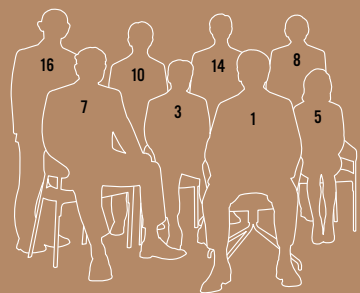
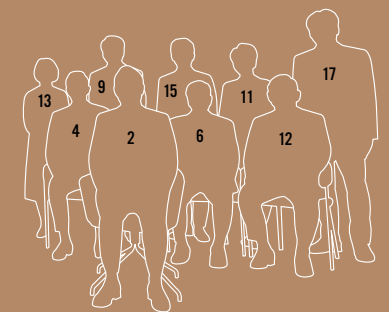


We will work to maximize the ability of the organization in order to improve the corporate value of the Mitsubishi Materials Group.



- | | | |
|-------------------------|------------------------------|-----------------------------|
| 1 Akira Takeuchi | 4 Nobuhiro Takayanagi | 7 Hikaru Sugi |
| 2 Naoki Ono | 5 Mariko Tokuno | 8 Tatsuo Wakabayashi |
| 3 Makoto Shibata | 6 Hiroshi Watanabe | 9 Koji Igarashi |

- | | | |
|---------------------------|----------------------------|---------------------------|
| 10 Kazuhiko Takeda | 13 Makiko Nogawa | 16 Toshinori Ishii |
| 11 Rikako Beppu | 14 Jun Nagano | 17 Kazuo Ohara |
| 12 Tetsuya Tanaka | 15 Katsuyoshi Isaji | |



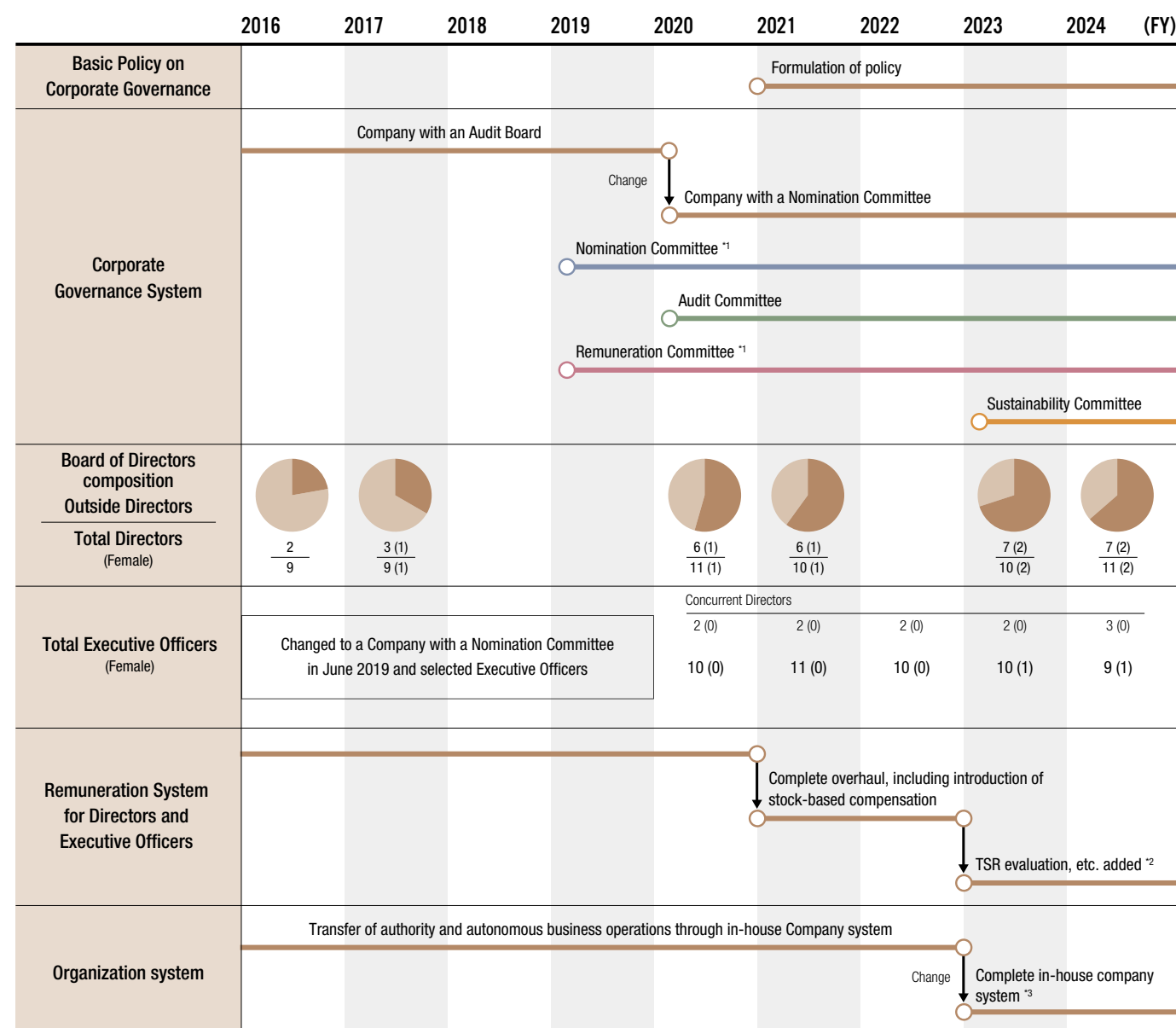
Efforts in Strengthening Corporate Governance

The Company has been working on the continuous reform of corporate governance, including through the voluntary establishment of the Nomination Committee and Remuneration Committee in 2018, the transition to being a Company with a Nominating Committee, etc.. in 2019, and the establishment of Sustainability Committee in 2022.

The Board of Directors has been continuously increasing the ratio of Outside Directors and female directors, and currently has 7 Outside Directors and 2 female directors out of 11 Directors.

With regard to the remuneration system for Executive Officers, the Company introduced stock-based compensation in 2020. From 2022, we added relative TSR evaluation to the annual bonus evaluation items and incorporated targets into non-financial evaluation elements based on the Sustainability Policy.

As for the organizational structure, we have shifted to a complete in-house company system from 2023, and are working to further improve our business competitiveness and strengthen our organizational culture reforms and corporate governance.



*1. Set up in fiscal 2019 as a voluntary committee and became a statutory committee from June 2019.

*2. With regard to the annual bonus of the remuneration system for Executive Officers, we added relative TSR evaluation as an evaluation item and adopted a system to evaluate targets set for each Executive Officer, including initiatives in line with the Sustainability Policy, as non-financial evaluation items.

*3. Transitioned from April 1, 2022 to a complete in-house company system, combining a strategic planning organization, a professional organization responsible for upgrading and improving efficiency, and a strong Business Division implementing autonomous management (in-house company) and having all functions necessary for business operations in the in-house company.

Corporate Governance System

Basic Approach

- We have, based on the corporate philosophy of the Group, vision, values, code of conduct, mission and the Basic Policy on Corporate Governance established by the Board of Directors, developed trust with all stakeholders related to the Company and its subsidiaries, such as shareholders and investors as well as employees, customers, client or supplier companies, creditors and local communities, and also develop our corporate governance.
- Among the governance systems under the Companies Act, we have chosen to be a Company with a Nomination Committee, and by separating supervision and execution, will strengthen the Board of Directors' management supervisory functions, improve the transparency and fairness of management and accelerate business execution and decision making.

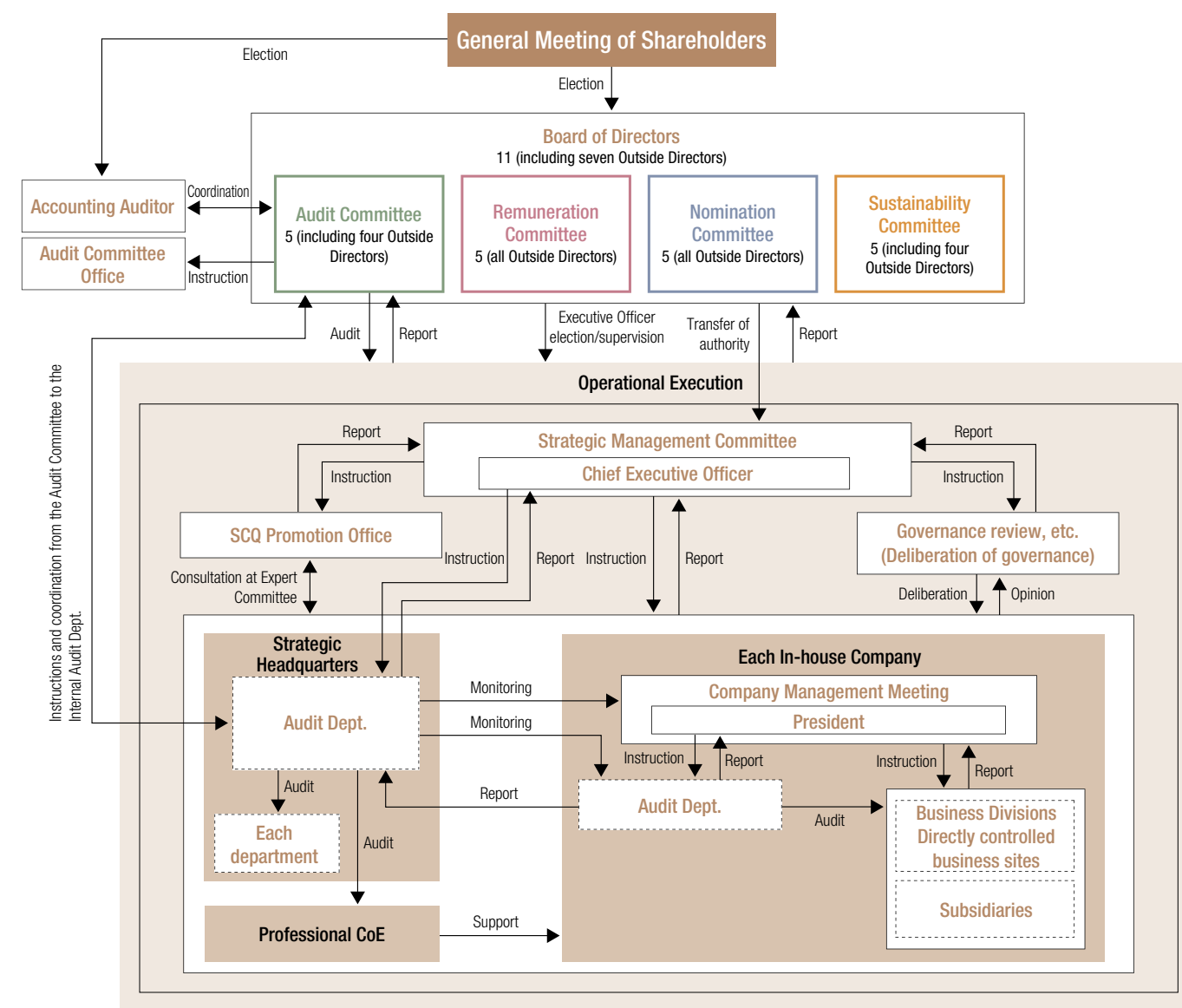
- We acknowledge the enhancement of corporate governance to be one of the most important management issues, and continuously make efforts to improve our corporate governance.

The MMC Group has set out “Our Commitment” of “For people, society and the earth, circulating resources for a sustainable future.” Toward the realization of its goal, we are introducing in-house company system to, flexibly and appropriately, expand our recycling system and supply high-performance materials and products.

