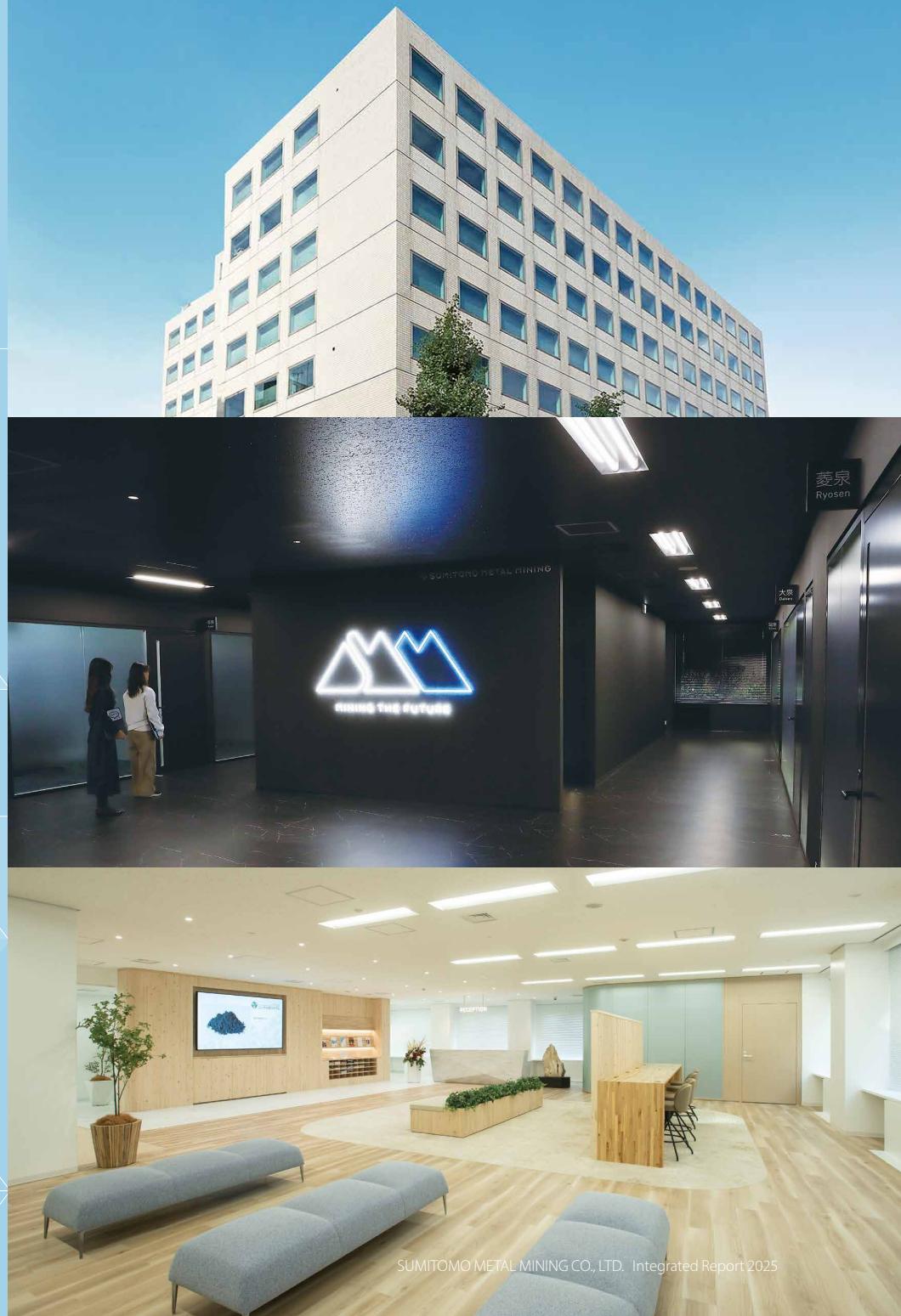


# Foundations Supporting Value Creation

SMM has established the SMM Group Corporate Philosophy based on the Sumitomo Business Spirit. Through striving to enhance our corporate governance, we realize our corporate philosophy, make positive contributions to society, and fulfill our responsibilities to our shareholders and all other stakeholders.

- 112 Corporate Governance
- 126 Risk Management
- 129 Compliance
- 131 Risks and Opportunities
- 133 Directors and Audit & Supervisory Board Members



# Corporate Governance

## 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.

## Overview of Corporate Governance Framework (As of June 26, 2025)

<b>Institutional design</b>	Company with an Audit & Supervisory Board
<b>Number of Directors/Term of office</b>	8/1 year
<b>Number of directors who are independent outside directors</b>	4
<b>Chairman of the Board of Directors</b>	Akira Nozaki
<b>Engagement by outside directors in the selection of director candidates</b>	Yes
<b>Engagement by outside directors in the determination of remuneration</b>	Yes
<b>Independent Public Accountant</b>	KPMG AZSA LLC

## 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.

### Corporate Governance Guidelines

[https://www.smm.co.jp/en/ir/management/governance\\_policy/](https://www.smm.co.jp/en/ir/management/governance_policy/)

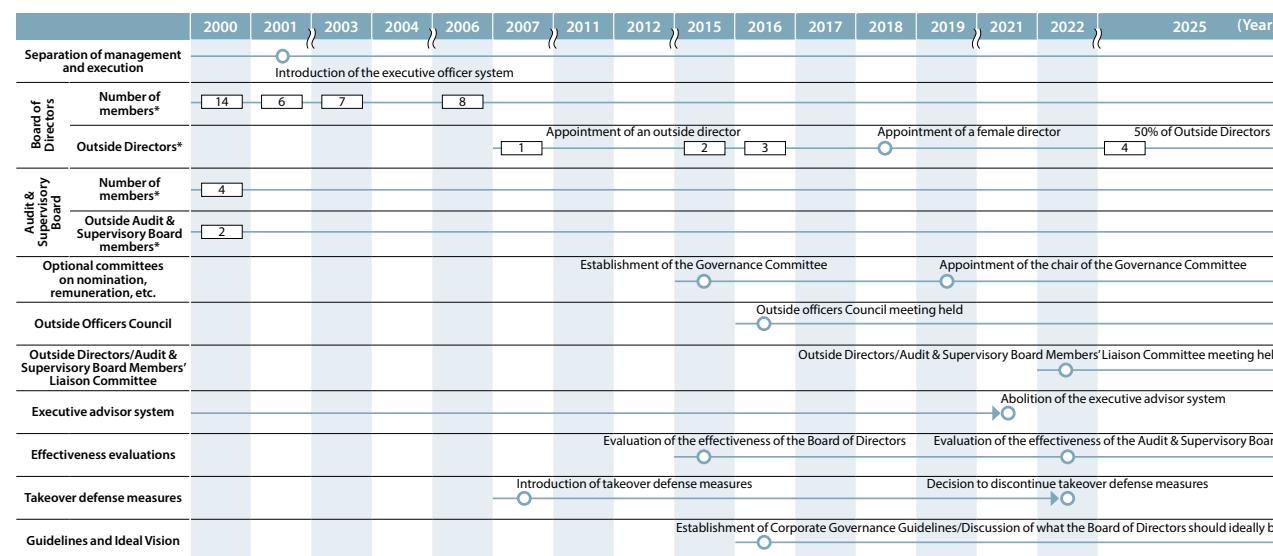
## Initiatives to Strengthen Governance

SMM positions corporate governance as one of the most

important issues in our management, and, based on our fundamental policy regarding corporate governance, 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.

Measures to reinforce the Company's governance include the appointment of outside directors since 2007, the establishment of the Governance Committee, which is an optional body, implementation of evaluations of the effectiveness of the Board of Directors and the Audit & Supervisory Board, and, in 2025, ensuring that outside directors will make up half of the Board of Directors and various other improvements.

