

The following is an English translation of the Notice of Convocation of the 99th Ordinary General Meeting of Shareholders of Sumitomo Metal Mining Co., Ltd. (hereinafter referred to as the “Company”). The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. The Japanese original is the sole official version and shall prevail in the event of any discrepancy between the Japanese original and this English translation.

Convocation Notice of the 99th Ordinary General Meeting of Shareholders

1. Date and Time: June 26, 2024 (Wednesday) at 10:00am (Japan Time)
(Reception starts at 9:00am)
2. Place: The Okura Tokyo, Orchard (Okura Prestige Tower 2F)
2-10-4 Toranomom, Minato-ku, Tokyo, Japan

Convocation Notice

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For shareholders who are unable to attend the General Meeting of Shareholders in person

Deadline for the exercise of voting rights:

5:00pm (Japan Time), Tuesday, June 25, 2024

Please exercise your voting rights by sending the enclosed voting form by postal mail or via the Internet, etc.

* For details, please refer to “Guide to Exercising Voting Rights” on page 3.

Sumitomo Metal Mining Co., Ltd.

Securities Code No. 5713

June 4, 2024

To our shareholders

11-3, Shimbashi 5-chome, Minato-ku, Tokyo
Sumitomo Metal Mining Co., Ltd.
Akira Nozaki, Representative Director and President

Convocation Notice of the 99th Ordinary General Meeting of Shareholders

Sumitomo Metal Mining Co., Ltd. (the “Company”) hereby gives notice of the 99th Ordinary General Meeting of Shareholders (the “Meeting”) as outlined below and cordially requests your attendance.

In convening the Meeting, we have taken measures for electronic provision of the Reference Documents, etc. for Shareholders Meeting (matters subject to measures for electronic provision), pursuant to the provisions of laws and regulations and Article 16, Paragraph 1 of the Articles of Incorporation. The matters are posted on the Company’s website. Please access the website and review the information.

The Company’s website

<https://www.smm.co.jp/ir/stock/meeting/>

In addition to the Company’s website, the matters subject to measures for electronic provision are also posted to the website of Tokyo Stock Exchange (TSE). Please access the following TSE website (Listed Company Search), enter the Company’s name “Sumitomo Metal Mining” in the “Issue name (company name)” field or the securities code “5713” in the “Code” field to search for the Company, select “Basic information” and “Documents for public inspection/PR information” in that order, and then find the information posted in “[Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting].”

Tokyo Stock Exchange’s website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

If you are unable to attend the meeting, you may vote in writing or by an electromagnetic method (via the Internet, etc.). We cordially request that you examine the attached Reference Documents for Shareholders Meeting and exercise your voting rights no later than 5:00pm (Japan Time) on Tuesday, June 25, 2024 in accordance with Guide to Exercising Voting Rights on page 3.

1. Date and Time: June 26, 2024 (Wednesday) at 10:00am (Japan Time)

2. Place: The Okura Tokyo, Orchard (Okura Prestige Tower 2F)
2-10-4 Toranomom, Minato-ku, Tokyo, Japan

3. Agenda:

Matters for Reporting Report on the contents of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 99th business year (April 1, 2023– March 31, 2024) and the results of audits of the Consolidated Financial Statements for the 99th business year by the Accounting Auditor and the Audit & Supervisory Board

Matters for Resolution
Proposal No.1: Appropriation of Surplus
Proposal No.2: Election of eight (8) Directors
Proposal No.3: Election of one (1) Audit & Supervisory Board Member
Proposal No.4: Election of one (1) substitute Audit & Supervisory Board Member
Proposal No.5: Payment of bonuses to Directors



- * Please note that the Place is different from last year.
- * Along with this document, we deliver the document of matters subject to measures for electronic provision to shareholders who have requested paper-based delivery. However, some of the matters subject to measures for electronic provision are omitted, pursuant to the provisions of laws and regulations and Article 16, Paragraph 2 of the Articles of Incorporation of the Company. The omitted matters are posted on the Company's website and TSE website described on the previous page.
- * If any amendments to the matters subject to measures for electronic provision are made, the notification of the revisions, the original versions, and the revised versions will be posted on the Company's website and TSE website described on the previous page.
- * When you attend the meeting, submit the enclosed voting form at the reception of the venue. If you want to exercise your voting right by proxy, you can designate a single shareholder who has a voting right. In this case, please submit a document evidencing the power of representation.

Guide to Exercising Voting Rights

1. Exercise of voting rights by attending the meeting

Submit the enclosed voting form at the reception of the venue.

Date and time of the meeting:

Wednesday, June 26, 2024 at 10:00am (Japan Time) (Reception starts at 9:00am)

2. Exercise of voting rights via postal mail

Indicate your vote for or against the proposals on the enclosed voting form and send the form back to us by postal mail without putting a stamp.

Deadline for the exercise via postal mail:

To arrive at us by 5:00pm (Japan Time), Tuesday, June 25, 2024

* If you attend the meeting in person, you do not need to send the voting form.

* If neither approval nor disapproval of a proposal is indicated on the voting form you sent, it shall be deemed a vote of approval.

3. Exercise of voting rights via the Internet

(1) You may access the voting rights exercise site (<https://www.web54.net>), enter your voting rights exercise code and password appearing on the enclosed voting form or scan the 2d barcode on the enclosed voting form and follow the instructions to register your vote either for or against the proposals.

(2) The deadline for the exercise of voting rights via the Internet is 5:00pm (Japan Time), Tuesday, June 25, 2024.

(3) Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders.

Please contact the direct number below if you have any inquiries concerning the exercise of voting rights via the Internet. Administrator of Shareholder Registry:

Securities Agent Web Support

Sumitomo Mitsui Trust Bank, Limited

0120-652-031 (toll-free within Japan only; open from 9:00am to 9:00pm (Japan Time))

4. Voting rights exercise platform for institutional investors

Institutional investors may use voting rights exercise platform operated by ICJ (Investor Communications Japan Inc.) for institutional investors if having made an application for its use in advance.

5. Matters concerning the exercise of voting rights

(1) In the event of having voted multiple times electronically (via the Internet, etc.) or both by PC and by cell phone and the content of the vote, whether for or against, with respect to one proposal differs, the last vote exercised shall prevail.

(2) In the event of having voted both in writing and electronically (via the Internet, etc.) and the content of the vote, whether for or against, with respect to one proposal differs, the vote exercised electronically shall prevail.

