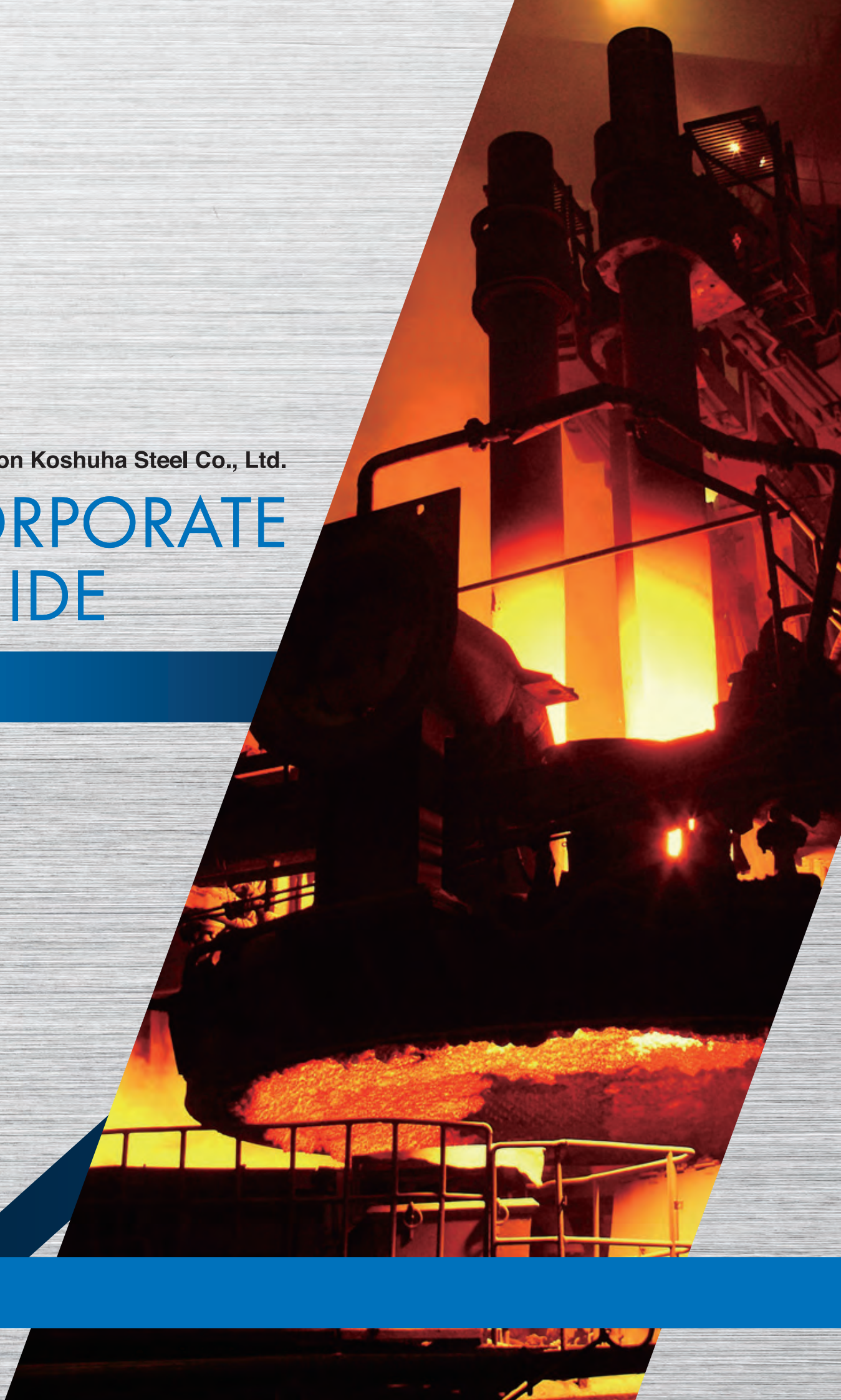
Nippon Koshuha Steel Co., Ltd.

CORPORATE GUIDE



An Innovative Approach to Technical Development for the Manufacture of Steel Products

The Nippon Koshuha Steel Group's high-grade product lines achieve new levels of quality

The Nippon Koshuha Steel Group comprises a number of companies producing high-grade special steels. Our products are used as component parts or as manufacturing equipment, primarily in the auto and aerospace industries, the electronics industry and in industrial machinery. The supportive roles they play often go unseen by the general public, but they consistently earn top marks from our customers.
Our production activities are backed by an innovative approach to technical development that we have supported since our establishment. Our goal is to create new value in products while developing and utilizing excellent technologies in our production activities to benefit society. Conscious of ever-changing world and the growing sophistication of its requirements, we at Nippon Koshuha Steel Group are always ready to take on new challenges as we play our specialized role in many industrial fields.

Management Principle:

To contribute to the building of an affluent society where lifestyles are harmonized with the environment, by supplying products with wide appeal.

CONTENTS

Koshuha at a Glance

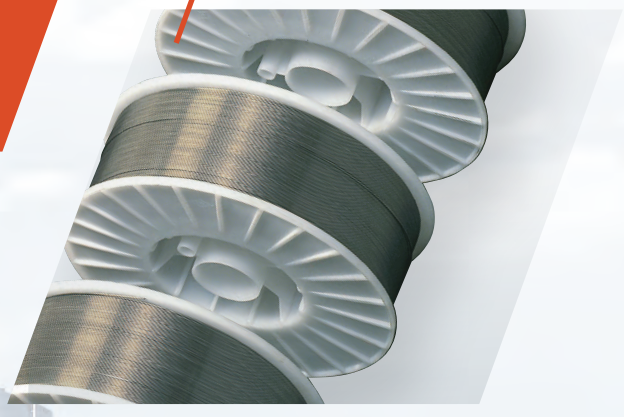
The Nippon Koshuha Steel Group has established a structure that enables us to fulfill diverse needs in the special steel business.
In the special steel business, Nippon Koshuha Steel Co., Ltd. develops, manufactures and sells such products as steel wire/wire rod/bar, forged products and processed products and items for forged products.
To deliver these products upon request, KAMS is responsible for consistent heat treating, surface treatment, and physical distribution.

Special Steels

Nippon Koshuha Steel Co., Ltd. Toyama Works

Koshuha All Metal Services (KAMS) Co., Ltd.

