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## Corporate Governance

CORPORATE GOVERNANCE

UACJ Corporation

Updated: June 22, 2023  
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The state of corporate governance of UACJ Corporation (the “Company” or “UACJ”) is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

#### 1. Basic Views

The UACJ Corporation believes that corporate governance is the basic framework of corporate management that maintains relationships with its various stakeholders (concerned parties), such as shareholders, customers, suppliers, employees, and local communities. It is our responsibility to earn trust of our customers and suppliers, increase corporate value, and make contributions to our shareholders and other stakeholders by developing, and providing to the market, products, technologies, and services that are useful for society and sufficiently safety-conscious products. Toward that end, we strive to ensure proper disclosure of financial and management information, a strong sense of corporate ethics, strict compliance practices, and thorough risk management. Strengthening the functions of the Board of Directors to maintain a solid management oversight structure, and enhancing the Audit & Supervisory Board functions, are keys to these efforts.

(For your reference)

[UACJ Group Philosophy]

<Corporate Philosophy> Contribute to society by using raw materials to manufacture products that enhance prosperity and sustainability.

<Our Vision> Aluminum is our passion. It inspires our work in building a better world and a healthier environment.

<Our Values> Respect and understand your associates. Embrace honesty and foresight. Be curious and challenging.

#### [Reasons for Non-compliance with Principles of Japan’s Corporate Governance Code]

There are no matters to be described in this column.

#### [Disclosure Based on Principles of Japan’s Corporate Governance Code]

Revised

The following are described based on the principles of the Corporate Governance Code revised in June 2021, including the Principles for the prime market that will become effective on April 4, 2022.

[Principle 1.4] (Cross-shareholding)

UACJ maintains strategic shareholdings judged to be necessary for promoting continued business growth and smooth progress by, for example, maintaining or strengthening business ties, advancing business collaborations, or promoting stable procurement of raw materials.

The Company’s policy is to hold the minimum number of shares necessary and to reduce its holdings going forward. Every year, the Board of Directors reviews individual strategic shareholdings, by examining quantitative factors such as economic rationality and qualitative factors such as the purpose of the holding. If, as a result of these examinations, it is determined that maintaining a shareholding is no longer sufficiently meaningful or rational, the shareholding will be gradually divested.

As of the end of March 2023, the Company has 29 cross-shareholding stocks. The amount of cross-held shares included in the Company’s balance sheet as of the end of FY2022 stands for 5,129 million yen, accounting for 1.90% of consolidated net assets.

Regarding the exercise of voting rights attached to strategic shareholdings, UACJ takes the position that it should exercise its rights as a shareholder and, in principle, exercises all voting rights on all proposals put before shareholders. Voting rights are exercised on individual proposals based on comprehensive considerations of whether they are consistent with UACJ’s purpose for maintaining the shareholding, would promote sound management at the issuing company, and would enhance the corporate value of both UACJ and the issuing company.

Furthermore, dialogue will be held with issuers with regard to the details of proposal as needed.

[Principle 1.7] (Related Party Transactions)

Any competitive transactions and conflict of interest transactions between the Company and any of its Directors or companies substantially controlled by a Director are subject to the approval of the Board of Directors.

The Company discloses these transactions in accordance with the provisions of the Companies Act, the Financial Instruments and Exchange Act, and other applicable laws and regulations as well as the rules of the Tokyo Stock Exchange.

[Supplementary Principle 2.4.1] (Ensuring Diversity in the Promotion of Core Human Resources, etc)

The UACJ Group considers that hiring diverse (in terms of race, gender, nationality, religion, age, disability, etc.) employees is the source of the Group's competitiveness from which improvements and innovation are generated. While fostering an organizational culture in which each and every employee can mutually accept differences in their ideas and values, the UACJ Group is committed to ensuring its sustained growth by setting, as one of its six materiality themes, diverse human resources and equal opportunities, which include the promotion of women's active participation, diverse work styles, and recruitment of a diverse workforce.

#### <Ratio of Female Managers>

While the ratio of female managers in the UACJ Group's global management is currently about 9%, a significant difference is observed between Japan (about 3%) and overseas (about 20%), exhorting the Group to ramp up its efforts particularly in Japan. To this end, in its Fourth Action Plan launched in April 2022 with the aim of promoting the active participation of women, the Group set up initiatives and goals to achieve a workplace where women can play active roles. Moreover, the Group has implemented a company-wide successor candidate plan that focuses on female employees when selecting candidates for positions from section manager to officer levels. Through these activities, the Group aims to increase the ratio of female managers in Japan to 15% or more by 2030.

#### <Promotion of Mid-career Hires to Managerial Positions>

In the UACJ Group's domestic member companies, mid-career hires account for approximately 30% of all managerial positions. The Group has actively hired mid-career employees as a means to expand its global business, to enter into new business areas, and to achieve more sophisticated management. Going forward, we will continue to actively hire mid-career hires, from the perspective of promoting our business and ensuring diversity, while developing a working environment in which mid-career hires can play even more active roles through the reform of its corporate culture and employees' working styles.

#### <Use of Foreign Nationals>

The UACJ Group's domestic member companies have been eager to recruit excellent foreign nationals as new graduate hires and/or mid-career hires. Since the management integration, they have employed 14 foreign nationals in total, under the goal of employing non-Japanese individuals at a rate of approximately 10% of the total number of new graduate hires. Currently, we are working to develop a culture and environment in which foreign human resources can play a more important role in the Group. While we have not yet set numerical goals regarding the promotion of foreign national human resources to managerial positions, we will continue to facilitate the use of a wider variety of non-Japanese employees, including those who are working at the UACJ Group's overseas bases.

Furthermore, as a result of our efforts to promote localization, a number of local staff members, including managers, are working at the UACJ Group's overseas business companies. In the future, we will further promote the use of foreign human resources at a local level, and intend to increase the ratio of foreign national managers at overseas business companies from the current 20%, by promoting human resource development initiatives overseas, including the implementation of successor candidate plans.

#### [Principle 2-6] (Roles of Corporate Pension Funds as Asset Owners)

The Company's pension plan manages assets to provide a stable source of funding. In order to achieve this and to generate long-term positive returns, assets are allocated to appropriately diversified investments after receiving advice from asset managers.

The investment performance of pension assets is monitored appropriately by obtaining performance information regularly from trust banks, life insurance companies, and other asset managers, and sharing the information with the Pension Committee, which is composed of the Company's Directors in charge of the Human Resources Department and the Accounting Department.

#### [Principle 3-1] (Full Disclosure)

(1) The Company discloses its Group philosophy, medium-term management plan, structural reform, and other information through multiple channels including its corporate website.

UACJ Group Philosophy <https://www.uacj.co.jp/english/company/management/policy.htm>

Medium-term management plan and structural reform <https://www.uacj.co.jp/english/ir/library/presentation.htm>

(2) The Company discloses its basic views on corporate governance through multiple channels including its corporate website and annual securities report.

<https://www.uacj.co.jp/english/csr/management/governance.htm>

(3) The Company discloses the policy for determining the remuneration of Directors and the Audit & Supervisory Board Members through multiple channels including its annual securities report.

<https://www.uacj.co.jp/english/csr/management/governance.htm#ac05>

(4) Candidates for the Company's Directors and Audit & Supervisory Board Members are nominated by the Nomination and Remuneration Advisory Committee according to the Company's appointment criteria and then proposed by the Committee to the Board of Directors for its discussion and decision-making. In the case of candidates for Audit & Supervisory Board Members, approval from the Audit & Supervisory Board is also required.

The Company's Executive Officers are the individuals who assume the ultimate responsibility for the business or business area assigned to him/her according to the decisions made by the Board of Directors. Candidates for an Executive Officer are nominated by the Nomination and Remuneration Advisory Committee according to the Company's appointment criteria and then proposed by the Committee to the Board of Directors for its discussion and resolution.

When a candidate for a Director or an Audit & Supervisory Board Member is determined, according to the appointment criteria, to be unsuitable by the Nomination and Remuneration Advisory Committee, or falls under the refusal of reappointment criteria, he/she will not be proposed as a candidate. The Board of Directors will make a decision on his/her appointment based on the Committee's report.

