

This is an unofficial translation of the Japanese language original.

Securities Code No. 5713

June 4, 2020

To our shareholders

11-3, Shimbashi 5-chome, Minato-ku, Tokyo

Sumitomo Metal Mining Co., Ltd.

Akira Nozaki, Representative Director and President

Convocation Notice of the 95th Ordinary General Meeting of Shareholders

Sumitomo Metal Mining Co., Ltd. (the “Company”) hereby gives notice of the 95th Ordinary General Meeting of Shareholders (the “Meeting”) as outlined below.

Recently, due to the pandemic of Coronavirus disease (COVID-19), the situation that we should refrain from going out unnecessarily and urgently continues.

As a result of careful consideration to this situation, we decided to hold the Meeting while taking appropriate infection control measures.

Considering this situation, in order to prevent the spread of infection, we request you to refrain from attending the Meeting on this day regardless of your health condition.

You may vote in writing or by an electromagnetic method (via the Internet, etc.), so we cordially request that you examine the attached Reference Documents for Shareholders Meeting and exercise your voting rights no later than 5:00pm (Japan Time) on Thursday, June 25, 2020.

1. Date and Time: June 26, 2020 (Friday) at 10:00am (Japan Time)

2. Place: Head Office of the Company, the Conference Room (1F)
11-3, Shimbashi 5-chome Minato-ku, Tokyo 105-8716, Japan (Shimbashi Sumitomo Building)

* At the Meeting, the number of seats available significantly decreases compared to the usual year, as the seats are placed apart in order to prevent the infection. Therefore, even if you attend the Meeting on this day, there may be restrictions on admission. We appreciate your understanding.

3. Agenda:

Matters for Reporting Report on the contents of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 95th business year (April 1, 2019 – March 31, 2020) and the results of

	audits of the Consolidated Financial Statements for the 95 th business year by the Accounting Auditor and the Audit & Supervisory Board
Matters for	Proposal No.1: Appropriation of Surplus
Resolution	Proposal No.2: Election of eight (8) Directors
	Proposal No.3: Election of three (3) Audit & Supervisory Board Members
	Proposal No.4: Election of one (1) substitute Audit & Supervisory Board Member
	Proposal No.5: Payment of bonuses to Directors

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\* Please note that the Place is different from last year.

\* The reason for setting the Date is as follows.

The external venue we used until last year became unavailable on the same schedule as usual, so we planned to hold the Meeting at another external venue. However, considering the pandemic of Coronavirus disease, we decided to hold the Meeting at our own venue instead of at an external venue. We have already started preparing for the Date, so we decided to keep the Date as originally planned.

\* Notes on the development of systems necessary to ensure the properness of operations, notes on basic policies related to the way a person is to control the decisions on the financial and business policies of the company, notes on the Consolidated Financial Statements and Notes on the Non-Consolidated Financial Statements are posted on the Company's website (<https://www.smm.co.jp/>) in accordance with the law and the Company's Articles of Incorporation.

\* If any amendments to the Shareholders' Meeting Reference Documents, the Business Report, the Consolidated Financial Statements or Non-Consolidated Financial Statements are made, the notification of the details shall be provided on the Company's website (<https://www.smm.co.jp/>).

## Reference Documents for Shareholders Meeting

### Proposals and Reference Matters

#### Proposal No.1: Appropriation of Surplus

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

Matters regarding the year-end dividend

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

Based on the Company's policy of aiming to achieve a consolidated dividend payout ratio of 35% or more, and in comprehensive consideration of factors such as future business development, financial soundness and financial performance in the 95<sup>th</sup> business year, the Company proposes to pay a year-end dividend of 39 yen per share as described below.

(1) The kind of the Dividend Property

Cash

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

39 yen per share of common stock of the Company

The total amount: 10,716,479,670yen

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

June 29, 2020

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

As our financial strategy in the 18 3-Yr Business Plan, we have the policy of maintaining a consolidated equity ratio above 50% while also having a consolidated dividend payout ratio of at least 35% based on operating performance, in order to sustain our sound financial standing.

|                                                                               | 92 <sup>nd</sup> business year<br>(Year ended March 31, 2017) | 93 <sup>rd</sup> business year<br>(Year ended March 31, 2018) | 94 <sup>th</sup> business year<br>(Year ended March 31, 2019) | 95 <sup>th</sup> business year<br>(Year ended March 31, 2020) |
|-------------------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------------|
| Total dividend per share (Yen)                                                | 22                                                            | 100                                                           | 73                                                            | 78(tentative)                                                 |
| Total dividend amount<br>(Millions of yen)                                    | 6,068                                                         | 27,513                                                        | 20,060                                                        | 21,433(tentative)                                             |
| Consolidated dividend payout ratio (%)                                        | -                                                             | 30.1                                                          | 30.0                                                          | 35.4(tentative)                                               |
| Consolidated Equity ratio / Equity attributable to owners of parent ratio (%) | 57.1                                                          | 61.0                                                          | 58.3                                                          | 58.3                                                          |

(Notes)

(1) The Company implemented a consolidation of 2 shares of the Company's stock into 1 share, effective October 1, 2017.

