

INTEGRATED REPORT 2025

Editorial Policy/Disclosure of Information

Editorial Policy

We are issuing this report to help our diverse stakeholders, including customers, shareholders and investors, understand our financial and non-financial business direction.

Taking advantage of the Group's strengths to meet various social requirements, we will create new values to convey our efforts for sustainable growth. This report is intended as a tool for communicating such in an easy-to-understand format.

In editing this report, we have referred to the "International Integrated Reporting Framework," the IFRS Foundation, and the Guidance for Collaborative Value Creation of the Ministry of Economy, Trade and Industry. The description of performance is based on information current as of September 30, 2025.



Boundary

Including Group companies, with Mitsubishi Materials Corporation playing a central role. Please refer to the Sustainability Report for coverage area of non-financial performance data.

Period

Fiscal year ended March 2025 (April 1, 2024 - March 31, 2025)

*This report may also include information from April 2025 onwards, in an effort to provide the most up-to-date information.

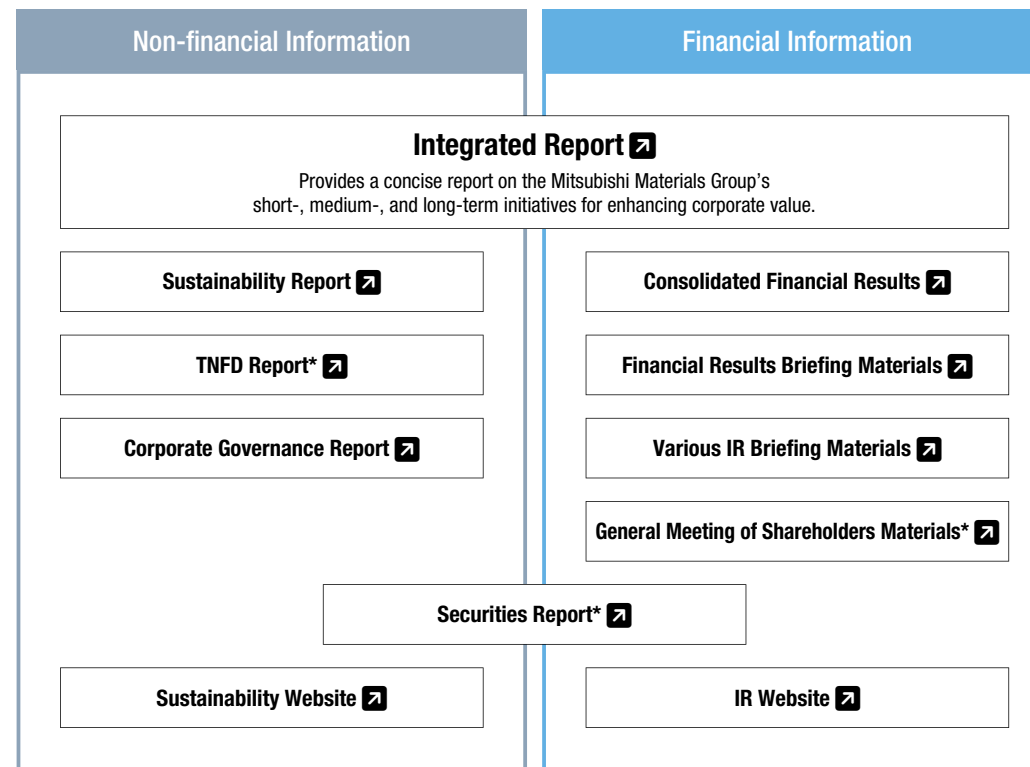
Date of Publication

September 2025

Caution Regarding Forecasts and Forward-Looking Statements

In addition to past and present facts, this Integrated Report also contains projections, forecasts and plans for the future of the Group. These are assumptions or judgments based on information available at the time of writing and may be affected by future changes in the business environment or other factors.

Disclosure of Information



*This data is only available in Japanese on the website.

Establishment of the Disclosure Panel

Effective April 2025, the Company established the Disclosure Panel (Secretariat: Investor Relations Dept.) under the SCQ Promotion Headquarters. This initiative aims to deepen collaboration among relevant departments and further enhance sustainability-related information disclosure.

IR News Service

The Company has introduced the IR News Service, which sends e-mails to registered e-mail addresses with the latest IR information such as timely disclosure information. See the link below for information including how to register for the service.

<https://ir.mmc.co.jp/en/ir/irmail.html>

Approach for Enhancing Corporate Value

Based on rapid changes in the external environment and the recent deterioration of business sentiment, the Group is working on radical structural reform in rebuilding our business foundation and improving our financial position to ensure profitability even when the external environment worsens. Furthermore, as of the fiscal year ending March 2027, we are resetting the plan for the Medium-term Management Strategy FY2031 and will proceed with its revision. In addition to implementing radical structural reform, we will pursue both short-term performance improvement and medium- to long-term growth by focusing on three key pillars centered on promoting sustainability, which is essential to the company's survival. Now, as our true value as a company is being tested, we are determined to meet the expectations of all our stakeholders and boldly forge a path toward the future through our unwavering commitment to transformation.

Enhancing Corporate Value

Rebuilding Our Business Foundation

Our expansion strategy, which has been based on the assumption of increased demand, was insufficiently prepared for reviewing strategies and plans in the event of significant changes in the external environment. Therefore, we will shift to a strategy that prioritizes profitability, maximizing investment returns, and rigorously implementing management efforts regarding return on invested capital (ROIC), which are centered on rates.

We will shift our focus from quantity to quality, rebuild our business foundation to be less susceptible to changes in the external environment, and aim for short-term profit improvement and medium- to long-term growth.

Improving Our Financial Position

Recognizing the need for Company-wide investment allocation that combines risk/return and the timeframe for effects to occur, we will implement flexible investment allocation, including agile investment decisions and execution aligned with cash inflows.

We will swiftly pursue improvements in capital efficiency and EP, strengthen cash flow generation capabilities, lower interest-bearing debt, and other initiatives. This will achieve short-term profitability improvements and drive medium- to long-term growth.

Sustainability Promotion

Our Group will improve how it addresses various sustainability issues, including the promotion of resource circulation, strengthening measures to address global environmental issues, and enhancement of human capital, to achieve both the continued sustainability of the Group itself and the sustainability of the environment and society through our business activities. This will enable us to realize medium- to long-term corporate value enhancement.

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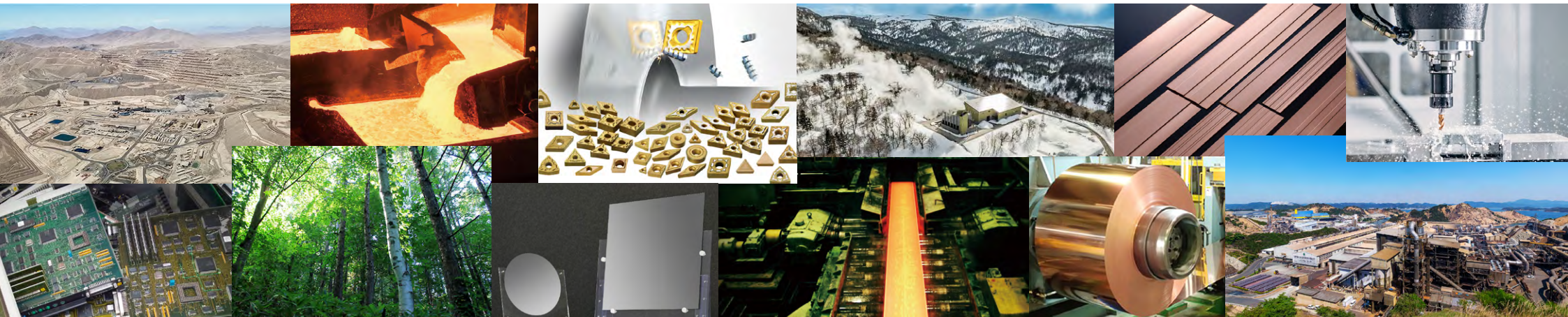
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Enhancing Corporate Value

Corporate Profile

Company Data

Company name:

Mitsubishi Materials Corporation

Head Office address:

3-2-3, Marunouchi, Chiyoda-ku, Tokyo
100-8117 Japan

Date established:

April 1, 1950

Representative:

Tetsuya Tanaka, Chief Executive Officer

Stock listing:

Tokyo Stock Exchange, Inc.

Paid-in capital:

¥119,457 million

Total assets:

¥2,375,345 million

Number of employees:

18,452

Number of consolidated subsidiaries:

107

Number of equity method affiliated companies:

14

Membership:

KEIDANREN (Japan Business Federation),
KEIZAI DOYUKAI (Japan Association of
Corporate Executives), Japan Mining Industry
Association, Global Compact Network Japan,
etc.

FYE March 2025 Performance

Net sales	¥1,962,076 million
Operating profit	¥37,118 million
Ordinary profit	¥60,235 million
ROE	5.1%
ROIC	4.2%

Global Expansion

(As of March 31, 2025)

Japan:

33 affiliates/11,151 employees

Europe:

28 affiliates/1,825 employees

Southeast Asia:

16 affiliates/3,853 employees

East Asia:

15 affiliates/743 employees

North America:

13 affiliates/815 employees

South America:

2 affiliates/56 employees

Oceania:

0 affiliates/9 employees

Number of countries/regions with overseas operation:

32

Number of employees (consolidated):

18,452

Number of consolidated subsidiaries:

Japan: 33/International: 74

International net sales percentage:

57.1%

Business Area



Metals Business

Investment in copper mines, smelting of copper, gold, silver, lead, tin, palladium, etc., recycling of home appliances, etc.



Metalworking Solutions Business

Manufacture and sale of cemented carbide products, etc.



Advanced Products Business

Manufacture and sale of copper & copper alloy products, electronic materials & components, etc.

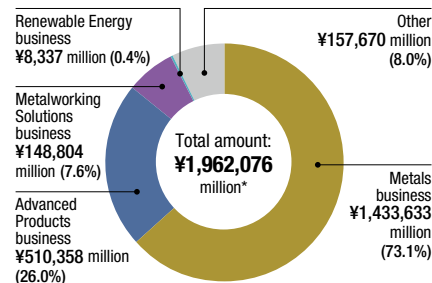


Renewable Energy Business

Geothermal and hydroelectric power generation, etc.

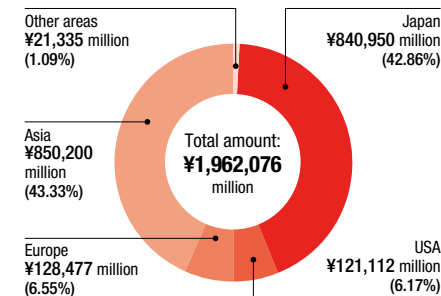


Segmental Breakdown of Sales



*Including sales deductions of ¥296,726 million between each business

Regional Breakdown of Sales

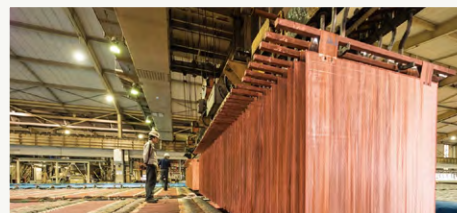


Enhancing Corporate Value

The Challenges of MMC

Metals Business

In the Metals business, we produce electrolytic copper through our proprietary copper smelting process, the Mitsubishi Continuous Copper Smelting and Converting Process. As the need for resource recycling grows, we are actively promoting efforts to increase the proportion of raw materials for recycling, including E-Scrap, instead of copper concentrates. We established the E-Scrap collection center in Europe to increase collection capacity, and are implementing a variety of initiatives from raw material procurement to smelting, including improving technology in the copper smelting process. We are also promoting efforts to dismantle and sort used electrical appliances and other products to recycle metals such as gold, silver and copper, then supply them as materials to the manufacturers that produced them.



Advanced Products Business

In the Advanced Products business, we supply materials and products with enhanced functionality to the automotive and semiconductor industries, which demand even higher performance than other industries. In addition to development of new products such as MOFC Series oxygen-free copper for EVs and next-generation energy devices that require high current and heat dissipation, the MSP Series high-strength, low-cost copper alloy, and square silicon substrate for semiconductor packaging, we are also working to improve profitability by lowering the break-even point through reducing of costs and improvement of yields in the manufacturing process, as well as by strengthening our marketing capabilities through collaboration with sales, development, manufacturing and other divisions.



Metalworking Solutions Business

Our Metalworking Solutions business supports a variety of industries by providing customers around the world with cutting tools essential for parts processing. In recent years, we have been leveraging our strengths in tungsten raw material development, material processing technology, and carbide tool coating technology to help improve customer productivity by handling difficult-to-machine high-performance materials used in aerospace and other industries. We are also working with H.C. Starck Holding (Germany) GmbH, a new addition to the Group, to develop a global tungsten recycling business.

Renewable Energy Business

Leveraging the technology and knowledge of underground resources that the Group has accumulated over many years, we are expanding our Renewable Energy business, focusing on geothermal, hydroelectric, and solar power. We are working to operate power plants more efficiently, including by utilizing remote monitoring to enable stable operation with a smaller staff, thereby contributing to a stable supply of green power. With the aim of achieving an effective 100% renewable energy self-sufficiency by the fiscal year ending March 2051 (renewable energy generation equivalent to the amount of electricity used by the Group), we are taking on the challenge of aggressively expanding our business, including further expanding renewable energy, particularly geothermal power generation, and newly entering the wind power generation business using company-owned land.

Enhancing Corporate Value

Top Message

I will drive the enhancement of corporate value with ambition and passion.

On April 1, 2025, I assumed the position of Chief Executive Officer. Since joining the Company in 1986, I have long been involved in the Metalworking Solutions business, spending the majority of that time engaged in product development, production engineering, and manufacturing at our plants. Ever since I first started here, I was entrusted with the role of leading many older plant employees as the manufacturing site leader. I had just joined the Company and knew nothing about the work, but while talking with the older plant employees, they told me, “You may lack knowledge and experience, but if you show us that you work with ambition and passion, we will follow you.” Since then, working with ambition and passion has been my motto.

Several months have passed since I assumed the position of Chief Executive Officer, and I have come to realize the job is far more demanding than I had imagined. We are currently in the midst of revising our Management Strategy for fiscal year ending March 2027 onward. Amidst the rapidly changing environment surrounding our businesses, I continue to contemplate the direction in which we should steer the Company going forward and the growth areas we should pursue as a Group, while keeping the entire Group in view. It is no easy task, but I will dedicate myself wholeheartedly, with ambition and passion, to enhance the corporate value of the Group.



Mitsubishi Materials Corporation
Director, Chief Executive Officer (CEO)

T. Tanaka

Enhancing Corporate Value > Top Message

Our Management Policy

The management policy we have established since I assumed the position of Chief Executive Officer is as follows.

- We will enhance all of our “Genba-ryoku” (frontline capabilities), not just the manufacturing sites, but also the sales, development, and various headquarters departments, to foster innovation and compete on a global scale.
- We will elevate corporate value through creating and delivering new materials (products and services that exceed customer expectations) and other initiatives.
- Through our own transformation, we will respond to rapid economic changes, continuously develop the Company, and build our future.

The motivating force that transforms and grows a company is the ambition and passion of its people. In the past, when I was in charge of a workplace that had to shut down due to business failure, I often heard the phrase, “The company will figure it out.” I believe that if we move beyond merely relying on the company and doing only what we are told from above, and instead if each employee takes ownership, holds on to their dreams, possesses strong ambition and passion, and aligns with our direction, we can achieve a bright future. Last year, the Group established new Our Values. Through putting Our Values into practice, we aim to hone every “Genba-ryoku” (frontline capability), foster a sense of ownership and urgency among all employees,

and build an organization where everyone thinks and acts proactively to make their workplace the best in the world.

