

Basic Approach

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

SMM has established the SMM Group Corporate Philosophy based on the Sumitomo Business Spirit. Through striving to enhance our corporate governance, we 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.

Formulating Corporate Governance Guidelines

SMM has established Corporate Governance Guidelines which cover our basic philosophy on corporate governance and our corporate governance framework, including our relationship with stakeholders. More details are available on the Company's website.

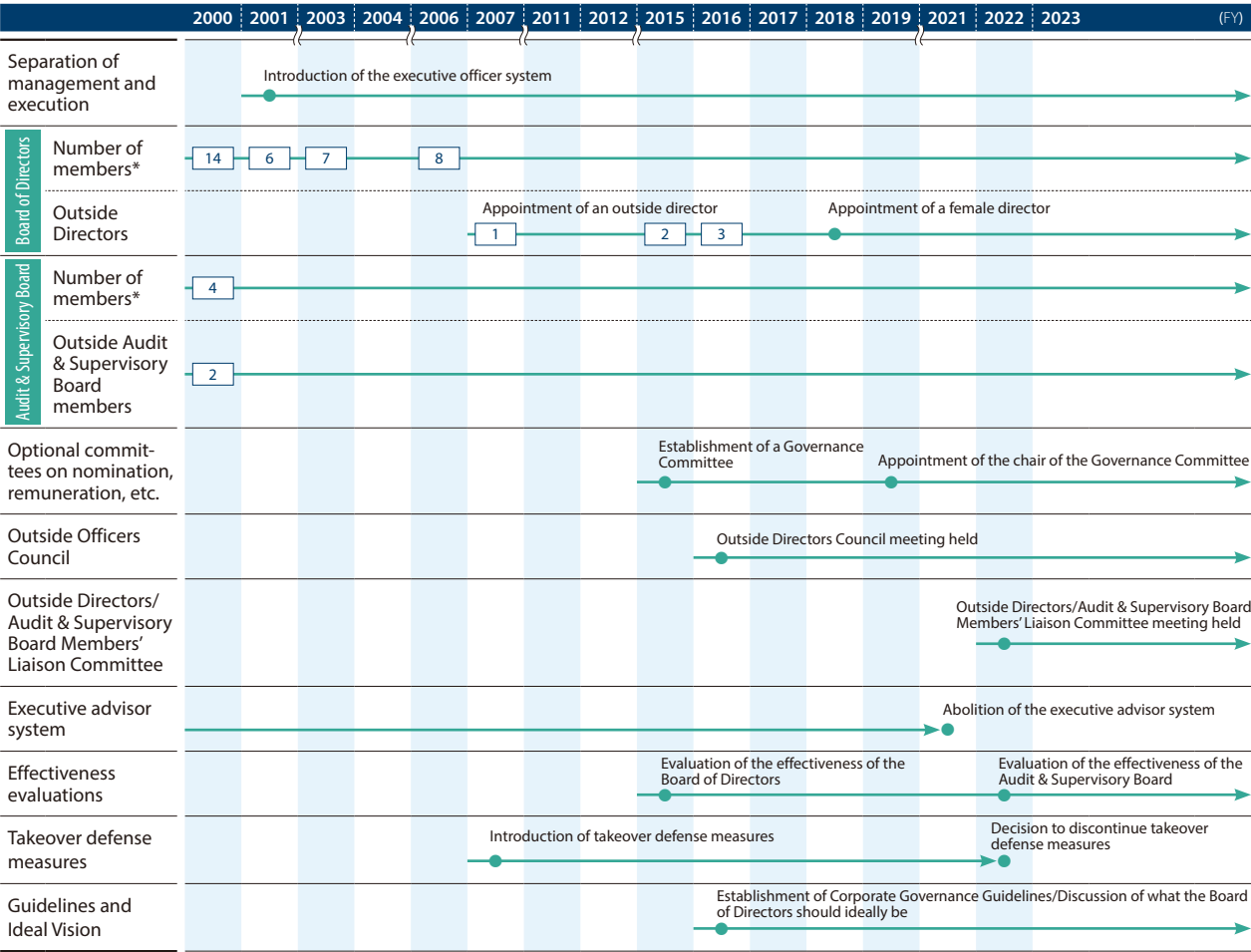
WEB https://www.smm.co.jp/en/ir/management/governance_policy/

Initiatives to Strengthen Governance

SMM positions corporate governance as one of the most important issues in our management, and is taking steps to strengthen governance. We continue to constantly review, improve, and deepen the current state of our corporate

governance in light of legal revisions and social circumstances in order to achieve even better corporate governance.

Transitions in Governance at SMM

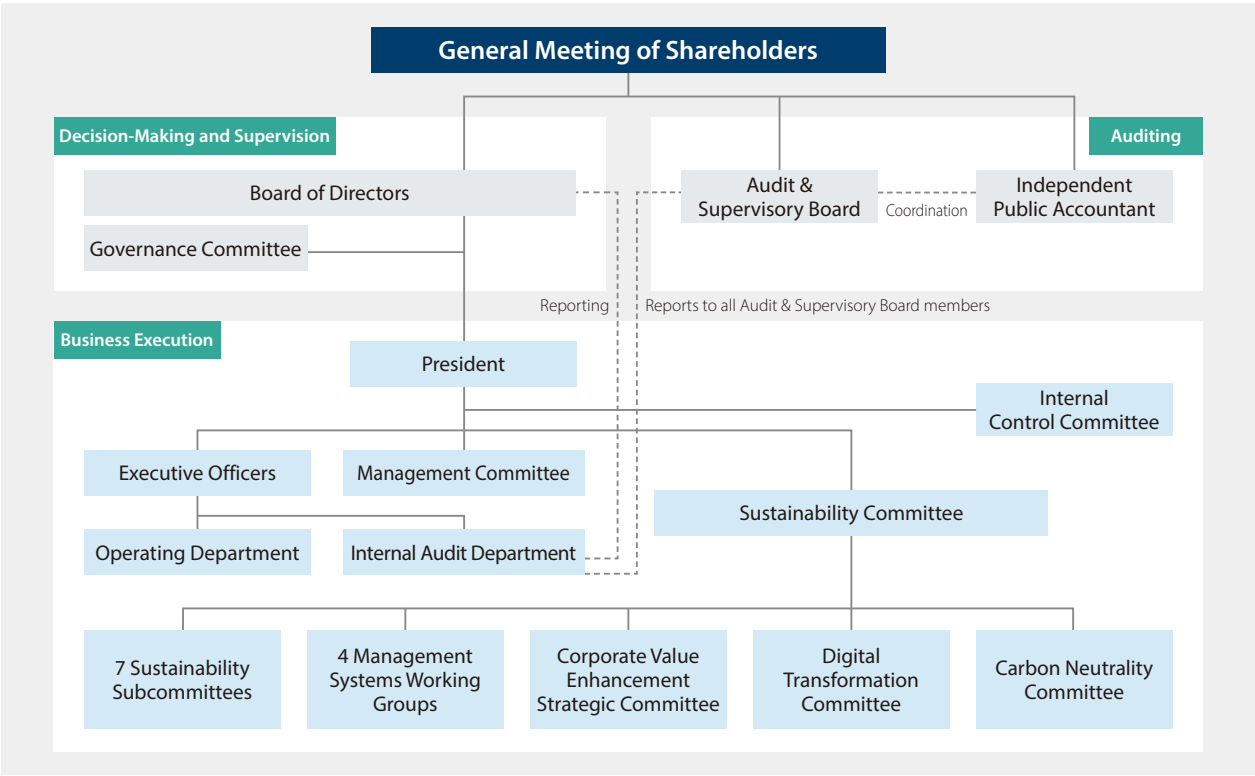


*The Number of members of the Board of Directors and Audit & Supervisory Board are after the General Meeting of Shareholders.

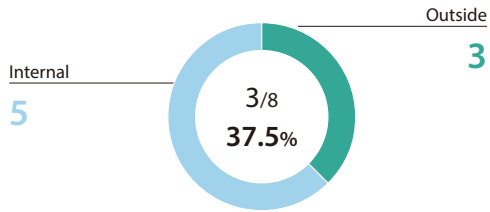
Corporate Governance Framework

In line with its Corporate Governance Guidelines, which summarize the Company's basic philosophy for corporate governance and the framework therefore, the Company believes that its governance is a system that ensures that business execution and the associated monitoring and supervision are each functioning fully by using audit and supervisory board and executive officer systems with which to conduct

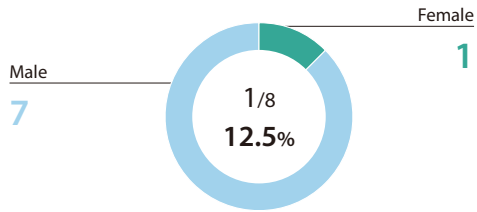
governance through a three-part organizational structure in which decision-making and supervision are addressed by the Board of Directors, business execution by the president and the executive officers, and auditing by the Audit & Supervisory Board members and the independent public accountant.



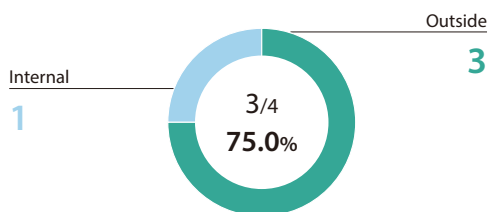
Percent of Outside Directors on the Board of Directors



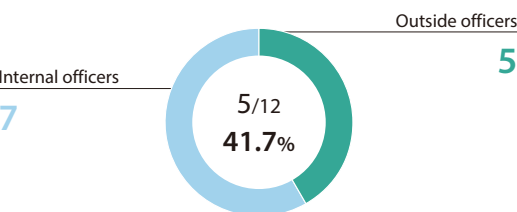
Percent of Female Directors



Percent of Outside Directors in the Governance Committee



Percent of Outside Officers (Directors and Audit & Supervisory Board Members)



What the Board of Directors should ideally be


Positioning Mineral Resources, Smelting & Refining, and Materials as its three core businesses, SMM aims to realize its 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 is 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 SMM 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 Audit & Supervisory Board members 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 Audit & Supervisory Board members with guaranteed independent authority can be expected to exercise their auditing functions stably over a period of four years. At present, Audit & Supervisory Board members 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 Audit & Supervisory Board members 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.

Decision-Making and Supervisory System

Directors and the Board of Directors



8 directors (3 outside directors)

Chairman: Yoshiaki Nakazato
(Chairman of the Board without representation)
Term of office: 1 year
Meetings held in FY2022: 17

The Board of Directors has a diverse composition by including both members from within the Company who are thoroughly familiar with each area of the Company’s business as well as outside experts with knowledge, experience, ability, insight and other attributes different from that of the members from within the Company and who can supervise management on behalf of shareholders and other stakeholders.

Furthermore, striving for greater managerial transparency, the Company has a policy of appointing at least one-third of its directors as independent outside directors, and of the eight directors, three, including one with management experience, have been appointed as independent outside directors.

Among the Company’s directors, there are four directors who are also executive officers. Conflicts of interest are addressed in accordance with Japanese law. There are no controlling shareholders.

Main Agenda Items at Board Meetings

- Related to existing and new projects in each business
- Borrowings and other financing
- Establishment or revision of important rules and regulations, including policies on human rights, DX, etc.
- Cross-shareholdings held
- Dialogue with institutional investors
- Planning and results of auditing by Audit & Supervisory Board members and internal auditing

Other reports on the progress of sustainability activities are made at least twice a year. In addition, the status of use of the Whistle-blowing System (Speak Up System) and the status of responses are regularly reported. Also, complaints received by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), a contact point for receiving complaints from suppliers and other external parties, are also subject to reporting as a grievance (remedy) mechanism.

While any matters of critical concern that arise are required to be reported to the Board of Directors, there were no matters of critical concern reported in FY2022.

In stakeholder engagement conducted by the Board of Directors, authority is delegated to business divisions for customers and suppliers, to the Human Resources Department for employees, and to the Public Relations & Investor Relations Department for shareholders and investors.

The status of dialogue with investors is reported once a year.

Governance Committee



4 Governance Committee members
(3 outside directors)

Chair: Taeko Ishii (Outside Director)
Meetings held in FY2022: 5 (2 nomination meetings, 2 remuneration meetings, 1 general governance meeting)

The Governance Committee is composed of one member who is the chairman of the Board of Directors, who is not an executive officer, and three independent outside directors. It was established to provide the president with advice from an objective standpoint with regard to particularly important matters relating to corporate governance, including the nomination and remuneration of directors, executive officers, and others.

Role and function of outside directors

Outside directors are expected to perform two functions: an advisory function and a monitoring function.

Regarding the advisory function, in order for the SMM Group to achieve sustainable growth and increase its corporate value over the medium to long term, outside directors are expected to enhance the quality of decision-making by the Board of Directors by providing advice and making decisions based on their experience and other factors, without being bound by the Company’s conventional way of thinking or frameworks.

Regarding the monitoring function, outside directors are expected to serve a check function on management from an independent and objective standpoint via the Board of Directors, as well as to supervise management on behalf of shareholders and other stakeholders by providing advice during decision-making on director nomination, remuneration, and other relevant matters as members of the Governance Committee.

Auditing System

Audit & Supervisory Board



4 Audit & Supervisory Board members (2 outside Audit & Supervisory Board members)

Chairman: Koji Imai (Standing Audit & Supervisory Board member)
Meetings held in FY2022: 18

The Audit & Supervisory Board has four members (two standing Audit & Supervisory Board members and two outside Audit & Supervisory Board members). Standing Audit & Supervisory Board members belonging to the Company gather in-house information in an accurate and timely manner, and audit operations appropriately based on this information, while independent outside Audit & Supervisory Board members conduct audits in a manner that takes advantage of knowledge of their respective specialist fields and diverse perspectives.

In order to ensure managerial soundness and increase the corporate value of the Company, and in accordance with the audit policies, audit plans, and other such matters prescribed by the Audit & Supervisory Board, each Audit & Supervisory Board member will attend meetings of the Board of Directors and other important meetings, receive reports from directors, executive officers, and employees regarding the status of the performance of their duties, and, through on-site inspection activities at domestic and overseas business sites, confirm the status of business execution, inherent issues, and the establishment and operation of internal control systems. In addition, information collected by the standing Audit & Supervisory Board members through inspection of important approval and other such documents and reports from related departments is shared with the outside Audit & Supervisory Board members and discussed among all Audit & Supervisory Board members.

