approach]

The Company has established a Nomination and Compensation Committee, which is under the Board of Directors and composed of Representative and Outside Directors, to strengthen the independence, objectivity, and accountability of the Board of Directors in relation to matters such as the nomination and compensation of senior management and Directors.

[Supplementary Principle 4.11.1 Preconditions for Board and Audit & Supervisory Board Effectiveness]

The Company's Board of Directors consists of Directors who are familiar with production, sales, and management departments, and Outside Directors who have extensive experience and deep insight as managers. The number of Directors has been set to 10 or less to ensure that they can most effectively and efficiently perform their functions while also ensuring diversity in terms of gender, internationalism, work experience, and age. In addition, a skills matrix for each Director is prepared and disclosed on our website.

<https://www.maruichikokan.co.jp/csr/corporategovernance.html>

[Supplementary Principle 4.11.2 Concurrent Positions of Directors and Auditors]

The status of important concurrent positions held by our Directors and corporate auditors is disclosed in the reference documents for the General Meeting of Shareholders, securities reports, etc. Directors and Auditors other than Outside Directors and Outside Auditors shall report to the Board of Directors when they hold a concurrent position as an officer of another listed company, and the scope shall be within a reasonable range for fulfilling their roles and responsibilities. The number of concurrent positions held by Outside Directors and Outside Auditors shall also be within a reasonable range for fulfilling their roles and responsibilities.

[Supplementary Principle 4.11.3 Preconditions for Board and Audit & Supervisory Board Effectiveness]

Once a year, the Company analyzes and evaluates the effectiveness of the entire Board of Directors based on a self-evaluation of each Director's performance of duties, and we then disclose a summary of the results.

(Outline of the Board of Directors effectiveness evaluation)

With regard to our evaluation of the effectiveness of the Board of Directors in fiscal 2023, we conducted a questionnaire survey of each director and auditor regarding the evaluation of the effectiveness of the Board of Directors. The increase in the number of outside directors has led to more objective and frank opinions and stimulated discussion, which has contributed to the strengthening of governance. On the other hand, there are some issues regarding the method and time of deliberation, and we will work to make the meetings more productive by, for example, ensuring that the participants fully understand the content of the agenda before attending the meeting. Based on these analyses and evaluations, we will continue to deliberate on how our governance system should be structured and continue to make improvements to further enhance the effectiveness of the Board of Directors, to ensure full supervision of management, and to achieve sustainable enhancement of corporate value.

[Supplementary Principle 4.14.2 Director and Auditor Training]

With regard to training for Directors and Auditors, the Company encourages their participation in seminars, etc., conducted by external organizations, and strives to ensure they acquire the latest knowledge and other information they require as Directors and Auditors. In addition, we conduct annual executive training sessions in order to share information such as the Group's management strategies and financial information.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

To the extent that is reasonable, senior management, Directors, and Auditors in the Company meet with each other in response to requests for interviews and engage in constructive dialogue. Furthermore, the Representative Director attends quarterly financial results briefings and small meetings, as well as annual plant tours for shareholders in order to actively engage in constructive dialogue with them.

[Measures to realize management conscious of capital costs and stock price] [English disclosure]

With regard to measures to realize management that is conscious of our capital costs and stock price, based on our long-term vision, "MARUICHI 2030 VISION," announced on our website in October 2023, we formulated and announced the Seventh Medium-Term Management Plan (3 years) covering the period from fiscal 2024 through fiscal 2026 on April 5, 2024.

The following details are disclosed in the Capital Policy section of the Seventh Medium-Term Management Plan briefing materials.

1. We recognize our capital costs at approximately 6.0%, and share our image for growth with MARUICHI 2030 VISION.
(Improve expected growth rate)
2. Strengthen our earning power and improve ROE by actively investing in growth businesses planned in this medium-term management plan
3. In order to achieve sustainable corporate value improvement (PBR of 1x and higher) as early as possible, we set interim targets of a ROE of 8% or more and a consolidated dividend payout ratio of at least 45% in the final year of the current medium-term management plan (fiscal 2026)

We will continue to promote management that is conscious of capital profitability and capital efficiency and work to increase corporate value. We will also actively disclose information through various briefing sessions and publications.

