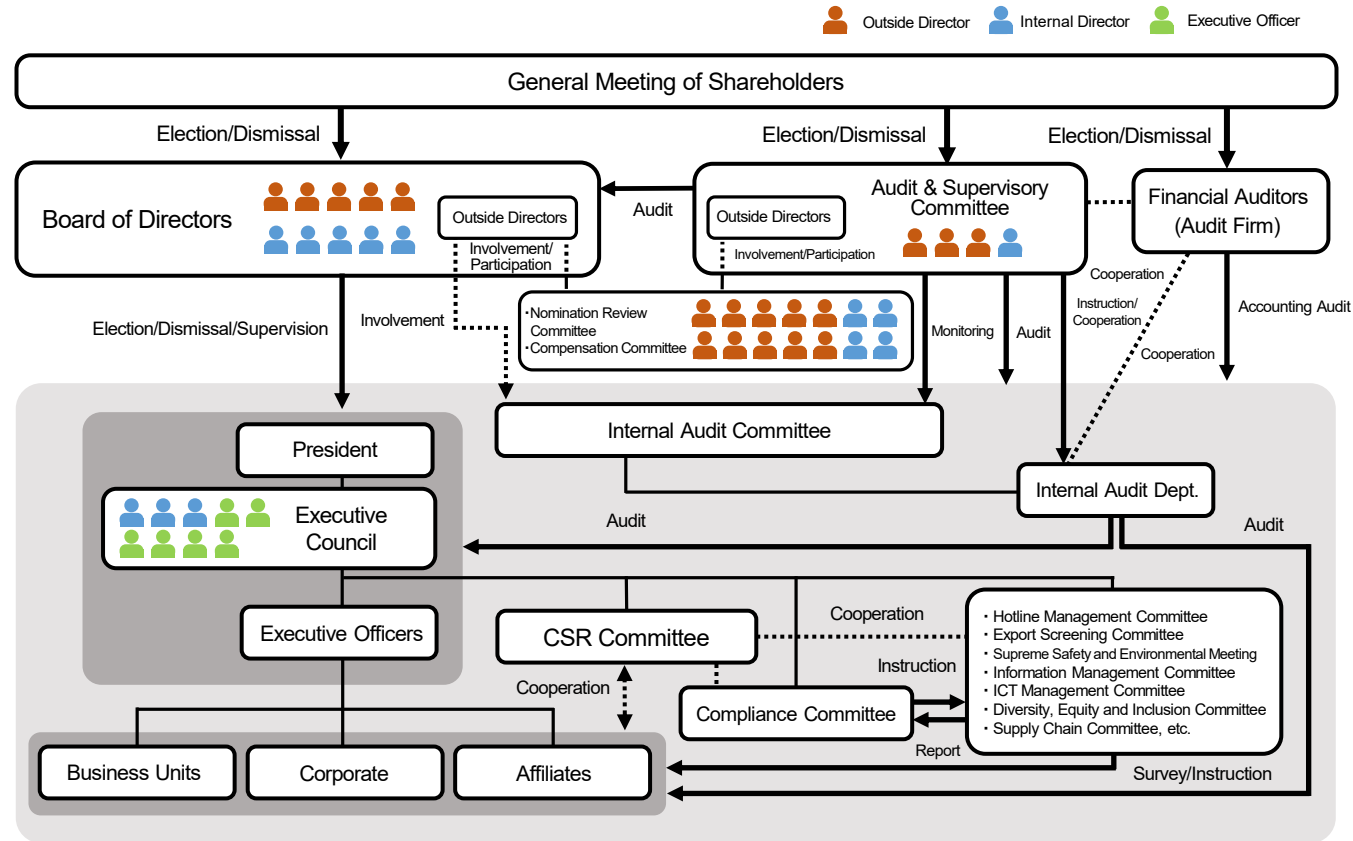


# The foundation of our value creation

### Our approach

Mitsui Kinzoku views corporate governance as one of its most important managerial tasks that Mitsui Kinzoku shall strive to improve organizational structures and systems for management, and implement various measures as necessary, based on the recognition that corporate governance is a system for making fair and transparent decisions in a rapid and decisive manner, taking into consideration the positions of the stakeholders, including shareholders, customers, employees and local communities in order to achieve Our Vision of “Building new businesses—and the future—with our material intelligence.” based on Our Purpose of “We promote the well-being of the world through a spirit of exploration and diverse technologies.” under Our Management Philosophy of “With creativity and productivity, We, Mitsui Kinzoku Group, will explore products of value to society, and seek an eternal growth of our group.” Corporate governance is the foundation for sustaining the long-term value creation of Mitsui Kinzoku Group.

### Corporate governance system of Mitsui Kinzoku



### Strategy for strengthening corporate governance

#### Improving the effectiveness and transparency of the Board of Directors

- (1) Accelerating decision-making
  - (2) Focusing deliberations on key matters and enhancing discussions on the formulation of management policies and strategies
  - (3) Transitioning to a Company with an Audit & Supervisory Committee on June 27, 2024, to strengthen the management supervision function
- The Company conducts the Board Effectiveness Assessment, sets the resolution rate of issues identified in the previous fiscal year as a KPI, and monitors progress on improvements at Board of Directors meetings.

#### Independence and diversity of the Board of Directors

Of the ten Directors, five, or half, are Outside Directors, including two women, while seven, or a majority, are Non-Executive Directors. An Outside Director serves as Chair of the Board of Directors.

The Company has established the voluntary Nomination Review Committee and Compensation Committee. Of the seven members of each committee, five, or a majority, are Outside Directors, and each committee is chaired by an Outside Director.

#### Enhancement of auditing and supervisory functions

The Company has established an Internal Audit Committee as part of its executive organization. The Committee determines internal audit policies and annual plans, evaluates audit results, and reports them to the Board of Directors.

Based on decisions made by the Internal Audit Committee, the Internal Audit Department conducts internal audits of the Company's sites and subsidiaries in Japan and overseas in cooperation with relevant departments at the Head Office.

Audit & Supervisory Committee Members attend meetings of the Internal Audit Committee as observers and monitor internal audits.

## Directors and Board of Directors

### Overview of the Board of Directors

The Board of Directors aims to strengthen the mechanism to effectively supervise initiatives to address medium- to long-term management issues and speed up the decision-making process. The Board of Directors consists of ten Directors, half of whom (five, including two women, three of whom are Directors who are Audit & Supervisory Committee Members) are Outside Directors. Outside Directors are appointed with consideration of their independence and ability to reflect diverse stakeholders' perspectives.

In FY2025, the Board of Directors held 14 meetings.

### Organization structure (as of June 26, 2026)

### Directors

★ indicates the Chair of each meeting body.

|                    |                                       |                                                                                                                                            |                                                                                                   |                                                          |
|--------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------------------|
|                    |                                       |                                                                                                                                            |                                                                                                   |                                                          |
| NOU Takeshi        | IKENOBU Seiji                         | OKABE Masato                                                                                                                               | YOSHIMOTO Seichiro                                                                                | SHIKI Kazuya                                             |
|                    | NRC CC ED ★                           | IAC ★ ED                                                                                                                                   | ED                                                                                                | ASC ★                                                    |
| Chairman, Director | President and Representative Director | Representative Director Senior Managing Director, Senior Managing Executive Officer, Senior General Manager of Engineered Materials Sector | Director, Senior Executive Officer, Senior General Manager of Corporate Planning & Control Sector | Director, Full-time Audit & Supervisory Committee Member |

### Outside Directors

|                                                                                                                                             |                                                                                                                                                                              |                                                                |                                                                                                                                                                                        |                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
|                                                                                                                                             |                                                                                                                                                                              |                                                                |                                                                                                                                                                                        |                                                                                         |
| TOIDA Kazuhiko                                                                                                                              | TAKEGAWA Keiko                                                                                                                                                               | ISHIDA Toru                                                    | INOUE Hiroshi                                                                                                                                                                          | KAWANISHI Sachiko                                                                       |
| BoD ★ NRC CC                                                                                                                                | NRC CC                                                                                                                                                                       | ASC NRC ★ CC                                                   | ASC NRC CC ★                                                                                                                                                                           | ASC NRC CC                                                                              |
| [Important positions held concurrently at other organizations]                                                                              | [Important positions held concurrently at other organizations]                                                                                                               | [Important positions held concurrently at other organizations] | [Important positions held concurrently at other organizations]                                                                                                                         | [Important positions held concurrently at other organizations]                          |
| Advisor, Rikkyo University Innovation Center for Applied Artificial Intelligence (ICA-AI)<br>Chairperson of the Board, St. Stephen's School | Director of Institute of Women's Culture, Showa Women's University<br>Specially Appointed Professor, Showa Women's University<br>External Director, Kanamic Network Co., LTD | Independent Director, SANKYU INC.                              | Lawyer<br>Outside Director and Audit & Supervisory Committee Member, Mazda Motor Corporation<br>External Director, Audit and Supervisory Committee Member, Custody Bank of Japan, Ltd. | Certified public accountant<br>Senior Managing Director, Internet Disclosure, Co., Ltd. |

ASC Audit & Supervisory Committee Member NRC Nomination Review Committee Member CC Compensation Committee Member

IAC Internal Audit Committee Member ED Executive Director (Executive Council Member)

#### 【Ensuring independence and objectivity】

Ratio of Outside Directors

Internal 5

Outside 5

50%

#### 【Strengthening management supervision】

Ratio of Non-Executive Directors

Executive 3

Non-Executive 7

70%

#### 【Promoting diversity】

Ratio of Female Directors

Female 2

Male 8

20%

Skills matrix of Directors

The skills shown in the skills matrix below have been selected by the Nomination Review Committee as the skills necessary for promoting the Purpose, Vision, and executing the 25-27 MTP.

| Name                | Corporate management | Business strategies | Finance/ Accounting | Technologies/ R&D/DX | Sales/ Marketing | HR/Organization development | Legal affairs/ Risk management/ Compliance | Internationality | Sustainability/ Economic security |
|---------------------|----------------------|---------------------|---------------------|----------------------|------------------|-----------------------------|--------------------------------------------|------------------|-----------------------------------|
| NOU Takeshi         | ◎                    | ○                   |                     | ◎                    |                  |                             |                                            | ○                | ◎                                 |
| IKENOBU Seiji       | ◎                    | ○                   |                     | ◎                    |                  |                             | ○                                          |                  |                                   |
| OKABE Masato        |                      | ◎                   |                     |                      | ◎                |                             |                                            | ◎                | ○                                 |
| YOSHIMOTO Seiichiro | ○                    |                     | ◎                   |                      |                  |                             |                                            | ◎                |                                   |
| TOIDA Kazuhiko      | ◎                    | ○                   |                     |                      | ◎                |                             |                                            | ○                | ○                                 |
| TAKEGAWA Keiko      |                      |                     |                     |                      |                  | ◎                           | ○                                          | ◎                |                                   |
| SHIKI Kazuya        |                      |                     |                     |                      |                  |                             | ◎                                          | ○                | ○                                 |
| ISHIDA Toru         |                      |                     |                     |                      |                  |                             | ◎                                          | ○                | ◎                                 |
| INOUE Hiroshi       |                      |                     |                     |                      |                  | ○                           | ◎                                          |                  | ◎                                 |
| KAWANISHI Sachiko   | ○                    |                     | ◎                   | ○                    |                  |                             |                                            |                  | ○                                 |

○ indicates skills possessed by the Directors and Audit & Supervisory Committee Members, while ◎ indicates skills the Company expects Directors and Audit & Supervisory Committee Members to demonstrate in particular.