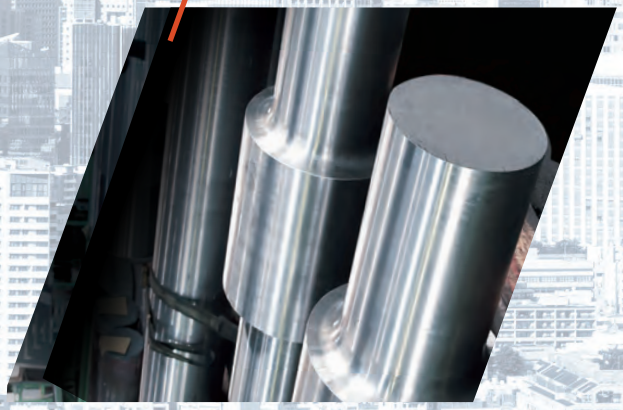
Steel wire



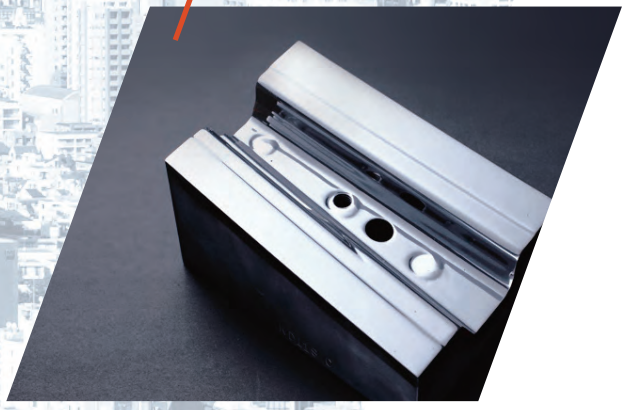
Bars

Forged products

Forged products



Surface treatment




Nippon Koshuha Steel Toyama Works
(Imizu, Toyama Prefecture)
Osaka Branch Office,
Nippon Koshuha Steel Co., Ltd.
(Osaka-shi, Osaka)
KAMS
(Ota, Gunma Prefecture)
Nippon Koshuha Steel Headquarters
(Chiyoda Ward, Tokyo)
Nagoya Branch Office,
Nippon Koshuha Steel Co., Ltd.
(Seto-shi, Aichi)
KAMS offices


Microfine Trading (Shanghai) Co., Ltd.
(Shanghai, China)

The world of special steels becomes broader and more diverse.

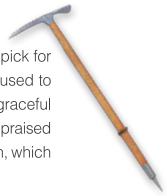
History of our production activities

As a pioneer in the special steels industry, Nippon Koshuha Steel has accumulated a long history. We remain committed to creative practices for production activities to satisfy the needs of the times and expand special steels.

Around **1945**

Phantom ice pick

Following World War II, we created a prototype for an ice pick for mountain climbing from the special steels that had been used to make the wheel supports of the Zero fighter aircraft. The graceful design with high-grade materials and excellent quality were praised among mountaineers, but did not result in mass production, which is why it is referred to as the "phantom ice pick."



1969

Miniature bearings led the Apollo spacecraft to the moon

When the U.S. Apollo 11 spacecraft landed on the moon, miniature bearings manufactured from our SM3 steel wire were used in the craft's gyroscope and were widely discussed as one of the few made-in-Japan products.

Tool steel

1961
One thousand-ton water-hydraulic press relocated from Nagoya Plant of Kobe Steel, Ltd.

1975
Two thousand, five hundred-ton oil-hydraulic press installed.

Stainless steel and special alloys

1963
Manufacture of SM3, martensite stainless bearing steel, started.

1980
SMX70, martensite stainless steel for corrosion-resistant bearing, collaboratively developed with a client.

Bearing steel

1941
Mass production of bearing steel started.

History of operations of Nippon Koshuha Steel and Group companies

1934
High-frequency electric shock refining method invented.
The high-frequency electric shock refining method uses high-frequency electric current to instantaneously reduce the iron oxide in iron ore. This made it possible to use powdered iron ore as a raw material in blast furnaces for the first time. Our company name is derived from this refining method.

1936
Nippon Koshuha Heavy Industry Co., Ltd. founded.

1950
Nippon Koshuha Steel Co., Ltd. founded.

1952
Listed on the Tokyo and Osaka stock exchanges.

1955
Kobe Steel Ltd. invests in Nippon Koshuha Steel Co., Ltd.

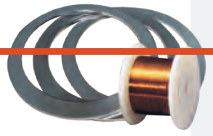
1968
Forty-ton electric arc furnace installed.

1981
New vacuum induction furnace (VIF) installed.

1983
Wire rod-finishing block mill (made by FRIEDRICH KOCKS GmbH & Co KG) installed.

1984
NK ring, a small-diameter hollow part, developed.

1986
Nippon Koshuha Steel starts accepting orders for high-strength wire, nickel alloy wire, titanium wire and special alloy wire for welding.



1988
Share of microfine tool steel brand expanded.

We uniquely developed a manufacturing process for reducing tool steel's impurities and non-metallic inclusion, achieving high toughness and homogenization. The process was applied to our microfine tool steel, which was referred to as the ideal tool steel, and dramatically boosted our reputation.

1990
One thousand, five hundred-ton high-speed oil-hydraulic forging press installed.

1990
Fully automated, new plant for steel wire started running.

1993
Bangkok Office established.

1995
KD11S, cold work tool steel, developed.

2000
Rights pertaining to the business of bearing steel materials (excluding bearing steel forgings) transferred to Kobe Steel, Ltd.

2001
- KAMS Co., Ltd. founded.
- Koshuha Precision Co., Ltd. founded.

KDA1S, steel for die-casting molds, developed.

2002
Nippon Koshuha Steel improves the three combined machines' systems and advances into the field of stainless drawing bar steel.

2003
Second plant for special alloy wire constructed.

Two thousand, five hundred-ton oil-hydraulic forging press upgraded to 3,000-ton press.

2006
Third plant for special alloy wire constructed.

2008
Machaon Coat KS–G, die surface treatment film, collaboratively developed.

2009
NOGA, cold work tool steel for high tensile molding, collaboratively developed.

2011
-KD11MAX, cold work tool steel, developed.
-GHX and JHX, steel for high-grade plastic dies, developed.

2011
Microfine Trading (Shanghai) Co., Ltd. founded in Shanghai, China.

2013
Vacuum ark re-melting (VAR) furnace newly installed.

VAR takes place in a vacuum and involves re-melting the steel ingots previously melted in the electric furnace or induction furnace. A facility for manufacturing cleaner steel ingots was introduced.

2013
An eastern plant for steel wire finishing and drawing newly established.

2015
KDAHP1, steel for hot-stamping dies, developed.

2017
Size of 3,000-ton oil-hydraulic press manipulator increased.

2019
Replacement of the blooming line completed.

2023
Businesses of Koshuha Precision transferred to KAMS.

- Nippon Koshuha Steel Co., Ltd. made a wholly owned subsidiary of Daido Steel Co., Ltd

2026
- Delisted
- Koshuha-Foundry Co., Ltd. transferred to Kobe Steel, Ltd.

1981
Koshuha Foundry Co., Ltd. founded.

Offering new value to society with unique technologies

Strengths of Nippon Koshuha Steel

Nippon Koshuha Steel's biggest strength lies in the high-quality special steels products manufactured on the consistent line that is streamlined with technologies accumulated over many years throughout the process, from steelmaking to secondary processing. We will keep trying to create reliable products in a variety of fields and expand the potential for special steels.

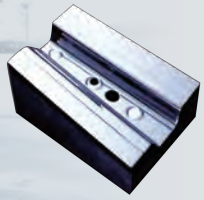
Strength 1. Technologies accumulated since our founding

As a specialist in special steels, we have accumulated advanced technologies over many years, which we utilize to meet the needs of customers as they become increasingly sophisticated and diversified. We keep updated on customers' requests in terms of material properties, usage and others and hold repeated discussions and analyses from all perspectives to offer optimal solutions.

Technology for Solution

Example

Machaon Coat KS-G made it possible to prolong the service life of dies for automotive high-tensile materials.