Main Agenda Items at Audit & Supervisory Board Meetings

- Audit plan of the Audit & Supervisory Board members (monthly and annually)
- Results of the audit of the Audit & Supervisory Board members (monthly and annually)
- Confirmation of each agenda item of the Board of Directors meeting
- Information on the business environment
- Audit report of the Audit & Supervisory Board
- Results of the evaluation of the effectiveness of the Audit & Supervisory Board

Role and function of outside Audit & Supervisory Board members

In order for the Company to achieve sound management and increase its corporate value over the medium to long term, outside Audit & Supervisory Board members are expected to conduct effective audits based on their knowledge and experience in specialized fields, including finance, accounting, and legal matters, while maintaining sufficient coordination with Standing Audit & Supervisory Board members belonging to the Company.

In addition, as part of the audit process, outside Audit & Supervisory Board members are expected to participate in key meetings, including Board of Directors meetings, and to actively express their forthright opinions from an independent and objective standpoint during the decision-making process, including not only the legality but also the appropriateness of proposals.

Collaboration among the Internal Audit Department, Independent Public Accountant, and Audit & Supervisory Board Members

The Internal Audit Department regularly undertakes internal audits on the status of business execution across the SMM Group.

The Department provides an explanation of its audit plans to Audit & Supervisory Board members and the Audit & Supervisory Board while passing on all relevant information. At the same time, Audit & Supervisory Board members provide details of audit plans determined at meetings of the Audit & Supervisory Board to the Internal Audit Department, accompany staff of the Internal Audit Department as required when conducting internal audits, and attend meetings when reports on the results of internal audits are delivered to executive officers and the heads of operational divisions. In

FY2022, Audit & Supervisory Board members attended such meetings 19 times. KPMG AZSA LLC, an independent registered public accounting firm, audits the consolidated financial statements and the effectiveness of the internal control over financial reporting. Audit & Supervisory Board members provide details of audit plans to the independent public accountant. Audit & Supervisory Board members in turn receive explanations regarding audit plans and reports on audit results and reports reviewing each quarter from the independent public accountant. In this manner, close collaboration is maintained between the independent public accountant and Audit & Supervisory Board members.

Standard for Independence

All the Company's outside directors and outside Audit & Supervisory Board members have been declared as independent officers, pledging that there is no conflict of interest with that of shareholders. We also publish our standards governing

the independence of outside officers on the Company website.

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

Outside Directors/Audit & Supervisory Board Members' Liaison Committee

In FY2022, liaison meetings were held in May and December. Given reports on most recent internal audit results by the internal audit department and the overview of department

heads' hearing results from the Audit & Supervisory Board members' on-site audits, a wide range of opinions were exchanged.

Procedures in the Nomination of Director Candidates, Appointment or Dismissal of Senior Management, and Nomination of Audit & Supervisory Board Member Candidates

With regard to the nomination of candidates for the Board of Directors, the president comprehensively considers the knowledge, experience, ability, insight and other attributes of the candidates with respect to the best lineup for resolving current and future management issues (including the positive and negative impacts on the economy, environment, and people, including human rights, for the sustainable development of the Company), and proposes suitable candidates to the Board of Directors. The Governance Committee, which consists of the Chairman of the Board of Directors who is not an executive officer and the independent outside directors who supervise the management team on behalf of shareholders and other stakeholders, will provide the president with advice. The Board of Directors makes the final decision after due deliberation.

With regard to the selection of executive officer candidates, the president, based on the recommendations of the

executive officers, comprehensively considers the knowledge, experience, ability, insight and other attributes of the candidates in accordance with the same approach as when nominating candidates for director, and the same procedures shall be used to determine the candidates.

The Governance Committee has opportunities to deliberate on the environment and methods for fostering the next president as well as concerning the candidates. In the event that an executive officer has rendered himself or herself markedly ineligible, for example by having acted unlawfully, improperly, or disloyally, and a dismissal recommendation is made to the Board of Directors after the Governance Committee gives advice on the matter, and the individual concerned may be dismissed by resolution of the Board of Directors.

With regard to the nomination of Audit & Supervisory Board member candidates, the policy is for the president to

comprehensively consider the qualifications, knowledge (including that of finance, accounting, and law), experience, ability, insight and other attributes of the candidates and,

after obtaining the prior approval of the Audit & Supervisory Board, to propose the qualified candidates to the Board of Directors, which will then determine the nominations.

The Board's Engagement in Succession Planning for the CEO and Other Top Executives

The succession planning for holders of the office of chief executive officer (president and director) is conducted and executed appropriately on the basis of our corporate philosophy and business plans. With regard to the candidate for the successor to the president, the Governance Committee (Chair: Taeko Ishii, Director), composed of the chairman of the Board of Directors who is not an executive officer and three independent outside directors, has opportunities to deliberate on the environment and methods for fostering the next president as well as concerning the candidates, etc.

Regarding the specific procedure for selecting the successor to the president, after consulting with the Governance Committee about the candidate recommended by the

president and receiving advice on whether the candidate has the qualifications, knowledge, experience, abilities, and insight worthy of a president and director, the president makes the final proposal to the Board of Directors, which makes the final decision after due deliberation.

With regard to the selection of the candidate executive officers who will constitute the pool of candidates for future president, the president, based on recommendations from the executive officers, consults with the Governance Committee regarding the best lineup to resolve the issues management faces, formulates the final proposal with reference to that advice, and submits the proposal to the Board of Directors. The Board of Directors then makes the final decision after due deliberation.

View on the Balance between Knowledge, Experience, and Skills of the Board as a whole, and Also on Diversity and Appropriate Board Size

The Board of Directors will achieve a diverse composition by including both members from within the Company who are

thoroughly familiar with each area of the Company's business as well as outside experts with knowledge, experience, ability,

Skills Matrix for Board of Directors

Knowledge, experience, ability, etc. possessed by directors and Audit & Supervisory Board members that the Company believes will contribute to the effectiveness of the Board of Directors									
Category	Name	General Corporate Management, Sustainability	Global Capability (International Experience)	Business, Marketing	R&D, Manufacturing, Engineering	Quality, Safety, Environment	Finance, Accounting	Human Resources	Legal, Compliance
Directors	Yoshiaki Nakazato	●	●	●			●		
	Akira Nozaki	●	●	●			●		
	Toru Higo	●	●	●					●
	Nobuhiro Matsumoto	●	●	●	●	●			
	Masaru Takebayashi	●	●	●	●	●			
	Taeko Ishii							●	●
	Manabu Kinoshita	●		●				●	
	Kanji Nishiura	●	●	●				●	
Audit & Supervisory Board Members	Koji Imai								●
	Tsuyoshi Nozawa	●				●	●		
	Wataru Yoshida		●	●			●	●	
	Shoji Wakamatsu						●		

* Fields in which Directors and Audit & Supervisory Board Members believe 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 final page of the Corporate Governance Report.

WEB https://www.smm.co.jp/en/news/release/uploaded_files/230803_CGR_E.pdf

insight and other attributes different from that of the members from within the Company. Based on “what the Board of Directors should ideally be,” as stated in “Reasons for selection of present corporate governance system,” the skill matrix for the Company’s directors and Audit & Supervisory Board members was created and is shown below. 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 and Vision for 2030. 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. The size of the Board of Directors will be appropriate to conducting active discussions and ensuring the briskness of the Board. One-third or more of the Directors will be independent outside directors in order to strive for greater managerial transparency.

Outside Directors and Outside Audit & Supervisory Board Members

	Functions and Roles in Corporate Governance
<div>Taeko Ishii Outside Director</div> <div>Attendance (FY2022)</div> <div>Board of Directors meetings 17/17 (100%)</div>	Ms. Taeko Ishii has specialist knowledge and abundant experience as a lawyer, especially in the field of labor law. Ms. Taeko Ishii participates in the Board decision-making, providing her advice regarding compliance and personnel/labor related fields, which is aimed toward the sustainable growth and medium- to long-term enhancement of the corporate value of the Group by utilizing her knowledge and experience. She also performs 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, she realizes the further improvement of quality of the decision-making by the Board of Directors and the enhancement of the monitoring function.
<div>Manabu Kinoshita Outside Director</div> <div>Attendance (FY2022)</div> <div>Board of Directors meetings 17/17 (100%)</div>	Mr. Manabu Kinoshita has a wealth of knowledge and experience in corporate management and digital business. He participates 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 medium- to long-term enhancement of the corporate value of the Group by utilizing his knowledge and experience. He also performs 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, he realizes the further improvement of quality of the decision-making by the Board of Directors and the enhancement of the monitoring function.
<div>Kanji Nishiura Outside Director</div> <div>Attendance (FY2022)</div> <div>Board of Directors meetings —</div>	Mr. Kanji Nishiura has abundant knowledge and experience in corporate management, non-ferrous metal business, and various other businesses. Mr. Kanji Nishiura is expected to participate in the Board decision-making, providing his advice particularly on long-term projects and comprehensive plans aimed toward the sustainable growth and medium- to long-term enhancement of the corporate value of the Group 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, and has appointed him as Outside Director.
<div>Wataru Yoshida Outside Audit & Supervisory Board Member</div> <div>Attendance (FY2022)</div> <div>Board of Directors meetings 17/17 (100%) Audit & Supervisory Board meetings 18/18 (100%)</div>	Mr. Wataru Yoshida has a wealth of financial institutional experience and knowledge of corporate management. He carries out effective audits, especially regarding finance and overseas projects, based on his own knowledge and experience in order to ensure the soundness of the Group’s management and improve its corporate value over the medium to long term, while fully coordinating with the standing Audit & Supervisory Board members. In addition, as part of the audit process, he participates in important meetings, including Board of Directors meetings, and during the decision-making process actively expresses his frank opinions from an independent and objective standpoint, including not only the legality but also the appropriateness of proposals.
<div>Shoji Wakamatsu Outside Audit & Supervisory Board Member</div> <div>Attendance (FY2022)</div> <div>Board of Directors meetings 16/17 (94%) Audit & Supervisory Board meetings 18/18 (100%)</div>	Mr. Shoji Wakamatsu has many years of auditing and management experience at an audit firm and a wealth of knowledge about accounting. He carries out effective audits, especially regarding accounting, based on his own knowledge and experience in order to ensure the soundness of the Group’s management and improve its corporate value over the medium to long term, while fully coordinating with standing Audit & Supervisory Board members. In addition, as part of the audit process, he participates in important meetings, including Board of Directors meetings, and during the decision-making process actively expresses his frank opinions from an independent and objective standpoint, including not only the legality but also the appropriateness of proposals.

The concurrent occupations of outside directors and outside Audit & Supervisory Board members (as of March 31, 2023) are listed in the Document of Matters Subject to Measures for Electronic Provision Regarding the 98th Ordinary General Meeting of Shareholders.

WEB https://www.smm.co.jp/en/ir/stock/meeting/pdf/2023/no98_houkoku.pdf

Training Policy for Directors and Audit and Supervisory Board Members

The training of directors and Audit & Supervisory Board members is based on the self-improvement of each individual, and therefore the Company contributes to self-improvement by

providing opportunities for training either directly or as an intermediary, and provides support for the costs thereof. Specifically, the Company will provide training on the legal

liabilities of officers, compliance, and legal knowledge for newly appointed directors, Audit & Supervisory Board members, and executive officers when assuming office. The Company will provide various kinds of internal training for directors, Audit & Supervisory Board members, executive officers, and others and endeavor to obtain timely and appropriate information through

lectures by lawyers and other external experts and through other such means. Additionally, the Company will provide information on other training opportunities such as external seminars. Including the above, the Company will bear the entire amount of any expenses necessary for director, Audit & Supervisory Board member, and executive officer training.

Basic Policy and Procedures for Remuneration of Directors

Basic Policy

Remuneration for directors of SMM is linked to the business performance of the Company, and designed to motivate directors to achieve medium- to long-term goals, based on the business structure of the Company, so that it functions as a sufficient incentive to contribute to sustainable growth, increase the corporate value of the Group over the medium to long term, and to strengthen and maintain the management base. When determining the remuneration of individual directors, the amount of remuneration is calculated using a predetermined formula in order to ensure fairness, and the Company maintains a basic policy of setting remuneration at an appropriate level based on the responsibilities of each director.

Specifically, the remuneration for directors (excluding the Chairman and outside directors) shall consist of basic remuneration and bonuses. Basic remuneration shall consist of fixed remuneration (remuneration which is neither performance-based nor non-monetary) and performance-based remuneration, etc., while bonuses shall be performance-based remuneration, etc. The Chairman and outside directors shall receive only fixed remuneration and no bonuses.

Basic remuneration is calculated on an annual basis for each individual and paid each month in monthly installments, while bonuses are paid once annually after approval is obtained at the Ordinary General Meeting of Shareholders.

WEB Details are provided in the Corporate Governance Report. https://www.smm.co.jp/en/news/release/uploaded_files/230803_CGR_E.pdf

Matters Related to Performance-based Remuneration

The indicators employed by the Company to determine performance-based remuneration include consolidated results (profit attributable to owners of the parent, profit before tax), departmental results (return on capital employed [ROCE], free cash flow, and segment income), the degree of attainment of personal targets under medium- to long-term management strategies, and safety record (number of industrial accidents).

Reason for Selection of Above Indicators

- **Consolidated results (profit attributable to owners of the parent, profit before tax)**
Because these indicators are key measures of the Company's corporate management performance, and are the profitability targets that it aims to achieve as part of its long-term vision.
- **Departmental results**
The three absolute values of efficiency, cash flow, and profit were selected in order to evaluate performance in a balanced manner.
- **Degree of attainment of personal targets under medium- to long-term management strategies***
Because the steady implementation of plans with a medium- to long-term perspective is essential in order to increase our corporate value in a sustainable manner.
- **Safety record**
Because we believe that securing a safe workplace is our operating foundation.

* Growth strategies, measures to strengthen competitiveness, measures to improve sustainability, etc., set forth in the 2021 3-Year Business Plan

Method of Determining Amount of Performance-based Remuneration, etc.

The amount of performance-based remuneration, etc. is calculated by adding an amount reflecting individual performance to an amount of position-specific performance-based remuneration, etc. Moreover, there are no sign-on bonuses or recruitment incentive payments, termination payments, claw-back systems, or retirement benefits.

The details of each calculation method are provided in “Matters related to performance-based remunerations, etc.” of the Document of Matters Subject to Measures for Electronic Provision Regarding the 98th Ordinary General Meeting of Shareholders.