When asked what our strength is, we want to be able to immediately point to specific products and services. In other words, we want to be creating and providing products and services that exceed customers’ expectations, namely new materials. I myself recognize that the lack of clearly defined specific businesses and products that will serve as growth drivers for the Group is a major challenge. We intend to realize and present these in the Management Strategy for the fiscal year ending March 2027 onward, which we are currently reviewing.

Moreover, the current economic environment is changing faster than anticipated and at an extremely large scale. To respond to these changes, we will also advance our own transformation.

Recognition of the Current Situation

During the three-year period of the Medium-term Management Strategy FY2031 (FY2031 Strategy) Phase 1 (fiscal year ended March 2024 to fiscal year ending March 2026), the external environment deviated significantly from our projections. In the automotive industry, we had anticipated accelerated adoption of EVs and sustained upward growth, but that did not materialize. The semiconductor industry was also expected to grow similarly, but after a pause in demand during the stay-at-home phase of COVID-19, demand declined. While AI server-related areas are currently performing well, the industry as a whole

remains in the process of recovery. Furthermore, not only are tariffs imposed by the USA and various regulations and rules within the EU intensifying, but efforts to control the economy as a national strategy are also strengthening around the world. Additionally, resource hoarding is becoming evident across nations.

Regarding the Group’s situation from an investment standpoint, while medium- to long-term upfront investments generally progressed smoothly, we discontinued or postponed



Enhancing Corporate Value > Top Message

certain investments in response to changes in the external environment. Consequently, we have not achieved short-term investment returns or the expected returns on completed upfront investments, resulting in a deterioration in investment efficiency. Furthermore, in the fiscal year ending March 2026, the refining margin, TC/RC (treatment charge and refining charge), has fallen to an extremely low level, worsening the profitability of the Smelting & Refining business within the Metals business. Consequently, achieving the initial targets of the FY2031 Strategy has become difficult. The three major challenges we face in relation to the current situation are as follows.

- The FY2031 Strategy was a business strategy and investment plan based on the assumption of increased demand. However, the review and adjustment of strategies and plans in response to significant changes in the external environment were insufficient.
- It is necessary to allocate investments by combining investment risk/return and the timeframe for effects to occur.
- It is necessary to shift toward a Smelting & Refining business centered on raw materials for recycling and accelerate the establishment of resource circulation loops, assuming that TC/RC will not recover early.

In light of these challenges, we have determined that fundamental structural reforms in business foundation restructuring and financial structure improvement are imperative to ensure profitability even when the external

environment worsens. The FY2031 Strategy Phase 2 plan from fiscal year ending March 2027 to fiscal year ending March 2031 will be reset. We will proceed with its revision, while also taking decisive action where possible at an earlier stage.

Business Foundation Restructuring

Improving capital efficiency is the most important factor for business foundation restructuring. The Group's investment profits are low. This is something that must be addressed immediately. We will shift our focus from quantity to quality and rigorously pursue management efforts regarding return on invested capital (ROIC), which are centered on rates and maximizing returns.

Within each business division, we will carefully identify which products and services are generating profits. We will then concentrate management resources on these key areas and commit the entire Company to this effort. On the other hand, it may be necessary to withdraw from low-profit ventures or, in some cases, carve out entire businesses. The approach is to set specific KPIs, conduct thorough evaluations, grow where growth is needed, and streamline where streamlining is required. Within the Corporate Division, we will accelerate optimization efforts to decommission, simplify, and standardize operations, aggregate and streamline common operations, expand the use of shared services, and thoroughly manage personnel to rationalize the organization. Concurrently, we will enhance Company-wide capital efficiency through the selection and

concentration of R&D themes and the rebuilding of our DX strategy.

Already, we are scaling down copper concentrate processing at the Onahama Smelting & Refining Co., Ltd. in the Metals business and have started preparations for the integration of the Sakai Plant and Sambo Plant, with the aim of optimizing production systems and accelerating business growth in the Copper & Copper Alloy business. These initiatives are just the beginning. We will strive to rebuild our business foundation in a short timeframe with a sense of urgency.

Financial Structure Improvement

Capital efficiency and enhancing ROIC are the foundations for financial structure improvement. To enhance ROIC, we must expand the numerator, which is profit, while simultaneously streamlining the denominator, which is invested capital. We will strive to enhance ROIC by dismantling it and rigorously applying it to the frontline. Furthermore, while the Company has traditionally tended to prioritize profits over cash flow, it is necessary to manage operations with greater focus on cash flow going forward. This includes flexibly and appropriately controlling investment allocation, such as applying the brakes on investments when operating cash flow becomes tight. Lowering interest-bearing debt is also necessary when considering factors such as credit ratings. We intend to further improve our net D/E ratio by allocating improved cash flow to lowering interest-bearing debt. In addition to these initiatives, we will also strive to reduce invested

Enhancing Corporate Value > Top Message

capital by implementing reforms in business foundation restructuring. On the other hand, to expand profits, we must not only reduce costs but also strive to offer products at a certain price level. While circumstances vary depending on the business or product, we will also advance initiatives to enhance the cost effectiveness of our products and services and raise prices.

Addressing Sustainability Issues

We recognize that, to continue as a company, there are various sustainability issues that we must address. Based on the idea that sustainability issues are materiality, the Group has established and is working to address 11 sustainability issues. Among those issues, there are three particularly important issues: promotion of resource circulation, strengthening measures to address global environmental issues, and enhancement of human capital. As the world transitions from one that continuously consumes finite resources to one that recycles and effectively utilizes resources, we will dedicate the entire Company's resources to expanding the area of resource circulation, positioning it as a future pillar of the Group.

We must respond appropriately to global environmental issues, taking into account factors such as the full-scale implementation of Japan's emissions trading system scheduled to begin in the fiscal year ending March 2027. To achieve the Group's goal of carbon neutrality by the fiscal year ending March 2046, we must further strengthen our efforts.



Regarding human capital enhancement, talent shortages are already becoming apparent. We plan to focus not only on talent acquisition but also on employee skill development.

Furthermore, we will continue to diligently address SCQ as we have done previously. "S" stands for Safety & Health, and part of this is eliminating occupational accidents. In the fiscal year ended March 2025, we conducted a Company-wide questionnaire. Our findings indicated that both management and on-site employees have little confidence that all accidents can be eliminated. Some areas exhibited

the attitude that accidents are inevitable. We must thoroughly address this issue. Since the latter half of last year, we have intensified our efforts and are determined to eliminate all occupational accidents as a fundamental pillar of the Company. "C" stands for Compliance & Environment, and there has been an increasing trend in incidents, including harassment and drunk driving. It could be said that things that were previously hidden are now coming to light, but the number of cases is increasing, and we will work diligently to eliminate them. "Q" stands for Quality, and in relation to this element, we have transitioned from preventive measures to ensure defective products are not provided to customers to a proactive quality management approach. This involves implementing controls while thoroughly managing trends within processes before defects occur. We plan to further accelerate this shift, ultimately leading to a reduction in customer complaints.

Conclusion

The fiscal year ending March 2026 will be a crucial year for enhancing the corporate value of the Group going forward. We will work as a unified Group with a sense of urgency to achieve business foundation restructuring and financial structure improvement, while clearly demonstrating to our stakeholders our vision for medium- to long-term growth and our path to becoming a globally competitive company. I am determined to drive the enhancement of the Group's corporate value with ambition and passion. I ask for your understanding and cooperation as we work toward these goals.

Enhancing Corporate Value

Corporate Philosophy

For People, Society and the Earth

Thoughts underlying our Corporate Philosophy

We have the desire to deliver.

The materials and products we make and deliver,
the solutions we offer,
all of our efforts,
and our very existence itself is
“For People, Society and the Earth.”

This is our desire, which is reflected in our
Corporate Philosophy.

Our Vision

Circulating resources for a sustainable future

Our Mission

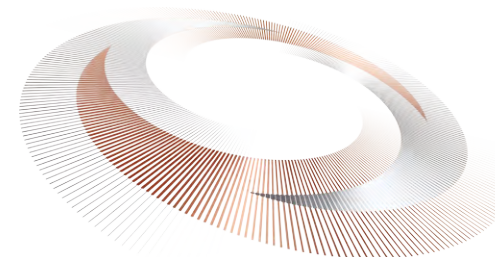
Create a sustainable future

Prosperous society

Recycling-oriented
society

Decarbonized
society

Our Commitment



For people, society and the earth, circulating resources for a sustainable future

In order to make careful use of limited resources,
we will give new life to used products as new resources.
We will return these resources to society with new value added.
We will build a platform for this resource circulation and create value as an active player.
As we look to the future, we will make a strong contribution to the creation of a sustainable society,
and help to widen the scope of resource circulation.

Our Values

Challenge	Change	Growth	Praise and Appreciation	A Better Tomorrow
- Embrace challenges without a fear of failure. - Get things done with pride and commitment.	- Take initiative to effect change with groundbreaking ideas. - Blend diverse personalities into new strengths.	- Rise above organizational boundaries to activate our knowledge and experience. - Be dedicated to winning with the satisfaction of achieving goals.	Express praise and appreciation to encourage growth.	- Always act with integrity. - Create a better future for people, society and the earth.

Code of Conduct

- Respect Human Rights
- Safety First
- Compliance
- Mutual Prosperity
- Environmental Management

Three Key Priorities

- 1 SCQDE***
**SCQDE* shows the order of priority of our business decisions.
- 2 Bad News First**
- 3 Free and Open Communication**

Enhancing Corporate Value

Pursuit of Value Creation

For over 150 years, we have contributed to society by supplying materials and products that meet the needs of the times. And now, we're making full use of the strengths we've developed over that time to further improve our corporate value.

1871

The opening of Naoshima Smelter & Refinery and the start of the MMC Group's Metals business

We were first established in 1871 when Tsukumo Shokai, precursor to Mitsubishi Group, entered the mining industry and began managing coal and metal mines. In 1917, Mitsubishi Goshi Kaisha, our forerunner, opened Naoshima Smelter & Refinery. Then, in 1974, it dramatically evolved by introducing the world's first copper smelting process, the Mitsubishi Process. Currently, we are one of the world's top smelters in terms of E-Scrap processing capacity.

Related Information:

Integrated Report, P22
► The Value Creation Story

1920s-

Commencement of Metalworking Solutions business and tungsten research

In 1917, the same year Mitsubishi Goshi Kaisha opened Naoshima Smelter & Refinery, it opened the Mining Research Institute, the forerunner of our Innovation Center. In the 1920s, we began researching cemented carbide, leading to the development and commercialization of cemented carbide tools with tungsten as the main raw material. This was the beginning of the Metalworking Solutions business. Taking advantage of our strength as a manufacturer capable of integrated production of tungsten, from raw materials to finished products, the Group is working to recycle used carbide tools.

Related Information:

Integrated Report, P37
► Metalworking Solutions business

1950s-

Investment in overseas copper mines and further strides toward globalization

In the mid-1950s, Japan's economic recovery was picking up speed. We began branching out into overseas mine development to provide a steady supply that could keep up with the growing demand for copper in Japan. Today, we are investing in overseas mines in locations such as Chile to ensure steady procurement of clean copper concentrates. Our investments in overseas mines play a significant role in our growth.

Related Information:

Integrated Report, P32
► Metals business

1989-

Enhancing the supply of high-performance materials and products

After the Osaka Smelter & Refinery, which handled gold and silver smelting, copper and copper alloy products, electronic materials and high-purity materials, relocated, the copper & copper alloy products were taken over by our Sakai Plant, the electronic materials by the Sanda Plant, and the precious metal smelting and refining by Naoshima Smelter & Refinery. Currently, we provide copper and copper alloy products, functional materials, electronic devices, chemical products and seal products, mainly for semiconductor and xEV applications.

Related Information:

Integrated Report, P35
► Advanced Products business

2000s-

Expanding E-Scrap recycling to lead the market

In the 2000s, Naoshima Smelter & Refinery entered the recycling business, opening new recycling facilities for melting fly ash and valuable metals. We began using the Mitsubishi continuous copper smelting method to recover copper and precious metals, recycling copper concentrate and various recyclable materials including fly ash, shredder dust from vehicles and home appliances and E-Scrap (waste circuit boards). In recent years, we have begun accepting recycled raw materials from around the world.

Related Information:

Integrated Report, P33
► Metals business

2019-

Expanding Renewable Energy Business with a focus on geothermal power generation

The Group has a long history of involvement in the Renewable Energy business as a means to provide the electricity needed to develop the coal and metal mines that we have operated in Japan. Yuzawa Geothermal Power Corporation's Wasabizawa Geothermal Power Plant began commercial operation in 2019 with Komatagawa New Power Plant starting in 2022, and the Appi Geothermal Energy Corporation's Appi Geothermal Power Plant following in 2024. We currently operate five hydroelectric and four geothermal power plants.

Related Information:

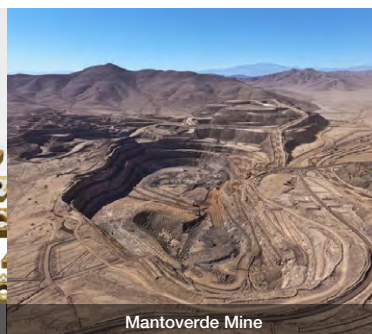
Integrated Report, P38
► Renewable Energy business



Naoshima Smelter & Refinery (1932)



CVD coated grade for steel turning



Mantoverde Mine



MSP™5 lead-free brass alloy



MM Metal Recycling B.V.



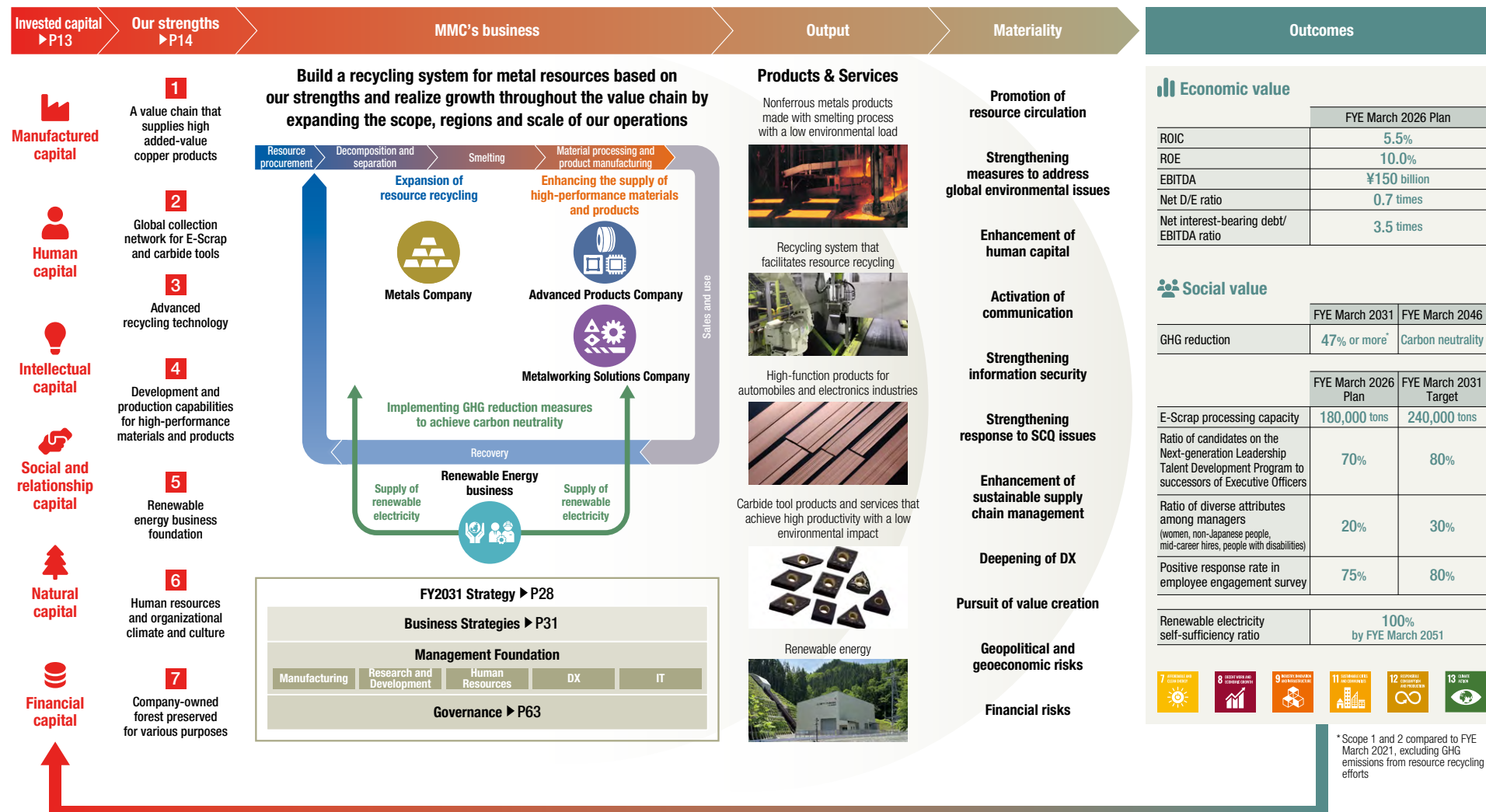
Appi Geothermal Power Plant

Enhancing Corporate Value

Value Creation Process

Our Commitment

For people, society and the earth, circulating resources for a sustainable future



Enhancing Corporate Value

Invested Capital

The management capital and strengths the Group has accumulated over the past 150 years are the source of our value creation.