High-tensile steel plates, integral to automotive body materials, are very hard and could severely damage press dies. With abundant experience in steel for press dies, we developed Machaon Coat KS-G, technology that forms hard film on the die surface, in collaboration with KAMS Co., Ltd., a Kobe Steel, Ltd. Group company, which engages in the distribution of dies. An optimal combination of steel for dies and surface treatment has made it possible to stabilize the quality of products and prolong their service life. Therefore, Machaon Coat KS-G is highly regarded by automotive part manufacturers. In this way, we demonstrate great strength in our capability to apply and propose optimal technologies in accordance with customers' requests.

Strength 2. Streamlined and consistent manufacturing line

Manufacturing System

Wide Application

Strength 3. Our products are used in many different fields

They are manufactured using our sophisticated technologies as well as our streamlined and consistent manufacturing lines. They extensively serve in advanced fields, such as automobiles, aerospace, electronics and healthcare, as well as in and near our everyday lives.

Toyama Works has over 80 years of history and is the hub for our production activities. The process of making steel from its raw materials, the forging and rolling processes for forming products and the secondary processing for making final products, such as wire and rods, are centralized here. We utilize our sophisticated production technologies and know-how to build a streamlined and consistent manufacturing line. Improvements to our flexible and resilient production system are underway, compatible with manufacturing many different types of steel, small lot production and others.

Steelmaking process

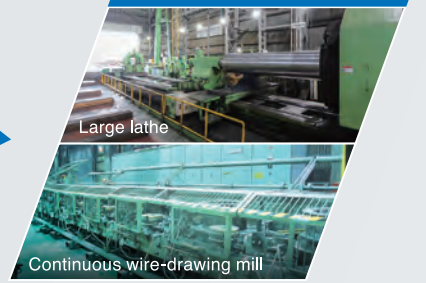

Electric arc furnace

Forging and rolling


3,000-ton press

Rolling

Secondary processing


Large lathe

Continuous wire-drawing mill

Special Steels

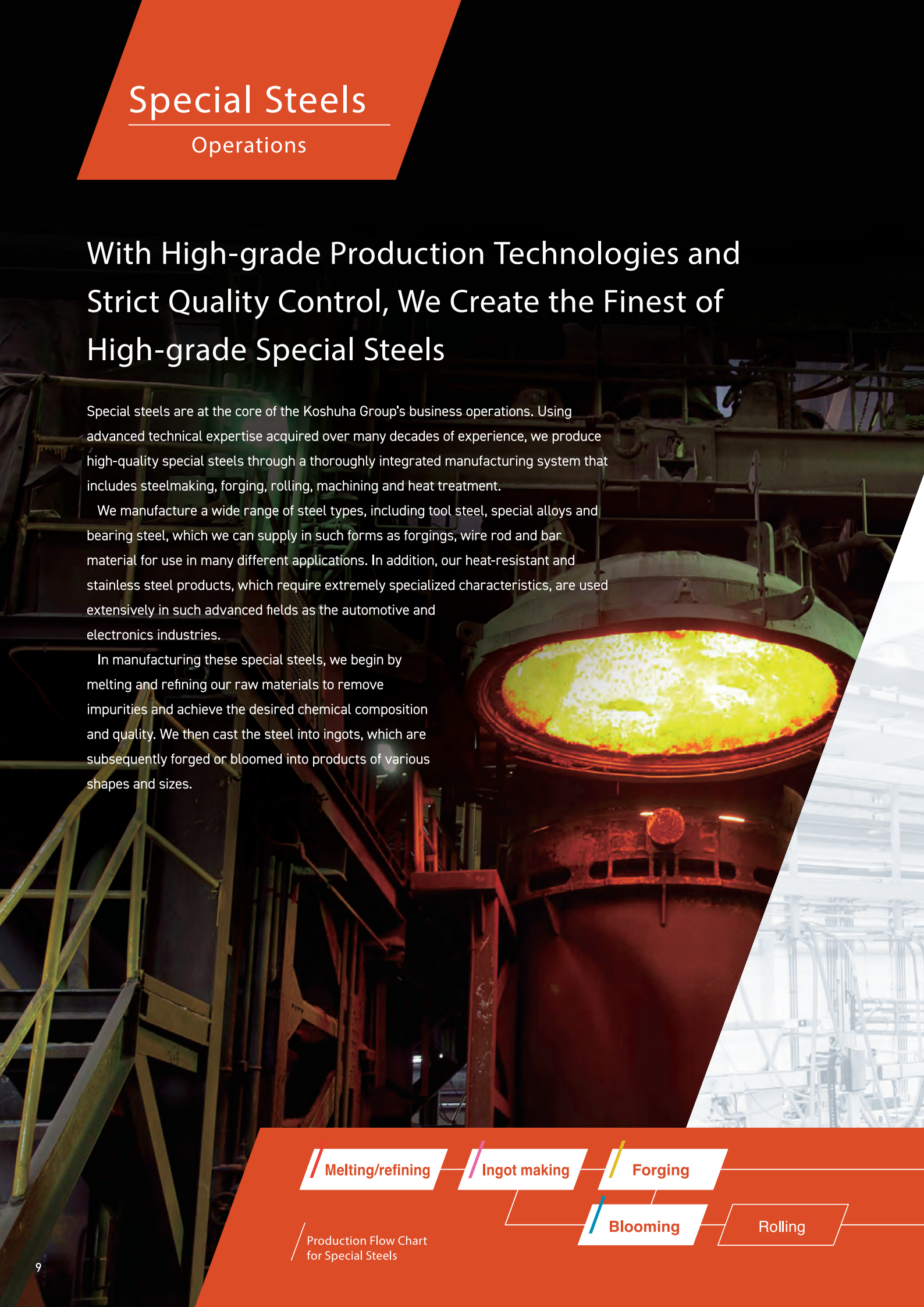
Operations

With High-grade Production Technologies and Strict Quality Control, We Create the Finest of High-grade Special Steels

Special steels are at the core of the Koshuha Group's business operations. Using advanced technical expertise acquired over many decades of experience, we produce high-quality special steels through a thoroughly integrated manufacturing system that includes steelmaking, forging, rolling, machining and heat treatment.

We manufacture a wide range of steel types, including tool steel, special alloys and bearing steel, which we can supply in such forms as forgings, wire rod and bar material for use in many different applications. In addition, our heat-resistant and stainless steel products, which require extremely specialized characteristics, are used extensively in such advanced fields as the automotive and electronics industries.

In manufacturing these special steels, we begin by melting and refining our raw materials to remove impurities and achieve the desired chemical composition and quality. We then cast the steel into ingots, which are subsequently forged or bloomed into products of various shapes and sizes.



Production Flow Chart for Special Steels

Materials

- Tool steel
  - Hot work tool steel
  - Cold work tool steel
  - High speed steel
  - Steel for plastic
  - Carbon steel for machine structural use, alloy steel and others
- Special alloy
  - Stainless steel
  - Heat-resistant steel
  - Nickel alloy and others
- Bearing steel

Forms

- Steel wire
- Wire rods
- Drawing steel bars
- Rolled wire rods
- Rolled rectangular rods
- Forged products
- Processed products

Melting Electric arc furnace

Base ingredients of return steel and alloy iron are melted at high temperature to adjust material composition.

