



December 9, 2022

To all parties concerned,

Company Name: Hitachi Metals, Ltd.
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Chairperson, President, and CEO
(Code: 5486; Prime Market of the Tokyo Stock Exchange)
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Announcement of Approval for Resolutions Related to Share Consolidation, Abolition of the Provisions regarding a Share Unit, and Partial Amendment to the Articles of Incorporation

As announced in the press release dated November 21, 2022 titled “Announcement of Holding an Extraordinary Shareholders Meeting Related to Share Consolidation, Abolition of the Provisions regarding a Share Unit, and Partial Amendment to the Articles of Incorporation” (the “Company Press Release Dated November 21, 2022”), Hitachi Metals, Ltd. (the “Company”) hereby announces that: it submitted to the extraordinary shareholders meeting held today (the “Extraordinary Shareholders Meeting”) Proposal No. 1 “Share Consolidation” and Proposal No. 2 “Partial Amendment to the Articles of Incorporation”, respectively; and both proposals were approved in their original forms, as below.

As a result, the common shares of the Company (the “Company Shares”) will meet the delisting criteria of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”). In doing so, it is expected that the Company Shares will be designated as securities to be delisted from today until December 28, 2022, and then be delisted as of December 29, 2022. Please note that the Company Shares will no longer be tradable on the Prime Market of the Tokyo Stock Exchange after they are delisted.

1. Proposal No. 1 (Share Consolidation)

The share consolidation as described below (the “Share Consolidation”) was approved by the Company’s shareholders at the Extraordinary Shareholders Meeting.

[1] Class of shares to be consolidated

Common stock

[2] Consolidation ratio

57,055,299 Company Shares shall be consolidated into one share.

[3] Total number of issued shares to be reduced

427,546,776 shares

[4] Total number of issued shares before the effectuation of the Share Consolidation

427,546,783 shares

(Note) The Company resolved at its board of directors meetings held on November 21 and November 30, 2022 to cancel 1,357,569 shares of its treasury shares on December 30, 2022; accordingly, the total number of issued shares after the cancellation is set forth as the “Total number of issued shares before the effectuation of the Share Consolidation.”

[5] Total number of issued shares after the effectuation of the Share Consolidation

7 shares

[6] Total number of authorized shares on the effectuation date

28 shares

[7] The method of the treatment in the case of accrual of fractional shares less than one share and the amount of money expected to be delivered to shareholders upon the treatment

The Company Shares owned by the Company’s shareholders other than K.K. BCJ-52 (the “Tender Offeror”) and Hitachi, Ltd. (“Hitachi”) are planned to be fractional shares of less than one share upon the Share Consolidation.

Regarding the method of the treatment of fractional shares of less than one share that are created as a result of the Share Consolidation, the Company shall sell the Company Shares in a number equivalent to the total number of those fractional shares (however, if the total number contains fractional shares of less than one share, such fractional shares will be rounded down pursuant to Article 235, Paragraph 1 of the Companies Act) (the “Fractional Equivalent Shares”), and the proceeds obtained by the sale shall be delivered to the shareholders holding fractional shares in proportion to the fractional shares they hold.

Because the Share Consolidation is implemented as part of the transaction the purpose of which is making the Company a wholly owned subsidiary of the Tender Offeror, it will be consistent, as far as the purpose is concerned, that the Tender Offeror shall be the purchaser of the Fractional Equivalent Shares. Accordingly, regarding the sale, pursuant to Article 234, Paragraph 2 of the Companies Act as applied *mutatis mutandis* pursuant to Article 235, Paragraph 2 of the same Act, the Company intends to sell to the Tender Offeror, the Fractional Equivalent Shares by obtaining the court’s permission.

If the required court’s permission is obtained as planned, the Company intends to set the sales price in this case at a price that will result in the delivery of money in an amount equivalent to the amount obtained by multiplying the number of the Company Shares owned by the shareholders by 2,181 yen, being the same price as the purchase price in a tender offer for the Company Shares implemented by the Tender Offeror from September 27, 2022 until October 25, 2022.

2. Proposal No. 2 (Partial Amendment to the Articles of Incorporation)

The partial amendment to the Articles of Incorporation of the Company as described below was approved by the Company’s shareholders at the Extraordinary Shareholders Meeting. Details of such amendment are as stated in the Company Press Release Dated November 21, 2022.

If the Share Consolidation takes effect, the total number of authorized shares of the Company Shares will be reduced to 28 shares pursuant to Article 182, Paragraph 2 of the Companies Act. In order to clarify such point, the Company proposed to amend Article 6 (Total number of authorized shares) of the Articles of Incorporation subject to the effectuation of the Share Consolidation.

In addition, if the Share Consolidation takes effect, the total number of issued shares of the Company will be seven shares, and it will not be necessary to provide for a share unit. Accordingly, subject to the effectuation of the Share Consolidation, in order to abolish the provision regarding a share unit of the Company Shares, the Company proposed to delete Article 7 (Share unit) and Article 8 (Rights in relation to shares less than one unit) and move up the Article numbers due to the deletion, and make other necessary amendments.

The amendments to the Articles of Incorporation will take effect on January 4, 2023 (the effective date of the Share Consolidation), subject to the effectuation of the Share Consolidation.

3. Schedule of the share consolidation

[1]	Date of holding of the Extraordinary Shareholders Meeting	December 9, 2022
[2]	Date of designation as securities to be delisted	December 9, 2022 (planned)
[3]	Last date of trading of the Company Shares	December 28, 2022 (planned)
[4]	Date of delisting of the Company Shares	December 29, 2022 (planned)
[5]	Date of effectuation of the Share Consolidation	January 4, 2023 (planned)

End