Reason selected as necessary skill

| Skills                                     | Reason for selecting skill                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate management                       | Competence, experience and leadership enabling the formulation of strategies and the implementation of integrated thinking-based management and ambidexterity are necessary for execution of the 25-27 MTP, looking towards the Purpose and Vision.                                                                            |
| Business strategies                        | Knowledge and experience enabling the formulation and implementation of strategies for establishing a competitive advantage are necessary for realizing sustainable business growth.                                                                                                                                           |
| Finance/ Accounting                        | Knowledge and experience of finance and accounting are necessary to establish financial strategies that will bolster growth investment and shareholder returns to increase the resilience of the financial base underpinning management and to achieve sustainable improvement in corporate value.                             |
| Technologies/ R&D/DX                       | The creation of new products and businesses and the strengthening of existing businesses are necessary to drive company growth, and development based on unique technologies and improvement of efficiency through sophisticated production technologies and DX are essential.                                                 |
| Sales/ Marketing                           | A good familiarity with the business environment and relationships between the Company and its customers and other stakeholders as well as knowledge and experience enabling the formulation and implementation of product planning and sales strategies are necessary.                                                        |
| HR/Organization development                | The attraction, retention and development of talent, a company's most valuable resource, improvement of job satisfaction to increase engagement, and promotion of diversity are directly linked to performance.                                                                                                                |
| Legal affairs/ Risk management/ Compliance | Legal knowledge and experience are necessary to implement appropriate corporate governance, compliance and risk management in business activities as well as to increase the effectiveness of management supervision within the Board of Directors.                                                                            |
| Internationality                           | An in-depth understanding of and respect for each country's culture and diversity are necessary for survival as a global enterprise.                                                                                                                                                                                           |
| Sustainability/ Economic security          | Consideration for the environment, adherence to fair business practices and action to address economic security concerns are needed in order to continue being regarded as necessary by society, and high levels of knowledge including about business-related matters, a long-term perspective and adaptability are required. |

Agenda for the Board of Directors meeting

Mitsui Kinzoku transitioned to a company with an Audit & Supervisory Committee on June 27, 2024, aiming to expedite decision-making related to management in order to enhance discussions on management policies and strategies by making the agenda of the Board of Directors more focused, and to strengthen the Board's supervisory functions regarding management. As a result of this transition, discussions by the Board have become more focused, as intended, with management strategy/sustainability, the business portfolio, and governance topics representing 71% of the discussion time.

Deliberation time by type of agenda item at Board of Directors meetings over the past three fiscal years (ESG data: Page 88)

Main topics in board meetings by agenda category (FY2025)

| Agenda categories                   | Topics                                                                                                                                                                                                        | Matters discussed by the Board of Directors (Comments from Outside Directors)                                                                             |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Management strategy/ Sustainability | • Initiatives related to the 25–27 MTP (including “Big Moves” and Company-wide organizational restructuring)<br>• Determination of the disclosure policy on sustainability (i)                                | • Timing of application of the SSBJ Standards and approach to disclosure (i)                                                                              |
| Business portfolio                  | • Review of business portfolio (ii)<br>• Implementation of individual M&A and organizational restructuring projects                                                                                           | • Compliance issues in individual cases (ii)                                                                                                              |
| Corporate governance                | • Approval of business reports and financial statements<br>• Revision of company rules<br>• The Board Effectiveness Assessment (iii)                                                                          | • Approach to an “integrated dialogue-based Board of Directors comprising Internal and Outside Directors” and differences from the monitoring model (iii) |
| Others                              | • Establishment of the Compliance Committee (iv)<br>• Recurrence prevention measures for quality-related misconduct (v)<br>• Review of the whistle-blowing systems<br>• Implementation of business investment | • Linkage with initiatives to embed the Values (iv)<br>• Positioning of quality compliance within overall compliance initiatives (v)                      |

Mechanisms supporting Directors and the Board of Directors ( ) = Number of meetings held in FY2025

|                                                                |                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Advisory Committees                                            | Nomination Review Committee<br>(9 meetings)                                                     | The Committee reviews candidates to serve as Directors by considering their capabilities, knowledge, and character comprehensively using the skills matrix, and those deemed capable of satisfactorily fulfilling the responsibilities are nominated by the Board of Directors.<br><br>[Key matters discussed in FY2025]<br>Clarification of criteria for the appointment and dismissal of Representative Directors and Outside Directors, review of the skills matrix, succession planning for Outside Directors, interviews with executive officer candidates, deliberations on senior management appointments, etc.                                                                                                                                                                                                                          |
|                                                                | Compensation Committee<br>(12 meetings)                                                         | The Committee establishes and revises the criteria for determining the amounts of base compensation and performance-linked compensation for Directors, and determines the amounts of compensation for each Director.<br><br>[Key matters discussed in FY2025]<br>External disclosure of ESG indicators, deliberation on FY2024 ESG indicator results, determination of FY2025 compensation for Directors, review of compensation for officers of subsidiaries and affiliates, approach to compensation for officers, deliberation and determination of ESG indicators for FY2025 and FY2026 (determination of the scope and evaluation methods for governance indicators), changes to the President's compensation mix, disclosure of the President's compensation amount, review of the payout curve for performance-linked compensation, etc. |
| Executive Officer system                                       | Executive Officer                                                                               | The Company has introduced the Executive Officer system in order to enhance the agility and flexibility of business execution and increase the vitality of management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                | Executive Council<br>(57 meetings)                                                              | The Council is composed of Senior Executive Officers (including those who concurrently serve as Directors), and deliberates in advance on matters to be resolved by the Board of Directors and discusses important matters related to business execution.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Communication and training of Directors and Executive Officers | Top Management Meeting                                                                          | The Company has established a communication forum where all members of the Board of Directors, including Outside Directors, discuss in advance particularly important management strategies and medium- to long-term issues to be deliberated upon at Board of Directors meetings. The Company organizes the issues in order to streamline and improve discussions at Board of Directors meetings and to strengthen communication between Directors.                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                | Training Program for Directors and Executive Officers                                           | The Company holds executive training for Directors and Executive Officers when they are appointed and on an ongoing basis during their term of office, in order to provide them with the information and knowledge on business activities that are necessary to supervise management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                | Dialogue between Outside Directors and Institutional Investors<br>(9 meetings with 9 companies) | The Outside Directors provided explanations and held Q&A sessions on matters including the further embedding and advancement of ROIC-based management, how to proceed with buy-side M&A, the change of President (succession planning), the operation of the Board of Directors, responses to quality-related misconduct and recurrence prevention measures, and human capital management.<br><br>[Issues identified, feedback, etc.]<br>Feedback was received on matters including the share price increase, allocation and investment of management resources, disclosure of succession planning, progress on diversity-related KPIs, and responses to quality-related misconduct.                                                                                                                                                            |

Compensation for Directors

Compensation system

Compensation for Directors (excluding the Chairman, Outside Directors and Directors who are Audit & Supervisory Committee Members) consists of base compensation, performance-linked compensation as a short-term incentive, and stock compensation as a medium- to long-term incentive, to enable them to demonstrate management supervisory functions at a high level. In order to ensure competitiveness, the appropriateness of the level and composition of compensation for Directors is examined each year by comparing with other companies of similar size in terms of sales and market capitalization, as disclosed in the findings of a compensation survey in which major companies in Japan participate. If the Board of Directors resolves a correction to the financial results post-announcement due to material accounting error or fraud, the Compensation Committee shall deliberate on adjustments to performance-linked compensation and restrict its payment, or even demand pay back of compensation, when deemed necessary (clawback provision).

Compensation for Directors

(excluding the Chairman, Outside Directors, and Directors who are Audit & Supervisory Committee Members)

(1) Base compensation

The base compensation for the President is set, taking into consideration the Company's performance, corporate value, and other factors comprehensively. Base compensation for Directors is calculated depending upon titles, based on the base compensation for the President and by applying a ratio for each title according to responsibilities.

(2) Performance-linked compensation

The amount of performance-linked compensation is calculated using consolidated ordinary income and ROIC, which the Company considers as key indicators for evaluating operating results, as the performance indicators. The minimum target for consolidated ordinary income is set at 50 billion yen, equivalent to its average level, while the benchmark is set at 70 billion yen, equivalent to 130% of the average level. The compensation scheme is designed to provide appropriate incentives, with an upper limit of 180 billion yen, equivalent to 150% of the highest income recorded to date.

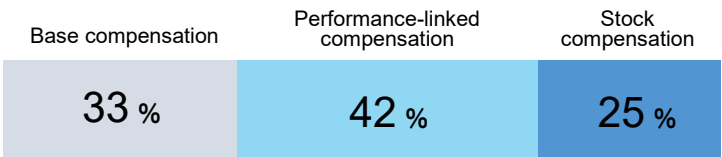
(3) Stock compensation

The Company has introduced a restricted stock compensation plan (tenure-based restricted stock compensation) and ESG indicator-based restricted stock compensation for Directors to serve as an incentive for Directors to aim for continuous growth in corporate value and further enhance value-sharing with shareholders. In both cases, continued service is a condition for lifting the transfer restrictions. Compensation paid for the grant of restricted stock is limited to 70 million yen per year for tenure-based restricted stock compensation and 50 million yen per year for ESG indicator-based restricted stock compensation, for a combined annual limit of 120 million yen. The total number of shares of the Company's common stock to be issued or disposed of under these plans is limited to 34,300 shares per year in total for tenure-based restricted stock compensation and ESG indicator-based restricted stock compensation.

