

## [Summary]

Securities identification code: 5706

May 27, 2024

To Shareholders:

**Mitsui Mining & Smelting Co., Ltd.**

1-11-1 Osaki, Shinagawa-ku,  
Tokyo 141-8584, Japan

NOU Takeshi  
President and  
Representative Director

### **Notice of Convocation of the 99th Annual General Meeting of Shareholders**

Dear Shareholders:

Thank you for your patronage. You are cordially invited to attend the 99th Annual General Meeting of Shareholders of Mitsui Mining & Smelting Co., Ltd. The meeting will be held on Thursday, June 27, 2024. Please find below the Notice of Convocation.

Please review the proposals submitted to the General Meeting of Shareholders and the overview of operations for the 99th fiscal year.

Sincerely,

#### **Meeting Particulars**

1. Date and Time: 10 a.m. on Thursday, June 27, 2024
2. Place: Gate City Hall, Underground Level 1,  
Gate City Ohsaki-West Tower,  
1-11-1 Osaki, Shinagawa-ku, Tokyo
3. Purpose of the Meeting:  
Matters to be reported
  1. Business Report, Consolidated Financial Statements, and reports from the independent auditing firm and the Board of Auditors on consolidated financial statements for the 99th fiscal year (from April 1, 2023, to March 31, 2024)
  2. Reports on financial statements for the 99th fiscal year (from April 1, 2023, to March 31, 2024)

Matters to be resolved

Proposals by the Company: Items 1-6

- |             |   |
|-------------|---|
| First Item  | Appropriation of Retained Earnings  |
| Second Item | Partial Amendment of the Articles of Incorporation  |
| Third Item  | Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)                             |
| Fourth Item | Election of Four (4) Directors who are Audit and Supervisory Committee Members  |
| Fifth Item  | Determination of Amount of Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) and |

	Determination of Compensation for Granting Restricted Stock to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)
Sixth Item	Determination of Amount of Compensation to be paid to the Directors who are Audit and Supervisory Committee Members

Proposals by a Shareholder: Items 7-8

Seventh Item	Dismissal of Representative Director
Eighth Item	Stock Dividends

Proposals by a Shareholder (Items 7-8) are described in pages 35-37 of the General Meeting of Shareholders' Reference Materials hereafter.

#### 4. Note of Caution in Exercising Voting Rights:

**Proposals by one of the Shareholders** have been presented for this Annual General Meeting of Shareholders as indicated above. While the details are provided hereafter under the Seventh and Eighth Items, **the Board of Directors of the Company is opposed to these proposals.**

Since the Eighth Item is in conflict with the First Item proposed by the Company, **please note that you should not indicate your approval for both Items.** If you vote in favor of both Items, your votes for both the First Item and the Eighth Item will be deemed invalid.

#### 5. Other Items pertaining to the Convocation of the General Meeting of Shareholders:

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form or by electronic means (Internet, etc.). Please review the attached General Meeting of Shareholders' Reference Materials and exercise your voting rights **by 5 p.m. (Japan Time) on Wednesday, June 26, 2024.**

In the case of exercising voting rights both by the voting right exercise form and electronically (Internet, etc.), regardless of the timing of the voting rights submissions, the electronic (Internet, etc.) version will be considered effective.

In the case of exercising voting rights electronically (Internet, etc.) multiple times, the final exercise of voting rights will be considered effective.

In accordance with the stipulations of the Company's Articles of Incorporation, shareholders seeking to exercise voting rights via a proxy will be requested to designate another shareholder with voting rights as the proxy. In addition, please note that only shareholders are eligible to attend the Annual General Meeting of Shareholders.

- End -

1. When you attend the meeting in person, please submit the voting right exercise form enclosed herewith to the receptionist at the place of the meeting. In addition, please bring with you this Notice of Convocation to assist us in reducing the amount of paper used.
2. If there arises the need to make revisions to the General Meeting of Shareholders' Reference Materials or the appended Business Report, Consolidated Financial Statements, and Nonconsolidated Financial Statements, revised items will be posted on the Company's website.

The Company's website (<https://www.mitsui-kinzoku.com/en/>)

*This is a summary translated from the Japanese-language Notice of Convocation distributed to shareholders in Japan.*

# Guide to Exercising Voting Rights

In the event of your inability to attend, you may exercise your voting rights by either of the methods described below.

## 1. Method of Exercising Voting Rights by Paper Form

Please indicate your approval or disapproval of the agenda items on the enclosed voting rights exercise form and send in the form so that it arrives before the deadline.

Exercise deadline: To arrive no later than 5 p.m. (Japan Time) on Wednesday, June 26, 2024

## 2. Method of Exercising Voting Rights Electronically (Internet, Etc.)

### (1) Exercise of Voting Rights Via the Internet

Please access the voting website at <https://www.web54.net> from a personal computer or a smartphone, follow the instructions shown on the screen, and by entering a new password (you may change your password if you wish) using the “voting rights exercise code” and “password” shown on the enclosed voting rights exercise form, you will be able to submit votes of approval or disapproval for each of the agenda items.

Exercise deadline: Until 5 p.m. (Japan Time) on Wednesday, June 26, 2024

Questions Regarding Personal Computer Operation, Etc.

If you have questions regarding the use of the voting rights exercise website, please contact the following unit.

Sumitomo Mitsui Trust Bank, Limited  
Help Desk for Internet Voting  
Phone Number: +81 0120 (652) 031  
(Available from 9 a.m. to 9 p.m. (Japan Time))

### (2) Exercising Voting Rights via the Voting Rights Exercise Platform

With regard to institutional investors, shareholders who have registered in advance to use the Voting Rights Exercise Platform may use this platform to exercise their voting rights.

# Instructions for live stream and submission of questions

This General Meeting of Shareholders will be available for the shareholders to view from home, etc. through a live stream on the Internet and questions concerning the Company will be accepted as instructed below.

## 1. Date and time for the live stream

From 10 a.m. on Thursday, June 27, 2024 to the end of the General Meeting of Shareholders

The webpage for live stream can be accessed from about 9:30 a.m. on the same day.

### Note of caution

- (a) Viewing of the live stream is limited to shareholders.
- (b) Please refrain from audio recordings, video recordings, and publicizing thereof of the live stream.
- (c) It is possible that due to system failures, communication environment, etc., there may be technical difficulties such as sound/image delays and temporary disruptions in the live stream. The Company will not be liable for any detriments caused by poor connection or system failures.
- (d) If you plan to view the live stream of the General Meeting of Shareholders, please note that it will not be recognized as attending the General Meeting of Shareholders stipulated by the Companies Act and you will not be able to ask questions and exercise voting rights on the day of the meeting. Therefore, please exercise your voting rights in advance by submitting the enclosed Voting Rights Exercise Form or via the Internet, etc.
- (e) Any telecommunications fees, etc. for viewing the live stream and submitting questions shall be borne by the shareholder.

## 2. How to ask questions

Questions concerning the Company will be accepted in advance on the following website. Among the questions the Company receives, matters of high interest to shareholders will be answered at this Annual General Meeting of Shareholders.

Term for submission of questions: From June 3, 2024 (Monday) until 12 p.m. on June 24, 2024 (Monday)

### Note of caution

- (a) Submitting questions is limited to shareholders.
- (b) Please be as concise as possible in your questions.
- (c) Please note that we cannot guarantee a response to all of your questions received in advance.
- (d) Any telecommunications fees, etc. for submitting questions shall be borne by the shareholder.

## 3. How to Log in to the website (Live stream/Submission of questions)

Please prepare your shareholder ID (shareholder number) and password (postal code) in advance, which are required to log in to the authentication page for shareholders (login page), and input the URL below or scan the QR code on your personal computer, smartphone, or other device to access the live stream page (be sure to keep a copy at hand or write down the “shareholder number” before sending out the Voting Rights Exercise Form).

<https://5706.ksoukai.jp/>



**ID and password**

- (1) Shareholder ID: Your “shareholder number” (9-digit number) printed on the Voting Rights Exercise Form
- (2) Password: The “postal code” (7-digit number without hyphen) of your registered address on the shareholder register as of the record date

Questions Regarding ID and password.

If you have questions regarding ID and password, please contact the following unit.

Sumitomo Mitsui Trust Bank, Limited

Help Desk for Live Stream

Phone Number: +81 0120 (782) 041

(Available from 9 a.m. to 5 p.m. (Japan Time, Business Days Only))

# General Meeting of Shareholders' Reference Materials

## Matters to Be Resolved and Reference Items:

### Proposals by the Company: Items 1-6

#### First Item

##### Appropriation of Retained Earnings

We propose that appropriation of retained earnings be performed as follows.

While ensuring that it retains sufficient internal reserves to fund measures for strengthening operations and promoting future business expansion, the Company has a fundamental policy of seeking to distribute dividends.

Specifically, the Company aims to pay dividends at a consolidated dividend on equity ratio (DOE) of approximately 3.0%, focusing on continuous and stable dividend distribution.

In accordance with this fundamental policy, based on the consideration of the Company's financial condition and its performance in the fiscal year under review, the Company proposes that the year-end dividend applicable to the fiscal year under review be ¥70 per share as described below.

#### Year-End Dividends

(1) Type of Dividend Asset	Money
(2) Allocation and Total Value of Dividend Assets	¥70 per share of common stock Total value of ¥4,001,516,330
(3) Effective Date of Retained Earnings Distribution	June 28, 2024

#### Reference Basic principle for capital policy

The Company has set out the basic idea of its capital policy below, considering the significant impact the trend in capital policy has on the interests of the shareholders.

- (1) The Company aims to achieve sustainable growth and a medium to long-term increase in corporate value. It maintains the level of shareholders' equity necessary to form a foundation for not only the domestic expansion of the business, but also the global expansion of the business.
- (2) The Company's basic dividend policy is to appropriately distribute profit while retaining the amount of internal reserves necessary for future business development and structural reinforcement. More specifically, the Company aims to pay dividends at a consolidated dividend on equity ratio (DOE) of approximately 3.0%, focusing on continuous and stable dividend distribution.

The shareholder return policy is subject to change according to the progress of the improvement of the Company's management foundation and financial position.

[Trends in Dividends and DOE]

	96th	97th	98th	99th
Year-end dividend (Yen)	¥85	¥110	¥140	¥70
Interim dividend (Yen)	-	-	-	¥70
DOE (%)	2.5%	2.6%	3.3%	3.1%

NOTE: The basic capital policy was revised and the revised policy has applied since the 98th fiscal year.

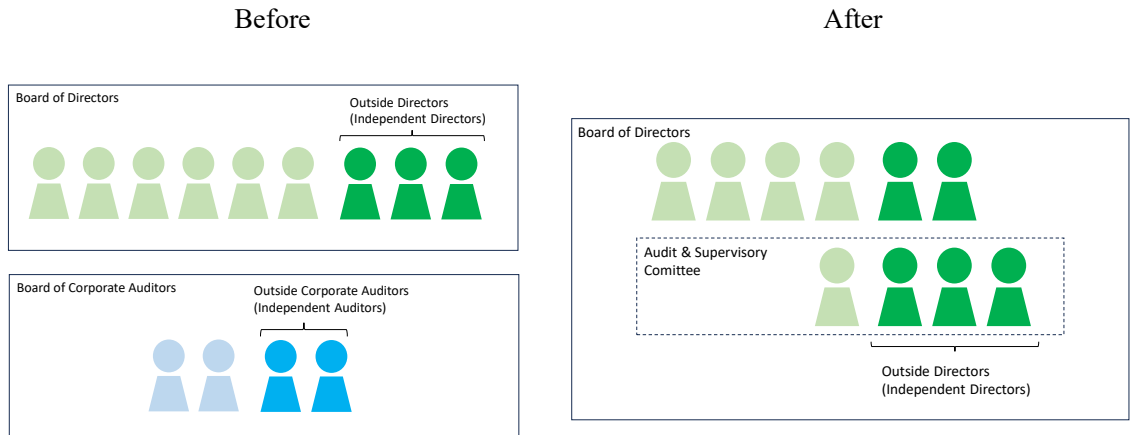
Common Reference Applicable to Items 2 through 6

The Company plans to change from a company with a board of corporate auditors to a company with an audit and supervisory committee assuming that Item 2 to be proposed at the 99th Annual General Meeting of Shareholders, Partial Amendment of Articles of Incorporation, will be approved. The descriptions of the purpose of the transition, the structure of the Board of Directors after the change, a corporate governance system, and a comparison with the conventional system are described below.

Purpose

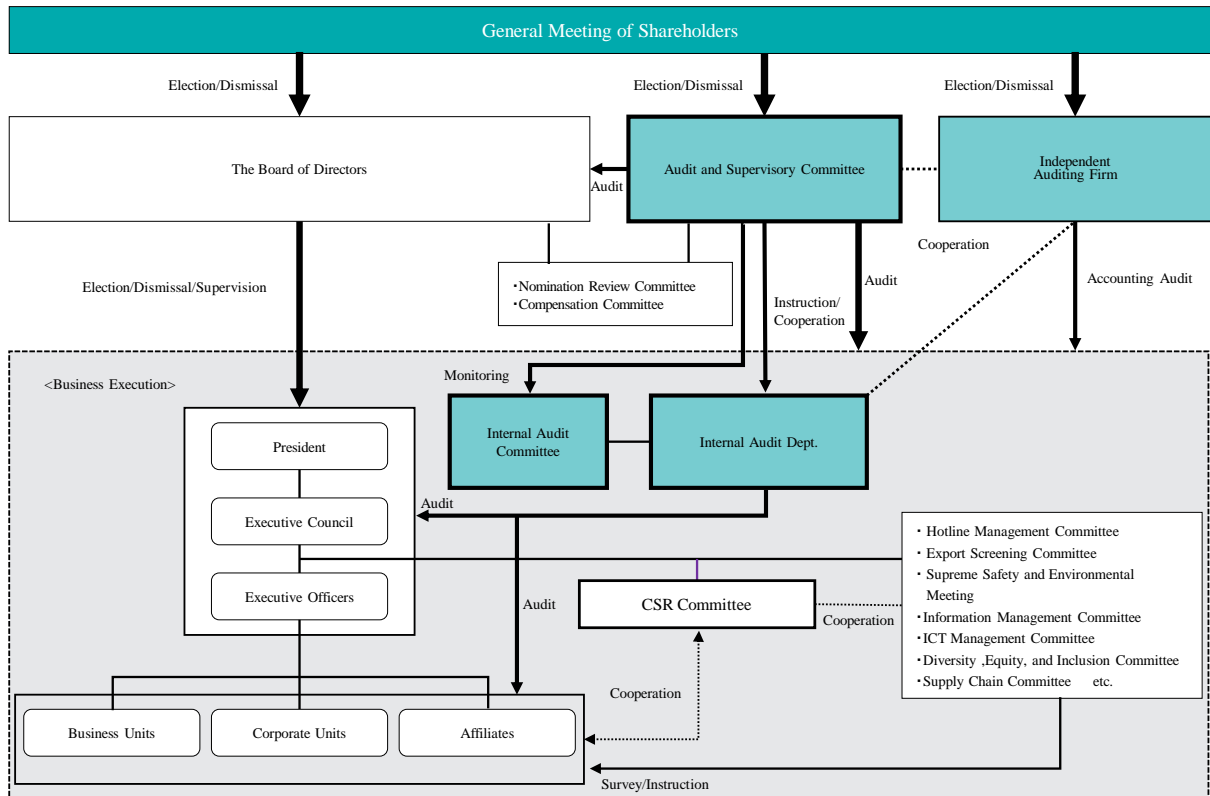
The Company will seek to speed up management decision-making further and will also make deliberations at meetings of the Board of Directors more focused on important matters to further enhance discussions on the formulation of management policies and management strategies, etc. and to seek to strengthen the management supervisory function of the Board of Directors.

Structure



※ One (1) Full-time Audit and Supervisory Committee Member will be appointed.

Corporate Governance System after the Company's transition to a company with Audit and Supervisory Committee



The Company's corporate system after transition to a company with Audit and Supervisory Committee

	Before	After (Company with Audit and Supervisory Committee)	Related Items
Organization to be changed	Corporate Auditors, Board of Corporate Auditors	<b>Audit and Supervisory Committee</b>	Second Item
Election	Directors Corporate Auditors	<b>Directors (excluding Directors who are Audit and Supervisory Committee Member) Directors who are Audit and Supervisory Committee Member</b>	
Term of office	Directors: 1 year Corporate Auditors: 4 years	<b>Directors (excluding Directors who are Audit and Supervisory Committee Member): 1 year Directors who are Audit and Supervisory Committee Member: 2 years</b>	
Making important decisions on the execution of business	Delegation to Directors is not allowed.	<b>If a majority of Directors are Outside Directors or if specified in the Articles of Incorporation, all or a part of the decision making regarding important business operations may be delegated to Directors by resolution of the Board of Directors.</b>	
Right to state opinions on election, compensation, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members)	-	<b>At the General Meeting of Shareholders, the Audit and Supervisory Committee has the right to state opinions on the election, dismissal, compensation, etc. of Directors who are not Audit and Supervisory Committee Members.</b>	
Number of Directors and Corporate Auditors	Directors: 9 (including 3 Outside Directors)	<b>Directors (excluding Directors who are Audit and Supervisory Committee Members): 6 (including 2 Outside Directors)</b>	Third Item
	-	<b>Directors who are Audit and Supervisory Committee Members: 4 (including 3 Outside Directors)</b>	Forth Item
	-	<b>Total numbers of Directors: 10 (including 5 Outside Directors)</b>	
	Corporate Auditors: 4 (including 2 Outside Corporate Auditors)	-	
The maximum annual amount of compensation for Directors	Directors: ¥720 million or less (excluding the employee salaries of the Directors who concurrently serve as employees)	<b>Directors (excluding Directors who are Audit and Supervisory Committee Members): ¥720 million or less (excluding the employee salaries of the Directors who concurrently serve as employees)</b>	Fifth Item
	-	<b>Directors who are Audit and Supervisory Committee Members: ¥180 million or less</b>	Sixth Item
	Corporate Auditors: ¥180 million or less	-	



**Second Item**

Partial Amendment of the Articles of Incorporation

1. Reasons for Amendment

- (1) The Company will change to being a company with an audit and supervisory committee with the aim of accelerating management decision-making, making discussions on management policies and strategies more constructive by strictly selecting matters to be deliberated at meetings of the Board of Directors, and strengthening the functions of the Board of Directors in the supervision of management. Therefore, the Company will establish new provisions concerning the Audit and Supervisory Committee Members and the Audit and Supervisory Committee necessary for the change to being a company with an audit and supervisory committee, delete provisions concerning the Corporate Auditors and the Board of Corporate Auditors, and establish new provisions concerning the delegation of decisions regarding business operations.
- (2) As a result of a review of the advisor and consultant system resulting in the abolition of the consultant system to strengthen corporate governance, the Company will also delete the relevant provisions in the Articles of Incorporation.
- (3) In addition, amendments to the number of articles, additions and amendments to the provisions and wording, and other necessary changes will be made in accordance with the above.
- (4) The effectuation of the amendments to the Articles of Incorporation in this Item is as of the conclusion of this Annual General Meeting of Shareholders.