Seventh Medium-Term Management Plan notification

(Japanese URL) <https://www.maruichikokan.co.jp/>

(English URL) <https://www.maruichikokan.co.jp/en/>

2. Capital Structure

Foreign Shareholding Ratio	20% to less than 30%
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[Status of Major Shareholders]

Name	Number of Shares Held	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	8,670,000	10.85
Yoshimura Holdings Co., Ltd.	4,700,000	5.88
Sumitomo Mitsui Banking Corporation	3,900,310	4.88
Custody Bank of Japan, Ltd. (trust account)	3,850,928	4.82
MUFG Bank, Ltd.	3,304,634	4.13
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank re-entrusted portion, JFE Steel Corporation retirement benefit trust account)	3,003,000	3.76
CHINA STEEL CORPORATION	2,000,000	2.50
NORTHERN TRUST CO.(AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	1,934,400	2.42
SSBTC CLIENT OMNIBUS ACCOUNT	1,758,336	2.20
Maruichi Steel Tube Coalition Holding Association	1,580,634	1.97

Controlling Shareholders (Excluding Parent Company)	---
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Parent Company	None
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Supplementary Explanation

3. Corporate Attributes

Exchange and Market Section Listed On	Tokyo Prime
Fiscal Year End	March
Industry	Steel
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Sales (Consolidated) for the Previous Fiscal Year	100 billion yen or more to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	No less than 10 to no more than 50 companies

4. Guidelines on Measures to Protect Minority Shareholders in Transactions with Controlling Shareholders

5. Other Special Circumstances That May Have a Significant Impact on Corporate Governance

// Status of the Governing Body and Other Corporate Governance Systems Related to Management Decision-making, Execution, and Supervision

1. Matters Related to Organizational Structure, Operation, Etc.

Form of Organization	Company with auditors
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[Directors] Updated

Number of Directors Specified in the Articles of Incorporation	10
Term of Office for Directors Specified in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairperson (except when concurrently serving as President)
Number of Directors	8
Appointment of Outside Directors	Appointed
Number of Outside Directors Updated	5
Number of Outside Directors Designated as Independent Officers Updated	5

Relationship with the Company (1)

Name	Attribute	Relationship with the Company(*)										
		a	b	c	d	e	f	g	h	i	j	k
Kenjiro Nakano	From another company								△			
Kenichiro Ushino	From another company					△						
Yuka Fujioka	From another company											
Koichi Tsuji	From another company											
Keiko Yamahira	From another company											

* Selections regarding each director's relationship with the Company

* An open circle ("○") indicates that the item currently applies or recently applied for the individual themselves, and an open triangle ("△") indicates that it applied in the past

* A closed circle ("●") indicates that the item currently applies or recently applied for a close relative of the individual, and a closed triangle ("▲") indicates that it applied in the past

a An executive of a listed company or its subsidiary

b An executive or non-executive director of the parent company of a listed company

c An executive of a sister company of a listed company

d An individual whose main customer is a listed company, or an executive of such an entity

e A main client or business partner of a listed company, or an executive of such an entity

f A consultant, accounting professional, or legal professional who receive a large amount of money or other assets from a listed companies in addition to their remuneration as an officer of the listed company

g A major shareholder of a listed company (or, if the major shareholder is a corporation, an executive of the corporation)

h An executive of a business partner of a listed company (who is not in any of the positions stated in d, e, or f above) (applies only to the individuals themselves)

i An executive of a company whose employee has been assigned to us as an outside officer and to which our employee has been assigned as their outside officer (applies only to the individuals themselves)

j An executive of an entity that receives donations from a listed company (applies only to the individuals themselves)