Guide to Viewing the Livestream

The Ordinary General Meeting of Shareholders will be livestreamed on the Internet so that you can view the meeting at home or elsewhere.

Date and time of the livestream

From 10:00am (Japan Time) to the end of the meeting on Wednesday, June 26, 2024

* The livestream page will be available at about 9:30am on the day.

How to view the livestream

1. Access the livestream website: <https://v.sokai.jp/5713/2024/smm/>
2. Log in to the website.

Enter the following login ID and password, review the terms of use of the website, select the check box to agree on the terms, and then click the login button.

Login ID: Your shareholder number described on the voting form (a 9-digit number)

Password: Your postcode described on the voting form (a 7-digit number without hyphens)

Once you are logged in, follow the instructions on the screen to go to the livestream page.

Contact for inquiries about login ID and password

Virtual Shareholder Meeting Support Dial provided by Sumitomo Mitsui Trust Bank, Limited
0120-782-041 (toll free within Japan only)
(Open from 9:00am to 5:00pm Japan Time excluding Saturday, Sunday and holidays)

Contact for inquiries about how to view the livestream, etc.

Livestream Call Center provided by PRONEXUS Inc.
0120-970-835 (toll free within Japan only)
(Open from 9:00am Japan Time to the end of the meeting on Wednesday, June 26, 2024)

Notes on viewing the livestream

- (1) You cannot exercise your voting rights through the livestream.
- (2) On the livestream website, you can preliminarily check your viewing environment.
- (3) Communication charges to view the livestream will be at the shareholder's expense.
- (4) Viewing the livestream is limited to shareholders. It is prohibited to share your login ID and password with any third party and record or disclose images or sounds of the meeting.
- (5) Livestreamed video or sound might be interrupted temporarily due to system failures, communication conditions, or other reasons.
- (6) Changes to the delivery of the livestream will be noticed on the Company's website (<https://www.smm.co.jp/>).

Submission of Questions in Advance

Questions about the agenda of the Meeting may be submitted via email. Among the questions received, those reflecting higher interests of our shareholders will be answered at the Meeting. Please understand that we will be unable to promise to answer all questions received.

Deadline for receiving questions: 5:00pm (Japan Time), Monday, June 17, 2024

Email address for receiving questions in advance: 99sokai_shitsumon@smm-g.com

1. Make sure to include your name and shareholder number in the email.
2. Include 3 or less brief questions.

*The above email address is only for this purpose. We request you not to use it for other purposes.

Reference Documents for Shareholders Meeting

Proposals and Reference Matters

Proposal No.1: Appropriation of Surplus

The Company proposes that the appropriation of surplus be made in the following manner.

Matters regarding the year-end dividend

The appropriate return of profits to shareholders is one of the most important management issues of the Company.

Based on the Company's policy of aiming to achieve a consolidated dividend payout ratio of 35% or more in principle with a DOE (dividend on equity ratio) of 1.5% as a minimum indicator, and in comprehensive consideration of factors such as future business development, financial soundness and financial performance in the 99th business year, the Company proposes to pay a year-end dividend of 63 yen per share as described below.

(1) The kind of the Dividend Property

Cash

(2) The matters regarding the allotment of the Dividend Property to shareholders and the total amount thereof

63 yen per share of common stock of the Company

The total amount: 17,309,865,510 yen

(3) The day on which the distribution of dividend of surplus will take effect

June 27, 2024

<Reference> The financial policy of the company and the changes in the dividend

As our financial strategy in the 2021 3-Year Business Plan, we have the policy of maintaining a consolidated equity ratio greater than 50%. On February 8, 2024, the Company determined that DOE (dividend on equity ratio*) of 1.5% shall be added as a minimum indicator, and that “dividends from surplus shall be paid out with a consolidated payout ratio to be 35% or more and a minimum indicator to be DOE of 1.5% in principle.”

*DOE (dividend on equity ratio) = Annual total dividends / Consolidated net assets attributable to owners of parent

	96 th business year (Year ended March 31, 2021)	97 th business year (Year ended March 31, 2022)	98 th business year (Year ended March 31, 2023)	99 th business year (Year ended March 31, 2024)
Total dividend per share (Yen)	121	301	205	98 (tentative)
Total dividend amount (Millions of yen)	33,248	82,706	56,327	26,927 (tentative)
Consolidated dividend payout ratio (%)	35.1	29.4	35.1	45.9 (tentative)
Equity attributable to owners of parent ratio (%)	59.1	63.7	60.3	58.9

(Notes)


1. Total dividend per share, Total dividend amount and Consolidated dividend payout ratio of 99th business year shown in above table are calculated based on assumption that Proposal No.1 will be approved as proposed.
2. If Proposal No.1 is approved and adopted as proposed, the DOE (dividend on equity ratio) of 99th business year will be 1.5%.

Proposal No.2: Election of eight (8) Directors

Mr. Kanji Nishiura, a director of the Company, passed away on January 4, 2024. The terms of all Directors (seven (7) Directors) will expire at the close of the Meeting, therefore, the Company proposes the election of eight (8) Directors. When nominating the candidates for Directors, the Company received advice from the Governance Committee, which is comprised of the Chairman who is not an Executive Officer, and the Independent Outside Directors.

The candidates for Directors are as follows.

No.	Name	Gender	Current Position	Attribute of the Candidate	Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2024	Number of years in office of the Company as Director
1	Akira Nozaki	Male	Representative Director Officer President	Reappointment	16 out of 16 (100%)	10 years
2	Nobuhiro Matsumoto	Male	Director Senior Managing Executive Officer	Reappointment	16 out of 16 (100%)	5 years
3	Masaru Takebayashi	Male	Director Managing Executive Officer	Reappointment	12 out of 12 (100%)	1 year
4	Hiroshi Yoshida	Male	Managing Executive Officer	New	—	—
5	Hideyuki Okamoto	Male	Executive Officer	New	—	—
6	Taeko Ishii	Female	Independent Outside Director	Reappointment Outside Director Independent	15 out of 16 (93%)	6 years
7	Manabu Kinoshita	Male	Independent Outside Director	Reappointment Outside Director Independent	16 out of 16 (100%)	4 years
8	Koji Takeuchi	Male	—	New Outside Director Independent	—	—