As we work to expand these, we aim to realize Our Commitment, “For people, society and the earth, circulating resources for a sustainable future.”

Manufactured capital

Since our founding, the Group has grown to where we are today by expanding into a variety of businesses in response to changes in the environment, with accumulated manufacturing capital as the source of our business competitiveness. As we work to reduce interest-bearing debt, we carefully select capital investments in areas where profit and growth are expected, while also maintaining and repairing existing facilities to ensure stability, thereby continually working to strengthen manufactured capital.

Capital expenditures
¥58.8 billion
(FYE March 2025 Result)

Property, plant and equipment
¥438.4 billion
(As of end of March 2025)

Social and relationship capital

As the Group conducts business in countries and regions around the world, we believe incorporating the expectations and requests of stakeholders into our business strategies and activities is important for sustainable corporate management, so we strive to improve opportunities for communication. We believe appropriate distribution of the economic value added created through our relationships with this wide variety of stakeholders to each stakeholder is important in fulfilling our social responsibility.

Social contribution expenses
Approx. ¥0.4 billion

Countries and regions where we operate
32

Human capital

Since our founding, the Group has worked to resolve social issues through business activities, achieving sustainable growth with society. We believe that the employees that support us are the source of new value creation and the Group’s sustainable growth, and we see talent as “human capital” rather than just resources or sources of costs. Based on this approach, we are enhancing human capital through human resource policy that maximizes the value of each employee and building a foundation for co-creation and growth with diverse human resources.

Consolidated number of employees
18,452
(As of end of March 2025)

Total annual training hours (consolidated*)
Approx. 270,000 hours
(FYE March 2025 Result)

* Scope of aggregation: The Company and 80 Group companies

Natural capital

In line with Our Commitment and based on our strengths, the Group is working to strengthen our metal resource recycling, achieve carbon neutrality by the fiscal year ending March 2046, and achieve an effective 100% self-sufficiency in renewable electricity by the fiscal year ending March 2051. Company-owned forests are managed for timber production and with the goal of achieving a high level of public benefit through these forests, including through provision of recreation areas for local residents, preventing global warming through CO₂ control and conserving biodiversity.

Total energy consumption
Approx. 15,200 TJ

Natural resource usage
Approx. 1.81 million tons

Area of company-owned forest
Approx. 13,000 ha

Intellectual capital

The Group has engaged in research and development in a variety of fields to strengthen our business competitiveness and create new businesses. We have further established cooperative relationships with other companies, universities and research organizations to promote joint development.

Intellectual property and other intangible assets are growing in importance, so we established the Intellectual Property Policy of Mitsubishi Materials Group to maximize value of these across the Group and are actively promoting efforts involving intellectual property.

Investment in research and development
¥8.1 billion
(FYE March 2025 Result)

Patents held
2,051 (Japan)
2,316 (International)
(As of end of March 2025)

Financial capital

A strong and sound financial base is essential for sustainable growth of the Group. While maintaining financial soundness, we aim to maintain and upgrade this financial base while also making the investments needed for growth and maintenance, improving our competitiveness and returning an appropriate level of profit to shareholders. Furthermore, within fundamental structural reforms, we are working to improve business profitability and our financial position by enhancing capital efficiency and EP, strengthening our ability to generate cash flows and reduce interest-bearing debt.

Total assets
¥2,375.3 billion
(As of end of March 2025)

Net D/E ratio
0.7 times
(As of end of March 2025)

Enhancing Corporate Value

Strengths That Put Us at the Forefront of the Global Market

Since 1871, we have expanded into a variety of businesses, building a robust value chain centered on copper, improving our recycling technology and know-how including E-Scrap, developing hydroelectric and geothermal power generation businesses that leverage our knowledge and assets from our mining business, and utilizing and preserving our company-owned forests, while also cultivating our unique strengths in human resources and organizational climate and culture.

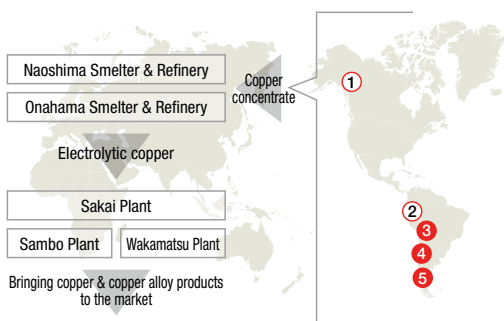
1 A value chain that supplies high added-value copper products

- Investment in overseas copper mines through long-term friendly relationships with major resource companies
- Processes enabling efficient, environmentally friendly smelting and refining of copper concentrate
- Strong customer base and Japan's top capabilities for processed copper production

A value chain that supplies copper products

Operating copper mines Copper mines under development or under consideration

- Canada Casino Project 5.05%
Invested in Western Copper and Gold Corporation (interest held)
- Peru Zafranal Project 20%
- Chile Escondida Mine 1.25%
World's largest copper mine
- Chile Mantoverde Mine 30%
- Chile Los Pelambres Mine 10%
Some of the world's lowest costs



Manufactured capital Natural capital

2 Global collection network for E-Scrap and carbide tools

- Global E-Scrap collection network through overseas bases such as MM Metal Recycling B.V. in the Netherlands
- Domestic network for the collection of used carbide tools



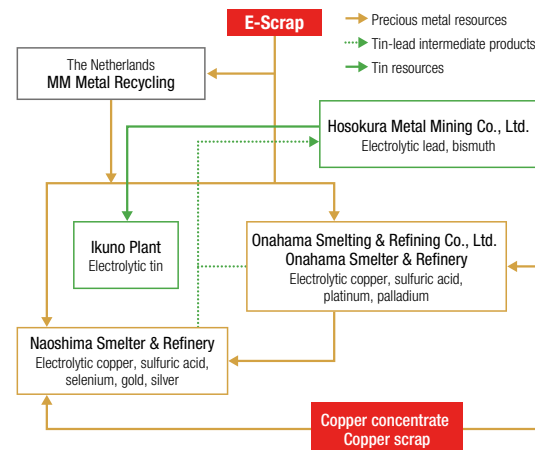
Examples of E-Scrap/used cemented carbide tools being accepted/processed

Manufactured capital

3 Advanced recycling technology

- Efficient processing of E-Scrap through the Mitsubishi Process for continuous copper smelting
- Material Grid framework enabling collection of a wide range of nonferrous metals including platinum group metals, lead and tin
- Automatic dismantling and sorting processes for items such as home appliances, enabling recycling of a wide range of resources
- The technology and know-how to recycle tungsten recovered from carbide tool scrap, etc. as a raw material

Material Grid framework

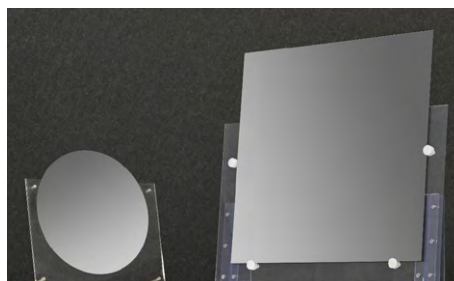


Manufactured capital Intellectual capital

Enhancing Corporate Value > Strengths That Put Us at the Forefront of the Global Market

4 Development and production capabilities for high-performance materials and products

- Development and production of oxygen-free copper, copper alloy, lead-free brass, etc.
- Supply of materials and components for semiconductor manufacturing equipment (columnar crystal silicon, seal products)
- Supply of high-efficiency carbide tool products that utilize our materials and coating technologies



Square silicon substrate (right)



Manufactured capital



Intellectual capital

5 Renewable energy business foundation

- Advanced exploration and analysis technology for geothermal resources
- Decades of business experience in areas such as geothermal and hydroelectric power generation



Komatagawa New Power Plant (water turbine generator)



Manufactured capital



Intellectual capital



Natural capital

6 Human resources and organizational climate and culture

- Talent with wide-ranging expertise in a variety of roles
- A team that can unite to resolve issues
- Mutual trust between colleagues and between management and employees



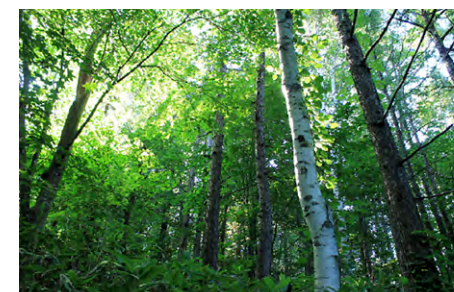
Cross-organizational discussion



Human capital

7 Company-owned forests preserved for various purposes

- Appropriate development and management of company-owned forests to preserve biodiversity and carry out sustainable forestry operations (SGEC certified)
- Company-owned forests utilized for education and community exchange activities
- Wood from company-owned forests utilized as a building material



Teine Forest



Natural capital



Social and relationship capital

Enhancing Corporate Value

Materiality

We identify material issues from various perspectives and plot them on two axes according to their importance to our stakeholders and their importance in light of Our Commitment. These material issues are reviewed annually to ensure they appropriately reflect environmental changes.

Selection and Review Process

STEP 1 Identification of issues

We identify issues from the perspective of social, environmental and economic trends, trends in markets related to the Company, and initiatives undertaken by the Group to increase our corporate value in the medium- to long-term. We also consider international guidelines and principles when selecting elements of these issues.

STEP 2 Organization and assessment of issues

In addition to these elements of issues, we set two axes on which to rank our material issues, including those established in the previous fiscal year: the importance to our various stakeholders, and the importance in light of Our Commitment. After all of our Executive Officers and Directors have organized the issues and key themes, they are discussed from the perspective of their importance to our stakeholders and the Company.

STEP 4 Establishment of nature and objectives of initiatives

The nature and objectives of initiatives to address the redefined material issues and key themes are established. The progress and results of these initiatives are regularly disclosed. Review is conducted annually to identify factors such as changes in the business environment in a timely and appropriate manner, then take measures as required.

STEP 3 Selection of issues

Material issues and key themes are revised and redefined, with priority given to issues that are ranked as “very high” or “high” on both axes.

Materiality List

Promotion of resource circulation

Strengthening measures to address global environmental issues

Enhancement of human capital

Activation of communication

Strengthening information security

Strengthening response to SCQ issues

Enhancement of sustainable supply chain management

Deepening of DX

Pursuit of value creation

Geopolitical and geoeconomic risks

Financial risks

Recent Revisions

As a result of consideration based on the latest social, environmental, and economic trends, we have not revised our material issues, themselves, but have revised some of our key themes. See related information for information on key themes.

Related Information:

Sustainability website ► Materiality

Enhancing Corporate Value > Materiality

Sustainability Issues (Materiality)	Main Initiatives	Objectives, etc.	Self-assessment / progress status: ◎ Ahead of schedule, ○ Generally on schedule, △ Behind schedule
Promotion of resource circulation	Increase of the recycling rate by expanding the treatment of E-scrap Increase of tungsten scrap processing capacity	FYE March 2029 Increase of tungsten scrap processing capacity by 2,000 t FYE March 2031 Building of a framework with an E-Scrap processing capacity of 240,000 t per year	○ • Increase of smelting capacity and E-Scrap processing ratio at Naoshima Smelter & Refinery (by FYE March 2028) • Start of operation of LIB recycling pilot plant (Aug. 2025) • Working with Exurban, Rio Tinto, and Giampaolo Group on a new recycling plant project that uses only secondary materials • Start of engineering to enhance the tungsten recycling plant
	Provision of cemented carbide tools made from recycled tungsten, and securing global collection and recycling capacity for used cemented carbide tools and cemented carbide products Actively promoting copper alloy scrap recycling	By FYE March 2026 Establishing highly efficient copper alloy scrap recycling technology By FYE March 2031 Stable mass production of products from recycled copper alloy scrap Use of 80% or more recycled tungsten in cemented carbide tools	◎ • 59% recycled tungsten used in cemented carbide tools (FYE March 2025 result) • 4,617 cemented carbide tool items released (FYE 2025), moved up 11 months • Working to improve productivity in copper alloy scrap recycling processes
	Developed strategies for the E-Scrap recycling, Tungsten and LIB recycling businesses at Mitsubishi Materials Europe B.V. Responding to strengthening of regional containment of resources, including secondary raw materials	• Establishing a base in Europe, which has a large market and is at the forefront of global policies regarding the environment, and securing critical mineral resources, will enable us to formulate business strategies in the region and rapidly and accurately implement them, thereby strengthening the competitiveness of our resource recycling business • Application and development of resource recycling technology and business know-how cultivated in Japan according to circumstances of each region for the development of the resource recycling business	○ • Utilizing MM Metal Recycling to enhance collection of secondary raw materials for E-Scrap and cemented carbide products • Development of LIB recycling technology at H.C. Starck • Currently formulating plans to expand business in Japan, Europe, North America, and other promising regions Going forward, we will consider priorities and incorporate them into concrete plans
Strengthening measures to address global environmental issues	Measures to achieve carbon neutrality such as expanding renewable electricity, improving and developing technology, energy conservation, and the use of external technologies	By FYE March 2031 Expansion of renewable electricity, improvement of technology and implementation of energy conservation FYE March 2031 - 2046 Development of new technology and utilization of external technologies FYE March 2046 Carbon neutrality	◎ • Working to reduce GHG emissions through various initiatives, including expanding the use of renewable energy power generation • Switching to electricity derived from renewable energy at eight Metals business sites (completed FYE March 2025), with plans to switch to electricity derived from renewable energy at Naoshima Smelter & Refinery and Onahama Smelter & Refinery by FYE March 2029
	Appropriate development of forest to improve functions for public benefit, as well as future revenue, and effective utilization of forest resources that also contribute to sustainability of wood resources, community recreation, etc. Assessment of biodiversity dependence, impacts, risks and opportunities in business	Acquisition of certification of Natural Symbiosis Sites for company-owned forests to contribute to achieving global goal of 30 by 30 Establishment of a policy for biodiversity conservation and preparation of a report based on the TNFD framework	○ • Teine Forest certified as a Natural Symbiosis Site (Oct. 2023) • Publication of reports based on TNFD framework (May 2025)
	Compliance with environmental laws and regulations; thorough education about laws and regulations Sharing of information on how to address environmental issues; visualization risks of individual cases; risk management Aggregation, analysis and provision of information on various emissions through environmental impact and conservation data and documentation Setting targets to reduce industrial waste emissions, reducing and recycling used plastic	Visualization and management of risks from a medium- to long-term perspective to reduce environmental impact and prevent environmental accidents in our operations Improvement of production processes and reduction of risk of environmental disasters By FYE March 2028: Reduce and recycle 35% of used plastic products (non-consolidated, compared to FYE March 2022) By FYE March 2031: Reduction of industrial waste emissions relative to sales by 6% (consolidated, compared to FYE March 2024)	○ • Reduce and recycle used plastic products: FYE March 2025 result: 39% (non-consolidated, compared to FYE March 2022) • Setting Group-wide targets to reduce industrial waste emissions (Sep. 2025)
	Establishment of geothermal power generation development system and expansion of this business; expansion into new renewable energy generation, mainly wind power	Renewable energy utilization rate FYE March 2026: 30%; FYE March 2031: 80%; FYE March 2036: 100% Self-sufficient renewable electricity rate FYE March 2026: 33%; FYE March 2031: 37%; FYE March 2036: 67%; FYE March 2051: 100%	○ • Renewable energy utilization rate: 13% (FYE March 2024 result); 36% (FYE March 2025 result) • Self-sufficient renewable electricity rate: 37% (FYE March 2024 result), 38% (FYE March 2025 result)

