



MARUBENI
ITOCHU
STEEL

Marubeni-Itochu Steel Inc.

Tokyo Midtown Yaesu, 32F-34F
2-2-1, Yaesu, Chuo-ku, Tokyo, 104-0028, Japan
<https://www.benichu.com/>



Powering the future with steel

- VISION** To create a better world through the individual and collective growth of our stakeholders.
- MISSION** To continuously evolve as a leading innovator in steel distribution.

We always ask ourselves what we need to do next. Evolving our business model allows us to increase the scale and enhance the quality of our supply chain, ultimately contributing to the growth of our stakeholders.
- VALUE** To create value that contributes to our customers' futures.

We offer customers value-added solutions by anticipating change, going beyond the existing framework, and tackling the core challenges of the industrial structure.

MISI FRONTIER SPIRITS

With the pioneering spirit we've kept since our founding, we explore the next frontier.

- Exploration**

Seek the best solution by keeping a broad perspective and always asking questions.
- Ownership**

Take initiative and have a strong sense of responsibility.
- Determination**

Challenge yourself without fear of failure. Embrace change.
- Initiative**

Think and act fast to stay one move ahead.
- Openness**

Engage in discussion without being bound by preconceived notions.
- Diversity**

Respect diverse perspectives. Leverage individuality.
- Commitment**

Do your best and finish what you start.

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Our Editorial Policy

This sustainability report has been compiled to generate greater understanding among our business partners and all other valued stakeholders about the policies, thinking, aims, systems, and specific approaches to sustainability management the MISI Group is focusing on. Our desire is to use this report as an effective communications tool for advancing fruitful dialog with our stakeholders. We will also formulate potent sustainability initiatives rooted in the feedback obtained from all our partners in this vital quest.

Scope of Report

The contents of this sustainability report cover the extended MISI Group—namely, Marubeni-Itochu Steel Inc. (MISI) and our 97 affiliated Group companies. Within this document, MISI and its Group companies are collectively referred to as the “MISI Group.” When it is necessary to designate the sphere of such information, the names of specific organizations are used to provide greater clarity.

Reporting Period

This report covers fiscal 2024 (April 1, 2024 through March 31, 2025). Notwithstanding, certain activities and initiatives detailed in these contents also include undertakings prior to that period, as well as more recent developments.

Reference Guidelines

- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)
- ISO 14001
- GRI Standard

Issue Date

July 2025

The Thinking behind Our Philosophy

We will contribute to our customers' growth and corporate value while creating a better world with our stakeholders. By pursuing this goal, we will achieve individual and collective growth. This is how we would like to be. To achieve this goal, we will keep expanding our services and rapidly reacting to diversified needs. We will offer high-value-added solutions to our customers by anticipating changes in our world, keeping a broad perspective, and tackling the core challenges of the existing value chain and industrial structure. We will create a new business model by taking the lead and going beyond the framework of a trading company. We will always ask questions from every perspective, and with the pioneering spirit we have kept since our founding, we will explore the next frontier.



Makoto Ishitani
President and CEO

Our New Tokyo Head Office Opens the Door to a Brighter Future

In these uncertain and challenging times, we believe that people are the key to building a brighter future together with our stakeholders. As rapid technological advances and social developments make it increasingly difficult to rely on traditional business models, what we need now is thinking outside the box and adaptability. The true driving force behind these capabilities is the individuality of each and every one of our people.

To nurture the potential of every employee, we must foster a fair and inclusive working environment where everyone can realize their strengths. Since our founding, we have upheld Diversity as a key strand of MISI FRONTIER SPIRITS, the pioneering spirit that defines who we are. This commitment has helped cultivate a culture that embraces and values diverse perspectives.

When individuals with a wide range of experiences and values come together and exchange perspectives, it leads to adaptive thinking and responsiveness. This diversity serves as a powerful driver for taking on new challenges in a rapidly changing world and fuels the sustainable growth of our organization. A culture that encourages open dialog and ensures every voice is heard remains one of our greatest strengths.

In May 2025, we relocated our Tokyo Head Office from the historic commercial district of Nihonbashi we had long called home to Tokyo Midtown Yaesu. Located directly in front of Tokyo Station, our new office offers outstanding accessibility for business partners visiting from around the world. We are committed to deepening our partnerships by warmly welcoming them in.

We placed people at the heart of the design for our new office, creating an environment where employees can work with ease. For example, to enhance internal communication, we significantly increased the number of spaces where employees of different ages and departments can connect and freely share perspectives. Open areas for casual meetings and private booths for online communication have been strategi-

cally placed throughout the office, enabling seamless interaction both virtually and in-person.

We also renewed the in-house MISI CAFE, creating a space that helps our people keep up their levels of enthusiasm and motivation. Through these thoughtfully designed workspaces, we aim to foster a culture of mutual learning, driving further organizational advancement.

We use green steel sourced from our valued business partners, throughout the new office. A central staircase connecting all three floors sits at the heart of the office providing a place where people can naturally come together as they move between levels. Made of green steel, this feature embodies our dedication to sustainability.

Similarly, green steel has been used for the meeting room walls as well as office furnishings such as desks and side cabinets, creating an environment where employees can experience and connect with sustainability in the course of their everyday activities.

The steel industry plays a vital role in realizing a more resilient and forward-looking society. With this social mission in mind, we injected a wide array of aspirations into our Tokyo Head Office move—from empowering people and sparking innovation through enhanced communication, to deepening sustainability awareness across the organization. Guided by our corporate philosophy, “Powering the future with steel”, we will work in our new Head Office, carefully crafted with so many innovative features, to drive the growth of our employees and our organization, extending their impact toward the creation of solutions for the future.

We are embarking on a new chapter of challenges and opportunities to help shape a brighter future from our new Yaesu base. We remain committed to contributing to the creation of a better world.

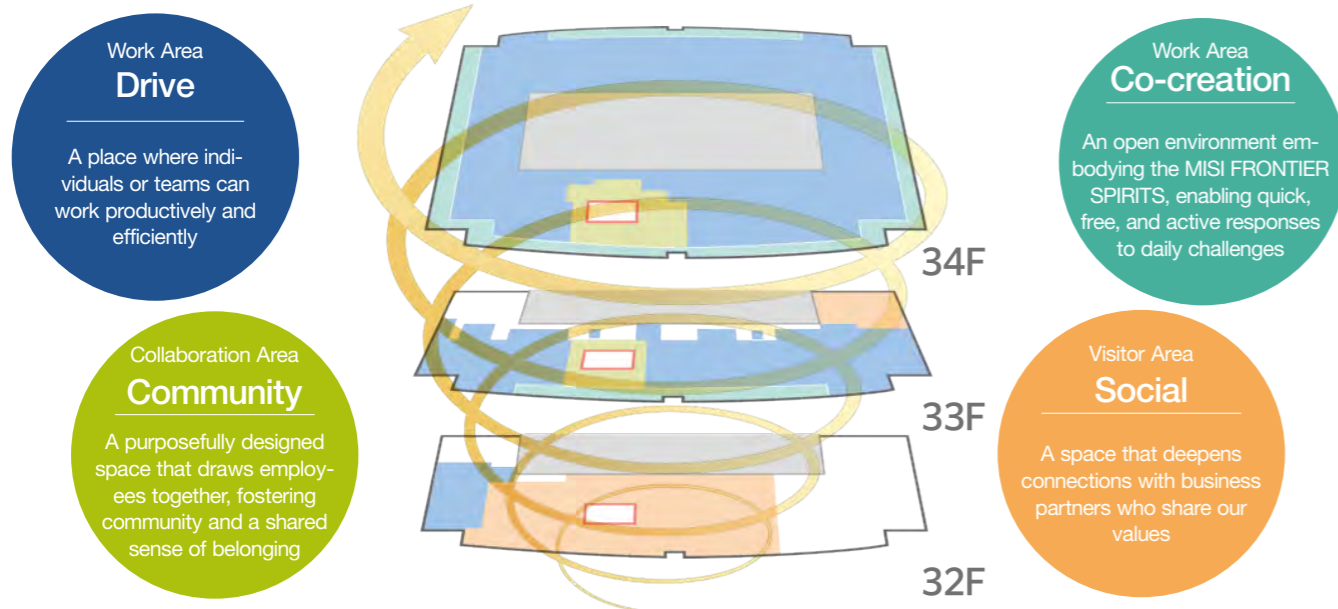


The Tokyo Relocation Project – Designing a Sustainable Future

To support our continued growth, in May 2025, we relocated our Tokyo Head Office to Tokyo Midtown Yaesu, directly in front of Tokyo Station—the gateway to Japan. The concept for the new office was shaped by employee input gathered through a company-wide task force launched in July 2021. This collective endeavor gave birth to a huge project spanning four years.

The Vision Behind the Relocation

Rooted in our corporate philosophy, we developed the new office around four key themes, with all requirements thoughtfully integrated throughout the space.



An Office Cultivating Connection and Collaboration

FUSION × Active × MISI FRONTIER SPIRITS

We have identified appealing work environment as a key foundation of our human resource strategy. Guided by this principle, our new office was purposefully designed to ensure that every employee can work with ease and perform at their best.

One of the most notable changes from our previous office is the consolidation of all sales divisions on a single floor. By bringing together teams that were previously spread across different levels, the new layout encourages spontaneous interactions that transcend organizational boundaries.

To further encourage natural interactions throughout the office, we positioned our in-house MISI CAFE near the central staircase that links all three floors. This welcoming space fosters relaxed conversation and easy exchanges between employees, regardless of their

roles or ages. We also expanded the healthy meal options available at MISI CAFE, helping to support the well-being of our employees.

To support both focused individual work and dynamic team collaboration, we introduced new private booths and open areas throughout the office. This setup allows employees to choose the most suitable space for their needs, enabling greater flexibility in how they approach their day. It also enhances employee engagement and strengthens a sense of unity across the organization.

We think face-to-face communication is particularly important for strengthening our relationships with business partners. Therefore, in designing our visitor area, we gave careful thought to every detail, from smooth flow lines to refined reception spaces, to create a memorable and welcoming experience for visitors from around the world. By enhancing the office's function as a space for connection, we aim not just to conduct business, but also to build lasting relationships of trust with our business partners that support the creation of shared value.



MISI CAFE (34F): A social space with a variety of seating, centered around a café counter offering light meals



MISI CAFE (33F): A veranda-style space for meetings and breaks



Central staircase made with green steel

Initiatives Shaping an Environmentally Conscious Workplace

GREEN STEEL × CIRCULARITY

We implemented a wide range of environmental measures when we relocated our head office. Tokyo Midtown Yaesu, the site of our new Tokyo Head Office, is one of Japan's largest office buildings certified as ZEB Ready*, achieving over a 50 percent reduction in annual primary energy consumption compared to conventional buildings of similar size. It also features an underground energy center that strengthens its business continuity planning (BCP) capabilities in the event of emergency.

MISI's Tokyo Head Office has introduced renewable energy by using greened power through the use of non-fossil fuel certificates, which certify the environmental value of energy generated from renewable sources. This contributes to significant reduction in our Scope 2 emissions, which account for the majority of our total greenhouse gas (GHG) emissions.

As part of our workplace initiatives, we held a paper reduction event prior to the relocation, encouraging departments to compete in going paperless. As a result, we reduced the volume of paper documentation by 45.6 percent through paperwork reduction and digitization. The new office has 70 percent fewer printers than the previous one, further promoting a paperless working environment.

We also introduced automated lighting systems that turn off lights during lunch breaks and after 8 p.m., contributing to both energy savings and reduced overtime. Additionally, around 800 office chairs as well as some meeting room tables and chairs were relocated from the previous office to make effective use of existing resources.

Green steel sourced from many of our business partners has been used throughout the office, including in the central staircase connecting all three floors, the meeting room walls, and the main office furnishings, such as desks, side cabinets, and storage units. This thoughtfully designed environment has seamlessly integrated sustainability into employees' everyday working lives.

With "Together with Our Stakeholders" the foundation of our seven materiality themes, we consider co-creation with stakeholders vital to realizing a sustainable society. The use of green steel in the new office, made possible through collaboration with our business partners, has put this principle into practice.

The Tokyo Head Office relocation represents a significant step putting our sustainability management into action. Moving forward, we will continue to deepen environmental awareness among our employees in their daily working lives and to further enhance our sustainability initiatives.

*ZEB Ready: A ZEB (Net Zero Energy Building) is a building that aims to reduce the energy consumed by the building to zero while providing a comfortable indoor environment. "ZEB Ready" is an advanced building that aims to achieve ZEB.

Our Sustainability Strategy

2001: MISI was established through the spinoff and merger of the steel business divisions of ITOCHU Corporation and Marubeni Corporation. Since our establishment, we have aimed to fulfill our corporate responsibilities to both the environment and society by contributing to environmental conservation and the healthy development of society through the supply of steel products.

2016: MISI established CSR Action Guidelines as an important step in supporting the evolving role of companies within global society. The Guidelines not only defines how we intend to conduct our business but also encourages every employee to proactively contribute to building a sustainable society through five specific focus areas.

2021: We marked MISI's twentieth anniversary by reformulating our corporate philosophy. Born from the shared values of all our employees, the philosophy reflects our continued pursuit of a future shaped by unremitting effort and strong will. The message, "Powering the future with steel", expresses MISI's firm commitment to contributing to society through steel. This philosophy serves as the starting point for creating value together with our employees, stakeholders, and society, and forms the bedrock of our sustainability initiatives.

Creating Positive Impact through Our Business

In our pursuit of creating a better world, we believe it is crucial to uphold the spirit of co-creation as we constantly strive for solutions to the challenges faced by our stakeholders. At MISI, we aim to drive meaningful change in society through our business activities by contributing to the development of green infrastructure, the revitalization of local economies, and other socially impactful initiatives.

Working Together with Our Stakeholders

Social issues, such as climate change, cannot be solved by companies acting alone. It requires collaborative efforts that transcend industry boundaries. The role of steel distribution is multifaceted; MISI is committed to further developing the expertise and global networks we have cultivated to build and strengthen partnerships between ourselves and others and to facilitate partnerships between third parties that support effective, collaborative problem-solving with our stakeholders.

Growth for Every Employee

MISI's business is supported by a history of turning adversity into our driving force and repeatedly taking bold new steps forward, as well as by the pioneering MISI FRONTIER SPIRITS that is deeply ingrained in our employees. To foster our continued growth and work with our stakeholders toward creating a better world, we are dedicated to developing talent and empowering the personal growth of our employees.

2025: We identified MISI's materiality to further advance our sustainability initiatives. Guided by the unwavering spirit that has defined us since our founding, we will continue to grow by tackling the evolving challenges of our world head on, striving alongside our stakeholders to build a brighter future.

CSR Action Guidelines

Rooted in the thoughts of our corporate philosophy "Powering the future with steel", MISI provides value that contributes to our customer's future as a leading innovator in steel distribution and aims to realize a sustainable society.

1. Thorough Compliance

MISI observes the laws and regulations of Japan and other countries, following commonsense courses of action in compliance with social norms.

2. Keen Consideration for Human Rights and the Global Environment

MISI nurtures a keen awareness of our responsibilities as a contributing member of the international community, respecting human rights and striving to protect the global environment.

3. Quality Accountability

MISI supplies products and services of the highest quality, responding to the needs and expectations of our customers and supporting the continuing advancement of society.

4. Social Contribution Initiatives

MISI vigorously contributes to the local community and society overall to raise the quality of people's lives, fulfilling our responsibilities as a good corporate citizen.

5. Partnerships with Stakeholders

MISI focuses on close communication with all stakeholders, forging bonds of mutual trust and living up to the expectations of these valued partners.

Materiality Principles

MISI is a company rooted in the traditions of merchants from the Ohmi region of Western Japan that values lasting ties with both society and our business partners. Our current thinking on sustainability aligns with our longstanding values, empowering a constant quest for new possibilities. We have engaged in discussions to address the needs of our stakeholders and the issues confronting the world today, and have identified our materiality. With this materiality as our guide, we are committed to taking concrete steps towards a better world.

Materiality Assessment Process

Our Sustainability Task Force started examining our materiality in 2022, and this process was finalized by Management Committee and Board of Directors approval in March 2025. Please refer to pp. 9-10 for the materiality we identified.

STEP 1

Selecting the Issues

The Task Force first drew up a longlist of themes by identifying issues covered by international frameworks and guidelines related to non-financial disclosure, as well as issues that the MISI Group addresses in its business operations. We then narrowed it down to the most important themes for both MISI and our stakeholders.

STEP 2

Prioritizing the Issues

The selected themes were evaluated from two perspectives: their importance to MISI and their importance to stakeholders. We then conducted a more detailed analysis and plotted the themes accordingly, based on the types of impacts that MISI may experience and the stakeholders we envisage. Additionally, we fine-tuned the themes prioritization by reflecting the latest trends as necessary.

STEP 3

Integrating and Grouping Shared Issues

We developed candidates for materiality by consolidating the plotted themes into shared issues, while confirming their alignment with MISI's corporate philosophy. Throughout this process, we placed particular emphasis on our philosophy of creating a better world alongside our stakeholders. This perspective allowed us to reaffirm that themes of importance to our stakeholders are equally important issues for MISI.

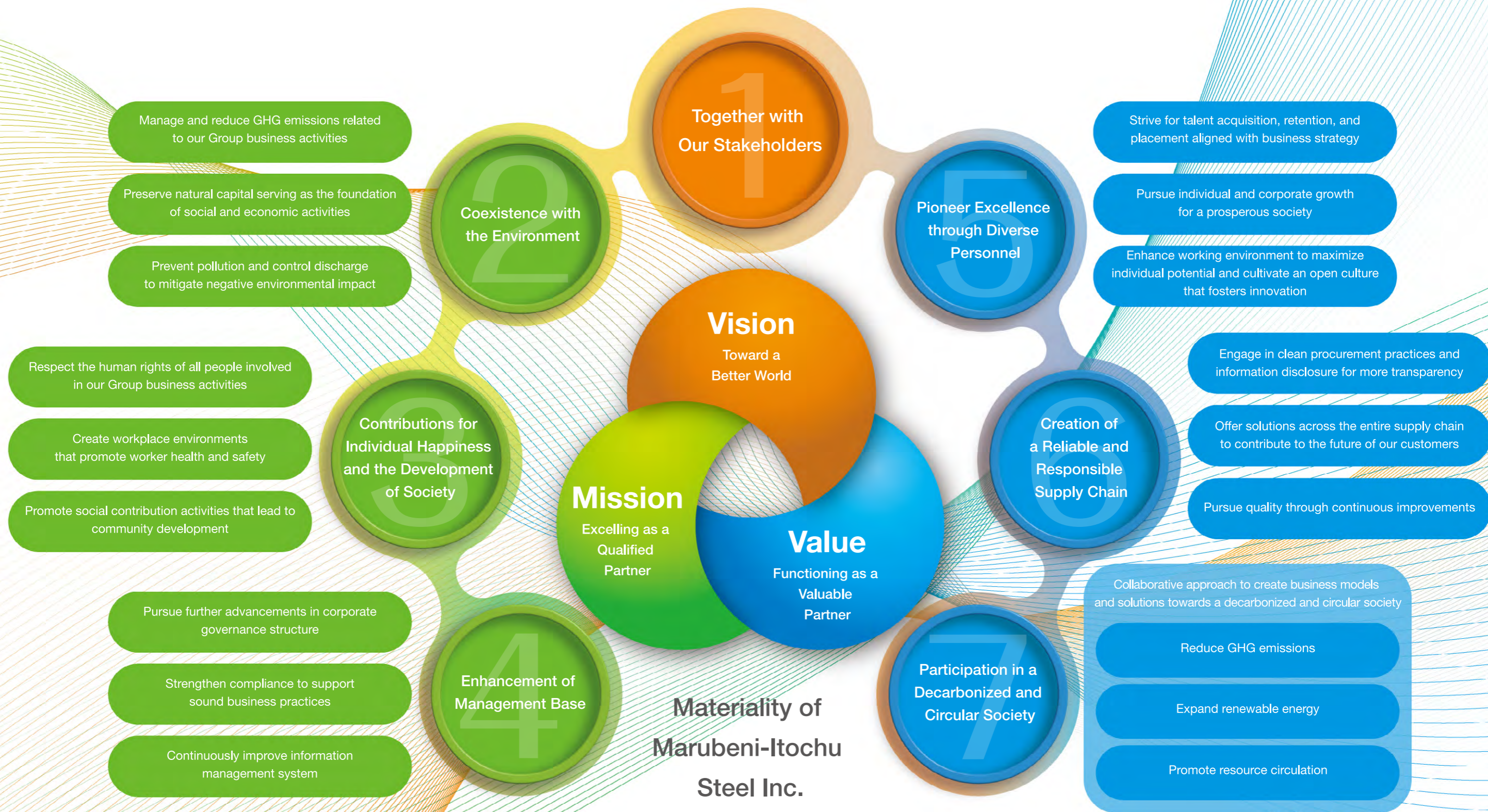


Discussion in the Sustainability Task Force

STEP 4

Approval by Management

The candidates for materiality were carefully examined with respect to their relation to regulations and standards, stakeholder expectations, and the company's medium-to-long-term strategy. They were then formally approved following discussions by the Management Committee and the Board of Directors. We will continue to explore the role that our company should play through dialog with our stakeholders moving forward.