Related Information:

Corporate website
▶ Basic Policy on Corporate Governance
<https://www.mmc.co.jp/corporate/en/company/governance.html>

■ Overview of the Corporate Governance System
(Chart as of July 1, 2023)



Directors

(as of June 23, 2023, at the end of the 98th General Meeting of Shareholders)

	Personal History	Reasons for nominating
1 Akira Takeuchi Director, Chairman of the Board	Apr. 1977 Joined the Company Jun. 2009 Managing Director Apr. 2014 Executive Vice President	Apr. 2015 President Jun. 2018 Director, Chairman of the Board (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Audit Committee Meetings 16/16 (100%) Remuneration Committee Meetings 11/11 (100%) Sustainability Committee Meetings 9/9 (100%)	Akira Takeuchi, following appointment as Managing Director of the Company in 2009, had served as Director in charge of corporate communications, general affairs, the environment, human resources, safety and health and the affiliated corporations' business. After serving as President, he has been Chairman since June 2018. At present, as Chairman of the Board of Directors, he plays the leading role in enhancing the effectiveness of the Board of Directors noticeably by proceeding with meetings in such a way as to facilitate open and quality discussions in the Board of Directors meetings. As explained above, he has extensive knowledge and rich experience related to the business and operations of the Group. The Company believes that he will strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Director.

2 Naoki Ono Director, Chief Executive Officer (CEO) (Responsible for: General Operation of the Company, Internal Audit, Renewable Energy Business, Energy Project & Technology Center)	Apr. 1979 Joined Mitsubishi Mining & Cement Co., Ltd. Jun. 2014 Managing Director of the Company President, Cement Company Apr. 2016 Executive Vice President President, Cement Company Jun. 2016 Director; Executive Vice President President, Cement Company	Apr. 2017 Director; Executive Vice President General Manager, Corporate Strategy Div. Jun. 2018 President Jun. 2019 Director; Chief Executive Officer Apr. 2021 Director; Chief Executive Officer; CEO (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Nomination Committee Meetings 15/15 (100%) Remuneration Committee Meetings 3/3 (100%)	Naoki Ono, following appointment as Managing Director of the Company in 2014, served as President, Cement Company, and General Manager of the Corporate Strategy Division. After serving as President, he has been as Director, Chief Executive Officer, since June 2019. At present, as Director, Chief Executive Officer and CEO, he supervises the management of the Group and is leading a variety of measures for management reform. Additionally, he reports on the overall situation of management of the Group regularly at the Board of Directors meetings, thereby fulfilling his accountability to the Board of Directors as Executive Officer. As explained above, he has extensive knowledge and rich experience related to the business and operations of the Group. The Company believes that he will strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Director.

3 Makoto Shibata Director; Managing Executive Officer CTO, CDO (Responsible for: Monozukuri and R&D Strategy, DX Promotion, System Strategy)	Apr. 1984 Joined the Company Apr. 2017 Managing Executive Officer General Manager, General Administration Div. Apr. 2018 Managing Executive Officer General Manager, Governance Div. Jun. 2018 Director; Managing Executive Officer General Manager, Governance Div. Apr. 2019 Director; Managing Executive Officer General Manager, Corporate Strategy Div.	Jun. 2019 Director; Managing Executive Officer General Manager, Corporate Strategy Div. Jun. 2021 Managing Executive Officer Oct. 2022 Managing Executive Officer; CDO Apr. 2023 Managing Executive Officer; CTO; CDO Jun. 2023 Director; Managing Executive Officer; CTO; CDO
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Nomination Committee Meetings 15/15 (100%) Remuneration Committee Meetings 3/3 (100%)	Makoto Shibata, following appointment as Managing Executive Officer of the Company in 2017, served as General Manager, General Administration Division, General Manager, Governance Division, and General Manager, Corporate Strategy Division. He has undertaken his duties as Managing Executive Officer since June 2021. At present, as Managing Executive Officer, he is responsible for the management of the Group, and as CDO, he leads DX (digital transformation) of the Company. In addition, as CTO, he leads the research and development strategy and the IT strategy of the Company. Additionally, he regularly reports on the Digital Strategy of the Group and others at the Board of Directors meetings, thereby fulfilling his accountability to the Board of Directors as Executive Officer. As explained above, he has extensive knowledge and rich experience related to the business and operations of the Group. The Company believes that he will strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Director.

4 Nobuhiro Takayanagi Director; Managing Executive Officer; CFO (Responsible for: Strategy-Accounting & Finance, Sustainable Development, Corporate Communications)	Apr. 1986 Joined the Company Dec. 2017 Operating Officer President of Mitsubishi Cable Industries, Ltd. Apr. 2019 Operating Officer President of Mitsubishi Cable Industries, Ltd. Vice President, Advanced Products Company Apr. 2020 Managing Executive Officer Vice President, Advanced Products Company	Apr. 2021 Managing Executive Officer; CFO General Manager, Corporate Strategy Dept. Jun. 2021 Director; Managing Executive Officer; CFO General Manager, Corporate Strategy Dept. Apr. 2022 Director; Managing Executive Officer; CFO General Manager, Management Strategy Div., Strategic Headquarters Apr. 2023 Director; Managing Executive Officer; CFO (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%)	Nobuhiro Takayanagi took office as Managing Executive Officer of the Company in 2020. After serving as Vice President, Advanced Products Company, he has undertaken his duties as Director and Managing Executive Officer since June 2021. At present, as Director, Managing Executive Officer and CFO, he is responsible for the management of the Group, and he leads the promotion of management reforms and the planning and execution of various measures based on the previous Medium-term Management Strategy, as well as the planning and development of the Medium-term Management Strategy FY2031 and the planning and execution of various matters. Additionally, he regularly reports on the business performance of the Group and others at the Board of Directors meetings, thereby fulfilling his accountability to the Board of Directors as Executive Officer. As explained above, he has extensive knowledge and rich experience related to the business and operations of the Group. The Company believes that he will strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Director.

5 Mariko Tokuno Outside Director	Jan. 1994 Joined Louis Vuitton Japan K.K. Apr. 2002 Senior Director, Sales Administration Mar. 2004 Vice President, Tiffany & Co., Japan Inc.	Aug. 2010 President and Representative Director, Christian Dior K.K. Sep. 2013 President, Representative Director and CEO, Ferragamo Japan K.K. (resigned Sept. 2016) Jun. 2016 Director of the Company (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Nomination Committee Meetings 15/13 (100%) Remuneration Committee Meetings 11/11 (100%) Sustainability Committee Meetings 9/9 (100%)	Mariko Tokuno has insight into corporate strategy and general aspects of management from a global perspective gained through her extensive experience as a manager of the Japanese operations of leading international firms. Based on her insight, she has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Additionally, as Chairperson of the Nomination Committee and a member of the Remuneration Committee and the Sustainability Committee, she has been involved in selecting candidates for Directors and Executive Officers, deciding on the remuneration of Directors and Executive Officers, etc. of the Company and discussing themes regarding sustainability of the Company from an objective and neutral position. As explained above, she has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that she will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes she is suitable for the position of Outside Director.

6 Hiroshi Watanabe Outside Director	Apr. 1972 Joined the Ministry of Finance Japan (MOF) Jul. 1998 Deputy Director-General, MOF Personal Secretary to the Minister, MOF Jul. 2001 Deputy Director-General, MOF Jul. 2002 Senior Deputy Director-General, International Bureau, MOF Jan. 2003 Director-General, International Bureau, MOF Jul. 2004 Vice Minister of Finance for International Affairs, MOF Jul. 2007 Special Advisor to the Minister of Finance Oct. 2007 Special Advisor, Japan Center for International Finance	Apr. 2008 Professor, Hitotsubashi University-Graduate School of Commerce and Management / Faculty of Commerce and Management Oct. 2008 Deputy Governor, Japan Finance Corporation Apr. 2012 CEO, Executive Managing Director, Japan Bank for International Cooperation Dec. 2013 Governor, Japan Bank for International Cooperation (resigned Jun. 2016) Oct. 2016 President, Institute for International Monetary Affairs (to present) Jun. 2017 Director of the Company (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Nomination Committee Meetings 13/13 (100%) Audit Committee Meetings 16/16 (100%) Sustainability Committee Meetings 9/9 (100%)	Hiroshi Watanabe has knowledge of domestic and overseas finance and economics and general aspects of management gained through his experience in key positions at the MOF and in management positions in government-affiliated financial institutions. Based on his insight, he has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Additionally, as a member of the Audit Committee, he has been engaged mainly in auditing the execution of duties by Executive Officers, etc. from an objective and neutral position. As explained above, he has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that he will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Outside Director.

	Personal History	Reasons for nominating
7 Hikaru Sugi Outside Director	Apr. 1974 Joined Nippondenso Co., Ltd. (currently DENSO CORPORATION) Jun. 2002 Executive Director, Member of the Board; General Manager, Air-Conditioning Product Div. Jun. 2004 Executive Director; General Manager, Air-Conditioning Product Div. Jun. 2005 Executive Director; General Manager, Thermal Systems Business Div. Jun. 2008 Senior Executive Director, Member of the Board; General Manager, Engineering Research & Development Center	Jun. 2011 Senior Executive Director, DENSO CORPORATION; President and CEO, DENSO INTERNATIONAL AMERICA, INC. Jun. 2013 Executive Vice President, DENSO CORPORATION; President and CEO, DENSO INTERNATIONAL AMERICA, INC. Jun. 2014 Advisor, Senior Technical Executive, DENSO CORPORATION Jun. 2016 Advisor (resigned June 2017) Jun. 2018 Director of the Company (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Nomination Committee Meetings 15/15 (100%) Remuneration Committee Meetings 11/11 (100%) Sustainability Committee Meetings 9/9 (100%)	Hikaru Sugi has extensive technical knowledge in development, design and manufacturing processes. He also has insight into corporate strategy from a global perspective and general aspects of management through his experience as a manager of a manufacturer that develops its business all over the world. Based on his insight, he has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Additionally, as a member of the Nomination Committee and Chairperson of the Remuneration Committee and a member of the Sustainability Committee, he has been involved in selecting candidates for Directors and Executive Officers, deciding on the remuneration of Directors and Executive Officers, etc. of the Company and discussing themes regarding sustainability of the Company from an objective and neutral position. As explained above, he has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that he will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Outside Director.

8 Tatsuo Wakabayashi Outside Director	Apr. 1977 Joined Mitsubishi Trust Bank (currently Mitsubishi UFJ Trust and Banking Corporation) Jun. 2008 Managing Director, Mitsubishi UFJ Trust and Banking Corporation (MUTB) Jun. 2009 Senior Executive Director, MUTB; Jun. 2010 Senior Managing Director and Chief Executive, Trust Assets Division, MUTB; Managing Officer and Group Head, Integrated Trust Assets Business Group, Mitsubishi UFJ Financial Group, Inc. (MUFG)	Jun. 2011 Senior Managing Director, MUTB; Director, MUFJ Apr. 2012 President, MUTB; Director, MUFJ Apr. 2013 President, MUTB; Deputy Chairman, MUFJ Dec. 2013 President, CEO and Chairman, MUTB; Deputy Chairman, MUFJ Jun. 2015 President, CEO and Chairman, MUTB; Director and Deputy Chairman, MUFJ Apr. 2016 Chairman, MUTB; Director, MUFJ
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Nomination Committee Meetings 15/15 (100%) Audit Committee Meetings 13/13 (100%) Remuneration Committee Meetings 3/3 (100%) Sustainability Committee Meetings 9/9 (100%)	Tatsuo Wakabayashi has insight into finance, accounting and other aspects of corporate management from his extensive experience as a manager after having served as President and Chairman at financial institutions. Based on her insight, she has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Additionally, as a member of the Nomination Committee and the Sustainability Committee, he has been involved in selecting candidates for Directors and Executive Officers of the Company and discussing themes regarding sustainability of the Company from an objective and neutral position. Also, as Chairperson of the Audit Committee, he has been engaged mainly in auditing the execution of duties by Executive Officers, etc. from an objective and neutral position. As explained above, he has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that he will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Outside Director.