(2) Total dividend per share shown in above table is calculated in the ratio of the consolidation of shares.

(3) Dividend payout ratio (Consolidated) and Consolidated Equity ratio up to 93rd business year (Year ended March 31, 2018) are calculated in accordance with the Japanese generally accepted accounting principles. Dividend payout ratio (Consolidated) and Equity attributable to owners of parent ratio from 94th business year (Year ended March 31, 2019) are calculated in accordance with International Financial Reporting Standards.


(4) Total dividend per share, Total dividend amount and Consolidated dividend payout ratio of 95<sup>th</sup> business year shown in above table are calculated based on assumption that Proposal No.1 will be approved as proposed.

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

The terms of all Directors (eight (8) Directors) will expire at the close of the Meeting, therefore, the Company proposes the election of eight (8) Directors. When nominating the candidates for Directors, the Company received advice from the Governance Committee, which is comprised of the Chairman who is not an Executive Officer, and the Independent Outside Directors. The candidates for Directors are as follows.


| No. | Name               | Gender | Current Position                                | Attribute of the Candidate              | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020 | Number of years in office of the Company as a Director |
|-----|--------------------|--------|-------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------|
| 1   | Yoshiaki Nakazato  | Male   | Representative Director<br>Chairman             | Reappointment                           | 14 out of 14<br>(100%)                                                         | 14years                                                |
| 2   | Akira Nozaki       | Male   | Representative Director<br>Officer<br>President | Reappointment                           | 14 out of 14<br>(100%)                                                         | 6years                                                 |
| 3   | Hiroshi Asahi      | Male   | Director<br>Managing<br>Executive<br>Officer    | Reappointment                           | 14 out of 14<br>(100%)                                                         | 3years                                                 |
| 4   | Nobuhiro Matsumoto | Male   | Director<br>Executive<br>Officer                | Reappointment                           | 10 out of 10<br>(100%)                                                         | 1year                                                  |
| 5   | Toru Higo          | Male   | Executive<br>Officer                            | New                                     | -                                                                              | -                                                      |
| 6   | Kazuhisa Nakano    | Male   | Independent<br>Outside<br>Director              | Reappointment<br>Outside<br>Independent | 14 out of 14<br>(100%)                                                         | 4years                                                 |
| 7   | Taeko Ishii        | Female | Independent<br>Outside<br>Director              | Reappointment<br>Outside<br>Independent | 14 out of 14<br>(100%)                                                         | 2years                                                 |
| 8   | Manabu Kinoshita   | Male   | -                                               | New<br>Outside<br>Independent           | -                                                                              | -                                                      |

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | Yoshiaki Nakazato                                                                                                                                                                                                                                                                                                                                | Reappointment<br>Male  |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                              | May. 13, 1953 (67)     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                            | 23,800 Shares          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   | Number of years in office of the Company as Director                                                                                                                                                                                                                                                                                             | 14 years               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                   | 14 out of 14<br>(100%) |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                   | Reasons for his candidacy as Director                                                                                                                                                                                                                                                                                                            |                        |
| <p>Apr. 1976 Joined the Company</p> <p>Jun. 2005 Executive Officer</p> <p>Jun. 2006 Director</p> <p>Jun. 2008 Managing Executive Officer<br/>General Manager of Advanced Materials Div.</p> <p>Oct. 2008 General Manager of Semiconductor Materials Div.</p> <p>Jun. 2009 Executive Officer<br/>General Manager of Advanced Materials Div.</p> <p>Jun. 2010 Managing Executive Officer</p> <p>Jun. 2012 Representative Director<br/>Senior Managing Executive Officer</p> <p>Jun. 2013 President and Representative Director</p> <p>Jun. 2018 Chairman (Present Position)</p> |                                                                                   | <p>Mr. Yoshiaki Nakazato has served as President and Director for five years. Since June 2018, he has served as Chairman. He has been presented as a candidate for Director so that he may continue to utilize his knowledge and experience regarding the Company's entire business in strengthening the function of the Board of Directors.</p> |                        |
| <p>[Significant concurrent occupations or positions at other organizations]</p> <p>Chairman of Metal Economics Research Institute, Japan</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                   |                                                                                                                                                                                                                                                                                                                                                  |                        |