1 Together with Our Stakeholders

MISI's business cannot exist without collaboration with our stakeholders. As a company rooted in the trading business, our mission is to connect our customers and suppliers while also actively working to create a better world by solving social issues through our business. Guided by the spirit of co-creation, we are always thinking about what delivers real value to our stakeholders, and striving to fulfill our mission and to make meaningful contributions to society.

2 Coexistence with the Environment

We leverage the precious resource of steel to support the foundations of wide-ranging social and economic activities, and this in turn supports our own continued growth. At the same time, a keen awareness of our responsibility to minimize our environmental impact is in our very DNA. By accurately assessing and managing the environmental impacts of our activities and continuously seeking to do better, we strive to pass on a rich natural environment to future generations and to contribute to the healthy development of society.

3 Contributions for Individual Happiness and the Development of Society

We are dedicated to raising the quality of people's lives, and play a key role in supporting essential social infrastructure through collaborations with many stakeholders. We are committed to upholding the human rights and dignity of all individuals involved in our business and to maintaining healthy and safe workplace environments. Furthermore, we actively contribute to addressing challenges in local communities and to advancing social initiatives, with the aim of remaining a company that works for the well-being of society and all the lives we touch.

4 Enhancement of Management Base

As a globally active company, we are working to build a solid organizational foundation through transparent management. We pursue further enhancement of our resilience and responsiveness to change by reinforcing our risk management and compliance systems and continuously improving the management and strategic use of information. With integrity and operational reliability at our core, we continue to be a partner trusted and chosen by our stakeholders.

5 Pioneer Excellence through Diverse Personnel

Every employee is a precious asset to MISI. Guided by a human resource strategy that enhances our organizational functions and competitiveness, the growth of each individual's capabilities and performance strengthens our business. We are committed to fostering working environments in which mutual understanding and meaningful engagement enable people to thrive. We aim to leverage co-creation with our stakeholders to venture boldly into unmapped territory, exceeding our customers' expectations.

6 Creation of a Reliable and Responsible Supply Chain

MISI continues to evolve as a leading innovator in steel distribution, leveraging the expertise and global networks we have cultivated over the years. Our efforts go beyond minimizing the impact of logistics disruptions—we also respond flexibly to shifting societal demands and promote continuous improvement to ensure the long-term sustainability and stability of our distribution ecosystem. We focus on identifying and addressing shared challenges across the entire supply chain through ongoing dialog with our supply chain partners.

7 Participation in a Decarbonized and Circular Society

Addressing environmental challenges such as climate change and resource depletion has become a shared global objective and is a key focus for MISI, given our vision "To create a better world." Our goal is to contribute to, and actively participate in, the realization of a decarbonized and circular society through our business activities in collaboration with stakeholders. Initiatives here include developing services to support the reduction of GHG emissions, supplying steel products for green infrastructure, and building circular steel supply chains.

Sustainability Management System



Yasuji Nakano
Managing Executive Officer,
Member of the Board, Corporate
Strategy, Human Resources &
General Affairs Division

Amid the rising importance of sustainability in business activity, MISI established the Decarbonization Initiative Team under the Corporate Planning & Coordination Department in April 2022. Following subsequent discussions with stakeholders about their expectations of us, in April 2024, we reorganized this body into the Sustainability Management Team, reporting directly to a Director. We will continue to flexibly adapt our organizational structure to the many changes and new challenges we expect to face ahead, in alignment with stakeholder expectations and our corporate strategies as we strive for a sustainable future.

An ownership mindset is crucial in promoting sustainability. Sustainability touches every aspect of our business and, as such, we cannot leave responsibility for it to individual departments alone but must address it on a whole-company level. Therefore, we have established a Sustainability Task Force as a forum for sharing initiatives across departments and for facilitating open discussions reflecting diverse viewpoints and promoting effective cross-functional collaboration.

Furthermore, we are strengthening Group-wide discussions given our global presence and recent trends in sustainability-related regulation. This includes deepening international collaboration tailored to local circumstances and needs. Moving forward, we will continue to act as a Group, demonstrating initiative and working closely with stakeholders to advance efforts across the supply chain.

Role and Activities of the Sustainability Management Team

Our sustainability initiatives are planned and developed by the Sustainability Management Team and implemented under the direction of the Managing Executive Officer of the Corporate Strategy, Human Resources & General Affairs Division. In accordance with the Segregation of Duties, the Sustainability Management Team is responsible for the following tasks:

- Planning and implementing basic policies and schemes related to sustainability: Setting the overall direction of the MISI Group
- Preparing and publishing the Sustainability Report: Providing a key tool for communication with our stakeholders
- Managing sustainability-related certifications and ratings: Ensuring alignment with transparent evaluation standards that facilitate comparisons
- Driving sustainability initiatives: Developing and promoting a range of initiatives, starting with GHG emissions calculation and reduction

In addition, the Team consolidates inquiries from stakeholders and continues to strengthen our initiatives in light of the latest international standards.

We regard sustainability as a key management issue. In accordance with relevant internal regulations, we have established appropriate processes for approval through the Management Committee and the Board of Directors, and also oversees the accuracy and integrity of sustainability disclosure information. Furthermore, we have designed processes to facilitate smooth communication regarding the establishment or dissolution of Group companies and individual companies' business plans in order to ensure a holistic Group-wide approach.

The Sustainability Management Team provides regular quarterly reports to the Board of Directors on major sustainability-related activity. This ensures effective information-sharing between the Team and the top management, supporting swift decision-making.

Task Force for Sustainability Promotion



Sustainability is a core theme directly impacting a company's business activities above and beyond its corporate social responsibility. Therefore, MISI has established a cross-organizational Sustainability Task Force that brings the entire company together in a collaborative effort. The Task Force evaluates our sustainability initiatives and challenges based on international standards and stakeholder feedback, and discusses actions for the upcoming fiscal year and beyond. Starting in fiscal 2025, we will also strengthen collaboration with key overseas Group bases to further advance our global sustainability efforts.

Education and Awareness Activities

Sustainability is deeply embedded in all aspects of our Group's business operations, making it essential for every employee to become more sustainability-literate. To this end, we launched a sustainability-related training program in fiscal 2024. We are progressively expanding the content tailored to various roles and responsibilities, promoting Group-wide engagement.

Training and Seminars

We provide a variety of training programs and seminars to deepen understanding of the rapidly changing sustainability landscape and to promote effective business engagement. Our online training for MISI employees (see "Employee Training" in the table below) explains the trends in key sustainability topics and how MISI is responding to them. The participation rate for this training reached 96 percent in fiscal 2024 and has further improved to 99 percent in fiscal 2025. We have also established a dedicated sustainability page on the MISI intranet, providing employees with easy access to resources such as our policies and a proprietary glossary of key terms.

Course Name	Target Audience	Overview
Executive Training	Directors and Auditors	Outlook on the risks and opportunities arising from global sustainability trends
Employee Training	Employees	The sustainability basics, including climate change and other environmental and social issues, and close-ups on: · Stakeholder Engagement · Business and Human Rights
Regulatory Trends Study Session	Sustainability Task Force Members	Overview of the EU Corporate Sustainability Reporting Directive (CSRD) and its future roadmap
Green Steel Study Session	Employees	Discussion on the green steel market and future marketing strategies
Climate Tech Lecture	Employees	Insights into the latest developments in technologies focused on climate change mitigation
Sustainable Finance Study Session	Employees	Overview of sustainable finance and case studies



Climate Tech Lecture



Green Steel Study Session

Collective Progress with Group Companies

Our Group companies operate in diverse regions and business types. We implement initiatives tailored to these diversities so that we can work together for sustainability as a Group.

We have introduced e-learning service "Pivotta Sustaina" for Group companies in Japan to help their employees acquire foundational sustainability knowledge. This program encourages consideration of sustainability from multiple perspectives, covering topics from regulatory trends to practical actions in daily life. We also arranged a site visit to Ricoh Company, Ltd. (RICOH Eco Business Development Center, Gotemba City, Shizuoka Prefecture), providing a valuable opportunity for employees from our Japanese Group companies to learn firsthand about stakeholder initiatives. This has contributed to enhanced knowledge-sharing and strengthened collaboration across the entire Group.

For our overseas Group companies, our overseas office employee training encompasses the latest updates on sustainability trends and the MISI Group's initiatives. We have also held individual workshops with our United States (U.S.) Group companies to share efforts and engage in active discussions about future challenges. We will continue to explore various approaches to further promote sustainability throughout the Group.



Site Visit to Ricoh Company, Ltd.



Environment

MISI sets forth the following Environmental Policy to curb the negative impact of our business activities and promote environmentally aware initiatives.

Marubeni-Itochu Steel Inc.'s Environmental Policy

Basic Principle

Complying with the environmental policy of Marubeni Group and ITOCHU Corporation as its basic principle and its framework of activities, and aware of its responsibility as a good member of international society, Marubeni-Itochu Steel Inc. shall maintain the environment of our irreplaceable earth and shall contribute to sustainable development of human society.

Basic Policy

Intending to realize the reduction of environmental impact through its domestic and international trading activities for steel products, Marubeni-Itochu Steel Inc. shall provide the following as its basic policy:

- 1. Consideration of natural environment:**
When undertaking business activities, the local community and natural ecosystem shall be considered and efforts shall be made to prevent pollution.
(1) Understanding the environmental influence of the commodities being handled, and keeping in mind preservation of the natural environment, business activities shall be carried out.
(2) When investment, finance and development projects are undertaken, their environmental influence shall be assessed and considered.
- 2. Observing environmental laws and regulations:**
International treaties concerning the environment, and environmental laws and regulations related to Japan and concerned countries shall be observed.
- 3. Effective use of resources and energy, and realization of a sustainable economic society:**
Resources and energy shall be used effectively in order to contribute to realization of a sustainable economic society.
(1) Executing environmental assessment of suppliers from a *green supply* point of view, business with the enterprises that consider the environment shall be positively encouraged.
(2) Business aimed to reduce environmental impact shall be positively promoted.
- 4. Promoting enlightenment:**
The enlightenment of Related Subsidiaries, as well as company members, shall be positively promoted in order to improve their awareness and activities to preserve the environment.
- 5. Establishment of an Environmental Management System and its continual improvement:**
Under a single certificate of approval, the Environmental Management System shall be expanded to include all necessary domestic and foreign branches and overseas subsidiaries and affiliated companies to establish an organized and integrated system, and such system shall be reviewed continually to improve it.
- 6. Environmental Policy publication and notification:**
All directors and employees shall be informed of the Environmental Policy, and it shall be made available publicly outside of the company.

April 1, 2024

Makoto Ishitani
President and CEO
Marubeni-Itochu Steel Inc.

Environmental Accountability

As a corporate citizen in the international community, MISI is aware of its responsibilities to contribute to the well-being of society. We are committed to actively engaging in environmental conservation and making a sustainable contribution to the development of society. Based on this philosophy, we strive to conduct business activities that achieve a balance between the conservation of the natural environment and economic growth. In order to fulfill this commitment, we have established our Environmental Policy and Environmental Management Regulation for environmental conservation, pollution prevention, compliance with laws and regulations, and the identification of and response to environmental risks. Additionally, we have developed an Environmental Management System (EMS) to ensure the proper implementation of this policy and regulation.

The MISI President and CEO leads the EMS and directs and oversees the Chief Administrative Officer (CAO), who is responsible for environmental management. The CAO is entrusted with the responsibility and authority to establish, implement, and maintain the EMS. The Human Resources & General Affairs Department assists the CAO and serves as the organization responsible for the practical operation of the EMS by handling administrative tasks.

In each MISI organization, the manager names an environmental operation supervisor, who is then appointed by the top management. The environmental operation supervisor collaborates with the Human Resources & General Affairs Department to implement and maintain the EMS in line with the specific nature of each MISI business.

ISO 14001 Certification Status

To ensure the universality and consistency of the EMS, and to operate in an integrated and efficient manner, MISI has obtained and maintained ISO 14001 certification since its establishment in 2001, continuing to improve the EMS. ISO 14001 is an international standard for EMS as a framework to identify, evaluate, and appropriately manage the environmental impact, and we actively utilize this standard in our Group's business activities. The ISO 14001 certification coverage within the MISI Group's sites is 34 percent.



Environmental Conservation

Contributing to the Circular Society

The MISI Group aims to achieve harmony between business activities and environmental conservation by using resources efficiently and reducing waste.

Core Principles

- **Reduction of Industrial Waste:** We promote waste reduction by ensuring the proper classification and treatment of industrial waste arising from our business operations.
- **Promotion of 3Rs (Reduce, Reuse, Recycle):** By reducing the consumption of fossil-derived resources and encouraging reuse and recycling, we increase the circularity of all resources generated by our business activities.
- **Advancement of a Circular Economy:** We consider circularity from the design stage of products and services, extending product lifespans and enabling easier reuse, with the goal of achieving a balance between business activities and environmental conservation.
- **Regional Revitalization through the Formation of Regional Circular and Ecological Economies:** We support the development of local economies and social capital by promoting resource and energy circularity within each individual region, considering its local characteristics and needs.

Specific Initiatives

When we relocated our Tokyo Head Office in May 2025, we reused approximately 800 office chairs and a number of meeting room tables and chairs from the previous office in the new one. We will continue to actively promote resource circularity across the entire Group.

Chemical Substances Management

The MISI Group responsibly manages chemical substances because we care about safety and environmental impact. To ensure the safer and more appropriate use of chemical substances, we comply with all relevant Japanese and international laws and regulations, while minimizing risk throughout the entire product lifecycle, from materials procurement, through transportation and sales, to final disposal.

We also assess the potential impacts of chemical substances use on local ecosystems and air quality based on the latest scientific understanding. Through these efforts, we strive not only to ensure workplace safety but also to maintain ongoing dialog with local communities, reinforcing our social responsibility and credibility.

Core Principles

- **Compliance with Laws and Regulations:** We comply with all relevant Japanese and international laws and regulations relating to chemical substances; we conduct proper classification and labeling, provide Safety Data Sheets (SDS), and carry out risk assessments for toxicity and hazards. In line with the Global Framework on Chemicals, adopted in 2023, we are committed to supporting the global goal of "a planet free from the harmful effects of chemicals and waste for a safe, healthy, and sustainable future."
- **Self-Management:** We evaluate the safety and environmental impact of chemical substances under our own responsibility, using scientific evaluation methods based on the latest international developments.
- **Information Disclosure:** We actively disclose risk-related information, including potential hazards and toxicity, to foster transparent communication with external stakeholders.
- **Education and Awareness:** We provide education and awareness programs for employees across MISI and Group companies to enhance knowledge and skills relating to the handling and management of chemical substances.
- **Continuous Improvement:** We regularly monitor our chemical substances management practices through audits, ensuring that we do not let slip issues or opportunities for improvement.

Specific Initiatives

We are advancing initiatives for appropriate chemical substances management across the MISI Group. Since fiscal 2024, we have been collaborating with Technohill Co., Ltd. to support each Group company in establishing its own management systems. This includes verifying the chemical substances and management procedures used at each facility. In fiscal 2025, we plan to enhance our risk assessment efforts by creating a Group-wide Self-Assessment Questionnaire (SAQ) and introducing shared checklists. In parallel, we will also work to advance the consolidation and management of data on chemical substances used across the Group.

Seminars for Group Companies

In fiscal 2024, we planned and conducted a seminar for chemical substances managers and personal protective equipment (PPE) supervisors at our Japanese Group companies. Led by an external expert, the seminar covered key points of the revised Industrial Safety and Health Act, risk assessment methods, and the proper selection and use of PPE such as masks and gloves, including hands-on training. A total of 48 participants from 18 companies attended, a participation rate of 94 percent.



Hands-on training in PPE use

Chemical Substance Management Assessment and Guidance

We are also conducting on-site visits to Group company sites in Japan to review how they use and manage chemical substances, and to provide direct guidance for improvement. In fiscal 2025 to date, we have conducted reviews of working environments, including the concentrations of chemicals present in the air, and interviews about management procedures at two sites. Experts provided on-the-spot assessments and guidance, leading to improved management practices. We plan to conduct such interviews and visits at a further eight sites this fiscal year.

Biodiversity and Natural Capital

The MISI Group conducts analysis and evaluation of biodiversity, water, and air to understand the interaction between nature and our business activities, as well as to consider the risks to be addressed and the initiatives to be strengthened.

Since fiscal 2023, we have adopted the LEAP (Locate, Evaluate, Assess, Prepare) approach based on the Recommendations of the TNFD. We began by focusing on “L: Locating Interfaces with Nature” and “E: Evaluating Dependencies and Impacts” as part of our initial risk screening process. In fiscal 2024, aiming to build a risk management system across the MISI Group, we promoted “A: Assessing Risks and Opportunities” and “P: Preparing for Response and Reporting,” and advanced preparations for conducting self-assessments at our Group sites.

Evaluation Process Based on the LEAP Approach

L: Locating Interfaces with Nature

We conducted an analysis using location data from 310 sites across 94 companies within the MISI Group, focusing on three perspectives: ecosystem integrity, importance of biodiversity, and water stress.

In fiscal 2023, we used Geographic Information System (GIS¹) data to score four out of the five indicators listed in the table on the right, excluding Key Biodiversity Area. An integrated score was calculated by equally weighting the three perspectives. This score was then categorized into six levels, allowing us to identify points of contact between MISI Group sites and nature, as well as to understand regional characteristics. In fiscal 2024, we utilized GIS data for all five indicators, including Key Biodiversity Area, to conduct a more comprehensive analysis.

¹GIS: Geographic Information System is a system technology that processes and manages a range of data about various aspects of locations, enabling map creation and advanced analysis.

²Indicator newly added in fiscal 2024.

Ecosystem Integrity	Mean Species Abundance
	Ecoregion
Importance of Biodiversity	Biodiversity Hotspot
	Key Biodiversity Area ²
Water Stress	Baseline Water Stress

E: Evaluating Dependencies and Impacts

The risks companies need to address vary depending on the type of business they are engaged in. Within the MISI Group, we have established two categories: distribution, which focuses on steel trading, and manufacturing, which primarily involves steel processing.

Using ENCORE, a nature-related risk assessment tool, we evaluated each business category’s level of dependency on ecosystems and ecosystem services, as well as their impact on natural capital, on a five-level scale. Furthermore, we conducted a survey targeting 94 MISI Group companies to assess their initiatives across the three themes of biodiversity, water, and air, and four areas: regulatory trend monitoring, governance and policy, impact and risk management, and target setting. Each company’s initiatives were categorized into three levels. We considered the themes and areas that require further enhancement based on the results of this analysis.

A: Assessing Risks and Opportunities

To conduct a more detailed analysis, we further categorized our business into four operation types: offices under the distribution category, and coil centers, other processing, and warehouses under the manufacturing category. A total of 310 sites were assessed based on three risk elements:

① Impact and Dependency Risks were evaluated using five factors: water intake, air pollution, water and soil contamination, waste, and noise and light. Since the degree of environmental impact and dependency varies by operational activity, we selected representative sites for the three operation types of the manufacturing category, where a broader range of environmental factors must be considered, and conducted on-site assessments with external consultants. These assessments reviewed operational processes, equipment, and surrounding environments, and the findings were reflected in the analysis.

② Location Risks were assessed using GIS data from the same three perspectives mentioned previously: ecosystem integrity, importance of biodiversity, and water stress. These reflect the environmental characteristics of each site’s geographical setting.

③ Business Scale Risks were assessed based on the annual total energy consumption at each site (converted to MWh), as a proxy for the scale of interaction with the natural environment.

The three risk elements described above were aggregated into a Site Classification Score, which was used to rank each site into one of three tiers based on its relative level: Class A (12 points or higher), Class B (from 6 to less than 12 points), and Class C (less than 6 points), as illustrated in Figure 1.

P: Preparing for Response and Reporting

Based on the results of the risk screening and the environmental management system items subject to oversight, we identified key environmental issues to be addressed at each MISI Group site in the areas of biodiversity, water, and air. These issues were further refined and updated based on the findings from on-site visits and assessments.