When a Director, Audit & Supervisory Board Member, or Executive Officer falls under the dismissal criteria and is determined to be deserving

of dismissal, the Nomination and Remuneration Advisory Committee submits a proposal of dismissal to the Board of Directors, which is responsible for making a decision on the dismissal based on the Committee's proposal.

- (5) The reasons for appointment of all candidates for Directors and Statutory Auditors are disclosed in the Notice of the Ordinary General Meeting of Shareholders. The reasons for dismissal of Outside Directors and Audit & Supervisory Board Member are also disclosed in the annual securities report and other documents. Policies and procedures for the dismissal and refusal of reappointment are described in (4) above. Notice of Ordinary General Meeting of Shareholders <https://www.uacj.co.jp/english/ir/library/annualmeeting.htm>  
Annual Securities Report <https://www.uacj.co.jp/ir/library/sr.htm>

[Supplementary Principle 3.1.3] (Sustainability Initiatives, etc.)

We consider that sustainability is an important management challenge, addressing which will help us achieve our corporate philosophy "Contribute to society by using raw materials to manufacture products that enhance prosperity and sustainability." Our sustainability initiatives and their goals have been incorporated and disclosed in our long-term management vision "UACJ Vision 2030" as well as the "Third Mid-term Management Plan" that lasts three years from FY2021.

In the Vision and the Plan, we designated four SDGs to which we should contribute, and defined six materiality themes including "responses to climate change" in FY2021 to achieve the SDGs, with goals and targets up to 2030. At the same time, in order to provide stronger incentives for engaging in sustainability activities, we introduced SDGs-based appraisal program to our short-term performance-linked remuneration for officers, starting from FY2021. We will continue to contribute to social sustainability through proactive efforts to address these challenges.

In particular, working from the premise that the global environment is essential to all life, the UACJ Group believes that addressing climate change proactively is an important responsibility for any member of society, and as such has designated "responses to climate change" as one of the Group's management materiality themes. At the same time, we designated our aim "contribution to the creation of a lighter world" as one of the three major policies of the Third Mid-term Management Plan and are working on it with priority.

As an implementation framework, in April 2021, we established the Climate Change Countermeasures Steering Committee and four working groups (for carbon neutrality, procurement of raw materials, facilitation of the shift to aluminum products, and promotion of aluminum recycling).

In September 2021, we agreed on the Task Force on Climate-related Financial Information Disclosures (TCFD) Recommendations and joined the TCFD Consortium, an organization of advocate companies. Furthermore, UACJ was selected as a participant in the Ministry of the Environment's "Project for Supporting Climate Risk and Opportunity Scenario Analysis in Line with TCFD." In an initiative launched in October 2021, the Company assessed and analyzed impacts of its business on climate change, based on the 4°C (2.6°C to 4°C) scenario and the 1.5°C scenario that are in reference to the future projections made by such bodies as IEA and IPCC.

The details have been disclosed on the corporate website in January 2022.

<https://www.uacj.co.jp/sustainability/environment/climate.htm#ac02>

They have also been disclosed in our Integrated Report 2022.

[https://www.uacj.co.jp/ir/library/pdf/2022/06\\_2022uacjr.pdf](https://www.uacj.co.jp/ir/library/pdf/2022/06_2022uacjr.pdf)

In FY2022, the scenario analysis was conducted targeting the foil business, as part of a Group-wide initiative. We pledge to further improve our scenario analysis techniques, regularly monitor climate change risks and opportunities, and strengthen the implementation framework.

We support the UN Guiding Principles on Business and Human Rights and other international norms. We have also set a goal to "respect and understand your associates" as an element of "Our Values," a component of the UACJ Group Philosophy. Moreover, we identified "respect for human rights" as one of our material issues, and operate our business in a manner respecting human rights. In FY2022, UACJ launched a new internal training program to ensure that its employees are fully aware of the UACJ Group Human Rights Policy. At the same time, the Company implemented an initiative to update, with the support of a third-party organization, its rules associated with the Human Rights Policy and the UACJ Corporation CSR Deployment Guideline. Moreover, we are working to grasp the reality of human rights issues involving non-Japanese technical intern trainees to confirm that no inappropriate labor practices are in place. Going forward, to achieve the UACJ Group Philosophy—contributing to society by using raw materials to manufacture products that enhance prosperity and sustainability—we will continue to promote human rights initiatives and make contributions to increased social sustainability.

With regard to the investments in human capital and intellectual properties, we designated, in the UACJ Vision 2030, "Human Resources," "Technologies," "DX," and "Corporate Culture" as our critical themes that support the achievement of our vision, and incorporated and disclosed relevant initiatives in the Third Mid-term Management Plan. We will disclose these initiatives that relate to the management challenges and strategies and progress therein, together with progress in the Third Medium-Term Management Plan, etc.

[Supplementary Principle 4.1.1] (Outline of the Scope of Delegation from the Board of Directors to Management)

The Company has introduced an executive officer system whereby it separates the management decision-making and the supervisory body from the business execution function to further strengthen the Board of Directors' functions and increase the speed of business execution. The outline of the executive officer system has been disclosed through various channels including the Company's website and the corporate governance report. Authorities for decision-making, deliberation, approval, and so forth assigned to the Board of Directors, the Management Committee, the President, officers, and other decision-making bodies and decision-makers have been expressly defined according to the decision-making criteria.

[Principle 4-9] (Independence Standards and Qualification for Independent Outside Directors)

The Company appropriately selects candidates for Independent Outside Directors from among individuals who are expected to contribute to candid, active, and constructive deliberations at the Board of Directors meetings, in accordance with the standards prescribed by the Tokyo Stock Exchange and the Company's independence standards, taking into consideration their personnel, capital, and commercial relationships with the Company as well as other interests.

UACJ's Independence for Outside Directors and Audit & Supervisory Board Members

<https://www.uacj.co.jp/sustainability/management/pdf/independence.pdf>

[Supplementary Principle 4.10.1] (Authorities, Roles, etc. of Nomination Committee/Remuneration Committee)

As a voluntary advisory body to the Board of Directors, the Company established the Nomination and Remuneration Advisory Committee that mainly consists of Independent Outside Directors. The aim of the establishment is to strengthen corporate governance by increasing the objectivity and transparency of the processes for nominating Directors, Executive Officers, and Audit & Supervisory Board Members, as well as the process for making decisions on their remuneration.

Based on the consultation from the Board, the Committee deliberates and adopts resolutions on the following and reports the results to the Board: draft proposals for a general meeting of shareholders regarding the election and dismissal of Directors, Executive Officers, and Audit & Supervisory Board Members; matters related to officers' remuneration; and the Chief Executive Officer successor plan drafts, etc.

The Nomination and Remuneration Advisory Committee Rules provide for that the Committee shall be: 1) composed of three or more members (a majority of which shall be composed of Independent Outside Directors or Independent Outside Audit & Supervisory Board Members) selected by a resolution of the Board of Directors; and 2) chaired by a person selected from among Independent Outside Directors by the Committee's resolution.

[Supplementary Principle 4-11-1] (Views on the Balance, Diversity, and Scale of the Board of Directors)

UACJ's views on the diversity, balance between knowledge, experience, and skills, etc. of the Board of Directors as a whole are substantially the same as those on the nomination of Director candidates. The Company appoints its officers in the best possible way referring to the candidates' personnel appraisal pertaining to their skills, career history (e.g., work experience, position, and qualifications), and so forth.

The Company appointed a female independent outside Director at the Ordinary General Meeting of Shareholders held in June 2015. Later, it increased the number from one to two at the Ordinary General Shareholder Meeting held in June 2023. The Company will continue to work to improve its structure in due consideration of the appropriate balance between knowledge, experience, and skills of the Board of Directors as a whole as well as its diversity and scale.

It has also disclosed a skill matrix, which shows the composition and expertise of its Board of Directors, in the Notice of the General Meeting of Shareholders and integrated reports.

