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## Corporate Governance Report

CORPORATE GOVERNANCE

Mitsui Mining and Smelting Company, Limited

Last Updated: March 26, 2025

# Mitsui Mining and Smelting Company, Limited (Common Name: Mitsui Kinzoku)

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Securities Code: 5706

<https://www.mitsui-kinzoku.com/>

The corporate governance of Mitsui Mining and Smelting Company, Limited (the "Company") is as described below.

## Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

### 1. Basic Views

The Company considers corporate governance to be the system for making transparent, fair, prompt, and bold decisions by taking into account the views of stakeholders, such as shareholders, customers, employees, and local communities. The Company develops business organizational structures and systems and takes the measures necessary to achieve Our Vision "Building new businesses – and the future – with our material intelligence", based on Our Purpose "We promote the well-being of the world through a spirit of exploration and diverse technologies.", under Our management philosophy of "With creativity and productivity, we, Mitsui Kinzoku Group, will explore products of value to society, and seek an eternal growth of our group". It views corporate governance as one of its most important managerial tasks.

Pursuing its objective of "making a contribution to all stakeholders," the Company executes policies throughout the business group by focusing on the following:

- Providing shareholders with payments of sound dividends consistent with the Company's performance, and disclosing information in an appropriate manner.
- Providing customers with high-value products.
- Establishing harmonious and mutually prosperous relationships with local communities.
- Creating a rewarding working environment and working conditions for employees.

Moreover, as institutional foundation that enables the Company to carry out fair and valuable business activities, the Company has been taking the following measures and other measures.

- Establishing various company regulations and rules, including the Code of Ethics
- Election of Outside Directors
- Introducing various audit systems and whistleblowing systems

## Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company implements all principles of the Corporate Governance Code, which was revised in June 2021.

## Disclosure Based on Each Principle of the Corporate Governance Code [Updated]

The following principles are described based on the Corporate Governance Code, which was revised in June 2021.

[Principle 1-4]

### (1) Policy regarding cross-shareholdings

Regarding listed shares held to maintain medium- to long-term business relationships with business partners (hereinafter referred to as "cross-shareholdings"), the Company has examined the appropriateness of holding such shares and sold those deemed to have no reasonable grounds for keeping them.

### (2) Specific actions to verify the appropriateness of holding cross-shareholdings

Concerning the appropriateness of the cross-shareholdings described in the preceding paragraph, the Board of Directors annually conducts a comprehensive examination of all such shares, taking into account factors such as the purpose of holding the shares, the benefits and risks associated with keeping the shares, and the relationship with the Company's cost of capital (whether the profit exceeds the cost of capital).

The Board of Directors verified the cross-shareholdings as of the end of the fiscal year ending March 2024 as described above, and confirmed the appropriateness of holding the shares.

(3) Basic policy regarding the exercise of voting rights

Regarding the exercise of voting rights for listed stocks, the Company makes comprehensive judgments, based on the specific items listed below and the management strategies of those listed companies, from the perspective of whether the exercise of voting rights by the Company contributes to efficient and sound management, improves corporate value over the medium to long term, and benefits the interests of shareholders and investors.

- A. Appropriation of surplus funds
- B. Amendments to the Articles of Incorporation
- C. Appointment of directors
- D. Executive compensation and awarding of retirement benefits, etc.

(4) Policy when the Company's cross-shareholders express their intention to sell its shares

If the Company's cross-shareholders express their intention to sell its shares, the Company will not attempt to hinder such sales by hinting at reductions in its transactions with such cross-shareholders.

[Principle 1-7]

Transactions with directors and major shareholders are approved in advance by the Board of Directors according to appropriate procedures based on the Companies Act, related laws and regulations, and the Company's internal rules.

[Supplementary Principle 2-4-1]

The Company emphasizes making use of diversity in attributes such as race, nationality, religion, creed, culture, place of origin, disability, sex, sexual orientation, and gender identity. In addition, it aims to be an organization in which employees having different values can respect each other and work while utilizing their respective ideas and experiences—in other words, an organization that has realized diversity, equity, and inclusion (DE&I).

To make use of diverse ideas and values, the Company recognizes the importance of appointing diverse human resources, including women, to positions at the decision-making level. Based on this recognition, the Company set a goal for the ratio of female directors to be at least 10%, and has achieved a ratio of 20%. In addition, to increase the effectiveness of diversity promotion at the management level, in fiscal 2023, the Company revised the executive compensation system; introduced "ESG-criteria-based restricted stock compensation," which is granted according to the degree of ESG indicator achievement; and created a mechanism to support diversity and job satisfaction initiatives at the management level. For employees whose ability to work is temporarily restricted due to life events, the Company appropriately selects personnel according to their competence so that they do not become disadvantaged by such factors with respect to promotions and appointments. The Company is also working to increase the number of female executive and managerial position candidates, such as by providing business strategy courses to female executive candidates as well as manager development training to female manager candidates.

In terms of recruitment, the Company strives to secure the most suitable personnel regardless of their attributes. Even for promotion to management positions, the Company does not set foreign national employees and mid-career professionals apart from Japanese employees hired as new graduates; instead, employees are promoted based on their abilities and achievements, with no preferential treatment given to Japanese employees who started their careers at the Company.

In the medium-term Business Plan "2022 Medium Term Plan," the Company adopted "Reallocation of resources to promote ambidexterity" as a key initiative to increase its economic value and "Strengthening of efforts for digital transformation" as a new mechanism to support integrated thinking-based management, planning to expand its workforce by 1.5 times for both initiatives. The Company aims to further diversify its management layer by increasing the number of mid-career hires through these initiatives.

Among personnel in management positions (manager or above), the percentage of employees at overseas bases having foreign local nationalities is listed in the Integrated Report, and the rate of mid-career hires is listed on the Company's website.

Starting in April 2022, the Company is changing its personnel system from a person-based system to a job-oriented system based on duties and roles. In the operation of this system, the Company is moving away from traditional seniority-based management and instead aims to place the right person in the right position based on competence. Also, the Company provides career development support to help each employee create his/her own career vision, and is working to develop educational programs and systems for this purpose.

This initiative is the foundation for making the most of all types of diversity. The Company is accelerating its efforts to foster a corporate culture and to create mechanisms to facilitate the active participation of various minority groups, starting with the empowerment of women in the workplace.

Although the Company has not yet set targets for promoting foreign nationals and mid-career hires to management positions, it will sequentially work on such promotion based on the above guidelines.

To deepen and accelerate company-wide, continuous efforts, the Company established the Diversity, Equity, and Inclusion Office, a dedicated organization, in October 2021 and the Rewarding and Engaging Work Promotion Office in April 2024. The Diversity, Equity, and Inclusion Committee, which is chaired by the president, was launched in April 2022. This committee regularly discusses and decides on policies and measures, manages their progress, and reports issues and the committee's efforts to the Board of Directors. Through such efforts, the Company continues to implement initiatives in line with its management policies and ensures that measures are disseminated and put into practice. In October 2023, it obtained the second level of "Eruboshi," a certification by the Japanese government based on the Act on Promotion of Women's Participation and Advancement in the Workplace, by meeting the four criteria of "recruitment," "continued employment," "work styles including working hours," and "diverse career paths."

The details of the implementation status are as follows:

[Systems that enable flexible working styles]

- Flextime system with no core time
- Paid leave in half-day units
- Remote work system
- Leave of absence system in response to a spouse's transfer

- Comeback system (reemployment system for employees who had no choice but to resign)
- Reduced working hours system
- Staggered working hours system
- Exemption from overtime work, etc.

[Efforts to reduce the number of overtime work hours]

- Consideration of measures through the central committee for reducing working hours by the Central Labor Relations Commission as well as the committee for workplace reducing working hours by workplace labor and management
- Implementation of labor-management training
- Visualization of the number of overtime work hours by automatically aggregating PC log-on and log-off times, understanding of actual working hours of managers, etc.

[Training/Seminars]

- Training on addressing unconscious bias (for non-managerial staff)
- Diversity management training (for management staff)
- Harassment prevention training
- DE&I promotion workshops (on taking of parental leave by fathers)
- Women's networking events

For more details, please refer to the following websites.

- Thoughts on and efforts for ensuring diversity  
(JP) <https://www.mitsui-kinzoku.com/csr/resources/diversity/>  
(EN) <https://www.mitsui-kinzoku.com/en/csr/resources/diversity/>
- Action plans based on the Act on Advancement of Measures to Support Raising Next-Generation Children and the Act on Promotion of Women's Participation and Advancement in the Workplace  
[https://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/202403251414205305437\\_1.pdf](https://positive-ryouritsu.mhlw.go.jp/positivedb/planfile/202403251414205305437_1.pdf)
- Integrated Report  
(JP) [https://www.mitsui-kinzoku.com/toushi/lib/integrated\\_report](https://www.mitsui-kinzoku.com/toushi/lib/integrated_report)  
(EN) [https://www.mitsui-kinzoku.com/en/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/en/csr/data/csr_library/)
- Database of companies promoting women's participation and advancement (Ministry of Health, Labour and Welfare's website)  
<https://positive-ryouritsu.mhlw.go.jp/positivedb/detail?id=3246>
- Ratio of Career Hires  
<https://hrmos.co/pages/mitsui-kinzoku>

[Principle 2-6]

The Company has formulated its pension asset allocation ratio based on diversified investment after listening to the opinions of investment institutions to ensure that pension benefits are reliably paid to beneficiaries into the future and that sound management of the pension system is realized through stable investment results over the medium to long term. The Company regularly monitors the management status of pension assets, assigns appropriate personnel to manage such assets, and reviews its pension asset investment policy (investment institutions and investment ratios) in consultation with the Finance & Accounting and Human Resources Departments.

When selecting investment institutions, the Company conducts a comprehensive evaluation that includes quantitative aspects, such as investment performance, and qualitative aspects, such as investment policy, investment processes, and compliance.

[Principle 3-1]

(1) Management philosophy, management strategy, Business Plan

Please refer to the Company's website for its management philosophy, management strategy, and Business Plan.