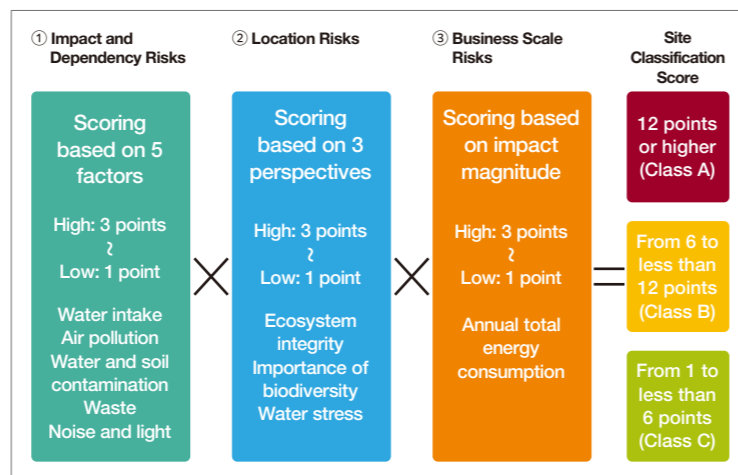


Figure 1 Site Classification Score Analysis

Evaluation Results Based on the LEAP Approach

L: Locating Interfaces with Nature

Based on the evaluation process, the integrated scores were categorized into six levels (Level 1: Low Risk to Level 6: High Risk). As a result, 80 percent of the sites were classified as Level 4 or below, while the remaining 20 percent were all assigned to Level 5, with no sites falling into the highest risk Level 6. Sites classified as Level 5 were primarily located in Japan and Oceania. These regions have abundant ecosystems and have recently experienced drought-induced wildfires, indicating areas of high water risk.

E: Evaluating Dependencies and Impacts

Using ENCORE, we assessed on a five-level scale (Level 1: Low Risk to Level 5: High Risk) and found that none of the business categories was classified as Level 5, the highest risk level. Among the three themes, biodiversity showed the largest gap between the risks to be considered and the current level of initiatives, highlighting the need to strengthen efforts based on the latest trends. In terms of the four areas, initiatives related to impact and risk management for water and air, especially in the context of safety and crisis management, are making progress. We will continue these efforts through pollutant control and building relationships with local communities.

A: Assessing Risks and Opportunities

Based on the analysis of Site Classification Scores, which were calculated by multiplying the scores for ① Impact and Dependency Risks (five factors), ② Locational Risks (three perspectives), and ③ Business Scale Risks, two sites were classified as Class A, 19 sites as Class B, and the remaining 289 sites as Class C (see the Overall column in Figure 2).

In anticipation of increasing water-related risks that may affect the MISI Group in the future, we also conducted a focused analysis using only the water-related indicators. Specifically, we calculated Site Classification Scores based on the following: water intake factor under Impact and Dependency Risks, water stress perspective under Location Risks, and Business Scale Risks. The results showed that five sites were classified as Class A, 12 sites as Class B, and the remaining 293 sites as Class C (see the Water-Focused column in Figure 2).

Taken together, just under 10 percent of all sites were classified as Class A or B in either the Overall or Water-Focused assessments, which suggests both a relatively higher level of risk and the necessity for regular self-assessment. The vast majority of sites were confirmed to be low risk (see Figure 2).

P: Preparing for Response and Reporting

Based on the evaluation process, we compiled key environmental issues to be addressed at each site into a self-assessment checklist. Going forward, each site will conduct self-assessments at a frequency determined by its Site Classification Score level.

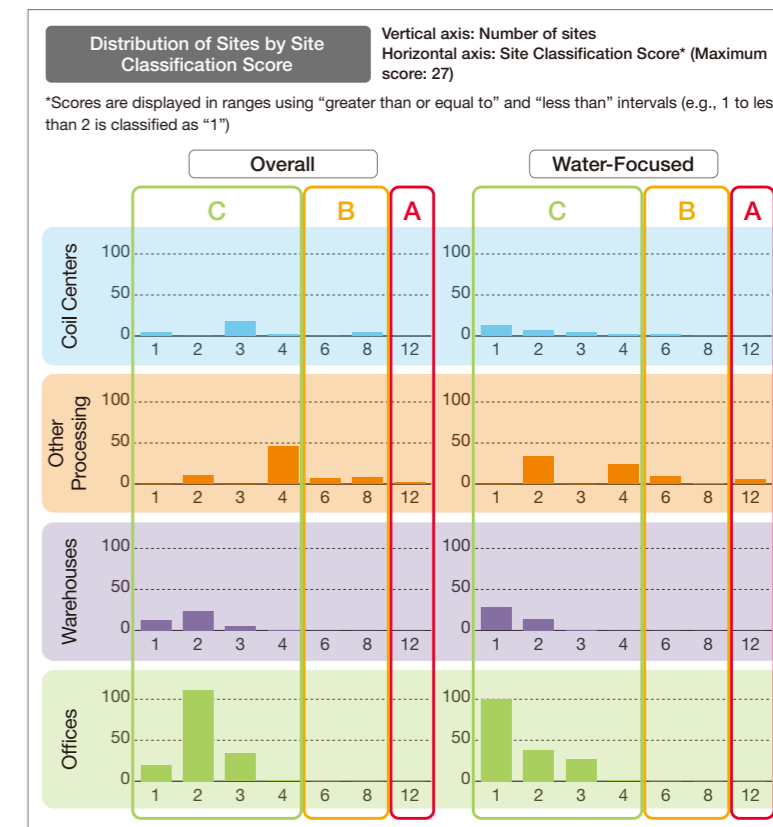


Figure 2 Site Classification Score Analysis Results

Examples of Initiatives: MISI Forest

Since April 2023, MISI has been working on the MISI Forest restoration project for coastal disaster prevention. The goal is to restore the so-called disaster prevention forest along the Kujukuri coastline in Sammu City, Chiba Prefecture—an area that suffered major damage from the tsunami triggered by the Great East Japan Earthquake of March 11, 2011. The current plan calls for carrying out the restoration of the forest over a five-year period.

In fiscal 2024, a total of 176 employees and their families participated in the activities, and with the support of the Lifestyle Research Institute of Forests (a nonprofit organization that teams up with various companies around Japan to promote tree planting), as well as the National Land Afforestation Promotion Organization’s Green Fund campaign, 2,000 black pine saplings were planted.

We will continue to promote these initiatives to realize our vision set forth in the MISI corporate philosophy “To create a better world” and ensure a richer environment for future generations.



Tree planting by our executives, employees, and their families

Climate Change

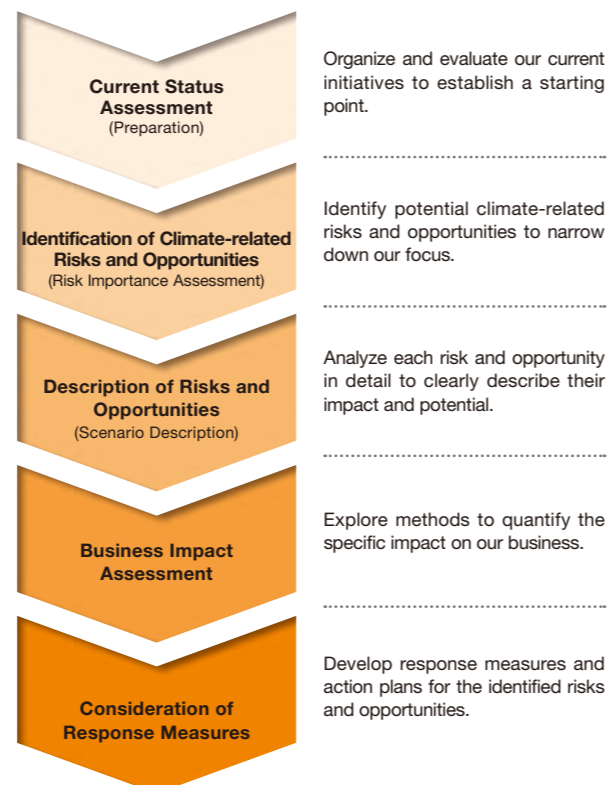
For MISI, which works toward creating a better world, climate change is a particularly critical challenge among the many issues facing humanity today. We also consider this an area in which we can contribute, based on the expertise and global networks we have cultivated over the years. As a first step, we are targeting carbon neutrality within the MISI Group. With respect to the strategy element of the Recommendations of the TCFD, we are discussing the impact analysis and new growth opportunities for our Group’s business activities. We are firmly committed to collaborating with our stakeholders, particularly those in the supply chain, to promote meaningful contributions to building a decarbonized society through our business.

Current Initiatives

Governance	In April 2024, the Sustainability Management Team under the Corporate Planning & Coordination Department was restructured and strengthened by reporting directly to a Director. Alongside this, the company-wide Sustainability Task Force has been established and continues to drive sustainability initiatives beyond organizational boundaries.
Strategy	As a focus area for the Sustainability Task Force, we are discussing the risks and opportunities for our Group in relation to climate change. Furthermore, the Business Incubation Team, which was established in April 2023, has started offering services aligned with the theme of building a decarbonized society.
Risk Management	At MISI, we conduct periodical internal environmental audits based on ISO 14001 to ensure effective risk management. We also incorporate the consideration and evaluation of environmental risks into the decision-making process for new investment projects.
Metrics and Targets	The MISI Group has set a Scope 1 and 2 GHG emissions intermediate reduction target of 50 percent by fiscal 2030, compared to fiscal 2020, and continues to implement and review action plans towards achieving this. We are also studying metrics and targets for other initiatives.

Risk and Opportunity Study Process

The Sustainability Task Force is conducting discussions based on the five steps outlined in the Recommendations of the TCFD. In the Current Status Assessment step, we organized our initiatives in response to the disclosure requirements recommended by TCFD. In the subsequent step of Identification of Climate-related Risks and Opportunities, we created a long list of risks and opportunities across various areas to gain an overview, then extracted the risks and opportunities that are most relevant to our business. Furthermore, we analyzed and grouped each identified risk and opportunity based on factors such as cause and scope, then identified the items that have a heavy impact on our business and are of high importance. In the Business Impact Assessment step, we broke down each risk and opportunity into individual components for quantitative analysis and discussed potential methods for quantification. In the final step of Consideration of Response Measures, we examined the response measures for each identified risk and opportunity. In this discussion, we also considered the timing at which the impact on our company would be significant and thus organized the future actions and timelines. It is important to note that the process of identifying and addressing risks and opportunities is not a one-time event, but an ongoing process that requires careful and flexible responses while monitoring shifts in the external environment. Going forward, we plan to deepen the discussions on refining the scenario analysis and impact assessments in this continuous process.



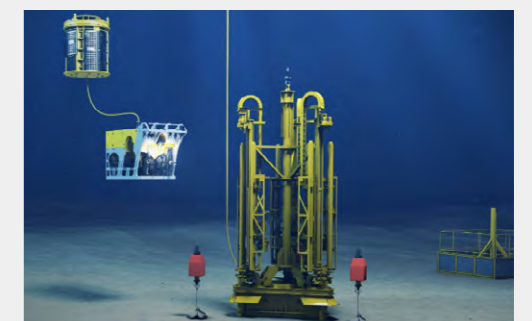
Risk and Opportunity Study Results

Through the study process, we selected seven factors of risks and opportunities. These factors have the potential to directly impact the MISI Group’s business and are important topics to address for further growth.

Impact on Operations in Processing and Manufacturing Group Companies	In the event of increasing natural disasters due to climate change, there is a possibility of operational disruptions in the MISI Group sites engaged in processing and manufacturing operations. The Sustainability Task Force recognizes the potential impacts, such as production reduction due to operational shutdowns and costs incurred from facility relocations, as physical risks.
Business Continuity Planning (BCP)	To minimize the negative impact of natural disasters, further strengthening of our BCP system is necessary. Such damage can cause disruptions and interruptions, not only within the MISI Group but also across the supply chain. Consequently, our goal is to enhance our BCP system, as well as to play a role in building a comprehensive coverage system throughout the supply chain.
Group Governance	Information management across the entire Group, including reporting obligations based on regulations and disclosure to stakeholders, has become increasingly important. As the MISI Group operates globally, we strive to comply with regulations in each country and establish a framework for data collection and reporting, with the goal of excelling as a qualified partner for our stakeholders.
Introduction of Carbon Pricing	The consideration of carbon pricing mechanisms is expected to accelerate in the realization of a decarbonized society. While Europe has been leading the introduction of such schemes, similar studies are underway in various countries worldwide. This is an important point to consider for companies involved in the steel industry business, including MISI, in terms of cost structures. As a first step, we are gathering information on the progress of considerations in each country and region, understanding the design of the mechanisms, and executing smooth operations to ensure uninterrupted logistics. Additionally, we are conducting studies and making proposals to contribute to the establishment of an even better supply chain.
Demand for Low-Carbon Products and Services	As the promotion of carbon neutrality gains momentum worldwide, steel manufacturers are actively advancing the development of green steel (low-carbon steel). The MISI Group also actively proposes it to our customers, contributing to the realization of a decarbonized society. From the perspective of a circular supply chain, the steel industry has already established economically rational recycling systems, including production methods that utilize steel scrap and achieved heightened efficiency at the recycling stage. In this regard, steel is an indispensable material in the pursuit of creating a better world. The MISI Group is also engaged in value propositions and offerings tailored to new needs, such as creating schemes to manufacture and supply products to customers using iron scrap based on their past procurement and usage of steel products.
Expansion of Renewable Energy and Decarbonization Technologies	The realization of a decarbonized society requires further proliferation of renewable energy. The MISI Group is actively developing supply chains to support the growth of offshore wind power and solar power generation. In the offshore wind power sector, we have entered into an exclusive sales agreement for the Japan market with Chinese firm Blueocean Wind Offshore Co. This agreement involves supplying wind power foundation materials for projects in Japan, for which annual steel demand is expected to exceed 100,000 metric tons. We are also considering participation in overseas projects. In the solar power generation sector, we have a track record in the sale of highly corrosion-resistant steel sheets for mounting systems, both in Japan and internationally. Going forward, we aim to establish supply chains overseas to better support these crucial areas.
Development of New Products and Services	There are many challenges on the road to carbon neutrality, and we must further strengthen relationships with our stakeholders and work together to build a brighter world. MISI established a Business Incubation Team in April 2023 to accelerate the development and commercialization of high-value-added solutions to the irreversible changes we are facing. In response to climate-related challenges, in September 2023, we launched MleCO ₂ —a total solution that supports customers throughout their decarbonization journey, from visualizing and analyzing GHG emissions to formulating strategies that enhance corporate value.

Offshore Wind Power Initiative: Investment in Subsea Micropiles Limited

In February 2025, the MISI Group invested in Subsea Micropiles Limited (SML), a company based in Ireland. SML specializes in the development, manufacturing, and installation of mooring anchors for floating offshore wind power generation and the oil and gas sectors, primarily in Scotland. They plan to provide lightweight offshore anchors developed using patented technology, which will reduce costs (including working vessel fees), shorten construction periods, and accommodate various seabed conditions. In collaboration with the Scottish National Investment Bank, the MISI Group jointly invested a total of €11 million. Through this investment, we aim to contribute to the growth of offshore wind power generation and a sustainable future.



FY2024 GHG Emissions

The MISI Group's Scope 1 and 2 GHG emissions for fiscal 2024 totaled 57,025t-CO₂, achieving a 19 percent reduction from the previous fiscal year. The results have been shared internally across the Group and will be used in the development of emission reduction measures for the following fiscal year.

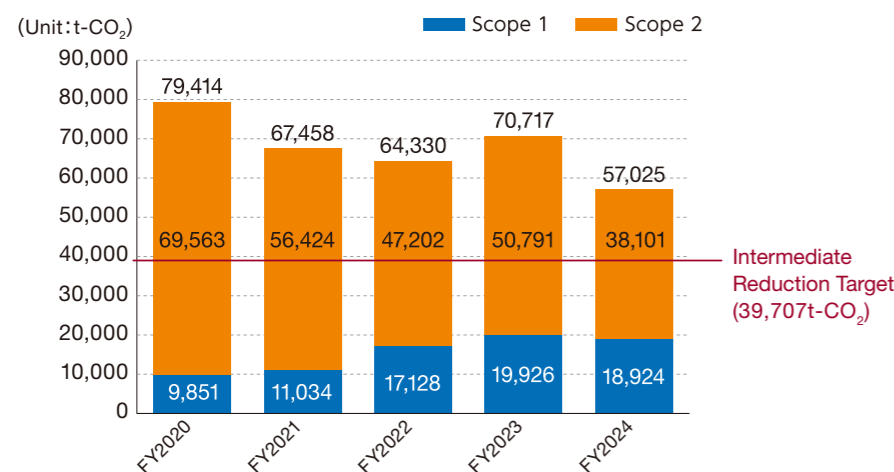
Calculation Results

Scope 1	18,924t-CO ₂ (-5% vs. the previous fiscal year)
Scope 2	38,101t-CO ₂ (-25% vs. the previous fiscal year)
Total for Scope 1 and 2	57,025t-CO ₂ (-19% vs. the previous fiscal year)

Calculation Boundaries

Locations: 306 sites (31 countries, 90 companies)
 Period: April 2024 – March 2025

Scope 1 and 2 GHG Emissions



The MISI Group Scope 1 and 2 GHG Emissions Intermediate Reduction Target

“50 percent reduction by fiscal 2030, compared to fiscal 2020”

Progress in fiscal 2024:
 Achieved a 28.2 percent reduction compared to fiscal 2020

*Since fiscal 2020, the calculation boundary has expanded due to business growth, including the acquisition of new Group companies. Accordingly, we plan to recalculate the GHG emissions for the base year (fiscal 2020).

As in the previous fiscal year, Scope 2 remained the dominant source of the MISI Group's GHG emissions, accounting for 67 percent of the total. We continue to closely monitor electricity consumption, which is the main contributor to Scope 2 emissions, taking into consideration the business type, operational conditions, and regional characteristics of each site.

Scope 3 Calculation

The MISI Group recognizes the importance of reducing GHG emissions across the entire supply chain and has been preparing for the calculation and disclosure of Scope 3 emissions. In fiscal 2024, as a first step, we are disclosing emissions from selected categories for which we have confirmed the reliability of the data and the accuracy of calculations. Going forward, we will continue to work to broaden the coverage of our calculations and further improve data accuracy.

Category	FY2024 Emissions (Unit: t-CO ₂)
2. Capital Goods *1	125,051
3. Fuel- and Energy-Related Activities Not Included in Scope 1 or 2 *2	12,358
4. Upstream Transportation and Distribution *3	1,598,553
5. Waste Generated in Operations *4	453
6. Business Travel *5	2,917
7. Employee Commuting *6	4,968
8. Upstream Leased Assets *7	423

Emissions were calculated based on the GHG Protocol and the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (MOE/METI, Ver. 2.7).

*1 Calculated using consolidated capital expenditures for the fiscal year and emission factors per unit price of capital goods.
 *2 Calculated using fuel and electricity consumption data collected for Scope 1 and 2 and the applicable emission factors.
 *3 Calculated using the ton-kilometer method for marine (Japan and International) and inland (Japan only) transportation where the Group is the shipper.
 *4 Calculated using emission factors by type and treatment method of industrial waste from Group companies in Japan.
 *5 Calculated using the Group's business travel records or number of employees and relevant emission factors.
 *6 Calculated using the Group's consolidated personnel data and emission factors per employee workday by work style and urban classification.
 *7 Calculated using the amount of city gas used by the building owner's cogeneration system for air conditioning and power supply in the Tokyo Head Office building.

Key Factors Affecting the Scope 1 and 2 Emissions

Scope 1

The consumption of gasoline and diesel decreased due to forklift electrification and the increased use of electric vehicles for company use. Additionally, kerosene use in Japan declined due to the mild winter.

Scope 2

The ClarkDietrich Building Systems Group in the U.S., which accounts for about 20 percent of the MISI Group's electricity consumption, procured Renewable Energy Certificates (RECs), achieving a reduction of approximately 9,500t-CO₂ in emissions.

Also, from the perspective of additionality (the concept of creating new renewable energy on a global scale), we have been promoting on-site solar power generation. In fiscal 2024, multiple sites installed solar panels on their premises and began generating electricity on-site.

As a result of these initiatives, the use of renewable electricity increased about sevenfold compared to the previous fiscal year, reaching 29 percent of the Group's total electricity consumption in fiscal 2024. This shift toward renewable energy led to a reduction of approximately 12,200t-CO₂ in GHG emissions.

Procurement of RECs

ClarkDietrich Building Systems LLC (CDBS), a MISI Group company with 15 locations across the U.S., offers a wide range of building materials and services in both the residential and non-residential construction sectors.

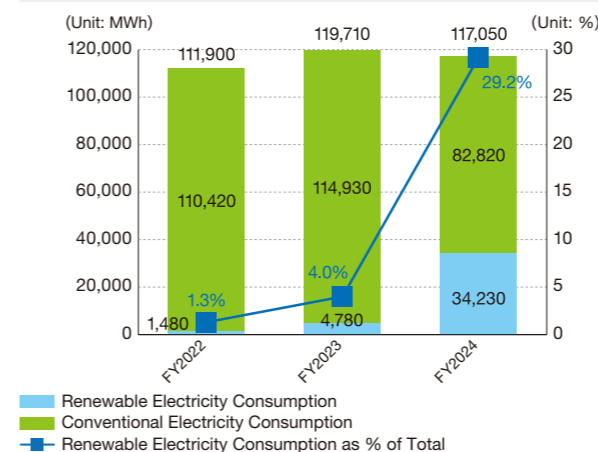
Committed to contributing to a decarbonized society, CDBS is establishing a supply chain for low-carbon products and providing services to assist customers in obtaining green building certifications through Environmental Product Declarations (EPDs*), along with offering related data.