k Other

Name	Independent Officer	Supplementary Explanation Regarding Applicable Items	Reasons for Appointment
Kenjiro Nakano	○	Special advisor to Keihanshin Building Co., Ltd. Outside director (Audit and Supervisory Committee Member) of H2O Retailing Corporation	Mr. Nakano has extensive knowledge and experience in corporate management at Sumitomo Mitsui Banking Corporation (SMBC) and Keihanshin Building Co., Ltd., as well as regarding economic and financial markets in Japan and overseas, and we believe that he will contribute to the realization of appropriate decision-making and management supervision by the Company's Board of Directors. SMBC is a business partner of the Company, but the total amount of borrowings from the bank by the Group as a whole is approximately 3.6 billion yen (as of the fiscal year ended March 2023), representing approximately 0.8% of the Company's consolidated assets. Furthermore, the ratio of voting rights of the bank in the Company is 4.9%, which does not constitute a major shareholder of the Company and is not large enough to influence the decision-making process in the Company, which does business with several financial institutions. Furthermore, Mr. Nakano retired from the bank in June 2010. Therefore, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an independent officer.
Kenichiro Ushino	○	---	Mr. Ushino has deep insight as a manager cultivated through company management at Marubeni-Itochu Steel Inc. and many years of experience in the steel industry, and we believe that he will contribute to the realization of appropriate decision-making and management supervision by the Company's Board of Directors. Marubeni-Itochu Steel Inc. is a major business partner of the Company, but he retired from the position of President and Representative Director in April 2013. Therefore, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an independent officer.
Yuka Fujioka	○	President and Representative Director of Fujioka-Kinzoku Co., Ltd., part-time instructor at Kwansei Gakuin University Center for International Education and Cooperation, part-time instructor at Kwansei Gakuin University School of International Studies Outside director of Sysmex Corporation	Ms. Fujioka possesses a global perspective and deep knowledge cultivated through her extensive overseas experience, as well as deep insight as a manager cultivated through company management, and we believe that she will contribute to the realization of appropriate decision-making and management supervision by the Company's Board of Directors. Ms. Fujioka has been designated as an independent officer as she meets the criteria for independence and the Company has determined that there is no risk of a conflict of interest with general shareholders.
Koichi Tsuji	○	Outside director of Mitsubishi UFJ Financial Group, Inc. Outside auditor of Teijin Limited	Mr. Tsuji has abundant experience as a Certified Public Accountant and professional insight in accounting and auditing, and we believe that he will contribute to the realization of appropriate decision-making and management supervision by the Company's Board of Directors. Mr. Tsuji has been designated as an independent officer as he meets the criteria for independence and the Company has determined that there is no risk of a conflict of interest with general shareholders.
Keiko Yamahira	○	Outside director of Joshin Denki Co., Ltd. Outside director of MIRARTH HOLDINGS, Inc. Outside directors of SHINAGAWA REFRACTORIES CO.,LTD.	Ms. Yamahira has abundant experience and extensive insight as a corporate manager gained at Sanyo Homes Corporation, as well as knowledge on marketing and diversity, etc. Therefore, the Company proposes her election as Outside Director with the expectation that she can contribute to appropriate decision making by the Board of Directors and realization of management oversight. Ms. Yamahira has been designated as an independent officer as she meets the criteria for independence and the Company has determined that there is no risk of a conflict of interest with general shareholders.

Are There Any Voluntary Committees Corresponding to a Nomination Committee And/or a Compensation Committee?

Yes

	Committee Name	Total Members (Persons)	Full-time Members (Persons)	Internal Directors (Persons)	Outside Directors (Persons)	Outside Experts (Persons)	Other (Persons)	Chairperson
Voluntary Committee Corresponding to a Nomination Committee	Nomination Committee	7	7	2	5	0	0	Outside Director
Voluntary Committee Corresponding to a Compensation Committee	Compensation Committee	7	7	2	5	0	0	Outside Director

Supplementary Explanation

The Company has established an advisory committee, which is under the Board of Directors and composed of Representative and Independent Outside Directors, to strengthen the independence, objectivity, and accountability of the Board of Directors functionality in relation to matters such as the nomination and compensation of senior management and Directors.

[Auditors]

Has an Audit & Supervisory Board Been Established?	Yes
Number of Auditors Specified in the Articles of Incorporation	4
Number of Auditors	4

Cooperation Among Audit & Supervisory Board Members, Accounting Auditors, and the Internal Audit Division

The Internal Audit Office cooperates and communicates with Audit & Supervisory Board Members and Accounting Auditors as necessary in order to carry out audits efficiently and exchange audit information. In addition, Audit & Supervisory Board Members regularly hold meetings with KPMG AZSA LLC, the Company's accounting auditor, at the time of interim and year-end financial statements, and also meet with AZSA regarding financial and accounting issues as necessary. In the event that the Audit & Supervisory Board Members request the appointment of an employee to assist, the Company will delegate the duties to a member of the Internal Audit Office.