Enhancing Corporate Value > Materiality

Sustainability Issues (Materiality)	Main Initiatives	Objectives, etc.	Self-assessment / progress status: ◎ Ahead of schedule, ○ Generally on schedule, △ Behind schedule
Enhancement of human capital	Securing necessary talent and improving productivity to execute business strategies	Improving recruitment capabilities Improving appeal of our workplace Implementing thorough measures for promoting efficiency, labor saving, and workload saving	○ - Enhanced publicity and diversified hiring channels - Enhancing system to support a variety of work styles and enhancing performance management - Implementing initiatives in each division for reform of business processes, promoting efficiency, labor saving, and workload saving
	Developing and retaining human resources for business growth (continuously retaining and developing management leader candidates)	Ratio of candidates on the Next-generation Leadership Talent Development Program to successors of Executive Officers FYE March 2026: 70%; FYE March 2031: 80%	○ Ratio of candidates on the Next-generation Leadership Talent Development Program to successors of Executive Officers 69.7% in FYE March 2025 (result)
	Accelerating transformation through integrating diverse human resources and their values	Ratio of diverse attributes among managers (women, non-Japanese people, mid-career hires, people with disabilities) FYE March 2026: 20%; FYE March 2031: 30%	◎ Ratio of diverse attributes among managers (women, non-Japanese people, mid-career hires, people with disabilities) 27.0% in FYE March 2025 (result)
	Fostering job fulfillment through well-being (continuous improvement of employee engagement)	Positive response rate in employee engagement survey FYE March 2026: 75%; FYE March 2031: 80%	○ Positive response rate in employee engagement survey 74.9% in FYE March 2025 (result)
	Commitment through policy; implementation of human rights due diligence and remedial actions	Building of frameworks to uphold international human rights standards, assess risks and address issues FYE March 2024 Building and implementation of frameworks for human rights due diligence; formulation of implementation plan and road map; deliberation on enhancements of remedial action framework and strengthening of framework FYE March 2025 Expanding the scope of human rights due diligence and promoting initiatives in line with implementation plans and roadmaps	○ Continuous implementation of human rights due diligence
Activation of communication	Promotion of activities to foster recognition and understanding of Our Commitment by implementing effective communication measures within and outside the Company	Awareness of Our Commitment: FYE March 2025: 87%; FYE March 2026: 93% Ownership of Our Commitment: FYE March 2031	○ Awareness of Our Commitment 88.1% in FYE March 2025 (result)
	Provision of better products and services; customer satisfaction surveys as part of quality management activities; analysis of information on complaints Enhancement of customer touch points through organizational optimization and digital transformation Deepening cutting processing solutions with DX	"Quality excellence" as corporate brand equity of the Group Becoming a Global First Supplier in Advanced Products business	○ - Conducting trend analysis of complaint surveys in the Metalworking Solutions business - Development and launch of Tool Assistant, an online tool selection service that suggests optimal cutting tools. Function and service content to be continuously expanded - Promoting strengthening of customer touch points by introducing customer management tools - Promoting the development of the recycling brand REMINE and pursuing traceability
	Promotion of activities for contribution to local communities and donating to organizations working to solve social issues	Continuing to carry out local community contribution activities at each base, conducting of volunteer activities by employees, and working to resolve social issues and support areas affected by natural disasters	○ Implementation of social contribution activities at each site, and holding dialogues with organizations working to solve social issues
Strengthening information security	Reconstruction of global network and strengthening incident response system Further improvement of IT literacy	Alignment of security measures/operations globally by FYE March 2026 2025: Implementation of incident education, e-mail training, self-assessment	○ - Completion of renewal of global network for bases in China and ASEAN by FYE March 2024, completion of horizontal expansion to bases in Europe and the US by FYE March 2026 - Training through Information Security Panels. Email training and self-assessment preparation underway
	Further strengthening zero trust security through introduction of cloud-based security	Expanding range of security monitoring and CSIRT operation centered on MMDX foundation	○ - Completing migration of SOC monitoring targets (endpoints, existing environments) - Expanding monitoring to OT network devices
	Strengthening security in IT/OT areas	Staged implementation of security measures at manufacturing sites according to business requirements by FYE March 2031	○ - Establishment and content review of OT security guidelines - Sequential implementation of measures in accordance with the security requirements of each site and Group company

Enhancing Corporate Value > Materiality

Sustainability Issues (Materiality)	Main Initiatives	Objectives, etc.	Self-assessment / progress status: ◎ Ahead of schedule, ○ Generally on schedule, △ Behind schedule
Strengthening response to SCQ* issues *Safety & Health, Compliance & Environment, Quality.	Implementation of measures to prevent similar accidents by reviewing accident information in order to continue without an accident resulting in four or more lost days, and thorough improvement of the safety of equipment through risk assessment (ongoing)	Ensuring implementation of initiatives indicated to the left	△ • Thorough investigation of the causes of accidents that have occurred, implementation of measures to prevent recurrence, and deployment of activities to prevent similar accidents across the Group • Establishment of a new Group-wide platform to share accident information (in operation as of FYE March 2025)
	Promotion and strengthening of health and productivity management	1) Continuous improvement of health standards of employees and their families 2) Fostering and supporting employee awareness of their own efforts to maintain and improve their health 3) Acquisition of certification as a White 500 Health & Productivity Management Outstanding Organization	◎ • Selected for KENKO Investment for Health 2025, certified for the second consecutive year as a White 500 Health & Productivity Management Outstanding Organization in 2025 (Large Enterprise Category). Nine companies Group-wide certified as Health & Productivity Management Outstanding Organizations 2025.
	Implementation of measures to eliminate serious compliance violations and improve awareness of compliance; strengthening of compliance overseas	Elimination of serious compliance violations	○ • Implementation of measures raise compliance awareness and strengthen overseas compliance as compliance violation countermeasures In FYE March 2026, we focus on reducing increasing instances of power harassment, violence, etc.
	Sustainability Review and Sustainability Deliberative Council (replacing the Governance Review and Meeting for Sharing Governance Information in FYE March 2025); assessing and addressing risks through risk management	Being an organization where employees act autonomously according to Company-wide strategies and policies and our internal control function appropriately through mutual communication	○ • Continuing to implement Sustainability Review and Sustainability Deliberative Council, and risk management activities
	Organization of issues through evaluation of the effectiveness of the Board of Directors and carry out remedial measures	Improving the effectiveness and function of the Board of Directors on an ongoing basis until FYE March 2031	○ • Currently addressing issues identified based on the results of the FYE March 2025 evaluation of the effectiveness of the Board of Directors
	Strengthening efforts to comply with environmental law, thorough environmental law education, minimizing environmental risks and developing environmental human resources	Ensuring implementation of initiatives indicated to the left	○ • In order to further reduce environmental risks that could lead to serious incidents, continuing to share information on leaks and violations, and spread information to prevent occurrence
	Thorough implementation of design, equipment and processes according to plans to prevent the production of non-standard products	Ensuring implementation of initiatives indicated to the left	△ • Maintaining a system that does not allow non-conforming products to be released, focusing on building a system that does not allow non-conforming products to move to the next process or be released with a focus on designs, equipment and processes, and implementing measures at each organization
Enhancement of sustainable supply chain management	Acceleration of business developments in Japan and overseas (E-Scrap, copper scrap, home appliances, automobile recycling)	FYE March 2031 Building of domestic recycling center, 30% share of domestic home appliance recycling, building of new automobile recycling plant	○ • Promotion of a project to commercialize home appliance recycling in Malaysia and Thailand, where E-Waste management legislation is planned
	Human rights risk management through supplier assessment, reduction of human rights risks throughout the supply chain, and the Responsible Minerals Initiative	Maintaining The Copper Mark certification and Responsible Minerals Initiative (gold, silver, tin, tungsten, copper, lead) Assessment of risks through assessments of suppliers and addressing serious risks that have been identified FYE March 2025 Identification of high-risk suppliers based on the results of the previous fiscal year's supplier evaluation and start of corrective activities for those suppliers. Expansion of the scope of human rights risk management (including business partners other than suppliers) FYE March 2026 Address high-risk suppliers and reduce risks throughout the supply chain	◎ • Identification of human rights risks through regular evaluations of key suppliers and promotion of efforts to correct violations • Maintaining The Copper Mark certification and Responsible Minerals Initiative (gold, silver, tin, tungsten, copper, lead)
	Implementation of infectious disease prevention measures (vaccination, health insurance subsidies, health education, support for employees assigned overseas, etc.) Establishment of a system to prepare for emergencies	Prevention of workplace cluster infections Establishment of crisis management regulations • Establishment of a manual on preventing and mitigating the spread of infectious diseases in Japan • Establishment of local information offices to prepare for emergencies overseas Transition to an all-hazards BCP	○ • Implementation of various initiatives in accordance with annual plan for preventing the spread of infectious disease • As part of the establishment of crisis management regulations, etc., we are formulating a manual for Crisis Response Headquarters operations, and are planning to implement training on the operation of the headquarters in the event of a natural disaster (massive earthquake in the Nankai Trough) in order to improve our response capabilities

Enhancing Corporate Value > Materiality

Sustainability Issues (Materiality)	Main Initiatives	Objectives, etc.	Self-assessment / progress status: ◎ Ahead of schedule, ○ Generally on schedule, △ Behind schedule
Deepening of DX	Thorough implementation of paperless and electronic signatures; promotion of consolidation and elimination of operations; utilization of IT tools (including AI) and smartphones for innovation of our communications	Optimization of operations to ensure that the company continues to be one where each employee can actively engage in our fundamental operations; realization of a functional and agile organization with quick decision-making	- Building a system that can quickly disseminate best practice across sites and Group companies organization-wide - Consolidation of operations to a shared service subsidiary (payroll, social insurance, employee benefits, etc.) - Near completion of implementation of paperless and electronic signatures at MMC - Introduction of ERP in the accounting field to build core business processes that can be improved and upgraded through business and IT integration (full-scale operation completed at 12 domestic and 6 overseas companies in FYE March 2025. Preparation in progress for 16 domestic and 6 overseas companies in FYE March 2026)
	Utilization of digital technologies such as IoT and AI to strengthen cooperation between the manufacturing and sales sides and achieve proactive quality management, portfolio management enhancement and take manufacturing capability to the next level	FYE March 2026 onward Commencement of global demand management operations for cutting tools; gradual expansion to sites and products By FYE March 2027 Strengthening product-specific strategies by refining and visualizing cost management data in the Electronic Materials & Components business and the Copper & Copper Alloy business By FYE March 2031 Strengthening of manufacturing capabilities through measures such as improvement of processes and process technologies; conversion to smart factories	- Promoting the introduction of supply and demand management tools to build a global supply and demand management system for cutting tools (operation trial underway at Tsukuba, Gifu and Akashi. Full operation scheduled for FYE March 2026) - Consideration of building business management tools for the Electronic Materials & Components business using refined cost data - Promotion of automation and smart factories at cemented carbide tool manufacturing sites, start of production on some model lines
	Enhancement of customer touch points, business model transformation based on customer and societal needs - Metals business: Enhancement of online E-Scrap trading system (MEX) - Advanced Products business: Advanced cost management - Metalworking Solutions business: Deepening cutting processing solutions with DX	FYE March 2025 onward Commencement of service for selection of the best cutting tools; expansion of cutting solutions by adding more products FYE March 2026 Enhancement of supply chain by improving satisfaction of MEX users By FYE March 2027 Acceleration of costs calculations in the Copper & Copper Alloy business	- MEX has added new features such as a dashboard for each trading partner, and the ability to download information required for cross-border regulations and mineral receipt reports from the web - Promoting the deployment of cost accounting systems - Copper & Copper Alloy business: Deployment completed at 1 domestic plant. Deployment underway at 2 domestic plants - Electronic Materials & Components business: Deployment completed at 1 domestic and 1 overseas plant. Deployment underway at 1 overseas plant
Pursuit of value creation	Acquisition of new technologies to build competitive advantage and execution of business development to facilitate commercialization	Until FYE March 2026: Transition new business themes at the Incubation Center to commercialization preparation stage From FYE March 2027: Redefining core technologies, concentration of development resources on core technology development, and further strengthening of industry-academia and other external collaboration	- Approximately 10 new business themes have been transitioned to the commercialization preparation stage at the Incubation Center. Paid PoCs and other verification for commercialization is underway - Engagement in collaborative development with Institute of Science Tokyo at the Sustainability Innovation Collaborative Research Cluster, investing in promising startups through CVC. Revitalization of activities to acquire new technologies underway
	Building and execution of new business creation processes for continuous creation of businesses to be developed (increase in themes; business commercialization; growth of new businesses)	FYE March 2025 Expansion of acceleration programs for new business development and consideration of systems needed for large-scale investment and financing/M&A By FYE March 2028 Establishment of organization system; ongoing investment and lending strategies (new business creation, M&A, etc.) FYE March 2031 Operation of multiple businesses of a prescribed size	- Collaboration on internal business ideas and solicitation of business ideas from startups (started by other companies) regarding the acceleration program - Verifying business hypotheses for 2 projects initiated by other companies - Investment system necessary for expanding new businesses under consideration. Investment targets for FYE March 2026 under consideration and investments being planned
	Generation of new business ideas that contribute to solving customer problems and strengthen the ability to create what is required to generate revenue	FYE March 2026 Transition to autonomy of manufacturing activities at companies and sites FYE March 2027 Strengthening of acquisition of manufacturing technologies through advanced technologies such as smart factories FYE March 2028: Strengthening of sales and marketing function of the Incubation Center	- Discussions underway with the Company on making manufacturing bases more autonomous - Currently selecting priority areas to address in advancement of manufacturing. Concentration of resources in key areas - Utilization of the Incubation Center's sales and marketing functions for new business themes. Further strengthening of this planned for the future