CDBS is implementing a phased approach to GHG reduction; in fiscal 2024, Scope 2 emissions were reduced through the purchase of RECs. Looking ahead, long-term initiatives under consideration include the introduction of solar power generation and improvements in operational efficiency at its facilities.

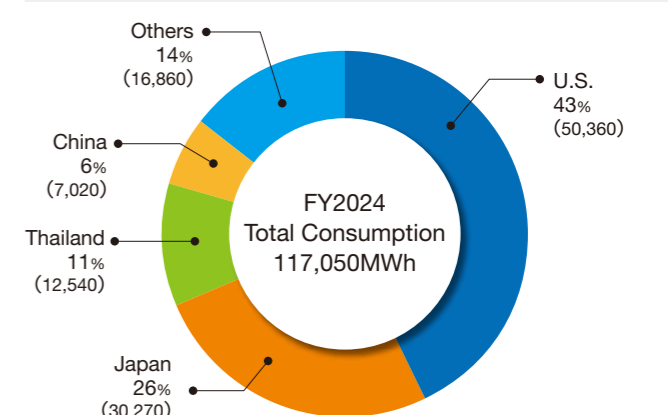
*EPD: Environmental Product Declaration is a framework for quantitatively evaluating the environmental impact of a product or service throughout its entire life cycle and publicly disclosing the data with a high level of transparency.



Renewable Energy Consumption and Share



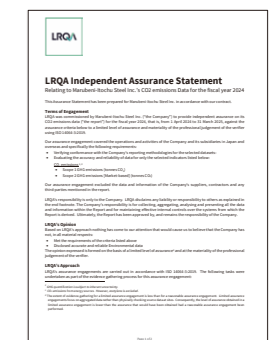
Electricity Consumption by Country



Enhancing Data Reliability and Streamlining Calculation Processes

The MISI Group's Scope 1 and 2 emissions undergo annual third-party certification by LRQA Limited, with certification successfully obtained again in fiscal 2024. Moving forward, we plan to expand this certification to include Scope 3 emissions to further improve data reliability.

Additionally, the MISI Group has implemented the GHG visualization cloud tool, MleCO₂, across its Japanese Group companies. By centrally managing data entry, emissions calculations, and aggregation on the cloud, this tool improves calculation efficiency and ensures data transparency. For more information on MleCO₂, please refer to “Providing Total Decarbonization Solutions” (p. 22).



GHG Emission Reduction

Current Initiatives

The MISI Group has set a Scope 1 and 2 GHG emissions intermediate reduction target of 50 percent by fiscal 2030, compared to fiscal 2020, towards carbon neutrality by 2050. This target aligns with the international goal of limiting the average global temperature rise to 1.5°C over pre-industrial levels, which is based on the prevailing scientific consensus. We have started developing and implementing specific plans to achieve this intermediate reduction target.

Approximately 70 percent of the MISI Group's emissions fall under Scope 2 emissions (indirect emissions from electricity use), with the primary source being electricity consumption at Group companies engaged in processing and manufacturing operations. Our past emissions calculations reveal that the four countries with the highest energy consumption account for about 80 percent of our total electricity consumption. Therefore, we are prioritizing transitioning processing and manufacturing Group companies in the U.S., Japan, Thailand, and China to renewable energy sources.

Anchored in the concept of additionality, we have initiated a study to assess the physical feasibility of installing on-site solar power generation at processing and manufacturing operation sites. We are prioritizing the evaluation of sites expected to have higher power output.

However, since it is difficult to switch office power consumption to on-site generation, we are working to reduce emissions using options such as renewable energy plans and the purchase of environmental attribute certificates. As part of these efforts, MISI's Tokyo Head Office building has introduced renewable energy by using greened power through the use of non-fossil fuel certificates, which certify the environmental value of energy generated from renewable sources.

Key means of reducing Scope 1 emissions (direct emissions) include improving the efficiency of energy use and transitioning to electricity as the energy source. Many of our sites are introducing electric forklifts in pursuit of this goal. We will continue to promote initiatives Group-wide to achieve our fiscal 2030 intermediate reduction target.

Examples of Initiatives

MM Steel Service Center Corporation

MM Steel Service Center Corporation (MMSS) is a Group company engaged in processing and manufacturing operations, based in the Philippines, that handles a variety of metal products including general steel, galvanized steel sheets, stainless steel, and aluminum. MMSS supplies metal materials for diverse applications, including automotive parts, motorcycle components, and electrical and low-voltage parts. To address the risks of power outages caused by heavy rain, reduce energy costs, and meet business partner requests for GHG emissions reduction, MMSS has installed a total of 552 solar panels on the roof of its factory, which have been generating electricity since August 2024. The expected annual output is approximately 470,000kWh, accounting for about 74 percent of the facility's power consumption, and this initiative is projected to lead to an annual reduction of approximately 160t-CO₂ in GHG emissions.



Total Steel of Australia Pty. Ltd.



Total Steel of Australia Pty. Ltd. (TSA) operates in the wholesale and distribution industry with facilities in most States and Territories across Australia. TSA supports market segments associated with mining, agriculture, civil construction by focusing in "value-added" steel products. In line with sustainability initiatives, TSA installed rooftop solar panels in the Perth facility in 2018 to reduce its energy consumption. This initiative lowered energy consumption by an average of 150,000kWh per year while diversifying and mitigating energy sources. Recognizing the need to further reduce TSA's carbon footprint through the implementation of a rainwater harvesting system and energy efficient lighting, TSA aims to continually improve energy efficiency across its facilities, taking a risk management approach consideration.

Providing Total Decarbonization Solutions

MleCO₂

Decarbonization is no longer an issue that can be solved by a single company alone, so we want to join hands and tackle this challenge together with everyone involved in the steel industry. Based on this belief, MleCO₂ was launched in September 2023 as a collaborative service with NTT DOCOMO BUSINESS, Inc. (NTT DOCOMO BUSINESS) and WasteBox Inc. (WasteBox). By combining the expertise of MISI, a leading player in the steel distribution segment, NTT DOCOMO BUSINESS, a major telecommunications company, and WasteBox, a pioneer in CO₂ and environmental information disclosure consultancy, MleCO₂ offers a wide range of services to our customers.

Service Lineup



"MleCO₂ Calculator"

CO₂ calculation could tool



"MleCO₂ Consultancy"

Consulting services for ESG in general



"MleCO₂ Reduction"

CO₂ reduction solutions in collaboration with partner companies



"MleCO₂ Beyond CO₂"

Low-carbon product development, carbon credit creation, rebranding support for talent acquisition by promoting decarbonization efforts, and more

Dedicated Hands-on Support that MleCO₂ Values

MleCO₂ is a service that supports companies throughout their decarbonization journey, enhancing their corporate value. As decarbonization becomes increasingly mainstream in society, more companies are not only addressing associated risks—such as meeting supply chain requirements or complying with regulations—but also actively leveraging decarbonization as a business opportunity to strengthen competitiveness and differentiation.

However, many companies still hesitate to take the first step due to a lack of internal expertise or personnel. To address this challenge, MleCO₂ offers dedicated hands-on support to stand by our customers every step of the way. Our support includes identifying the appropriate boundaries for GHG emissions calculation, assisting with data input, and helping build internal systems to manage decarbonization initiatives. This hands-on, personalized approach has been highly valued by many of our customers.

Positioning Decarbonization as a Branding Strategy

Decarbonization is also becoming an important aspect of corporate branding. In particular, younger generations are showing heightened interest in environmental responsibility, and companies' climate-related efforts are often a key factor in how they are perceived as employers and brands. To address this trend, MleCO₂ supports companies in strengthening their brand appeal by promoting their initiatives on corporate websites and assisting with the acquisition of relevant certifications. These efforts help enhance their visibility as forward-looking, next-generation companies.

Visualizing and Reducing GHG Emissions across the Supply Chain

Companies are now widely expected to visualize and reduce GHG emissions across their entire supply chains, as exemplified by carbon footprint (CFP) reporting. MleCO₂ supports steel-related industries as well as others with CFP calculations and obtaining EPD certifications. Drawing on our deep expertise in the steel industry and comprehensive knowledge of supply chains, we also help companies communicate the value of their EPDs to stakeholders. This end-to-end support is one of MleCO₂'s unique strengths.

Supporting Decarbonization in the Construction Sector

In November 2024, MISI, NTT DOCOMO BUSINESS, and Next Field Inc. (NXF) began jointly exploring solutions to advance decarbonization in the construction sector through the use of MleCO₂. This initiative brings together MISI's supply chain expertise, NTT DOCOMO BUSINESS's capabilities in ICT-driven business solutions, and NXF's hands-on knowledge of construction operations. By expanding collaboration with like-minded partners, we aim to drive meaningful progress toward a lower-carbon future in the sector.

Building a Decarbonization Network with Our Partners

In December 2024, MISI and enerbank Inc. (enerbank) launched a collaboration combining MleCO₂ with enerbank's Eneoku electricity auction platform. MleCO₂ works closely with partner companies to provide customers with comprehensive support for their decarbonization efforts, beginning with GHG emissions calculation and visualization and continuing with the implementation of concrete reduction solutions.



Customer Case Study

Daiyu Steel Co., Ltd., a steel processing company, adopted MleCO₂ to establish a centralized system for managing internal CO₂ data. This implementation not only enabled the company to respond more efficiently to business partner inquiries but also increased its visibility in industry media and helped build momentum to leverage decarbonization as a competitive advantage.

The comprehensive support and expertise provided by MleCO₂ gave the company the confidence to take on this challenge.



Social

Human Resource Strategy



Yasuyoshi Sato
Corporate Strategy,
Human Resources &
General Affairs Division
(Senior Operating Officer, CAO)

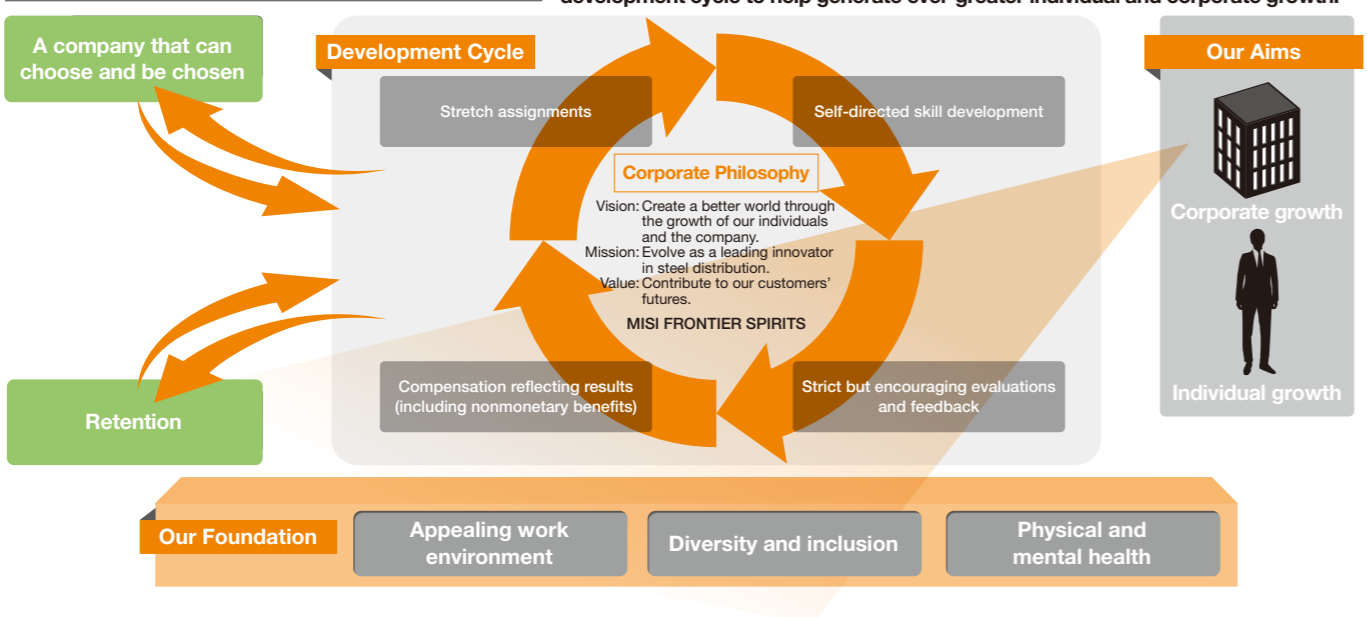
As an integrated steel trading company, we strive to contribute to our customers' growth and corporate value while creating a better world with all our stakeholders. In pursuing this goal, we aim for the growth of every individual, which in turn drives the growth of the company itself.

Our people are our most important asset in living up to our ideal. We believe that enhancing the capabilities and performance of every member of our team enables us to demonstrate our high level of expertise as an integrated steel trading company, generate high added value, and improve our competitiveness. We are committed to establishing a solid foundation to support this by creating an appealing work environment, promoting diversity and inclusion, and supporting both the physical and mental health of our employees.

Furthermore, we provide every employee with stretch assignments, skill development opportunities that support self-directed growth, fair evaluations of work performance, constructive feedback to encourage further development, and appropriate results-based compensation.

By steadily driving this human resource development cycle on an appealing and strong foundation, we foster the growth of each individual, helping them to find greater satisfaction and fulfillment in their work. We aim, thereby, to build a highly engaged organization and to contribute to creating a better world.

Overview of MISI Human Resource Strategy Working from a strong and appealing foundation, MISI mobilizes its human resource development cycle to help generate ever-greater individual and corporate growth.



Engagement Survey

To create a highly engaged organization, MISI regularly monitors total engagement from three perspectives: engagement with one's work, engagement with one's team, and engagement with the company as a whole.

We have set a key performance indicator (KPI) of maintaining a positive response rate of at least 62.5 percent. Survey results are shared across the organization and used to revitalize workplaces. At the management level, the results are analyzed and discussed to identify company-wide challenges, which are then reflected in concrete actions.



Human Resource Development

As an integrated steel trading company, we aim to strengthen our competitiveness by delivering high-value-added services through enhanced functionality. To this end, we are committed to developing future business leaders who not only possess a high level of expertise, but also a global perspective, broad-based knowledge, and the comprehensive capability to oversee and build entire businesses.

Guided by this approach, we have defined the roles and evaluation criteria required at each career stage and given a clear idea of what an employee at the stage should aim for. Based on this framework, we design experience- and training-based development programs in a phased manner. For example, during the first 10 years after joining the company, we proactively provide opportunities such as interdepartmental transfers, secondments to Group companies, and overseas assignments to enhance individual capabilities and performance. Beyond this stage, we combine assignments that deepen existing expertise with those that expose employees to new business environments, with the aim of cultivating business professionals who embody both specialized knowledge and cross-functional strength.

Career Development Roadmap

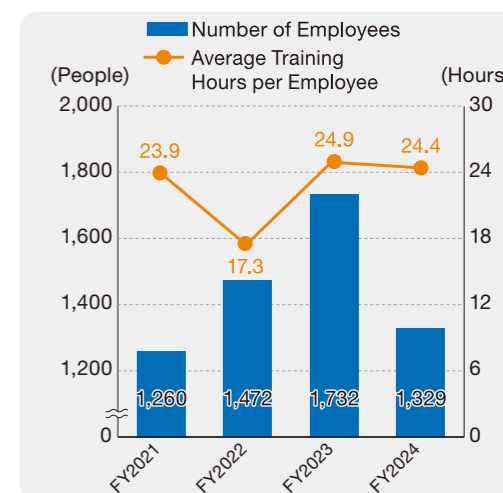


Our Employee Training Approach

We actively promote human resource development by combining on-the-job training (OJT) with off-the-job training (OFF-JT). As the business environment surrounding MISI becomes increasingly complex, there is a growing need to provide learning opportunities that enable employees to create new value, incorporating digital elements. To adapt to the changing environment, we must provide a training framework that enables employees to quickly acquire knowledge, skills, and experience.

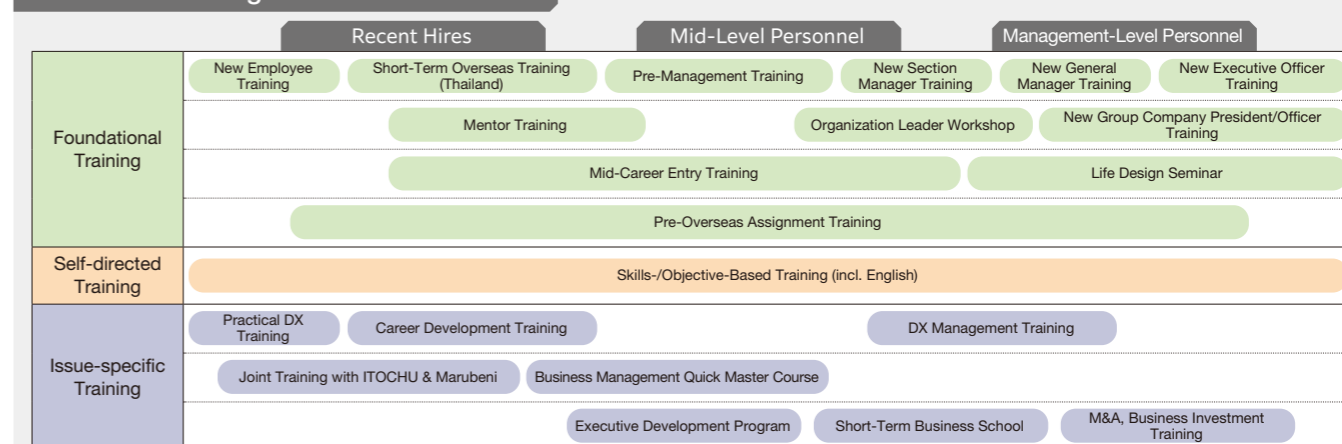
Rather than simply offering uniform development opportunities based on roles and responsibilities or seniority, we believe it is critical for each employee to think proactively about what they need to learn and to take ownership of their personal development. At the same time, we aim to foster a corporate culture that encourages and supports self-directed learning and growth.

Our training programs fall into three key categories. Foundational training equips employees with the knowledge, skills, and mindsets needed at various career milestones, such as on joining, changing positions, or taking on managerial roles. Issue-specific training is designed to address evolving business trends and strategic priorities, such as digital transformation (DX) and diversity and inclusion. Self-directed training supports employees in actively shaping their own career paths and preparing for the future. We aim to further enhance our human capital, with a focus on human resource development, and organically linked staff deployment and evaluation.



Total Number of Participants and Average Training Hours per Employee (Based on training programs organized by the Human Resources & General Affairs Department)

Training Framework



Specific Initiatives

Business School Programs

To develop future management talent capable of supporting the company's sustainable growth, MISI actively encourages employees to participate in short-term business school programs, both in Japan and overseas. In addition to acquiring the latest advanced management knowledge and skills, these programs offer valuable opportunities for cross-industry interaction through discussions and collaboration with participants from other companies. This helps foster a globally minded business perspective and build high-quality professional networks.

We are also working to expand the number of schools we work with and aim to make the program available to all section managers and above. In addition, participants share key learnings and insights from the program through in-house debrief sessions, allowing younger employees to benefit from their experiences and contributing to the growth of the organization as a whole.



Photo at an overseas business school

Short-Term Overseas Training (Thailand)

To further strengthen the development of global talent, we provide short-term overseas training in Thailand for employees in their second year after joining the company. Thailand is a key location for the MISI Group, where many of our colleagues on overseas assignment are actively engaged in local operations. We have established an integrated supply chain in Thailand that spans from steel sheet production to processing and final product manufacturing. During the three-day program, trainees travel approximately 1,200 kilometers across the country to observe the entire supply chain in action. This experience offers participants a firsthand understanding of the scale and dynamism of the steel business. Witnessing our colleagues on assignment from Japan striving every day to enhance the Group's presence in the region also helps deepen the trainees' understanding of and motivation for their own potential future roles.



Learning through a plant tour

Skills-/Objective-Based Training

MISI provides an individual skill development program designed to support each employee's self-directed growth. Employees must align with the roles the organization requires in designing their careers. Within this program, participants identify what they want to, are able to, and ought to do. They also discuss operational needs, individual skill development themes, and other demands with their supervisors. Based on these discussions, participants engage in off-the-job skill development encompassing over 100 study courses, including IT, English, business knowledge, and logical thinking.

Career Development Training

MISI provides career development programs for recent hires, mid-level personnel and newly appointed section managers. In this program, participants deepen their self-understanding, including their values and strengths, and reflect on their own careers to clarify the direction they should take as members of the company. We support employees in regularly reviewing their careers and setting goals appropriate to each stage of their lives, promoting continuous and coherent autonomous career development.

Career Counseling Center

In April 2022, we established the Career Counseling Center, and over the past three years, we have supported the careers of more than 500 employees through over 1,200 individual counseling sessions. The Center provides two approaches: system counseling, which is arranged by the company at key career transitions such as transfers, joining the company, taking extended leave, or returning to work; and on-demand counseling, which employees can request at any time.