## Transitions in Governance at SMM

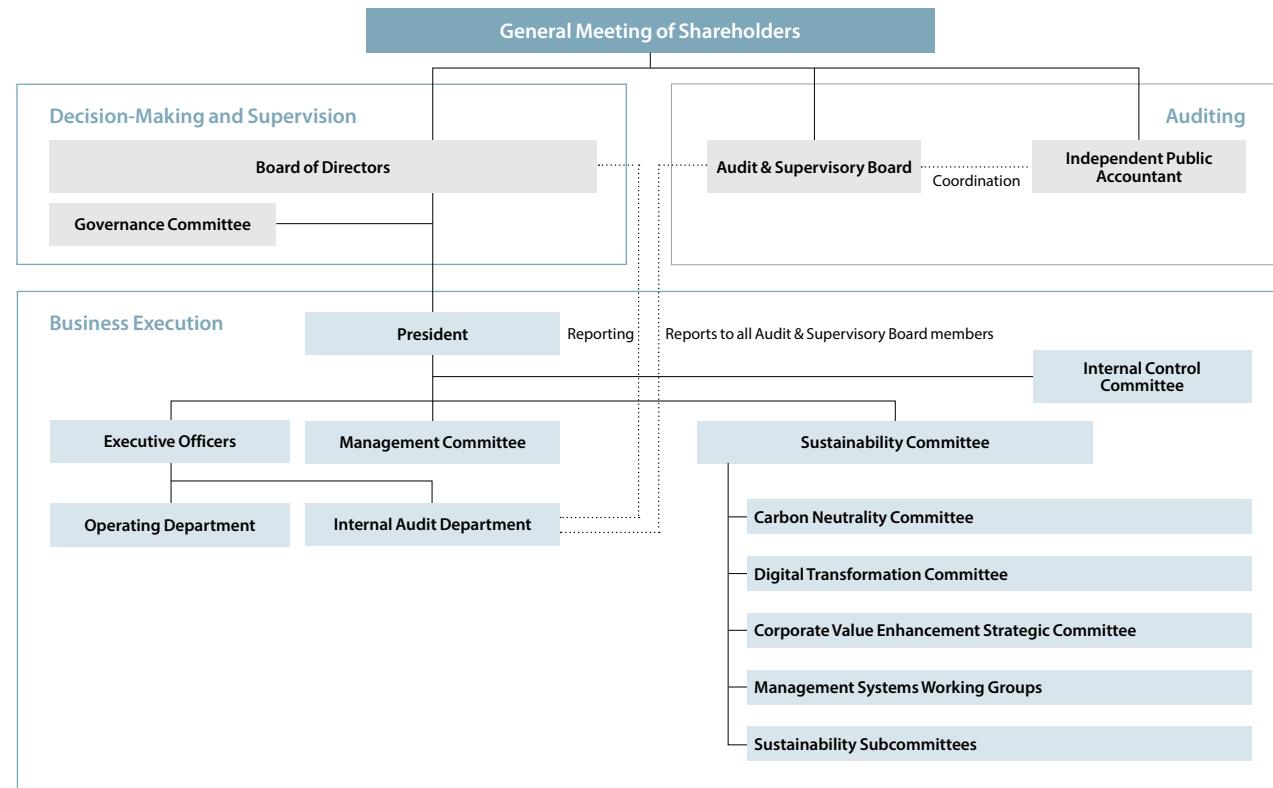


\* The Number of members is after the General Meeting of Shareholders.

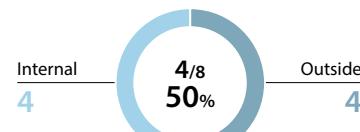
# Corporate Governance

## Corporate Governance Framework

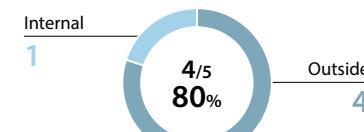
In line with its Corporate Governance Guidelines, which summarize the Company's basic philosophy for corporate governance and the framework therefore, the Company believes that its governance is a system that ensures that the execution of management and the associated monitoring and supervision are each 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. In addition, to enhance management transparency and further strengthen corporate governance, we have established the Governance Committee. We have also set up the Management Committee to deliberate important matters related to business execution that require careful consideration.



### Percentage of Outside Directors on the Board of Directors



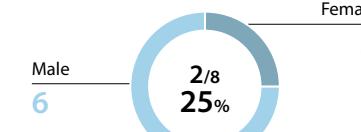
### Percentage of Outside Directors in the Governance Committee



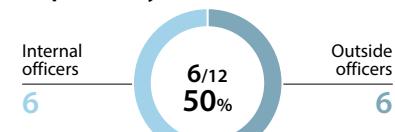
### Breakdown of Years in Office of Directors



### Percentage of Female Directors



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



(As of June 26, 2025)

# Corporate Governance

## 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 system\* 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.

\*Independent authority system: Audit & Supervisory Board Members can independently exercise their authority including investigative authority, injunctive authority, and so on.

## Decision-Making and Supervisory System

### Directors and the Board of Directors

Chairman	Chairman: Akira Nozaki (Chairman of the Board who is not an executive officer)
	Term of office: 1 year
4 Internal directors	Members: 8
	Meetings held in FY2024: 20

\*As of June 26, 2025

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, four including one with management experience, have been appointed as independent outside directors.

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

controlling shareholders.

The Board of Directors regularly receives reports on the deliberations of the Sustainability Committee and holds an annual exchange of opinions on sustainability. In FY2024, the exchange of opinions was held on the risks and opportunities related to our sustainability activities and our responses to them, in light of changes in the external environment. 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 FY2024.

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 from the Public Relations & Investor Relations Department once a year.

# Corporate Governance

## Main Agenda Items at the Board of Directors Meetings

### Matters for Resolution

- Revision of the Vision for 2030
- Matters relating to existing and new projects in each business
- Establishment or revision of important rules and regulations, including various policies

### Matters for Reporting

- Status of cross-shareholdings
- Details of dialogue with institutional investors
- Results of the employee engagement survey
- Matters related to health management, etc.

### Matters for Discussion

- Matters relating to the medium-term management plan
- Responses for achieving management with an awareness of capital costs and stock prices
- Review of the skills matrix
- Status of sustainability initiatives
- Matters related to revisions to the personnel system for general employees
- Evaluation of the effectiveness of the Board of Directors

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.

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. Audit & Supervisory Board members audit the execution of duties by directors and other matters in accordance with the audit plan determined at Audit & Supervisory Board meetings. Standing Audit & Supervisory Board members formulate draft audit policies and plans, attend important meeting such as Board of Directors meetings, view important documents approved, interview representative directors and other key persons, and perform site audits of offices, plants, and affiliated companies. Similarly, in addition to attending important meetings such as Board of Directors meetings, the Company's outside Audit & Supervisory Board members also perform site audits together with standing Audit & Supervisory Board members. Audit Reports on site audits performed by Audit & Supervisory Board members are also shared with the representative directors and other relevant persons.

## Governance Committee

	Chair		Chair: Taeko Ishii (outside director)
1 Internal director		4 outside directors	Members: 5
			Meetings held in FY2024: 5 (1 nomination meeting, 2 remuneration meetings, 2 general governance meeting)

\*As of June 26, 2025

The Governance Committee is composed of one member who is the chairman of the Board of Directors, who is not an executive officer, and 4 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

## Auditing System

### Audit & Supervisory Board

	Chairman		Chairman: Tsuyoshi Nozawa (Standing Audit & Supervisory Board member)
2 Internal directors		2 outside directors	Members: 4
			Meetings held in FY2024: 17

\*As of June 26, 2025

The Company's Articles of Incorporation provide for up to five Audit & Supervisory Board members, and currently there are four (composed of two standing and two part-time [outside] members). The Company considers that the present composition and number of Audit & Supervisory Board members is suitable for ensuring the appropriate management of the Audit & Supervisory Board. Standing Audit & Supervisory Board members belonging to the Company gather in-house information in an accurate and timely manner, and audit operations appropriately based

## 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

# Corporate Governance

## 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 FY2024, Audit & Supervisory

Board members attended such meetings 20 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.

## Collaboration with Outside Directors

### Meetings of the Outside Directors/Audit & Supervisory Board Members' Liaison Committee

Meetings of this committee have been held since FY2021 to facilitate regular exchanges of opinions and the development of shared awareness of issues among the outside directors and the Audit & Supervisory Board members, who are independent from management. In FY2024, the committee met in August and February, during which general information was provided on the business overview of affiliated companies considered important by the Audit & Supervisory Board members, and wide-ranging opinions were exchanged.

## Other

Action plans for interviews with division heads and other activities were shared with the outside directors. In FY2024, outside directors also attended some of the division head interviews and related meetings.

## 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 provides 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 provides 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 provides information on other training opportunities such as external seminars.

Including the above, the Company bears the entire amount of any expenses necessary for director, Audit & Supervisory Board member, and executive officer training.

# Corporate Governance

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

In nominating 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 for the sustainable development of the Company (including the positive and negative impacts on the economy, environment, and people, including human rights), 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, provides 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 from 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 director 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 president comprehensively considers 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, proposes the qualified candidates to the Board of Directors, which then determines the nominations.

The reasons for the nomination of candidates for director (including those who also serve as executive officers) and candidates for audit & supervisory board member are provided in the reference documents for the General Meeting of Shareholders.

and director, the president makes the final proposal to the Board of Directors, which makes the final decision after due deliberation. In selecting of the candidates for executive officers who serve as a 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.

## 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 developed 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, composed of the chairman of the Board of Directors who is not an executive officer and four 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

# Corporate Governance

## 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 achieves 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. Based on "what the Board of Directors

should ideally be," as stated in the Corporate Governance Report, 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 discusses the necessary knowledge, experience, ability, insight, and other attributes, and updates the skills matrix as necessary. The Board revised the

fields and guidelines for fulfillment prior to the 100th Ordinary General Meeting of Shareholders held on June 26, 2025. 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.