<Management Philosophy>

(JP) [https://www.mitsui-kinzoku.com/company/c\\_idea/](https://www.mitsui-kinzoku.com/company/c_idea/)  
(EN) [https://www.mitsui-kinzoku.com/en/company/c\\_idea/](https://www.mitsui-kinzoku.com/en/company/c_idea/)

<Message from the President>

(JP) [https://www.mitsui-kinzoku.com/company/c\\_message/](https://www.mitsui-kinzoku.com/company/c_message/)  
(EN) [https://www.mitsui-kinzoku.com/en/company/c\\_message/](https://www.mitsui-kinzoku.com/en/company/c_message/)

<Management Strategy and Business Plan>

(JP) <https://www.mitsui-kinzoku.com/toushi/management/chyukei/>  
(EN) <https://www.mitsui-kinzoku.com/en/toushi/management/chyukei/>

(2) Fundamental concepts and policies regarding corporate governance

Please refer to "I. 1. Basic Views" in this report.

Please also refer to the Corporate Governance Guidelines posted on the websites below.

(JP) <https://www.mitsui-kinzoku.com/toushi/management/governance/>

(EN) <https://www.mitsui-kinzoku.com/en/toushi/management/governance/>

(3) Policies and procedures for determining the compensation of senior management and Directors

Please refer to "II. 1. Organizational Structure and Operation" in this report.

(4) Policies and procedures for the appointment and dismissal of senior management and the nomination of director candidates

Please refer to "II. 1. Organizational Structure and Operation" in this report.

(5) Explanation of appointment, dismissal, and nomination of individual Directors

Explanations of the appointment, dismissal, and nomination of individual directors are provided in the Notice of Convocation of the General Meeting of Shareholders.

Please refer to the reasons for selecting each Outside Director described in "2.1. Relationship with the Company."

[Supplementary Principle 3-1-3]

The Company has set forth a management philosophy of "With creativity and productivity, we, the MMS Group, will explore products of value to society, and seek an eternal growth of our group" and defined its purpose as "We promote the well-being of the world through a spirit of exploration and diverse technologies." Also, the Company has created a company-wide vision, "Building new businesses – and the future – with our material intelligence," aiming to create economic value through business as well as environmental and social value for all stakeholders, including its customers. In April 2021, the Company established the Sustainability Promotion Department in the Corporate Planning & Control Sector as an independent organization and developed a version of its CSR promotion department to incorporate ESG issues, such as carbon neutrality, for which demand is rapidly increasing, into its management strategy and to accelerate the "transformation to integrated thinking-based management." Furthermore, on April 1, 2023, the Company positioned the department directly under the president, promoting initiatives to improve social value by encouraging collaboration with related departments, including business departments.

Through its value creation process, the Company pursues sustainability in each of its businesses; defines primary stakeholders; and identifies critical issues (materiality) for stakeholders and the Group's businesses. For the details of our sustainability efforts and pursuit of sustainability through our businesses, please refer to the websites below or the Integrated Report.

(1) Website

Concept of Sustainability (Mitsui Kinzoku CSR Basic Policy)

(JP) <https://www.mitsui-kinzoku.com/csr/approach/>

(EN) <https://www.mitsui-kinzoku.com/en/csr/approach/>

Value Creation Process

(JP) <https://www.mitsui-kinzoku.com/csr/value/>

(EN) <https://www.mitsui-kinzoku.com/en/csr/value/>

Message from the President

(JP) <https://www.mitsui-kinzoku.com/csr/president/>

(EN) <https://www.mitsui-kinzoku.com/en/csr/president/>

(2) Integrated Report

(JP) [https://www.mitsui-kinzoku.com/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/csr/data/csr_library/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/en/csr/data/csr_library/)

<Investment in human capital and intellectual property>

• Investment in human capital

The Mitsui Kinzoku Group considers human resources to be its most important management capital. Based on this idea, the Company balances respecting individuals with utilizing human resources. From the human resource perspective, this approach promotes the Group's purpose: to realize integrated thinking-based management by balancing social and economic value.

• Human resource development policy

The Mitsui Kinzoku Group is committed to developing human resources who can solve social issues and create value through business, based on the Human Resource Development Policy.

(Human Resource Development Policy)

To draw out the potential and motivation of each employee and to realize a Mitsui Kinzoku that is strong in *monozukuri* (manufacturing excellence), the Company sets "Our visions for ourselves" and promotes human resource development continuously and systematically.

- The Company strives to create a cheerful, spirited workplace and to build a culture of mutual growth through good communication and friendly competition.
- Each individual, including every employee, aims at "Our visions for ourselves" and works to improve their capabilities.
- The Company provides OJT (On-the-Job Training) and job rotation to develop employees, urges employees to grow into "professional talents" (\*1), and provides opportunities for them to demonstrate their abilities in the right place at the right time.
- The Company conducts fair evaluations of employees' abilities and the results that they have achieved.
- The Company aims to provide high-quality educational programs that reflect the needs of the times, and regularly verifies such programs' effectiveness for the purpose of making improvements.

(\*1) Professional talents: Human resources who can utilize specialized knowledge and skills to solve problems by implementing the PDCA (Plan-Do-Check-Act) cycle without support in a given occupation or field.

- Policy on improving the internal environment

To develop human resources who can solve social issues and create value through business, based on the Human Resource Development Policy, the Mitsui Kinzoku Group is implementing internal environment improvement activities, which consist of the four measures below.

- Introduction of an HRBP (\*2) function based on the human resources strategy
- Introduction and establishment of a job-oriented personnel system
- Promotion of health management
- Promotion of diversity, equity, and inclusion

(\*2) HRBP: Abbreviation of Human Resource Business Partner. This function supports business growth and strategy implementation from the perspective of human resources and organizations as a partner of the management and business divisions.

(Introduction of an HRBP function)

- Establishment of the HR Business Partner Office

In April 2022, the Company established the HR Business Partner Office. Traditionally, HR focused on operational tasks such as the implementation of HR strategies determined by management and personnel administration. In the VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) era, in which the business environment is seeing dramatic changes, strategic HR that links management strategy with HR management is required to achieve continuous business growth. The HR Business Partner Office has created a system that enables the Company to quickly respond to management and business strategies from an HR perspective. Specifically, the office has assigned HRBP personnel to each business sector and established a system that allows each sector to collaborate with the HR department. The office can identify HR issues with foresight and quickly develop measures to solve such issues, such as implementing human resource allocation linked to dynamic management of the business portfolio from a company-wide perspective. In addition, the office supports and promotes talent management in each department through succession plans and the placements and development plans of individual employees.

(Introduction and establishment of a job-oriented personnel system)

- Performance-oriented personnel system

In April 2022, the Company changed its personnel system from a person-based personnel system to a job-oriented personnel system based on duties and roles. In operating this system, the Company decided to move away from traditional seniority-based management and to place the right people in the right positions, thus emphasizing employees' competences.

This change aims to strengthen the consistency of the Company's human resource management with its "Purpose" and "Vision" as well as its management strategy aimed at achieving these goals. In other words, by shifting from the traditional idea and system of giving people work to the concept of assigning people to the work necessary to execute the management strategy, the Company can implement its strategies more efficiently than ever before. In addition, providing capable and excellent personnel with opportunities to play active roles under such a system without the constraints imposed by seniority and years of service will revitalize the organization and foster a culture of tackling challenges.

(1) Website

Initiatives for the Active Participation of Diverse Human Resources

(JP) <https://www.mitsui-kinzoku.com/csr/resources/diversity/>

(EN) <https://www.mitsui-kinzoku.com/en/csr/resources/diversity/>

Human resource development policy

(JP) [https://www.mitsui-kinzoku.com/csr/resources/human\\_resource/](https://www.mitsui-kinzoku.com/csr/resources/human_resource/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/resources/human\\_resource/](https://www.mitsui-kinzoku.com/en/csr/resources/human_resource/)

(2) Integrated Report

(JP) [https://www.mitsui-kinzoku.com/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/csr/data/csr_library/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/en/csr/data/csr_library/)

- Investment in intellectual property

The Company regards intellectual property as essential for developing its business activities, respects intellectual property rights, and promotes acquisition and utilization thereof. To achieve sustainable growth and increase corporate value over the medium to long term, companies must quickly create new products and businesses that contribute to solving social issues, including environmental problems, that also lead to profits. In April 2020, the Company separated the mission of creating new products and businesses, which had been under the

jurisdiction of the Engineered Materials Sector, and assigned this mission to the newly established Business Creation Sector as a headquarters department. This structure has created a system that enables the Company to further invest management resources and create large-scale business opportunities. The Company regards research and development to promote new businesses as a source of sustainable growth and competitive advantage for the Group, making strategic investments in research and development while implementing stage-gate management. The Company narrows down ideas from the perspective of market needs (social issues) and commercialization potential, focusing on ideas that can be steadily implemented from research to development, commercialization studies, and market launch. It allocates research resources, including human resources, to such ideas to raise the probability that new businesses are created.

The Company works to ensure appropriate protection of research and development results that it has generated in this way by acquiring intellectual property rights for such results in Japan and overseas in addition to adequately managing them as trade secrets. The three business sectors—the Engineered Materials Sector, the Metals Sector, and the Mobility Sector—are working continuously to appropriately protect the results of development work aimed at expanding existing businesses. Also, to this end, the Company continues to provide employee training on intellectual property as needed.

To realize integrated thinking-based management, the Intellectual Property Department was placed directly under the Technology Sector in April 2023 to create synergies through collaboration with the technical departments of the Production Engineering Department, Quality Assurance Department, and Environment & Safety Department. The Intellectual Property Department, in addition to providing specialized and advanced services, such as collecting and analyzing various information based on intellectual property (the IP landscape), which has been the focus of the department's efforts thus far, also strives to maximize the results of collaboration to strengthen the technological foundations of GX (Green Transformation) and DX (Digital Transformation).

For examples of the Company's track record in securing intellectual property and its recent initiatives related to intellectual property, please refer to the following website or the Integrated Report.

#### Website

(JP) [https://www.mitsui-kinzoku.com/csr/resources/intellectual\\_property/](https://www.mitsui-kinzoku.com/csr/resources/intellectual_property/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/resources/intellectual\\_property/](https://www.mitsui-kinzoku.com/en/csr/resources/intellectual_property/)

#### Integrated Report

(JP) [https://www.mitsui-kinzoku.com/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/csr/data/csr_library/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/en/csr/data/csr_library/)

#### <Response to risks and opportunities related to climate change>

The Company considers climate change as one of the most critical changes in the external environment that may affect the survival of its business.