[Supplementary Principle 4-11-2] (Concurrent Positions of Directors and Audit & Supervisory Board Members)

UACJ annually discloses concurrent positions held by its Outside Directors and Outside Audit & Supervisory Board Members at other companies in such documents as the Notice of Ordinary General Meeting of Shareholders, Annual Securities Report, and Corporate Governance Report.

One of four Outside Directors has a concurrent position as an Outside Director in a listed company. The remaining three Outside Directors and all Executive Directors do not have any concurrent position in other listed companies.

One of three outside Audit & Supervisory Board Members has a concurrent position as an outside director in a listed company. The remaining two Outside Audit & Supervisory Board Members and all Full-time Audit & Supervisory Board Members do not have any concurrent position in other listed companies.

[Supplementary Principle 4-11-3] (Summary of Analysis and Evaluation Results Concerning Effectiveness of the Board of Directors)

With an eye to achieving the Company's sustainable growth and increasing mid- to long-term corporate value, UACJ has been actively engaging in efforts to improve the effectiveness of its Board of Directors.

For FY2022, the Company evaluated its Board's effectiveness on its own using the questionnaires applied in the third party evaluation in FY2020 in the aim of continuously following up its efforts for the effectiveness improvement.

Specifically, in the FY2021 evaluation, Directors and Corporate Auditors responded to the questionnaire asking about the Board's composition and operation, relationships with the Nomination and Remuneration Advisory Committee, investors, and shareholders, Directors' self-evaluations and so forth, and then the Board's secretary analyzed their answers. Later, the Board evaluated its effectiveness by discussing the result at its meetings. As a result, it was confirmed, as was the case in FY2021, that the Board had an appropriate scale and a good balance between the number of inside Directors and Independent Outside Directors, and that its meetings were operated properly in terms of the frequency, the length of time for discussions, the content and number of agenda items, etc. It was also confirmed that appropriate measures were taken to address the FY2021 challenges, including "deeper discussions on the Board's diversity" and "enhanced support for outside Directors." On the other hand, it was shown that, while a certain level of progress was made, the Board should continue to have in-depth discussions about the "human resource strategy for the development of global talents." In addition, to further improve the Board's effectiveness, we identified issues that should be rectified in FY2023, such as upgrading the process designed to raise mid- to long-term material themes and further strengthening monitoring functions.

To actively responding to new challenges, the Company has decided to proceed with multiple initiatives, including sharing awareness among the Board members, holding sufficient discussions on the response measures at the Board meetings, and establishing better Board meeting agendas to help determine the broad direction of the Company and contribute to the strengthening of supervisory functions.

We are committed to improving the Board's effectiveness continuously to achieve sustainable growth and improvement of corporate value over the medium- to long-term, taking into consideration the evaluation's results.

For your reference, the Company intends to conduct third-party evaluations at appropriate intervals in the future.

[Supplementary Principle 4-14-2] (Training Policy for Directors and Audit & Supervisory Board Members)

The Company's training policy is to conduct the below-mentioned training programs at the time of new appointment and during the term of office to enable Directors and Audit & Supervisory Board Members to execute their duties appropriately.

The Company provides newly-appointed Directors and Audit & Supervisory Board Members with opportunities to understand their roles and responsibilities, as well as outside officers new to the Company with occasions to deepen their understanding of the Company's business, finance, organization, etc.

As an ongoing training program during the term of office, the Company provides Directors and Audit & Supervisory Board Members with opportunities to deepen their understanding of governance and discuss issues faced by the UACJ Group, in addition to other training sessions that are appropriate for each individual's knowledge, experience, and skills.

[Principle 5-1] (Policy for Constructive Dialogue with Shareholders)

The Company's Investor Relations Department is responsible for sharing IR information and performing procedures for information disclosure, through organic collaboration with such departments as Corporate Legal, General Affairs & Corporate Communication, Corporate Planning, Finance and Accounting, and Corporate Sustainability.

Quarterly results briefings, an annual IR-Day, and other opportunities, such as one-on-one meetings, small meetings, and factory tours, are arranged for shareholders and investors from time to time. As a new initiative, we hold ESG briefings for shareholders and investors to help them

understand the Company's business and provide institutional investors with opportunities to facilitate dialogue with Independent Outside Directors so that they can understand not only our business but our Independent Outside Directors' effective activities.

Furthermore, given its shareholder composition, the Company has a basic policy to visit investors in the US, Europe, and Asia at least once a year. Shareholder relations activities for institutional investors are performed by the Corporate Legal Department, which arranges annual interview sessions with them. Opinions and requests received from institutional investors through the dialogue are fed back, on a timely basis, to the management team including the Board of Directors.

The Company also strives to enhance information disclosure by, for example, providing information on the corporate website and issuing the Integrated Report.

When communicating with investors, attention is paid to the management of insider information by focusing on matters related to the sustainable growth of the Company and the improvement corporate value over the medium to long term, regardless of whether it is a financial result briefing or a small meeting. Opinions and requests from shareholders and investors are reported to the Board of Directors on an as-needed basis, with the aim of making use of them for the management of the Company.

[Action to Implement Management That Is Conscious of Cost of Capital and Stock Prices]

One of UACJ's primary corporate management goals is to achieve a continuous improvement in shareholder value. Under this goal, the Company has sought to increase earnings, to achieve a capital efficiency that exceeds capital costs, and to improve financial stability, through business operation, strategic investments, business continuity investments, investments for security and environmental protection, and so forth.

In the Third Medium-term Management Plan (FY2021 through FY2023), we clearly defined management objectives—to create shareholder value by improving capital efficiency and to enhance and strengthen our financial base to ensure stable corporate management—and employ them in our business management.

UACJ Management Indicators and Numerical Targets

- Third Medium-term Management Plan (FY2021-FY2023): ROE 7.5%, ROIC 6%, D/E ratio 1.2 times or less
- UACJ VISION 2030 (FY2030): ROE at least 10%, ROIC at least 10%

\*ROIC is calculated based on operating income before tax

For the period under the Third Medium-term Management Plan (FY2021-FY2023), we work to address the Group's material issues, which consist of improving and strengthening earning structure, enhancing capital efficiency through increased profitability from the growth markets/areas, and ensuring financial soundness.

So far, management indicator targets have not yet been reached and the PBR remains below 1.0. Bearing these circumstances in mind, we realize the need to make more attempts to increase capital efficiency, and the Board and the Management Meeting members are proceeding with their deliberations in order to accomplish greater capital efficiency and reach a PBR of 1.0 or higher.

Under the Fourth Medium-term Management Plan, which is currently under development, priority will be given to achieving profitability that exceeds the cost of capital, increasing capital efficiency as measured by management indicators of ROE and ROIC, and improving the PBR. Other matters to be subjected to discussions include the visualization of impact of non-financial information on the corporate value and the total return policy. At the same time, we consider it is important to encourage a more active dialogue with the capital markets, so that investors can understand our present situation and the initiatives we have taken to ensure a capital-saving management strategy.

For your information, the Fourth Medium-term Management plan is scheduled to be released between March and May 2024.

Please refer to our website for an overview of our financial position.

[https://www.uacj.co.jp/ir/library/pdf/2023/irday\\_20230607\\_08.pdf](https://www.uacj.co.jp/ir/library/pdf/2023/irday_20230607_08.pdf)

#### 【Dialogue with Shareholders】

In order to contribute to sustainable growth and enhancement of mid- to long-term corporate value, UACJ is committed to fostering a constructive dialogue with shareholders. Opinions and requests received from institutional investors through the dialogue are fed back in a timely manner to the Board of Directors and other management team members. The specifics of the dialogue are disclosed on the Company's website.