9 Koji Igarashi Outside Director	Apr. 1980 Joined Ajinomoto Co., Inc. Apr. 2002 Senior Vice President, Ajinomoto U.S.A., Inc. Jun. 2007 Executive Officer; Vice President, Amino Acids Company, Ajinomoto Co., Inc. Jun. 2009 Executive Officer; General Manager, Corporate Planning Div.	Jun. 2011 Member of the Board, Corporate Vice President Jun. 2013 Member of the Board, Corporate Senior Vice President Jun. 2017 Advisor (resigned June 2020) Jun. 2020 Director of the Company (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 19/19 (100%) Audit Committee Meetings 16/16 (100%) Remuneration Committee Meetings 8/8 (100%) Sustainability Committee Meetings 9/9 (100%)	Koji Igarashi has extensive technical knowledge in technological development and manufacturing as well as insight into overall management, such as global business development, business reform and creation, and promotion of digitalization through his experience as a manager of a food manufacturer that develops its business all over the world. Based on his insight, he has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Additionally, as a member of the Remuneration Committee and Chairperson of the Sustainability Committee, he has been involved in deciding on the remuneration of Directors and Executive Officers, etc. of the Company and discussing themes regarding sustainability of the Company from an objective and neutral position. Also, as a member of the Audit Committee, he has been engaged mainly in auditing the execution of duties by Executive Officers, etc. from an objective and neutral position. As explained above, he has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that he will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Outside Director.

10 Kazuhiko Takeda Outside Director	Apr. 1983 Joined Sony Corporation (currently Sony Group Corporation) Oct. 2001 Vice President in charge of Accounting, Sony Ericsson Mobile Communications Inc. Apr. 2006 Executive Officer; CFO, Sony NEC Optiar; Inc. Aug. 2008 Senior Vice President in charge of Corporate Management and Accounting, Sony Europe B.V. Oct. 2013 Vice President; Senior General Manager of Corporate Planning & Control Division, Sony Corporation	Jun. 2015 Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting Jan. 2018 Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting; CIO Jul. 2018 Senior Vice President Deputy President and Chief Financial Officer, Sony Interactive Entertainment LLC Jul. 2021 Executive Alumnus, Sony Group Corporation (to present) Jun. 2022 Director of the Company (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 15/15 (100%) Audit Committee Meetings 13/13 (100%) Sustainability Committee Meetings 9/9 (100%)	Kazuhiko Takeda has extensive knowledge in the fields of corporate management, business operations and administration, accounting and finance, and information technology through his management experience as a senior executive of a conglomerate that develops a wide range of businesses all over the world and as the manager of its major subsidiaries. He also has insight into corporate strategy and overall management from a global perspective based on his many years of experience working in Europe and the United States. Based on his insight, he has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Also, as a member of the Audit Committee, he has been engaged mainly in auditing the execution of duties by Executive Officers, etc. from an objective and neutral position. Additionally, as a member of the Sustainability Committee, he has been involved in discussing themes regarding sustainability of the Company from an objective and neutral position. As explained above, he has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that he will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. For these reasons, the Company believes he is suitable for the position of Outside Director.

11 Rikako Beppu Outside Director	Aug. 1992 Joined Slaughtier and May Sep. 1994 Joined Simmons & Simmons Oct. 1994 Registered as a member of The Law Society, England and Wales May 1997 Seconded to Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu) May 1998 Seconded to Export-Import Bank of Japan (currently Japan Bank for International Cooperation) Sep. 2001 Partner, Simmons & Simmons	Oct. 2001 Registered as a member of Daini Tokyo Bar Association (registered foreign lawyer) Sep. 2008 Partner, Lovells (currently Hogan Lovells) Oct. 2017 Partner, Squire Patton Boggs Tokyo (Foreign Law Joint Business) (to present) Jun. 2022 Director of the Company (to present)
	Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2023) Board of Directors Meetings 15/15 (100%) Remuneration Committee Meetings 8/8 (100%) Sustainability Committee Meetings 9/9 (100%)	Rikako Beppu has in-depth insights based on her advanced legal knowledge through her many years of experience as an attorney at law in Japan and abroad, as well as specialized knowledge in corporate legal affairs, particularly in the areas of global business development and business restructuring. Based on her insight, she has given useful advice from various viewpoints in the Board of Directors meetings so as to enhance mid- to long-term corporate value of the Group and has supervised the execution of duties by Executive Officers, etc. from an independent position. Additionally, as a member of the Remuneration Committee and the Sustainability Committee, she has been involved in deciding on the remuneration of Directors and Executive Officers, etc. of the Company and discussing themes regarding sustainability of the Company from an objective and neutral position. As explained above, she has extensive knowledge and rich experience that contributes to the sustainable growth of the Group. The Company expects that she will continue helping to strengthen the appropriate supervisory and decision-making functions of the Board of Directors. Although she has no direct experience of being involved in corporate management, for these reasons, the Company believes she is suitable for the position of Outside Director.

Directors Skill Matrix

The main expertise and experience owned by the Directors are shown in the Skill Matrix in Table 1.
In addition, Table 2 shows from what perspectives the Directors contribute and provide knowledge on the Group-wide Policy the Company's Medium-term Management Strategy from FY2021 to FY2023 and the development of the Medium-term Management Strategy FY2031 based on their respective expertise and experience as indicated in the Skill Matrix.

Table 1: Expertise and Experience of the Directors (Skill Matrix)

Name	Business experience outside the Company	Expertise and experience						
		Corporate management & organizational management	International experience	Sales & marketing	Production engineering	Research & development	Legal affairs	Finance & accounting
Akira Takeuchi		●	○				●	○
Naoki Ono		●	○	○	○		○	○
Makoto Shibata		●	○		○	○	○	○
Nobuhiro Takayanagi		●	○	○			○	○

Outside Director

Mariko Tokuno	Consumer goods	●	○	○			○	○
Hiroshi Watanabe	Tax system and international finance	●	●				○	○
Hikaru Sugi	Automotive products	●	○		○	●		
Tatsuo Wakabayashi	Finance	●	○				○	○
Koji Igarashi	Food and food materials	●	○		●	○		○
Kazuhiko Takeda	Conglomerate	●	○	○			○	●
Rikako Beppu	Legal profession		○				●	

○ indicates expertise and experience owned (● indicates primary)
※The above Skill Matrix does not cover all the expertise and experience owned by the Directors.

Table 2: Contribution and Perspectives of the Directors on Key Themes

Group-wide Policy in the Medium-term Management Strategy from FY2021 to FY2023			Development of the Medium-term Management Strategy FY2031		
Optimization of business portfolio	Comprehensive efforts to increase business competitiveness	Creation of new products and businesses	Development in general	Human resources strategy	Sustainability
Perspective based on experience of management of the Group as President, and perspective based on the Group's history			Perspective based on the history of the management of the Company	Perspective from experience as an officer in charge of human resources	Perspective based on experience in overseeing the strengthening of the Group's governance
Perspective from the position of President, overseeing the management of the Group			Provision of perspective from experience as CEO of the Company, and lead person of discussion		
	Perspective from experience as an officer in charge of DX promotion and system strategy	Perspective from extensive experience in developing new businesses of the Company	Perspective from experience as an officer in charge of Manufacturing and R&D Strategy, DX promotion, and system strategy		Perspectives from experience as a management in the mineral resources and recycling business
	Perspective from extensive sales experience in business of the Company		Perspective from experience as CFO of the Company		Lead person of discussion as the officer in charge of the global environment

Perspective of management and knowledge from different industry			Perspective from experience as a management executive of a Japanese subsidiary of a major international company	Perspective in utilizing human resources in terms of diversity with management experience	
Perspective based on global economic trends			Perspective of overseas strategies based on economic trends trends	Perspective from experience in personnel management in government offices	Perspective from ethics in national public service and business management in developing countries
	Perspective from in-depth knowledge of the entire value chain from development to manufacturing based on technology trends	Perspective from experience of global management in manufacturing		Perspective from experience of human resource management in manufacturing and engineers	Perspective based on future technological trends
Perspective on portfolio management from an investor's point of view		Perspective from the experience of creating new businesses in the context of business restructuring	Perspective from experience as top management	Perspective based on working styles at a financial institution	Perspective from experience and knowledge of governance of financial institutions
Perspective from experience in business restructuring	Perspective from extensive technical expertise in technology development and production based on technology trends		Perspective from experience of global management in manufacturing	Perspective from experience of human resource management in manufacturing	Proposal of issues from a wide range of perspectives including future trends and exchange with external experts
Perspectives from practical experience in global management in manufacturing Perspectives on business management from extensive experience as CFO			Perspective from experience as a management executive of a global company Perspective on financial strategy and capital policy from experience as CFO		Posing of issues from the financial perspective
Perspective from experience of handling many M&A transactions			Perspective from experience in international corporate legal affairs	Perspective from experience in diversity activities and initiatives	

※The items are focused on those with high contribution by the Directors.
※As for Makoto Shibata, the contribution and perspectives provided as an executive officer are described.

Discussions in the Board of Directors, Etc.

Overview of Board of Directors

The functions and duties of the Board of Directors shall be as follows:

- Upon delegation by shareholders, the Board of Directors shall indicate the direction of its management and make an effort to enhance the Group's medium- to long-term corporate value by, for example, engaging in freewheeling and constructive discussion on management policies and management reforms;
- The Board of Directors shall determine matters that may have a serious impact on management, such as management policies and management reforms, in accordance with the provisions of laws, the Articles of Incorporation and the Board of Directors Rules;
- The Board of Directors shall delegate authority over business execution to an appropriate extent to Executive Officers in accordance with the provisions of the Board of Directors Rules, etc. so that Executive Officers may assume the responsibility and authority to make decisions and execute business promptly in response to changes in the business environment.
- The state of Group governance and the progress of the execution of duties, including the progress of the management strategy, shall be reported by Executive Officers to and supervised by the Board of Directors on a periodic basis.

Outside Directors play a role in supervising the appropriateness of Directors and Executive Officers in the execution of their duties from an objective standpoint and in providing a diverse range of values regarding the management of the Company based on expert knowledge and through experience that differs from internal officers, so that the Board of Directors' management supervisory functions would be further strengthened.

The Board of Directors is comprised of 11 Directors (including 7 Outside Directors) as of June 23, 2023 (the end of the 98th General Meeting of Shareholders).

Briefings for Directors

- We hold briefings for Directors in order to deepen their understanding of the Group's business and help them to exchange opinions with the executive side to improve the corporate value. At the briefings, the executive side explains matters relating to the FY2031 Strategy (including identification of material issues) and the summary of individual business and projects, etc., on which participants exchange opinions.
- Themes to be discussed at briefings are mainly set from the following perspectives.
 - (1) Explaining matters the executive side should explain to Directors (information on the Company's business that is prerequisite for management decisions), and working to eliminate asymmetry of information between the executive side and Outside Directors.
 - (2) Exchanging opinions on matters that Directors and the executive side believe should be discussed in order to improve corporate value.
- We held 17 briefings for Directors in fiscal 2023. Particularly in regards to the FY2031 Strategy, we exchanged opinions on the overall concept, individual business strategies, financial plans, etc. at 8 briefings over July 2022 to March 2023.
- We also exchanged opinions on issues related to sustainability such as climate change, individual business strategies, corporate strategies and the progress of DX (digital transformation). See the next section for the themes deliberated at briefings for Directors in fiscal 2023.

Deliberation content	Number of deliberations by the Board of Directors	
	Resolved matters	Reported matters
Management Strategy and business	7	33
Sustainability	2	14
Corporate Governance	5	9
Accounting, IR and finance	6	30
Compliance and internal control	—	14
Committee-related	3	37
Officer-related	11	3
Others	1	5

Themes deliberated at briefings for Directors (FY2023)		
2022	April	Management policy of individual Business Divisions
	May	DX
	June	New business
	July	Next Medium-term Management Strategy, safety, intellectual property, DX
	August	Group Companies
	September	Next Medium-term Management Strategy
	October	Next Medium-term Management Strategy, business restructuring, sustainability
	November	Group Companies, intellectual property, sustainability
2023	December	Next Medium-term Management Strategy
	January	Next Medium-term Management Strategy, human resources strategy, manufacturing excellence strategy, individual business strategies, Group Companies, sustainability
	February	Individual businesses
	March	Next Medium-term Management Strategy, individual business strategies, Group Companies

Director Communication

■ Ensuring an adequate schedule for Board of Directors meetings

Two full days a month are set aside to ensure sufficient time can be devoted to deliberations and considerations by the Board of Directors, individual committees and briefings for Directors. In this schedule, the Board of Directors meetings, committee meetings, briefings for Directors, “free discussions,” “Outside Directors’ opinion exchange meetings,” and other meetings are held as follows.