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| No.                                                                                                                                                                                                                                                                                                                                                                                                                                            |  | Akira Nozaki                                                                                                                                                                                                                                                                                      | <table border="1"> <tr> <td data-bbox="1174 275 1410 320">Reappointment</td> </tr> <tr> <td data-bbox="1174 320 1410 376">Male</td> </tr> </table> | Reappointment | Male |
| Reappointment                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                   |                                                                                                                                                                                                                                                                                                   |                                                                                                                                                    |               |      |
| Male                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   |                                                                                                                                                                                                                                                                                                   |                                                                                                                                                    |               |      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                               | Jun. 20, 1960 (59)                                                                                                                                 |               |      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                             | 13,500 Shares                                                                                                                                      |               |      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of years in office of the Company as Director                              | 6 years                                                                                                                                                                                                                                                                                           |                                                                                                                                                    |               |      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020    | 14 out of 14 (100%)                                                                                                                                                                                                                                                                               |                                                                                                                                                    |               |      |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                 |                                                                                   | Reasons for his candidacy as Director                                                                                                                                                                                                                                                             |                                                                                                                                                    |               |      |
| <p>Apr. 1984 Joined the Company</p> <p>Jun. 2013 Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>Jun. 2014 Director<br/>General Manager of Corporate Planning Dept.</p> <p>Jun. 2015 General Manager of Non-Ferrous Metals Div.</p> <p>Jun. 2016 Managing Executive Officer</p> <p>Jun. 2018 Representative Director (Present Position)<br/>President and Representative Director (Present Position)</p> |                                                                                   | <p>Since June 2018, Mr. Akira Nozaki has served as President and Director. He has been presented as a candidate for Director so that he may continue to utilize his knowledge and experience regarding the Company's entire business in strengthening the function of the Board of Directors.</p> |                                                                                                                                                    |               |      |

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| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | Hiroshi Asahi                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Reappointment<br>Male |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Jul. 1, 1958 (61)     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                                                                                                                                  | 7,000 Shares          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                   | Number of years in office of the Company as Director                                                                                                                                                                                                                                                                                                                                                                                                                   | 3 years               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                   | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                                                                                                                                         | 14 out of 14 (100%)   |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                   | Reasons for his candidacy as Director                                                                                                                                                                                                                                                                                                                                                                                                                                  |                       |
| <p>Apr. 1982 Joined the Ministry of International Trade and Industry(current Ministry of Economy, Trade and Industry)</p> <p>Apr. 2008 Director for Technology Affairs of the Ministry of Economy, Trade and Industry</p> <p>Mar. 2010 Deputy Director-General for Energy and Environment of the Ministry of Economy, Trade and Industry</p> <p>Jul. 2012 Director-General for Technology Policy Coordination of the Ministry of Economy, Trade and Industry</p> <p>Jun. 2013 Left the Ministry of Economy, Trade and Industry</p> <p>Oct. 2013 Joined the Company<br/>Engineering Dept., Mineral Resources Div.</p> <p>Jun. 2014 Executive Officer(Present Position)<br/>Senior Deputy General Manager of Mineral Resources Div.</p> <p>Jun. 2017 Director (Present Position)<br/>General Manager of Mineral Resources Div.<br/>(Present Position)</p> <p>Jun. 2018 Managing Executive Officer (Present Position)</p> |                                                                                   | <p>Mr. Hiroshi Asahi has performed significant role in Mineral Resources Div. as a General Manager and has experience of working in government agency, through such experience, he has extensive knowledge regarding exploration, development and engineering of the mineral resources. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.</p> |                       |
| <p>[Significant concurrent occupations or positions at other organizations]<br/>Director of Sociedad Minera Cerro Verde S.A.A.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                       |




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| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  | <b>Nobuhiro Matsumoto</b>                                                                                                                                                                                                                                                                                                                                     | <u>Reappointment</u><br>Male |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                                           | Feb. 24, 1963 (57)           |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                         | 3,600 Shares                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                   | Number of years in office of the Company as Director                                                                                                                                                                                                                                                                                                          | 1 year                       |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                   | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                                | 10 out of 10 (100%)          |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   | Reasons for his candidacy as Director                                                                                                                                                                                                                                                                                                                         |                              |
| <p>Apr. 1987 Joined the Company</p> <p>Apr. 2008 General Manager of Niihama Nickel Refinery, Non-Ferrous Metals Div.</p> <p>Jul. 2013 Administration Dept., Non-Ferrous Metals Div.</p> <p>Jun. 2014 General Manager of Administration Dept., Non-Ferrous Metals Div.</p> <p>Jun. 2016 Executive Officer (Present Position)<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>Jun. 2018 General Manager of Non-Ferrous Metals Div. (Present Position)</p> <p>Jun. 2019 Director (Present Position)</p> |                                                                                   | <p>Mr. Nobuhiro Matsumoto has abundant experience in Smelting &amp; Refining Business as well as extensive knowledge regarding technology of Smelting &amp; Refining Business. He has been presented as a candidate for Director so that he may continue to utilize his experience and knowledge in strengthening the function of the Board of Directors.</p> |                              |
| <p>[Significant concurrent occupations or positions at other organizations]</p> <p>Commissioner of PT Vale Indonesia Tbk.</p>                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                   |                                                                                                                                                                                                                                                                                                                                                               |                              |

