

Note: This document is an English Translation of the “Notice of the 12th Ordinary General Meeting of Shareholders (Dai-12-ki Teiji Kabunushi Sokai Shoshu Go-Tsuchi),” and prepared solely for the convenience of shareholders who are non-Japanese speakers. In the event of any discrepancy between this translated document and the Japanese original document, the Japanese original text shall prevail. UACJ Corporation does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.

(Securities Code: 5741)

May 30, 2025

Start date of measures for electronic provision: May 23, 2025

Dear shareholders:

Shinji Tanaka
Representative Director, President
UACJ Corporation
1-7-2 Otemachi, Chiyoda-ku, Tokyo

Notice of the 12th Ordinary General Meeting of Shareholders

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on the Company website shown below. Please view the information.

The Company's website:

<https://www.uacj.co.jp/ir/library/annualmeeting.htm> (in Japanese)

In addition to posting items subject to measures for electronic provision on the website above, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE). Access the following TSE website (Listed Company Search), enter “UACJ” in “Issue name (company name)” or the Company's securities code “5741” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

TSE website (Listed Company Search):

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

- 1. Date and Time:** Friday, June 20, 2025, at 10:00 a.m. (JST) (Reception begins at 9:00 a.m.)
2. Venue: 3rd Floor, Tokyo Sankei Building (Rooms 301-303, Otemachi Sankei Plaza)
1-7-2 Otemachi, Chiyoda-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Reports on Business Report, Consolidated Financial Statements, and Report on Audit Results of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 12th fiscal term (from April 1, 2024 to March 31, 2025)
2. Reports on Non-consolidated Financial Statements for the 12th fiscal term (from April 1, 2024 to March 31, 2025)

Matters to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Dividends of Surplus |
| Proposal No. 2 | Amendment to the Articles of Incorporation |
| Proposal No. 3 | Election of Ten (10) Directors |
| Proposal No. 4 | Election of One (1) Audit & Supervisory Board Member |
| Proposal No. 5 | Revision of Amount of Remuneration for Directors |
| Proposal No. 6 | Revision of Medium- to Long-Term Share-Based Remuneration Plan for Directors |
| Proposal No. 7 | Revision of Amount of Remuneration for Audit & Supervisory Board Members |

4. Matter to be Determined Upon Convocation (Matters Related to the Exercise of Voting Rights)

- If you attend the meeting in person, you are kindly requested to submit the voting form that was sent together with the notice for this convocation at the reception desk.
 - If you opt not to attend the meeting in person, you may exercise your voting rights via the internet, or by mail using the voting form. Please review the “Reference Documents for the General Meeting of Shareholders” and make sure that your votes are submitted no later than 5:45 p.m. on Thursday, June 19, 2025 (JST).
 - When exercising voting rights by mail using the voting form, if a vote for or against a proposal is not indicated on the voting form, it will be considered an indication of approval.
 - If you exercise your voting rights redundantly by voting via the internet and by mailing of the voting form, the vote via the internet will be counted as the valid vote. If you vote via the internet multiple times, the last vote will be counted as the valid vote.
- Among the items subject to measures for electronic provision, the following items are not included in the documents delivered to shareholders who have requested physical document delivery pursuant to the provisions of applicable laws and regulations and the Company’s Articles of Incorporation. Notably, the Audit & Supervisory Board Members and the accounting auditor have audited documents that include the following items:
 1. “System for Ensuring the Propriety of the Business Activities and Status of the Operation of the System” in the Business Report.
 2. “Consolidated Statement of Changes in Equity” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements.
 3. “Statement of Changes in Shareholders’ Equity” and “Notes to Non-Consolidated Financial Statements” in the Non-consolidated Financial Statements.
 - If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the above Company website and the TSE website.
 - The Company delivers documents containing excerpts from the reference documents for the General Meeting of Shareholders and the Business Report. Shareholders who wish to receive, from the next occasion onward, documents containing items subject to electronic provision (excluding matters not included in the delivered documents) in written form are requested to complete the necessary procedures by the record date for the Ordinary General Meeting of Shareholders (March 31 each year).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Dividends of Surplus

The Company regards paying dividends to be an important measure for returning profits to shareholders; therefore, our basic policy is to pay stable dividends on an ongoing basis. In implementing that, we determine dividend amounts by comprehensively accounting for many factors, including the inventory effects and other trends in performance, investments to improve corporate value, and reinforcing the Company's financial standing.

From the perspective of achieving stable dividend distribution in light of the performance trends, performance forecasts for the next fiscal term and financial condition, the Company proposes to pay ¥80 per share as a year-end dividend for this fiscal term. Given the interim dividend of ¥70 per share, this brings the annual dividend to ¥150 per share.

Matters related to the year-end dividends

1. Type of dividend property
Cash
2. Matters concerning the allotment of dividend property to shareholders and total amount thereof
¥80 per common share of the Company
Total payment: ¥3,620,689,040
3. Effective date of dividends of surplus
June 23, 2025

Proposal No. 2 Amendment to the Articles of Incorporation

1. Reasons for the proposal

The Company will relocate its head office to enhance communication and productivity and create an office environment of “well-being.” Accordingly, the location of the head office stipulated in Article 3 of the current Articles of Incorporation (Head Office) shall be changed from Chiyoda-ku, Tokyo to Minato-ku, Tokyo. The amendments shall become effective as of the date of the head office relocation determined by the Board of Directors meeting to be hosted by March 31, 2026, and supplementary provisions have been established to clearly state this. Furthermore, the supplementary provisions are to be deleted after the effective date of the head office relocation.

2. Details of the amendments

Details of the amendments are as follows.

(The underlined parts indicate the amended text.)

Current Articles of Incorporation	Proposed amendments
Article 3. (Head Office) The Company’s head office shall be located in <u>Chiyoda-ku</u> , Tokyo. (Newly established)	Article 3. (Head Office) The Company’s head office shall be located in <u>Minato-ku</u> , Tokyo. (Supplementary Provisions) <u>The amendment to Article 3 shall become effective as of the</u> <u>date of the head office relocation determined at the Board of</u> <u>Directors to be hosted by March 31, 2026. Furthermore, these</u> <u>supplementary provisions shall be deleted after the effective</u> <u>date of the head office relocation.</u>

[Reference] Skills Matrix

The Company appoints candidates for Directors and Audit & Supervisory Board Members based on the following appointment criteria and procedure.

Criteria and Procedure for the Appointment of Directors and Audit & Supervisory Board Members

- (1) Candidates for the Company's Directors are nominated by the Nomination and Remuneration Advisory Committee according to the following criteria and then proposed by the Committee to the Board of Directors for its discussion and decision-making.
 - (i) Possess a mature personality and qualities to gain respect and trust of others.
 - (ii) Possess a revolutionizing power to create and promote changes, and the ability to make bold decisions from a wide perspective.
 - (iii) Possess a driving force to present clear visions of the Company and utilize a multiplicity of talents to mobilize others, and the ability to carry through and deliver results under any circumstances.
 - (iv) Candidates for outside Directors must meet the standards for independence set by the Company, and there must be no risk of a conflict of interest with general shareholders.
- (2) Candidates for the Company's Audit & Supervisory Board Members are nominated by the Nomination and Remuneration Advisory Committee according to the following criteria and then, after obtaining the approval of the Audit & Supervisory Board, proposed by the Committee to the Board of Directors for its discussion and decision-making.
 - (i) Possess a mature personality and qualities to gain respect and trust of others.
 - (ii) Possess the knowledge and experience to perform accurate and fair audits on the directors' execution of duties.
 - (iii) Possess deep insight, extensive knowledge and experience in specialized fields such as corporate management, finance and accounting, legal and governance, and risk management.
 - (iv) Candidates for outside Audit & Supervisory Board Members must meet the standards for independence set by the Company, and there must be no risk of a conflict of interest with general shareholders.

Standards for independence set by the Company:

<https://www.uacj.co.jp/sustainability/management/pdf/independence.pdf> (in Japanese)

The members and expertise of the Board of Directors of the Company are as follows.

1. "UACJ VISION 2030" and the Fourth Mid-Term Management Plan
The Company has developed "UACJ VISION 2030" that depicts its vision for 2030, and is making efforts to realize it. To expand growth and value creation and strengthen the character of the organization toward achieving "UACJ VISION 2030" based on the foundation established during the Third Mid-Term Management Plan, the Company has set up the following three (3) major policies of the Fourth Mid-Term Management Plan (from fiscal 2024 to fiscal 2027).
Maximize revenue and improve profitability through increased value creation
Strengthen our agile and flexible structure
Strengthen foundations supporting value creation and stable business operations
2. The Company's Skills Matrix
To realize the Company's vision, discussions have been held in meetings of the Nomination and Remuneration Advisory Committee and the Board of Directors on the skills (knowledge, experience, and capability) that the Board of Directors should possess, and the following nine (9) skill fields were selected.

	Skill fields	Reasons for selection as skill fields
(i)	Corporate management/Strategy	Knowledge, experience, and capability related to a wide range of corporate management and strategy—whether with the Company or outside the Company—are indispensable for the Group to work with a variety of stakeholders to promote efforts to resolve material issues in the business environment with the aim of expanding value creation to maximize revenue and improve the rate of return.
(ii)	Finance/Accounting	Strengthening financial standing through management efforts focusing on capital efficiency is the Group's key issue, and knowledge, experience, and capability related to finance and accounting are indispensable when preparing, supervising, and auditing appropriate financial statements.
(iii)	Sales/Marketing	Knowledge, experience, and capability related to sales and marketing are indispensable for capturing demand in growth fields and markets and expanding the area of activity for aluminum as a material with environmental value.
(iv)	Overseas business	Knowledge, experience, and capability related to overseas business is indispensable for efforts aimed at expanding the area of activity for aluminum by making use of our three-point global supply network encompassing Japan, North America, and Thailand and contributing to the stabilization of supply chains of countries and industries.
(v)	R&D/Manufacturing	Knowledge, experience, and capability related to research & development and manufacturing are indispensable for strengthening the foundation that underpins value creation and stable business management in addition to initiatives to reduce environmental impacts of aluminum products.
(vi)	Legal/Governance	Knowledge, experience and capability related to legal and governance is indispensable in order to promote efforts for corporate governance required of a listed company in the prime market and to enhance corporate value, in addition to ensuring compliance and risk management.
(vii)	IT/Digital	Knowledge, experience, and capability related to IT and digital technology are indispensable for strengthening the foundation that underpins stable business management and creating and expanding business in new domains to contribute to the realization of "UACJ VISION 2030."
(viii)	Sustainability	In order to contribute to achieving a better world, knowledge, experience, and capability in sustainability is indispensable for taking the lead in establishing an aluminum recycling-oriented society, while making use of a variety of human resources and promoting human resource development and diversity.
(ix)	Other industries/Other fields	In order to realize "UACJ VISION 2030," knowledge, experience and capability in other industries and other fields is indispensable when supervising management from an outside perspective and as one factor that provides diversity to the Board of Directors.

Company Board of Directors after the 12th Ordinary General Meeting of Shareholders (Planned)

If Proposal No. 3 and Proposal No. 4 are approved as originally proposed, the Skills Matrix for the Company Board of Directors will be according to the following.

Based on “knowledge,” “experience” and “capability” of the Directors and the Audit & Supervisory Board Members, (○) is marked for the “fields highly expected” of each person. As such, the Skills Matrix does not indicate all of the knowledge, experience, and capability of each person.

The Board of Directors of the Company will function as an institution equipped with the nine (9) skill fields as the Board of Directors as a whole and practice appropriate supervision of management.

	Name and Attributes			Tenure	Nomination/Remuneration Advisory Committee Member (Note)	(i)	(ii)	(iii)	(iv)	(v)
						Corporate management/Strategy	Finance/Accounting	Sales/Marketing	Overseas business	R&D/Manufacturing
Directors (Proposal No. 3)	Miyuki Ishihara	Male	Internal	10 years	✓	○				○
	Shinji Tanaka	Male	Internal	4 years		○			○	○
	Joji Kumamoto	Male	Internal	2 years		○		○	○	
	Fumiharu Jito	Male	Internal	3 years				○		○
	Kozo Okada	Male	Internal	–	✓		○	○	○	
	Takahiro Ikeda	Male	Outside Independent	7 years	✓	○		○	○	
	Akio Sakumiya	Male	Outside Independent	7 years	✓	○				
	Yoshitaka Mitsuda	Male	Outside Independent	3 years	✓					○
	Ryoko Nagata	Female	Outside Independent	2 years	✓	○		○		
	Makiko Akabane	Female	Outside Independent	2 years	✓				○	
Audit & Supervisory Board Members (Proposal No. 4)	Ryu Sawachi	Male	Internal	3 years						
	Haruhiro Iida	Male	Internal	1 year			○		○	
	Hiroyuki Yamasaki	Male	Outside Independent	7 years		○	○			
	Yoshiro Motoyama	Male	Outside Independent	7 years		○			○	○
	Yuko Furumoto	Female	Outside Independent	–					○	

Note: At the Board of Directors meeting to be held after this General Meeting of Shareholders, the Company plans to elect Directors indicated by a check (✓) as members of the Nomination and Remuneration Advisory Committee. Also, at the Nomination and Remuneration Advisory Committee meeting that will follow, a committee chairperson will be appointed from among members who are independent outside Directors.

		(vi)	(vii)	(viii)	(ix)	Main reasons for marking (○) in the relevant skill fields
		Legal/ Governance	IT/Digital	Sustaina- bility	Other industries/ Other fields	
Directors (Proposal No. 3)	Miyuki Ishihara	○		○		(i) Experience as President of the Company; (v) Long-standing experience in manufacturing division; (vi) and (viii) Supervising the Company's corporate governance and sustainability as Chairman of the Board
	Shinji Tanaka			○		(i) President of the Company; (iv) Long-standing experience in overseas business (incl. overseas posting); (v) Long-standing experience in manufacturing division; (viii) Experience as Chief Executive of Corporate Sustainability Division
	Joji Kumamoto				○	(i) In charge of Company management strategy; (iii), (iv), and (ix) Experience in sales and overseas business at a major general trading company
	Fumiharu Jito		○			(iii) In charge of Chief Executive of Marketing and Technology Division; (v) Long-standing experience in manufacturing division; (vii) In charge of Information Technology Division
	Kozo Okada					(ii) In charge of Chief Executive of Finance and Accounting Division; (iii) Long-standing experience in sales division; and (iv) Experience in overseas business (incl. overseas posting)
	Takahiro Ikeda				○	(i), (iii), (iv), and (ix) Experience as director of a major chemical manufacturer (experience in sales, marketing, management of overseas business)
	Akio Sakumiya	○			○	(i), (vi), and (ix) Experience as director and executive vice president of a major electronic components manufacturer (served as committee member and vice chairperson of various advisory committees), and experience as an outside corporate auditor of other companies
	Yoshitaka Mitsuda		○	○	○	(v), (vii), (viii), and (ix) Experience in education and research on smelting and recycling of non-ferrous metals at university and research institutions, experience in university operations, and experience as an outside director of other companies
	Ryoko Nagata	○			○	(i), (iii), (vi), and (ix) Experience as executive officer / auditor of a major food producer, and experience as an outside director and audit & supervisory of other companies
	Makiko Akabane			○	○	(iv), (viii), and (ix) Experience with consulting and support activities for sustainability, and experience as an outside director of other companies

		(vi)	(vii)	(viii)	(ix)	Main reasons for marking (○) in the relevant skill fields
		Legal/ Governance	IT/Digital	Sustaina- bility	Other industries/ Other fields	
Audit & Supervisory Board Members (Proposal No. 4)	Ryu Sawachi	○		○		(vi) Experience as Vice Chief Executive of the Business Support Division; (viii) Experience as General Manager of Public and IR Division
	Haruhiro Iida					(ii) Experience as Chief Executive of Finance and Accounting Division; (iv) Experience in overseas business (incl. overseas posting)
	Hiroyuki Yamasaki	○			○	(i), (ii), (vi), and (ix) Certified public accountant, experience in business execution as a director / outside director of other companies
	Yoshiro Motoyama				○	(i), (iv), (v), and (ix) Experience as director and Senior Vice President of a major foreign-affiliated automobile manufacturer (experience as general manager of product engineering division)
	Yuko Furumoto	○			○	(iv), (vi) and (ix) Experience in the legal department at a major general trading company, experience as an outside director / outside audit & supervisory board member of other companies

Proposal No. 3 Election of Ten (10) Directors

At the conclusion of this General Meeting of Shareholders, the terms of office of all ten (10) Directors will expire. Therefore, the Company proposes the election of ten (10) Directors (including five (5) outside Directors) based on the opinion from the Nomination and Remuneration Advisory Committee.

The candidates for Directors are as follows:

Candidate No.	Name & Attributes			Current position and responsibilities in the Company	Record of attendance at Board of Directors meetings	Tenure as Director
1	Miyuki Ishihara	Male	Reelection	Director and Chairman of the Board	18/18 (100%)	10 years
2	Shinji Tanaka	Male	Reelection	Representative Director, President Management of the Company	18/18 (100%)	4 years
3	Joji Kumamoto	Male	Reelection	Director, Senior Managing Executive Officer Delegated Chief Executive of Corporate Strategy Division	18/18 (100%)	2 years
4	Fumiharu Jito	Male	Reelection	Director, Managing Executive Officer Delegated Chief Executive of Marketing & Technology Division, Delegated Chief Executive of Research & Development Division of Marketing & Technology Division, in charge of advancing digital transformation	18/18 (100%)	3 years
5	Kozo Okada	Male	New election	Executive Officer Delegated Chief Executive of Finance and Accounting Division	—	—
6.	Takahiro Ikeda	Male	Reelection Outside Independent	Outside Director	18/18 (100%)	7 years
7	Akio Sakumiya	Male	Reelection Outside Independent	Outside Director	18/18 (100%)	7 years
8	Yoshitaka Mitsuda	Male	Reelection Outside Independent	Outside Director	18/18 (100%)	3 years
9	Ryoko Nagata	Female	Reelection Outside Independent	Outside Director	18/18 (100%)	2 years
10	Makiko Akabane	Female	Reelection Outside Independent	Outside Director	18/18 (100%)	2 years

Note: After this General Meeting of Shareholders, each Director will remain in charge of the above.