<https://www.uacj.co.jp/sustainability/social/investor.htm>

## 2. Capital Structure

Foreign Shareholding Ratio

20% or more and less than 30%

[Status of Major Shareholders]

Revised

Name	Number of Shares Owned (Shares)	Percentage (%)
Furukawa Electric Co., Ltd.	12,036,500	24.96
The Master Trust Bank of Japan, Ltd. (trust account)	4,863,600	10.08
Goldman Sachs International	4,692,080	9.73
Custody Bank of Japan, Ltd. (trust account)	2,028,700	4.20
ECM MF	1,450,000	3.00
MLI FOR SEGREGATED PB CLIENT	1,005,000	2.08
State Street Bank and Trust Company	950,559	1.97
The UACJ Group Employee Stock Ownership Plan	826,560	1.71
Sumitomo Corporation	750,000	1.55
Mizuho Bank, Ltd.	733,100	1.52

Controlling Shareholder (except for the Parent)	_____
Parent company	None

Supplementary Explanation Revised

According to the Report of Possession of Large-volume (Change Report), which was made available for public inspection as of March 28, 2023, Effissimo Capital Management Pte Ltd. (hereinafter “Effissimo”) owns UACJ shares as of March 22, 2023. However, the Company refrained from including Effissimo in the Status of Major Shareholders above, as the Company has confirmed no beneficial ownership of its shares by Effissimo as of March 31, 2023.

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange, Prime Market
Fiscal Year-end	March
Type of Business	Non-ferrous metals
Number of Employees (Consolidated) as of the End of the Immediately Preceding Fiscal Year	1,000 or more
Sales (Consolidated) in the Previous Fiscal Year	100 billion yen or more and less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Immediately Preceding Fiscal Year	10 or more and less than 50

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

### 5. Special Circumstances Which May Have Material Impact on Corporate Governance

## II. Business Management Organization and Other Corporate Governance Systems Regarding Decision-making, Execution of Business, and Supervision in Management

### 1. Organizational Composition and Operation

Organizational Form	Company with audit & supervisory board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Number of Directors	10
Appointment of Outside Directors	Appointed
Number of Outside Directors <span style="background-color: #FFD700; padding: 2px;">Revised</span>	5
Number of Independent Officers Designated from Among Outside Directors <span style="background-color: #FFD700; padding: 2px;">Revised</span>	5

Outside Directors' Relationship with the Company (1) Revised

Name	Attribute	Relationship with the Company*
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		a	b	c	d	e	f	g	h	i	j	k
Takahiro Ikeda	From another company								△			
Akio Sakumiya	From another company											
Yoshitaka Mitsuda	Academic											
Ryoko Nagata	From another company											
Makiko Akabane	From another company											

\*Categories for "Relationship with the Company"

\*"○" indicates that the director presently falls or has recently fallen under the category, while "△" indicates that the director fell under the category in the past;

\*"●" indicates that a close relative of the director presently falls or has recently fallen under the category, while "▲" indicates that a close relative of the director fell under the category in the past.

- Executive (a person who executes business; hereinafter the same) of the Company or its subsidiaries
- Non-executive director or executive of a parent company of the Company
- Executive of a fellow subsidiary of the Company
- A party whose major client or supplier is the Company or an executive thereof
- Major client or supplier of the Company or an executive thereof
- Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/auditor
- Major shareholder of the Company (or an executive of the said major shareholder if it is a corporation)
- Executive of a client or supplier of the Company (which does not correspond to any of d., e., or f.) (the director himself/herself only)
- Executive of a company to which outside directors/auditors are mutually appointed (the director himself/herself only)
- Executive of a corporation that receives a donation from the Company (the director himself/herself only)
- Other

#### Outside Directors' Relationship with the Company (2)

Revised

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Takahiro Ikeda	○	Takahiro Ikeda used to work for Mitsubishi Chemical Corporation ("MCC"), a customer of the Company. As the volume of transactions between the Company and MCC accounts for less than 0.1% of UACJ's consolidated sales, MCC is not a Specified Associated Service Provider of the Company.	Takahiro Ikeda previously served as a director of a major chemical manufacturer and was involved in the management of the company as well as its group companies. He is considered qualified as an outside Director as he has offered useful and objective advice in such fields as the Company's domestic and overseas business expansion and risk management based on his extensive management experience and broad perspective on the management, and has been carrying out the supervisory functions in a proper manner through the Board of Directors. His appointment as an Independent officer is due to his independence from the Company and lack of risk of conflict of interest with general shareholders.
Akio Sakumiya	○	—	Akio Sakumiya previously served as a director and executive vice president of a major electronic apparatus manufacturer and was involved in the management of the company as well as its group companies. He also served as a committee member and vice chairman of the company's various advisory committees relating to human resources and remuneration for directors. He is considered qualified as an outside Director as he has offered useful and objective advice, based on his extensive experience and deep knowledge in corporate governance, in such areas as the Group's management strategy and corporate governance, and has been carrying out the supervisory functions in a proper manner through the Board of Directors. His appointment as an independent officer is due to his independence from the Company and lack of risk of conflict of interest with general shareholders.

Yoshitaka Mitsuda	○	——	<p>While he has not been directly involved in corporate management in the past other than as an outside director or outside corporate auditor, Yoshitaka Mitsuda is considered qualified as an outside Director as he has offered useful and objective advice based on his extensive academic experience in materials and abundant expertise in university management and industry-academia-government collaboration in such areas as the Group's R&amp;D and sustainability, and has been carrying out the supervisory functions in a proper manner through the Board of Directors.</p> <p>His appointment as an independent Director is due to his independence from the Company and lack of risk of conflict of interest with general shareholders.</p>
Ryoko Nagata	○	——	<p>Ryoko Nagata previously served as an executive managing officer and a corporate auditor of a major food manufacturer and was involved in the management of the company as well as its group companies. She is considered qualified as an outside Director as she is expected to offer useful and objective advice based on her extensive management experience and broad perspective on the management she gained in her previous positions, in such areas as the Group's management strategy, sales and marketing, legal affairs and governance, and to carry out the supervisory functions in a proper manner through the Board of Directors.</p> <p>She is independent from the Company and is considered to have no conflict of interest with general shareholders.</p>
Makiko Akabane	○	——	<p>Makiko Akabane is considered qualified as an outside Director as she is expected to offer useful and objective advice based on her abundant knowledge and experience she gained through sustainability-related consulting and support activities at many companies, the Ministry of the Environment, universities, etc., in such areas as the Group's sustainability and overseas businesses, and to carry out the supervisory functions in a proper manner through the Board of Directors.</p> <p>She is independent from the Company and is considered to have no conflict of interest with general shareholders.</p>
Voluntary Establishment of Committee(s) Equivalent to Nominating Committee or Remuneration Committee		Established	

Committee's Name, Composition, and Chairperson's Attributes

Revised

	Committee's Name	Total Committee Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntary Committee Equivalent to Nominating Committee	Nomination and Remuneration Advisory Committee	7	0	2	5	0	0	Outside Director
Voluntary Committee Equivalent to Remuneration Committee	Nomination and Remuneration Advisory Committee	7	0	2	5	0	0	Outside Director

Supplementary Explanation

Revised

The Company established a Nomination and Remuneration Advisory Committee as a voluntary advisory body to the Board of Directors, with the aim of increasing the objectivity and transparency of the processes for the nomination of Directors, Executive Officers, and Audit & Supervisory Board Members, and for the determination of the remuneration of Directors and Executive Officers, and thereby strengthening corporate governance. Serving as





Hiroyuki Yamasaki	CPA																			
Yoshiro Motoyama	From another company																			

- \* Categories for “Relationship with the Company”
  - \* “○” indicates that the Statutory Auditor presently falls or has recently fallen under the category, while “△” indicates that the Statutory Auditor fell under the category in the past;
  - \* “●” indicates that a close relative of the Statutory Auditor presently falls or has recently fallen under the category, while “▲” indicates that a close relative of the Statutory Auditor fell under the category in the past.
- a. Executive of the Company or its subsidiary
  - b. Non-executive director or accounting advisor of the Company or its subsidiary
  - c. Executive or non-executive director of the Company’s parent
  - d. Audit & supervisory board member of the Company’s parent
  - e. Executive of a fellow subsidiary of the Company
  - f. A party whose major client or supplier is the Company or an executive thereof
  - g. Major client or supplier of the Company or an executive thereof
  - h. Consultant, accountant, or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/auditor
  - i. Major shareholder of the Company (or an executive of the said major shareholder if it is a corporation)
  - j. Executive of a client or supplier of the Company (which does not correspond to any of f, g, or h) (the Statutory Auditor himself/herself only)
  - k. Executive of a corporation to which outside officers are mutually appointed (the Statutory Auditor himself/herself only)
  - l. Executive of a corporation that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
  - m. Other