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| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  | Toru Higo                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>New</b><br>Male |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                                                                                                                                            | Nov. 1, 1961 (58)  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                                                                                                                          | 4,000 Shares       |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                     |                                                                                   | Reasons for his candidacy as Director                                                                                                                                                                                                                                                                                                                                                                                                                          |                    |
| <p>Apr. 1986 Joined the Company</p> <p>Jul. 2010 General Manager of Nickel Sales &amp; Raw Materials Dept., Non-Ferrous Metals Div.</p> <p>Jul. 2014 General Manager of Copper &amp; Precious Metals Sales Dept., Non-Ferrous Metals Div.</p> <p>Jun. 2017 Sumitomo Metal Mining Philippine Holdings Corporation, Director and President</p> <p>Jun. 2019 Executive Officer (Present Position)<br/>Senior Deputy General Manager of Non-Ferrous Metals Div. (Present Position)</p> |                                                                                   | <p>Mr. Toru Higo has knowledge of sales and corporate management, such as he has abundant experience in sales and raw material procurement in Smelting &amp; Refining Business as well as experience in managing as a director of an overseas company regarding natural resources business. He has been presented as a candidate for Director so that he may utilize his experience and knowledge in strengthening the function of the Board of Directors.</p> |                    |
| <p>[Significant concurrent occupations or positions at other organizations]</p> <p>Nickel Asia Corporation, Director</p> <p>Teck Resources Limited, Director</p>                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                    |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  | <p><b>Kazuhisa Nakano</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Reappointment<br/>Outside<br/>Independent<br/>Male</p> |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Jan. 4, 1948 (72)                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2,500 Shares                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   | Number of years in office of the Company as Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 4 years                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                   | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 14 out of 14 (100%)                                       |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                   | Reasons for his candidacy as Outside Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                           |
| <p>Apr. 1971 Joined Idemitsu Kosan Co., Ltd.</p> <p>Apr. 2003 Executive Officer and General Manager of Personnel Department of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2004 Director of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2005 Managing Director of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2007 Executive Vice President and Representative Director of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2009 President and Representative Director of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2013 Chairman and Representative Director of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2015 Executive Advisor of Idemitsu Kosan Co., Ltd.</p> <p>Jun. 2016 Director of the Company (Present Position)</p> <p>Jun. 2017 Retired Executive Advisor of Idemitsu Kosan Co., Ltd.</p> |                                                                                   | <p>Mr. Kazuhisa Nakano had served as President and Representative director of Idemitsu Kosan Co., Ltd. and has abundant experience in managing a company and experience regarding natural resources business. He has been presented as a candidate for Outside Director so that he may continue to perform the required role of strengthening corporate governance by supervising the Company's business management that is aimed toward the sustainable growth and mid-to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience.</p> |                                                           |

#### Independence/ Contract for Limitation of Liability

1. Mr. Kazuhisa Nakano is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. Mr. Kazuhisa Nakano had held responsibilities such as serving as president and representative director of Idemitsu Kosan Co.,Ltd., which is one of the business partners of the Company. During 95<sup>th</sup> business year (year ended March 31, 2020), the Company engaged in business with Idemitsu Kosan in such areas as the lease of real properties , but the amount of sales of the Company to Idemitsu Kosan totaled ¥4 million, accounting for only 0.0% of the Company's nonconsolidated net sales. The Company also engaged in business with Idemitsu Kosan Co.,Ltd with regard to the purchase of the Company's operating materials. The amount paid to Idemitsu Kosan Co.,Ltd by the Company amounted to ¥1,420 million. In addition to that, the Company had held 56,800 shares of Idemitsu Kosan, but have sold all the shares by the end of March 2020. Idemitsu Kosan had held 42,500 shares of the Company, but have sold all the shares.
3. Mr. Kazuhisa Nakano complies with the requirements for outside directors provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. Therefore, the Company has appointed Mr. Kazuhisa Nakano as Independent Directors who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the Exchange. The Company's criteria for independence are as set out on page twenty-four (24).
4. The Company has entered into a Contract for Limitation of Liability with Mr. Kazuhisa Nakano limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with him.