Melting Vacuum ark re-melting (VAR) furnace

Repeat melting, reduce impurities and manufacture liquid steel consisting of delicate solidification structure.

Refining Ladle refining facility (ASEA-SKF)

Refined steel is produced using refining technology that was developed for bearing steel.

Ingot-making Ingot casting facility

Refined molten steel is poured into molds to form ingots.

Forging 3000-ton press

Ingots are forged to create high quality forged steel products.

Blooming Blooming mill

Ingots are heated and rolled to form billets, round bars and flat bars.

Heat treatment/machining

Cold working/ heat treatment/pickling

Inspection

Shipping

Special Steels

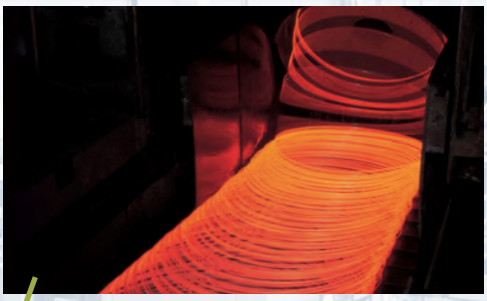
Operations

Our Integrated Manufacturing System Consists of All Process up to the Final Shape for Products such as Steel Wire, Wire Rods, Bars and Forged Products

The integrated manufacturing system at our Toyama Works performs secondary processing on our special steels.

We use blooming mills, bar, wire and plate rolling mills to manufacture products in many different shapes. When rolling wire rod, we use a three-roll block mill (made by FRIEDRICH KOCKS GmbH & Co KG), the first of its Kind to be used in a finish rolling line in Japan. This enables us to produce wire rod with excellent dimensional precision.

The processed products are then heat treated in our continuous wire-rod annealing furnace, vacuum furnace, bright annealing furnace and other facilities. Our pickling and washing lines incorporate both in-line and batch-type equipment that allow us to achieve appropriate surface conditions during processing. Finally, we use analyzers, ultrasonic flaw detectors and other advanced equipment to ensure product quality before shipment to customers.



Rolling Rolling mill

Used to process billet into wire rod and bar material.

Rolling Wire-rod finish rolling in 3 direction

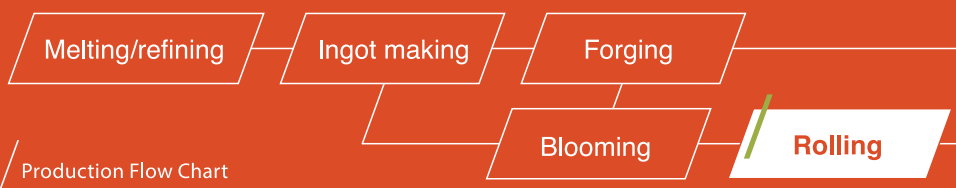
3-rolls block mill provides superior wire rods with dimensional precision

Cold working Continuous wire drawing

The rolled wire rod is drawn into steel wire.

Machining Large lathe

Remove impurities or scales from the surface and finish a product to the specified size.



Production Flow Chart for Special Steels

Nippon Koshuha Steel Co., Ltd.

Toyama Works (Imizu, Toyama Prefecture)

ISO9001, ISO14001 certified

[Main Facilities]

Division	Facilities
Steelmaking	40-ton and 10-ton electric arc furnaces, ex-furnace refining equipment (ASEA-SKF), vacuum decarburization equipment (VOD), 3-ton high-frequency induction furnaces, 2-ton and 0.3-ton vacuum induction furnaces, 3-ton and 1-ton electro slag remelting (ESR) furnaces and 7-ton and 3-ton vacuum arc remelting (VAR) furnaces
Forging	3,000-ton, 1,500-ton and 1,000-ton high-speed oil-hydraulic presses
Rolling	Ingot casting facility (double shifting reverse mill) Medium and small-sized rolling mills with diameters of ϕ110-ϕ12.5 Wire rod block mill with a diameter of ϕ12-ϕ5.5
Wire rod processing	NK coiler (continuous wire-drawing mill with automatic flaw removal), continuous wire-drawing mill, single-head wire-drawing,
Bar-material processing	Combined machine, bar straightener and bar planer
Machining	BTA-type drill, automatic honing machine, CNC lathe and machining center
Heat treatment	Continuous wire-rod annealing furnace, continuous bar annealing furnace and vacuum annealing furnace
Inspection	Analyzer, material testing equipment and ultrasonic flaw detector

Heat treatment

Batch-type, hydrogen-atmosphere annealing furnace

The furnace atmosphere is carefully controlled to produce wire rod with superb surface quality.

Pickling

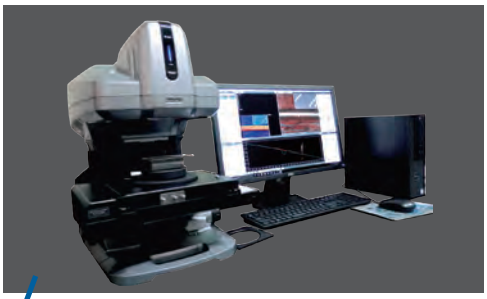
Special pickling facilities

The pickling process removes any oxides attached to the sides of the wire rod and forms a protective film.

Inspection

Atomic absorption photometer

Products are shipped after their chemical content has been analyzed to verified high quality.



Inspection

3D shape measuring device

The non-contact device can measure shapes and roughness and is used for purposes such as determining the depth of a flaw on the surface of a material.

Heat treatment/machining

Cold working/ heat treatment/pickling

Inspection

Shipping

Special Steels

Products / Special Alloys

Our Special Alloys Are Manufactured Using Koshuha's Proprietary Technologies and Used for a Wide Range of Applications

Special alloys are used in many fields ranging from everyday household goods to electronics and aerospace equipment. Koshuha manufacturers many high-performance alloy materials, including steel wire made from rolled wire rod, polished bar material.

High-performance materials with a variety of specialized characteristics are in high demand, particularly in cutting-edge fields where technology is rapidly evolving.
To answer this need, our production system can quickly and effectively handle small-lot orders for highly specialized products, with an interated approach that extends from a melting process that utilizes exclusive constituent design through extrusion, pressing and machining.

Product examples

Steel wire

Drawing steel bars

Wire rod

Applications

Automobile

Our materials for automotive parts satisfy requirements for high resistance to corrosion and heat.

Heat-resistant bolts

Piston rings

Electronics

We manufacture material for hard disk drive parts that must feature outstanding corrosion resistance and machinability.

Consumer electronics

Our lead wire materials for electronic parts help prolong the service life of household appliances and electronic equipment and also reduce power consumption.

Energy

Our high performance welding materials feature the low-temperature toughness, corrosion resistance and strength necessary for welding LNG tanks.

Daily necessities

Our titanium material is used to make glasses frames that are lightweight and corrosion-resistant, and remain beautiful even after years of use.

Nuclear power generation

We also produce welding materials with exceptionally high corrosion resistance that are used in such specialized applications as nuclear power plants.