Enhancing Corporate Value > Materiality

Sustainability Issues (Materiality)	Main Initiatives	Objectives, etc.	Self-assessment / progress status: ◎ Ahead of schedule, ○ Generally on schedule, △ Behind schedule
Geopolitical and geoeconomic risks* *Risks relating to countries attempting to fulfill their geopolitical goals (national interests) through economic means	Investment decisions based on country risks such as internal conflict	Achievement of the expected investment results through proper management of country risks	○ • Identification and evaluation of expected major risks for further investment decisions
	Establishment of a system for collecting and sharing risk and crisis information, and response to risks in a timely and appropriate manner	Establishment of a system to quickly collect and share risk and crisis information from overseas, and a system to issue warnings	○ • Establishment of a system to collect and share risk and crisis information, and raise awareness • Improvement and information dissemination on overseas security alerts and safety confirmation for employees stationed overseas
	Strengthening of crisis management systems in preparation business restructuring in PT. Smelting, Indonesia Review of all-hazard BCP in the Copper & Copper Alloy business and Electronic Materials & Components business Diversification of production bases for cemented carbide tools, management of BCP inventory	FYE March 2024 Diversify continual restructuring of production bases for cemented carbide tools FYE March 2025 PT. Smelting, Indonesia becomes an equity method affiliated company Formulation of basic BCP policy for each business Review all-hazard type BCP (three Copper & Copper Alloy business sites) FYE March 2026 Review all-hazard type BCP (two Electronic Materials & Components business sites) Relocation of BCP inventory to Singapore and establishment of a shipping system for cemented carbide tools	○ • Completed construction of a building to increase insert production at the cemented carbide tool manufacturing site in Spain. Investment in manufacturing facilities determined based on required production volume • Completion of list of existing products for BCP and data location system for cemented carbide tools, ongoing maintenance conducted • PT. Smelting becomes an equity method affiliated company (Jun. 2024) • Completion of review of all-hazard type BCP (FYE March 2025, 3 Copper & Copper Alloy business sites)
	Reduction of dependence on copper concentrate, a natural resource with uneven distribution, increase of procurement of scrap materials Risk ranking of key parts, clarification of BCP measures for high risk items, visualization of supply chain, and automatic confirmation of the impact of emergencies such as natural disasters on suppliers through management in the procurement system	FYE March 2025 Selection of key materials and preparation of basic information for registering supply chain of selected items; digitalization of supply chain management in line with the introduction of a new procurement system; clarification of individual BCP measures per item FYE March 2026 Clarification of BCP measures for each item FYE March 2027 Confirmation of the effectiveness of BCP management with the new procurement system Expansion of scope and managed items From FYE March 2028 Expansion to Group companies Gradual implementation of capital investment and development of procurement plans to increase the smelting capacity and scrap processing ratio at the Naoshima Smelter & Refinery, and to strengthen the recycling functions at the Onahama Smelter & Refinery	◎ • Future plans for copper concentrate and E-Scrap being formulated • Selection of key materials, detailed registration of supply chain information and formulation of operational regulation
Financial risks	Centralized management of surplus funds in each Group company, introduction and operation of a cash pooling system that maintains the balance of interest-bearing debt and net D/E ratio at appropriate levels	FYE March 2025 Introduction and operation of cash pooling in Europe FYE March 2026 • Introduction and operation of cash pooling in Asia and North America • Introduction and operation of systems that optimize the overall cash pool introduced in Japan FYE March 2027 • Introduction and operation of systems that optimize the overall cash pool introduced in Japan and overseas	○ • FYE March 2025 Implementation and operation under scheduled cash pooling in Europe • FYE March 2026 Introduction and operation of cash pooling in China, Thailand and North America planned. Cash pooling planned for introduction at newly established and acquired companies in Europe
	• Understanding the financial status of issuers of securities held and review of holdings • Acquisition of real estate appraisals for land, sale of unused land • Regular appraisal of market value and monitoring of impairment risks	• Reduction of strategic share holdings and unemployed capital • Regular monitoring of the risk of the fluctuations in market value of assets held and the risk of impairment of non-current assets, and avoidance of impairment through proactive measures	○ • Reduction in strategic share holdings (Proportion of strategic share holdings in consolidated total assets as of FYE March 2025: 1.7%) • Regular assessment of market value of held securities and land
	Strengthening inventory management Effective use/management of assets Improving the cash conversion cycle (CCC) by using external financial services	• Reduction of inventory and maintenance of appropriate inventory levels through thorough traditional inventory management • Promotion of use and management of gold bullion assets • Reduction of borrowings through CCC improvement	○ • Conducting inventory monitoring to optimize inventory balance • Beginning implementation of a system to visualize inventory balance by location and process • Developing an asset management plan • Consulting with external financial institutions as needed
	Regular checks that asset composition is maintained over the medium- to long-term to achieve management goals	FYE March 2025 Confirming and considering policy asset mix (AM) (review every 3 years) and determining asset allocation strategy FYE March 2026 onward Start of operation with revised policy in AM and asset allocation strategy	○ • FYE March 2025 objectives: Implementation of pension ALM (asset liability management) and asset allocation strategy based on policy AM achieved • FYE March 2026 objectives commencing without delay

Enhancing Corporate Value

The Value Creation Story

Our Group is implementing a variety of initiatives to create both financial and non-financial value to increase our corporate value. Here are several examples of our value creation story.

Recycling using proprietary technology



Constructing a resource circulation loop



- Improving profitability
- Creating a sustainable future

Building a Sustainable Resource Circulation Loop

Leveraging our strengths in highly efficient processing of raw materials for recycling such as E-Scrap, we are a leading promoter of the circulation of metal resources. Using our proprietary copper smelting process, the Mitsubishi Continuous Copper Smelting and Converting Process, we efficiently process raw materials for recycling collected from both Japan and overseas to recycle metals such as gold, silver and copper. This addresses Japan's low resource self-sufficiency rate while ensuring a stable supply of metals and reducing environmental impact. In collaboration with home appliance manufacturers, we are also working to establish a resource circulation loop that recovers and reuses metals from used home appliances. The PMP (Product-Material-Product) loop, developed jointly with the Panasonic Group, is the industry's first steady-state recycling program that returns resources to manufacturing.

Since the 2011 launch, we have recovered and recycled a cumulative total of 1.1 tons of gold, 33 tons of silver, and 8,100 tons of copper, equivalent to approximately ¥32.4 billion at metal prices as of December 2024. Furthermore, compared to producing the same amount of copper from ore, CO₂ emissions are reduced approximately 33,000 tons (cumulative), equivalent to approximately ¥330 million converted at our internal carbon price. This initiative has allowed us to reduce the use of natural resources, contributing to CO₂ emissions reduction and the creation of a sustainable future.

Moving forward, we will continue to increase our processing capacity for raw materials for recycling such as E-Scrap and increase the proportion of recycled materials instead of copper concentrates, aiming to expand resource circulation and improve corporate value.

Total amount of gold, silver and copper recovered from waste printed circuit boards

(Calculated based on metal prices as of Dec. 2024)

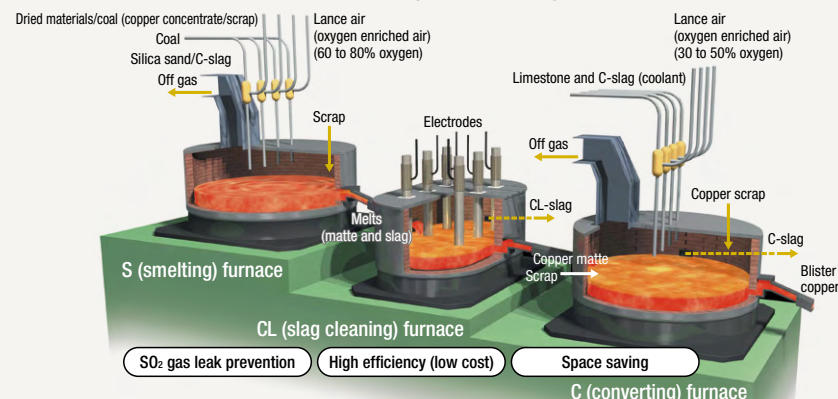
¥32.4 billion

CO₂ reduction by replacing copper smelting

(Calculated based on internal carbon prices as of Dec. 2024)

¥0.33 billion

The Mitsubishi Continuous Copper Smelting and Converting Process



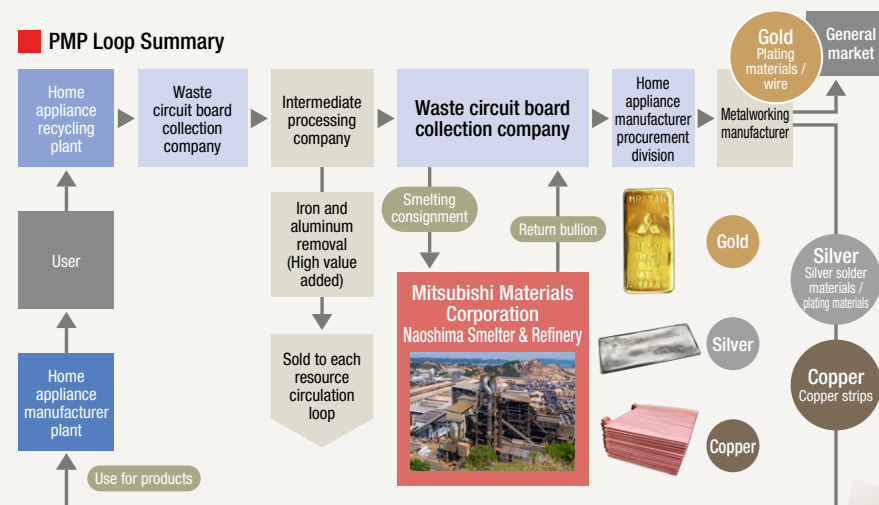
*Copper concentrate: Concentrate of copper ore obtained from mines, processed to upgrade copper content.

Matte: A molten intermediary copper product.

Slag: A molten product resulting from oxidation of iron produced during copper smelting. CL furnace slag can be used for applications such as raw materials for the cement industry.

Production volume of major products (results for FYE March 2025) ● Electrolytic copper: 398,000 t ● Gold: 38 t ● Silver: 301 t

PMP Loop Summary



Enhancing Corporate Value > The Value Creation Story

Manufacturing copper processed products with advanced manufacturing technology as our strength



Sustainability activities such as reducing environmental impact and improving resource efficiency



- Increasing sales volume
- Reducing environmental impact

Sustainability Management Initiatives at Luvata Group

Luvata Group, a consolidated subsidiary of our company headquartered in Pori, Finland, is a leading manufacturer of copper-processed products, operating across 10 sites in 6 countries worldwide. Leveraging its advanced manufacturing technologies, the company supplies a wide range of copper products—such as welding electrodes, superconducting wires, copper anodes, and connectors—as well as special alloy wires. These products are indispensable in the fields of electrification, medical applications, and renewable energy. In particular, its high-precision cold-forming technology, a core

capability underpinning the company's high-quality products, is highly regarded in the global market. Luvata is actively committed to sustainability and has established clear targets to achieve carbon neutrality by 2045 and to transition to 100% renewable energy by 2035. At its Pori plant in Finland, all electricity used in operations is already carbon-free, with 10% sourced from hydropower. The plant has also converted the fuel used in on-site vehicles to renewable alternatives. At the Appleton plant in the United States, metals are recovered and reused from wastewater, contributing to both environmental

impact reduction and improved resource efficiency. Other production sites are also advancing various sustainability measures. Through these initiatives, Luvata is pursuing sustainability not only in its products but also throughout its manufacturing processes, thereby creating social value. Luvata has continued to achieve growth both net sales and operating profit, demonstrating that these efforts are also delivering clear economic value. Looking ahead, Luvata will continue to accelerate sustainable growth while balancing environmental stewardship with economic performance.

LUVATA

OUR SUSTAINABILITY ROADMAP



SUSTAINABILITY HIGHLIGHTS



Copper & zinc recovery and evaporator rinsewater recovery systems
– Luvata Appleton



Employee and community engagement initiatives
– Luvata Malaysia



Carbon free electricity and district heat
– Luvata Pori

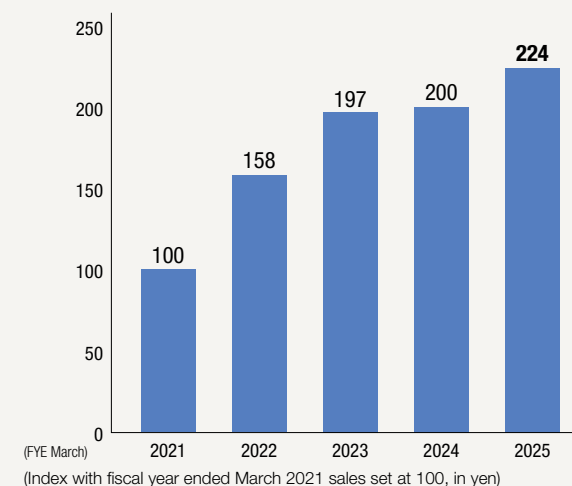


Feels Good to Do Good program
– Luvata São Paulo



Reduction of helium consumption
– Luvata Waterbury

■ Luvata Group Net Sales Trends (Index)



Enhancing Corporate Value > The Value Creation Story

Geothermal power generation and other business development utilizing mining development expertise



Promoting 100% renewable energy self-sufficiency and carbon neutrality in business



- Expansion of sales scale
- GHG emissions reduction

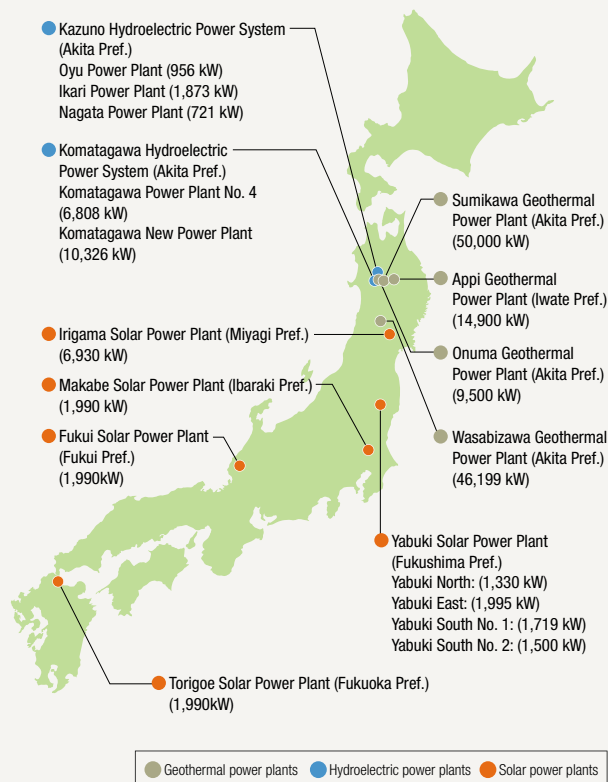
Utilization and Generation of Renewable Electricity

The Group is developing our Renewable Energy businesses, focusing on geothermal, hydroelectric and solar power, based on technologies cultivated over many years of developing and operating coal and metal mines. We are particularly focused on geothermal power generation, which we can harness to

deliver a stable supply of electricity to local communities by leveraging our key strengths: underground resource exploration technology cultivated through previous mining development and over a half century of power generation plant operation know-how. The Group has set the goal of producing renewable

electricity equivalent to our own consumption by the fiscal year ending March 2051, thereby achieving a virtual 100% self-sufficiency in renewable power electricity rate. To this end, we are strengthening business through expansion of hydroelectric and solar power generation with a focus on geothermal, while also considering new entry into wind power generation.

Furthermore, we are actively promoting the use of renewable energy toward our goal of achieving carbon neutrality by the fiscal year ending March 2046. Our Renewable Energy business also contributes to reducing GHG emissions by using non-fossil certified electricity generated at our own hydroelectric power plants for our processing and manufacturing plants. This, plus an expected operating profit of ¥2.6 billion in the fiscal year ending March 2025, means we are implementing a sustainable business model that balances social and economic value. Going forward, we will continue to expand our Renewable Energy business and improve our corporate value, leveraging our strength in geothermal power generation technology.