|                                                                                                                                                                                          |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                             |
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| No.                                                                                                                                                                                      |  | <p><b>Taeko Ishii</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Reappointment<br/>Outside<br/>Independent<br/>Female</p> |
| 7                                                                                                                                                                                        |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | May. 7, 1956 (64)                                           |
|                                                                                                                                                                                          |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0 Share                                                     |
|                                                                                                                                                                                          |                                                                                   | Number of years in office of the Company as Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2 years                                                     |
|                                                                                                                                                                                          |                                                                                   | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 14 out of 14 (100%)                                         |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                           |                                                                                   | Reasons for her candidacy as Outside Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                             |
| <p>Apr. 1986 Registered as a lawyer<br/> Joined Ryoichi Wada Law Firm<br/> Mar. 1992 Established Ohta &amp; Ishii Law Firm<br/> Jun. 2018 Director of the Company (Present Position)</p> |                                                                                   | <p>Ms. Taeko Ishii has special knowledge and abundant experience as a lawyer. She has been presented as a candidate for Outside Director so that she may continue to perform the required role of strengthening corporate governance by providing suggestions from the perspective of compliance. She has not participated in corporate management in any form other than as Outside Audit &amp; Supervisory Board Member; however, for the above reasons, the Company determined that she is able to serve as Outside Director appropriately.</p> |                                                             |

[Significant concurrent occupations or positions at other organizations]

Lawyer of Ohta & Ishii Law Firm

Outside Audit & Supervisory Board Member of

NEC Corporation, DTS CORPORATION and Furusato Service Co., Ltd.,

Independence/ Contract for Limitation of Liability

1. Ms. Taeko Ishii is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
2. Ms. Taeko Ishii complies with the requirements for outside directors provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. Therefore, The Company plans to appoint Ms. Taeko Ishii as Independent Director who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submit notice of her appointment to the Exchange. The Company's criteria for independence are as set out on page twenty-four (24)
3. The Company has entered into a Contract for Limitation of Liability with Ms. Taeko Ishii limiting her maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with her.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------|
| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | <b>Manabu Kinoshita</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <input type="checkbox"/> New<br><input type="checkbox"/> Outside<br><input type="checkbox"/> Independent<br>Male |                  |
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Date of Birth (Age)                                                                                              | May.17,1954 (66) |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0 Share                                                                                                          |                  |
| Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                   | Reasons for his candidacy as Outside Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                  |                  |
| Apr. 1978 Joined NEC Corporation<br>Apr. 2006 Executive General Manager, Distribution and Service Industries Solutions Operations Unit of NEC Corporation<br>Apr. 2008 Associate Senior Vice President of NEC Corporation<br>Apr. 2010 Senior Vice President of NEC Corporation<br>Jun. 2010 Director of NEC Corporation<br>Apr. 2016 Senior Executive Vice President of NEC Corporation<br>Apr. 2018 Senior Officer of NEC Corporation (Present Position)                                                                             |                                                                                   | 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 has been presented as a candidate for Outside Director so that he may perform the required role of strengthening corporate governance by supervising the Company's business management that is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience. |                                                                                                                  |                  |
| Independence/ Contract for Limitation of Liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                  |                  |
| 1. Mr. Manabu Kinoshita is a candidate for Outside Director as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.<br>2. Mr. Manabu Kinoshita had held responsibilities such as serving as Senior Executive Vice President of NEC Corporation, which is one of the business partners of the Company. During 95 <sup>th</sup> business year (year ended March 31, 2020), there is no sales of the Company to NEC Corporation. The Company engaged in business with NEC Corporation regarding the |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                  |                  |

purchase of the NEC Corporation's equipment and software, and in such areas as maintenance and lease fees. The amount paid to NEC Corporation by the Company amounted to ¥17 million, which accounted for 0.0% of the Company's nonconsolidated net sales.

3. Mr. Manabu Kinoshita complies with the requirements for outside directors provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. Therefore, the Company has appointed Mr. Manabu Kinoshita as Independent Directors who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submitted notice of his appointment to the Exchange. The Company's criteria for independence are as set out on page twenty-four (24)

4. The Company has entered into a Contract for Limitation of Liability with Mr. Manabu Kinoshita limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with him.

(Notes)

1. Information of the candidates such as age or career shown above in this proposal is as of Jun. 1, 2020.
2. Descriptions in units of million yen in this proposal are rounded to the nearest million yen.




### Proposal No. 3: Election of three (3) Audit & Supervisory Board Members

With respect to Audit & Supervisory Board Members Mr. Kazushi Ino, Yasuyuki Nakayama and Junichi Kondo, the term of office will expire at the close of the Meeting. Therefore, the Company proposes the election of three (3) Audit & Supervisory Board Members.