No.		Akira Nozaki	Reappointment
1		Date of Birth (Age)	Jun. 20, 1960 (63)
		Gender	Male
		Number of shares of the Company owned	23,400 Shares
		Number of years in office of the Company as Director	10 years
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2024	16 out of 16 (100%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1984	Joined the Company		
Jun. 2013	Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2014	Director General Manager of Corporate Planning Dept.		
Jun. 2015	General Manager of Non-Ferrous Metals Div.		
Jun. 2016	Managing Executive Officer		
Jun. 2018	President and Representative Director (Present Position)		
Reasons for his candidacy as Director			
<p>Since June 2018, Mr. Akira Nozaki has served as President and Director. He has been presented as a candidate for Director so that he may continue to utilize his knowledge and experience regarding the Company's entire business in strengthening the function of the Board of Directors.</p>			

No.		Nobuhiro Matsumoto	Reappointment
2		Date of Birth (Age)	Feb. 24, 1963 (61)
		Gender	Male
		Number of shares of the Company owned	7,800 Shares
		Number of years in office of the Company as Director	5 years
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2024	16 out of 16 (100%)
		Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations	
Apr. 1987	Joined the Company		
Apr. 2008	General Manager of Niihama Nickel Refinery, Non-Ferrous Metals Div.		
Jun. 2014	General Manager of Administration Dept., Non-Ferrous Metals Div.		
Jun. 2016	Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2018	General Manager of Non-Ferrous Metals Div.		
Jun. 2019	Director (Present Position)		
Jun. 2020	Managing Executive Officer		
Jun. 2022	Senior Managing Executive Officer (Present Position)		
Reasons for his candidacy as Director			
<p>Mr. Nobuhiro Matsumoto served as General Manager of Niihama Nickel Refinery and has abundant experience in Smelting & Refining Business. He is thoroughly familiar with manufacturing sites and has extensive knowledge and experience regarding technology of Smelting & Refining Business. He has experience in general corporate management, including his wide involvement in the important decision-making process of the Company. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.</p>			
Conclusion of indemnity agreement			
<p>The Company has concluded an indemnity agreement with Mr. Nobuhiro Matsumoto regarding the performance of his duties as a company officer of an overseas listed company, which he</p>			

performed as part of the Company's business. Under the agreement, the Company shall indemnify for any expenses to deal with an action to pursue his liabilities, etc. or any loss for compensation of damages (including settlement payments) in the event that he is held liable for any such damages to the extent provided by laws and regulations, when he may incur them in connection with the performance of his said duties. It has been also established that the Company shall not assume obligation to compensate expenses, etc. for dealing with pursuing his liabilities incurred from any position other than his position as a company officer of the said overseas listed company (including his position as Director of the Company).

No.		Masaru Takebayashi	Reappointment
3		Date of Birth (Age)	Jan. 5, 1966 (58)
		Gender	Male
		Number of shares of the Company owned	3,600 Shares
		Number of years in office of the Company as Director	1 year
		Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2024	12 out of 12 (100%)
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1990	Joined the Company		
Jun. 2016	General Manager of Harima Refinery, Non-Ferrous Metals Div.		
Jul. 2017	General Manager of Toyo Smelter & Refinery, Non-Ferrous Metals Div.		
Jun. 2020	Executive Officer		
Jan. 2021	Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2023	Director (Present Position) Managing Executive Officer (Present Position) General Manager of Non-Ferrous Metals Div. (Present Position)		
Reasons for his candidacy as Director			
<p>Mr. Masaru Takebayashi served as General Manager of Toyo Smelter & Refinery and has abundant experience in Smelting & Refining Business. He is thoroughly familiar with manufacturing sites and has extensive knowledge and experience regarding technology of Smelting & Refining Business. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.</p>			

No.		Hiroshi Yoshida	New
4		Date of Birth (Age)	Jul. 25, 1964 (59)
		Gender	Male
		Number of shares of the Company owned	4,100 Shares
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations			
Apr. 1987	Joined the Company		
Jun. 2016	General Manager of Corporate Planning Dept.		
Jun. 2018	Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.		
Jun. 2021	Senior Deputy General Manager of Advanced Materials Div.		
Jun. 2022	Managing Executive Officer (Present Position) General Manager of Advanced Materials Div.		
Jun. 2023	General Manager of Corporate Planning Dept. (Present Position)		
Reasons for his candidacy as Director			
<p>Mr. Hiroshi Yoshida has experience of successively holding General Manager of Corporate Planning Dept., Senior Deputy General Manager of Non-Ferrous Metals Div., and General Manager of Advanced Materials Div. as well as extensive knowledge and experience regarding corporate management in the Group. He has been presented as a candidate for Director so that he may utilize his experience and knowledge in strengthening the function of the Board of Directors.</p>			

No.		Hideyuki Okamoto	New
5		Date of Birth (Age)	May 7, 1964 (60)
		Gender	Male
		Number of shares of the Company owned	2,600 Shares
		Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations	
Apr. 1989	Joined the Company		
Mar. 2018	Planning & Administration Dept., Technology Div.		
Jun. 2019	General Manager of Niihama Research Laboratories, Technology Div.		
Jun. 2021	Executive Officer (Present Position) Senior Deputy General Manager of Technology Div.		
Jun. 2023	General Manager of Technology Div. (Present Position)		
Reasons for his candidacy as Director			
<p>Mr. Hideyuki Okamoto has obtained abundant experience in the Mineral Resource business while utilizing his experience in and knowledge of mineral processing technology. He also has obtained extensive knowledge and experience regarding technology of the Company while performing significant role in research and development as the General Manager of Technology Division. He has been presented as a candidate for Director so that he may utilize his experience and knowledge in strengthening the function of the Board of Directors.</p>			

No.		Taeko Ishii	Reappointment	
6			Outside Director	
			Independent	
			Date of Birth (Age)	May 7, 1956 (68)
			Gender	Female
			Number of shares of the Company owned	0 Shares
			Number of years in office of the Company as Outside Director	6 years
Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2024	15 out of 16 (93%)			
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations				
Apr. 1986	Registered as a lawyer Joined Ryoichi Wada Law Firm			
Mar. 1992	Established Ohta & Ishii Law Firm			
Jun. 2018	Director of the Company (Present Position)			
[Significant concurrent occupations or positions at other organizations]				
Lawyer of Ohta & Ishii Law Firm Outside Director, Audit & Supervisory Committee Member of DTS CORPORATION Outside Audit & Supervisory Board Member of Dai Nippon Printing Co., Ltd. Outside Audit & Supervisory Board Member of Furusato Service Co., Ltd.				
Reasons for her candidacy as Outside Director / Overview of expected roles as Outside Director				
Ms. Taeko Ishii has specialist knowledge and abundant experience as a lawyer, especially in the field of labor law. Ms. Taeko Ishii is expected to participate in the Board decision-making, providing her advice regarding compliance and personnel/labor related fields, which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing her knowledge and experience. She is also expected to perform a check function on management by participating in decision-making at the Board of Directors from an independent and objective standpoint, and to oversee the management on behalf of shareholders and other stakeholders by being involved in decision making regarding nominations and remunerations of directors and executive officers as a member of the				

Governance Committee.