2. Details of the Amendment

The details of the amendment are as follows. (Underlined portions are amended.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
<p>Article 4. Organizations</p> <p>In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organizations.</p> <p>(1) Board of Directors</p> <p>(2) <u>Corporate Auditors</u></p> <p>(3) <u>Board of Corporate Auditors</u></p> <p>(4) Accounting Auditor</p>	<p>Article 4. Organizations</p> <p>In addition to the General Meeting of Shareholders and Directors, the Company shall have the following organizations.</p> <p>(1) Board of Directors</p> <p>(2) <u>Audit and Supervisory Committee</u></p> <p><u>[Deleted]</u></p> <p>(3) Accounting Auditor</p>
<p>Article 10. Shareholder Register Administrator</p> <p>1. The Company shall have a shareholder register administrator with respect to shares.</p> <p>2. The shareholder register administrator and its place of business shall be determined by resolution of the Board of Directors and public notice shall be given of such matters.</p>	<p>Article 10. Shareholder Register Administrator</p> <p>1. [No Change]</p> <p>2. The shareholder register administrator and its place of business shall be determined by resolution of the Board of Directors <u>or by decision of Director(s) delegated by the Board of Directors</u> and public notice shall be given of such matters.</p>

Current Articles of Incorporation	Proposed Amendments
<p>3. The shareholder register administrator shall be commissioned to handle the preparation and maintenance of the register of shareholders of the Company and the share warrant register as well as other tasks related to the register of shareholders and the share warrant register, and the Company will not handle these tasks.</p>	<p>3.[No Change]</p>
<p>Article 11. Share Handling Regulation The procedures for share handling and relevant fees therefore shall be governed by the Share Handling Regulation established by the Board of Directors as well as by the relevant provisions of laws, ordinances or the Articles of Incorporation.</p>	<p>Article 11. Share Handling Regulation The procedures for share handling and relevant fees therefore shall be governed by the Share Handling Regulation established by the Board of Directors <u>or by decision of Director(s) delegated by the Board of Directors</u> as well as by the relevant provisions of laws, ordinances or the Articles of Incorporation.</p>
<p>CHAPTER IV DIRECTORS, BOARD OF DIRECTORS AND EXECUTIVE OFFICERS</p>	<p>CHAPTER IV DIRECTORS, BOARD OF DIRECTORS, <u>AUDIT AND SUPERVISORY COMMITTEE</u> AND EXECUTIVE OFFICERS</p>
<p>Article 19. Number 1. The Company shall have not more than eleven (11) directors.  <u>[New Provision]</u></p>	<p>Article 19. Number 1. The Company shall have not more than eleven (11) directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u>. 2. <u>The Company shall have not more than five (5) directors who are Audit and Supervisory Committee Members.</u></p>
<p>Article 20. Election <u>[New Provision]</u>  1. Resolutions for the election of Directors shall require the presence of shareholders with one-third or more of the total shareholder voting rights and the approval of a majority of the voting rights present.  2. Resolutions for the election of Directors shall not be by cumulative voting.</p>	<p>Article 20. Election 1. <u>Directors shall be elected at general meetings of shareholders, while making a distinction between Directors who are Audit and Supervisory Committee Members and the other Directors.</u> 2. [No Change] 3. [No Change]</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 21. Term of Office</p> <p>1. The term of office of Directors shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.</p> <p><u>[New Provision]</u></p> <p><u>[New Provision]</u></p>	<p>Article 21. Term of Office</p> <p>1. The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within one (1) year after their election.</p> <p>2. The term of office of <u>Directors who are Audit and Supervisory Committee Members</u> shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within two (2) year after their election.</p> <p>3. The term of office of <u>Directors who are Audit and Supervisory Committee Members elected to fill a vacancy</u> shall expire at the time the term of office of his or her predecessor expires.</p>
<p><u>[New Provision]</u></p>	<p><u>Article 22. Effective Period of Resolution Based on the Result of the Election of Substitute Directors who are Audit and Supervisory Committee Members</u></p> <p><u>Resolutions related to the election of substitute Directors who are Audit and Supervisory Committee Members shall remain valid until the start of the Annual General Meeting of Shareholders for the last fiscal year out of the fiscal years ending within two (2) years after the resolution.</u></p>
<p>Article <u>22</u>. Executive Directors</p> <p>1. The Company shall have one (1) President. If necessary, the Company may have one (1) Chairman and one (1) or more Executive Vice Presidents, Senior Managing Directors and Managing Directors.</p> <p>2. The Chairman, the President, Executive Vice Presidents, Senior Managing Directors and Managing Directors shall be determined by resolution of the Board of Directors.</p>	<p>Article <u>23</u>. Executive Directors</p> <p>1. <u>[No Change]</u></p> <p>2. The Chairman, the President, Executive Vice Presidents, Senior Managing Directors and Managing Directors shall be determined <u>from among Directors (excluding Directors who are Audit and Supervisory</u></p>

Current Articles of Incorporation	Proposed Amendments
	<u>Committee Members</u> ) by resolution of the Board of Directors.
<p>Article <u>23</u>. Representative Directors</p> <p>Representative Directors shall be determined by resolution of the Board of Directors from among the Chairman of the board and Director, President, Executive Vice Presidents, Senior Managing Directors and Managing Directors shall be elected by resolution of the Board of Directors.</p>	<p>Article <u>24</u>. Representative Director</p> <p>[No Change]</p>
<p>Article <u>24</u>. Convening of Meetings of Board of Directors</p> <p>Notice for convening a meeting of the Board of Directors shall be dispatched to each director <u>and each auditor</u> two (2) days prior to the date of the meeting.</p>	<p>Article <u>25</u>. Convening of Meetings of Board of Directors</p> <p>Notice for convening a meeting of the Board of Directors shall be dispatched to each director two (2) days prior to the date of the meeting.</p>
<p>Article <u>25</u>. Omission of Board of Directors' Meetings</p> <p>When the requirements of Article 370 of the Companies Act are met, the Company's Board of Directors is deemed to have passed a resolution.</p>	<p>Article <u>26</u>. Omission of Board of Directors' Meetings</p> <p>[No Change]</p>
<p>[New Provision]</p>	<p><u>Article 27. Convening of Meetings of Audit and Supervisory Committee</u></p> <p><u>Notice for convening a meeting of Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member two (2) days prior to the date of the meeting.</u></p>
<p>Article <u>26</u>. Directors' Exemption from Responsibility</p> <p>1. With regard to the responsibilities in Article 423-1 of the Companies Act, the Company's Directors (including former Directors), in cases when they have acted in good faith and there is no gross negligence in their acts, may by resolution of the Board of Directors be exempted from responsibility up to a limited figure within the scope permitted by law or ordinances.</p> <p>2. With regard to the responsibilities in Article 423-1 of the Companies Act, the Company's Outside Directors may conclude contracts with the Company that provide for them to bear responsibility up to a</p>	<p>Article <u>28</u>. Director's Exemption from Responsibility</p> <p>[No Change]</p>

Current Articles of Incorporation	Proposed Amendments
limited figure within the scope permitted by law or ordinances in cases when they have acted in good faith and there is no gross negligence in their acts.	
<u>[New Provision]</u>	<u>Article 29. Delegation of Decisions on the Execution of Important Business to Director(s)</u> <u>Under the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company, by resolution of the Board of Directors, may delegate all or part of decisions on the execution of important business to Director(s) (excluding the matters listed in each item of Paragraph 5 of said Article).</u>
Article <u>27</u> . Executive Officers The Board of Directors may appoint Executive Officers by its resolution and have them execute business.	Article <u>30</u> . Executive Officers [No Change]
<u>CHAPTER V CORPORATE AUDITORS</u> <u>AND BOARD OF CORPORATE AUDITORS</u>	<u>[Deleted]</u>
Article <u>28</u> . <u>Number</u> <u>The Company shall have not more than five (5) Corporate Auditors.</u>	<u>[Deleted]</u>
Article <u>29</u> . <u>Election</u> <u>Resolutions for the election of Corporate Auditors shall require the presence of shareholders with one-third or more of the total shareholder voting rights and the approval of a majority of the voting rights present.</u>	<u>[Deleted]</u>
Article <u>30</u> . <u>Term of Office</u> <u>1. The term of office of Corporate Auditors shall expire at the close of the Annual General Meeting of Shareholders relating to the last fiscal year ending within four (4) years after their election.</u> <u>2. In the case of election of Corporate Auditors to fill a vacancy, the term of office of such Corporate Auditors shall be for the unexpired balance of the term of office of his or her predecessor.</u>	<u>[Deleted]</u>

Current Articles of Incorporation	Proposed Amendments
<p><u>Article 31. Convening of Meeting of Board of Auditors</u>  <u>Notice for convening a meeting of the Board of Corporate auditors shall be dispatched to each Corporate auditor two (2) days prior to the date of the meeting.</u></p>	<p>[Deleted]</p>
<p><u>Article 32. Limitation of Corporate Auditors' Responsibility</u>  <u>1. With regard to the responsibilities in Article 423-1 of the Companies Act, the Company's Corporate Auditors (including former Corporate Auditors), in cases when they have acted in good faith and there is no gross negligence in their acts, may by resolution of the Board of Directors be exempted from responsibility up to a limited figure within the scope permitted by law or ordinances.</u>  <u>2. With regard to the responsibilities in Article 423-1 of the Companies Act, the Company's Corporate Auditors may conclude contracts with the Company that provide for them to bear responsibility up to a limited figure within the scope permitted by law or ordinances in cases when they have acted in good faith and there is no gross negligence in their acts.</u></p>	<p>[Deleted]</p>
<p><u>CHAPTER VI COUNSELORS AND ADVISERS</u></p>	<p>[Deleted]</p>
<p><u>Article 33. Counselors and Advisers</u>  <u>The Company may have several Counselors and Advisers by resolution of the Board of Directors.</u></p>	<p>[Deleted]</p>
<p><u>CHAPTER VII ACCOUNTS</u></p>	<p><u>CHAPTER V ACCOUNTS</u></p>
<p><u>Article 34. Fiscal Year</u>  <u>The Company's fiscal year shall be the year from April 1 of each year through March 31 of the following year.</u></p>	<p><u>Article 31. Fiscal Year</u>  [No Change]</p>
<p><u>Article 35. Dividends from Retained Earnings</u>  <u>The record date for fiscal year-end dividends shall be March 31 of each year.</u></p>	<p><u>Article 32. Dividends from Retained Earnings</u>  [No Change]</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>36</u>. Interim Dividends</p> <p>The Company may, by resolution of the Board of Directors, distribute interim dividends, for which the record date shall be September 30 of each year.</p>	<p>Article <u>33</u>. Interim Dividends</p> <p>[No Change]</p>
<p>Article <u>37</u>. Period of Execution for Dividends</p> <p>When the dividend asset in question is money and such dividend remains unreceived after the passage of three (3) full years from the day the payment of the dividend began, the Company shall be relieved of payment obligation.</p>	<p>Article <u>34</u>. Period of Execution for Dividends</p> <p>[No Change]</p>
<p><u>[New Provision]</u></p>	<p><u>Supplementary Provision</u></p> <p><u>Transitional Measure Regarding Exemption from Liability of Corporate Auditors</u></p> <p><u>1. The Company may, by a resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from their liabilities provided for in Article 423, Paragraph 1 of the Companies Act arising before the close of the 99th Annual General Meeting of Shareholders held on June 27, 2024 within the limits stipulated by laws and ordinances provided that such Corporate Auditors have acted in good faith and without gross negligence.</u></p> <p><u>2. Regarding agreements that limit liability in accordance with Article 423, Paragraph 1 of the Companies Act that relate to the acts of Corporate Auditors (including former Corporate Auditors) before the conclusion of the 99th Annual General Meeting of Shareholders held on June 27, 2024, the provisions of Article 32, Paragraph 2 of the Articles of Incorporation before the amendments by the resolution of said General Meeting of Shareholders shall apply.</u></p>

### Third Item

Election of Six (6) Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendment of the Articles of Incorporation” is approved as proposed, the Company will make a transition to a company with an Audit and Supervisory Committee as of the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes that six (6) candidates be elected to Director (excluding Directors who are Audit and Supervisory Committee Members) positions (The Company currently has nine (9) Directors.).

The candidates for Director positions are as follows, and Mr. TOIDA Kazuhiko and Ms. TAKEGAWA Keiko are candidates for Outside Directors.

Regarding the Director candidates, the Nomination Review Committee chaired by an Outside Director has comprehensively examined their capabilities, knowledge, and character in consideration of their diversity, and considered those who can sufficiently fulfill their responsibilities as Directors, and the Board of Directors has determined the candidates based on these results.

The effectuation of this item is subject to the effectuation of the amendments to the Articles of Incorporation set out in Item 2 “Partial Amendment of the Articles of Incorporation.”

(Male: five (5) Female: one (1))

No.	Name	Title/Positions	Number of years served as Director (Year)	Attendance rate*1	Committee
1	NOU Takeshi Reappointed	President, Representative Director	9	100%	Nomination*2 Compensation*3
2	OKABE Masato Reappointed	Representative Director, Senior Managing Director, Senior Managing Executive Officer, Senior General Manager of Engineered Materials Sector	2	100%	Internal Audit*4
3	IKENOBU Seiji Reappointed	Managing Director, Senior Executive Officer, Senior General Manager of Corporate Planning & Control Sector	1	100%	-
4	YAMASHITA Masashi Newly Appointed	Senior Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector	-	-	Nomination Compensation
5	TOIDA Kazuhiko Reappointed Outside Independent	Outside Director, Chairperson of the Board of Directors	4	100%	Nomination (Chairperson) Compensation Internal Audit
6	TAKEGAWA Keiko Reappointed Outside Independent	Outside Director	3	100%	Nomination Compensation Internal Audit (Chairperson)

Notes: The titles and positions stated are those at the Company as of the date of sending this Notice of Convocation.

\*1. Attendance Rate: attendance rate at the meeting of Board of Directors

\*2. Nomination: Nomination Review Committee



\*3. Compensation: Compensation Committee

\*4. Internal Audit: Internal Audit Committee

#### Attributes of the candidates

Reappointed: Candidate as Director for reappointment

Newly Appointed: Candidate as Director for newly-appointment

Outside: Candidate for Outside Director

Independent: Independent Director as provided for by the Tokyo Stock Exchange, etc.

Candidate Number: 1	NOU Takeshi (December 3, 1961)	Number of Company's Shares in Possession: 28,600 Number of years served as Corporate Director: Nine (9) years Attendance at the meetings of the Board of Directors: 100% (13/13) Attendance at the meeting of the Nomination Review Committee: 100% (9/9) Attendance at the meeting of the Compensation Committee: 100% (10/10)
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**Reappointed**

◆ Profile; Title and Positions

April 1986	Entered the Company
June 2010	Managing Director of Mitsui Copper Foil (Malaysia) Sdn. Bhd.
October 2013	General Manager of Recycling Business Promotion Group, Metals, Minerals & Environmental Engineering Sector
April 2014	Executive Officer, Senior General Manager of Technology Management Division, Metals & Recycling Division, Metals Sector
April 2015	Executive Officer, Deputy Senior General Manager of Engineered Materials Sector, General Manager of Business Planning Group, Engineered Materials Sector
June 2015	Director, Senior Executive Officer, Deputy Senior General Manager of Engineered Materials Sector, General Manager of Business Planning Group, Engineered Materials Sector
October 2015	Director, Senior Executive Officer, Senior General Manager of Engineered Materials Sector, General Manager of Business Planning Group, Engineered Materials Sector
April 2016	Representative Director, Managing Director, Senior Executive Officer, Senior General Manager of Engineered Materials Sector
April 2020	Vice President, Representative Director, Executive Vice President, Senior General Manager of Business Creation Sector
April 2021	President and Representative Director (current positions)

◆ Important Positions Held Concurrently at Other Organizations  
Outside Director of Powdertech Co., Ltd.

◆ Reasons for the Nomination of the Candidate as Director

Mr. NOU Takeshi has a wealth of experience cultivated through his many years of involvement in the Group's electronic materials business and engineered materials business. He is well versed in the Company's business, including areas which are currently growing and areas which are expected to grow in the future, having launched the Business Creation Sector to create growth products and businesses as foundation for future. He has been driving the Group with strong leadership as Vice President and Representative Director from 2020, and President and Representative Director from April 2021. He pursues management with the sustainable growth of the Company in mind at all times and contributes to the enhancement of the Company's medium- to long-term corporate value.

The Company judges he is indispensable to the Board of Directors of the Company, possessing diverse insight, expertise, and capabilities that contribute to the enhancement of the Group's corporate value.

◆ Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

Note: The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. NOU Takeshi is elected as Director and assumes office, he will be the insured under the insurance contract.

In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 2	OKABE Masato (May 5, 1963)	Number of Company's Shares in Possession: 9,800 Number of years served as Corporate Director: Two (2) year Attendance at the meetings of the Board of Directors: 100% (13/13) Attendance at the meetings of the Internal Audit Committee: 100% (3/3)
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Reappointed

◆Profile; Title and Positions

April 1986	Entered the Company
June 2010	Director and Vice President, Taiwan Copper Foil Company, Limited
June 2011	General Manager of Business Planning Group, Electronics Materials Sector
September 2013	Assistant to General Manager of Catalysts Strategic Division, Engineered Materials Sector
January 2014	General Manager of Sales Department, Catalysts Strategic Division, Engineered Materials Sector
October 2015	Deputy General Manager of Catalysts Division and General Manager of Sales Department, Catalysts Division, Engineered Materials Sector
April 2016	Executive Officer, General Manager of Catalysts Division, Engineered Materials Sector
October 2019	Deputy Senior General Manager of Engineered Materials Sector, General Manager of Catalysts Division, Engineered Materials Sector
April 2020	Senior Executive Officer, Senior General Manager of Engineered Materials Sector
June 2022	Director, Senior Executive Officer, Senior General Manager of Engineered Materials Sector
April 2023	Managing Director, Senior Executive Officer, Senior General Manager of Engineered Materials Sector, General Manager of Business Planning Group, Engineered Materials Sector
April 2024	Representative Director, Senior Managing Director, Senior General Manager of Engineered Materials Sector (current positions)

◆Important Positions Held Concurrently at Other Organizations

No significant position held concurrently at other organizations

◆Reasons for the Nomination of the Candidate as Outside Director

Mr. OKABE Masato has good knowledge of business strategy and sales and marketing gained through extensive sales and planning experience in the Group's electronic materials business and engineered materials business, and he is well versed in the Company's business. Additionally, since he was appointed a Senior Executive Officer in 2020, a Director in 2022, a Managing Director in April 2023 and Representative Director and Senior Managing Director in April 2024, he has been participating in the Company's management and implementing various measures to maximize the Group's corporate value as Senior General Manager of the Engineered Materials Sector.

The Company judges he is indispensable to the Board of Directors of the Company, possessing diverse insight, expertise, and capabilities that contribute to the enhancement of the Group's corporate value.

◆Special Interests between Candidate and the Company

There are no special interests between the candidate and the Company.

Note: The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. OKABE Masato is elected as Director and assumes office, he will be the insured under the insurance contract.

In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 3	IKENOBU Seiji (February 12, 1971)	Number of Company's Shares in Possession: 3,700 Number of years served as Corporate Director: One (1) year Attendance at the meetings of the Board of Directors: 100% (10/10)
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Reappointed

◆Profile; Title and Positions

April 1995	Entered the Company
June 2013	General Manager of Technical Planning Group, Technology Management Division, Metals, Minerals & Environmental Engineering Sector
January 2015	General Manager of Ageo Copper Foil, Strategic Production Planning Department, Copper Foil Division, Engineered Materials Sector
April 2016	General Manager of Business Planning Group, Metals Sector
April 2020	General Manager of Business Planning Group, Metals Sector, Deputy General Manager of Copper & Precious Metals Division, Metals Sector, General Manager of Business Development Department, Metals Sector
April 2021	Executive Officer, General Manager of Corporate Planning Department, Corporate Planning & Control Sector
April 2022	Executive Officer, General Manager of Corporate Planning Department, Corporate Planning & Control Sector, General Manager of Business Reconstruction Office, Corporate Planning Department, Corporate Planning & Control Sector
April 2023	Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector, General Manager of Corporate Planning Department, Corporate Planning & Control Sector
June 2023	Director, Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector, General Manager of Corporate Planning Department, Corporate Planning & Control Sector
April 2024	Managing Director, Senior Executive Officer, Senior General Manager of Corporate Planning & Control Sector (current positions)

◆Important Positions Held Concurrently at Other Organizations

No significant position held concurrently at other organizations

◆Reasons for the Nomination of the Candidate as Outside Director

Mr. IKENOBU Seiji possesses a wide range of experience and knowledge in the metals business, engineered materials business and corporate planning of the Group and is well versed in the Company's business. In addition, he has been implementing a range of measures to maximize the Group's corporate value since being appointed to be an Executive Officer and the General Manager of Corporate Planning Department in 2021, Director, Executive Officer and Deputy Senior General Manager of the Corporate Planning & Control Sector in 2023 and Managing Director and Senior General Manager of Corporate Planning & Control Sector in April 2024.

The Company judges he is indispensable to the Board of Directors of the Company, possessing diverse insight, expertise, and capabilities that contribute to the enhancement of the Group's corporate value.

◆Special Interests between Candidate and the Company

There are no special interests between the candidate and the Company.

Note: The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. IKENOBU Seiji is elected as Director and assumes office, he will be the insured under the insurance contract.