The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidates for Audit & Supervisory Board Member are as follows.

|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    |                                                                                         |                                                                                                                                                                                                                                                                                                                                                                 |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| No.                                                                                                                                                                                                                                                                                                                                                                                                                     |  | <b>Kazushi Ino</b>                                                                      |                                                                                                                                                                                                                                                                                                                                                                 | <u>Reappointment</u><br>Male |
|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    | Date of Birth (Age)                                                                     |                                                                                                                                                                                                                                                                                                                                                                 | Jun. 5, 1959 (60)            |
|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    | Number of shares of the Company owned                                                   |                                                                                                                                                                                                                                                                                                                                                                 | 6,900 Shares                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020          |                                                                                                                                                                                                                                                                                                                                                                 | 14 out of 14 (100%)          |
|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    | Attendance of the Board of Corporate Auditors meetings fiscal year ended March 31, 2020 |                                                                                                                                                                                                                                                                                                                                                                 | 15 out of 15 (100%)          |
|                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                    | Number of years in office of the Company as Audit & Supervisory Board Member            |                                                                                                                                                                                                                                                                                                                                                                 | 3 years                      |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                    |                                                                                         |                                                                                                                                                                                                                                                                                                                                                                 |                              |
| Career summary, position and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                     |                                                                                    |                                                                                         | Reasons for his candidacy as Audit & Supervisory Board Member                                                                                                                                                                                                                                                                                                   |                              |
| <p>Apr. 1982 Joined the Company</p> <p>Dec. 2010 General Manager of Administration Dept.,<br/>Advanced Materials Div.</p> <p>Jun. 2012 General Manager of Legal &amp; General Affairs Dept.</p> <p>Jun.2014 Executive Officer<br/>Senior Deputy General Manager of Semiconductor Materials Business Unit,<br/>Materials Div.</p> <p>Jun.2017 Audit &amp; Supervisory Board Member (Standing)<br/>(Present Position)</p> |                                                                                    |                                                                                         | <p>Mr. Kazushi Ino has abundant experience with general administration matter at headquarters and other branches of the Company, as well as knowledge regarding the Company's entire business, industrial health and safety, and compliance which he acquired through such his experience. He has been presented as a candidate for Audit &amp; Supervisory</p> |                              |

|  |                                                                                                                                                                                                 |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Board Member because he exerted his audit function based on the background of his knowledge, and he is expected to continue to perform his role as Audit &amp; Supervisory Board Member.</p> |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| No.                                                                                                                                                                                                                                                                                                                                                                               |  | Yasuyuki Nakayama                                                                                                                                                                                                                                                                                                                                                                                                                                    | Reappointment<br>Male |
|                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   | Date of Birth (Age)                                                                                                                                                                                                                                                                                                                                                                                                                                  | Dec. 7, 1959 (60)     |
| 2                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                                                                                                                | 3,500 Shares          |
|                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   | Attendance of the Board of Directors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                                                                                                                       | 14 out of 14 (100%)   |
|                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   | Attendance of the Board of Corporate Auditors meetings fiscal year ended March 31, 2020                                                                                                                                                                                                                                                                                                                                                              | 15 out of 15 (100%)   |
|                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   | Number of years in office of the Company as Audit & Supervisory Board Member                                                                                                                                                                                                                                                                                                                                                                         | 4 years               |
| Career summary, position and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                               |                                                                                   | Reasons for his candidacy as Audit & Supervisory Board Member                                                                                                                                                                                                                                                                                                                                                                                        |                       |
| <p>Apr. 1982 Joined the Company</p> <p>Apr. 2012 General Manager of Administration Dept., Semiconductor Materials Div.</p> <p>Jul. 2012 General Manager of Semiconductor Materials Business Unit, Materials Div.</p> <p>Oct.2014 President and Representative Director of Shinko Co., Ltd.</p> <p>Jun.2016 Audit &amp; Supervisory Board Member (Standing) (Present Position)</p> |                                                                                   | <p>Mr. Yasuyuki Nakayama has been engaged in settlement of accounts for many years. He has knowledge of accounting practices such as settlement of accounts and accounting. He has been presented as a candidate for Audit &amp; Supervisory Board Member because he exerted his audit function based on the background of his accounting knowledge, and he is expected to continue to perform his role as Audit &amp; Supervisory Board Member.</p> |                       |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   |                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  | Wataru Yoshida                                                                                                                                                                                                                                                                                                                                               | <input type="checkbox"/> New<br><input type="checkbox"/> Outside<br><input type="checkbox"/> Independent<br>Male |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                   |                                                                                                                                                                                                                                                                                                                                                              | Date of Birth (Age)                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                   | Number of shares of the Company owned                                                                                                                                                                                                                                                                                                                        | 0 Share                                                                                                          |
| Career summary, position and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   | Reasons for his candidacy as Outside Audit & Supervisory Board Member                                                                                                                                                                                                                                                                                        |                                                                                                                  |
| <p>Apr. 1975 Joined Export-Import Bank of Japan</p> <p>Apr. 2001 Director of Corporate Finance Department of Japan Bank for International Cooperation (JBIC) (which was formed as a result of integration between the former Export-Import Bank of Japan and the former Overseas Economic Cooperation Fund)</p> <p>Nov. 2002 Director of Personnel Department of JBIC</p> <p>Oct. 2004 Executive Officer for Asia and Pacific Region of JBIC</p> <p>Apr. 2007 Senior Executive Director of JBIC</p> <p>Sep. 2008 Resigned from Senior Executive Director of JBIC</p> <p>Feb. 2009 Corporate Advisor of Marubeni Corporation</p> <p>Mar. 2016 Corporate Advisor of NIPPON STEEL CORPORATION (which was NIPPON STEEL &amp; SUMITOMO METAL CORPORATION)</p> <p>President and Representative Director of Nippon Usiminas Co.,Ltd.</p> |                                                                                   | <p>Mr. Wataru Yoshida has a wealth of experience in financial institutions and has abundant knowledge of managing a company. He has been presented as a candidate for Outside Audit &amp; Supervisory Board Member because he is expected to perform his role as Outside Audit &amp; Supervisory Board Member by utilizing his knowledge and experience.</p> |                                                                                                                  |
| Independence/ Contract for Limitation of Liability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                   |                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                  |
| <p>1. Mr. Wataru Yoshida is a candidate for Outside Audit &amp; Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.</p> <p>2. Mr. Wataru Yoshida complies with the requirements for outside directors provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock</p>                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                   |                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                  |