Special Steels

Products / Tool Steel

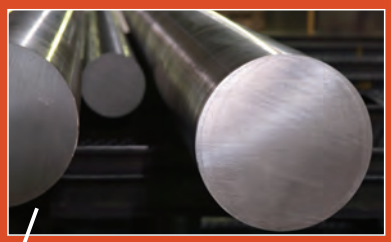
The High Quality of Nippon Koshuha Steel's Tool Steel Greatly Contributes to Improvements in the Production Efficiency of its Users

Tool steel is extensively used to make metal molds and tools for processing materials such as iron, non-ferrous materials and plastic into many different shapes. Making metal molds and machining tools more durable requires tool steel to be heat-resistant, wear-resistant and tough. To meet these requirements, our tool steel is manufactured with carefully-selected materials and our unique technologies in component design, tempering, heat treatment and other practices. The products made with Nippon Koshuha Steel's comprehensive technologies are referred to as microfine steel and are highly regarded by many users.

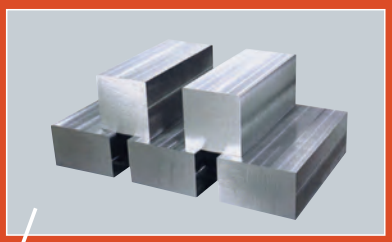
Product examples

Rolled wire rods

Rolled horizontal angle

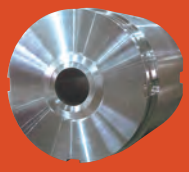


Forged round bar



Forged square bar

Processed products



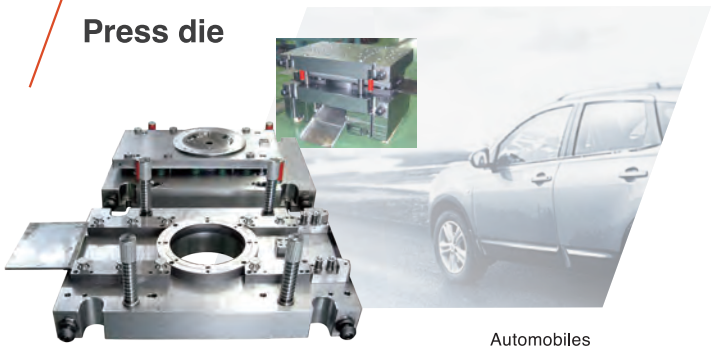
Container tires

Stems

Step shaft

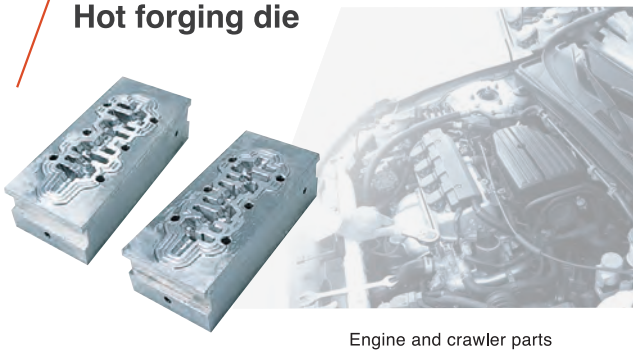
Dies and tools are used in a broad range of environments and require many different properties, such as heat resistance, abrasion resistance and toughness.

Press die



Automobiles

Hot forging die



Engine and crawler parts

Cutting tools

End mills, drills, hobs, broaches and other cutting tools

Dies for extruding aluminum

Extruded products (window sash)