In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 4	YAMASHITA Masashi (October 4, 1962)	Number of Company's Shares in Possession: 4,700 Number of years served as Corporate Director: - Attendance at the meetings of the Board of Directors: - Attendance at the meeting of the Nomination Review Committee: 100% (9/9) Attendance at the meeting of the Compensation Committee: 100% (10/10)
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**Newly Appointed**

◆Profile; Title and Positions

April 1986	Entered the Company
June 2009	General Manager of Administration Department and Business Planning Department, Parts Production Sector
June 2011	Senior Manager of Finance & Accounting Department
February 2012	Deputy General Manager of Finance & Accounting Department
June 2013	General Manager of Internal Control Office
June 2014	General Manager of Finance & Accounting Department
January 2016	General Manager of Internal Audit Department
April 2018	Executive Officer, General Manager of Internal Audit Department
June 2019	Executive Officer, Deputy Senior General Manager of Affiliates Coordination Strategic Sector, General Manager of Business Planning Department, Affiliates Coordination Strategic Sector
June 2021	Senior Executive Officer, Senior General Manager of Affiliates Coordination Strategic Sector
April 2022	Senior Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector (current position)

◆Important Positions Held Concurrently at Other Organizations

Outside Corporate Auditor of NAKABOHEC CORROSION PROTECTING CO., LTD.

◆Reasons for the Nomination of the Candidate as Director

Mr. YAMASHITA Masashi possesses a wide range of experience and knowledge in finance, audit and the business oversight of affiliated companies and is well versed in the Company's business. Additionally, he became an Executive Officer in 2018 and a Senior Executive Officer in 2021, participating in the Company's management, and since 2022, he has been implementing various measures to maximize the Group's corporate value as Deputy Senior General Manager of the Corporate Planning & Control Sector and General Manager of overseeing the Accounting Dept. the HR Dept. and the Corporate Communications Dept. The Company judges he is indispensable to the Board of Directors of the Company, possessing diverse insight, expertise, and capabilities that contribute to the enhancement of the Group's corporate value.

◆Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

Note: The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. YAMASHITA Masashi is elected as Director and assumes office, he will be the insured under the insurance contract.  
In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 5	TOIDA Kazuhiko (July 2, 1952)	Number of Company's Shares in Possession: 1,500
		Number of years served as Corporate Director: Four (4) years

Attendance at the meetings of the Board of Directors: 100% (13/13)  
Attendance at the meeting of the Nomination Review Committee: 100% (9/9)  
Attendance at the meeting of the Compensation Committee: 100% (10/10)  
Attendance at the meeting of The Internal Audit Committee: 100% (3/3)

Reappointed  
Outside  
Independent

◆Profile; Title and Positions

April 1975 Entered Nissan Motor Co., Ltd.  
April 2001 Senior Vice President, Global Aftersales Business, Nissan Motor Co., Ltd.  
April 2005 Senior Vice President, Japan Marketing & Sales, Chairman of MC-Dealer, Nissan Motor Co., Ltd.  
April 2009 Executive Vice President, FALTEC Co., Ltd.  
April 2009 Chairman and Board Director, ALTIA Co., Ltd.  
April 2010 Representative Director, President and CEO, FALTEC Co., Ltd.  
April 2017 Chairman of the Board and Representative Director, FALTEC Co., Ltd.  
June 2017 Senior Adviser, FALTEC Co., Ltd.  
April 2018 Executive Board Member, Rikkyo Educational Corporation  
June 2020 Outside Director (current position)  
September 2020 Chairperson of the Board, Rikkyo Educational Corporation  
June 2022 Chairperson of the Board of Director (current position)  
April 2023 Advisor, Penetrate of Limits Co., Ltd. (current position)  
April 2023 Advisor, Rikkyo University Innovation Center for Applied Artificial Intelligence (ICA-AI) (current position)

◆Important Positions Held Concurrently at Other Organizations

Advisor, Penetrate of Limits Co., Ltd.  
Advisor, Rikkyo University Innovation Center for Applied Artificial Intelligence (ICA-AI)

◆Reasons for the Nomination of the Candidate as Director

Mr. TOIDA Kazuhiko has experience as a business executive, having been engaged in a wide range of work at Nissan Motor Co., Ltd., including product planning, sales promotion, and launch of a sales company, with a focus on the sales division. In addition, he has achieved listing on the First Section of the Tokyo Stock Exchange at FALTEC Co., Ltd. as Representative Director and President. He has served as Chairperson of the Board from 2020 to 2022, Rikkyo Educational Corporation, and possesses a wealth of experience and knowledge. The Company expects him to contribute to the strengthening of the Group's management oversight and supervisory functions and enhancement of the transparency of the Board of Directors from the perspective of enhancement of corporate value over the medium- to long-term, by utilizing his wide range of work experience and his wealth of knowledge and experience as a manager and proactively expressing his opinions from a position independent from the management without being bound by norms within the Company. Thus, the Company has nominated him as a candidate for Outside Director.

◆Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

Notes: 1. Based on the Companies Act Article 427, Paragraph 1, the Company has concluded a contract with Mr. TOIDA Kazuhiko regarding liability as defined by the Companies Act Article 423, Paragraph 1 to limit total liability to the amount stipulated by the Companies Act Article 425, Paragraph 1. If his reappointment is approved, the aforementioned contract will be extended.  
2. The Company has notified the Tokyo Stock Exchange that Mr. TOIDA Kazuhiko is an Independent Director of the Company.  
3. The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. TOIDA Kazuhiko is elected as Director and assumes office, he will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 6

TAKEGAWA  
Keiko  
(April 23, 1958)

Number of Company's Shares in Possession: 1,900  
Number of years served as Corporate Director: Three (3) years  
Attendance at the meetings of the Board of Directors: 100%  
(13/13)  
Attendance at the meeting of the Nomination Review Committee:  
100% (9/9)  
Attendance at the meeting of the Compensation Committee:  
100% (10/10)  
Attendance at the meeting of The Internal Audit Committee:  
100% (3/3)

Reappointed

Outside

Independent

◆Profile; Title and Positions

April 1981 Entered Prime Minister's Office (Presently Cabinet Office)  
July 2008 Deputy Director General for Policies on Cohesive Society, Cabinet Office  
July 2009 Deputy Director General for Gender Equality Bureau, Cabinet Office  
December 2012 Director, Public Relations Office, Cabinet Office  
July 2014 Director General, Gender Equality Bureau  
April 2019 Professor, Showa Women's University  
June 2019 Outside Corporate Auditor  
June 2019 Outside Member of the Board, NIPPON TELEGRAPH AND TELEPHONE CORPORATION  
April 2020 Dean of Faculty of Global Business, Showa Women's University  
April 2020 Director of Institute of Women's Culture, Showa Women's University (current position)  
April 2021 Specially Appointed Professor, Showa Women's University (current position)  
April 2021 Outside Director, Sekisui House, Ltd. (current position)  
June 2021 Outside Director (current position)

◆Important Positions Held Concurrently at Other Organizations

Director of Institute of Women's Culture, Showa Women's University  
Specially Appointed Professor, Showa Women's University  
Outside Director, Sekisui House, Ltd.

◆Reasons for the Nomination of the Candidate as Director

Ms. TAKEGAWA Keiko has served as Director-General of the Public Relations Office of the Minister's Secretariat and Director-General of the Gender Equality Bureau at the Cabinet Office and has extensive knowledge and government experience gained through her involvement in the formulation and implementation of policies for the promotion of women's participation and advancement in the workplace, etc. She is currently a Specially Appointed Professor at Showa Women's University and Director of the Institute of Women's Culture.

Although she has never been directly involved in management of a company other than serving as an outside director or an outside corporate auditor, the Company expects her to contribute to the strengthening of the Group's management oversight and supervisory functions and enhancement of the transparency of the Board of Directors by giving appropriate advice on the Company's Diversity, Equity & Inclusion initiatives and by expressing opinions on the direction the Company should move in based on government developments. Thus, the Company has nominated her as a candidate for Outside Director.

◆Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

Notes: 1. Based on the Companies Act Article 427, Paragraph 1, the Company has concluded a contract with Ms. TAKEGAWA Keiko regarding liability as defined by the Companies Act Article 423, Paragraph 1 to limit total liability to the amount stipulated by the Companies Act Article 425, Paragraph 1. If her reappointment is approved, the aforementioned contract will be extended.

2. The Company has notified the Tokyo Stock Exchange that Ms. TAKEGAWA Keiko is an Independent Director of the Company

3. The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Ms. TAKEGAWA Keiko is elected as Director and assumes office, she will be the insured under the insurance contract.

#### Fourth Item

##### Election of Four (4) Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendment of the Articles of Incorporation” is approved as proposed, the Company will make a transition to a company with Audit and Supervisory Committee as of the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the Company proposes four (4) candidates for the positions of Audit and Supervisory Committee Member.

The candidates for Director positions are as follows, and Mr. ISHIDA Toru, Mr. INOUE Hiroshi and Ms. KAWANISHI Sachiko are candidates for Outside Directors.

Regarding the Director candidates, the Nomination Review Committee chaired by an Outside Director has comprehensively examined their capabilities, knowledge, and character in consideration of their diversity, and considered those who can sufficiently fulfill their responsibilities as Directors, and the Board of Directors has determined the candidates based on these results.

The Board of Corporate Auditors’ approval of this proposal has already been obtained.

The effectuation of this item is subject to the effectuation of the amendments to the Articles of Incorporation set out in Item 2 “Partial Amendment of the Articles of Incorporation.”

(Male: three (3) Female: One (1))

No.	Name	Title/Positions	Number of years served as Director (Year)	Attendance rate of the Board of Directors	Attendance rate of the Board of Corporate Auditors	Committee
1	SHIKI Kazuya Newly Appointed	Executive Officer	-	-	-	-
2	ISHIDA Toru Newly Appointed Outside Independent	Outside Corporate Auditor	-	100%	100%	Nomination*1 Compensation*2
3	INOUE Hiroshi Newly Appointed Outside Independent	Outside Corporate Auditor	-	100%	100%	Nomination Compensation
4	KAWANISHI Sachiko Newly Appointed Outside Independent	-	-	-	-	-

Notes1: The titles and positions stated are those at the Company as of the date of sending this Notice of Convocation.

Notes2: ISHIDA Toru and INOUE Hiroshi’s rates of participation in the meetings of the Board of Directors and Board of Corporate Auditors are their participation as Outside Corporate Auditors.

\*1. Nomination: Nomination Review Committee

\*2. Compensation: Compensation Committee

#### Attributes of the candidates

Newly Appointed: Candidate as Director for newly-appointment

Outside: Candidate for Outside Director

Independent: Independent Director as provided for by the Tokyo Stock Exchange, etc.



Candidate Number: 1	SHIKI Kazuya (April 2, 1964)	Number of Company's Shares in Possession: 4,200 Number of years served as Director: - Attendance at the meetings of the Board of Directors: - Attendance at the meetings of the Board of Corporate Auditors: -
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**Newly Appointed**

◆Profile; Title and Positions

April 1988	Entered the Company
January 2016	General Manager of Legal Department, Corporate Planning & Control Sector
April 2019	Executive Officer, General Manager of Legal Department, Corporate Planning & Control Sector
April 2024	Executive Officer (current position)

◆Important Positions Held Concurrently at Other Organizations

No significant position held concurrently at other organizations

◆Reasons for the Nomination of the Candidate as Corporate Auditor

Mr. SHIKI Kazuya has long engaged in legal affairs operations, has profound knowledge that has been gained in the Legal Department, and has a considerable understanding of risk management. Therefore, he contributes to the increase of the effectiveness of the supervision of management by the Board of Directors, and the Company believes that he is capable of appropriately fulfilling the role and responsibilities of a Director who is a member of the Audit and Supervisory Committee.

If he is elected, he will work in cooperation with the Outside Directors from the position of a person familiar with the Company, improve the functions of the Board of Directors in the supervision of management as a member of the Audit and Supervisory Committee, and audit and supervise business operations as a whole.

◆Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

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Note: The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. SHIKI Kazuya is elected as Director and assumes office, he will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 2	ISHIDA Toru (November 1, 1952)	Number of Company's Shares in Possession: 400
		Number of years served as Corporate Director: - Attendance at the meetings of the Board of Directors: 100% (13/13) Attendance at the meetings of the Board of Corporate Auditors: 100% (13/13) Attendance at the meeting of the Nomination Review Committee: 100% (9/9) Attendance at the meeting of the Compensation Committee: 100% (10/10)

<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Newly Appointed</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	◆Profile; Title and Positions	
	April 1975	Entered Ministry of International Trade and Industry (Presently Ministry of Economy, Trade and Industry)
	July 2003	Director General for Policy Planning and Coordination, Minister's Secretariat, METI
	September 2005	Director-General, Trade and Economic Cooperation Bureau, METI
	July 2007	Director-General, Industrial Science and Technology Policy and Environment Bureau, METI
	July 2008	Commissioner, Agency for Natural Resources and Energy, METI
	January 2011	Advisor, Tokyo Electric Power Company, Incorporated (TEPCO)
	June 2013	Director, Japan Alcohol Trading Co., LTD
	June 2014	Vice President, Japan Alcohol Trading CO., LTD
	December 2015	President, The Japan Chamber of Commerce and Industry (current position) President, The Tokyo Chamber of Commerce and Industry (current position)
June 2018	Outside Corporate Auditor (current position)	

◆Important Positions Held Concurrently at Other Organizations  
No significant position held concurrently at other organizations

◆Reasons for the Nomination of the Candidate as Corporate Auditor  
Mr. ISHIDA Toru has held important positions that contribute to the revival of commerce and industry over many years, having served in posts including Director-General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry and Commissioner, Agency for Natural Resources and Energy, and currently serving as President of The Japan Chamber of Commerce and Industry and The Tokyo Chamber of Commerce and Industry.

Since he took office as an Outside Corporate Auditor, he has engaged in audits of business operations as a whole and other duties to improve governance. Therefore, the Company believes that he has the judgment and knowledge required in the auditing of business operations and is capable of providing opinions on the Company's management from an independent position and decided to name him as a candidate Outside Director that will be a member of the Audit and Supervisory Committee.

If he is elected, he will help improve the functions of the Board of Directors in the supervision of management as a member of the Audit and Supervisory Committee and engage in audits and the supervision of overseas business operations leveraging his deep understanding, knowledge and experience in supervision within the Company that he has acquired.

◆Special Interests between the Candidate and the Company  
There are no special interests between the candidate and the Company.

Notes: 1. If the election of Mr. ISHIDA Toru is approved, the Company will arrange a contract with his regarding liability as defined by Companies Act Article 423-1 to limit total liability to the figure stipulated by Companies Act Article 425-1, based on Companies Act Article 427-1.

2. The Company has reported the appointment of Mr. ISHIDA Toru as an independent officer in the position of Outside Corporate Auditor to the Tokyo Stock Exchange. If his appointment is approved, the Company will again report his appointment as an independent officer in the position of Outside Director to the Tokyo Stock Exchange.

3. He is currently the Company's Outside Corporate Auditor whose term of office will have been six years at the close of the Annual General Meeting of Shareholders.

4. The attendance at the meetings of the Board of Directors and the Board of Corporate Auditors for him are for his attendance as an Outside Corporate Auditor.

5. The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. ISHIDA Toru is elected as Director and assumes office, he will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 3	INOUE Hiroshi (June 17, 1957)	Number of Company's Shares in Possession: 1,900
		Number of years served as Director: - Attendance at the meetings of the Board of Directors: 100% (13/13) Attendance at the meetings of the Board of Corporate Auditors: 100% (13/13) Attendance at the meeting of the Nomination Review Committee: 100% (9/9) Attendance at the meeting of the Compensation Committee: 100% (10/10)

<div style="border: 1px solid black; padding: 2px; display: inline-block;">Newly Appointed</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	◆Profile; Title and Positions	
	April 1985	Appointed as Public Prosecutor
	January 2012	Assistant Vice-Minister of Justice
	November 2012	Chief Prosecutor of Nara District Public Prosecutors Office
	July 2014	Director-General of the Immigration Bureau, the Ministry of Justice
	March 2017	Director-General, Inspection and Guidance Department, Supreme Public Prosecutors Office
	June 2017	Chief Prosecutor of Nagoya District Public Prosecutors Office
	February 2018	Superintending Prosecutor of Sapporo High Public Prosecutors Office
	January 2020	Superintending Prosecutor of Fukuoka High Public Prosecutors Office
	October 2020	Professional registration in Japan as lawyer with Momo-o, Matsuo & Namba (current position)
June 2021	Outside Corporate Auditor (current position)	
June 2023	Outside Director and Audit & Supervisory Committee Member, Mazda Motor Cooperation (current position)	

◆Important Positions Held Concurrently at Other Organizations

Lawyer  
Outside Director and Audit & Supervisory Committee Member, Mazda Motor Cooperation

◆Reasons for the Nomination of the Candidate as Corporate Auditor

Mr. INOUE Hiroshi has a wealth of knowledge and experience in legal circles as a public prosecutor and a lawyer. Although he has never been directly involved in management of a company despite being an outside corporate auditor and outside director, the Company believes that he has the judgment and knowledge required in the auditing of business operations and is capable of providing opinions on the Company's management from an independent position and decided to name him as a candidate Outside Director that will be a member of the Audit and Supervisory Committee.

If he is elected, he will help improve the functions of the Board of Directors in the supervision of management as a member of the Audit and Supervisory Committee and engage in audits and the supervision of overseas business operations leveraging his deep understanding, knowledge and experience in supervision within the Company that he has acquired.

◆Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

Notes: 1. If the election of Mr. INOUE Hiroshi is approved, the Company will arrange a contract with his regarding liability as defined by Companies Act Article 423-1 to limit total liability to the figure stipulated by Companies Act Article 425-1, based on Companies Act Article 427-1.

2. The Company has reported the appointment of Mr. INOUE Hiroshi as an independent officer in the position of Outside Corporate Auditor to the Tokyo Stock Exchange. If his appointment is approved, the Company will again report his appointment as an independent officer in the position of Outside Director to the Tokyo Stock Exchange.

3. He is currently the Company's Outside Corporate Auditor whose term of office will have been three years at the close of the Annual General Meeting of Shareholders.

4. The attendance at the meetings of the Board of Directors and the Board of Corporate Auditors for him are for his attendance as an Outside Corporate Auditor.

5. The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person. If Mr. INOUE Hiroshi is elected as Director and assumes office, he will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

Candidate Number: 4	KAWANISHI Sachiko (January 22, 1959)	Number of Company's Shares in Possession:0 Number of years served as Director: - Attendance at the meetings of the Board of Directors: - Attendance at the meetings of the Board of Corporate Auditors: -
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Newly Appointed	◆Profile; Title and Positions	
Outside	April 1981	Entered Honeywell Information Systems Japan, Inc.
Independent	December 1986	Entered Tohmatsu Awoki & Sanwa Audit Corporation
	August 2000	Senior Managing Director, Internet Disclosure, Co., Ltd. (current position)
	June 2016	Outside Audit & Supervisory Board Member, Duskin Co., Ltd. (current position)

◆Important Positions Held Concurrently at Other Organizations  
Senior Managing Director, Internet Disclosure, Co., Ltd.

◆Reasons for the Nomination of the Candidate as Corporate Auditor

Ms. KAWANISHI Sachiko started her career as a software engineer. She then became a certified public accountant. Based on her years of experience in corporate audits, the Company believes that she has judgment, insight and other qualities required for the auditing of business operations and is capable of providing opinions on the Company's management from an independent standpoint. Therefore, the Company has decided to name her as a candidate Outside Director who will be a member of the Audit and Supervisory Committee.

If she is elected, he will help improve the functions of the Board of Directors in the supervision of management as a member of the Audit and Supervisory Committee and engage in audits and the supervision of overseas business operations leveraging his deep understanding, knowledge and experience in supervision within the Company that he has acquired.

◆Special Interests between the Candidate and the Company

There are no special interests between the candidate and the Company.

Notes: 1. If the election of Ms. KAWANISHI Sachiko is approved, the Company will arrange a contract with his regarding liability as defined by Companies Act Article 423-1 to limit total liability to the figure stipulated by Companies Act Article 425-1, based on Companies Act Article 427-1.

2. If her appointment is approved, the Company will again report her appointment as an independent officer in the position of Outside Director to the Tokyo Stock Exchange.

3. The Company has entered into a directors and officers liability insurance contract stipulated in the Companies Act Article 430-3, Paragraph 1 with an insurance company to cover damages of the insured person If Ms. KAWANISHI Sachiko is elected as Director and assumes office, she will be the insured under the insurance contract. In addition, the Company plans to renew the insurance contract at the expiration of the current contract term.

## Composition of the Board of Directors

(Scheduled after the conclusion of this General Meeting of Shareholders)

The skills shown in the skills matrix below have been selected by the Nomination Review Committee as the skills necessary for executing the Company's Purpose, Vision and especially the 2022-2024 Medium Term Business Plan.