Appi Geothermal Power Plant

Output capacity: 14,900 kW
Business entity: Appi Geothermal Energy Corporation



Wasabizawa Geothermal Power Plant

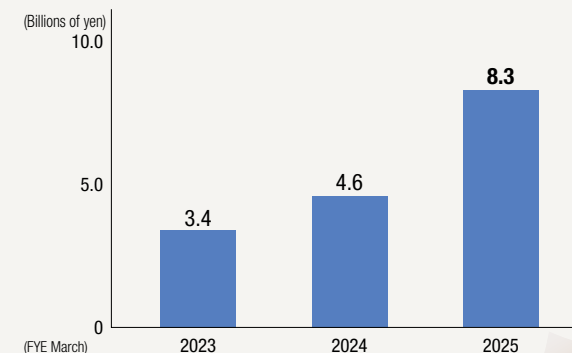
Output capacity: 46,199 kW
Business entity: Yuzawa Geothermal Power Corporation



Onuma Geothermal Power Plant

Output capacity: 9,500 kW
Business entity: Mitsubishi Materials Corporation

Renewable Energy business net sales



Enhancing Corporate Value > The Value Creation Story

Autonomous career development through the Internal Job Posting System and similar initiatives

×

Building of resource circulation business overseas

=

• Expansion of resource circulation
• Improving organizational performance

Improving Organizational Performance

Our Group implements a variety of measures to support the autonomous career development of every employee, maximizing each individual's unique potential and enhancing organizational performance. Our Internal Job Posting System was revamped in the fiscal year ended March 2022. These revisions significantly relaxed application requirements, expanding opportunities for employees to take on new roles at their own volition. We also actively promoted the system internally to encourage its use. As a result, the rates of applications for internal job openings and successful transfers have increased. Our annual employee engagement survey also proved the effectiveness of this initiative quantitatively, with a 4.4-point increase in the Growth Opportunities category for the fiscal year ended March 2025 (compared to the previous year).

Expansion of resource circulation is a key theme in our Medium-term Management Strategy, and we place importance on employees taking on challenges and growth as a part of



Meeting with a partner company (right, Yanaga)

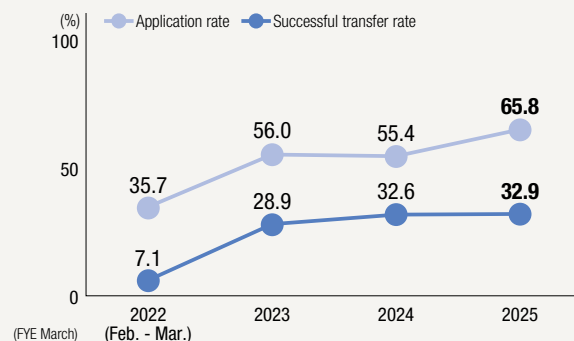


At a meeting (left, Koma)

promoting this theme. Employees who have been transferred through our Internal Job Posting System are leveraging their diverse experience and expertise they have cultivated to lead overseas resource circulation projects, taking advantage of expanded opportunities to take on new challenges and

demonstrate their abilities. This leads to personal growth and greater job satisfaction for our employees. They embody the autonomous career development that is the aim of the system, while also making a significant contribution to the promotion of our key strategy, expansion of resource circulation.

Percentage of Applications and Transfers Made Vs. the Total Number of Internal Job Postings



Voices of Users of the Internal Job Posting System

Hiroyuki Yanaga

London Office, Business Development Department, Resource Circulation Division, Metals Company

Since joining the Company, I have been involved in engineering work, and through my experience in plant construction, I developed expertise in the execution phase. Aiming to apply this skill set in a new area, I applied for a new position through the internal job posting to take on the challenge. Rather than being reassigned by the company, the opportunity to proactively select my own role and shape my career path prompted a meaningful reflection on my sense of job fulfillment and engagement.

It has been almost a year since my job transfer, and I've been entrusted with an important role in the mission of expanding resource circulation overseas. This responsibility has provided a strong sense of job fulfillment in my daily work. Moving forward, I aim to continue developing myself while contributing to create corporate value.

Takuma Koma

London Office, Business Development Department, Resource Circulation Division, Metals Company

I was previously involved in a plant process design and research and development, while also working on a project to separate and refine rare earths at overseas mines. Now, I've taken advantage of the Internal Job Posting System to involve myself in a project to smelt metals using only materials for recycling, which I hope will be an invaluable experience and lead to my own personal growth.

Capitalizing on my previous experience, I am actively acquiring new knowledge and skills to further enhance my professional growth. At the same time, I seek to offer fresh perspectives in my assignment and contribute to the advancement of resource circulation in collaboration with project team members.

Enhancing Corporate Value

Employees' Round-table Discussion Working to Build a Resource Recycling Value Chain Across Company Boundaries

We spoke with employees from departments related to copper and other metal resource value chains about their respective challenges and future aspirations.



Shinsuke Oe

Project Department
Mineral Resources Division
Metals Company



Kosaku Mizuno

Production Control Section
Production Department
Naoshima Smelter & Refinery



Sayaka Kono

Materials Section
Production Management
Department, Sambo Plant



Norihisa Iida

Technology & Development
Department
Copper & Copper Alloy
Business Division
Advanced Products Company



Jyunpei Yamane

Rolled Products Nagoya Group
Copper & Copper Alloy Sales Department
Sales Unit
Copper & Copper Alloy Business Division
Advanced Products Company

Roles and business details in the metal resources value chain

Shinsuke Oe Currently, I am involved in investments in overseas copper mines. We support the Group's value chain by ensuring a stable supply of copper concentrate from copper mines we invest in. Our copper smelter uses copper concentrate, which is made by processing natural copper ore, as well as raw materials for recycling that contain high levels of impurities, though copper concentrate must have low levels of impurities. We take this into consideration when considering investments in overseas copper mines. The current environment for procuring copper concentrate is extremely challenging due to tight global supply and demand, and the outlook for profits from the Smelting & Refining business is bleak. Through mine investments, we make profits from copper mining companies in the form of mine dividends and equity method investment gains that contribute to stabilizing Group profit.

Kosaku Mizuno I work in production management at Naoshima Smelter & Refinery, where I work on processing recycled materials such as E-Scrap. Recycled materials contain many impurities that are

undesirable for the copper smelter process, so we need to carefully manage these while increasing the amount of materials for recycling we process. In recent years, the conditions for procuring copper concentrate have deteriorated significantly, so I'm handling the major theme of how to reduce the proportion of copper concentrate in our raw materials and increase the proportion of recycled materials. Processing recycled materials not only ensures profits, but also expands resource circulation.

Norihisa Iida I have worked in a variety of departments since joining the Company, including manufacturing and developing, but all have been in the Copper & Copper Alloy business. I am currently involved in sustainability-related work, promoting copper recycling, building and verifying calculation systems for recycling rates and CFP, and providing explanations about these matters both internally and externally. Recently, there has been growing awareness and demand for GHG emission reduction and recycling, so we are focusing our efforts on these issues in the Copper & Copper Alloy business. I work closely with sales to completely understand the needs and objectives of our customers, which varies from company to company, and as necessary,

collaborate with stakeholders in the upstream Metals business.

Jyunpei Yamane I work in the Sales Department, and am mainly responsible for selling rolled products. Recent years have seen increasing customer awareness of resource recycling, and we've been receiving specific inquiries about our Group's initiatives and products in increasing numbers. In addition to ensuring a stable product supply, an important part of my job is to work with internal stakeholders to respond to various sustainability-related requests from customers. We interact with customers across business divisions, including visiting customers with stakeholders from the Metals Company and Naoshima Smelter & Refinery. We work together as a Company to address issues.

Sayaka Kono At the Sambo Plant, I am in charge of procuring raw materials and properly managing inventory. Scrap generated during processes is also used as a recycled material, and we are responsible for its appropriate use and management. One of our Group's strengths is that we can recycle scrap at the Sambo Plant, Sakai Plant, the Naoshima Smelter & Refinery or Onahama Smelter &

Refinery depending on the components of the scrap. Thanks to strengthened efforts in recent years to process pure copper scrap at the Sakai Plant, approximately 90% of scrap generated at the Sambo Plant can now be recycled. Maximizing recycling rate contributes to improving profitability and resource recycling.

Challenges in strengthening the value chain

Sayaka Kono The shape and size of scrap shifts with customer needs, making it increasingly difficult to process as is. Our challenge is using the scrap efficiently while maintaining and improving our recycling rate. Furthermore, the recovery rate for metal processing scrap from customers is quite low, so we need to raise it while we strengthen our processing capacity.

Jyunpei Yamane Recently, we receive an increasing number of requests from customers to improve the recycling rate of our products. We have an impressive manufacturing capacity that is well-regarded by customers in terms of stable supply, but we recognize the need for products that feature high recycling rates, and understand that it

Enhancing Corporate Value > Employees' Round-table Discussion

Working to Build a Resource Recycling Value Chain Across Company Boundaries

will be difficult to overcome competition on manufacturing capacity alone.

I would like to make the most of my knowledge and experience in copper and copper alloys to contribute to the arteries and veins of resource circulation and strengthen the value chain.



Norihisa Iida

Just as Jyunpei says, there are more and more requests from customers for horizontal recycling, which involves creating new products from scrap and other waste materials from products, and we need to create an appropriate resource recycling system that works for both us and our customers. There is also an increasing demand for processing recycled materials with complex shapes, and we feel that the development of peripheral technologies, such as those for efficient processing that maintain quality, and pre-processing technologies including the introduction of equipment, are also major challenges.

Kosaku Mizuno

One of our strengths is the Mitsubishi Process for

We will strengthen our efforts to increase the proportion of raw materials for recycling, and take advantage of our ability to cover everything from raw material procurement to copper and copper alloy processing in order to improve our recycling rate.



Continuous Copper Smelting. This is well-suited for processing E-Scrap, but as customer interest and needs focus on recycling, we know we must make a solid effort if we want to build a stronger value chain for copper and copper alloy products.

Shinsuke Oe

In order to increase the processing ratio of E-Scrap, we must secure a stable supply of copper concentrate with few impurities, so from that perspective, it's important to invest in copper mines. The copper mines we currently invest in have copper with a low level of impurities, and also boast favorable geographical conditions such as ease of mining copper and altitude. However, the number of new copper mines with such conditions is limited, so we anticipate that development will become more challenging.

We would like to contribute to strengthening the value chain by ensuring stable copper concentrate procurement from the mines we invest in, and by securing profit.



Working to build a sustainable value chain through collaboration across company boundaries

Sayaka Kono

Our manufacturing sites are also aware of customers' growing interest in environmental considerations and



By further strengthening cooperation and sharing of information between sites, we can use scrap more efficiently, increase the recycling rate and improve profitability.

resource recycling, but we cannot say that we are currently able to fully meet this demand. By further strengthening cooperation and sharing of information between sites, we can use scrap more efficiently, increase the recycling rate and improve profitability.

Shinsuke Oe

Many copper mining projects take a very long time from investment to recovery, so it is important to sow the seeds with a view to the future in ten-year increments. We would like to contribute to strengthening the value chain by ensuring stable procurement of clean copper concentrate and incorporating that into profit-making initiatives.

Kosaku Mizuno

Improving recycling rates are key to copper smelting operations. The amount of impurities contained in copper concentrate is expected to increase in the future, so we need to strengthen our ability to handle impurities and also take steps to increase recycling rate Company-wide, leveraging the strengths of the Group, which cover everything from mine investment to copper and copper alloy processing. We would like to tackle a variety

of technical challenges to further strengthen our value chain.

Jyunpei Yamane

As everyone has said, in order to accelerate resource recycling, we need to further cross-divisional activities. Improving recycling rates requires processing capacity, as well as addressing how we recover materials for recycling. The products of our Copper & Copper Alloy business are used by a large number of processing manufacturers, so we need to begin thorough collection of information on copper scrap sales routes.

We would like to work across divisional boundaries throughout the Group for customers who are becoming increasingly environmentally conscious.



Norihisa Iida

As we work to improve copper recycling rates in collaboration with the Metals business, I also believe it is important to actively disseminate information to raise customer awareness of our Group's efforts. I would like to make the most of my experience and knowledge gained through years in the Copper & Copper Alloy business to strengthen the value chain in areas such as recycling and GHG reduction, thereby contributing to improving the corporate value of the Group.

FY2031 Strategy and Performance Review

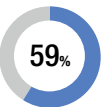
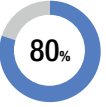
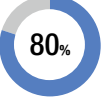
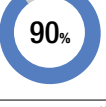
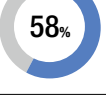
Progress of the Medium-term Management Strategy FY2031

Based on the outlook for the fiscal year ending March 2026, we are refining our plans for the fiscal year ending March 2027 through the fiscal year ending March 2031, while undertaking fundamental structural reforms focused on business foundation restructuring and financial structural improvement.

Performance trends

	FYE March 2023 result	FYE March 2024 result	FYE March 2025 result	FYE March 2026 forecast	FYE March 2026 plan
Net sales (excluding metal) (Billions of yen)	1,625.9 (608.0)	1,540.6 (548.1)	1,962.0 (545.2)	1,870.0 (567.1)	1,940.0 (690.0)
Operating profit (Billions of yen)	50.0	23.2	37.1	10.0	70.0
Ordinary profit (Billions of yen)	25.3	54.1	60.2	33.0	87.0
ROIC (%)	1.4	3.8	4.2	2.8	5.5
ROE (%)	3.5	4.8	5.1	2.8	10.0
EBITDA (Billions of yen)	75.7	105.0	110.4	87.5	150.0
Net D/E ratio (times)	0.7	0.7	0.7	0.7	0.7
Net interest-bearing debt/EBITDA ratio (times)	5.2	4.5	4.5	5.5	3.5
Dividends (annual) (Yen)	50	94	100	100	

Strategic Roadmap

	Progress toward the three year total: FYE March 2024 and FYE March 2025 Results + FYE March 2026 forecast	FYE March 2024 - 2026 plan
Expanding resource recycling	 59%	Investment: ¥110 billion (3 years) • Commencement of LIB recycling • Expansion of Tungsten business
Enhancing the supply of high-performance materials and products	 80%	Investment: ¥70 billion (3 years) • Strategic investment in semiconductor manufacturing equipment area • Improving supply chain efficiency
Investment in renewable energy	 80%	Investment: ¥5 billion (3 years)
Strengthening cost competitiveness	 286% (Cost Reduction Progress)	Ratio of improvement in ordinary profit to net sales +5.4%*1 Cost Reduction Amount (Cumulative): ¥8.8 billion
Operating cash flow	 90%	¥280 billion (3 years)
EBITDA*2 growth rate (CAGR)	 58% *3	16.5%*4 EBITDA ¥150 billion (FYE March 2026)

*1 Range of improvement in the ratio of ordinary profit to net sales, net sales excluding metal

*2 EBITDA = Ordinary profit + Interest expense + Depreciation + Amortization of goodwill (same as below)

*3 Progress shown as comparison of the EBITDA forecast for the fiscal year ending March 2026 relative to plan for the fiscal year ending March 2026 because growth over three years has been set as the KPI

*4 Cement business loss in fiscal year ended March 2023 excluded

Review of FYE March 2025 Performance and Outlook for FYE March 2026

Through the FY2031 Strategy, we aim to realize Our Commitment, “For people, society and the earth, circulating resources for a sustainable future.” To achieve this, we have been working to achieve growth across the entire value chain by leveraging our strengths to enhance metal resource recycling systems and expanding the scope, regions and scale. Regarding performance for the fiscal year ended March 2025, net sales increased by ¥421.4 billion compared to the fiscal year ended March 2024 due to factors such as the continued weakening yen, rising metal prices and increased gold production. Operating profit increased by ¥13.8 billion year on year due to the weak yen and improved profitability in the Metals business. Ordinary profit increased by ¥6.1 billion year on year due to factors that reduced profits, such as a decrease in mine dividends and foreign exchange losses on foreign currency monetary receivables and payables, as well as due to increases in operating profit and equity in earnings of affiliates.

With regard to the outlook for the fiscal year ending March 2026, while automobile demand is expected to recover in Japan, the situation globally remains uncertain, and semiconductor demand is expected to remain solid in cutting-edge fields such as those related to AI. In addition, TC/RC, which is the procurement condition for copper concentrate, has fallen significantly. In terms of exchange, we expect the yen to strengthen. Taking these factors into consideration for results in the fiscal year ending March 2026, we forecast net sales of ¥1.87 trillion, operating profit of ¥10 billion and ordinary profit of ¥33 billion. We expect increased profits in the Copper & Copper Alloy business, Electronic Materials & Components business and Metalworking Solutions business, and will continue to take steps to improve profitability. However, due to the significant impact of the decline in profits in the Metals business, we forecast lower net sales and profits compared to the fiscal year ended March 2025. In our Medium-term Management Strategy, the plan for the fiscal year ending March 2026, the final year of phase 1 covering the three years from the fiscal year ended March 2024 to the fiscal year ending March 2026, is net sales of ¥1.94 trillion, operating profit of ¥70 billion, and ordinary profit of ¥87 billion, which means that there is a significant divergence between our initial plan and our current outlook.