Outside Audit & Supervisory Board Members’ Relationship with the Company (2) Revised

Name	Designation as Independent Officer	Supplementary Explanation of the Relationship	Reasons for Appointment
Yuki Iriyama	○	----	Yuki Iriyama previously served as a managing director of a major steelmaker and has extensive experience in corporate management. He is considered qualified as an outside Audit & Supervisory Board Member as he has properly performed audits of the UACJ Group companies and offered useful advice on the basis of the high level of legal knowledge he accumulated in his work as a lawyer with expertise in corporate legal affairs. His appointment as an independent Director is due to his independence from the Company and lack of risk of conflict of interest with general shareholders.
Hiroyuki Yamasaki	○	-----	Hiroyuki Yamasaki previously served as a certified public accountant who was well-versed in corporate accounting and has extensive experience in finance and accounting. He is considered qualified as an outside Audit & Supervisory Board Member as he has properly performed audits of the UACJ Group companies and offered useful advice on the basis of the high level of professional accounting knowledge he accumulated in his work. His appointment as an independent Director is due to his independence from the Company and lack of risk of conflict of interest with general shareholders.
Yoshiro Motoyama	○	-----	Yoshiro Motoyama served as an executive vice president of a major automobile manufacturer and has extensive experience in corporate management. He is considered qualified as an outside Audit & Supervisory Board Member as he has properly performed audits of the UACJ Group companies and offered useful advice from a broad perspective of management he gained through his work. His appointment as an independent Director is due to his independence from the Company and lack of risk of conflict of interest with general shareholders.

## [Independent Officers]

Number of Independent Officers <span style="background-color: orange; color: white; padding: 2px;">Revised</span>	8
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### Matters Relating to Independent Officers

The Company appropriately appoints, in accordance with the standards prescribed by the Tokyo Stock Exchange and the Company's independence standards, Independent Outside Directors and Independent Outside Audit & Supervisory Board Members from among individuals who are expected to contribute to candid, active, and constructive deliberations at the Board of Directors meetings, taking into consideration their personnel, capital, and commercial relationships with the Company as well as other interests. It also registers each of them at the Exchange as an Independent Officer.

## [Incentives]

Implementation of Measures to Provide Incentives to Directors	Performance-linked remuneration
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### Supplementary Explanation

The remuneration for Directors except for Outside 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 term, and medium- to long-term performance-linked remuneration that is tied to the level of achievement of the Company's medium- to long-term performance.

Recipients of Share Options	
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### Supplementary Explanation

## [Director Remuneration]

Disclosure of Individual Directors' Remuneration <span style="background-color: orange; color: white; padding: 2px;">Revised</span>	No individual disclosure on remuneration
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### Supplementary Explanation Revised

In respect of the "remuneration based on the Articles of Incorporation or the resolution of the general meeting of shareholders," the Company discloses the total number of Directors to whom remuneration is paid and the total amount of remuneration paid.

Policy for Determining Remuneration Amounts or Calculation Methods Thereof	Established
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### Disclosure of Policy for Determining Remuneration Amounts or Calculation Methods Thereof

Policy for determining the amount of remuneration of officers or its calculation method and the determination method

The purpose of the remuneration system for officers of the Company is to encourage Directors to help the Company to continue to meet the expectations of various stakeholders and to create profit that is sufficient to enable the Company to contribute to the society, while allowing them to share risks and benefits of share price fluctuations and raising their motivation to contribute to the enhancement of corporate value and performance improvements over the medium to long term. From this perspective, in order to ensure that the remuneration system functions correctly and to increase its objectivity and transparency, decisions on the specific design and operation of the system are made by the Board of Directors based on the report of the Nomination and Remuneration Advisory Committee, which consists of three or more members selected by a resolution of the Board of Directors (a majority of which shall consist of Independent Outside Directors or Independent Outside Audit & Supervisory Board Members).

Instead of delegating the decision-making to its member Directors, the Company's Board made decisions on the amount of individual Directors' remuneration, etc. for the business year under review based on the reports received from the Nomination and Remuneration Advisory Committee. Furthermore, the Board confirmed that the way to determine the details of, and the details themselves of, individual Directors' remuneration, etc. for the business year under review are consistent with the policy resolved by the Board, and that the report from the Nomination and Remuneration Advisory Committee is respected. As a result, the Board concluded that the individual Directors' remuneration is in compliance with the Board's policy.

The basic policy for the remuneration of officers is as follows:

a. 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.

b. 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 term, and medium- to long-term performance-linked 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 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-based remuneration (in cases where the payment rate is 100%; the same applies below) is set at 35% to 40% of his/her basic remuneration.
- For each eligible Director, the standard amount of medium-to long-term performance-based remuneration is set at approximately 25% of his/her basic remuneration.

c. Structure of the performance-linked remuneration

(1) Short-term performance-linked remuneration comprises of: (i) the portion based on the company-wide performance evaluation; (ii) the portion based on the divisional performance evaluation; (iii) the portion based on the SDGs evaluation; and (iv) the portion based on the individual performance evaluation. The payment is made once a year and its amount varies depending on the single-year performance.

- The portion based on the company-wide performance evaluation is calculated using, as performance indicators, the Company's key management indicators as well as important metrics used in the mid-term management plan, namely, consolidated net income, consolidated ROE, consolidated ROIC, and consolidated ordinary income before effects of inventories.
- The portion based on the divisional performance evaluation is calculated using, as performance indicators, each division's ordinary income, ROIC, and ordinary income before effects of inventories that are linked with the company-wide performance indicators.
- The portion based on the SDGs evaluation is intended to evaluate SDGs activities that are engaged by the UACJ Group to achieve sustainable growth together with society. The weight of the portion based on the SDGs evaluation is set at approximately 10% of the total short-term performance-linked remuneration.
- The portion based on the individual performance evaluation is mainly intended to qualitatively evaluate the aspects of significant efforts that are not reflected in the single-year company-wide and divisional performance as well as in SDGs evaluation. The weight of the portion based on the individual performance evaluation is set at approximately 10% of the total short-term performance-linked remuneration.
- The amount fluctuates within the range from 0% to 200% in accordance with the level of achievement, on the basis that the payment rate is set at 100% if the achievement rate against the targets is 100%.

(2) For the medium- to long-term performance-linked remuneration, the Company adopted the restricted stock unit (hereinafter "RSU") plan and the performance share unit ("PSU") plan. Under these plans, remuneration is paid in the form of the Company's shares. The Company also adopted the so-called malus and clawback clause, under which if a Director who is entitled to the remuneration commits certain acts of misconduct as determined by the Company's Board of Directors, or falls under any other circumstances as determined by the Company's Board of Directors, the Director loses all or part of non-vested units of stock.

A) RSU

- Under the RSU plan, a Director is entitled to receive shares or cash when he/she serves the Company for at least three consecutive years.
- Units are allocated to each Director on an annual basis. Three years after the allocation, a half of vested units will be paid in the form of shares and the rest is paid in cash.