**The Company has established benchmarks for the fulfillment of each skill item, and the details are disclosed on the last page of the "Corporate Governance Report."**

### The Corporate Governance Report

🌐 [https://www.smm.co.jp/en/ir/management/pdf/250709\\_CGR\\_E.pdf](https://www.smm.co.jp/en/ir/management/pdf/250709_CGR_E.pdf)

## 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	Years in Office (As of June 26,2025)	Corporate Management	International Experience	Business strategy/ Marketing	Engineering/IT/DX	R&D/ Manufacturing	Finance/ Accounting	HR/HR Development	Sustainability/ESG	Legal/Compliance/ Internal Control
Directors	Akira Nozaki	12 years	●	●	●			●			
	Nobuhiro Matsumoto	7 years	●	●	●	●	●			●	
	Masaru Takebayashi	3 years	●	●	●	●	●			●	
	Hiroshi Yoshida	2 years	●	●	●			●	●		●
	Taeko Ishii	outside 8 years							●		●
	Manabu Kinoshita	outside 6 years	●		●	●			●		
	Koji Takeuchi	outside 2 years			●		●				
Audit & Supervisory Board Members	Sawaki Nicola Michele	outside 1 year		●				●	●		
	Tsuyoshi Nozawa	4 years						●		●	
	Hirohiko Matsushita	1 year							●	●	●
	Shoji Wakamatsu	outside 5 years						●			●
	Tsuguya Ieda	outside 2 years		●	●			●	●		

\* 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 "●".

# Corporate Governance

## 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.

### Independence Standards

[https://www.smm.co.jp/en/ir/management/governance\\_policy/](https://www.smm.co.jp/en/ir/management/governance_policy/)

## Outside Officers Council

The Outside Officers Council has been meeting since August 2016 as an informal gathering attended only by outside officers (outside directors and outside Audit & Supervisory Board members) to provide opportunities for exchanging opinions and sharing information. In FY2024, meetings were held in August and February, and opinions were exchanged on topics such as the latest trends in our corporate governance framework and standards for exercising voting rights.

The concurrent occupations of outside directors and outside Audit & Supervisory Board members (as of March 31, 2025) are listed in the Document of Matters Subject to Measures for Electronic Provision Regarding the 100th Ordinary General Meeting of Shareholders.

The Document of Matters Subject to Measures for Electronic Provision Regarding the 100th Ordinary General Meeting of Shareholders

[https://www.smm.co.jp/en/ir/stock/meeting/pdf/2025/no100\\_houkoku\\_E.pdf](https://www.smm.co.jp/en/ir/stock/meeting/pdf/2025/no100_houkoku_E.pdf)

## Outside Directors and Outside Audit & Supervisory Board Members

Functions and Roles in Corporate Governance		
<b>Taeko Ishii</b> Outside Director Attendance (FY2024) Board of Directors meetings 19/20 (95%)	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 Chair 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.	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 Chair 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.
<b>Manabu Kinoshita</b> Outside Director Attendance (FY2024) Board of Directors meetings 18/20 (90%)	Mr. Manabu Kinoshita had served as Senior Executive Vice President of NEC Corporation and has abundant knowledge and experience in managing a company and regarding digital business. 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.	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.
<b>Koji Takeuchi</b> Outside Director Attendance (FY2024) Board of Directors meetings 14/14 (100%)	Mr. Koji Takeuchi has abundant experience in the research and development of substrate materials for semiconductor packaging as well as in the electronic materials business at Ajinomoto Co., Inc. He also had served as Member of the Board and Vice President of its major subsidiary and has abundant knowledge and experience in corporate management and regarding advanced materials. He participates in the Board decision-making, providing his advice particularly on research and development as well as materials business, which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the 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.	value of the Group by utilizing his knowledge and experience. He 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.
<b>Sawaki Nicola Michele</b> Outside Director Attendance (FY2024) Board of Directors meetings —	Ms. Sawaki has many years of auditing experience at audit firms in Japan and abroad, and a wealth of knowledge about accounting. She is expected to participate in the Board's decision-making, providing her advice regarding finance and accounting-related fields, which is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Group by utilizing her knowledge and experience. She is also expected to perform a check function on management by participating in decision-making at the Board of Directors from an independent and objective standpoint, and to oversee the management on behalf of shareholders and other stakeholders by being involved in decision-making regarding nominations and remunerations of directors and executive officers as a member of the Governance Committee.	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.
<b>Shoji Wakamatsu</b> Outside Audit & Supervisory Board Member Attendance (FY2024) Board of Directors meetings 20/20 (100%) Audit & Supervisory Board meetings 17/17 (100%)	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.	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.
<b>Tsuguya Ieda</b> Outside Audit & Supervisory Board Member Attendance (FY2024) Board of Directors meetings 14/14 (100%) Audit & Supervisory Board meetings 10/10 (100%)	Mr. Tsuguya Ieda has abundant and extensive experience in financial institutions and knowledge about corporate management. Mr. Ieda carries out effective audits based on his main knowledge about and experience in the financial sector 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.	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.

# Corporate Governance

## Basic Policy and Procedures for Remuneration of Directors

### Basic Policy

Remuneration for Directors of the Company is linked to the business performance of the Company, and designed to motivate Directors to achieve mid 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 mid 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 a Chairman and Director who is not a representative Director, and Outside Directors) shall consist of basic remuneration, bonuses, and share-based compensation. Basic remuneration shall consist of fixed remuneration (remuneration which is neither performance-based nor non-monetary) and performance-based remuneration, etc., while bonuses and share-based compensation shall be performance-based remuneration, etc. A Chairman and Director who is not a representative Director and Outside Directors shall receive only basic remuneration, and no bonuses nor share-based compensation.

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, and share-based compensation is provided in the form of

restricted shares, which are granted once per year after bonus payment has been determined.

The detailed outline of the "Policy on determining the details of remunerations for each Director" are included in the Document of Matters Subject to Measures for Electronic Provision Regarding the 100th Ordinary General Meeting of Shareholders and on the Corporate Governance Guidelines of our website.

The Document of Matters Subject to Measures for Electronic Provision Regarding the 100th Ordinary General Meeting of Shareholders

🌐 [https://www.smm.co.jp/en/ir/stock/meeting/pdf/2025/no100\\_houkoku\\_E.pdf](https://www.smm.co.jp/en/ir/stock/meeting/pdf/2025/no100_houkoku_E.pdf)  
Corporate Governance Guidelines

🌐 [https://www.smm.co.jp/en/ir/management/governance\\_policy/](https://www.smm.co.jp/en/ir/management/governance_policy/)

### 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 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.

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 100th Ordinary General Meeting of Shareholders. Moreover, there are no sign-on bonuses or recruitment incentive payments, termination payments, clawback systems, or retirement benefits.

The Document of Matters Subject to Measures for Electronic Provision Regarding the 100th Ordinary General Meeting of Shareholders

🌐 [https://www.smm.co.jp/en/ir/stock/meeting/pdf/2025/no100\\_houkoku\\_E.pdf](https://www.smm.co.jp/en/ir/stock/meeting/pdf/2025/no100_houkoku_E.pdf)

# Corporate Governance

## Management Remuneration as an Incentive

In addition, at the 100th Ordinary General Meeting of Shareholders held on June 26, 2025, the Company newly introduced a restricted share-based compensation plan for directors (excluding a Chairman and Director who is not a representative Director, and Outside Directors) with the objectives of providing incentives for the Directors to sustainably enhance the Company's corporate value and promoting further value-sharing with our shareholders.

The total amount of monetary compensation for the Eligible Directors for granting restricted shares under this Plan shall be up to 30 million yen per year, an amount deemed reasonable in light of the objectives of the Plan, and the total number of the Company's common stocks to be issued or disposed of thereby shall be up to 15,000 shares per year.

## 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

### FY2024 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)	269 million	235 million	34 million	—	7
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	68 million	68 million	—	—	2
Outside directors	40 million	40 million	—	—	3
Outside Audit & Supervisory Board members	25 million	25 million	—	—	3

Directors whose total remuneration, etc. is JPY100 million or more are disclosed individually in the Company's Annual Securities Report.

### Annual Total Compensation Ratios (FY2024)

Ratio of the average annual total compensation for the organization's highly-paid individuals to the total compensation for all employees* <sup>1</sup>	741%
Ratio of the percentage increase in average annual total compensation for the organization's highly-paid individuals to that for all employees* <sup>2</sup>	-

\*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 median of the percentage increase of annual total compensation of all employees x 100.

# Corporate Governance

## 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. In FY2024, the Board of Directors analyzed and evaluated the effectiveness of the Board of Directors, with the following results.

### 1. Analysis and evaluation process

The Board of Directors prepared a questionnaire and conducted a survey to Directors and Audit & Supervisory Board members, which includes the issues in the previous fiscal year and mutual evaluation within the categories of Inside Director, Outside Director, Inside Audit & Supervisory Board member, and Outside Audit & Supervisory Board member, with the cooperation of an outside evaluation organization (law firm). The aggregation and analysis of the responses to the survey were entrusted to the outside evaluation organization. The Board of Directors deliberated on the effectiveness of the Board of Directors at the ordinary meeting held in February 2025, based on the aggregated results of the questionnaire survey, the evaluation of the outside evaluation organization, and the "what the Board of Directors should ideally be (aiming for a Board of Directors that emphasizes decision-making functions)" confirmed in fiscal 2016, and confirmed its evaluation and future actions.

