

This document is the translation version of 「第 26 期定時株主総会招集ご通知」 (“NOTICE OF THE 26th ANNUAL GENERAL MEETING OF SHAREHOLDERS”) which is originally written in Japanese. This document is intended for reference-purpose only. In the event of any discrepancy between this translation and the original Japanese document, the original shall prevail. OSAKA Titanium technologies Co., Ltd. (hereinafter “the Company”) assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from this translation.

Dear Shareholders,

We would like to express our sincere gratitude to all our shareholders for your continued support.

While the Japanese economy is showing signs of recovery as economic activity normalises following the easing of restrictions on new coronavirus infections, the outlook remains difficult to predict due to rising prices of raw materials and fuels, exchange rate volatility, as well as ongoing geopolitical risks in overseas economies from Russia’s invasion of Ukraine.

In the Company’s flagship Titanium business, in addition to a gradual recovery in demand for aerospace and replacement demand for Russian titanium, demand for general industrial applications also began to increase gradually. In the Company’s High-Performance Materials business, demand for high-purity titanium and spherical titanium alloy powder (alloy TILOP) also increased. As a result, sales increased in both the Titanium and High-Performance Materials businesses for the Company. Furthermore, improved earnings due to better product prices and cost reduction efforts have also helped the business to turn around and become profitable for the first time in three years since the financial year ending March, 2020.

In this business environment, in order to steadily return to the growth strategy envisioned by the Company and build a strong corporate foundation for sustainable development, the Company will further strengthen its profitability in the Titanium business by maximising production capacity utilisation, continuing efforts to improve product prices and by improving the production technology.

In the High-Performance Materials, the Company will accelerate the growth of high-purity titanium, strengthen the growth and profitability of alloy TILOP for its full-scale commercialisation and promote the early development of silicon monoxide (SiO) anode materials. The Company will also work to develop new businesses that use the Company’s specialised technologies to transform its business portfolio.

In addition, the Company will further enhance its corporate value by promoting various activities to reduce its environmental impact, such as its recent carbon-neutral response, and by actively promoting the use of IT technology.

Based on current performance, the year-end dividend will be JPY 25 per share, which, together with the interim dividend of JPY 10 per share, will result in an annual dividend of JPY 35 per share.

The Company will continue to make every effort to maintain and improve its performance and would like to thank you shareholders for your continued support and encouragement.

Yasuaki Sugizaki
Representative Director,
Member of the Board & President

To All Shareholders with Voting Rights:

Yasuaki Sugizaki
Representative Director,
Member of the Board & President
OSAKA Titanium technologies Co., Ltd.
1 Higashihama-cho,
Amagasaki, Hyogo, Japan

**NOTICE OF
THE 26th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 26th Annual General Meeting of Shareholders (hereinafter referred to as the “AGM”) of OSAKA Titanium technologies Co., Ltd. (hereinafter referred to as the “Company”) will be held as follows:

- 1. Date and Time:** Friday, 23rd June 2023, at 10am Japan Time (doors open at 9 am)
- 2. Place:** Amagasaki Chamber of Commerce, Conference Room 701, 7th floor
3-96 Showa-Dori, Amagasaki, Hyogo, Japan
- 3. Meeting Agenda:**
Matters to be Reported The Business Report and Financial Statement for the 26th Term
(Financial Year ending 31st March 2023)

Matters to be Resolved
Item Appointment of four (4) Directors (excluding those who are members of
the Audit & Supervisory Committee)

In convening this AGM, the Company has adopted the measures for the electronic provision of the information contained in the AGM Reference Documents (hereinafter referred to as the “Electronic Provision Measures”), which are available on the internet. The Company invites you to visit one of the following websites to check the information on the websites.

[Company’s website]

<https://www.osaka-ti.co.jp/ir/kabunushi.html>

[Tokyo Stock Exchange website (TSE-listed company information service)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Access the above website and search for "OSAKA TITANIUM TECHNOLOGIES" in the "Issue name (Company name)" section or simply enter the Company’s security code "5726" in the "Code" section. Then, select in the following order: "Basic information", "Documents for public inspection/PR information" and "Notice of General Shareholders Meeting/Information Materials for a General Shareholders Meeting."

Please review the enclosed AGM Reference Documents and exercise your voting rights in advance by returning the enclosed voting form or by voting online by the internet in case you are not able to come to the AGM on-site.

Notes

- The following items (1) and (2) are NOT included in the attachment to this Notice of AGM as they are posted on the above websites in accordance with the law and Article 17 of the Company's Articles of Incorporation.
 - (1) In the Business Report, "Major Business Operations," "Major Offices and Plants," "Employees," "Major Lenders," "Status of Shares," "Matters relating to Share Subscription Rights," "Development of Systems to Ensure the Appropriateness of Business Operations," and "Overview of the Operation Status of the System to Ensure the Appropriateness of Business Operations."
 - (2) In the Financial Statement, "Statement of Changes in Shareholders' Equity" and "Notes to the Financial Statement."
- The Business Report audited by the Directors who are members of the Audit & Supervisory Committee consists of the statements in this Notice of AGM and (1) above. The Financial Statement audited by the Accounting Auditors and the Directors who are members of the Audit & Supervisory Committee consists of the statements in this Notice of AGM and (2) above.
- In the event of any amendments to the Electronic Provision Measures, a notice will be posted on the aforementioned websites on the internet to inform shareholders of the amended matters.