Forming rolls

Pipeline

Plastic molding dies

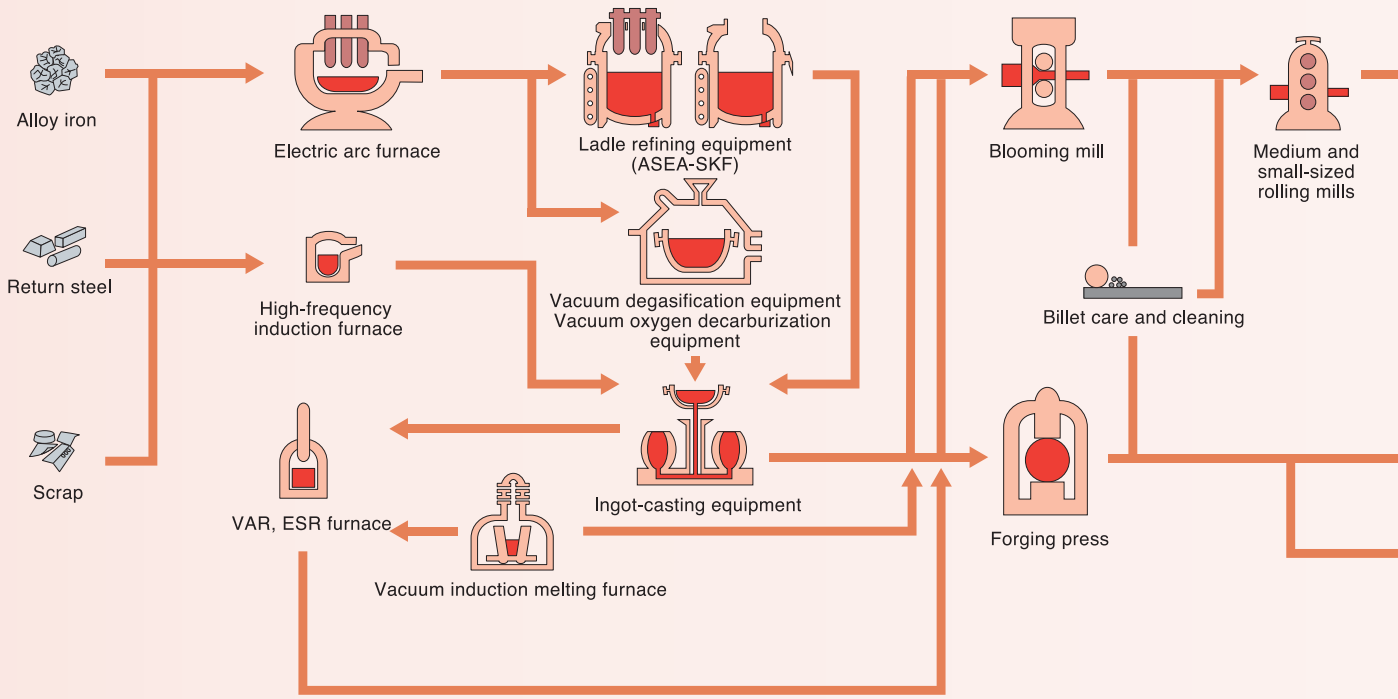
Car interior

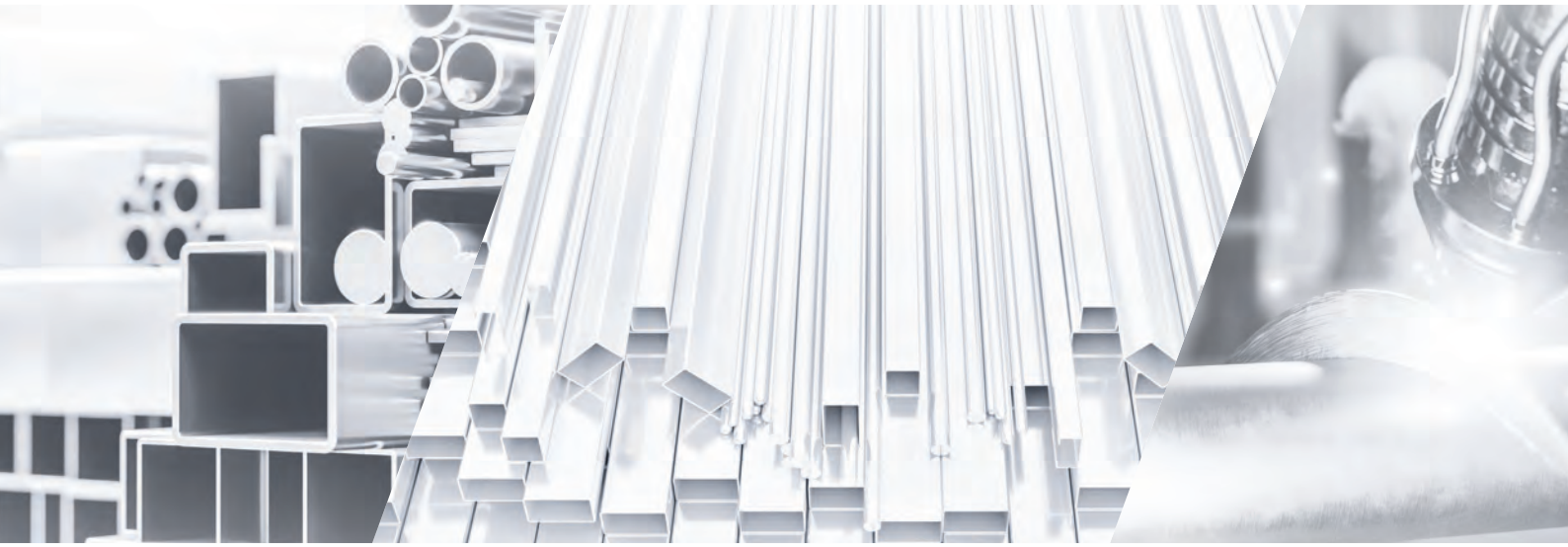
Industrial machines

Sluice

Manufacturing Process

Special steels and alloys

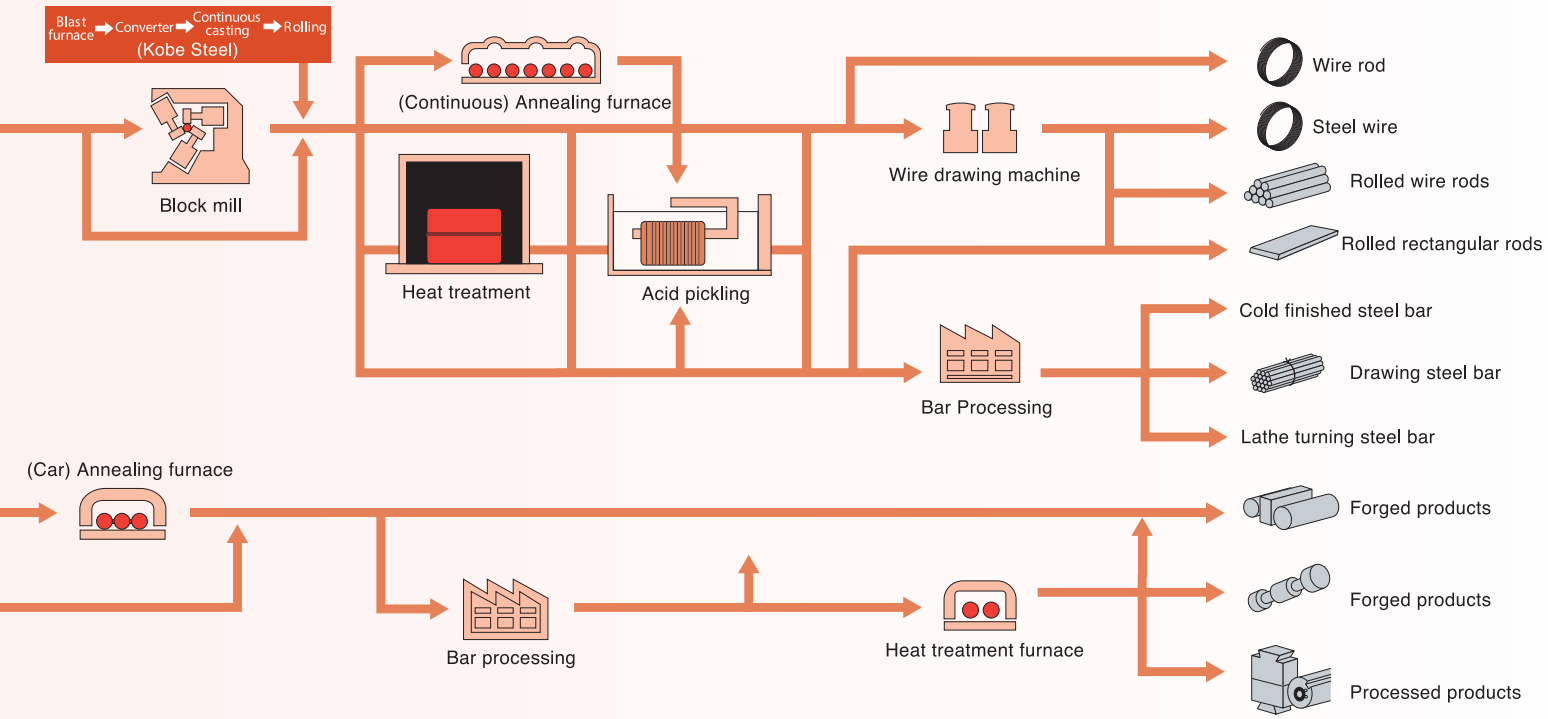




"Koshuha" literally means high frequency. What exactly is "high-frequency steel"?

In 1934, Hideyuki Kikuchi, who worked at the Central Testing Institute of the South Manchurian Railway Company, invented a steelmaking method called 'high-frequency electric shock refininig' This prompted the 1936 founding of our company's forerunner, Nippon Koshuha Heavy Industries.

The high-frequency electric shock refining method uses high-frequency electric current to instantaneously reduce the iron oxide in iron ore. The introduction of this method made it possible for the first time to use powdered iron ore as a raw material in blast furnaces, thereby contributing greatly to broadening the demand for special steels.



Research and Development

We Develop Attractive Types of Steel Based on our Comprehensive Technological Strengths, Combining our Element Technologies and the Manufacturing Technologies that Represent our Steelmaking, Forging and Rolling.

To meet all needs in special steels, Nippon Koshuha Steel Co., Ltd. has engaged in comprehensive research and development, from the design of new steel types to steelmaking, forging, and rolling.
In the field of special steels, we build on the metallurgy technologies we have accumulated through continuing efforts to maintain a superior level of quality, such as development projects including composite design simulation for new types of steel and experimental heat treatments, among others.
For the development of future-oriented products, we pursue innovation and improvements in the skills of our researchers through project research with universities and public research institutes.

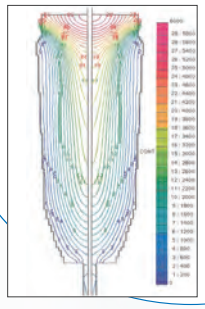
These high-level research and development capabilities are the foundation for the high-performance and high value-added products that we manufacture.