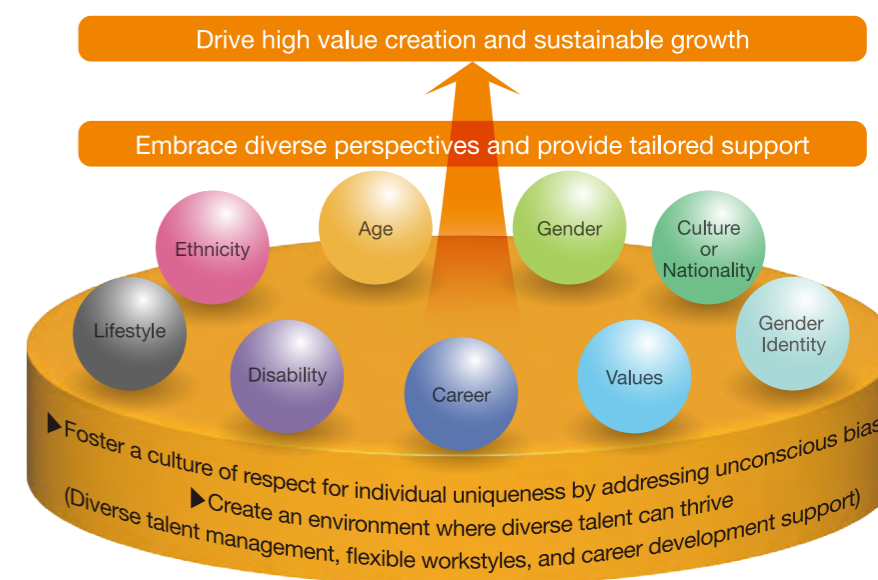
We have also introduced a "self-career dock program" that combines counseling with career development training. This aims to help each employee envision their medium-to-long-term career path, enhancing both individual career fulfillment and the company's overall vitality and productivity.

Diversity and Inclusion

As an integrated steel trading company, we strive to create a better world with our stakeholders. We believe that the growth of each employee, driven by this shared vision, contributes to the overall growth of the company. To make this possible, it is essential for individuals with diverse values and abilities to acknowledge and support one another's individuality, and to work collaboratively toward shared organizational goals, in a spirit often referred to as Diversity, Equity and Inclusion.

Purpose of Promotion

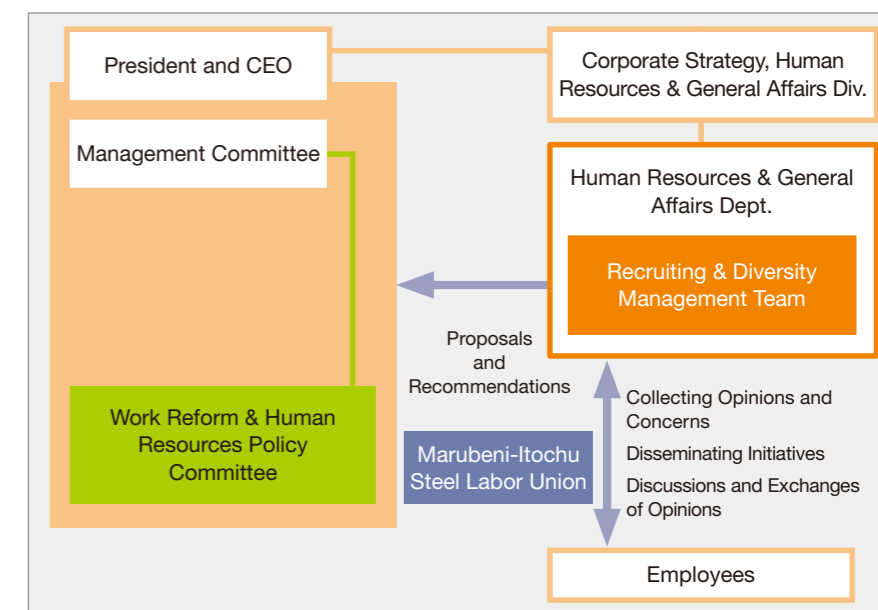
MISI is committed to building a workplace where each individual can fully demonstrate their abilities in the right roles and make the most of their time. This includes creating an environment where people can thrive regardless of gender, culture or nationality, ethnicity, or disability. We believe that fostering an organization capable of adapting to change is essential for creating high added value, enhancing competitiveness, and achieving sustainable growth. These principles form the foundation of our diversity and inclusion.



Promotion System

MISI established a dedicated team in 2018 to further strengthen and accelerate our efforts to promote diversity and inclusion. This team plays a central role in planning and implementing related initiatives across the company.

Beyond complying with legal requirements, our goal is to create an environment where diverse talent can thrive by respecting each employee's values and strengths, and by supporting flexible career development and work styles. We also work to deepen understanding of potential barriers to diversity and inclusion, such as unconscious bias and harassment, through manager training and other programs.



Initiatives to be rolled out throughout MISI by Recruiting & Diversity Management Team, in collaboration with relevant departments.

Specific Initiatives

Continuous efforts are necessary to change individual awareness and corporate culture. MISI is determined to cultivate a workplace environment and corporate culture in which employees with diverse abilities understand and trust one another and believe they can thrive.

Promotion of Women's Empowerment

In accordance with the Act on Promotion of Women's Participation and Advancement in the Workplace, MISI has formulated a five-year General Employer Action Plan through 2026. We are promoting women's empowerment by setting specific targets and quantitatively monitoring progress.

As of March 2025, women accounted for 38.1 percent of all employees, including 11.8 percent in career-track positions, and 6.0 percent in management. We are working to reduce gender disparity in the workplace by expanding the recruitment of women and promoting them to management positions in line with the action plan.

	Targets	FY2022	FY2023	FY2024
Women in Career-Track Positions (%)	15%	9.9%	10.9%	11.8%
Women in Management (%)	7%	5.3%	5.5%	6.0%

*As of March each year

While MISI believes there are no gender-based differences in employee capabilities and should be none in job assignments, we also recognize the need for support tailored to women, who often face challenges such as a lack of role models and the unique impact of life events such as childbirth. In response, we launched the STEEL Project (Sustainable Talent Endorsement for Every Life-stage) in fiscal 2016 to support women's career development and work-life balance.

We are actively working to create an environment where women can continue working with motivation and a strong sense of purpose, and are committed to providing opportunities that allow them to fully realize their potential. In recent years, we have placed particular focus on promoting flexible work styles, reducing career interruptions, and supporting career development, as part of our ongoing efforts to address challenges faced by our women employees.

Initiatives Under the STEEL Project and Women's Empowerment Programs

Timing	Details
Before Childbirth	<ul style="list-style-type: none"> ● One-on-one sessions to explain available programs ● Concierge service introduction for childbirth and childcare
Childbirth to Return to Work (During Leave)	<ul style="list-style-type: none"> ● Self-development support during childcare leave ● Pre-return three-way meeting (Employee, Manager, Human Resources & General Affairs Dept.) ● Supportive return via corporate daycare or nursery fee subsidies
After Returning to Work	<ul style="list-style-type: none"> ● Allow relative accompaniment (within second-degree kinship) instead of a spouse, or provide subsidies for childcare and babysitter services when posted overseas with children ● Financial assistance for those desiring an early return to work ● Promote flexible workstyles and support work-life balance through remote work options ● Flextime for reduced-hours employees
Others	<ul style="list-style-type: none"> ● Manager training and other programs covering women's empowerment and work-life balance ● Lectures by external experts on women's empowerment, parenting, and caregiving ● Reemployment program for employees who left due to spouse relocation ● Networking events and roundtable discussions with women in career-track positions ● Enhanced recruitment outreach targeting women (seminars by female employees, social media, videos, etc.)



Eruboshi Stage 2 certification: Awarded to companies that strongly promote women's proactive participation in society.

Promotion of Work-Life Balance through Childcare and Caregiving Support

At MISI, we believe that creating an environment where diverse talent can thrive and each employee can make the most of their time is essential to driving business growth, profitability, and competitiveness. To support employees in balancing work with childcare and nursing care caregiving responsibilities, both of which can significantly impact career development, MISI has established a range of support systems that exceed legal requirements. These include generous parental leave, reduced working hour options, and other programs designed to help employees manage their personal alongside their professional duties.

MISI shares information not only with employees who may directly benefit from these programs, but with all staff, to help foster a comfortable and supportive environment where the programs are actively utilized. For example, we hold annual initiatives such as sessions for managers, seminars on paternity leave and caregiving, and one-on-one consultations for those navigating caregiving situations. An increasing number of male employees are balancing working with childcare. In fiscal 2024, 66 percent of male employees who welcomed a new child took childcare leave or other childcare-related time off, including MISI's original leave programs.

Offering diverse working style options is key to helping employees take an active role in shaping their careers and stay motivated through different life stages.



Kurumin certification: Awarded to companies that demonstrate exceptional support for childcare and work-life balance by meeting specific criteria, including goals set by each company.

Promotion of Inclusion for Employees with Disabilities

MISI believes that every individual should be respected for their unique qualities, which we see as strengths, and be encouraged to continue taking on challenges in their respective roles. We are also committed to helping build an inclusive society where everyone can lead a fulfilling life. We strive to create an environment where all employees can fully demonstrate their abilities, and we provide a wide range of opportunities for employees with disabilities.

Para-Athlete Participation and Support

The dedication and perseverance of our para-athlete employees, who turn their differences into strengths as they take on challenges on the global stage, truly reflect MISI's values. Currently, four para-athletes are part of MISI, thriving as world-class competitors: Tomomi Ishiura, Kazusa Ogawa, Yuji Kato, and Masaki Saito. When they compete in events held in Japan or overseas, fellow employees gather on-site to cheer them on, providing direct encouragement. At international events, this support extends to the employees of our overseas subsidiaries and affiliates, and their family members, demonstrating the esprit de corps of the MISI Group.



MISI para-athletes taking on the world, supported by in-house cheering squad

Orchid Cultivation to Support Independent Living

Since April 2022, we have partnered with non-profit organization AlonAlon, based in Futttsu City, Chiba Prefecture. AlonAlon operates a work-support facility that helps individuals with intellectual disabilities to acquire orchid cultivation skills as a path toward greater independence and financial stability. Through this partnership, MISI has hired two individuals who are engaged in orchid cultivation at AlonAlon as full-time employees.

We gift the orchids, grown with such care by our employees at the AlonAlon Orchid Garden, to our business partners. Symbolizing "happiness coming your way" and "pure love," the orchids bring pleasures to growers, gifters, and recipients alike.



MISI employees cultivating orchids with love and care

Office Services and Café Operations Bridge Divides

Employees with disabilities who have studied office support and café operations at special-needs schools are playing an active role at MISI. In addition to providing office services such as restocking supplies and managing mail, they also work at MISI CAFE, our in-house café that opened in August 2022.

Following the relocation of our Tokyo Head Office in May 2025, the expanded MISI CAFE is designed to serve as a hub for fostering communication and innovation across departments and generations, as well as helping to provide a more comfortable and convenient office environment. This has expanded the sphere of activity for our employees with disabilities, offering them even more opportunities to thrive.

Promotion of Global Talent Utilization

As a global organization, MISI recognizes the critical importance of developing management talent to support operations across its worldwide network. To this end, we offer tier-specific training programs.

Since fiscal 2011, we have held the MISI Global Workshop for section management level employees 11 times, with a total of 218 participants. We have also held the MISI Global Leadership Program for department manager level employees, three times since its launch in fiscal 2016, with 45 participants to date. These programs provide opportunities to learn about our corporate business plans, overseas strategies, and corporate functions, while also building strong networks among participants, as well as with management and employees at our Tokyo Head Office.

Additionally, our Practical Training Program targets mid-level employees at overseas subsidiaries, who play a core role in local operations. By being assigned to our Tokyo Head Office for a year or two, participants gain firsthand experience of MISI's business practices and decision-making processes. The program also supports relationship-building with business partners and Tokyo Head Office colleagues. Since fiscal 2012, 16 individuals have joined this program, many of whom have gone on to assume leadership roles at their respective overseas offices.



Traditional Japanese tea ceremony experience with MISI tea ceremony club

Health and Productivity Management

Rooted in the conviction that the health of our employees is the foundation of MISI's sustainable growth, MISI together with our employees as one team strives to maintain and promote health, which contributes to increased productivity. Sustainable schemes to function effectively over the medium-to-long-term and systems to support such schemes are essential factors in promoting health and productivity management. To this end, MISI has established and is promoting the following approaches.

Our Approach

In order to maintain and promote health, we consider it important for each employee to engage in the PDCA cycle based on health checkups, examinations, and surveys. We set health goals, classify initiatives into physical, mental, and literacy-related categories, and implement improvement activities to address any issues identified.

MISI Health Goals

Indicators	Targets
Health checkup participation rate	100%
Re-examination and detailed examination participation rate	100%
Specific health guidance implementation rate	100%
Rates of abnormalities in blood pressure, blood sugar and lipids	Improvement compared to the previous year
Health consciousness action rate	Improvement compared to the previous year

Medium-to-Long-Term Framework

MISI publishes an annual health white paper, compiling the results of health consciousness surveys that check the physical and mental well-being of our employees, as well as their lifestyle habits, overtime records, stress check results, vacation usage, and other pertinent data. By regularly visualizing the health status of the company and its employees and extracting issues, we promote improvement activities tailored to our company's current situation.

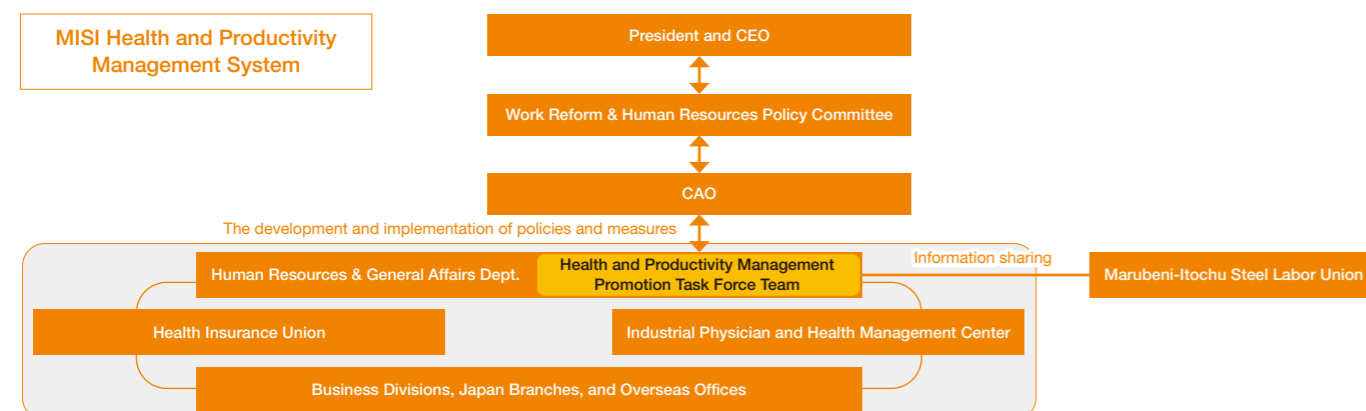
These various improvement initiatives have been highly recognized, with MISI obtaining certifications for Sports Yell Company and Tokyo Sports Promotion Company every year since our initial application in 2017. Additionally, we have been selected for KENKO Investment for Health every year since our initial application in 2019, and in March 2025, we were recognized as one of the top 500 companies under the White 500 designation.

2025 KENKO Investment for Health
White 500 Certified



Promotion System

MISI has established a promotion system led by the President and CEO, with the Human Resources & General Affairs Department serving as the promotion office. The top management, industrial physician and health management center, health insurance union, and employees discuss and implement measures. The Work Reform & Human Resources Policy Committee brings together the top management to review various measures as well as to consider future initiatives.



Specific Initiatives

MISI implements various initiatives that serve as opportunities to improve employees' health awareness. Examples include: providing opportunities for physical activity during working hours, subsidizing membership fees for fitness gyms near offices, supporting sports club activities, and operating a career counseling center (see p. 25). These initiatives assist employees in achieving high motivation.

Employee Health Support through Medical Examinations and Follow-up Measures

MISI devotes efforts to initiatives related to medical examinations to promote the early detection of diseases and prevent their progression (including partial assistance from the health insurance union).

Lifestyle-related disease screenings (medical checkups) for employees age 35 and above	Financial assistance for colorectal cancer endoscope exams (every third year from age 45)
Financial assistance for follow-up exams to regular health checkups, etc.	Financial assistance for osteoporosis prevention exams (employees at ages 35, 45, and 55)
Financial assistance for brain checkups	Financial assistance for dental checkups for employees under age 35 (odd-numbered years) and employees age 35 and above (annually)
Financial assistance for gynecological exams (female employees under age 35)	Financial assistance for periodontal disease prevention checkups (employees at ages 35 and 40)

Health and Productivity Management Promotion Month

A Health and Productivity Management Promotion Month is held every year, and in fiscal 2024, we concentrated on various initiatives in November. We held seminars addressing themes such as health, sleep, beauty, and alcohol consumption, with a total of approximately 200 participants.

The plan for fiscal 2025 is to implement initiatives that contribute to the physical and mental health of employees.



Seminars during the Health and Productivity Management Promotion Month

Implementation of Health Consciousness Survey and Reflection in Measures

In addition to the mandatory stress checks, we conduct an annual health consciousness survey. By combining self-reported physical and mental conditions, performance status, awareness of health, and actual health examination results, we identify employees' conditions and issues, to guide them to appropriate measures.

Physical Activity during Working Hours (Office Stretching Sessions)

We hold office stretching sessions with expert trainers during working hours once a month. These sessions are also available online to allow participation by employees working from home, at branch offices in Japan or overseas, or on secondment. Even a short session of group stretching in the afternoon, when people can feel sleepy, helps support the physical and mental health of our employees.



Office Stretching Sessions

MISI Walking Events

Every November, MISI organizes a month-long walking event. Once every four years, the event is expanded to include employees from overseas offices. In fiscal 2024, around 1,200 participants across 133 teams from 27 companies (including Group companies) in eight countries joined the event. On average, each participant walked approximately 11,500 steps per day. The event has also helped promote communication within the Group and has become a firm annual fixture.



Team participating in a walking event

Occupational Safety and Health

MISI is committed to preventing occupational accidents and enhancing support measures for our employees, both mentally and physically. Our occupational safety and health management extends beyond MISI to include the companies and personnel throughout our Group, promoting improved safety awareness.

Health Committee Meetings

MISI holds monthly health committee meetings to promote the maintenance and improvement of workers' health and prevent occupational accidents. These meetings address important issues such as monitoring working conditions (overtime trends, long working hours, and implementation of morning-oriented workstyle) and health-related matters (occurrence of occupational accidents and overall results of stress checks). Additionally, information sharing on promoting employee health (health and productivity management initiatives and lectures by public health nurses) is conducted. Instead of providing one-sided agenda items from the committee office, we encourage an exchange of opinions among members to create a better forum for discussions.

The Health Committee members are selected in accordance with the provisions of the Industrial Safety and Health Act, with half, excluding the chair, nominated based on recommendations from our labor union.

Support Measures for Mental and Physical Well-Being

At MISI, we have implemented support measures for our employees' mental and physical well-being.

Mental Support	Physical Support
<ul style="list-style-type: none"> ● Conducting stress checks ● Offering counseling services with 24-hour access to mental health experts ● Partnering with specialized medical service providers to support employees when they face issues during overseas assignments ● Establishing a career counseling center 	<ul style="list-style-type: none"> ● Offering breakfast for employees with early starts as part of our morning-oriented workstyle initiative ● Promoting flexible workstyles, including flextime and remote working ● Providing opportunities for physical activity during working hours ("Office Stretching Sessions", see p. 30) ● Supporting sports club activities ● Subsidizing fitness gym membership

Occupational Safety Management in Group Companies

MISI Group companies engaged in processing and manufacturing operations have adopted the MISI Production WAY as a unified standard, making safety the top priority as the cornerstone of corporate activity. Each company embraces the goal of achieving zero accidents and implements site-specific initiatives in accordance with its safety and health action plan.

MISI has established the MISI Safety Standards as a common reference for developing safety and health standards and formulating accident prevention measures at each Group company. To promote safety awareness, MISI has developed safety training materials incorporating audio and visual elements; holds safety managers' circles and Group safety conferences; and issues MISI Group Monthly Safety Report and Safety Poster. MISI also monitors the status of implementation regarding safety management, safety education, and facility safety measures in accordance with legal requirements, using standardized checklists. MISI's facility safety measures include the installation of protective fences and safety devices. Each Group company utilizes MISI's support initiatives in their autonomous efforts to enhance employee safety education and raise hazard awareness.

MISI also provides safety education for employees seconded to processing and manufacturing Group companies. Furthermore, MISI's executives and supervisory departments conduct safety patrols when visiting Group company sites. We will continue to work together as a Group towards eliminating workplace accidents.