Composition of ESG Indicators

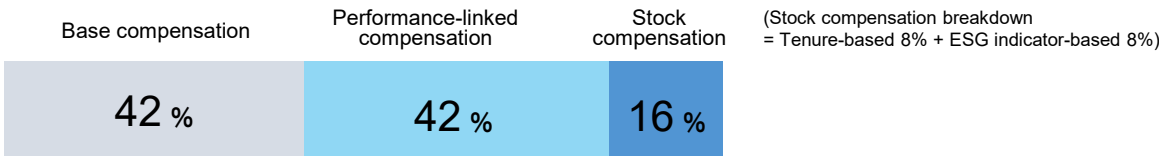
| ESG | Indicator                     | KPI                                                                                |
|-----|-------------------------------|------------------------------------------------------------------------------------|
| E   | GHG reduction                 | Formulation of a GHG reduction plan up to FY2030 and achievement of annual targets |
|     | Environmental initiatives     | CDP climate change score                                                           |
| S   | DE&I                          | Percentage of female managers                                                      |
|     | Promotion of job satisfaction | Engagement score                                                                   |
| G   | Governance                    | Progress of follow-up on issues identified in the Board Effectiveness Assessment   |
|     | Compliance                    | Presence of serious compliance violations                                          |

Compensation Composition (President and Representative Director)



Composition of compensation

(excluding Outside Directors, Directors who are Audit & Supervisory Committee Members, and the President and Representative Director)



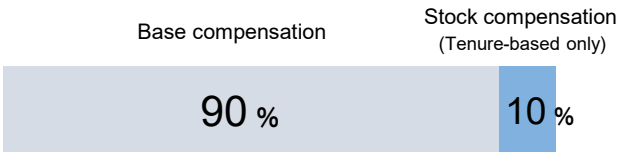
\* Composition of compensation when consolidated ordinary income is ¥70 billion and all KPIs are achieved for ROIC and ESG. The percentage of base compensation, the percentage of performance-linked compensation and the percentage of stock compensation vary because performance-linked compensation varies according to the Company's performance.

Compensation for Outside Directors and Directors who are Audit & Supervisory Committee Members

The compensation for Outside Directors and Directors who are Audit & Supervisory Committee Members consists only of base compensation and non-performance-linked stock compensation, considering their roles and independence. The compensation for Directors who are Audit & Supervisory Committee Members is determined through discussions by the Audit & Supervisory Committee.

Composition of compensation

(Outside Directors and Directors who are Audit & Supervisory Committee Members)



Revision of Directors' Compensation System for FY2026

The Company places importance on the transparency of both the process for determining Director compensation and the details of such compensation, and the Compensation Committee considers the design of a compensation system that contributes to enhancing corporate value over the medium to long term. In FY2025, the Compensation Committee made the following decisions with the aim of further enhancing governance and accountability.

- Adopting a policy of disclosing the amount of compensation for the President and Representative Director regardless of the monetary threshold
- Increasing the proportion of stock compensation by shifting a portion of the President and Representative Director's base compensation to tenure-based restricted stock compensation in order to further promote the sharing of value with shareholders
- Revising the performance-linked compensation scheme in light of recent performance levels and changes in the business structure, specifically by raising the benchmark level of the payout curve to place greater emphasis on the quality of the level of performance achieved, so that the scheme provides appropriate incentives for achieving a high level of performance

These revisions are scheduled to apply to the Directors' Compensation System from FY2026 onward and are intended to further promote the sharing of value with shareholders.

Total amount of compensation (FY2025)

| Classification                                                                                      | Total compensation<br>(millions of Yen) | Total compensation by type (millions of Yen) |                                 |                    | Number |
|-----------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------|---------------------------------|--------------------|--------|
|                                                                                                     |                                         | Base Compensation                            | Performance-linked Compensation | Stock Compensation |        |
| Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) | 474                                     | 198                                          | 211                             | 65                 | 4      |
| Outside Directors (excluding Directors who are Audit & Supervisory Committee Members)               | 45                                      | 43                                           | —                               | 2                  | 2      |
| Directors who are Audit & Supervisory Committee Members (excluding Outside Directors)               | 56                                      | 52                                           | —                               | 4                  | 1      |
| Outside Directors who are Audit & Supervisory Committee Members                                     | 54                                      | 51                                           | —                               | 3                  | 3      |

Total amount of consolidated compensation, etc. for each Director (FY2025)

| Name          | Total consolidated compensation<br>(millions of Yen) | Classification          | Company classification | Total compensation by type (millions of Yen) |                                 |                    |
|---------------|------------------------------------------------------|-------------------------|------------------------|----------------------------------------------|---------------------------------|--------------------|
|               |                                                      |                         |                        | Base Compensation                            | Performance-linked Compensation | Stock Compensation |
| NOU Takeshi   | 161                                                  | Representative Director | Mitsui Kinzoku         | 65                                           | 74                              | 21                 |
| IKENOBU Seiji | 111                                                  | Representative Director | Mitsui Kinzoku         | 52                                           | 43                              | 16                 |
| OKABE Masato  | 118                                                  | Representative Director | Mitsui Kinzoku         | 45                                           | 58                              | 15                 |

\* For the President and Representative Director, the breakdown of compensation by type is disclosed regardless of the amount of compensation. For other Directors, individual compensation is disclosed only when the total amount of compensation is 100 million yen or more.

Audit & Supervisory Committee

Overview of the Audit & Supervisory Committee (FY2025: 14 meetings)

The Audit & Supervisory Committee is composed of all Directors who are Audit & Supervisory Committee Members. The Committee holds regular meetings prior to monthly Board of Directors' meetings, and extraordinary meetings as necessary. The Committee determines the annual audit plan, and audits the Directors' business execution in accordance with the plan. In addition to receiving reports on the accounting audit plan and audit results from the Financial Auditors, the Committee exchanges opinions with them on a regular basis to maintain close cooperation.

Improvement of environment for the Audit & Supervisory Committee's audits (e.g. Meeting with Senior Management)

In addition to the monthly Committee meetings, the Audit & Supervisory Committee also meets with Representative Directors, Executive Directors, and the heads of departments. These meetings are also attended by Outside Directors who are not Audit & Supervisory Committee Members to ensure that all Non-Executive Directors gain a timely understanding of management policies and share information.

Internal Audit Committee and Internal Audit Department

Internal Audit Committee (FY2025: 4 meetings)

The Internal Audit Committee is chaired by the Representative Director in charge of the Internal Audit Department and comprises the head of the Internal Audit Department, the head of the Corporate Unit, General Managers of each sector's Administration Department, and others. The Committee approves the audit policies and plans for internal audits conducted by the Internal Audit Department and evaluates the audit results. The results of internal audits approved and evaluated by the Internal Audit Committee are shared as appropriate by the Internal Audit Department with the Board of Directors, the Audit & Supervisory Committee, and the Financial Auditors.

Internal Audit Department and internal audits

The Internal Audit Department is an independent organization reporting directly to the Director in charge of the Internal Audit Department and conducts internal audits of the Company and its affiliated companies in Japan and overseas with respect to compliance with laws and regulations, the development of internal controls, the appropriateness of accounting processes, and other matters. In addition to audits approved and evaluated by the Internal Audit Committee, a framework is in place under which the Audit & Supervisory Committee may, as necessary, issue instructions directly to the Internal Audit Department. The Internal Audit Department, in its independent capacity, may also conduct internal audits without going through the Internal Audit Committee.

Internal control system

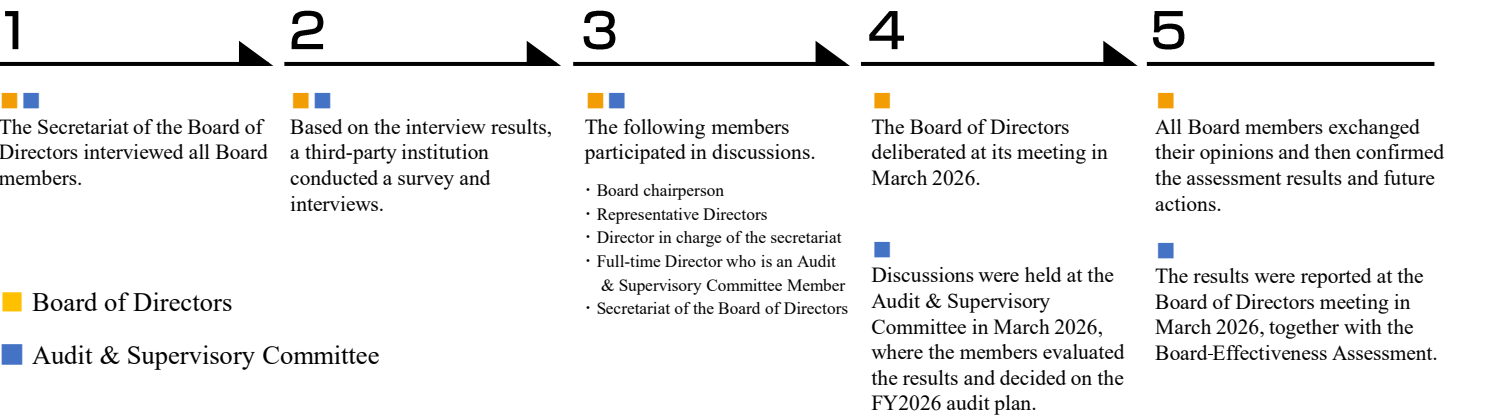
A summary of the decisions made at the meetings of the Board of Directors, regarding the business structure for the appropriate business operation of Mitsui Kinzoku Group in compliance with laws and regulations and the corporate ethics, is available on our corporate website.

<https://www.mitsui-kinzoku.com/en/toushi/management/governance/>

Effectiveness Assessment of the Board of Directors and the Audit & Supervisory Committee

To continuously strengthen the functions of the Board of Directors and the Audit & Supervisory Committee, the Company conducts annual assessments of their effectiveness.