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
1	Miyuki Ishihara (July 9, 1957) Reelection Tenure as Director 10 years Record of attendance at Board of Directors meetings 18/18	Apr. 1981 Oct. 2012 Oct. 2013 June 2015 Apr. 2017 Apr. 2018 June 2018 June 2022 Apr. 2024	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer Director Representative Director & President Representative Director, President Director and Chairman of the Board (current position)	13,626 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Serving as Director and Chairman of the Board since April 2024, Mr. Ishihara has appropriately performed supervisory functions from his position as a non-executive Director through the Board of Directors, leveraging his extensive experience and insights. In his role as Chairman of the Board, he actively promotes improving the effectiveness of the Board of Directors and contributes to enhancing the corporate value of the Group while effectively integrating diverse perspectives within the Board. Given his extensive experience and proven track record of accurately grasping complex situations from a broad perspective and making appropriate judgments, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
2	Shinji Tanaka (January 17, 1963) Reelection Tenure as Director 4 years Record of attendance at Board of Directors meetings 18/18	Apr. 1987 Apr. 2018 June 2021 Apr. 2022 Apr. 2024	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer Representative Director, President (current position)	9,624 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Serving as Representative Director, President since April 2024, Mr. Tanaka demonstrates strong leadership and outstanding capabilities in executing the management of the Group. He leads the Group with a strong unifying force toward achieving the Mid-Term Management Plan and “UACJ VISION 2030.” Along with the extensive experience described above, he has been identifying the core of issues and involving surrounding people with his unifying force toward achieving the targets. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
3	Joji Kumamoto (April 9, 1962) Reelection Tenure as Director 2 years Record of attendance at Board of Directors meetings 18/18	Apr. 1985 Apr. 2017 Apr. 2022 June 2023 Apr. 2024 Apr. 2025	Joined Sumitomo Corporation Joined the Company Executive Officer Director and Executive Officer Director and Managing Executive Officer Director and Senior Managing Executive Officer (current position)	1,820 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kumamoto worked at a major general trading company and was involved in overseas business for many years mainly in the field of non-ferrous metals. Since joining the Company, he has taken the lead in formulating “UACJ VISION 2030” and mid-term management plans for realizing it as Chief Executive of Corporate Strategy Division based on his past experience. Since April 2025, he has served as Director and Senior Managing Executive Officer, demonstrating strong leadership in implementing strategies and achieving objectives. Along with the extensive experience described above, and based on performances that he has been identifying the core of management issues and leading the Company Group toward the realization of the Company vision, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
4	Fumiharu Jito (July 24, 1963) Reelection Tenure as Director 3 years Record of attendance at Board of Directors meetings 18/18	Apr. 1988 Apr. 2022 June 2022 Apr. 2024	Joined Furukawa Electric Co., Ltd. Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer (current position)	4,197 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Jito has long been active in Manufacturing Division and R&D Division operations, and has exercised strong leadership in formulating and promoting marketing and technical strategies for the Group since assuming the position of Chief Executive of Marketing and Technology Division as Director, Managing Executive Officer since April 2024. Along with the extensive experience described above, and based on performances that he has displayed powerful leadership towards achieving the goals even in difficult situations, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
5	Kozo Okada (April 10, 1967) New election	Apr. 1992 Apr. 2018 Apr. 2020 Apr. 2021 Apr. 2023 Apr. 2024	Joined Sumitomo Light Metal Industries, Ltd. General Manager of Sales Department 3 of Flat Rolled Products Division of the Company General Manager of Finance Department of Finance and Accounting Division General Manager of Finance Department and Investor Relations Department of Finance and Accounting Division Vice Chief Executive of Finance and Accounting Division, and General Manager of Finance Department Executive Officer and Chief Executive of Finance and Accounting Division (current position)	486 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Having been engaged for many years in sales and finance divisions, Mr. Okada has served as Chief Executive of Finance and Accounting Division since April 2024, demonstrating strong leadership in formulating and implementing financial strategies and actively engaging in dialogues with capital markets. Considering his extensive experience and his demonstrated ability to lead the organization by involving those around him with a strong unifying force to achieve goals, the Company has determined that he is qualified to serve as Director and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
6	<p>Takahiro Ikeda (July 9, 1951) Reelection Outside Independent</p> <p>Tenure as Director 7 years Record of attendance at Board of Directors meetings 18/18</p>	<p>Apr. 1975 Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2006 Executive Officer and Deputy Division General Manager of Polymer Division of Mitsubishi Chemical Corporation (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2007 Executive Officer and General Manager of Chemical Division</p> <p>July 2008 Director and President of Dia Chemical Co., Ltd.</p> <p>June 2010 Managing Executive Officer of Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2013 Director of the Board and Managing Executive Officer</p> <p>Apr. 2015 Advisor (resigned in March 2016)</p> <p>Apr. 2016 Executive Advisor of ITOCHU CHEMICAL FRONTIER Corporation (resigned in March 2018)</p> <p>May 2016 Representative Director of TI Associate Co., Ltd. (current position)</p> <p>June 2018 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of TI Associate Co., Ltd.</p>	3,600 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Ikeda has served as a director of a major chemical manufacturer, and has gained extensive experience through his involvement in the management of said company as well as the management of the group companies of said company. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's business development in Japan and overseas and risk management, utilizing his extensive perspectives on management that have been acquired over the course of his career, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. The Company has no transactions with TI Associate Co., Ltd. Accordingly, the company does not fall under the category of specified associated service provider, and therefore, the Company has judged that Mr. Ikeda is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
7	Akio Sakumiya (September 10, 1952) Reelection Outside Independent Tenure as Director 7 years Record of attendance at Board of Directors meetings 18/18	Apr. 1975	Joined Tateisi Electronics Manufacturing Company (currently OMRON Corporation)	1,600 shares
		June 2003	Executive Officer, General Manager of Amusement Equipment Business Division of OMRON Corporation, and President and CEO of OMRON Ichinomiya Co., Ltd. (currently OMRON AMUSEMENT CO., Ltd.)	
		Apr. 2009	Executive Officer, Company President of Electronic Components Business Company of OMRON Corporation	
		June 2010	Managing Executive Officer, Company President of Electronic and Mechanical Components Company	
		June 2011	Senior Managing Director	
		June 2014	Director and Executive Vice President (resigned in June 2017)	
		Mar. 2018	Outside Audit & Supervisory Board Member of Asahi Glass Co., Ltd. (currently AGC Inc.) (resigned in March 2022)	
		June 2018	Outside Director of the Company (current position)	
[Reasons for nomination as a candidate for outside Director and outline of expected roles] Mr. Sakumiya has served as a director and executive vice president of a major electronic components manufacturer, and has gained extensive experience and knowledge in corporate governance through his involvement in the management of said company and the group companies of said company, as well as through serving as a committee member and vice chairperson of various advisory committees relating to nomination and remuneration for directors and the like of said company. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's management strategy and corporate governance and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. The Company has no transactions with AGC Inc. Accordingly, the company does not fall under the category of specified associated service provider, and therefore, the Company has judged that Mr. Sakumiya is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.				

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
8	Yoshitaka Mitsuda (November 1, 1959) Reelection Outside Independent Tenure as Director 3 years Record of attendance at Board of Directors meetings 18/18	<p>July 1993 Associate Professor, Institute of Industrial Science, The University of Tokyo</p> <p>Dec. 2002 Senior Specialist, Higher Education Policy Planning Division, Higher Education Bureau, Ministry of Education, Culture, Sports, Science and Technology (held as a concurrent position up to March 2005)</p> <p>June 2005 Professor, Institute of Industrial Science, The University of Tokyo</p> <p>Apr. 2009 Special Assistant to the President (in charge of finance) (resigned in March 2013) Deputy Director, Institute of Industrial Science (resigned in March 2014)</p> <p>Mar. 2020 Retired from The University of Tokyo</p> <p>Apr. 2020 Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education</p> <p>June 2020 Professor, Emeritus of The University of Tokyo (current position)</p> <p>June 2022 Outside Director of the Company (current position)</p> <p>June 2023 Outside Director of EDP Corporation (current position)</p> <p>Apr. 2025 Specially Appointed Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education (current position)</p> <p>Significant concurrent positions outside the Company Specially Appointed Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education Outside Director of EDP Corporation</p>	400 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Mitsuda has abundant academic experience in materials and extensive experience in university management and industry-academia-government collaboration. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's R&D, IT and digital, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. Mr. Mitsuda does not have corporate managerial experience other than serving as an outside Director or outside Audit & Supervisory Board Member in the past, but for the reasons above, the Company believes that he can perform his duties appropriately. The Company has no transactions with EDP Corporation. Accordingly, the company does not fall under the category of specified associated service provider, and therefore, the Company has judged that Mr. Mitsuda is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
9	<p>Ryoko Nagata (July 14, 1963) Reelection Outside Independent</p> <p>Tenure as Director 2 years Record of attendance at Board of Directors meetings 18/18</p>	<p>Apr. 1987 Joined Japan Tobacco Inc.</p> <p>June 2008 Senior Vice President, Head of Beverage Business</p> <p>June 2013 Senior Vice President, CSR</p> <p>Jan. 2018 Senior Vice President, Assistant to President</p> <p>Mar. 2018 Standing Audit & Supervisory Board Member (resigned in March 2023)</p> <p>June 2021 Outside Director and Member of the Audit Committee of Honda Motor Co., Ltd. (current position)</p> <p>Mar. 2023 Outside Audit & Supervisory Board Member of MEDLEY, INC. (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Outside Director and Member of the Audit Committee of Honda Motor Co., Ltd. Outside Audit & Supervisory Board Member of MEDLEY, INC.</p>	400 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Ms. Nagata has served as an executive officer and auditor of a major food producer, and has gained extensive experience through her involvement in the management of said company as well as the management of the group companies of said company. The Company expects that she will continue to provide valuable advice from an objective perspective in areas such as corporate strategy, sales and marketing, legal affairs and governance, utilizing her extensive perspectives on management that have been acquired over the course of her career, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates her as a candidate for outside Director. The Company has no transactions with Japan Tobacco Inc. and MEDLEY, INC. The Company has transactions with Honda Motor Company, but the amount of the transactions is less than 0.1% of total consolidated sales of the Company and of Honda Motor Company. Accordingly, neither of the companies falls upon the specified associated service provider, and therefore, the Company has judged that Ms. Nagata is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
10	<p>Makiko Akabane (November 21, 1969)</p> <p>Reelection Outside Independent</p> <p>Tenure as Director 2 years</p> <p>Record of attendance at Board of Directors meetings 18/18</p>	<p>Apr. 1993 Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Limited) (resigned in March 1994)</p> <p>Jan. 2001 Team Manager of Public Relations Office, Environmental and Social Contribution Business at Starbucks Coffee Japan Co., Ltd. (resigned in July 2003)</p> <p>Aug. 2003 General Manager of Social Contribution Department at Salesforce.com Co., Ltd (currently Salesforce Japan Co., Ltd.) (retired in October 2006)</p> <p>Nov. 2006 General Manager of CSR Office at Nikko Asset Management Co., Ltd. (resigned in September 2007)</p> <p>Apr. 2010 Representative Director of CSR Asia (current position)</p> <p>June 2022 Outside Director of PIOLAX, INC. (current position)</p> <p>June 2023 Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of CSR Asia Outside Director of PIOLAX, INC.</p>	200 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Ms. Akabane has abundant academic experience gained from consulting and support activities related to sustainability at various companies, the Ministry of the Environment, and universities. The Company expects that she will continue to provide valuable advice from an objective perspective in areas such as the Group's sustainability and overseas business, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates her as a candidate for outside Director. The Company has no transactions with CSR Asia and PIOLAX, INC. Accordingly, neither of the companies falls upon the specified associated service provider, and therefore, the Company has judged that Ms. Akabane is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

- Notes:
- There are no special interests between any of the candidates and the Company.
 - The Company has entered into an indemnification agreement with each of the candidates for reelection as provided in Article 430-2, paragraph 1 of the Companies Act, which stipulates that the Company will indemnify the candidates for the expenses set forth in Article 430-2, paragraph 1, item 1 of the Companies Act and the losses set forth in Article 430-2, paragraph 1, item 2 of the Companies Act to the extent provided by laws and regulations. However, as a measure to prevent the appropriateness of a corporate officer's execution of duties from being impaired by the said agreement, if, for example, there is malicious intent or serious negligence in the execution of duties, the agreement does not cover damages arising from certain acts. In the event that each of the candidates for reelection is elected and assumes office as a Director, the Company plans to continue the said agreement with each of the candidates for reelection. Moreover, if a candidate for new election is elected and assumes office as a Director, the Company plans to enter into a similar indemnification agreement with the candidate.
 - The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act, which includes each of the candidates for reelection as an insured. Under this insurance policy, the Company will cover the damages that may arise due to the insured assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility, and the Company bears the full amount of the insured's insurance premiums. However, there are certain coverage exemptions, such as not being covered for damages caused by actions taken with the knowledge that such actions are in violation of laws and regulations. If each of the candidates for reelection is elected and assumes office as a Director, he or she will continue to be included as an insured under the relevant insurance policy. Moreover, if a candidate for new election is elected and assumes office as a Director, the candidate will be included as an insured under the same insurance policy. The Company plans to renew the policy with the same terms and conditions at the next renewal.
 - Matters regarding candidates for outside Director
 - Mr. Takahiro Ikeda, Mr. Akio Sakumiya, Mr. Yoshitaka Mitsuda, Ms. Ryoko Nagata, and Ms. Makiko Akabane are candidates for outside Director.

- (2) The Company has provided notice to the Tokyo Stock Exchange for appointing Mr. Takahiro Ikeda, Mr. Akio Sakumiya, Mr. Yoshitaka Mitsuda, Ms. Ryoko Nagata, and Ms. Makiko Akabane as independent directors of the Company. If re-elected, they will remain independent directors.
- (3) Mr. Takahiro Ikeda, Mr. Akio Sakumiya, Mr. Yoshitaka Mitsuda, Ms. Ryoko Nagata, and Ms. Makiko Akabane are currently outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, their tenures since assuming office as outside Directors will have been seven (7) years, seven (7) years, three (3) years, two (2) years and two (2) years, respectively.
- (4) The Company has entered into limited liability agreements with Mr. Takahiro Ikeda, Mr. Akio Sakumiya, Mr. Yoshitaka Mitsuda, Ms. Ryoko Nagata, and Ms. Makiko Akabane pursuant to the Articles of Incorporation limiting their liability to pay compensation for damage to the total amount specified in Article 425, paragraph 1 of the Companies Act. If they are re-elected, the Company plans to maintain this agreement.

Proposal No. 4 Election of One (1) Audit & Supervisory Board Member

At the conclusion of this meeting, Audit & Supervisory Board Member Mr. Yuki Iriyama will resign. Therefore, the Company proposes the election of Ms. Yuko Furumoto as Audit & Supervisory Board Member based on the opinion from the Nomination and Remuneration Advisory Committee.

It should be noted that the consent of the Audit & Supervisory Board has been obtained for this Proposal.

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
Yuko Furumoto (October 4, 1963) New election Outside Independent	<p>Apr. 1986 Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) (resigned in January 1993)</p> <p>Apr. 1995 Registered as an attorney, admitted in the State of New York, the U.S.</p> <p>Sep. 1995 Joined Mitsubishi Corporation</p> <p>Aug. 2011 Acting General Manager, Compliance Department</p> <p>Apr. 2012 Chief of Compliance Management Office, Legal Department</p> <p>Mar. 2015 Outside Director of Kanro Inc. (resigned in March 2019)</p> <p>Apr. 2015 Compliance Officer, Living Essentials Group, Mitsubishi Corporation</p> <p>Apr. 2018 Compliance Officer, Corporate Staff Section (resigned in October 2023)</p> <p>May 2019 Audit & Supervisory Board Member, Mitsubishi Corporation Life Sciences Limited (resigned in June 2023)</p> <p>Dec. 2023 Corporate Auditor, Mynavi Corporation (current position)</p> <p>Mar. 2024 Outside Director, I-ne Co., Ltd. (current position)</p> <p>Jun. 2024 Outside Audit & Supervisory Board Member, ZENKOKU HOSHO Co., Ltd. (current position)</p> <p>Significant concurrent positions outside the Company Corporate Auditor of Mynavi Corporation Outside Director of I-ne Co., Ltd. Outside Audit & Supervisory Board Member of ZENKOKU HOSHO Co., Ltd.</p>	- shares

[Reasons for nomination as a candidate for outside Audit & Supervisory Board Member]

Having served in important compliance-related positions at a major general trading company, Ms. Furumoto possesses extensive global experience and deep insights into corporate legal affairs and compliance. Given her advanced legal expertise cultivated through her professional career, the Company believes she will appropriately perform audits and provide valuable insights regarding the Group, and therefore nominates her as a candidate for Outside Audit & Supervisory Board Member. The Company has no transactions with Mitsubishi Corporation, Mitsubishi Corporation Life Sciences Limited, I-ne Co., Ltd. or ZENKOKU HOSHO Co., Ltd. Although the Company has transactions with Mynavi Corporation, the transaction amount accounts for less than 0.1% of the consolidated net sales of the Company and of Mynavi Corporation. Accordingly, neither of the companies falls upon the specified associated service provider, and therefore, the Company has judged that Ms. Furumoto is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.

