

Note: This document is an English Translation of the “Notice of the 11th Ordinary General Meeting of Shareholders (Dai-11-ki Teiji Kabunushi Sokai Shoshu Go-Tsuchi),” and prepared solely for the convenience of shareholders who are non-Japanese speakers. In the event of any discrepancy between this translated document and the Japanese original document, the Japanese original text shall prevail. UACJ Corporation does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.

(Securities Code: 5741)

May 29, 2024

Start date of measures for electronic provision: May 22, 2024

Dear shareholders:

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

## Notice of the 11th Ordinary General Meeting of Shareholders

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

The Company’s website:

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

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

TSE website (Listed Company Search):

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

**1. Date and Time:** Wednesday, June 19, 2024, at 10:00 a.m. (JST) (Reception begins at 9:00 a.m.)

**2. Venue:** 3rd Floor, Tokyo Sankei Building (Rooms 301-303, Otemachi Sankei Plaza)  
1-7-2 Otemachi, Chiyoda-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported:

1. Reports on Business Report, Consolidated Financial Statements, and Report on Audit Results of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 11th fiscal term (from April 1, 2023 to March 31, 2024)
2. Reports on Non-consolidated Financial Statements for the 11th fiscal term (from April 1, 2023 to March 31, 2024)

#### Matters to be resolved:

- |                       |  |
|-----------------------|--|
| <b>Proposal No. 1</b> | Dividends of Surplus   |
| <b>Proposal No. 2</b> | Election of Ten (10) Directors   |
| <b>Proposal No. 3</b> | Election of One (1) Audit & Supervisory Board Member   |
| <b>Proposal No. 4</b> | Revision of Remuneration for Directors under the Medium- to Long-Term Performance-Linked Remuneration System |

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

- If you attend the meeting in person, you are kindly requested to submit the voting form that was sent together with the notice for this convocation at the reception desk.
  - If you opt not to attend the meeting in person, you may exercise your voting rights via the internet, or by mail using the voting form. Please review the “Reference Documents for the General Meeting of Shareholders” and make sure that your votes are submitted no later than 5:45 p.m. on Tuesday, June 18, 2024 (JST).
  - When exercising voting rights by mail using the voting form, if a vote for or against a proposal is not indicated on the voting form, it will be considered an indication of approval.
  - If you exercise your voting rights redundantly by voting via the internet and by mailing of the voting form, the vote via the internet will be counted as the valid vote. If you vote via the internet multiple times, the last vote will be counted as the valid vote.
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- Even if no request is made for delivery of documents based on the Companies Act, the Company sends written materials related to the general meeting of shareholders to all shareholders.
  - Of the items subject to measures for electronic provision, “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Notes to Non-Consolidated Financial Statements” in the Non-consolidated Financial Statements are not included in the attachments related to the matters to be reported because they are posted on the above Company website and TSE website based on provisions under laws and the Company’s Articles of Incorporation. Notably, these items are included in the documents subject to audit by the Audit & Supervisory Board Members and accounting auditor.
  - If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the above Company website and the TSE website.

## Reference Documents for the General Meeting of Shareholders

### Proposal No. 1 Dividends of Surplus

The Company acknowledges that distribution of dividends is essential to rewarding shareholders. The Company determines dividends by taking into consideration comprehensive factors including trends in financial performance, maintenance and renewals for stable business operations, enhancing competitiveness in our strategy, environment and other areas and investing in research and development in order to improve corporate value and growth, and reinforcing the Company's financial standing, while the Company seeks stable and continuous dividend distribution as its basic policy.

From the perspective of achieving stable dividend distribution in light of the performance trends, performance forecasts for the next fiscal term and financial condition, the Company proposes to pay ¥45 per share as a year-end dividend for this fiscal term. Given the interim dividend of ¥45 per share, this brings the annual dividend to ¥90 per share.

Matters related to the year-end dividends

1. Type of dividend property  
Cash
2. Matters concerning the allotment of dividend property to shareholders and total amount thereof  
¥45 per common share of the Company  
Total payment: ¥2,169,869,805
3. Effective date of dividends of surplus  
June 20, 2024

[Reference] Skills Matrix

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

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

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

Standards for independence set by the Company:

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

The members and expertise of the Board of Directors, if Proposal No. 2 and Proposal No. 3 are approved as originally proposed at this Ordinary General Meeting of Shareholders, will be as follows.

1. "UACJ VISION 2030" and the Fourth Mid-Term Management Plan (For details, please refer to pages 27 to 29.)  
The Company has developed "UACJ VISION 2030" that depicts its vision for 2030, and is making efforts to realize it. To expand growth and value creation and strengthen the character of the organization toward achieving "UACJ VISION 2030" based on the foundation established during the Third Mid-Term Management Plan, the Company has set up the following three (3) major policies of the Fourth Mid-Term Management Plan (from fiscal 2024 to fiscal 2027).  
Maximize revenue and improve profitability through increased value creation  
Strengthen our agile and flexible structure  
Strengthen foundations supporting value creation and stable business operations
2. The Company's Skills Matrix  
To realize the Company's vision, discussions have been held in meetings of the Nomination and Remuneration Advisory Committee and the Board of Directors on the skills (knowledge, experience, and capability) that the Board of Directors should possess, and the following nine (9) skill fields were selected.

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

Company Board of Directors after the 11th Ordinary General Meeting of Shareholders (Planned)

If Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the Skills Matrix for the Company Board of Directors will be according to the following.

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

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

	Name and Attributes	Tenure	Nomination/ Remuneration Advisory Committee Member (Note)	(i)	(ii)	(iii)	(iv)	(v)
				Corporate manage- ment/ Strategy	Finance/ Account- ing	Sales/ Marketing	Overseas business	R&D/ Manufac- turing
Directors (Proposal No. 2)	Miyuki Ishihara	Internal	9 years	✓	○			○
	Shinji Tanaka	Internal	3 years		○		○	○
	Teruo Kawashima	Internal	5 years	✓	○	○	○	
	Fumiharu Jito	Internal	2 years			○		○
	Joji Kumamoto	Internal	1 year		○		○	
	Takahiro Ikeda	Outside Independent	6 years	✓	○		○	
	Akio Sakumiya	Outside Independent	6 years	✓	○			
	Yoshitaka Mitsuda	Outside Independent	2 years	✓				○
	Ryoko Nagata	Outside Independent	1 year	✓	○		○	
	Makiko Akabane	Outside Independent	1 year	✓				○
Audit & Supervisory Board Members (Proposal No. 3)	Ryu Sawachi	Internal	2 years					
	Haruhiro Iida	Internal	-		○		○	
	Yuki Iriyama	Outside Independent	6 years		○		○	
	Hiroyuki Yamasaki	Outside Independent	6 years		○	○		
	Yoshiro Motoyama	Outside Independent	6 years		○		○	○

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

		(vi)	(vii)	(viii)	(ix)	Main reasons for marking (○) in the relevant skill fields
		Legal/ Governance	IT/Digital	Sustaina- bility	Other industries/ Other fields	
Directors (Proposal No. 2)	Miyuki Ishihara	○		○		(i) Experience as President of the Company; (v) Long-standing experience in manufacturing division; (vi) and (viii) Supervising the Company's corporate governance and sustainability as Chairman of the Board
	Shinji Tanaka			○		(i) President of the Company; (iv) Long-standing experience in overseas business (incl. overseas posting); (v) Long-standing experience in manufacturing division; (viii) Experience as Chief Executive of Corporate Sustainability Division
	Teruo Kawashima					(i) Executive Vice President of the Company; (ii) In charge of the Group's financial strategies; (iv) Experience as CEO of an overseas company of the Group (incl. overseas posting)
	Fumiharu Jito		○			(iii) In charge of Chief Executive of Marketing and Technology Division; (v) Long-standing experience in manufacturing division; (vii) In charge of Information Technology Division
	Joji Kumamoto				○	(i) In charge of Company management strategy; (iii), (iv), and (ix) Experience in sales and overseas business at a major general trading company
	Takahiro Ikeda				○	(i), (iii), (iv), and (ix) Experience as director of a major chemical manufacturer (experience in sales, marketing, management of overseas business)
	Akio Sakumiya	○			○	(i), (vi), and (ix) Experience as director and executive vice president of a major electronic components manufacturer (served as committee member and vice chairperson of various advisory committees), and experience as an outside corporate auditor of other companies
	Yoshitaka Mitsuda		○	○	○	(v), (vii), (viii), and (ix) Experience in education and research on smelting and recycling of non-ferrous metals at university and research institutions, experience in university operations
	Ryoko Nagata	○			○	(i), (iii), (vi), and (ix) Experience as executive officer / auditor of a major food producer, and experience as an outside director and audit & supervisory of other companies
	Makiko Akabane			○	○	(iv), (viii), and (ix) Experience with consulting and support activities for sustainability, and experience as an outside director of other companies

		(vi)	(vii)	(viii)	(ix)	Main reasons for marking (○) in the relevant skill fields
		Legal/ Governance	IT/Digital	Sustaina- bility	Other industries/ Other fields	
Audit & Supervisory Board Members (Proposal No. 3)	Ryu Sawachi	○		○		(vi) Experience as Vice Chief Executive of the Business Support Division; (viii) Experience as General Manager of Public and IR Division
	Haruhiro Iida					(ii) Experience as Chief Executive of Finance and Accounting Division; (iv) Experience in overseas business (incl. overseas posting)
	Yuki Iriyama	○			○	(i), (iv), (vi), and (ix) Experience as Managing Director of a major steelmaker, Attorney (experience in overseas business, corporate legal affairs)
	Hiroyuki Yamasaki	○			○	(i), (ii), (vi), and (ix) Certified public accountant, experience in business execution as a director / outside director of other companies
	Yoshiro Motoyama				○	(i), (iv), (v), and (ix) Experience as director and Senior Vice President of a major foreign-affiliated automobile manufacturer (experience as general manager of product engineering division)



**Proposal No. 2** Election of Ten (10) Directors

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

The candidates for Directors are as follows:

Candidate No.	Name & Attributes			Current position and responsibilities in the Company	Record of attendance at Board of Directors meetings	Tenure as Director
1	Miyuki Ishihara	Male	Reelection	Director and Chairman of the Board.	15/15 (100%)	9 years
2	Shinji Tanaka	Male	Reelection	Representative Director, President Management of the Company	15/15 (100%)	3 years
3	Teruo Kawashima	Male	Reelection	Director, Executive Vice President In charge of overall Group finance, matters related to corporate communications, and matters related to corporate strategy	15/15 (100%)	5 years
4	Fumiharu Jito	Male	Reelection	Director, Managing Executive Officer In charge of Chief Executive of Marketing and Technology Division, in charge of advancing digital transformation	15/15 (100%)	2 years
5	Joji Kumamoto	Male	Reelection	Director, Managing Executive Officer Delegated Chief Executive of Corporate Strategy Division	12/12 (100%) (After his appointment as Director)	1 year
6	Takahiro Ikeda	Male	Reelection Outside Independent	Outside Director	15/15 (100%)	6 years
7	Akio Sakumiya	Male	Reelection Outside Independent	Outside Director	15/15 (100%)	6 years
8	Yoshitaka Mitsuda	Male	Reelection Outside Independent	Outside Director	15/15 (100%)	2 years
9	Ryoko Nagata	Female	Reelection Outside Independent	Outside Director	11/12 (92%) (After her appointment as Director)	1 year
10	Makiko Akabane	Female	Reelection Outside Independent	Outside Director	12/12 (100%) (After her appointment as Director)	1 year