The Company has energy-intensive businesses, such as nonferrous metal smelting and electro-deposited copper foil, and recognizes the climate change impacts of its business activities' energy consumption and greenhouse gas emissions. To reduce these impacts, the Group is working to reduce greenhouse gas emissions, manage energy, and take other measures based on recognizing climate change-related issues as materiality. In April 2021, the Company established a Climate Action Team within the Sustainability Promotion Department to consider the Group's overall policies and strategies related to climate change and to promote initiatives in line with the TCFD (Task Force on Climate-related Financial Disclosures) recommendations.

In September 2020, the Company participated in a support project for scenario analysis of climate risks and opportunities in line with the Ministry of the Environment's TCFD guidance. The Company continues to conduct TCFD scenario analysis on a business-by-business basis, which enables the Company to grasp the impacts of climate change on the Group's business activities, incorporate them into risk management, and integrate them into management strategies. In March 2022, the Company also declared its support for the TCFD recommendations.

To contribute to the realization of a decarbonized society, an issue that is gaining attention worldwide, the Company revised the Group's CO<sub>2</sub> emissions reduction target to a 38% reduction (compared to fiscal 2013) by 2030 and declared that it will achieve carbon neutrality by 2050. The Company is strengthening energy-saving activities through process improvements, establishing a new system to promote active environmental investment, and carrying out activities to achieve its new CO<sub>2</sub> emissions reduction target. In fiscal 2022, it began CO<sub>2</sub> reduction activities based on its roadmap for achieving carbon neutrality in 2050. In addition, in fiscal 2023, the Company started investment decision evaluation using ICP (Internal Carbon Price) for CO<sub>2</sub> emission increases/decreases in capital and development investments.

For the details of the Company's climate change response, including efforts in line with the TCFD recommendations and transition strategies for achieving carbon neutrality in 2050, please refer to the following websites or the Integrated Report.

#### (1) Website (Response to Climate Change)

(JP) <https://www.mitsui-kinzoku.com/csr/environment/responding-to-climate-change/>

(EN) <https://www.mitsui-kinzoku.com/en/csr/environment/responding-to-climate-change/>

#### (2) Integrated Report

(JP) [https://www.mitsui-kinzoku.com/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/csr/data/csr_library/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/en/csr/data/csr_library/)

#### [Supplementary Principle 4-1-1]

The Company, in order to enhance the agility and flexibility of business execution and increase the vitality of management, delegated a significant portion of decision-making regarding important business execution of the Company to Executive Directors and/or Executive Officers, in accordance with the Articles of Incorporation and internal regulations such as "Assignment of Responsibilities for Management"

on "Regulations for the Board of Directors (Torishimariyakukai-kisoku)", Executive Directors and/or Executive Officers are responsible for making decisions and execution of business activities.

The Board of Directors decides matters stipulated by law and particularly important business operations designated by internal regulations, and supervise the performance of operations by Executive Officers.

[Supplementary Principle 4-1-3]

Regarding the CEO succession plan, the Nomination Review Committee discusses training measures for directors and director candidates and reports its results to the Board of Directors. The board is actively involved in such discussions, including making an effort to ensure that the results are objective and transparent.

[Supplementary Principle 4-2-2]

The basic policy on sustainability initiatives (CSR (Corporate Social Responsibility) Basic Policy) is described in Supplementary Principle 3-1-3. The Company positions its overall management strategy and significant research and development efforts as matters to be resolved by the Board of Directors. For other issues, it shares information with directors as appropriate and provides necessary information to facilitate supervision by the Board of Directors—for example, by holding regular meetings about intellectual property activities with the director in charge. Furthermore, starting in fiscal 2023, in order to further strengthen the supervision system, the statuses of efforts and policies toward obtaining intellectual property rights and protecting intellectual property are directly reported to the Board of Directors.

[Principle 4-8]

In addition to the requirements of the Companies Act, the Company has appointed five people who meet the independence standards set by the Financial Instruments Exchange as outside directors who are required to be independent.

[Principle 4-9]

Please refer to "II. 1. Matters Concerning Independent Directors, Other Matters Concerning Independent Directors" in this report.

[Supplementary Principle 4-10-1]

To improve fairness and transparency, the Company has established the Nomination Review Committee and the Compensation Committee, which are both voluntary bodies, as advisory bodies to the Board of Directors. These committees are responsible for determining the desirable qualifications for representative directors and directors, reviewing the nomination of candidates to positions (e.g., executive officers, fellows, and senior general managers), and deliberating on their successors' nominations and the executive compensation system. Both committees are chaired by outside directors and are composed of outside directors, the President, and the director (or senior executive officer) in charge of the Human Resources Department, with the majority of members being outside directors who meet the Independence Standards for Outside Directors, ensuring that both committees can function as independent organizations. In addition, both committees are attended by outside directors who have been involved in formulating and implementing policies such as promoting women's participation in the workforce. On both committees, such outside directors are appropriately involved and provide advice on gender and other diversity issues.

Regarding the authority and roles of the Nomination Review Committee and the Compensation Committee, please refer to the "Supplementary Explanation" in II. 1. Organizational Structure and Operation in this report.

[Supplementary Principle 4-11-1]

The Board of Directors shall be composed of members with a good balance of knowledge, experience, and abilities in a way that balances appropriate sizing and diversity in terms of gender, internationality, and work history. Director candidates are selected by the Nomination Review Committee (chaired by an outside director), which comprehensively reviews candidates' abilities, insights, and personalities without regard to nationality, race, and gender. The committee selects people with the potential to adequately fulfill their responsibilities as directors, and the Board of Directors determines its new members based on the selection results.

In consideration of the Company's business development and business environment, the Board of Directors has appointed outside directors with extensive experience in corporate management and various backgrounds, including female directors, to realize a more diversely composed team.

The above abilities and insights are reviewed as appropriate, based on the external environment and the Company's situation.

The Company has created a skills matrix for each director's expertise and discloses this matrix in the Integrated Report for your reference.

Integrated Report

(JP) [https://www.mitsui-kinzoku.com/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/csr/data/csr_library/)

(EN) [https://www.mitsui-kinzoku.com/en/csr/data/csr\\_library/](https://www.mitsui-kinzoku.com/en/csr/data/csr_library/)

[Supplementary Principle 4-11-2]

The statuses of concurrent positions held by the Company's directors at other listed companies is stated annually in the Notice of Convocation of the General Meeting of Shareholders.

[Supplementary Principle 4-11-3]

(1) Implementation method and process

The effectiveness assessment for FY2022 was conducted in the form of a questionnaire, where each board member individually performed

a self-assessment. The responses were collected and summarized by a third-party institution. The Board chairperson, who is an Outside Director, then facilitated a discussion on the summarized results with all Outside Directors and Outside Corporate Auditors.

In FY2023, as in the previous year, all Board members self-assessed their performance individually through answering the questionnaire. Responses were collected and analyzed by a third-party institution, which then conducted and analyzed individual interviews with all Board members. At its meeting held in March 2024, the Board of Directors confirmed the evaluation results and future actions.

## (2) Results

The majority of responses to the questionnaire and interviews indicated that there were no major problems with the operation of meetings chaired by an Outside Director (as a forum for free and open discussions) or with follow-up on the resolutions to the Board of Directors. Based on the results of past effectiveness assessments, the Board of Directors' effectiveness is deemed to be improving. However, members of the Board of Directors reached a common understanding that the monitoring model should be adopted (transition to a company with an Audit & Supervisory Committee) in order to achieve further sustainable growth and increase corporate value over the medium to long term.

### A) Improvements from last time

The Board effectiveness assessment in FY2022 raised the issue that the Board of Directors should further discussions on the "allocation of management resources to investment in human capital and intellectual property" and "execution of strategies related to the business portfolio." In FY2023, regular reporting from the executive side was conducted properly, and there was a trend toward improvement. Nevertheless, we recognize the need to further enhance discussions at the Board of Directors meetings. With regard to the issue of insufficient feedback by the Nomination Review Committee and the Compensation Committee to the Board of Directors, we recognize that progress has been made in sharing information with the Board of Directors. Regarding the issue of insufficient discussion on succession plans for the Top Executive and other executives, we recognize that progress has been made. Overall, we assess that progress is being made in addressing the issues pointed out in FY2022.

### B) Recognition of issues

In the Board effectiveness assessment in FY2023, the issue was raised that since there were too many matters to be discussed at the Board meetings, it is necessary to delegate authority from the Board of Directors to the executive side, including lower-level meeting bodies. This issue was shared among the Board members.

## (3) Future efforts

Following a change in the institutional design at the 99th Annual General Meeting of Shareholders, Mitsui Kinzoku transitioned to a company with an Audit & Supervisory Committee. By making effective use of this framework, we will continue making efforts to enhance the functions of the Board of Directors.

### [Supplementary Principle 4-14-2]

The Company provides Directors with necessary opportunities to fulfill their roles, including information and knowledge about business activities essential to supervise business execution, upon their appointment and on an ongoing basis thereafter.

### [Principle 5-1]

#### (1) Basic approach

To contribute to sustainable growth and corporate value improvement over the medium to long term, the Company engages in constructive dialogue with shareholders to an extent and in a manner deemed appropriate.

#### (2) IR structure

With the Senior General Manager of the Corporate Planning & Control Sector as the overall supervisor, the Corporate Communications Department plays a central role in establishing a structure and working on initiatives to realize constructive dialogue with shareholders. This is done in cooperation with the President and other executives, each department in the head office, and the planning and administration departments of each business sector.

#### (3) Dialogue methods

In addition to proactively responding to requests for individual interviews from domestic and overseas investors, parties including the president, senior general managers, and directors, including outside directors, are taking specific steps to engage in dialogue as described below to an extent deemed appropriate by the Company. In addition, the Company posts business details, performance, and management strategies on its website.

- Quarterly financial results briefing
- Medium-term plan (progress) and ESG briefings for investors
- Business briefings and factory tours for investors
- Small-scale meetings between the president and investors
- Individual interviews between outside directors and investors
- Participation in conferences hosted by securities companies for overseas investors

(JP) <https://www.mitsui-kinzoku.com/toushi/>

(EN) <https://www.mitsui-kinzoku.com/en/toushi/>

#### (4) Internal feedback



The Senior General Manager of the Corporate Planning & Control Sector feeds back the content of dialogues with shareholders and investors to meeting bodies such as the Board of Directors as necessary.

(5) Insider information and quiet period

The Company observes a "quiet period" of approximately one month before the announcement of quarterly financial results, during which it refrains from discussing financial closing information and responding to inquiries regarding business performance and related matters.