AGM Reference Documents

Matters to be Resolved

Item Appointment of four (4) Directors (excluding those who are members of the Audit & Supervisory Committee)

As the terms of office of all four (4) Directors (excluding those who are members of the Audit & Supervisory Committee) will expire at the conclusion of this AGM, the appointment of four (4) Directors (excluding those who are members of the Audit & Supervisory Committee) is proposed.

The Audit & Supervisory Committee discussed this proposal based on the deliberations of the Nomination and Remuneration Committee. As a result, the Audit & Supervisory Committee expressed the opinion that there were no particular matters to be addressed.

The candidates for Directors (excluding those who are members of the Audit & Supervisory Committee) are as follows:

<List of Candidates for Directors (excluding those who are members of the Audit & Supervisory Committee)>

Candidate No.	Name		Current Position & Responsibilities at the Company
1	Yasuaki Sugizaki	Re-appointed	Representative Director, Member of the Board & President
2	Satoru Takahashi	Re-appointed	Director, Member of the Board & Senior Managing Executive Officer Oversees the Corporate Planning & Finance, the General Affairs & Human Resources, and the Raw Materials & Purchasing Departments
3	Junji Kawafuku	Re-appointed	Director, Member of the Board & Senior Managing Executive Officer Oversees the Safety, Environment & Disaster Management, the Production Control, the Quality Assurance, the Technology, the Testing & Analysis, the Facilities, and the Titanium Manufacturing Departments
4	Tadao Araike	Newly-appointed	Managing Executive Officer In charge of the Titanium Manufacturing Department

Notes

1. There are no special interests between each candidate and the Company.
2. The Company has entered into a liability insurance contract with an insurance company for all Directors, Members of the Board, as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy shall cover any loss that may arise as a result of an insured Director being held liable for the performance of his or her duties or being subject to a claim in respect of such liability. In the event that each candidate is appointed as a director, he or she will become an insured person under the relevant insurance policy and the policy will be renewed during the term of office.

Candidate No.	Name (Date of Birth)	Personal History, Positions & Responsibilities, and Important Concurrent Positions	
1	<p style="text-align: center;">Yasuaki Sugizaki (17th May 1957)</p> <div style="text-align: center; background-color: black; color: white; padding: 2px; width: fit-content; margin: 0 auto;">Re-appointed</div>	<p>April 1988 Joined Kobe Steel, Ltd.</p> <p>April 2011 Executive Officer, General Manager of Research & Development Planning Department, Technical Development Group, Kobe Steel, Ltd.</p> <p>April 2013 Managing Executive Officer, General Manager of Technical Development Group, Kobe Steel, Ltd.</p> <p>June 2014 Managing Director, General Manager of Technical Development Group, Kobe Steel, Ltd.</p> <p>April 2015 Senior Managing Director, Kobe Steel, Ltd.</p> <p>April 2016 Director, Senior Managing Executive Officer, Assistant to the President, Kobe Steel, Ltd.</p> <p>April 2016 Corporate Adviser, the Company</p> <p>June 2016 Representative Director, Member of the Board & President, the Company (to present)</p>	<p>Number of Shares held in the Company: 13,000</p> <p>Attendance at the Board of Directors (FY2022): 11/11 (100%)</p>
<p>Reasons for Appointment as a Director</p> <p>He has been re-appointed as a candidate for Director because he has been working to enhance the corporate value of the Company as the Representative Director, Member of the Board & President , and because he has been demonstrating strong leadership in building a strong corporate structure for the future of the Company. In particular, he has been involved in the improvement of the profitability of the Company's Titanium business and the transformation of the Company's business portfolio.</p>			

Candidate No.	Name (Date of Birth)	Personal History, Positions & Responsibilities, and Important Concurrent Positions	
2	<p style="text-align: center;">Satoru Takahashi (7th January 1960)</p> <div style="background-color: black; color: white; padding: 2px; text-align: center; width: fit-content; margin: 0 auto;">Re-appointed</div>	<p>April 1982 Joined Sumitomo Metal Industries, Ltd. (currently NIPPON STEEL CORPORATION)</p> <p>April 2011 Department Manager of Production Control and Purchasing Department, the Company</p> <p>June 2012 General Manager of Raw Materials Department, the Company</p> <p>June 2015 Executive Officer, General Manager of Raw Materials Department, the Company</p> <p>April 2017 Executive Officer, General Manager of Corporate Planning Department, the Company</p> <p>April 2018 Managing Executive Officer, the Company</p> <p>June 2018 Director, Member of the Board & Managing Executive Officer, the Company</p> <p>April 2019 Director, Member of the Board & Senior Managing Executive Officer, the Company (to present)</p> <p>Responsibilities Oversees the Corporate Planning & Finance, the General Affairs & Human Resources, and the Raw Materials & Purchasing Departments</p>	<p>Number of Shares held in the Company: 8,800</p> <p>Attendance at the Board of Directors (FY2022): 11/11 (100%)</p>
<p>Reasons for Appointment as a Director He has been re-appointed as a candidate for Director because he has a wealth of experience and a wide range of insights in accounting, corporate planning, and raw materials business, and because he has played an important role of top executive in the Finance as well as in the General Affairs and Human Resources Departments, thus enhancing the Company's corporate governance and contributing to the improvement of corporate value of the Company.</p>			