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

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
1	Miyuki Ishihara (July 9, 1957) Reelection  Tenure as Director 9 years Record of attendance at Board of Directors meetings 15/15	Apr. 1981 Oct. 2012 Oct. 2013 June 2015 Apr. 2017 Apr. 2018 June 2018 June 2022 Apr. 2024	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer Director Representative Director & President Representative Director, President Director and Chairman of the Board (current position)	6,241 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Since assuming the position of Representative Director &amp; President in June 2018, Mr. Ishihara has taken the lead of the Group with strong momentum toward the realization of a “better world” as stated in the UACJ Group Philosophy. He assumed the position of Director and Chairman in April 2024, and is using his wealth of experience and insight and his position as a non-executive director to appropriately fulfill the Company’s supervisory function through the Board of Directors. Along with the extensive experience in the Company’s business, he has made appropriate judgments while accurately identifying complex events from a broad standpoint. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
2	Shinji Tanaka (January 17, 1963) Reelection  Tenure as Director 3 years Record of attendance at Board of Directors meetings 15/15	Apr. 1987 Apr. 2018 June 2021 Apr. 2022 Apr. 2024	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer Representative Director, President (current position)	5,762 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Tanaka has long been active in Manufacturing Division and overseas business operations, and has led the Group through complete structural reforms and greatly advanced the Company’s climate change countermeasures and all other aspects of its sustainability activities. He assumed the position of Representative Director, President of the Company in April 2024 and has exercised strong leadership and exhibited outstanding business execution capabilities in his management of the Group. Along with the extensive experience described above, he has been identifying the core of issues and involving surrounding people with his unifying force toward achieving the targets. Consequently, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
3	Teruo Kawashima (December 21, 1959) Reelection  Tenure as Director 5 years Record of attendance at Board of Directors meetings 15/15	Apr. 1982 Apr. 2013 Oct. 2013 Apr. 2019 June 2019 Apr. 2022	Joined Sumitomo Light Metal Industries, Ltd. Executive Officer Executive Officer of the Company Managing Executive Officer Director and Managing Executive Officer Director and Executive Vice President (current position)	5,673 shares
	<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kawashima has long been active in finance and accounting division operations, and has been overseeing the financial and corporate strategies of the Group as Director, Executive Vice President since April 2022. He has also exercised strong leadership in promoting active dialogue with the capital market. Along with the extensive experience described above, he has effectively identified core businesses issues, and based on performances that he has brought changes by creative thinking, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company		Number of the Company's shares held
4	Fumiharu Jito (July 24, 1963) Reelection  Tenure as Director 2 years Record of attendance at Board of Directors meetings 15/15	Apr. 1988 Apr. 2022 June 2022 Apr. 2024	Joined Furukawa Electric Co., Ltd. Executive Officer of the Company Director and Executive Officer Director and Managing Executive Officer (current position)	2,359 shares
	<p>[Reasons for nomination as a candidate for Director] Mr. Jito has long been active in Manufacturing Division and R&amp;D Division operations, and has exercised strong leadership in formulating and promoting marketing and technical strategies for the Group since assuming the position of Chief Executive of Marketing and Technology Division as Director, Managing Executive Officer since April 2024. Along with the extensive experience described above, and based on performances that he has displayed powerful leadership towards achieving the goals even in difficult situations, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			
5	Joji Kumamoto (April 9, 1962) Reelection  Tenure as Director 1 year Record of attendance at Board of Directors meetings 12/12 (After his appointment as Director)	Apr. 1985 Apr. 2017 Apr. 2022 June 2023 Apr. 2024	Joined Sumitomo Corporation Joined the Company Executive Officer Director and Executive Officer Director and Managing Executive Officer (current position)	200 shares
	<p>[Reasons for nomination as a candidate for Director] Mr. Kumamoto worked at a major general trading company and was involved in overseas business for many years mainly in the field of non-ferrous metals. Since joining the Company, he has taken the lead in formulating "UACJ VISION 2030" and mid-term management plans for realizing it as Chief Executive of Corporate Strategy Division based on his past experience. Since April 2024, he has demonstrated strong leadership as Director, Managing Executive Officer in accomplishing strategies and reaching goals. Along with the extensive experience described above, and based on performances that he has been identifying the core of management issues and leading the Company Group toward the realization of the Company vision, the Company has determined that he is qualified to continue serving as Director and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
6	<p>Takahiro Ikeda (July 9, 1951) Reelection Outside Independent</p> <p>Tenure as Director 6 years</p> <p>Record of attendance at Board of Directors meetings 15/15</p>	<p>Apr. 1975      Joined Mitsubishi Chemical Industries Limited (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2006      Executive Officer and Deputy Division General Manager of Polymer Division of Mitsubishi Chemical Corporation (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2007      Executive Officer and General Manager of Chemical Division</p> <p>July 2008      Director and President of Dia Chemical Co., Ltd.</p> <p>June 2010      Managing Executive Officer of Mitsubishi Rayon Co., Ltd. (currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2013      Director of the Board and Managing Executive Officer</p> <p>Apr. 2015      Advisor (resigned in March 2016)</p> <p>Apr. 2016      Executive Advisor of ITOCHU CHEMICAL FRONTIER Corporation (resigned in March 2018)</p> <p>May 2016      Representative Director of TI Associate Co., Ltd. (current position)</p> <p>June 2018      Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of TI Associate Co., Ltd.</p>	3,300 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Ikeda has served as a director of a major chemical manufacturer, and has gained extensive experience through his involvement in the management of said company as well as the management of the group companies of said company. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's business development in Japan and overseas and risk management, utilizing his extensive perspectives on management that have been acquired over the course of his career, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. The Company has no transactions with TI Associate Co., Ltd. Accordingly, the company does not fall under the category of specified associated service provider, and therefore, the Company has judged that Mr. Ikeda is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
7	<p style="text-align: center;">Akio Sakumiya (September 10, 1952) Reelection Outside Independent</p> <p style="text-align: center;">Tenure as Director 6 years Record of attendance at Board of Directors meetings 15/15</p>	<p>Apr. 1975      Joined Tateisi Electronics Manufacturing Company (currently OMRON Corporation)</p> <p>June 2003      Executive Officer, General Manager of Amusement Equipment Business Division of OMRON Corporation, and President and CEO of OMRON Ichinomiya Co., Ltd. (currently OMRON AMUSEMENT CO., Ltd.)</p> <p>Apr. 2009      Executive Officer, Company President of Electronic Components Business Company of OMRON Corporation</p> <p>June 2010      Managing Executive Officer, Company President of Electronic and Mechanical Components Company</p> <p>June 2011      Senior Managing Director</p> <p>June 2014      Director and Executive Vice President (resigned in June 2017)</p> <p>Mar. 2018      Outside Audit &amp; Supervisory Board Member of Asahi Glass Co., Ltd. (currently AGC Inc.) (resigned in March 2022)</p> <p>June 2018      Outside Director of the Company (current position)</p>	1,400 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Sakumiya has served as a director and executive vice president of a major electronic components manufacturer, and has gained extensive experience and knowledge in corporate governance through his involvement in the management of said company and the group companies of said company, as well as through serving as a committee member and vice chairperson of various advisory committees relating to nomination and remuneration for directors and the like of said company. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's management strategy and corporate governance and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. The Company has no transactions with AGC Inc. Accordingly, the company does not fall under the category of specified associated service provider, and therefore, the Company has judged that Mr. Sakumiya is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
8	<p style="text-align: center;">Yoshitaka Mitsuda (November 1, 1959) Reelection Outside Independent</p> <p style="text-align: center;">Tenure as Director 2 years</p> <p style="text-align: center;">Record of attendance at Board of Directors meetings 15/15</p>	<p>July 1993 Associate Professor, Institute of Industrial Science, The University of Tokyo</p> <p>Dec. 2002 Senior Specialist, Higher Education Policy Planning Division, Higher Education Bureau, Ministry of Education, Culture, Sports, Science and Technology (held as a concurrent position up to March 2004)</p> <p>June 2005 Professor, Institute of Industrial Science, The University of Tokyo</p> <p>Apr. 2009 Special Assistant to the President (in charge of finance) (resigned in March 2013) Deputy Director, Institute of Industrial Science (resigned in March 2014)</p> <p>Mar. 2020 Retired from The University of Tokyo</p> <p>Apr. 2020 Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education (current position)</p> <p>June 2020 Professor Emeritus of The University of Tokyo (current position)</p> <p>June 2022 Outside Director of the Company (current position)</p> <p>June 2023 Outside Director of EDP Corporation (current position)</p> <p>Significant concurrent positions outside the Company Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education Outside Director of EDP Corporation</p>	300 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Mr. Mitsuda has abundant academic experience in materials and extensive experience in university management and industry-academia-government collaboration. The Company expects that he will continue to provide valuable advice from an objective perspective in areas such as the Group's R&amp;D, IT and digital, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates him as a candidate for outside Director. Mr. Mitsuda does not have corporate managerial experience other than serving as an outside Director or outside Audit &amp; Supervisory Board Member in the past, but for the reasons above, the Company believes that he can perform his duties appropriately. The Company has no transactions with EDP Corporation. Accordingly, the company does not fall under the category of specified associated service provider, and therefore, the Company has judged that Mr. Mitsuda is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
9	<p>Ryoko Nagata (July 14, 1963) Reelection Outside Independent</p> <p>Tenure as Director 1 year Record of attendance at Board of Directors meetings 11/12 (After her appointment as Director)</p>	<p>Apr. 1987      Joined Japan Tobacco Inc. June 2008      Senior Vice President, Head of Beverage Business June 2013      Senior Vice President, CSR Jan. 2018      Senior Vice President, Assistant to President Mar. 2018      Standing Audit &amp; Supervisory Board Member (resigned in March 2023) June 2021      Outside Director and Member of the Audit Committee of Honda Motor Co., Ltd. (current position) Mar. 2023      Outside Audit &amp; Supervisory Board Member of MEDLEY, INC. (current position) June 2023      Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Outside Director and Member of the Audit Committee of Honda Motor Co., Ltd. Outside Audit &amp; Supervisory Board Member of MEDLEY, INC.</p>	200 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles] Ms. Nagata has served as an executive officer and auditor of a major food producer, and has gained extensive experience through her involvement in the management of said company as well as the management of the group companies of said company. The Company expects that she will continue to provide valuable advice from an objective perspective in areas such as corporate strategy, sales and marketing, legal affairs and governance, utilizing her extensive perspectives on management that have been acquired over the course of her career, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates her as a candidate for outside Director. The Company has no transactions with Japan Tobacco Inc. and MEDLEY, INC. The Company has transactions with Honda Motor Company, but the amount of the transactions is less than 0.1% of total consolidated sales of the Company and of Honda Motor Company. Accordingly, neither of the companies falls upon the specified associated service provider, and therefore, the Company has judged that Ms. Nagata is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
10	Makiko Akabane (November 21, 1969) Reelection Outside Independent  Tenure as Director 1 year Record of attendance at Board of Directors meetings 12/12 (After her appointment as Director)	<p>Apr. 1993      Joined The Mitsubishi Bank, Limited (currently MUFG Bank, Limited) (resigned in March 1994)</p> <p>Jan. 2001      Team Manager of Public Relations Office, Environmental and Social Contribution Business at Starbucks Coffee Japan Co., Ltd. (resigned in July 2003)</p> <p>Aug. 2003      General Manager of Social Contribution Department at Salesforce.com Co., Ltd (currently Salesforce Japan Co., Ltd.) (retired in October 2006)</p> <p>Nov. 2006      General Manager of CSR Office at Nikko Asset Management Co., Ltd. (resigned in September 2007)</p> <p>Apr. 2010      Representative Director of CSR Asia (current position)</p> <p>June 2022      Outside Director of PIOLAX, INC. (current position)</p> <p>June 2023      Outside Director of the Company (current position)</p> <p>Significant concurrent positions outside the Company Representative Director of CSR Asia Outside Director of PIOLAX, INC.</p>	100 shares
<p>[Reasons for nomination as a candidate for outside Director and outline of expected roles]</p> <p>Ms. Akabane has abundant academic experience gained from consulting and support activities related to sustainability at various companies, the Ministry of the Environment, and universities. The Company expects that she will continue to provide valuable advice from an objective perspective in areas such as the Group's sustainability and overseas business, and appropriately fulfill its supervisory function through the Board of Directors, and therefore, nominates her as a candidate for outside Director. The Company has no transactions with CSR Asia and PIOLAX, INC. Accordingly, neither of the companies falls upon the specified associated service provider, and therefore, the Company has judged that Ms. Akabane is independent from the Company and there would be no possibility of a conflict of interest with general shareholders.</p>			

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



- (3) Mr. Takahiro Ikeda, Mr. Akio Sakumiya, Mr. Yoshitaka Mitsuda, Ms. Ryoko Nagata, and Ms. Makiko Akabane are currently outside Directors of the Company. At the conclusion of this General Meeting of Shareholders, their tenures since assuming office as outside Directors will have been six (6) years, six (6) years, two (2) years, one (1) year and one (1) year, respectively.
- (4) The Company has entered into limited liability agreements with Mr. Takahiro Ikeda, Mr. Akio Sakumiya, Mr. Yoshitaka Mitsuda, Ms. Ryoko Nagata, and Ms. Makiko Akabane pursuant to the Articles of Incorporation limiting their liability to pay compensation for damage to the total amount specified in Article 425, paragraph 1 of the Companies Act. If they are re-elected, the Company plans to maintain this agreement.

**Proposal No. 3** Election of One (1) Audit & Supervisory Board Member

At the conclusion of this meeting, Audit & Supervisory Board Member Mr. Atsushi Sakaue will resign. Therefore, the Company proposes the election of Mr. Haruhiro Iida as Audit & Supervisory Board Member based on the opinion from the Nomination and Remuneration Advisory Committee.

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

Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares held
Haruhiro Iida (March 13, 1964) New election	Apr. 1988      Joined Sumitomo Light Metal Industries, Ltd. Apr. 2015      General Manager of Accounting Department of the Company Apr. 2022      Executive Officer and Chief Executive of Finance and Accounting Division Apr. 2024      Executive Advisor (current position)	1,356 shares
[Reasons for nomination as a candidate for Audit & Supervisory Board Member] Mr. Iida has long been active in finance and accounting division operations of the Company and has extensive experience and knowledge in finance and accounting. Given his experience as Executive Officer and Chief Executive of Finance and Accounting Division and in light of the fact that he has acquired a deep understanding of finance and accounting practices of the Group, the Company has determined that he is qualified to serve as Audit & Supervisory Board Member and nominates him as a candidate for Audit & Supervisory Board Member.		

- Notes:
1. There are no special interests between the candidate and the Company.
  2. In the event that the candidate is elected and assumes office as an Audit & Supervisory Board Member, the Company plans to enter into an indemnification agreement with the candidate as provided in Article 430-2, paragraph 1 of the Companies Act. The content of the said indemnification agreement is that the Company will indemnify the candidate for the expenses set forth in Article 430-2, paragraph 1, item 1 of the Companies Act and the losses set forth in Article 430-2, paragraph 1, item 2 of the Companies Act to the extent provided by law. However, as a measure to prevent the appropriateness of a corporate officer's execution of duties from being impaired by the said agreement, if, for example, there is malicious intent or serious negligence in the execution of duties, the agreement does not cover damages arising from certain acts.
  3. The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act, which includes the candidate as an insured. Under this insurance policy, the Company will cover the damages that may arise due to the insured assuming responsibility for the execution of his duties or receiving claims related to the pursuit of such responsibility, and the Company bears the full amount of the insured's insurance premiums. However, there are certain coverage exemptions, such as not being covered for damages caused by actions taken with the knowledge that such actions are in violation of laws and regulations. If the candidate is elected and assumes office as an Audit & Supervisory Board Member, he will continue to be included as an insured under the relevant insurance policy. The Company plans to renew the policy with the same terms and conditions at the next renewal.

**Proposal No. 4**      Revision of Remuneration for Directors under the Medium- to Long-Term Performance-Linked Remuneration System

The Company has introduced a medium- to long-term performance-linked remuneration system for Directors (hereinafter the “System”) in the form of a Restricted Stock Unit Plan (hereinafter “RSU”) and Performance Share Unit Plan (hereinafter “PSU”) under which payments are made with shares of the Company’s common stock and cash. The System was adopted at the 5th and 8th Ordinary General Meetings of Shareholders held on June 21, 2018 and June 22, 2021, respectively. As it stands now, under the System, the total amount of monetary remuneration claims and monetary remuneration to be paid as medium- to long-term performance-linked remuneration to Directors (excluding outside Directors) for each subject period (three consecutive fiscal years for RSU, the three fiscal years coinciding with the Company’s mid-term management plan for PSU) was approved up to an amount not exceeding 180,000 shares multiplied by the stock price at the time of delivery, with the total number of shares of the Company’s common stock to be delivered to Subject Directors approved up to 90,000 shares for each subject period.

Recently, the Company formulated its fourth Mid-Term Management Plan, and aims to devote its collective efforts to improve its performance and corporate value over the medium and long term under new management supervision and execution systems; accordingly, based on the Company’s approach to remuneration for directors (and other officers) and discussion among the Nomination and Remuneration Advisory Committee, we present this proposal to revise the System as follows.

- (1) The duration of the fourth Mid-Term Management Plan is four fiscal years; therefore, the Board of Directors has reached a resolution to set the subject period for PSU to the four years that coincide with the fourth Mid-Term Management Plan, and to set subsequent subject periods for PSU to the multiple consecutive fiscal years coinciding with the durations of subsequent mid-term management plans, with the first fiscal year being the one that starts immediately after the previous subject period ends.
- (2) In light of discussion among the Nomination and Remuneration Advisory Committee as to the expected roles of Directors, define RSU Subject Directors as Directors (excluding outside Directors), and PSU Subject Directors as Directors (excluding non-executive Directors).
- (3) Regarding the total amount of monetary remuneration claims and monetary remuneration to be paid under the System, set up to an amount not exceeding the amount obtained by multiplying the stock price at the time of delivery by the upper limit of shares per fiscal year, for which the respective limits are 15,000 shares (including 7,500 shares of stock to be delivered) per fiscal year in the case of RSU and 45,000 shares (including 22,500 shares as the number of stock to be delivered) per fiscal year for PSU, and multiplying that by the number of years comprising the duration of the mid-term management plan in question. Notably, the total number of shares for the three fiscal years of this upper limit of shares for each fiscal year is the same as the upper limit for the subject period (three fiscal years) already approved by the General Meeting of Shareholders.

The delivery of common shares of the Company and payment of cash under the System is determined by comprehensively taking into consideration various matters such as the degree of contribution of the Subject Directors. Since the maximum number of common shares of the Company to be delivered each fiscal term will be approximately 0.06% of the total number of issued shares (the ratio of the total number of the Company’s common shares delivered to the total number of issued shares if the Company issues the maximum number of the Company’s common shares over a period of ten years will be around 0.62%), the dilution ratio is insignificant, and the Company therefore believes that the content of the System is reasonable.