Assessment process



Results of the Board Effectiveness Assessment

The Company evaluates that the effectiveness of the Board of Directors has improved overall.

[Key assessment points]

- Based on the recognition that the Board of Directors should pursue a monitoring model, the Company transitioned to a Company with an Audit & Supervisory Committee in June 2024 with the aim of strengthening corporate governance and promoting discussions on Company-wide strategies. In conjunction with this transition, part of the authority of the Board of Directors was delegated to the executive side.
- In addition, based on issues identified in the FY2024 assessment, the Company continued to monitor progress, including by conducting two surveys on the status of follow-up by the Board of Directors on the results of the Board Effectiveness Assessment.
- A certain degree of improvement was observed in all of the issues identified for follow-up.

| Issues identified in FY2024                                                                                                                              | Status of improvements                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operational issues (the large number of matters for deliberation by the Board of Directors, the large volume of agenda materials, etc.)                  | Steady improvements were made by narrowing the scope of matters for deliberation to important matters through delegation of approving authority, providing advance explanations of matters for deliberation, and sharing information as appropriate.                                                                                           |
| Discussions on the appropriate form of a monitoring-model Board of Directors following the transition to a Company with an Audit & Supervisory Committee | Discussions deepened, including by establishing a shared understanding that the Board of Directors should aim to become an “integrated dialogue-based Board of Directors comprising Internal and Outside Directors” that balances the formulation of policies for addressing important management issues with active supervision of execution. |
| Allocation of management resources, including investment in human capital and intellectual property, and DX strategy                                     | Although continuous improvements have been made in areas such as reporting on the progress of initiatives undertaken by the executive side and of future plans, further progress is still needed, particularly in making visible the link to enhanced corporate value.                                                                         |
| Supervision and monitoring of the operational status of internal controls, and discussions on investment in new businesses, including buy-side M&A       | Although a certain degree of improvement was observed compared with the previous fiscal year, this remains an issue and further progress is needed.                                                                                                                                                                                            |

Future actions

- Following the change in the Company's institutional design to a Company with an Audit & Supervisory Committee in June 2024, the Company delegated part of the approving authority of the Board of Directors through an amendment to the Articles of Incorporation. As part of efforts to strengthen internal controls, the Company newly established a Compliance Committee in 2026.
- The Company will continue efforts to enhance the functions of the Board of Directors as a monitoring-model board by effectively utilizing these frameworks.

Results of the Audit & Supervisory Committee Effectiveness Assessment

The Company evaluates that the effectiveness of the Audit & Supervisory Committee has improved overall.

[Key assessment points]

- As in previous years, the majority of responses indicated that there were generally no major problems with open and constructive discussions and exchanges of opinions, reports and information sharing by the full-time Director who is an Audit & Supervisory Committee Member and the Internal Audit Department, or collaboration with the Internal Audit Committee and the Financial Auditors.

| Issues identified in FY2024                                                                               | Status of improvements                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Communication with the heads of executive divisions                                                       | Communication improved compared with the previous fiscal year through measures including increased opportunities for meetings with the executive side. |
| Collaboration with corporate auditors at subsidiaries in audits of the Group-wide internal control system | Although some improvement was observed, this remains an issue.                                                                                         |

Future actions

- The Audit & Supervisory Committee will continue to strengthen information gathering and risk identification through collaboration with the Internal Audit Committee and the Financial Auditors, and will further enhance audits of the Group-wide internal control system, thereby continuing its efforts to further improve its effectiveness.

# Dialogue between Outside Directors

One year has passed since the launch of the new medium-term management plan, the 25–27 MTP, which is centered on the Group’s Purpose and aimed at realizing its Vision for 2030.

Amid significant changes in the business environment, Mitsui Kinzoku Group must harness the capabilities of its people and turn change into growth in order to achieve its Vision. In this dialogue, Outside Directors TAKEGAWA Keiko and KAWANISHI Sachiko discuss the challenges they see and their expectations for human capital management to support the execution of the management strategy, as well as for the further strengthening of governance and internal control, which form the foundation for value creation.

## Mitsui Kinzoku from the perspective of Outside Directors

**Takegawa:**

When I first became involved with Mitsui Kinzoku as an Outside Corporate Auditor in 2019, I was particularly impressed by the openness of communication within the Group and by the sincerity of its employees, especially its engineers. At the same time, there were challenges associated with the Caserones Copper Mine, and I sensed that employees were also concerned about how those challenges would be resolved. When I visited the overseas sites, I also felt that employees lacked energy when its business environment and earnings outlook were not favorable. This made me realize that employees cannot be fully motivated unless management demonstrates sound leadership, the outlook for its future is bright, and employees can look forward to their own growth.

**Kawanishi:**

I was appointed as an Outside Director and Audit & Supervisory Committee Member of the Company in 2024. One of the first things that left an impression on me was the decision to sell Mitsui Kinzoku ACT Corporation. The decision to divest the business that accounted for a significant proportion of the Group’s net sales must not have been easy. Nevertheless, in line with the Group’s policy of dynamically managing its business portfolio, Mitsui Kinzoku decided to transfer the business to the best owner.

**Takegawa:**

I also thought that reshaping the business portfolio would encounter considerable resistance, even where a business had limited growth prospects. However, the executive side expressed its strong conviction that transferring Mitsui Kinzoku ACT to the best owner would also be in the best interests of its employees.

**Kawanishi:**

Letting go of an existing business and moving into a new business domain requires resolve on the part of a company. The fact that the Company subsequently restored its performance within a short period strongly impressed upon me that it has both the decisiveness to make the right decisions and the resolve to carry them through.

Human Capital Management

## Building on efforts to promote women’s career development

**Takegawa:**

Initially, in my capacity as an Outside Corporate Auditor, I believed that, in most cases, misconduct was unlikely to be uncovered through internal audits alone, making it difficult to prevent such misconduct effectively. I therefore considered it important both to establish a system that would allow employees to report concerns with confidence through channels independent of the executive line

and to bring more diverse talent, including women, into the organization. When people from diverse backgrounds voice their opinions, they can shed light on problems that have previously been overlooked under conventional, unspoken assumptions, raising awareness of those problems. This helps create a culture in which people feel able to speak up and contributes to improving the soundness of the organization.

Given Mitsui Kinzoku’s history as a company that began in mining and smelting, the advancement of women was still insufficient in 2019. I conveyed to senior management the importance of using the promotion of women’s career development as a starting point for establishing a corporate culture that embraces diverse ways of thinking, perspectives, and opinions. I also repeatedly asked them to set clear targets for increasing the number of women.

**Kawanishi:**

I also sensed senior management’s strong commitment to transforming Mitsui Kinzoku’s corporate culture when I was approached to serve as an Outside Director. I felt that Mitsui Kinzoku was not merely seeking to increase the number of women on the Board as a formality, but was genuinely committed to incorporating diverse external knowledge and perspectives.

**Takegawa:**

I understand the promotion of women’s career development not merely as the pursuit of numerical targets, but, in qualitative terms, as an initiative to realize business practices that ensure fairness and as corporate respect for human rights. As indicated in the United Nations Guiding Principles on Business and Human Rights, respect for human rights is an important management issue for companies. At Mitsui Kinzoku as well, respect for human rights is positioned as a prerequisite for its human capital management strategy, and senior management is advancing related initiatives with a strong commitment.

I believe that Mitsui Kinzoku’s selection as a Nadeshiko Brand in 2025 reflects recognition of the Company’s substantive efforts to promote women’s career development in a manner closely linked to the management strategy.

Human Capital Management

## Toward a company where an even more diverse workforce can thrive

**Takegawa:**

In quantitative terms, promoting women’s career development is an initiative that helps secure talent in an era of declining birthrates. Mitsui Kinzoku has been reforming its HR systems to provide greater flexibility when life events coincide with job transfers. An increasing number of employees across all generations, both women and men, have caregiving responsibilities for parents or children. Going forward, a major challenge will be how to develop, through HR systems and other measures, an environment in which employees with caregiving responsibilities, including those working



TAKEGAWA Keiko

Outside Director



KAWANISHI Sachiko

Outside Director,  
Audit & Supervisory Committee Member

at manufacturing and overseas sites, can continue their careers with peace of mind and fully demonstrate their capabilities.

**Kawanishi:**

I feel that there are many difficult challenges, including balancing major life events with transfers to regional sites. However, what I value about Mitsui Kinzoku’s HR systems is their emphasis on employee satisfaction and well-being. Without that foundation, it would be difficult to translate the capabilities of even highly talented people joining the Group into corporate growth. Rather than treating employees as a homogeneous group, the Company needs to respect diversity and understand what each individual thinks and what career and life plans they have. Based on that understanding, the Company must work together with each employee to set goals and support them in achieving those goals.

**Takegawa:**

In an organization where diverse talent can thrive, I believe there are many insights to be gained regarding approaches to sales and the building of relationships with business partners. I believe that such insights can lead to the creation of business opportunities, including the development of new products and services and new business models.

## How to strengthen the execution of management strategy

**Kawanishi:**

Mitsui Kinzoku has a high proportion of mid-career hires, which I believe can be a strength in executing its management strategy. As the world changes rapidly and Mitsui Kinzoku itself must undergo significant change, it is important not only for existing employees to adapt, but also for new talent to join the Group. However, whether Mitsui Kinzoku can create an environment in which these new employees can fully demonstrate their capabilities will determine whether it can translate its human capital into corporate growth.

**Takegawa:**

I agree. As Mitsui Kinzoku continues to take on new fields through initiatives such as Big Moves, I believe that major challenges will be how to secure and develop the talent needed for those initiatives and how to foster a sense of unity across the Group, including among mid-career hires. Mitsui Kinzoku has traditionally built a sense of unity and identity by having employees share similar experiences, primarily through the recruitment of new graduates. It therefore needs a process for properly communicating to mid-career hires the ideas and DNA embodied in Mitsui Kinzoku’s Purpose and Values.

**Kawanishi:**

Mitsui Kinzoku is a company where employees who joined in the same year have strong bonds, so another consideration is how to create similar connections among mid-career hires. As employees often work remotely, the Company also needs to find ways to foster such connections. I would also like the Company to place importance on carefully listening to the views of female employees, particularly those working at operational sites. Women are relatively more likely to experience changes in their career plans as a result of life events. Rather than viewing such changes negatively, supervisors should engage in ongoing dialogue with employees, support them throughout those changes, and help each individual build a fulfilling career. Doing so will also contribute to the Company’s growth. It would also be beneficial to create more opportunities for senior management and us Outside Directors to engage directly with female employees, whether at regional sites or at the head office.