Candidate No.	Name (Date of Birth)	Personal History, Positions & Responsibilities, and Important Concurrent Positions	
3	<p style="text-align: center;">Junji Kawafuku (1st April 1960)</p> <div style="background-color: black; color: white; padding: 2px; text-align: center; width: fit-content; margin: 0 auto;">Re-appointed</div>	<p>April 1985 Joined Kobe Steel, Ltd.</p> <p>April 2010 Manager of Titanium Plant and Head of Plant Control department, Titanium Division, Iron & Steel business, Kobe Steel, Ltd.</p> <p>April 2013 Head of Titanium Division, Iron & Steel business, Kobe Steel, Ltd.</p> <p>April 2014 Senior General Manager, Head of Titanium Division, Iron & Steel business, Kobe Steel, Ltd.</p> <p>April 2018 Senior General Manager, Assistant Executive Officer of Titanium Division, Iron & Steel business, Kobe Steel, Ltd.</p> <p>April 2020 Managing Executive Officer, the Company</p> <p>June 2020 Director, Member of the Board & Managing Executive Officer, the Company</p> <p>April 2023 Director, Member of the Board & Senior Managing Executive Officer, the Company (to present)</p> <p>Responsibilities Oversees the Safety, Environment & Disaster Management, the Production Control, the Quality Assurance, the Technology, the Testing and Analysis, the Facilities, and the Titanium Manufacturing Departments</p>	<p>Number of Shares held in the Company: 2,900</p> <p>Attendance at the Board of Directors (FY2022): 11/11 (100%)</p>
<p>Reasons for Appointment as a Director He has been re-appointed as a candidate for Director because he has contributed to the enhancement of the Company's corporate value by leading the operations and manufacturing technology divisions of the Company with his broad insight and management skills. He held several important positions in the Titanium Division at Kobe Steel, Ltd.</p>			

Candidate No.	Name (Date of Birth)	Personal History, Positions & Responsibilities, and Important Concurrent Positions	
4	<p data-bbox="284 409 456 499">Tadao Araike (1st August 1967)</p> <div data-bbox="304 528 435 607" style="border: 1px solid black; padding: 2px; display: inline-block;"> <p data-bbox="320 544 419 595">Newly-appointed</p> </div>	<p data-bbox="488 230 1182 723"> April 1991 Joined the Company June 2012 Department Manager of Titanium Manufacturing Department, the Company July 2013 General Manager of Titanium Manufacturing Department, the Company April 2016 Executive Officer, General Manager of Titanium Manufacturing Department, the Company April 2018 Executive Officer, the Company April 2019 Executive Officer, General Manager of Titanium Manufacturing Department, the Company April 2023 Managing Executive Officer, the Company (to present) </p> <p data-bbox="488 741 1094 801"> Responsibilities In charge of the Titanium Manufacturing Department </p>	<p data-bbox="1198 465 1445 555"> Number of Shares held in the Company: 3,500 </p>
<p data-bbox="277 857 751 887">Reasons for Appointment as a Director</p> <p data-bbox="300 887 1398 1066"> He has extensive experience and excellent management skills in relation to manufacturing technology in the Company’s flagship operation—the Titanium business. He has also been involved in formulating business strategies for the Titanium business since his appointment as an executive officer of the Company. He is a candidate for Director because the Company has determined that he will contribute to the enhancement of its corporate value by exercising his leadership in all aspects of operations and manufacturing technology. </p>			

Skills Matrix of Directors (after this AGM)

Name	Full-time/ Outside	Independent Director	Position	Business Unit Management	Finance & Accounting	Governance & Legal Affairs	Global Business	Sales & Marketing	Technology
Yasuaki Sugizaki	Full-time	—	Representative Director, Member of the Board & President	○		○			○
Satoru Takahashi	Full-time	—	Director, Member of the Board & Senior Managing Executive Officer		○	○	○		
Junji Kawafuku	Full-time	—	Director, Member of the Board & Senior Managing Executive Officer	○				○	○
Tadao Araiike	Full-time	—	Director, Member of the Board & Managing Executive Officer					○	○
Nobuhide Shimamoto	Full-time	—	Director, Member of the Board (Full-time Audit & Supervisory Committee Member)		○	○			
Nae Iijima	Out-side	✓	Outside Director, Member of the Board (Audit & Supervisory Committee Member)			○	○		
Shigehisa Yamaguchi	Out-side	✓	Outside Director, Member of the Board (Audit & Supervisory Committee Member)	○		○	○		
Masashi Murata	Out-side	✓	Outside Director, Member of the Board (Audit & Supervisory Committee Member)			○	○	○	

- Notes
1. The proportion of independent outside directors on the Board of Directors of the Company will be more than one-third consecutively. (3 of 8 Directors)
 2. Key skills (up to three) are indicated in this matrix.