The overview of “Policy, etc. on Determination of Details of Remuneration for Officers, etc.” is as described on pages 41 and below in Business Report, and the delivery of the Company’s common shares and payment of cash under this proposal is in line with the policy.

At the present time there are ten (10) Directors (of which five (5) are outside Directors), however if Proposal No. 2 is approved as originally proposed, there will be ten (10) Directors (of which five (5) will be outside Directors).

1. Outline of the System

(1) Categories of the System

The System is classified into the following two categories.

1) RSU

This is a share-based remuneration system in which a number of units determined by the Board of Directors of the Company are allotted annually to the Subject Directors (Directors excluding outside Directors), and provided that they have continued their service during the three fiscal terms from the fiscal

term of initial allotment, at the end of the third fiscal term a number of the Company's common shares and an amount of cash determined in advance by the Board of Directors of the Company are delivered and paid.

2) PSU

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

(2) Structure of the System

1) RSU

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

2) PSU

- i) The Board of Directors of the Company shall determine the base amount and the number of units to be allotted to each Subject Director in accordance with the importance of his or her responsibilities, etc., and allot units to each Subject Director in the first of multiple consecutive fiscal years beginning with the fiscal year determined by the Board of Directors of the Company.
- ii) The Company shall determine, at the Board of Directors of the Company, each of the numerical targets used in PSU, calculation methods of payment rate in accordance with the achievement rate of the targets, and calculation formulas that are required for specifically calculating the number of shares of the Company's common stocks to be issued and the amount of cash to be provided to the Subject Directors.
- iii) The Company will determine the number of shares of common stock of the Company to be delivered to each Subject Director and the amount of money to be paid to each Subject Director based on the payment rate, etc. calculated in accordance with the achievement rate of each numerical target determined by the Board of Directors of the Company after the end of multiple consecutive fiscal years, with the fiscal year in which the unit is allocated as the first fiscal year.

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

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

$$\{\text{Base Amount} \div \text{Share Price at Time of Allotment of Units} \times 50\% \} \times \text{Share Price at Time of Delivery}$$
- \*1 The Base Amount will be determined individually by the Board of Directors of the Company based on standard amount of the RSU for each position.
  - \*2 The Share Price at Time of Allotment of Units is the average closing share price for the one (1) month period directly prior to the day before the meeting of the Board of Directors at which the agenda for the ordinary general meeting of shareholders to be held in the fiscal year in which the units were allocated. Further, the Share Price at Time of Allotment of Units for the current Applicable Period is ¥4,709 which is the average closing price for the period from April 11, 2024 until May 10, 2024.
- 2) PSU
    - i) In the first fiscal year of multiple consecutive fiscal years determined by the Board of Directors of the Company, each Subject Director is allotted units to the number obtained by dividing the base amount (\*3) by the market share price at the time of the allotment of units (\*4) (however, in the event of the calculation resulting in a fraction of less than one unit, this shall be rounded off).
    - ii) After the end of multiple consecutive fiscal years, with the fiscal year in which the units are allocated as the first fiscal year, the number of units held by each Subject Director will be determined by multiplying the number of units allocated to each Subject Director in (i) above by the payment rate (ranging from 0% to 200%) calculated in accordance with the achievement rate of each numerical target determined by the Board of Directors of the Company, and then determining the final payment rate in the range of 0% to 200% by using the method of evaluation based on the total shareholder return ratio.
    - iii) Each unit held by each Subject Director to the number confirmed in (ii) above shall be converted to the number of shares at the rate of one (1) share per unit. Half of these shall be issued in the form of shares of the Company's common stocks, and the remaining half shall be converted to cash in accordance with

the Share Price at Time of Delivery and paid to each Subject Director. The Company will calculate the number of shares of the Company's common stocks to be issued and cash amount to be paid in accordance with the following.

- (a) Number of shares of the Company's common stocks to be issued

Base Amount ÷ Share Price at Time of Allotment of Units × Payment Rate × 50%

- (b) Amount of cash to be paid

{Base Amount ÷ Share Price at Time of Allotment of Units × Payment Rate × 50%} × Share Price at Time of Delivery

\*3 This Base Amount will be determined individually by the Board of Directors of the Company based on an amount equivalent to the standard value of the PSU for each position over the number of years in the subject period (four years for the initial period).

\*4 The Share Price at Time of Allotment of Units is the average closing share price for the one-month period directly prior to the day before the meeting of the Board of Directors at which the agenda for the ordinary general meeting of shareholders to be held in the first of the multiple consecutive fiscal years beginning with the fiscal year determined by the Board of Directors of the Company. Further, the Share Price at Time of Allotment of Units for the current Applicable Period is ¥4,709 which is the average closing price for the period from April 11, 2024 until May 10, 2024.

- (4) Conditions for issuing the shares of the Company's common stocks and providing cash to Subject Directors Under the System, the Company will provide the shares of the Company's common stocks and cash to Subject Directors if the following conditions are fulfilled.

1) RSU

The shares of the Company's common stocks will be provided to the Subject Directors through the issuance of shares or the disposal of treasury stock. The Subject Directors who will receive these shares and the subscription requirements for such issuance of the shares or disposal of treasury stock will be decided by the Board of Directors of the Company after three fiscal years has passed since the allotment of units in accordance with the requirements stated in from (i) to (iii) below and calculation method described in (3) above.

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

\* Notwithstanding (i) above, in the event that a Subject Director loses his or her position as both a Director and Executive Officer of the Company during the three consecutive fiscal years following the first fiscal year in which the units were allocated, the Company will deliver shares of common stock of the Company and pay cash to him or her in proportion to his or her period of service based on a reasonable method at the time previously determined by the Board of Directors of the Company. (However, as a system transition measure in connection with the revision of the System implemented in fiscal 2021, with respect to RSU units to be allocated from the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024, even if a Subject Director loses his or her position as both a Director and Executive Officer of the Company before the expiration of three years after the unit is allocated, the units will not be prorated in accordance with the period of service, and the Company will deliver shares of common stock of the Company or pay cash in accordance with the method previously determined by the Board of Directors of the Company at the time previously determined by the Board of Directors of the Company.)

2) PSU

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

- i) The Subject Director has continuously served as a Director or Executive Officer of the Company for multiple consecutive fiscal years since the first fiscal year in which the units were allocated
- ii) There was no misconduct as defined by the Board of Directors of the Company
- iii) Other requirements that are determined by the Board of Directors of the Company as necessary to achieve the objectives of the System are fulfilled
- \* Notwithstanding (i) above, in the event that a Subject Director loses his or her position as both a Director and Executive Officer of the Company during the multiple consecutive fiscal years following the first fiscal year in which the units were allocated, the Company will pay cash to him or her in proportion to his or her period of service based on a reasonable method at the time previously determined by the Board of Directors of the Company.

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

## 2. Other

### (1) Reasons for loss of units (so-called malus and clawback clause)

In the event that a Subject Director commits certain acts of misconduct as determined by the Board of Directors of the Company, or falls under any other circumstances as determined by the Board of Directors of the Company, the Subject Director shall lose all or part of the units prior to confirming the number of units held.

### (2) Treatment during organizational restructuring, etc.

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

## [Reference]

- 1. On the condition that this Proposal is approved at this General Meeting of Shareholders, the Company is planning to make similar revisions as this Proposal to the medium- to long-term performance-linked remuneration system introduced for Executive Officers who do not concurrently serve as Directors of the Company.
- 2. The Company has established shareholding guidelines in which Directors (excluding outside Directors) and Executive Officers are recommended to hold an amount of the Company's shares, etc. with a value equivalent to 25% of basic remuneration (annual) during the five-year period from the day appointed as officer.

## Business Report (from April 1, 2023 to March 31, 2024)

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

Consolidated revenue <b>¥ 892.8 billion</b>	Consolidated operating income <b>¥ 31.4 billion</b>
Consolidated profit before tax <b>¥ 22.0 billion</b>	Profit attributable to owners of the parent <b>¥ 13.9 billion</b>

#### (1) Progression and results of business

Regarding the global economy in the fiscal year under review, although restrictions on economic activity associated with the COVID-19 pandemic were lifted, economic activity was impacted by many factors, including Russia's prolonged invasion of Ukraine, uncertainty over financial policy in the US and other countries, and the slowdown of China's economy. The Japanese economy has been buoyed by consumer spending and inbound demand; confidence in the economy is largely improving, mainly in non-manufacturing sectors. However, the recovery of the overall economy remains at a standstill. Additionally, with factors such as geopolitical risks and the entrenchment of inflationary pressure due to the weaker yen, wage increases, etc., the outlook for the environment in which the Company operates remains uncertain.

In the aluminum products industry, demand for sheet materials in Japan fell year on year. Despite strong demand for automotive materials compared with the previous fiscal year, a decline in demand for can stock caused by slumping consumer spending due in part to rising prices, as well as downturns in areas such as semiconductor production equipment, electrical machinery, and construction led to a year-on-year decrease in domestic demand. Also, overall demand for extruded products declined year on year, despite a year-on-year increase in the area of automotive materials.

Although the Group's domestic sales volume of sheet materials for can stock increased slightly year on year, and automotive materials were strong, the Group's overall domestic sales volume held steady year on year due to downturns in semiconductor production equipment, electrical machinery, and construction. The sales volume for extruded products decreased year on year due in part to poor demand overall and despite an increase in sales of automotive materials.

Overseas sales volume of the Group fell year on year, owing to decreases in can stock at Tri-Arrows Aluminum Inc. and UACJ (Thailand) Co., Ltd., which resulted in a year-on-year decline in the Groupwide sales volume.

In this environment, declines in sales volume, falling aluminum ingot prices, and other factors resulted in consolidated revenue of ¥892,781 million (down 6.6% year on year). On the other hand, regarding income, despite the effect of a decline in sales volume and the negative impact of inventories, price revisions, including the passing on to sales prices of high energy and additive metals prices, etc., led to consolidated operating income of ¥31,378 million (up 177.2% year on year), consolidated profit before tax of ¥21,969 million (profit of ¥1,699 million in the previous fiscal year), and profit attributable to owners of the parent of ¥13,858 million (loss of ¥1,315 million in the previous fiscal year).

Regarding the performance of the Company apart from the Group, net sales were ¥293,132 million (down 6.6% year on year), operating income was ¥1,718 million (up 122.5% year on year), ordinary income was ¥3,438 million (down 12.0% year on year), and net income was ¥2,784 million (up 193.3% year on year).

Notably, consolidated financial statements were prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS" or "IFRS accounting standards") from the fiscal year under review. Additionally,



all figures from the previous fiscal year and comparisons thereto are displayed in accordance with IFRS accounting standards. The bulk of adjustments relates to the adjustments made to unify the closing dates, etc. Additionally, segment-specific figures were omitted because the Company's reportable segments were changed to a single segment starting in this fiscal year.

## **(2) Capital investment and financing**

In Japan, the Fukui Works is working to realize a recycling-oriented society through a joint venture with Yamaichi Metal Corp. to establish a melting recycling system that uses UBCs (used beverage cans) as a raw material. In addition, the Fukaya Works continues to work on improving logistics and introducing equipment to specialize in producing thick plates. Furthermore, at UACJ (Thailand) CO., Ltd., the installation of casting facilities to increase the production of can materials and the recycling rate is in its final stages, and the increased rate of use of recycled raw materials will reduce CO<sub>2</sub> emissions and promote measures to combat climate change. We are also making other investments as necessary, such as in the renewal of deteriorated facilities.

Capital investments by the Group as a whole (the Company and its consolidated subsidiaries) totaled ¥33.1 billion on an acceptance inspection basis, which was funded by the Company's own capital and borrowings.

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

## **(3) Corporate reorganization and other important matters**

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

Afterward, on February 27, 2023, the Company announced that it had changed the effective date to "undetermined" because more time was needed to prepare for the integration. Please note that the changes to this schedule were because time was needed to prepare for the integration and we are continuing to hold joint discussions and are proceeding with the preparation.

**(4) Issues to address**

**The Group’s “UACJ VISION 2030,” which depicts its vision for 2030**

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

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

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

**Building a sustainable world by using aluminum to reduce environmental impact**



## **Mid-Term Management Plans for realizing UACJ VISION 2030**

### **1) Review of the Third Mid-Term Management Plan (from fiscal 2021 to fiscal 2023)**

To chart the course for the Group's efforts to achieve the four contributions set out in VISION 2030, we formulated the Third Mid-Term Management Plan (from fiscal 2021 to fiscal 2023). We made various efforts under the Third Mid-Term Management Plan, which defined the three-year period starting in fiscal 2021 as the time to complete structural reforms and establish a foundation for achieving further growth and VISION 2030, and set out three major policies.

#### **(i) Complete structural reforms**

With structural reforms that began in September 2019, we reformed our earnings structure, improved our financial position, and strengthened our management system with the aim of establishing a more robust corporate character capable of withstanding environmental changes. Most measures were essentially complete by fiscal 2022; we achieved the target profit improvement on schedule.

#### **(ii) Strengthen foundations for growth**

Beyond the Second Mid-Term Management Plan, our aim has been to capture growing demand by making the maximum use of the production facilities in our three-point global supply network encompassing Japan, North America, and Thailand, targeting North America and Southeast Asia as growth markets and can stock and automotive materials as growth fields. Additionally, we made efforts to build a foundation for further growth by intensively allocating investments for growth to North America. We launched efforts to reinforce production facilities to accommodate the expanding market for can stock in North America, and also made efforts to expand business domains by going beyond conventional business models to add value to processed and recycled materials. Regarding recycling, we worked with Yamaichi Metal Corp. to begin efforts to establish a melting recycling system that processes used beverage cans (UBCs) through to the melting procedure in order to provide environmental value by promoting recycling of aluminum products. UACJ (Thailand) Co., Ltd. worked with local governments and companies to establish a scheme to promote closed-loop aluminum can recycling in the ASEAN region and promoted investments to reinforce the capacity of processing furnaces for recycled materials; in the USA, Tri-Arrows Aluminum Inc. also launched efforts to reinforce their capacity to process UBCs. Additionally, the decision was made to integrate the Group locations capable of performing casting into the Company in an effort to integrate management and form a recycling promotion system that spans business segments and locations.

Furthermore, to expand new business domains as described in VISION 2030, we formulated Groupwide projects and promoted commercialization efforts, further strengthened the internal venture program and other activities to create new business, and worked to strengthen our foundation for growth, for example using technology, human resources, and DX promotion to improve productivity to underpin all business activities.

#### **(iii) Contribute to achieving a better world (promote sustainability)**

To achieve our corporate philosophy, the Group promoted sustainability activities under the slogan "for a lighter world 100 years later from now."

For details about our efforts, please see the section below on UACJ Group sustainability efforts (page 30).

### **2) Fourth Mid-Term Management Plan (from fiscal 2024 to fiscal 2027) *Building and connecting for a lighter world***

The Group formulated the Fourth Mid-Term Management Plan (from fiscal 2024 to fiscal 2027) which defines the four-year period as the time to expand growth and value creation and strengthen the character of the organization toward achieving VISION 2030 based on the foundation established during the Third Mid-Term Management Plan—with the concept of transforming from a company that provides materials to "a company that provides added value along with materials."