Appointment of Outside Auditors	Appointed
Number of Outside Auditors	3
Number of Outside Auditors Designated as Independent Officers	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company(*)													
		a	b	c	d	e	f	g	h	i	j	k	l	m	
Masuo Okumura	Other														
Ryuta Uozumi	Certified Public Accountant										△				
Yuki Uchiyama	Attorney														

* Selections regarding each director's relationship with the Company

* An open circle ("○") indicates that the item **currently applies or recently applied** for the individual themselves, and an open triangle ("△") indicates that it applied **in the past**

* A closed circle ("●") indicates that the item **currently applies or recently applied** for a close relative of the individual, and a closed triangle ("▲") indicates that it applied **in the past**

a An executive of a listed company or its subsidiary

b A non-executive director or an accounting advisor of a listed company or its subsidiary

c An executive or non-executive director of the parent company of a listed company

d A corporate auditor of the parent company of a listed company

e An executive of a sister company of a listed company

f An individual whose main customer is a listed company, or an executive of such an entity

g A main client or business partner of a listed company, or an executive of such an entity

h A consultant, accounting professional, or legal professional who receive a large amount of money or other assets from a listed companies in addition to their remuneration as an officer of the listed company

i A major shareholder of a listed company (or, if the major shareholder is a corporation, an executive of the corporation)

j An executive of a business partner of a listed company (who is not in any of the positions stated in f, g, or h above)

k An executive of a company whose employee has been assigned to us as an outside officer and to which our employee has been assigned as their outside officer (applies only to the individuals themselves)

l An executive of an entity that receives donations from a listed company (applies only to the individuals themselves)

m Other

Name	Independent Officer	Supplementary Explanation Regarding Applicable Items	Reasons for Appointment
Masuo Okumura	○	Outside director of BAROQUE JAPAN LIMITED	Having been involved in police and other government-related duties for many years, the Company believes that he will be able to utilize his extensive career and deep insight cultivated through his career to strengthen the auditing functions of the Company, and he is therefore qualified to serve as an Outside Auditor of the Company. Mr. Okumura has been designated as an independent officer as he meets the criteria for independence and the Company has determined that there is no risk of a conflict of interest with general shareholders.
Ryuta Uozumi	○	Representative of Ryuta Uozumi Certified Public Accountant Office, representative of Uozumi Sustainability Research Institute	He has deep insight and abundant experience in management cultivated at KPMG AZSA LLC and KPMG AZSA Sustainability Co., Ltd., as well as accounting expertise and abundant experience as a certified public accountant, which makes him qualified to serve as an Outside Auditor of the Company. Although KPMG AZSA LLC is the Company's auditing firm, the amount of compensation paid to the auditing firm by the Group as a whole was approximately 58 million yen (for the fiscal year ended March 2023), which is a small amount compared to the size of the auditing firm. Furthermore, Mr. Uozumi retired from the firm in June 2010. Therefore, the Company has determined that there is no risk of a conflict of interest with general shareholders and has designated him as an independent officer.
Yuki Uchiyama	○	TMI Associates Osaka Office (Counsel) Outside director of Nippon Seisen Co., Ltd. Outside Corporate Auditor of Nihon Trim Co., Ltd.	She has a global perspective developed through her extensive overseas experience. As an attorney, she is well-versed in legal affairs and has a wealth of knowledge and experience, making her therefore qualified to serve as an Outside Auditor of the Company. Ms. Uchiyama has been designated as an independent officer as she meets the criteria for independence and the Company has determined that there is no risk of a conflict of interest with general shareholders.

[Independent Officers]

Updated

Number of Independent Officers

8

Other Matters Concerning Independent Officers

All outside officers who meet the qualifications for independent officers are designated as independent officers.

[Incentives]

Status of Implementation of Measures to Provide Incentives to Directors

Introduction of a performance-linked compensation scheme

Supplementary Explanation Regarding Applicable Matters

While a stock option system was introduced as an alternative to the elimination of the executive retirement benefit system, the restricted stock compensation system was introduced to provide incentives for the sustainable improvement of the Company's corporate value and to further share value with Directors and shareholders.