Exchange and the criteria for independence prescribed by the Company. Therefore, The Company plans to appoint Mr. Wataru Yoshida as Independent Director who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submit notice of his appointment to the Exchange. The Company's criteria for independence are as set out on page twenty-four (24).

4. The Company has entered into a Contract for Limitation of Liability with Mr. Wataru Yoshida limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the Contracts with him.

(Notes)

Information of the candidates such as age or career shown above in this proposal is as of Jun. 1, 2020.

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

In case the number of Audit & Supervisory Board Members falls below the number specified by laws and regulations or the Articles of Incorporation, the Company proposes the election of one (1) substitute Audit & Supervisory Board Member.

The Company has obtained consent for this proposal from the Audit & Supervisory Board.

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

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Kazuhiro Mishina</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Outside</p> <p>Independent</p> <p>Male</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Date of Birth (Age)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Sep. 23,1959 (60)</p>                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Number of shares of the Company owned</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>0 Share</p>                                |
| <p>Career summary, position and significant concurrent occupations or positions at other organizations</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Reasons for his candidacy as substitute for Outside Audit &amp; Supervisory Board Member</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               |
| <p>Sep. 1989 Assistant Professor of Harvard Business School</p> <p>Oct. 1995 Assistant Professor of the Center for Research and Investigation of Advanced Science and Technology of Japan Advanced Institute of Science and Technology</p> <p>Apr. 1997 Assistant Professor of the School of Knowledge Science of Japan Advanced Institute of Science and Technology</p> <p>Oct. 2002 Assistant Professor of the Graduate School of Business Administration of Kobe University</p> <p>Oct. 2004 Professor of Graduate School of Business Administration of Kobe University (Present Position)</p> | <p>Mr. Kazuhiro Mishina has specialized knowledge as a researcher in the field of corporate strategy and business strategy. He has been presented as a candidate for substitute Audit &amp; Supervisory Board Member so that he may perform his role as Outside Audit &amp; Supervisory Board Member by utilizing his knowledge and backed by his learning as a university professor. He has not participated in corporate management in any form other than as Outside Director; however, for the above reasons, the Company determined that he is able to serve as Outside Audit &amp; Supervisory Board Member appropriately.</p> |                                               |

[Significant concurrent occupations or positions at other organizations]

Professor of Graduate School of Business Administration of Kobe University

Outside Director of Fuji Oil Holdings Inc.

Independence/ Contract for Limitation of Liability

1. Mr. Kazuhiro Mishina is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.
2. Mr. Kazuhiro Mishina complies with the requirements for outside audit & supervisory board members provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. The Company's criteria for independence are as set out on page twenty-four (24).
3. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into a Contract for Limitation of Liability with him limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.

(Notes)

Information of the candidate such as age or career shown above in this proposal is as of Jun. 1, 2020.

<Reference>

### Criteria for Independence

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

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



|  |                                                                                                                                                                                                                                                                                    |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>the Director or Audit &amp; Supervisory Board Member belongs will be deemed to a recipient):</p> <p>The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 10 million yen.</p> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**Proposal No.5: Payment of bonuses to Directors**

The Company proposes the payment of a total of 42 million yen as bonuses to Five (5) Directors, excluding Outside Directors among the Eight (8) Directors who were in office as of the end of the 95<sup>th</sup> business year (year ended March 31, 2020) in order to reward their distinctive merits. The Directors' bonuses of the Company are calculated by considering the performance of the Company and reflecting the job performance of each Director.