The Company will work on the following three (3) major policies of the Fourth Mid-Term Management Plan.

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

To achieve the four contributions set out in VISION 2030, the Company identified the following four key issues mainly in the key fields of activity and aims to maximize revenue and improve profitability by providing higher value to a broader range of customers and society.

- Promote recycling: By functioning as the heart of a circular economy, we will take the lead in establishing an aluminum recycling-oriented society and expand business domains further upstream with the aim of transforming our business model to encompass more than providing materials and expanding the area of activity for aluminum as a material with environmental value.
- Expand material plus processing business: With the main target of providing environmental value, for example by reducing GHG emissions by reducing the weight and improving the thermal efficiency of transport vehicles, we aim to expand “material + processing” business in a way that only the Group and its diverse businesses can.
- Contribute to supply chain stability in advanced fields: We will participate in onshoring and the establishment of interregional supply chains by customers, and expand our lineup of dependable, value-added products and services with the aim of contributing to national and industrial supply chain stability.
- Expand new domains: We aim to create and expand business in new domains that contribute to resolving societal issues, mainly in the key fields of activity.

### **(ii) Strengthen our agile and flexible structure**

We aim to improve capital efficiency by inheriting the spirit of structural reform and strengthen our corporate character to make it robust enough to respond to short- and long-term environmental changes.

- Build capability to address environmental changes: We aim to establish mechanisms for responding flexibly to fluctuations in market prices and other changes and a flexible production system capable of responding to varying demand.
- Increasing asset efficiency: We aim to improve asset efficiency and raise funds by optimizing production capacity and shortening the cash conversion cycle (CCC), mainly to reduce inventories.
- Automation (improving safety/productivity): We are working to automate production floors in stages with a long-term perspective to ensure safety and combat the decline of the working-age population.

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

We aim to strengthen the foundation that underpins value creation and stable business management by acquiring and developing human resources, technology, brands, and other intangible assets; utilizing digital technology; and promoting collaboration with the Group and networking outside the Company.

- Attract and develop diverse talent and increase engagement: We will enhance our capacity for strategic execution through the growth of each employee and combinations of diverse human resources, and strengthen the organizational capacity that underpins stable business management.
- Acquire, strengthen, and leverage intangible assets such as technologies and brands: We will expand the area of activity for aluminum and strengthen our capacity to create added value by acquiring and enhancing our technical capacity—one of the Group’s strengths—and strengthening and utilizing intangible assets through branding that promotes the properties of aluminum and the value the Company extracts from it.
- Use digital technologies to strengthen competitiveness and organizational capabilities: We will use digital technology in all domains to streamline, advance, optimize, and visualize operational processes, and strengthen efforts to improve productivity and create safe, secure work environments by promoting automation of production floors with a long-term perspective.
- Strengthen proposal capabilities by further promoting collaboration and cooperation among businesses/divisions and with the supply chain and value chain: To utilize the Group’s capital systematically and to the fullest with the aim of promoting recycling and expanding value-added business and new domains, we will enhance the Group’s collective strengths by further promoting collaboration between businesses and departments and strive for the sustainable growth and value creation of the Group by promoting further collaboration and cooperation with optimal partners in supply and value chains.

### **UACJ Group sustainability efforts**

The Group has identified materiality issues—the highest-priority issues to be addressed with society in order to achieve sustainable growth—since fiscal 2021 and has pooled its strengths to address six of them (response to climate change, product quality assurance, occupational health and safety, respect for human rights, diversity and equal opportunity, and human resource development).

Additionally, consistent with our view that collaboration with external agencies is essential for resolving issues to achieve a sustainable society, we have joined the Aluminium Stewardship Initiative (ASI) and other Japanese and international initiatives.

In fiscal 2023, the Groupwide efforts to respond to climate change progressed, and we established new targets for fiscal 2030, namely to reduce Scope 3 emissions 30%\*<sup>1</sup> and raise the UACJ recycling rate (usage rate of recycled aluminum; an indicator for the recyclability of aluminum) to 80%.\*<sup>2</sup> Measures to reduce Scope 1 and 2 emissions include purchasing roughly 220 GWh of 100% renewable energy-derived electricity per year, reducing the Group’s Scope 2 CO<sub>2</sub> emissions roughly 100,000 tons (equivalent to roughly 20%) per year, and eliminating Scope 2 CO<sub>2</sub> emissions at 17 key production plants in Japan (roughly 63% of the total) by converting them into 100% renewable electricity plants.

To work toward respect for human rights, we established and published the UACJ Group Sustainable Procurement Guideline to serve as the foundation for joint efforts with our business partners to achieve a sustainable society, and performed human rights due diligence on Group companies with support from third-party organizations to address the human rights of foreign technical trainees.

Additionally, regarding diversity and equal opportunity, in fiscal 2023, we established a Diversity Promotion Department within the Corporate Sustainability Division, which began efforts to further institutionalize diversity. In this first fiscal year, the department formulated the Diversity (DEI) Promotion Declaration and held discussions with employees in Japan and around the world before presenting the Group’s approach to diversity (DEI) promotion based on the “UACJ Way” of mutual understanding and respect.

Regarding initiatives, we passed a surveillance audit by ASI for Chain of Custody (CoC) recertification,\*<sup>3</sup> joined the International Aluminium Institute (IAI), and publicly pledged to be involved in formulating recommendations for enhancing the recyclability of beverage cans at COP 28. We are also engaging in communication with public agencies, academia, and other industries and actively contributing to making rules for the industry by participating in the UTokyo LCA Center for Future Strategy, the Industry-Government-Academia Partnership for a Circular Economy, the Japan Aluminium Association, and others. Additionally, in fiscal 2024, we plan to join the GX League, a venue for members of industry, academia, and the government to hold discussions and create markets to achieve carbon neutrality by 2050 and sustainable growth through social reform.

\*<sup>1</sup> Benchmarked against fiscal 2019 (carbon intensity, Category 1)

\*<sup>2</sup> Benchmarked against 65% in fiscal 2019

\*<sup>3</sup> UACJ (Thailand) Co., Ltd. was audited

### **Results of efforts to address six materiality issues in fiscal 2021 through fiscal 2023**

The following are the fiscal 2023 targets and results of efforts to address the six materiality issues identified by the Group.

Material issue	Evaluation indicator	Fiscal 2023 targets	Fiscal 2023 results
Response to climate change	Reduction of CO <sub>2</sub> emissions across the entire supply chain	Reduced Scope 1 and 2 per-unit emissions by 17.3% versus fiscal 2019	We will publish fiscal 2023 results on the Company's website after they are certified by a third party.
Product quality assurance	Number of serious quality defects	Zero	Zero
	Number of customer complaints due to the fault of materials (culpability in materials)	10% fewer complaints than in fiscal 2022	4.2% fewer complaints than in fiscal 2022
Occupational health and safety	Number of serious workplace accidents	Zero	1
	Frequency of workplace accidents resulting in injury or death per million work hours (Note 1)	0.25	0.17
Respect for human rights	Goals to be set based on results of due diligence, and an action plan to be carried out	Due diligence executed at a minimum of four workplaces (Fukui, UATH (Note 2), UEXNA (Note 3), and at least one more workplace)	Completed at six workplaces (Three workplaces in fiscal 2023: Nagoya, UAAU (Note 4), and Kamakura Industry)
	Percentage of employees and officers that participate in 1) training covering codes of conduct and human rights, and 2) training on harassment	1) 96% 2) 100%	1) 98% 2) 100%
Diversity and equal opportunity	Percentage of women in management positions (including directors and officers) (Note 5)	4%	4.0%
Human resource development	Percent of successor candidates appointed to management positions	Program rolled out to all UACJ Group companies in Japan	100%
	Number of children and young people who participate in educational events held by UACJ as part of its education and sports programs for youth	800 per year	932 per year






- Notes:
1. The frequency of workplace accidents is calculated by multiplying the combined number of serious workplace injuries and deaths (including those that did not result in a suspension of operations) by one million work hours and dividing the resultant amount by the total hours worked in the fiscal year.
  2. UACJ (Thailand) Co., Ltd
  3. UACJ Extrusion Nagoya Corporation, Anjo Works
  4. UACJ Australia Pty. Ltd.
  5. Percentage at UACJ and Group companies in Japan

## Future efforts

The Group understands the importance of monitoring changes in the internal and external environments and revising the materiality issues at the right time when necessary in order to strike a balance between environmental, social, and economic sustainability corresponding to changes in the times and the sustainable growth of the UACJ Group.

The six materiality issues were identified in fiscal 2020 after undergoing proper governance and considerations dating back to fiscal 2019. However, given the widespread changes in social systems due to the COVID-19 pandemic and other circumstances in Japan and around the world, the Group decided that the materiality issues should be revised and did so in fiscal 2023, moving to five materiality issues in addition to striving to achieve a better world 100 years from now.

The following are the goals for the five materiality issues.

Material issue	Evaluation indicator	Fiscal 2030 targets	Fiscal 2050 targets
Driving a circular economy in aluminum 	UACJ recycling rate* <sup>1</sup>	80%	100%
Addressing climate change 	Reduction rate of Scope 1 and 2 per-unit emissions* <sup>2</sup> versus fiscal 2019	30%	Achieve carbon neutrality
	Reduction rate of Scope 3 per-unit emissions (Category 1) versus fiscal 2019	30%	Minimize GHG emissions across the entire supply chain
Conservation, restoration, and nurturing of nature (nature positive) 	Reduction rate of water intake* <sup>3</sup> versus fiscal 2020	25% or more	
Respect for human rights 	Percentage of due diligence executed* <sup>4</sup>	100%	
	Level of respect for human rights* <sup>5</sup>	3.9/5.0	
Instilling diversity, equity, and inclusion (DE&I) 	Level of diversity, equity, and inclusion* <sup>6</sup>	3.4/5.0	
	Percentage of women in management positions	15%	

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

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

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

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

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

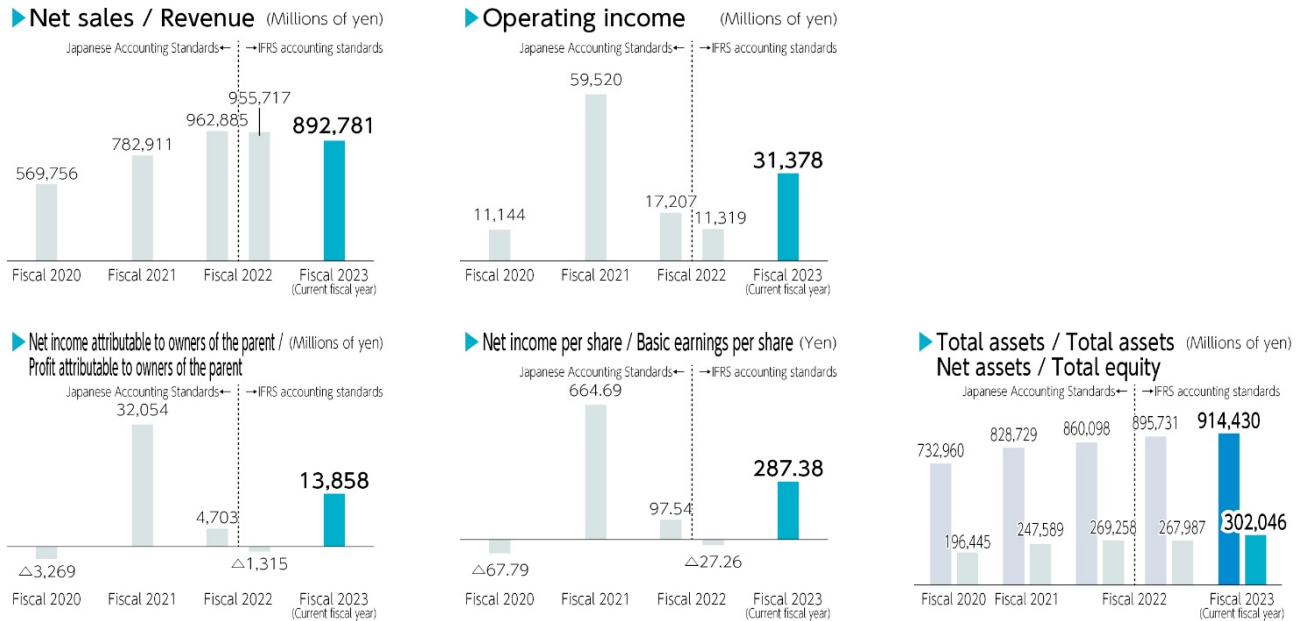
\*6: Average rating of question items related to diversity (DE&I) in the engagement survey

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

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



## (5) Changes in assets and profit (loss)



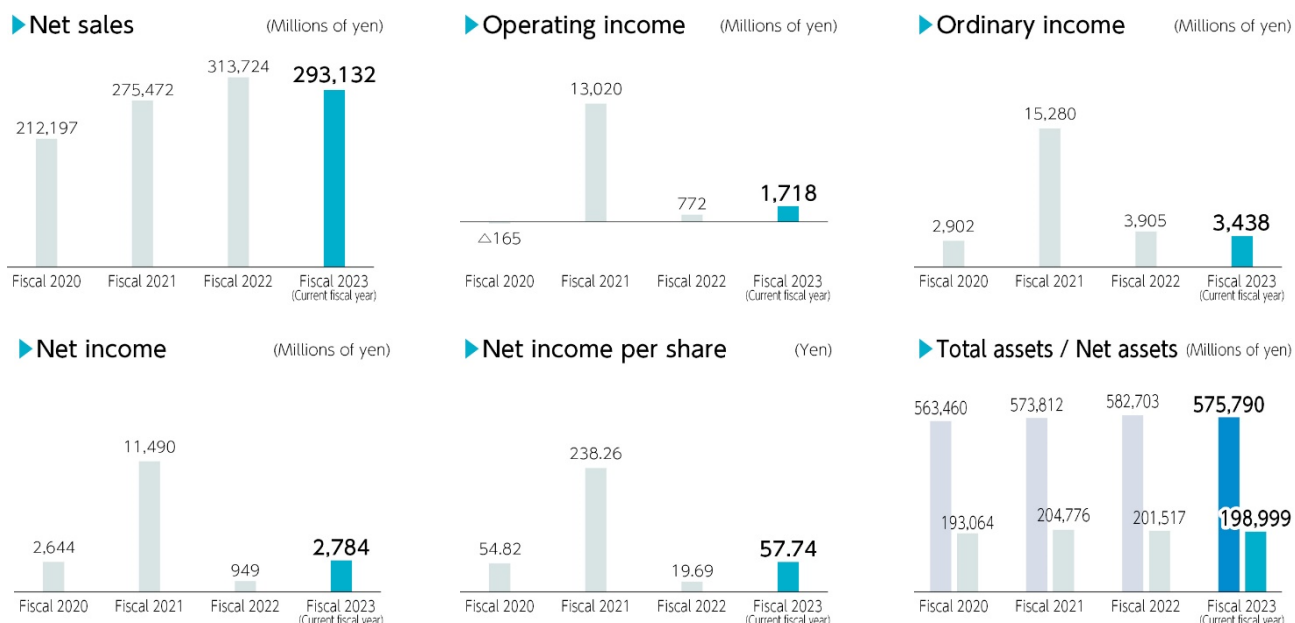
### (i) Changes in assets and profit (loss) of the Group

Item	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024 (Current fiscal year)
	Japanese Accounting Standards		IFRS accounting standards		
Net sales / Revenue (Millions of yen)	569,756	782,911	962,885	955,717	892,781
Operating income (Millions of yen)	11,144	59,520	17,207	11,319	31,378
Net income attributable to owners of the parent / Profit attributable to owners of the parent (Millions of yen)	(3,269)	32,054	4,703	(1,315)	13,858
Net income per share / Basic earnings per share (Yen)	(67.79)	664.69	97.54	(27.26)	287.38
Total assets / Total assets (Millions of yen)	732,960	828,729	860,098	895,731	914,430
Net assets / Total equity (Millions of yen)	196,445	247,589	269,258	267,987	302,046
Net assets per share / Equity attributable to owners of the parent per share (Yen)	3,795.95	4,727.92	5,143.72	5,111.74	5,745.42

- Notes:
- From the fiscal year ended March 31, 2024, the consolidated financial statements are prepared in accordance with IFRS accounting standards. Financial data for the fiscal year ended March 31, 2023 restated from Japanese Accounting Standards to IFRS is also presented.
  - Net income per share / basic earnings per share, and net assets per share / equity attributable to owners of the parent per share are calculated based on the average number of shares outstanding during the period less the average number of treasury shares during the period.
  - Under Japanese Accounting Standards, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of fiscal year ended March

31, 2022, and the key management indices, etc. after fiscal year ended March 31, 2022 are those after applying the accounting standard and relevant ASBJ regulations.