### (1) Reason selected as necessary skill and sufficient condition

Skills	Reason for selecting skill	Sufficient condition
Corporate management	Competence, experience and leadership enabling the formulation of strategies and the implementation of integrated thinking-based management and ambidexterity are necessary for execution of 2022-2024 Medium Term Business Plan looking towards the Purpose and Vision.	<ul style="list-style-type: none"> <li>• Management experience as a director at a listed company or equivalent entity</li> <li>• Director or Executive Officer responsible for the corporate planning</li> </ul>
Business strategies	Knowledge and experience enabling the formulation and implementation of strategies for establishing a competitive advantage are necessary for realizing sustainable business growth.	<ul style="list-style-type: none"> <li>• Experience of having achieved certain results through the formulation and implementation of business strategies for the engineered materials business, metals business or mobility business</li> </ul>
Finance/ Accounting	Knowledge and experience of finance and accounting are necessary to establish financial strategies that will bolster growth investment and shareholder returns to increase the resilience of the financial base underpinning management and to achieve sustainable improvement in corporate value.	<ul style="list-style-type: none"> <li>• Director or Executive Officer responsible for financial management, accounting or fundraising operations or equivalent experience</li> </ul>
Technological/ R&D/DX	The creation of new products and businesses and the strengthening of existing businesses are necessary to drive company growth, and development based on unique technologies and improvement of efficiency through sophisticated production technologies and DX are essential.	<ul style="list-style-type: none"> <li>• Director or Executive Officer responsible for R&amp;D operations or equivalent experience</li> <li>• Director or Executive Officer responsible for production technology or DX operations or equivalent experience</li> <li>• Academic expert</li> </ul>
Sales/ Marketing	A good familiarity with the business environment and relationships between the Company and its customers and other stakeholders as well as knowledge and experience enabling the formulation and implementation of product planning and sales strategies are necessary.	<ul style="list-style-type: none"> <li>• Director or Executive Officer responsible for sales and marketing operations or equivalent experience</li> </ul>
HR/HR development	The attraction, retention and development of talent, a company's most valuable resource, improvement of job satisfaction to increase engagement, and promotion of diversity are directly linked to performance.	<ul style="list-style-type: none"> <li>• Director or Executive Officer responsible for personnel operations or equivalent experience</li> <li>• Experience working in government or other public offices, or academic expert</li> </ul>
Legal affairs / Risk management	Legal knowledge and experience are necessary to implement appropriate corporate governance, compliance and risk management in business activities as well as to increase the effectiveness of management supervision within the Board of Directors.	<ul style="list-style-type: none"> <li>• Director or Executive Officer responsible for legal operations or equivalent experience</li> <li>• Person with experience working in the legal profession or persons with legal qualifications</li> <li>• Experience working in government or other public offices, or academic expert</li> </ul>
Internationality	An in-depth understanding of and respect for each country's culture and diversity are necessary for survival as a global enterprise.	<ul style="list-style-type: none"> <li>• Executive experience or business experience at an overseas company</li> <li>• Overseas academic expert</li> </ul>
Sustainability/ Economic Security	Consideration for the environment, adherence to fair business practices and action to address economic security concerns are needed in order to continue being regarded as necessary by society, and high levels of knowledge including about business-related matters, a long-term perspective and adaptability are required.	<ul style="list-style-type: none"> <li>• Director or Executive Officer responsible for business operations, executive responsible for ESG/CSR operations or equivalent experience</li> <li>• Experience working in government or other public offices, or academic expert</li> <li>• Consultant</li> </ul>

## (2) Skill Matrix of Each Director and Audit and Supervisory Committee Member

(Male: eight (8), Female: two (2))

Name	Title/Positions	Field of particular expectation for each Director								
		Corporate management	Business strategies	Finance/Accounting	Technologies/R&D/ DX	Sales Marketing	HR/HR development	Legal affairs/Risk management	Internationality	Sustainability/Economic security
NOU Takeshi	President, Representative Director	●	○		●				○	●
OKABE Masato	Representative Director, Senior Managing Director, Senior Managing Executive Officer, Senior General Manager of Engineered Materials Sector		●			●			●	○
IKENOBU Seiji	Managing Director, Senior Executive Officer, Senior General Manager of Corporate Planning & Control Sector	●	○		●			○		
YAMASHITA Masashi	Director, Senior Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector	○		●			●		●	
TOIDA Kazuhiko	Outside Director, Chairperson of the Board of Directors	●	○			●			○	○
TAKEGAWA Keiko	Outside Director						●	○	●	
SHIKI Kazuya	Director, Audit and Supervisory Committee Member							●	○	○
ISHIDA Toru	Outside Director, Audit and Supervisory Committee Member							●	○	●
INOUE Hiroshi	Outside Director, Audit and Supervisory Committee Member						○	●		●
KAWANISHI Sachiko	Outside Director, Audit and Supervisory Committee Member	○		●	○					○

Notes: 1. Representative Directors, etc. will be determined by resolution of the Board of Directors held after the conclusion of this Annual General Meeting of Shareholders.

2. In the skills matrix, ○ indicates skills possessed by the Directors and Corporate Auditors, while ● indicates skills the Company expects Directors and Corporate Auditors to demonstrate in particular.

## **Fifth Item**

Determination of Amount of Compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) and Determination of Compensation for Granting Restricted Stock to Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)

At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved an annual amount of compensation for the Directors of the Company of ¥720 million or less (excluding the employee salaries of the Directors who concurrently serve as employees). At the 98th Annual General Meeting of Shareholders held on June 29, 2023, the shareholders also approved, within the above compensation limit, that the total amount of monetary claims to be paid to Directors excluding Outside Directors for the granting of restricted stock shall be within ¥50 million per year as tenure-based restricted stock compensation and within ¥50 million per year as ESG index-based restricted stock compensation, and the total annual amount shall be within ¥100 million, and also that the total annual number of the Company's common shares to be issued or disposed of by this shall be 16,650 shares or less per year as tenure-based restricted stock compensation and 16,650 shares or less per year as ESG index-based restricted stock compensation, totaling a maximum of 33,300 shares per year.

If the Second Item, "Partial Amendment of the Articles of Incorporation," is approved as originally proposed, the Company will transition to a company with Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders. With the transition to a company with Audit and Supervisory Committee, the Company proposes abolishing the current compensation limit for Directors and setting a new annual compensation limit for Directors (excluding Directors who are Audit and Supervisory Committee Members) of ¥720 million or less (including ¥100 million or less for Outside Directors). Within the above compensation limit, the Company proposes that the total amount of monetary claims to be paid to Directors excluding Outside Directors and Directors who are Audit and Supervisory Committee Members (hereinafter referred to as the "Eligible Directors") for the granting of restricted stock shall be within ¥50 million per year as tenure-based restricted stock compensation and within ¥50 million per year as ESG index-based restricted stock compensation, and the total annual amount shall be within ¥100 million, and also that the total annual number of the Company's common shares to be issued or disposed of by this shall be 16,650 shares or less per year as tenure-based restricted stock compensation and 16,650 shares or less per year as ESG index-based restricted stock compensation, totaling a maximum of 33,300 shares per year.

The details of this item have been determined by the Board of Directors following deliberation by the Compensation Committee, which is composed of a majority of Outside Directors and Outside Corporate Auditors, comprehensively considering a wide range of factors including the need to flexibly meet demands for stronger governance in the future, and the details are deemed to be appropriate.

As before, the amount of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall exclude the employee salaries of the Directors who concurrently serve as employees.

The current number of Directors is nine (9) (including three (3) Outside Directors), and if the Second Item and the Third Item are approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be six (6) (including two (2) Outside Directors).

The effectuation of this item is subject to the effectuation of the amendments to the Articles of Incorporation set out in Item 2 "Partial Amendment of the Articles of Incorporation."

In addition, the Eligible Directors shall pay all the monetary compensation claims for the grant of restricted stock detailed by this agenda item (hereinafter referred to as the "Monetary Compensation Claims") based on a resolution of the Board of Directors of the Company as property contributed in kind and receive the issuance or disposal of the Company's common shares. The total annual number of the Company's common shares to be issued or disposed of by this shall be 16,650 shares or less per year as tenure-based restricted stock compensation and 16,650 shares or less per year as ESG index-based restricted stock compensation, totaling a maximum of 33,300 shares per year (however, after the date of approval of this agenda item, if a share split (including the allotment of the Company's common shares without contribution) or consolidation of the Company's common shares is conducted, or if any other event requiring an adjustment to the total number of the Company's common shares to be issued or disposed of as the restricted stock arises, the total number of the Company's common shares shall be adjusted within a reasonable range).

The amount to be paid in per share shall be determined by the Board of Directors to the extent that the amount will not be particularly advantageous to the Eligible Directors who subscribe to the Company's common shares based on the closing price of the Company's common shares on the Tokyo Stock Exchange

on the business day before the date of each resolution of the Board of Directors (if the trade is not made on that day, the closing price on the trading day immediately prior to that day). In addition, the issuance or disposal of the Company's common shares based on this system and the payment of the Monetary Compensation Claims as the property contributed in kind shall be subject to the conclusion of a restricted shares allotment contract, including the content below (hereinafter the "Allotment Contract") between the Company and the Eligible Directors.

The Company believes that the maximum amount of compensation in this agenda item, the total number of the Company's common shares to be issued or disposed of and other conditions for the granting of restricted stock to the Eligible Directors based on this agenda item are appropriate because they have been determined in consideration of the purpose above, the business conditions of the Company, the policy for the determination of content of compensation, etc. for individual Directors of the Company (for details of the policy, please refer to page 53-55 of this document) and other factors.

[Outline of the Allotment Contract]

(1) Transfer restriction period

During the period from the date of the allotment of the Company's common shares based on the Allotment Contract until the time immediately following the executive or employee's retirement or resignation from their position within the Company or its subsidiary that is predetermined by the Board of Directors of the Company (hereinafter the "Transfer Restriction Period"), the Eligible Directors may not transfer, create a security interest in, or dispose of the Company's common shares allotted based on the Allotment Contract (hereinafter the "Allotted Shares") (hereinafter, the "Transfer Restriction"). However, if the time immediately following the retirement or resignation is earlier than the date three months after the end of the fiscal year that includes the date on which the Allotted Shares are to be allotted, the end of the Transfer Restriction Period shall be adjusted as necessary to a reasonable extent.

(2) Handling at the time of retirement or resignation

If an Eligible Director retires or resigns from their position as an executive or employee of the Company or its subsidiary that is predetermined by the Board of Directors of the Company before the expiration of the period of service predetermined by the Board of Directors of the Company (hereinafter the "Service Provision Period"), the Company shall automatically acquire the Allotted Shares without consideration, unless there is a justifiable reason for the Eligible Director's resignation or retirement, such as the expiration of their term of office or death.

(3) Lifting of the Transfer Restriction and acquisition without consideration

i. Tenure-based restricted stock compensation

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restriction on all the Allotted Shares when the Transfer Restriction Period expires on the condition that the Eligible Director was continuously in the position of an executive or employee of the Company or its subsidiary as predetermined by the Board of Directors of the Company during the Service Provision Period. However, if the Eligible Directors resign or retire from the position stipulated in (2) above before the Service Provision Period expires for a justifiable reason, the number of the Allotted Shares on which the Transfer Restriction is lifted and the time when the Transfer Restriction is lifted will be adjusted rationally as needed. In addition, the Company shall automatically acquire the Allotted Shares on which the Transfer Restriction is not lifted without consideration immediately after the Transfer Restriction is lifted pursuant to the provisions above.

ii. ESG index-based restricted stock compensation

Notwithstanding the provisions of (1) above, the Company shall lift the Transfer Restriction on all the Allotted Shares at the time when the Transfer Restriction Period expires (however, if the Eligible Director resigns or retires from their position as an executive or employee of the Company or its subsidiary which is predetermined by the Board of Directors of the Company after the expiration of the Service Provision Period, at the time immediately following the Eligible Director's resignation or retirement or the day following the day on which the achievement of the relevant performance targets is determined, whichever is later) on the condition that the Eligible Director was continuously in the position of executive or employee of the Company or its subsidiary as predetermined by the Board of Directors of the Company during the Service Provision Period and has achieved the ESG indicators as predetermined by the Compensation Committee, which was entrusted by the Board of Directors of



the Company to establish the standards for determining stock compensation. However, if the Eligible Director retires or resigns from their position as stipulated in (2) above before the Service Provision Period expires, the number of the Allotted Shares on which the Transfer Restriction is lifted and the time when the Transfer Restriction is lifted will be adjusted rationally as needed. In addition, the Company shall automatically acquire the Allotted Shares on which the Transfer Restriction is not lifted without consideration immediately after the Transfer Restriction is lifted pursuant to the provisions above. In addition, the Company shall automatically acquire the Allotted Shares without consideration when it is determined that the ESG indicators predetermined by the Compensation Committee, which was entrusted by the Board of Directors of the Company to establish the standards for determining stock compensation, are not achieved.

(4) Handling in cases of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if a merger agreement in which the Company will become a disappearing company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or other matters concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or the Board of Directors of the Company, if there is no need to obtain approval at a General Meeting of Shareholders for the organizational restructuring, etc.), the Company shall lift, prior to the effective date of the organizational restructuring, etc., the Transfer Restriction on the Allotted Shares, the number of which shall be determined rationally by a resolution of the Board of Directors of the Company mainly in light of the period from the commencement date of the Transfer Restriction Period to the approval date of the organizational restructuring, etc. In the cases set forth above, the Company shall automatically acquire the Allotted Shares on which the Transfer Restriction is still not lifted without consideration immediately after the Transfer Restrictions is lifted.

(5) Other matters

Other matters concerning the Allotment Contract shall be set forth by the Board of Directors of the Company.

## **Sixth Item**

Determination of Amount of Compensation to be Paid to the Directors who are Audit and Supervisory Committee Members

If the Second Item, “Partial Amendment of the Articles of Incorporation,” is approved as originally proposed, the Company will transition to a company with an Audit and Supervisory Committee at the conclusion of this Annual General Meeting of Shareholders.

The Company proposes setting the annual amount of compensation for the Directors who are Audit and Supervisory Committee Members at ¥180 million.

The details of this item have been determined following deliberation by the Compensation Committee, which is composed of a majority of Outside Directors and Outside Corporate Auditors, comprehensively considering a wide range of factors including the responsibilities to be fulfilled by Audit and Supervisory Committee Members in the Company’s governance and the need to flexibly meet demands for stronger governance in the future, and the details are deemed to be appropriate.

If the Second Item and the Fourth Item are approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be four (4) (including three (3) Outside Directors).

The effectuation of this item is subject to the effectuation of the amendments to the Articles of Incorporation set out in Item 2 “Partial Amendment of the Articles of Incorporation.”

Reference: At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a limit on compensation paid to Corporate Auditors of ¥180 million or less per year.

## **Proposals by a Shareholder: Items 7-8**

### **Proposals made by a single shareholder (possessing 301 voting rights)**

Seventh and Eighth Items concern proposals made by a single shareholder (possessing 301 voting rights).

The name of shareholder: HIDESHOU Company, Limited

(72-20 Nishiminato-machi, Kita-ku, Kokura, Kitakyushu-shi, Fukuoka, Japan)

The number of possessing voting rights: 301

Details of these proposals and reasons for them have been translated from the Japanese version of the document that is restated verbatim from the notification received by the Company from the shareholder making the proposals, including literal errors, omitted letters and recognition of facts.

### **What is a proposal by a shareholder?**

The Companies Act provides shareholders with rights to make proposals provided certain requirements are satisfied.

Regarding these proposals, companies are required to post the proposals, regardless of the content, except in the case of a violation of laws and regulations or the Articles of Incorporation.

On this occasion, proposals made by a single shareholder are being posted; however, the Board of Directors is **opposed** to these proposals.

Please review the opinions of the Board of Directors of the Company on the following page and exercise your voting rights.

## **Proposals by a Shareholder**

### **Seventh Item**

Dismissal of Representative Director

1. Details of Proposal

Dismissal of Representative Director NOU Takeshi

2. Reasons for Proposal

The reason for the proposal is that NOU Takeshi, who does not engage in corporate management in a way that contributes to an increase in corporate value, is not an appropriate representative of the Company and, therefore, should be dismissed from his position as Representative Director.

### **Opinion of the Board of Directors of the Company**

The Board of Directors is opposed to this proposal, for the reasons given as follows.

The Board of Directors deems that Mr. NOU Takeshi is appropriate for the position of Representative Director.

Mr. NOU Takeshi has a wealth of experience cultivated through his many years of involvement in the Group's electronic materials business and engineered materials business. He is well versed in the Company's business, including areas which are currently growing and areas which are expected to grow in the future, having launched the Business Creation Sector to create growth products and businesses as foundations for the future. He has been driving the Group with strong leadership as Vice President and Representative Director from 2020 and President and Representative Director from April 2021. He pursues management with the sustainable growth of the Company in mind at all times and contributes to the enhancement of the Company's medium to long-term corporate value.

The Company defines personnel requirements for its management in consultation with the Nomination Review Committee chaired by an Outside Director, and Mr. NOU Takeshi meets these personnel requirements.

Therefore, the Board of Directors is opposed to this proposal requesting the dismissal of Representative Director NOU Takeshi.

## **Eighth Item**

### Stock Dividends

#### 1. Details for Proposal

The Company should pay an annual dividend of ¥550 per share.

#### 2. Reasons for Proposal

This is because the happiness of the shareholders is the happiness of the Company.

### **Opinion of the Board of Directors of the Company**

The Board of Directors is opposed to this proposal, for the reasons given as follows.

The Company's basic policy is to redistribute profits based on performance in reasonable amounts, while retaining an appropriate amount of internal reserves for future business development and structural reinforcement. More specifically, we will aim to pay dividends at a consolidated dividend on equity ratio (DOE) of approximately 3.0%, while focusing on continuous and stable dividend distribution.

Based on this policy, the Company believes that it is necessary to actively invest in resources and strengthen its management foundation and wishes to strengthen the financial base to improve its social and environmental value and financial value with an aim to accomplish the 2022-2024 Medium Term Business Plan and realize the Vision for 2030 in the corporate management environment which is becoming increasingly diverse and complex.

Therefore, the Board of Directors opposes to the proposal for dividend distribution of ¥550 per share of common stock.

# Business Report

(From April 1, 2023, to March 31, 2024)

## 1. Current State of the Mitsui Kinzoku Group

### (1) Business Operations and Results

#### Economic Overview

During fiscal 2023, the Japanese economy recovered moderately as a whole, with signs of rebounds in consumer spending and inbound demand, as restrictions related to COVID-19 were lifted and economy activity returned to normal.

However, while the US economy saw robust growth driven by a rebound in personal spending and improvement in the employment situation, China's economic growth appeared to stall amid slowdown in the real estate sector and personal spending. Against this backdrop, both Japan's domestic economy and foreign economies face downside risks due to factors such as the protracted Ukraine conflict, heightened geopolitical risks in US-China relations and the Middle East, and global monetary policy tightening to curb inflation, and exchange rate volatility.

#### The Mitsui Kinzoku Group's Business Environment

In the business environment surrounding Mitsui Mining & Smelting Co., Ltd. and its consolidated subsidiaries (the Mitsui Kinzoku Group/the Group), prices for zinc and rhodium remained in a downward trend, and average prices were lower than those a year earlier. The yen was also weaker than in the previous year.

In the Engineered Materials Group, the sales volume of copper foil and metal powders for electronic materials increased as inventory adjustments in semiconductor market supply chains came to an end. In the Mobility Group, the sales volume of exhaust detoxifying catalysts and automobile side door latches grew, reflecting recovery of the auto market with the easing of semiconductor shortages.

#### The Group's Initiatives

The Group has been focusing on its three-year 2022-2024 Medium Term Business Plan, under which fiscal 2022 was the first fiscal year, in order to realize its Group vision (Vision for 2030), "Building new businesses — and the future — with our material intelligence," based on the Group's Purpose.

During fiscal 2023, which corresponds the second year of the 2022-2024 Medium Term Business Plan, the Group continued to implement strategies for realization of the Group vision, and also focused on key initiatives for the development of a framework for sustainable improvement in corporate value and the achievement of continuous growth by implementing Integrated Thinking-based Management, which aims to achieve both an improvement in financial value and improvement in social and environmental value in each department.

In the Engineered Materials Group, as part of measures to accelerate growth through the expansion of business opportunities and to develop a framework for this, the Company made NIPPON YTTRIUM CO., LTD., which is a consolidated subsidiary of the Company and a comprehensive manufacturer of rare earth products, a wholly owned subsidiary, with the aim of creating synergy in the advanced materials field. The Group also strengthened the production capacity of MicroThin™ for printed wiring boards on expectations for growth in demand driven by increased usage for smartphones, data centers and on-vehicle applications.