Accordingly, the Company expects that she will realize the further improvement of quality of the decision-making by the Board of Directors and the enhancement of the monitoring function.

Ms. Taeko Ishii is currently an Outside Director of the Company and the Chairman of the Governance Committee, and has been presented as a candidate for Outside Director because she is playing the roles shown above. She has not participated in corporate management in any form other than as Outside Director or Outside Audit & Supervisory Board Member; however, for the above reasons, the Company determined that she is able to serve as Outside Director appropriately.

Independence/ Contract for Limitation of Liability

1. Ms. Taeko Ishii is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. The Company has appointed Ms. Taeko Ishii as Independent Director as specified by the Tokyo Stock Exchange and submitted notice of her appointment to the Exchange. She complies with the Company's criteria for independence set out on page 27.
3. The Company has entered into a Contract for Limitation of Liability with Ms. Taeko Ishii limiting her maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with her.

No.		Manabu Kinoshita	<u>Reappointment</u>	
7			<u>Outside Director</u>	
			<u>Independent</u>	
			Date of Birth (Age)	May 17, 1954 (70)
			Gender	Male
			Number of shares of the Company owned	0 Shares
			Number of years in office of the Company as Outside Director	4 years
Attendance of the Board of Directors meetings for the fiscal year ended March 31, 2024	16 out of 16 (100%)			
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations				
Apr. 1978	Joined NEC Corporation			
Apr. 2006	Executive General Manager, Distribution and Service Industries Solutions Operations Unit of NEC Corporation			
Apr. 2008	Associate Senior Vice President of NEC Corporation			
Apr. 2010	Senior Vice President of NEC Corporation			
Jun. 2010	Director of NEC Corporation			
Apr. 2016	Senior Executive Vice President of NEC Corporation			
Apr. 2018	Senior Officer of NEC Corporation			
Jun. 2020	Director of the Company (Present Position)			
Jun. 2021	Retired as Senior Officer of NEC Corporation			
[Significant concurrent occupations or positions at other organizations]				
Outside Director of Alfresa Holdings Corporation				
Outside Director of MEIDENSHA CORPORATION				

Reasons for his candidacy as Outside Director / Overview of expected roles as Outside Director

Mr. Manabu Kinoshita had served as Senior Executive Vice President of NEC Corporation and has abundant knowledge and experience in managing a company and regarding digital business.

Mr. Manabu Kinoshita is expected to participate in the Board decision-making, providing his advice regarding material business and digital fields where the business environment is changing significantly, which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience. He is also expected to perform a check function on management by participating in decision-making at the Board of Directors from an independent and objective standpoint, and to oversee the management on behalf of shareholders and other stakeholders by being involved in decision making regarding nominations and remunerations of directors and executive officers as a member of the Governance Committee.

Accordingly, the Company expects that he will realize the further improvement of quality of the decision-making by the Board of Directors and the enhancement of the monitoring function.

Mr. Manabu Kinoshita is currently an Outside Director of the Company and a member of the Governance Committee, and has been presented as a candidate for Outside Director because he is playing the roles shown above.

Independence/ Contract for Limitation of Liability

1. Mr. Manabu Kinoshita is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. During 99th business year (year ended March 31, 2024), there is no sales of the Company to NEC Corporation. The Company engaged in business with NEC Corporation regarding the purchase of the NEC Corporation's equipment and software, and in such areas as maintenance and lease fees, etc. The amount paid to NEC Corporation by the Company amounted to 167 million yen, which accounted for 0.0% of the non-consolidated net sales of NEC Corporation.
3. The Company has appointed Mr. Manabu Kinoshita as Independent Director as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 27.
4. The Company has entered into a Contract for Limitation of Liability with Mr. Manabu Kinoshita limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with him.

No.		Koji Takeuchi	New	
8			Outside Director	
			Independent	
			Date of Birth (Age)	Feb. 22, 1946 (78)
			Gender	Male
		Number of shares of the Company owned	0 Shares	
Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations				
Apr. 1970	Joined Ajinomoto Co., Inc.			
Jul. 1988	Head of Central Research Center of Ajinomoto Co., Inc.			
Jul. 1993	Head of Development Planning Dept. of Ajinomoto Co., Inc.			
Oct. 1993	Member of the Board; General Manager, Electronic Materials Division of Ajinomoto Fine-Techno Co., Inc.			
Jun. 2002	Member of the Board and Senior Managing Director; General Manager, Electronic Materials Division of Ajinomoto Fine-Techno Co., Inc.			
Jun. 2004	Member of the Board and Vice President of Ajinomoto Fine-Techno Co., Inc.			
Jul. 2008	Chief Director of Ajinomoto Co., Inc.			
Jun. 2009	Retired as Chief Director of Ajinomoto Co., Inc.			
Jun. 2012	Advisor of Ajinomoto Fine-Techno Co., Inc.			
Jun. 2014	Retired as Advisor of Ajinomoto Fine-Techno Co., Inc.			

Reasons for his candidacy as Outside Director / Overview of expected roles as Outside Director

Mr. Koji Takeuchi has abundant experience in the research and development of substrate materials for semiconductor packaging as well as in the electronic materials business at Ajinomoto Co., Inc. He also had served as Member of the Board and Vice President of its major subsidiary and has abundant knowledge and experience in corporate management and regarding advanced materials.

Mr. Koji Takeuchi is expected to participate in the Board decision-making, providing his advice particularly on research and development as well as materials business, which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience. He is also expected to perform a check function on management by participating in decision-making at the Board of Directors from an independent and objective standpoint, and to oversee the management on behalf of shareholders and other stakeholders by being involved in decision making regarding nominations and remunerations of directors and executive officers as a member of the Governance Committee.

Accordingly, the Company expects that Mr. Koji Takeuchi will realize the further improvement of quality of the decision-making by the Board of Directors and the enhancement of the monitoring function.

Mr. Koji Takeuchi has been presented as a candidate for Outside Director because he may play the roles shown above as an Outside Director of the Company and a member of the Governance Committee.