WEB https://www.smm.co.jp/en/ir/stock/meeting/pdf/2023/no98_houkoku.pdf

Annual Total Compensation Ratios (FY2022)	
Ratio of the average annual total compensation for the organization's highly-paid individuals to the total compensation for all employees ¹	1,039%
Ratio of the percentage increase in average annual total compensation for the organization's highly-paid individuals to that for all employees ²	71%

1. Average annual total compensation for the organization's highly-paid individuals is calculated as annual total compensation for internal directors (plus the employee salaries of any directors concurrently serving as employees) divided by the number of internal directors.
This ratio is calculated as average annual total compensation for the organization's highly-paid individuals divided by the median annual total compensation for all employees x 100.

2. Ratio of the percentage increase is calculated as the percentage increase in average annual total compensation for the organization's highly-paid individuals divided by the percentage increase of the median annual total compensation of all employees x 100.

Management Remuneration as an Incentive

The Company’s financial results are significantly impacted by prevailing metal market conditions and exchange rates, and thus do not necessarily correspond with the progress of management strategies and projects. Furthermore, projects related to resource development and the construction of smelting and refining plants require extremely long time periods from start to completion, and it is not unusual for the composition of management to have changed by the time the fruits of those projects can be reaped.

Given these characteristics of its business, the Company has considered how remuneration should operate as a healthy incentive for individual directors and managers and has consequently laid down its current remuneration system composed of performance-based remuneration and bonuses based on consolidated financial results and assessment factors such as the degree of attainment of personal targets under medium- to long-term management strategies. At present, we do not believe that remuneration in the form of Company stock would effectively operate as a healthy incentive for management, and thus have not introduced it.

Details of Procedures for Determining the Amount of Audit & Supervisory Board Member Remuneration

The amount of basic remuneration for each individual Audit & Supervisory Board member will be determined by consultation among the Audit & Supervisory Board members at the Audit & Supervisory Board within the total remuneration amount approved by the General Meeting of Shareholders.

Total Amount of Remuneration, etc. Paid to Directors and Audit & Supervisory Board Members

FY2022 Director and Audit & Supervisory Board Member Remuneration

Officer Classification	Total Remuneration	Total amount of remuneration, etc. by remuneration type			Number of Officers
		Fixed remuneration	Performance-based remuneration, etc.	Non-monetary remuneration, etc.	
Directors (excluding outside directors)	¥405 million	¥245 million	¥160 million	—	5
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	¥68 million	¥68 million	—	—	3
Outside directors	¥43 million	¥43 million	—	—	3
Outside Audit & Supervisory Board members	¥24 million	¥24 million	—	—	2

Directors whose total consolidated remuneration, etc. is ¥100 million or more are disclosed individually in the Company’s Annual Securities Report.

Analysis and Evaluation of the Effectiveness of the Board as a whole, and the Results

The Board of Directors analyzes and evaluates the effectiveness of its performance from the perspective of appropriate decision-making for business execution and enhancing monitoring functions. The following is a summary of the results of the analysis and evaluation of the effectiveness of the Board of Directors in FY2022.

Analysis and evaluation process

The Board of Directors prepares and conducts a questionnaire to directors and Audit & Supervisory Board members with the assistance of an external evaluator (law firm). The Board of Directors outsources the compilation of responses and related analysis to the external evaluator. Based upon the results of the questionnaire, the evaluation by the external evaluator, and the confirmation of what the Board of Directors should ideally be (aim to achieve a Board of Directors focused on decision-making function) conducted in FY2016, the Board of Directors reviewed its own effectiveness

at a regular Board of Directors meeting held in February 2023, where it confirmed its evaluation and discussed its response going forward.

Overview of analysis and evaluation results

- 1) Response to questionnaire and results of analysis and evaluation of the external evaluator**
- (1) Most of the main items related to the effectiveness of the Board of Directors received a high overall rating, and the Board of Directors can be evaluated as generally functioning effectively.
 - (2) In the open-ended response section of the questionnaire, many positive opinions were expressed about the current system and operation, and many matters are pointed out as opinions to improve the current situation.
 - (3) It is desirable to continue to discuss how the Board of Directors should deliberate strategies and visions. Additionally, the matters pointed out in the past fiscal years (such as securing human resources) should be continuously discussed about how to make further improvements toward implementation.

2) Deliberations at the Board of Directors meeting

- In response to the external evaluator’s advice, the Board of Directors conducted deliberations on each of the following matters.
- (1) With respect to deliberations at Board of Directors meetings, some responses suggest that the meetings should further extend discussions of business strategy, management issues, sustainability, etc. In response to this, the Board confirmed that the following would be carried out:
 - a. Continuously ensure that the agenda includes business strategy and management issues.
 - b. Extend opportunities to discuss sustainability in addition to semiannual reports from the Sustainability Committee.
 - (2) With respect to initiatives related to the matters pointed out in the past fiscal years (in particular, securing human resources, etc.), the Board of Directors confirmed that they would deliberate them based on the measures of the executive side.
 - (3) The Board of Directors confirmed other matters, such as extending information that facilitates deliberations of the agenda and providing the Board of Directors with more effective feedback concerning opinions on capital markets.

Future steps

The Board of Directors confirmed that steps will be taken with regard to the above matters in order to improve its effectiveness in an ongoing manner.

Analysis and Evaluation of the Effectiveness of Auditing by Audit & Supervisory Board Members and the Audit & Supervisory Board, and the Results

Purpose, etc. of the Evaluation of the Effectiveness of the Audit & Supervisory Board

In order to ensure managerial soundness and increase the corporate value of the Group, the Audit & Supervisory Board members 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. Through this evaluation of effectiveness, the Audit & Supervisory Board reviews its own audits and activities, examines issues to be improved and measures to be taken, and reflects them in the next year’s audit plan and daily audit activities, thereby establishing a PDCA cycle.

Evaluation process

In order to carry out the evaluation from an independent and objective standpoint, we requested advice on analysis and evaluation from Misono Sogo Advisory LLC, an outside

professional organization. Based on the results, the Audit & Supervisory Board discussed the matter and conducted the evaluation. The specific evaluation process included a questionnaire of all Audit & Supervisory Board members, interviews with the chairperson of the Audit & Supervisory Board (Senior Standing Audit & Supervisory Board member) and with the administrative office of the Audit & Supervisory Board by an outside professional, and discussions with participation by all Audit & Supervisory Board members (four times in total).

Overview of evaluation results

- The Audit & Supervisory Board confirmed the following points and evaluated that the audits and activities of the Audit & Supervisory Board members were functioning well and sufficiently effective.
- Through their attendance at Board of Directors meetings, discussions among Audit & Supervisory Board members, and auditing activities by Audit & Supervisory Board

members, the Audit & Supervisory Board members have conducted audits based on a perspective of appropriateness and made necessary representations of their opinions.

- The Audit & Supervisory Board members, including outside Audit & Supervisory Board members, have attended Management Committee meetings, Sustainability Committee meetings, Internal Control Committee meetings, and other important meetings, and checked the status of business execution by directors, etc. and whether the internal control system is properly maintained and operated. They have also actively expressed their opinions based on their insight and experience.
- The Audit & Supervisory Board members have regularly conducted interviews with executives, including representative directors, have established an atmosphere where they can openly exchange opinions, and have made recommendations as necessary.
- On-site audits at domestic and foreign sites, including offices, mines, plants, and affiliated companies, are conducted by a Standing Audit & Supervisory Board member and an Outside Audit & Supervisory Board member as a pair (24 sites were visited in FY2022). Through these site visits, Audit & Supervisory Board members have checked with their own eyes the business execution status, specific issues, and how the internal control system is maintained and operated, and provided advice as necessary.
- At meetings of the Audit & Supervisory Board, the Standing Audit & Supervisory Board members have shared information they collected through inspection of important approval and other such documents and reports from relevant divisions, as well as the results of their audit activities, with Outside Audit & Supervisory Board members, and have held discussions.
- Outside Audit & Supervisory Board members spend enough time and effort to fulfill their duties adequately, including on-site audits.
- Audit & Supervisory Board members share information and exchange opinions with Outside Directors at meetings or in other ways.

Business Execution Structures and System

Management Committee

The membership of the Management Committee includes the president, senior managing executive officers, and other related executive officers, and its meetings may also be attended by the chairman of the Board of Directors, outside directors, and Audit & Supervisory Board members.

The Management Committee deliberates on important matters requiring careful consideration from a wide range of perspectives prior to their submission for the Board of

Future steps

Through discussion among all members, the Audit & Supervisory Board defined the roles of the Company's Audit & Supervisory Board as follows: Monitor and restrain the management, have a strong sense of involvement in corporate management under the condition that they are non-executive, and provide the management with objective opinions as Audit & Supervisory Board members based on their professional insights and experience.

For Audit & Supervisory Board members to fulfill these roles, it is necessary to have initiatives whereby they understand the corporate management from an objective perspective and respond promptly and flexibly in light of internal and external changes. Therefore, the Audit & Supervisory Board confirmed that as matters to be focused on this fiscal year the following actions will be taken.

- Regular reflection by the Audit & Supervisory Board to maintain an objective perspective on management and fulfill their role as Audit & Supervisory Board members
- Further enhancement of on-site audit activities by improving information sharing by full-time Audit & Supervisory Board members to outside Audit & Supervisory Board members in advance of on-site audits, etc.
- Strengthening communication with departments by clarifying our awareness of issues (topics) identified through day-to-day Audit & Supervisory Board member activities (considering topics such as the Company's function of corporate planning)
- Updating information and knowledge about corporate management and other important topics, including providing training by external instructors.

In addition to the above, we have confirmed that we will continue to examine specific issues identified in the process of evaluating the effectiveness, and strive for improvement. By further improving the effectiveness of audit activities, the Audit & Supervisory Board and its members are striving to contribute to strengthening the management infrastructure and improving the corporate value of the Group.

Directors resolutions or approval by the president, deciding whether or not matters should be submitted to the Board of Directors, and assisting the president's decision-making.

When making investments or equity contributions, we use a project risk check sheet for committees, primarily the Management Committee, to carry out deliberations regarding human rights issues such as discrimination, forced labor, and child labor, and also the political system, economy, law

and order, locally-specific diseases, labor issues, religious restrictions, and the impact on the local community. In FY2022, one new investment agreement was proposed to the Management Committee, which conducted screening for human rights issues and confirmed the investment to be unproblematic. We will continue to carry out regular monitoring in the future. No projects were withdrawn.

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 medium 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.

Number of Issues Reduced (stocks other than unlisted stocks)					
	FY2018	FY2019	FY2020	FY2021	FY2022
Whole sale	0	4	3	2	5
Partial sale	0	1	1	3	3

Sustainability Committee* and Internal Control Committee

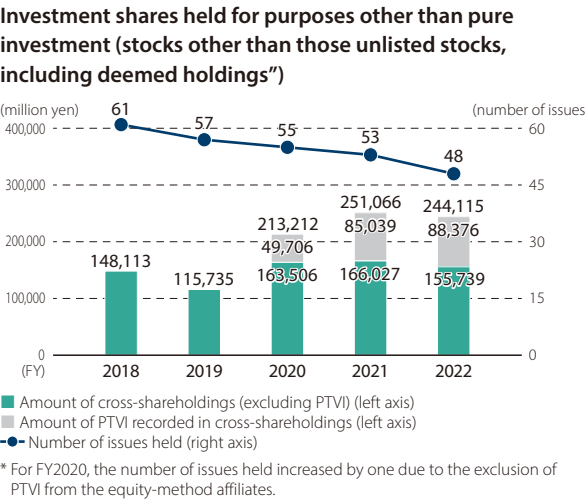
The Company has systemized its social and environment initiatives as sustainability promotion activities and is expanding them throughout the Group. In order to promote these activities, the Sustainability Committee (headed by the president) has been established. 7 Sustainability Subcommittees and four Management System Working Groups have also been established under the Sustainability Committee, and the Company has also established the Corporate Value Enhancement Strategic Committee, Digital Transformation Committee, and Carbon Neutrality Committee.

* Sustainability Committee Refer to p.82

Relationship with PT Vale Indonesia Tbk

SMM owns 15% of the stock of PT Vale Indonesia Tbk (PTVI), a company in the Republic of Indonesia, and has entered a shareholder's agreement with Vale Canada Limited and PT Indonesia Asahan Aluminium (Paser), a state-owned Indonesian company, to jointly manage the company. In addition, we have also signed an agreement with these two companies and PTVI, which gives us the right and obligation to purchase production from these four companies. Due to this, SMM has the right and obligation to purchase 20% of the agreed annual production from PTVI's Sorowako mine.

One of the conditions for obtaining the mining business license required for PTVI to continue operations after 2025 was to increase the Indonesian equity stake in the company. In FY2020, SMM sold a portion of its PTVI shares and excluded PTVI from its equity-method affiliates.



Round-table Discussion with Outside Directors

We asked our outside directors what their role is in creating an open and vibrant organizational climate and securing, fostering, and utilizing powerful human capital.



The Company has reformed its personnel system to secure, foster, and utilize human capital in order to respond to a changing business environment and strengthen the management foundation. The outside directors discussed the points they focus on to promote the concepts behind the redesigned personnel system for managerial track employees and change the corporate culture with the aim of firmly embedding an open and vibrant organizational climate.

What makes the ideal person for realizing sustainable growth?

Director Taeko Ishii: I believe it is a person who finds their work rewarding and works energetically with curiosity on new things, who takes the initiative and is willing to take on a challenge. To begin with, I think it is necessary to determine what kind of human resources are needed in each segment and the requirements in terms of their expertise and the direction in which they are heading. At present, I feel the discussion is limited to the number of employees recruited and the retention rate.

Director Manabu Kinoshita: The world has changed significantly with the evolution of AI, and the type of human resources needed has also changed. As such, I believe the role of human beings is to go into society, notice changes, and co-create new businesses based on dialogue and empathy with all kinds of people. In the future, there will be more demand for human resources with a human touch who are the opposite of AI.

Director Kanji Nishiura: I place an emphasis on the degree to which human resources possess integrity and the potential they have. As an organization, the ideal is to have a large number of inspiring people who can always do the right thing and get to the essence of things.

What progress and results have there been on securing, fostering, and utilizing human capital, which was set out as a challenge?

Ishii: Initiatives such as fostering human capital through a collaboration agreement with universities and raising the Company's profile through TV commercials are producing results. At meetings of the Board of Directors in FY2022, we took time to discuss the Company's issues ahead of the reform of the personnel system. In these discussions, I pointed out the differences with other companies from an outside perspective, and recommended that the Company actively recruit experi-

enced professionals for new and specialist areas.