Business Report

(Financial Year ending 31st March 2023)

1. Company Overview

(1) Business Progress and Results

During the year under review, the Japanese and overseas economies showed a gradual recovery trend, with economic activity beginning to normalise as restrictions on activities in response to new coronavirus infections were eased. However, the outlook remains uncertain due to ongoing geopolitical risks from Russia's invasion of Ukraine and the resulting surge in resource and energy prices, rising inflation on a global scale and foreign exchange trends.

In the Company's Titanium business, demand for titanium sponge is increasing rapidly due to the recovery in aerospace demand and the restructuring of the titanium supply chain as a result of Russia's invasion of Ukraine. In this business environment, sales of export titanium sponge, mainly for aerospace applications, increased by 59.9% year-on-year. Domestic demand for titanium sponge, mainly for general industrial applications, also recovered, increasing by 51.9% year-on-year. As a result, sales in the Titanium business amounted to JPY 39,273 million (up 57.0% year-on-year).

In the Company's High-Performance Materials business, the current global market for semiconductors is deteriorating rapidly and the future situation needs to be closely monitored. However, in the year under review, sales of high-purity titanium for sputtering targets and spherical titanium alloy powder (alloy TILOP) continued to increase, and sales amounted to JPY 3,801 million (up 18.1% year on year).

As a result, sales for the Company as a whole in the year under review totalled JPY 43,074 million, an increase of 50.9% over the previous year.

As for profit and loss, despite factors such as higher prices for titanium ore and electricity, operating profit was JPY 4,780 million (compared with a loss of JPY 1,914 million in the same period of the previous year), ordinary profit was JPY 4,723 million (compared with a loss of JPY 1,719 million in the same period of the previous year) and net profit was JPY 4,388 million (compared with a loss of JPY 3,112 million in the same period of the previous year) as a result of increased sales volumes, price improvements and improved capacity utilisation in the Titanium business.

(2) Capital Investments

Total capital investment in the year under review amounted to JPY 2,983 million. This was mainly for the maintenance and improvement of titanium production facilities.

(3) Capital Procurement

The funds required for capital investment in the year under review were provided by the Company's own funds and borrowings. Stable funding is being secured by various means of funding such as refinancing long-term debt.

(4) Business Results and Asset Trends

(Japanese Yen in millions, except per share amounts)

Item	FY2019 (23 rd Term)	FY2020 (24 th Term)	FY2021 (25 th Term)	FY2022 (year-under review)
Sales	38,189	17,053	28,549	43,074
Ordinary profit (loss)	1,322	(2,843)	(1,719)	4,723
Net profit (loss)	736	(5,083)	(3,112)	4,388
Basic net profit (loss) per share	20.02	(138.15)	(84.57)	119.27
Total assets	76,518	77,743	76,586	81,544
Total equity	34,921	29,708	26,509	30,474

Notes

1. Negative () indicates losses.
2. Net Profit (loss) per share is calculated based on the average number of shares outstanding during the period.
3. Changes in accounting policies have been made from the FY2020 and the figures for the FY 2019 (the 23rd Term) have been retrospectively adjusted.

(5) Issues to be Addressed

Demand for titanium is steadily recovering, as the global economy recovers from the severe downturn which has been caused by the spread of the new coronavirus infections. In the titanium industry, the ongoing Russia's invasion of Ukraine has triggered major aircraft manufacturers to avoid purchasing Russian-made titanium mill products, resulting in a notable change in the titanium supply chain for aerospace applications. Although prices of various raw materials--titanium ore is one of them--have continued to rise, the crisis in Ukraine has led to further price increases of raw materials and a sharp rise in energy prices. Thus, the situation, including economic trends, remains uncertain.

Under this business environment, the Company's Titanium business is responding to the upturn in demand by increasing the utilisation of its titanium sponge production facilities, while at the same time continuing its company-wide efforts to reduce costs across the board through

streamlining, including improvements in production parameters, and to increase productivity through efficient operations. Rising raw material prices have been a major constraint on the recovery of the Company's performance and the Company is promoting product price improvements while seeking customers understanding in order to improve the profitability of the Titanium business.

While working to strengthen the earnings base of the Titanium business in response to the recovery in demand for titanium, the Company is also considering increasing the production capacity of titanium sponge in parallel with the aim of returning to a full-fledged sustainable growth path in the future.

At the same time, the Company is working diligently to promote the growth of the alloy TILOP business and also to forward the commercialisation of silicon monoxide (SiO) anode materials for lithium-ion batteries in order to strengthen the business structure, which are medium- to long-term management challenges of the Company. The Company is also committed to realising the business portfolio outlined in its long-term vision by continuously investing management resources in the creation of new businesses that will contribute to a sustainable growth of the Company. Through these initiatives the Company will secure stable earnings from the Titanium business and accelerate the growth of the High-Performance Materials business in order to rapidly restore the Company's financial health and rebuild a foundation for stable growth.