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



Item	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024 (Current fiscal term)
Net sales (Millions of yen)	212,197	275,472	313,724	293,132
Operating income (Millions of yen)	(165)	13,020	772	1,718
Ordinary income (Millions of yen)	2,902	15,280	3,905	3,438
Net income (Millions of yen)	2,644	11,490	949	2,784
Net income per share (Yen)	54.82	238.26	19.69	57.74
Total assets (Millions of yen)	563,460	573,812	582,703	575,790
Net assets (Millions of yen)	193,064	204,776	201,517	198,999
Net assets per share (Yen)	4,003.33	4,246.48	4,179.00	4,126.96

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

**(6) Significant subsidiaries** (as of March 31, 2024)

Company name	Capital stock	Investment Ratio	Principal lines of business
UACJ (Thailand) Co., Ltd.	THB37,350 million	100.00%	Manufacture and sale of aluminum sheet products
Tri-Arrows Aluminum Inc.	US\$335 million	80.00%	Manufacture and sale of aluminum sheet products
UACJ Extrusion Corporation	¥1,640 million	100.00%	Sales of extruded and machined aluminum products
UACJ Extrusion Nagoya Corporation	¥410 million	100.00%	Manufacture of extruded aluminum products
UACJ Extrusion Oyama Corporation	¥90 million	100.00%	Manufacture of extruded aluminum products
UACJ Foil Corporation	¥1,190 million	100.00%	Manufacture and sale of aluminum foil products
UACJ Foundry & Forging Corporation	¥90 million	100.00%	Manufacture and sale of aluminum casting and forged products
UACJ Metal Components Corporation	¥80 million	100.00%	Manufacture and sale of precision-machined metal products
UACJ Automotive Whitehall Industries, Inc.	US\$98 million	100.00%	Manufacture and sale of processed automotive products
UACJ Trading Corporation	¥1,500 million	100.00%	Wholesale of nonferrous metals
UACJ Marketing & Processing Corporation	¥301 million	100.00%	Sales and slitting of aluminum materials for automobiles

Note: The investment ratio includes shares held by the Company's subsidiaries.

**(7) Principal lines of business** (as of March 31, 2024)

The Group is mainly engaged in the following businesses.

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

**(8) Major offices and factories** (as of March 31, 2024)

*The Company*

Headquarters: Chiyoda-ku, Tokyo  
Works: Nagoya Works (Minato-ku, Nagoya City), Fukui Works (Sakai City, Fukui), Fukaya Works (Fukaya City, Saitama)  
Research facilities: Research & Development Division (Minato-ku, Nagoya City)

*Group companies (Japan)*

- UACJ Extrusion Corporation  
Headquarters: Chiyoda-ku, Tokyo
- UACJ Extrusion Nagoya Corporation  
Headquarters and works: Minato-ku, Nagoya City
- UACJ Extrusion Oyama Corporation  
Headquarters and works: Oyama City, Tochigi
- UACJ Foil Corporation  
Headquarters: Chiyoda-ku, Tokyo  
Works: Kusatsu City, Shiga; Shimotsuga-gun, Tochigi; Isesaki City, Gunma
- UACJ Foundry & Forging Corporation  
Headquarters: Chiyoda-ku, Tokyo  
Works: Oyama City, Tochigi
- UACJ Metal Components Corporation  
Headquarters: Chiyoda-ku, Tokyo
- UACJ Trading Corporation  
Headquarters: Chuo-ku, Osaka; Minato-ku, Tokyo
- UACJ Marketing & Processing Corporation  
Headquarters: Anjo City, Aichi

*Group companies (overseas)*

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

**(9) Employees** (as of March 31, 2024)

## (i) Employees of the corporate group

Number of employees at the end of the current fiscal year	Increase/decrease from the end of the previous fiscal year
10,460	+950

Note: The number of employees has increased since the end of the previous consolidated fiscal year due to an increase in new consolidated subsidiaries under IFRS accounting standards.

## (ii) Employees of the Company

Number of employees at the end of the current fiscal term	Increase/decrease from the end of the previous fiscal term	Average age	Average years of service
2,993	+16	41.0 years	16.3 years

**(10) Principal creditors** (as of March 31, 2024)

Creditors	Balance of loans payable (millions of yen)
Sumitomo Mitsui Banking Corporation	43,000
Mizuho Bank, Ltd.	41,084
Sumitomo Mitsui Trust Bank, Limited	25,950
The Norinchukin Bank	19,653
Development Bank of Japan Inc.	11,750
MUFG Bank, Ltd.	7,522
The Bank of Yokohama, Ltd.	6,005
The Jyo Bank, Ltd.	5,712
The Nanto Bank, Ltd.	4,365
THE SHIGA BANK, LTD.	4,318

## 2. Matters Relating to Shares of the Company (As of March 31, 2024)

- (1) Total number of authorized shares 170,000,000 shares  
(2) Total number of issued shares 48,328,193 shares  
(including 108,864 shares of treasury stock)  
(3) Number of shareholders 21,051  
(4) Major shareholders

Name of shareholder	Number of shares held	Shareholding ratio
	hundred shares	%
Furukawa Electric Co., Ltd.	120,365	24.96
GOLDMAN SACHS INTERNATIONAL	50,557	10.48
The Master Trust Bank of Japan, Ltd. (Trust Account)	50,052	10.38
Custody Bank of Japan, Ltd. (Trust Account)	25,250	5.23
ECM MF	14,500	3.00
MLI FOR SEGREGATED PB CLIENT	10,050	2.08
STATE STREET BANK AND TRUST COMPANY 505103	9,507	1.97
The UACJ Group Employee Stock Ownership Plan	7,936	1.64
Sumitomo Corporation	7,500	1.55
Mizuho Bank, Ltd.	7,331	1.52

- Notes: 1. The number of shares held is rounded down to the nearest hundred shares.  
2. Shareholding ratio is calculated excluding treasury shares (108,864 shares) and rounded down to the second decimal place.

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

	Class and number of shares	Number of grantees
Directors (excluding outside Directors)	–	–
Outside Director	–	–
Audit & Supervisory Board Members	–	–

[Reference]

#### Strategic shareholdings

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

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

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

The amount of these shareholdings on the balance sheet as of the end of fiscal 2023 was ¥5,732 million, which represents 1.90% of total consolidated equity.

### 3. Officers (as of March 31, 2024)

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

Name	Position	Responsibilities in the Company and significant concurrent positions outside the Company
Miyuki Ishihara	Representative Director, President	Management of the Company
Teruo Kawashima	Director, Executive Vice President	In charge of overall Group finance, matters related to corporate communications, and matters related to corporate strategy
Shinji Tanaka	Director, Managing Executive Officer	Delegated Chief Executive of Corporate Sustainability Division, Delegated Vice Chief Executive of Flat Rolled Products Division (Manufacturing Division), in charge of promoting climate change countermeasures
Fumiharu Jito	Director, Executive Officer	Delegated Chief Executive of “MONOZUKURI” Core Manufacturing Innovation Division
Joji Kumamoto	Director, Executive Officer	Delegated Chief Executive of Corporate Strategy Division
Takahiro Ikeda	Directors	Representative Director of TI Associate Co., Ltd.
Akio Sakumiya	Directors	—
Yoshitaka Mitsuda	Directors	Professor, National Institution for Academic Degrees and Quality Enhancement of Higher Education Outside Director of EDP Corporation
Ryoko Nagata	Directors	Outside Director and Member of the Audit Committee of Honda Motor Co., Ltd. Outside Audit & Supervisory Board Member of MEDLEY, INC.
Makiko Akabane	Directors	Representative Director of CSR Asia Outside Director of PIOLAX, INC.
Atsushi Sakaue	Full-time Audit & Supervisory Board Member	—
Ryu Sawachi	Full-time Audit & Supervisory Board Member	—
Yuki Iriyama	Audit & Supervisory Board Members	—
Hiroyuki Yamasaki	Audit & Supervisory Board Members	Director of CPA Hiroyuki Yamasaki Office Outside Director of Sankyo Co., Ltd.
Yoshiro Motoyama	Audit & Supervisory Board Members	—

- Notes:
1. Directors Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane are outside Directors.
  2. Audit & Supervisory Board Members Yuki Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama are outside Audit & Supervisory Board Members.
  3. At the 10th Ordinary General Meeting of Shareholders held on June 21, 2023, Joji Kumamoto, Ryoko Nagata, and Makiko Akabane were newly elected and assumed office as Directors.
  4. At the conclusion of the 10th Ordinary General Meeting of Shareholders held on June 21, 2023, Katsuyasu Niibori, Seiichi Hirano, and Ryoko Sugiyama retired from their positions as Directors due to expiration of their terms of office.
  5. The Company has designated Directors Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane, as well as Audit & Supervisory Board Members Yuki Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama as independent directors of the Company and has provided notice to the Tokyo Stock Exchange of their appointment.
  6. Audit & Supervisory Board Member Atsushi Sakaue has long been active in finance and accounting division operations and has considerable knowledge in finance and accounting. In addition, Audit & Supervisory Board Member Hiroyuki Yamasaki is a certified public accountant and has considerable knowledge in finance and accounting.
  7. The Company has entered into limited liability agreements with outside Directors Takahiro Ikeda, Akio Sakumiya, Yoshitaka Mitsuda, Ryoko Nagata, and Makiko Akabane, as well as outside Audit & Supervisory Board Members Yuki

Iriyama, Hiroyuki Yamasaki, and Yoshiro Motoyama, in accordance with the Company's Articles of Incorporation. A summary of the details of the limited liability agreements is as follows.

- In the event that an outside Director or outside Audit & Supervisory Board Member fails to perform his or her duties pursuant to Article 423, paragraph 1 of the Companies Act after the conclusion of this agreement and thereby causes damage to the Company, provided that he or she performed his or her duties in good faith and without serious negligence, their liability to pay compensation for damages shall be limited to the total amount specified in Article 425, paragraph 1 of the Companies Act.

8. As of April 1, 2024, the positions and responsibilities of the following Directors have changed.

Name	Position	Responsibilities
Miyuki Ishihara	Director and Chairman of the Board	—
Shinji Tanaka	Representative Director, President	Management of the Company
Fumiharu Jito	Director, Managing Executive Officer	In charge of Chief Executive of Marketing and Technology Division, in charge of advancing digital transformation
Joji Kumamoto	Director, Managing Executive Officer	Delegated Chief Executive of Corporate Strategy Division

## (2) Summary of indemnification agreement details

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

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

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



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

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

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

The Company's basic policy for remuneration for officers is as follows. In fiscal 2024 and thereafter, the Company's policy is to revise the following items that are marked with "(\*)" (based on the medium- to long-term performance-linked remuneration being subject to approval as planned at the 11th Ordinary General Meeting of Shareholders, which is scheduled to be held on June 19, 2024.).

##### **(i) Concepts on remuneration for officers**

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

##### **(ii) Remuneration system**

- The officer remuneration for the Company's Directors comprises of basic remuneration in the form of fixed remuneration, short-term performance-linked remuneration tied to the level of achievement of the Company's performance in a single fiscal year, and medium- to long-term performance-linked remuneration that is tied to the level of achievement of the Company's medium- to long-term performance. The remuneration for outside Directors consists solely of the basic remuneration, as the main responsibility of outside Directors is the supervision from an objective and independent perspective.
- Basic remuneration level for each officer position is set by referring to remuneration survey data provided by an outside institution specialized in the gathering of this kind of data. Remuneration levels are determined based on comparisons to companies that are in similar industries and are of similar size to the Company.
- For each eligible Director, the standard amount of short-term performance-linked remuneration (in cases where the payment rate is 100%; the same applies below) is set at approximately 35% to 40% of his/her basic remuneration.
- For each eligible Director, the standard amount of medium- to long-term performance-linked remuneration is set at approximately 25% of his/her basic remuneration for a single fiscal year.

##### **(iii) Structure of the performance-linked remuneration**

- 1) Short-term performance-linked remuneration consists of a) a portion based on company-wide performance evaluation, b) a portion based on divisional performance evaluation, c) a portion based on SDGs evaluation, and d) a portion based on individual evaluation. The amount paid varies based on performance in a single fiscal year and is paid once a year.
  - The portion based on company-wide performance evaluation uses consolidated profit(\*), consolidated ROE, consolidated ROIC, etc. as key management indices, which are key management indices and are emphasized in the Company's Mid-Term Management Plan.