Performance-linked stock compensation (with transfer restrictions) was introduced to further clarify the link between director compensation and company performance and stock price, to provide incentives for achieving the performance targets set in the Company's medium-term management plan and sustainably increasing corporate value by improving business performance over the medium to long term, and to further share value with shareholders.

Persons Eligible to Receive Stock Options

Supplementary Explanation Regarding Applicable Matters

[Remuneration for Directors]

Status of Disclosure (of Compensation for Individual Directors)

Compensation for individual directors is not disclosed

Supplementary Explanation Regarding Applicable Matters

Updated

Total amount of remuneration, etc., for Directors	327 million yen	(Outside Directors: 30 million yen)
Basic compensation	160 million yen	(Outside Directors: 30 million yen)
Bonus	69 million yen	
Long-term incentive compensation	6 million yen	
Restricted stock compensation	29 million yen	
Performance-linked stock compensation	62 million yen	

*Outside Directors receive only basic compensation

Is There a Policy for Determining the Amounts of, or the Method of Calculating the Amounts of, Compensation?

Yes

Disclosure of the Policy for Determining the Amounts of, or the Method of Calculating the Amounts of, Compensation

1. Basic Policy

(1) Process for deciding compensation for the Board

(Matters concerning decisions on the content of remuneration, etc., for individual Directors)

The Company's policy for determining the amount, or the method of calculating the amount, of remuneration, etc. for Directors is determined by the Board of Directors.

The Board of Directors consults with the Nomination and Compensation Committee, which is composed of Representative and Independent Outside Directors. The Committee then deliberates and provides advice and recommendations to the Board of Directors. Specific amounts are left to the discretion of the Chairman and Representative Director by the resolution of the Board of Directors. The Chairman and Representative Director respects the advice and recommendations of the Nomination and Compensation Committee to the fullest extent, and decides within the range of the total amount of remuneration approved at the General Meeting of Shareholders (up to 500 million yen a year annually for Directors (including up to 80 million yen annually for Outside Directors)).

(2) Types of Director compensation

The system consists of basic compensation and restricted stock compensation as fixed compensation, and bonuses paid according to annual performance and performance-linked stock compensation (with transfer restrictions), which are paid according to the degree of achievement of performance targets during a particular performance evaluation period, as performance-linked compensation. In consideration of their duties, Outside Directors are paid only basic remuneration.

The purpose of "restricted stock compensation" is to raise the motivation of Directors to improve business performance and morale to enhance corporate value, including social value, by placing them in a position to share with shareholders not only the benefits of increases in the Company's stock price but also the risks of a decline in stock price. The purpose of "performance-linked stock compensation (with transfer restrictions)" is to further clarify the link between director compensation and company performance and stock price, to provide incentives for achieving the performance targets set in the Company's medium-term management plan and sustainably increasing corporate value by improving business performance over the medium to long term, and to further share value with shareholders.

[Support System for Outside Directors (Outside Auditors)]

The Internal Audit Office is designated as the support department for Outside Auditors, and its members provide business assistance as necessary.

2. Matters Concerning Execution of Operations, Auditing and Supervision, Designation, Determination of Remuneration, and Other Functions (Outline of the Current Corporate Governance System)

(Current governance system)

In addition to Board of Directors meetings, which are held on a monthly basis to make management decisions, the Company has introduced a managing officer system aimed at speeding up and revitalizing business execution based on management decisions, and managing officer meetings are held on a monthly basis in principle.

Outside Directors receive reports on the results of accounting audits, corporate auditor audits, and internal control audits at Board of Directors meetings, and provide advice and recommendations as necessary to ensure the validity and appropriateness of the Board's decision-making.

Audit & Supervisory Board Members attend meetings of the Board of Directors to express their opinions, and perform auditing duties such as auditing the daily activities of the Directors and receiving reports from Accounting Auditors. In addition, three of the four Audit & Supervisory Board Members are Outside Auditors, further enhancing management transparency by auditing business management and expressing opinions from the perspective of the laws, etc., that are their areas of expertise.