Labor-Management Relations and Working Conditions

Labor-Management Relations

The Marubeni-Itochu Steel Labor Union, formed in 2003, is currently in its 23rd year. As of April 1, 2025, the Union has 765 members, comprising all eligible individuals among employees and reemployed workers, excluding those deemed ineligible according to the Union's regulations. A range of initiatives are being implemented by the Union head office executives and representatives selected by each division. Respect for fundamental rights and engagement in sincere discussions based on mutual understanding and trust are the guiding principles of labor-management relations. We engage in an active exchange of opinions on various personnel-related measures grounded in well-ordered labor-management relations.

Policy on Labor Practices

Based on our belief that consideration for human rights is essential in our global business operations, we have established The Marubeni-Itochu Steel Group Human Rights Policy (see p. 33). This policy prohibits forced labor, child labor, all forms of discrimination, harassment, and inhumane acts. Furthermore, we promote proper labor practices in each country, including ensuring appropriate working hours, wages and benefits, and respect the right to freedom of association and collective bargaining. We respect the human rights of workers related to our business activities and comply with applicable laws and regulations regarding the basic rights of workers in each country and region.

Achieving Fair Treatment through Pay for Performance

MISI has established a personnel treatment system with the slogans "Pay for Job" and "Pay for Performance" to ensure that MISI employees can have increased benefits and can work long term with confidence. In particular, Pay for Performance is intended to empower the company to grow and prosper, with the resulting profits shared with employees through bonuses. The evaluation system serves as the basis for providing fair treatment in accordance with this principle. Detailed appraisal is made of individual roles, demonstrated abilities, and contributions to performance in each period, which is then reflected in employee remuneration.

From fiscal 2023, in addition to the existing retirement benefit system, we have introduced the Long-Term Incentive System to align the company and employees' long-term visions and pursue higher levels of performance and corporate value. This system reflects the efforts and achievements of each employee, providing a reward mechanism. Furthermore, we ensure compliance with statutory minimum wage requirements and endeavor to provide wages that meet or exceed living wage standards.

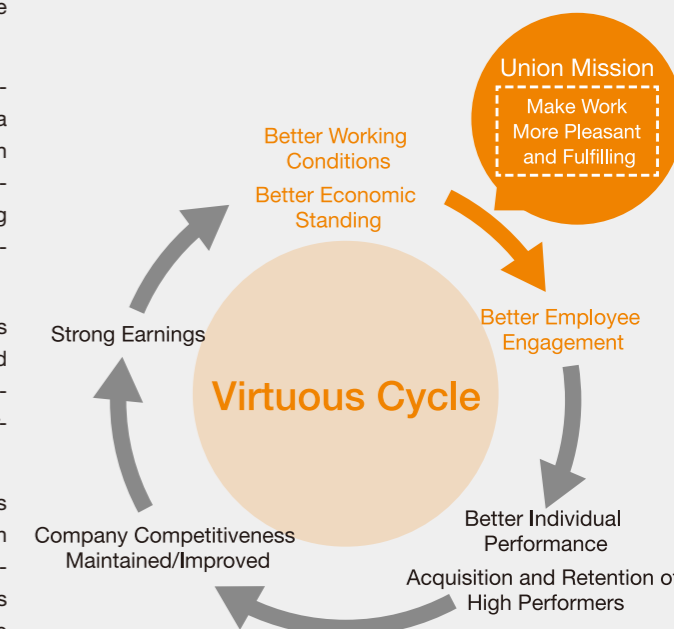
Labor Union

The mission of the Marubeni-Itochu Steel Labor Union is to make work more pleasant and fulfilling for its members.

Under our three action guidelines—fairness and impartiality, on-site perspective, and future orientation—the Union collects a wide range of real opinions from employees, especially Union members, who are the engine of all our activities. The Union reflects these opinions in discussions with the company, focusing on communicating members' thoughts and feelings to the company in a direct and readily understandable way.

The Union takes improving the economic standing of its members and enhancing their working conditions as its starting point, and aims to create a better workplace that fosters individual motivation. We always have an eye to the Union's vision—feeding a virtuous cycle that builds a better company—in everything we do.

The Union and management alike understand that all employees must work together with the same perspective and goals, even amid rapid change, to realize the medium- and long-term objectives set out in the medium-term business plan. The Union aims to establish compensation and personnel systems that enhance employee motivation and performance to this end.



Human Rights

Respect for human rights and equality is fundamental to our business activities. By acting responsibly here, we aim to achieve a sustainable society in partnership with our stakeholders. We established our Human Rights Policy in November 2023 to reflect this commitment. In fiscal 2024, as part of our human rights due diligence, we worked with external experts to identify significant human rights risks and to develop a human rights action plan. We also conducted dialog with our business partners and in-house training.

The Marubeni-Itochu Steel Group Human Rights Policy

The Marubeni-Itochu Steel Group (“the MISI Group”) holds as our corporate vision: “To create a better world through the individual and collective growth of our stakeholders.”

We recognize our responsibility to respect the human rights of all people to work toward building a society to which we aspire. In order to fulfill this responsibility, we have adopted the MISI Group Human Rights Policy (the “Policy”) that is based on the United Nations Guiding Principles on Business and Human Rights and will promote human rights initiatives.

Scope of Application

The Policy applies to all directors, officers and employees (including contract and temporary workers) of the MISI Group. We also expect that our business partners and other relevant parties understand and honor the Policy.

Our Basic Philosophy toward Human Rights

The MISI Group values and respects the international standards relating to human rights, such as the United Nations International Bill of Human Rights, the International Labour Organization (ILO) Declaration of Fundamental Principles and Rights at Work, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the Ten Principles of the United Nations Global Compact.

The MISI Group is committed to complying with the laws and regulations of the countries and regions where we conduct business. In the event that the laws and regulations of such country and/or region are inconsistent with the internationally recognized standards of human rights, we will seek to find a way to uphold our Policy and internationally recognized standards of human rights.

Our Framework for Promoting Human Rights

The MISI Group put in place a framework for implementing the Policy. The Managing Executive Officer in charge of Sustainability is responsible for overseeing the implementation of and compliance with the Policy.

Respect for Human Rights in Conducting Our Business

The MISI Group will fulfill our responsibility to respect human rights in the conduct of our overall business by not violating human rights, and in the event that there is a negative impact with respect to human rights, by seeking to take appropriate remedial measures. Forced labor and child labor will not be permitted, proper consideration will be given to legally employed workers who are minors and all forms of discrimination, harassment and inhumane acts are banned. In addition, proper labor practices, including ensuring appropriate working hours, wages and benefits, will be encouraged, and the right to freedom of association and collective bargaining will be respected.

Human Rights Due Diligence

The MISI Group, in accordance with the United Nations Guiding Principles on Business and Human Rights, will conduct human rights due diligence in order to fulfill our responsibility to identify, prevent and mitigate matters that have a negative impact on human rights.

Grievance Mechanism and Remediation

In the event that it becomes apparent that our business activities have had, have a potential of having, or was implicated in having, a negative impact on human rights, the MISI Group will seek to implement corrective actions and remediate through appropriate measures. In addition, we will implement and appropriately operate a grievance mechanism to enable issues to be reported and to provide access to remedy.

Dialogue and Engagement

As part of the implementation of the Policy, the MISI Group will work together with independent external human rights experts, and taking into consideration their expertise and advice, will discuss and engage in good faith with relevant stakeholders.

Education and Building Awareness

The MISI Group will take measures to educate and build awareness in all directors, officers and employees (including contract and temporary workers) to ensure that the Policy will be incorporated into and implemented throughout its business activities.

Information Disclosure

The MISI Group will report on the status and results of the human rights initiatives undertaken in connection with our Policy through our official corporate website or our sustainability reports.

The Policy has been approved by our company’s Management Committee and reported on to the Board of Directors.

November 27, 2023
Makoto Ishitani
 President and CEO
 Marubeni-Itochu Steel Inc.

Current Initiatives in the Human Rights Due Diligence Process

Assessment of the Overall Picture of Human Rights Risks

Desktop research, interviews with employees, and analysis of internal documents has given us the overall picture of the human rights risks our Group should take into account, as well as the current status of each risk.

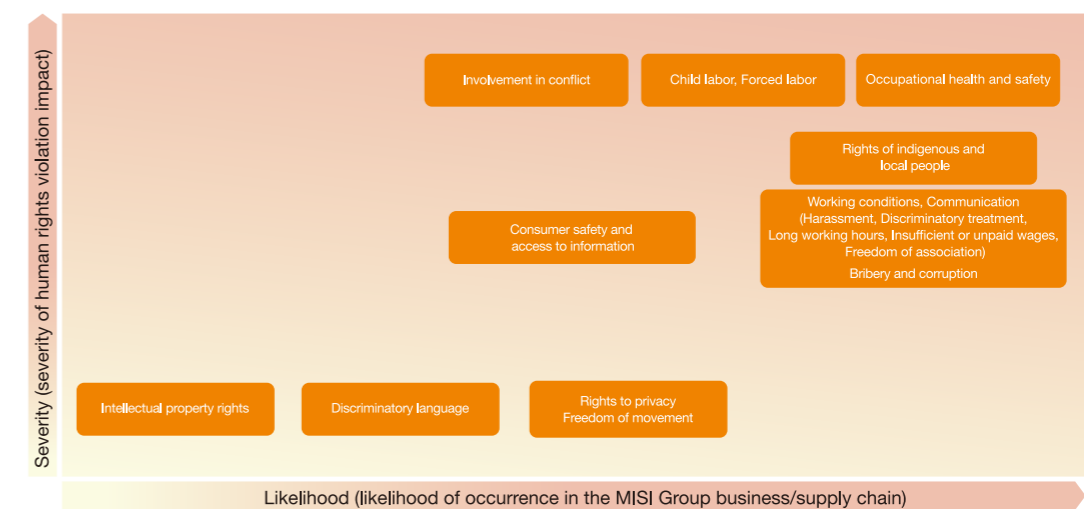
Our desktop research covered investigation of international norms, international standards for corporate social responsibility, human rights risk issues highlighted by international organizations and NGOs, and instances of violations of human rights in the industries with which we are involved.

Identification of Significant Human Rights Risks

Using data obtained through the above process, we identified the significant human rights risks (risks that should be prioritized for prevention and mitigation) within our Group. Their identification is based on their potential severity and how likely they are to occur, in accordance with the principles outlined in the United Nations Guiding Principles on Business and Human Rights. We list these significant human rights risks below.

● Significant Human Rights Risks within the MISI Group

Absence or inadequacy of occupational health and safety; child labor; forced labor; harassment; discriminatory treatment; long working hours; insufficient or unpaid wages; bribery and corruption; involvement in conflict; violation of the rights of indigenous and local people



This risk map shows how serious certain human rights risks could be for the MISI Group (including our supply chain), and which we should prioritize; it does not indicate that there has actually been significant incidence of violations of these human rights items. We have already put in place countermeasures for some of these risk issues.

Development of a Human Rights Action Plan

Following the identification of our significant human rights risks, we will develop an action plan for the prevention and mitigation of each risk during fiscal 2025, prioritizing the risks that are more serious or more likely to occur. We see risks related to occupational health and safety, child labor, and forced labor as particular priorities for our Group. We will continuously seek to prevent and correct these prioritized risks by exploring potential for the enhancement of existing preventive and corrective measures, as well as the need for new measures.

Dialog with Business Partners

In fiscal 2024, we engaged in dialog with selected business partners about their systems and initiatives relating to sustainability, including human rights. This resulted in no confirmed instances of human rights violations.

Going forward, we will work to manage human rights risks throughout the supply chain by having dialog with more business partners and through ongoing monitoring and exchange.

Education and Awareness Activities

Online training for MISI employees outlines developments relating to key human rights issues in the outside world and how we are responding to them.

In May 2025, we provided a training module titled Business and Human Rights which covered the latest developments, particularly concerning child labor and forced labor. The participation rate for this training was 99 percent.

In September 2024, we conducted training on harassment prevention for Japanese Group company HR staff, that included contribution from an outside lawyer. A total of 49 participants from 22 Japanese Group companies attended, gaining a heightened understanding and awareness of this issue.

We will continue to expand Group-wide training about business and human rights to improve human rights literacy throughout our organization.

Stakeholder Engagement

The MISI Group aims to build a fair supply chain together with its stakeholders. As a distributor of steel products, we consider our relationships with business partners to be particularly important, and formulated our Basic Procurement Policy in September 2024. We will continue to strengthen our communication with stakeholders.

The Marubeni-Itochu Steel Group Basic Procurement Policy

The vision set forth in the MISI Group's corporate philosophy is: "To create a better world through the individual and collective growth with our stakeholders."

As we endeavor to realize the society to which we aspire, we have formulated the "Marubeni-Itochu Steel Group Basic Procurement Policy" (hereinafter referred to as "the Policy") with the aim of building a reliable supply chain together with our business partners.

The MISI Group requires that all of our officers and employees be informed of and comply with the Policy.

In cooperation with our stakeholders, our Group shall implement procurement activities in a sustainable manner in accordance with the following principles under the Policy.

- In carrying out procurement activities, we will comply with laws, regulations, and international norms, and engage in fair transactions.
- In carrying out procurement activities, we will work in together with our business partners to fulfill our social responsibility of respecting human rights and ensuring occupational safety in the supply chain, going beyond legal compliance standards.
- In carrying out procurement activities, we will promote environmental initiatives with our business partners in our quest to build a recycling-oriented society.
- In carrying out our procurement activities, we will cooperate with our business partners to ensure product quality and safety.

September 25, 2024
Makoto Ishitani
 President and CEO
 Marubeni-Itochu Steel Inc.

Establishment of Basic Procurement Policy and Guideline

Responsible sourcing means the ethical and sustainable sourcing and production of products and services. Promoting sustainability management requires companies to manage and reduce risks relating to various social issues throughout their supply chains. The MISI Group's main business is the distribution of steel products and we recognize that supply chain management is particularly important in our industry. Therefore, we aim to build relationships of trust with our stakeholders by increasing transparency throughout our supply chain, and our efforts to do so will support our vision to create a better world.

We have formulated The Marubeni-Itochu Steel Group Basic Procurement Policy to this end. This states our approach to business transactions and supply chains and specifies that we will work together with stakeholders on all procurement issues, including care for the environment and product quality and safety. This policy will enable us to strengthen our commitment to contribute to society as a whole.

In February 2025, we published The Marubeni-Itochu Steel Inc. Sustainability Guideline for Business Partners, based on the Basic Procurement Policy. This outlines what we expect of our stakeholders and is available on our website. We will continue to promote sustainable procurement with our stakeholders based on the Policy and its associated Guideline. We intend this to make sustainable contributions to local communities and the environment as well as to enhance our stakeholders' corporate value.

Dialog with Business Partners

In fiscal 2024, we interviewed some of our business partners about their sustainability systems and initiatives based on The Marubeni-Itochu Steel Group Basic Procurement Policy and The Marubeni-Itochu Steel Inc. Sustainability Guideline for Business Partners. We will interview more of our business partners on this topic in the future, and will strengthen ongoing monitoring and dialog.

We also value dialog with other stakeholders and strive to ensure effective communication by responding to enquiries and providing information and individual briefings, as necessary. In the environmental arena, a key focus of our Basic Procurement Policy, we share issues to deepen mutual understanding and provide support through dialog, particularly as regards realizing a decarbonized and circular society. In fiscal 2024, we organized a study session to present our findings and future outlook on environmentally friendly products, and to provide a forum for sharing opinions and requests. We will continue such dialog to promote sustainability in the steel products distribution.

Social Contributions (Regional Societies and Communities)

To raise the quality of people's lives as well as to strive for sustainable social development and coexistence with the local community, MISI is actively contributing to the local community and fulfilling our responsibility as a corporate citizen.

WFP Walk the World

MISI has been participating in the annual charity walk WFP Walk the World, sponsored by the United Nations World Food Programme (WFP) since 2009. The purpose of this event is to eliminate famine among children in developing countries, and a portion of the participation fees is used to support school meal programs in such countries. In fiscal 2025, 123 employees and their families participated in charity walks in Yokohama and Osaka.

As a company expanding its business activities into numerous parts of the world, MISI will continue to engage in support activities for the future of children everywhere.



WFP Walk the World in Yokohama

Regional Contributions in Toyosato Town—MISI's Birthplace

Toyosato Town in Shiga Prefecture is the birthplace of ITOCHU Corporation and Marubeni Corporation, the two trading companies that are MISI's original roots. In view of these historical ties, we participate in various activities as part of the new employee training program. These activities include participating in a festival at Echi Shrine, helping draft proposals and plans on town revitalization projects, and assisting with agricultural work. In fiscal 2025, executives and other employees joined our new hires at the festival, with 60 MISI members carrying a portable shrine, deepening connections with the local community.

Also, since 2021, we have been supporting the Toyosato regional revitalization plan through our participation in the corporate version of the hometown tax payment system. These payments are being utilized for the maintenance and management of Toyosato Elementary School's old buildings, which were donated by Tetsujiro Furukawa, then a senior managing executive officer at Marubeni Shoten, the predecessor of Marubeni Corporation.



Helping with farm work in Toyosato Town

Initiatives by Overseas Group Companies: Community Contributions in North America

Marubeni-Itochu Steel America Inc. (MISA), our overseas subsidiary, along with its affiliated companies, has established the MISA Cares program since 2004. Through this program, employees receive one paid day off per year to volunteer with a local organization. Many employees actively engage in cleanup activities and charity events, fostering a corporate culture that values connections with the community. Additionally, by partnering with local schools and educational institutions, the MISA Group supports the development of the next generation by hosting plant tours and workplace introduction events for students, promoting job opportunities in the manufacturing industry.



MISA Group employees volunteering in a beach cleanup

Initiatives by Japanese Group Companies: Collaboration with Local Government

Benichu Coil Center Kanto, Inc. (BCC Kanto) is a Group company engaged in the processing and sale of steel sheets, electrical steel, and other sheet products as well as the stamping and assembly of motor cores. BCC Kanto places great importance on contributing to the local community and employs many people from the local community.

Headquartered in Fujimi City, Saitama Prefecture, the company actively engages with local government and businesses through participation in workshops and symposiums held under the city's SDGs Future City Program. These efforts foster communication and explore business opportunities that could help to revitalize the local economy. BCC Kanto has utilized subsidy programs offered by Saitama Prefecture to improve plant energy efficiency. The company gave a presentation on energy-use visualization at a GHG reduction seminar hosted by the prefectural government in 2024.



Visit by the Mayor of Fujimi City (From left: Mayor Mitsuhiro Hoshino of Fujimi City and President Kazuhiro Shimada of BCC Kanto)

Governance

Corporate Governance

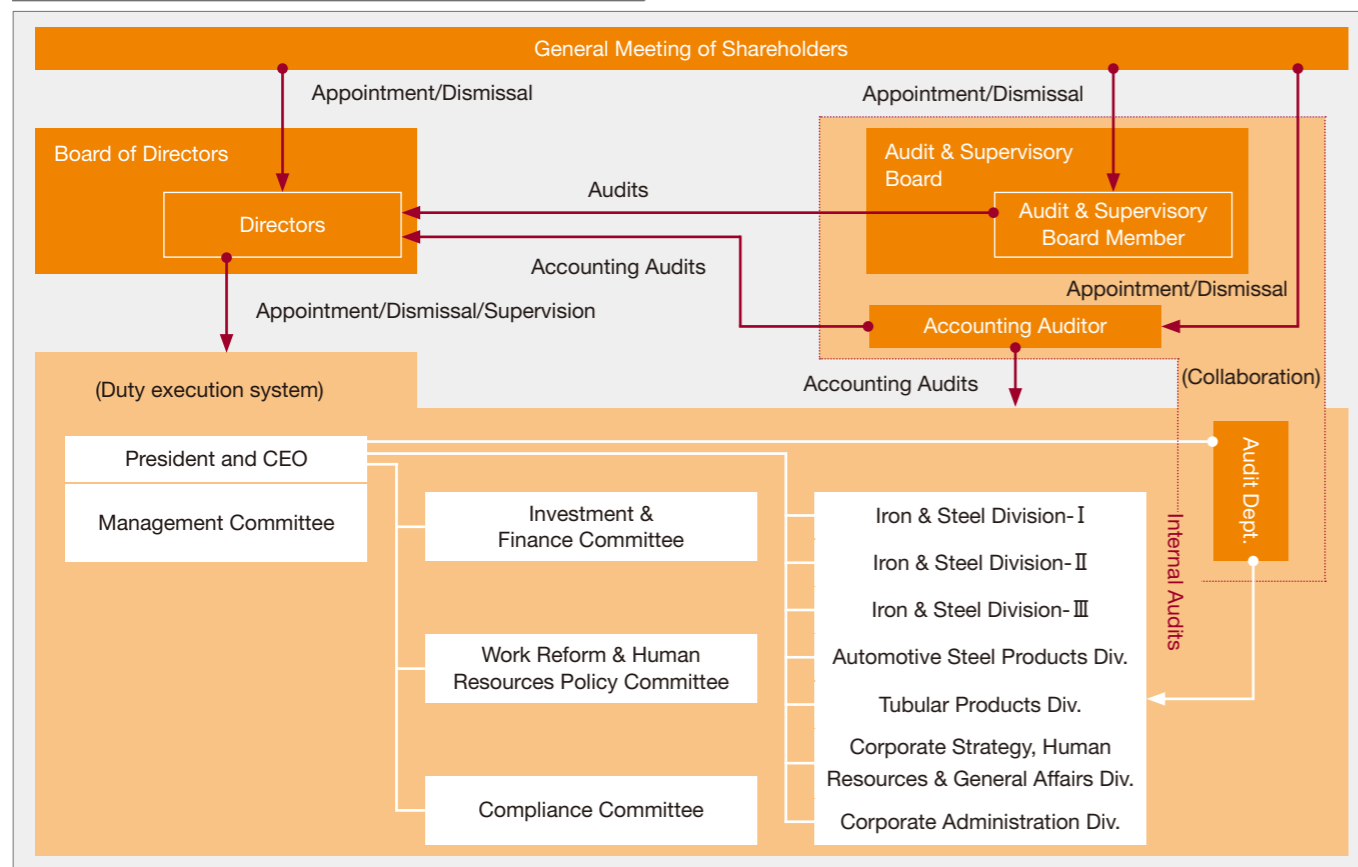
MISI operates on the principle of growing the company with sound corporate activities as our foundation. In keeping with this, our goal is to maintain a corporate governance system that ensures transparent decision-making and supervision to function effectively. We likewise recognize the importance of clear and open communication with our stakeholders, committing to strengthening our compliance efforts and various other initiatives closely related to our business.