### 2. Overview of the analysis and evaluation results

#### 1) Questionnaire responses and analysis and evaluation results by the outside evaluation organization are as follows.

- (1) Most of the items related to the effectiveness of the Board of Directors were rated highly, and we can rate that the Board of Directors generally functions effectively.
- (2) In the questionnaire, each of the respondents (officers) were given opportunities to provide the reasons for the items which they did not rate highly. However, most of these remarks were opinions on how further improvements might be made, while expressing a certain amount of appreciation for the existing system and operation and the initiatives in the past.

#### 2) Deliberations at the Board of Directors

Based on the responses to the questionnaire and the analysis and evaluation results by the external evaluator, the Board of Directors deliberated the following items at the meetings.

- (1) There were opinions that the discussions should be conducted again on the agenda including whether "what the Board of Directors should ideally be" were required to be revised, for the purpose of further enhancement of its monitoring function. It was confirmed that future actions on this issue should be considered further with a view to taking it as a discussion theme in fiscal 2025.
- (2) There were opinions that further discussions should be conducted at the Board of Directors meetings on the analysis of evaluations and opinions from the investors and shareholders and how to address them. It was confirmed that, with regard to the ways to address the evaluations and opinions from the investors and others, which ultimately leads to the ways required to enhance the Company's evaluation in the capital market, further enhanced discussions should be conducted.

(3) Among other items, further enhancement of quantitative information contributing to the deliberations of agenda items and others were confirmed.

### 3. Future actions

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

# Corporate Governance

## Analysis and evaluation of the effectiveness of the audits and the Audit & Supervisory Board, and the results

In order to confirm and improve the effectiveness of the audits performed by Audit & Supervisory Board members and the Audit & Supervisory Board, the Audit & Supervisory Board of the Company analyzed and evaluated the effectiveness in fiscal 2024, with the following results:

### 1. Evaluation process

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

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

The outside professional organization rated that “fruitful audit activities were carried out” in consideration of the audits including the following points. On the basis of this, the Audit & Supervisory Board rated that the Audit & Supervisory Board was effectively functioning and the audits were effective.

- Audit & Supervisory Board members performed audits mainly through attendance at important meetings including Board of Directors meetings, interviews with executives including representative directors, and on-site inspections at sites and affiliated companies, and also made necessary representations

of their opinions as well as remarks for the management personnel, heads of divisions, and organizations that received on-site inspections, etc. Notably, Outside Audit & Supervisory Board members participated in on-site inspections similarly to standing Audit & Supervisory Board members. As a result, Outside Audit & Supervisory Board members bore greater burden in conducting audit activities compared to outside Audit & Supervisory Board members at other companies.

- In auditing, Audit & Supervisory Board members including Outside Audit & Supervisory Board members place importance on observing sites and affiliated companies with their own eyes and communicating directly with local responsible personnel from the perspective of the independent decision-making system applicable to Audit & Supervisory Board members.

- On the basis of the Audit & Supervisory Board effectiveness evaluation results in fiscal 2023, the initiatives for improvement to the extent possible have been taken, such as holding auditors' meetings apart from the Audit & Supervisory Board meetings, to enhance the Audit & Supervisory Board effectiveness.

### 3. Issues and future actions for them

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

#### 1) Issues concerning information sharing and cooperation among Audit & Supervisory Board members

Outside Audit & Supervisory Board members are currently required to read through a large volume of internal materials, without fully obtaining the background information, etc., and

understand them, and there is a room for improvement in terms of such burden. There is also a room for improvement in providing support for them, such as sharing key points of the issues in advance for their better understanding. It will be examined to deliver materials for internal decision-making in a more proactive manner as well as earlier, and have an opportunity for questions and answers or additional explanation at an appropriate timing before or after an important meeting such as the Board of Directors meetings.

#### 2) Issues concerning information sharing with Audit & Supervisory Board members of affiliated companies

From the perspective of group governance, it is important to identify and oversee risks of subsidiaries. The information obtained through the attendance of standing Audit & Supervisory Board members at liaison meetings with Audit & Supervisory Board members of affiliated companies that are held every two months and other meetings will continue to be shared with Outside Audit & Supervisory Board members. Furthermore, it will be examined for the Audit & Supervisory Board members to further proactively obtain information on the affiliated companies' practical issues from the Internal Audit Dept., which is responsible for the audit of detailed specific duties and documents.

#### 3) Issues concerning support for newly appointed Audit & Supervisory Board members

It will be examined to take measures to enhance the understanding of the Company's businesses by newly appointed Audit & Supervisory Board members, especially Outside Audit & Supervisory Board members, when they take office.

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

# Corporate Governance

## Business Execution Structures and System

In accordance with laws and regulations and the Articles of Incorporation, the Board of Directors delegates decision-making regarding business execution to the President and executive officers, and supervises the execution of duties by the President and executive officers.

### Executive officer system

To strengthen their executive capabilities, the executive officers' authority and responsibilities have been clearly defined, and substantial authority has been delegated to them.

There are currently 20 executive officers (including three who serve concurrently as directors). They are entrusted with important positions such as heading a business division, or a division or a department at the Company's head office, and are granted specific authority to perform their duties in each such position.

In addition, executive officers report on the status of business execution once a month at Executive Officers' Meetings.

As in the case of directors, a system of performance-based remuneration has been introduced for the remuneration of executive officers. Advice from the Governance Committee is obtained with regard to the determination of the specific amounts of remuneration.

### 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 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.

### 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 chair: president has been established. Sustainability Subcommittees and Management System Working Groups have also been established under the Sustainability Committee, and the Company has also established the Corporate Value Enhancement Strategic Committee, DX Promotion Committee, and Carbon Neutral Promotion Committee.

The Company has established an Internal Control Committee (chair: president) for the purpose of promoting the creation of internal-control systems and maintaining and improving these systems.

Sustainability Committee  P.33-34

# Corporate Governance

## Cross-Shareholdings

When advancing our business strategy, the Company may engage in strategic shareholdings with business partners or other companies if it is judged that doing so will contribute to strengthening our business base over the mid to long term. With regard to existing cross-shareholdings, the Board of Directors verifies aspects such as the objectives of holdings and whether the benefits therefrom cover the Company's cost of capital every year. As a result of this verification, with regard to shares whose

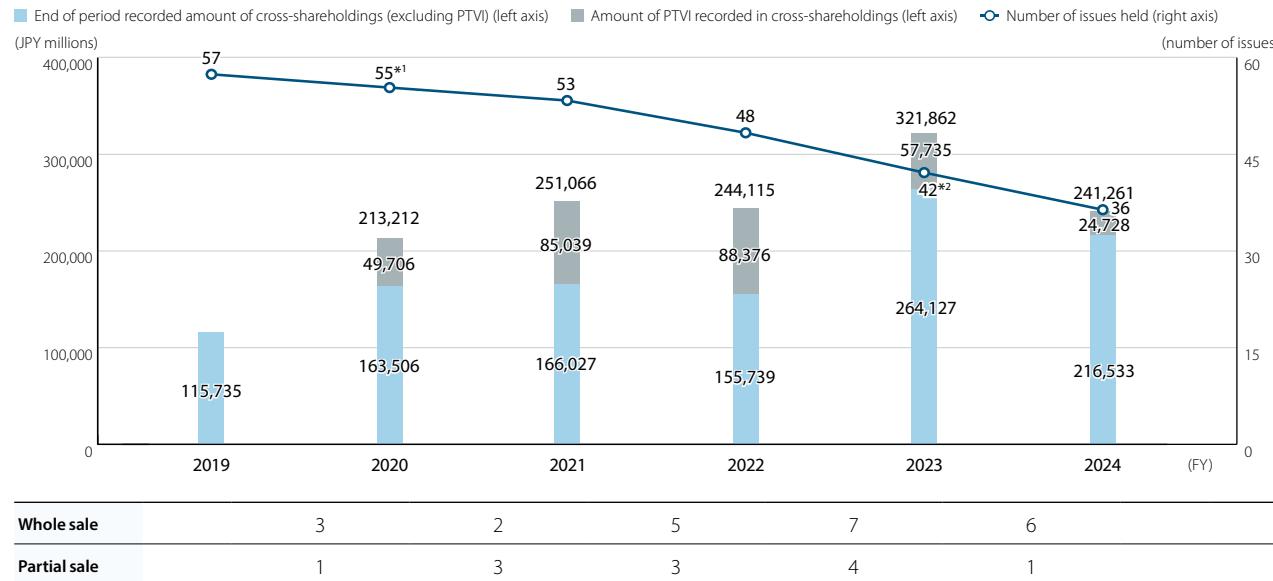
holding is judged to have little significance, including shares considered no longer worth the cost of capital and shares judged to have become less relevant due to recent business changes, we will proceed with concrete consideration based on the premise of reduction. Furthermore, in cases where a company cross-holding the Company's shares expresses a desire to sell, we will not prevent such a sale, etc. by suggesting a reduction in the size of the transaction, or by other means.