FY2031 Strategy and Performance Review > Progress of the Medium-term Management Strategy FY2031

Capital Allocation

Cash inflows are expected to be lower than planned as business expansion has not proceeded as initially anticipated. Cash outflows have decreased due to the postponement and narrowing of some growth investments in order to assess and implement them appropriately based on current business performance. However, from the perspective of ensuring safety and efficient operations, maintenance and renewal investments are expected to proceed largely as initially planned. Regarding shareholder returns, from the fiscal year ended March 2024 to the fiscal year ending March 2026, we aim to return profits to

shareholders with a dividend payout ratio of approximately 30%, and for the fiscal year ended March 2025, we set a dividend of ¥100 per share (year-end dividend of ¥50, interim dividend of ¥50) based on factors such as periodic revenue and operating cash flow. For the fiscal year ending March 2026, while the business outlook is challenging, we forecast a dividend of ¥100 per share (year-end dividend of ¥50, interim dividend of ¥50) taking into account the balance of capital allocation over the three years from the fiscal year ended March 2024 to the fiscal year ending March 2026.

Current Status

The semiconductor and automobile-related market conditions have changed significantly from what was envisioned when the FY2031 Strategy was formulated, with demand sluggish and the earnings growth we had initially envisioned not being achieved. With regard to investments, while medium- to long-term upfront investments have generally progressed smoothly, we have canceled or postponed some investments in light of changes in the external environment. As a result, we have not been able to achieve short-term investment returns or the anticipated returns on upfront investments that have already been made, and investment efficiency has worsened.

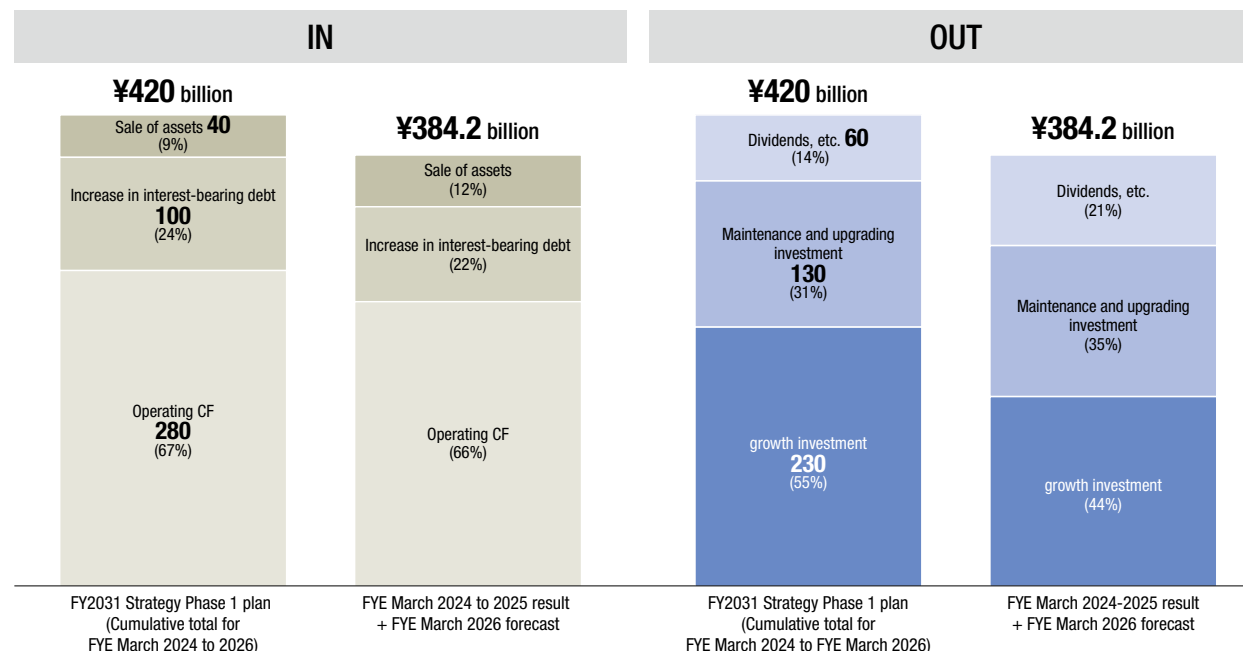
In addition, a significant decline in TC/RC (smelting margin) is expected to cause a worsening of earnings in the Smelting & Refining business.

Challenges for the Group in light of the above are as follows:

- The FY2031 Strategy is a business strategy and investment plan based on an assumption of increased demand, and has not been sufficiently revised for major changes in the external environment.
- We must allocate investments across the Group taking into account the risk/return of investments and the timing of benefits.
- We must shift to a smelting business centered on raw materials for recycling and expedite the establishment of a resource circulation loop in case TC/RC does not recover quickly.

Foundational structural reform is urgently needed to ensure profitability even in a worsening external environment, so we are resetting and refining our plan for Phase 2 of the FY2031 Strategy, which covers the period from the fiscal year ending March 2027 to the fiscal year ending March 2031.

FYE March 2025 Results and FYE March 2026 Forecast Relative to FY2031 Strategy Phase 1 Capital Allocation Plan



(): Percentage of total amount in parentheses

FY2031 Strategy and Performance Review > Progress of the Medium-term Management Strategy FY2031

Foundational Structural Reform

Foundational structural reforms will involve business foundation restructuring and financial structural improvement. As part of business foundation restructuring, we will shift from quantity to quality, maximize investment return and commit to ROIC management focusing on ratio. To achieve this, we will improve the profitability of each business, reform our Corporate Division, and review our business portfolio.

Foundational Structural Reform Policy



Shifting from quantity to quality and implementing flexible investment allocation with speed

Response and Policies for Each Business

	Metals business	Copper & Copper Alloy business	Electronic Materials & Components business	Metalworking Solutions business
Current Status	- Low TC/RC trend expected to continue for several years. High possibility of a significant negative impact in the medium-term - Recent significant exchange rate fluctuations have impacted copper prices (in yen)	- Weak automotive demand, recovering semiconductor-related demand - Investment to enhance production capacity (increased depreciation costs) - Impairment losses at the production base in Eastern Japan, etc.	- Recovering semiconductor-related demand, particularly for AI - Sluggish performance in precision silicon products for SPE and device products - Investment to increase capacity in columnar crystal silicon and seal products	- Sluggish demand due to slow recovery of the global automotive industry, major shift to EVs in China - Suspension or postponement of some investments in cemented carbide cutting tool business in light of changes in the external environment
Response and Policies	- Increase in the ratio of E-Scrap (recycled raw materials) in raw materials due to the expansion of facilities at Naoshima and Onahama Smelter & Refinery - Promotion of the Exurban Project in North America, aiming to smelt 100% recycled raw materials - Early expansion of the resource circulation loop by strengthening domestic and overseas networks	- Promoting profit structure reforms, including innovations in sales, manufacturing, and management - Optimizing product portfolios by shifting to high-value-added products and eliminating low-profit products - Achieving growth in both automotive and semiconductor products	- Cost reductions through productivity improvements and automation - Increasing market share with major customers, acquiring new customers and expanding sales by entering new fields - Expansion of semiconductor packaging products such as square silicon substrates and heat management products	- Improvement of product portfolio and service structure to increase ratio in the aerospace industry, and further increase in market share in North America and India - Pursuit of thorough rationalization, including improving operation efficiency, productivity and optimizing manufacturing locations - Expedient contribution to profitability across the entire Tungsten business

Corporate Division Reform

Optimizing Indirect Division	Operational efficiency improvement Elimination of unnecessary operations, simplification and standardization of operations Consolidation and streamlining of common tasks across departmental boundaries Strengthening organizational efficiency Expanding the use of shared service functions Accelerating organizational rationalization through thorough personnel management
Selection and Focus for R&D Themes	Selection of R&D themes to focus on Creation of new technologies and products in accordance with the roles of corporate R&D functions
Rebuilding the DX Strategy	Reassessment of the timing of investments and benefits, as well as cost-effectiveness Clarification of key DX initiatives

Rebuilding Our Business Foundation

Messages from the Company Presidents



Metals Company

Nobuhiro Takayanagi

Managing Executive Officer
(Representative Executive Officer)
President, Metals Company



We are keenly aware that we must review the foundations of our smelting and refining business model, and moving forward with reforms with a sense of urgency.

Demand for copper, a main product of the Metals Company, is expected to continue to increase significantly due to the shift to xEVs, the spread of renewable energy, and advances in IT technologies, including AI. This creates a great sales opportunity. Meanwhile, regions and countries such as China, the EU, North America and India have designated copper, precious metals and rare metals as critical minerals, intensifying competition for resources. Currently, the TC/RC (smelting and refining margin), which is the procurement condition for copper concentrate, is at an extremely low level. We are no longer able to generate profit through our current business model—procuring and smelting copper concentrate to sell as electrolytic copper. We are keenly aware that we must review the foundations of our current business model. Based on this, we are already moving forward with a sense of urgency on fundamental structural business reforms, including reducing copper concentrate processing volume at the Onahama Smelter & Refinery, and increasing the proportion of raw materials for recycling. We will steadily advance reforms by making maximum of our metallurgical technology and know-how in E-Scrap processing and home appliance recycling we have cultivated over many years. Complementing technology or expertise we lack internally through effective collaboration with external parties, we will achieve sustainable growth and increase corporate value.

Advanced Products Company

Zhang Shoubin

Managing Executive Officer
President, Advanced Products Company



We will work to improve quality and strengthen our revenue base in order to become a business that can generate profit even amid significant changes in the business environment.

Looking at market trends in the automobile market, the growth rate of the xEV market is slower than expected in Japan, Europe and the United States. In the semiconductor market, products related to generative AI and data centers are performing well, but we expect it will take time for demand for power semiconductors to recover due to delays in the adoption of xEVs and sluggish demand for consumer products. We are implementing fundamental structural reforms to become a business that can generate profits even amid increasingly rapid and drastic changes in the business environment.

In the Copper & Copper Alloy business, we have previously pursued strategies and plans based on the assumption of increased demand, but current conditions require a major shift in direction. Rather than simply relying on expanded volume, we will aim to improve quality, and to develop and expand sales of high-value-added products. Furthermore, we will continue to work to reduce costs and strengthen profitability by reviewing our product portfolio, including by consolidating manufacturing bases and withdrawing products that are not competitive.

In the Electronic Materials & Components business, we will further hone our current strengths while strengthening our earning base by seizing growth opportunities in the introduction of new products such as square silicon substrates, continuing to optimize our product portfolio.

Metalworking Solutions Company

Kazuo Ohara

Managing Executive Officer
President, Metalworking Solutions Company



Amid major changes in the cemented carbide tool market, we will accelerate our shift to growth areas and work to improve profitability.

In the Carbide Tools business, market trends are changing dramatically, with a significant shift to xEVs in the Chinese automotive industry, reducing demand for metal processing. We have previously developed products for small, high-precision processing in industries such as aerospace and medical care, and have expanded sales to these growth areas. Now, we will further accelerate efforts toward the next stage of growth. We are also implementing fundamental structural reforms to improve profitability, including by rationalization, such as improving business efficiency, productivity, and optimizing manufacturing locations.

In the Tungsten business, we will play a major role in circulating tungsten resources in major demand areas around the world, and will work to achieve profit more quickly through the combination of Germany's H.C. Starck, which we acquired in December 2024, and our Group company, Japan New Metals Co., Ltd. Additionally, as a part of overseas expansion in mining tools business, where tungsten is a raw material, Mitsubishi Materials Hardmetal Corporation has completed construction of a new plant in Thailand, strengthening the local production system. While expanding the circulation of tungsten resources, we will continue to create new value by providing solutions that help customers improve productivity.

Rebuilding Our Business Foundation



Metals Company : Resources Business



FY2031 Strategy Measures

- Promotion of technological development to secure and recover rare metal resources contained in copper deposits
- Acquisition of copper mining interests and securing copper concentrates through continuous investment in mines
- Expansion of electrolytic copper supply through SX-EW operations at copper mines

Progress

- Partial revision of mining investments under review
- Completion of the sale of interest in Copper Mountain Mine in FYE March 2026
- Mantoverde Mine began production in June 2024 and is currently operating at full capacity

Initiatives in FYE March 2026

- Consideration of investment portfolio optimization including replacement of investment mines

Acquisition of sustainable copper mining interests and securing copper concentrates through continuous investment in mines

The Group is focused on expanding the processing of raw materials for recycling (secondary raw materials). To expand processing of these materials, which are complex in composition and inconsistent in quality, it is increasingly important that the primary raw material, copper concentrate, be of consistent quality and contain few impurities. To ensure stable supply of copper concentrate with few impurities, we are investing in overseas copper mines. One of the goals of our mining investments is to capture copper mine profits through dividends to support our financial situation.

Currently, we are involved in three operating copper mines, primarily in Chile, South America, and also in multiple mine development projects. In recent years, the Mantoverde Mine (Chile), in which we acquired stake in February 2021, began producing copper concentrate in June 2024, and since transitioned to full production. In March 2023, we invested in Western Copper and Gold Corporation, which holds interests

in the Casino Project (Canada). Both projects are also aiming to develop new technologies, and at the Mantoverde Mine, we are developing technology for a process to separate and recover trace amounts of cobalt contained in ore.

At the same time, we are also reviewing our mining investment portfolio in response to changes in the external environment. As a part of this, we transferred our interest in the Copper Mountain Mine (Canada) to our joint venture partner, Hudbay Minerals Inc. Until now, we have offtaken 100% of the copper concentrate produced by this mine, using it as an important raw material source to ensure the stable operation of our domestic smelters. Following the transfer, we will continue to hold the right to offtake 85% of the copper concentrate produced over a 15-year period.

Going forward, we will continue to focus on existing projects while exploring opportunities to participate in new projects, aiming to build an optimal portfolio to ensure a stable supply of copper concentrate and maximize profits.



Chile: Mantoverde Mine



Canada: Casino Project

Rebuilding Our Business Foundation



Metals Company : Smelting & Resource Recycling Business



FY2031 Strategy Measures

- Strengthening and expanding networks to promote resource circulation
- Expansion of electrolytic copper production capacity
- Increasing recycling rate by expanding collection and processing of E-Scrap
- Creation of rare earths and rare metals recycling businesses
- Accelerating business developments in Japan and overseas (E-Waste recycling)

Progress

- LIB recycling pilot plant under construction
- Working with external partners to establish a resource circulation loop
- Construction work underway at Naoshima to expand recyclable raw material (including E-Scrap) processing capacity
- Promotion of the Exurban Project, organizational strengthening
- Feasibility study for expanding home appliance recycling in ASEAN countries

Initiatives in FYE March 2026

- Establishment of processing technology for raw materials for recycling, and decision regarding investment in Exurban Project
- Pre-treatment facility construction preparations at Onahama
- M&A and feasibility study for domestic and overseas home appliance recycling business

Expansion regions and targets of resource circulation businesses, based on trends and laws and regulations in each country and region

The Group utilizes our proprietary copper smelting process, the Mitsubishi Copper Continuous Smelting and Converting Process, to recover metals from raw materials for recycling such as E-Scrap, promoting the circulation of metal resources. E-Scrap contains valuable metals such as gold, silver, copper, platinum and palladium, so it is attracting attention as a valuable resource. In addition, the amount of E-Scrap generated is expected to continue growing as the recycling rate of WEEE rises with greater environmental awareness in countries around the world.