■ 1-on-1 Meetings between Outside Directors and the CEO

We hold 1-on-1 meetings between part-time Outside Directors and the CEO once every two months to provide an opportunity for communication in addition to discussions at Board of Directors meetings and Free Discussions among Directors. This enables Outside Directors to gain a deeper understanding of Group circumstances and more appropriately supervise business execution. The 1-on-1 meetings also provide the executive side with opportunities to obtain suggestions for more appropriate business execution, by freely choosing topics and exchanging opinions in a closer manner.

■ Meetings with Investors, etc.

We provide various opportunities for dialogue with Directors so that opinions on the stock market held by shareholders and other institutional investors can be appropriately fed back to the Board of Directors. In addition to regularly held small meetings between Outside Directors and domestic institutional investors, the content of meetings with institutional investors conducted by the executive side are provided to Directors, in order to share thoughts the on stock market for the Company with the entire Board of Directors.

■ Opportunities for Dialog between Outside Directors and Employees

From time to time, the Company holds lectures by Outside Directors for employees and dialog meetings with employees. The purpose of these is to encourage employees to become more autonomously involved in their work and to gain new values and inspiration through the sharing of the experiences and knowledge of Outside Directors, and for Outside Directors to deepen their understanding of Group employees. In fiscal 2024, we have held lectures by Outside Directors and opinion exchange with employees on themes such as “manufacturing site autonomy,” “value chain of technology,” “Digitalization/DX,” and “LGBTQ+ and allies.”

■ Outside Directors’ Opinion Exchange Meetings

Opinion-exchange meetings among Outside Director are periodically held for the purpose of exchanging information and sharing recognition from an independent and objective standpoint on a wide range of matters, not limited to just those on the agenda of the Board of Directors. These meetings are held twice a year. Matters on which it is deemed necessary to share and exchange opinions with the entire Board of Directors, including Internal Directors, are held in “Free Discussions among Directors” as described below.

■ Free Discussions among Directors (New Initiative)

Starting in fiscal 2024, we set up a new time for free discussion by Directors for the purpose of further stimulating discussions by the Directors. Here Directors share awareness and exchange opinions on matters raised at Board of Directors meetings and briefings for Directors, and are free to raise issues related to a wide range of matters that is not limited to matters handled at Board of Directors meetings.

■ Tours of Business Sites for Outside Directors

Tours of business sites are held for Outside Directors in order to deepen their understanding of the Group's business. In fiscal 2023, tours were mainly conducted for newly appointed Directors in consideration of the COVID-19 pandemic. We are gradually resuming tours for all Outside Directors from fiscal 2024 onwards. Outside Directors also participate as observers in the Manufacturing and R&D Strategy Committee (general meeting for development strategy for our Innovation Center).



Tours of Naoshima Smelter & Refinery (Kagawa Prefecture)



Tours of Appi Geothermal Power Plant (Iwate Prefecture)

Establishment of Corporate Secretary Department

The Corporate Secretary Department has been established in the Strategic Headquarters to strengthen the secretariat and other functions of the Board of Directors, Nomination Committee, Remuneration Committee and Sustainability Committee, as well as to consider Corporate Governance strategically.

Evaluation of the Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors based on the evaluation by each Director on an annual basis. In fiscal 2022, the evaluation was conducted using a third-party organization for the first time. (In the future, a third-party evaluation shall be conducted once every three years.).

In fiscal 2023, the Company evaluated the effectiveness of the Board of Directors by way of a questionnaire-based self-evaluation. As a result of deliberations by the Board of Directors, it was confirmed that the effectiveness of the Board of Directors of the Company was secured in fiscal 2023.

The Board of Directors will continue to make ongoing efforts to further improve its effectiveness.

Summary of FY2023 Effectiveness Evaluation

It was confirmed that the effectiveness of the Board of Directors of the Company was secured in fiscal 2023.

The results of questionnaires and the future issues and initiatives selected by the Board of Directors based on those are as follows.

The results of the questionnaire and a summary of Board of Directors' deliberations on the issues identified as challenges based of the result of the evaluation

Overview of deliberation by the Board of Directors on issues

Matters pertaining to the medium- to long-term competitive advantage of the Company	Matters pertaining to sharing of information between the Nomination Committee and other Directors	Matters pertaining to the supervision of human resources strategy by the Board of Directors
<ul style="list-style-type: none">According to the questionnaire respondents, discussion at the Board of Directors on “Developments of technology and innovation, and medium- to long-term competitive advantage” and “Establishment of competitive advantage with the use of data and digital technology” were evaluated to be not necessarily sufficient. The evaluation also suggested that the Company’s long-term competitive advantage (e.g., in business strategies, qualification of management, and corporate governance system) is not fully conveyed to the capital market.In the discussion by Directors, there were opinions stating, “Explanation by the executive side must be provided with an awareness of where the Company is positioned relative to where competitors are,” and “What the executive side explains is too technical for us to understand what the desired effects are and where the Company is headed.”	<ul style="list-style-type: none">Evaluation regarding the question of whether communication between the Nomination Committee Members and Directors who are not Committee Members is sufficient suggested that there was not enough communication. On the other hand, another opinion stated that, “Excessive requests for sufficient communication may step into a discussion at the Nomination Committee, which must be avoided from the perspective of independence of the committee.”In the discussion by Directors, there was an opinion stating, “On the matters that require a resolution by the Board of Directors finally, including an agenda for the election and responsibilities of Executive Officers, it is necessary to improve the sharing of information to other Directors, and deepen discussion at the Nomination Committee.”	<ul style="list-style-type: none">According to the questionnaire respondents, “Discussion at the Board of Directors on the promotion of internal diversity” and “Discussion at the Nomination Committee on the succession plan for Executive Offices” were evaluated to be insufficient.In the discussion by Directors, there were opinions stating, “Development of global talent must also be regarded as a matter to be addressed,” and “It is difficult to see the progress of diversity promotion at respective Business Division and the Corporate division seems to have no authority to manage and supervise it.”

FY2024 initiatives on issues

Matters pertaining to the medium- to long-term competitive advantage of the Company	Matters pertaining to sharing of information between the Nomination Committee and other Directors	Matters pertaining to the supervision of human resources strategy by the Board of Directors
<ul style="list-style-type: none">The explanatory materials created by the executive side and given to directors shall be created with the following points in mind: “content should focus on important managerial matters that directors should know about and discuss,” “projects that are progressing as planned should be described as concisely as possible,” and “describe the circumstances and background of changes in the external environment, including competitor trends, and the situation the Group is in.” This should include explanation of information on the Company’s business that is prerequisite for management decisions, and working to eliminate asymmetry of information between the executive side and Outside Directors, through briefings for Directors.Appeal to the capital market by disseminating the FY2031 Strategy, which was formulated based on medium- to long-term advantages. Specifically, we will hold strategy briefings for each business in order to deepen investor and analyst understanding of the FY2031 Strategy. Additionally, we will conduct tours of domestic and overseas sites for securities analysts and institutional investors in order to promote understanding of the Company’s existing businesses and initiatives under the FY2031 Strategy.	<ul style="list-style-type: none">Regarding matters requiring resolution by the Board of Directors (*matters to be reported from the Nomination Committee to the Board of Directors, mainly information on the election of Executive Officers, the selection of senior Executive Officers, and the division of responsibilities of Executive Officers), we aim to deepen discussion in the Nomination Committee and share information with Directors other than committee members. Specifically, in addition to sharing and discussing the status of deliberations in the Nomination Committee on the appointment of Executive Officers more broadly in advance, we will share the specific examination process, such as the method for selecting candidates. Additionally, we will enhance the explanation of reasons for the materials to be submitted to the Board of Directors regarding the election of Executive Officers to make the selection process easier to understand.Furthermore, we will share information on other general matters deliberated at the Nomination Committee (process for nominating candidates for Directors, etc.) by enhancing reports to the Board of Directors meetings.	<ul style="list-style-type: none">Regarding matters related to the promotion of diversity, etc., explain the status of promotion and issues in the Company at briefings for Directors.Concerning succession plans for executive officers, we will deepen discussions at the Nomination Committee, as in the case of “Matters pertaining to sharing of information between the Nomination Committee and other Directors” above.

* According to the questionnaire results, the evaluation of “Sufficient time and information to prepare for a discussion at the Board of Directors” was low. We have worked continuously to improve this matter and will keep making continuous efforts toward the future.

* Furthermore, according to the questionnaire results, many Outside Directors expressed hope for on-site visits. In light of the COVID-19 pandemic, the Company organized on-site visits mainly by newly appointed Outside Directors in fiscal 2023. In fiscal 2024, the Company will restart on-site visits by all Outside Directors.

Method of Analysis/Evaluation

Evaluation process

Oct. 2022	At the Board, Directors discussed the evaluation implementation policy for the current fiscal year and future years. As a result, the Board confirmed that a self-evaluation shall be conducted in fiscal 2023, and a third-party evaluation shall be conducted once every three years.
Dec. 2022 to Jan. 2023	Questionnaires were distributed to all 10 Directors and responses were retrieved at the initiative of the Chairman of the Board of Directors.
Feb. 2023	The Directors discussed the effectiveness of the Board of Directors based on an analysis of the questionnaire results.
Mar. 2023	Following the discussions in February, the Board of Directors passed a resolution on the effectiveness of the Board of Directors for fiscal 2023.

Questionnaire items

The questionnaire uses a five-grade evaluation for the questions below and provides a free comment space where needed.

- Scale and composition of the Board of Directors
- Status of operations of the Board of Directors
- Composition, roles and status of operations of each of the Nomination Committee, Audit Committee, Remuneration Committee and Sustainability Committee
- Support system for Outside Directors
- Relationship with investors and shareholders
- Other general matters concerning the Board of Directors, etc.

Evaluation of the Effectiveness of the Board of Directors

Issues Based on the FY2022 Evaluation and Evaluation of Responses to Those Issues

There was an evaluation of initiatives concerning the following matters taken by the Board of Directors in fiscal 2023, based on the results of evaluating the effectiveness of the Board of Directors for fiscal 2022. It was confirmed that “certain measures were taken and improvements have been made” in general, though “measures were not taken sufficiently” on certain matters.

Issues recognized	Status of responses
Matters pertaining to the operation of the Nomination Committee, Audit Committee and Remuneration Committee	<ul style="list-style-type: none">• In the evaluation process, it was pointed out that, while the details of in-depth discussions by each committee need to be shared more with the Board of Directors as a whole, for matters discussed by the Nomination Committee and the Remuneration Committee in particular, the presence of stakeholders (mainly internal Directors) at meetings of the Board of Directors also needs to be taken into account. Accordingly, the frequency of Outside Directors' informal meetings, where discussions take place only among Outside Directors, was increased.• While certain measures have been taken as mentioned above, the evaluation regarding the question of whether communication between the Nomination Committee Members and Directors who are not Committee Members is sufficient suggested that there was not enough communication. On the other hand, there was also an opinion stating that, Excessive requests for sufficient communication may step into a discussion at the Nomination Committee, which must be avoided from the perspective of independence of the Committee.
Matters pertaining to supervision of growth strategies by the Board of Directors	<ul style="list-style-type: none">• When formulating the next Medium-term Management Strategy (the FY2031 Strategy), the details of measures including growth strategies, such as the next Medium-term Management Strategy, Group-wide strategy, individual business strategy, R&D and intellectual property strategy, business restructuring, and investment, were explained by the execution side at briefing for Directors, and discussed from a multilateral perspective.• There were opinions concerning operational issues of briefings for Directors stating, “Since materials are distributed right before the meeting, it is impossible to secure time to review them,” and “I hope there is an opportunity for discussion, based on input from a briefing for Directors.” However, the evaluation of the responses themselves was favorable in general.
Matters pertaining to the establishment of the Sustainability Committee	<ul style="list-style-type: none">• The Sustainability Committee was established under the Board of Directors on June 28, 2022. The Committee considers monitoring methods and issues related to sustainability management and others as matters at the request of the Board of Directors for advice.• The evaluation of the Committee's role and the direction of discussion, etc. was favorable in general. However, the number and composition of the Committee was evaluated to be not necessarily appropriate, as seen in opinions stating, “The Committee should be downsized to the level of other Committees” and “The Committee seems to be slightly oversized.” It is confirmed that this issue was solved as the number and the composition of the Committee members was decided by the approval of the Board of Directors held on June 23, 2023, and the Committee became the same size as other committees.