With regard to the exercise of voting rights in cross-shareholdings, the Company determines whether to vote for or against each proposal after giving comprehensive consideration, based on the financial results and other aspects of the financial

condition of each of the issuing companies, to matters such as whether each proposal will contribute to increasing the corporate value of, or enhancing shareholders' interests in, that company over the medium to long term, and what impact it will have on the Company's corporate value or shareholders' interests. In order to determine whether to approve or reject proposals, the Company will engage in dialogue with the issuing company regarding the contents of each proposal, etc., as necessary. Decisions on voting are made particularly cautiously in circumstances such as cases of companies affected by major scandals or by persistent losses.

In the 3-Year Business Plan 2027, we aim to reduce the ratio of policy shareholdings (excluding shares of PT Vale Indonesia Tbk [PTVI]) to 10% or less of consolidated net assets by the end of March 2028. From FY2028 onward, we will aim to keep the ratio, including PTVI shares, at 10% or less of consolidated net assets.

### Investment shares held for purposes other than pure investment (stocks other than those unlisted stocks, including deemed holdings)



\*1 For FY2020, the number of issues held increased by one due to the exclusion of PTVI from the equity-method affiliates.

\*2 In FY2023, the number of issues held increased by one due to the acquisition of shares of Nano One Materials Corporation.

### Relationship with PT Vale Indonesia Tbk

SMM owns 11% of the stock of PT Vale Indonesia Tbk (PTVI), a company in the Republic of Indonesia, and has entered a shareholders' agreement with Vale Canada Limited and PT Mineral Industri Indonesia (Persero), a state-owned Indonesian company, to jointly manage PTVI. In addition, these four companies including PTVI have signed an agreement regarding the right and obligation to purchase production. 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 in and after 2026 from the Indonesian government was to increase the Indonesian equity stake in the company to 51% or more.

Therefore, following the sale of a portion of its PTVI shares (and exclusion of PTVI from its equity-method affiliates) in FY2020, SMM sold another portion of its PTVI shares to PT Mineral Industri Indonesia (Persero), an Indonesian company, in FY2024.

# Risk Management

## Approach and Action Principles

### 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.

### Action Principles

The SMM Group established the Six Principles in the Basic Risk Management Regulations, which were formulated based on ISO 31000, a standard on risk management issued by the International Organization for Standardization, and engages in risk management (RM) to achieve our long-term vision of becoming the world leader in the non-ferrous metals industry.

### Six Principles in the Basic Risk Management Regulations

1. The leader of the organization 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

## Promotion Framework

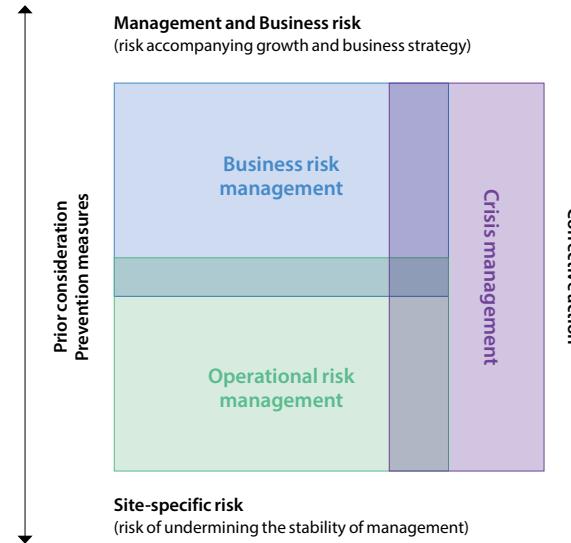
We took the criticality accident that occurred at JCO in 1999 very seriously and established the Risk Management Working Group as a body for implementing and monitoring risk management including Group-wide initiatives relating to risk management policies and priority measures. We established a structure with the president having the highest level of responsibility to respond to risks that the Group faces and changes in those risks. The risk management structure operated under this structure comprises three frameworks.

### Group-wide Risk Management Promotion and Monitoring Framework



# Risk Management

## Company-wide Risk Management Framework



### Business Risk Management

Among the management and business risks associated with execution of the Group's growth and business strategies, we have a mechanism to define critical Group-wide risks, which are particularly likely to affect the achievement of our strategic goals (3-Year Business Plan), and address them. The critical Group-wide risks are discussed in management meetings attended by executive officers, including the president, and deliberated by the Board of Directors. To address the critical Group-wide risks, we establish response policies, designate the responsible department, and take action. The Risk Management Working Group monitors the status of actions to address critical Group-wide risks.

Also, management and business risk other than Group-wide critical risks are addressed through monitoring and implementing initiatives by management meetings, various committee meetings, medium-term plans, budgets, monthly reports, and so on.

### Operational Risk Management

At each business site, in addition to focusing on specific risks addressed annually (focus areas), risks inherent in regular operations are also identified and assessed based on internal and external conditions, and are managed as individual risks (see serious risk categories). There are over 1,300 individual risks and we conduct risk mitigation on a daily basis by reviewing risk-management measures, when there are any changes to or variations in the environments and conditions that serve as prerequisites for identified risks (business environments, work environments, people, equipment, work procedures, quality standards, etc.), and taking measures against new risks. A periodic risk review is also undertaken company-wide during "RM Promotion Month" every September.

#### Serious Risk Categories

- Explosions and fires
- Environmental pollution
- Legal violations
- Quality failure
- Occupational accidents
- Supply chain disruptions
- Information leaks
- Damage from harmful rumors
- Violation of intellectual property rights
- Other risks include those originating from moral misconduct, such as fraudulent accounting, human rights issues, and malfeasance

### 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 as a permanent body. 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 drills. 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 each business site, we are promoting measures against natural disasters, such as earthquakes, tsunamis, flooding, soil liquefaction, landslides, volcanic eruptions, in line with the hazard level of each site. Such measures include seismic reinforcement of buildings, improvement of seawalls, strengthening of wastewater treatment capacity, enhancement of expansion of water storage tanks, and stockpiling of food, and drinks, and emergency supplies. We also conduct drills to simulate earthquakes, fires, environmental accidents, and overseas terrorism, riots, and kidnappings, among other scenarios. We are working to address issues such as unfamiliarity with materials and the operation of equipment, lack of understanding of rules and procedures, and inadequate manuals, and to improve the decision-making capabilities of local task force members.

# Risk Management

## Future Initiatives

For FY2025, we have identified two priority initiatives: enhancing earthquake preparedness based on revised damage assumptions; and identifying and responding to cybersecurity risks on an ongoing basis.

The first priority initiative reflects the possibility that the existing post-earthquake business continuity plans (BCPs) developed by individual business sites may be inadequate in terms of adapting to recent changes—namely, diversification in working styles, shifts in social norms and values, and advances in communications methods and technologies—and addressing disasters like the 2024 Noto Peninsula Earthquake in Japan, which occurred during the New Year's holidays and cut off communications. In view of this possibility, individual business sites will revise the existing damage assumptions and update their earthquake preparedness plans accordingly to make them more effective. In addition to updating its own plan, each business site will make necessary adjustments to the coordination system with the Head Office and nearby offices to strengthen its business continuity capabilities.

As the second priority initiative, we will continue to address cybersecurity, an issue we have worked on since FY2024, with the aim of enhancing BCP effectiveness and remediating system vulnerabilities.

In parallel with these initiatives, we will work on risk management in new businesses and projects and take other actions under the leadership of top management so that we can achieve our business goals without causing any compliance violations, environmental accidents, occupational accidents, quality issues, or the like. At the same time, we will continue to carefully monitor the impact of changing political and social climates, geopolitical risk, and shifting economic conditions

on our business continuity and operating results in an effort to identify risks early and mitigate them promptly. Furthermore, to prepare for security risks and natural disasters, we will work to strengthen the initial response to emergencies and enhance employees' education and training.

## Information Security

### Approach and Promotion Framework

The SMM Group has an Information Security Committee in place that is tasked with promoting Group-wide information security management. It comprises the executive officer in charge of the Information Systems Dept. as the Chair, General Manager of the Information Systems Dept. as the Deputy Chair, and general managers of divisions, General Manager of the Technology Div., General Manager of the Engineering Div., and heads of operational divisions in the Head Office as members, with the Information Systems Dept. serving as the secretariat. In addition, we have established and implemented a security policy consisting of "the Information Security Regulations" and "the Group-wide Standards for Information Security."

Measures to improve the level of information security are led by the Information Systems Dept. and are specifically promoted with the cooperation of the information security promotion managers, who are the heads of the organizational units (plant, office, branch, etc.), and the information security personnel at each site. Furthermore, in order to facilitate promotion and follow-up of the measures, information security personnel meetings are held regularly, with the Information Systems Dept. serving as the secretariat.