Kinoshita: The redesign of the managerial track personnel system is a major step forward in the implementation of the 2021 3-Year Business Plan. Until now, the Company's personnel system was still based on seniority. However, I believe the reforms are a major breakthrough for the promotion of younger employees and active participation of women. The managerial track personnel system is an important issue with a high level of employee interest. A perfect personnel system is impossible, so it is important to review it every year, and ensure the personnel system that is established is one that satisfies all employees. As the Board of Directors, we recognize we also have a responsibility for how we evolve the personnel system in the future.

We also had vigorous discussions around the issue of diversity, but I feel our discussions around making use of the older generation of employees are still inadequate. Also, even if we increase the recruitment of experienced professionals, we recognize that the question of whether the recruited human resources can reach their potential in this organization is also related to the corporate culture, which is a management response issue.

Ishii: There has been progress on information disclosure related to the percentage of women in management positions and the male-female wage differential, and the awareness of workers is also changing. Today's students are very interested in initiatives related to diversity and human rights, regardless of gender, so this is an area the Company should focus on in order to attract highly-motivated students with a high level of awareness. During my discussions with female employees, I tell them it is important to take on challenges. However, I believe it is also important for executives and managers to be aware of encouraging female and younger employees to take on challenges.

Nishiura: Sustainability in attracting and retaining human resources is essential for a company with a long history to ensure its sustainability as a company. A company's ability to secure human resources is based on building a personnel system that provides the environment and conditions that

make employees want to continue working at the company for as long as possible as well as continuing to provide places and opportunities for employees, including those hired as experienced professionals, to reach their potential. Even a personnel system that is reformed in step with the changing times starts to become obsolete from the day of the reform, so the substance must be periodically verified.

Ishii: The Company has solid foundations based on over 430 years of history and the Sumitomo Business Spirit. Even though values are diversifying, I think that everyone who wants to join the Company is basically moving forward in the same direction. Based on the culture and traditions produced by these factors and the changing times, the management team will consider the question of what kind of corporate culture to foster together.

What is important for fostering and promoting an open and vibrant organizational climate?

Kinoshita: An open corporate culture is needed as the basis for fostering an open and vibrant organizational climate. A culture that tolerates mistakes facilitates the honest expression of opinions, and achieving this requires equal relationships between supervisors and their team members in a sense. The core of corporate culture must change to reduce the "waiting for instructions" mentality.

Ishii: The question of whether it is possible to speak freely and openly is a matter for the organization and supervisors, rather than human resources. No matter how much you are told to speak out freely, it is difficult to do so if the environment is not conducive. Therefore, it is necessary for executives and managers to think about how they interact with their team members.

Nishiura: I understand that corporate culture or culture is something that emerges, rather than something that is made. Many companies carry out employee awareness surveys. However, if improvements are needed in light of the results, I

think the management team needs to be broad minded enough to allow what emerges and to make very minor revisions, rather than leading from the top.

Kinoshita: I propose that improving employee engagement is the shortest route to changing corporate culture. In the past, the awareness survey was every three years, but it will be conducted every year from 2023 after I requested an annual survey. It is important to follow up on the issues seen in the survey results. Officers should listen directly to opinions in the workplace and have honest discussions with employees and then consider putting any important issues on the agenda for the Board of Directors.

It is concerning that affiliated companies score lower based on the results of the engagement surveys. Engagement tends to be low at organizations with compliance and safety issues, so I think this is an area where the Company, which places an emphasis on safety, needs to take some serious measures.

Nishiura: I would like to see the executive side take

responsibility for creating an open and vibrant organizational climate by setting an engagement survey score for executive officers to aim for as a KPI.

What is the role of the Board of Directors in realizing the sustainability of the Company?

Kinoshita: The biggest personnel-related theme for the Board of Directors is the nomination of successors. Opportunities for discussing the type of future managers from a long-term perspective are needed to ensure the sustainability of the Company, which has many long-term projects. The skill set of the directors reflects the type of people needed to implement the corporate strategy. I feel there is a lack of discussion on whether we have the human resources required, what kind of training to provide, and how to develop human resources over the long term.

Nishiura: The outside directors can never know more about the Company's business and strategy than the executive side. As outside directors, we must always ask for provision of information on what kind of candidates there are.

Ishii: Opportunities have been created for the outside directors to have discussions with the executive officers who are the candidates for future management human resources. During these discussions, I try to understand the thoughts and direction of each candidate and provide my opinions from an outside perspective.

Nishiura: As an outside director, I will closely look at whether there are substantive discussions. I would like to see changes in the Company from the perspective of employees through the redesign of the personnel system.

Kinoshita: As outside directors, we have the same passion for making the Company even better and want to work together to achieve it.



Taeko Ishii

Ms. Ishii was registered as a lawyer in 1986. She is a member of the Dai-ichi Tokyo Bar Association. She is particularly knowledgeable about legal practice concerning relationships between labor and management, and also provides counsel to the Company regarding compliance. Published works include "Legal Practices for Handling Problem Employees" and "A Q&A on Practice Relating to Equality Law, Childcare and Caregiver Leave Law, and Part-time Worker Law". She has served as an outside director at SMM since 2018.

Manabu Kinoshita

Serving in positions including Senior Executive Vice President of NEC Corporation, Mr. Kinoshita has extensive knowledge and experience in corporate management and digital businesses. The Company expects that he will offer counsel making use of his knowledge in the digital sector and his experience with developing solutions through joint value creation together with other industries. He has served as an outside director at SMM since 2020.

Kanji Nishiura

Serving in positions including Representative Director of Mitsubishi Corporation, and currently as Representative Director and Deputy President of Mitsubishi HC Capital Inc., Mr. Nishiura has extensive knowledge and experience in corporate management, non-ferrous metal business, and various other businesses. He was newly appointed as an outside director at SMM in 2023.

Tax Governance

Approach and Policy

The SMM Group comprehensively investigates and examines the relationships of its products to customers and local communities to develop business in a sustainable manner. Through sound corporate activities, we work toward the maximization of our after-tax profit and free cash flow to maximize corporate value and achieve our long-term vision.

As part of this, we also examine matters in terms of taxation, such as the status of tax treaties with countries where mines or plants are located, areas near key customers and markets, and countries where we do business. By continuing to comply with international tax standards and other related matters, and by fulfilling our tax filing and payment obligations appropriately and fairly, we will strive to coexist with local communities and countries where we do business.

The Sumitomo Metal Mining Group's Basic Policy on Taxes, established and announced on April 1, 2021 with the approval of our Board of Directors, is based on this approach.

Sumitomo Metal Mining Group's Basic Policy on Taxes

Basic Policy

Sumitomo Metal Mining (SMM) will, in the conduct of tax affairs associated with business activities, define the basic policy on taxes herein, pursuant to the SMM Group Corporate Philosophy that dictates “SMM, in accordance with the Sumitomo Business Spirit, shall, through the performance of sound corporate activities and the promotion of sustainable co-existence with 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.”

In addition, SMM and all Group companies will make known to and instill in employees the activities that place importance on compliance focus, maximization of corporate value, and appropriateness and fairness.

1. Tax-related internal controls

At SMM and all Group companies, all persons (corporate officers including executive officers, and employees including fixed-term and temporary employees) engaged in considering or implementing tax-related business processes or individual transactions will share this Basic Policy and ensure tax transparency.

SMM and all Group companies will also seek to resolve tax issues for the entire Group and at each company, by maintaining a system that manages tax risk in each country and region and by business process and that shares information globally.

2. Compliance with tax laws, etc.

Business activities will be conducted in compliance with the tax laws, tax conventions, and other relevant laws and regulations applicable in each country and region, as well as tax-related standards and guidelines published by international institutions and others such as the Organisation for Economic Co-operation and Development (OECD).

3. Treatment as part of business activities

SMM and all Group companies will practice the tax studies and implementation related to any business process and transaction as part of business activities, since tax-related risk and tax expenses are closely linked to business processes and individual transactions arising from such business activities.

SMM and all Group companies will work to minimize global tax risk, such as double taxation related to business activities, through advance pricing arrangements with the tax authorities, consultation with outside experts, and other means. At the same time, SMM and all Group companies will seek to maximize corporate value and achieve its long-term vision, through proactive and constant efforts to utilize tax incentives and optimize tax expenses, tax payment periods, and other factors so that it can maximize after-tax profit and free cash flow.

However, the following types of transactions will not be practiced:

- 1) Transactions aimed solely at avoiding tax, such as transactions using tax havens; and

- 2) Transactions that avoid tax through the transfer of income in forms that clearly depart from the Group's business objectives and economic realities.

4. Response to transfer pricing

International transactions between SMM and all Group companies will be performed using arm's length pricing that is calculated based on methods reflecting the transaction details, industry practices, or functional and risk analysis. In conducting a functional and risk analysis of each transaction, there will be compliance with tax-related standards and guidelines published by international institutions and others such as the OECD.

The arm's length pricing methods primarily applied:

- 1) Method based on market price according to an appropriate benchmark in line with industry practice; and
- 2) Method based on appropriate allocation of profits corresponding to the level of contribution founded on a functional and risk analysis.

5. Fair and appropriate tax

SMM and all Group companies will appropriately fulfill its tax payment obligations in compliance with applicable tax laws and other legal requirements at business activities in each country and region. In addition, SMM and all Group companies will seek to increase tax transparency and to build a constructive and fair relationship with the national or regional tax authorities.

6. Tax-related responsibilities and structure

SMM and all Group companies' tax activities will manage tax risks on a global basis and implement appropriate and fair tax treatments, subject to oversight by the executive officer in charge of SMM's Finance & Accounting Department, through the employees in charge of tax matters in the Finance & Accounting Department and the Group companies of relevant divisions operating in their respective countries and regions.

Moreover, employees with tax expertise will be assigned as necessary; and education and opportunities to increase tax knowledge will be provided to employees involved in tax considerations and implementation for business processes and individual transactions.

Decision-Making Concerning Taxes, Oversight by the Board of Directors, and the Role of Audit & Supervisory Board Members

At SMM, an executive officer is responsible for the Finance & Accounting Department, which is in charge of taxes. The officer manages and oversees the daily execution of tax-related duties that are performed by the department staff.

We work to improve and operate our tax governance system, with the president and the Board of Directors playing roles as noted below.

- The Company has established, maintains, and effectively operates an internal control system for financial closing operations that enables the Group to conduct appropriate accounting work, reporting of results, and other tasks, including tax-related matters. The Internal Audit Department evaluates the effectiveness of the internal control system, and reports the results to the president.
- Tax filing and payment in the Group are handled at the level of individual companies, after confirmation of content by representatives of the companies. The Company files and pays income and other taxes as a company after approval by the president. When a tax audit is conducted, the executive officer in charge of the Finance & Accounting Department reports on the progress of the audit to the president. In cases in which additional payments or tax refunds arise due to differences with tax authorities in interpretations or opinions concerning laws and regulations, the matter is handled with the approval of the president.
- When making decisions on matters such as investment projects, the Group conducts examinations that include tax-related matters and risk assessments. Particularly important projects are taken up by the Board of Directors for approval.

- The Audit & Supervisory Board members ensure the appropriateness of tax-related practices and policies through the following roles.
- Audit & Supervisory Board members verify the appropriateness of financial closing operations, including tax calculations and tax effect accounting, through audits conducted by the independent public accountant. In addition, when necessary, they pose questions to the independent public accountant to clarify tax-related issues.
 - Audit & Supervisory Board members receive reports from the internal audit department and the independent public accountant regarding the results of their evaluation of the effectiveness of the development and operation of the internal control system for financial closing operations, including tax-related matters, and subsequently review the contents of the reports.
 - When the president approves the filing and payment of income or other taxes on behalf of the Company, the Audit & Supervisory Board members review the documentation to confirm that filings and payments are properly managed within the Company.
 - When the president approves the development of a tax policy, the Audit & Supervisory Board members review the documentation and confirm that the tax policy is properly developed within the Company.

Initiatives for Tax-Related Compliance

Compliance* is the cornerstone of the Group's corporate activities. In accordance with the Sumitomo Metal Mining Group's Basic Policy on Taxes, the SMM Group endeavors to adhere to tax laws, tax treaties, and other relevant laws and regulations applicable in the countries and regions where its mines or plants are located. Additionally,

the Group follows tax-related standards published by international organizations such as the OECD. As part of these efforts, we not only ensure our operations comply with laws and regulations, but also provide education and training to our staff.

* See Compliance, p.116-119

Tax-Related Information Collection and Initiatives Involving Government, etc.

Through our activities as a member of the Japan Mining Industry Association, we make inquiries, collect information on, and express opinions to governmental agencies with regard to matters such as industrial policy and tax reform.

When the Group encounters issues involving interpretations

of laws and regulations or specific procedural matters, we work to properly carry out tax-related matters through prior inquiries and consultations with tax authorities and outside experts.

* See Income Tax by Country or Region, p. 37

Compliance

Approach and Policy

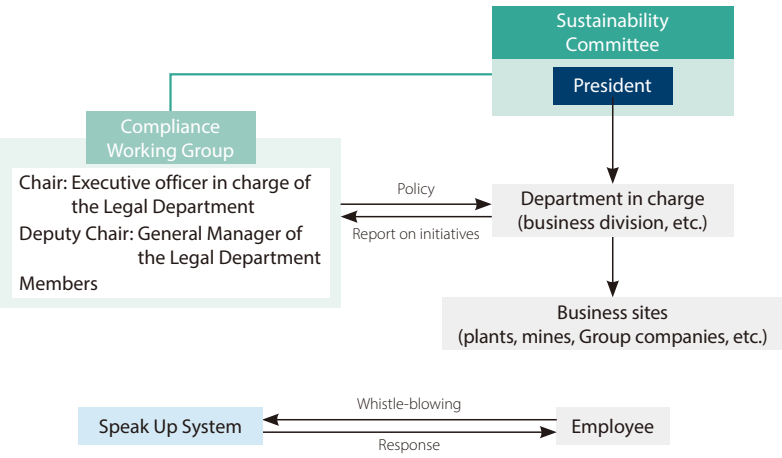
Our Group seeks to contribute to society and fulfill its responsibilities to its stakeholders through the performance of sound corporate activities. Under the philosophy that compliance is fundamental to corporate activities, we have established the SMM Group Code of Conduct and the Basic Compliance Regulations, to serve as specific guidelines for officers and employees. Further, we have established the following policies and regulations regarding individual focus areas such as human rights and procurement, which is shared across the Group.