[Principle 5-2]

[Measures to achieve management that is conscious of capital costs and stock prices] [Disclosed in English]

Since the 22 Medium Term Business Plan that started in fiscal 2022, as a measure to improve economic value, the Company has been strengthening and accelerating "Exploitation," which deepens its existing businesses and enhances their precision; "Exploration," which expands knowledge in unknown areas to create new businesses; and "Ambidexterity," which balances these two initiatives. To promote "Exploitation," the Company evaluates the value of existing businesses on the two axes of expected business potential and business value, dynamically manages its business portfolio, and effectively allocates its management resources to existing businesses. Expected business potential is evaluated based on the attractiveness of existing businesses' markets and their chances of success, while business value is assessed based on existing businesses' EBITDA and ROIC. By steadily implementing the measures of the 22 Medium Term Business Plan, including these initiatives and M&A, the Company will increase EPS (Earnings Per Share) and improve various multiples, such as PER.

The Company is also promoting ROIC management to practice management that is even more conscious of capital efficiency, and it is internally considering the following items.

- Calculating WACC (Weighted Average Cost of Capital) by business unit and setting appropriate per-business-unit ROIC targets (ROIC spreads) that exceed such WACC
- Raising awareness of improving corporate value throughout the Group and introducing measures to promote ROIC consciousness internally
- Introducing efficiency indicators (such as ROIC) as performance indexes for managing directors and senior executive officers

The Company aims to start implementing these measures in fiscal 2025, which is the first year of its next medium-term Business Plan, the 25 Medium Term Business Plan.

The Company is accelerating its efforts to improve corporate value by implementing measures to enhance economic value and advancing ROIC management.

## 2. Capital Structure

Foreign Shareholding Ratio	20% or more but less than 30%
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### Statutes of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Held in trust account )	12,128,500	21.21
Custody Bank of Japan, Ltd. (Held in trust account )	8,132,120	14.22
The Employees' Shareholding Association	1,373,533	2.40
STATE STREET BANK AND TRUST COMPANY 505223	1,355,645	2.37
The Nomura Trust and Banking Co., Ltd. (Held in trust account)	1,290,900	2.25
DFA INTL SMALL CAP VALUE PORTFOLIO	823,870	1.44
Mitsui Kinzoku Business Partners' Stock Ownership Association	811,900	1.42
STATE STREET BANK WEST CLIENT - TREATY 505234	729,473	1.27
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	711,313	1.24
JP MORGAN CHASE BANK 385781	707,172	1.23

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	_____
Name of Parent Company, if applicable	None

### Supplementary Explanation

- Shareholding ratios are calculated by excluding treasury shares (192,337 shares).



TAKEGAWA Keiko	Academic																					
ISHIDA Toru	Other																					
INOUE Hiroshi	Lawyer																					
KAWANISHI Sachiko	CPA																					

\* Categories for "Relationship with the Company"

(Use ○ when the director presently falls or has recently fallen under the category; △ when the director fell under the category in the past; ● when a close relative of the director presently falls or has recently fallen under the category; and ▲ when a close relative of the director fell under the category in the past.)

- a. An executive officer of a listed company or its subsidiary
- b. An executive officer or non-executive director of a parent company of a listed company
- c. An executive officer of a fellow subsidiary of a listed company
- d. A person whose major business partner is a listed company, or an executive officer of such a person
- e. A significant business partner of a listed company, or an executive officer of such a business partner
- f. A consultant, accountant, or legal professional who receives a large amount of money or other assets from a listed company in addition to director compensation
- g. A major shareholder of a listed company (or, if the major shareholder is a corporation, an executive officer of such a corporation)
- h. An executive officer of a business partner of a listed company (not falling under any of d, e, or f) (the person themselves only)
- i. An executive officer of a company in which outside directors are mutually appointed (the person themselves only)
- j. An executive officer of a company to which a listed company donates (the person themselves only)
- k. Other

### Outside Directors' Relationships with the Company (2)

Name	Member of the Audit and Supervisory Committee	Designation as an Independent Director	Supplementary Explanation of the Relationship	Reasons for Appointment
TOIDA Kazuhiko		○	———	<p>He has experience as an executive officer at Nissan Motor Co., Ltd., where he was involved in various tasks, including product planning, sales promotion, and dealership launches, mainly in the sales department. In addition, as President and Representative Director of Faltec Co., Ltd., he succeeded in getting the company listed on the First Section of the Tokyo Stock Exchange. From 2020 to 2022, he served as the chairperson of Rikkyo Educational Corporation, and he has a wealth of experience and knowledge.</p> <p>He was added as an independent officer in the hope that he will utilize his wide range of work experience as well as extensive knowledge and experience as a management executive to actively express his opinions from a position that is independent that of the management team, unconstrained by internal conventions, with the aim of improving corporate value over the medium to long term, thereby contributing to the monitoring of the Group's overall management, the strengthening of its supervisory function, and improving the transparency of the Board of Directors.</p>
TAKEGAWA Keiko		○	———	<p>Having served as Director of the Minister's Secretariat of the Government Public Relations Office and the Director-General of the Gender Equality Bureau in the Cabinet Office, she has knowledge and experience in planning and implementing policies in areas such as women's participation and promotion in the workforce. She is an appointed professor and Director of the Institute of Women's Culture at Showa Women's University. Although she has not been directly involved in the management of a company other than as an outside director or outside corporate auditor, she has been added as an independent officer in the hope that she will contribute to the monitoring of the Group's overall management, the strengthening of its supervisory function, and improving the transparency of the Board of Directors by providing appropriate advice on the diversity, equity, and</p>

				inclusion initiatives that the Company is promoting as well as by expressing her opinions on the direction that the Company should take in light of government trends.
ISHIDA Toru	○	○	—	He has held important positions that have contributed to the development of commerce and industry for many years, having served as Director-General of the Industrial Science and Technology Policy and Environment Bureau of the Ministry of Economy, Trade and Industry and the Commissioner of the Agency for Natural Resources and Energy. He is currently serving as Executive Director of the Japan Chamber of Commerce and Industry and the Tokyo Chamber of Commerce and Industry. Since being appointed as the Company's outside corporate auditor, he has worked to strengthen governance, including auditing the overall execution of business operations, and the Company has determined that he has the judgment capacity and insight required for audits of business execution and can express his opinions on management from an independent standpoint; therefore, he was added as an independent officer.
INOUE Hiroshi	○	○	—	He has extensive knowledge and experience in the legal profession as a prosecutor and a lawyer. Since assuming the position of an outside corporate auditor of the Company, he has worked to strengthen governance by auditing the overall execution of business operations. Although he has not been directly involved in the management of a company other than as an outside director or an outside corporate auditor, the Company has determined that he has the judgment capacity and insight required for auditing the execution of business operations and can express his opinions on management from an independent standpoint; therefore, he was added as an independent officer.
KAWANISHI Sachiko	○	○	—	After starting her career as a software engineer, she became a certified public accountant and has audited companies for many years. The Company has determined that she has the judgment capacity and insight required for auditing business execution and can express her opinions on management from an independent standpoint; therefore, she was added as an independent officer.

## Audit and Supervisory Committee

### Composition of the Audit & Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Internal Directors	Outside Directors	Committee Chair
Audit and Supervisory Committee	4	1	1	3	Internal Director

Appointment of Directors and/or Personnel to Support the Audit and Supervisory Committee

Appointed

## Cooperation among the Supervisory Committee, Accounting Auditors, and Internal Audit Department

## (1) Organization, personnel, and procedures for internal audits

## A. Internal Audit Committee

The Internal Audit Committee is chaired by the director in charge of the Internal Audit Department and consists of the general manager of the Internal Audit Department, the general managers of each business sector's Administration Department, the heads of the headquarters-related departments, and the head of the Internal Audit Office of Mitsui Kinzoku (Shanghai) Management Co., Ltd. The committee approves the policy and plan for internal audits conducted by the Internal Audit Department, receives reports on audit results, and evaluates said results. The Internal Audit Department reports the audit results approved by the Internal Audit Committee to the Board of Directors.

In addition to the above members, directors who are audit and supervisory committee members and outside directors who are not audit and supervisory committee members attend the committee as observers.

- B. In addition to the members of the Internal Audit Department, auditors in charge, who are selected by the general manager of the Internal Audit Department and approved by the Internal Audit Committee, visit each of the Company's business divisions and offices, as well as each of its affiliated companies in Japan and overseas, to conduct audits on their business environments, compliance with laws and regulations, the status of internal control, and the status of accounting processing. In this way, the Internal Audit Committee strives to maintain and improve the soundness of financial processing and to streamline operations within the Group.

## (2) Organization, personnel, and procedures for audits by the Audit and Supervisory Committee

The Company is a company with an Audit and Supervisory Committee. As of June 27, 2024, four directors are committee members.

## (3) Cooperation between internal audits, audits by the Audit and Supervisory Committee, and accounting audits and their relationship with the internal control department

The results of internal audits conducted by the Internal Audit Department are immediately reported to the Audit and Supervisory Committee and are also reported to accounting auditors as appropriate.

From the accounting auditors, the Audit and Supervisory Committee receives explanations of accounting audit plans and reports on audit results. In addition, the committee regularly exchanges opinions and works closely with the accounting auditors.

## Voluntarily Established Committee(s)

Voluntary Establishment of Committee(s) Equivalent to the Nomination Committee or Compensation Committee	Established
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## Status of Voluntarily Established Committee(s), and Attributes of Members on the Committee and the Committee Chairperson

	Committee Name	All Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to the Nomination Committee	Nomination Review Committee	7	0	2	5	0	0	Outside Director
Voluntarily Established Committee Equivalent to the Compensation Committee	Compensation Committee	7	0	2	5	0	0	Outside Director

## (1) Board of Directors

A. The Board of Directors is composed of ten (10) Directors, and deliberates on important business matters and supervise the execution of duties. In order to strengthen the board's function to supervise business execution and to diversify its composition, half of the ten (10) Directors are Outside Directors (including three (3) Directors who are Audit and Supervisory Committee Members and two (2) women). Outside Directors are appointed with consideration of their independence and ability to reflection of diverse stakeholders' perspectives.

## B. Members

Chairperson: Outside Director TOIDA Kazuhiko

Members: President and Representative Director NOU Takeshi, Representative Director Senior Managing Director OKABE Masato, Managing Director IKENOBU Seiji, Director YAMASHITA Masashi, Outside Director TAKEGAWA Keiko, Director who is an Audit & Supervisory Committee Member SHIKI Kazuya, Outside Director who is an Audit & Supervisory Committee Member ISHIDA Toru, Outside Director who is an Audit & Supervisory Committee Member INOUE Hiroshi, and Outside Director who is an Audit & Supervisory Committee Member KAWANISHI Sachiko

## C. Status of Board of Directors meetings and attendance

In this item, the situation in FY2023 before the transition to a company with an Audit & Supervisory Committee is described.