Structure and System

MISI has developed the corporate governance system as follows.

1. The Board of Directors shall act in compliance with applicable laws and regulations, MISI's articles of incorporation, the Board of Directors regulations and other internal regulations when determining important matters pertaining to management, as well as when overseeing directors executing their assigned duties.
2. Directors shall execute their assigned duties in compliance with applicable laws and regulations, the articles of incorporation, Board of Directors resolutions and internal regulations, pursuant to the roles the Board of Directors determine.
3. An executive officer system shall be adopted to strengthen decision-making and supervisory functions and enhance the efficiency of the Board of Directors executing their duties. Executive officers shall execute their assigned duties in accordance with decisions the Board of Directors renders, acting under the instructions and supervision of representative directors.
4. Corporate auditors shall exercise their authority as stipulated in applicable laws and regulations, and collaborate with the MISI Audit Department and accounting auditors when conducting inspections of the appropriateness and legality of the execution of duties by directors, pursuant to the board of corporate auditors regulations and corporate auditor audit standards.
5. In principle, directors and corporate auditors shall be assigned to individual subsidiaries. The assigned officers shall supervise and evaluate how well each subsidiary executes its assigned duties, striving to ensure that how the directors and employees of the company execute their duties conforms with applicable laws and regulations and MISI's articles of incorporation.

MISI Corporate Governance System



We have established a number of internal committees to contribute to appropriate and prompt decision-making by the President and CEO and the Board of Directors. The main internal committees and their objectives are as follows.

Name	Objective
Investment & Finance Committee	Discussion and approval of credit and investment matters
Work Reform & Human Resources Policy Committee	Discussion and approval of productivity enhancement and human resources policies matters
Compliance Committee	Compliance system establishment, maintenance, and management

Internal Control System

Core Principles

MISI has established an internal control system to confirm the compliance of directors' duties with the law and our articles of incorporation, together with the appropriateness of other business operations. In addition, we have formulated and implemented a basic policy for internal control (referred to as the Internal Control Basic Policy) to guarantee that the business activities of both MISI and our Group companies are conducted properly based on the Companies Act and its enforcement regulations. Under the Internal Control Basic Policy, we practice the establishment, operation, evaluation, and improvement of appropriate internal controls to reasonably guarantee the "effectiveness and efficiency of operations," "reliability of financial reporting," "compliance with laws and regulations," and "preservation of assets" in our business operations.

The Internal Control Basic Policy is designed to enhance corporate value through sound business activities and build a stable and sustainable foundation as the MISI Group. In accordance with this policy, MISI strives to improve the quality of value-added services in transactions and business operations, while excelling as a company that can respond to the vast range of requests from our customers.

By adapting to societal changes and periodically reviewing the Internal Control Basic Policy, we can ensure that we continue to have a suitable and efficient system.

Operational Status

To ensure the proper operation of our internal control system, we list detailed verification items for each matter specified in the Internal Control Basic Policy on an annual basis. Departments are designated for each item and they verify the construction and operational status of the internal control system at the end of each fiscal year. Specifically, we conduct a thorough status review, including the compliance system, the scheme for ensuring the reliability of financial reporting, and the risk management structure for potential losses, by using checklists submitted by the responsible departments that summarize the achievement status and issues for each verification item.

The internal control system is continuously improved through ongoing reviews for more appropriate and efficient operation, and the results of the verification of the construction and operational status are reported annually to the MISI Management Committee. Any changes to the contents are approved by the Board of Directors.

In addition to the measures based on the Internal Control Basic Policy, we implement initiatives to enhance the reliability of financial reporting. To raise the accuracy of consolidated financial reporting, we have established an internal system, regularly evaluate the maintenance and operational status related to financial reporting, and make appropriate improvements as needed. To facilitate this, we have established the Internal Control Administration Team within the Corporate Administration Division, which is responsible for the construction of the internal control system, and daily operations are carried out by various internal organizations within MISI and at Group companies. The Internal Control Assessment Team in the Audit Department evaluates these operations and provides appropriate feedback, thereby realizing a cycle of continuous improvement activities.

The Audit Department, positioned directly under the President and CEO, is an independent organization responsible for monitoring all company-wide operations, including the above. Through audits targeting various internal organizations and Group companies, we inspect and identify inherent risks, checking the effectiveness and appropriateness of the internal control at the audit sites. Appropriate advice is provided to encourage improvement and institutionalization by the audit sites themselves.

We operate the MISI Group's internal control system through the proper operation and regular verification of the internal control system, as well as the verification and inspections conducted by the Audit Department.

Information Security

MISI operates with business partners around the globe and is committed to ensuring the uninterrupted distribution of steel. To protect information assets, including those associated with applications and communications, we continuously strive to enhance our security measures in accordance with our Information Security Policy.

Information Security Policy

Marubeni-Itochu Steel Inc. (MISI) recognizes the importance of maintaining a high level of information security and protecting information assets from threats such as destruction, alteration and inadvertent disclosure to ensure the continuity and stability of business operations.

We have therefore established the following information security policy. All of our executives and other employees will strive to implement appropriate information asset protection and security measures in accordance with this policy, as well as with all relevant laws and ordinances, company regulations and other social norms.

1. Information Security Policy Scope

The scope of this information security policy shall cover all information assets MISI possesses, as well as all information assets that customers, suppliers, and all other business partners have entrusted to MISI. It shall also cover all MISI executives, employees and individuals involved in MISI operations.

2. Information Security Management System

MISI will construct an information security management system, implement policies related to information security, and periodically revise said policies as necessary.

3. Policies

(1) Establishment of Information Security Regulations

MISI will establish regulations, bylaws, standards, etc. based on this information security policy, inform all executives and other employees of them, and ensure their comprehensive enforcement.

(2) Information Asset Management

MISI will appropriately manage the confidentiality, integrity and availability of the information assets it possesses; strive to prevent threats such as destruction, alteration and inadvertent disclosure; conduct periodic examinations; and confirm that all information assets are being managed appropriately.

(3) Information Security Education

MISI will periodically educate all of its executives and other employees about information security, and implement awareness campaigns to establish and reinforce information security.

(4) Prevention of and Response to Information Security Accidents/Incidents

MISI will take all appropriate measures to prevent information security incidents and accidents before they occur. If an incident or accident occurs, MISI will immediately ascertain the cause, minimize the damage, and take appropriate countermeasures—including those designed to prevent a recurrence—in a timely manner.

4. Legal and Regulatory Compliance

MISI will comply with all laws, ordinances, regulations and other social norms related to information security.

Established: August 18, 2017
Makoto Ishitani
 President and CEO
 Marubeni-Itochu Steel Inc.

Specific Initiatives

● Monitoring and Analysis System

MISI has established a dedicated security response team known as MISI-CERT, which works to prevent cyberattacks and to detect early warning signs. This team correlates information related to potential threats with logs from systems and communications, and performs real-time monitoring and analysis 24/7 to mitigate risks. In the event of an incident, we have a system and framework in place for rapid initial response through fast forensics, including investigation of intrusion routes, system isolation, and immediate containment, to quickly minimize the impact.

● Collaboration with Group Companies

To implement information security measures across the entire MISI Group, we have established the IT Minimum Standards, based on our Information Security Policy. We assess each Group company to ensure that security measures aligned with this standard are in place and functioning properly. These assessments also help visualize the current status and issues of each company's security measures.

● Education and Awareness Activities

Employees across the MISI Group regularly participate in information security training designed to promote adherence to security protocols grounded in the Information Security Policy. In addition, we conduct in-person briefings at Group companies using specific security incident cases to explain associated risks and countermeasures, helping deepen understanding of the standards. We also issue alerts in line with emerging threat trends to enhance awareness.

● Certification

For selected critical systems, MISI has obtained third-party ISMS certification in accordance with the ISO/IEC 27001:2022 standard.

Quality

Quality Management System

MISI has established a Quality Control Regulation to ensure that we can provide high-quality products and services that meet customer requirements, achieve maximum customer satisfaction, and continuously improve our in-house operational system. For proper implementation, we have developed a Quality Management System (QMS).

The QMS incorporates participation from departments that have expressed their commitment, based on the need for business improvement and customer needs, into our internal organization. The executive officers overseeing each department are responsible for top-level management of the QMS, including decision-making on quality policies through consensus and management reviews. They also appoint a Quality Management Officer to establish, implement and maintain the QMS, and grant them the responsibility and authority for this purpose.

ISO 9001 Certification Status

The MISI QMS has obtained certification under the international standard ISO 9001 and operates in strict adherence. As of June 1, 2025, the extent of this certification is as follows:

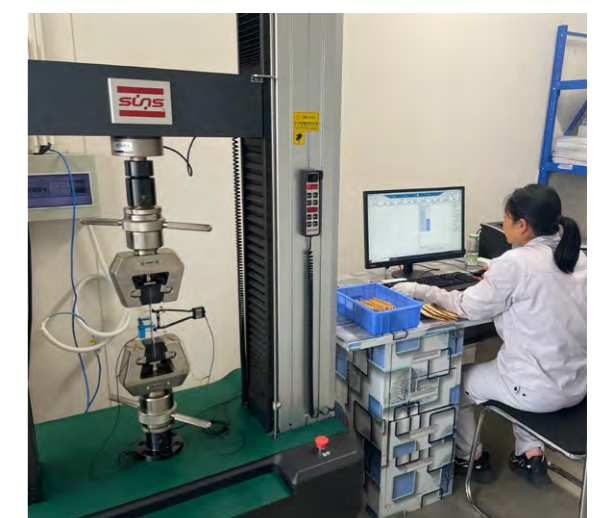


Application Standards	ISO 9001:2015/JIS Q 9001:2015
Scope of Registration	Steel pipe trade business and incidental services, automotive steel and electrical sheet trade business, steel sheet, wire rod, specialty steel and stainless steel domestic transactions and trade business
Business Units Included in Registration Scope	<p>Tubular Products Div. Energy Industries Steel Products Dept.-I, Energy Industries Steel Products Sec.-I, Energy Industries Steel Products Sec.-II Tubular Products Div. Energy Industries Steel Products Dept.-II, Energy Industries Steel Products Sec.-III, Energy Industries Steel Products Sec.-IV Iron & Steel Div.-III Electrical Steel Sheets Dept., Electrical Steel Sec.-I, Electrical Steel Sec.-II Automotive Steel Products Div. Automotive Steel Products Dept.-I Automotive Steel Products Sec.-I Overseas Team, Automotive Steel Products Sec.-II Overseas Team, Automotive Steel Products Dept.-II Automotive Steel Products Sec.-III Overseas Team, Automotive Steel Products Sec.-IV Overseas Team, Specialty Steel & Wire Rods Dept. Automotive Specialty Steel Sec. Overseas Team</p> <p>The above business units are located at 2-2-1, Yaesu, Chuo-ku, Tokyo [For trading services]</p> <p>Osaka Division Osaka Steel Sheets Dept. Steel Sheets Sec.-II, Stainless Steel (OSAKA) Sec, Specialty Steel & Wire Rods (OSAKA) Sec. 3-18, Nakanoshima 2-chome, Kita-ku, Osaka, Japan [For domestic transactions and trading services]</p>

Quality Management at Processing and Manufacturing Group Companies

Group companies engaged in processing and manufacturing operations, which form the steel supply chain in conjunction with MISI and supply products to customers, strive for continuous improvement based on their established quality management systems that reflect the MISI Production WAY. With the goals of zero accidents and zero major claims, the companies engage in daily production activities with a focus on quality and customers. They establish a safe production environment and implement quality management tailored to the company's processing equipment and product characteristics at each site. They also thoroughly implement quality management processes that comply with global QMS standards such as ISO and IATF, aiming to maintain a stable and high level of quality and pursue customer satisfaction.

In Japan, QC Circle Competition is held annually to share outstanding improvement activities among the companies. Other gatherings include Asia Safety and Plan Manager's Meeting and North America Plant Manager Meeting, where participating companies introduce improvement examples, best practices, and other achievements. These endeavors encourage the adoption of approaches deemed crucial to raising global quality levels and competitive strength. We are also introducing equipment and considering specifications, aiming to further enhancement quality.



Processing and Manufacturing Group Company Inspection Room (Wuhan, China)

Compliance

Compliance Basic Policy

The MISI Group is deeply focused on the goal of continuously evolving as a leading innovator in steel distribution. This mission entails creating value that contributes to our customers' futures as we work together with our stakeholders to create a better world.

To meet the demands of stakeholders such as shareholders, business partners, consumers, and employees, it is critical for a company to have a revenue stream based on sound corporate activities and to develop its business in a sustainable manner. To this end, MISI has established a basic policy of thorough compliance as the foundation of all our corporate endeavors, and we strive to stay fully focused on it.

Additionally, the MISI Group has adopted "Group Compliance Management" as our slogan. We are committed to upholding compliance at a global level throughout the entire Group.



Yutaka Shimizu
Chairman of Chief Compliance Committee (CCO)

Adherence to the Group Compliance Manual

The MISI Group establishes its basic policy of compliance for the entire Group in the Group Compliance Manual. The following 14 categories of observation matters are particularly important, considering the nature of our business activities and operations, including the handling of products and services. This is collectively known as our Compliance Program.

- | | |
|--|---|
| <p>1. Respect for Human Rights and Prohibition of Discrimination and Harassment
Respect human rights. Harassment is not tolerated.</p> <p>2. Compliance with the Anti-Monopoly Law, Subcontracting Law, and Other Relevant Laws
Engaging in private monopolies, unfair trade restraints (cartels) and unjust trade practices is prohibited.</p> <p>3. Prohibition of Unfair Competition
Manufacture and sale of products that infringe copyrights, trademarks, etc., unfair acquisition and use of trade secrets, and taking unfair competitive behavior are prohibited.</p> <p>4. Compliance with Business Laws
Acquire necessary permits and licenses, and observe all business laws when conducting business activities.</p> <p>5. Compliance with Insider Trading Regulations
Avoid actions that violate insider trading regulations.</p> <p>6. Implementation of Proper Import/Export Procedures and Security Trade Controls
Observe laws and regulations, international treaties and other trade-related controls and implement appropriate import and export procedures. To maintain global peace and security, implement strict trade controls and refuse to handle cargo that may be used or diverted to proliferate weapons of mass destruction and other unsuitable transactions.</p> <p>7. Compliance with Intellectual Property Rights Laws
Show zero tolerance for violations of intellectual property rights owned by other parties.</p> | <p>8. Prohibition of Bribery; Gifts and Entertainment, etc.
Bribery and granting, offering or pledging of inappropriate benefits to foreign public officials. Avoid providing gifts, entertainment or other benefits to customers beyond social norms.</p> <p>9. Prohibition of Providing Benefit to Anti-Social Forces
Take firm attitudes toward and refuse to have any relationship with antisocial activities and forces.</p> <p>10. Environmental Preservation
Maintain a clear awareness of the company's responsibilities as a good corporate citizen. Contribute to the prosperity and harmony of human society, and devote the utmost efforts to preserve a sound global environment.</p> <p>11. Appropriate Control of Information
Exercise reliable control over the company's confidential information and confidential information disclosed by third parties.</p> <p>12. Appropriate Use of Information and Communication Systems
Show zero tolerance for inappropriate use of or damage to the company's information systems.</p> <p>13. Prohibition of Conflicts of Interest
Faithfully carry out the company's business operations; avoid actions that is in conflict with the company's interests.</p> <p>14. Implementation of Fair and Accurate Accounting Procedures and Tax Filings
Implement fair and accurate financial procedures pursuant to clearly defined accounting facts.</p> |
|--|---|

Within the Compliance Program, keen attention is directed at ensuring compliance with the antimonopoly laws, competition laws, and the prevention of bribery and granting of other unfair profits to public officials. Furthermore, to ensure lawful, safe, and smooth trading operations, which are one of the pillars of the MISI Group's business activities, we strictly practice security trade controls.

In the Group Compliance Manual, our Group-wide compliance system and development policy are described, along with the Compliance Program. As the manual explains the essential points of our compliance system, we ensure that all MISI Group employees (including personnel on assignment from other companies, contract employees, and temporary workers) are familiar with it and strictly adhere to its provisions.

Regarding the Group Compliance Manual, the Compliance Committee conducts annual reviews to verify its effectiveness and appropriateness in relation to legal requirements and societal trends and revise it as necessary.

Compliance System

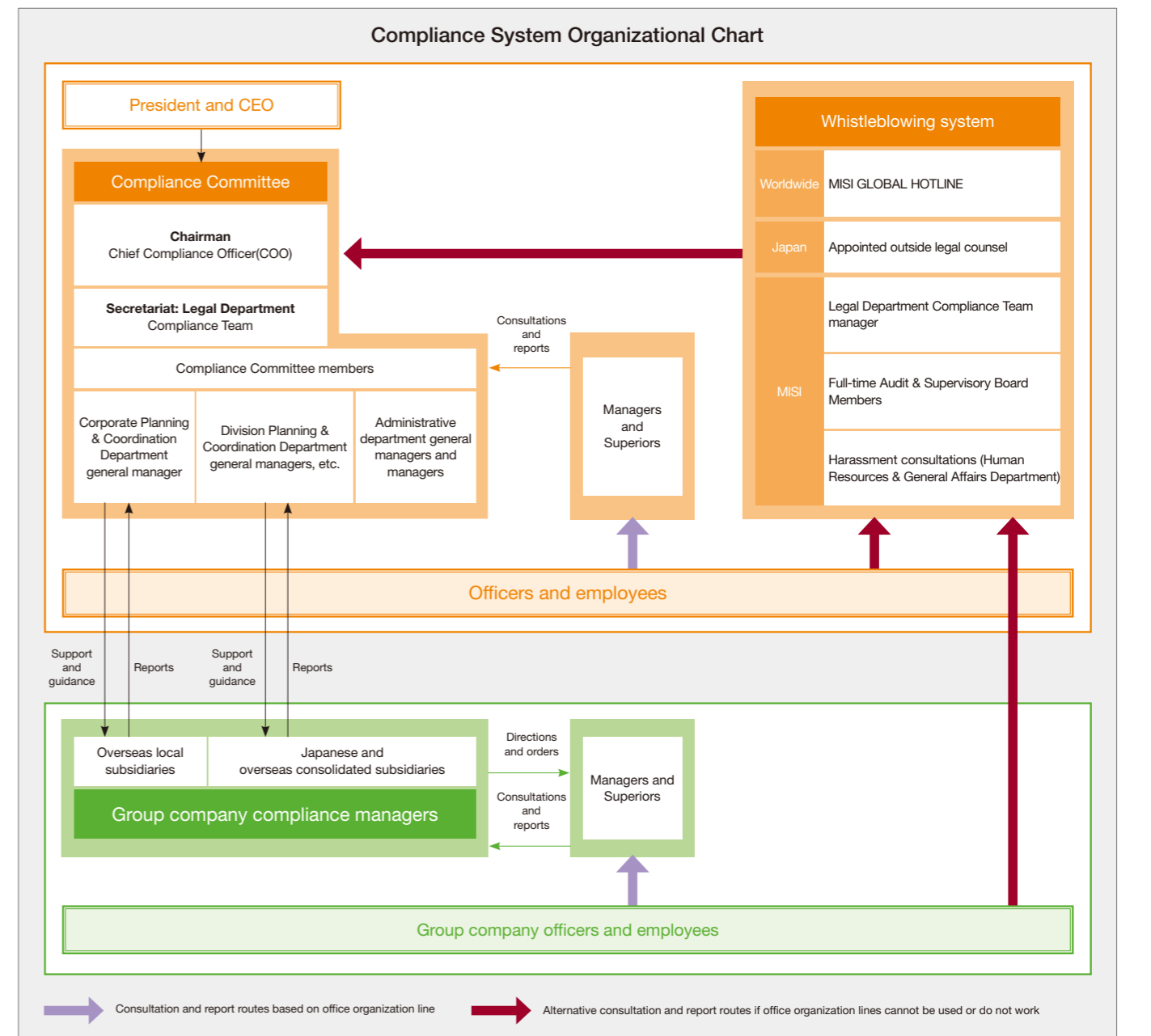
MISI's Compliance Committee functions as an advisory body to the President and CEO, with the Chief Compliance Officer (CCO) serving as committee chair. Compliance officers are also appointed in our Japanese and overseas Group companies to build a comprehensive compliance system within the MISI Group.