Independence/ Contract for Limitation of Liability

1. Mr. Koji Takeuchi is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. The Company plans to appoint Mr. Koji Takeuchi as Independent Directors as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 27.
3. The Company plans to enter into a Contract for Limitation of Liability with Mr. Koji Takeuchi limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.

Matters regarding candidates for directors

The Company has entered into a Directors and Officers liability insurance contract stipulated in the laws and regulations with an insurance company, under which directors, the Audit & Supervisory Board Members and executive officers of the Company are included in the insured. In the insurance contract, damages and legal costs will be compensated in a case where any of the insured becomes subject to a claim with regard to damages caused by their action or failure to act based on their position such as Directors or Officers of the Company. The Company bear all insurance premiums for the insured. If the appointment of the candidates for directors is approved, they will be included as an insured in the contract. The Company plans to renew the insurance contract with the same content during the term of office.

(Notes)

1. Information of the candidates such as age or career shown above in this proposal is as of Jun. 1, 2024.
2. The number of shares of the Company owned by each candidate shown above in this proposal is as of Mar. 31, 2024.
3. Descriptions in units of million yen in this proposal have been rounded to the nearest million yen.

Proposal No.3: Election of one (1) Audit & Supervisory Board Member

With respect to Audit & Supervisory Board Member Mr. Wataru Yoshida will have resigned at the close of the Meeting. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member. The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

	<p>Tsuguya Ieda</p>	<p>New</p> <p>Outside Audit &</p> <p>Supervisory Board</p> <p>Member</p> <p>Independent</p>
	Date of Birth (Age)	Apr. 20, 1958 (66)
	Gender	Male
	Number of shares of the Company owned	0 Shares
<p>Career summary, position and significant concurrent occupations or positions at other organizations</p>		
Apr. 1982	Joined Export-Import Bank of Japan	
Oct. 2008	Head of Credit Department of Japan Bank for International Cooperation, Japan Finance Corporation	
Jan. 2011	Head of Corporate Management Office of Japan Bank for International Cooperation, Japan Finance Corporation	
Apr. 2012	Executive Officer for West Japan of Japan Bank for International Cooperation	
Dec. 2013	Executive Officer for West Japan of Japan Bank for International Cooperation	
Jun. 2015	Retired as Executive Officer of Japan Bank for International Cooperation	
Jul. 2015	Retired from Japan Bank for International Cooperation	
Aug. 2015	Advisor of Nomura Securities Co., Ltd.	
Jun. 2017	Retired as Advisor of Nomura Securities Co., Ltd.	
	Executive Managing Director, CEO of JBIC IG Partners	
Jun. 2023	Retired as Executive Managing Director, CEO of JBIC IG Partners	

Reasons for his candidacy as substitute for Outside Audit & Supervisory Board Member /
Overview of expected roles as Outside Audit & Supervisory Board Member

Mr. Tsuguya Ieda has abundant and extensive experience in financial institutions and knowledge about corporate management.

Mr. Tsuguya Ieda is expected to carry out effective audits based on his main knowledge about and experience in the financial sector, while fully coordinating with full-time Audit & Supervisory Board Members, which is aimed toward the ensuring of the soundness of the Group's management and mid- to long-term enhancement of the corporate value of the Company and its groups. In addition, as part of the audit process he is expected to participate in important meetings, including Board of Directors meetings, and during the decision-making process to actively express his frank opinions from an independent and objective standpoint, including not only the legality but also the appropriateness of proposals.

Independence/ Contract for Limitation of Liability

1. Mr. Tsuguya Ieda is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.
2. In fiscal 2023, the outstanding balance of loans from Japan Bank for International Cooperation to the Company (non-consolidated) was 123,334 million yen, which accounted for 5.9% of the total assets of the Company (non-consolidated). Mr. Tsuguya Ieda was an executive of Japan Bank for International Cooperation, which is a Specified Associated Service Provider (a major business partner) of the Company. His positions and areas of responsibility at Japan Bank for International Cooperation during the past 10 years are as described in the above field of "Career summary, position and significant concurrent occupations or positions at other organizations." Eight years have passed since his retirement from Japan Bank for International Cooperation. For this reason and from the perspective of the interests of minority shareholders, the Company judges this relationship has no influence on his independence.
3. If Mr. Tsuguya Ieda assumes the office of Outside Audit & Supervisory Board Member, the Company plans to appoint him as Independent Director as specified by the Tokyo Stock Exchange and submit notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 27.
4. If Mr. Tsuguya Ieda assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into a Contract for Limitation of Liability with him limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.

Directors and Officers liability insurance contract related to the candidate for Audit & Supervisory Board Member

The Company has entered into a Directors and Officers liability insurance contract stipulated in the laws and regulations with an insurance company, under which directors, the Audit & Supervisory Board Members and executive officers of the Company are included in the insured. In the insurance contract, damages and legal costs will be compensated in a case where any of the insured becomes subject to a claim with regard to damages caused by their action or failure to act based on their position such as Directors or Officers of the Company. The Company bear all insurance premiums for the insured. If the appointment of the candidate for Audit & Supervisory Board Member is approved, the candidate will be included as an insured in the contract. The Company plans to renew the insurance contract with the same content during the term of office.

(Notes)

1. Information of the candidates such as age or career shown above in this proposal is as of Jun. 1, 2024.
2. The number of shares of the Company owned by each candidate shown above in this proposal is as of Mar. 31, 2024.
3. Descriptions in units of million yen in this proposal have been rounded to the nearest million yen.

Proposal No.4: Election of one (1) substitute Audit & Supervisory Board Member

In case the number of Audit & Supervisory Board Members falls below the number specified by laws and regulations or the Articles of Incorporation, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member. The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidate for substitute Audit & Supervisory Board Member is as follows.