Solution

Element technology

Solidification control

- Solidification simulation
- Solidification control experimental reactor



Solidification analysis contour diagram

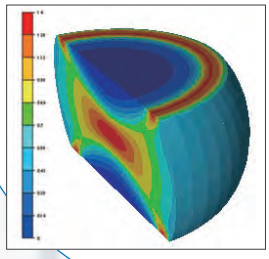
Composite design

- Computational phase diagrams
- Vacuum melting furnace

Thermo-Cal phase diagram

Hot processing

- Plastic processing simulation
- Test apparatuses for reproducing hot processing



3D analysis diagram

Production Technology

Steelmaking → Forging → Rolling → Heat treatment → Wire drawing → Machining

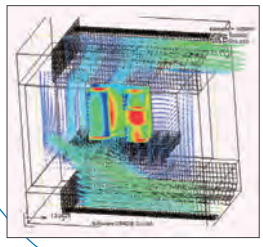
Surface treatment

- Design of film for surface treatment
- Evaluation of film for surface treatment

Surface treatment technology (structure of KS-G)

Heat treatment

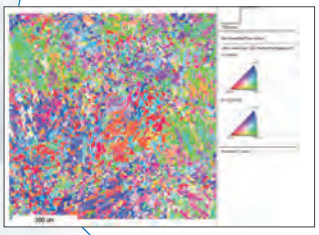
- Thermal fluid simulation
- Controlled and cooled heat treating furnace



Thermal fluid analysis diagram

Evaluation

- Different analyses with EPMA and SEM/EDX
- Evaluation using different pieces of equipment for evaluating mechanical properties



Crystal orientation analysis

Special steels field

Our research and development activities in this field use both element technology and production technology to satisfy needs and develop attractive steel types.

Koshuha All Metal Service Co.,Ltd.

Special Steels

Products /
Steel material, Heat Treatment,
Surface Treatment

With Ample Steel Material Stocks and State-of-the-Art Facilities, We Offer Fully Integrated Services Ranging from Sales to Heat Treatment and Surface Treatment of Steel

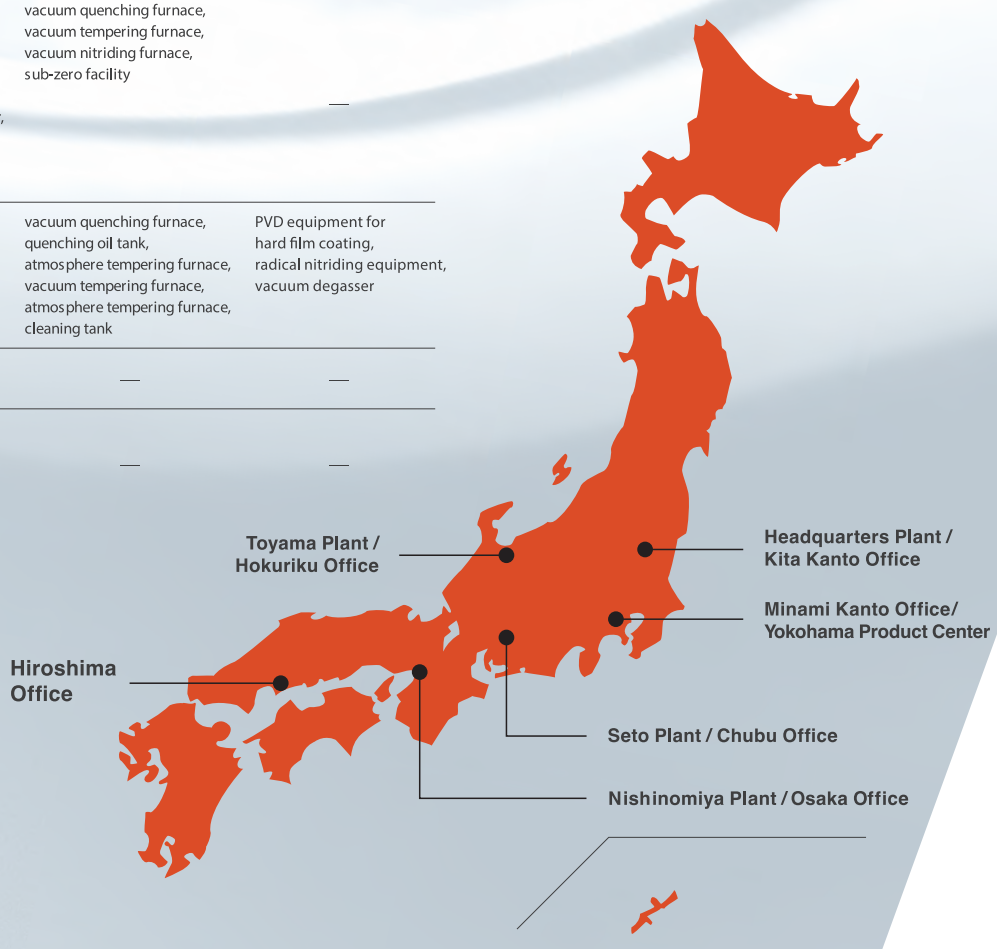
To promptly fulfill customers' needs, the importance of physical distribution functions is increasing. KAMS's integrated system enables it to meet a broad range of needs related to Nippon Koshuha Steel's inventory, including the sale and delivery of microfine steel, but also other steel materials and heat and surface treatments.

We are abundantly stocked and have excellent functions and a network of business locations across the country, which ensure security and speed in our service.

Koshuha All Metal Service Co., Ltd.

[Main Facilities]

Location	Steel material	Heat Treatment	Surface Treatment
Headquarters Plant	vertical milling machine, duplex milling machine, NC milling machine, flat-surface grinder, vertical machining center, horizontal machining center, multitasking machine, ultra-hard-blade bandsaw, bandsaw	vacuum quenching furnace, vacuum tempering furnace, vacuum nitriding furnace, sub-zero facility	—
Seto Plant	—	vacuum quenching furnace, quenching oil tank, atmosphere tempering furnace, vacuum tempering furnace, atmosphere tempering furnace, cleaning tank	PVD equipment for hard film coating, radical nitriding equipment, vacuum degasser
Nishinomiya Plant	bandsaw	—	—
Toyama Plant	vertical milling machine, NC milling machine, duplex milling machine, vertical machining center, NC lathe, bandsaw	—	—



Cutting

A 1300 mm bandsaw is used to meet requests for large size products.

Heat Treatment

vacuum quenching furnace

With expertise acquired through research and development, we control dimensional changes during heat treatment to ensure high product quality.

Surface treatment

In addition to KS-G, which is a highly acclaimed Machaon Coat series technology, we have newly included KS-VF in our lineup.
We are able to address a broad range of die-related issues.

Die has undergone surface treatment.

Surface treatment system

Promotion of ESG Management

Environment Initiatives for Environmental Protection

One of the most important tasks that manufacturers must accomplish is reducing the environmental impact of business activities.
We established our Environmental Policy in 2006, stating that we shall aim to be an eco-friendly company that balances its social roles and business activities.
Further, we implemented initiatives to achieve carbon neutrality in the period from FY2024 to FY2026, including setting the goal of reducing CO2 emissions by 46% from the FY2013 level by FY2030.
Our efforts also include recycling-oriented manufacturing and the development of environmentally friendly systems.