Related Information:
Corporate Website
▶Corporate Governance Report
<https://www.mmc.co.jp/corporate/en/company/governance.html>

Message from the Chairman of the Board of Directors

We will further enhance the functions of the Board of Directors to achieve sustainable growth and improve corporate value over the medium- to long-term.

Akira Takeuchi, Chairman



Enhancing the functions of the Board of Directors for growth strategy

The Group formulated and announced a new Medium-term Management Strategy (the FY2031 Strategy) in February 2023. By fiscal 2023, we had largely completed business restructuring and withdrawal, and have made significant progress in the optimization of our business portfolio. From that point onwards, we are working on sustainable development by strengthening existing businesses and fostering new businesses based on the FY2031 Strategy.

In formulating the FY2031 Strategy, we aggressively worked on the issue of “enhancing Board of Directors functions for growth strategy,” which was identified in the Evaluation of the Effectiveness of the Board of Directors in fiscal 2022. We listened to explanations of proposals from the executive side in Board of Directors meetings and briefings for Directors, while also holding discussions with the executive side from a variety of perspectives to determine the direction and strategies we should work toward. We appropriately reflected the opinions and suggestions of each director to formulate an ambitious Medium-term Management Strategy that aims to sustainably improve corporate value.

As we progress toward achievement of the FY2031 Strategy targets, we plan to receive regular reports from executive side

on the progress of individual measures and discuss them. The Board of Directors strongly supports the achievement of the FY2031 Strategy through appropriate decision-making on important management policies and more efficient monitoring.

Further strengthen the functions of the Board of Directors to respond appropriately to economic and societal changes.

In order to establish a more efficient management system, we transitioned to being a Company with a Nomination Committee, etc. in 2019 and transferred a significant amount of authority to Executive Officers. One of the Board of Directors' most important roles is to indicate the overall direction of management to support swift and decisive decision-making by executives, then supervise and support execution. All our Outside Directors offer incredible insight and expertise, actively offering suggestions and advice based on our medium- to long-term outlook. To continue strengthening this in the future, we will work on further fostering a climate of frank and active discussion.

Furthermore, in order to continuously enhance the Board of Directors' functions, we must evaluate their effectiveness and promote measures for improvement. We conduct an annual evaluation questionnaire for Directors, and based on

the results, the Board of Directors holds discussions, identifies issues and decides on measures for improvement. Moving forward, we will continue to ensure that this cycle of evaluation, improvement measure formulation and improvement measure execution continues.

The role of companies is rapidly shifting against a backdrop of recent and drastic economic and societal changes. Corporate governance required by stakeholders is becoming more extensive and severe. Further, rising global awareness has made it vital to actively address issues related to sustainability.

In light of all this, we plan to further expand the Board of Directors' functions to achieve sustainable growth of the Group and improve corporate value over the medium- to long-term. As the Chairman of the Board of Directors, I will continue to encourage open and constructive discussion and exchange of opinions at our meetings, let the Board of Directors conduct high-quality deliberations, and work to ensure that it operates both effectively and efficiently.

Message from the Chairperson of the Nomination Committee



It is important for the Nomination Committee not only to select a successor to the current CEO, but also to keep in mind the lookout for candidates to succeed that successor.

Chairperson of the Nomination Committee

Mariko Tokuno, Outside Director

Focus on the CEO’s succession plan and selection of next-generation management as FY2023 initiatives

Much like fiscal 2022, initiatives for fiscal 2023 included deliberations on the selection of candidates for Director, as well as involvement in CEO’s succession plan and programs for selecting and training the next generation of management. All of these initiatives are extremely important to us, and while we had lively discussions about each topic, we devoted most of our time on the CEO’s succession plan.

There are two points related to this. This is because it is about the selection of the current CEO’s successor, as well as how to select and train the successor of the next CEO. With regard to the former, we are newly outsourcing to an external professional organization in addition to our conventional selection process to assess the qualities of candidates in a fairer and more in-depth manner and select the most suitable candidates to entrust with leadership of the Group. With regard to the latter, candidates gave presentations directly to the Nomination Committee members, enabling us to gain a deeper understanding of their personalities and approach.

While I believe that the Nomination

Committee is fully fulfilling its role at present, if I had to raise an issue, it is that the ability to select the best candidates depends on the accuracy of the Next-Generation Leadership Talent Development Program, and this may be beyond the scope of the Nomination Committee’s involvement.

Nomination of candidates for Directors and reporting proposals for the appointment of Executive Officers

The background of the election of Makoto Shibata as a candidate for Director is the imbalance in the current number of Internal Directors and Outside Directors. For some time, I have felt that we need to increase the number of Internal Directors to ensure discussions and opinions in the Board of Directors are shared with Executive Officers and reflected by their actions more promptly. In addition, because Makoto Shibata has experience serving as a Director as a CFO, we have determined that he is qualified to be a Director.

The election of Kazuo Ohara as an Executive Officer was also convincing. Kazuo Ohara’s presentation about his own division was quite impressive, sharing how he worked with the Company President at the time to train people under

him and create an open culture as well as his international background. Beyond these cases, it made me realize that it is extremely important for the Nomination Committee to take every opportunity to learn about the people who will play key roles in the future, regardless of their age, in order to fulfill its role.

In the future, I will continue striving to strengthen governance from a fair and objective standpoint as the Chairperson of the Nomination Committee. The success of the FY2031 Strategy hinges on our talents. Therefore, who and how to select those who will be responsible for management, including the CEO, is the key. The same applies when selecting Outside Directors. As Chairperson, I have a strong desire to contribute to the Group’s development and growth by carefully identifying people who can improve the Group’s corporate value.

Nomination Committee

Composition (including chairperson)	Five Outside Directors
Chairperson	Director (Outside) Mariko Tokuno
Members	Director (Outside) Hiroshi Watanabe Director (Outside) Hikaru Sugi Director (Outside) Tatsuo Wakabayashi Director (Outside) Koji Igarashi
Functions and Duties	The Nomination Committee determines matters such as the policy for the nomination of candidates for Director and the content of proposals concerning the election and dismissal of Directors to be submitted to General Meetings of Shareholders. In addition to this, the Nomination Committee reviews and responds to inquiries from the Board of Directors concerning the election and dismissal, etc. of Executive Officers. Moreover, in order to develop human resources for the next generation responsible for management, the Nomination Committee deliberates on candidates for successor to the CEO and their development plans, and supervises the appropriate development of successor candidates.

Number of meetings in FY2023	15
Results	<p>2022</p> <p>April 27</p> <ul style="list-style-type: none">• Deliberation on the CEO’s succession plan, selection of candidates for Outside Directors, etc. <p>May 25</p> <ul style="list-style-type: none">• Deliberation on selection of candidates for Outside Directors <p>June 28</p> <ul style="list-style-type: none">• Deliberation on annual committee schedule, selection of candidates for Outside Directors, etc. <p>July 19</p> <ul style="list-style-type: none">• Deliberation on selection of candidates for Outside Directors <p>July 28</p> <ul style="list-style-type: none">• Deliberation content of the report on the proposal of the division of duties for Executive Officers, the CEO’s succession plan, selection of candidates for Outside Directors <p>August 9</p> <ul style="list-style-type: none">• Deliberation on the CEO’s succession plan, selection of candidates for Outside Directors <p>August 31</p> <ul style="list-style-type: none">• Deliberation on selection of candidates for Outside Directors <p>September 28</p> <ul style="list-style-type: none">• Deliberation on the CEO’s succession plan, selection of candidates for Outside Directors <p>October 28</p> <ul style="list-style-type: none">• Deliberation on the CEO’s succession plan, selection of candidates for Outside Directors <p>November 30</p> <ul style="list-style-type: none">• Deliberation on the CEO’s succession plan, selection of candidates for Outside Directors <p>December 27</p> <ul style="list-style-type: none">• Deliberation on proposals for candidates for Director, committee members and Chairpersons, Executive Officers, selection of candidates for Outside Directors, etc. <p>2023</p> <p>January 31</p> <ul style="list-style-type: none">• Deliberation on proposals for candidates for director, committee members and Chairperson, executive officers, the CEO’s succession plan, selection of candidates for Outside Directors <p>February 9</p> <ul style="list-style-type: none">• Resolution on the content of the report on the election of Executive Officers <p>March 8</p> <ul style="list-style-type: none">• Deliberation on the content of the report on the Chairman of the Board of Directors, committee members and Chairpersons, draft order of acting Chairperson• Deliberation on selection of candidates for Outside Directors <p>March 29</p> <ul style="list-style-type: none">• Resolution on candidates for Director• Resolution on the content of the report on the Chairman of the Board of Directors, committee members and Chairpersons, draft order of acting Chairperson

Nomination of Candidates for Director and the Election and Dismissal of Executive Officers

Policy for Nomination of Candidates for Director

Our basic approach to the structure of the Board of Directors, which fulfills the roles of determining the direction of management and exercising supervision over the progress of business execution, is to ensure that it comprises a diverse range of human resources with different expert knowledge, experience, and other qualities. In particular, the Nomination Committee will consider candidates for Outside Director to ensure that they comprise individuals who possess experience and knowledge in corporate management (including in businesses similar to and/or different from the Group's business) and organizational management, and individuals who possess broad and advanced expert knowledge and extensive experience in relation to finance and accounting, legal affairs, production engineering, research and development, sales and marketing, international relations, etc.

In light of the basic policy on the structure mentioned above, the Nomination Committee will nominate and select individuals who satisfy the following requirements as candidates for Director, regardless of individual attributes concerning gender, nationality and race, etc.:

- An individual of exceptional insight and character;
- An individual with a strong sense of ethics and a law-abiding spirit; and
- An individual who can properly fulfill his or her duties concerning the exercise of supervision over the management of the Company and the determination of the direction of management.

Further, with respect to candidates for Independent Outside Director, the Nomination Committee will nominate and select individuals who satisfy the following requirement in addition to the above requirements:

- An individual who has no material interest in the Group and who can remain independent.

The specific selection of personnel shall be decided after deliberation by the Nomination Committee.

The Company considers that an Outside Director is not independent if he or she falls under any of the conditions listed below while meeting the standards for independence established by Tokyo Stock Exchange, Inc.

1. An individual who falls under or has fallen under any of items (1) or (2) below, either presently or in the past:
 - (1)An executive or non-executive Director of the Company; or
 - (2)An executive or non-executive Director of the Company's subsidiary.
2. An individual who falls under any of items (1) through (5) below:
 - (1)An executive of a client or supplier company of the Company, whose value of transactions amounted to 2% or more of the consolidated net sales of the Company or the client or supplier company as of the end of the previous fiscal year;
 - (2)A person who received, as a professional or consultant, etc., consideration of not less than 10 million yen from the Company in the previous fiscal year, excluding his/her consideration as a Director;
 - (3)An executive of an organization that received a donation of not less than 10 million yen from the Company in the previous fiscal year;
 - (4)A shareholder who directly or indirectly holds at least 10% of the total number of voting rights of the Company or an executive of such shareholder; or
 - (5)The Company's Accounting Auditor or its employee, etc.
3. An individual who has fallen under any of items (1) to (5) of 2 above at any time in the past three (3) years;
4. A close relative of any of the persons listed in item (1) or (2) of 1 above, items (1) to (5) of 2 above, or 3 above (excluding unimportant persons); or
5. A person who has served as the Company's Outside Director for a period of more than eight (8) years.