In the Metals Group, the Group focused on strengthening the recovery of valuable metals and the processing of recyclable raw materials, aiming to establish a recycling network.

In the Mobility Group, the Group focused on utilizing ICT to improve productivity, strengthening development capability and expanding sales of new products, while also working to create and maximize synergistic effects in each business.

In the Business Creation Sector, the Group expanded the production capacity of a mass production testing facility for a solid electrolyte for all-solid-state batteries, which are a highly promising solution for the next generation of storage batteries.

#### Fiscal 2023 Results

As a result, net sales in fiscal 2023 decreased by ¥5,267 million (down 0.8%) compared with the previous fiscal year to ¥646,697 million.

Operating income increased by ¥19,166 million (up 153.0%) compared with the previous fiscal year, to ¥31,694 million, chiefly reflecting higher sales volumes of principal products in the Engineered Materials Group and Mobility Group, and improvement in inventory factors associated a weaker yen and fluctuation of nonferrous metal market prices, in addition to a decrease in retirement benefit expenses associated with a change in the discount rate used to determine project retirement benefit obligations.

Ordinary income increased ¥24,627 (up 123.8%) million year on year, to ¥44,513 million, reflecting a rise of ¥19,166 million in operating income and an increase of ¥6,102 million in dividend income despite a ¥2,487 million decline in investment gains from equity method.

In extraordinary income and losses, the Group recorded a ¥1,255 million sales of investment securities, ¥2,595 million allowance for doubtful account and a ¥2,249 million loss on disposal of fixed assets. Profit attributable to owners of parent increased ¥17,477 million (up 205.3%), to ¥25,989 million, reflecting tax expense and profit attributable to non-controlling interests.

	FY2023	FY2022	Change from the Previous Year	
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Percentage)
Net sales	¥646,697	¥651,965	△¥5,267	△0.8%
Operating income	31,694	12,528	19,166	153.0
Ordinary income	44,513	19,886	24,627	123.8
Profit attributable to owners of parent	25,989	8,511	17,477	205.3

Net sales and ordinary income by each group are the following:

[Net Sales]

Group	2023	2022	2021	2020
	Net Sales (Millions of Yen)	Net Sales (Millions of Yen)	Net Sales (Millions of Yen)	Net Sales (Millions of Yen)
Engineered Materials Group	¥124,086	¥112,531	¥136,114	¥207,760
Metals Group	246,803	256,401	240,915	193,582
Mobility Group	218,352	216,468	207,111	81,079
Corporate & Other Group	113,385	128,108	118,661	115,920
Adjustment Amount	(55,929)	(61,545)	(69,455)	(75,406)
Total	¥646,697	¥651,965	¥633,346	¥522,936

Note: Intersegment sales are deducted by means of Adjustment Amount items.

[Ordinary Income]

Group	2023	2022	2021	2020
	Ordinary Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Ordinary Income (Millions of Yen)
Engineered Materials Group	¥16,419	¥10,706	¥29,963	¥26,522
Metals Group	16,071	9,082	36,285	22,824
Mobility Group	11,282	3,200	2,436	1,874
Corporate & Other Group	3,173	736	3,866	2,564
Adjustment Amount	(2,432)	(3,838)	(6,561)	(2,559)
Total	¥44,513	¥19,886	¥65,990	¥51,226

Notes: Intersegment transactions are deducted by means of Adjustment Amount items.

Associated with the changes of the Company's organization on April 1, 2022, the Company has changed its business sectors from Engineered Materials, Metals, Automotive Parts & Components and Affiliates Coordination to Engineered Materials, Metals, Mobility and Corporate & Others. Net sales and ordinary income, etc. in each segment in fiscal 2021 are the figures for the segments after the changes of the Company's organization.

Mitsui Kinzoku ACT Corporation has changed to the method of recording R&D expenses and some indirect costs previously recorded under cost of sales under selling, general and administrative expenses. This change occurred at the beginning of fiscal

2021. The change has been retroactively applied to the figures in fiscal 2020.

## Operating Environment and Results by Each Group

### Engineered Materials Group

[Principal Products/Services (As of March 31, 2024)]

Copper foil (MicroThin™, Electro-deposited foil for printed wiring boards, etc.), Engineered powders (Metal powders for electronic materials, High-purity tantalum pentoxide, etc.), Battery materials (Hydrogen storage, etc.), Sputtering targets (ITO, etc.), Ceramics products

In the Engineered Materials Group, the sales volume of copper foil products such as MicroThin™ and electro-deposited foil for printed wiring boards increased thanks to a recovery of demand for semiconductor package substrate and strong demand for multilayer boards for communication infrastructure despite sluggish demand for smartphone products and low overseas demand for some products.

In addition, the sales volume of metallic powder for electronic materials also increased due to a recovery of demand for multilayer ceramic capacitors (MLCCs) and solid demand for products for the Chinese market.

As a result, sales increased 10.3% year on year to ¥124,086 million.

Ordinary income came to ¥16,419 million, up 53.4% year on year, thanks in part to an increase in the sales volume of copper foil, the further depreciation of the yen and the improvement of inventory factors due to a change in the price of indium.

### Metals Group

[Principal Products/Services (As of March 31, 2024)]

Zinc, Lead, Copper, Gold, Silver, Resource recycling

In the Metals Group, sales of lead grew as a result of a recovery of automakers' production and a rise in the average domestic price of lead.

Meanwhile, the sales volume of zinc decreased due to sluggish overall domestic demand despite the recovery of automobile production. In addition, the price of zinc on the London Metal Exchange (LME) continued to decrease, causing the average domestic price to fall, which resulted in a decrease in sales.

As a result, sales decreased 3.7% year on year to ¥246,803 million.

Meanwhile, ordinary income amounted to ¥16,071 million, up 76.9% year on year, thanks primarily to the further depreciation of the yen, the improvement of inventory factors due to changes in the market prices of non-ferrous metals and an increase in dividends received despite factors decreasing profit such as the increase of energy costs and the decrease of investment gains from equity method.

### Mobility Group

[Principal Products/Services (As of March 31, 2024)]

Catalysis, Automobile door locks, Die-cast products, Powdered metallurgical products

In the Mobility Group, sales decreased due to a fall in the prices of rhodium and other key raw materials despite the growth of the sales volume of exhaust detoxifying catalysts for motorcycles and automobiles based on solid demand.

In contrast, the sales volume of automobile door locks increased due to steady demand in Japan, the US, and Europe, offsetting a decrease in China.

As a result, sales increased 0.9% year on year to ¥218,352 million.

Ordinary income totaled ¥11,282 million, up 252.6% year on year, primarily as a result of growth of the sales volumes of mainstay products and an increase in foreign exchange gains.



## Corporate & Other Group

[Principal Products/Services (As of March 31, 2024)]

Rolled copper products, Perlite products, Engineering services for various industrial plants etc.

In the Corporate & Other Group, sales came to ¥113,385 million, down 11.5% year on year, partly due to a decrease in the export value of the non-ferrous metal products of domestic subsidiaries which exceeded the increase in sales of industrial plant engineering products based on orders for large domestic construction projects.

On the other hand, ordinary income increased 331.0% year on year to ¥3,173 million as a result mainly of steady orders for various industrial plant engineering products and the revision of selling prices to cover the increase of energy costs.

## (2) Capital Investment

The Mitsui Kinzoku Group invested a total of ¥32,039 million, mainly for the following purposes by each group:

Group	Capital Investment (Millions of Yen)	Contents and Purposes
Engineered Materials Group	¥7,524	Maintaining, renovating and boosting productivity of production facilities for copper foil products etc.
Metals Group	11,846	Maintaining and renovating facilities, boosting efficiency, conserving energy, etc.
Mobility Group	4,614	Maintaining and renovating facilities, boosting productivity of facilities, conserving energy, etc.
Corporate & Other Group	1,780	Maintaining and renovating facilities, boosting efficiency, conserving energy, etc.
Others	6,273	Maintenance and updating of testing and research facilities and the backbone system, etc.
Total	¥32,039	

Note: Unrealized profit on intersegment transactions is deducted in “the others” column.

## (3) Funding

For the purpose of redeeming No.18 issuance of unsecured domestic straight bonds, the Company issued its No.23 issuance of unsecured domestic straight bonds amounting to ¥10.0 billion in November 2023.

## (4) Research & Development and Resource Development

### Research and Development

The Group utilizes its core technologies, such as catalyst, electrochemistry, powder processing, and composite material processing to offer solutions in the fields of environment, energy, next-generation electronics and life sciences and to contribute to a sustainable society and create new business value. Specifically, the Group is engaged in development of solid electrolyte and electrode material for all solid-state Li-ion secondary batteries, platform carrier needed for the next generation IC device assembly, joining materials for power semiconductors, fluorescent materials for next-generation display, electrode materials for fuel cells and next-generation materials for carbon dioxide absorption/separation technology and catalysts for decarbonized fuel synthesis contributing to the carbon neutral society, etc., as well as development of recycling technology, considering product lifecycle.

### Resource Development

The Group has been exploring mining possibilities mainly in the vicinity of Huanzala mine and Pallca mine in Peru.

(5) Changes in Operating Performance and Financial Position of the Mitsui Kinzoku Group and the Company

Year ended March 31		96th (2020)	97th (2021)	98th (2022)	99th (2023)
Net sales	(Millions of yen)	¥522,936	¥633,346	¥651,965	¥646,697
Ordinary income	(Millions of yen)	51,226	65,990	19,886	44,513
Profit attributable to owners of parent	(Millions of yen)	44,733	52,088	8,511	25,989
Total assets	(Millions of yen)	595,016	637,878	631,894	640,631
Total net assets	(Millions of yen)	210,470	250,048	261,406	286,018
Free cash flow	(Millions of yen)	11,240	35,134	11,367	40,428
Capital investment	(Millions of yen)	28,176	27,456	32,515	32,039
ROE (Return on equity)	(%)	24.6	23.8	3.5	9.8
ROA (Return on assets)	(%)	9.0	10.7	3.1	7.0
Shareholders' equity ratio	(%)	33.4	37.6	40.1	43.5
D/E ratio	(Times)	1.25	0.94	0.87	0.72
Earnings per share	(Yen)	783.34	912.00	148.99	454.71
Total net assets per share	(Yen)	3,482.62	4,196.37	4,434.42	4,872.30
Dividend per share	(Yen)	85.00	110.00	140.00	140.00

Note: 1. Earnings per share is calculated based on the average number of issued and outstanding shares during the term.

2. Mitsui Kinzoku ACT Corporation has changed to the method of recording R&D expenses and some indirect costs previously recorded under cost of sales under selling, general and administrative expenses. This change occurred at the beginning of the 97th fiscal year. The change has been retroactively applied to the figures in the 96th fiscal year.

## (6) Important Challenges Ahead

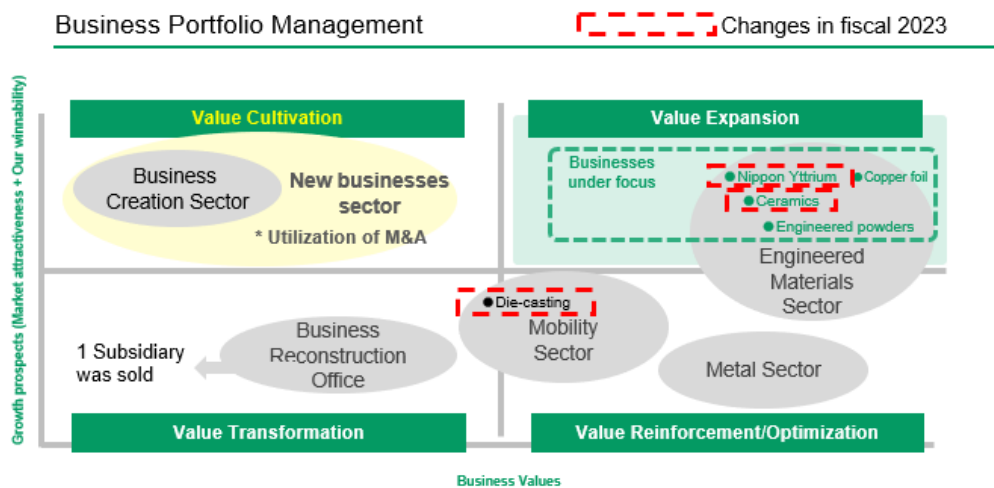
### The final year of the 2022-2024 Medium Term Business Plan

To realize the Group Vision (Vision for 2030) “Building new businesses—and the future—with our material intelligence.” based on the Purpose, the Group is working on 2022-2024 Medium Term Business Plan for the three-year period.

In fiscal 2023, which corresponds to the second year of this 2022-2024 Medium Term Business Plan, profit and financial indicators fell short of the original plan figures amid a challenging business environment; however, the strategies for realization of the Group vision (Vision for 2030) remained unchanged, and the Group focused on key initiatives, developing a framework for sustainable improvement in corporate value by implementing Integrated Thinking-based Management, which aims to achieve both an improvement in social and environmental value and improvement in financial value in each department.

In terms of "improvement of social and environmental value," the Group assesses the opportunities and risks of each business from the five perspectives of "Environmental impact," "Social capital," "Human capital," "Business model, innovation" and "Leadership, governance" and utilize business sustainability in management decisions.

In terms of "improvement of financial value," The Group is accelerating Ambidexterity (Note 1) for the Improvement of financial value. In Exploitation, the Group have dynamically managed the existing business portfolio. In fiscal 2023, the Group moved the ceramics business and Nippon Yttrium Co., Ltd. from Value Reinforcement/Optimization Quadrant to Value Expansion Quadrant and die casting business from Value Reinforcement/Optimization Quadrant to Value Transformation Quadrant.



In Value Expansion Quadrant and Value Reinforcement/Optimization Quadrant, the Group is pursuing internal and external synergy, using M&A activities to accelerate growth strategies and in Value Transformation Quadrant the Group is identifying the external “best owners.” In Exploration, the Group actively invested management resources in the Business Creation Sector, which is responsible for research and development and market co-creation, and invested in the enhancement of productivity of A-SOLiD®, which are solid electrolytes for all-solid state batteries, HRDP® for the next-generation semiconductor package devices and other products.

In terms of management that places awareness on capital efficiency, the Group conducted a review with respect to the calculation of business-specific WACC (weighted average cost of capital) and the setting of appropriate business-specific ROIC targets (ROIC Spread (Note 2)), with a view to improving ROIC (return on invested capital) across the Group.

Fiscal 2024 is the final fiscal year of the 2022-2024 Medium Term Business Plan and is positioned as preparatory period for the next Medium-Term Business Plan. As such, the Group will continue to implement the following key initiatives.

In the Engineered Materials Group, the Group will seek to meet customer needs and solve social issues

through the provision of high performance products that offer value. To this end, it will focus on strengthening core technologies, improving marketing capability and creating environmentally friendly products, and will work to further develop existing business fields and to explore new business opportunities.

In the Metals Group, the Group will pursue a sophisticated recycling and refining network that leverages the Group's diverse processes, to meet recycling needs that are growing with the establishment of a recycling-based society, and it will switch to power suppliers and power contracts with low emission factors, as already done in some areas, to reduce CO<sub>2</sub> emissions for the realization of a decarbonized society. In addition, the Group will consider both a new pricing policy due to the provision of low-carbon products and products that contribute to the SDGs and the procurement of renewable energy and carbon free energy and take action as appropriate.

In the Mobility Group, the Group will contribute to the realization of a mobility society by seeing the changes in the automotive industry such as CASE (Note 3) and MaaS (Note 4) as new needs, constantly tackling them head-on and providing customers with the value they require. The Group will increase the percentage of new products in net sales, and focus on promoting exploitation in all areas of technology, production and sales (the maintenance of commercial rights) together with exploration (creation of new products and businesses), and on the creation of business synergies according to the cycle (short-term, medium-term or long-term cycle).

In the Business Creation Sector, the Group will seek to create new value based on R&D and market co-creation in line with three strategies: strengthen business opportunity exploration capability, strengthen R&D capability and strengthen function and capability of the organization to support R&D and exploration of business opportunities in order to ensure that it can create new business "sustainably." It will also make investments and increase staff to pursue commercialization themes in a timely manner according to changes in the environment.

In the Corporate units, the Group has been focusing on strengthening corporate governance, including strengthening the supervisory function and business execution function and increasing management transparency, and the Company plans to transition from its current company with a board of Corporate Auditors to a company with an Audit and Supervisory Committee on condition of approval at the Company's 99th Annual General Meeting of Shareholders. Going forward, the Group will seek to speed up management decision-making further and will also make deliberations at meetings of the Board of Directors more focused on important matters to further enhance discussions on the formulation of management policies and management strategies, etc. and to seek to strengthen the management supervisory function of the Board of Directors.

To further accelerate initiatives for the improvement of social and environmental value, the Group has set a 38% reduction in global CO<sub>2</sub> emissions (from the fiscal 2013 level) by fiscal 2030 and achievement of carbon neutrality (net zero emissions) by fiscal 2050 as targets and is implementing initiatives to reduce CO<sub>2</sub> emissions through the introduction and use of a roadmap to carbon neutrality, LCA (Life Cycle Assessment) (Note 5), and an Internal Carbon Pricing (Note 6) System. Furthermore, the Group has participated in the GX (Note 7) League (Note 8) established by the Ministry of Economy, Trade and Industry and formulated and published a transition strategy (Note 9) last year. The Group will take four different approaches (energy/resource saving, energy and fuel conversion, shifting to low-carbon electric power and carbon offsetting/innovation) to contribute to the realization of a carbon-neutral society.

To implement management focused on increasing capital efficiency, the Group will set business-specific weighted average cost of capital (WACC) and business-specific ROIC targets (ROIC spread) and, then promote motivation to increase corporate value and the internal penetration of ROIC, set and introduce indicators necessary for increasing the ROIC of each office (e.g., a ROIC tree), and introduce efficiency indicators for evaluating the performance of Executive Directors and Senior Executive Officers (e.g., ROIC).

Although the business environment is challenging, the Group will strive to achieve a transformation to Integrated Thinking-based Management and work together with its stakeholders to promote the well-being of the world by implementing the above initiatives.

Notes: 1. Ambidexterity: Approach for achieving both "efficiency and constant improvement in core businesses (Exploitation) and "experiment

- and action for new businesses (Exploration)."
2. ROIC Spread: ROIC (return on invested capital) minus WACC (weighted average cost of capital).
  3. CASE: Acronym that stands for connected, autonomous/automated, shared, and electric vehicles, and that refers to the next-generation technologies and new service trends in the automotive industry.
  4. MaaS: Mobility as a Service (MaaS) is a cloud computing-based service framework that seamlessly integrates all means of transport except private cars into a single service.
  5. LCA (Life Cycle Assessment: A method of quantitatively assessing the environmental impact of finished goods and services throughout their life cycle (including the collection of raw materials, internal production/processing, use, consumption and the disposal of the finished goods)
  6. Internal carbon pricing: A system in which the Company sets a price for carbon dioxide (CO<sub>2</sub>) based on its own standards and converts CO<sub>2</sub> emissions to a cost used as a reference for investment decisions related to equipment and development
  7. Green transformation (GX): An initiative that aims to balance emission reductions and industrial competitiveness by viewing the global trend to reduce greenhouse gas emissions, a major contributor to climate change, as an opportunity for economic growth.
  8. GX League: A framework under which Japanese companies that challenge themselves to become carbon neutral and exert their competitiveness in the international business world will drive GX.
  9. Transition Strategy: Long-term strategy detailing the approach and governance, etc. for steadily reducing CO<sub>2</sub> emissions.