At present, basic policies have been set and are being diligently implemented to address the following management issues.

[Management Tasks]

- ✓ Restoring the profitability of the Titanium business through price improvement and thorough cost reductions
- ✓ Reinforcing the profit structure and accelerating the growth strategy by strengthening the business structure
- ✓ Restoring a stable growth platform by quickly ensuring financial strength.

[Basic Policies]

- ✓ Returning to a strategy of sustainable growth with the Titanium business at the core as the market returns to a growth trajectory
- ✓ Enhancing the growth potential and securing the profitability of the High-Performance Materials business in order to transform the Company's business structure
- ✓ Continuously developing new businesses to accelerate the transformation of the business portfolio
- ✓ Promoting various activities to reduce environmental load, including carbon neutral compliance
- ✓ Proactively using IT technology (business reforms by DX, advanced production technology using AI, etc.)

The challenges in each of the business segments are as follows:

1. *Titanium Business*

1) Strengthening the Revenue Base

- ✓ Improving sales price and sales mix to a level that ensures long-term business continuity
- ✓ Modifying the cost structure and contributing to the reduction of environmental impact through the development of innovative technologies
- ✓ Maintaining a stable and competitive raw material procurement scheme and strengthening technologies for the use of less-expensive-low-quality raw materials

2) Pursuing an Optimum Production

- ✓ Further improving productivity per furnace and labour productivity
- ✓ Actively introducing AI and other mathematical engineering approaches for the advancement of production technology
- ✓ Conducting a feasibility study of the expanding titanium sponge production capacity

2. High-Performance Materials Business

1) Expanding High-Purity Titanium Business by Strengthening Customer-response Capabilities

- ✓ Strengthening customer responsiveness and increasing market share through strategic products by strengthening the technical-sales capabilities
- ✓ Developing distinctive products that anticipate innovative needs and capture ongoing growth opportunities
- ✓ Further strengthening the profitability by expanding sales of high value-added products and reducing loss costs

2) Strengthening the Business Base of Spherical Titanium Alloy Powder (alloy TILOP)

- ✓ Building a business foundation by fully utilising the alloy TILOP plant
- ✓ Improving the ability to make proposals and deepening cooperation with customers
- ✓ Continuously developing the process technology and bringing differentiated products to market

3) Forwarding the Commercialisation of SiO Anode Materials for LiBs

- ✓ Forwarding the commercialisation through attentive and rapid response to customer needs
- ✓ Starting commercial production and establishing a business base

4) Continuous Efforts to Create “High-Quality Menus”

- ✓ Searching for new businesses that utilise our proprietary technologies and studying their commercialisation through a company-wide cross-sectional structure
- ✓ Supporting the commercialisation review process for new businesses through investment in management resources

3. Company-wide Initiatives

1) Consolidating the Cost Structure

- ✓ Reducing indirect personnel through operational efficiency and organisational integration and effectively allocating human resources
- ✓ Promoting flexible organisational reforms for business portfolio transformation

2) Consolidating the Technology Development Capabilities

- ✓ Consolidating the organisational structure dedicated to the advancement of production process technology and collaboration with external R&D organisations
- ✓ Continuously exploring the possibility for new products and businesses

3) Securing and Developing Human Resources

- ✓ Creating a system to ensure a diverse workforce in the face of a declining population
- ✓ Enhancing measures for human resource development to achieve a systematic training of

the coming generation leaders

- ✓ Handing down skills to the coming generation and fostering technical experts through visualisation and sharing of the experience and knowledge of skilled personnel

4) Promoting DX (Digital Transformation)

- ✓ Promoting work restructuring through the renewal of core information system
- ✓ Further stabilising the quality of products and improving the production efficiency by proactive use of accumulated data

5) ESG Initiatives

- ✓ Contributing to the reduction of environmental load
- ✓ Creating a safe and healthy working environment
- ✓ Developing human resources and promoting diversity
- ✓ Sustaining growth through corporate governance
- ✓ Contributing to a sustainable society through the development and provision of environment-friendly advanced materials

(6) Important Parent Company and Subsidiaries (As of 31st March 2023)

Not applicable

2. Company Officers

(1) Directors, Members of the Board (As of 31st March 2023)

Position	Name	Responsibilities at the Company and Important Concurrent Positions
Representative Director, Member of the Board, and President	Yasuaki Sugizaki	
Director, Member of the Board, and Senior Managing Executive Officer	Satoru Takahashi	Oversees the Corporate Planning & Finance, the General Affairs & Human Resources, and the Raw Materials & Purchasing Departments
Director, Member of the Board, and Senior Managing Executive Officer	Masayuki Tsuji	Oversees the Sales & Marketing and the High-Performance Materials Departments. General Manager of Tokyo Office
Director, Member of the Board, and Managing Executive Officer	Junji Kawafuku	Oversees the Safety, Environment & Disaster Management, the Production Control, the Quality Assurance, the Technology, the Testing & Analysis, the Facilities, and the Titanium Manufacturing Departments
Director, Member of the Board (Full-time Audit & Supervisory Committee Member)	Nobuhide Shimamoto	
Director, Member of the Board (Audit & Supervisory Committee Member)	Nae Iijima	Attorney-at-Law and Partner of Dojima Law Office Outside Director (Audit & Supervisory Committee Member), Okura Industrial Co., Ltd
Director, Member of the Board (Audit & Supervisory Committee Member)	Shigehisa Yamaguchi	
Director, Member of the Board (Audit & Supervisory Committee Member)	Masashi Murata	Outside Director, TOA Corporation