- Notes:
1. There are no special interests between the candidate and the Company.
 2. In the event that the candidate is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to enter into an indemnification agreement with the candidate as provided in Article 430-2, paragraph 1 of the Companies Act. The content of the said indemnification agreement is that the Company will indemnify the candidate for the expenses set forth in Article 430-2, paragraph 1, item 1 of the Companies Act and the losses set forth in Article 430-2, paragraph 1, item 2 of the Companies Act to the extent provided by law. However, as a measure to prevent the appropriateness of a corporate officer's execution of duties from being impaired by the said agreement, if, for example,

there is malicious intent or serious negligence in the execution of duties, the agreement does not cover damages arising from certain acts.

3. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. Under this insurance policy, the Company will cover the damages that may arise due to the insured assuming responsibility for the execution of her duties or receiving claims related to the pursuit of such responsibility, and the Company bears the full amount of the insured's insurance premiums. However, there are certain coverage exemptions, such as not being covered for damages caused by actions taken with the knowledge that such actions are in violation of laws and regulations. If the candidate is elected and assumes office as an Audit & Supervisory Board Member, she will be included as an insured under the same insurance policy. The Company plans to renew the policy with the same terms and conditions at the next renewal.
4. Matters regarding candidates for outside Audit & Supervisory Board Members
 - (1) Yuko Furumoto is a candidate for outside Audit & Supervisory Board Member.
 - (2) The Company will provide notice to the Tokyo Stock Exchange for appointing her as an independent audit & supervisory board member of the Company.
 - (3) If she is elected, the Company plans to enter into a limited liability agreement with her pursuant to the Articles of Incorporation limiting her liability to pay compensation for damage to the total amount specified in Article 425, paragraph 1 of the Companies Act.

[Reference Information Concerning Revision of Remuneration System for Directors related to Proposal No. 5 and Proposal No. 6]

The remuneration system for Directors of the Company consists of three components: (1) fixed basic remuneration paid monthly, (2) short-term performance-linked remuneration paid annually, and (3) medium- to long-term share-based remuneration paid over multiple years (renamed from “medium- to long-term performance-linked remuneration” effective April 1, 2025; hereinafter the same). To enable Directors to continuously generate sufficient profit to meet various stakeholders’ expectations and contribute widely to society through stable and sound business growth, and to enhance further their incentive to contribute to share price appreciation, corporate value enhancement, and medium- to long-term performance improvement by sharing the benefits and risks of stock price fluctuations with shareholders, the Company has decided to revise the remuneration levels for Directors and the proportion of variable remuneration (meaning the short-term performance-linked remuneration and the medium- to long-term share-based remuneration; hereinafter the same) as described below:

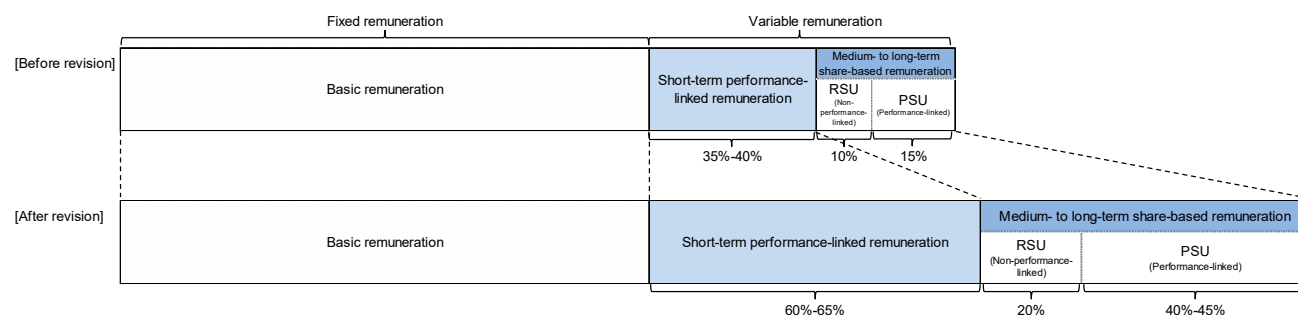
- (1) Raise basic remuneration to a competitive level to attract talented individuals who can drive the Company’s growth and enhance their motivation to contribute.
- (2) Increase the proportion of short-term performance-linked remuneration relative to basic remuneration, thereby strengthening incentives to achieve performance goals outlined in the Company’s business strategy and increasing its share within the total remuneration package.
- (3) Raise the proportion of medium- to long-term share-based remuneration relative to basic remuneration to increase its share within the total remuneration package, thereby strengthening incentives to achieve performance goals outlined in the Company’s business strategy and further aligning interests with shareholders beyond current practices. This will make it a remuneration system that contributes to enhancing shareholder value.

Proposal No. 5 proposes the details regarding the implementation of items (1) and (2) above, and Proposal No. 6 proposes the details of item (3).

The content of Proposal Nos. 5 and 6 has been resolved by the Board of Directors based on recommendations from the Company’s Nomination and Remuneration Advisory Committee.

Image Diagram

The proportion of each variable remuneration (assuming a payout ratio of 100%) relative to basic remuneration for Executive Directors of the Company is as follows.



Proposal No. 5 Revision of Amount of Remuneration for Directors

The amount of remuneration for Directors was approved at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018, and at the 10th Ordinary General Meeting of Shareholders held on June 21, 2023, to set the total annual amount of (1) fixed basic remuneration paid monthly and (2) short-term performance-linked remuneration paid annually at no more than ¥650 million per year (including remuneration for Outside Directors capped at ¥110 million per year).

To establish a remuneration system that allows Directors to continuously generate sufficient profit to meet various stakeholders' expectations and contribute widely to society through stable and sound business development, the Company believes it is necessary to: (1) maintain a competitive remuneration level for basic remuneration, taking into consideration the growth of the Company Group, changes in compensation levels at other companies, and the anticipated increase in the roles and responsibilities of Outside Directors, thus securing talented individuals who can lead the Company's growth and enhance their motivation to contribute; and (2) enhance incentives to achieve performance goals outlined in the Company's business strategy by increasing the proportion of short-term performance-linked remuneration relative to basic remuneration, thus increasing its share within total remuneration. Following deliberation by the Nomination and Remuneration Advisory Committee, the Company has concluded that the maximum remuneration amount for Directors should be revised. Consequently, the Company proposes revising the remuneration amount for Directors to an amount not exceeding ¥900 million per year (including remuneration for Outside Directors capped at ¥150 million per year).

Remuneration for Outside Directors shall remain limited to the basic remuneration determined in the above (1) since their main responsibility is to give supervision from an objective and independent perspective.

Same as before, for Directors who also serve as employees, the remuneration amount for Directors does not include their salary as an employee, and the remuneration amount for individual Directors shall be determined based on a resolution of the Board of Directors within the above framework.

An overview of the Company's "Policy, etc. on Determination of Details of Remuneration for Officers, etc." is provided in the Business Report (as described on and after page 46 of the Notice of the 12th Ordinary General Meeting of Shareholders posted on the Company's website, etc.). The Company believes that the content of this proposal is appropriate and consistent with these policies.

Currently, there are ten (10) Directors (including five (5) Outside Directors). If Proposal No. 3 "Election of Ten (10) Directors" is approved as initially proposed, the number of Directors will remain at ten (10) (including five (5) Outside Directors).

Proposal No. 6 Revision of Medium- to Long-Term Share-Based Remuneration Plan for Directors

The Company has introduced a medium- to long-term share-based remuneration plan for Directors (previously named the “medium- to long-term performance-linked remuneration plan”; hereinafter, the “Plan”) at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018, the 8th Ordinary General Meeting of Shareholders held on June 22, 2021, and the 11th Ordinary General Meeting of Shareholders held on June 19, 2024, consisting of a Restricted Stock Unit (RSU) plan and a Performance Share Unit (PSU) plan, through which common shares of the Company and cash are provided. Under the Plan, the total monetary remuneration claims and cash payable as medium- to long-term share-based remuneration have been approved with upper limits calculated by multiplying the stock price at the time of delivery by the number of shares for each fiscal year: for RSU, up to 15,000 shares per fiscal year (including 7,500 shares actually delivered) targeting Directors excluding Outside Directors, and for PSU, up to 45,000 shares per fiscal year (including 22,500 shares actually delivered) targeting Directors excluding non-executive directors, multiplied by the number of fiscal years in the applicable Mid-Term Management Plan period. The Company believes that, for its Directors to achieve the Fourth Mid-Term Management Plan and realize increases in the Company’s stock price and corporate value, it is necessary to enhance incentives for achieving performance targets under the Company’s business strategy by increasing the ratio of medium- to long-term share-based remuneration to basic remuneration, thereby raising its proportion within total remuneration. This approach will also promote greater alignment with shareholders by sharing more fully the benefits and risks of stock price fluctuations and will strengthen motivation to contribute to improved performance over the medium to long term. Following deliberations by the Nomination and Remuneration Advisory Committee, the Company has concluded that the upper limits of the Plan should be revised. Accordingly, the Company proposes to revise the upper limits on the total amount of monetary remuneration claims and cash granted under the plan as follows:

for RSU, to no more than 60,000 shares per fiscal year (of which 30,000 shares are to be delivered), and for PSU, to no more than 200,000 shares per fiscal year (of which 100,000 shares are to be delivered), multiplied in each case by the number of fiscal years in the applicable mid-term management plan period, and within the monetary amount calculated based on the stock price at the time of delivery.

The delivery of common shares of the Company and payment of cash under the System is determined by comprehensively taking into consideration various matters such as the degree of contribution of the Subject Directors. Since the maximum number of common shares of the Company to be delivered each fiscal term will be approximately 0.29% of the total number of issued shares (the ratio of the total number of the Company’s common shares delivered to the total number of issued shares if the Company issues the maximum number of the Company’s common shares over a period of ten years will be around 2.87%), the dilution ratio is insignificant, and the Company therefore believes that the content of the System is reasonable.

An overview of the Company’s “Policy, etc. on Determination of Details of Remuneration for Officers, etc.” is provided in the Business Report (as described on and after page 46 of the Notice of the 12th Ordinary General Meeting of Shareholders posted on the Company’s website, etc.). The delivery of common stock of the Company and cash under this proposal aligns with this policy.

At the present time there are ten (10) Directors (of which five (5) are Outside Directors), however if Proposal No. 3 “Election of Ten (10) Directors” is approved as originally proposed, there will be ten (10) Directors (of which five (5) will be Outside Directors).

1. Outline of the System

(1) Categories of the System

The System is classified into the following two categories.

1) RSU

This is a share-based remuneration system in which a number of units determined by the Board of Directors of the Company are allotted annually to the Subject Directors (Directors excluding outside Directors), and provided that they have continued their service during the three fiscal terms from the fiscal term of initial allotment, at the end of the third fiscal term a number of the Company's common shares and an amount of cash determined in advance by the Board of Directors of the Company are delivered and paid.

2) PSU

This is a share-based remuneration system in which the number of the units determined by the Board of Directors of the Company will be allocated to the Subject Directors (Directors excluding non-executive directors) in the first fiscal year commencing in multiple consecutive fiscal years (the initial subject period shall be from the fiscal year ended March 31, 2025 to the fiscal year ending March 31, 2028, and after the initial subject period, PSU may be implemented for multiple consecutive fiscal years coinciding with the duration of the next mid-term management plan, with the first fiscal year being the one that starts immediately after the previous subject period ends.), and the number of shares of common stock of the Company and cash will be delivered and paid to the Subject Directors after the end of said multiple fiscal years in accordance with the rate of achievement, etc. of numerical targets for the said multiple fiscal years set in advance by the Board of Directors of the Company.

(2) Structure of the System

1) RSU

- i) The Board of Directors of the Company will determine the base amount and the number of units to be allotted to each Subject Director in accordance with the importance of his or her responsibilities, etc., and will allot units to each Subject Director each year.
- ii) The Company will determine the number of shares of common stock of the Company to be delivered and the amount of money to be paid to each Subject Director based on the number of units allocated to each Subject Director after the end of three consecutive fiscal years, with the fiscal year in which the units were allocated as the first fiscal year.
- iii) The Company will issue monetary remuneration receivables, the amounts of which are determined in accordance with the number of shares of the Company's common stocks to be issued to each Subject Director as determined in the above (ii), for each Subject Director for the purpose of contributing them in kind, and such Subject Director will receive the allotted shares of common stock by paying all the concerned monetary remuneration receivables in kind to the Company. The paid-in amount for such shares shall be determined by the Board of Directors of the Company, to the extent that it is unduly favorable to each Subject Director who is receiving the shares, based on the closing price of shares of the Company's common stocks on the Tokyo Stock Exchange on the business day before the date of the resolution of the Board of Directors of the Company on said issuance or disposal (if transaction is not completed on the same day, the closing price of the most recent trading day before that; hereinafter referred to as the "Share Price at Time of Delivery").
- iv) To secure the funds the Subject Directors need for tax obligations in connection with the allotment of the shares mentioned in (iii) above, in addition to the monetary remuneration receivables described in the above (iii), the Company will pay the amount of cash decided in accordance with the above (ii) to the Subject Directors.

2) PSU

- i) The Board of Directors of the Company shall determine the base amount and the number of units to be allotted to each Subject Director in accordance with the importance of his or her responsibilities, etc., and allot units to each Subject Director in the first of multiple consecutive fiscal years beginning with the fiscal year determined by the Board of Directors of the Company.
- ii) The Company shall determine, at the Board of Directors of the Company, each of the numerical targets used in PSU, calculation methods of payment rate in accordance with the achievement rate of the targets,

- and calculation formulas that are required for specifically calculating the number of shares of the Company's common stocks to be issued and the amount of cash to be provided to the Subject Directors.
- iii) The Company will determine the number of shares of common stock of the Company to be delivered to each Subject Director and the amount of money to be paid to each Subject Director based on the payment rate, etc. calculated in accordance with the achievement rate of each numerical target determined by the Board of Directors of the Company after the end of multiple consecutive fiscal years, with the fiscal year in which the unit is allocated as the first fiscal year.
 - iv) The Company will issue monetary remuneration receivables, the amounts of which are determined in accordance with the number of shares of the Company's common stocks to be issued to each Subject Director as determined in the above (iii), for each Subject Director for the purpose of contributing them in kind, and such Subject Director will receive the allotted shares of common stocks by paying all the concerned monetary remuneration receivables in kind to the Company. The amount to be paid in for the shares of common stock of the Company shall be determined by the Board of Directors of the Company based on the Share Price at Time of Delivery to the extent that it is not particularly favorable to each of the Subject Directors who will receive the shares of common stock of the Company.
 - v) To secure the funds the Subject Directors need for tax obligations in connection with the allotment of the shares mentioned in (iv) above, in addition to the monetary remuneration receivables described in the above (iv), the Company will pay the amount of cash decided in accordance with the above (iii) to the Subject Directors.
- (3) Calculation methods to determine the number of shares of the Company's common stocks to be issued and cash amount to be provided to each Subject Director under the System
- The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be provided to each Subject Director in accordance with the following.
- 1) RSU
 - i) Every year, each Subject Director is allotted units to the number obtained by dividing the base amount (*1) by the market share price at the time of the allotment of units (*2) (however, in the event of the calculation resulting in a fraction of less than one (1) unit, this shall be rounded off).
 - ii) After the end of three consecutive fiscal years, with the fiscal year in which the units are allocated as the first fiscal year, each unit allocated to each Subject Director in (i) above shall be converted to the number of shares at the rate of one (1) share per unit, and the remaining half shall be converted to cash in accordance with the Share Price at Time of Delivery and paid to each Subject Director. The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be paid in accordance with the following.
 - (a) Number of shares of the Company's common stocks to be issued

$$\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times 50\%$$
 - (b) Amount of cash to be paid

$$\{\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times 50\%\} \times \text{Share Price at Time of Delivery}$$
 - *1 The Base Amount will be determined individually by the Board of Directors of the Company based on standard amount of the RSU for each position.
 - *2 The Share Price at Time of Allotment of Units is the average closing share price for the one (1) month period directly prior to the day before the meeting of the Board of Directors at which the agenda for the ordinary general meeting of shareholders to be held in the fiscal year in which the units were allocated. Further, the Share Price at Time of Allotment of Units for the current Applicable Period is ¥4,714 which is the average closing price for the period from April 14, 2025 until May 12, 2025.
 - 2) PSU
 - i) In the first fiscal year of multiple consecutive fiscal years determined by the Board of Directors of the Company, each Subject Director is allotted units to the number obtained by dividing the base amount (*3) by the market share price at the time of the allotment of units (*4) (however, in the event of the calculation resulting in a fraction of less than one unit, this shall be rounded off).
 - ii) After the end of multiple consecutive fiscal years, with the fiscal year in which the units are allocated as the first fiscal year, the number of units held by each Subject Director will be determined by