	<p>Kazuhiro Mishina</p>	<p>Outside Audit & Supervisory Board Member Independent</p>
	<p>Date of Birth (Age)</p>	<p>Sep. 23, 1959 (64)</p>
	<p>Gender</p>	<p>Male</p>
	<p>Number of shares of the Company owned</p>	<p>0 Shares</p>
<p>Career summary, position and significant concurrent occupations or positions at other organizations</p>		
<p>Sep. 1989</p>	<p>Assistant Professor of Harvard Business School</p>	
<p>Oct. 1995</p>	<p>Assistant Professor of the Center for Research and Investigation of Advanced Science and Technology of Japan Advanced Institute of Science and Technology</p>	
<p>Apr. 1997</p>	<p>Assistant Professor of the School of Knowledge Science of Japan Advanced Institute of Science and Technology</p>	
<p>Oct. 2002</p>	<p>Assistant Professor of the Graduate School of Business Administration of Kobe University</p>	
<p>Oct. 2004</p>	<p>Professor of Graduate School of Business Administration of Kobe University (Present Position)</p>	
<p>[Significant concurrent occupations or positions at other organizations]</p> <p>Professor of Graduate School of Business Administration of Kobe University Outside Director of Fujitec Co., Ltd.</p>		
<p>Reasons for his candidacy as substitute for Outside Audit & Supervisory Board Member / Overview of expected roles as Outside Audit & Supervisory Board Member</p>		
<p>Mr. Kazuhiro Mishina has specialized knowledge as a researcher in the field of corporate strategy and business strategy.</p> <p>Mr. Kazuhiro Mishina is, if he assumes the office, expected to carry out effective audits based on his own knowledge and experience, especially utilizing his background as a university</p>		

professor, while fully coordinating with full-time Audit & Supervisory Board Members, which is aimed toward the ensuring of the soundness of the Group's management and mid- to long-term enhancement of the corporate value of the Company and its groups. In addition, as part of the audit process he is expected to participate in important meetings, including Board of Directors meetings, and during the decision-making process to actively express his frank opinions from an independent and objective standpoint, including not only the legality but also the appropriateness of proposals.

Mr. Kazuhiro Mishina has not participated in corporate management in any form other than as Outside Director; however, for the above reasons, the Company determined that he is able to serve as Outside Audit & Supervisory Board Member appropriately.

Independence/ Contract for Limitation of Liability

1. Mr. Kazuhiro Mishina is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.
2. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, the Company plans to appoint him as Independent Director as specified by the Tokyo Stock Exchange and submit notice of his appointment to the Exchange. He complies with the Company's criteria for independence set out on page 27.
3. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into a Contract for Limitation of Liability with him limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.
4. The Company has entered into a Directors and Officers liability insurance contract stipulate in the laws and regulations with an insurance company, under which directors, the Audit & Supervisory Board Members and executive officers of the Company are included in the insured. In the insurance contract, damages and litigation expenses will be compensated in a case where any of the insured becomes subject to a claim with regard to damages caused by their action or failure to act based on their position such as Directors or Officers of the Company. The Company bear all insurance premiums for the insured. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, he will be included as an insured in the contract.

(Notes)

1. Information of the candidates such as age or career shown above in this proposal is as of Jun. 1, 2024.
2. The number of shares of the Company owned by each candidate shown above in this proposal is as of Mar. 31, 2024.

<Reference>

1. Criteria for Independence

The Company will follow the requirements for externality prescribed in the Companies Act of Japan and the criteria for independence prescribed by the Tokyo Stock Exchange in judging the independence of Outside Directors and Outside Audit & Supervisory Board Members (collectively, "Outside Officers"). However, even if an Outside Officer belongs to a business partner of the Company or in other such situations, the Outside Officer will, in principle, be judged to be independent when falling under the following immateriality standards prescribed by the Company.

Business Partners and Banks	<ul style="list-style-type: none"> • In the most recent business year, sales of the Company (non-consolidated) to the business partner (non-consolidated) were less than 2% of the sales of the Company (non-consolidated). • In the most recent business year, sales of the business partner (non-consolidated) to the Company (non-consolidated) were less than 2% of the sales of the business partner (non-consolidated). • In the most recent business year, the outstanding balance of loans from the business partner to the Company (non-consolidated) was less than 2% of the total assets of the Company (non-consolidated).
Consultants, Experts, etc.	<ul style="list-style-type: none"> • Consultants, accounting experts, legal experts, or other such experts who received money or other such assets (if the recipient of such assets is a corporation, partnership, or other such organization, then any person belonging thereto), other than officer remunerations, of less than an annual amount of 10 million yen in the most recent business year from the Company (non-consolidated).
Contributions, etc.	<ul style="list-style-type: none"> • If the recipient is an individual Directors or Audit & Supervisory Board Members: The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 1 million yen. • If the recipient is a corporation, etc. to which a Director or Audit & Supervisory Board Member belongs (in case of national university corporations, incorporated educational institutions, or the like, the department or post-graduate course to which the Director or Audit & Supervisory Board Member belongs will be deemed to a recipient): The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 10 million yen.

2. Skills Matrix for Board of Directors

If Proposal No.2 (Election of eight (8) Directors) and Proposal No.3 (Election of one (1) Audit & Supervisory Board Member) are approved and adopted as proposed, the skills matrix for the Board of Directors will be as follows.

Category	Name	Knowledge, experience, ability, etc. possessed by Directors and Audit & Supervisory Board Members that they believe they can contribute significantly to the effectiveness of the Board of Directors.							
		General Corporate Management/Sustainability	Global Capability (International Experience)	Business/Marketing	R&D/Manufacturing/Engineering	Quality/Safety/Environment	Finance/Accounting	Human Resources	Legal/Compliance
Director	Akira Nozaki	○	○	○			○		
	Nobuhiro Matsumoto	○	○	○	○	○			
	Masaru Takebayashi	○	○	○	○	○			
	Hiroshi Yoshida	○	○	○			○	○	○
	Hideyuki Okamoto	○	○	○	○	○			
	Taeko Ishii							○	○
	Manabu Kinoshita	○		○				○	
	Koji Takeuchi			○	○				
	Audit & Supervisory Board Member	Koji Imai							
Tsuyoshi Nozawa		○				○	○		
Shoji Wakamatsu							○		
Tsuguya Ieda			○	○			○	○	

(Notes)

1. The Company has created the skills matrix for Directors and Audit & Supervisory Board Members, taking account of the “Reasons for adoption of present corporate governance system” set out on page 31. Each skill item has been selected through discussions by the Board of Directors, focusing on those required to realize the Company’s long-term vision “Becoming a World Leader in the Non-ferrous Metals Industry.” As the knowledge, experience, ability, insight, and other attributes required of the Company’s Board of Directors may change in response to changes in management strategies and the external environment, the Board of Directors will continue to discuss the necessary knowledge, experience, ability, insight, and other attributes, and update the skills matrix as necessary.
2. Fields in which Directors and Audit & Supervisory Board Members believes that they can make a particular contribution to the effectiveness of the Board of Directors are indicated with a “○”. Furthermore, the Company has established the guidelines for fulfillment. For the details, please refer to the Corporate Governance Report.