Policy for Election and Dismissal of Executive Officers

In electing Executive Officers responsible for the execution of business tasks, the Nomination Committee will elect individuals who satisfy the following requirements, regardless of individual attributes concerning gender, nationality and race, etc.:

- An individual of exceptional insight and character;
- An individual with a strong sense of ethics and a law-abiding spirit; and
- An individual well-versed in management and the business activities of the Group.

In relation to the election process, the Chief Executive Officer will first draft a proposal for the election of Executive Officers after consulting

with relevant officers as necessary. The Chief Executive Officer will then submit a proposal for the election of Executive Officers to the Board of Directors based on the deliberations and responses to inquiries at a Nomination Committee meeting, and Executive Officers will be elected by resolution of the Board of Directors based on a comprehensive review of the candidates' personal history, achievements, specialist knowledge, and other capabilities.

In addition, if any event occurs that makes an Executive Officer highly ineligible in light of these standards, the Executive Officer shall be dismissed by resolution of the Board of Directors following a review by the Nomination Committee.

Outside Director Successors

The Board of Directors and the Nomination Committee continuously deliberate on the ideal composition of the Board of Directors from a medium- to long-term perspective, with the Corporate Philosophy, Vision, Medium-term Management Strategy, and the like in mind. In the selection of specific successors to Outside Directors, the Nomination Committee deliberates and decides on a case-by-case basis during

each selection process, which includes consideration of requirements such as expertise and experience required of potential candidates, confirmation of a candidate list and narrowing down the list of persons to be approached, interviews with the candidates, and decision on who to informally nominate.

Reasons for and Process of Nominating New Directors

In nomination of new Directors to be elected at the 98th General Meeting of Shareholders held on June 23, 2023, the selection for candidates took into account deliberation by the Board of Directors and Nomination Committee on the composition of the Board of Directors. After deliberations from December 2022 to March 2023, the Nomination committee appointed Makoto Shibata as a candidate for Director in March 2023.

Makoto Shibata, following appointment as Managing Executive Officer of the Company in 2017, served as General Manager, General Administration Division, General Manager, Governance Division, and General Manager, Corporate Strategy Division. He has undertaken his duties as Managing Executive Officer since June 2019. (He concurrently served as Director from June 2018 to June 2021).

At present, as Managing Executive Officer, he is responsible for the management of the Group. In addition, as CTO, he leads the research and development strategy and the IT strategy of the Company, and as CDO, he leads DX (digital transformation) of the Company. Furthermore, he regularly reports on the Digital Strategy of the Group and others at the Board of Directors meetings, thereby fulfilling his accountability to the Board of Directors as Executive Officer.

As explained above, he has extensive knowledge and rich experience related to the business and operations of the Group. He was deemed qualified for the position as he can be expected to contribute to strengthen the appropriate supervisory and decision-making functions of the Board of Directors.

Makoto Shibata provided contributions and expertise regarding comprehensive efforts to increase business competitiveness related to Group-wide Policy in the FY2023 Strategy from his experience as the Executive Officer in charge of DX promotion and system strategy, his abundant new business development experience regarding the creation of new products and businesses. Additionally, with regards to the development of the FY2031 Strategy overall, he provides contributions and his experience as an Executive Officer in charge of manufacturing and R&D strategy, DX promotion and system strategy, as well as providing contributions and expertise particularly on sustainability issues from his experience as a management executive in the resources and recycling business.

*Makoto Shibata was a Director from June 2018 to June 2021, and was re-elected as a Director at the 98th General Meeting of Shareholders in June 2023.

Related Information:

Integrated Report ▶ Directors Skill Matrix
P82

CEO Succession Plan

The CEO succession plan is positioned as the most vital decision to ensure the Company's sustainable growth and medium- to long-term enhancement of corporate value. We believe that the decision on whether or not to replace the CEO and the timing of such replacement should be made comprehensively based on the Company's current situation, the performance of the current CEO, the development of successor candidates, and the standby status of successor candidates.

In light of this, the Nomination Committee receives reports on the succession plan from time to time so that it can keep abreast of the status of the successor candidates and make comparisons with the current CEO. Also, by increasing the volume of contact with potential successors, the committee is able to observe successor candidates from various perspectives and make appropriate selections regarding CEO replacement and the timing thereof.

For Executive Officers, who are the pool of CEO successor candidates, 360-degree feedback surveys have been conducted since fiscal 2021, and the results are shared with the Nomination Committee to deepen members' understanding of the leadership qualities of the candidates.

In addition, Executive Officer candidates are selected from among those who are eligible for the Next-generation Leadership Talent Development Program, and are positioned as a group of people with the potential to become CEO in the future. The Nomination Committee also discusses development plans for this group of people.

Related Information:

Integrated Report ▶ Human Resources Strategy
P46

Message from the Chairperson of the Audit Committee



We approach our work with fresh perspectives and fast responses to improve the efficiency and quality of our audits so that we can contribute to the building of a resilient corporate framework.

Chairperson of the Audit Committee
Kazuhiko Takeda, Outside Director

Initiatives in FY2023

In fiscal 2023, COVID-19 restrictions began to ease, and we were able to resume physical visits instead of conducting our visiting audits remotely. This enabled us to communicate face-to-face with the relevant departments and Accounting Auditors. This year also marked the culmination of the Mitsubishi Materials Group's five-year-long measures to further strengthen internal controls after reflecting on major misconduct in the past, including quality issues, violations of antitrust laws and conflicts of interest. These have been accompanied by the reorganization of the Group's business portfolios and the transition to a complete In-house company system. An Internal Controls Division and auditing framework have been set up as part of these initiatives, creating a system enabling evaluations to be conducted.

Under the framework managed by Chairperson Wakabayashi, the Audit Committee has been working to assess risk profiles for more effective and efficient auditing. From fiscal 2023, regular three-party audit meetings have been held between the Accounting Auditors, Internal Audit Department and Audit Committee. These have created a

framework to strengthen communication and collaboration as we address the wide-ranging and increasingly complex issues the Group faces as our business environment changes rapidly with each passing day. I feel that these meetings have enabled more effective internal controls and a greater awareness about compliance.

We also carried out procedures to change our Accounting Auditors in fiscal 2023. It was a valuable experience for us to consider the risks of changing the Accounting Auditors who have been involved in the Mitsubishi Materials Group's audits over 58 years, and the risks of not changing them from the perspectives of specialist expertise, independence, efficiency, diverse global business expansion, and communication.

Aspirations and resolutions for the future

In fiscal 2024 and beyond, our business environment will continue to complexify and change amid these turbulent times. The Mitsubishi Materials Group must ride a wave of growth by properly managing risks as it seizes opportunities to grow. After the five years we have spent strengthening our internal control system,

the Group is now ready to discuss growth strategies. We must also continuously review our internal control system for purposes such as the disclosure of ESG, sustainability and other nonfinancial matters and our handling of global issues such as resource nationalism and economic security, and reliably monitor the Group's operations. For this purpose as much as any other, we must gain a proper understanding of our businesses through close communication with the management team and those involved in on-site operations, and facilitate stronger cooperation than ever before between the new Accounting Auditors, an Internal Audit Department that is evolving with risk based internal audits, and our newly structured Audit Committee so that we can bring about advances in our audits of this organization. We approach our work with fresh perspectives and fast responses to improve the efficiency and quality of our audits, and I am personally keen to contribute to the building of the resilient corporate framework we need to achieve our aims in the FY2031 Strategy.

Audit Committee

Composition (including chairperson)	Four Outside Directors / One Internal Director
Chairperson	Director (Outside) Kazuhiko Takeda <full-time Member of the Audit Committee>
Members	Director (Outside) Tatsuo Wakabayashi Director (Outside) Koji Igarashi Director (Outside) Rikako Beppu Director Akira Takeuchi
Functions and Duties	The Audit Committee audits the legality and validity of duties performed by Directors and Executive Officers, via audits either using internal control systems or directly by the Audit Committee member selected by the Audit committee. The Audit Committee also elects one full-time Member of the Audit Committee in order to improve the effectiveness of audits conducted by the Audit Committee.

Number of meetings in FY2023	16
Results	<div><div>2022 February to May • FY2022 year-end audit May 12 • Resolution on FY2022 audit report, etc. June 28 • Election of full-time, select, and specific members of the Audit Committee • Resolution on FY2023 audit Plan, etc. July to following February • Mid-term audits (attendance at important meetings, interviews with Executive Officers, visiting audits of sites, hearing results from Audit Department, exchanging opinions with Accounting Auditors, etc.) End July • First quarter financial results audit August 5 • Liaison meeting with standing Audit & Supervisory Board Members of subsidiaries held End October • Second quarter financial results audit</div><div>2023 End January • Third quarter financial results audit January 20 • Liaison meeting with standing Audit & Supervisory Board Members of subsidiaries held February 10 • Resolution on the content of proposals regarding the appointment of the Accounting Auditor to be submitted to the General Meeting of Shareholders February to May • FY2023 year-end audit April 27 • Resolution on matters related to FY2024 Accounting Auditor selection, etc. May 12 • Resolution on FY2023 audit report, etc.</div></div>

Establishment of Audit Committee Office

To assist the Audit Committee in its duties, the "Audit Committee Office" was established on April 1, 2022, directly under the Audit Committee as an organization independent from the execution side in order to enhance this function. The Office, consists of a General

Manager and four staff members, and it performs administrative work related to the operation of the Audit Committee, collects information, conducts various investigations, attends internal meetings, and fully assists the Audit Committee in the performance of its duties.

Message from the Chairperson of the Remuneration Committee



We have revised our remuneration system to adopt the consolidated operation income plan for each fiscal year of the Medium-term Management Strategy as a performance evaluation indicator for annual bonuses for Executive Officers. I expect that this revision will encourage the implementation of measures that ensure the achievement of the FY2031 Strategy.

Chairperson of the Remuneration Committee

Hikaru Sugi, Outside Director

Status of FY2023 Initiatives and Main Discussions

The five members of the Remuneration Committee revised the remuneration system for Executive Officers' annual bonus. In addition to introducing a system of relative Total Shareholder Return (TSR) as one of the evaluation items, we have taken steps such as adding evaluation of the status of achievement of the targets in line with the Sustainability Policy to non-financial evaluation elements set for each Executive Officer. Fiscal 2023 was the first year in which the revised system was applied. Through this system, we will continue to verify how the aims of revisions such as introducing investors' evaluation perspectives are to be incorporated into evaluation results. Additionally, we compared performance with other nonferrous metal companies in the same industry and manufacturing companies of similar sizes.

Examining the remuneration system for Executive Officers from the perspective of achieving the Medium-term Management Strategy and improving corporate value, the ratio of performance-based remuneration to fixed remuneration in MMC's remuneration system is set higher than that of the average of other companies, and we have confirmed that

this has been maintained in fiscal 2023 as well. In terms of raising an issue in light of the role the Remuneration Committee must play, it can be pointed out that, even taking into account the uncertain economic outlook at the beginning of the fiscal year due to the COVID-19 pandemic, including for the market and customers as well as for the Group itself, the Company might have been a little conservative, and the Company should be setting higher goals and taking on challenges. This perception of issues is common among all committee members.

Remuneration system from the perspective of achieving the Medium-term Management Strategy and improving corporate value

My view on the remuneration system for Executive Officers from the perspective of achieving the Medium-term Management Strategy and improving corporate value is as mentioned above. Meanwhile, in fiscal 2024, the FY2031 Strategy has been launched and is positioned as a plan to greatly enhance the Company's role and value both financially and non-financially. For the financial evaluation in the remuneration system for Executive Officers, we had previously used the

consolidated performance forecast for the following fiscal year at the time of announcement of annual financial statements of the fiscal year as the reference value, but from fiscal 2024, we revised the remuneration system to distribute targets of each year for Phase 1 (fiscal 2024 to fiscal 2026) of the FY2031 Strategy, and use those figures as the reference value. This is expected to be a fairly strict standard for Executive Officers, and we expect this will encourage the implementation of measures that ensure the achievement of the FY2031 Strategy. Additionally, from the perspective of improving non-financial corporate value, we continue to introduce relative TSR evaluation, and recognize that our current remuneration system for Executive Officers is at a level that is evaluated favorably.