## (7) Principal Business Offices, Plants, and Laboratories (As of March 31, 2024)

### 1. Mitsui Kinzoku

Head office	1-11-1, Osaki, Shinagawa-ku, Tokyo
Plants	Miike Engineered Powders Plant (Omuta-shi, Fukuoka), Ageo Copper Foil Plant (Ageo-shi, Saitama), Miike Thin-film Materials Plant (Omuta-shi, Fukuoka), Omuta Ceramics Plant (Omuta-shi, Fukuoka), Takehara Refinery (Takehara-shi, Hiroshima), Hibi Smelter (Tamano-shi, Okayama)
Laboratory	Materials Analysis & Exploration Center (Ageo-shi, Saitama) R&D Center (Ageo-shi, Saitama)

### 2. Consolidated Subsidiaries

Japan	Kamioka Mining & Smelting Co., Ltd. (Hida-shi, Gifu), Hachinohe Smelting Co., Ltd. (Shinagawa-ku, Tokyo), Hikoshima Smelting Co., Ltd. (Shimonoseki-shi, Yamaguchi), Hibi Kyodo Smelting Co., Ltd. (Shinagawa-ku, Tokyo), Okuaizu Geothermal Co., Ltd. (Yanaizu-cho, Fukushima), Mitsui Kinzoku ACT Corporation (Yokohama-shi, Kanagawa), Mitsui Kinzoku Trading Co., Ltd. (Sumida-ku, Tokyo), MESCO, Inc. (Sumida-ku, Tokyo)
Overseas	Taiwan Copper Foil Co., Ltd. (Taiwan), Mitsui Copper Foil (Malaysia) Sdn. Bhd. (Malaysia), Mitsui Kinzoku Components India Private Limited (India), Mitsui Electronic Materials Co., Ltd. (Taiwan), GECOM Corp. (U.S.A.), Mitsui Siam Components Co., Ltd. (Thailand), Mitsui Components Guangdong Limited (China), Mitsui Kinzoku ACT (Shanghai) Management Co., Ltd. (China)

## (8) Condition of Principal Subsidiaries of Mitsui Kinzoku (As of March 31, 2024)

	Paid-in Capital (Millions)	Equity Stake of the Company (%)	Principal Operations
Taiwan Copper Foil Co., Ltd.	NT\$800	95.0	Production and sale of Electro-deposited foil for printed wiring boards
Mitsui Copper Foil (Malaysia) Sdn. Bhd.	MYR330	100.0	Production and sale of MicroThin™ and Electro-deposited foil for printed wiring boards
Mitsui Kinzoku Components India Private Limited	INR400	100.0	Production and sale of exhaust detoxifying catalysts
Mitsui Electronic Materials Co., Ltd.	NT\$600	100.0	Production and sale of Sputtering targets
Kamioka Mining & Smelting Co., Ltd.	¥4,600	100.0	Smelting of zinc and lead and production of metal powders, exhaust detoxifying catalysts, and others
Hachinohe Smelting Co., Ltd.	¥4,795	85.5	Smelting of zinc and lead
Hikoshima Smelting Co., Ltd.	¥460	100.0	Smelting of zinc and production of metal powders, and others
Hibi Kyodo Smelting Co., Ltd.	¥100	63.5	Smelting of copper
Okuaizu Geothermal Co., Ltd.	¥100	100.0	Sale of geothermal steam for power generation
Mitsui Kinzoku ACT Corporation	¥3,000	100.0	Production and sale of functional automotive door locks
GECOM Corp.	US\$15,750 (Thousands)	100.0	Production and sale of functional automotive door locks
Mitsui Siam Components Co., Ltd.	THB210	100.0	Production and sale of functional automotive door locks
Mitsui Components Guangdong Limited	RMB71,212 (Thousands)	100.0	Production and sale of functional automotive door locks
Mitsui Kinzoku ACT (Shanghai) Management Co., Ltd.	RMB13,234 (Thousands)	100.0	Sale of functional automotive door locks
Mitsui Kinzoku Trading Co., Ltd.	¥240	100.0	Sale of nonferrous metals and electronic materials, etc.
MESCO, Inc.	¥1,085	100.0	Engineering services for various industrial plants as well as the production, sale, and construction of polyethylene compound pipes

## (9) Employees (As of March 31, 2024)

## 1. Number of Mitsui Kinzoku Group Employees

Group	Number of Employees	
Engineered Materials Group	2,877	(184)
Metals Group	2,321	(190)
Mobility Group	5,060	(586)
Corporate & Other Group	1,396	(78)
Others	631	(39)
Total	12,285	(1,077)

- Notes: 1. The numbers of employees represent the numbers of employees actually working, and the numbers of temporary employees are shown separately in parentheses  
2. Temporary employee figures include temporary laborers, part-time employees, and temporary contract employees but exclude temporary employees dispatched by personnel agencies.

## 2. Number of the Company Employees

Group	Number of Employees	
Engineered Materials Group	1,158	(159)
Metals Group	386	(24)
Automotive Parts & Components Group	194	(17)
Corporate & Other Group	10	(1)
Others	631	(39)
Total	2,379	(240)

Number of Employees	Average Age (Years)	Average Length of Employment (Years)	Average annual salary (Thousands of Yen)
2,379 (240)	42.36	13.79	7,473

- Notes: 1. The numbers of employees represent the number of employees actually working, and the numbers of temporary employees are shown separately in parentheses.  
2. Temporary employee figures include temporary laborers, part-time employees, and temporary contract employees but exclude temporary employees dispatched by personnel agencies.  
3. Average annual salary includes bonus and extra wages.

### (10) Major Lenders (As of March 31, 2024)

	Amount of Borrowings (Millions of Yen)
Sumitomo Mitsui Banking Corporation	¥23,982
Sumitomo Mitsui Trust Bank, Ltd.	12,373
MUFG Bank, Ltd.	9,023
Mizuho Bank, Ltd.	8,987
The Norinchukin Bank	3,961



## 2. Mitsui Kinzoku Group and the Company Outline

### (1) Common Stock (As of March 31,2024)

1. Authorized: 190,000 thousand
2. Issued and outstanding: 57,356,856 (up 27,758 from the previous fiscal year)
3. Number of shareholders: 38,245 (down 3,790 from the previous fiscal year)
4. Major shareholders (Top 10):

	Number of Shares Held (Thousands)	Percentage of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (Held in trust account)	12,128	21.21
Custody Bank of Japan, Ltd. (Held in trust account)	8,132	14.22
The Employees' Shareholding Association	1,373	2.40
STATE STREET BANK AND TRUST COMPANY 505223	1,355	2.37
The Nomura Trust and Banking Co., Ltd. (Held in trust account)	1,290	2.25
DFA INTERNATIONAL SMALL CAP VALUE PORTFOLIO	823	1.44
The Partners' Shareholding Association	811	1.42
STATE STREET BANK WEST CLIENT - TREATY 505234	729	1.27
HSBC HONG KONG - TREASURY SERVICE A/C ASIAN EQUITIES DERIVATIVES	711	1.24
JP MORGAN CHASE BANK 385781	707	1.23

Note: 1. The Company issued 17,558 common shares to be paid to six (6) Directors (excluding Outside Directors) and 10,200 common shares to be paid to fifteen (15) Executive Officers (excluding officers who concurrently serve as a Director) and fellows, totaling 27,758 common shares for the granting of restricted stock on August 10, 2023.

2. Percentages of shares held are calculated based on the total number of shares issued and outstanding (excluding 192,337 shares in treasury).

### Distribution of Shares by Type of Shareholder (Reference)

Classification	Number of shares held (Thousands)	Composition of shareholders (%)
Financial institutions	23,905	41.68
Securities firms	2,341	4.08
Other Japanese corporations	2,066	3.60
Overseas corporations, etc.	14,419	25.14
Individuals and others	14,430	25.16
Treasury stock	192	0.34

### 5. Status of shares granted to Company directors during the fiscal year as consideration for performance of duties

	Number of Shares	Number of grantees
Directors (excluding Outside Directors)	17,558	6

Note: At the 98th Annual General Meeting of Shareholders held on June 29, 2023, shareholders approved a resolution on stock compensation for Directors to the effect that the total amount of compensation shall be within ¥100 million per year and the total amount of the Company's common stock to be allocated shall be within 33,300 shares per year (stock shall not be delivered to Outside Directors). Shareholders also resolved that when allocating such stock, the Company shall conclude a contract for allocation of restricted stock with the Eligible Directors.

## (2) Directors and Corporate Auditors

### 1. Directors and Corporate Auditors (As of March 31, 2024)

Position	Name	Duties and Major Occupation	Important Positions Held Concurrently at Other Organizations
President and Representative Director	NOU Takeshi		Outside Director of Powdertech Co., Ltd.
Representative Director, Senior Managing Director	KIBE Hisakazu	Senior Managing Executive Officer, Senior General Manager of Corporate Planning & Control Sector	
Senior Managing Director	TSUNODA Satoshi	Senior Managing Executive Officer, Senior General Manager of Metals Sector	
Managing Director	OKABE Masato	Senior Executive Officer, Senior General Manager of Engineered Materials Sector	
Director	MIYAJI Makoto	Senior Executive Officer, Senior General Manager of Technology Sector, Chief Environmental Officer and Chief Health and Safety Officer	
Director	IKENOBU Seiji	Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector, General Manager of Corporate Planning Department, Corporate Planning & Control Sector	
Outside Director	MATSUNAGA Morio		Chairperson of the Board of Director, Kitakyushu Foundation for the Advancement of Industry, Science and Technology, Outside Auditor of KROSAKI HARIMA CORPORATION
Outside Director	TOIDA Kazuhiko	Chairperson of the Board of Directors	Advisor, Penetrate of Limits Co., Ltd. Advisor, Rikkyo University Innovation Center for Applied Artificial Intelligence (ICA-AI)
Outside Director	TAKEGAWA Keiko		Director of Institute of Women's Culture, Showa Women's University, Specially Appointed Professor, Showa Women's University, Outside Director of Sekisui House, Ltd. Outside Auditor of NAKABOHITEC CORROSION PROTECTING CO., LTD.
Corporate Auditor	KUTSUNAI Akira		
Corporate Auditor	FUKUMOTO Hiroto		
Outside Corporate Auditor	ISHIDA Toru		President, The Japan Chamber of Commerce and Industry, President, The Tokyo Chamber of Commerce and Industry
Outside Corporate Auditor	INOUE Hiroshi		Lawyer Outside Director and Audit & Supervisory Committee Member, Mazda Motor Cooperation

Notes: 1. Corporate Auditor KUTSUNAI Akira has for many years been responsible for the Company's bookkeeping operations and has considerable knowledge regarding finance and accounting.

2. Personal Changes for Director, Corporate Auditor and Outside Corporate Auditor Positions on June 29, 2023.

IKENOBU Seiji was elected to a new Director position.

3. Changes of positions and duties of Directors and Corporate Auditors after the fiscal year-end (as of April 1, 2024)

Position	Name	Duties and Major Occupation
Representative Director, Senior Managing Director	OKABE Masato	Senior Managing Executive Officer, Senior General Manager of Engineered Materials Sector
Managing Director	IKENOBU Seiji	Senior Executive Officer, Senior General Manager of Corporate Planning & Control Sector
Director	KIBE Hisakazu	
Director	TSUNODA Satoshi	
Director	MIYAJI Makoto	

4. Important positions held concurrently at other organizations of Directors and Corporate Auditors

- (1) Outside Corporate Auditor INOUE Hiroshi was appointed to Outside Director and Audit & Supervisory Committee Member, Mazda Motor Cooperation on June 27, 2023.
- (2) Outside Director MATSUNAGA Morio retired Chairperson, The Surface Finishing Society of Japan on February 29, 2024.

2. Summary of Contracts for Limitation of Liability

Based on the Companies Act Article 427, Paragraph 1, the Company has concluded contracts with Outside Directors and Outside Corporate Auditors regarding liability as defined by the Companies Act Article 423, Paragraph 1 to limit total liability to the figure stipulated by the Companies Act Article 425, Paragraph 1.

3. Summary of Indemnity Contracts

The Company has no indemnity contracts with any of the Directors or Corporate Auditors provided for in the Companies Act Article 430-2, Paragraph 1.

4. Summary of the Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance contract provided for in the Companies Act Article 430-3, Paragraph 1 with an insurance company under which the Directors and Corporate Auditors are the insured. The said insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. The insurance premiums are fully borne by the Company.

5. Compensation, etc. Paid to Officers (Directors and Corporate Auditors)

(a) Total amount of compensation, etc. for the fiscal year under review

Classification	Total Compensation, etc. (Millions of Yen)	Total Compensation, etc. by Type (Millions of Yen)			Number of Applicable Officers
		Base Compensation	Performance-linked Compensation	Stock Compensation	
Directors (Directors excluding Outside Directors)	¥355 (299)	250(194)	55(55)	49(49)	9 (6)
Corporate Auditors (Corporate Auditors excluding Outside Corporate Auditors)	75 (50)	75 (50)	- (-)	- (-)	4(2)
<b>Total</b>	<b>431(349)</b>	<b>326(244)</b>	<b>55(55)</b>	<b>49(49)</b>	<b>13(8)</b>

Notes: 1. At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a limit on compensation paid to Directors of ¥720 million per year (not including compensation for their services as employees).

2. At the 98th Annual General Meeting of Shareholders held on June 29, 2023, shareholders approved a resolution on stock compensation for Directors to the effect that the total amount of compensation shall be within ¥100 million per year and the total amount of the Company's common stock to be allocated shall be within 33,300 shares per year (stock shall not be delivered to Outside Directors). Shareholders also resolved that when allocating such stock, the Company shall conclude a contract for allocation of restricted stock with the eligible Directors.

3. At the 96th Annual General Meeting of Shareholders held on June 29, 2021, shareholders approved a limit on compensation paid to Corporate Auditors of ¥180 million per year.

4. At the time of resolution regarding above Notes 1, there were 8 Directors (including 3 Outside Directors), at the time of resolution regarding above Notes 2, there were 9 Directors (including 3 Outside Directors) and at the time of resolution regarding above Notes 3, there were 4 Corporate Auditors.

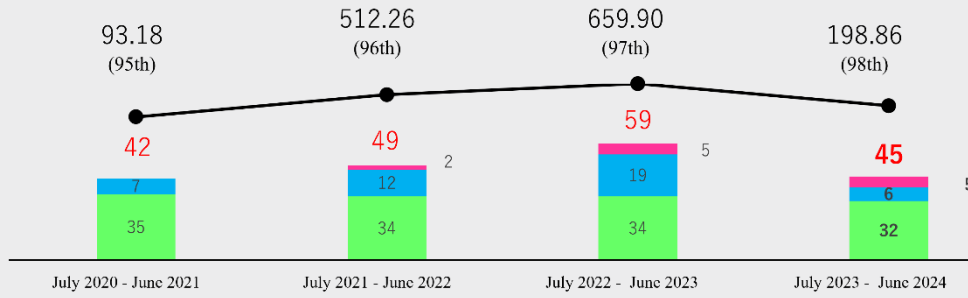
Reference

Linkage between the amount of compensation per Directors (excluding Outside Directors) and ordinary income

Regarding compensation per Director (excluding Outside Directors), trends in the amount of compensation for one year from the conclusion of General Meetings of Shareholders, the beginning of the term, are as follows.

- Ordinary income for the previous fiscal year
- Base Compensation
- Performance-linked Compensation
- Stock Compensation

(Unit for compensation for officers: millions of yen)



- The number of Directors (excluding Outside Directors) for each term is as follows:  
 July 2020 - June 2021: 5 (including a new Director), July 2021 - June 2022: 5 (including two new Directors), July 2022 - June 2023: 5 (including a new Director), July 2023 - June 2024: 6 (including a new Director)

(b) Policy, etc. regarding determination of compensation, etc. for Directors and Corporate Auditors

The Company has the Compensation Committee whose members include Outside Directors, Outside Corporate Auditors, the President, and a Director in charge of Human Resources (or a Senior Executive Officer), etc.

The amount of base compensation, performance-linked compensation and stock compensation for Directors are determined by the Compensation Committee, to which the decision is entrusted by the Board of Directors. Decisions on the amounts are made through deliberations at the Compensation Committee in a fair and transparent manner, within the limit approved at the Annual General Meeting of Shareholders and based on the compensation determination standards. (Please see below for an outline of the Compensation Committee.)

Compensation, etc. for Corporate Auditors is determined by discussions among the Corporate Auditors, within the limit approved at the Annual General Meeting of Shareholders.

**The Compensation Committee**

The Compensation Committee decided that compensation, etc. for Directors (excluding Outside Directors) shall consist of base compensation, performance-linked compensation as a short-term incentive, and stock compensation as a medium-to-long-term incentive, to enable them to demonstrate management supervisory functions at a high level. In order to ensure competitiveness, appropriateness of the levels of the amounts of compensation is examined through comparison with those of other companies of similar size of sales and market capitalization as the findings of a compensation survey in which major companies in Japan participate.

- Composition of the Compensation Committee (As of the time when the amount of compensation for the fiscal year under review was determined)

	Name	Position, Duties and Major Occupation
Chairperson	MATSUNAGA Morio	Outside Director
Member	TOIDA Kazuhiko	Outside Director, Chairperson of the Board of Directors
	TAKEGAWA Keiko	Outside Director
	ISHIDA Toru	Outside Corporate Auditor
	INOUE Hiroshi	Outside Corporate Auditor
	NOU Takeshi	President and Representative Director
	YAMASHITA Masashi	Senior Executive Officer, Deputy Senior General Manager of Corporate Planning & Control Sector

- Details of authorities delegated to the Compensation Committee by resolution of the Board of Directors  
Establishment, revision and abolition of standards for determining base compensation, performance-linked compensation and stock compensation for Directors, Determination of the base compensation, performance-linked compensation and stock compensation of each Director, Deliberation of proposal to a General Meeting of Shareholders on the revision of maximum amount of compensation for Directors and submission the proposal to the Board of Directors
- Reason for entrusting authority  
For improvement the fairness and transparency of the determination of compensations for Directors
- Details of activities in fiscal 2023  
Determined Directors' compensation for fiscal 2023, Determined of KPIs ESG for Index-based Stock Compensation, Revised of the ratio of compensation for fiscal 2024, Deliberated of revision of KPIs for performance-linked compensation, Revised performance-linked compensation calculation formula for fiscal 2024, Deliberated revision of maximum amount of compensation in connection with shift to company with Audit and Supervisory Committee
- Measures to ensure that the authority of the Compensation Committee is exercised appropriately  
The Compensation Committee is composed mainly of Outside Directors, Outside Corporate Auditors, the President, and a Director in charge of Human Resources (or a Senior Executive Officer), etc., and the chairperson is elected from among the Outside Directors. Moreover, if the Board of Directors resolves to make a correction to the financial results post-announcement due to material accounting error or fraud, if a material error or fraud affecting the indicators used as the basis for non-monetary compensation calculation is identified or if other material violation of compliance is identified, the Compensation Committee will deliberate on adjustments to compensation and restrict its payment, or even demand pay back of compensation, when deemed necessary.

a. Policy on base compensation

The base compensation for the President is set, taking into consideration the Company's performance, corporate value, and other factors comprehensively. Base compensation for Directors is calculated depending upon titles, based on the base compensation for the President and by applying a ratio for each title according to responsibilities.

b. Policy on performance-linked compensation

Regarding performance-linked compensation, for Directors (excluding Outside Directors), the amount of performance-linked compensation is calculated using consolidated ordinary income, which the Company considers as a key indicator for evaluating operating results, as the performance indicator. In addition, the amounts of performance-linked compensation for individual Directors responsible for business units are determined through the evaluation of the performance of the business for which the Director is responsible.

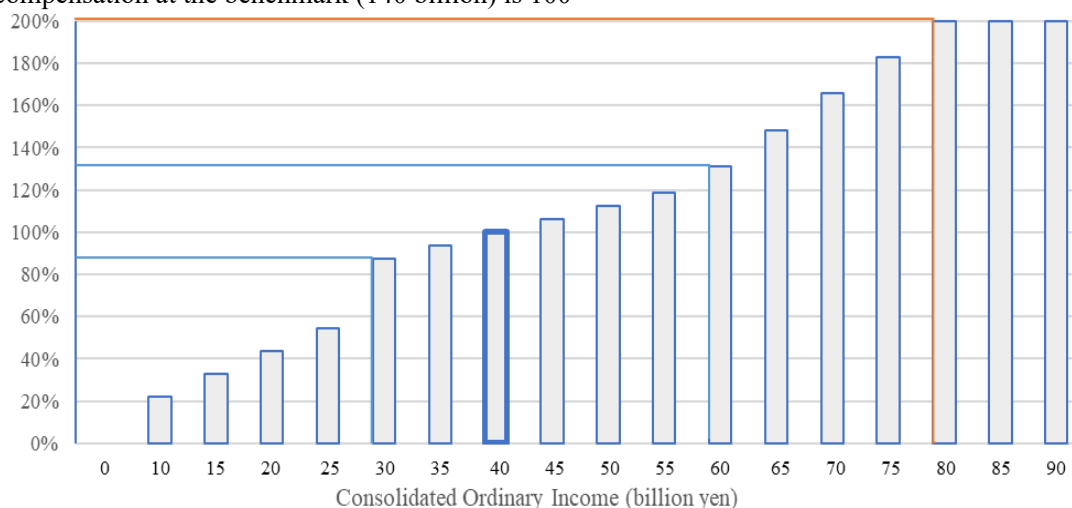
More specifically, the Company changed its performance-linked compensation in fiscal 2021, and ¥40 billion, which is 130% of ¥30 billion, the average consolidated ordinary income over the past 10 years excluding the impact of the impairment of Caserones Copper Mine, shall be used as a benchmark (for the compensation percentage in the system design).