In fiscal year 2023, the Board of Directors held 13 meetings. The attendance records of each member are as listed below.

Position	Name	Attendance at the meetings of the Board of Directors
Outside Director (Chairperson)	TOIDA Kazuhiko	13/13 (attendance rate: 100%)
President and Representative Director	NOU Takeshi	13/13 (attendance rate: 100%)
Representative Director Senior Managing Director	KIBE Hisakazu	13/13 (attendance rate: 100%)
Senior Managing Director	TSUNODA Satoshi	13/13 (attendance rate: 100%)
Managing Director	OKABE Masato	13/13 (attendance rate: 100%)
Director	MIYAJI Makoto	13/13 (attendance rate: 100%)
Director	IKENOBU Seiji	10/10 (attendance rate: 100%)
Outside Director	MATSUNAGA Morio	13/13 (attendance rate: 100%)
Outside Director	TAKEGAWA Keiko	13/13 (attendance rate: 100%)
Corporate Auditor	KUTSUNAI Akira	13/13 (attendance rate: 100%)
Corporate Auditor	FUKUMOTO Hirotohi	13/13 (attendance rate: 100%)
Outside Corporate Auditor	ISHIDA Toru	13/13 (attendance rate: 100%)
Outside Corporate Auditor	INOUE Hiroshi	13/13 (attendance rate: 100%)

(Notes) 1. Data for Director IKENOBU Seiji covers the period starting from June 29, 2023, when his appointment was approved at the Annual General Meeting of Shareholders held on the same day.

## 2. Personal Changes for Director and Corporate Auditor Positions (effective as of June 27, 2024)

- (1) Director KIBE Hisakazu, Director TSUNODA Satoshi, Director MIYAJI Makoto, and Outside Director MATSUNAGA Morio retired due to expiration of their terms of office.
- (2) Corporate Auditor KUTSUNAI Akira, Corporate Auditor FUKUMOTO Hirotohi, Outside Corporate Auditor ISHIDA Toru, and Outside Corporate Auditor INOUE Hiroshi retired due to expiration of their terms of office.
- (3) YAMASHITA Masashi was newly appointed as a Director.
- (4) SHIKI Kazuya was newly appointed as Director who is an Audit & Supervisory Committee Member.
- (5) ISHIDA Toru, INOUE Hiroshi, and KAWANISHI Sachiko were newly appointed as Outside Directors who are Audit & Supervisory Committee Members.

## D. Agenda Items for the Board of Directors

In FY 2023, the Board of Directors made determinations regarding the execution of the Company's important business operations in accordance with laws, regulations, and internal rules such as "Assignment of Responsibilities for Management" of the "Regulations for the Board of Directors (Torishimariyaku-kai kisoku)" etc. while also deliberating the agenda items listed below.

Agenda Items	Formulation Policy of the 2025 Mid-term Business Plan, Transition to a company with an Audit & Supervisory Committee, Review of business portfolio, Initiatives for diversity, etc.
Reporting Items	Situation of each business sector and corporate division, Actions for carbon neutrality (response to TCFD recommendations, transition strategy, etc.), Response to digital transformation (DX), Usage of whistle-blowing systems, Disclosure of various documents such as the Integrated Report, Compliance surveys, Business risks, Effectiveness assessment of the Board of Directors, Audits (Audits by Auditors and three-pillar audit), etc.

## (2) Audit and Supervisory Committee

A. The Audit and Supervisory Committee is composed of four (4) Directors (three (3) of whom are Outside Directors) who are Audit & Supervisory Committee Members. The Audit and Supervisory Committee audits the Directors' business execution in accordance with the audit plan determined by the Committee.

## B. Members

Chairperson: Director who is an Audit & Supervisory Committee Member SHIKI Kazuya

Members: Outside Directors who are Audit & Supervisory Committee Members ISHIDA Toru, INOUE Hiroshi, and KAWANISHI

## (3) Nomination Review Committee

A. The Nomination Review Committee is composed of Outside Directors, the President, and the Director in charge of the Human Resources Department (or Senior Executive Officer). The Committee reviews candidates to serve as Directors by considering their capabilities, knowledge, and character comprehensively, and those deemed capable of satisfactorily fulfilling the responsibilities are nominated by the Board of Directors.

## B. Members

Chairperson: Outside Director who is an Audit & Supervisory Committee Member ISHIDA Toru

Members: Outside Director TOIDA Kazuhiko, Outside Director TAKEGAWA Keiko, Outside Director who is an Audit & Supervisory Committee Member INOUE Hiroshi, Outside Director who is an Audit & Supervisory Committee Member KAWANISHI Sachiko, President and Representative Director NOU Takeshi, and Director YAMASHITA Masashi

## C. Status of Nomination Review Committee meetings and attendance

In this item, the situation in FY2023 before the transition to a company with an Audit & Supervisory Committee is described..

In fiscal year 2023, the Nomination Review Committee held nine (9) meetings. The attendance records of Directors and Corporate Auditors are as listed below.

	Name	Attendance at the meetings of the Nomination Review Committee
Outside Director (Chairperson)	TOIDA Kazuhiko	9/9 (attendance rate: 100%)
Outside Director	MATSUNAGA Morio	9/9 (attendance rate: 100%)
Outside Director	TAKEGAWA Keiko	9/9 (attendance rate: 100%)
Outside Corporate Auditor	ISHIDA Toru	9/9 (attendance rate: 100%)
Outside Corporate Auditor	INOUE Hiroshi	9/9 (attendance rate: 100%)
President and Representative Director	NOU Takeshi	9/9 (attendance rate: 100%)
Senior Executive Officer	YAMASHITA Masashi	9/9 (attendance rate: 100%)

## D. Deliberations by the Nomination Review Committee

In fiscal 2023, the Nomination Review Committee deliberated the agenda items listed below

Agenda a	Review of consultant and adviser systems, revision of the skills matrix, institutional design, interviewing of candidates for executive manager positions, audit system in a company with an Audit & Supervisory Committee, approval authority, amendments to the Articles of Incorporation and company regulations, regarding the candidate for Director, executive personnel affairs, succession planning
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## (4) Compensation Committee

A. The Compensation Committee is composed of Outside Directors, the President, and the Director in charge of Human Resources Department or Senior Executive Officer). The committee is entrusted by the Board of Directors with establishing, revising, or abolishing the standards for determining base compensation and performance-linked compensation for Directors, and determines the amounts of base compensation and performance-linked compensation of each Director, within the limits set forth by the resolution of the General Meeting of Shareholders. If the Board of Directors resolves a correction to the financial results post-announcement due to material accounting error or fraud, the Compensation Committee shall deliberate on adjustments to performance-linked compensation and restrict its payment, or even demand pay back of compensation, when deemed necessary.

## B. Members

Chairperson: Outside Director who is an Audit & Supervisory Committee Member INOUE Hiroshi

Members: Outside Director TOIDA Kazuhiko, Outside Director TAKEGAWA Keiko, Outside Director who is an Audit & Supervisory Committee Member ISHIDA Toru, Outside Director who is an Audit & Supervisory Committee Member KAWANISHI Sachiko, President and Representative Director NOU Takeshi, and Director YAMASHITA Masashi

## C. Status of Compensation Committee meetings and attendance

In this item, the situation in FY2023 before the transition to a company with an Audit & Supervisory Committee is described.

In FY 2023, the Compensation Committee held ten (10) meetings. The attendance records of each member are listed below.

Position	Name	Attendance at the meetings of the Compensation Committee
Outside Director (Chairperson)	MATSUNAGA Morio	10/10 (attendance rate: 100%)
Outside Director	TOIDA Kazuhiko	10/10 (attendance rate: 100%)
Outside Director	TAKEGAWA Keiko	10/10 (attendance rate: 100%)
Outside Corporate Auditor	ISHIDA Toru	10/10 (attendance rate: 100%)
Outside Corporate Auditor	INOUE Hiroshi	10/10 (attendance rate: 100%)
President and Representative Director	NOU Takeshi	10/10 (attendance rate: 100%)
Senior Executive Officer	YAMASHITA Masashi	10/10 (attendance rate: 100%)

## D. Deliberations by the Compensation Committee

In fiscal year 2023, the Compensation Committee deliberated the agenda items listed below.

Agenda	Determination of Directors' compensation for FY 2023, non-financial indicators (ESG indicators), compensation ratio, KPI for performance-based compensation, review of the
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	calculation formula, deliberation on changes to the compensation framework due to the transition to a company with an Audit & Supervisory Committee
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## Matters Concerning Independent Directors

Number of Independent Directors	5
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Other Matters Concerning Independent Directors

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### Independence Standards for Outside Directors

When selecting outside directors, the Company selects candidates from among those who meet the independence standards set by the Financial Instruments Exchange in addition to the requirements under the Companies Act and who do not fall under any of the following:

- (1) An executive of the Company or its subsidiaries (hereinafter referred to as the "Company Group") (Note 1)
- (2) An individual who has been an executive of the Company Group in the past 10 years; however, if a person has served as a non-executive director or corporate auditor of the Company Group at any time in the past 10 years, if said person was an executive of the Company Group in the 10 years before assuming such a position
- (3) An individual for whom the Company Group is a significant business partner (Note 2) or an executive of such a partner
- (4) A significant business partner (Note 2) of the Company Group or an executive of such a partner
- (5) An individual who receives monetary or other property benefits of 10 million yen or more per year other than director's compensation from the Company Group as a consultant, accountant, lawyer, or other professional; an individual belonging to an organization that receives such benefits from the Company Group; or an employee of a law firm or other organization for whom the Company Group is a significant business partner
- (6) A person who has recently fallen under any of (3) to (5) above
- (7) A spouse or a relative within the second degree of kinship of any of the following people (excluding relationships that are not significant):
  - A. A person who falls under (1) or (3) to (6) above
  - B. A non-executive director of the Company Group
  - C. A person who was recently an executive or non-executive director of the Company Group.

(Note 1) An "executive" refers to an executive director, executive officer, corporate officer, or similar officer.

(Note 2) The criterion for determining whether a person or an organization is a significant business partner is as follows.