Finally, as Chairperson of the Remuneration Committee, I will continue to monitor the trends of other companies and continue benchmarking to make improvements. Furthermore, towards sustainable improvement of corporate value, the Remuneration Committee will review the remuneration system to ensure it is a strongly motivating factor for Executive Officers, encouraging them to take on the challenge of setting higher goals.

Remuneration Committee

Composition (including chairperson)	Five Outside Directors
Chairperson	Director (Outside) Hikaru Sugi
Members	Director (Outside) Mariko Tokuno Director (Outside) Hiroshi Watanabe Director (Outside) Tatsuo Wakabayashi Director (Outside) Rikako Beppu
Functions and Duties	The Remuneration Committee establishes policies for determining individual remuneration for Directors and Executive Officers, and determines the individual remuneration to be received by Directors and Executive Officers based on such policies.

Number of meetings in FY2023	11
Results	<p>2022</p> <p>April 27</p> <ul style="list-style-type: none">• Deliberation on revision of annual bonuses for Executive Officers and bonuses for FY2022 for Executive Officers <p>May 13</p> <ul style="list-style-type: none">• Resolution on revision of annual bonus system for Executive Officers and deliberation on bonuses for FY2022 for Executive Officers <p>May 25</p> <ul style="list-style-type: none">• Resolution on amount of individual bonuses for FY2022 for Executive Officers <p>June 28</p> <ul style="list-style-type: none">• Resolution on details of individual remuneration for Directors, etc. <p>August 31</p> <ul style="list-style-type: none">• Deliberation on the background to the current remuneration system and future issues <p>October 28</p> <ul style="list-style-type: none">• Report on results of remuneration survey <p>November 30</p> <ul style="list-style-type: none">• Deliberation on suitability of the remuneration system <p>2023</p> <p>January 31</p> <ul style="list-style-type: none">• Deliberation on issues related to annual bonuses system for Executive Officers <p>February 22</p> <ul style="list-style-type: none">• Deliberation on issues related to annual bonus system for Executive Officers and stock-based compensation <p>March 8</p> <ul style="list-style-type: none">• Resolution on annual bonus system for Executive Officers <p>March 29</p> <ul style="list-style-type: none">• Resolution on details of individual remuneration for Executive Officers

Policy on Determining Remuneration for Officers, Etc.

Remuneration System for Directors and Executive Officers

With the aim of creating an attractive remuneration system for outstanding management personnel that will drive improvements in the Group's corporate value from a medium- to long-term viewpoint and establishing remuneration governance that will enable the Company to fulfill its accountability to stakeholders, including shareholders, the Company shall establish a policy on determining the remuneration for Directors and Executive Officers and a remuneration system as follows:

- 1. Policy on Determining Remuneration for Officers**
- (1) A system shall be created that provides competitive standards for remuneration compared with companies of a business category and size similar to the Group.
- (2) The performance of the functions and duties assumed by each Officer and contributions to the improvement of medium- to long-term corporate value shall be evaluated in a fair and equitable manner, and the evaluation results shall be reflected in remuneration.
- (3) In order to have remuneration function as a sound incentive to improve the Group's medium- to long-term corporate value, remuneration shall consist of basic remuneration, an annual bonus based on performance evaluations in each fiscal year, etc. and stock-based compensation, which is a medium- to long-term incentive linked to medium- to long-term performance and corporate value. The remuneration composition ratio shall be determined appropriately in accordance with one's job position. However, for Directors (excluding those who concurrently hold the posts of Director and Executive Officer), only basic remuneration shall be paid in cash, in light of their function and role of supervising the performance of job duties by the Executive Officers.
- (4) An annual bonus shall be determined with the emphasis on the performance in each fiscal year, while appropriately evaluating the relative results of Total Shareholder Return (TSR)* and the status of each Executive Officer's implementation of medium- to long-term management strategies, etc.

Average closing price of the stock on each day in March of the current year +
Total amount of dividends per share in the current fiscal year

* TSR =
Average closing price of the stock on each day in March of the previous year

- (5) A medium- to long-term incentive shall be stock-based compensation that enables Officers to share awareness of profits with shareholders in order to enhance corporate value from a medium- to long-term viewpoint.
- (6) The policies for determining remuneration and the amount of individual remuneration shall be deliberated and determined by the Remuneration Committee composed of a majority of Independent Outside Directors.
- (7) Necessary information shall be disclosed actively so that stakeholders including shareholders can monitor the relationship between performance, etc. and remuneration.

2. Remuneration System for Officers

- (1) Directors (excluding those who concurrently hold the posts of Director and Executive Officer)
The remuneration system for Directors shall be determined so that only basic remuneration shall be paid in cash, taking into consideration an individual Director's job position, whether he/she is a full-time/part-time Director, etc. and referring to the standards for remuneration of other companies based on the research of outside experts.
- (2) Executive Officers
The remuneration payable to Executive Officers shall consist of basic remuneration, which is fixed remuneration, and an annual bonus and stock-based compensation, which are performance-linked remuneration. The remuneration composition ratio shall be in line with "Basic remuneration/Annual bonus/Stock-based compensation = 1.0/0.6/0.4" ("In the case where the annual bonus payment rate is 100%") as to the Chief Executive Officer, and for other Executive

Officers, the ratio of performance-linked remuneration to basic remuneration shall be set lower than that for the Chief Executive Officer.
Furthermore, the standards for remuneration shall be determined by referring to the standards of peer companies (similar-sized companies determined by the Remuneration Committee) based on the research of outside experts.

- <Basic Remuneration>**
Basic remuneration shall be paid in cash as fixed remuneration in accordance with one's job position.
- <Annual Bonus (Short-term Incentive Remuneration)>**
The annual bonus shall be determined based on the consolidated operating profit, relative comparison of TSR, and status of achievement of the non-financial target set for each Executive Officer, on a single-year basis.
The specific evaluation items shall be as follows:
<<Evaluation Items>>
① Consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector), based on which the earning capacity of one's main job is evaluated; to be multiplied by an adjustment factor based on the consolidated operating profit growth rate compared with other companies to enhance consciousness on growth greater than market growth (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies)
② Relative comparison of TSR (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies)
③ Non-financial evaluation that evaluates the status of achievement of the targets set for each Executive Officer at the beginning of the term and other relevant factors with regard to efforts aimed at improving medium- to long-term corporate value, which is less likely to be represented in short-term performance, as well as efforts in line with the Sustainability Policy*

Annual Bonus = Base Annual Bonus by Job Position × Payment Rate Based on Performance Evaluation*

- * "Payment Rate Based on Performance Evaluation" shall range from 0% to 200% based on a performance.
<<Evaluation Weight>>
The annual bonus shall be determined based on the evaluations of each portion of 60%*, 20% and 20% of the base amount, which depends on one's job position, in terms of consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating profit from the relevant business sector), relative TSR comparison and non-financial factors, respectively.
<<Target of performance evaluation indicators for annual bonus>>
With regard to the target of performance evaluation indicators for annual bonuses, in principle, the consolidated performance forecast for the current period planned in the Medium-term Management Strategy shall be applied (For operating earnings of the business for which the

Chief Executive officer, Non-Business related Executive Officers

Evaluation of consolidated operating profit: 60%

×

Evaluation of growth rate: 0.9 to 1.1

Adjustment Factor

+

Evaluation of relative comparison of TSR: 20%

+

Evaluation of non-financial factors: 20%

Business-related Executive Officers

Evaluation of operating earnings from the relevant business: 60%

×

Evaluation of growth rate: 0.9 to 1.1

Adjustment Factor

+

Evaluation of relative comparison of TSR: 20%

+

Evaluation of non-financial factors: 20%

Officer is responsible, planned consolidated operating earnings from the relevant business sector shall be used.).
<Stock-based compensation (Medium- to long-term Incentive Remuneration)*>
Stock-based compensation shall be a system that utilizes a trust for the purpose of achieving the sharing of a common profit awareness with shareholders. This shall be used as an incentive for improving the medium- to long-term corporate value of the Group and under which the Company's shares and cash equivalent to the proceeds from the realization of the Company's shares shall be delivered and paid in accordance with one's job position, upon retirement from the post of

Executive Officer. No performance conditions nor stock price conditions shall be set with respect to the shares to be delivered.
Please note that in the case of a non-resident staying in Japan, different treatment may be applied under laws or for any other relevant circumstances.

* The Officers' remuneration system adopts a structure called BIP (Board Incentive Plan) and grants to the Executive Officers the shares of the Company's common stock, etc. It is an incentive plan to accumulate points to be given to Executive Officers in accordance with their positions for each three consecutive fiscal year (from fiscal 2024 to fiscal 2026), and to grant the shares of the Company's common stock equivalent to 70% of such accumulated points (shares less than one unit shall be disregarded) and cash equivalent to realized value of the shares of the Company's common stock equivalent to the remaining accumulated points as compensation to Executive Officers after their retirement. One point is deemed equal to one share of the Company's common stock, and if a stock split or reverse stock split occurs during the trust period, the number of the Company's shares per point shall be adjusted according to the stock split ratio or reverse stock split ratio of the Company's shares. The maximum number of points to be given to Executive Officers during the Applicable Period shall be 140,000 points in total.

Details of non-financial evaluation items for annual bonuses (short-term incentive remuneration) for Executive Officers (excluding CEO) (FY2024)

For non-financial evaluation, each Executive Officer is required to set three target items, one of which is a sustainability issue. Each item is broken down into two or three sub-items. The table below summarizes details of non-financial sub-items set for fiscal 2024 in accordance with the Sustainability Policy, etc. In fiscal 2024, we have mandated the promotion of Diversity and Inclusion and in particular, the setting of targets related to the ratio of female managers. Additionally, many Executive Officers set targets related to proactive efforts to protect the global environment.

Items in line with the Sustainability Policy	Executive Officers							
	A	B	C	D	E	F	G	H
Build a Work Environment that puts Safety and Health First		○						○
Respect for Human Rights		○						
Promote Diversity and Inclusion	○	○	○	○	○	○	○	○
Cultivate Mutual Prosperity with Stakeholders								○
Strengthen Corporate Governance and Risk Management	○	○	○					
Engage in Fair Business Transactions and Responsible Sourcing					○			
Ensure Stable Provision of Safe, Secure, and High Value Added Products								
Proactive Engagement for the Global Environment	○		○		○	○	○	
Talent Development				○			○	

Total amount of remuneration, etc. per classification of officers, total amount per type of remuneration, etc., and number of eligible recipients for FY2023

Classification of officers	Total amount of remuneration, etc. (Million Yen)	Type of remuneration, etc.					
		Monetary remuneration				Nonmonetary remuneration	
		Basic remuneration		Bonus (Performance-linked remuneration)		Stock-based compensation	
		Total (Million Yen)	Number of eligible recipients	Total (Million Yen)	Number of eligible recipients	Total (Million Yen)	Number of eligible recipients
Directors (Other than Outside Director)	97	97	2	—	—	—	—
Executive Officers	740	354	10	273	10	112	10
Outside Directors	122	122	8	—	—	—	—

*1 The total amount of remuneration, etc. paid to Directors who concurrently serve as Executive Officers and applicable employees are shown in the total amount of remuneration for Executive Officers.

*2 The Company had 10 Directors and 10 Executive Officers as of the end of fiscal 2023. The applicable number of directors includes two directors (including one Outside Director) who resigned during fiscal 2023.

*3 The Company has introduced stock-based compensation based on a trust scheme, and the above amount of stock-based compensation represents the amount recorded as expenses for fiscal 2023.

Message from the Chairperson of the Sustainability Committee



We will make recommendations to the Board of Directors and Executive Officers and proceed with necessary discussions with a high-level perspective regarding themes for our business activities to directly contribute to the improvement of social value and sustainability matters.