- Sumitomo Metal Mining Group Policy on Human Rights
- Sumitomo Metal Mining Group Sustainable Procurement Policy
- Sumitomo Metal Mining Group Basic Policy on Taxes
- Regulations on insider trading prevention and information management
- Regulations on the safeguarding of personal information
- Regulations for export control
- Regulations for the prevention of bribery
- Regulations for observance of competition law
- Regulations on the Whistle-blowing System (Speak Up System)

Promotion Structure

With the president bearing ultimate oversight responsibility for compliance, we strive to promote compliance through our organizational structure. The Compliance Working Group, which operates under the Sustainability Committee and is served by the Legal Department as secretariat, regularly

conducts deliberations and exchanges information on material issues related to compliance. A system is in place whereby measures shared in the Working Group are cascaded to the necessary employees through our organizational structure and reflected in daily operations.



Initiatives

Initiatives to Take on Issues and Provide Improvements

In FY2022, the Group-wide compliance goal of “Zero compliance violations that may seriously damage business” was set. The following priority initiatives were identified as focus areas and implemented sequentially and promoted within each department: 1) review of our compliance management system, 2) thorough line management to eradicate intentional fraudulent acts that may result in serious damage to the business, and compliance violations that can lead to rescission of permits, and 3) departments in charge of laws and regulations gradually start to handle matters that pose a serious threat to operations or high reputation risk.

Responding to Compliance Issues

If a compliance incident (including GRI 2-26, “Responsible corporate conduct in organizational business activities and business relationships”) occurs or is likely to occur in our Group, it must be promptly reported to the General Manager of the Legal Department and other relevant departments through our organizational structure. Further, a system is in place whereby the issue is reported to the Representative Director, standing Audit & Supervisory Board member, etc. through the General Manager of the Legal Department, and finally to the Board of Directors. When an incident occurs, measures are taken to identify the cause of such incident, formulate measures to prevent recurrence, and if necessary deployed horizontally.

Further, the Compliance Working Group promotes compliance across the entire Group by analyzing causes of incidents, and shares information aimed at preventing recurrence.

Compliance Status

The results of checking FY2022 compliance status show that there were no serious legal or regulatory violations, including those related to the environment, products, service, marketing, tax, anti-corruption, and anti-competitive behavior. In addition, there were no fines or penalties reported in the consolidated financial statements or in the financial information submitted to public institutions in FY2022, and there are no fines or penalties that are currently pending and could be recorded in the provisions of the balance sheet in financial statements.

Initiatives on Preventing Corruption

The SMM Group engages in initiatives to prevent corruption. These include a prior approval system based on the Basic Policies for Anti-Bribery and regulations for the prevention of bribery, mandating prior approval by an authorized person in specified cases of provision of benefits to subject persons in Japan or overseas. Further, an anti-bribery manual was formulated based on the characteristics of each business and country/region, as well as legal and regulatory conditions. Each business division and the Legal Department work together to prevent corruption under the supervision of the officer overseeing compliance.

Compliance with Competition Laws

The SMM Group has established the Basic Policy for Compliance with Competition Laws. Under this Basic Policy, we set out regulations for the observance of competition law and created a manual for compliance with competition laws, covering the content of the Basic Policy and rules.

Operations of the prior notification system (a system that in principle requires prior notification when contacting competitors) based on the regulations for observance of competition law came into effect on April 1, 2022.

Initiatives on Export Control

Based on the regulations for export control, the SMM Group has established the Export Control Committee and strives for compliance with the Foreign Exchange and Foreign Trade Act and other laws and regulations related to exports. Internal systems for the management of “deemed export” was put in place by FY2021.

Whistle-blowing System (Speak Up System)

In accordance with the enforcement of the amended Whistleblower Protection Act that came into effect on June 1, 2022, we have revised our Whistle-blowing System. Provisions thereof are incorporated in the newly established Regulations on the Whistle-blowing System, independent from the “Basic Compliance Regulations.”The new regulations provide detailed information on matters concerning the handling of whistleblower reports and reports to the Board of Directors, etc. of violations of laws and regulations discovered because

of such reports. Employees of our Group (excluding certain affiliate employees operating their own whistle-blowing system) can provide information directly to the internal reporting hotline, SMM Group Whistle Blowing System (Internal: General Managers of the Legal, Safety & Environment Control, or Internal Audit Departments; External: Attorney. However, depending on the matter, further responses may be conducted by the Audit & Supervisory Board) for not only matters that are in violation of laws and regulations, but also concerns or questions in line with the SMM Group Code of Conduct.

The Whistle-blowing System covers not only matters experienced by individuals, but also those that are raised for the purpose of seeking advice regarding responsible corporate

Number of reports received (FY2022)

Category	Number
Human resource systems	1
Power harassment	6
Workplace communication	2
Privacy	1
Violation of employment regulation by employees	1
Relationships with business partners	1
Business processing	1
Quality errors	1
Total	14

Eleven consultations were received through the Whistle-blowing System, with three additional consultations through other means.

One matter related to GRI 2-26 (systems for seeking advice and raising concerns) was raised, which was in duplicate of the abovementioned consultation.

All reports were handled appropriately.

conduct within the business’ activities and transactions (including those related to GRI 2-26).

In FY2022, a total of 11 incidents were reported across the Group, including those reported to affiliated companies’ independent hotlines. In addition, three consultations were received by employees and others.

Further, to understand whether the Whistle-blowing System is instilled throughout the Group, an employee awareness survey asks questions regarding whistleblowing and compliance, the results of which are analyzed. In addition, the General Manager of the Legal Department gives lectures on compliance and the Whistle-blowing System during regularly held training sessions.

Participants of Compliance Education (FY2022)

Type of seminar	Classification	Participants
Compliance seminar for general managers	Officers	25
Compliance seminar for officers		
Introduction to import/export trade control		
Briefing on the Revised Competition Law Compliance Program	Employees	1,215
JCO Study Center training		
Training for new employees		
Training for mid-career hires		
Seminar for newly promoted employees (section managers)		

SMM Group Code of Conduct (Revised on October 1, 2022)

All officers and employees shall act in accordance with the following Code of Conduct so as to live up to the SMM Group Corporate Philosophy.

1. Compliance: Abidance by Laws and Rules

- We will comply with foreign and domestic laws and rules, and conform to social norms.
- We will never under any circumstances commit an infraction of the law or act counter to social norms, even if doing so would seem to be in the company’s interests.

2. Respect for Individuals

- We will accept diversity and respect the individuality and rights of people.
- We will never violate human rights, engage in discriminatory conduct, or contribute to such conduct.

3. Assurance of Health and Safety

- We will give highest priority to ensuring the physical and emotional health and safety of all persons affected by our operations.

4. Development of Human Resources

- We will strive to nurture junior colleagues and successors through systematic training and by providing them with opportunities to play an active role, and will take steps to help them shape their careers.
- We will pursue self-improvement with an awareness of our own growth.

5. Risk Management

- We will strive to identify risks, prevent their occurrence, and if risks occur, minimize the effects.

6. Adherence to a Progressive Stance

- We will approach transformation with a positive and progressive attitude without clinging to conventions and practices.

7. A Prideworthy, Rewarding, and Joyful Workplace

- We will place high value on teamwork, in the form of cooperation both with other organizations and with fellow employees.
- We will contribute to creating a free and open-minded workplace conducive to the smooth transfer of required information and the timely performance of reporting, liaison and consultation.
- We will strive to foster a corporate culture in which people accept and believe in each other and respect diverse values.

8. In Harmony with Society and Local Communities

- As members of society, we will participate in social contribution activities in accordance with our personal beliefs.
- We will strive toward a harmonious and mutually beneficial relationship with local communities.

9. Separation of Corporate Business and Personal Affairs

- We will at all times conduct ourselves based on sound judgment, and make a clear distinction between corporate business and our personal affairs.

10. Collection, Management and Usage of Information

- We will collect information swiftly, properly and lawfully, manage it appropriately, and use it effectively.
- We will utilize information acquired in conjunction with corporate business expressly for that purpose only, and will not leak such information to any third party.

11. Handling of Intellectual Property

- We will nurture and maintain conscious recognition of the importance of intellectual property as a vital asset of the Group, and strive toward the creation of such property.
- We will strive to properly protect and effectively use all corporate intellectual properties; we will also respect intellectual properties of other parties.

12. Assurance of Quality

- We will continuously improve quality management systems and provide products and services that satisfy customers.
- We will enhance technologies and seek to engage in manufacturing that takes into account customers’ safety and their environment.

13. Stance toward Performance of Sales and Purchasing

- We will comply with competition laws and conduct sales and purchasing activities based on fair competition.

14. Stance toward Entertainment and Gifts

- We will entertain and present gifts to others, and accept entertainment and gifts, within the proper limits of both the law and social acceptability.
- We will comply with laws against bribery and will maintain healthy and proper relationships with government and political organizations.

15. Severance of Relationships with Socially Disruptive Forces

- We will staunchly eliminate socially disruptive forces and have no relations whatsoever with them.

16. Concern for the Global Environment

- We will act in a manner that enables us to contribute to solving global environmental problems by reducing greenhouse gas emissions, taking biodiversity into consideration, and making effective use of water resources so as to create a decarbonized society, an advanced Sound Material-Cycle Society, and a society in harmony with nature.

17. Attitude in the Performance of Global Business Activities

- We will strive to interact with people in the countries or regions where we undertake business and engage in conduct that respects local culture and practices as well as globally accepted norms and their spirit.

Risk Management

Approach and Policy

Policy

The SMM Group engages in risk management (RM) under the following Six Principles established to achieve our long-term vision in becoming the world leader in the non-ferrous metals industry.

1. The organizational leader confronting the risk is the responsible party
2. Compliance is the foundation
3. Recognize that potential risks can materialize and take necessary risk countermeasures
4. Risks recognized as a result of change are shared among all parties involved
5. Implement RM in daily operations, considering the organization's hierarchy, size, role, and maturity, regional and cultural factors, and the knowledge, views, and values of stakeholders
6. Conduct ongoing reviews and improvements of management framework and initiatives

Approach

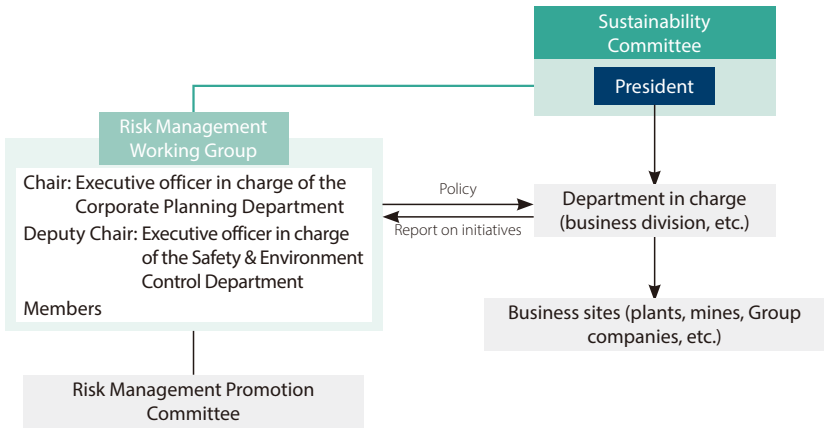
The definition of risk at our Group includes both that which is beneficial to our goals and that which is detrimental to them. We see risk as something that will have an effect on the achievement of business and organizational goals and that makes the protection or creation of value uncertain. Through risk management, we are able to revise goals and measures to maximize those risks which are beneficial, and inspect and improve processes to minimize those risks which are detrimental. This helps us achieve our 3-Year Business Plan, and ties into further ensuring the realization of our Vision for 2030 and our long-term vision.

Promotion Structure

RM will be promoted through the efforts of the president, who bears ultimate oversight responsibility for RM, and the head of each business division and business site as the person responsible for RM within their unit.

The Risk Management Working Group, operating under the Sustainability Committee and is served by the Safety & Environment Control Department as secretariat, has a system in place to respond to risks and changes in the Group's business environment by promoting and monitoring Group-wide policies and priority measures.

In addition, the Risk Management Promotion Meeting serves to promote and monitor the Group's risk reduction and operation and improvement of RM.



Review of Company-wide Risk Management

In reflecting on the JCO criticality accident that occurred in 1999, our RM system (RMS) was established with the president bearing ultimate oversight responsibility, focusing mainly on the prevention of serious accidents at our sites, and has been effective in preventing industrial accidents and other accidents that have a large societal impact. On the other hand, in response to the changing demands from the business environment and society, as well as increasing complexity and sophistication of risks associated with growth and business strategies, we have repositioned RM from the prevention of major accidents at business sites to the creation and protection of the organization's value. We have reviewed and updated Group-wide RMS based on three frameworks (see diagram below). Further, we have established a system to address the risks and changes surrounding our Group through the Risk Management Working Group, which promotes and monitors Group-wide policies and priority measures.



Framework

Business Risk Management

Regarding management and business risks associated with our Group's growth and business strategies, we have a mechanism to address critical Group-wide risks, deemed particularly important for the achievement of not only initiatives such as management meetings, various committee meetings, medium-term plans, budgets, settlements and monthly activities, but also for the achievement of strategic goals (3-year business plan). The critical Group-wide risks are discussed in management meetings attended by executive officers, including the president, and deliberated by the Board of Directors. Response policies are established, and each department's initiatives are monitored and promoted through the Risk Management Working Group.

Operational Risk Management

At each business site, in addition to focusing on specific risks addressed annually, risks inherent in regular operations are also identified and assessed based on internal and external conditions, and are managed as individual risks (see table below). There are over 1,400 individual risks, and as a means of reducing risks daily, when there are any changes to environments and conditions that serve as prerequisites for identified risks (business environments, work environments, people, equipment, work procedures, quality standards, etc.), these risks are reviewed and updated, or handled as new risks. A periodical risk review is also undertaken during the RM Promotion Campaign every September.

Serious risk categories	
• Explosions and fires	• Information leaks
• Environmental pollution	• Damage from harmful rumors
• Natural disasters	• Violation of intellectual property rights
• Legal violations	• Other risks include those originating from moral misconduct, such as fraudulent accounting, human rights issues, and malfeasance
• Quality failure	
• Occupational accidents	
• Terrorism / abduction	
• Pandemics	
• Supply chain disruptions	

Crisis Management

In preparation for crises beyond assumed scenarios of management and site-risk management, as well as instances where on-site handling is challenging, a standing Crisis Management Committee chaired by the officer responsible for crisis management was established. The committee works toward the sharing of crisis information, the formulation and improvement of proactive measures, and the maintenance and strengthening of crisis management functions through training. It also deliberates on initial response to emergencies, and transition into Group-wide response headquarters which takes appropriate actions and provides support based on the level of crisis. The president has ultimate responsibility for crisis management as a whole.