Regarding internal audits, the Company has established the Internal Audit Office, which reports directly to the Company's Representative Director, Chairman & CEO and the Company's Representative Director, President & COO, and conducts business audits and internal control audits based on internal audit plans. They also cooperate and communicate with Audit & Supervisory Board Members and Accounting Auditors as necessary in order to carry out audits efficiently and exchange audit information.

KPMG AZSA LLC has been appointed as the accounting auditor, and audits are conducted by Koji Narumoto, a designated limited partner and executive partner of the corporation, Tomoyuki Haruna, another designated limited partner and executive partner of the corporation, and several audit service assistance of the corporation.

Total remuneration for Directors and Auditors is approved at the Ordinary General Meeting of Shareholders and is currently within 500 million yen for Directors and 50 million yen for Auditors.

3. Reasons for Selecting the Current Corporate Governance System

Updated

The Company's Board of Directors consists of eight (8) Directors. Furthermore, we have not changed to a company with committees, etc., and continue to use the traditional system of establishing auditors.

Of the Company's eight (8) Directors, four (5) Outside Directors have been appointed, and of our four (4) Auditors, three (3) are Outside Auditors in order to strengthen our management auditing system. In addition, Auditors, including Outside Auditors, attend monthly meetings of the Board of Directors and the Audit & Supervisory Board, and the full-time Auditor attends monthly meetings of the managing officers. This allows for an awareness of the overall state of company management, and we believe that the management auditing system is operating satisfactorily through the monitoring and supervision from our Auditors.

The Company's Articles of Incorporation stipulate that resolutions for the election of Directors shall be passed by a majority of the voting rights, with shareholders who can exercise voting rights holding one-third or more of the voting rights of shareholders in attendance, and that cumulative voting shall not be used.

/// Status of Implementation of Measures with Respect to Shareholders and Other Stakeholders

1. Status of Efforts to Activate the General Meeting of Shareholders and to Facilitate the Exercise of Voting Rights

	Supplementary Explanation
Early Dispatch of Notices of Convocation of General Meetings of Shareholders	A PDF file of the Notice of Convocation was posted on the Tokyo Stock Exchange and our company website on May 28, 2024.
Setting a General Meeting of Shareholders to Avoid Concentrated Days	For 2024, the meeting was held on June 25.
Exercise of Voting Rights by Electronic or Magnetic Means	The Company has adopted the exercise of voting rights by electronic or magnetic means from the 82nd Ordinary General Meeting of Shareholders held in June 2016.
Participation in Platform for Online Exercise of Voting Rights and Other Efforts To Improve the Environment Where Institutional Investors Exercise Voting Rights	The Company has participated in an electronic voting platform since the 82nd Ordinary General Meeting of Shareholders held in June 2016.
Provision of an English Version (Summary) of Notices of Convocation	An English translation of the Notice of Convocation has been provided from the 88th Ordinary General Meeting of Shareholders held in June 2022.

2. Status of IR Activities Updated

	Supplementary Explanation	Explanation Directly by a Representative ?
Regular Briefings for Individual Investors	Briefings for individual investors are held once a year to raise awareness.	Yes
Implementation of environmental preservation activities, CSR activities, etc.	Periodic briefing sessions (large meetings) are held after the release of financial results four times a year. Individual briefings (small meetings) are also held as appropriate. In addition, plant tours are held periodically to provide as much accurate and necessary information as possible.	Yes
Publication of IR Materials on Website	The Company publishes financial results summaries, financial results briefing materials, timely disclosure materials, news releases, etc. An English version of the Integrated Report is posted on our English website.	
Establishment of a department for IR	Corporate Planning IR Office is in charge.	
Other	We prepare an English translation of the Integrated Report for overseas investors.	

3. Status of Efforts to Respect Stakeholders' Positions

	Supplementary Explanation
Setting a General Meeting of Shareholders to Avoid Concentrated Days	All pipe manufacturing plants and steel plate processing plants have obtained ISO 14001:2015 certification for their environmental management systems. With environmental issues in mind, the company implements measures to conserve energy and resources, reduce and properly manage waste (sorting), and treat wastewater and reduce noise.
Other	We conduct factory tours and other events to deepen understanding of our company.