Proposal No.5: Payment of bonuses to Directors

The Company proposes the payment of a total of 40 million yen as bonuses to Four (4) Directors, excluding a Chairman and Director and Outside Directors among the Seven (7) Directors who were in office as of the end of the 99th business year (year ended March 31, 2024) in order to reward their distinctive merits. The Directors' bonuses of the Company are calculated by considering the performance of the Company and reflecting the job performance of each Director based on the Policy on the remunerations of each Director. The summary of details of the policy are as set out on page 20 in the document of matters subject to measures for electronic provision.

The Company judges this proposal to be appropriate, having been decided by the Board of Directors after receiving advice from the Governance Committee regarding the abovementioned amount of Directors' bonuses.

<Reference> Corporate Governance of the Company

(1) Basic Approach to Corporate Governance

The Company views corporate governance as a disciplinary framework both for maximizing the corporate value of the Company Group and for ensuring sound management practices. As such, it is one of the most important management issues.

The Company has instituted the SMM Group Corporate Philosophy based on the Sumitomo's Basic Business Philosophy. Through striving to enhance our corporate governance, the Company will conduct efficient and sound business activities, make positive contributions to society, and fulfill our responsibilities to our shareholders and all other stakeholders in order to realize the SMM Group Corporate Philosophy.

Sumitomo's Basic Business Philosophy

Article 1

Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

Article 2

Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

SMM Group Corporate Philosophy

- The Company, in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with society and the global environment, seek to make positive contributions to society and to fulfill its responsibilities to its stakeholders, in order to win ever greater trust.
- The Company shall, based on respect for all individuals and recognizing each person's dignity and value, seek to be a forward-minded and vibrant company.

* Details of Basic Approach to Corporate Governance of the Company are available on the website below.

https://www.smm.co.jp/en/ir/management/governance_policy/

(2) Governance Framework

① Organizational Structure

The Company has adopted Audit & Supervisory Board and Executive Officer systems to ensure effective execution, monitoring functions within management. The Company is managed by three organs, namely (i) the Board of Directors, in charge of major decisions and supervision, (ii) Representative Directors and Executive Officers, in charge of the execution of business, and (iii) the Audit & Supervisory Board Members and Accounting Auditor, in charge of auditing. In addition, the Company has established the Governance Committee to increase management transparency and strengthen corporate governance.

② Reasons for adoption of present corporate governance system

Positioning Mineral Resources, Smelting & Refining, and Materials as its three core businesses, the Company sets the Long-term Vision of “Becoming a World Leader in the Non-ferrous Metals Industry.” Since all three businesses are related to non-ferrous metals, they have a mutual organic relationship and their business contents and scale are such that the Board of Directors can make decisions itself regarding diverse management issues. Furthermore, from the viewpoint of the stronger coordination currently being promoted among the three businesses, it will further stimulate the Company’s growth if the Board of Directors itself comprehensively makes decisions rather than giving strong independence to each business segment and permitting them to make their own decisions. To this end, we consider that in principle a management model would be appropriate for the Company’s governance, rather than a monitoring model that oversees overall business execution after the fact.

Furthermore, in view of the distinctive characteristics of the Sumitomo Metal Mining Group’s business operations, it is important to strengthen the management infrastructure (particularly regarding compliance, safety, and the environment) and therefore necessary to establish a system whereby auditors can point out issues to directors and executive officers without hesitation. From this viewpoint, we have adopted an organizational structure of a company with an Audit & Supervisory Board in which auditors with guaranteed independent authority can be expected to exercise their auditing functions stably over a period of four years. At present auditors do not have the right of convocation regarding decisions of the Board of Directors or the right to vote on the Board of Directors. The resulting inability of auditors to propose the removal of a director to the Board of Directors is an issue for companies with an Audit & Supervisory Board. We are striving to overcome this issue by appointing multiple outside directors (at least one third of members), have them become members of the Governance Committee, and deal with the appointment and dismissal of directors and executive officers in the Governance Committee.

(3) Policy on Reducing Cross-shareholdings

When advancing our business strategy, the Company may engage in strategic shareholdings with business partners or other companies if it is judged that doing so will contribute to strengthening our business base over the mid to long term. With regard to existing cross-shareholdings, the Board of Directors verifies aspects such as the objectives of holdings and whether the benefits therefrom cover the Company's cost of capital every year. As a result of this verification, with regard to shares whose holding is judged to have little significance, including shares considered no longer worth the cost of capital and shares judged to have become less relevant due to recent business changes, we will proceed with concrete consideration based on the premise of reduction. Furthermore, in cases where a company cross-holding the Company's shares expresses a desire to sell, we will not prevent such a sale, etc. by suggesting a reduction in the size of the transaction, or by other means.

With regard to the exercise of voting rights in cross-shareholdings, the Company determines whether to vote for or against each proposal after giving comprehensive consideration, based on the financial results and other aspects of the financial condition of each of the issuing companies, to matters such as whether each proposal will contribute to increasing the corporate value of, or enhancing shareholders' interests in, that company over the medium to long term, and what impact it will have on the Company's corporate value or shareholders' interests. In order to determine whether to approve or reject proposals, the Company will engage in dialogue with the issuing company regarding the contents of each proposal, etc., as necessary. Decisions on voting are made particularly cautiously in circumstances such as cases of companies affected by major scandals or by persistent losses.

(4) Analysis and evaluation of the effectiveness of the board, and the results

The Board of Directors analyzes and evaluates the effectiveness of the Board of Directors from the perspective of making appropriate business execution decisions and improving monitoring function. In fiscal 2023, the Board of Directors analyzed and evaluated the effectiveness of the Board of Directors, with the following results:

① Process of analysis and evaluation

We engaged a third-party organization, Japan Board Review Co., Ltd., to assist in the analysis and evaluation. A questionnaire to Directors and Audit & Supervisory Board members was prepared based on data for Board meetings, meeting minutes, and prior discussion among the third party, the Chairman of the Board of Directors, who assumes the chairmanship of the Board, and the President and Representative Director, who is the officer with ultimate responsibility for business execution. In addition, individual interviews with all respondents by the third party were conducted for the first time in three years, and a new mutual evaluation within the categories of Inside Director, Outside Director and Audit & Supervisory Board member was conducted in the interviews.

The Board of Directors deliberated on the effectiveness of the Board of Directors at the ordinary meeting held in February 2024, based on the report from the third party and the “what the Board of Directors should ideally be (aiming for a Board of Directors that emphasizes decision-making functions)” confirmed in fiscal 2016, and confirmed its evaluation and future actions.