Notes

- Directors, Members of the Board, Nae Iijima, Shigehisa Yamaguchi and Masashi Murata are Outside Directors, Member of the Board, as stipulated in Article 2, Paragraph 15 of the Companies Act.
- The Company has designated Directors, Members of the Board, Nae Iijima, Shigehisa Yamaguchi and Masashi Murata as Independent Directors as stipulated by the Tokyo Stock Exchange, Inc. and has registered them at the aforementioned Exchange.
- Director, Member of the Board, Nobuhide Shimamoto has many years of experience in operations of accounting and finance, and has an adequate level of knowledge in those sectors.
- The Company has appointed Nobuhide Shimamoto as a full-time member of the Audit & Supervisory Committee

to ensure the effectiveness of the audit.

5. At the 25th AGM held on the 22nd of June, 2022, Nobuhide Shimamoto, Nae Iijima, Shigehisa Yamaguchi and Masashi Murata were newly elected as Directors who are members of the Audit & Supervisory Committee and assumed their respective positions.
6. The Company has established regulations in its Articles of Incorporation regarding liability limitation agreements with Directors (except those who are managing directors). Based on these regulations, the Company has concluded liability limitation agreements with all Outside Directors, Members of the Board, that limit the amount of liability to the total of each item in Article 425, Paragraph 1 of the Companies Act, should the Company be harmed as a result of the execution of duties by Outside Directors, Members of the Board, as long as they perform their duties unknowingly and without gross negligence .
7. The Company has concluded a directors' and officers' liability insurance policy, as stipulated in Article 430-3(1) of the Companies Act, insuring all Directors and Executive Officers, with the premiums fully borne by the Company. The insurance policy covers damages that may arise as a result of the insured person being held liable for the performance of his/her duties or being subject to claims in respect of such liability. In addition, the insurance policy has certain exclusions of liability, such as not covering claims for damages arising from intentional violations of laws and regulations or criminal acts, as a measure to ensure that the proper execution of duties is not impaired.

(2) Remuneration for Directors, Members of the Board

1) Total Amount of Remuneration by Category of Officer, by Type of Remuneration, and Number of Eligible Officers

(Japanese Yen in millions, except number of officers)

Category of Officers	Total Amount of Remuneration	Total Amount of Remuneration by Type			Number of Officers Eligible
		Base Remuneration	Performance-based Remuneration, etc.	Non-monetary Remuneration, etc.	
Directors, Member of the Board (of which, Outside Directors)	112 (3)	107 (3)	5 (0)	—	6 (2)
Directors, Member of the Board -Audit & Supervisory Committee members (of which, Outside Directors)	26 (13)	26 (13)	—	—	4 (3)
Audit & Supervisory Board Members (of which, Outside Members)	5 (1)	5 (1)	—	—	2 (1)
TOTAL (of which, Outside Officers)	143 (18)	139 (18)	5 (0)	—	12 (6)

Note: The Company has transitioned from "a company with a board of corporate auditors" to "a company with an audit & supervisory committee" on 22nd June 2022.

2) Company Performance-based Remuneration

Company performance-based remuneration is determined by taking into account the performance and dividend levels of the previous financial year and the company performance and dividend forecast of the financial year under review. The Company has chosen this index in order to share the same values with its shareholders.

The level of company performance in the previous and the financial year under review is

shown in section (4) “Business Results and Asset Trends” on page 12. The annual dividend for the previous financial year was JPY 0 per share and the dividend for the financial year under review is JPY 35 per share.

3) Matters relating to the Resolution at the AGM on the Remuneration for Directors, Members of the Board

i. Before transition to “a company with an audit & supervisory committee” (from 1st April 2022 to the close of the 25th AGM on 22nd June 2022)

At the 18th AGM held on 19th June 2015, it was resolved that the remuneration for Directors, Members of the Board, shall be no more than JPY 24 million per month (including JPY 2 million for Outside Directors). The number of Directors, Member of the Board, at the close of the said AGM was seven (7) (including two (2) outside Directors).

At the 9th AGM held on 23rd June 2006, it was resolved that the remuneration for Audit & Supervisory Board Members shall be no more than JPY 5 million per month. The number of Audit & Supervisory Board Members at the close of the said AGM was four (4) (including two (2) outside Members).

ii. After transition to “a company with an Audit & Supervisory Committee” (from the close of the 25th AGM on 22nd June 2022 until 31st March 2023)

At the 25th AGM held on 22nd June 2022, it was resolved that the remuneration for Directors (excluding those who are members of the Audit & Supervisory Committee) shall not exceed JPY 23 million per month (including JPY 1 million for outside Directors). The number of Directors (excluding those who are members of the Audit & Supervisory Committee) at the close of the said AGM was four (4).