- multiplying the number of units allocated to each Subject Director in (i) above by the payment rate (ranging from 0% to 200%) calculated in accordance with the achievement rate of each numerical target determined by the Board of Directors of the Company, and then determining the final payment rate in the range of 0% to 200% by using the method of evaluation based on the total shareholder return ratio.
- iii) Each unit held by each Subject Director to the number confirmed in (ii) above shall be converted to the number of shares at the rate of one (1) share per unit. Half of these shall be issued in the form of shares of the Company's common stocks, and the remaining half shall be converted to cash in accordance with the Share Price at Time of Delivery and paid to each Subject Director. The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be paid in accordance with the following.
- (a) Number of shares of the Company's common stocks to be issued

$$\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times \text{Payment Rate} \times 50\%$$
- (b) Amount of cash to be paid

$$\{\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times \text{Payment Rate} \times 50\%\} \times \text{Share Price at Time of Delivery}$$
- *3 This Base Amount will be determined individually by the Board of Directors of the Company based on an amount equivalent to the standard value of the PSU for each position over the number of years in the subject period (four years for the initial period).
- *4 The Share Price at Time of Allotment of Units is the average closing share price for the one-month period directly prior to the day before the meeting of the Board of Directors at which the agenda for the ordinary general meeting of shareholders to be held in the first of the multiple consecutive fiscal years beginning with the fiscal year determined by the Board of Directors of the Company. Further, the Share Price at Time of Allotment of Units for the current Applicable Period is ¥4,709 which is the average closing price for the period from April 11, 2024 until May 10, 2024.
- (4) Conditions for issuing the shares of the Company's common stocks and providing cash to Subject Directors Under the System, the Company will provide the shares of the Company's common stocks and cash to Subject Directors if the following conditions are fulfilled.
- 1) RSU
- The shares of the Company's common stocks will be provided to the Subject Directors through the issuance of shares or the disposal of treasury stock. The Subject Directors who will receive these shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Board of Directors of the Company after three fiscal years has passed since the allotment of units in accordance with the requirements stated in from (i) to (iii) below and calculation method described in (3) above.
- i) The Subject Director has continuously served as a Director or Executive Officer of the Company for three consecutive fiscal years since the first fiscal year in which the units were allocated
- ii) There was no misconduct as defined by the Board of Directors of the Company
- iii) Other requirements that are determined by the Board of Directors of the Company as necessary to achieve the objectives of the System are fulfilled
- * Notwithstanding (i) above, in the event that a Subject Director loses his or her position as both a Director and Executive Officer of the Company during the three consecutive fiscal years following the first fiscal year in which the units were allocated, the Company will deliver shares of common stock of the Company and pay cash to him or her in proportion to his or her period of service based on a reasonable method at the time previously determined by the Board of Directors of the Company. (However, as a system transition measure in connection with the revision of the System implemented in fiscal 2021, with respect to RSU units to be allocated from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024, even if a Subject Director loses his or her position as both a Director and Executive Officer of the Company before the expiration of three years after the unit is allocated, the units will not be prorated in accordance with the period of service, and the Company will deliver shares of common stock of the Company or pay cash in accordance with the method previously determined by the Board of Directors of the Company at the time previously determined by the Board of Directors of the Company.)

2) PSU

The shares of the Company's common stocks will be provided to the Subject Directors through the issuance of shares or the disposal of treasury stock. The Subject Directors who will receive these shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Board of Directors of the Company after multiple consecutive fiscal years with the first fiscal year being the one in which the units were allotted have passed in accordance with the requirements stated in from (i) to (iii) below and calculation method described in (3) above.

- i) The Subject Director has continuously served as a Director or Executive Officer of the Company for multiple consecutive fiscal years since the first fiscal year in which the units were allocated
- ii) There was no misconduct as defined by the Board of Directors of the Company
- iii) Other requirements that are determined by the Board of Directors of the Company as necessary to achieve the objectives of the System are fulfilled

* Notwithstanding (i) above, in the event that a Subject Director loses his or her position as both a Director and Executive Officer of the Company during the multiple consecutive fiscal years following the first fiscal year in which the units were allocated, the Company will pay cash to him or her in proportion to his or her period of service based on a reasonable method at the time previously determined by the Board of Directors of the Company.

In addition, the units shall be allocated to each Director who newly assumes office during the multiple consecutive fiscal years as determined by the Board of Directors of the Company, prorated in accordance with his or her term of office from the date of said assumption of office during said multiple consecutive fiscal years, and after the end of said multiple consecutive fiscal years, the number of units held by each Subject Director will be determined in accordance with (3) 2) (ii) above, and the Company will deliver shares of common stock of the Company and pay cash to the Subject Directors in accordance with (3) 2) (iii) above.

(5) Treatment during organizational restructuring, etc.

If, prior to the delivery of shares of the Company's common stock under the System, a merger agreement in which the Company will become a disappearing company, a share exchange agreement or share transfer plan in which the Company will become a wholly owned subsidiary, or any other proposal concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (or, if such organizational restructuring, etc. does not require approval at a General Meeting of Shareholders of the Company, at a meeting of the Board of Directors of the Company), the Company shall, by a resolution of the Board of Directors of the Company, grant a number of shares of the Company's common stock and provide an amount of cash calculated based on a reasonable method to the Subject Directors prior to the effective date of such organizational restructuring, etc.

[Reference]

- 1. Subject to the approval of Proposal No. 6 at this General Meeting of Shareholders, the Company intends to introduce the same revision to the medium- to long-term share-based remuneration plan applied to Executive Officers who do not concurrently serve as Directors.
- 2. The Company has established shareholding guidelines in which Directors (excluding outside Directors) and Executive Officers are recommended to hold an amount of the Company's shares, etc. with a value equivalent to 50% of basic remuneration (annual) during the five-year period from the day appointed as officer.
- 3. The Company has established a so-called malus and clawback provision stipulating that in cases where eligible Directors commit material misconduct or illegal acts, significant revisions are made to past fiscal years' financial statements, or other circumstances determined by resolution of the Board of Directors occur, the Board of Directors, upon receiving recommendations from the Nomination and Remuneration Advisory Committee, may cause eligible Directors to forfeit all or part of their units before they are vested and, if cash remuneration or share-based remuneration has already been paid or delivered, demand the return of all or part of such remuneration retroactively, covering a period of up to three (3) fiscal years.

Proposal No. 7 Revision of Amount of Remuneration for Audit & Supervisory Board Members

The remuneration amount for Audit & Supervisory Board Members of the Company was approved at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018, with a total annual amount not exceeding ¥100 million. Considering that the roles and responsibilities expected of Audit & Supervisory Board Members are increasing, the Company believes it is necessary to secure diverse talent with extensive expertise by maintaining a competitive remuneration level. Thus, in view of the changing economic conditions and remuneration levels at other companies, the Company proposes revising the remuneration amount for Audit & Supervisory Board Members to an annual amount not exceeding ¥150 million.

The remuneration amount for individual Audit & Supervisory Board Members shall be determined through discussions among Audit & Supervisory Board Members within the scope described above. Currently, the Company has five (5) Audit & Supervisory Board Members (including three (3) Outside Audit & Supervisory Board Members). If Proposal No. 4 is approved as originally proposed, the number of Audit & Supervisory Board Members will remain at five (5) (including three (3) Outside Audit & Supervisory Board Members).

Business Report (from April 1, 2024 to March 31, 2025)

1. Matters Relating to the Present State of the Corporate Group

Consolidated revenue ¥998.8 billion	Consolidated business profit ¥45.9 billion
Consolidated operating income ¥57.4 billion	Profit attributable to owners of the parent ¥28.0 billion

Note: Consolidated business profit is calculated by subtracting inventory effects and one-time or exceptional material gains or losses from operating income.

(1) Progression and results of business

Despite ongoing trends toward recovery in the global economy this current fiscal year, uncertainty has increased due to geopolitical risks in Europe and the Middle East, international tensions between major powers, and the impact of US tariff policy. In the Japanese economy, while increases in individual consumption and demand from inbound tourism have led to recovery, pressure from inflation remains high.

In the aluminum products industry, while domestic demand for sheet materials in the automotive industry was lower than that of the previous fiscal year, increased demand for sheet materials for semiconductor manufacturing equipment led to overall demand at nearly the same level as the previous fiscal year.

Regarding domestic sales volume of the Group, sheet materials were bolstered by materials for can stock and semiconductor manufacturing equipment, leading to an overall increase over the previous fiscal year. Regarding overseas sales volume of the Group, sales of can stock at Tri-Arrows Aluminum Inc. and UACJ (Thailand) Co., Ltd. increased over the previous fiscal year due to the recovery in demand for can stock in North America. This has resulted in an increase in sales volume for the Group's sheet products over the previous fiscal year.

Within this context, consolidated revenue was ¥998,781 million (up 11.9% year on year) due to increased sales volume and higher aluminum ingot prices. Regarding income, consolidated business profit was ¥45,882 million (up 5.7% year on year) mainly due to increased sales volume, consolidated operating income was ¥57,361 million (up 82.8% year on year) due to the effect of improved inventories from higher aluminum ingot prices and increased sales volume, and profit attributable to owners of parent was ¥27,979 million (up 101.9% year on year).

Regarding the performance of the Company apart from the Group, net sales were ¥348,089 million (up 18.7% year on year), operating income was ¥10,071 million (up 486.3% year on year), ordinary income was ¥8,862 million (up 157.7% year on year), and net income was ¥10,256 million (up 268.4% year on year).

Segment-specific figures were omitted because the Group has a single reporting segment, the Aluminum Products Business. The reporting segment name Aruminiumu (Aluminum) Products Business has been changed to Arumi (Aluminum) Products Business from the current fiscal year. This is a change in segment name (in Japanese) and has no impact on segment information.

(2) Capital investment and financing

In Japan, the Fukui Works is making capital investments to realize a recycling-oriented society through a joint venture with Yamaichi Metal Corp. to establish a melting recycling system that uses UBCs (used beverage cans) as a raw material. The Fukaya Works also continues to work on improving logistics and introducing equipment to specialize in producing thick plates. For capital investments at Tri-Arrows Aluminum Inc.'s North American production facilities, initiatives are underway to increase can stock production capacity and expand scrap usage. In other investments to replace deteriorated facilities, we are going beyond mere replacement to incorporate DX, streamlining, energy saving, essential safety, and other perspectives, and are designing investments to maximize their effect by integrating aging production lines into new production lines to achieve labor saving and increased productivity.

Capital investments by the Group as a whole (the Company and its consolidated subsidiaries) totaled ¥41.9 billion on an acceptance inspection basis, which was funded by the Company's own capital and borrowings.

In terms of future capital investment plans, during the period of the Company's Fourth Mid-Term Management Plan, in addition to general investment for the necessary safety measures and renewal of aging facilities, we will continue giving priority to allocating funds to the areas of "recycling applications," "automotive," "packaging/containers (can stock)" and "aerospace/defense" as growth investment.

In terms of financing activities, to support the goals of the Fourth Mid-Term Management Plan and the long-term vision "UACJ VISION 2030," as well as to secure long-term funding for sustained growth, the Company financed ¥33.0 billion in new subordinated loan in March 2025 to maintain and strengthen financial standing. These funds were allocated to business operations and repayment of existing interest-bearing liabilities. In addition, in November 2024, the Company obtained a "Green 1(F)" rating from the Japan Credit Rating Agency, Ltd. (JCR) for its green finance framework related to investment in UBC processing equipment scheduled to start operations at the Fukui Works in 2025. Based on this, the Company raised ¥4.0 billion through a green loan in January 2025 and established a ¥6.0 billion commitment-type term loan facility in March 2025.

(3) Corporate reorganization and other important matters

- (i) The Company entered into Management Integration Agreement dated August 31, 2022, agreeing to a business merger of UACJ Foil Corporation, the Company's consolidated subsidiary, and Toyo Aluminium K.K., a consolidated subsidiary of Nippon Light Metal Holdings Company, Ltd., with an (scheduled) effective date of April 1, 2023, in which JIC Capital, Ltd. will acquire 80% of the voting rights of the new integrated company, with the Company holding 20% of the voting rights.

Subsequently, following discussions with JIC Capital, Ltd., Nippon Light Metal Holdings Company, Ltd., and the Company, while maintaining shared recognition of the challenges—such as securing a stable supply of aluminum foil products in Japan and enhancing the presence and corporate value of Japan's aluminum foil industry—the parties agreed that the necessary conditions to proceed with the business integration had not been met. Each group decided to pursue its own independent growth strategy. Accordingly, the parties agreed to terminate the Basic Agreement on the Management Integration on October 31, 2024.

- (ii) On October 1, 2024, the Company implemented organizational restructuring through an absorption-type company split and merger with UACJ Extrusion Corporation, the Nagoya Works of UACJ Extrusion Nagoya Corporation, UACJ Extrusion Oyama Corporation, and UACJ Foundry & Forging Corporation to establish a framework for initiatives that generate group synergies in "promoting recycling," which is a key issue in the Fourth Mid-Term Management Plan and "aerospace/defense," which is positioned as a priority area. The trade name of UACJ Extrusion Nagoya Corporation was also changed to UACJ Extrusion Anjo Corporation, following the organizational restructuring.

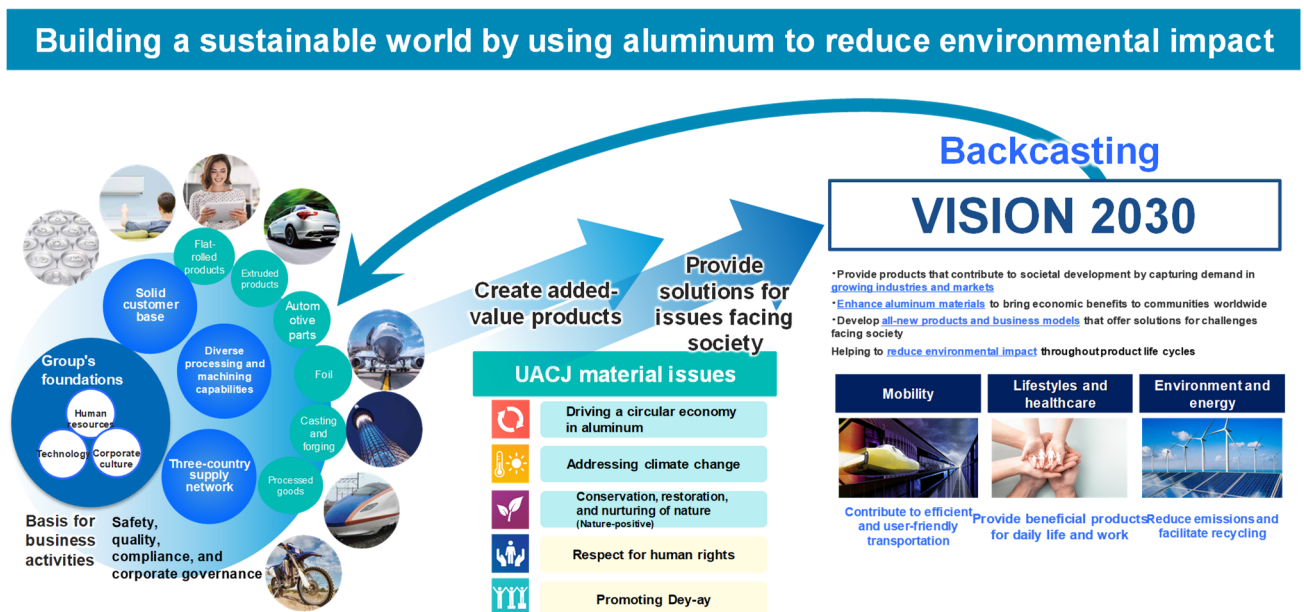
(4) Issues to address

The Group's "UACJ VISION 2030," which depicts its vision for 2030

The Group has developed "UACJ VISION 2030" (hereinafter "VISION 2030") to depict our vision for 2030 and realize the ideal state stated in the UACJ Group Philosophy. Over the medium and long term, demand for aluminum—an environmentally friendly, recyclable material—is expected to expand as the global population and economy grow and the need to address climate change intensifies. Based on this understanding of the macroenvironment, we set out the following four contributions for the Group to make by 2030 to achieve the sustainable and prosperous society described in our corporate philosophy.

- (i) Provide products that contribute to societal development by capturing demand in growing industries and markets
- (ii) Enhance aluminum materials in the supply and value chains to bring economic benefits to communities worldwide
- (iii) Develop all-new products and business models that offer solutions for challenges facing society
- (iv) Helping to reduce environmental impact throughout product lifecycles

We will contribute more broadly to the advancement of society by proactively capturing new demand in growth sectors and markets and providing products based on the management resources and strengths we have accumulated to date. We will also make efforts to create value with enhanced materials through supply and value chains, for example adding new value by processing and recycling materials in addition to providing them. Additionally, we will make efforts to resolve societal issues in mobility, lifestyle and health care, and environment and energy, the three domains we selected for new expansion and increased activity for aluminum with an eye toward 2030. Furthermore, we will contribute to reducing environmental impact throughout society by providing products and services and promoting recycling based on the properties of aluminum in both existing and new domains. Through these four contributions, we aim to contribute to the realization of a sustainable and prosperous society.



Fourth Mid-Term Management Plan (FY2024–FY2027) for Realizing “UACJ VISION 2030” — *Building and connecting for a lighter world*

The Group has formulated and is implementing the Fourth Mid-Term Management Plan (from fiscal 2024 to fiscal 2027), which defines the four-year period as a time to expand growth and value creation and strengthen the character of the organization toward achieving VISION 2030—with the concept of transforming from a company that provides materials to a company that provides added value “along with materials.” Although the business environment is expected to remain uncertain, we will continue to take on the challenge of transformation based on the following key strategic pillars (i) to (iii) defined in the Fourth Mid-Term Management Plan.