- For the portion based on divisional performance evaluation, divisional operating income(\*), divisional ROIC, etc., which are linked to the company-wide performance indicators, are used as performance indicators.
  - For the portion based on SDGs evaluation, the Group's activities related to the SDGs, which the Group is working on to grow sustainably with society, are evaluated. The weighting of the portion based on SDGs evaluation is approximately 10% of total short-term performance-linked remuneration.
  - The portion based on individual evaluation is mainly a qualitative evaluation of company-wide and divisional performance for a single fiscal year, as well as important initiatives, etc. that are not reflected in the SDGs evaluation. The weighting of the portion based on individual evaluation is approximately 10% of total short-term performance-linked remuneration.
  - For each evaluation item, the payment ratio will vary between 0% and 200% depending on the level of achievement, based on a standard of 100% for 100% achievement against the target.
- 2) For medium- to long-term performance-linked remuneration, the Company has adopted a system based on the Restricted Stock Unit Plan (hereinafter "RSU") and the Performance Share Unit Plan (hereinafter "PSU") using shares in kind. In the event that a Subject Director commits certain acts of misconduct as determined by the Board of Directors of the Company, or falls under any other circumstances as determined by the Board of Directors of the Company, the Company provides for a so-called malus clawback clause, under which the Subject Director shall lose all or part of the units prior to confirming the number of units held.
- (a) RSU
- The Company has a system of providing shares and cash payments conditional on continuing service for three further years.
  - Units are allocated annually, whereby half of the assigned units with vested rights three years after allocation are provided as shares, with the remainder paid in cash.
- (b) PSU
- The Company has a system of providing shares and cash payments in accordance with the level of achievement of medium- and long-term company-wide performance targets. After allocating units once in the first year of the Mid-Term Management Plan, equivalent to the number of years of the Mid-Term Management Plan, the units will fluctuate based on the performance during the evaluation period (Mid-Term Management Plan period) and will be paid after the end of the evaluation period.  
(\*)
  - Consolidated ROIC, adjusted EBITDA, and D/E ratio, which are emphasized in the Company's key management indices and Mid-Term Management Plan, are used as performance evaluation indicators, with consolidated ROIC being the average value of the evaluation period, consolidated adjusted EBITDA being the cumulative value of the evaluation period, and consolidated D/E ratio being the final value of the evaluation period. The payment ratio will vary between 0% and 200% depending on the level of achievement, based on a standard payment rate of 100% for 100% achievement against the targets set at the beginning of the evaluation period. After evaluation by performance evaluation indicators, the final payment ratio will be determined based on the growth rate of the Company's TSR (Total Shareholder Return) divided by the growth rate of TOPIX (Tokyo Stock Exchange Stock Price Index) over the evaluation period, ranging from 0% to 200%. (\*)
  - At the end of the evaluation period, half of the assigned units with vested rights are provided as shares, with the remainder paid in cash.

<Officer Remuneration System from Fiscal 2024>

Remuneration system			Range of variation in performance-linked remuneration	Percentage of basic remuneration	Evaluation period	Content of remuneration
Basic remuneration			–	–	–	Cash
Short-term performance-linked remuneration	Company-wide performance	Consolidated profit, consolidated ROE, consolidated ROIC, etc.	Changes within a range of 0 to 200% in accordance with the level of achievement, based on a payment ratio of 100% for 100% achievement of the goal	35 to 40% of basic remuneration Note:	Single fiscal year	Cash
	Divisional performance	Divisional operating income, divisional ROIC, etc.				
	SDGs	Evaluation of the level to which activity targets in materiality issues set out in our long-term management vision were achieved				
	Individual performance	Mainly qualitative evaluation of important initiatives, etc., not reflected in company-wide or divisional performances or SDGs evaluation for a single fiscal year				
Medium- to long-term performance-linked remuneration	PSU	Company-wide performance	Same as above	15% of basic remuneration Note:	Mid-Term Management Plan period	Half in shares and half in cash
		TSR				
	RSU	Conditional on continued service and not subject to change based on performance	–	10% of basic remuneration	Three fiscal terms	

Note: In cases where the payment rate is 100%

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

Position	Number of members	Type of remuneration			Total remuneration
		Basic remuneration	Short-term performance-linked remuneration	Medium- to long-term performance-linked remuneration	
Directors	13	¥270 million	¥74 million	¥41 million	¥386 million
(of which outside Directors)	(6)	(¥66 million)	(-)	(-)	(¥66 million)
Audit & Supervisory Board Members	5	¥81 million	-	-	¥81 million
(of which outside Audit & Supervisory Board Members)	(3)	(¥30 million)	(-)	(-)	(¥30 million)
Total	18	¥351 million	¥74 million	¥41 million	¥467 million
(of which outside officers)	(9)	(¥96 million)	(-)	(-)	(¥96 million)

- Notes:
1. The above table includes three Directors who retired at the conclusion of the 10th Ordinary General Meeting of Shareholders held on June 21, 2023.
  2. The total amount of basic remuneration and short-term performance-linked remuneration for Directors was approved up to ¥650 million per year (However, this amount excludes amounts paid as employee salaries. Remuneration for outside Directors is limited to basic remuneration only and will not exceed a total of ¥110 million per year, included in the amount above) at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018 and the 10th Ordinary General Meeting of Shareholders held on June 21, 2023. The number of Directors at the close of the 5th Ordinary General Meeting of Shareholders was 12 (including 4 outside Directors), and the number of Directors at the close of the 10th Ordinary General Meeting of Shareholders was 10 (including 5 outside Directors). In addition, separately, the total amount of monetary remuneration claims and monetary remuneration to be paid as medium- to long-term performance-linked remuneration to Directors, excluding outside Directors (“Subject Directors”), was approved at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018 and the 8th Ordinary General Meeting of Shareholders held on June 22, 2021 up to an amount not exceeding 180,000 shares in total for three fiscal years in each subject period multiplied by the stock price at the time of delivery, and the total number of shares of the Company’s common stock to be delivered to Subject Directors shall be up to 90,000 shares for each subject period. The number of Directors at the close of the 5th Ordinary General Meeting of Shareholders was 12 (including 4 outside Directors and 8 Subject Directors), and the number of Directors at the close of the 8th Ordinary General Meeting of Shareholders was 10 (including 4 outside Directors and 6 Subject Directors).
  3. The maximum amount of remuneration for Audit & Supervisory Board Members was approved at the 5th Ordinary General Meeting of Shareholders held on June 21, 2018 up to a total amount not exceeding ¥100 million per year. The number of Audit & Supervisory Board Members as of the close of the said General Meeting of Shareholders was 6 (including 4 outside Audit & Supervisory Board Members).
  4. Performance-linked remuneration is the amount that should be expensed in the current fiscal year.
  5. Performance indicators related to performance-linked remuneration, the reasons for selecting such indicators, and the Company’s calculation method for performance-linked remuneration are as described in “(4) Policy, etc. on Determination of Details of Remuneration for Officers, etc.” The table below shows the results of performance-linked indicators. Results for fiscal 2021 and fiscal 2022 conform to Japanese Accounting Standards; fiscal 2023 results conform to IFRS accounting standards. In calculating the performance-based remuneration for fiscal 2023, the figures used were converted based on Japanese Accounting Standards from the figures prepared using IFRS.

**Short-term performance-linked remuneration**

Performance Indicators	Fiscal 2023 Results
Consolidated profit	¥13,858 million
Consolidated ROE	5.3%
Consolidated ROIC (Calculated based on profit before tax)	5.4%

**Medium- to long-term performance-linked remuneration**

Performance Indicators	Fiscal 2021 Results	Fiscal 2022 Results	Fiscal 2023 Results
Consolidated ROIC (Calculated based on profit before tax)	11.1%	3.0%	5.4%
Consolidated adjusted EBITDA (EBITDA - inventory effects)	¥60,174 million	¥59,704 million	¥79,826 million
Consolidated D/E ratio	1.4 times	1.2 times	1.0 times

[Reference]

**Shareholding guidelines**

The Company recommends its Directors (excluding outside Directors) and Executive Officers to own the Company's shares with the value equal to approximately 25% of their basic remuneration (annual amount) within five years from the date of appointment as an officer.

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

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

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

(ii) Major activities during the current fiscal term

Position	Name	Summary of major activities and duties performed with respect to the role expected of an outside Director
Outside Director	Takahiro Ikeda	He attended all 15 meetings of the Board of Directors held during the current fiscal term, and based on his experience in management as a corporate director, he actively spoke out in areas including the Company's domestic and international business development and risk management. He also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal term and led the discussions in the Nomination and Remuneration Advisory Committee as the Committee Chair.
	Akio Sakumiya	He attended all 15 meetings of the Board of Directors held during the current fiscal term, and based on his experience in management as a corporate director, he actively spoke out in areas including management and financial strategies and corporate governance of the Group. He also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal term and actively spoke out regarding the evaluation process and criteria for the selection, removal, and non-reappointment of directors.
	Yoshitaka Mitsuda	He attended all 15 meetings of the Board of Directors held during the current fiscal term, and based on his abundant academic experience in materials and his extensive experience in university administration and industry-academia-government collaboration, he actively spoke out in areas such as R&D, IT, and digital technology of the Group. He also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal term and actively spoke out on the composition of the Board of Directors and the outside Director talent pool.
	Ryoko Nagata	She attended 11 of the 12 meetings of the Board of Directors held after her election as a Director during the current fiscal term, and based on her experience in management as a corporate executive and auditor, she actively spoke out in areas such as sales, marketing, and corporate governance of the Group. She also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal term and actively spoke out on the officer remuneration system and succession planning.
	Makiko Akabane	She attended all 12 meetings of the Board of Directors held after her election as a Director during the current fiscal term, and based on her abundant knowledge and experience gained through sustainability consulting and support activities, she actively spoke out in areas such as sustainability and overseas business of the Group. She also attended all 11 meetings of the Nomination and Remuneration Advisory Committee held during the current fiscal term and actively spoke out on the officer remuneration system and the composition of the Board of Directors.

Position	Name	Major activities
Outside Audit & Supervisory Board Member	Yuki Iriyama	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal term, and made comments on risk management and other issues based on his extensive knowledge and wide-ranging insight as an officer and attorney at other companies.
	Hiroyuki Yamasaki	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal term, and made comments on finance and accounting, etc., utilizing his extensive knowledge and wide-ranging insight as a certified public accountant.
	Yoshiro Motoyama	He attended all 15 meetings of the Board of Directors and all 14 meetings of the Audit & Supervisory Board held during the current fiscal term, and made comments on management of business plans, etc., utilizing his extensive knowledge and wide-ranging insight as an officer of other companies.

#### 4. Accounting auditor

##### (1) Name of accounting auditor

Deloitte Touche Tohmatsu LLC

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

Category	Amount
Amount of remuneration	¥120 million
Total of money and other economic benefits to be paid by the Company and its subsidiaries	¥149 million

- Notes:
1. The Audit & Supervisory Board, after reviewing the details of the audit plan of the accounting auditor, the status of execution of duties by the accounting auditor, and the basis for calculation of the remuneration estimate, based on reports and receipt of necessary materials from Directors, relevant internal departments, and the accounting auditor, consents to the amount of remuneration, etc. of the accounting auditor as stipulated in Article 399, paragraphs 1 and 2 of the Companies Act.
  2. The audit contract between the Company and the accounting auditor does not clearly differentiate between the amounts of audit fees, etc. for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, so the total amount is shown.
  3. The Company's 21 overseas consolidated subsidiaries are audited by auditing firms other than the Company's accounting auditor (with qualifications equivalent to those in foreign countries).

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

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

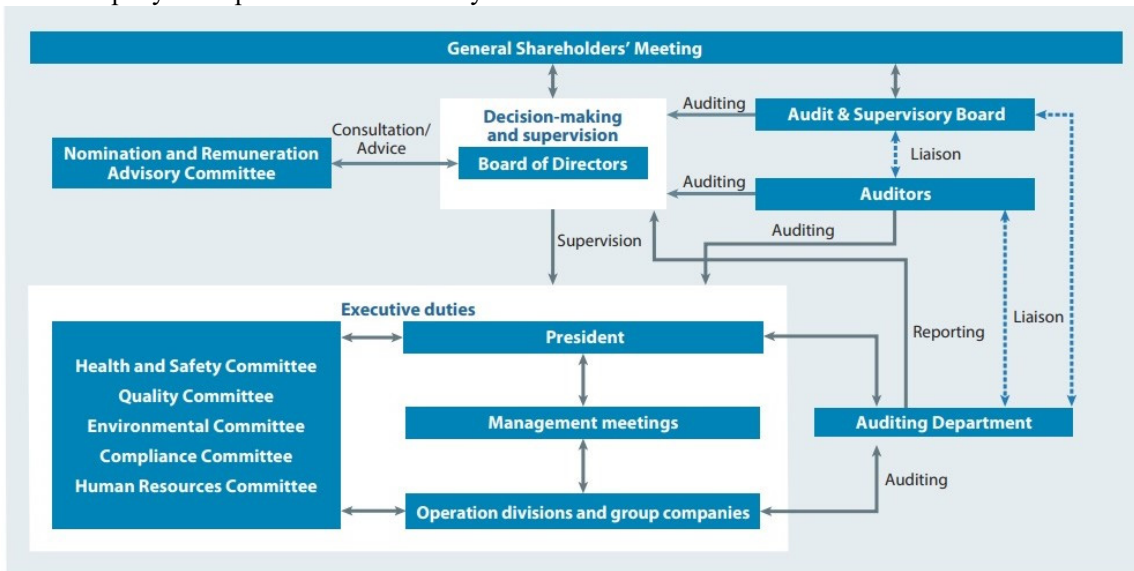
The Audit & Supervisory Board makes a comprehensive evaluation of the accounting auditor in accordance with its evaluation standards, including its qualifications, expertise, and independence from the Company. If the Audit & Supervisory Board determines that the dismissal or non-reappointment of the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

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



**[Reference] Corporate Governance**

The Company’s Corporate Governance System is as follows.



**Corporate Governance Overview**

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

**Board of Directors**

The Company has adopted a company-with-Audit & Supervisory Board system. The Company has introduced an executive officer system for business execution to further strengthen the functions of the Board of Directors and accelerate business execution by separating the decision-making and oversight functions of management from the business execution function. The Board of Directors deliberates and decides important matters related to management. In the fiscal year ended March 31, 2024, we oversaw the progress of the third Mid-Term Management Plan and materiality measures, as well as discussions toward the formulation of the fourth Mid-Term Management Plan. We also held meetings for exchange of opinions between outside officers and the Representative Director, meetings for exchange of opinions among outside officers only, and meetings for exchange of opinions between the accounting auditor and outside officers.

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

### **Audit & Supervisory Board**

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

### **Nomination and Remuneration Advisory Committee**

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

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

In fiscal 2023, 5 of the 7 total committee members consisted of outside Directors, with outside Director Takahiro Ikeda serving as committee chair. The annual agenda was set after the Ordinary General Meeting of Shareholders, and each meeting lasted from 2 to 2.5 hours, and meetings were held a total of 11 times.

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

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#### Main agenda items

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- Appointment of President and Chief Executive Officer
  - Operation of the outside director talent pool
  - Peer evaluation of outside Directors
  - Organization and application of criteria for election, dismissal and non-reappointment of officers
  - Term of office and reappointment for Audit & Supervisory Board Members
  - Succession planning
  - Confirmation of voting guidelines for institutional investors, etc.
  - Targets and results of short-term, medium- and long-term performance-linked remuneration
  - Fiscal 2024 policy for officer remuneration
- 

### **Evaluation of the Effectiveness of the Board of Directors (fiscal 2023)**

The Company has been actively engaging in efforts to evaluate the effectiveness of the Board of Directors in order to achieve sustainable growth of the Company and to enhance its corporate value over the medium to long term.