Chairperson of the Sustainability Committee

Koji Igarashi, Outside Director

Status of FY2023 Initiatives and Main Discussions

The Group has promoted a wide range of sustainability initiatives so far, mostly from the executive side. Based on the revision of the Corporate Governance Code in fiscal 2022 and results of the evaluation of the effectiveness of the Board of Directors, we established a Sustainability Committee consisting of non-executive directors within the Board of Directors and have been promoting a variety of initiatives. Particularly, we considered direct themes for the improvement of social value through our business activities, clarifying the perspectives of “Analysis,” “Disclosure” and “Vision” to discuss in committee.

“Analysis” focuses on monitoring and supervising the status of business execution by the executive side, as well as the investigation and analysis of consistency between global trends and the Group’s direction. “Disclosure” is proposals for information disclosure and communication both inside and outside the Company. “Vision” is the examination of medium- to long-term vision and the future image of the Group from the perspective of sustainability. In fiscal 2023, we discussed the three following specific themes and have achieved a certain level

of results.

One of these was determining issues and points to watch out for in areas considered by the committee as we worked toward the formulation of the FY2031 Strategy, which led to discussions in the Board of Directors. Next, in order to gain a detailed understanding of the social situations related to sustainability, we planned and held lectures by external experts in three different themes, and as a committee, we gained a broad perspective on sustainability that enabled us to get a higher viewpoint. Then, we set up an opportunity to exchange opinions with Executive Officers and confirmed the need for a wide range of considerations, such as discontinuous growth scenarios from a sustainability perspective.

Contribution to a Sustainable Society through Our Business Activities

With the start of the FY2031 Strategy, we have clarified plans and proceed specific initiatives for themes in which our business activities directly contribute to enhancing social value, such as reducing GHG emissions, achieving carbon neutrality and building a circular economy. This is praiseworthy also because situations are disclosed in a

timely manner. However, we recognize the need to further accelerate and deepen our efforts and considerations to secure and utilize human capital, and respond to changes in the business environment from a long-term perspective.

The Group’s business itself is directly linked to the foundation of sustainability and has a significant impact on society. Along with the responsibility to achieve sustainability, there is great potential for growth as a company through the development and implementation of next-generation technologies. In order to realize the potential of the Group and create the future, the Sustainability Committee will continue to approach sustainability matters with high level perspective, make recommendations to the Board of Directors and Executive Officers, and hold necessary discussions.

Sustainability Committee

Composition (including chairperson)	Four Outside Directors / One Internal Director
Chairperson	Director (Outside) Koji Igarashi
Members	Director (Outside) Hikaru Sugi Director (Outside) Kazuhiko Takeda Director (Outside) Rikako Beppu Director Naoki Ono
Functions and Duties	The Sustainability Committee will consider monitoring methods and issues related to sustainability management and others as matters at the request of the Board of Directors for advice. The Sustainability Committee will report its considerations to the Board of Directors.

Number of meetings in FY2023	9
Results	<p>2022</p> <p>July 28</p> <ul style="list-style-type: none">Collection of information about internal and external sustainability trendsDeliberation on the position of the committee within the Company and the content of the committee’s initiatives, etc. <p>August 9</p> <ul style="list-style-type: none">Deliberation on annual committee schedule, etc. <p>August 31</p> <ul style="list-style-type: none">Deliberation on the direction of sustainability management, etc. <p>September 16</p> <ul style="list-style-type: none">Aggregation of opinions on the Medium-term Management Strategy FY2031 <p>October 28</p> <ul style="list-style-type: none">Deliberation on holding lectures by external experts <p>November 10</p> <ul style="list-style-type: none">Implementation of lectures by external expert <p>November 30</p> <ul style="list-style-type: none">Implementation of lectures by external expert <p>2023</p> <p>February 22</p> <ul style="list-style-type: none">Implementation of lectures by external expert <p>March 8</p> <ul style="list-style-type: none">Deliberation on the direction of future initiatives based on lectures by external experts

Executive Officer System

Executive Officer

Executive Officers execute business in accordance with the prescribed segregation of duties, based on the delegation of authority from the Board of Directors. The Company has 9 Executive Officers, of which the Chief Executive Officer Naoki Ono, and the Managing Executive Officer Makoto Shibata are elected as Representative Executive Officers upon the decision of the Board of Directors.

Executive Officers (as of April 1, 2023)

Naoki Ono	CEO ^{*1} (Representative Executive Officer) Responsible for: General Operation of the Company, Internal Audit, Renewable Energy Business, Energy Project & Technology Center
Tetsuya Tanaka	Managing Executive Officer CGO ^{*2} , Responsible for: Business Process Innovation, SCQ ^{*3} Promotion, Corporate Secretary, Affiliated Corporations
Nobuhiro Takayanagi	Managing Executive Officer CFO ^{*4} , Responsible for: Strategy-Accounting & Finance, Sustainable Development, Corporate Communications
Makiko Nogawa	Managing Executive Officer CHRO ^{*5} , Responsible for: Human Resources Planning, D&I-Health and Productivity Management
Makoto Shibata	Managing Executive Officer (Representative Executive Officer) CTO ^{*6} , CDO ^{*7} , Responsible for: Monozukuri and R&D Strategy, DX Promotion, System Strategy
Jun Nagano	Managing Executive Officer President, Professional CoE
Katsuyoshi Isaji	Managing Executive Officer President of Metals Company
Toshinori Ishii	Managing Executive Officer President, Advanced Products Company
Kazuo Ohara	Managing Executive Officer President, Metalworking Solutions Company

^{*1} CEO: Chief Executive Officer
^{*2} CGO: Chief Governance Officer
^{*3} SCQ: Safety & Health, Compliance & Environment, Quality.
^{*4} CFO: Chief Financial Officer
^{*5} CHRO: Chief Human Resources Officer
^{*6} CTO: Chief Technical Officer
^{*7} CDO: Chief Digital Officer

Status of Audits/Internal Control

Status of Audits

Status of audits performed by the Audit Committee

In addition to attending meetings of the Strategic Management Committee and other important meetings, by making use of internet-based methods at the same time, members of the Audit Committee conduct interviews with Directors, Executive Officers, departments in charge of internal audits, and other departments in charge of internal control concerning progress on the execution of their duties, and view important approval documentation, etc. Selected members of the Audit Committee investigate the state of business and assets at the Company headquarters and important business sites according to the audit standards and audit plans, etc. of the Audit Committee as established by the Audit Committee. They also conduct onsite audits of subsidiaries, etc. as needed, while forming a framework for conducting audits on the state of the execution of duties by Directors and Executive Officers

Additionally, the Audit Committee holds regular meetings with Corporate Auditors at major Group companies as part of efforts to

Strategic Management Committee

Following the delegation of authority from the Board of Directors, the Strategic Management Committee reviews and determines important matters concerning the management of the entire Group. The Strategic Management Committee consists of the Chief Executive Officer and the Executive Officers in charge of each department of the Strategic Headquarters. The Chief Executive Officer serves as the chairperson of the committee.

Governance Review and Meeting for Sharing Governance Information

The Governance Review and Meeting for Sharing Governance Information is composed of members of the Strategic Management Committee and general managers of relevant departments. It handles governance matters such as compliance, safety/disaster prevention, hygiene, environmental management, quality control, communication and information security, and is responsible for reporting, deliberating and following up on plans and initiatives, disseminating information to each department.

From February to March each year, we discuss and disseminate policies and initiatives of the business and management divisions (including both internal and subsidiaries) for the following fiscal year. From August to September each year, we work to improve the effectiveness of initiatives related to governance throughout the Group by reporting the status of response and deliberating and disseminating information on review plans.

enhance coordination of audit systems in line with Group management measures in place. An organization has been set up directly under the Audit Committee to assist the Committee in its duties concerning such audits performed by members of the Audit Committee.

Kazuhiko Takeda, Chairperson of the Audit Committee, has extensive knowledge of finance and accounting through his experience as CFO at major subsidiaries of listed companies.

Tatsuo Wakabayashi, a member of the Audit Committee, has extensive knowledge of finance and accounting, having successively served as president and chairman of financial institutions.

The Audit Committee examines the status of the development and operation of the internal control system, the status of the development and operation of the internal control system for financial reporting, the status of risks and countermeasures in implementing the Medium-term Management Strategy, the status of measures for workplace safety, the status of the implementation of measures to comply comply with the

Antimonopoly Act, the appropriateness of auditing methods and the results of audits by Accounting Auditors, as well as other matters.

To improve the effectiveness of the entire three-pillar audit system, the Audit Committee, the Internal Audit Department, and Accounting Auditor discuss to enhance mutual cooperation.

Full-time Members of the Audit Committee attend important meetings such as the Strategic Management Committee, the Group's Management Committee, Budget Deliberation, Monozukuri and R&D Strategy Meetings and the Meeting for Sharing Governance Information, and make comments or suggestions on matters of concern

Regular meetings are also held with the CFO, as well as individual discussions with Executive Officers, to exchange opinions. In addition, they receive reports from each division of the Strategic Headquarters and Professional CoE division on a regular or timely basis and make suggestions or recommendations. Details thereof are shared with the Audit Committee in a timely manner.

Status of internal audits

As of June 23, 2023, the Audit Department of the Strategic Headquarters and the Audit Department of in-house companies, which are departments in charge of internal audits, consist of 32 persons, including the General Managers of each Audit Department. They are responsible for conducting internal audit work on the instructions of the responsible Executive Officer in cooperation with the Audit Committee to investigate whether internal control systems are developed and applied in an appropriate manner. They also audit the effectiveness and efficiency of company operations across the Group, the credibility of financial reports, the state of asset preservation and use, the risk management

status, and the state of compliance with laws and regulations, and internal rules and standards, based on internal audit plans approved by the responsible Executive Officer and the Audit Committee. Additionally, audits are conducted in close coordination with the Accounting Auditor by sharing information.

The Internal Audit Department of the Strategic Headquarters regularly reports the results of Company-wide audits to the Executive Officer in charge and the Audit Committee, and the Executive Officer in charge regularly reports those results to the Board of Directors.

Internal Control

Since the establishment of the Internal Control System Management Committee in January 2006, we have taken steps such as developing a set of basic principles for improving the Group's internal control systems, and ensuring compliance with the requirements to introduce internal control evaluation and disclosure systems in relation to financial reporting, in an effort to ensure compliance with the Companies Act, the Financial Instruments and Exchange Act, and other relevant legislation, and to establish the optimal internal control systems for both Mitsubishi Materials and the Mitsubishi Materials Group companies.

Regarding evaluations conducted during fiscal 2023 on our internal control system for financial reporting, an Internal Control Report was submitted in June 2023 for which we received an unqualified opinion of the auditing firm that the content is appropriate.

Reduction of Strategic Share Holdings

Reduction of Strategic Share Holdings

The Company has a policy of not acquiring or holding shares (strategic share holdings) other than purely for investment purposes, except when it is required for the business strategy.

With regard to the Shares in the Form of Strategic Share Holdings, the appropriateness of such holdings shall be specifically reviewed and examined at a meeting of the Board of Directors on an annual basis. As a result of such reviews and examinations, the Company will reduce any Shares in the Form of Strategic Share Holdings if it is not deemed to be necessary to hold such shares.

Status of Strategic Share Holdings

		Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
Number of strategic share holdings	Unlisted:	103	106	99	56
	Other than unlisted:	53	43	30	6
	Total amount:	156	149	129	62
Total price (billions of yen)	Unlisted:	3.0	2.8	6.1	2.3
	Other than unlisted:	114.0	116.7	64.7	14.9
	Total amount:	117.1	119.5	70.9	17.3

The Company will make a continuous effort to reduce Strategic Share Holdings in accordance with the result of such reviews and examinations.

Strategic shareholding reduction in fiscal 2023

In fiscal 2023, out of 12 Strategic Share Holdings, we sold all or a part of the shares issued by 8 issuing companies (excluding 18 shares transferred to Mitsubishi UBE Cement Corporation on April 1, 2022). The sales price was approximately 23.7 billion yen (at market value) in total.

Percentage of Strategic Share Holdings in Consolidated Net Assets

■ Total amount of strategic share holdings (including unlisted shares and deemed share holdings) (billions of yen)
● Percentage of consolidated net assets (%)