(i) Maximize revenue and improve profitability through increased value creation

The Group has defined the following four strategies for enhanced materials in the Fourth Mid-Term Management Plan: “Promote recycling,” “Expand material plus processing business,” “Contribute to supply chain stability in advanced fields,” and “Expand new domains.” By leveraging the Group’s diverse business strengths and providing broader and higher value to society and customers, we aim to maximize revenue and improve profitability.

- Promoting recycling: We aim to lead the development of a circular aluminum economy by expanding upstream into raw material processing and transforming our business model while also expanding the use of aluminum as a material of environmental value. In fiscal 2024, we continued capital investment in Japan, for the development of a system to recycle UBC (used beverage cans) through melting, and in the United States to increase can stock production and expand scrap usage. In Thailand, new equipment to enhance scrap processing capacity has commenced operations. Additionally, we established production system to prepare for mass production of the next-generation aluminum can end “EcoEnd™,” developed jointly with customers ahead of other companies and designed with superior recyclability. Going forward, we will continue our efforts to create added value by promoting recycling.
- Expand material plus processing business: We are targeting environmental value provision through lighter automobiles, etc. and thermal management, which contribute to reducing greenhouse gas (GHG) emissions. In fiscal 2024, with a view to generating added value by maximizing synergies across the Group, we worked to make optimal proposals to customers that combine our technologies and expertise in each domain and to provide higher added value through products and services by conducting integrated management in business domains from materials to processing for extruded products.
- Contribute to supply chain stability in advanced fields: In response to rising awareness of economic security driven by geopolitical risks, we are stabilizing the supply of high-value-added products and providing services in the aerospace, defense, battery, and semiconductor manufacturing equipment sectors in collaboration with external partners. In fiscal 2024, we reorganized the Casting & Forging Business Division into the Aerospace & Defense Materials Business Division and established a business structure to capture the demand in these sectors based on customers and markets to achieve the goal. Additionally, to capture the growth in battery demand due to electrification of automobiles, we have proceeded with capital investment to expand battery foil production. By providing a stable supply of high-quality aluminum, we aim to contribute to the resilience of supply chains.
- Expand new domains: To help resolve social issues, we are leveraging the unique characteristics of aluminum and the strengths of the Company to create and grow new business areas in the three fields of “mobility,” “lifestyle and healthcare,” and “environment and energy.”

(ii) Strengthen our agile and flexible structure

With the dual goals of improving capital efficiency and building a leaner, more resilient organization capable of responding to short- and long-term environmental changes, the Group is pursuing the following initiatives: “Build capability to address environmental changes,” “Increasing asset efficiency,” and “Automation (improving safety/productivity).”

Under these policies, in fiscal 2024, we built mechanisms and production frameworks to respond flexibly to external factors such as demand fluctuations, worked to enhance asset efficiency and generate funds by shortening the cash conversion cycle (CCC), mainly through inventory reduction, and optimizing equipment capacity, promoted automation and unmanned operations in manufacturing by renewing equipment and systems, and took steps to ensure safer work environments and increase labor productivity.

(iii) Strengthen foundations supporting value creation and stable business operations

To reinforce its foundation for creating value with enhanced materials and operating a stable business, the Group is strengthening human resources, technologies, brands, and internal and external collaboration through the following efforts: “attract and develop diverse talent and increase engagement,” “acquire, strengthen, and leverage intangible assets such as technologies and brands,” “use digital technologies to strengthen competitiveness and organizational capabilities,” and “strengthen proposal capabilities by further promoting collaboration and cooperation among businesses/divisions and with the supply chain and value chain.”

- Attract and develop diverse talent and increase engagement: We will promote the construction of a talent portfolio that drives growth, enhance our capacity for strategic execution through the growth of each employee and combinations of diverse human resources, and build a human resource management system that supports the growth of the individual and the organization, thereby strengthening the organizational capacity that underpins stable business management. In fiscal 2024, our efforts were externally recognized as we were selected for the second consecutive year as one of the “Certified Health & Productivity Management Outstanding Organizations (White500).”
- Acquire, strengthen, and leverage intangible assets such as technologies and brands: We will expand the area of activity for aluminum and strengthen our capacity to create added value by acquiring and enhancing our technical capacity—one of the Group’s strengths—and strengthening and utilizing intangible assets through branding that promotes the properties of aluminum and the value the Company extracts from it. In fiscal 2024, we unified our various product brands under the family brand “ALmitas+,” which has already been adopted by multiple customers. Through branding, we aim to convey the potential and appeal of aluminum, a material that contributes to solving social issues, promote adoption in new applications, and expand the Group’s business. In addition, as part of a national project, Development of advanced circulation technology for aluminum materials, the Company is working on development of upgrade recycling technology and has installed a pilot facility for core verification testing within our Research & Development Center. We will continue to advance technologies that contribute to solving social issues.
- Use digital technologies to strengthen competitiveness and organizational capabilities: We are using digital technology in all domains to streamline, advance, optimize, and visualize operational processes, and strengthen efforts to improve productivity and create safe, secure work environments by promoting automation of production floors with a long-term perspective. In fiscal 2024, we promoted initiatives to streamline and improve sales operations through system integration and renewal, and visualization of management data.
- Strengthen proposal capabilities by further promoting collaboration and cooperation among businesses/divisions and with the supply chain and value chain: To utilize the Group’s capital systematically and to the fullest with the aim of promoting recycling and expanding value-added business and new domains, we will enhance the Group’s collective strengths by further promoting collaboration between businesses and departments and strive for the sustainable growth and value creation of the Group by promoting further collaboration and cooperation with optimal partners in supply and value chains.

[Reference]

Initiatives for Achieving Management Conscious of Capital Cost and Stock Price

The Company positions sustainable enhancement of shareholder value as a core goal of corporate management. To that end, we pursue business operations, strategic investments, ongoing capital expenditures, and safety and environmental investments to expand earnings, achieve capital efficiency exceeding capital costs, and improve financial soundness—ultimately enhancing shareholder value.

Under the Fourth Mid-Term Management Plan (FY2024–FY2027), we have explicitly defined improving capital efficiency and increasing shareholder value through sustainable business growth as key management indicators.

UACJ Management Indicators and Numerical Targets

- Fourth Mid-Term Management Plan (fiscal 2027): PBR of 1.0 times or higher, ROE of 9% or higher, ROIC of 9% or higher, and D/E ratio below 1.0 times
 - UACJ VISION 2030 (fiscal 2030): ROE of 10% or higher, ROIC of 10% or higher
- *ROIC is calculated based on operating income before tax

In the Fourth Mid-Term Management Plan, our capital efficiency target is an ROE of 9% or higher, exceeding the cost of capital. By responding to the shift toward a circular economy and expanding the supply of high-value-added products, we aim to achieve sustainable earnings growth and improve capital efficiency. At the same time, we will continue strengthening our financial foundation, aiming for a D/E ratio below 1.0 times, and pursue appropriate allocation of management resources to help lower capital costs. We also plan to enhance disclosure of non-financial information and actively engage in dialogue with capital markets. We aim to achieve a PBR of 1.0 times or higher through these initiatives and enhance shareholder value.

UACJ Group sustainability efforts

Since fiscal 2021, the Group has identified key issues that we must prioritize in order to achieve sustainable growth together with society, referring to them as “materiality issues,” and has been working on these matters collectively and over the medium to long term.

The Group understands changes in the internal and external environments in a timely manner and revises the materiality issues as necessary, and recognizes this as an initiative essential to striking a balance between environmental, social, and economic sustainability in line with changes in the times and the sustainable growth of the UACJ Group.

Currently, we have identified three environmental materiality issues aimed at achieving a “future where a beautiful and abundant Earth continues to thrive” and two well-being-related materiality issues aimed at building “a healthy and harmonious society where everyone can feel Well-being.” To realize our vision of a lighter and brighter world 100 years from now, we are promoting initiatives across the entire supply chain—not just within the UACJ Group—and steadily advancing toward our targets while monitoring progress.

Initiatives toward three environmental materiality issues






- Leading the creation of a circular economy for aluminum: We have commenced operations of a melting furnace for recycling installed at UACJ (Thailand) Co., Ltd. (UATH), thus expanding use of recycled raw materials for can stock. This has improved the recycling rate at UACJ.
- Addressing climate change: In addition to improving the recycling rate at UACJ, we have advanced such initiatives as expanding solar power systems, promoting the use of LED lighting even further, improving efficiency through equipment upgrades, and strengthening insulation of heat treatment furnaces.
- Conservation, restoration, and nurturing of nature (nature positive): We have installed and commenced operations of water recycling equipment at UATH and have put forth water leak prevention measures at our sites in Japan.

As a result of these efforts, we have received leadership-level scores of “A-” for both Climate Change and Water Security based on an assessment by CDP (CDP 2024), an international NGO for environmental data disclosure.

Initiatives toward two materiality issues related to well-being

- Respect for human rights: We aim to implement human rights due diligence for all employees in Japan and abroad, and will address any issues requiring risk reduction or elimination immediately if discovered. We are also working to further instill and establish respect for human rights by strengthening educational efforts such as, code of conduct training and harassment prevention training, and enhancing internal communication. To our trading partners, we conduct awareness activities to obtain agreement on the purpose of the UACJ Group Sustainable Procurement Guidelines.
- Promoting Dei-ay: Based on the Dei-ay Promotion Declaration, we have implemented initiatives such as discussion sessions and employee networking activities for those with shared challenges to promote greater awareness of Dei-ay among employees. We have also promoted the creation of working environment where diverse human resources can thrive and supported their career development, while working to increase the recruitment of female managers and management candidates. We will continue to expand our focus beyond diversity to promoting well-being based on the UACJ Way principle of “mutual understanding and respect.”

Achievement targets and results for the five materiality issues are as follows.

Materiality issue	Evaluation indicator	Fiscal 2024 targets	Fiscal 2024 Results	Fiscal 2030 targets
Driving a circular economy in aluminum 	UACJ recycling rate*1	73%	73.9%	80%
Addressing climate change 	Reduction rate of Scope 1 and 2 per-unit emissions*2 versus fiscal 2019	19.1%	We will publish fiscal 2024 results on the Company's website after they are certified by a third party.	30%
	Reduction rate of Scope 3 per-unit emissions (Category 1) versus fiscal 2019	13.6%	20.1%	30%
Conservation, restoration, and nurturing of nature (nature positive) 	Reduction rate of water intake*3 versus fiscal 2020	10%	We will publish fiscal 2024 results on the Company's website as soon as figures are determined.	25% or more
Respect for human rights 	Percentage of due diligence executed*4	25%	52%	100%
	Level of respect for human rights*5	Over 3.6	3.59	3.9/5.0
Promoting Dei-ay 	Pervasiveness of Dei-ay*6	Over 3.1	3.12	3.4/5.0
	Percentage of women in management positions	9.5%	11.1%	15%

*1: Circulated aluminum amount/Amount charged into the melting furnace (excludes pure aluminum materials)

*2: Calculated based on the Sixth Strategic Energy Plan.

*3: Water intake covers industrial water supply, tap water, well water and surface water including recycled wastewater.

*4: Total number of employees at Group companies and other locations, etc. who have completed human rights due diligence training/Number of Group employees

*5: Average rating of question items related to compliance and human rights in the engagement survey

*6: Average score of employee engagement survey items relating to Pervasiveness of Dei-ay

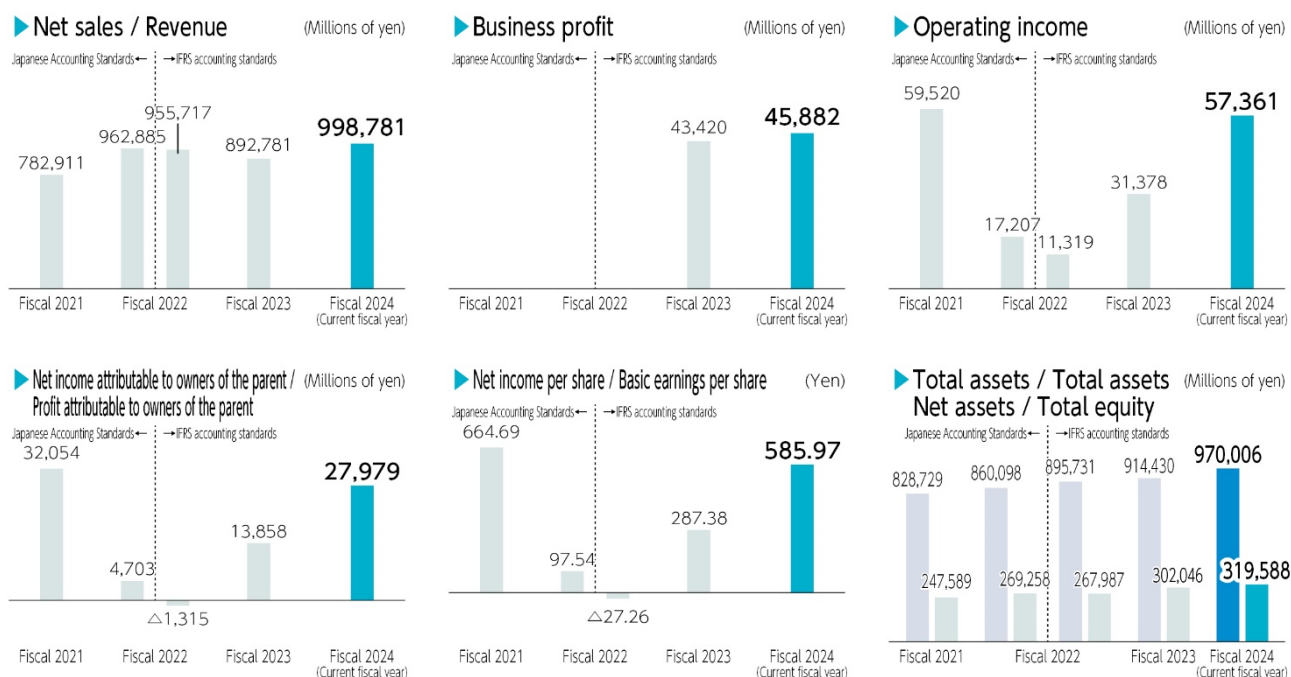
Additionally, consistent with our view that collaboration with external agencies is essential for resolving issues to achieve a sustainable society, we have joined the Aluminium Stewardship Initiative (ASI) and other Japanese and international initiatives. As initiatives, we renewed our ASI Chain of Custody (CoC) certifications for the Fukui and UATH Rayong Works to establish a system for providing certified products to customers. We also participate in working groups of the International Aluminium Institute (IAI) and make joint statements and proposals to enhance the recyclability of beverage cans, including at Can Manufacturers Institute. We are also engaging in communication with public agencies, academia, and other industries, and contributing to industry rule-making through participation in the Circular Partners (CPs), the Japan Aluminium Association, and other initiatives. Additionally, from fiscal 2024, we have also participated in the GX League—a forum where industry, academia, and government engage in discussions and market creation to achieve carbon neutrality by 2050 and realize sustainable growth through social transformation.

In order to achieve a better world, thus far and with a focus on the next 100 years, the UACJ Group will promote efforts based on the Sustainability Policy and make steady progress toward achieving goals while monitoring our progress.

We ask our shareholders for their continued support in the future.

(5) Changes in assets and profit (loss)

(i) Changes in assets and profit (loss) of the Group

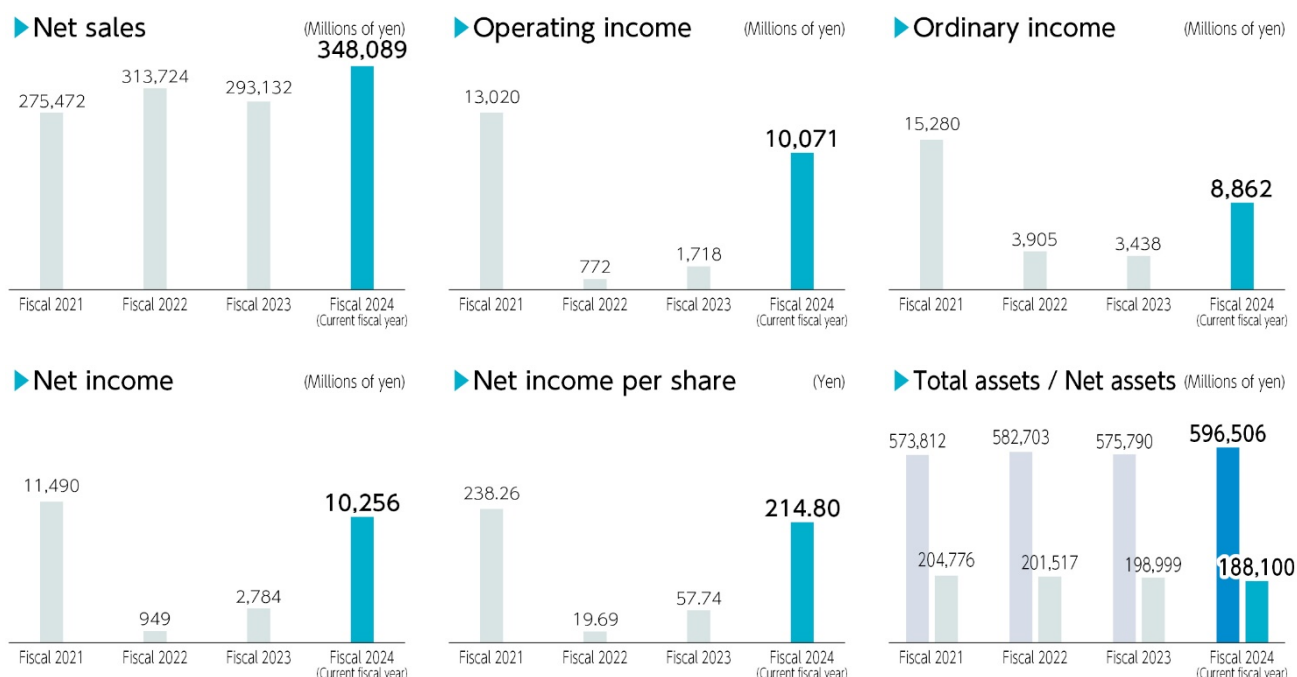


Item	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025 (Current fiscal year)
		Japanese Accounting Standards	IFRS accounting standards		
Net sales / Revenue (Millions of yen)	782,911	962,885	955,717	892,781	998,781
Business profit (Millions of yen)	—	—	—	43,420	45,882
Operating income (Millions of yen)	59,520	17,207	11,319	31,378	57,361
Net income attributable to owners of the parent / Profit attributable to owners of the parent (Millions of yen)	32,054	4,703	(1,315)	13,858	27,979
Net income per share / Basic earnings per share (Yen)	664.69	97.54	(27.26)	287.38	585.97
Total assets / Total assets (Millions of yen)	828,729	860,098	895,731	914,430	970,006
Net assets / Total equity (Millions of yen)	247,589	269,258	267,987	302,046	319,588
Net assets per share / Equity attributable to owners of the parent per share (Yen)	4,727.92	5,143.72	5,111.74	5,745.42	6,421.37

Notes: 1. From the fiscal year ended March 31, 2024, the consolidated financial statements are prepared in accordance with IFRS accounting standards. Financial data for the fiscal year ended March 31, 2023 restated from Japanese Accounting Standards to IFRS is also presented.