In fiscal 2023, given the fact that three years had passed since the previous third-party evaluation (in fiscal 2020), the Board of Directors was evaluated with support for the analysis and evaluation by a third-party evaluator (Japan Board Review Co., Ltd.). In the course of conducting the evaluation, the evaluator viewed minutes and other materials from meetings of the Board of Directors and the Nomination and Remuneration Advisory Committee, held discussions with the Board of Directors Secretariat and the Chairman of the Board of Directors, and observed

meetings of the Board of Directors before preparing a questionnaire. Specifically, each Director and Audit & Supervisory Board Member responded in writing to the questionnaire pertaining to the composition and operation of the Board of Directors, the Nomination and Remuneration Advisory Committee, relations with investors and shareholders, and officers' self-evaluations, and the evaluator conducted individual interviews based on the results. The third-party evaluation revealed that the Company's Board of Directors is highly effective overall, with an appropriate composition that forms the basis of proactive, open discussion and exchange of opinions. The evaluation also found that the Nomination and Remuneration Advisory Committee engages in lively discussion, and that outside Directors take the lead in formulating plans for potential successors and that the committee otherwise reports its recommendations on nomination and remuneration to the Board of Directors through an appropriate, fair process. The evaluation also confirmed that appropriate efforts to address issues from the previous fiscal year—expanding the theme of medium- to long-term material issues and strengthening monitoring functions—had been undertaken. However, in order to further enhance the effectiveness of the Board of Directors, the Company recognizes the need to delve deeper into discussing strategies pertaining to technology and human resources and other medium- and long-term material issues.

Given the results of the latest evaluation, the Company shared its findings with the Board of Directors and held sufficient discussions as to the ideal state of Board of Directors operation in order to further enhance the effectiveness of the Board of Directors. The Company has also decided to proceed with efforts such as engaging in ongoing discussion and utilizing opportunities for discussions outside Board of Directors meetings to further enhance the quality of discussion on medium- and long-term material issues.

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

## 5. Matters Concerning the Company's Structure and Policies

### (1) Systems for ensuring that the execution of duties by the Directors and employees of the Company and the Group complies with laws and ordinances, and the Articles of Incorporation, and for ensuring the propriety of the business activities of the corporation and of the corporate group consisting of the corporation and its subsidiaries

In accordance with the Companies Act and Ordinance for Enforcement of the Companies Act, the Company and the Group have established the following systems.

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

- When any of the following are found during the course of duties, Directors, Executive Officers, and employees of the Company and its Group must report them immediately to the Company's Audit & Supervisory Board Members: any violations against laws and regulations or the Articles of Incorporation; fraudulent activities committed; or any facts that may cause serious damage to the Company or its Group.
- Directors, Executive Officers, and employees must make a report or resolution based on the Board of Directors Rules and other internal rules at the Board meetings or other meetings attended by the Audit & Supervisory Board Members.
- It is prohibited to give disadvantageous treatment to the Company's or its Group's Director, Executive Officer, or employee who made a report to the Company's Audit & Supervisory Board Members for the reason that he/she made that report.

(ix) Other systems for ensuring that audits by the Audit & Supervisory Board Members can be performed effectively

- The Board of Directors must ensure the attendance of the Audit & Supervisory Board Members at important meetings including Board meetings and management meetings.
- Audit & Supervisory Board Members and the Representative Director must hold meetings regularly to exchange views.
- When a request is received from the Audit & Supervisory Board Members to ensure the effectiveness of their audits, Directors, Executive Officers, and heads of relevant units must respond in good faith.
- Expenses stipulated in Article 388 of the Companies Act shall be handled in accordance with rules.

**(2) Overview of status of the operation of systems for ensuring that the execution of duties by the Directors and employees of the Company and the Group complies with laws and ordinances, and the Articles of Incorporation, and for ensuring the propriety of the business activities of the corporation and of the corporate group consisting of the corporation and its subsidiaries**

The following is an overview of the status of operation of systems to ensure the propriety of business activities implemented during the current fiscal year.

(i) Systems for ensuring execution of duties by Directors and employees of the Company and the Group is in compliance with the laws and regulations and the Articles of Incorporation

- In order to realize the UACJ Group Philosophy, the Company and its Group comply with laws and regulations and the Articles of Incorporation by acting in accordance with the "UACJ Way" of conduct guidelines and the UACJ Group Code of Conduct. Periodic education on the UACJ Group Code of Conduct and position-specific education are provided to instill compliance awareness and promote understanding of regulatory knowledge. In addition, the Compliance Committee, an advisory body to the President and Chief Executive Officer, determines policies and confirms the progress of group-wide compliance and human rights activities. The UACJ is focused on group-wide promotion of educational activities, including through periodic education and confirmation of compliance with the UACJ Group Code of Conduct, the implementation of various seminars, and the distribution of manuals.
- In addition, the Company and its Group have introduced and utilize a whistleblower internal reporting system to ensure the early detection and correction of compliance violations. In addition to the establishment of reporting contact points at each Group company, the Company has set up a common Group contact point for all Group officers and employees, thereby creating an environment in which it is easy to report incidents. Also, the Company is continuously engaged in public awareness and educational activities to promote the appropriate use of the system.
- The Internal Auditing Department conducts internal control audits and operational audits of the Company and the Group companies, and reports the results to the President and Chief Executive Officer, the Board of Directors, and the Audit & Supervisory Board. In internal control audits, we audit the development and operational status of internal controls related to financial reporting based on laws and regulations, and evaluate their effectiveness. Operational audits cover overall business operations and are conducted from the perspective of compliance with laws, regulations, and internal rules and regulations, effectiveness, and efficiency, and make recommendations for improvement as necessary.

(ii) Systems for the retention and management of information on the execution of duties by Directors

- The Company appropriately creates, stores, and manages information related to the execution of duties by Directors in accordance with laws, regulations and internal rules.

(iii) Provisions and other systems concerning the management of the risk of loss for the Company and its Group

- The Company and its Group are committed to group risk management, considering all events that make uncertain our corporate philosophy of "contributing to the realization of a sustainable and prosperous

society through technology that brings out the power of materials” as risks. Risks identified in the Group’s risk management activities are classified into two categories: significant risks related to the Group as a whole (Risk S, Risk A) and risks that should be addressed by each organization (Risk B). For the former, a risk owner is selected for each risk and efforts are made to promote risk countermeasures across the Group. In order to promptly respond to changes in the business environment, Management Committee Meetings are held as necessary to formulate the Group Risk Management Action Plan and develop various measures, while Risk Management Promotion Meetings, consisting of the President and Chief Executive Officer, Executive Vice Presidents, the Chief Executive of Corporate Strategy Division, and risk owners, are also held to further enhance deliberations at Management Committee Meetings and to deepen discussions. The UACJ Group Risk Management Basic Policy, UACJ Group Risk Management Regulations, UACJ Group Crisis Management Guidelines, and UACJ Group BCM Guidelines are implemented at domestic and overseas subsidiaries to ensure that all Group companies are familiar with them. In addition, in fiscal 2023, with the promotion of risk management with the participation of all employees in mind, we set “reducing losses and capturing opportunities through autonomous risk management practices by each individual and organization” as one of the key issues of the Group’s annual policy and engaged in the following activities.

- 1) Promote group-wide countermeasures for the four risks selected as “Risk S” under the supervision of risk owners consisting of Executive Officers.
  - 2) Regularly hold Risk Management Promotion Meetings consisting of risk management promotion managers from each division headquarters and each business, and continue promoting risk management practices at each division headquarters and each business.
  - 3) Under the direction of the heads of each division headquarters and each business, continue efforts to promote understanding of risk management and strengthen the use of risk management in daily operations.
- In relation to business continuity management (BCM), BCM training was conducted on the assumption of a major earthquake in the Nankai Trough, taking into consideration business continuity from the initial response. The training also used newly implemented communication methods for contingencies. In terms of business continuity planning (BCP), domestic Group companies reorganized their BCPs in preparation for earthquakes and infectious diseases, while overseas Group companies made progress in ascertaining the status of BCPs at locations where BCPs are being developed.
  - The Environmental Committee, Health and Safety Committee, Quality Committee, etc., chaired by the President and Chief Executive Officer, meet annually to formulate annual plans for the Company and the Group and to develop various measures. Through these committee activities, reports are made to the Board of Directors that the internal control system of the Company and the Group is functioning effectively.
- (iv) Systems for ensuring efficient execution of duties by Directors of the Company and its Group
- In accordance with the Regulations of the Board of Directors, the Company holds regular meetings of the Board of Directors once a month, as well as extraordinary meetings as necessary, and held 15 meetings in the current fiscal year.
  - The Company has separated the management decision-making and oversight functions from the business execution functions through the executive officer system to further strengthen the functions of the Board of Directors and to further accelerate the execution of business operations.
  - In accordance with the Management Committee Meetings Regulations, the Company regularly holds monthly Management Committee Meetings, as well as extraordinary meetings as necessary, for the purpose of deliberating and considering matters to be discussed at Board of Directors meetings and other important management matters, and 25 meetings were held in the current fiscal year.
  - The Company’s Audit & Supervisory Board Members are appointed as Audit & Supervisory Board Members of major affiliated companies, and to other affiliated companies, the Company’s or the Group’s management personnel are appointed as Audit & Supervisory Board Members to ensure appropriate management.
  - The Company’s Board of Directors and Management Committee Meetings, etc., as appropriate, deliberate important matters pertaining to affiliated companies and receive and manage reports on such matters.
- (v) Systems for ensuring the propriety of operations by the subject corporation and the corporate group consisting of it and its parent company and/or subsidiaries
- The Internal Auditing Department conducts operational audits of the Company and Group companies and makes recommendations for improvement and correction as necessary. The results are reported to

the President and Chief Executive Officer, the Board of Directors, and the Audit & Supervisory Board, and are also communicated to the Company's corporate departments to share information.

- Important management matters of affiliated companies are discussed and managed as appropriate in accordance with the affiliated company operating rules.
- (vi) Matters concerning employees to be assigned to assist the Audit & Supervisory Board Members at their request
- Two employees are assigned to assist Audit & Supervisory Board Members in their duties.
- (vii) Matters concerning the independence of the employees referred to in the previous item from Directors and the issuance of effective instructions to the employees
- Independence of employees who are assigned to assist the duties of Audit & Supervisory Board Members from Directors and the effectiveness of instructions to such employees are both ensured.
- (viii) Systems enabling Directors and employees of the Company and its Group to make a report to the Audit & Supervisory Board Members and systems for other reports to the Audit & Supervisory Board Members
- The information required by the Company's Audit & Supervisory Board Members is provided by Directors and related internal departments through explanations of important decisions, the status of execution of duties, and the performance of duties, as well as through the inspection of materials related to such decisions and execution.
- (ix) Other systems for ensuring that audits by the Audit & Supervisory Board Members can be performed effectively
- Audit & Supervisory Board Members hold regular meetings of the Audit & Supervisory Board once a month, as well as extraordinary meetings as needed, and held 14 meetings during the current fiscal year.
  - Audit & Supervisory Board Members attend meetings of the Board of Directors, and full-time Audit & Supervisory Board Members attend Management Committee Meetings and other important meetings as appropriate.
  - Audit & Supervisory Board Members regularly hold opportunities to exchange opinions with the Internal Auditing Department and the accounting auditor, and work together to exchange information.

### **(3) Policy on decisions on dividends and other appropriation of surplus**

The Company acknowledges that distribution of dividends is essential to rewarding shareholders. The Company determines dividends by taking into consideration comprehensive factors including trends in financial performance, maintenance and renewals for stable business operations, enhancing competitiveness in our strategy, environment and other areas and investing in research and development in order to improve corporate value and growth, and reinforcing the Company's financial standing, while the Company seeks stable and continuous dividend distribution as its basic policy.

Regarding the payment of dividends, the Company's basic policy is to pay dividends twice a year, an interim dividend and a year-end dividend. Although the Company aims for a dividend payout ratio of at least 30% over the long term, for profit distribution according to the trends in financial performance, the Company has set a target for the consolidated payout ratio of 20% to 30% of profit for the fiscal year during the period of the Third Mid-term Management Plan (from fiscal 2021 to fiscal 2023).

At the Board of Directors meeting held on May 13, 2024, the Company resolved to revise part of the dividend policy as follows

(After revision)

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

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

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

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

**Consolidated Statement of Financial Position**  
(as of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>431,188</b>	<b>Current liabilities</b>	<b>359,284</b>
Cash and cash equivalents	40,199	Trade and other payables	141,658
Trade and other receivables	179,685	Loans payable	135,561
Inventories	187,884	Lease obligations	1,318
Other financial assets	9,641	Income taxes payable	602
Other current assets	13,779	Other financial liabilities	62,567
<b>Non-current assets</b>	<b>483,242</b>	Provisions	59
Property, plant and equipment	385,183	Other current liabilities	17,519
Right-of-use assets	8,249	<b>Non-current liabilities</b>	<b>253,100</b>
Goodwill and intangible assets	43,896	Loans payable	175,294
Investment property	5,764	Lease obligations	8,730
Investments accounted for using equity method	19,245	Other financial liabilities	27,282
Other financial assets	11,769	Retirement benefit obligations	16,048
Retirement benefit assets	110	Provisions	1,021
Deferred tax assets	6,113	Deferred tax liabilities	19,584
Other non-current assets	2,914	Other non-current liabilities	5,142
		<b>Total liabilities</b>	<b>612,384</b>
		<b>(Equity portion)</b>	
		<b>Equity attributable to owners of parent</b>	<b>277,040</b>
		Capital stock	52,277
		Capital surplus	79,520
		Retained earnings	107,183
		Treasury stock	(348)
		Other components of equity	38,409
		<b>Non-controlling interests</b>	<b>25,006</b>
		<b>Total equity</b>	<b>302,046</b>
<b>Total assets</b>	<b>914,430</b>	<b>Total liabilities and equity</b>	<b>914,430</b>

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



## Consolidated Statement of Income

(April 1, 2023 to March 31, 2024)

(Millions of yen)

Item	Amount
<b>Revenue</b>	<b>892,781</b>
<b>Cost of sales</b>	<b>(790,632)</b>
<b>Gross profit</b>	<b>102,149</b>
Selling, general and administrative expenses	(70,699)
Share of profit (loss) of entities accounted for using equity method	1,152
Other revenue	2,101
Other expenses	(3,325)
<b>Operating income</b>	<b>31,378</b>
Financial revenue	3,552
Financial expenses	(12,961)
<b>Profit before tax</b>	<b>21,969</b>
Income tax expenses	(5,563)
<b>Profit</b>	<b>16,406</b>
Profit attributable to	
<b>Owners of parent</b>	<b>13,858</b>
Non-controlling interests	2,549
<b>Profit</b>	<b>16,406</b>

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

## Consolidated Statement of Changes in Equity

(April 1, 2023 to March 31, 2024)

(Millions of yen)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Effective portion of change in fair value of cash flow hedges
Balance as of April 1, 2023	52,277	79,458	97,782	(341)	15,825	(41)
Profit	-	-	13,858	-	-	-
Other comprehensive income	-	-	-	-	19,894	(94)
Comprehensive income	-	-	13,858	-	19,894	(94)
Purchase of treasury stock	-	-	-	(7)	-	-
Dividends	-	-	(6,269)	-	-	-
Share-based payment transactions	-	62	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	1,810	-	-	-
Total transactions with owners, etc.	-	62	(4,459)	(7)	-	-
Balance as of March 31, 2024	52,277	79,520	107,183	(348)	35,719	(135)