IV Matters concerning internal control systems, etc.

1. Basic Approach to Internal Control Systems and the Status of Their Development

Based on the basic policy for the establishment of an internal control system, the Internal Audit Office was established to manage and inspect the Group's internal controls.

- With regard to compliance, a Sustainability Committee has been established to monitor the Group as a whole with compliance with laws and regulations and the Articles of Incorporation as the top priorities, and to prepare and implement compliance manuals and corporate ethics handbooks. In addition, as a system, a compliance consultation desk has been established where all employees of the Group and other businesses engaged in Group business can directly report matters that may violate laws and regulations or the Articles of Incorporation.
- With regard to risk management, the Sustainability Committee has been established as an organization, and Sustainability Committee regulations have been established as rules, to respond to risks as the Group.
- In addition, we conduct inspections of the status of development and operation of these internal control systems, including audits of the status of business execution in the Group.

The Internal Audit Office consists of three (3) members.

2. Basic Approach to, and the Status of Development of Systems for, the Elimination of Antisocial Forces

(Elimination of anti-social forces)

1. Basic approach to systems for the elimination of antisocial forces

The Company has established Corporate Conduct Standards and the Compliance Manual, and our basic policy is to deal with antisocial forces in a resolute manner and to block all relations with them.

2. Status of development of systems for the elimination of antisocial forces

We have established a Code of Conduct in order to establish corporate ethics in the Group, and Corporate Conduct Standards have been established in order to realize this universal approach in our daily business activities. At the same time, we established the Sustainability Committee under the direct control of the President as an organization to eliminate antisocial forces, and have appointed a sustainability promotion officer in each department.

- When unreasonable demands by antisocial forces arise, we contact and consult with the Sustainability Committee, which provides advice, guidance, and support regarding efforts to eliminate antisocial forces. In addition, we provide information we have accumulated to external specialized agencies (such as the police and the Osaka Federation of Defense & Corporate Counsel) as necessary to obtain advice, establishing relationships of close cooperation.
- In order to cut off any and all ties with antisocial forces, the Group collects information on antisocial forces in the Sustainability Committee and uses information from external expert organizations to pay constant attention.

- We participate in meetings held by the Osaka Federation of Defense & Corporate Counsel and other organizations to eliminate antisocial forces.
- The Group regards the elimination of antisocial forces as an important compliance issue and conducts compliance training.

V Other

1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	None
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Supplementary Explanation Regarding Applicable Matters

2. Other Matters Related to the Corporate Governance System, Etc.

The status of the Company's internal system for the timely disclosure of corporate information is as follows.

The Company's basic stance is to disclose corporate information to investors in a timely and appropriate manner, and we have established the following internal structure. The contents and methods of disclosure are in accordance with stock exchange guidelines and internal regulations (Board of Directors Regulations, regulations on insider trading, rules regarding internal information management, etc.).

Financial information (year-end, quarterly, earnings forecast revisions, etc.) are promptly disclosed to the stock exchange, etc., after the General Manager of the Accounting Department reports to the Representative Director and approval is obtained from the Board of Directors. Securities reports, quarterly reports, etc., are submitted to the regulatory authorities after the General Manager of the Accounting Department reports them to the Representative Director and approval is obtained from the Company's auditing firm.

Decisions (acquisitions of treasury stock, increases or decreases of dividends, transfer or acquisition of fixed assets, etc.) are promptly disclosed to the stock exchange, etc., after the General Manager of the HR & General Affairs Department reports to the Representative Director and approval is obtained from the Board of Directors. Regarding occurrences (occurrence of a disaster, etc.), all reports are made to the General Manager of the HR & General Affairs Department by the person in charge of the relevant department. The General Manager of the HR & General Affairs Department then reports to the Representative Director, Directors, and Auditors, and after obtaining approval from the Representative Director, determines whether or not timely disclosure is necessary based on the criteria for timely disclosure and makes an external announcement.

In principle, the General Manager of the HR & General Affairs Department is present at the monthly Board of Directors meetings in order to confirm the details of Board of Directors resolutions. In addition, we strive to make management transparent by promptly posting information disclosed in a timely manner on the Company website and disclosing to employees through the managers of each department.