- Net income per share / basic earnings per share, and net assets per share / equity attributable to owners of the parent per share are calculated based on the average number of shares outstanding during the period less the average number of treasury shares during the period.
- Under Japanese Accounting Standards, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of fiscal year ended March 31, 2022, and the key management indices, etc. after fiscal year ended March 31, 2022 are those after applying the accounting standard and relevant ASBJ regulations.

(ii) Changes in the Company’s assets and profit (loss)



Item	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025 (Current fiscal term)
Net sales (Millions of yen)	275,472	313,724	293,132	348,089
Operating income (Millions of yen)	13,020	772	1,718	10,071
Ordinary income (Millions of yen)	15,280	3,905	3,438	8,862
Net income (Millions of yen)	11,490	949	2,784	10,256
Net income per share (Yen)	238.26	19.69	57.74	214.80
Total assets (Millions of yen)	573,812	582,703	575,790	596,506
Net assets (Millions of yen)	204,776	201,517	198,999	188,100
Net assets per share (Yen)	4,246.48	4,179.00	4,126.96	4,156.12

- Notes:
- Net income per share and net assets per share are calculated based on the average number of shares outstanding during the period less the average number of treasury shares during the period.
 - The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of fiscal year ended March 31, 2022, and the key management indices, etc. after fiscal year ended March 31, 2022 are those after applying the accounting standard and relevant ASBJ regulations.

(6) Significant subsidiaries (as of March 31, 2025)

Company name	Capital stock	Investment Ratio	Principal lines of business
UACJ (Thailand) Co., Ltd.	THB37,350 million	100.00%	Manufacture and sale of aluminum sheet products
Tri-Arrows Aluminum Inc.	US\$335 million	80.00%	Manufacture and sale of aluminum sheet products
UACJ Foil Corporation	¥1,190 million	100.00%	Manufacture and sale of aluminum foil products
UACJ Metal Components Corporation	¥80 million	100.00%	Manufacture and sale of precision-machined metal products
UACJ Automotive Whitehall Industries, Inc.	US\$98 million	100.00%	Manufacture and sale of processed automotive products
UACJ Trading Corporation	¥1,500 million	100.00%	Wholesale of nonferrous metals
UACJ Marketing & Processing Corporation	¥301 million	100.00%	Sales and slitting of aluminum materials for automobiles

Notes: 1. The investment ratio includes shares held by the Company's subsidiaries.
2. On October 1, 2024, the Company implemented organizational restructuring through an absorption-type company split and merger with UACJ Extrusion Corporation, the Nagoya Works of UACJ Extrusion Nagoya Corporation, UACJ Extrusion Oyama Corporation, and UACJ Foundry & Forging Corporation.

(7) Principal lines of business (as of March 31, 2025)

The Group is mainly engaged in the following businesses.

Manufacture and sale of flat-rolled, extruded, foil, cast, and forged products of aluminum and its alloys, as well as precision-machined aluminum and copper components, contracting on related civil engineering work, and the wholesaling of products and other items related to the Group's businesses

(8) Major offices and factories (as of March 31, 2025)

The Company

Headquarters: Chiyoda-ku, Tokyo

Works: Nagoya Works (Minato-ku, Nagoya City), Fukui Works (Sakai City, Fukui), Fukaya Works (Fukaya City, Saitama), Oyama Works (Oyama City, Tochigi), Foundry & Forging Works (Oyama City, Tochigi)

Research facilities: Research & Development Division (Minato-ku, Nagoya City)

Group companies (Japan)

- UACJ Foil Corporation

Headquarters: Chiyoda-ku, Tokyo

- UACJ Metal Components Corporation

Headquarters: Chiyoda-ku, Tokyo

- UACJ Trading Corporation

Headquarters: Chuo-ku, Osaka; Minato-ku, Tokyo

- UACJ Marketing & Processing Corporation

Headquarters: Anjo City, Aichi

Note: On October 1, 2024, the Company implemented organizational restructuring through an absorption-type company split and merger with UACJ Extrusion Corporation, the Nagoya Works of UACJ Extrusion Nagoya Corporation, UACJ Extrusion Oyama Corporation, and UACJ Foundry & Forging Corporation.

Group companies (overseas)

- UACJ (Thailand) Co., Ltd.
- Tri-Arrows Aluminum Inc. (USA)
- UACJ Automotive Whitehall Industries, Inc. (USA)

(9) Employees (as of March 31, 2025)

(i) Employees of the corporate group

Number of employees at the end of the current fiscal year	Increase/decrease from the end of the previous fiscal year
10,203	-257

(ii) Employees of the Company

Number of employees at the end of the current fiscal term	Increase/decrease from the end of the previous fiscal term	Average age	Average years of service
3,894	+901	41.4 years	15.7 years

Note: The Company implemented organizational restructuring through an absorption-type company split and merger with UACJ Extrusion Corporation, the Nagoya Works of UACJ Extrusion Nagoya Corporation, UACJ Extrusion Oyama Corporation, and UACJ Foundry & Forging Corporation. As a result, the number of employees has increased compared to the end of the previous fiscal year.

(10) Principal creditors (as of March 31, 2025)

Creditors	Balance of loans payable (millions of yen)
Sumitomo Mitsui Banking Corporation	47,896
Mizuho Bank, Ltd.	46,412
Sumitomo Mitsui Trust Bank, Limited	31,800
The Norinchukin Bank	17,200
Development Bank of Japan Inc.	13,375
MUFG Bank, Ltd.	7,490
The Bank of Yokohama, Ltd.	6,260
The Jyo Bank, Ltd.	5,502
The Nanto Bank, Ltd.	4,955
THE SHIGA BANK, LTD.	4,531

2. Matters Relating to Shares of the Company (As of March 31, 2025)

(1) Total number of authorized shares 170,000,000 shares

(2) Total number of issued shares 46,328,193 shares (including 1,069,580 shares of treasury stock)

Note: Following the cancellation of treasury shares on March 14, 2025, the total number of issued shares decreased by 2,000,000 compared to the end of the previous fiscal year.

(3) Number of shareholders 19,670

(4) Major shareholders

Name of shareholder	Number of shares held	Shareholding ratio
	hundred shares	%
GOLDMAN SACHS INTERNATIONAL	67,607	14.93
Furukawa Electric Co., Ltd.	64,365	14.22
The Master Trust Bank of Japan, Ltd. (Trust Account)	48,278	10.66
Custody Bank of Japan, Ltd. (Trust Account)	19,192	4.24
MLI FOR SEGREGATED PB CLIENT	14,678	3.24
ECM MF	14,500	3.20
STATE STREET BANK AND TRUST COMPANY 505001	9,022	1.99
STATE STREET BANK AND TRUST COMPANY 505223	8,560	1.89
The UACJ Group Employee Stock Ownership Plan	7,720	1.70
STATE STREET BANK AND TRUST COMPANY 505103	7,626	1.68

Notes: 1. The number of shares held is rounded down to the nearest hundred shares.
2. The Company holds 1,069,580 shares of treasury stock, which are excluded from the list of major shareholders.
3. Shareholding ratio is calculated excluding treasury shares and rounded down to the second decimal place.

(5) Overview of shares issued to the Company's Directors and other officers during the current fiscal term as consideration for the execution of their duties

	Number of shares	Number of people granted shares
Directors (excluding outside Directors)	23,514 shares	8
Outside Directors	—	—
Audit & Supervisory Board Members	—	—

Notes: 1. Information on the Company's stock compensation is provided in "3. (5) Amount of remuneration for Directors and Audit & Supervisory Board Members for the current fiscal term."
2. The table above includes shares granted to Directors who have retired.

(6) Other important matters related to stocks

(i) Purchase of treasury stock

Based on a resolution by the Board of Directors on February 12, 2025, the Company acquired the following treasury shares:

Class and number of shares purchased:	3,000,000 shares of the Company's common stock
Total purchase value	¥15,090,000,000
Acquisition period	February 13, 2025

(ii) Cancellation of treasury stock

Based on a resolution by the Board of Directors on February 12, 2025, the Company cancelled the following treasury shares:

Class and number of shares cancelled:	2,000,000 shares of the Company's common stock
Cancellation date	March 14, 2025

[Reference]

Strategic shareholdings

The Company holds shares in companies that we deem necessary for the sustainable growth and smooth execution of our business, such as to maintain and strengthen transactions, business alliances, and stable procurement of raw materials.

Under our basic policy to minimize and reduce such holdings, the Board of Directors annually reviews and comprehensively examines each shareholding from both quantitative and qualitative perspectives, including the significance of the shareholding and its economic rationale.

As a result of the examination, holdings deemed to be no longer practical or rational will be divested in an orderly manner.

The amount of these shareholdings on the balance sheet as of the end of fiscal 2024 was ¥5,934 million, which represents 1.86% of total consolidated equity.

3. Officers (as of March 31, 2025)

(1) Name, etc. of Directors and Audit & Supervisory Board Members

Name	Position	Responsibilities in the Company and significant concurrent positions outside the Company
Miyuki Ishihara	Director and Chairman of the Board	—
Shinji Tanaka	Representative Director, President	Management of the Company
Teruo Kawashima	Director, Executive Vice President	In charge of overall Group finance, matters related to corporate communications, and matters related to corporate strategy
Fumiharu Jito	Director, Managing Executive Officer	Delegated Chief Executive of Marketing and Technology Division, in charge of advancing digital transformation
Joji Kumamoto	Director, Managing Executive Officer	Delegated Chief Executive of Corporate Strategy Division
Takahiro Ikeda	Director	Representative Director of TI Associate Co., Ltd.
Akio Sakumiya	Director	—
Yoshitaka Mitsuda	Director	Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education Outside Director of EDP Corporation
Ryoko Nagata	Director	Outside Director and Member of the Audit Committee of Honda Motor Co., Ltd. Outside Audit & Supervisory Board Member of MEDLEY, INC.
Makiko Akabane	Director	Representative Director of CSR Asia Outside Director of PIOLAX, INC.
Ryu Sawachi	Full-time Audit & Supervisory Board Member	—
Haruhiro Iida	Full-time Audit & Supervisory Board Member	—
Yuki Iriyama	Audit & Supervisory Board Members	—
Hiroyuki Yamasaki	Audit & Supervisory Board Members	Director of CPA Hiroyuki Yamasaki Office Outside Director and Audit and Supervisory Committee Member of Sankyo Co., Ltd.
Yoshiro Motoyama	Audit & Supervisory Board Members	—

- Notes:
1. Directors Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane are outside Directors.
 2. Audit & Supervisory Board Members Yuki Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama are outside Audit & Supervisory Board Members.
 3. At the 11th Ordinary General Meeting of Shareholders held on June 19, 2024, Haruhiro Iida was newly elected and assumed office as an Audit & Supervisory Board Member.
 4. At the 11th Ordinary General Meeting of Shareholders held on June 19, 2024, Atsushi Sakaue resigned from his position as an Audit & Supervisory Board Member.
 5. The Company has designated Directors Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane, as well as Audit & Supervisory Board Members Yuki Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama as independent directors or audit & supervisory board members of the Company and has provided notice to the Tokyo Stock Exchange of their appointment.
 6. Audit & Supervisory Board Member Haruhiro Iida has long been active in finance and accounting division operations and has considerable knowledge in finance and accounting. In addition, Audit & Supervisory Board Member Hiroyuki Yamasaki is a certified public accountant and has considerable knowledge in finance and accounting.

7. The Company has entered into limited liability agreements with outside Directors Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane, as well as outside Audit & Supervisory Board Members Yuki Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama, in accordance with the Company's Articles of Incorporation. A summary of the details of the limited liability agreements is as follows.
- In the event that an outside Director or outside Audit & Supervisory Board Member fails to perform his or her duties pursuant to Article 423, paragraph 1 of the Companies Act after the conclusion of this agreement and thereby causes damage to the Company, provided that he or she performed his or her duties in good faith and without serious negligence, their liability to pay compensation for damages shall be limited to the total amount specified in Article 425, paragraph 1 of the Companies Act.
8. As of April 1, 2025, the positions and responsibilities of the following Directors have changed.

Name	Position	Responsibilities
Teruo Kawashima	Director	Special assignment from the President (overall Group finance, matters related to corporate communications)
Joji Kumamoto	Director, Senior Managing Executive Officer	Delegated Chief Executive of Corporate Strategy Division
Fumiharu Jito	Director, Managing Executive Officer	Chief Executive of Marketing & Technology Division, Delegated Chief Executive of Research & Development Division of Marketing & Technology Division, in charge of advancing digital transformation

(2) Summary of indemnification agreement details

The Company has entered into indemnification agreements with Directors Miyuki Ishihara, Shinji Tanaka, Teruo Kawashima, Fumiharu Jito, Joji Kumamoto, Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane, as well as Audit & Supervisory Board Members Ryu Sawachi, Haruhiro Iida, Yuki Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama, as specified in Article 430-2, paragraph 1 of the Companies Act. The content of the said indemnification agreement is that the Company will indemnify the candidates for the expenses set forth in Article 430-2, paragraph 1, item 1 of the Companies Act and the losses set forth in Article 430-2, paragraph 1, item 2 of the Companies Act to the extent provided by law. However, as a measure to prevent the appropriateness of a corporate officer's execution of duties from being impaired by the said agreement, if, for example, there is malicious intent or serious negligence in the execution of duties, the agreement does not cover damages arising from certain acts.

(3) Summary of details of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act, which covers Directors, Audit and Supervisory Board Members and Executive Officers, etc. of the Company and its subsidiaries as the insured. Under this insurance policy, the Company will cover the damages that may arise due to the insured assuming responsibility for the execution of their duties or receiving claims related to the pursuit of such responsibility, and the Company bears the full amount of the insured's insurance premiums. However, there are certain coverage exemptions, such as not being covered for damages caused by actions taken with the knowledge that such actions are in violation of laws and regulations.

(4) Policy, etc. on Determination of Details of Remuneration for Officers, etc.

The Company's officer remuneration system is intended to help Directors provide management incentive to respond to the expectations of a variety of stakeholders and to promote steady and sound business development to continue generating the profits needed to contribute to society broadly. The system is also designed to share the benefits and risks of stock price fluctuations with shareholders and increase the officers' motivation more than ever to help increase share prices, raise corporate value, and improve the performance in the medium and long term. In order to ensure that the system functions properly from this perspective and to enhance objectivity and transparency, decisions regarding the specific design and operation of the Company's officer remuneration system are based on the report of the Nomination and Remuneration Advisory Committee, which consists of at least three members (at least half of whom are independent outside Directors) selected by resolution of the Board of Directors, which makes decisions on these matters.

In addition, the Board of Directors makes decisions on individual remuneration, etc. for Directors for the current fiscal term based on the report from the Nomination and Remuneration Advisory Committee, and does not delegate such decisions to Directors. In determining remuneration, etc. for each individual, the Board of Directors confirms that the method of determining the details of remuneration, etc. and the details of remuneration, etc. determined are consistent with the Company's officer remuneration decision-making policy resolved by the Board of Directors, that the report from the Nomination and Remuneration Advisory Committee is respected, and believes the details are in line with the Company's policy.

The Company's basic policy for remuneration for officers is as follows. From fiscal 2025 onward, the Company plans to revise the items below that are marked with "(*)". This is based on the assumption that the proposals regarding the short-term performance-linked remuneration and the medium- to long-term share-based remuneration (renamed from medium- to long-term performance-linked remuneration effective April 1, 2025) will be approved as originally proposed at the 12th Ordinary General Meeting of Shareholders scheduled for June 20, 2025.

(i) Concepts on remuneration for officers

- A remuneration system that adds motivations towards achieving the performance targets (short-term and medium- to long-term) based on the Company's business strategy;
- a remuneration level that is competitive enough to attract talented human resources who can lead the Company's growth and to enhance their motivation to contribute to the Company;
- a remuneration system that involves a highly objective and transparent decision-making process; and
- a remuneration system that can contribute to the sharing of common interests with shareholders and leads to an increased shareholder value.