- When the value of transactions from the business partner to the Company Group (or the value of transactions from the Company Group to the business partner) in the most recent fiscal year exceeds 2% of the business partner's (or the Company Group's) consolidated net sales

## Incentives

Implementation Status of Measures Related to Incentives Granted to Directors	Introduction of a performance-linked compensation scheme / other
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Supplementary Explanation for Applicable Items

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Performance-based incentives are calculated using consolidated operating profit, which is an essential performance indicator for evaluating business performance. In addition, the directors in charge of business divisions are assessed based on the performance of their respective divisions, and their performance-based incentives are adjusted accordingly.

Also, at the 96th Ordinary General Meeting of Shareholders held on June 29, 2021, the Company introduced a restricted stock compensation plan with continuous service requirements for directors (excluding outside directors) in order to provide incentives for the sustainable improvement of its corporate value and to further promote value sharing with shareholders. In addition, in 2023, the Company introduced a restricted stock compensation plan with ESG performance criteria that adds achievement of ESG indicators as a requirement.

People Eligible for Stock Options	
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Supplementary Explanation for Applicable Items

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## Director Compensation

Status of Disclosure of Individual Directors' Compensation	No disclosure for any directors
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### Supplementary Explanation for Applicable Items

The compensation for the Company's directors is 299 million yen for the fiscal year ending March 2024.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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### Disclosure of the Policy on Determining Compensation Amounts and Calculation Methods

#### (1) Policy on determining compensation

The Company has established a Compensation Committee consisting of outside directors, the president, and the director in charge of the Human Resources Department (or senior executive officer). The chairperson is selected from among the outside directors. Entrusted by the Board of Directors, the Compensation Committee fairly and transparently deliberates on and determines a basic compensation amount, performance-based incentives, and a stock compensation amount for directors based on the compensation amount determination criteria within the scope resolved at the General Meeting of Shareholders.

#### (2) Compensation structure

The compensation of directors is determined as follows to be appropriate for directors who can fully exercise their supervisory functions.

The Company's executive compensation consists of base compensation, performance-based incentives, and stock-based compensation. To ensure that the Company can attract and retain talented personnel, it uses objective compensation survey data from external expert institutions to annually compare its compensation levels with those of companies having similar sales and market capitalization as well as to study the appropriateness of its compensation levels.

The president's base compensation is determined after comprehensively considering factors such as company performance and enterprise value. The base compensation of directors in each position is determined based on each position's ratio corresponding to their responsibilities using the president's base compensation as a guideline.

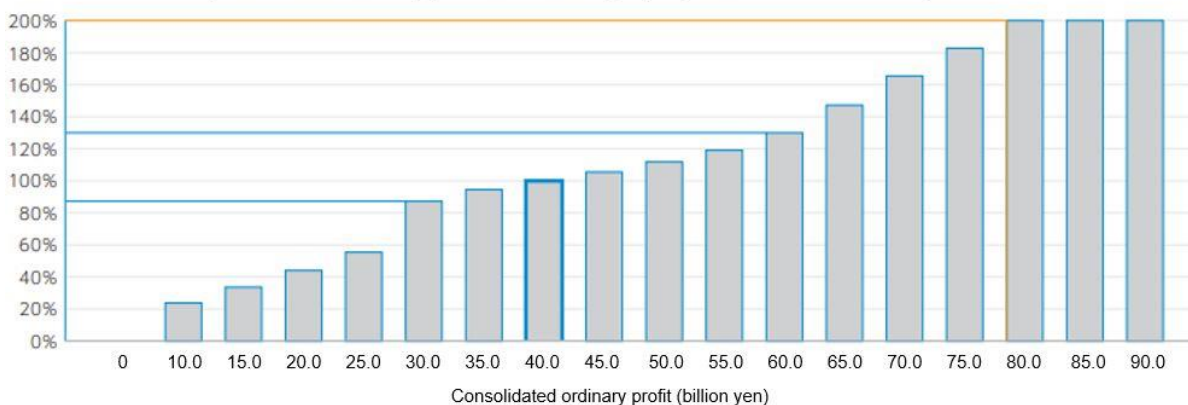
Performance-based incentives for directors (excluding outside directors) are calculated using consolidated ordinary profit, which is an essential performance indicator for evaluating business performance. In addition, the directors in charge of business divisions are assessed based on the performance of their respective divisions, and their performance-based incentives are adjusted accordingly.

Specifically, a review was conducted in fiscal 2021 to set a base value (a benchmark for calculating incentives in the system design) at 40 billion yen, which is 130% of the average consolidated ordinary profit of 30 billion yen over the past 10 years, excluding the impact of the impairment loss at the Caserones Copper Mine.

In addition, the target value for consolidated ordinary profit has been set at 60 billion yen, the highest profit level ever. The compensation structure has been designed to provide appropriate incentives with an upper limit of 80 billion yen if consolidated ordinary profit exceeds the target value.

There are no performance-based incentives for outside directors, who are not involved in business execution.

**Linkage to consolidated ordinary profit, with the base value (consolidated ordinary profit of 40 billion yen) of performance-based compensation set at 100**



Regarding stock-based compensation, the Company introduced a restricted stock compensation system (a restricted stock compensation plan with continuous service requirements) in fiscal 2021 to incentivize directors (excluding outside directors) to increase the Company's corporate value sustainably and to further share value with shareholders. In addition, in fiscal 2023, it introduced a restricted stock compensation plan with ESG performance criteria that adds achievement of ESG indicators as a requirement.

In both cases, continued employment is a condition for lifting the restrictions on share transfer. The ESG indicators are related to greenhouse gas emissions reductions, work engagement and diversity promotion, and regulatory compliance.

The compensation paid to eligible directors for the grant of restricted stocks is up to 50 million yen per year each for the stock-based compensation with continuous service requirements and for the stock-based compensation with ESG performance criteria, totaling up to 100 million yen per year. As a result, the total number of shares of the Company's common stock to be issued or disposed of will be up to 16,650 shares per year each for the stock-based compensation with continuous service requirements and the stock-based compensation with ESG performance criteria, totaling up to 33,300 shares per year. The specific payment timing and distribution to each eligible director will be determined by the Board of Directors based on the criteria established by the Compensation Committee.

Consolidated ordinary profit		Under 0 yen	20 billion yen	40 billion yen	60 billion yen	80 billion yen
Base compensation ratio		78%	65%	53%	48%	40%
Performance-based incentives ratio		0%	17%	32%	38%	48%
Stock-based compensation ratio	continuous service requirements	11%	9%	7.5%	7%	6%
	ESG performance criteria	11%	9%	7.5%	7%	6%

(Note) Performance-based incentives fluctuate according to company performance, so the ratio of base compensation, performance-based incentives, and stock-based compensation also fluctuates.

## Support System for Outside Directors

In order to ensure that Outside Directors can smoothly carry out their duties, the Company takes measures such as distributing agenda documents before Board of Directors meetings and providing explanations in advance as necessary.

In addition, two (2) dedicated staff members assigned to the Audit and Supervisory Committee Office of Internal Audit Department assist audits conducted by the Audit and Supervisory Committee.

## 2. Matters Concerning the Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of the Current Corporate Governance System)

### (1) Directors and Business Execution

A. Directors discuss legally prescribed matters and/or particularly important business matters designated by internal regulations at the Board of Directors meetings, which are convened once a month and as needed, and supervise the performance of operations by Executive Officers. To properly and efficiently fulfill the supervisory function, the Board of Directors consists of Internal Directors who are experienced and knowledgeable in the Company's business and Outside Directors. Furthermore, an Outside Director TOIDA Kazuhiko has been elected as the chairperson of the Board of Directors meetings since June 29, 2022, in order to promote separation between business supervision and execution.

B. In terms of business execution, the Company introduced the Executive Officer system. The Executive Council, which consist of Executive Officers at the level of Senior Executive Officers or higher (including those who concurrently serve as Directors), discusses specific matters regarding business operation at meetings held twice a month and as needed and directs business operations based on the results of these discussions.

C. There are Executive Officers who also serve concurrently as Directors. The President and Representative Director assumes the highest management responsibilities in planning, deciding, and promoting the Business Plans of the Mitsui Kinzoku Group Business Plan, as well as the highest business executive responsibilities in running the business of the Mitsui Kinzoku Group.

The Company believes that it is necessary to swiftly and thoroughly implement the Company's business strategy at sites where business is executed, as well as deeply knowledgeable about actual business conditions when making business decisions. For this reason, the Representative Director and the Executive Directors serve concurrently as high-ranking Executive Officers who are in charge of either the entire company, a business department, or a functional division.

### D. Members

#### (A) Board of Directors

Chairperson: Outside Director TOIDA Kazuhiko

Members: President and Representative Director NOU Takeshi, Representative Director Senior Managing Director OKABE Masato, Managing Director IKENOBU Seiji, Director YAMASHITA Masashi, Outside Director TAKEGAWA Keiko, Director who is an Audit & Supervisory Committee Member SHIKI Kazuya, Outside Director who is an Audit & Supervisory Committee Member ISHIDA Toru, Outside Director who is an Audit & Supervisory Committee Member INOUE Hiroshi, and Outside Director who is an Audit & Supervisory Committee Member KAWANISHI Sachiko

#### (B) Executive Council

Chairperson: President and Representative Director NOU Takeshi

Members: Representative Director Senior Managing Director OKABE Masato, Managing Director IKENOBU Seiji, Director YAMASHITA Masashi, Senior Executive Officer IGATA Hiroshi, Senior Executive Officer YASUDA Kiyotaka, Senior

(2) Audit and Supervisory Committee

A. The Company is a company with an audit and supervisory committee. As of June 27, 2024, four Directors are Audit and Supervisory Committee members. There are one (1) full-time director who is an Audit and Supervisory Committee Member with experience in business execution within the Company, and three (3) part-time outside directors who are Audit and Supervisory Committee Members.

B. A full-time director who is an Audit and Supervisory Committee member has an experience centered around areas in legal affairs and has an appreciable extent of knowledge for legal affairs and risk management.

C. The Audit and Supervisory Committee consists of all the Directors who are Audit and Supervisory Committee Members, and ensures the soundness of business through its oversight of the execution of the Directors' duties, based on a full understanding of the special nature of the Company's business. The Audit and Supervisory Committee is convened at least once a month. In addition, the Company has established an Audit and Supervisory Committee Office in the Internal Audit Department, and assigned two (2) dedicated staff members to support the Audit and Supervisory Committee.

