

4. Responsibility to Shareholders and Investors

(1) Shares and Shareholders

The total number of outstanding shares in the Company as of March 31, 2020 was 428,904,352, and there were 23,162 shareholders (including shareholders who only hold odd lots). The distribution of shares between owners is as follows:

Classification	Number of shareholders	Number of shares held (hundreds of shares)	Percentage of shares held
Financial institutions	55	615,839	14.37
Other domestic corporations	502	2,341,935	54.67
Foreign nationals	519	1,005,769	23.48
Individuals and others	19,134	289,461	6.76

1. Shares representing less than one unit are not included.
2. Treasury shares (13,375 share units) are included in "Individuals and others."

(2) Basic Policy on Profit Allocation

As customer needs and technologies evolve and globalize, we regard it as our responsibility as a company to return appropriate profits to our shareholders in the long term, by strengthening our international competitiveness and expanding corporate value. With that responsibility in mind, our basic policy is to determine profit allocations to shareholders and internal reserves with the emphasis on medium- and long-term growth, giving overall consideration to the management environment, future business expansion, and business performance.

Internal reserve funds are used to invest in the development and commercialization of new materials, the creation of new business, the increased production and streamlining of competitive products, and other applications, with a view to future business expansion. We will also acquire our own shares, where appropriate, for purposes such as enabling dynamic capital policy, taking into account the necessity of such acquisition, the financial situation, the share price level, and other factors.

(3) Information Disclosure and IR Activities

To earn trust as a highly transparent "open firm," the Hitachi Metals Group is working to enhance in-house systems to appropriately implement prompt, accurate, and fair disclosure of company information and publish information in a timely manner.

Divisions work together, centered on the Hitachi Metals Corporate Communications Department, to disclose quarterly operating and financial results information, and hold presentations including operating results briefings for institutional investors and analysts. This effort extends beyond information on operating results, and we also actively disclose information on topics by separate business and our medium-term management plans via briefings and the corporate website, etc. The Hitachi Metals Group also communicates our management policies via integrated reports, corporate websites, and numerous other communications channels.