(ii) Remuneration system

- The officer remuneration for the Company's Directors comprises of basic remuneration in the form of fixed remuneration, short-term performance-linked remuneration tied to the level of achievement of the Company's performance in a single fiscal year, and medium- to long-term share-based remuneration that is tied to the level of achievement of the Company's medium- to long-term performance. The remuneration for outside Directors consists solely of the basic remuneration, as the main responsibility of outside Directors is the supervision from an objective and independent perspective.
- Basic remuneration level for each officer position is set by referring to remuneration survey data provided by an outside institution specialized in the gathering of this kind of data. Remuneration levels are determined based on comparisons to companies that are in similar industries and are of similar size to the Company.
- For each eligible Director, the standard amount of short-term performance-linked remuneration (in cases where the payment rate is 100%; the same applies below) is set at approximately 60% to 65% of his/her basic remuneration. (*)
- For each eligible Director, the standard amount of medium- to long-term share-based remuneration is set at approximately 60 to 65% of his/her basic remuneration for a single fiscal year. (*)

(iii) Variable remuneration structure

- 1) Short-term performance-linked remuneration consists of a) a portion based on company-wide performance evaluation, b) a portion based on divisional performance evaluation, c) a portion based on the sustainability evaluation(*), and d) a portion based on individual evaluation. The amount paid varies based on performance in a single fiscal year and is paid once a year.

- The portion based on company-wide performance evaluation uses consolidated profit, consolidated business profit(*), consolidated ROE, consolidated ROIC as key management indices, which are key management indices and are emphasized in the Company's Mid-Term Management Plan.
 - For the portion based on divisional performance evaluation, divisional operating income, divisional business profit(*), divisional ROIC are used as performance indicators, which are linked to the company-wide performance indicators.
 - For the portion based on the sustainability evaluation, the Group's activities related to the materiality issues(*), which the Group is working on to grow sustainably with society, are evaluated. The weighting of the portion based on the sustainability evaluation is approximately 10% of total short-term performance-linked remuneration.
 - The portion based on individual evaluation is mainly a qualitative evaluation on important initiatives, etc. that are not reflected in company-wide and divisional performance and sustainability evaluation for a single fiscal year. The weighting of the portion based on individual evaluation is approximately 10% of total short-term performance-linked remuneration.
 - For each evaluation item, the payment ratio will vary between 0% and 200% depending on the level of achievement, based on a standard of 100% for 100% achievement against the target.
- 2) For medium- to long-term share-based remuneration, the Company has adopted a system based on the Restricted Stock Unit Plan (hereinafter "RSU") and the Performance Share Unit Plan (hereinafter "PSU") using shares in kind.
- (a) RSU
- The Company has a system of providing shares and cash payments conditional on continuing service for three further years.
 - Units are allocated annually, whereby half of the assigned units with vested rights three years after allocation are provided as shares, with the remainder paid in cash.
- (b) PSU
- The Company has a system of providing shares and cash payments in accordance with the level of achievement of medium- and long-term company-wide performance targets. After allocating units once in the first year of the Mid-Term Management Plan, equivalent to the number of years of the Mid-Term Management Plan, the units will fluctuate based on the performance during the evaluation period (Mid-Term Management Plan period) and will be paid after the end of the evaluation period.
 - Consolidated ROIC, adjusted EBITDA, and D/E ratio, which are emphasized in the Company's key management indices and Mid-Term Management Plan, are used as performance evaluation indicators, with consolidated ROIC being the average value of the evaluation period, consolidated adjusted EBITDA being the cumulative value of the evaluation period, and consolidated D/E ratio being the final value of the evaluation period. The payment ratio will vary between 0% and 200% depending on the level of achievement, based on a standard payment rate of 100% for 100% achievement against the targets set at the beginning of the evaluation period. After evaluation by performance evaluation indicators, the final payment ratio will be determined based on the growth rate of the Company's TSR (Total Shareholder Return) divided by the growth rate of TOPIX (Tokyo Stock Exchange Stock Price Index) over the evaluation period, ranging from 0% to 200%.
 - At the end of the evaluation period, half of the assigned units with vested rights are provided as shares, with the remainder paid in cash.
- 3) Malus and Clawback Provision
- The Company has established that, in cases where eligible Directors commit material misconduct or illegal acts, significant revisions are made to past fiscal years' financial statements, or other circumstances determined by resolution of the Board of Directors occur, the Board of Directors, upon receiving recommendations from the Nomination and Remuneration Advisory Committee, may cause eligible Directors to forfeit all or part of their units before they are vested and, if cash remuneration or share-based remuneration has already been paid or delivered, demand the return of all or part of such remuneration retroactively, covering a period of up to three (3) fiscal years. (*)

<Officer Remuneration System from Fiscal 2025>

Remuneration system			Range of variation in performance-linked remuneration	Percentage of basic remuneration	Evaluation period	Content of remuneration
Basic remuneration			—	—	—	Cash
Short-term performance-linked remuneration	Company-wide performance	Consolidated profit, consolidated business profit, consolidated ROE, consolidated ROIC	Changes within a range of 0 to 200% in accordance with the level of achievement, based on a payment ratio of 100% for 100% achievement of the goal	60 to 65% of basic remuneration (Note)	Single fiscal year	Cash
	Divisional performance	Divisional operating income, divisional business profit, divisional ROIC				
	Sustainability evaluation	Evaluation of the level to which activity targets in materiality issues set out in our long-term management vision were achieved				
	Individual performance	Mainly qualitative evaluation of important initiatives, etc., not reflected in company-wide or divisional performances or the sustainability evaluation for a single fiscal year				
Medium to long-term share-based remuneration	(performance-linked)	PSU Company-wide performance	Same as above	40 to 45% of basic remuneration (Note)	Mid-Term Management Plan period	Half in shares and half in cash
		TSR				
	(non-performance-linked)	RSU	—	20% of basic remuneration	Three fiscal terms	

Note: In cases where the payment rate is 100%

(5) Amount of remuneration for Directors and Audit & Supervisory Board Members for the current fiscal term

Position	Number of members	Type of remuneration			Total remuneration
		Fixed remuneration	Variable remuneration		
		Basic remuneration	Short-term performance-linked remuneration	Medium to long-term share-based remuneration	
Directors	13	¥304 million	¥85 million	¥56 million	¥445 million
(of which outside Directors)	(5)	(¥72 million)	(-)	(-)	(¥72 million)
Audit & Supervisory Board Members	6	¥82 million	-	-	¥82 million
(of which outside Audit & Supervisory Board Members)	(3)	(¥31 million)	(-)	(-)	(¥31 million)
Total	19	¥386 million	¥85 million	¥56 million	¥526 million
(of which outside officers)	(8)	(¥103 million)	(-)	(-)	(¥103 million)

- Notes:
1. The above table includes one Director who retired at the conclusion of the 9th Ordinary General Meeting of Shareholders held on June 22, 2022, two Directors who retired at the conclusion of the 10th Ordinary General Meeting of Shareholders held on June 21, 2023, and one Audit & Supervisory Board Member who retired at the conclusion of the 11th Ordinary General Meeting of Shareholders held on June 19, 2024.
 2. The total amount of basic remuneration and short-term performance-linked remuneration for Directors was approved up to ¥650 million per year (However, this amount excludes amounts paid as employee salaries. Remuneration for outside Directors is limited to basic remuneration only and will not exceed a total of ¥110 million per year, included in the amount above) at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018 and the 10th Ordinary General Meeting of Shareholders held on June 21, 2023. The number of Directors at the close of the 5th Ordinary General Meeting of Shareholders was 12 (including 4 outside Directors), and the number of Directors at the close of the 10th Ordinary General Meeting of Shareholders was 10 (including 5 outside Directors). Separately, at the 5th (June 21, 2018), 8th (June 22, 2021), and 11th (June 19, 2024) Ordinary General Meetings of Shareholders, it was approved that the total monetary compensation claims and cash granted as medium- to long-term share-based remuneration (renamed from “medium- to long-term performance-linked remuneration” as of April 1, 2025) shall be subject to the following limits: for RSUs, applicable to Directors excluding outside Directors, up to 15,000 shares per fiscal year (of which up to 7,500 shares may be delivered), and for PSUs, applicable to Directors excluding non-executive Directors, up to 45,000 shares per fiscal year (of which up to 22,500 shares may be delivered), in each case multiplied by the number of fiscal years in the applicable mid-term management plan period, with the total monetary value not to exceed the amount calculated using the stock price at the time of delivery. At the close of each respective General Meeting of Shareholders, the number of Directors was as follows: 12 at the 5th (including 4 outside Directors and 8 eligible Directors), 10 at the 8th (including 4 outside Directors and 6 eligible Directors), and 10 at the 11th (including 5 outside Directors, 4 PSU-eligible Directors, and 5 RSU-eligible Directors).
 3. The maximum amount of remuneration for Audit & Supervisory Board Members was approved at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018 up to a total amount not exceeding ¥100 million per year. The number of Audit & Supervisory Board Members as of the close of the said General Meeting of Shareholders was 6 (including 4 outside Audit & Supervisory Board Members).
 4. Variable remuneration is the amount that should be expensed in the current fiscal year.
 5. Performance indicators related to variable remuneration, the reasons for selecting such indicators, and the Company’s calculation method for variable remuneration are as described in “(4) Policy, etc. on Determination of Details of Remuneration for Officers, etc.” The table below shows the results of variable remuneration.

Short-term performance-linked remuneration

Performance Indicators	Fiscal 2024 Results
Consolidated profit	¥27,979 million
Consolidated business profit	¥45,882 million
Consolidated ROE	9.9%
Consolidated ROIC (Calculated based on business profit before tax)	7.6%

Medium- to long-term share-based remuneration

(formerly medium- to long-term performance-linked remuneration)

Performance Indicators	Fiscal 2024 Results
Consolidated ROIC (Calculated based on business profit before tax)	7.6%
Consolidated adjusted EBITDA (EBITDA - inventory effects)	¥84,029 million
Consolidated D/E ratio	1.0 times

Note: The consolidated D/E ratio is calculated based on borrowings and corporate bonds within interest-bearing debt, also giving consideration to the capital nature of subordinated loans.

[Reference]

Shareholding guidelines

The Company recommends its Directors (excluding outside Directors) and Executive Officers to own the Company's shares with the value equal to approximately 50% of their basic remuneration (annual amount) within five (5) years from the date of appointment as an officer.

(6) Outside Directors and outside Audit & Supervisory Board Members

- (i) Significant concurrent positions outside the Company and relationship between the Company and the companies where these positions are held

Position	Name	Name of company where concurrent positions are held	Details of concurrent positions	Relationship
Outside Director	Takahiro Ikeda	TI Associate Co., Ltd.	Representative Director	There is no special relationship between the Company and the said company.
	Yoshitaka Mitsuda	National Institution for Academic Degrees and Quality Enhancement of Higher Education	Professor	There is no special relationship between the Company and the said institution.
		EDP Corporation	Outside Director	There is no special relationship between the Company and the said company.
	Ryoko Nagata	Honda Motor Co., Ltd.	Outside Director Member of the Audit Committee	The Company has a business relationship, which includes selling products to the said company.
		MEDLEY, INC.	Outside Audit & Supervisory Board Member	There is no special relationship between the Company and the said company.
	Makiko Akabane	CSR Asia	Representative Director	There is no special relationship between the Company and the said company.
		PIOLAX, INC.	Outside Director	There is no special relationship between the Company and the said company.
	Hiroyuki Yamasaki	CPA Hiroyuki Yamasaki Office	Director	There is no special relationship between the Company and the said office.
Outside Audit & Supervisory Board Member		Sankyo Co., Ltd.	Outside Director and Audit and Supervisory Committee Member	There is no special relationship between the Company and the said company.

(ii) Major activities during the current fiscal term

Position	Name	Summary of major activities and duties performed with respect to the role expected of an outside Director
Outside Director	Takahiro Ikeda	He attended all 18 meetings of the Board of Directors held during the current fiscal term, and based on his experience in management as a corporate director, he actively spoke out in areas including the Company's domestic and international business development and risk management. He also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal term and led the discussions in the Nomination and Remuneration Advisory Committee as the Committee Chair.
	Akio Sakumiya	He attended all 18 meetings of the Board of Directors held during the current fiscal term, and based on his experience in management as a corporate director, he actively spoke out in areas including management and financial strategies and corporate governance of the Group. He also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal year and actively contributed to discussions on the revision of the officer remuneration system and the peer evaluation for outside Directors.
	Yoshitaka Mitsuda	He attended all 18 meetings of the Board of Directors held during the current fiscal term, and based on his abundant academic experience in materials and his extensive experience in university administration and industry-academia-government collaboration, he actively spoke out in areas such as R&D, IT, and digital technology of the Group. He also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal year and actively contributed to discussions on the revision of the officer remuneration system and initiatives related to the talent pool for outside officers.
	Ryoko Nagata	She attended all 18 meetings of the Board of Directors held during the current fiscal year, and based on her experience in management as a corporate executive and auditor, she actively spoke out in areas such as the Group's sales, marketing, and corporate governance. She also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal year and actively contributed to discussions on the revision of the officer remuneration system and the organization and application of the criteria for non-reappointment of officers.
	Makiko Akabane	She attended all 18 meetings of the Board of Directors held during the current fiscal year, and based on her extensive knowledge and experience gained through sustainability consulting and support activities, she actively spoke out in areas such as the Group's sustainability and overseas business. She also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal year and actively contributed to discussions on the revision of the officer remuneration system and initiatives related to the talent pool for outside officers.

Position	Name	Major activities
Outside Audit & Supervisory Board Member	Yuki Iriyama	He attended all 18 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal term, and made comments on risk management and other issues based on his extensive knowledge and wide-ranging insight as an officer and attorney at other companies.
	Hiroyuki Yamasaki	He attended all 18 meetings of the Board of Directors and 13 of the 14 meetings of the Audit & Supervisory Board held during the current fiscal term, and made comments on finance and accounting, etc., utilizing his extensive knowledge and wide-ranging insight as a certified public accountant.
	Yoshiro Motoyama	He attended all 18 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal term, and made comments on management of business plans, etc., utilizing his extensive knowledge and wide-ranging insight as an officer of other companies.

4. Accounting auditor

(1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration for the accounting auditor for the current fiscal term

Category	Amount
Amount of remuneration	¥128 million
Total of money and other economic benefits to be paid by the Company and its subsidiaries	¥150 million

- Notes:
1. The Audit & Supervisory Board, after reviewing the details of the audit plan of the accounting auditor, the status of execution of duties by the accounting auditor, and the basis for calculation of the remuneration estimate, based on reports and receipt of necessary materials from Directors, relevant internal departments, and the accounting auditor, consents to the amount of remuneration, etc. of the accounting auditor as stipulated in Article 399, paragraphs 1 and 2 of the Companies Act.
 2. The audit contract between the Company and the accounting auditor does not clearly differentiate between the amounts of audit fees, etc. for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, so the total amount is shown.
 3. The Company's 22 overseas consolidated subsidiaries are audited by auditing firms other than the Company's accounting auditor (with qualifications equivalent to those in foreign countries).

(3) Policy on decisions of dismissal or non-reappointment of accounting auditor

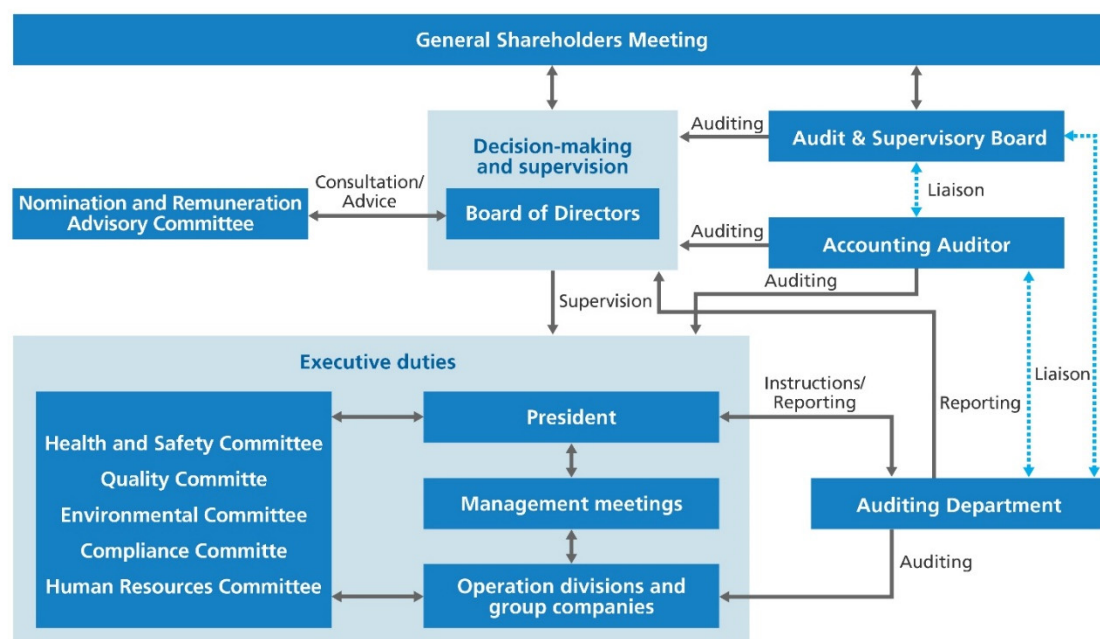
The Audit & Supervisory Board has established the following policy for dismissal or non-reappointment of the accounting auditor.