TAKEGAWA Keiko

Joined the Prime Minister’s Office in 1981. After serving in positions including Deputy Director General, Cabinet Office, and Director, Public Relations Office, Cabinet Office, she was appointed Director General, Gender Equality Bureau, in 2014. She was appointed an Outside Corporate Auditor of the Company in June 2019 and an Outside Director of the Company in June 2021. She currently serves as a Specially Appointed Professor at Showa Women’s University and Director of its Institute of Women’s Culture.

**Takegawa:**

The Company is also working to enhance employee engagement. One of Mitsui Kinzoku’s strengths, in my view, is that it carefully designs not only initiatives such as one-on-one meetings, but also how those initiatives are implemented to produce results in the workplace. These efforts enable managers to develop dialogue skills for engaging with their subordinates and to learn from good practices shared across the organization. Improving the work environment is also important for respecting human rights and enhancing employee engagement. The Company’s efforts to ensure thorough occupational safety and health at its sites, improve the appearance of those sites through measures such as greening, and upgrade facilities such as cafeterias also demonstrate its respect for the dignity of its employees. These efforts can enhance employee engagement and, ultimately, strengthen the Company’s ability to execute its management strategy.

## Board discussions shift to a medium- to long-term perspective

**Kawanishi:**

Two years after transitioning to a company with an Audit & Supervisory Committee, the Board of Directors has fully shifted to a monitoring model under which the executive side is entrusted with matters that should fall within its remit, while major investments and other important matters are reviewed by the Board. Compared with the period before the transition, the composition of agenda items has also changed. I have seen an increase in discussions on themes related to medium- to long-term corporate value, including the business portfolio, sustainability, human capital, and management strategy. Information is also shared on topics such as digital transformation (DX) and intellectual property, broadening the range of matters addressed by the Board.

**Takegawa:**

A major change is that, while detailed matters are left to the executive side, we are now able to participate in discussions on the Company’s long-term direction and growth strategy.

**Kawanishi:**

As Outside Directors, we are provided with agendas and minutes of internal management meetings as necessary. We are also able to ask questions about those agendas and minutes. This structure makes it easy to keep track of discussions among the executive side. There is no sense at all that we do not know what the executive side is doing.

**Takegawa:**

For highly specialized technical matters, rather than proceeding directly to a Board resolution, Outside Directors are given an opportunity to receive a briefing in advance. At the briefing, development personnel and others explain the background of the business and the technical details involved. Further explanations are also provided at Board meetings, enabling us to participate in discussions with a solid understanding of the matters concerned. This enables us to give the matters sufficient consideration before voting on them and to engage in constructive exchanges of views.

**Kawanishi:**

When Outside Directors express their views at Board meetings, this deepens the executive side’s consideration of the matters concerned and brings an appropriate degree of discipline to decision-making. Going forward, I hope that the quality of discussions will improve further through continued efforts to organize and present materials in ways that enable the appropriate people to access the information they need.

**Takegawa:**

We ourselves, as Outside Directors, also need to continue deepening our understanding of the Group’s businesses and technologies. As Mitsui Kinzoku operates in the B2B market and handles materials, many of its business areas are highly specialized. Some matters cannot be adequately assessed based solely on the perspective of an ordinary consumer. Providing Outside Directors with opportunities to participate in internal learning and training programs as necessary would therefore help them gain a deeper understanding of Mitsui Kinzoku.

## An opportunity to further strengthen quality assurance and internal control

**Kawanishi:**

In the quality misconduct issue discovered at Mitsui Kinzoku Perlite in 2024, inappropriate practices had continued for a long period. Had there been greater diversity of perspectives, someone might have sensed that something was wrong and identified the misconduct at an earlier stage. As a Member of the Audit & Supervisory Committee, I also perform my duties with due attention to whether there are any gaps in the Company’s controls. Where misconduct is deliberately concealed in an organized manner, such misconduct is extremely difficult to detect through internal audits. Nevertheless, we are promoting more in-depth internal audits that go beyond financial accounting, as well as careful audits in which those responsible for audits engage frequently with personnel at operational sites and go one step beyond ordinary processes.

**Takegawa:**

I also came to believe that the final safeguard is for each person working at operational sites to follow their conscience and make a whistleblowing report. This matter also came to light through whistleblowing, indicating that the whistleblowing system functioned to a certain extent. It reaffirmed for me the importance of establishing both a culture and a system in which employees can speak up without fear. The investigation committee also conducted careful interviews with many individuals and took corrective action. However, even when a problem is identified and improvements are requested, their effectiveness cannot be fully ensured unless there is rigorous follow-up to confirm whether the improvements have actually been implemented. It is essential to continue verifying that genuine improvement has taken place.



KAWANISHI Sachiko

Joined Honeywell Information Systems Japan, Inc. in 1981 and Tohmatsu Aoki & Sanwa Audit Corporation in December 1986. In 2000, she was appointed Senior Managing Director of Internet Disclosure, Co., Ltd., a position she continues to hold. She has served as an Outside Director and Audit & Supervisory Committee Member of the Company since June 2024.

**Kawanishi:**

In response to this matter, the Quality Assurance Department has begun conducting unannounced visits to operational sites to verify that improvements have been made. When I first heard about this initiative, I thought it was excellent, but at the same time, I was concerned that the initiative might cause significant friction with personnel at the sites. Unannounced inspections are burdensome and stressful for operational sites. However, the fact that the initiative was carried out without problems made me feel that personnel at the sites are highly receptive to such new measures and strongly committed to using them to drive improvements.

**Takegawa:**

Mitsui Kinzoku Group has been taking a more proactive and far-reaching approach to quality assurance than in the past. Its response has gone beyond preventing a recurrence at Mitsui Kinzoku Perlite alone. The Group is also working to enhance Group-wide internal control by reviewing its quality assurance framework, rolling out digitalization through a Laboratory Information Management System (LIMS), establishing a Compliance Committee, and appointing corporate auditors of affiliates from the Internal Audit Department. I hope that the Group will not let this failure end as merely a failure, but will instead use it as an opportunity to further strengthen the Group’s quality assurance framework and governance.

## Expectations for the new management structure and the 28–30 MTP

**Takegawa:**

The new President, Mr. Ikenobu, has already articulated a vision for reform and played a central role in advancing it. I have high expectations for him as he takes on the role of leading Mitsui Kinzoku toward 2030 and 2040 in the direction he himself has envisioned.

**Kawanishi:**

With the Group’s performance remaining strong, I have high expectations for bold initiatives. At the same time, in pursuing the vision of the 28–30 MTP, Mitsui Kinzoku will need not only to rely on M&A, but also to invest firmly on its own and develop growth areas. Careful judgment will also be required in identifying acquisition targets and making investment decisions. I recently had an opportunity to speak with people involved in NEXT10 at the R&D Center, and I was impressed by the energy with which a diverse group of members, including women, were working. A key theme of the 28–30 MTP will be how to turn NEXT10 into a reality while harnessing the capabilities of such talent.

**Takegawa:**

As Mitsui Kinzoku expands into new fields, it remains essential to create an environment in which diverse talent, including mid-career hires, can fully demonstrate their capabilities. Employees devote an important part of their lives to the Company. In addition to strengthening communications with investors and shareholders, I would like the Company to share with employees how it intends to grow and enable them to envision the growth opportunities available to them. Continuously communicating Mitsui Kinzoku’s direction through its Purpose and Values will foster a sense of unity across the Group. I expect that Mitsui Kinzoku Group will realize its Vision as everyone working across the Group aligns in the same direction and fully demonstrates their capabilities.

### Corporate governance Dialogue between Outside Directors

Promotion of DX

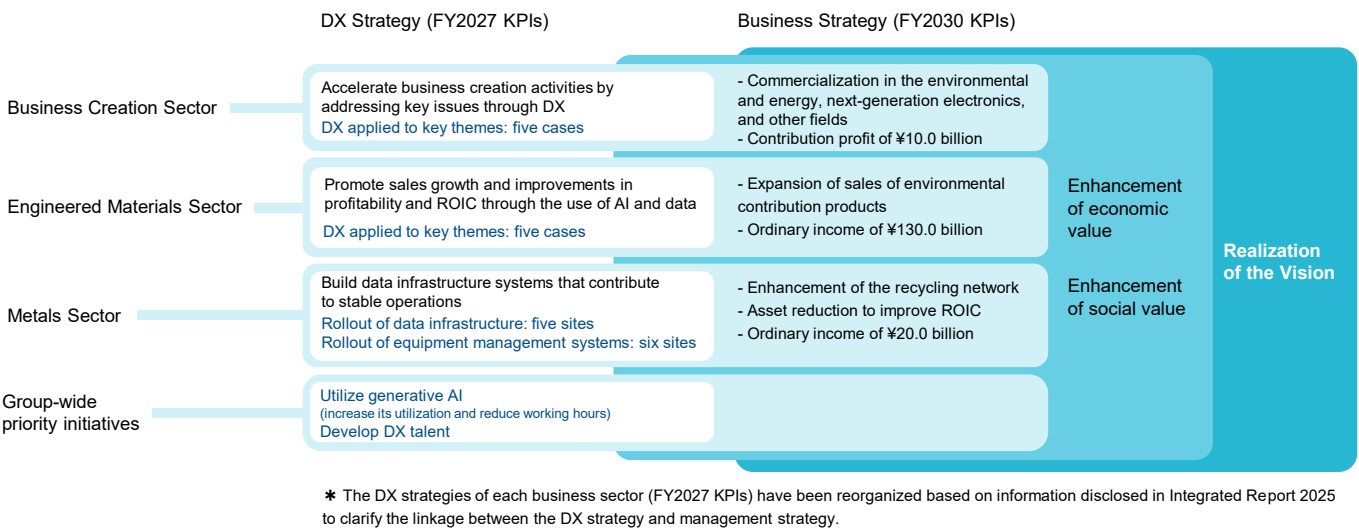
Our approach

Mitsui Kinzoku Group positions the promotion of digital transformation (DX) as one of the management foundations supporting integrated thinking-based management. Through the use of digital technologies and the development of digital infrastructure, the Group seeks to accelerate decision-making and improve operational efficiency while strengthening business competitiveness and enhancing corporate value over the medium to long term.