At every business site, we are advancing measures to address earthquakes, tsunamis, flooding, soil liquefaction, landslides, volcanic eruptions, and other natural disasters, in line with the hazard level. We are undertaking seismic reinforcement of buildings, improvement of seawalls, strengthening of wastewater treatment capacity, expansion of water storage tanks, stockpiling of food and drinks, and enhancement of emergency supplies, among other measures. We also

conduct training for earthquakes, fires, environmental accidents, and overseas terrorism, riots, and kidnappings, among other scenarios. In addition, we are working to address issues such as unfamiliarity with materials and equipment, insuffi-

cient understanding of rules and procedures, and inadequate manuals, and to improve the decision-making capabilities of local task force members.

Future Initiatives

For FY2023, we will continue with the FY2022 RM policy of “Assess and respond to changes in risks caused by changes inside and outside the Company,” and based on revisions to Group-wide RM, will focus on reassessing risks and reviewing crisis measures, including major Group-wide risks and disasters as priority initiatives.

Revisions to Group-wide RM in FY2022 primarily focused on system aspects, and in FY2023 we are in the execution phase of these measures. In doing so, the entire Group will reassess risks and review crisis countermeasures to improve and streamline activities.

Further, events such as Russia’s invasion of Ukraine and the U.S. Speaker of the House’s visit to Taiwan have escalated tensions between Western countries and China-Russia. In Japan, we have seen instances of attacks during election campaign speeches, targeting both former and current prime ministers. Considering the heightened risks toward national security, we will focus on enhancing overseas crisis management, with

emphasis on preparedness for a Taiwan contingency, and prevention of and response to unlawful detention in China, etc. With regard to natural disasters, in light of ongoing threats with earthquakes on the Noto Peninsula in June 2022 and May 2023, with a seismic intensity of under 6 and over 6, respectively, and the “Damage Estimation in Tokyo resulting from a Tokyo Inland Earthquake (May 2022)” released by the Tokyo Metropolitan Government, we will work toward enhancing the Group-wide disaster preparedness measure based on the diversification of work styles, changes in values and social norms, and advancements in equipment and materials.

In tandem with these efforts, our top management continues to lead activities to prevent issues such as compliance breaches, environmental accidents, occupational accidents, and quality issues, to ensure success in new business and projects, and achievement of business goals.

Quality Assurance

Approach and Policy

The SMM Group has established and operates a business model based on 3-business collaboration between the Mineral Resources, Smelting & Refining, and Materials Businesses. Through this business model, we endeavor to continuously improve products and respond to changing customer needs in order to deliver quality that satisfies customers.

To provide quality that satisfies customers, the president has established a Company-Wide Quality Policy and sets SMM Quality Objectives every year. Based on these standards, each business division sets forth and implements division-specific quality targets and conducts quality activities that are aligned across the entire SMM Group.

Company-Wide Quality Policy

Provide quality to satisfy our customers through continual improvements of quality assurance and control systems.

- Pursue quality levels that stand out from the trends of the time
- Abide by laws and rules and strive to create products incorporating safety and environmental considerations

Quality Assurance Promotion Framework

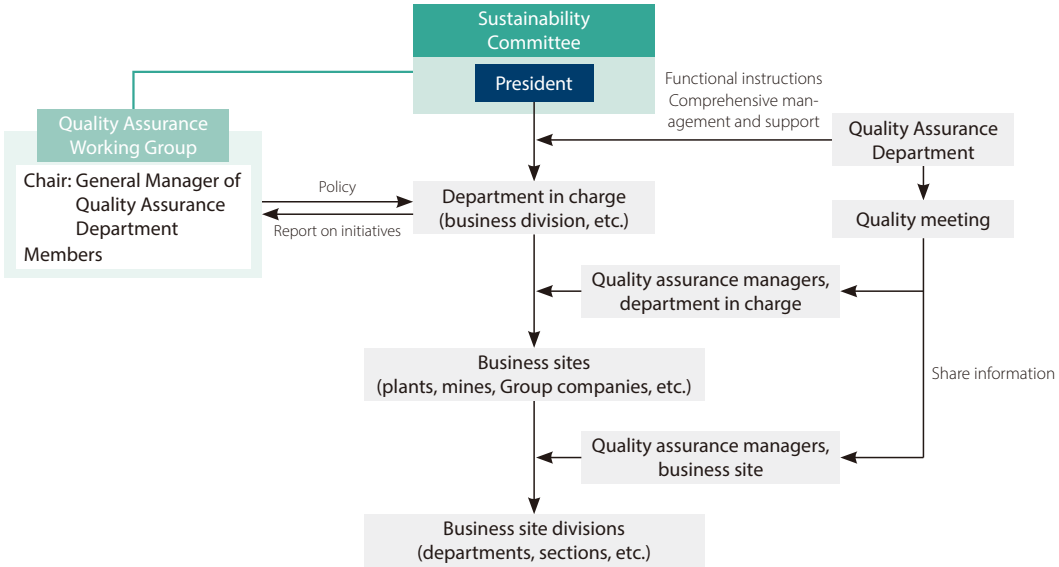
With the president bearing ultimate oversight responsibility, we have appointed an executive officer in charge of the Quality Assurance Department to drive quality assurance initiatives. Each business division develops and maintains their own quality assurance framework, while the Quality Assurance Department manages quality across the entire Group and ensures a Group-wide unified approach.

Additionally, not only does the Quality Assurance Working Group—which comes under the Sustainability Committee—deliberate key measures for promoting quality assurance

activities, it works to improve the Group’s quality management systems (QMS) through the sharing of information on progress toward departmental targets and quality control status including the reduction of the number of complaints against the Company.

In addition, quality assurance managers from the various business divisions and business sites, along with members of the head office’s Quality Assurance Department hold an annual quality meeting to share the quality management status of each business site and quality issues common across the entire Group.

Promotion Structure



SMM Quality Objectives

FY2023 Company-Wide Quality Policy

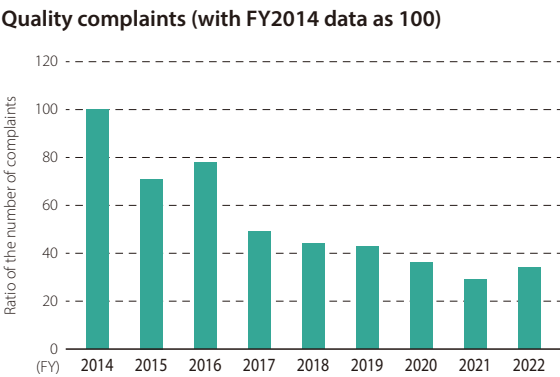
Drive QMS improvements to achieve zero major quality complaints and create a structure that earns customer trust.

- Zero major quality complaints. Prevent complaints on quality that could jeopardize our business foundation
- Zero occurrences of quality misconduct
- Achieve complaint goals within business divisions

Quality Complaints

The chart to the right illustrates the trend of quality claims since FY2014 for the entire Group.

Quality complaints declined gradually from FY2014 onwards, and in FY2022, the number of complaints had reduced to approximately one-third of that of FY2014. We believe that this is due to the effective implementation of quality improvement initiatives at each business division and business site, and the impact of QMS.



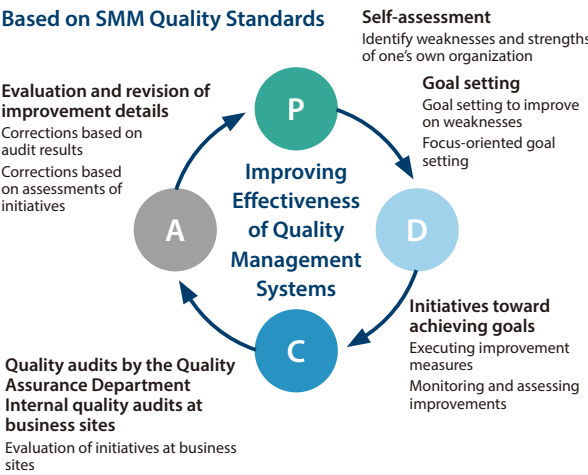
Quality Improvement Initiatives

Improving Effectiveness of Quality Management Systems

The SMM Group has established and operates QMS at its business divisions and business sites. For such QMS to function effectively, we have been conducting improvement activities based on the SMM Quality Standards, which constitute a summary of the ideal form of QMS at our Company. Every fiscal year, each business site sets a target level for the SMM Quality Standards prior to engaging in improvement activities, and—while assessing these activities through internal quality audits and quality audits by the Quality Assurance Department—undertakes self-assessments of its level of quality achieved as of the end of the fiscal year. The effectiveness of QMS at business sites is continually being improved by setting new targets for the next fiscal year based on the results of these assessments and then conducting improvement activities.

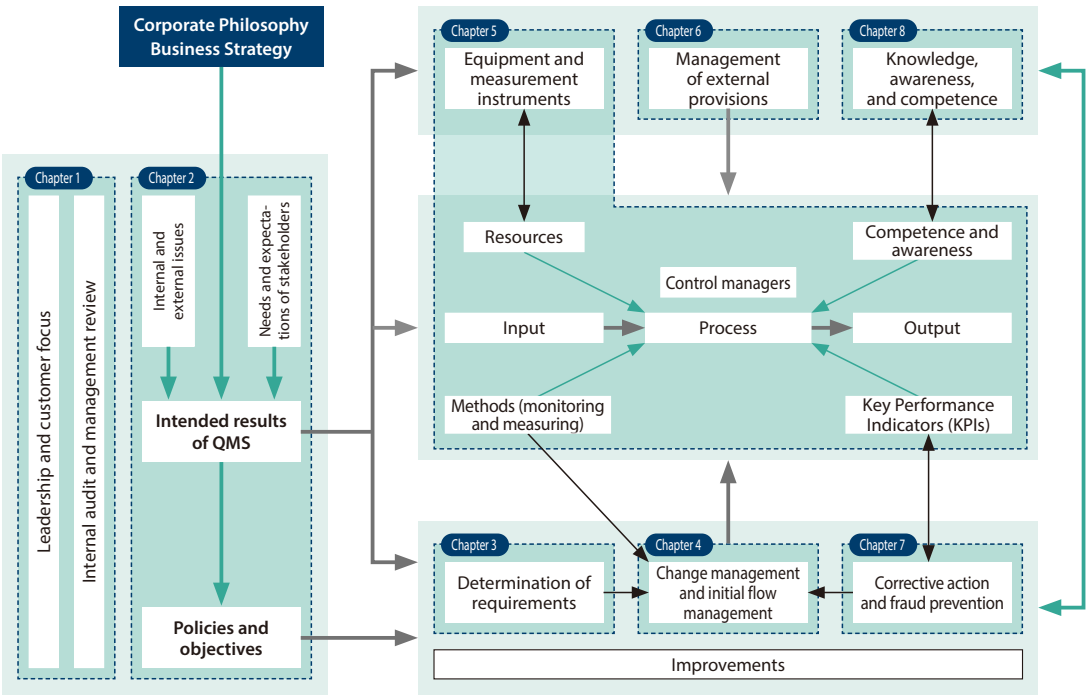
The SMM Quality Standards categorizes requirements into eight sections, with content based on prior incidents, allowing us to identify strengths and weaknesses of each business site, and to focus on improving such weaknesses.

PDCA cycle for QMS improvement in SMM Quality Standards



The SMM Quality Standards are revised each year to raise QMS to the level required by the Group so that we can deliver quality that satisfies customers.

Overall picture of QMS and applicable items in SMM Quality Standards

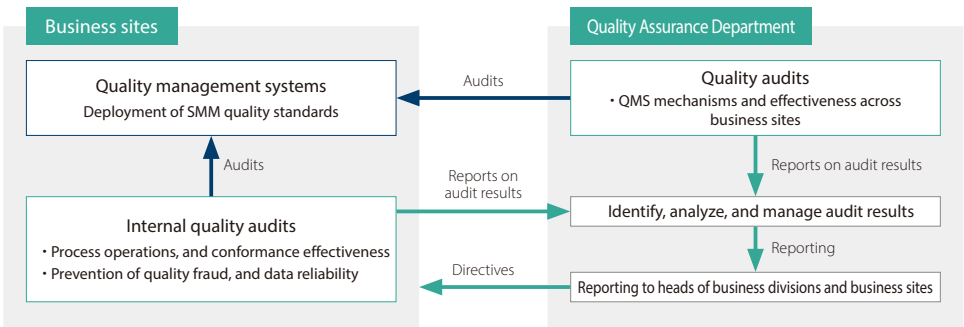


Strengthening of Our Internal Quality Audits

Based on the SMM Quality Standards, we currently aim to carry out activities to achieve internal quality audits which work with a third-party-like perspective to identify potential internal issues from problems that have been found, and relay these findings to top management. We hold training to cultivate internal quality auditors at business sites in Japan, turning out roughly 450 internal quality auditors from FY2019 to FY2022. We operate a PDCA cycle to develop these internal

auditors, and confirm their effectiveness through supervised audits by trained internal auditors.

To prevent quality-related misconduct such as falsification of inspection or testing data, we provide Group-wide quality fraud prevention training opportunities using e-learning. In addition, Group-wide efforts are made to deter misconduct, including internal quality audits to guarantee product quality and to confirm the reliability of inspection or testing data, automated transfer thereof to avoid human intervention, and if such automation is difficult, administrative measures are enhanced.



Expansion of Group-Wide Education on Quality

We provide training on quality based on our education system that aims to equip each level of employee, from new employees to managers, with necessary quality-related knowledge and management ability. With the aim to acquire wide-ranging quality-related knowledge and awareness, *SMM Hinkaku*,* an e-learning program for all employees launched in FY2019, with approximately 5,900 employees taking the course in FY2021. *SMM Hinkaku* will be used for the education of new employees and transfers.

As a shortage is expected of human resources capable of assuming responsibility for quality in the future, training is conducted Group-wide to nurture people responsible for quality. Four practical training sessions a year are conducted to improve the effectiveness of the QMS by rolling out SMM Quality Standards to the business divisions. After completion, the trainees will determine issues to be addressed at their own business sites and aim to accomplish these issues by utilizing what they have learned in the training program. The Quality Assurance Department also follows up on the progress of the initiatives. The training was completed by roughly 25 employees in FY2022 and is currently participated by 20 employees in FY2023.

* Trainees learn the minimum level of knowledge and awareness regarding quality required for manufacturing and then their proficiency is graded through a test.