### Response to Information Security Risks

To ensure the safety of in-house information assets from increasingly sophisticated cybersecurity attacks, we are taking countermeasures at both system and human levels.

For threats such as cyberattacks from outside the Group, we watch for newly detected malware, spear phishing attacks, and so forth around the clock, 365 days a year. We have created a system whereby, if an abnormality is detected, we can implement an appropriate response promptly.

We also educate and train employees through e-learning and spear phishing simulations to prevent damage from cyberattacks.

#### Status of Actions

##### Actions taken in FY2024

- Reinforced measures to protect against email data breaches
- Remediated the system vulnerabilities identified through simulated attacks

##### Actions planned for FY2025 to boost security operations

- Bolster measures to protect against email spoofing by complying with the Domain-based Message Authentication, Reporting, and Conformance (DMARC) policy
- Visualize all devices connected to the internal networks to eliminate unmanaged devices
- Conduct information security audits to identify issues and implement corrective measures

### Response to Security Incidents

We have codified the main response processes to be followed in the event that a serious security incident occurs despite the security measures taken. We also have a system in place whereby the Information Systems Dept. and the user departments work together to contain the incident quickly while communicating with external stakeholders.

#### Information Security

 <https://www.smm.co.jp/en/sustainability/management/security/>

# Compliance

## Approach and Policy

The SMM Group has established the SMM Group Code of Conduct to facilitate the realization of its Corporate Philosophy of contributions to society and the fulfillment of its responsibilities to its stakeholders through the performance of sound corporate activities, aiming to thereby make the Group an increasingly trusted corporate presence. Within this Code of Conduct we have established specific guidelines on conduct for officers and employees, and indicated compliance as fundamental to our corporate activities. Together with the Code of Conduct, the Basic Compliance Regulations set out a fundamental framework for compliance. Further, we have established the following policies and regulations regarding individual focus areas such as human rights and procurement, which are shared across the Group.

Sumitomo Metal Mining Group's Policy on Human Rights

Sumitomo Metal Mining Group's Sustainable Procurement Policy

[https://www.smm.co.jp/en/sustainability/management/ csr\\_ procurement/](https://www.smm.co.jp/en/sustainability/management/ csr_ procurement/)

Sumitomo Metal Mining Group's Basic Policy on Taxes

Sumitomo Metal Mining Group's Basic Policies for Anti-Bribery

[https://www.smm.co.jp/en/sustainability/management/ bribery\\_ prevention/](https://www.smm.co.jp/en/sustainability/management/ bribery_ prevention/)

Basic Policy for Compliance with Competition Laws

Regulations on insider trading prevention and information management

Regulations on the safeguarding of personal information

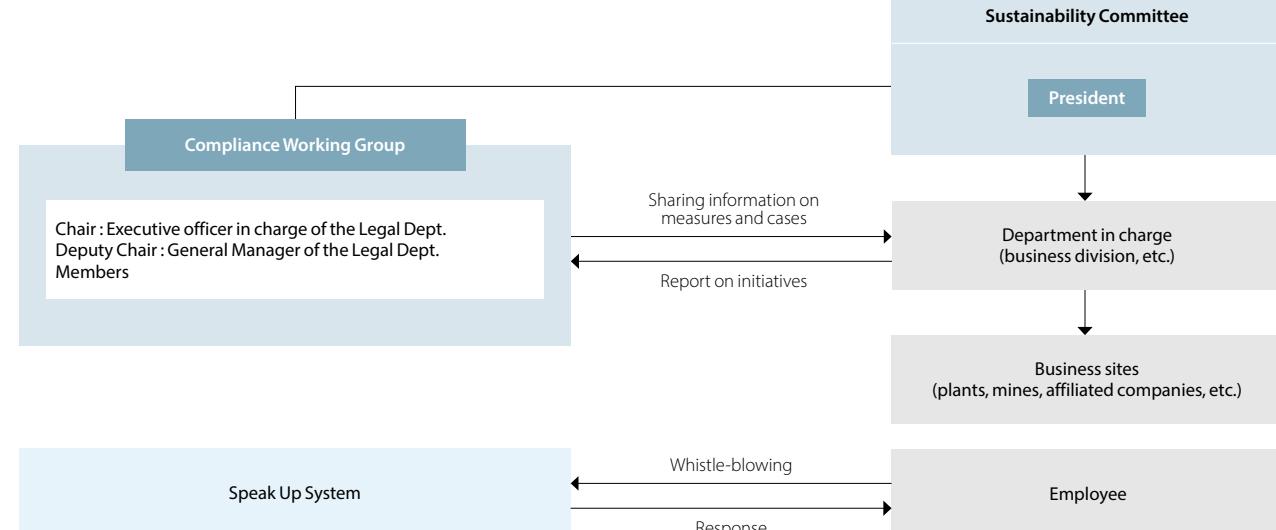
Regulations for export control

Regulations on the Whistle-blowing System (Speak Up System)

## Compliance-Related Promotion Framework

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 Dept. as secretariat, regularly conducts deliberations and exchanges information on material issues related to compliance. A system is in place whereby measures and case studies shared in the Working Group are communicated

## Promotion Framework



through Working Group members to respective divisions, and we are currently consolidating the framework to use this information in daily operations.

Our FY2024 Group-wide compliance goal was to prevent the falsification of data on analysis, measurement, and other results. With an eye to the goal, we set the priority initiative of creating workflows that help prevent misconduct (which included analyzing the existing workflows, and detecting and correcting those conducive to misconduct); and individual departments, along with Japanese and overseas subsidiaries over which they hold jurisdiction, pursued the necessary actions.

# Compliance

## Compliance Issues and Responses Thereto

We operate an internal reporting hotline system—namely, the SMM Group Whistle Blowing System, which complies with Japan's Whistleblower Protection Act as amended on June 1, 2022. In FY2024, a total of 23 incidents were reported through the internal reporting hotline system across the Group, including those reported to affiliated companies' independent hotlines. Appropriate action was taken in response to all reports.

To ascertain the level of awareness of the internal reporting hotline system, we ask questions about internal reporting and compliance in employee engagement surveys and analyze the answers provided. Moreover, we give lectures on compliance and the internal reporting hotline system as part of employee training programs.

## Initiatives on Preventing Corruption

The SMM Group engages in initiatives to prevent corruption. Based on the SMM Group's Basic Policies for Anti-Bribery and regulations for the prevention of bribery, we introduced a prior approval system (mandating approval by an authorized person in cases of entertainment or gifts, etc. to public officials, whether in Japan or overseas), while prohibiting bribery by officers or employees at each of the Group's companies in Japan and 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 Dept. work together to prevent corruption under the

supervision of the officer overseeing compliance.

We have furthermore made it mandatory for all employees to attend e-learning training seminars on preventing corruption in advance of their promotion to certain managerial positions.

## Compliance with Competition Laws

The SMM Group has established the Basic Policy for Compliance with Competition Laws and regulation for observance of competition law, while also having established, and is currently operating, rules governing contact with competitors. Furthermore, we have prepared a manual on regulations for the observance of competition law, to provide specific overviews on the content of the basic policy and regulations, with education on competition law also provided in the course of various training seminars and e-learning programs.

## 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, which includes consolidating internal procedures for export and technology transactions, internal audits, in-house education, and provision of guidance to each Group company.

## Tax Governance

The SMM Group established and announced the Sumitomo Metal Mining Group's Basic Policy on Taxes on April 1, 2021. Under this policy, we comprehensively investigate and examine the relationships of our products to customers and local communities to develop business in a sustainable manner and pursue sound corporate activities. Through these activities, we work toward the maximization of after-tax profit and free cash flow to maximize corporate value and achieve our long-term vision. As part of this, we also examine 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.