B) PSU

- Under the PSU plan, Directors receive remuneration in the form of shares or cash. The amount is determined based on the level of achievement of company-wide medium- to long-term performance goals. Once every three years, a three years' worth of units are allocated. After that, the number of units will fluctuate depending on the performance over the evaluation period (three years), and the units will be paid after three years.
- The indicators used for performance evaluation are the Company's key management indicators and important metrics in the mid-term management plan, namely, consolidated ROIC (three-year average), consolidated adjusted EBITDA (three-year cumulative total), and consolidated D/E ratio (the final figure at the end of the third year). While the standard payment rate is set at 100% assuming that the level of achievement of goals established at the beginning of the three-year evaluation period is 100%, the actual payment ratio fluctuates in the range of 0% to 200% depending on the level of achievement. After the evaluation using the performance evaluation indicators, the final payment rate is determined within the range of 0% to 200% by evaluating performance based on the value that is obtained by dividing the growth rate of the Company's total shareholder return (TSR) during the three-year evaluation period by the Tokyo Stock Price Index (TOPIX) Growth Rate.
- After the completion of the evaluation period, half of the vested number of units is paid in the form of shares, and the remaining half is paid in cash.

d. Remuneration determination procedure

- The policies and specific contents of the Company's officer remuneration are deliberated at the Nomination and Remuneration Advisory Committee and determined by the Board of Directors referring to the Committee's report. Over half of the Nomination and Remuneration Advisory Committee is comprised of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members. Furthermore, advice from external specialists is sought as necessary to provide sufficient information to its members.
- Regarding short-term performance-based remuneration for Directors, the Nomination and Remuneration Advisory Committee confirms, at the beginning of the evaluation period, the targets for: 1) the portion based on the company-wide performance evaluation; 2) the portion based on the divisional performance evaluation; and 3) the portion based on the SDGs evaluation, and, at the end of the evaluation period, the level of achievement of these goals and the amount of payment according to the level of achievement. The Committee also confirms the appropriateness of the portion based on the individual performance evaluation. For medium-to long-term performance-based Director remuneration, the Nomination and Remuneration Advisory Committee confirms the targets at the beginning of the evaluation period, as well as the level of achievement and the amount of remuneration based on the achievement level at the end of the evaluation period.
- Instead of delegating the decision-making to its member Directors, the Company's Board made decisions on the amount of individual Directors' remuneration, etc. for the business year under review based on the reports received from the Nomination and Remuneration Advisory Committee.
- The amount of remuneration for Audit & Supervisory Board Members is determined by consultation among the Audit & Supervisory Board Members within the range approved by the general meeting of shareholders.

(For your 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 25% of their basic remuneration (annual amount) within five years from the date of appointment as an officer.

## [Supporting System for Outside Directors (Outside Audit & Supervisory Board Members)]

Board meeting materials are distributed to the attendees in advance. Prior briefing sessions on important agenda are provided as necessary to support the attendees.

## 2. Matters on Business Execution, Audit and Supervision, Nomination and Remuneration Amount Determining Functions (Overview of Current Corporate Governance System) Revised

The Company has introduced an executive officer system whereby it separates the management decision-making and the supervision functions from the business execution function to further strengthen the Board of Directors' functions and increase the speed of business execution.

The Company's Board of Directors meetings are held monthly, which are attended by 10 Directors and six Audit & Supervisory Board Members, including five independent outside Directors and three independent outside Audit & Supervisory Board Members, respectively. The meeting agenda includes deliberating important management issues and reporting the status of business execution in compliance with laws and regulations, Articles of Incorporation, and other internal rules. The following shows the status of attendance to the Board of Directors' meetings held in FY2022 by the Directors and Audit & Supervisory Board Members registered as of June 21, 2023, the date of the 10th ordinary general meeting of shareholders (excluding Directors and Audit & Supervisory Board Members newly appointed as of the same day):

[Name/Number of Meetings Attended/Attendance Rate]

Miyuki Ishihara, Representative Director/15 out of 15 meetings held/100%

Teruo Kawashima, Director/15 out of 15 meetings held/100%

Shinji Tanaka, Director/15 out of 15 meetings held/100%

Fumiharu Jito, Director/12 out of 12 meetings/100% (after appointed as Director)

Takahiro Ikeda, independent outside Director/15 out of 15 meetings held/100%

Akio Sakumiya, independent outside Director/14 out of 15 meetings held/93%

Yoshitaka Mitsuda, independent outside Director/12 out of 12 meetings held/100% (after appointed as Director)

Atsushi Sakaue, full-time Audit & Supervisory Board Member/15 out of 15 meetings held/100%

Ryu Sawachi, full-time Audit & Supervisory Board Member/12 out of 12 meetings held/100% (after appointed as Audit & Supervisory Board Member)

Yuki Iriyama, independent outside Audit & Supervisory Board Member/15 out of 15 meetings held/100%

Hiroyuki Yamasaki, independent outside Audit & Supervisory Board Member/15 out of 15 meetings held/100%

Yoshiro Motoyama, independent outside Audit & Supervisory Board Member/15 out of 15 meetings held/100%

The Company established a Nomination and Remuneration Advisory Committee as a voluntary advisory body to the Board of Directors, with the aim of increasing the objectivity and transparency of the processes for the nomination of Directors, Executive Officers and Audit & Supervisory Board Members, and for the determination of remuneration of Directors and Executive Officers, and thereby strengthening corporate governance. The Committee deliberates, upon request of the Board of Directors, matters concerning the nomination of Directors, Executive Officers and Audit & Supervisory Board Members, and the remuneration of Directors and Executive Officers and reports the results of the deliberation to the Board. The Committee consists of three or more members (a majority of which shall consist of Independent Outside Directors or Independent Outside Audit & Supervisory Board Members) selected by a resolution of the Board of Directors and chaired by a person selected from among Independent Outside Directors by the Committee's resolution.

In addition, management meetings are held regularly and monthly with the participation of two full-time Audit & Supervisory Board Members, and 16 Executive Officers, so as to deliberate and consider important management matters and help ensure the proper control of operations by developing common understanding among those responsible for executing business operations.

Directors' term of office is set at one year in order to establish a clear sense of responsibility. UACJ has five independent outside Directors. Three of them have extensive experience in management execution and supervision as an officer of a company; one has an objective perspective based on his broad academic experience as a professor emeritus of a university; and one has extensive experience gained through sustainability-related consulting and support activities at many companies, the Ministry of the Environment, universities, etc. Together they play a role to ensure the appropriateness of decision making by the Board of Directors. The Articles of Incorporation prescribes that the number of the Company's Directors shall be 12 or less.

As its internal audit mechanism, the Company established the Audit Department that consists of 11 full-time and one concurrently assigned staff members. The Department is in charge of: developing the annual audit policy and plan in accordance with the internal audit rules; objectively examining and evaluating whether various management activities are carried out by the Company and the Group companies in legitimate and rational manner as well as whether they are executed appropriately in accordance with the Company's business purpose; and reporting the results to the President together with the recommendation of remedial measures.

Furthermore, as its audit and supervisory mechanism, the Company established the Audit & Supervisory Board, an independent body consisting of two Full-time and three Independent Outside Members and meetings are held monthly. It also assigned three employees who are in charge of assisting Members in their performance of duties to the secretariat of the Audit & Supervisory Board, with the aim of enhancing functions of the Board. Mr. Atsushi Sakaue, an Audit & Supervisory Board Member, has long been engaged in the operation of accounting and finance divisions of the Company and has extensive experience and knowledge in finance and accounting. Mr. Hiroyuki Yamasaki, an Audit & Supervisory Board Member, has extensive experience in finance and accounting as a certified public accountant.

The following shows the status of attendance to the Audit & Supervisory Board meetings held in FY2022 by Audit & Supervisory Board Members registered as of June 21, 2023, the date of the 10th ordinary general meeting of shareholders:

[Name/Number of Meetings Attended/Attendance Rate]

Atsushi Sakaue, full-time Audit & Supervisory Board Member/14 out of 14 meetings held/100%

Ryu Sawachi, full-time Audit & Supervisory Board Member/11 out of 11 meetings held/100% (after appointment as Audit & Supervisory Board Member)

Yuki Iriyama, independent outside Audit & Supervisory Board Member/14 out of 14 meetings held/100%

Hiroyuki Yamasaki, independent outside Audit & Supervisory Board Member/14 out of 14 meetings held/100%  
 Yoshiro Motoyama, independent outside Audit & Supervisory Board Member/14 out of 14 meetings held/100%

The Audit & Supervisory Board is in charge of: preparing audit policies and plans annually; conducting audits to examine whether the Directors are properly performing their duties including the design and operation of internal control systems; preventing possible risks; efforts to address management challenges; and verifying the appropriateness of accounting auditor's audit approach and audit results.

Audit & Supervisory Board Members are in charge of: communicating with Directors; attending the Board meetings and other important meetings; inspecting important approval and other documents; investigating business operations and assets held at the headquarters and major business establishments; communicating and exchanging information with subsidiaries' directors and audit & supervisory board members; reviewing business reports submitted by subsidiaries; and reviewing the accounting auditor's reports on the performance of audits and audit findings.