At the 25th AGM held on 22nd June 2022, it was resolved that the remuneration for Directors who are members of the Audit & Supervisory Committee shall not exceed JPY 7 million per month. The number of Directors who are members of the Audit & Supervisory Committee at the close of the said AGM was four (including three (3) outside Directors).

4) Matters relating to the Policy for Determining the Details of Remuneration for Directors, Members of the Board

The Board of Directors of the Company, at its board meeting held on 25th February 2021, resolved a policy for determining the details of remuneration for individual Directors, Members of the Board (hereinafter referred to as “the Policy for Determining the Content of Directors’ Remuneration”). Following the establishment of the Nomination & Remuneration Committee as well as the transition to “a company with an audit & supervisory committee,” the Policy for

Determining the Content of Directors' Remuneration was revised by the Board of Directors on 22nd June 2022.

In addition, the Board of Directors has confirmed that the method of determining the remuneration and the content of the remuneration determined are consistent with the decision-making policy resolved by the Board of Directors with regard to the remuneration for individual Directors during the year under review, and also confirmed that the decisions on remuneration for Directors are made after explaining the policy on remuneration for Directors to the Nomination & Remuneration Committee and obtaining its opinions prior to the Board of Directors' resolution in accordance with the decision policy. The Company has confirmed that the policy is in accordance with its decision-making policy.

The details of Policy for Determining the Content of Directors' Remuneration are as follows:

a) Basic Policy on Remuneration for Individual Directors (hereinafter referred to as "Remuneration")

- i. Directors' Remuneration is paid on a monthly basis.
- ii. Remuneration for Directors (excluding those who are members of the Audit & Supervisory Committee) consists of a fixed remuneration and a performance-linked remuneration which is determined based on comprehensive consideration of performance and dividend in each financial year.
- iii. Remuneration for Directors who are members of the Audit & Supervisory Committee and outside Directors is fixed.

b) Policy on Determining the Method of Calculating the Remuneration for Executive Directors

i. Composition of Remuneration

Remuneration for Directors consists of a fixed base remuneration and the Company's performance-based remuneration linked to the performance achievements.

ii. Method of Calculating Remuneration

1) Basic Remuneration (base remuneration)

The base remuneration is fixed by position, taking into account the level commensurate with the required ability and responsibility

2) Company's Performance-based Remuneration

Performance-based remuneration is determined by taking into account the Company's performance and dividend levels of the previous financial year as well as the Company's expected performance and dividend of the financial year under review. In particular, ranges are set according to the level of the Company's performance and dividends, and

the amount to be paid for each position is determined for each range. The ratio of performance-based remuneration against total amount of remuneration ranges from 0% to 50%, depending on the level of the Company's performance and dividends.

c) Matters relating to the Determination of the Details of Remuneration for Directors, Member of the Board

The policy on Remuneration for Directors, Members of the Board, (the determination of the level of Remuneration for each individual and the concept of the ratio of performance-linked Remuneration, etc.) is explained to the Nomination & Remuneration Committee. The Committee's opinions are obtained prior to the resolution by the Board of Directors. The amount of Remuneration for each individual Director, Member of the Board, is resolved at the Board of Directors' meeting based on the payment formula determined by the Nomination & Remuneration Committee, taking into account the calculation method, the Company performance, the ratio of performance-based remuneration, and trends in remuneration for other executives and employees.

5) Matters relating to the Determination of the Amount of Individual Remuneration for Directors who are Members of the Audit & Supervisory Committee

The amount of individual remuneration for each Director who is a member of the Audit & Supervisory Committee is determined by consultation among Directors who are members of the Audit & Supervisory Committee.

(3) Outside Officers (As of 31st March 2023)

1) Important Concurrent Positions held at Other Companies and Relationship between the Company and Other such Companies

Category	Name	Company where Concurrent Position is Held	Description of Concurrent Position	Relationship
Outside Director (Audit & Supervisory Committee member)	Nae Iijima	Dojima Law Office	Attorney-at-Law and Partner	There are no significant relationships between either Dojima Law Office or Okura Industrial Co., Ltd and the Company
		Okura Industrial Co., Ltd	Outside Director (Audit & Supervisory Committee member)	
Outside Director (Audit & Supervisory Committee member)	Masashi Murata	TOA Corporation	Outside Director	There are no significant relationships between TOA Corporation and the Company

2) Main Activities of Outside Officers

1. Outside Officers' Attendance and Comments at Board of Directors' Meetings, Audit & Supervisory Board Meetings and Audit & Supervisory Committees

Classification	Name	Attendance and Comments
Outside Director (Audit & Supervisory Committee member)	Nae Iijima	Participated in eleven of the 11 Board of Directors' meetings and eight of the 8 Audit & Supervisory Committees during the financial year under review. She made comments as necessary primarily from the point of view for ensuring appropriate discussions of proposals based on expert legal knowledge developed through her professional practice as an attorney-at-law.
Outside Director (Audit & Supervisory Committee member)	Shigehisa Yamaguchi	Participated in eleven of the 11 Board of Directors meetings and eight of the 8 Audit & Supervisory Committees during the financial year under review. He made comments as necessary primarily from the point of view for ensuring appropriate discussions of proposals based on his insight and abundant experience as company manager, and experience as an Audit & Supervisory Board member.
Outside Director (Audit & Supervisory Committee member)	Masashi Murata	Participated in eleven of the 11 Board of Directors meetings, four of the 4 Audit & Supervisory Board meetings and eight of the 8 Audit & Supervisory Committees during the financial year under review. He made comments as necessary primarily from the point of view for ensuring appropriate discussions of proposals based on his knowledge of corporate planning and marketing.