<Reference>

## Corporate Governance of the Company

### (1) Basic Approach to Corporate Governance

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

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

### Sumitomo's Basic Business Philosophy

#### Article 1

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

#### Article 2

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

### SMM Group Corporate Philosophy

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

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

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

### (2) Governance Framework

#### ① Organizational Structure

The Company has adopted Audit & Supervisory Board and Executive Officer systems to

ensure effective execution, monitoring, and supervisory functions within management. The Company is managed by three organs, namely (i) the Board of Directors, in charge of major decisions and supervision, (ii) Representative Directors and Executive Officers, in charge of the execution of business, and (iii) the Audit & Supervisory Board Members and Accounting Auditor, in charge of auditing.

② Reasons for adoption of present corporate governance system

With regard to the appropriateness of business-execution decisions and supervision capabilities, the Company considers its corporate governance system to be working effectively. This is because, among other factors, the Company's Board of Directors deems that as a result of analysis and appraisal of the effectiveness of the Board of Directors based on external evaluation, no significant problems have been observed; as a result of monitoring of the status of operation of internal-control system, no significant problems have been observed; and no problems have been indicated in the audit reports of the Audit & Supervisory Board. It intends to continue to pursue soundness, transparency, and efficiency of management by endeavoring to maintain and build an optimum business management structure.

(3) 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 supervisory functions and discloses a summary of these results.

In fiscal 2019, the Board of Directors analyzed and evaluated the effectiveness of its performance, with the following results:

① Analysis and evaluation process

The Board of Directors formulates a questionnaire and conducts a survey of directors and Audit & Supervisory Board members with the cooperation of an external law firm. To ensure that details of responses are not monitored by the individuals in charge within SMM, the responses are submitted to an external law firm that is entrusted with compiling and analyzing the responses.

Based upon the overall results of the self-evaluations by directors and Audit & Supervisory Board members included in the survey, the external evaluations by the law firm, and the confirmation of what the Board of Directors should ideally be (aim to achieve a Board of Directors focused on decision-making function) conducted in fiscal 2016, the Board of Directors reviewed its own effectiveness at a regular Board of Directors meeting held in February 2020, where it confirmed its evaluation and discussed its response going forward.

② Overview of analysis and evaluation results

The fiscal 2019 analysis and evaluation of Board effectiveness found that with reference to "what the Board of Directors should ideally be," the Board of Directors exercises its supervisory

functions through its decision making, and it was confirmed that no serious problems were perceived in the effectiveness of the Board of Directors. Additionally, although the fiscal 2019 questionnaire surveyed the necessity of a review of “what the Board of Directors should ideally be” as three years had passed since the formulation of this policy, all directors were in agreement that the review of policy was not required.

Many questionnaire responses stated the opinion that the Board of Directors conducted vigorous discussion and deliberation regarding important agenda items, and that discussion was conducted from diverse perspectives, with outside directors and Audit & Supervisory Board members actively stating their opinions based on their experience and respective fields of speciality. Overall, the evaluation confirmed that the Board of Directors conducted appropriate discussion and deliberation.

Meanwhile, regarding the need to establish opportunities for discussion and deliberation of important management issues, an area for improvement identified in the fiscal 2017 and 2018 evaluations, issues raised during the fiscal 2019 evaluation included that although the Board of Directors worked to create such opportunities, it was not able to discuss each of SMM’s three business segments in a balanced manner, and that from the perspective of a Board of Directors which focuses on decision-making function, there was a need for the Board to revisit and check the implementation progress and results of investment projects that it previously resolved.

The Board of Directors also confirmed that in addition to steps including reviewing items for report and checking the affiliation of the chairperson, reports on the latest trends in corporate governance will also be made to the Board of Directors as part of initiatives to increase training opportunities for officers

### ③ Future steps

Through the discussion and deliberation outlined above, the Board of Directors confirmed that the following steps will be taken in order to improve its effectiveness in an ongoing manner.

- Deliberation of important management issues and monitoring of investment projects resolved by the Board of Directors
- Reporting of current issues (securing personnel, etc.) to the Board of Directors and related discussion
- Reporting of recent trends in corporate governance to the Board of Directors

END

## **Instructions for Exercising Voting Rights by an electromagnetic method**

### **1. Exercise of voting rights via the Internet**

- (1) You may access the voting rights exercise site (<https://www.web54.net>), enter your voting rights exercise code and password appearing on the enclosed voting form or scan the 2d barcode on the enclosed voting form and follow the instructions to register your vote either for or against the proposals.
- (2) The deadline for the exercise of voting rights via the Internet is 5:00pm (Japan Time), Thursday, June 25, 2020.
- (3) Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders.

Please contact the direct number below if you have any questions concerning the exercise of voting rights via the Internet.

Administrator of Shareholder Registry :

Securities Agent Web Support

Sumitomo Mitsui Trust Bank, Limited

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

### **2. Voting rights exercise platform for institutional investors**

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

### **3. Matters concerning the exercise of voting rights**

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