# Risks and Opportunities

Risk Factors (External/Internal)		Risks (Threats) and Opportunities	Strategies and Initiatives	Specific Responses
1	<b>Governments and Policy</b> <ul style="list-style-type: none"><li>Changes in laws and regulations (rise in mineral resource nationalism, increase in environmental awareness, etc.)</li><li>Conflicts and friction between countries</li></ul>	<div style="display: flex; justify-content: space-between;"> <div style="flex: 1;"> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Nationalization of mines; increased taxation</li> <li>Prohibition of export of mineral ores and intermediates</li> <li>Stricter approval for development and operation</li> <li>Negative impacts on production, including supply and demand and supply chains</li> <li>Changes in the tariff system</li> </ul> </div> <div style="flex: 1;"> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Introduction of preferential taxation in the automobile market</li> <li>Changes in the tariff system</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>Full consideration of country risk and making investment decisions while expanding the business globally</li> <li>Cooperation with overseas local partners to monitor the status of the market entry and taking appropriate measures as needed to respond to changes after entering a new market</li> </ul>	<ul style="list-style-type: none"> <li>Conclusion of contracts that make allowances for resource nationalism</li> <li>Information gathering through embassies, governments, JV partners and customers</li> <li>Approach to local communities and indigenous people</li> <li>Diversification of materials suppliers and product customers</li> <li>Establishment of BCP and crisis management framework</li> </ul>
2	<b>Economic Environment</b> <ul style="list-style-type: none"><li>Metal price and forex movement</li><li>Soaring energy prices</li></ul>	<div style="display: flex; justify-content: space-between;"> <div style="flex: 1;"> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Negative impacts on business performance due to lower metal prices and exchange rate fluctuations</li> <li>Switch to alternative materials due to a sharp rise in metal prices</li> <li>Decrease in competitiveness due to higher operating costs</li> <li>Negative impact on business performance due to fluctuations in TC/RC</li> </ul> </div> <div style="flex: 1;"> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Expanding demand for non-ferrous metals, especially copper and nickel, which are indispensable for the electrification of automobiles, etc.</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>Aiming to reduce costs in the Mineral Resources and Smelting &amp; Refining businesses and stabilizing earnings in the Materials business, which is relatively insensitive to non-ferrous metal price fluctuations</li> <li>Steadily pursuing the growth strategy based on the 3-business collaboration</li> <li>Establishing and strengthening "Shin" 3-business Collaboration Business Model</li> </ul>	<ul style="list-style-type: none"> <li>Formulation of project plans based on market fluctuation risks</li> <li>Prior analysis of management impacts caused by fluctuations in metal prices and exchange rates</li> <li>Entrance into alternative materials and technologies businesses (e.g., LFP), and expansion of the advanced materials business</li> <li>Promotion of energy conservation (switch to high-efficiency equipment and improvement of manufacturing processes)</li> <li>Promotion of new projects</li> </ul>
3	<b>Social Environment</b> <ul style="list-style-type: none"><li>Increased social responsibility for climate change</li><li>Acceleration of the carbon neutrality movement</li><li>Emergence of issues related to Business and Human Rights</li></ul>	<div style="display: flex; justify-content: space-between;"> <div style="flex: 1;"> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Exclusion from investment due to lagging approach to ESG and insufficient information disclosure</li> <li>Decline in competitiveness and reputation due to a delayed response to GHG emissions reduction measures for achieving carbon-neutral society</li> <li>Delays in or withdrawal from projects due to opposition from local communities or due to infringement of the rights of local communities and indigenous peoples</li> </ul> </div> <div style="flex: 1;"> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Growing demand for low-carbon products that contribute to GHG reduction, such as battery materials and advanced materials</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>Establishing and strengthening "Shin" 3-business Collaboration Business Model</li> <li>Participating in the GX League and promoting the transition to and use of clean energy, as well as introducing energy-saving equipment at production sites, to achieve net zero GHG emissions by 2050</li> <li>Proceeding with reducing GHG emissions, and promoting initiatives for research and development of products that contribute to the realization of a carbon-neutral society, etc.</li> <li>Support the United Nations Guiding Principles on Business and Human Rights, and conduct due diligence and operate a complaint resolution (remedy) mechanism based on the Sumitomo Metal Mining Group Policy on Human Rights</li> <li>Deliver appropriate and accurate information to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>GHG emissions reduction activities</li> <li>Dialogues and co-existence with local communities and enhancement of understanding of indigenous cultures</li> <li>Due diligence for mineral procurement</li> <li>Expansion of business for products that contribute to a low-carbon society</li> <li>Enhancement of ESG information disclosure</li> </ul>
4	<b>Work Environments</b> <ul style="list-style-type: none"><li>Shrinking and increasingly mobile Japanese labor market</li><li>Securing human resources and diversifying work styles</li></ul>	<div style="display: flex; justify-content: space-between;"> <div style="flex: 1;"> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Labor shortages due to fiercer competition in hiring, outflow of human resources, and increase in mandatory retirements</li> <li>Personnel shortages due to inadequate career support and delays in training management human resources</li> <li>Drop in employee engagement due to delays in human capital management</li> </ul> </div> <div style="flex: 1;"> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Attract diverse human resources and create innovation</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>Provide employees with safe and healthy work opportunities by reforming work styles, improving the working environment, and rebuilding an open and vibrant organization climate</li> <li>Promote human resource development, encourage and evaluate efforts to address long-term issues, build a corporate culture that enables continuous "taking on of challenges," "change," and "growth," and secure, foster, and utilize a diverse human capital</li> <li>Provide improvements and a venue for the system suitable for career support and human resource development</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of engagement by raising the brand profile within the Group</li> <li>Rationalization and reduction of labor through the introduction of DX, etc. to reduce working hours</li> <li>Promotion of health and productivity management</li> <li>Revision of the personnel system for managerial track employees</li> <li>Raising company recognition and actively recruiting by strengthening corporate branding</li> </ul>
5	<b>Technology</b> <ul style="list-style-type: none"><li>Evolution of technology in the field of information and communication</li><li>Catching up with the technology by overseas competitors and developing new technologies and products</li><li>Increasing and growing cybersecurity risks</li><li>Growing importance of intellectual property due to globalization</li></ul>	<div style="display: flex; justify-content: space-between;"> <div style="flex: 1;"> <p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Decline in competitiveness due to lagging response to DX</li> <li>Delays in new product development and improvements to existing products in the Materials Business</li> <li>Decline in the competitiveness of our technologies and products due to new technologies and products developed by competitors</li> <li>External leakage, destruction, falsification, etc. of information due to delays in establishing an information security system</li> <li>Delay in protecting intellectual property, infringement on other companies (patent infringement, filing of lawsuits related to intellectual property)</li> </ul> </div> <div style="flex: 1;"> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Improving productivity by introducing DX and utilizing new technologies</li> <li>Heightened demand for new technologies conducive to GHG emissions reduction</li> </ul> </div> </div>	<ul style="list-style-type: none"> <li>Developing DX infrastructure to address human resources in an era of declining birthrate, improve management efficiency, and create business reforms and new businesses</li> <li>Speeding up development of new products and improvements to existing products based on customer needs</li> <li>In addition to information security education for employees, migrating to a cloud service with advanced security features regardless of the usage environment</li> <li>Establishing a department dedicated to intellectual property management to ensure acquisition and preservation of intellectual property</li> <li>Promoting development of new technologies conducive to GHG emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>Developing human resources proficient with digital technologies</li> <li>Improving operations through data analysis</li> <li>Strengthening of information security</li> <li>Enforcement of and support for intellectual property management</li> <li>Application of DX to model factories and business sites</li> <li>Developing and expanding new business in hydrogen production catalysts, catalysts for use in artificial photosynthesis, and fuel cell materials</li> <li>Promoting marketing initiatives that generate new innovations (e.g., X-Mining)</li> </ul>

# Risks and Opportunities

Risk Factors (External/Internal)		Risks (Threats) and Opportunities	Strategies and Initiatives	Specific Responses
6	<b>Development of Resources, Smelting &amp; Refining Operations, Manufacturing and Development of Highly Advanced Materials</b>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Increased difficulty in acquiring interests due to intensified competition for mineral resources</li> <li>Increased development difficulty due to newly discovered mines being located at higher altitudes and having lower ore grades</li> <li>Increase in investment and operating costs for mine development and entry</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Expanding demand for non-ferrous metals, especially copper and nickel, which are indispensable for the electrification of automobiles, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Emphasizing acquiring social license centered on co-existence with local communities</li> <li>In addition to our own exploration activities, working with business partners overseas to acquire new projects</li> <li>Careful selection of investments based on a decision of profitability from our many years of experience in exploration and mine evaluation know-how, and striving to reduce and avoid the risk of uncertainty from the preparatory stage of development</li> <li>Promoting initiatives to establish know-how in resource development and operations</li> </ul>	<ul style="list-style-type: none"> <li>Operational improvements (dispatch of engineers for stable operation and streamlining, improvement of existing operating equipment, enhancement of process capacities)</li> <li>Training of mining engineers at the Hishikari Mine operated by our company</li> <li>Securing of a sound financial base</li> <li>Participation in development of and investment in superior overseas mines, etc.</li> </ul>
	<b>Smelting &amp; Refining Operations</b>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Deterioration of raw material purchase conditions, plant shutdown</li> <li>Difficulty in procurement of raw materials and equipment and skyrocketing prices</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Growth in demand for recycling associated with the increased demand for metals, increased collection of used products, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Securing stable raw material sources (own mines) and conflict-free raw materials by investing in and participating in the management of superior overseas mines, etc.</li> <li>The materials procurement department will consider multiple purchases and alternative materials while improving basic unit, and will take appropriate measures as needed in response to changes when responding to difficulties in the supply of materials and equipment and price hikes</li> <li>Proactively working on battery to battery horizontal recycling of used lithium-ion secondary batteries, contributing to the formation of a sustainable recycling-oriented society and strengthening the promotion of resource recycling to cope with global resource depletion</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing study of measures to secure nickel mineral reserves</li> <li>Strengthening the search for new nickel projects in the next period</li> <li>Promoting the commercialization of battery recycling</li> </ul>
	<b>Development of Material Products</b>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Obsolescence of products and technologies due to technological innovation, changing customer needs, and market-environment change</li> <li>Outbreak of costly claims litigation and loss of reputation due to product liability (recalls and damages incurred for end products containing defective in-vehicle products)</li> </ul> <p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Rising demand for cathode materials due to increasing demand for electric automobiles</li> <li>Growing demand for advanced materials used in electronic devices for the realization of a digital society</li> </ul>	<ul style="list-style-type: none"> <li>Deepening relationships with customers, accurately understanding customer and market needs, and putting in place sufficient sales and development structures to promote new product development based on this understanding and to mitigate the impact of such development</li> <li>Ensuring the effective functioning of the Group's quality management system (QMS) to further improve quality and enhance traceability</li> <li>Accelerating development through the use of government support programs, joint development with external parties, and industry-academia collaboration</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of development of LFP battery materials</li> <li>Creating innovations through an open platform (Ex: X-MINING®)</li> <li>Compliance with the QMS and initiatives to further improve quality and strengthen management</li> <li>Steady transition to next-generation nickel-based products, such as Hi-Ni type NMC cathode materials</li> <li>Promoting commercialization of silicon carbide (SiC) substrates</li> </ul>
7	<b>Other</b>	<p><b>Risks</b></p> <ul style="list-style-type: none"> <li>Damage to equipment/facilities and occurrence of spill accidents due to intensification of floods, storms, etc.</li> <li>Interruption of global supply chains</li> <li>Negative impacts of infectious diseases on production, including supply and demand and supply chains</li> </ul>	—	<ul style="list-style-type: none"> <li>Response to large-scale disasters</li> <li>Establishment of BCP and crisis management framework</li> <li>Stable supply through an integrated supply chain</li> </ul>

