

Translator's Comment: For any question on the legal interpretation of the Settlement Agreement, the original Chinese version should be used, and not the English translation.

Mitsubishi

Mr. Yan Yu Cheng (闫玉成),

As an expression of apology, Mitsubishi Materials Corporation shall pay you RMB 100,000. The funds will be deposited into your designated account by June 8, 2016.

Mitsubishi Materials Corporation
Managing Officer:

(Signed) 木村 光

June 1, 2016

SETTLEMENT AGREEMENT

YAN Yu Cheng [闫玉成] (hereinafter referred to as “Party A”) and Mitsubishi Materials Corporation (hereinafter referred to as “Party B”), in order to seek a final overall solution for the Chinese laborers and their survivors who agree to this Settlement regarding the matter of accepting 3,765 of the kidnapped Chinese laborers to Japan as forced labor (hereinafter referred to as “this Case”), including Party A, during World War II by Party B’s predecessor Mitsubishi Mining Corporation and its contractors (including the contractors of the subsidiaries of Mitsubishi Mining Corporation) in accordance with the “Resolution on the Importation of Chinese Labor to Japan” enacted by the Cabinet of the Government of Japan, hereby agree to the following Articles (this agreement hereinafter referred to as “This Settlement Agreement”).

Article 1 (Apology)

Party B apologizes for this Case as follows, and Party A accepts the sincere apology of Party B.

During World War II, about 39,000 Chinese laborers were kidnapped forcibly to Japan in accordance with the “Resolution on the Importation of Chinese Labor to Japan” enacted by the Cabinet of the Government of Japan. Out of this group our company’s predecessor Mitsubishi Mining Company and its contractors accepted 3,765 Chinese laborers at its facilities, and forced them to work under harsh conditions, resulting in the death of as many as 722 Chinese laborers. This issue remains unresolved to this day.

“A true mistake is having erred and not correct it.” Our company frankly and truthfully admit the historical fact that the human rights of these Chinese laborers were violated, for which we express deep remorse. These Chinese laborers were separated from their country and their families, and had to suffer great pain and suffering in a foreign land. For this, our company accepts the historical responsibility of those who used this labor, and sincerely apologizes to these Chinese laborers and their survivors. We also deeply mourn those Chinese laborers who died.

“Past experience must be our guide for the future.” Our company admits to the above-stated historical fact and historical responsibility, and from the perspective of contributing to improved Japanese-Sino relationship, will make payments towards a fund for these Chinese laborers and their survivors as part of the final overall solution. To prevent a repeat of past mistake, our company will assist in the erection of a memorial, and promises to pass this fact down to future generations.

Article 2 (Apology to the surviving laborers and payment of funds)

As an indication of our sincere apology for the preceding article, Party B shall, upon the execution of this Settlement Agreement, transfer funds in the amount of RMB 100,000 to an account opened in the name of Party A. (The expenses associated with this payment shall be borne by Party B.)

Article 3 (Payment to indicate sincere apology, establishment of a fund)

1. As an indication of a sincere apology in Article 1, Party B will pay each confirmed member of the 3,765 Chinese laborers (hereinafter called “Original Laborers”) RMB 100,000 through a fund established by the clause below (hereinafter referred to as “the Fund”). Party A, as the recipient of payment according to the Article above, is not included in this group. For each deceased Original Laborer, the Fund will pay RMB

100,000 to his/her survivors with the right to inheritance as defined according the law of the People's Republic of China (hereinafter referred to as "Survivors with right of inheritance"). The payment for each deceased Original Laborer shall be made to one representative with the proper power of attorney of all the Survivors with right of inheritance.

2. Payments shall be made from a fund set up by Party B for the previous payment clause and for fund-related businesses as described in Article 5 of this Settlement Agreement.

Article 4 (Consultation and decision on issues, etc.)

To ensure a smooth implementation of the matters recorded in this Settlement Agreement, before the establishment of the Fund and its management and operations team, Party B should follow the opinions and decisions of the Fund trustee (including the trustee-candidate) and other stakeholders on the matters listed below.