D. Members of the Audit and Supervisory Committee

Chairperson: Director who is an Audit & Supervisory Committee Member SHIKI Kazuya

Members: Outside Director who is an Audit & Supervisory Committee Member ISHIDA Toru, Outside Director who is an Audit & Supervisory Committee Member INOUE Hiroshi, and Outside Director who is an Audit & Supervisory Committee Member KAWANISHI Sachiko

(3) Financial Auditor

The Company has entered into an audit agreement with KPMG AZSA LLC, and undergoes accounting audits based on the provisions stated in the law. The accounting audits of the Company were executed by three (3) Certified Public Accountants (CPAs) who are the designated limited liability partners and the managing partners of KPMG AZSA LLC. There are eight (8) CPAs and eighteen (18) other assistants who help with the accounting auditing operations performed by the CPAs.

(4) Nomination

For the details of nomination of director candidates, please refer to II. 1. Organizational Structure and Operation.

(5) Dismissal

If circumstances render it difficult for Executive Officers to properly execute their duties, the Board of Directors deliberates on and makes a decision regarding their dismissal or removal from office, other measures, or the submission of dismissal proposals to the General Meeting of Shareholders.

(6) Compensation decisions

The amount of compensation for Directors who are Audit and Supervisory Committee Members is decided by the Audit and Supervisory Committee within the limits set forth by the resolution of the General Meeting of Shareholders.

For the details of compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members and/or Outside Directors), please refer to II. 1. Organizational Structure and Operation.

(7) Summary of Contracts for Limitation of Liability

Based on the Companies Act Article 427, Paragraph 1, the Company has concluded contracts with Outside Directors 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.

(8) Summary of Indemnity Contracts

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

(9) Summary of the Directors and Officers Liability Insurance Contracts

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 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.

### 3. Reasons for the Adoption of the Current Corporate Governance System

Until recently, the Company's Board of Directors had mainly been operated by Executive Directors. However, the Company transitioned to a company with an audit and supervisory committee by resolution of the 99th Ordinary General Meeting of Shareholders held on June 27, 2024 to expedite decision-making related to management, to enhance discussions on management policies and strategies by focusing the agenda of the Board of Directors, and to strengthen the Board's supervisory functions over management. At the same time, Outside Directors became half of the total. The Company has appointed independent Outside Directors based on its Independence Standards for Outside Directors, who provide helpful advice and opinions at Board of Directors meetings and on other occasions.

An Outside Director TOIDA Kazuhiko has been elected as the chairperson of the Board of Directors meetings since June 29, 2022 by mutual vote, in order to promote separation between business supervision and execution. Outside Directors are the majority of the membership of the Nomination Review Committee and the Compensation Committee. Under Outside Directors' chairpersonship of both Committees, the Nomination Review Committee deliberates on the qualification requirements for Directors (Skill Matrix), candidate nominations, successor nominations, and the Board of Directors' composition. Meanwhile, the Compensation Committee determines each Director's amount of compensation. This structure improves the Board of Directors' supervisory function and further strengthens its independence and objectivity in appointing and evaluating Directors.

Additionally, the Company has established a support system to enable Outside Directors to fulfill their roles. Since its decision-making is supervised and monitored appropriately and precisely, corporate governance functions effectively under the current system.

## III Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Invigorate the General Meeting of Shareholders and to Facilitate the Exercise of Voting Rights

	Supplementary Explanation
Early Posting of Notices of the General Meeting of Shareholders	To allow shareholders sufficient time to consider how they should exercise their voting rights, the Company sends notices of the General Meeting of Shareholders at least three weeks before the date such meetings are to be held. In addition, the Company makes materials for the General Meeting of Shareholders available electronically on its website and under the "Listed Company Search" on the Tokyo Stock Exchange website prior to the issuance of such notices.
Electronic Exercise of Voting Rights	Beginning with the 82nd Ordinary General Meeting of Shareholders held on June 28, 2007, the Company has permitted shareholders to exercise their voting rights electromagnetically (via the Internet).
Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance the Environment for Institutional Investors to Exercise Voting Rights	Beginning with the 82nd Ordinary General Meeting of Shareholders held on June 28, 2007, the Company has permitted institutional investors to exercise their voting rights via an electronic voting platform.
Provision of Notices (or Summary of Notices) of the General Meeting of Shareholders in English	The company provides an English translation of its convocation notices to facilitate the exercise of voting rights by foreign investors.
Other	The Company regards the General Meeting of Shareholders as an essential opportunity to enable its shareholders to understand it, so the Company illustrates its business reports with charts, graphs, and videos and posts them on its website in advance. Also, for the General Meeting of Shareholders, it accepts questions from shareholders in advance via the Internet and broadcasts the meetings live via the Internet. The results of the exercise of voting rights for resolutions at the General Meeting of Shareholders are made public, including the number of affirmative votes per resolution.

### 2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a Representative Director or a Representative Executive Officer
Formulation and Publication of Disclosure Policies	Disclosure policies are posted on the Company's website.	
Regular Investor Briefings Held for Analysts and Institutional Investors	After announcing the full-year and second-quarter financial results, the Company holds briefings on the progress of its medium-term Business Plan and ESG briefings for analysts and institutional investors. In addition, after announcing each quarterly financial result, the Company provides an explanation via conference call.	Held
Online Disclosure of IR Information	Materials from briefings for analysts and institutional investors are posted on TDnet (Timely Disclosure network) and the Company's website, and financial closing information and business reports for the past few years are also posted on the website.	
Establishment of a Department and/or Assignment of a Manager in Charge of IR	The Company recognizes that one of listed companies' most crucial management responsibilities is to have the capital markets properly evaluate their corporate value. To this end, companies should provide information to all market participants in a timely and fair manner, and companies and investors should come to understand each other by companies' responding sincerely to and incorporating opinions and requests regarding their management. Based on this belief, the Corporate Communications Department of the Corporate Planning & Control Sector, which has been designated as the responsible department and has been assigned full-time personnel under the direction of the President and Representative Director and the Senior General Manager of the	

Corporate Planning & Control Sector, is at the center of the practical implementation of IR activities, with related departments cooperating in carrying out IR activities.

**Other Matters**

The Company regularly exchanges opinions with investors and market participants through telephone and face-to-face meetings.

### 3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Regulations Stipulating Respect for the Perspectives of Stakeholders	The Company Group advocates a Management Philosophy that formulates its mission as contributing to society. To realize the Management Philosophy, a Code of Conduct has been established as a set of standards that all directors and employees must follow. The Code of Conduct is available on the Company's website.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	<p>The Company established the CSR Office in January 2016 and the CSR Committee in July 2016, which is chaired by the President and Representative Director, and is promoting CSR initiatives throughout the Group by unifying the understanding of the Management Philosophy, Slogan, and Code of Conduct as its basic CSR policies. The Company formulated a human rights policy in April 2017 and established its Human Rights Standards in July 2019 as specific guidelines for responding to human rights risks. It is strengthening its efforts to address human rights issues throughout the Company Group.</p> <p>To address social and environmental issues throughout the supply chain, the Group established the Mitsui Kinzoku Group Basic Procurement Policy in April 2018 as a procurement policy to be shared within the Group. It also established the Procurement Guidelines, which are modeled on the Responsible Business Alliance (RBA) Code of Conduct, as specific guidelines for its suppliers. The Group recognizes social and environmental issues as risks in the supply chain and promotes responsible mineral procurement.</p> <p>In May 2018, the Company revised its Environmental Action Plan to set targets for reducing greenhouse gas emissions, reducing waste, and creating environmentally friendly products. In conjunction with the plan's revision, the Company partially revised the Basic Environmental Policy, which was established in 2001, to incorporate new initiatives for biodiversity conservation. The greenhouse gas emissions reduction target was reviewed in March 2022. In 2020, the Company began TCFD scenario analysis. Making the most of this scenario analysis, the Company launched a dedicated climate change response team in April 2021 to incorporate climate change response into its governance. The Company continues to integrate climate change response into its management strategies and utilizes it in risk response.</p> <p>For information on the Company's sustainability initiatives and the impact of climate change risks and opportunities on its business activities and performance, please refer to "I. 1. Disclosure Based on the Principles of the Corporate Governance Code [3-1-3]" in this report.</p> <p>The Company will publish the progress of these activities in the Integrated Report and on its website.</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	The Company has stipulated proactive and fair disclosure of information in its "Code of Conduct" and established a "Disclosure Policy."

## IV Matters Concerning the Internal Control System

### 1. Basic Views on the Internal Control System and Their Status of Development

The Company believes that conducting fair business activities that observe corporate ethics and comply with laws and regulations is essential if the Company is to achieve long-term development and sustainable growth.

Based on this belief, the Company's Board of Directors has made a resolution about the development of a structure to ensure that the Mitsui Kinzoku Group conducts operations in an appropriate manner. The outline of the resolution is as follows.

- (1) System 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
  - A. 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.
  - B. 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.
  - C. In addition, the Company conducts internal audits of accounting, tax affairs, legal affairs, safety, quality, facilities, the environment, hygiene, and ICT, etc. for the purpose of maintain soundness of overall internal control among others.

- (2) System 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.

- (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 evaluates 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.

(4) System 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.

(5) System to ensure that the Mitsui Kinzoku Group consisting of the Company and its subsidiaries conducts operations in an appropriate manner

The Company establishes "Assignment of Responsibilities for Management" in "Regulations for the Board of Directors (Torishimariyakukai kisoku)," and "Regulations for the Management of Subsidiaries and Affiliates (kankei-gaisha kanri kisoku)", and aims to obligate regular report to relevant divisions and sectors on sales performance, financial status, and other important business matters. Resolutions made by Board of Directors of the Company will be applicable to those meeting certain criteria.

Subsidiaries of the Company establishes and maintains an internal control system based on autonomous internal controls, while promoting the sharing of information to enhance internal control measures. Relevant business divisions and sectors of the Company will verify the status of internal controls in each subsidiary and provide support for improvement as necessary.

(6) Matters concerning employees who are to assist the duties of the Audit and Supervisory Committee and matters related to ensuring the independence of such employees from Directors and effectiveness of instructions given by Directors who are Audit and Supervisory Committee Members to such employees

A. Under the Company's "Regulations for Company Work Systems (Kaisha shokusei kisoku)," the Company establishes an Audit and Supervisory Committee Support to assist the Audit and Supervisory Committee in the execution of their duties. The Audit and Supervisory Committee Support consist of multiple dedicated employees. In addition, the selection, evaluation, awards, and disciplinary actions for these employees is made with reference to the opinions of the Audit and Supervisory Committee.