# Directors and Audit & Supervisory Board Members

(As of June 26, 2025)

## Directors

\*1 Numbers of shares of the Company owned are based on information as of May 31, 2025.

<b>Akira Nozaki</b>	
Representative Director Chairman and Director	
Number of shares of the Company owned: 26,500*1	

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 Representative Director (Present Position), President and Director, President (Executive Officer)  
Jun. 2024 Chairman and Director (Present Position)

<b>Nobuhiro Matsumoto</b>	
Representative Director President and Director President	
Number of shares of the Company owned: 10,000*1	

Born: 1963  
Apr. 1987 Joined the Company  
Apr. 2008 General Manager of Niihama Nickel Refinery, Non-Ferrous Metals Div.  
Jul. 2013 Administration Dept., 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  
Jun. 2020 Managing Executive Officer  
Jun. 2022 Senior Managing Executive Officer  
Jun. 2024 Representative Director (Present Position), President and Director (Present Position), President (Executive Officer) (Present Position)

<b>Masaru Takebayashi</b>	
Director Managing Executive Officer General Manager of Non-Ferrous Metals Div.	
Number of shares of the Company owned: 5,600*1	

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)

<b>Hiroshi Yoshida</b>	
Director Managing Executive Officer General Manager of Corporate Planning Dept.	
Number of shares of the Company owned: 4,700*1	

Born: 1964  
Apr. 1987 Joined the Company  
Jun. 2016 General Manager of Corporate Planning Dept.  
Jun. 2018 Executive Officer, Senior Deputy General Manager of Non-Ferrous Metals Div.  
Jun. 2021 Senior Deputy General Manager of Advanced Materials Div.  
Jun. 2022 Managing Executive Officer (Present Position)  
General Manager of Advanced Materials Div.  
Jun. 2023 General Manager of Corporate Planning Dept. (Present Position)  
Jun. 2024 Director (Present Position)

<b>Taeko Ishii</b>	
Outside Director	
Number of shares of the Company owned: 500*1	

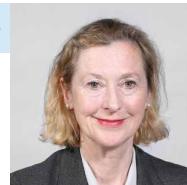
Born: 1956  
Apr. 1986 Registered as a lawyer  
Joined Ryoichi Wada Law Firm  
Mar. 1992 Established Ohta & Ishii Law Firm  
Jun. 2018 Director of the Company (Present Position)

<b>Manabu Kinoshita</b>	
Outside Director	
Number of shares of the Company owned: 200*1	

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

<b>Koji Takeuchi</b>	
Outside Director	
Number of shares of the Company owned: 0*1	

Born: 1946  
Apr. 1970 Joined Ajinomoto Co., Inc.  
Jul. 1988 Head of Central Research Center of Ajinomoto Co., Inc.  
Jul. 1993 Head of Development Planning Dept. of Ajinomoto Co., Inc.  
Oct. 1993 Member of the Board; General Manager, Electronic Materials Division of Ajinomoto Fine-Techno Co., Inc.  
Jun. 2002 Member of the Board and Senior Managing Director, General Manager, Electronic Materials Division of Ajinomoto Fine-Techno Co., Inc.  
Jun. 2004 Member of the Board and Vice President of Ajinomoto Fine-Techno Co., Inc.  
Jul. 2008 Chief Director of Ajinomoto Co., Inc.  
Jun. 2009 Retired as Chief Director of Ajinomoto Co., Inc.  
Jun. 2012 Advisor of Ajinomoto Fine-Techno Co., Inc.  
Jun. 2014 Retired as Advisor of Ajinomoto Fine-Techno Co., Inc.  
Jun. 2024 Director of the Company (Present Position)

<b>Sawaki Nicola Michele</b>	
Outside Director	
Number of shares of the Company owned: 0*1	

Born: 1962  
Apr. 1987 Joined Orr Shotliff Accounting Firm  
Feb. 1991 Joined Ernst & Young London Office  
May 1991 Registered as an ICAEW-qualified chartered accountant (UK)  
Jul. 2002 Joined ShinNihon Audit Firm (Current Ernst & Young ShinNihon LLC)  
Jul. 2003 Partner of ShinNihon Audit Firm (Present Position)  
Mar. 2017 Representative in Japan of Ernst & Young Global Limited IFRS Policy Committee (Present Position)  
Jun. 2025 Director of the Company (Present Position)

# Directors and Audit & Supervisory Board Members

## Audit & Supervisory Board Members

<b>Tsuyoshi Nozawa</b>	
Senior Audit & Supervisory Board Member (Standing)	
Number of shares of the Company owned: 1,000*1	
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) Jun. 2025 Senior Audit & Supervisory Board Member (Standing) (Present Position)	

<b>Shoji Wakamatsu</b>	
Outside Audit & Supervisory Board Member	
Number of shares of the Company owned: 0*1	
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 Member of the Board 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)	

<b>Hirohiko Matsushita</b>	
Audit & Supervisory Board Member (Standing)	
Number of shares of the Company owned: 3,000*1	

<b>Tsuguya Ieda</b>	
Outside Audit & Supervisory Board Member	
Number of shares of the Company owned: 0*1	

\*1 Numbers of shares of the Company owned are based on information as of May 31, 2025.

## Executive Officer (\*2 Concurrently Director)

<b>President</b>	<b>Managing Executive Officers</b>
<b>Nobuhiro Matsumoto*2</b>	<b>Hiroshi Yoshida*2</b> General Manager of Corporate Planning Dept.; in charge of Legal Dept., Digital Transformation Dept., and Internal Audit Dept.
	<b>Masaru Takebayashi*2</b> General Manager of Non-Ferrous Metals Div.
	<b>Hideyuki Okamoto</b> General Manager of Mineral Resources Div.
	<b>Toru Motoki</b> General Manager of Technology Div.
	<b>Shinichi Sato</b> General Manager of Advanced Materials Div.

### Executive Officers (As of September 1, 2025)

<b>Munekazu Kawata</b> General Manager of Battery Materials Div.	<b>Toru Kitazaki</b> Senior Deputy General Manager of Technology Div.
<b>Yusuke Niwa</b> Senior Deputy General Manager of Battery Materials Div.	<b>Kenji Hara</b> Senior Deputy General Manager of Engineering Div.
<b>Kazuaki Sakamoto</b> General Manager of Engineering Div.	<b>Yukinori Okano</b> Senior Deputy General Manager of Battery Materials Div.
<b>Yasumasa Hattori</b> Senior Deputy General Manager of Non-Ferrous Metals Div.	<b>Satoru Nishihara</b> General Manager of Besshi-Niihama District Div.
<b>Yoshihiro Sagawa</b> Senior Deputy General Manager of Mineral Resources Div.	<b>Kazunori Kawanaka</b> General Manager of Safety & Environment Control Dept.; in charge of Quality Assurance Dept.
<b>Mihoko Yano</b> General Manager of Human Resources Dept.; in charge of Secretarial Dept., Purchasing Dept., and Information Systems Dept.	<b>Yasuhiro Miyake</b> General Manager of Finance & Accounting Dept.
<b>Takahiro Hagiwara</b> General Manager of Sustainability Dept.; in charge of General Affairs Dept., Public Relations & Investor Relations Dept., and Osaka Branch	<b>Kenichi Tsuda</b> Senior Deputy General Manager of Mineral Resources Div.