The Compensation Committee also sets ¥60 billion, which is the largest recorded profit, as a target, and sets an upper limit of ¥80 billion in the event that the target is exceeded, to ensure that performance-linked compensation serves as an appropriate incentive.

A consolidated ordinary income of ¥198 billion in fiscal 2022 is used as a metric for determining performance-linked Compensation in fiscal 2023.

Outside Directors and Corporate Auditors who are uninvolved in business execution do not receive performance-linked compensation.

Linkage of compensation to each consolidated ordinary income when performance-linked compensation at the benchmark (¥40 billion) is 100



c. Policy on stock compensation

The Company introduced a restricted stock compensation plan (Continuous service-type restricted stock compensation) for Directors (excluding Outside Directors) from fiscal 2021 to serve as an incentive for eligible Directors to aim for continuous growth in corporate value and further enhance value-sharing with shareholders. In fiscal 2023, new ESG index-based restricted stock compensation with the added requirement of achievement of ESG indices was introduced, in addition to the already introduced tenure-based restricted stock compensation.

In both cases, continued service is a condition for lifting the transfer restrictions. ESG indicators are those related to the reduction of greenhouse gases, the promotion of job satisfaction and diversity and compliance.

The total amount of compensation for granting restricted stock to eligible Directors shall be within ¥50 million per year as tenure-based restricted stock compensation and within ¥50 million per year as ESG index-based restricted stock compensation, and the total annual amount shall be within ¥100 million. The total annual number of the Company's common shares to be issued or disposed of by this shall be 16,650 shares or less per year as tenure-based restricted stock compensation and 16,650 shares or less per year as ESG index-based restricted stock compensation, totaling a maximum of 33,300 shares per year. The specific timing of payment and allotment to each Eligible Director will be determined by the Board of Directors in accordance with the rules established by the Compensation Committee.

Percentage of stock-based compensation based on consolidated ordinary income of ¥40 billion

Mode of Compensation	Status of ESG indicator achievement and share of equity compensation (total of Tenure-based and ESG index-based) in total compensation		
	Target achieved	Partially achieved	Missed all targets
Stock-based Compensation	15%	10%~12.5%	7.5%

d. Policy on the composition of compensation, etc.

The composition of compensation, etc. for individual Directors is set, taking into consideration the Company's management strategy, business environment, the degree of difficulty in achieving the target for incentives, etc. and also by referring to the trend of benchmarked companies, utilizing data of an objective compensation survey by an external specialized organization and other factors. The composition of compensation for Directors when all ESG KPIs are achieved is as follows:

consolidated ordinary income		~¥0	¥20 billion	¥40 billion	¥60 billion	¥80 billion~
Base compensation		78%	65%	53%	48%	40%
Performance-linked compensation		0%	17%	32%	38%	48%
Stock compensation	Tenure-based	11%	9%	7.5%	7%	6%
	ESG Index-based	11%	9%	7.5%	7%	6%

Note: The percentage of base compensation, the percentage of performance-linked compensation and the percentage of stock compensation vary because performance-linked compensation varies according to the Company's performance.

e. Policy on the timing of payment of compensation, etc. and conditions

Base compensation and performance-linked compensation are paid monthly in cash.

The stock compensation system is designed so that the period during which transfer of the allocated shares is restricted expires on the date of retirement and, even after retirement, sale of the shares is not permitted for a period of one year to prevent insider trading. Moreover, if an eligible Director retires without just cause, the Company shall automatically acquire the allocated shares at no cost irrespective of the elapsing of the period.

The details of compensation, etc. for individual Directors in fiscal 2022 are judged to be in accordance with the policies from a. to e. above because the Board of Directors determined the details after fair and transparent deliberation based on the compensation determination standards by the Compensation Committee.

In fiscal 2023, the Compensation Committee introduced the ESG Index-based Restricted Stock Compensation for Directors (excluding Outside Directors), in which transfer restrictions would be lifted depending on the achievement of ESG indicators, in order for the Company to continue to contribute to society and be needed in the future. The Company set the percentage of the sum of the conventional compensation based on continuous work and the ESG index-based Restricted Stock Compensation to be 15% of total Stock Compensation in the system design.

In addition, the Company established Stock Ownership Guidelines applicable to Executive Officers and those in more senior positions, to ensure that Directors and other members of the management share value with shareholders and are more strongly aware of the Company's sustainable growth and the need to raise its corporate value in the medium to long term.

To further promote these efforts, the Company will increase Stock Compensation as a percentage of total compensation in fiscal 2024. The percentage of Base Compensation will be 50%, that of Performance-linked Compensation would be 30%, and that of Stock Compensation would be 20% if the consolidated ordinary income of 40 billion yen and all KPIs for ESG are achieved.

The indicator of Performance-linked Compensation is consolidated ordinary income, and compensation for Directors in charge of business sectors are calculated based on an assessment of the performance of their respective business sectors. The Company has decided to examine a method of introducing a new performance indicator that uses ROIC in fiscal 2024 and introduce it in fiscal 2025.

consolidated ordinary income	KPI (key performance indicators)	~¥0	¥20 billion	¥40 billion	¥60 billion	¥80 billion~	
Base compensation	—	72%	62%	50%	42%	35%	
Performance-linked compensation	consolidated ordinary income (ROIC will be added from fiscal 2025)	0%	14%	30%	40%	51%	
Stock compensation	Tenure-based	-	14%	12%	10%	9%	7%
	ESG index-based	ESG indicators	14%	12%	10%	9%	7%

Note: Since the amount of performance-linked compensation changes depending on the Company's financial results, the ratio of base compensation to performance-linked compensation to stock compensation will change.



6. Matters Related to Outside Directors and Outside Corporate Auditors

(a) Important Positions Held Concurrently at Other Organizations

Please refer to “1. Directors and Corporate Auditors.” The Company has no special relationship with any of the entities.

(b) Principal Activities during the Fiscal Year under Review

a. Principal activities of Outside Directors

Position	Name	Attendance rate at the meetings of the Board of Directors (%)	Principal Activities and Summary of duties performed by the outside officer concerning the expected role
Director	MATSUNAGA Morio	100	Attended all 13 meetings of the Board of Directors during the fiscal year. Based on his specialized knowledge of engineering and a wealth of experience in organization management gained as a university professor and the president of a national university corporation, he actively commented on proposals and discussions on responses to DX, the utilization of the Company’s technologies, business strategies in new businesses, etc. from a standpoint independent from management, unbound by internal norms, with a view to improving corporate value in the medium and long term. Attended all 9 meetings of the Nomination Review Committee, all 10 meetings of the Compensation Committee and all 3 meetings of the Internal Audit Committee during the fiscal year. Furthermore, as chairperson of the Compensation Committee, he expressed opinions based on his own experience and knowledge and also led discussions in the Committee and decided to conduct a review of the percentages of compensation, etc. for Directors (excluding Outside Directors) from fiscal 2024, with a view to sustainable improvement in corporate value and enhancement of value sharing with shareholders. He also revised the KPIs for performance-linked executive compensation and decided the policy to examine a method of introducing a new performance indicator that uses ROIC in fiscal 2024 and introduce it in fiscal 2025.
Director	TOIDA Kazuhiko	100	Attended all 13 meetings of the Board of Directors during the fiscal year. Drawing on a wealth of knowledge and experience gained as a manager in the automotive industry, he actively commented on proposals and discussions on management of the progress of the medium-term business plans, dynamic management of business, operation of business, etc. from a standpoint independent from management, unbound by internal norms, looking to improve corporate value over the medium and long term. In addition, he has contributed to increasing the effectiveness of the Board of Directors by becoming involved in matters regarding the deliberations and operations of the Board of Directors as a chairperson of the Board of Directors. Attended all 9 meetings of the Nomination Review Committee, all 10 meetings of the Compensation Committee and all 3 meetings of the Internal Audit Committee during the fiscal year. Furthermore, as a chairperson of the Nomination Review Committee, he expressed opinions based on his own extensive experience and knowledge of business execution and management and also led the discussions of

Director	TAKEGAWA Keiko	100	the Committee and conducted institutional design of the Company, interviews with manager candidates and succession planning.
			Attended all 13 meetings of the Board of Directors during the fiscal year. Drawing on her wealth of knowledge and experience gained through involvement in the formulation and implementation of policies such as promotion of women's participation, she actively commented on proposals and discussions on diversity, the securing and development of human resources, the operation of the whistleblowing system, etc. from a standpoint independent from management, unbound by internal norms. Attended all 9 meetings of the Nomination Review Committee, all 10 meetings of the Compensation Committee and all 3 meetings of the Internal Audit Committee during the fiscal year. Furthermore, as a chairperson of the Internal Audit Committee, she expressed opinions based on her own experience and knowledge from the viewpoint of strengthening general management supervision and oversight functions and also led discussions in the Committee and arranged the internal audit plans and policies, and the evaluation of audit results.

b. Principal activities of Outside Corporate Auditors

Position	Name	Attendance rate at the meetings of the Board of Directors (%)	Attendance rate at the meetings of the Board of Corporate Auditors (%)	Principal Activities
Corporate Auditor	ISHIDA Toru	100	100	Attended all 13 meetings of the Board of Directors and all 13 meetings of the Board of Auditors during the fiscal year. Based on his many years of experience and responsibilities in key positions, in which he has contributed to development of commerce and industry, he made appropriate and necessary comments on proposals and discussions on supporting carbon neutrality, responding to rising raw materials and energy prices, institutional design, etc. from a wide perspective. He attended all 9 meetings of the Nomination Review Committee held in the fiscal year under review and all 10 meetings of the Compensation Committee.
Corporate Auditor	INOUE Hiroshi	100	100	Attended all 13 meetings of the Board of Directors and all 13 meetings of the Board of Auditors during the fiscal year. From his perspective as a person with experience and expertise in legal circles as a public prosecutor and a lawyer, he made appropriate and necessary comments on proposals and discussions on legal procedures, the operation of the whistleblowing system, institutional design, etc. from a broad perspective. He attended all 9 meetings of the Nomination Review Committee held in the fiscal year under review and all 10

meetings of the Compensation Committee.

(c) Total Compensation, etc. Paid to Outside Directors and Outside Corporate Auditors

Classification	Total Compensation, etc. (Millions of Yen)	Number of Applicable Officers
Outside Directors and Outside Corporate Auditors	82	5

(d) Notification of Independent Directors and Independent Corporate Auditors

None of the Company's Outside Directors and Outside Corporate Auditors has interests with any particular party from the Company, including its management, and none of them has conflicts of interest with general shareholders. The Company has notified the Tokyo Stock Exchange that all five of its Outside Directors (MATSUNAGA Morio, TOIDA Kazuhiko and TAKEGAWA Keiko) and Outside Corporate Auditors (ISHIDA Toru and INOUE Hiroshi) are Independent Directors and Independent Corporate Auditors of the Company.

(3) Matters Related to the Independent Auditing Firm

1. Name of the firm: KPMG AZSA LLC

2. Total Compensation, etc., paid to the firm

Classification	Compensation based on audit and attestation services (Millions of Yen)	Compensation based on non-audit services (Millions of Yen)	Amount (Millions of Yen)
The Company	¥128	¥11	¥140
The Company's subsidiaries	59	0	59
Amount	¥188	¥11	¥199

Notes: 1. Since the contract between the Company and the auditing firm does not distinguish between the audit required under Japan's Companies Act and the audit required under the Financial Instruments and Exchange Law, the above figures also include the cost of the audit required under the Financial Instruments and Exchange Law.

2. The Board of Corporate Auditors of the Company reviewed the independent auditing firm's audit plan for fiscal 2023, the status of performance of duties in the previous fiscal year, the basis of calculation of the estimated amount of compensation, etc. by means of necessary documents obtained from the independent auditing firm and relevant internal departments as well as interviews. As a result, the Board of Corporate Auditors gave consent pursuant to the Companies Act Article 399, Paragraph 1 with regard to compensation, etc. for the independent auditing firm for fiscal 2023.

3. Among the Company's material subsidiaries, the following were legally audited by a certified public accountant or accounting firm, other than the Company's audit firm, with the corresponding qualifications in a foreign country: Taiwan Copper Foil Co., Ltd.; Mitsui Copper Foil (Malaysia) Sdn. Bhd.; Mitsui Electronic Materials Co., Ltd.; Mitsui Kinzoku Components India Private Limited; GECOM Corp.; Mitsui Siam Components Co., Ltd.; Mitsui Components Guangdong Limited; and Mitsui Kinzoku ACT (Shanghai) Management Co., Ltd.

3. Details of Non-audit Services

The Company entrusts the independent auditing firm with "the preparation of a comfort letter associated with the issuance of corporate bonds," and support for the introduction of management indicators which are services outside the professional responsibilities provided under the Certified Public Accountants Act Article 2, Paragraph 1 (non-audit service).

In addition, subsidiaries entrust the independent auditing firm with agreed procedures for application forms for reduction of or exemption pursuant to the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities.

4. Policy regarding decisions related to dismissal and non-renewal of contract with the independent auditing firm

When the provisions of the Companies Act Article 340, Paragraph 1 are deemed to be applicable to the auditing firm, the Board of Auditors may dismiss the firm with the consent of all the Corporate Auditors. The Board of Auditors determines the content of a proposal to be submitted to a General Meeting of Shareholders concerning non-renewal of the contract with the auditing firm at the Company's convenience. In addition, when it is deemed that the Company cannot continue the contract with the auditing firm for reasons attributable to the auditing firm, the Board of Auditors determines the

content of a proposal to be submitted to a General meeting of Shareholders concerning dismissal or non-reappointment of the auditing firm.

In either case, the Board of Auditors determines the content of a proposal to be submitted to a General Meeting of Shareholders concerning selection of a new independent auditing firm.

#### **(4) Systems for Ensuring Appropriate Business Operations and Overview of the Status of Operation of Such Systems**

The decisions as to the Company's systems for ensuring that the execution of duties by the Directors is in compliance with relevant laws and regulations and the Company's Articles of Incorporation and other systems for ensuring the proper conduct of the Group's activities and the status of operation of such systems are outlined below.

##### **1. Systems for ensuring that the execution of duties by the Directors and employees of the Company and its subsidiaries is in compliance with relevant laws and regulations and the Company's Articles of Incorporation**

- 1) To ensure that the conduct of business activities by the Directors and employees of the Company and its subsidiaries is in compliance with relevant laws and regulations and the Company's Articles of Incorporation, the Company clarifies and promotes its compliance system by instituting its "Code of Conduct," which Directors and employees are required to observe, and internal regulations.
- 2) The Company clearly defines the authority of the Directors through the issuance of internal regulations, including "Regulations for the Board of Directors (Torishimariyaku-kai kisoku)." Also, by appointing Outside Directors who have a high degree of independence, the Company increases transparency and creates a framework to ensure that the Directors execute their duties appropriately.
- 3) In addition, the Company conducts internal audits of accounting, tax affairs, legal affairs, safety, quality, facilities, the environment, hygiene, ICT, etc. for the purpose of maintaining soundness of overall internal control among others.

[Overview of the status of operation]

1. In order to thoroughly communicate the "Code of Conduct" worldwide, which specifies values and action guidelines that ought to be shared by everyone in the Group, it is translated into various languages, and training by using the Compliance Guidebook is continued at all bases, including overseas bases, to ensure adherence to the Code of Conduct. In the fiscal year under review, the Company held training sessions, including training sessions to increase employee awareness of the Code of Conduct, at its domestic business sites and in Vietnam and Peru.
2. Each Executive Director reports important matters at the meetings of the Board of Directors, which includes three highly independent Outside Directors. Outside Directors and Outside Corporate Auditors are a majority of the Nomination Review Committee and Compensation Committee, both of which are chaired by an Outside Director. The Nomination Review Committee deliberates Directors' qualifications (skill matrix), candidate nominations, successor nominations, the composition of the Board of Directors, and other matters. The Compensation Committee determines the amount of compensation paid to each Director. As a result, the supervisory function of the Board of Directors is enhanced and independence and objectivity in the nomination and evaluation of Directors is further strengthened, thereby ensuring appropriate execution of duties by Directors.
3. The Internal Audit Committee directly reports to the Board of Directors, and has an Outside Director appointed as the chairman of the committee. The Internal Audit Committee determines the policy and annual plan for internal audits, and the Internal Audit Department cooperates with the relevant departments in Corporate Unit and conducts audits based on that policy and plan. In addition, The Internal Audit Committee evaluates the results of audits conducted by the Internal Audit Department and other departments after the end of each fiscal year and confirms the status of corrective measures in response to the findings and reports them to the Board of Directors.

##### **2. Systems for storing and safekeeping of information related to the execution of the duties of the Directors**

For information related to the execution of the duties of the Directors, the Company has prepared, stores, and keeps in custody such information according to laws and regulations, the "Regulations for the Board of Directors (Torishimariyaku-kai kisoku)," "Information Management Rules (Jouhou kanri

kisoku),” “Regulations Regarding Documentation (Bunsho kisoku),” regulations concerning ICT governance, and other internal regulations.

[Overview of the status of operation]

Information materials on agenda of meetings of the Board of Directors and their minutes are retained permanently, whereas the statutory retention period for such documents is 10 years. Documents of important meetings related to business execution are retained for 10 years or permanently depending upon the meeting bodies. The Company has appointed the Senior General Manager of the Corporate Planning & Control Sector as the person responsible and is promoting the implementation of ICT governance and information management across the Mitsui Kinzoku Group, and developing an electronic approval system and electromagnetic record management structure.

### **3. Regulations and systems concerning the management of losses and hazards of the Company and its subsidiaries**

To prevent the materialization of risks related to the execution of business activities of the Company and its subsidiaries and to respond to risks that have already materialized, based on its “Risk Management Regulations (Risk management kisoku),” the Company designates organizational units in charge of each type of risk to monitor and evaluate the risks that may arise in the business activities of the Company and subsidiaries, decides on policies for risk management, and implements measures to deal with risks when they materialize.

The Company establishes “Regulations for Emergency Responses (Kinkyu-jitai hasseiji no taiou ni kansuru kisoku)” to protect human lives and assets and to swiftly recover and continue business in the event of a large disaster.

[Overview of the status of operation]

The Company has set up a unit dedicated to risk and crisis management in the General Affairs Department for the purpose of minimizing, through risk management, the impact and damage suffered by the Company and its subsidiaries from the events that pose threats to assets and earnings of the Company and its subsidiaries. In the fiscal year under review, as risk mitigation activities in the 2022-2024 Medium Term Business Plan, the Company reviewed changes in the risk map, its risk mitigation activities and their effectiveness based on the analysis of risk investigations conducted during the formulation of the 2022-2024 Medium Term Business Plan, the assessment of the situation and status management using the risk map based on the analysis, and also in consideration of changes in society.

Moreover, the Group decided on policies for risk management and implemented measures to deal with risks when they materialize, including training for incident management in the event of an emergency, assuming large-scale natural disasters and accidents, and improvement of various manuals, thereby promoting risk management.

### **4. Systems to ensure that the Directors of the Company and its subsidiaries execute their duties efficiently**

As the basis for systems that ensure the Directors execute their duties efficiently, the Board of Directors holds a regular meeting once a month, and at other times as necessary. In addition, the Company determines assignment of responsibilities for management and clarifies the approving authorities, including those of subsidiaries, and transfer of authority to executive departments, with an aim to enhance the efficiency of decision-making. Also, through the introduction of the Executive Officer system, the Company endeavors to accelerate the execution of business activities.

[Overview of the status of operation]

The chairperson of the Company's Board of Directors is determined by an election with the Directors voting to realize the separation of the management oversight functions and the business execution functions. Since June 2022, the chair has been an Outside Director. In the fiscal year under review, 13 Board of Directors meetings were held. A regular meeting was held every month, and an extraordinary meeting was held in May 2023. Prescribed important matters are discussed and resolutions are passed in accordance with authorities such as approving authorities that stipulate the assignment of responsibilities for management, the Board of Directors deliberated and made decision on necessary important matters. The Company ensures that decisions about particularly important matters are made appropriately and efficiently by giving the Board members opportunities to discuss particularly

important matters before they deliberate them at meetings of the Board of Directors. In accordance with authorities such as approving authorities that stipulate the assignment of responsibilities for management, the Board of Directors deliberated and made decision on necessary important matters.