Disclosure of Information on Products and Services

Most items in the SMM Group product lineup are supplied as raw or processed materials for use by customers for manufacturing. Information that customers require to handle our Group's products properly from safety and environmental perspectives, as well as information needed to enable them to supply products, is communicated in product specifications at the time of contracting, during technical discussions, and via product inspection certificates and safety data sheets (SDS),¹ based on prior and the latest information, our Group's proprietary knowledge, and necessary studies. SMM products supplied to customers are carefully designed, incorporating considerations toward safety and environmental compatibility, and are only delivered after thorough trials and inspections carried out during their manufacture². We make sure that information utilized for the above is always appropriate

through management systems, reviewing it based upon the latest technology, laws and regulations and demands from customers.

- 1. SDS (Safety Data Sheet): A document listing information on a chemical, including the chemical substance, the product name, the supplier, hazards, safety precautions and emergency procedures.
- 2. We also conduct surveys linked to life cycle assessments (LCA) for copper, nickel, and zinc through associations related to each metal.

Communication with Customers

Business divisions and business sites take the initiative in conducting customer satisfaction surveys. The results are fed back to the sales and development divisions. To enhance customer satisfaction, we are constantly improving our methods of measuring and assessing customer satisfaction, accurately identify issues through precise and sufficient communication with our customers, and execute effective measures. Through quality improvement activities, we contribute to resource and energy conservation by improving product yield.

Initiatives to Take on Issues and Provide Improvements

Quality that earns customers' trust is achieved only when all employees align their goals and directions and actively engage in activities to achieve targets. To enable this, we clarify issues based on facts obtained through communication inside and outside the Group, set targets, and work to achieve these through active participation by all employees in Policy improvement activities based on our SMM Quality Standards.

Information on SMM Products Requiring Disclosure by Labeling and Applicable Products/Services

Information requiring disclosure	Applicable products/services
The sourcing of components of the product or service	All products/services containing substances requiring management under legislation Requirement is not applicable to our main products (raw materials and internally processed materials)
Content, particularly with regard to substances that might produce environmental or social harm	All products/services containing substances requiring management under legislation
Safe use of the product or service	All products/services containing substances requiring management under legislation
Environmental/social harm from disposal of the products	All products/services containing substances requiring management under legislation

Methods for Providing Information

Provision of Information Relating to Specifications

We indicate product specifications requested by the customer on the order received sheet to provide necessary information to them.

Other Initiatives

The SMM Group also engages in transactions such as the sale of different types of lubricants to general consumers. In line with related laws and regulations, we provide information on products and services in this area through labeling, advertisements, and explanations to ensure correct understanding.

Provision of Information Relating to Chemicals

The SMM Group uses SDS, etc. to provide information on chemical substances contained in products, complying with regulations for chemical substances and usage, regarding health and safety.

Responding to Product Quality Issues as They Arise

If a quality issue arises in relation to the Group's products or services, the necessary action will be taken in accordance with the Quality assurance regulations. The business divisions and business sites will immediately check facts, report results of root-cause analysis and verification to the customer, and agree on the necessary corrective actions and recurrence prevention measures.

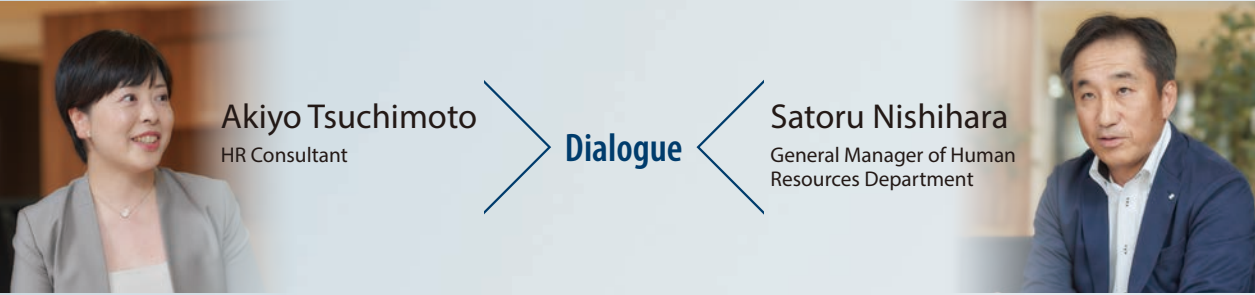
In the unlikely event that a serious quality issue occurs, the business division will promptly report the problem to management and the General Manager of the Quality Assurance Department, who in order to resolve quality issues immediately, will check the progress of necessary response measures, and confirm the effectiveness of corrective actions and measures to prevent recurrence.

Special Feature 3
Human Resources Strategy

Transformation and Tradition

– Preservation through Transformation –

What SMM Should Preserve and What SMM Should Change



Our 2021 3-Year Business Plan sets forth the 4 Challenges under the theme of “Renewed Challenge for Change.” Challenge 3 covers initiatives for securing, fostering, and utilizing human resources. We asked HR consultant Ms. Akiyo Tsuchimoto and Mr. Satoru Nishihara, General Manager of SMM’s Human Resources Department, to discuss what SMM needs to change and what it needs to preserve in its human resources strategy in order to achieve long-term growth.

Taking action to secure human resources as the workforce continues to shrink

Nishihara: In securing human resources, we place the greatest emphasis on whether or not they can respond to changes. The decrease in the working population due to falling birthrates and an aging population is becoming such that companies cannot sustain their organizational structures. We hope our employees share this sense of crisis and recognize that maintaining the status quo is tantamount to regression.

Tsuchimoto: Since it is human resources that executes strategies, considering the capabilities and requirements for human resources is the starting point for everything in management. However, the biggest problem currently is the lack of human resources in the labor market as a whole, and if companies do not actively take the initiative to secure human resources, they will lose out to the competition. The key point is not only how to acquire human resources, but also how to develop them. This is the bottleneck, and I believe that SMM is implementing its human resources strategy with a very strong sense of urgency.

Inheriting the values that should be preserved by SMM

Nishihara: We provide opportunities for our employees to visit the Besshi Copper Mine to learn about the Sumitomo Business Spirit. In 1999, one of our subsidiaries had a major accident that caused a great fallout in society. Since then, we have been more conscious of having each and every employee return to the origin of the Sumitomo Business Spirit and understand what is most important to the Group.

This mountaineering training is not only conducted by SMM, but also by many SMM Group companies as part of their corporate training programs. The climbing route is approximately 3.2 kilometers (2 miles) and takes 2.5 hours each way, making it a relatively easy trek. Before the accident, tens of thousands of people engaged in mining lived here. By walking around the mine entrance, refinery, theater, and school sites, visitors are reminded of the hardships of bygone days and learn what is important in the present moment and what must be done to ensure the development and continuation of the business.

Tsuchimoto: The history of SMM is one of the longest of any Japanese company. It is truly a company that helped build the industrial foundation of Japan. The COVID-19 pandemic has made many people realize the power of the tangible reality, and I believe the impact of actually seeing the remains and hearing the stories at the site is immeasurable. The training at the Besshi Copper Mine must be bringing about a significant change in employees’ mindsets.

Nishihara: One of our employees who actually visited the mine said, “I now feel as if I am at a transit point in the Company’s 430-odd years of history.” Climbing the mountain and coming into contact with the traces of the site seems to



bring about a realization that we are now entrusted with a baton from our predecessors and that we must pass it on to the next generation.

To secure and foster necessary human resources

Nishihara: Securing human resources is becoming more and more difficult with each passing year. In addition to the shrinking working population, the number of university departments in the resources and smelting and refining fields, which are the foundation of our industry’s technology, is also decreasing. Since there is also a shortage of workers pursuing a career in the resources and smelting and refining fields, we have a policy of solidly training new graduates as soon as they are hired, and offer a Smelting & Refining University course to train smelting and refining engineers. In addition, we have established scholarship programs and have begun to focus on recruitment by job type by increasing our efforts to approach various universities to secure human resources, visiting university employment offices to ask the students themselves about their assignment preferences. At the same time, we have begun to look for ways to recruit key personnel from our overseas business sites. At present, we are planning to hire 50 to 60 new graduates and about 70 mid-career employees.

Tsuchimoto: The abilities required for the corporate field are relatively versatile, so acquiring personnel from the external labor market is a rational decision. The addition of outsiders will have a revitalizing effect with a high probability of changing the corporate culture. There may be things you have

always been doing a certain way over the long history of the Company without question, on which personnel coming from the outside can give constructive criticism. Such conflicts should be welcomed, and I hope that you recognize a low turnover rate is not necessarily a benefit.

Nishihara: I also believe that conflicts are essential. We must not shirk from conflicts in fear, and we must value free and vigorous discussion. As our customers and stakeholders are becoming more diverse, we also need to become more flexible in response.

The revision of the personnel system for managerial track employees introduced a system based on job grade, making it easier to accept mid-career personnel by improving the consistency between duties and responsibilities and compensation. We are also reviewing our human resources development program, and have begun to prepare the necessary educational tools, such as online learning tools, so that employees can proactively enhance their own skills and abilities required for their next position, whereas training used to be provided after promotion. At the same time, as in the past, we will continue to select candidates for the next generation of management and provide them with a solid education on the Sumitomo Business Spirit. In addition, while the main focus of training has been for supervisors and instructors to train young workers through practice in OJT, which is to learn to perform existing tasks in the conventional way, we will instead encourage acquiring the abilities and skills to solve new problems and respond to new changes in the environment.

Transformation and Tradition

– Preservation through Transformation –

What SMM Should Preserve and What SMM Should Change

Proactively harnessing the power of women

Tsuchimoto: Recruitment of mid-career personnel has become a social issue for Japan as a whole. I believe that we should make greater use of the power of women in the realm of mid-career recruitment. Japan has some of the world's best-educated women. There are many women who have left the workforce to raise children, but who want to return. I think it would be a good idea for companies to proactively start taking advantage of this kind of talent.

Nishihara: I also feel that women can excel in the hiring arena. However, due to the nature of our mining business, we were legally prohibited from hiring women as mine workers. The law was only amended in 2007. I also believe that the fact that the smelting and refining industry is centered on hot-weather work and shift work may be one of the reasons why we have tended to lag behind in the promotion of women. However, it is necessary to discuss how to secure and make use of female human resources at a higher level.

Tsuchimoto: It has also been pointed out that women are less motivated for promotion than men. However, in some cases, this is due to the lack of role models, which make women assume that they are not qualified for leadership positions. In addition, people have a similarity bias, that is, a tendency to prefer people with similar abilities to themselves. Sometimes a male supervisor may subconsciously value a male subordinate who is good at logical thinking and emotional control, for example, because he has similar abilities and characteristics as himself.

Nishihara: In June 2023, we welcomed our youngest and first female executive officer under our new structure. I know the role of a leader will be challenging, but I see it as a big step forward that will lead to the next stage of the Company's development.

Tsuchimoto: Since the Equal Employment Act was revised in 1997, both men and women have become much more egalitarian about sex-based division of labor. Companies have not been able to take advantage of this change in awareness, which is another issue.

Nishihara: I also believe that the physical differences between men and women in terms of physical strength can be accommodated materially, otherwise I think that men and women are completely the same.

Tsuchimoto: SMM's information disclosure regarding human resources shows the hours of training taken by class, by age group, and by sex, which shows that male regular employees have the highest number of hours of training. Also, it is said that investment in executives has a good return on investment, and when we actually see the figures, we can discuss whether this is really the optimal level for the Company's growth. I think this disclosure is excellent and should definitely be benchmarked.

What value will be created by the new personnel system?

Tsuchimoto: In recent years, all kinds of companies have been conducting engagement surveys. Looking at the results by age group, the higher the age group, the higher the level of engagement at all companies. This is not surprising when viewed as a reflection of Japan's seniority-based compensation system.

Nishihara: Employees, especially young people, have the desire to experience growth at an earlier stage and to achieve the career they desire. In order to meet these expectations, the new system will incorporate an internal open recruitment system. However, we will also emphasize the substance of the work.

Tsuchimoto: In recent years, job-based employment has also gained a lot of attention. This is where one chooses a university, gets a job, and becomes a professional in that role, but I question whether all people are truly happy working down the same career path for the rest of their lives. With traditional recruitment, you can explore your career until you are in your mid-30s, and if you feel that you have found the right career for yourself, you can pursue it more deeply while assessing your aptitude. There may be a rational side to it after all.

Since people hone their abilities best through their work, I think it is necessary to challenge young people more and more and to let them make their own proposals. And this, in my opinion, is related to the open and vibrant organizational

climate that your Company has set forth.

Nishihara: It is important to figure out how to align the trajectory of the individual's growth with that of the Company. By changing the personnel system, we will support and review the development program so that if you work hard, you will have opportunities to get the job you want as soon as possible.

By creating an open and vibrant workplace, we place high value on teamwork, in the form of cooperation both with other organizations and with fellow employees, and aim to create a system that facilitates the smooth transfer of required information.

Tsuchimoto: Top performers also excel in how they streamline the work they are given. One company in GAFA, an IT megacorporation in the U.S., devotes 20% of its time to innovation, and this is after completing 100% of the work in 80% of the time. The better you are, the more you think about how to make 80% of your working time more efficient.

Nishihara: I would like to create the conditions whereby good job opportunities are given early on so that talented employees can take a vibrant and active part. One would think that joining a company indicates a desire to leave some sort of imprint on it that will connect with the next generation of that company. The greatest management resource is people. I would like to make the most of the power of human resources who have this passion and are willing to take on various challenges.

What does
"Open and vibrant
organizational climate"
mean?

Framework of a "Open and vibrant organizational climate"

Freedom enabling all members to express their
thoughts and observations regardless of their
position within the organizational hierarchy

An atmosphere that welcomes new ideas
and new challenges

A structure in which judgements are based
on what is right, and not on who is right

The foregoing are predicated on the common sharing of
organizational policies, targets, rules and regulations

Our targeted open and vibrant organization =
An organization having the above mentioned
elements

SUMITOMO
METAL MINING

Poster for executives and employees to promote an open and vibrant organizational climate

Satoru Nishihara,
Human Resources Department
General Manager

Mr. Satoru Nishihara joined the Company in 1991. After serving as the General Manager of the Secretarial Department and the General Manager of the Human Resources Development, he has been in his current position since February 2023.



Akiyo Tsuchimoto
Institution for a Global Society
Corporation
Executive Officer, HR Division
(at the time of the interview in May 2023)

Ms. Akiyo Tsuchimoto joined a general electronics manufacturer as a new graduate from Tokyo University of Foreign Studies with a Bachelor of Arts degree in Foreign Languages. After working for an HR consulting company, she joined Institution for a Global Society Corporation in 2019. She is in charge of many projects to support the promotion of DX in major Japanese companies from the aspect of people and organization. She is also a lecturer of Introduction to Human Resources Management and Introduction to Human Capital Management at TUS Open College. She holds a master's degree in management of technology.

