

Listed Company Name: **Chugai Mining Co., Ltd.**
Stock Code Number: 1491
Stock Exchange: Tokyo Stock Exchange (2nd Section)
Website: www.chugaikogyo.co.jp
Representative: Katsutoshi Haga, CEO and President
For Inquiry: Isao Sakuraba, IR Center (Telephone: (03)3201-1541)

Reduction of the Stated Capital (Capital Reduction)

We hereby inform you that we have decided to propose a reduction of capital at the 130th board of directors' meeting of the Company scheduled to be held on June 29, 2022.

1. Purpose of reduction of capital

The Company has decided to reduce the amount of capital in accordance with Article 447-1 of the Company Act as part of a business strategy to realize sustainable growth in corporate value by utilizing the appropriate tax system for the business operation and to secure flexible and agile capital policy.

The capital will be reduced without changing the total number of shares outstanding, therefore will not affect the number of shares held by our shareholders.

The Company's amount of net assets nor net asset per share will be affected.

2. Details of reduction of capital

- (1) Amount of reduction of capital
The capital amount of JPY6,248,926,581 will be reduced by JPY6,148,926,581 to a total of JPY100,000,000
- (2) Method of reducing capital
The Company will transfer the whole amount of reduced capital of JPY6,148,926,581 to other capital surplus.

3. Schedule of capital reduction

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|--|-----------------|-----------|
| (1) Resolution of the Board of Directors | May 13, 2022 | |
| (2) Resolution of Shareholders' Meeting | June 29, 2022 | (planned) |
| (3) Last day for creditors to file claim | August 1, 2022 | (planned) |
| (4) Effective date of capital reduction | August 15, 2022 | (planned) |

4. Future Outlook

This reduction of capital is merely a transfer of accounts within the net assets of the Company's balance sheet, and therefore, there will be no change in the Company's capital, number of outstanding shares, and performance.

The above statement is based on the assumption that the proposed reduction of stated capital is approved at the annual Shareholders' Meeting scheduled to be held on June 29, 2022.

This is an English translation of the financial report created in Japanese.

Should there be any discrepancies between the Japanese original and the English translation, the Japanese original shall prevail