Basic DX Strategy Roadmap and KPIs

Under the 22–24 MTP, the Group worked to develop digital infrastructure throughout the Group. Under the 25–27 MTP, which is positioned as a “digital proliferation period,” the Group is sharing and standardizing across the Group the digitalization initiatives undertaken by individual sectors and departments, with the aim of enhancing its ability to execute DX initiatives and accelerating their implementation. Specifically, the Group is developing digital tools and a data utilization environment for group-wide use, while already pursuing substantial improvements in operational efficiency through the use of AI in certain operations within its business divisions. In FY2025, the Group also established a new group-wide DX meeting attended by the persons responsible for DX in each sector. Through cross-functional progress management and discussions on issues, the Group has established a framework for linking the results of individual initiatives to the promotion of DX across the Group.

The Group has set group-wide KPIs by backcasting from the management targets based on its Vision for 2030 and will strengthen the linkage between its DX initiatives and management KPIs. In addition, as “Big Moves” centered on progress in the Engineered Materials Sector, the Group has begun ahead of schedule some of the initiatives aimed at creating new value that had been planned for the 28–30 MTP. Throughout the 25–27 MTP period, the Group will seek to both build the necessary foundations and generate tangible results.

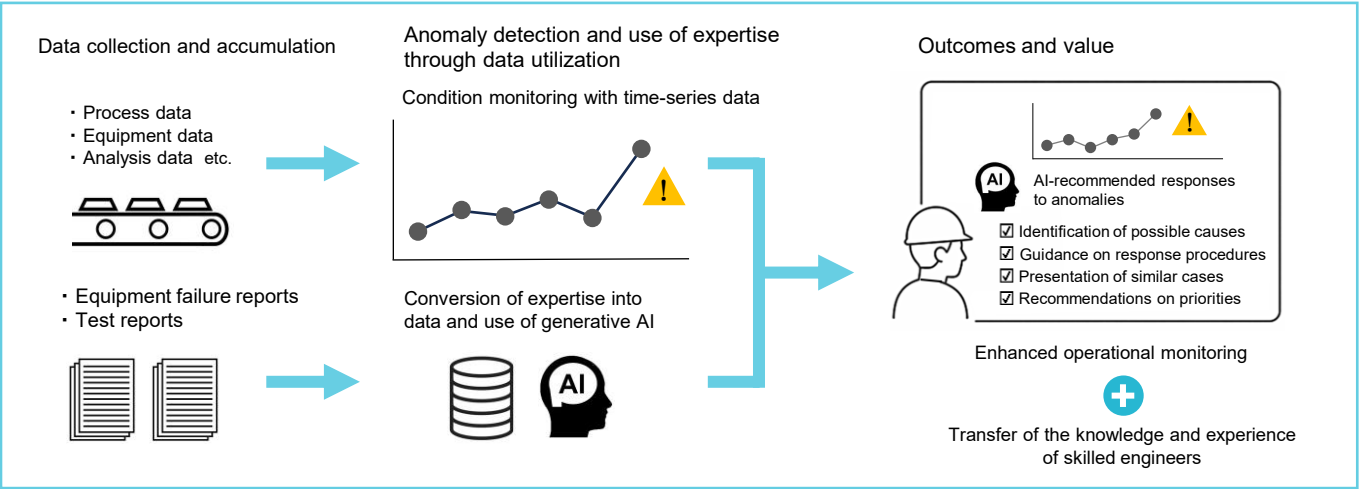


Metals Sector Exploitation

In FY2025, the enterprise asset management (EAM) system introduced at Hachinohe Smelting as a model site was rolled out to Kamioka Mining & Smelting, while the operational data platform was rolled out to Miike Smelting. Both systems began operating as planned.

In FY2026, the Group plans to roll out the EAM system at Hikoshima Smelting and Miike Smelting and the operational data platform at the Takehara Refinery. Through the rollout of the EAM system, the Group aims to improve asset efficiency by optimizing spare-parts inventories required for stable operations

and enabling spare parts to be shared and used effectively across sites. The Group is also advancing initiatives to achieve even more stable operations. These include using data accumulated through the operational data platform to detect problems at an early stage, as well as converting on-site knowledge into data and making it searchable and usable through generative AI, thereby speeding up decisions on appropriate responses and strengthening the transfer of technical expertise.



Engineered Materials Sector Exploitation

In FY2025, the Engineered Materials Sector formulated a DX strategy aligned with its business strategy and clarified its desired state at the end of FY2027 for each area of DX activity, centered on sales growth, profitability improvement, and ROIC improvement. To strengthen new customer acquisition, the Sector has been integrating its business division websites through digital marketing, and these efforts are beginning to produce tangible results, including the identification of potential partners and the securing of actual orders.

In FY2026, as part of its Big Moves initiatives, the Sector will integrate data spanning design, manufacturing, and management to achieve overall optimization and greater efficiency through AI. By reallocating resources freed up by reducing low-value-added work to higher-value-added areas and harnessing uniquely human creativity, the Sector aims to contribute to the evolution of industry through engineered materials.

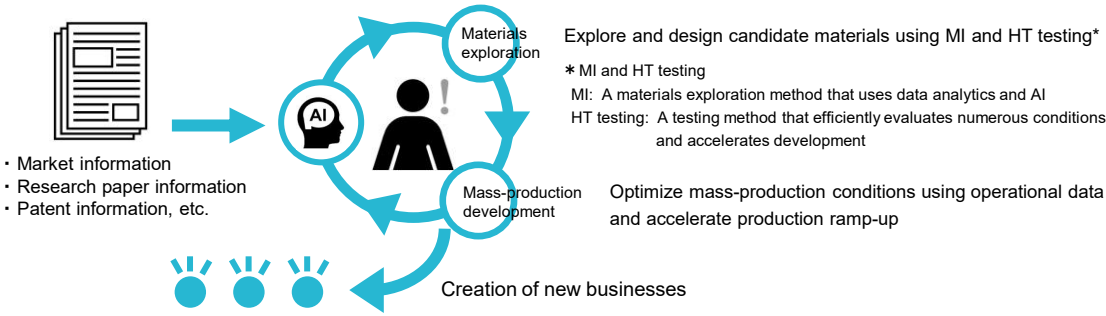
DX Strategy of Engineered Materials Sector

| Objective                 |                     | Desired state at the end of FY2027                                                                                                                                                                                |
|---------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sales growth              | Sales and marketing | Strengthen information dissemination through the integrated website, improve search rankings, and increase visibility in generative AI responses. Increase the number of new projects leading to mass production. |
|                           | R&D                 | Expand the use of materials informatics and accelerate the development of a wide range of products.                                                                                                               |
| Profitability improvement | Operations          | Reduce dependence on individual expertise through AI-assisted analysis and decision-making. In certain businesses, optimize production plans and operating conditions through cross-functional data utilization.  |
|                           | Indirect operations | Achieve a significant improvement in operational efficiency through the widespread adoption of generative AI and other tools. Shift to value-creating work by making use of the time freed up.                    |
| ROIC improvement          |                     | Enable faster decision-making through simulations using manufacturing, sales, inventory, external, and other data, thereby improving overall profitability.                                                       |
|                           |                     | Quantitatively identify areas for improvement using a structured set of KPIs and establish an effective PDCA cycle for improving ROIC, thereby enhancing business value.                                          |

Business Creation Sector Exploration

The Business Creation Sector is promoting “AI Co-Creation R&D,” which combines human expertise with data to enhance processes from materials exploration through verification.

In FY2025, the Sector made progress in applying data analytics, AI, and automation, primarily to SE (solid electrolytes), to accelerate development and improve quality.



Use and advancement of generative AI

The Group has used generative AI in a secure, dedicated internal environment to streamline routine tasks such as document preparation and information retrieval, thereby improving the quality and speed of decision-making and outputs. It has also used retrieval-augmented generation (RAG), a mechanism that generates responses by referring to internal materials, to effectively draw on knowledge accumulated within the Group in day-to-day operations. The Group has also begun using AI agents where appropriate for each operation and is expanding their integration into business processes in stages.

As these initiatives have progressed, the generative AI utilization rate is expected to largely meet the FY2027 KPI target, and the Group is considering setting a higher target. To further expand utilization, in addition to its Head office promotion framework, the Group is promoting the safe and effective adoption of generative AI through the sharing and rollout of best practices and the provision of consultation support, with AI evangelists assigned to each site serving as key facilitators.

Development of DX talent

Under the 25–27 MTP, the Group is promoting the development of DX talent. In developing such personnel, the Group refers to the Digital Skill Standards established by the Ministry of Economy, Trade and Industry and the Innovation Platform Agency, Japan (IPA), and classifies personnel into two categories: “personnel with an understanding of DX” and “DX personnel who promote and implement DX.” The Group is focusing particularly on strengthening the latter, who are responsible for transforming businesses and operations. These personnel participate in DX initiatives directly linked to business challenges and, through practical experience centered on planning and executing such initiatives, develop the skills required to use digital technologies and data and drive projects forward. By strategically assigning these personnel to key DX initiatives in each business sector, the Group will enhance its ability to execute DX and thereby strengthen the business competitiveness of the Group as a whole.

Progress on KPIs for group-wide priority initiatives

| 【Generative AI utilization】 (Among all target people:) |                                                                      | 【Development of DX talent】 30 people or more      |
|--------------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------|
| Monthly utilization rate: 50% or more                  | Reduced working hours: 10% improved efficiency (16 hrs/person-month) |                                                   |
| 47.6 % (as of March 2026)                              | 4.0 % (as of December 2025)                                          | 9 people (as of March 31, 2026)                   |
|                                                        |                                                                      | ★ The figure is based on questionnaire responses. |

Risk management

Our approach

Mitsui Kinzoku Group is strengthening its response to risks related to business that could threaten value creation and corporate survival. The Group works to minimize the impact and losses arising from the materialization of business and other risks, while also taking measures to prevent the recurrence of past incidents.

Promotion framework

Under its Risk Management Rules, the Group has designated the officer responsible for the General Affairs Department as the chief risk management officer and established a risk management secretariat under that officer (the personnel responsible for risk and crisis management within the General Affairs Department). The secretariat oversees and promotes risk management activities throughout the Group. Based on the risk categories defined in the Rules as business and other risks, including ESG-related issues, the Group has established a risk management framework under which the departments responsible for individual risks (the relevant Head Office departments), together with the business divisions and affiliated companies (collectively, “Group organizations”), control the risks identified.