The authority has been delegated to executive units, as necessary, by reviewing the classification of responsibilities concerning management to enhance efficiency of decision-making. Meanwhile, the Board of Directors periodically receives reports on the status of execution of duties from each Executive Officer and monitors the status of business execution. Moreover, a meeting was held between Outside Directors and the independent auditing firm to exchange views and share information.

#### **5. Systems for reporting to the Company of matters related to the execution of duties by Directors of the Company's subsidiaries**

Directors, Corporate Auditors, and the responsible department shall receive reports on the status of execution of duties by Directors of the Company's subsidiaries in accordance with the "Regulations for the Management of Subsidiaries and Affiliates (Kankei-gaisha kanri kisoku)" etc.

[Overview of the status of operation]

Directors of the Company's subsidiaries report the status of execution of their duties in accordance with the "Regulations for the Management of Subsidiaries and Affiliates" at periodic meetings of business units. Units of the headquarters report to Corporate Auditors, as necessary, about the information they obtained on the status of execution of duties by Directors of the Company's subsidiaries.

#### **6. Matters concerning employees who are to assist the duties of Corporate Auditors when Corporate Auditors request assignment of such employees and matters related to ensuring the independence of such employees from Directors and effectiveness of instructions given by Corporate Auditors to such employees**

- 1) Under the Company's "Regulations for Company Organization Systems (Kaisha shokusei kisoku)," the Company establishes an Auditor Office and assigns employees to assist the Corporate Auditors in the execution of their duties. In addition, the selection of these employees is made with reference to the opinions of the Corporate Auditors.
- 2) The employees who are assigned to assist the duties of Corporate Auditors shall assist Corporate Auditors in accordance with the "Regulations for Company Organization Systems." At the meetings of the Board of Auditors, such employees shall receive instructions from Corporate Auditors, and also shall report on the progress of matters that they were instructed to address, and provide information.

[Overview of the status of operation]

1. Regarding employees who are to assist the duties of Corporate Auditors, staff of the Auditor Office are selected from headquarters organizations in reference to the opinions of the Corporate Auditors.
2. Auditors Office Liaison Meetings are held monthly for which the Auditor Office serves as the secretariat and where the staff of the Auditor Office receive instructions from Corporate Auditors and provide Corporate Auditors with information on the progress of matters that they were instructed to address and other information.

#### **7. Systems for Directors and employees to report to the Corporate Auditors; systems for Directors, Corporate Auditors, and employees of the Company's subsidiaries and for persons who received reporting from such persons to report to the Corporate Auditors; and other systems regarding reporting to the Corporate Auditors**

- 1) When the Directors and employees of the Company and Directors, Corporate Auditors, and employees of the Company's subsidiaries discover facts that may cause serious losses to the Company, or when other events occur concerning the matters requiring reporting specified by the Board of Auditors, they shall report to Corporate Auditors.
- 2) Upon auditing of subsidiaries by the Corporate Auditors, Directors, Corporate Auditors, and employees of the Company's subsidiaries shall report the status of operations and other matters required by the Corporate Auditors.
- 3) Regarding the details of the reporting made via the whistleblowing system, a system shall be setup for promptly sharing the information with the Corporate Auditors.

[Overview of the status of operation]

1. For full-time Corporate Auditors, in addition to their attendance at the meetings of the Board of Directors, opportunities are ensured for them to attend important meetings related to business execution. Through these meetings, matters are reported and information is provided to Corporate Auditors.
2. Full-time Corporate Auditors and Outside Corporate Auditors also visit the Company's subsidiaries to conduct auditing whenever necessary, and receive reports on the status of operation as well as matters requested by the Corporate Auditors. In the fiscal year under review, Corporate Auditors implemented visiting domestic and overseas business sites of the Company and subsidiaries, totaling 35, to carry out audits.
3. The Company is developing a whistleblowing system where information is promptly shared with the Company's Corporate Auditors under the Regulation for Whistle-Blowing Systems.

**8. Systems to ensure that persons who reported to the Corporate Auditors will not receive detrimental treatment because of the reporting**

The Company shall prohibit detrimental treatment of the Directors and employees of the Company and Directors, Corporate Auditors, and employees of the Company's subsidiaries who reported to the Corporate Auditors because of the reporting.

[Overview of the status of operation]

It is announced on the Company's website and stated in the Compliance Guidebook that persons who reported to the Corporate Auditors will not receive detrimental treatment because of the reporting. The policy that persons who reported to the Corporate Auditors will not receive detrimental treatment because of the reporting is also communicated in internal training and on other occasions.

**9. Matters concerning procedures for advance payment or reimbursement of fees arising in connection with the execution of duties by the Corporate Auditors and other policies regarding handling costs or obligations arising in connection with the execution of such duties**

When the Corporate Auditors request advance payment or reimbursement of expenses for their execution of duties, based on deliberation by the responsible department the Company shall make advance payment of or reimburse such expenses swiftly except in the case that such expenses or obligations are proved to be unnecessary for the execution of duties by such Corporate Auditors.

[Overview of the status of operation]

At the beginning of each fiscal year, the Company sets aside a budget for expenses to be incurred based on the action plan of the Corporate Auditors for the year. The Company has established a rule that allows the Corporate Auditors to request additional budget if expenditures exceeding the predetermined budget for expenses are necessary.

**10. Other systems to ensure that audits by the Corporate Auditors are performed effectively**

The Representative Directors and Corporate Auditors meet periodically to exchange opinions. The Corporate Auditors may attend important meetings to exchange information with Directors and employees thoroughly. Moreover, a system is in place that enables close collaboration between Corporate Auditors and the Internal Audit Department for audits.

[Overview of the status of operation]

In the fiscal year under review, meetings to exchange opinions were held twice between the Representative Directors and Corporate Auditors. Further, the Company is providing opportunities for a more multi-faceted exchange of information. Three meetings were held where Outside Directors, Representative Directors and Corporate Auditors met. Corporate Auditors also held meetings six times to exchange opinions with Outside Directors, Executive Officers and other management executives.

Corporate Auditors interviewed the independent auditing firm as necessary to share information. Corporate Auditors attend the Internal Audit Committee as observers and share the audit plan and audit results.

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\*In this Business Report, the monetary amounts and the number of shares have been rounded down to the nearest unit.

## Consolidated Balance Sheet

(As of March 31, 2024)

	Millions of yen	
	2023	2022 (Reference)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	¥32,483	¥26,817
Notes and accounts receivable	-	-
Notes, accounts receivable and Contract assets	117,921	110,959
Merchandise and finished goods	56,234	62,056
Work in process	42,114	39,276
Raw materials and supplies	66,883	74,918
Others	31,736	33,286
Allowance for doubtful accounts	(2,777)	(149)
<b>Total current assets</b>	<b>344,597</b>	<b>347,165</b>
<b>Fixed assets:</b>		
<b>Tangible fixed assets:</b>		
Buildings and structures	218,897	208,770
Machinery and automotive equipment	533,641	513,103
Land	32,087	31,796
Lease assets	6,300	5,536
Construction in progress	11,290	11,290
Others	66,678	63,186
Accumulated depreciation	(669,887)	(635,925)
<b>Total tangible fixed assets</b>	<b>199,008</b>	<b>197,758</b>
Intangible fixed assets	9,054	8,772
<b>Investments and other assets:</b>		
Investment securities	66,435	61,864
Long-term loans	398	405
Net defined benefit asset	12,565	7,631
Deferred tax assets	5,857	5,752
Others	2,806	2,642
Allowance for doubtful accounts	(91)	(98)
<b>Total investments and other assets</b>	<b>87,971</b>	<b>78,197</b>
<b>Total fixed assets</b>	<b>296,034</b>	<b>284,728</b>
<b>Total assets</b>	<b>¥640,631</b>	<b>¥631,894</b>



English Translation of Financial Statements Originally Issued in the Japanese Language

	Millions of yen	
	2023	2022 (Reference)
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Notes and accounts payable	¥50,326	¥56,208
Short-term debt	80,772	65,206
Commercial paper	8,500	18,000
Current portion of straight bonds	10,000	10,000
Current portion of lease liability	698	642
Accrued income taxes	4,083	1,787
Consumption taxes payable	1,468	260
Provision for bonus	6,263	5,659
Provision for product warranties	747	548
Business structure improvement expenses	0	-
Provision for loss on construction contracts	77	57
Provision for loss on disposal of inventories	730	562
Others	40,825	39,863
<b>Total current liabilities</b>	<b>204,495</b>	<b>198,795</b>
<b>Long-term liabilities:</b>		
Straight bonds	40,000	40,000
Long-term debt	61,447	86,043
Lease liability	1,606	1,571
Deferred tax liabilities	12,941	8,034
Directors' and corporate auditors' retirement benefits	297	389
Provision for environmental countermeasures	1,096	1,275
Provision for preventing environmental pollution in mineral, mining, and other operations	841	839
Net defined benefit liability	27,173	28,394
Asset retirement obligations	3,971	3,726
Others	741	1,416
<b>Total long-term liabilities</b>	<b>150,117</b>	<b>171,691</b>
<b>Total Liabilities</b>	<b>354,613</b>	<b>370,487</b>
<b>Net assets</b>		
Common stock	42,223	42,178
Capital surplus	17,503	18,729
Retained earnings	197,068	183,080
Treasury stock	(630)	(628)
<b>Shareholders' equity</b>	<b>256,164</b>	<b>243,360</b>
Net unrealized gains on securities, net of tax	6,227	3,362
Unrealized gains (losses) on hedging derivatives, net of tax	(4,163)	(4,098)
Foreign currency translation adjustments	19,916	10,682
Remeasurements of defined benefit plans	377	64
<b>Accumulated other comprehensive income</b>	<b>22,357</b>	<b>10,010</b>
<b>Non-controlling interests</b>	<b>7,495</b>	<b>8,035</b>
<b>Total net assets</b>	<b>286,018</b>	<b>261,406</b>
<b>Total liabilities and net assets</b>	<b>¥640,631</b>	<b>¥631,894</b>

Note: Figures are rounded down to the nearest million yen.

English Translation of Financial Statements Originally Issued in the Japanese Language

## Consolidated Statement of Operations

(April 1, 2023 to March 31, 2024)

	Millions of yen	
	2023	2022 (Reference)
<b>Net sales</b>	¥646,697	¥651,965
<b>Cost of sales</b>	551,299	572,628
<b>Gross profit</b>	95,397	79,337
Selling, general and administrative expenses	63,703	66,808
<b>Operating income</b>	31,694	12,528
<b>Non-operating income:</b>		
Interest income	353	237
Dividend income	7,425	1,323
Real estate rent	658	508
Investment income on equity method	3,239	5,726
Foreign exchange income	2,977	1,543
Other income	1,728	1,225
	16,382	10,565
<b>Non-operating expenses:</b>		
Interest expense	2,526	2,011
Other expenses	1,036	1,195
	3,563	3,207
<b>Ordinary income</b>	44,513	19,886
<b>Extraordinary profits:</b>		
Gain on sales of property, plant and equipment	37	129
Gain on sales of investment securities	1,255	25
Gain on liquidation of affiliated companies	-	86
Others	34	256
	1,327	498
<b>Extraordinary losses:</b>		
Loss on sales of property, plant and equipment	117	155
Loss on disposal of property, plant and equipment	2,249	2,450
Loss on valuation of shares of subsidiaries and affiliates	987	1,096
Provision of allowance for doubtful accounts	2,595	0
Others	1,347	1,491
	7,295	5,195
<b>Profit before income taxes</b>	38,545	15,189
<b>Income taxes:</b>		
Current	7,601	6,022
Deferred	4,080	2,514
<b>Net income</b>	26,864	6,653
Profit (loss) attributable to non-controlling interests	875	(1,858)
<b>Profit attributable to owners of parent</b>	¥25,989	¥8,511

Note: Figures are rounded down to the nearest million yen.

English Translation of Financial Statements Originally Issued in the Japanese Language

## Consolidated Statement of Changes in Net Assets

(April 1, 2023 to March 31, 2024)

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	42,178	18,729	183,080	(628)	243,360
Changes of items during period					
Dividends from surplus			(12,000)		(12,000)
Profit attributable to owners of parent			25,989		25,989
Purchase of treasury stock				(2)	(2)
Restricted Stock Compensation	44	44			89
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(1,270)			(1,270)
Net changes of items other than shareholders' equity					
Total changes of items during period	44	(1,226)	13,988	(2)	12,804
Balance at end of period	42,223	17,503	197,068	(630)	256,164

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income		
Balance at beginning of period	3,362	(4,098)	10,682	64	10,010	8,035	261,406
Changes of items during period							
Dividends from surplus							(12,000)
Profit attributable to owners of parent							25,989
Purchase of treasury stock							(2)
Restricted Stock Compensation							89
Change in treasury shares of parent arising from transactions with non-controlling shareholders							(1,270)
Net changes of items other than shareholders' equity	2,865	(64)	9,233	312	12,347	(539)	11,807
Total changes of items during period	2,865	(64)	9,233	312	12,347	(539)	24,611
Balance at end of period	6,227	(4,163)	19,916	377	22,357	7,495	286,018

Note: Figures are rounded down to the nearest million yen.

## Balance Sheet

(As of March 31, 2024)

	Millions of yen	
	2023	2022 (Reference)
<b>Assets</b>		
<b>Current assets:</b>		
Cash and time deposits	¥6,059	¥6,405
Notes receivable	982	1,450
Accounts receivable	53,280	52,853
Merchandise and finished goods	28,252	32,084
Work in process	16,377	13,773
Raw materials and supplies	29,204	32,353
Advances payments	1,679	1,110
Prepaid expenses	1,101	778
Short-term loans	34,683	41,619
Other accounts receivable	12,337	14,604
Payment for others	3,371	3,637
Derivative assets	583	85
Others	104	45
Allowance for doubtful accounts	(2,272)	(36)
<b>Total current assets</b>	<b>185,746</b>	<b>200,763</b>
<b>Fixed assets:</b>		
<b>Tangible fixed assets:</b>		
Buildings	43,977	41,944
Structures	13,188	12,980
Machinery and equipment	112,239	110,168
Automotive equipment	548	549
Tools, equipment and furniture	10,237	9,804
Land used for mining operations	175	175
Land	15,319	15,300
Lease assets	142	146
Construction in progress	3,513	1,912
Accumulated depreciation	(151,013)	(147,044)
<b>Total tangible fixed assets</b>	<b>48,328</b>	<b>45,936</b>
<b>Intangible fixed assets:</b>		
Rights of utilization	5,262	5,194
Software in progress	1,593	1,012
<b>Total intangible fixed assets</b>	<b>6,855</b>	<b>6,207</b>
<b>Investments and other assets:</b>		
Investment securities	10,668	7,343
Stock of subsidiaries and affiliates	105,086	102,471
Investments in other securities of subsidiaries and affiliates	2,183	1,967
Investments in capital of subsidiaries and affiliates	3,026	3,026
Long-term loans	55,393	56,772
Derivative assets	-	5
Others	7,673	4,655
Allowance for doubtful accounts	(731)	(771)
<b>Total investments and other assets</b>	<b>183,300</b>	<b>175,469</b>
<b>Total fixed assets</b>	<b>238,484</b>	<b>227,614</b>
<b>Total assets</b>	<b>¥424,230</b>	<b>¥428,377</b>

English Translation of Financial Statements Originally Issued in the Japanese Language

	Millions of yen	
	2023	2022 (Reference)
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable	¥24,281	¥25,863
Short-term debt	27,973	19,278
Commercial paper	8,500	18,000
Current portion of long-term loans payable	29,011	17,693
Current portion of straight bonds	10,000	10,000
Current portion of lease liability	13	16
Accrued payments	11,527	9,217
Accrued expenses	960	674
Accrued income taxes	325	24
Advances received	201	216
Deposits received	21,841	19,488
Provision for bonus	2,491	2,166
Provision for product warranties	3	-
Derivative liabilities	2,439	1,750
Others	0	0
<b>Total current liabilities</b>	<b>139,569</b>	<b>124,390</b>
<b>Long-term liabilities:</b>		
Straight bonds	40,000	40,000
Long-term debt	60,891	84,903
Lease obligations	5	12
Employees' retirement benefits	15,433	16,763
Provision for environmental countermeasures	1,036	1,204
Provision for preventing environmental pollution in mineral, mining, and other operations	261	258
Provision for losses of affiliated companies	325	-
Asset retirement obligations	126	126
Deferred tax liabilities	4,745	1,884
Derivative liabilities	-	503
Others	117	119
<b>Total long-term liabilities</b>	<b>122,943</b>	<b>145,776</b>
<b>Total liabilities</b>	<b>262,512</b>	<b>270,167</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
<b>Common stock</b>		
	42,223	42,178
<b>Capital surplus:</b>		
Legal capital surplus	22,651	22,606
Other capital surplus	0	0
<b>Total capital surplus</b>	<b>22,651</b>	<b>22,606</b>
<b>Retained earnings:</b>		
Legal retained earnings	2,406	2,406
Other retained earnings	91,699	91,206
Retained earnings brought forward	91,699	91,206
<b>Total retained earnings</b>	<b>94,105</b>	<b>93,612</b>
<b>Treasury stock</b>	<b>(630)</b>	<b>(628)</b>
<b>Total shareholders' equity</b>	<b>158,349</b>	<b>157,769</b>
<b>Valuation and translation adjustments</b>		
Net unrealized gains on securities, net of tax	3,369	440
Unrealized gains (losses) on hedging derivatives, net of tax	5,298	2,632
	(1,929)	(2,191)
<b>Total net assets</b>	<b>161,718</b>	<b>158,210</b>
<b>Total liabilities and net assets</b>	<b>¥424,230</b>	<b>¥428,377</b>

Note: Figures are rounded down to the nearest million yen.

English Translation of Financial Statements Originally Issued in the Japanese Language

## Statement of Operations

(April 1, 2023 to March 31, 2024)

	Millions of yen	
	2023	2022 (Reference)
<b>Net sales</b>	¥302,022	¥340,505
<b>Cost of sales</b>	270,843	309,287
<b>Gross profit</b>	31,178	31,217
Selling, general and administrative expenses	31,648	35,421
<b>Operating income (loss)</b>	(469)	(4,203)
<b>Non-operating income:</b>		
Interest and dividend income	16,662	16,360
Other income	3,897	2,313
	20,559	18,674
<b>Non-operating expenses:</b>		
Interest expense	1,102	905
Other expenses	945	741
	2,048	1,647
<b>Ordinary income (loss)</b>	18,041	12,823
<b>Extraordinary profits:</b>		
Gain on sales of property, plant and equipment	10	22
Gain on sales of investment securities	1,255	-
Other profits	5	121
	1,272	143
<b>Extraordinary expenses:</b>		
Loss on sales and disposal of property, plant and equipment	901	358
Provision of allowance for doubtful accounts	2,198	278
Provision for loss on business of subsidiaries and affiliates	325	-
Provision of allowance for environmental countermeasures	586	495
Other expenses	307	135
	4,320	1,267
<b>Income (loss) before income taxes</b>	14,993	11,699
<b>Income taxes:</b>		
Current	917	886
Deferred	1,581	1,226
<b>Net Income (loss)</b>	¥12,493	¥9,586

Note: Figures are rounded down to the nearest million yen.

English Translation of Financial Statements Originally Issued in the Japanese Language

## Statement of Changes in Net Assets

(April 1, 2023 to March 31, 2024)

Millions of yen

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at beginning of period	42,178	22,606	0	22,606	2,406	91,206	93,612	(628)	157,769
Changes of items during period									
Restricted Stock Compensation	44	44		44					89
Dividends from surplus						(12,000)	(12,000)		(12,000)
Net profit						12,493	12,493		12,493
Purchase of treasury stock								(2)	(2)
Net changes of items other than shareholders' equity									
Total changes of items during period	44	44	–	44	–	493	493	(2)	579
Balance at end of period	42,223	22,651	0	22,651	2,406	91,699	94,105	(630)	158,349



	Valuation and translation adjustments			Total net assets
	Net unrealized gains on securities, net of tax	Unrealized gains (losses) on hedging derivatives, net of tax	Total valuation and translation adjustments	
Balance at beginning of period	2,632	(2,191)	440	158,210
Changes of items during period				
Restricted Stock Compensation				89
Dividends from surplus				(12,000)
Net profit				12,493
Purchase of treasury stock				(2)
Net changes of items other than shareholders' equity	2,666	262	2,928	2,928
Total changes of items during period	2,666	262	2,928	3,508
Balance at end of period	5,298	(1,929)	3,369	161,718

Note: Figures are rounded down to the nearest million yen.