B. The employees who are assigned to assist the duties of the Audit and Supervisory Committee shall assist the Audit and Supervisory Committee in accordance with the "Regulations for Company Work Systems." At the meetings of the Audit and Supervisory Committee, such employees shall receive instructions from Directors who are Audit and Supervisory Committee Members, and also shall report on the progress of matters that they were instructed to address, and provide information.

(7) System to report to the Audit and Supervisory Committee

A. 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 Audit and Supervisory Committee, they shall report to the Audit and Supervisory Committee.

B. Upon auditing of subsidiaries by the Directors who are Audit and Supervisory Committee Members, Directors, Corporate Auditors, and employees of the Company's subsidiaries shall report the status of operations and other matters required by the Directors who are Audit and Supervisory Committee Members.

C. Regarding the details of the reporting made via the whistleblowing system, a system shall be setup for promptly sharing the information with the Audit and Supervisory Committee.

(8) Systems to ensure that persons who reported to the Audit and Supervisory Committee 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 Audit and Supervisory Committee because of the reporting.

(9) Matters concerning procedures for advance payment or reimbursement of fees arising in connection with the execution of duties by the Directors who are Audit and Supervisory Committee Members and other policies regarding handling costs or obligations arising in connection with the execution of such duties

When the Directors who are Audit and Supervisory Committee Members request advance payment or reimbursement of expenses for their execution of duties, based on deliberation by the responsible departments 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 Directors who are Audit and Supervisory Committee Members.

(10) Other systems to ensure that audits by the Audit and Supervisory Committee are performed effectively

The Representative Director and the Audit and Supervisory Committee hold meetings periodically to exchange opinions. The Directors who are Audit and Supervisory Committee Members may attend important meetings to exchange information with Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees thoroughly. Moreover, a system is in place that enables close collaboration between Audit and Supervisory Committee and the Internal Audit Department for audits.

In addition, the Company has transitioned to a Company with an Audit and Supervisory Committee by the resolution of the 99th Ordinary General Meeting of Shareholders held on June 27, 2024. For an overview of the system and operation status before the transition, please refer to the business report (disclosed on the Internet at the time of the Notice of Convocation of the 99th Ordinary General Meeting of Shareholders) on the Company's website.

[https://www.mitsui-kinzoku.com/Portals/0/images/toushi/stock\\_info/shareholders\\_meeting/2024/99shareholdersmeeting02.pdf](https://www.mitsui-kinzoku.com/Portals/0/images/toushi/stock_info/shareholders_meeting/2024/99shareholdersmeeting02.pdf)

## 2. Basic Views on Measures for Eliminating Anti-social Forces and Their Status of Development

The Code of Conduct, which specifies the values and standards of conduct shared by all officers and employees in the Mitsui Kinzoku Group, stipulates that everyone must firmly stand against antisocial forces and/or organizations, and hold no relationships whatsoever with these parties.

The General Affairs Department currently heads the Mitsui Kinzoku Groups' efforts to exclude antisocial forces and/or organizations. The Company will continue working to further strengthen the structure for excluding antisocial forces and/or organizations.

## V Other Matters

### 1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adopted
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Supplementary Explanation for Applicable Items

### 2. Other Matters Concerning the Corporate Governance System

#### (1) Basic policy on timely disclosure

The Company has established internal rules in the form of the Rules on Internal Information Management and Insider Trading based on "proactive disclosure of information" as described in the Code of Conduct. The Company aims to contribute to the fairness of securities transactions and to maintain its social credibility by ensuring timely disclosure and preventing insider trading.

#### (2) Procedure for timely disclosure

##### A. Occurrence of material facts

When a material fact occurs (including those occurring at the Company's consolidated subsidiaries), the relevant department confirms said fact and reports the details to the director in charge of that department, the director in charge of the Corporate Communications Department, the director in charge of the General Affairs Department, the head of the Corporate Communications Department, and the head of the General Affairs Department.

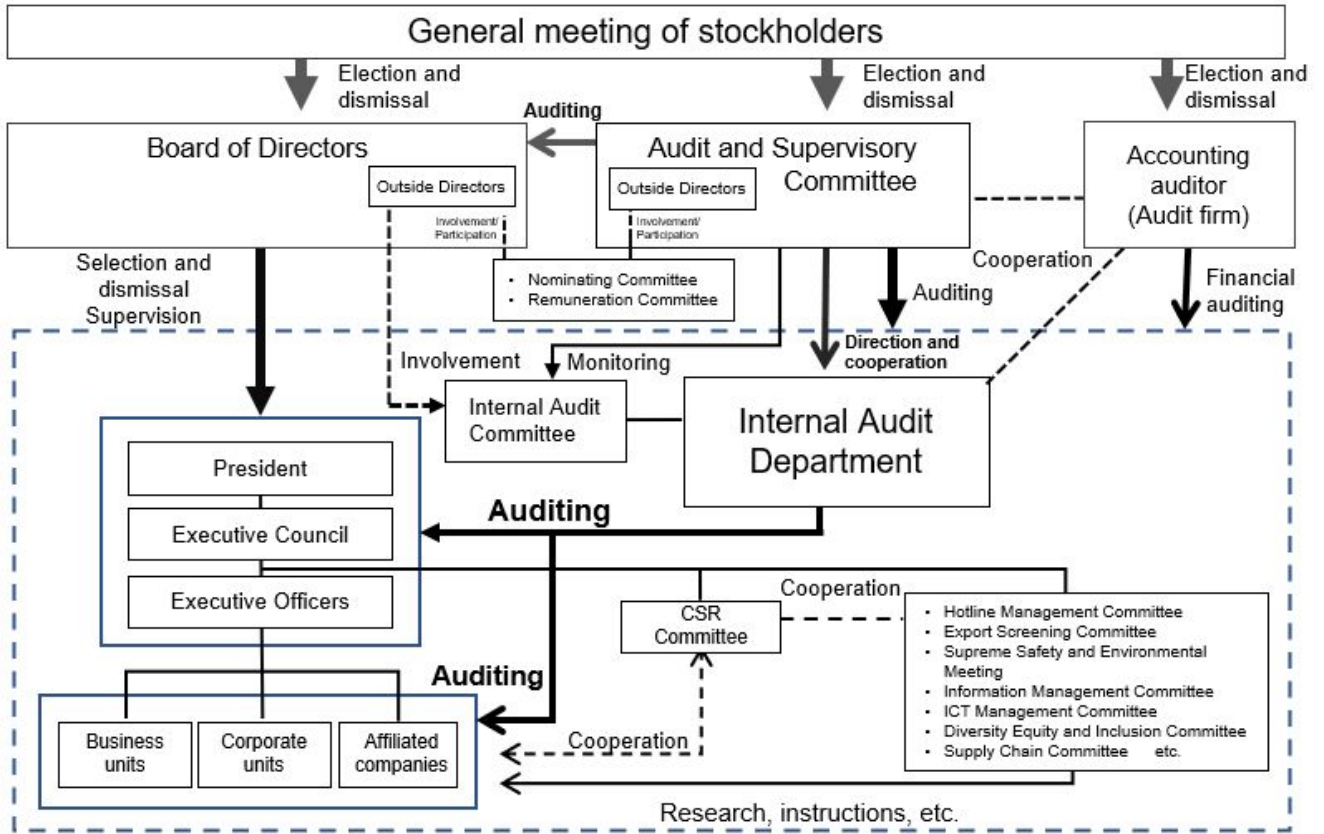
##### B. Disclosure of material facts

The details and timings of disclosure of material facts are proposed by the relevant department and the Corporate Communications Department, and they are decided by the President and Representative Director after deliberation by the Board of Directors.

In principle, the Corporate Communications Department carries out disclosure of material facts. However, in cases where disclosure is urgent, their disclosure may be made at the discretion of the President and Representative Director without waiting for deliberation by the Board of Directors.

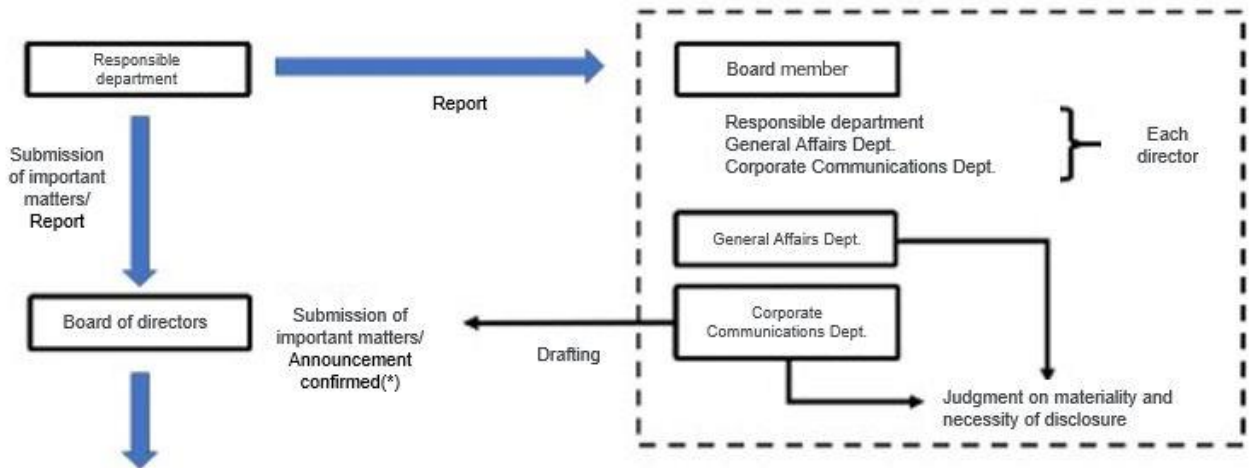


# Overview of the Mitsui Kinzoku Corporate Governance System



- (Notes) 1. Outside directors chair both the Nomination Review Committee and the Compensation Committee.  
 2. The Company's Audit and Supervisory Committee and corporate auditors of its affiliated companies communicate with each other as necessary.

## Procedures for timely disclosure



**Timely Disclosure**  
 (Conducted by the Corporate Communications Dept. The department general manager is the person responsible for handling information.)

(\*) In cases where disclosure is urgent, the President may make the announcement without waiting for the Board of Directors to be held.