Environmental Policy

As a member of a global society, we are aware of the importance of the environment and will make tireless efforts to conserve, protect and improve it, becoming an eco-friendly company that balances its social roles and business activities.

1. **Living in harmony with society:**
   Proactively participate in the environmental conservation activities of local communities.
2. **Increased environmental awareness:**
   Educate employees and enhance their environmental awareness.
3. **Reduction of environmental load:**
   Inspect corporate activities regarding the ways of conserving the environment, protecting resources and recycling to reduce environmental load.
4. **Strictly obey laws:**
   Obey environment-related laws, environmental conservation agreements, and other laws and agreements.
5. **Environmental improvement activities:**
   Set concrete objectives and goals, continuously engage in improvement activities and review them on a regular basis.

For the Achievement of Carbon Neutrality

Climate change significantly impacts society, and we regard it as a material social problem that we must address. We will further step up our efforts to analyze and address business risks and opportunities brought about by climate change and push forward with the disclosure of relevant information. At the same time, we will implement initiatives to achieve carbon neutrality by 2050.

Target	[redacted]
[redacted]	**Reduce cost and CO2 emissions through the reduction of energy consumption and fuel conversion. Combine these initiatives with the purchase of electricity generated from non-fossil power sources to achieve carbon neutrality by 2050.**

For the Realization of a Recycling Society

[redacted]

- **We produce high added value products from materials such as scrap iron and stainless steel.**
- **We are also promoting the recycling of metal dust a brick scrap generated at our plants.**

Development of Eco-friendly Mechanisms

We will work on environmental measures in light of the needs of the community while promoting manufacturing with less waste focusing on recycling.

Examples of initiatives that are environmentally consciousness

- Reducing fuel consumption through heat recovery and the reduction of the weight of refractories.
- Manufacturing without waste by improving yield.
- Replacing plant lighting with LEDs and ending the use of paper for administrative tasks
- Complying with laws and regulations related to air and water quality to prevent environmental pollution

Social Contribution to Society

Solving social issues

By supplying products, we will support our customers' sustainability management to solve social issues.

Weight reduction	**High-strength mold tool steel and mold surface treatment (e.g., automobile and railway vehicles)** Supports the reduction of vehicle weight for the realization of eco-friendly vehicles.
Extending life	**Heat-resistant/corrosion-resistant special alloys (e.g., automobile, electronic information, semiconductors)** Supports the long life of components and contributes to vehicle and machine production that is free of failure or waste.

Contribution to Communities

We believe that meeting our social responsibilities is an important requirement of corporate management. We strive to maintain good relations with local communities by keeping the areas around our plants clean and neat and participating in regional promotion activities and other initiatives. We proactively contribute to local communities in our role as a good corporate citizen.

Our main activities

Environmental beautification activities

In Imizu-shi, Toyama, where our plant is located, we have participated in the Adapt Program activity since 2002, and we carry out cleaning activities. In 2022, the Governor of Toyama commended us as a contributor to the prefecture's landscape beautification promotion of the year, recognizing our contribution to the beautification of the regional environment.

Donation to the Shinminato Hikiyama Festival in Imizu-shi

As an initiative to contribute to society and the local community, we donate to the Hikiyama Festival, which is held every year on October 1 in Imizu-shi, Toyama, to support cultural awareness in this event which preserves the history and culture of Japan.

Opening the Koshuha Community Center to the public and organizing plant visits

The exercise area, training room and study room of Koshuha Community Center, which is located on the premises of our plant, are open to the public. We also proactively encourage people to visit the plant, aiming to deepen their understanding of our corporate activities.

Promotion of ESG Management

Securing and Developing Human Resources

We strive to create a workplace where all employees respect each other and work vibrantly and energetically. We are also working to develop an environment which enables diverse human resources to demonstrate their capabilities. We are increasing business efficiency and improving productivity through digitalization.

Securing and retaining diverse human resources

I. Enabling women to pursue successful careers

In the regular recruitment of sogoshoku (regular position with the prospect of promotion), Nippon Koshuha Steel proactively employs women in its workforce with the aim of facilitating women's career pursuits. We will employ more women by expanding job categories.

II. Employing people with disabilities

At Nippon Koshuha Steel, people with disabilities engage in similar jobs as their non-disabled colleagues and greatly contribute to our corporate activities. In recruiting people with disabilities, we consider their individual characteristics and try to find the right workplace for each person to maximize their potential, aiming to ensure that people with disabilities are not assigned to the wrong workplace.

III. Employment of the older population

Nippon Koshuha Steel introduced its system of reemployment in 2005. Since then, the system has been repeatedly revised in compliance with the legal system. We have improved the working conditions for older employees to systematically enable them to find their jobs worthwhile.

Facilitating diverse ways of working

Nippon Koshuha Steel has introduced a range of systems which are effectively used to enable employees to continue to work while achieving a good balance between work and home according to their life stage. To reform workstyles, we have worked to reduce long working hours, proactively use online conferences and encourage employees to take more paid annual leave.

Employee benefit program

- Flexible working hours
- Welfare leave
- Half-day off
- Childcare and nursing care leave
- Telecommuting

Training sessions

Human resources development

The biggest resource supporting the growth of Nippon Koshuha Steel is our people. Nippon Koshuha Steel regards human resources development as the core of its management strategy and the most important challenge on which the entire company should focus. Structurally, our human resources development consists of two pillars, specifically on-the-job training (OJT) and off-the-job training (OFF-JT).

Governance

Pursuit of Governance

Because we believe that meeting our social responsibilities is an important requirement of corporate management, we obey laws and respond to social needs. As routine activities to achieve this, we identify specific risks concerning compliance issues in such fields as quality, the environment and intellectual property, and endeavor to prevent the manifestation of risks by formulating and operating the necessary in-company rules and implementing training programs and internal audits.

Safety and Health Initiatives

Safety, hygiene, and health are the foundation of management and take precedence over all business activities. We will implement a broad range of safety and hygiene activities beyond just observing applicable laws and regulations.

Quality Control

As a reliable partner company that firmly supports customers' businesses, we also use IoT to improve delivery satisfaction and tighten quality control, which reinforces our quality assurance system.

Risk Management and Compliance Initiatives

Because we believe that meeting our social responsibilities is an important requirement of corporate management, we obey laws and respond to social needs. Nippon Koshuha Steel and its affiliated companies usually identify specific risks concerning compliance issues in such fields as quality, the environment and intellectual property, and endeavor to prevent the manifestation of risks by formulating and operating the necessary in-company rules and implementing training programs and internal audits. In addition, as a forum for monitoring these activities, the Group conference body meets every six months. There is an inquiry counter that responds to consultation requests regarding compliance and harassment within departments. Separately from this inquiry counter, we have established a whistle-blowing system. The intent of these measures is to enable the Group to take appropriate actions in response to people consulting us or submitting whistle-blowing reports and protect both people consulting the inquiry counter and whistle-blowers.

www.koshuha.co.jp

Nippon Koshuha Steel Co., Ltd.

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