	Equity attributable to owners of parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured through other comprehensive income	Remeasurements of defined benefit retirement benefit plans	Total			
Balance as of April 1, 2023	1,534	–	17,319	246,495	21,493	267,987
Profit	–	–	–	13,858	2,549	16,406
Other comprehensive income	1,290	1,810	22,900	22,900	2,753	25,653
Comprehensive income	1,290	1,810	22,900	36,758	5,302	42,060
Purchase of treasury stock	–	–	–	(7)	–	(7)
Dividends	–	–	–	(6,269)	(1,788)	(8,057)
Share-based payment transactions	–	–	–	62	–	62
Transfer from other components of equity to retained earnings	–	(1,810)	(1,810)	–	–	–
Total transactions with owners, etc.	–	(1,810)	(1,810)	(6,213)	(1,788)	(8,001)
Balance as of March 31, 2024	2,824	–	38,409	277,040	25,006	302,046

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

**Balance Sheet**  
(as of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>	<b>206,501</b>	<b>Current liabilities</b>	<b>206,088</b>
Cash and deposits	11,386	Notes payable - trade	7
Notes receivable - trade	128	Electronically recorded obligations - operating	1,384
Electronically recorded monetary claims - operating	3,968	Accounts payable - trade	60,188
Accounts receivable - trade	57,949	Short-term loans payable	55,044
Merchandise and finished goods	12,714	Current portion of long-term loans payable	24,467
Work in process	30,863	Lease obligations	1,329
Raw materials and supplies	29,145	Accounts payable - other	10,115
Prepaid expenses	822	Accrued expenses	2,022
Short-term loans receivable	37,947	Accrued taxes payable	427
Accounts receivable - other	21,103	Advances received	36
Other	487	Deposits received	15,101
Allowance for doubtful accounts	(9)	Other	35,968
<b>Non-current assets</b>	<b>369,289</b>	<b>Non-current liabilities</b>	<b>170,704</b>
<b>Property, plant, and equipment</b>	<b>124,957</b>	Long-term loans payable	150,193
Buildings	20,223	Lease obligations	3,285
Structures	2,725	Provision for retirement benefits	9,124
Machinery and equipment	18,483	Provision for business restructuring	96
Vehicles	169	Other	8,005
Tools, furniture, and fixtures	3,769		
Land	75,286	<b>Total liabilities</b>	<b>376,791</b>
Construction in progress	4,301	<b>Net assets</b>	
<b>Intangible assets</b>	<b>12,050</b>	<b>Shareholders' equity</b>	197,454
Software	1,757	<b>Capital stock</b>	52,277
Goodwill	10,254	<b>Capital surplus</b>	80,178
Other	39	Legal capital surplus	47,953
<b>Investment and other assets</b>	<b>232,282</b>	Other capital surplus	32,225
Investment securities	6,478	<b>Retained earnings</b>	65,347
Shares of subsidiaries and associates	206,110	Legal retained earnings	125
Investments in capital of subsidiaries and associates	9,970	Other retained earnings	65,222
Long-term loans receivable	10,357	Retained earnings brought forward	65,222
Deferred tax assets	2,450	<b>Treasury stock</b>	(348)
Other	827	<b>Valuation and translation adjustments</b>	1,546
Allowance for doubtful accounts	(3,909)	Valuation difference on available-for-sale securities	1,487
		Deferred gains (losses) on hedges	59
		<b>Total net assets</b>	<b>198,999</b>
<b>Total assets</b>	<b>575,790</b>	<b>Total liabilities and net assets</b>	<b>575,790</b>

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

**Statement of Income**  
(April 1, 2023 to March 31, 2024)

(Millions of yen)

Item	Amount	
<b>Net sales</b>		<b>293,132</b>
<b>Cost of sales</b>		<b>264,648</b>
<b>Gross profit</b>		<b>28,484</b>
Selling, general and administrative expenses		26,766
<b>Operating income</b>		<b>1,718</b>
<b>Non-operating income</b>		
Dividend income	3,683	
Interest income	1,789	
Foreign exchange gains	977	
Other	1,895	8,344
<b>Non-operating expenses</b>		
Interest expenses	3,298	
Provision of allowance for doubtful accounts for subsidiaries and associates	1,941	
Other	1,384	6,624
<b>Ordinary income</b>		<b>3,438</b>
<b>Extraordinary income</b>		
Gain on sale of shares of subsidiaries and associates	141	
Subsidy income	81	
Gain on sale of non-current assets	4	226
<b>Extraordinary loss</b>		
Loss on retirement of non-current assets	652	
Other	64	716
<b>Profit before income taxes</b>		<b>2,948</b>
Income taxes - current	(415)	
Income taxes - deferred	579	164
<b>Net income</b>		<b>2,784</b>

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

## Statement of Changes in Shareholders' Equity

(April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings		
Balance at the beginning of period	52,277	47,953	32,225	80,178	125	68,706	68,832	(341)	200,945
Changes of items during the period									
Dividends from surplus						(6,269)	(6,269)		(6,269)
Net income						2,784	2,784		2,784
Purchase of treasury stock								(7)	(7)
Changes (net) during the year to items other than shareholders' equity									
Total changes of items during the period	-	-	-	-	-	(3,485)	(3,485)	(7)	(3,491)
Balance at the end of period	52,277	47,953	32,225	80,178	125	65,222	65,347	(348)	197,454

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of period	550	22	572	201,517
Changes of items during the period				
Dividends from surplus				(6,269)
Net income				2,784
Purchase of treasury stock				(7)
Changes (net) during the year to items other than shareholders' equity	937	36	974	974
Total changes of items during the period	937	36	974	(2,517)
Balance at the end of period	1,487	59	1,546	198,999

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

**Independent Auditor's Audit Report**

May 9, 2024

To the Board of Directors of UACJ Corporation

Deloitte Touche Tohmatsu LLC  
Tokyo Office, Japan

Koichi Yano  
Designated Engagement Partner,  
Certified Public Accountant

Yasuaki Miura  
Designated Engagement Partner,  
Certified Public Accountant

Takahisa Kudo  
Designated Engagement Partner,  
Certified Public Accountant

*Audit opinion*

We have audited the consolidated financial statements, comprising the consolidated statement of financial position, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to consolidated financial statements of UACJ Corporation for the consolidated fiscal year from April 1, 2023 to March 31, 2024, in accordance with Article 444, paragraph 4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the UACJ and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting standards set out in the latter clause of Article 120, paragraph 1 of Regulations on Corporate Accounting, with certain disclosure items required by the Designated IFRS omitted.

*Basis for Audit Opinion*

We conducted the audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in "Auditor's Responsibilities in Auditing Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries and fulfill our other ethical responsibilities as an auditor in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

*Other Statements*

Other statements are the business report and its supplemental schedules. Management is responsible for preparing and disclosing other statements. In addition, the responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor the execution of duties of the Directors in the development and operation of the reporting process for other statements.

The scope of our audit opinion on the consolidated financial statements does not include other statements, and we express no opinion on other statements.

Our responsibility in the audit of the consolidated financial statements is to read other statements carefully and, in the course of reading other statements, to consider whether there are material differences between the other statements and the consolidated financial statements or knowledge obtained in the course of the audit, and to pay attention to whether there are any indication of material errors in other statements other than such material differences.

If we determine, based on the work performed, that there is a material error in other statements, we are required to report that finding.

There are no other matters to be reported by us regarding other statements.



*Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting standards set out in the latter clause of Article 120, paragraph 1 of Regulations on Corporate Accounting, with certain disclosure items required by the Designated IFRS omitted. This includes the development and operation of internal controls determined by management to be necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for evaluating whether it is appropriate to present the consolidated financial statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting standards set out in the latter clause of Article 120, paragraph 1 of Regulations on Corporate Accounting, with certain disclosure items required by the Designated IFRS omitted.

The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor the execution of duties of the Directors in the development and operation of the financial reporting process.

*Responsibility of the Auditor in the Audit of the Consolidated Financial Statements*

The auditor is responsible for obtaining reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the consolidated financial statements from an independent standpoint in the audit report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decision-making of users of the consolidated financial statements.

The auditor shall exercise professional judgment and maintain professional skepticism throughout the audit process, in accordance with auditing standards generally accepted in Japan, and shall implement the following.

- Identify and assess the risk of material misstatement due to fraud or error. In addition, design and implement audit procedures to address the risks of material misstatement. The selection and application of audit procedures are at the discretion of the auditor. Furthermore, obtain sufficient and appropriate audit evidence on which to base the audit opinion.
- Although the purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies adopted by management and their application methods, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Make a conclusion on whether it is appropriate for management to prepare the consolidated financial statements on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that could cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to call attention in the audit report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the consolidated financial statements. Although the auditor's conclusions are based on audit evidence obtained up to the date of the audit report, future events or circumstances may cause the entity to cease to exist as a going concern.
- Evaluate whether the presentation and notes to the consolidated financial statements conform to accounting standards set out in the latter clause of Article 120, paragraph 1 of Regulations on Corporate Accounting, with certain disclosure items required by the Designated IFRS omitted, and whether the consolidated financial statements, including the related notes, present fairly the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and performing the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinion.

The auditor shall provide Audit & Supervisory Board Members and the Audit & Supervisory Board with information on the planned scope and timing of the planned audit, significant audit findings, including material deficiencies in internal controls, identified in the course of the audit, and other matters required by the audit standards.

The auditor shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the auditor's compliance with the rules of professional ethics in Japan regarding independence and any matters that

may reasonably be considered to affect the auditor's independence, and any measures taken to remove disincentives or safeguards applied to mitigate disincentives to acceptable levels.

*Interest*

We have no interest in or relationship with the Company or its consolidated subsidiaries, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

## Accounting Audit Report on the Financial Statements

### Independent Auditor's Audit Report

May 9, 2024

To the Board of Directors of UACJ Corporation

Deloitte Touche Tohmatsu LLC  
Tokyo Office, Japan

Koichi Yano  
Designated Engagement Partner,  
Certified Public Accountant

Yasuaki Miura  
Designated Engagement Partner,  
Certified Public Accountant

Takahisa Kudo  
Designated Engagement Partner,  
Certified Public Accountant

#### *Audit opinion*

Pursuant to Article 436, paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, namely, the balance sheet, the statement of income, the statement of changes in shareholders' equity, the notes to non-consolidated financial statements, and the accompanying supplemental schedules (the "financial statements, etc.") of UACJ Corporation for the 11th fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company for the relevant period for which the financial statements were prepared, in conformity with accounting principles generally accepted in Japan.

#### *Basis for Audit Opinion*

We conducted the audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under the auditing standards are described in "Auditor's Responsibilities in Auditing Financial Statements." We are independent of the Company and fulfill our other ethical responsibilities as an auditor in accordance with the rules of professional ethics in Japan. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

#### *Other Statements*

Other statements are the business report and its supplemental schedules. Management is responsible for preparing and disclosing other statements. In addition, the responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor the execution of duties of the Directors in the development and operation of the reporting process for other statements.

The scope of our audit opinion on the financial statements does not include other statements, and we express no opinion on other statements.

Our responsibility in the audit of the financial statements is to read other statements carefully and, in the course of reading other statements, to consider whether there are material differences between the other statements and the financial statements or knowledge obtained in the course of the audit, and to pay attention to whether there are any indication of material errors in other statements other than such material differences.

If we determine, based on the work performed, that there is a material error in other statements, we are required to report that finding.

There are no other matters to be reported by us regarding other statements.

#### *Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements, etc.*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan. This includes the development and operation of internal controls determined by management to be necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for evaluating whether it is appropriate to present the financial statements on a going concern basis and for disclosing any matters related to going concern that are required to be disclosed in accordance with accounting principles generally accepted in Japan.

The responsibility of Audit & Supervisory Board Members and the Audit & Supervisory Board is to monitor the execution of duties of the Directors in the development and operation of the financial reporting process.

*Responsibility of the Auditor in the Audit of the Financial Statements, etc.*

The auditor is responsible for obtaining reasonable assurance about whether the financial statements, etc. as a whole are free of material misstatement, whether due to fraud or error, based on the audit performed by the auditor, and for expressing an opinion on the financial statements, etc. from an independent standpoint in the audit report. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decision-making of users of the financial statements, etc.

The auditor shall exercise professional judgment and maintain professional skepticism throughout the audit process, in accordance with auditing standards generally accepted in Japan, and shall implement the following.

- Identify and assess the risk of material misstatement due to fraud or error. In addition, design and implement audit procedures to address the risks of material misstatement. The selection and application of audit procedures are at the discretion of the auditor. Furthermore, obtain sufficient and appropriate audit evidence on which to base the audit opinion.
- Although the purpose of an audit of the financial statements, etc. is not to express an opinion on the effectiveness of internal controls, in making those risk assessments, the auditor considers internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies adopted by management and their application methods, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Make a conclusion on whether it is appropriate for management to prepare the financial statements, etc. on a going concern basis and, based on the audit evidence obtained, whether there are material uncertainties regarding events or conditions that could cast significant doubt on the entity's ability to continue as a going concern. If a material uncertainty regarding the entity's ability to continue as a going concern exists, the auditor is required to call attention in the audit report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. are not appropriate with respect to the material uncertainty, to express an opinion with qualifications on the financial statements, etc. Although the auditor's conclusions are based on audit evidence obtained up to the date of the audit report, future events or circumstances may cause the entity to cease to exist as a going concern.
- Evaluate whether the presentation and notes to the financial statements, etc. conform to accounting principles generally accepted in Japan, and whether the financial statements, etc., including the related notes, present fairly the underlying transactions and accounting events.

The auditor shall provide Audit & Supervisory Board Members and the Audit & Supervisory Board with information on the planned scope and timing of the planned audit, significant audit findings, including material deficiencies in internal controls, identified in the course of the audit, and other matters required by the audit standards.

The auditor shall report to Audit & Supervisory Board Members and the Audit & Supervisory Board on the auditor's compliance with the rules of professional ethics in Japan regarding independence and any matters that may reasonably be considered to affect the auditor's independence, and any measures taken to remove disincentives or safeguards applied to mitigate disincentives to acceptable levels.

*Interest*

We have no interest in or relationship with the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

## Audit Report from Audit & Supervisory Board Members

### Audit Report

The Audit & Supervisory Board, based on the audit reports prepared by each of the Audit & Supervisory Board Members with respect to the performance of duties by the Directors during the 11th fiscal year from April 1, 2023 to March 31, 2024, and after due deliberation, have prepared this Audit Report as the unanimous opinion of all the Audit & Supervisory Board Members and hereby reports as follows.

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

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

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

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

May 9, 2024

**UACJ Corporation**  
**Audit & Supervisory Board**

Full-time Audit & Supervisory Board Member  
Atsushi Sakaue [Seal]

Full-time Audit & Supervisory Board Member  
Ryu Sawachi [Seal]

Outside Audit & Supervisory Board Member  
Yuki Iriyama [Seal]

Outside Audit & Supervisory Board Member  
Hiroyuki Yamasaki [Seal]

Outside Audit & Supervisory Board Member  
Yoshiro Motoyama [Seal]

## **Stock Information**

### **Fiscal term**

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

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### **Record Date for Dividends of Surplus**

March 31 of each year

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

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### **General Meeting of Shareholders**

June of each year

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### **Number of shares per unit**

100 shares

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### **Shareholder registry administrator**

Mizuho Trust & Banking Co., Ltd.

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

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### **Method of public notice**

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

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