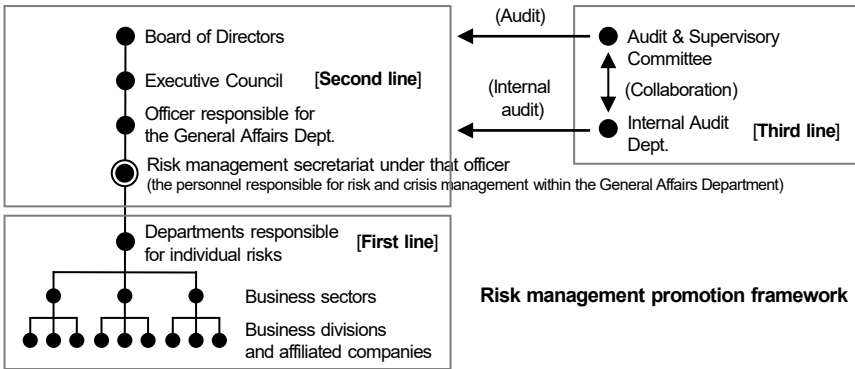
[Definition of risk categories] [https://www.mitsui-kinzoku.com/en/csr/governance/risk\\_management/](https://www.mitsui-kinzoku.com/en/csr/governance/risk_management/)

Management system

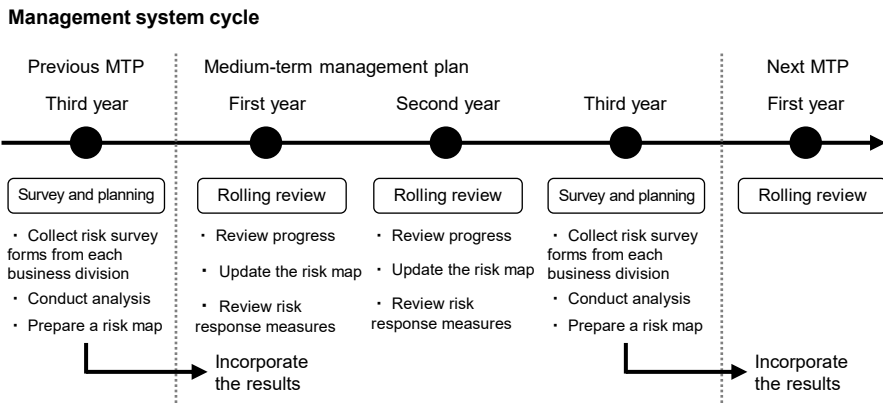
The Group has designed its risk management system to operate on a three-year cycle aligned with the MTP period. In the final year of the preceding MTP, the departments responsible for individual risks and the Group organizations identify risks associated with all defined risk categories and assess them using a five-point scale for likelihood of occurrence and a ten-point scale for business impact (loss). The assessment results are organized and presented in a risk map, which is used to identify risks requiring priority action and to formulate risk response measures. In the first and second years of the MTP, the departments responsible for individual risks and each Group organization implement the risk response measures formulated in the preceding fiscal year. The secretariat conducts risk surveys regarding the progress of those measures and any emerging risks, and reviews the appropriateness and effectiveness of the measures. The departments responsible for the relevant risks review and assess any emerging risks.

Response when risks materialize

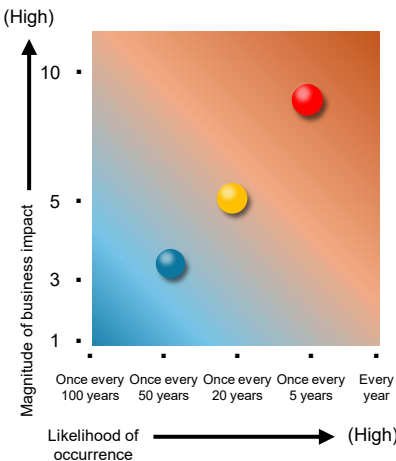
The Group has set out its Emergency Response Basic Policy. In the event of an emergency, the Group gives the highest priority to protecting human life and also safeguards assets, while working to prevent secondary disasters and aiming for the early recovery and continuity of business operations.



Once a year, the secretariat compiles the initiatives undertaken by the departments responsible for individual risks and by each Group organization [first line] into a Risk Management Report. The report is submitted to the Executive Council [second line] for approval and subsequently reported to the Board of Directors. Comments and issues identified through this process are reflected in the initiatives for the following fiscal year. Each fiscal year, the Internal Audit Department and the Audit & Supervisory Committee conduct their respective audits to confirm whether the risk management framework is being operated appropriately and functioning effectively [third line].



Risk map by business division (illustrative)



Examples of risk response measures

[Risk category]

Loss of functionality at the Head Office and manufacturing sites due to a large-scale natural disaster

As a risk response measure in the event that the Head Office becomes unable to function due to a disaster in the Tokyo metropolitan area, the Group has developed an action plan for temporarily transferring Head Office functions to an alternative site and establishing operations there. In 2025, the Group conducted a drill at the designated alternative site to establish an alternative emergency response headquarters. The Group has also formulated business continuity plans (BCPs) based on the assumption that certain products will be manufactured at alternative sites. To ensure the uninterrupted supply of critical products and services to customers, the Group carries out business continuity management (BCM), including preparations for alternative production, drills, and training at the sites to which production is to be transferred.

Compliance

Our approach

Mitsui Kinzoku Group understands that compliance is not limited to observing laws and regulations, but also includes observing social norms, corporate ethics, common sense and morals, and other matters expected by society even if they are not explicitly stated. The Group positions compliance as part of governance, which forms the foundation supporting value creation, and is working to strengthen its compliance framework globally.

Progress on medium-term strategies and KPIs

Establishment and dissemination of the Code of Conduct

The Group had previously established its Code of Conduct (Koudou Kijun) as a set of values and a code of conduct to be shared by all officers and employees. Recognizing internal and external changes over time, including establishment of the Purpose and Values, and increasing expectations from stakeholders, we revised the Code of Conduct with an updated Japanese title, Koudou Kihan (Kihan means “norms”), as of April 1, 2025. In conjunction with the revision of the Code of Conduct, the Group also revised its Compliance Guidebook, which explains the key points of conduct under the Code. At overseas sites, the Group works with national staff to review the content of the Compliance Guidebook in light of location-specific risks associated with local business practices and cultural contexts, and is progressively rolling out revised versions in local languages. To promote awareness of the Code of Conduct, the Group conducted Compliance Caravan sessions at all sites in Japan in FY2025, with more than 3,000 participants. From FY2026 onward, in conjunction with the global rollout of the Compliance Guidebook, the Group will also conduct Compliance Caravan sessions at its overseas sites.



Establishment of the Compliance Committee

Based on the investigation report issued by the Special Investigation Committee concerning quality misconduct at Mitsui Kinzoku Perlite Co., Ltd., which the Group announced on April 4, 2025, the Group established the Compliance Committee effective March 1, 2026. Chaired by the President, the Compliance Committee oversees compliance matters across the Group. In ordinary circumstances, the Committee will work to prevent compliance violations, while in the event of a violation, it will seek to ensure a prompt and appropriate response. All non-executive directors, including outside directors and directors serving as Audit and Supervisory Committee members, participate in the Committee as observers.

Key compliance priorities

Under the framework described above, the Group is focusing on the following compliance priorities:

- Conducting the Compliance Survey (every two years) and addressing the issues identified
- Ensuring the proper operation of the whistle-blowing system
- Conducting audits (including on-site audits and document-based audits concerning export control and information management)
- Ensuring fair business practices (including compliance with the Antimonopoly Act and the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment)
- Preventing bribery/corruption (including promoting the execution of anti-bribery/corruption agreements)
- Export control (including compliance with the Foreign Exchange and Foreign Trade Act and use of public-private dialogue schemes)
- Managing information (including the management and auditing of customer information, technical information, and other information)
- Conducting and enhancing various compliance training programs

Number of compliance training participants (ESG data P.88)

In particular, the results of the Compliance Survey are used as KPIs for advancing the Group’s materiality initiatives, and progress is monitored against these KPIs.

Compliance Survey results (ESG data P.88)

Overview of key initiatives ❶

Whistle-blowing system

The Group has established the Mitsui Kinzoku Hotline (MHL) as a reporting channel for internal and external reports from stakeholders both within and outside the Group (collectively, “reports”). These reports concern violations of laws and internal rules relating to matters such as quality misconduct, bribery/corruption, occupational health and safety, and harassment in business activities and the workplace, as well as social and environmental risks, including human rights risks. The Group provides all officers and employees with an external contact point capable of handling reports in foreign languages, an internal contact point, and a third-party contact point (operated by external legal counsel). For sites in China, the Group has also established a Chinese-language hotline operated through the China office of a Japanese law firm. The Group works to raise awareness of these contact points among officers and employees through compliance training and the Compliance Guidebook. The status of MHL operations is reported regularly to the Board of Directors for monitoring.

Number of reports to the Mitsui Kinzoku Hotline (MHL) (ESG data P.88)

Overview of key initiatives ❷

Prevention of bribery/corruption

At each of its sites in Japan and overseas, the Group requires suppliers to refrain from bribery/corruption through initiatives such as entering into transaction agreements or obtaining letters of consent that include provisions requiring compliance with the Group’s Code of Conduct and procurement policy (Supply chain management Page 58). At its overseas sites, the Group also promotes the execution of anti-bribery/corruption agreements that require suppliers to implement more stringent anti-bribery and anti-corruption measures. The Group was not subject to any legal action for anti-competitive practices or bribery/corruption in FY2025. There were also no cases in which an employee was disciplined or dismissed for anti-competitive practices or for bribery/corruption involving public officials. In FY2025, Mitsui Kinzoku made no direct monetary donations or other forms of donation defined by the Political Funds Control Act to individual politicians, political parties, or political groups.

Conclusion of anti-bribery/corruption agreements: progress by country and region (ESG data P.89)

# Quality Assurance

## Our approach

Mitsui Kinzoku Group revised its Fundamental Quality Policy in April 2022 to serve as a guiding standard for quality initiatives across all business areas and sites in Japan and overseas. In accordance with this policy, the Group pursues the manufacture of safe, high-quality products that satisfy customers.