The Audit & Supervisory Board makes a comprehensive evaluation of the accounting auditor in accordance with its evaluation standards, including its qualifications, expertise, and independence from the Company. If the Audit & Supervisory Board determines that the dismissal or non-reappointment of the accounting auditor is warranted due to a problem with the accounting auditor's execution of its duties or for other reasons, it will decide on the content of the proposal to be presented to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the accounting auditor.

In addition, the Audit & Supervisory Board will dismiss the accounting auditor with the unanimous consent of all Audit & Supervisory Board Members in the event that the accounting auditor is deemed to correspond to any of the items specified in Article 340, paragraph 1 of the Companies Act. In this case, the Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the dismissal of the accounting auditor and the reasons for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

[Reference] Corporate Governance

The Company's Corporate Governance System is as follows.



Corporate Governance Overview

Institutional design	Company with an Audit & Supervisory Board
Number of Directors	10 (5 of which outside Directors)
Number of Audit & Supervisory Board Members	5 (3 of which outside Audit & Supervisory Board Members)
Directors' term of office	1 year
Adoption of an executive officer system	Yes
Voluntary advisory body to the Board of Directors	Nomination and Remuneration Advisory Committee
Accounting auditor	Deloitte Touche Tohmatsu LLC

Board of Directors

The Company has adopted a company-with-Audit & Supervisory Board system. The Company has introduced an executive officer system for business execution to further strengthen the functions of the Board of Directors and accelerate business execution by separating the decision-making and oversight functions of management from the business execution function. Since fiscal 2024, the Chairman of the Board, who is a non-executive Director, has served as chairperson of Board of Directors meetings to further enhance its supervisory function, as well as, we have made decisions on capital investments for future growth and provided oversight of the Fourth Mid-Term Management Plan, and utilized off-site meetings for deeper discussions on medium- to long-term material issues. In addition, we held meetings for exchange of opinions between outside officers and the Representative Director, meetings for exchange of opinions among outside officers only, and meetings for exchange of opinions between the accounting auditor and outside Directors.

Category	Main agenda items
Management/Strategy	Technology strategy, human resource strategy, DX strategy, business portfolio, risk management, planning for budget, income and expenditures and borrowings, capital investment, corporate governance code compliance, etc.
Sustainability	Progress on materiality measures, climate change response, human rights, etc.
Board of Directors/Officers	Appointment and responsibilities of Directors and Executive Officers, officer remuneration, effectiveness evaluation, and criteria, etc. for non-reappointment of Directors, Audit & Supervisory Board Members, and Executive Officers
Stock-related	Strategic shareholdings, General Meeting of Shareholders-related matters, dialogue, etc. with institutional investors

Audit & Supervisory Board

As an independent body that plays a role in corporate governance, the Audit & Supervisory Board is tasked with auditing the execution of duties by Directors. To improve the quality of auditing, a three-way audit system has been adopted for cooperation among Audit & Supervisory Board audits, internal audits, and audits by accounting auditors. Following the auditing policies and plans set out by the Audit & Supervisory Board, these audits focus primarily on the execution of duties by Directors in areas including the development and operation of internal control systems, the status of risk management, and initiatives to address managerial issues.

Nomination and Remuneration Advisory Committee

The Company established the Nomination and Remuneration Advisory Committee from fiscal 2017 as an advisory body to the Board of Directors to enhance objectivity and transparency in the decision-making process for nomination and remuneration of Directors, Audit & Supervisory Board Members, and Executive Officers.

With regard to the composition of this Committee, from the viewpoint of placing importance on independence, the rules stipulate that the chairperson of the Committee be selected from independent outside Directors, and that the majority of the members be outside Directors and outside Audit & Supervisory Board Members.

In fiscal 2024, 5 of the 7 total committee members consisted of outside Directors, with outside Director Takahiro Ikeda serving as committee chair. The annual agenda was set at meetings after the Ordinary General Meeting of Shareholders, and each meeting lasted from 1.5 to 2 hours, and meetings were held a total of 11 times.

Matters discussed by the Nomination and Remuneration Advisory Committee are reported to the Board of Directors.

Main agenda items
<ul style="list-style-type: none"> • Initiatives for the outside director talent pool • Peer evaluation of outside Directors • Organization and application of criteria for non-reappointment of officers • Appointment of outside Audit & Supervisory Board Members • Succession planning • Confirmation of voting guidelines for institutional investors, etc. • Targets and results of short-term performance-linked remuneration and medium- to long-term share-based remuneration • Revision of the officer remuneration system, etc.

Evaluation of the Effectiveness of the Board of Directors (fiscal 2024)

The Company has been actively engaging in efforts to evaluate the effectiveness of the Board of Directors in order to achieve sustainable growth of the Company and to enhance its corporate value over the medium to long term. In fiscal 2024, the Company conducted its own effectiveness evaluation based on the questionnaire from the third-party evaluation conducted in fiscal 2023 in order to continuously follow up on efforts to improve effectiveness.

Evaluation Method

Directors and Audit & Supervisory Board Members responded in writing to approximately 70 questions across 11 major categories pertaining to the composition and operation of the Board of Directors, the Nomination and

Remuneration Advisory Committee, the Audit & Supervisory Board Members, relations with investors and shareholders, and officers' self-evaluations. A five-point scale and comment field were provided for the questions, the answers to which were analyzed by the Board of Directors Secretariat. The effectiveness of the Company's Board of Directors was then evaluated and discussed through deliberations at Board meetings.

Summary of Evaluation Results

As in fiscal 2023, the Company's Board of Directors was found to be highly effective overall, with an appropriate composition that forms the basis of proactive and open discussion and exchange of opinions.

The evaluation also found that the Nomination and Remuneration Advisory Committee engages in lively discussions, and that recommendations on matters for consultation are made to the Board of Directors through an appropriate and fair process.

However, in order to further enhance the effectiveness of the Board of Directors, the Company found the need to continue delving deeper into discussions on medium- to long-term material issues and improve the content and volume of materials.

Efforts to Address Issues from fiscal 2023

Regarding "delving deeper into discussions on medium- to long-term material issues," the Company found that effective efforts have been made through the use of off-site meetings to raise issues and conduct ongoing discussions. In fiscal 2024, the direction of strategies related to capital policy, human resources, technology, and other areas were discussed.

Future Efforts to Improve Effectiveness

This evaluation led to shared recognition among the Board of Directors, and sufficient discussions were held regarding future efforts to improve effectiveness. To better focus on and enhance the quality of discussions of medium- to long-term material issues, the Company will continue off-site meetings as well as advance efforts to improve materials to create more efficient operations.

The Company will continue its efforts to improve the effectiveness of the Board of Directors in order to achieve sustainable growth and increase corporate value over the medium to long term. Furthermore, we plan to conduct third-party evaluations at appropriate intervals of around once every three years.

5. Matters Concerning the Company's Structure and Policies

Policy on decisions on dividends and other appropriation of surplus

The Company regards paying dividends to be an important measure for returning profits to shareholders; therefore, our basic policy is to pay stable dividends on an ongoing basis. We determine dividend amounts by comprehensively accounting for many factors, including the inventory effects and other trends in performance, investments to improve corporate value, and reinforcing the Company's financial standing.

The Company's basic policy is to pay dividends twice a year, an interim dividend and a year-end dividend.

As for the consolidated payout ratio for the period of the Fourth Mid-Term Management Plan (from fiscal 2024 to fiscal 2027), we will aim to pay at least 30% of profit attributable to owners of the parent.

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- Notes:
1. Figures stated in this business report are rounded off to the nearest whole number, unless otherwise indicated.
 2. The amount of revenue does not include consumption tax, etc.

Consolidated Statement of Financial Position
(as of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	479,545	Current liabilities	384,333
Cash and cash equivalents	26,329	Trade and other payables	140,615
Trade and other receivables	187,343	Loans payable	147,232
Inventories	244,108	Lease obligations	1,430
Other financial assets	7,940	Income taxes payable	1,788
Other current assets	13,826	Other financial liabilities	77,478
Non-current assets	490,461	Provisions	87
Property, plant, and equipment	394,346	Other current liabilities	15,702
Right-of-use assets	7,104	Non-current liabilities	266,085
Goodwill and intangible assets	42,510	Loans payable	193,503
Investment property	5,506	Lease obligations	7,388
Investments accounted for using equity method	21,069	Other financial liabilities	23,975
Other financial assets	10,660	Retirement benefit obligations	16,956
Retirement benefit assets	1,317	Provisions	1,033
Deferred tax assets	4,604	Deferred tax liabilities	17,877
Other non-current assets	3,346	Other non-current liabilities	5,353
		Total liabilities	650,418
		(Equity portion)	
		Equity attributable to owners of parent	290,622
		Capital stock	52,277
		Capital surplus	69,395
		Retained earnings	129,594
		Treasury stock	(5,337)
		Other components of equity	44,693
		Non-controlling interests	28,966
		Total equity	319,588
Total assets	970,006	Total liabilities and equity	970,006

Note: Amounts listed are rounded to the nearest million yen.

Consolidated Statement of Income

(April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount
Revenue	998,781
Cost of sales	(866,303)
Gross profit	132,478
Selling, general and administrative expenses	(77,866)
Share of profit (loss) of entities accounted for using equity method	1,672
Other revenue	4,787
Other expenses	(3,711)
Operating income	57,361
Financial revenue	1,333
Financial expenses	(15,665)
Profit before tax	43,028
Income tax expenses	(10,095)
Profit	32,933
Profit attributable to	
Owners of parent	27,979
Non-controlling interests	4,954
Profit	32,933

Note: Amounts listed are rounded to the nearest million yen.

Balance Sheet
(as of March 31, 2025)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	215,696	Current liabilities	215,340
Cash and deposits	4,114	Notes payable - trade	138
Notes receivable - trade	178	Electronically recorded obligations - operating	478
Electronically recorded monetary claims - operating	4,048	Accounts payable - trade	56,614
Accounts receivable - trade	61,460	Short-term loans payable	44,820
Merchandise and finished goods	14,762	Current portion of long-term loans payable	32,470
Work in process	44,760	Lease obligations	3,491
Raw materials and supplies	37,082	Accounts payable - other	17,415
Prepaid expenses	1,335	Accrued expenses	2,824
Short-term loans receivable	28,438	Accrued taxes payable	1,191
Accounts receivable - other	19,024	Advances received	1,550
Other	503	Deposits received	8,746
Allowance for doubtful accounts	(9)	Liabilities arising from financing raw materials	42,749
Non-current assets	380,810	Other	2,853
Property, plant, and equipment	148,695	Non-current liabilities	193,066
Buildings	24,071	Long-term loans payable	174,886
Structures	2,960	Lease obligations	538
Machinery and equipment	18,669	Provision for retirement benefits	8,619
Vehicles	193	Provision for business restructuring	96
Tools, furniture, and fixtures	4,031	Other	8,927
Land	87,486	Total liabilities	408,406
Construction in progress	11,284	Net assets	
Intangible assets	12,331	Shareholders' equity	187,221
Software	1,820	Capital stock	52,277
Goodwill	10,478	Capital surplus	70,225
Other	32	Legal capital surplus	47,953
Investment and other assets	219,784	Other capital surplus	22,272
Investment securities	5,934	Retained earnings	70,055
Shares of subsidiaries and associates	197,661	Legal retained earnings	125
Investments in capital of subsidiaries and associates	9,970	Other retained earnings	69,930
Long-term loans receivable	8,082	Retained earnings brought forward	69,930
Deferred tax assets	1,406	Treasury stock	(5,337)
Other	1,146	Valuation and translation adjustments	880
Allowance for doubtful accounts	(4,415)	Valuation difference on available-for-sale securities	1,029
		Deferred gains (losses) on hedges	(149)
		Total net assets	188,100
Total assets	596,506	Total liabilities and net assets	596,506

Note: Amounts listed are rounded to the nearest million yen.

Statement of Income
(April 1, 2024 to March 31, 2025)

(Millions of yen)

Item	Amount	
Net sales		348,089
Cost of sales		307,516
Gross profit		40,573
Selling, general and administrative expenses		30,503
Operating income		10,071
Non-operating income		
Dividend income	2,727	
Interest income	1,481	
Other	2,047	6,255
Non-operating expenses		
Interest expenses	3,531	
Financing expenses	2,137	
Other	1,795	7,464
Ordinary income		8,862
Extraordinary income		
Gain on extinguishment of tie-in shares	4,002	
Other	21	4,023
Extraordinary loss		
Loss on retirement of non-current assets	823	
Other	4	827
Profit before income taxes		12,058
Income taxes - current	743	
Income taxes - deferred	1,059	1,802
Net income		10,256

Note: Amounts listed are rounded to the nearest million yen.

Audit Report from Audit & Supervisory Board Members

Audit Report

The Audit & Supervisory Board, based on the audit reports prepared by each of the Audit & Supervisory Board Members with respect to the performance of duties by the Directors during the 12th fiscal year from April 1, 2024 to March 31, 2025, and after due deliberation, have prepared this Audit Report as the unanimous opinion of all the Audit & Supervisory Board Members and hereby reports as follows.

1. Auditing methods and content of audits by Audit & Supervisory Board Members and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, etc., received reports from each Audit & Supervisory Board Member on the status and results of audits, received reports from Directors, etc. and the accounting auditor on the status of execution of their duties, and requested explanations as necessary.
- (2) Each Audit & Supervisory Board Member, in accordance with the auditing standards for Audit & Supervisory Board Members established by the Audit & Supervisory Board and in accordance with the auditing policy, assignment of duties, etc., communicated with the Directors, the Internal Auditing Department and other employees, etc., and endeavored to collect information and develop the auditing environment, and conducted audits in the following manner.
 - i) Attended meetings of the Board of Directors and other important meetings, received reports from Directors, employees, and others on the status of execution of their duties, requested explanations as necessary, viewed important approval documents, etc., and investigated the status of business operations and assets at the head office and major business locations. Additionally, with regard to subsidiaries, communicated and exchanged information with their Directors, Audit & Supervisory Board Members, etc., asked them to report on their business as necessary, and investigated the status of their business operations and assets.
 - ii) Regarding details of the resolution of the Board of Directors concerning the establishment of a system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as stated in the Business Report, and other systems stipulated in Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act as necessary to ensure the propriety of operations of the corporate group, which consists of the corporation and its subsidiaries, as well as the system (internal control system) developed based on the resolution, Audit & Supervisory Board Members regularly received reports from Directors, employees, etc., on the status of the establishment and operation of such systems, sought explanations as necessary, and expressed their opinions. With respect to internal controls related to financial reporting, Audit & Supervisory Board Members received reports from Directors, etc. and Deloitte Touche Tohmatsu LLC regarding the evaluation and audit status of such internal controls, and requested explanations as necessary.
 - iii) Audit & Supervisory Board Members monitored and verified whether the accounting auditor maintained independence and conducted appropriate audits, received reports from the accounting auditor on the status of execution of its duties, and requested explanations as necessary. In addition, Audit & Supervisory Board Members received notice from the accounting auditor that “systems to ensure that duties are performed properly” (matters set forth in each item of Article 131 of Regulations on Corporate Accounting, Matters Related to the Performance of Duties of Financial Auditor(s)) are maintained in accordance with the “Quality Control Standards for Audits” (Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, Audit & Supervisory Board Members have examined the business report and its supplemental schedules, financial statements (balance sheet, statement of income, statement of changes in shareholders' equity, and notes to financial statements) and their supplemental schedules, and consolidated financial statements (consolidated statement of financial position, consolidated statement of income, consolidated statement of changes in equity, and notes to consolidated financial statements) for the current fiscal year.

2. Results of audit

(1) Results of audit of business report

- i) We believe that the business report and supplemental schedules present fairly the condition of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.

- ii) We have not found any wrongdoing in the execution of duties by the Directors or any material fact of violation of laws or regulations or the Articles of Incorporation.
- iii) We acknowledge that details of the resolution of the Board of Directors regarding the internal control system are appropriate. Furthermore, we have found no matters that should be pointed out regarding details of the business report and the execution of duties by Directors regarding the internal control system, including internal controls over financial reporting.
- (2) Results of audit of financial statements and the accompanying supplemental schedules
We acknowledge that the auditing methods and results of the accounting auditor Deloitte Touche Tohmatsu LLC are appropriate.
- (3) Results of audit of consolidated financial statements
We acknowledge that the auditing methods and results of the accounting auditor Deloitte Touche Tohmatsu LLC are appropriate.

May 12, 2025

UACJ Corporation Audit & Supervisory Board
Full-time Audit & Supervisory Board Member
Ryu Sawachi [Seal]
Full-time Audit & Supervisory Board Member
Haruhiro Iida [Seal]
Outside Audit & Supervisory Board Member
Yuki Iriyama [Seal]
Outside Audit & Supervisory Board Member
Hiroyuki Yamasaki [Seal]
Outside Audit & Supervisory Board Member
Yoshiro Motoyama [Seal]

Stock Information

Fiscal term

April 1 of each year to March 31 of the following year

Record Date for Dividends of Surplus

March 31 of each year

(The record date for interim dividends is September 30 of each year.)

General Meeting of Shareholders

June of each year

Number of shares per unit

100 shares

Shareholder registry administrator

Mizuho Trust & Banking Co., Ltd.

1-3-3 Marunouchi, Chiyoda-ku, Tokyo

Method of public notice

Electronic public notice (<https://www.uacj.co.jp/> (in Japanese))

(If electronic public notice is not possible due to unavoidable circumstances, the public notice will be published in the Nihon Keizai Shimbun.)