Initiatives for Transformation and Tradition

Through our human resource development policies and measures, we introduce our values of transformation and tradition and measures in response to the social environment. These are connected to our value creation.

Transformation

The Shikinen Kaikaku Project (The Fixed Period Reform Project)

Creating regular opportunities for and instilling reforms in the culture

The *Shikinen Kaikaku* Project involves the fixed period, mandatory application of a scrap and build process (inspired by the *Shikinen Sengu** ritual) to the Group's core technologies, programs, and operational systems with the following aims: (1) Swiftly and voraciously identifying and absorbing social and environmental changes, technological trends, and other movement in society and reflecting these in the Group's management (transformation), (2) regularly reviewing and exploring existing technologies, programs, and systems in-depth to gain a fundamental understanding so the Group's technology and culture can be passed down to future generations (tradition), and (3) providing a venue for the focused development of human resources (education). We began the project in October 2020, and appoint future leadership candidates as project leaders to provide them with practical experience on various themes which they cannot gain through off-the-job training. We believe this will lead to even greater growth.

* *Shikinen Sengu*: A ritual held about every 20 years at Ise Jingu Shrine and other shrines in which the divine palace and its sacred apparel, furnishings, and divine treasures are completely remade and the enshrined deity is moved to the new sanctuary.

New employee dormitory in the Besshi District completed

Toward securing young human capital and improving employee productivity and creativity

The new employee dormitory, which we had been constructing in the Besshi District (Niihama City, Ehime Prefecture), was completed in September 2022. The dormitory, the largest of its kind in the Group, is designed for unmarried employees and those assigned to work alone, and includes a guest room for the use of the residents' families and a private wheelchair-accessible room.

Based on the concept of a space that improves productivity and creativity and leads to employee growth, this new dormitory will achieve both the satisfaction of private space and the encouragement of communication among residents in the common areas. By increasing the points of contact between residents, we aim to create growth opportunities for dorm residents by encouraging interactions that transcend departmental affiliations, and promoting both information exchange among employees and the building of personal networks. Along with helping house a significant increase in the number of recruits in the Besshi District, it will also help to recruit talented young people from outside the area.

Corporate advertising with a focus on TV commercials

Corporate branding for securing human capital

With the aim of securing human capital and increasing corporate recognition, a new advertising campaign focused on TV commercials was released in October 2022 to promote our brand.

With the catchphrase "Our history continues," the new ads feature Toma Ikuta, who has had a long career as an actor and continues to be active at the forefront of the industry, as the face of the brand.

With a history of more than 430 years, the SMM Group has overcome various difficulties and continued its business by looking to the future and continuing to transform itself in accordance with the changing times. "Our history continues" expresses the continuity and future orientation of SMM.

We will continue to develop this advertisement as a message that not only provides branding to our stakeholders who are potential recruits, but also motivates our employees and makes them want to continue working for SMM.

Recognized as a 2023 Health & Productivity Management Outstanding Organization

Initiatives to ensure that employees and officers are physically and mentally healthy and exercise their abilities to the fullest

The SMM Group promotes initiatives to maintain and improve the health of each and every employee. In August 2022, we established the SMM Group Health & Productivity Management Policy, and in September of the same year, the SMM Group Health & Productivity Management Promotion Regulations were established, forming a promotion system and roadmap. We recognize that an important management foundation is the ability of our employees and officers to be physically and mentally healthy, and to exercise their abilities to the fullest. In March 2023, SMM was recognized as one of the 2023 Health & Productivity Management Outstanding Organizations (large enterprise category) under the Certified Health & Productivity Management Outstanding Organizations Recognition Program* selected by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

We will continue to implement and enhance more effective measures to maintain and improve the physical and mental health of our employees and officers so that they can work with greater health and vigor.

* Certified Health & Productivity Management Outstanding Organizations Recognition Program: This program recognizes corporations, including large enterprises and small and medium-sized companies, that practice particularly excellent health and productivity management based on their promotion of health as set forth by the Nippon Kenko Kaigi and efforts to address local health issues.



Tradition

Smelting & Refining University

Training aimed at developing problem-solving skills by linking theory to manufacturing on-site

Since 2017, the SMM Group has been providing the Smelting & Refining University in order to promote the development of human resources in the metals field. There are increasingly fewer opportunities to learn the theories behind manufacturing in smelting and refining within non-ferrous metals-related education at universities and other institutions. In addition, the number of new employees in our metals divisions who are not majoring in materials science is increasing, and there is a growing need to provide them with opportunities to learn specialized knowledge after they join the Company. The Smelting & Refining University is mainly for employees involved in metals in their second year with the Company. After being assigned to a job and working on-site, they will again learn in an Off-JT setting, with the aim of linking theory to manufacturing on-site and acquiring problem-solving skills. Researchers from SMM research laboratories and section managers from each plant serve as lecturers, and participants acquire specialized knowledge and learn how to approach problems as a smelting and refining engineer. We will continue to focus on training the smelting and refining engineers who will take over the skills and technologies developed by the Group.

Mining School

OJT training to acquire specialized and general skills for mining operations at sites in Japan

The continuation of mine operations requires the training of engineers with advanced expertise and experience and the passing on of skills. The SMM Group is using the Hishikari Mine as the site for our Mining School to train mining engineers, with the aim of passing on advanced technical skills.

In the Mineral Resources Division, new recruits in the mining and geology fields are assigned to the Hishikari Mine, while new recruits in the mineral processing field are assigned to the Niihama Research Laboratories, where they learn the basics of specialized technologies and general mining operation techniques through OJT training. After gaining experience in the Mining School, they are dispatched to overseas mines for local development and operations, or to the Head Office for project management and other duties, becoming engineers who are active at our sites around the world. In the future, we will enhance the experience of each employee through aggressive overseas field surveys in order to acquire new superior projects.

Directors



Yoshiaki Nakazato
Chairman and Director

Number of shares of the Company owned¹: 30,500

Born: 1953
Apr. 1976 Joined the Company
Jun. 2005 Executive Officer
Jun. 2006 Director
Jun. 2008 Managing Executive Officer
General Manager of Advanced Materials Div.
Oct. 2008 General Manager of Semiconductor Materials Div.
Jun. 2009 Executive Officer
General Manager of Advanced Materials Div.
Jun. 2010 Managing Executive Officer
Jun. 2012 Representative Director
Senior Managing Executive Officer
Jun. 2013 President and Representative Director
Jun. 2018 Chairman and Representative Director
Jun. 2022 Chairman and Director (Present Position)



Akira Nozaki
President and Representative Director

Number of shares of the Company owned¹: 21,300

Born: 1960
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)



Toru Higo
Representative Director
Senior Managing Executive Officer

Number of shares of the Company owned¹: 6,600

Born: 1961
Apr. 1986 Joined the Company
Jul. 2010 General Manager of Nickel Sales & Raw Materials Dept., Non-Ferrous Metals Div.
Jul. 2014 General Manager of Copper & Precious Metals Raw Materials Dept., Non-Ferrous Metals Div.
Jun. 2017 Sumitomo Metal Mining Philippine Holdings Corporation, Director and President
Jun. 2019 Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div.
Jun. 2020 Director of the Company
General Manager of Corporate Planning Dept.
Jun. 2021 Managing Executive Officer
Jun. 2022 Representative Director (Present Position)
Senior Managing Executive Officer (Present Position)



Nobuhiro Matsumoto
Director
Senior Managing Executive Officer

Number of shares of the Company owned¹: 6,900

Born: 1963
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)



Masaru Takebayashi
Director,
Managing Executive Officer,
General Manager of Non-Ferrous Metals Div.

Number of shares of the Company owned¹: 2,700

Born: 1966
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)



Taeko Ishii
Outside Director

Number of shares of the Company owned¹: 0

Born: 1956
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)



Manabu Kinoshita
Outside Director

Number of shares of the Company owned¹: 0

Born: 1954
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



Kanji Nishiura
Outside Director

Number of shares of the Company owned¹: 500

Born: 1958
Apr. 1980 Joined Mitsubishi Corporation
Apr. 2009 General Manager, Metals Group CEO
Office of Mitsubishi Corporation
Apr. 2010 Senior Vice President of Mitsubishi Corporation
Apr. 2011 Division COO, Non-Ferrous Metals Division of Mitsubishi Corporation
Apr. 2013 Division COO, Mineral Resources Investment Div. 1 of Mitsubishi Corporation
Apr. 2014 Division COO, Mineral Resources Investment Div. of Mitsubishi Corporation
Apr. 2015 Executive Vice President, Group COO, Metals Group of Mitsubishi Corporation
Apr. 2016 Group CEO, Metals Group of Mitsubishi Corporation
Apr. 2018 Corporate Functional Officer (responsible for Global Strategy & Coordination, Global Research, International Economic Cooperation, Logistics Management) of Mitsubishi Corporation
Jun. 2018 Representative Director of Mitsubishi Corporation
Apr. 2019 Corporate Functional Officer (Global strategy) of Mitsubishi Corporation
Apr. 2020 Director of Mitsubishi Corporation
Jun. 2020 Corporate Advisor of Mitsubishi Corporation
Mar. 2021 Retired as Corporate Advisor of Mitsubishi Corporation
Apr. 2021 Representative Director and Deputy President of Mitsubishi HC Capital Inc. (Present Position)
Jun. 2023 Director of the Company (Present Position)

Audit & Supervisory Board Members



Koji Imai
Senior Audit & Supervisory Board Member (Standing)

Number of shares of the Company owned¹: 1,300

Born: 1962
Apr. 1986 Joined the Company
Jun. 2014 General Manager of Legal & General Affairs Dept.
Apr. 2019 General Manager of General Affairs Dept.
General Manager of Legal Dept.
Jun. 2021 Audit & Supervisory Board Member (Standing)
Jun. 2022 Senior Audit & Supervisory Board Member (Standing) (Present Position)



Tsuyoshi Nozawa
Audit & Supervisory Board Member (Standing)

Number of shares of the Company owned¹: 700

Born: 1964
Apr. 1988 Joined the Company
Jul. 2015 Public Relations & Investor Relations Dept.
Apr. 2018 Finance & Accounting Dept.
Jun. 2022 Audit & Supervisory Board Member (Standing) (Present Position)



Wataru Yoshida
Outside Audit & Supervisory Board Member

Number of shares of the Company owned¹: 0

Born: 1952
Apr. 1975 Joined Export-Import Bank of Japan
Apr. 2001 Director of Corporate Finance Department of Japan Bank for International Cooperation (JBIC) (which was formed as a result of integration between the former Export-Import Bank of Japan and the former Overseas Economic Cooperation Fund)
Nov. 2002 Director of Personnel Department of JBIC
Oct. 2004 Executive Officer for Asia and Pacific Region of JBIC
Apr. 2007 Senior Executive Director of JBIC
Sep. 2008 Resigned from Senior Executive Director of JBIC
Feb. 2009 Corporate Advisor of Marubeni Corporation
Feb. 2016 Resigned from Corporate Advisor of Marubeni Corporation
Mar. 2016 Corporate Advisor of NIPPON STEEL CORPORATION (which was NIPPON STEEL & SUMITOMO METAL CORPORATION)
President and Representative Director of Nippon Usiminas Co., Ltd.
Dec. 2019 Resigned from Corporate Advisor of NIPPON STEEL CORPORATION
Resigned from President and Representative Director of Nippon Usiminas Co., Ltd.
Jun. 2020 Audit & Supervisory Board Member of the Company (Present Position)



Shoji Wakamatsu
Outside Audit & Supervisory Board Member

Number of shares of the Company owned¹: 0

Born: 1953
Sep. 1983 Joined Ota Tetsuzo Audit Firm (current Ernst & Young ShinNihon LLC)
Mar. 1987 Registered as a certified public accountant
Jul. 2003 Partner of ShinNihon Audit Firm (current Ernst & Young ShinNihon LLC)
May 2006 Board Member of ShinNihon Audit Firm
Aug. 2008 Managing Partner of ShinNihon LLC (current Ernst & Young ShinNihon LLC)
Aug. 2010 Senior Partner of ShinNihon LLC
Jun. 2016 Left ShinNihon LLC
Established Wakamatsu Certified Public Accountant Firm
Sep. 2019 Registered as a certified public tax accountant
Jun. 2021 Audit & Supervisory Board Member of the Company (Present Position)

1. The number of shares of the Company owned is as of May 31, 2023.

Executive Officers

President

* Akira Nozaki

Senior Managing Executive Officer

* Toru Higo

* Nobuhiro Matsumoto

Managing Executive Officers

Takahiro Kanayama

Hiroshi Yoshida

General Manager of Corporate Planning Dept.
In charge of Human Resources Dept., Legal Dept., Digital Transformation Dept., Internal Audit Dept. and Osaka Branch

Hitofumi Okubo

General Manager of Engineering Div.

Koji Sakamoto

General Manager of Safety & Environment Control Dept.
In charge of Quality Assurance Dept.

Shuichi Ogasawara

General Manager of Advanced Materials Div.

Katsuya Tanaka

General Manager of Battery Materials Div.

* Masaru Takebayashi

General Manager of Non-Ferrous Metals Div.

Kunihiko Miyamoto

General Manager of Finance & Accounting Dept.
In charge of Secretarial Dept., Purchasing Dept. and Information Systems Dept.

* An asterisk indicates the officer is also serving concurrently as a director

Executive Officers

Eiichi Fukuda

General Manager of Mineral Resources Div.

Hideyuki Okamoto

General Manager of Technology Div.

Kazuhiko Hotani

Senior Deputy General Manager of Mineral Resources Div.

Toru Motoki

Senior Deputy General Manager of Technology Div.

Shinichi Sato

Senior Deputy General Manager of Advanced Materials Div.

Munekazu Kawata

Senior Deputy General Manager of Battery Materials Div.

Yusuke Niwa

Senior Deputy General Manager of Non-Ferrous Metals Div.

Kazuaki Sakamoto

Senior Deputy General Manager of Engineering Div.

Hirohiko Matsushita

General Manager of Besshi-Niihama District Div.

Yasumasa Hattori

Senior Deputy General Manager of Non-Ferrous Metals Div.

Yoshihiro Sagawa

Senior Deputy General Manager of Mineral Resources Div.

Mihoko Yano

General Manager of Sustainability Dept.
In charge of General Affairs Dept. and Public Relations & Investor Relations Dept.