As the Company appointed Deloitte Touche Tohmatsu LLC as its accounting auditor, the Company's accounting audits are conducted by Mr. Koichi Yano, Mr. Yasuaki Miura, and Mr. Takahisa Kudo from the firm. They have been engaged in the Company's audit for three and two consecutive years, respectively, and conduct audits based on the annual policy and plan. Their accounting audits are assisted by six certified public accountants (CPAs), five successful CPA examinees, and 18 other persons. The scope of duties is determined during the audit planning period.

### 3. Reasons for Adoption of Current Corporate Governance System

The Company adopted the audit and supervisory board system and established the Audit & Supervisory Board consisting of five members including three Independent Outside members, among which two members have finance and accounting knowledge. The Board is responsible for auditing the execution of duties by Directors as an independent body that plays a role in corporate governance by, for example, attending the Board meetings and other important meetings within the Company, in compliance with the Audit & Supervisory Board Member Audit Standards and in accordance with audit policy, audit plan, and so forth. The Audit & Supervisory Board holds a meeting monthly. The Board's Full-time Members ensure information sharing and sufficient exchange of opinions with Outside Members by submitting regular audit reports to the Outside Members.

## III. Implementation of Measures for Shareholders and Other Stakeholders

### 1. Measures to Energize General Shareholders Meetings and Smooth Exercise of Voting Rights Revised

	Supplementary Explanation
Early Notification of General Shareholders Meeting	An electronic version of the convocation notice is released seven days prior to the statutory deadline (four weeks prior to the date of the general meeting of shareholders) on the website of Tokyo Stock Exchange and our corporate website, while a printed version of the same is mailed three weeks prior to the date of the general meeting of shareholders. (Notice of convocation of general meeting of shareholders: <a href="https://www.uacj.co.jp/ir/library/annualmeeting.htm">https://www.uacj.co.jp/ir/library/annualmeeting.htm</a> )
Scheduling Annual General Shareholders Meeting Avoiding the Peak Day	In 2023, the Company held ordinary general meeting of shareholders on June 21st.
Allowing Electronic or Magnetic Exercise of Voting Rights	The Company has introduced the exercise of voting rights through the website of its share transfer agent (Mizuho Trust & Banking Co., Ltd.).
Participation in Electronic Voting Platform and Other Initiatives for Greater Ease of Voting by Institutional Investors	The Company is a participant of the electronic voting platform operated by ICJ, Inc.
Providing Convocation Notice in English (Translated Fully or Partially)	Since the ordinary general meeting of shareholders in June 2017, the Company has disclosed an English translation of the "Reference Documents for the General Meeting of Shareholders" contained in the convocation notice on its website and the website of the Tokyo Stock Exchange. (Notice of convocation of general meeting of shareholders in English: <a href="https://www.uacj.co.jp/english/ir/library/annualmeeting.htm">https://www.uacj.co.jp/english/ir/library/annualmeeting.htm</a> )
Other	The Notice of the Ordinary General Meeting of Shareholders and other relevant information is published on the Company's website.

### 2. IR Activities Revised

	Supplementary Explanation	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company's disclosure policy is published on the Company's website.	
Regular Investor Briefings for Individual Investors	Financial status briefing sessions and factory tours are arranged for individual shareholders. As a new initiative in FY2021, the Company held an IR-DAY for shareholders and investors.	Yes



Regular Investor Briefings for Analysts and Institutional Investors	Financial results briefing is held quarterly, and an IR-Day event is organized once a year. At the same time, one-on-one meetings, small meetings, factory tours, management overview briefings, and other IR sessions are held as needed. Additionally, as a new initiative, we hold ESG briefings for shareholders and investors, as well as dialogue sessions between our outside Directors and institutional investors.	Yes
Regular Investor Briefings for Overseas Investors	Given its shareholder composition, the Company has a basic policy to visit investors in the US, Europe, and Asia at least once a year.	Yes
Posting of IR Materials on Website	The Company's IR materials posted on its website include financial results information and other timely-disclosure materials, annual and quarterly securities reports, results briefing materials, the status of corporate governance, and notice of general meeting of shareholders.	
Establishment of Department and/or Manager in Charge of IR	The Company established Investor Relations Department.	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Provisions to Ensure Due Respect for Stakeholders in Internal Rules, etc.	Prescribed as part of the UACJ Group Code of Conduct.
Implementation of Environmental Activities, CSR Activities, etc.	Integrated Reports are prepared and posted on the Company's website.
Formulation of Policies for Information Provision to Stakeholders	The basic policy on information disclosure, etc. is prescribed as part of the disclosure policy and is published on the Company's website.

## IV. Matters Related to Internal Control System

### 1. Basic Views on Internal Control System and Progress of System Development

The Company and its Group have established the following internal control system in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act.

- (1) Systems for ensuring execution of duties by Directors and employees of the Company and the Group is in compliance with the laws and regulations and the Articles of Incorporation
  - The Company and its Group aim to be a corporate group that acts in accordance with the management philosophy and action guidelines and complies with laws and regulations and the Articles of Incorporation.
  - Employee training is provided mainly by the CSR Committee by holding seminars and distributing manuals. Moreover, compliance activities are promoted by taking such measures as detecting regulatory violations.
  - An internal reporting system has been put in place for early detection and correction of compliance violations.
  - The Internal Auditing Department acts as the Company's internal audit unit. It monitors the performance of duties in individual business units, audits the effectiveness of internal control system, and reports findings to the Board of Directors.
- (2) Systems for the retention and management of information on the execution of duties by Directors
  - Information on the execution of duties by Directors, including Board meeting minutes and approval documents, is prepared and retained in accordance with internal rules.
  - Directors and Audit & Supervisory Board Members can access necessary information whenever they need.
- (3) Provisions and other systems concerning the management of the risk of loss for the Company and its Group
  - The Company and its Group properly address, in accordance with internal rules, environmental, safety, health, quality, information security, export management, and other risks shared by the Company and its Group as a whole. Risks specific to particular business units are managed by the units and reported to the CSR Committee for cross-sectional risk management.
- (4) Systems for ensuring efficient execution of duties by Directors of the Company and its Group
  - The Company and its Group ensure that effective execution of duties is carried out by such means as establishing a division of duties in accordance with internal rules.
  - Individual business units are responsible for setting specific targets for the mid-term management plans and single fiscal year budgets prepared by the Company and managing their achievement.
- (5) Systems for ensuring the propriety of operations by the subject corporation and the corporate group consisting of it and its parent company and/or subsidiaries
  - The UACJ Group establishes and puts in place an internal control system.
  - The Internal Auditing Department conducts operational audits. The audit results are reported to the Audit & Supervisory Board Members and the Representative Director to ensure strict compliance by the UACJ Group as a whole. Furthermore, the Company's affiliates are required to consult with the Company on important management issues according to their own internal rules. If required by circumstances, the Company will review its rules concerning the management of affiliates to ensure the propriety of business activities carried out by the Group.
- (6) Matters concerning employees to be assigned to assist the Audit & Supervisory Board Members at their request
  - The Company appoints employees who are to assist the duties of the Audit & Supervisory Board Members under the instructions of the Members.
- (7) Matters concerning the independence of the employees referred to in the previous item from Directors and the issuance of effective instructions to the employees

- The employees referred to above are kept independent from the Directors' instructions and supervision and their personnel affairs must be agreed on in advance by the Audit & Supervisory Board.
- (8) Systems enabling Directors and employees of the Company and its Group to make a report to the Audit & Supervisory Board Members and systems for other reports to the Audit & Supervisory Board Members
- When any of the following are found during the course of duties, Directors, Executive Officers, and employees of the Company and its Group must report them immediately to the Company's Audit & Supervisory Board Members: any violations against laws and regulations or the Articles of Incorporation; fraudulent activities committed; or any facts that may cause serious damage to the Company or its Group.
  - Directors, Executive Officers, and employees must make a report or resolution based on the Board of Directors Rules and other internal rules at the Board meetings or other meetings attended by the Audit & Supervisory Board Members.
  - It is prohibited to give disadvantageous treatment to the Company's or its Group's Director, Executive Officer, or employee who made a report to the Company's Audit & Supervisory Board Members for the reason that he/she made that report.
- (9) Other systems for ensuring that audits by the Audit & Supervisory Board Members can be performed effectively
- The Board of Directors must ensure the attendance of the Audit & Supervisory Board Members at important meetings including Board meetings and management meetings.
  - Audit & Supervisory Board Members and the Representative Director must hold meetings regularly to exchange views.
  - When a request is received from the Audit & Supervisory Board Members to ensure the effectiveness of their audits, Directors, Executive Officers, and heads of relevant units must respond in good faith.
  - Expenses stipulated in Article 388 of the Companies Act shall be handled in accordance with rules.