2. Activities regarding Expected Roles of Outside Directors, Members of the Board

Classification	Name	Activities regarding Expected Roles
Outside Director (Audit & Supervisory Committee member)	Nae Iijima	At discussions about the medium-term Corporate Management Plan and the Compliance & Risk Management Committees, she provided advice and suggestions, from the perspective of legal risk and compliance, based on her legal knowledge and experience developed through her professional practice as an attorney-at-law.
Outside Director (Audit & Supervisory Committee member)	Shigehisa Yamaguchi	At discussions about the medium-term Corporate Management Plan and the Compliance & Risk Management Committees, he provided advice and suggestions based on his knowledge and experience developed through his broad experience including company management.
Outside Director (Audit & Supervisory Committee member)	Masashi Murata	At discussions about the Medium-term Corporate Management Plan and the Compliance & Risk Management Committees, he provided advice and suggestions based on his knowledge and experience developed through his extensive work experience in domestic and international corporate planning, business planning and marketing.

4. Policy regarding the Exercise of the Right to Determine Dividends from the Company Surplus

The Company is committed to strengthening its management base in order to increase its corporate value in the future. At the same time, the Company regards the return of profits to shareholders as a top management priority.

In terms of the distribution of profits, the Company aims to maintain sufficient internal reserves to invest for sustainable growth and to stabilise and strengthen its financial position. The Company's policy is to maintain a dividend pay-out ratio of 25% to 35%, while giving consideration to stability.

The year-end dividend for the financial year under review will be JPY 25 per share, making the annual dividend JPY 35 per share, together with the interim dividend of JPY 10 per share paid earlier.

The annual dividend forecast for the following financial year is JPY 40 per share (interim dividend: JPY 20, year-end dividend: JPY 20).

Note: Figures in this Business Report are rounded down to the indicated unit for amounts and numbers of shares, and rounded to the nearest whole number for all other figures.

Balance Sheet
(As of 31st March 2023)

(Japanese Yen in millions)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	46,205	Current liabilities	23,152
Cash and deposits	6,971	Trade accounts payable	4,730
Trade accounts receivable	16,139	Short-term bank loans	16,000
Finished products	11,001	Accounts payable - other	159
Work in process	3,932	Income taxes payable	714
Raw materials and supplies	7,957	Accrued expenses	283
Advance payment	9	Deposits received	34
Prepaid expenses	150	Provision for bonuses	315
Accounts receivable-other	36	Accounts payable - facilities	902
Other	9	Other	12
Allowance for doubtful receivables	(3)	Long term liabilities	27,917
Fixed assets	35,339	Long-term debt	24,500
Property, plant, and equipment	33,058	Provision for retirement benefits	1,833
Buildings	8,755	Asset retirement obligations	1,515
Structures	205	Other	69
Machinery and equipment	7,795	Total liabilities	51,070
Vehicles	8	(Equity)	
Tools, furniture, and fixtures	145	Shareholders' equity	30,474
Land	14,823	Share capital	8,739
Construction in progress	1,324	Capital surplus	8,943
Intangible assets	937	Additional paid-in capital	8,943
Software	323	Retained earnings	12,802
Other	613	Legal retained earnings	38
Investments and other assets	1,344	Unappropriated	12,764
Long-term prepaid expenses	204	Retained earnings brought forward	12,764
Prepaid pension cost	1,024	Treasury stock	(10)
Deferred tax assets	85	Total equity	30,474
Other	29	Total liabilities and equity	81,544
Total assets	81,544		

Note Figures are rounded down to the nearest million Yen.

Profit-and-Loss Statement

Financial Year ending 31st March 2023

(Japanese Yen in millions)

Description	Amount	
Net sales		43,074
Cost of sales		34,099
Gross profit		8,975
Selling, general and administrative expenses		4,195
Operating profit (loss)		4,780
Non-operating profit		
Interest and dividend income	28	
Sale of unused goods	170	
Other	117	316
Non-operating expenses		
Interest expense	192	
Foreign exchange loss	129	
Extra retirement expense	39	
Syndicated loans commission	3	
Other	8	373
Ordinary profit (loss)		4,723
Extraordinary gains		
Gain on sale of investment securities	93	93
Extraordinary losses		
Loss on retirement of non-current assets	103	
Impairment loss	260	364
Profit before income taxes		4,451
Income taxes-current	578	
Income taxes-deferred	(515)	62
Net income (loss)		4,388

Note Figures are rounded down to the nearest million Yen.

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