With its roots in resource development and smelting, Mitsui Kinzoku Group has leveraged its extensive knowledge and expertise in nonferrous metal materials, as well as its “Material Intelligence,” to develop and supply increasingly high-performance, high-value-added materials. At the same time, the Group has remained dedicated to assuring and maintaining product quality, which forms the essential foundation for these efforts.

In response to the quality misconduct identified at a Group subsidiary in 2024, Mitsui Kinzoku Group is strengthening Group-wide efforts to prevent recurrence. These efforts include further reinforcement of quality compliance, education and awareness-raising, enhancement of the quality assurance framework, promotion of data digitalization and systemization, inspections and audits based on the QAGL\*<sup>1</sup>, and the development of personnel who support quality assurance.

## Strengthening the Quality Compliance Framework

The Group has built its quality compliance framework in accordance with the QAGL. Its main pillars are strengthening management systems, improving the reliability of testing and inspection data, improving alignment between quality and technology, and conducting self-inspections and internal audits within business lines.

The Group has conducted self-inspections of compliance with the QAGL and quality compliance audits by independent internal personnel at sites in Japan and overseas.

In FY2025, under a risk-based approach focusing on sites considered to be at risk of quality misconduct, the Group identified five high-risk business sites based on past quality misconduct, the results of compliance awareness surveys, and other factors, and conducted emergency inspections at those sites.

As a result of the emergency inspections, no violations of laws and regulations or serious impacts on safety, the environment, or other areas were identified. However, cases were identified in which products that did not conform to customer-agreed specifications were shipped due to inappropriate handling of data and other issues, as well as cases in which compliance with specifications was inadequate. In light of these findings, the Group has reaffirmed that further raising compliance awareness across the Group is essential. The Group promptly informs the customers concerned of any inappropriate cases and takes steps to investigate the causes, implement corrective measures, and prevent recurrence. In FY2026, the Group will continue conducting emergency inspections and strengthen its quality compliance framework.

\* 1 QAGL: Mitsui Kinzoku Group Quality Assurance Guidelines  
\* 2 MLP: Mitsui Kinzoku Learning Platform  
\* 3 IE: Industrial Engineering, a methodology for improving production efficiency  
\* 4 Process thinking: An approach that views work as a series of processes and seeks to improve them  
\* 5 GK: QC circle activities at Mitsui Kinzoku (referred to as Group Katsudo)  
\* 6 SDS: Safety Data Sheet, a document containing information on product safety, handling procedures, and other matters

## Promotion of Quality Assurance Education and Awareness of Quality Compliance

Mitsui Kinzoku Group regards preventing the recurrence of quality misconduct and improving the reliability of quality assurance as urgent and important issues and is working to raise and firmly establish quality compliance awareness among all employees.

At the core of these efforts, the Group has established the QAGL, a set of common basic rules across the Group, and a quality compliance education framework. The Group provides tiered training tailored to employees' positions and roles to deepen their understanding of quality and enhance their ability to put that understanding into practice.

In addition, the Group uses classroom training and online learning programs (MLP\*<sup>2</sup>) to systematically provide employees at all levels with equal access to training, ranging from basic education to specialized education in areas such as statistics, IE\*<sup>3</sup>, and process thinking\*<sup>4</sup>. At sites in Japan and overseas, the Group also promotes small-group activities (GK\*<sup>5</sup>) and continuously advances human resource development, workplace revitalization, and operational improvement.

During Quality Assurance Month (November), which the Group designates every year, quality education and awareness-raising activities are conducted throughout the Group. In addition, beginning in FY2026, the Group has designated April 4, the date on which the aforementioned quality misconduct was disclosed, as the Group's “Quality Day” and decided to conduct new quality awareness-raising events. In FY2026, the Group is carrying out initiatives including a message from the President communicating the importance of quality, educational video-based learning, and a call for quality slogans.

Through these initiatives, the Group will seek to embed quality compliance not merely as adherence to rules, but as part of its corporate culture practiced in day-to-day operations, thereby strengthening quality assurance capabilities across the Group.

## Provision of Product Safety Information and Development of an Ecodesign System

Mitsui Kinzoku Group regards the provision of information on the safety of its products and services as an important responsibility and has provided such information through specifications, technical materials, SDS\*<sup>6</sup>, and other documents. In 2024, to strengthen accountability in this area, the Group established the Product Information Provision Guidelines as common rules for providing accurate and comprehensive product information and began operating under the Guidelines in FY2025. In FY2026, the Group is verifying and improving the implementation of the Guidelines through self-inspections, expanding their application to overseas sites, and working to establish a globally consistent framework for providing product information.

In addition, to strengthen quality and environmental considerations from the product design and development stage, the Group has also established the Product Design and Development Guidelines. The Guidelines, which are intended to contribute to the creation of safe and reliable products and environmentally friendly products, take into account consistency with JIS Q 62430, a standard that sets out the concept of environmentally conscious design. The Group is currently assessing the actual design and development processes of each business sector and Group company and plans to begin full-scale implementation of the Guidelines during FY2026. Through these initiatives, the Group will both provide appropriate information on product safety and promote environmentally conscious design and development, thereby enhancing the trust of customers and society.

## Initiatives to Prevent the Recurrence of Quality Misconduct

### Initiative ❶ Strengthening the Quality Assurance Framework

The Group is working to strengthen its quality assurance framework to prevent the recurrence of quality misconduct and improve the effectiveness of quality assurance.

To strengthen its audit function, the Group is conducting emergency inspections based on the risk-based approach described above. The Group identifies sites and processes considered to be at high risk of such misconduct and conducts on-site inspections, trace checks of records, interviews with relevant personnel, and other measures to identify issues and follow up on improvements.

In addition, to improve the reliability of inspection data, the Group is promoting the introduction of LIMS\*<sup>7</sup> (laboratory information management systems). Equipped with functions to prevent data tampering and manage change histories, LIMS was introduced at major sites in Japan by the end of FY2025 (with follow-up continuing at certain sites in FY2026). The Group is also advancing the digitalization of output data from inspection equipment (raw data) and its automatic import into LIMS, thereby minimizing human intervention as much as possible and improving both data reliability and operational efficiency.

Meanwhile, to enhance communication and collaboration among the heads of departments involved in quality assurance, the Group continues to hold Quality Assurance Department Managers' Meetings twice a year. In FY2025, a meeting was held at the Takehara Refinery, where participants shared information on quality initiatives at their respective sites and toured various workplaces within the refinery.

### Initiative ❷ Strengthening the Development and Implementation of Quality Assurance Rules

To prevent the recurrence of quality misconduct and ensure thorough compliance with quality requirements agreed with customers, the Group is strengthening the development and implementation of its quality assurance rules.

To ensure that quality specifications agreed with customers are appropriate, the Group has added to the QAGL, its common rules, a requirement to assess the appropriateness of specification values based on process capability (an indicator of the degree to which stable production can be maintained within the range of defined specifications) and other factors. The QAGL also requires the use of specification checklists and other tools to identify in advance any omissions or inconsistencies in specifications.

In addition, to reduce quality risks associated with design and process changes, the Group has organized effective formats for change management rules and related forms and compiled them into a collection of examples that can be shared, thereby establishing a framework for their cross-functional use across the Group. To prevent discrepancies with external requirements, the Group also checks, through audits and other means, the consistency of product specifications with laws and regulations, public standards, and industry rules.

For significant quality complaints, the Group shares and disseminates information on their causes and recurrence prevention measures throughout the organization to prevent similar inappropriate cases before they occur.

\* 7 LIMS: Laboratory Information Management System

### Initiative ❸ Ensuring Thorough Awareness of Quality Assurance

The Group regards firmly embedding quality compliance throughout the organization as an important issue and is working to instill a consistent awareness of quality compliance from senior management through to employees at operational sites.

As part of these efforts, top management communicates directly with employees. From April through July 2025, the President conducted a quality-related briefing caravan, visiting major business sites. In addition, other senior executives continue to issue monthly messages on quality through the Group's internal website.

In addition to web-based training through MLP for all Group employees, the Group provides training for senior management and QAGL training for employees in functions such as development, sales, and manufacturing, working to raise quality awareness regardless of job type or position level. In addition to sharing information through quality education, the Group is creating an environment in which employees can more readily speak up through measures such as displaying posters internally and distributing cards.

To foster a sound quality culture, the Group has created opportunities for direct dialogue between the executives responsible for overseeing quality assurance (business division head level) and personnel responsible for quality and inspection, thereby facilitating the sharing of issues and concerns at operational sites. In collaboration with the General Affairs Department, the Group is also strengthening awareness of its internal whistleblowing system, through which employees can seek advice or report concerns anonymously.

To raise quality awareness, the Group has newly established a Quality Chant (a quality-awareness message recited collectively at quality-related meetings) and, since October 2025, has continued to conduct the Quality Chant at quality assurance-related meetings and other occasions.

### Initiative ❹ Reducing and Eliminating the Risk of Misconduct

To prevent quality misconduct before it occurs, the Group regards reducing the risk of misconduct as an important issue and is working to share and utilize information on corrective cases, strengthen consultation systems, and develop appropriate incentive mechanisms to encourage proper behavior.

The Group has established a mechanism for posting information on quality compliance-related corrective cases on its internal Group website, in the same manner as workplace accident information, so that such information can be shared across the Group in a timely manner. Going forward, the Group will also use DX to centrally manage this information, improve searchability and response speed, and use data analysis to develop and implement recurrence prevention measures.

In addition, to provide more options for seeking advice on quality assurance matters, the Group has established a new consultation desk within the Quality Assurance Department. Through this initiative, the Group aims to identify potential issues at an early stage and foster an open organizational culture.

The Group has also introduced an annual awards program to share outstanding quality assurance initiatives undertaken at individual business sites and disseminate those initiatives across the Group. By making these initiatives visible and evaluating them, the Group will promote their horizontal deployment as activities that contribute to reducing the risk of misconduct.

Meanwhile, the Group has clearly established a policy of taking strict action against quality misconduct in accordance with its internal regulations and is also working to ensure thorough awareness of the importance of complying with rules. Through these initiatives, the Group will strengthen its quality compliance framework from the perspectives of both deterring misconduct and detecting it at an early stage, with the aim of achieving highly transparent organizational management.