The Compliance Committee is responsible for establishing, maintaining, and managing the compliance system of the MISI Group, serving as the core of our compliance efforts. The Compliance Committee members are appointed by the chairperson from the Sales Division and various administrative departments. They are responsible for compliance-related duties at their respective divisions, departments, and Group companies that their affiliated organization supervises. These include building, maintaining, managing, and raising awareness for their compliance system, serving as a contact point for consultation and whistleblowing responses on compliance-related matters, and handling compliance issues when they arise.

The Compliance Committee holds regular meetings twice a year, with the Legal Department acting as the secretariat. During these meetings, the Committee discusses compliance-related activities and incidents from the previous half-year, prevention measures based on those incidents, and plans for future compliance activities.

At Group companies, the designated compliance officers are responsible for building, maintaining, and managing the compliance system, serving as a contact point for consultation and reporting on compliance matters, conducting fact-finding investigations, and taking appropriate measures in response to compliance issues, as well as reporting compliance matters to the MISI Compliance Committee.

As part of our efforts to ensure thorough compliance and appropriately address compliance issues, we have established a robust system within the MISI Group.



Corruption and Bribery Prevention

The Marubeni-Itochu Steel Group Anti-Corruption Policy is publicly available on our website in three languages (Japanese, English, and Chinese). We kindly request all stakeholders' understanding and cooperation with this policy.

Marubeni-Itochu Steel Group Anti-Corruption Policy

We, Marubeni-Itochu Steel Group, require all of our officers and employees to maintain high corporate ethics and to ensure compliance with all laws and regulations. We especially ensure our compliance with laws and regulations regarding anti-corruption as further explained below.

1. Prohibition of Bribery

- (1) We shall not conduct or be involved in any acts of bribery (including facilitation payments) to public officials or persons in a similar position, whether in Japan or abroad, such as by providing or offering or making promises regarding illicit benefits.
- (2) We shall not engage in any act that violates Japan's Penal Code and Unfair Competition Prevention Act, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or any other applicable anti-corruption laws and regulations of other countries.
- (3) We shall not provide entertainment or gifts to our business partners beyond social norms that are generally accepted.

2. Our Measures for Anti-Corruption

- (1) We have established strict internal rules and systems to prevent bribery.
- (2) We conduct prior inspections on our agents etc. at the time of its engagement and renewal of its engagement to ensure that bribery, money laundering, and other corrupt acts are not committed through third parties such as agents.
- (3) We shall prepare and maintain books, records, and financial statements (accounting records) that reflect transactions and asset disposal in a timely and accurate manner.
- (4) We periodically conduct seminars and training on anti-bribery laws and regulations and our anti-corruption system in a periodic manner.
- (5) We conduct regular audits and monitors to confirm that our anti-corruption system is functioning effectively, and that officers and employees are complying with our relevant rules.
- (6) We have established a whistleblowing system to secure the effectiveness of our anti-corruption system and shall have it be operated appropriately.
- (7) We shall take disciplinary action such as dismissal or termination of business relationships in cases where it is confirmed that an officer, employee, agent, investee, etc. violates our anti-corruption policy, anti-bribery rules, and/or related internal guidelines.

November 27th, 2023

Yutaka Shimizu

Chairman of the Compliance Committee(CCO)

Chairman

The MISI Group has established Anti-Bribery Rules and has been maintaining systems to eliminate bribery. The Rules not only prohibit bribery but also set requirements for entertainment, gifts, and travel invitation for public officials; the thorough implementation of anti-bribery due diligence for agents, investees, and investment partners; and the inclusion of anti-bribery clauses in contracts. We remain committed to preventing corruption and bribery through messages from top management, regular training programs, and ongoing monitoring activities.

As part of the MISI Group's risk assessment for preventing corruption and bribery and anti-competitive practices, we monitor and review compliance practices, including those related to preventing corruption and bribery, as well as ensuring adherence to competition laws, across all sites. In addition to internal audits by the Audit Department, this monitoring functions as an audit of control procedures for preventing corruption and bribery as well as anti-competitive practices, thereby confirming that the procedures established under the Rules on Competition Laws and Anti-Bribery Rules and other rules, are being appropriately implemented. The control procedures include rules for entertainment, gifts, and travel invitation for public officials; conducting anti-corruption due diligence for agents, investees, and investment partners; the inclusion of anti-bribery clauses in contracts; and confirming the legality of meetings with competitors. The results of the monitoring are reported to the Compliance Committee for review and approval.

We conducted two monitoring reviews in fiscal 2024, which confirmed that the control procedures were being properly enforced within the MISI Group, with the results reviewed and approved by the Compliance Committee. These findings confirm that there are no significant compliance risks relating to the prevention of corruption and bribery and anti-competitive practices within the MISI Group, and that such risks are being managed effectively. As of the end of fiscal 2024, there have been no cases of bribery-related misconduct or prosecutions for bribery since our establishment.

Compliance with Competition Laws

In order to prevent violations of competition laws, the MISI Group has established Rules on Competition Laws and implements strict internal regulations to ensure compliance with both Japanese and international competition laws, including antimonopoly laws. We also conduct regular internal training programs to ensure awareness and compliance. For details on monitoring activities, please refer to the "Corruption and Bribery Prevention" section above.

Trade and Customs Clearance Compliance

The MISI Group complies with relevant laws and regulations related to trade transactions and follows appropriate import and export procedures. Additionally, we strictly adhere to trade management based on international treaties and export control regimes aimed at preventing the proliferation of weapons of mass destruction and thereby contributing to a safer and more peaceful world. To achieve this, we have established rules such as the Security Trade Control Rules and the Customs Clearance Management Rules to develop business processes. We also provide various internal training programs and implement a regular cycle of verification and evaluation through internal audits and other means. As part of our efforts to further enhance and strengthen our management systems, MISI has been certified by the Kobe Customs authority as an authorized exporter under the Authorized Economic Operator (AEO) program.

Exclusion of Antisocial Forces

MISI maintains a fundamental policy of avoiding all transactions with antisocial forces that threaten the order and safety of civil society. These antisocial forces include organized crime groups, their members or affiliates, companies related to organized crime groups, corporate racketeers, miscreant social movement advocates, special intelligence gangs, and other parties equivalent to these. To achieve this, we have established a dedicated department, developed internal regulations and manuals, conducted regular internal training, and introduced antisocial force exclusion clauses in contracts. In addition, we have built a cooperative framework with specialized agencies, including regular information exchange, and implemented risk management measures for money laundering and terrorist financing. We especially strive to eliminate antisocial forces through regular investigations of both new and existing business partners.

Insider Trading Regulations

To prevent insider trading, which is prohibited by laws and regulations, MISI has established its Insider Trading Rules. In order to promote awareness of the content of insider trading regulations and ensure compliance with our rules, we have made the training content available for on-demand viewing to officers and employees at both MISI and our Group companies.

Tax Compliance

The MISI Group has established the MISI Group Tax Policy, which outlines our basic stance and code of conduct regarding tax compliance and our governance structure. This policy is published on our website in Japanese, English, and Chinese. To ensure awareness of, and strict adherence to, this policy, as well as to further enhance tax compliance, we are implementing internal rules and conducting regular training programs. In fiscal 2025, we plan to establish Group Tax Regulations, which will define what needs to be done, and the requisite standards for conducting business, to ensure adherence to this policy, further strengthening our tax compliance system.

MISI Group Tax Policy

Marubeni-Itochu Steel Inc. (MISI) and its subsidiaries ("the MISI Group") have established the MISI Group Tax Policy, which represents its basic attitude and code of conduct towards tax practice, and strive to maintain and improve tax compliance by complying with the policy.

1. MISI Group Tax Policy

The MISI Group has established a basic policy to comply with all applicable tax laws, rules, regulations, and tax treaties (collectively, "Tax Rules") of each country and region where the MISI Group conducts business. The MISI Group is committed to upholding the interests of all its stakeholders, including all of the local communities in countries and regions where the MISI Group conducts business, as well as the MISI Group's shareholders, creditors, business partners, and employees.

(1) Compliance with Tax Rules

The MISI Group is committed to managing its business operations fully complying with and following the significance and spirit of all applicable Tax Rules, not to engage in transactions that are intended to evade taxes, and to make appropriate tax payments based on income earned from its business activities.

(2) Tax Cost Management

In accordance with the basic policy, the MISI Group strives to achieve effective tax cost management by eliminating double taxation and properly utilizing preferential tax systems based upon Tax Rules in each country or region.

(3) Establishing and Maintaining Relationships of Mutual Trust and Fairness with Tax Authorities

The MISI Group strives to establish and maintain a relationship of mutual trust and fairness with all national and regional tax authorities by making sincere responses and engaging in constructive discussions to ensure proper and fair taxation.

2. Taxation Governance System

The executive officer in charge of the MISI Corporate Administration Division supervises the Accounting Department, the unit responsible for taxation management, overseeing the tax liabilities of MISI.

In order to make appropriate tax payments, the MISI Group acquires necessary tax knowledge, considers appropriate tax treatment of transactions, and makes appropriate tax filings in accordance with the MISI Group Tax Policy.

Established on November 10, 2024

Education and Awareness Activities

The MISI Group actively conducts education and awareness activities to promote compliance. With the Compliance Program as the fundamental policy, we regularly conduct awareness surveys as outlined below to understand the state of compliance awareness within the Group. We also provide compliance training to further enhance compliance awareness.

Additionally, at the end of each fiscal year, during the annual performance evaluation, we confirm that all officers and employees have adhered to compliance standards. This serves as an opportunity to reaffirm the importance of compliance throughout the company.

Compliance Awareness Surveys

The MISI Group has been conducting its compliance awareness survey once every two years since 2018, targeting all officers and employees within the Group. The results are utilized to analyze and enhance the penetration of our corporate philosophy, the level of compliance awareness within each organization, and the types of compliance issues identified.

In the fourth survey, conducted in fiscal 2024, we surveyed 95 MISI Group sites in four languages (Japanese, English, Chinese, and Spanish). A total of 7,415 individuals responded, with a response rate of approximately 90 percent. The results of the survey will be utilized in fiscal 2025 activities aimed at improving compliance awareness, such as compliance training and related initiatives, in collaboration with each organization.

Compliance Training

The table below outlines the MISI Group's key compliance training programs, including both in-person and on-demand video formats. Group companies additionally conduct various training activities of their own. The MISI Group also regularly implements mandatory training programs for designated personnel across the Group. For example, in fiscal 2023, we implemented the MISI Group Anti-Bribery and Competition Law Compliance e-Learning Program, primarily targeting managerial-level employees. A total of 2,403 participants completed the training, achieving a participation rate of 100 percent. We will continue to implement training programs, reflecting insights from sources including 2024 Compliance Awareness Survey, aimed at further strengthening compliance awareness across the entire MISI Group in fiscal 2025.



Format	Fiscal 2023	Fiscal 2024
In-Person	<ul style="list-style-type: none"> ● Group Company-Specific Compliance Training (3 sites) ● Position-based Compliance Training: <ul style="list-style-type: none"> ● New Employee Training (*) ● Practical Fundamentals Training (*) ● Newly Appointed Group Company Officer Training (*) ● MISI Global Management Academy – Compliance Training (*) ● Overseas Office Employee Training ● Insider Trading Regulations Training ● Subcontract Act Training (*) 	<ul style="list-style-type: none"> ● Position-based Compliance Training: <ul style="list-style-type: none"> ● Practical Fundamentals Training for New Employee and Others (*) ● Newly Appointed Section Manager Training (*) ● Newly Appointed Group Company Officer Training (*) ● Newly Appointed Group Company President Training (*) ● MISI Global Management Academy – Compliance Training (*) ● MISI Group Company Presidents' Training ● Overseas Office Employee Training ● Subcontract Act Training (*)
On-demand Video	<ul style="list-style-type: none"> ● Whistleblowing System Training (for involved personnel) ● Pre-Overseas Assignment Compliance Training (*) 	<ul style="list-style-type: none"> ● Whistleblowing System Training (for involved personnel) ● Pre-Overseas Assignment Compliance Training (*) ● Insider Trading Regulations Training

(*) Conducted only at MISI

Internal Whistleblowing System

MISI has established the Marubeni-Itochu Steel Internal Whistleblowing Rules and implemented an internal reporting system. This system plays an important role in our stance of “Group Compliance Management.”

We have set up hotlines to receive reports from officers and employees at both Japanese and overseas Group companies. To ensure these channels are user-friendly, we regularly review and improve them. As part of these efforts, we have updated the external reporting desk and carried out awareness initiatives such as displaying posters within the company, providing usage instructions and FAQs on the MISI intranet, and featuring the internal reporting system in e-learning courses. These efforts help promote the early detection and resolution of compliance issues.

The establishment of the Marubeni-Itochu Steel Internal Whistleblowing Rules is also mandatory for all Group companies. This enhances the effectiveness of internal reporting throughout the Group and further strengthens our stance of “Group Compliance Management.”



Displaying posters within the company

Rules for Consultation and Reporting

As a general principle, MISI Group officers and employees are expected to follow their respective office organizational lines when consulting on and reporting compliance-related matters.

However, in the event that the organizational lines are not functioning for any reason, MISI has established the following alternative hotlines. In addition to the channels independently set up by each Group company, all Group officers and employees can also utilize the following ① ~ ④ (Japan) and ④ (global) contacts:

- ① Legal Department Compliance Team Manager
- ② Full-time Audit & Supervisory Board Members
- ③ Appointed Outside Legal Counsel
- ④ MISI GLOBAL HOTLINES (A hotline available 24/7 in twelve languages, including Japanese, operated by external specialists)

Regarding consultation and reporting of compliance issues, we adhere to the Marubeni-Itochu Steel Internal Whistleblowing Rules. We particularly consider the following two points important to ensure that all MISI personnel feel comfortable about bringing such matters to our attention:

1. Prohibition of disadvantageous treatment: Except in cases where the report is made for improper purposes, individuals who consult or report will not be subject to any disadvantageous treatment. Anonymous reporting is also allowed.
2. Confidentiality and information management: The confidentiality of the reporter and the information related to the report is maintained. The information provided will only be used to address the matters in question and pursue other compliance-related activities.

Number of Whistleblowing Reports (Including reports related to our Group companies)

The number of internal reports received through our channels in the past two years (including reports related to our Group companies) was 13 in fiscal 2024 and 20 in fiscal 2023. We have appropriately responded to all reports in accordance with the Internal Reporting Policy. The operation status of the internal whistleblowing system is reported to the Compliance Committee twice a year.

Harassment Helpline

Our Employment Regulations prohibit discrimination based on unreasonable grounds such as gender, culture or nationality, ethnicity, or disability; sexual harassment; harassment related to pregnancy, childbirth, childcare, or nursing care; or any other form of harassment, and state that perpetrators will be subject to disciplinary action.

To ensure a working environment in which all employees can feel secure and reach their full potential, we provide training for managers and e-learning programs for all employees, and have established a Harassment Helpline.

Responses to Individual Cases

In the event of suspected compliance issues, we respond with full consideration for the privacy of all concerned parties. The Legal Department and the Compliance Committee work together to investigate the matter, confirming the facts and identifying the root causes, with support from external experts such as legal counsel if necessary. In addition, the Legal Department, Human Resources & General Affairs Department, Internal Control Administration Team, and other relevant departments collaborate in a timely manner to take necessary corrective actions and implement recurrence prevention measures. These include interim measures, resolution of the compliance issue itself, revision of internal rules, relief for the parties involved, disciplinary action against relevant personnel, and education and training.

The recurrence prevention measures taken in response to specific cases are, as needed, implemented across the Group companies. These measures are also shared with Compliance Committee members and otherwise disseminated throughout the MISI Group.

Risk Management

Objective and Definition of Risk

The MISI Group has formulated its Risk Management Regulation to establish a management system related to the evaluation of and response to risks that may arise within our Group companies. The purpose of this regulation is to contribute to the smooth operation of our business by preventing the materialization of risks. In this regulation, risk refers to factors that have the potential to significantly impact the future financial condition and performance of the MISI Group, as well as factors that may hinder the execution of our business. Currently, we have identified the major risks listed below as those requiring particular management attention. For each major risk, we have appointed one or more Risk Management Officers and conduct regular reviews and reassessments of risks related to the company's operations.

Management and Reporting System

For each major risk, we have established Risk Reporting Criteria from both quantitative and qualitative perspectives as part of efforts to manage them. Based on these criteria, the relevant departments responsible for each major risk evaluate and consider appropriate countermeasures and report to the Risk Management Officer(s). These are reported to the MISI Management Committee and Board of Directors on a quarterly basis.

Major Risk Categories

Major Risks	Responsible Departments	Risk Management Officers
Macroeconomic environment risk	Corporate Planning & Coordination Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Stock price risk	Corporate Planning & Coordination Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Product price fluctuation risk	Corporate Planning & Coordination Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Trade, customs clearance, security management risk	Logistics & Insurance Dept. Legal Dept. Corporate Planning & Coordination Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Information security risk	IT Solution Dept. Human Resources & General Affairs Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Investment risk	Affiliates Administration Dept.	Executive Officer, Corporate Administration Div.
Country risk	Credit Dept. Affiliates Administration Dept.	Executive Officer, Corporate Administration Div.
Human resources and labor risk	Human Resources & General Affairs Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Legal regulations risk	Legal Dept. Human Resources & General Affairs Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Fraud-related risk	Internal Control Administration Team Legal Dept.	Executive Officer, Corporate Administration Div. Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Important litigation risk	Legal Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Environmental risk	Human Resources & General Affairs Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.
Credit risk	Credit Dept.	Executive Officer, Corporate Administration Div.
Foreign exchange risk	Finance Dept.	Executive Officer, Corporate Administration Div.
Interest rate risk	Finance Dept.	Executive Officer, Corporate Administration Div.
Financing risk	Finance Dept.	Executive Officer, Corporate Administration Div.
Fixed asset impairment loss risk	Accounting Dept.	Executive Officer, Corporate Administration Div.
Retirement benefit expense and obligation risk	Human Resources & General Affairs Dept. Accounting Dept.	Managing Executive Officer, Corporate Strategy, Human Resources & General Affairs Div.

Crisis Management System

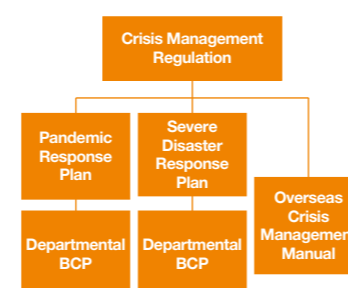
Objective

MISI has established its Crisis Management Regulation. This regulation aims to ensure smooth operations in the event of a business crisis. The term business crisis is defined as ① natural disasters, ② pandemic disasters, such as infectious diseases without effective remedies or highly virulent influenza, ③ terrorism, sabotage, attacks, or occupation (including cyber), ④ war, civil unrest, or coup d'états, and ⑤ other cases or situations where the president determines that the proper execution of business activities is difficult. The regulation sets provisions for accurate and prompt information dissemination during incidents, as well as the establishment of response headquarters.

Management and Reporting System

The Crisis Management Regulation stipulates the development of three plans and manuals tailored to specific incidents. The Severe Disaster Response Plan addresses responses to earthquakes, floods, typhoons, and other disasters occurring in Japan. The Pandemic Response Plan is utilized for infectious diseases without effective remedies or highly virulent influenza occurring in Japan or internationally. The Overseas Crisis Management Manual offers responses to incidents involving general crimes, accidents, armed conflicts, terrorism, large-scale natural disasters, kidnappings, threats, or outbreaks of infectious diseases that require immediate response to protect the lives and physical well-being of employees and others overseas.

Crisis Management System



Corporate Profile

Corporate Name	Marubeni-Itochu Steel Inc.
Date of Establishment	October 1, 2001
Capital	30 billion yen
Chairman Member of the Board	Yutaka Shimizu
President and CEO Member of the Board	Makoto Ishitani
Fiscal Year-End	March 31
Shareholders	50% owned by Marubeni Corporation 50% owned by ITOCHU Corporation
Number of Employees	non-consolidated 1,047 (April 1, 2025) consolidated 10,816 (April 1, 2025)
Business Areas	Processing, import, export, and sales of steel products; supply chain management; investment in steel-related industries
Head Office	Tokyo Midtown Yaesu, 32F-34F 2-2-1, Yaesu, Chuo-ku, Tokyo, 104-0028, Japan