② Overview of the analysis and evaluation results

a. Questionnaire responses and interview results

Major items related to the roles and composition of the Board of Directors were rated highly and specifically as follows.

- a) With regard to the “role and function of the Board of Directors,” it was shared that the Board of Directors aims to be a “Board of Directors that emphasizes decision-making and supervises through decision-making.” A shared understanding of the roles and functions of the chairman, outside directors, and inside directors, and Audit & Supervisory Board members was well established. The idea that changes are necessary towards the future was also indicated.
 - b) The decision-making process was appropriate and allowed for lively and essential discussion, as decisions were made following discussion at Management Committee meetings, etc. and then submitted to the Board of Directors for approval.
 - c) The size and composition of the Board of Directors were appropriate from the perspective of active discussion, decision-making, knowledge, and experience. There was also an opinion that it was necessary to further ensure diversity in terms of gender and expertise.
 - d) Issues identified in the last year as those to be continuously addressed (securing appropriate human resources, etc.) were appropriately addressed.
 - e) Important management issues and sustainability were adequately deliberated by the Board of Directors through open and active discussions. Implementation of proposals and its results were also appropriately followed up. On the other hand, there was an opinion that medium- to long-term competitive advantages needed to be further discussed for the future.
 - f) The composition of the Governance Committee was appropriate, and its role was clearly defined.
 - g) The system to support Outside directors was adequate. Their cooperation and communication with Audit & Supervisory Board members were also sufficient.
- b. Issues seen from the responses to the questionnaire and the results of the interviews (proposals for improvement by the third-party organization)
- a) Medium- to long-term business direction and strategies, including sustainability, should be further discussed for strengthening supervisory function through decision-making.

b) The operation of the Board of Directors should be further improved, such as planned setting of discussion themes.

c. Response to the above issues (deliberations at Board of Directors meetings)

a) Among the medium- to long-term business direction and strategies, important themes will be handled as discussion themes in a planned way. The holding of off-site meetings for this purpose will also be considered.

b) Data for Board meetings will be enriched to improve the quality of discussion.

③ Future actions

The Board of Directors of the Company confirmed that it will further enhance the effectiveness of the Board of Directors by continuing to address the above issues.

(5) Analysis and evaluation of the effectiveness of the audits and the Audit & Supervisory Board, and the results

In order to ensure managerial soundness and increase the corporate value of the Company's group, the Audit & Supervisory Board members of the Company audit the execution of duties by directors and executive officers in accordance with the audit policies, audit plans, and other such matters prescribed by the Audit & Supervisory Board. In order to confirm and improve the effectiveness of the audits performed by Audit & Supervisory Board members and the Audit & Supervisory Board, the Audit & Supervisory Board analyzed and evaluated the effectiveness in fiscal 2023, with the following results:

① Evaluation process

We engaged an outside professional organization, Anderson Mori & Tomotsune, to conduct the analysis and evaluation from an independent and objective standpoint. We had discussions at Audit & Supervisory Board meetings based on (a) questionnaires for all Audit & Supervisory Board members, (b) individual interviews with all Audit & Supervisory Board members, (c) interviews with the administrative office of the Audit & Supervisory Board, and (d) results of the evaluation and findings by the outside professional organization.

② Overview of the analysis and evaluation results (overall rating)

The outside professional organization rated the audits as "fruitful audit activities were carried out." The Audit & Supervisory Board confirmed this evaluation and the following points and rated that the Audit & Supervisory Board were effectively functioning and the audits were effective.

- Based on audit plans, Audit & Supervisory Board members performed audits mainly through attendance at important meetings including Board of Directors meetings, interviews with executives including representative directors, and on-site inspections at sites and affiliated companies; checked the status of business execution by directors,

etc. and the establishment and operation of the internal control system; and made necessary representations of their opinions as well as remarks.

- Outside Audit & Supervisory Board members attended important meetings as many as possible and conducted on-site inspections in cooperation with full-time Audit & Supervisory Board members. As a result, Outside Audit & Supervisory Board members bore greater burden in conducting audit activities compared to outside Audit & Supervisory Board members at other companies.
- In auditing, Audit & Supervisory Board members including Outside Audit & Supervisory Board members place importance on observing sites and affiliated companies with their own eyes and communicating directly with local responsible personnel from the perspective of the independent decision-making system applicable to Audit & Supervisory Board members. Audit & Supervisory Board members played certain roles because they communicated findings obtained during routine audit activities to management personnel, heads of divisions, and organizations that received on-site inspections in the form of statements made during meetings, delivery of investigation reports, etc. and such findings were utilized for future management.

③ Issues and future actions for them

Based on the above-mentioned overall rating and from the viewpoint of further enhancing audit activities, the outside professional organization pointed out issues. Although many points were discussed on the basis of those issues, the following are the major issues and actions that were confirmed to be addressed and taken by the Audit & Supervisory Board, respectively. The Audit & Supervisory Board will also continue to examine other issues.

a. Issues concerning information sharing and cooperation among Audit & Supervisory Board members

Each regular Audit & Supervisory Board meeting is currently held before the succeeding ordinary Board of Directors meeting and therefore has limited time for discussion. Therefore, information is shared and discussion is made among Audit & Supervisory Board members not only during but also outside regular Audit & Supervisory Board meetings. It will be examined for more meaningful audit activities to newly offer opportunities for deeper discussions among all Audit & Supervisory Board members on issues or questions identified by them and record discussion results.

b. Issues concerning information sharing with Audit & Supervisory Board members of affiliated companies

In general, the risk of scandals is increasing. It is therefore important to communicate with Audit & Supervisory Board members of affiliated companies. Currently, communication is promoted through the attendance of full-time Audit & Supervisory

Board members at liaison meetings with Audit & Supervisory Board members of affiliated companies that are held every two months. It will be examined to share information obtained from Audit & Supervisory Board members of affiliated companies further with Outside Audit & Supervisory Board members.

c. Issues concerning follow-up of audit activities

It will be examined to follow up the status of actions, etc. taken by executives in response to highly significant matters among opinions expressed and remarks made by Audit & Supervisory Board members to executives in on-site inspection reports or during Board of Directors meetings regarding discussions at Audit & Supervisory Board meetings and results of audits.

The Audit & Supervisory Board and its Members will further improve the effectiveness of audit activities and strive to contribute to strengthening the management infrastructure and improving the corporate value of the Company's group.

END

Consolidated Financial Results Highlights

International Financial Reporting Standards (IFRS)



(The units in Consolidated Financial Results Highlights are rounded to the nearest unit.)