## 2. Basic Views on Eliminating Antisocial Forces and Progress of Related Efforts Revised

### (1) Basic views on efforts to eliminate antisocial forces

- The Company and its Group established the Group Code of Conduct that provides guidelines Directors and employees must follow to achieve the Group's philosophy. The requirement concerning the rejection of relationships with antisocial forces has been provided for in Article II-16 of the Code and communicated to all employees.

### (2) Efforts to eliminate antisocial forces

- The General Affairs & Corporate Communication Department and local teams in charge of general affairs are assigned to respond to antisocial forces. A response manual has been provided and communicated to the general affairs personnel so that they can reject unreasonable demands in a resolute manner and refuse any relationship with antisocial forces.
- The General Affairs & Corporate Communication Department plays a central role in collecting and managing information on antisocial forces and in maintaining close communication and relationships with external expert organizations, the police, and the legal counsel of the Company.

The Corporate Legal Department organizes an annual training session to provide all employees with compliance education including the elimination of antisocial forces.

## V. Other

### 1. Adoption of Anti-takeover Measures

Adoption of Anti-takeover Measures	Not adapted
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Supplementary Explanation

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### 2. Other Matters Concerning Corporate Governance System Revised

#### (1) Other matters concerning corporate governance system

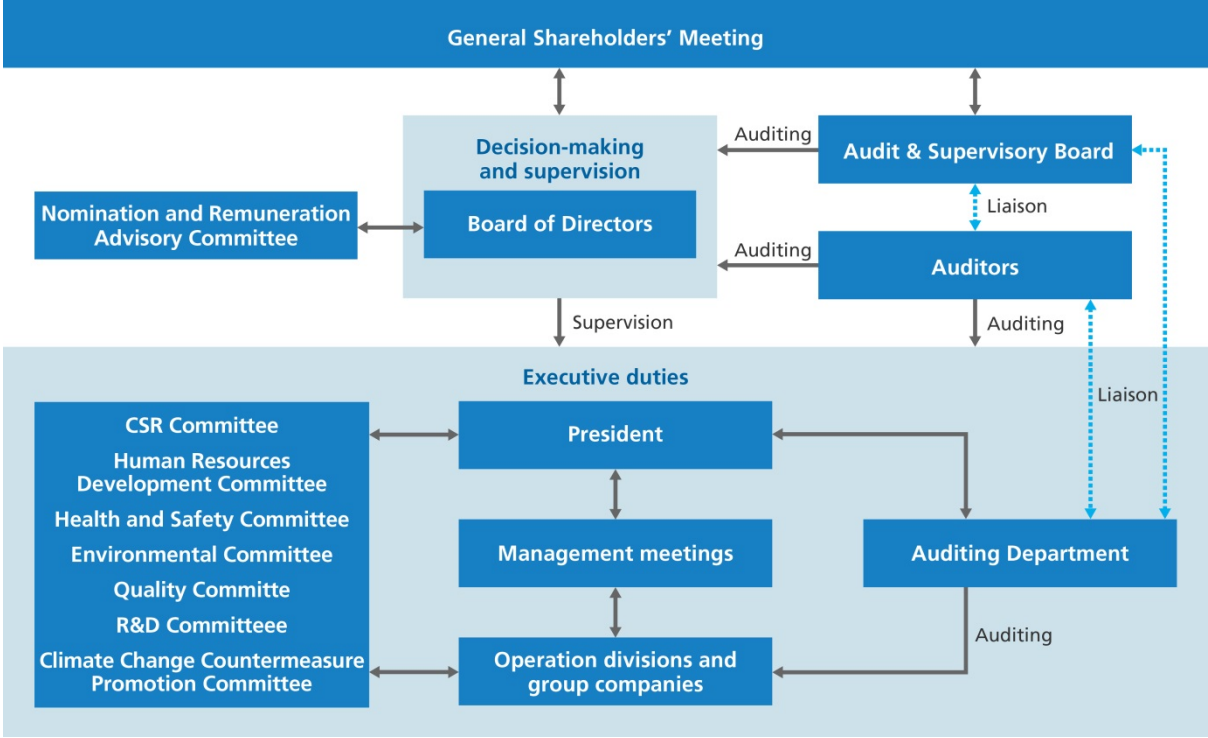
The Company recognizes that strict compliance and effective risk management are the key challenges in the field of corporate governance and assigned the CSR Committee for compliance and the management meeting for risk management to oversee the corporate governance of the entire UACJ Group.

#### (2) Outline of timely disclosure system

The Company discloses the following corporate information on a timely basis to ensure the timely and appropriate disclosure of corporate information of the Company and its subsidiaries:

- The Director in charge of the corporate communication is assigned as the person responsible for disclosure, and the General Manager of the General Affairs & Corporate Communication Department is assigned as the person in charge of clerical administrative procedures.
- Any information that potentially falls under the matters for disclosure is reported immediately to the General Manager of the General Affairs & Corporate Communication Department by the head of the department in charge of the matter in accordance with the rules and regulations on timely disclosure prescribed by financial instruments exchanges. Information held by a subsidiary is reported immediately to the head of the Company's department in charge of the subsidiary by the representative of the subsidiary. The head of the department reports the information immediately to the General Manager of the General Affairs & Corporate Communication Department.
- Upon receipt of the report above, the General Manager of the General Affairs & Corporate Communication Department determines whether it is necessary to disclose the reported information in light of the rules and regulations on timely disclosure through consultation with the General Manager of the Corporate Governance Department as necessary. If it is determined necessary, the General Manager discloses it in accordance with the rules and regulations on timely disclosure after obtaining approval of the heads of departments concerned and the President.

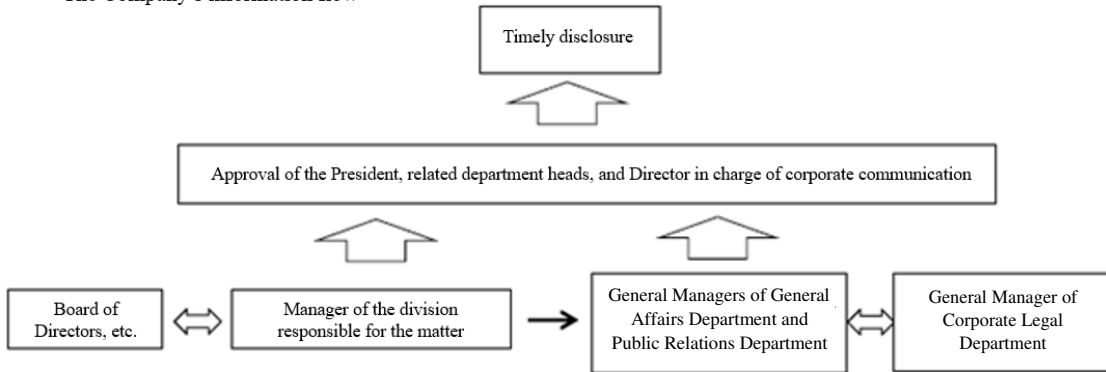
The timely disclosure flow described above is as depicted in the "Structure Diagram (Timely Disclosure System)."



Structure Diagram (Timely Disclosure System)

Timely disclosure flows for information of the Company and its subsidiaries

<The Company's information flow>



<Subsidiary's information flow>