1. The selection of the Fund trustee;
2. Matters related to the responsibility for the cost of management and operations of the Fund;
3. Matters related to the selection of the management and operations team (hereinafter referred to as "Fund Management and Operations Committee (Coordination Meeting)" and methodology for resolution;
4. Matters related to the regulations of the Fund Management and Operations Committee (Coordination Meeting) and other regulations related to the Fund.
5. The methodology used to survey the Original Laborers whose locations are not determined and the locations of the Survivors with right of inheritance;
6. The fee schedule for cost of survey, etc.;
7. The methodology used to confirm Original Laborers and Survivors with right of inheritance;
8. The procedure for the Fund to pay the Original Laborers and Survivors with right of inheritance in the above clause;
9. Matters related to the building of the memorial and the memorial service in Japan;
10. The use of surplus funds;
11. Other important management and operations matters related to Clause 1 of the next Article that concern Original Laborer business (hereinafter referred to as "Fund business").

Article 5 (Fund business, Payment into Fund)

1. The Fund will be involved with the following Fund businesses related to Original Laborers:
 - a. The management and payment procedures of funds paid to the Fund by Party B;
 - b. The survey of Original Laborers whose locations are not determined and the locations of the Survivors with right of inheritance;
 - c. Confirmation of the eligibility of Original Laborers and Survivors with right of inheritance;
 - d. Management and operation of the Fund;
 - e. The memorial service to take place in Japan;
 - f. The building of the memorial in Japan.
2. The Fund businesses in the previous clause (except item f) are targeted to those Original Laborers and Survivors with right of inheritance who want to settle.
3. The payment into the Fund by Party B shall be by installments, the timings and amounts of which are to be decided by Party B based on the actual situations of the Original Laborers and Survivors with right of inheritance.

4. In making payments to the Fund according to the previous Clause, Party B shall include in the first payment a one-time payment of 100 million Japanese Yen for building the memorial, and 200 million Japanese Yen for the survey for Fund business (limited to the survey listed in Clause 1, item b), for a total of 300 million Japanese Yen.
5. For the expense incurred for attending the memorial service hosted by the Fund, Party B will, through the Fund, pay each participating Original Laborer (including Party A, and same for this Clause) a one-time payment of 250,000 Japanese Yen. (If the Original Laborer is deceased, a payment of 250,000 Japanese Yen will be made to a survivor representative who attends the memorial service.)
6. The payment by Party B to the Fund per the above Clause shall be made in installments when a memorial service is held. Also, the amount to be paid shall be based on the number of people in attendance calculated in the prior Clause.
7. The duration of the Fund shall be five years, starting from the first payment into the Fund by Party B. Fund businesses shall cease before the Fund's duration ends, at which time the Fund is dissolved. However, if the memorial service of Clause 1, item e is not completed due to uncontrollable circumstances, the Fund Management and Operations Committee (Coordination Meeting) shall discuss and consult on the actions to be taken.
8. From the setup to the dissolution of the Fund, the required costs of Fund businesses shall be paid from the funds paid by Party B to the Fund according to this Article. Party B is not responsible for payment of costs outside the scope of this Settlement Agreement.

Article 6 (Apology to surviving Original Laborers and payment of funds)

Notwithstanding the provisions of Article 3, Clause 1 and the Article above, after this Settlement Agreement becomes effective and before the setup of the Fund, Party B shall transfer via other mechanisms not through the Fund RMB 100,000 each into the bank accounts in the names of the Original Laborers per Article 2 based on the submission of confirmation documentation and meeting the criteria set up by Party B. (Party B is responsible for the fees associated with these payments.) Party A, being the payee stipulated in Article 2, is not included in this class.

Article 7 (Assistance in building of memorial)

1. As the site for the memorial in Article 5, Clause 1, Item e, Party B shall without compensation make available an appropriate place for this purpose.
2. The inscription on the memorial in the prior Clause shall be decided by the Fund Management and Operations Committee (Coordination Meeting).
3. The cost of the memorial shall be paid by the Fund.

Article 8 (The establishment and effective date of the Settlement Agreement)

This Settlement Agreement shall be effective when Party A and Party B sign or stamp the document.

As evidence of the establishment of this Settlement Agreement, this Agreement is made in duplicate, with one copy each to Party A and Party B.

June 1, 2016

Party A:

Address on Identity Card: <<as listed in original Chinese document>Current
Address: <<as listed in original Chinese document>>

Yan Yu Cheng (ID No: xxxxxxxxxxxxxx0659)

(Signed) 闫玉成 with finger seal

Party B: Mitsubishi Materials Corporation

<<address as listed in Chinese document>>

Managing Officer:

(Signed) 木村 光 with company seal