At the same time, TC/RC, a condition for purchasing copper concentrate, has worsened significantly, and the future outlook is uncertain. Operation of a sustainable business that takes both environmental and economic perspectives into account requires an increased proportion of raw materials for recycling in copper smelting, and further acceleration of the shift to a raw material mix less affected by TC/RC.

In light of this, we plan to expand our copper smelting capacity at Naoshima Smelter & Refinery in the fiscal year ending March 2028, focusing on strengthening E-Scrap processing, while also increasing the proportion of E-Scrap in our smelting process volume. In addition, we are planning to transform Onahama Smelter & Refinery into a resource circulation hub with excellent processing capabilities for raw materials for recycling. Specifically, after regular maintenance scheduled for October and November 2025, we will shut down some production facilities and reduce copper concentrate processing, while considering increasing our processing capacity for raw materials for recycling through the introduction of pre-treatment equipment, etc. Through these efforts, we will increase the proportion of raw materials for recycling in our copper smelting and refining operations.

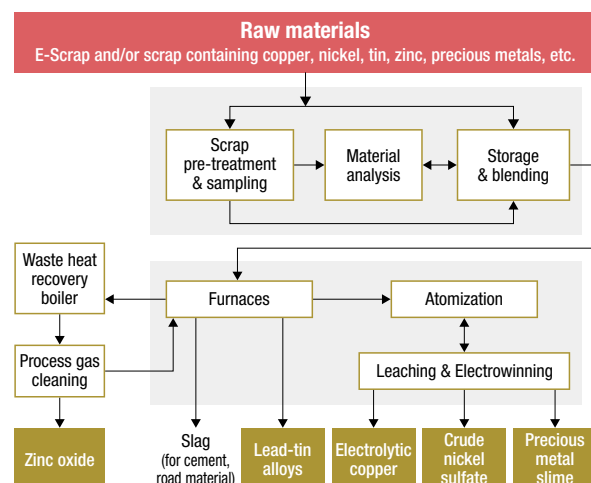


Naoshima Smelter & Refinery

Rebuilding Our Business Foundation > Metals Company : Smelting & Resource Recycling Business

Exurban Project Promotion

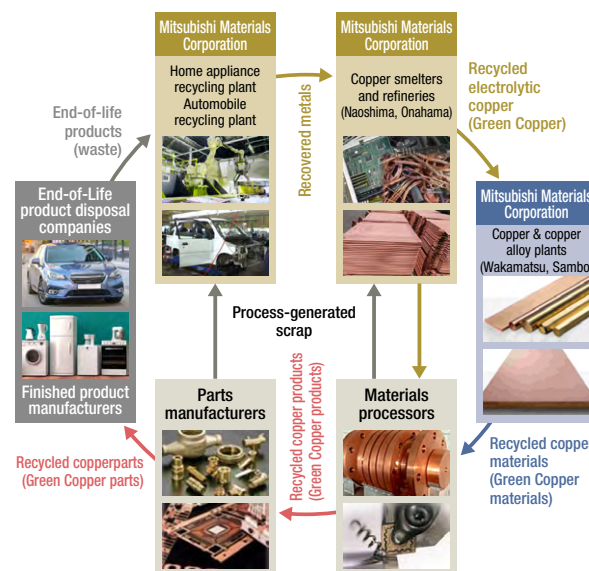
The Group has become a major shareholder in British company Exurban after acquiring a portion of its shares and has established a strategic alliance with it. Exurban is working to realize the zero-waste secondary smelting plant, which uses only scrap materials mainly E-Scrap. Through this project, in addition to establishing a foothold for resource circulation businesses in North America, we are engaged in joint development with Exurban to acquire new smelting technology that uses only scrap materials, mainly E-Scrap. We expect to expand this technology to other regions outside North America. The promotion structure was strengthened with the addition of Rio Tinto, a major resource company, and Giampaolo Group, a major recycler, as new partners. We also dispatch staff members to the region to contribute to strengthening the technology development and local project management.



Establishing a Resource Circulation Loop with OEM etc. (Collecting > Recycling > Return > Product)

We are establishing a resource circulation loop with automobile manufacturers and other parties who discharge used E-Waste. After receiving the waste, we dismantle and sort it at our automobile and home appliance recycling plants, feeding recovered resources to our copper smelters for final resource recovery and/or to our copper processing plants for processed product manufacturing.

Leveraging our strength in the broad copper value chain, we propose resource circulation loop models that meet customer needs.



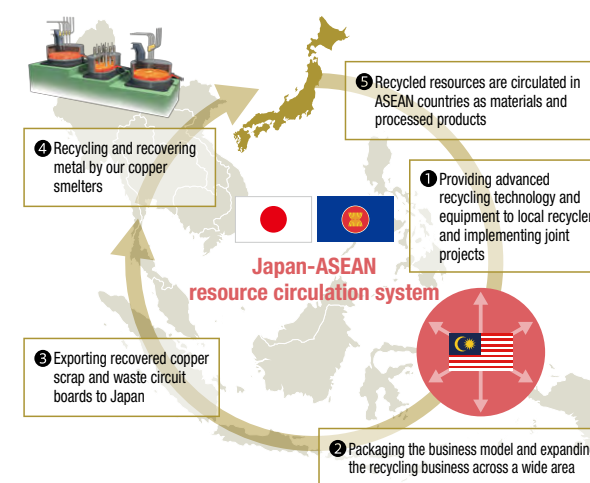
Related Information:

Integrated Report, P22
▶ Building a Sustainable Resource Circulation Loop

Promoting Home Appliance Recycling Projects in ASEAN Countries

Home appliances are made from a variety of combinations of materials, including metals such as iron, aluminum and copper as well as glass, plastic and rubber. We operate home appliance recycling plants in collaboration with home appliance manufacturers, and possess advanced dismantling and sorting technologies. Leveraging this strength, we are promoting home appliance recycling projects in Malaysia and Thailand, where E-Waste management legislation is planned.

In Malaysia we have concluded a memorandum of understanding (MOU) with a local partner (Jaring Metal Industries Sdn. Bhd.) regarding joint business ventures. This includes a currently underway feasibility study (FS) on process design and supply chain construction (purchasing end-of-life home appliances, recycling, then selling recovered resources). We plan to assess commercial viability to make a decision on investment at the timing when the legislation is enacted.



Rebuilding Our Business Foundation



Advanced Products Company : Copper & Copper Alloy Business



FY2031 Strategy Measures

- Expand capacity for copper plates and copper stripes to increase market share in the domestic market and acquire new overseas customers
- Improve the recycling rate of wrought copper products and establish a scrap platform base
- Overseas (Luvata): Rapid entry into growing markets (xEV, healthcare, environment)

Progress

- Investment to expand capacity for copper plates and copper strips is proceeding as planned, with full-scale operations to begin in the second half of FYE March 2025, but demand has remained weak
- Capacity expansion of existing facilities and M&A in the EV connector field

Initiatives in FYE March 2026

- Cost reduction through streamlined production and inventory reduction
- Expansion of sales for semiconductor-related heat spreaders in addition to newly certified products for automotive terminals
- Establishing a sales department (Strategic Sales Dept.) specifically for entering growing markets
- Optimization of product portfolio by shifting to high-value-added products and elimination of low-profit products

Implementation of profit structure reforms including additional cost reduction in addition to increasing sales by strengthening revenue structure (deepening existing markets and developing new markets)

In the Copper & Copper Alloy business, we leverage our strengths in the development and manufacturing technologies for oxygen-free copper and copper alloys to stably supply a variety of wrought copper products, and hold the top share of the domestic market. Investments to expand capacity in anticipation of medium- to long-term demand increases due to the advancement of xEVs and the trend toward higher currents and voltages were completed by the fiscal year ended March 2025. However, demand for both automobiles and semiconductors remains weak, resulting in impairment losses in the fiscal year ended March 2025. In light of this situation, in the fiscal year ending March 2026, we are working to increase sales by utilizing investment facilities for increased production and strengthening our revenue structure, while also implementing profit structure reforms that include further cost reductions.

We plan to implement these reforms in both the manufacturing

and sales sides. In terms of manufacturing, we are consolidating and eliminating production lines, as well as reducing lead times in addition to existing measures including yield improvements and inventory reductions. As a part of these efforts, we are currently preparing to integrate the Sakai Plant (Nishi-ku, Sakai, Osaka) and the Sambo Plant (Sakai-ku, Sakai, Osaka) on April 1, 2026. The vertical integration of the Sakai Plant, which handles upstream processes, and the Sambo Plant, which handles downstream processes, will enhance the value chain, from casting products (ex. copper cakes) to wrought copper products, improving manufacturing efficiency and shorten production lead times.

In terms of sales, we have established a new department to handle sales and marketing to expand sales in existing markets and develop new markets, aiming to build a system that can provide new added value.

Overview of Revenue Structure Reform

Thorough Production Rationalization and Lead Time Compression

Cost Reduction Measures	● Wakamatsu Plant	: MSP alloy recycling, yield improvement and rationalization, inventory reduction
	● Sambo Plant	: Yield improvement and rationalization, inventory reduction
	● Sakai Plant	: Production efficiency improvement, inventory reduction
	● Additional Measures	: Production line integration/abolition, lead time compression

Strengthening Marketing and Providing New Added Value

Sales Expansion	● Automotive Market (Rolled Products)	: Expansion into BEV-related fields, domestic busbar market, and European market
	● Semiconductor Market (Rolled Products)	: Promotion of heat spreaders and target materials
	● Water Faucet Market (Extruded Products)	: Expansion of GloBrass (overseas) and Eco Square Corners (Japan)
	● Others	: Promotion copper alloy bars, price revisions, and compression of recovery sites

Strengthening of Sales Structure	Rolled Products Sales Dept. Extruded Products Sales Dept.	▶	Copper & Copper Alloy Sales Dept. : Domestic and overseas sales in existing markets Strategic Sales Dept. : Domestic and overseas sales and marketing in new markets	Organizational change effective April 1 of this year

Rebuilding Our Business Foundation



Advanced Products Company : Electronic Materials & Components Business



FY2031 Strategy Measures

- Highly capital-efficient management through continual restructuring of the business portfolio
- Strategic investment in focal products in growth areas
- Developing and securing human resources for the creation of new businesses and the promotion of business alliances
- Enhancing manufacturing capabilities and DX to enhance production sophistication and profitability
- Providing business and social value (SDGs) for carbon neutrality

Progress

- Deteriorating business environment for precision silicon products. Revised investment to increase production and shifted to other growth areas
- Investment to increase capacity for columnar crystal silicon and seal products progressing as planned

Initiatives in FYE March 2026

- Increase market share and acquire new customers through strong products (semiconductor-related products and devices)
- Increase production due to recovery of semiconductor market
- Strengthen price competitiveness through cost reductions
- Increase sales of new products (square silicon substrates, DH53 series surge absorbers)

Responding to demand for next-generation semiconductor products, expanding business through investments that increase production

In the Electronic Materials & Components business, we supply materials and products for semiconductors and automobiles. Demand for semiconductor related products, which is our focus, is gradually recovering, though this varies by product. For this reason, we will closely monitor individual demand trends and consider measures such as capacity expansion. Demand for low-alpha solder is strong for generative AI and advanced packaging applications, so we are investing in expanded production. Although excess inventory in the commercial distribution channel for precision silicon products continues, we are working to expand sales by increasing our market share through existing customers, acquisition of new customers and entering new fields. Demand for columnar crystal silicon for semiconductor memory applications is strong, so we plan to gradually increase our production capacity. Although excess inventory in the commercial distribution channel for seal products continues, we

expect inventory reductions to progress in the second half of the fiscal year ending March 2026, and we will consider increasing capacity while we monitor demand trends.

Cost reduction initiatives are being implemented at each site. At the Sanda Plant, we are continuing efforts focused on both bottom-up and top-down efforts, with the goal of reducing costs by 30%. At the Ceramics Plant, we are working to thoroughly reduce costs and strengthen our manufacturing capabilities through efforts that involve everyone beyond the boundaries of organization or past practices.

In new products, we are focusing on expanding sales of our 600 mm square silicon substrate, one of the world's largest. We are targeting use in next-generation semiconductor packages, such as server CPUs and GPUs, and have received positive feedback from customers, with sample evaluations progressing smoothly.

Development of Semiconductor-Related Products

	Low-alpha Solder	Precision Silicon Products	Columnar Crystal Silicon	Seal
Application	Semiconductor Packaging Material	Semiconductor manufacturing equipment parts		
Demand Trend	Strong demand for generative AI and advanced packaging applications	Weak demand due to continued overstocking in the distribution channel	Strong demand for semiconductor memory applications, etc.	Weak demand due to continued overstocking in the distribution channel
Product Strengths	• Unique low-alpha materials and quality evaluation technology • Long-standing trust and proven track record	• Superior microfabrication technology for brittle cemented carbide materials • Customization capabilities	• Large-diameter product supply (□1050, φ1050) • High strength, inclusion-free • Thermal expansion coefficient and workability equivalent to single crystal products	• Material design capabilities • Customization capabilities • Automation for cost competitiveness
Future Development	We are currently expanding our production facilities in response to requests from major established customers. We plan to invest three times the amount in production compared to the fiscal year ended March 2025, with benefits expected to be felt from the fiscal year ending March 2028.	We aim to increase our market share with existing customers and expand into new fields, thereby expanding sales into new areas. Benefits are expected to be felt from the fiscal year ending March 2026.	Customer demand is strong, and the target market is expected to continue to grow. We will gradually increase our production capacity while monitoring demand trends. Benefits are expected to be felt from the fiscal year ending March 2026 and after.	We expect to see progress in reducing our distribution inventory in the second half of the fiscal year ending March 2026, after which demand is expected to increase in line with market growth. We will consider further capacity expansion while monitoring demand trends.

Rebuilding Our Business Foundation



Metalworking Solutions Company : Metalworking Solutions Business



FY2031 Strategy Measures

Cemented Carbide Tools Business

- Stable supply of the world's top quality, high-efficiency products utilizing the strength of materials and coating technology

Tungsten Business

- Expansion of business scale for rechargeable batteries in addition to cemented carbide tools, etc.
- Strengthening environmental measures

Solutions Business

- Commercialization of solution sales to manufacturing sites

Progress

- Creation of high added-value products is progressing in various fields including automobile, aircraft, and medical care. However, some investments have been suspended or postponed due to worsening market conditions
- Completion of acquisition of H.C. Starck, one of the world's leading manufacturers of tungsten products

Initiatives in FYE March 2026

- Accelerating comprehensive cost reduction, including personnel reallocation, optimization of scale, and procurement optimization, while also preparing for labor-saving measures and automation in anticipation of an economic turnaround
- Strengthening sales expansion to the aerospace industry, which is on a growth trajectory
- Accelerating efforts to secure the recovery and recycling capacity of used cemented carbide tools by leveraging recycling technologies, capabilities, and global bases of Japan New Metals (our subsidiary) and H.C. Starck

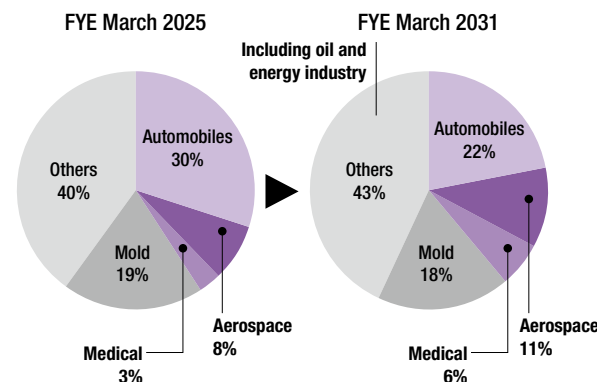
Strategic investment in focal products in growth areas

In the Metalworking Solutions business, we provide a variety of cemented carbide tools to the automobile, aerospace, medical and mold and die industries. However, sales growth for the automobile sector fell far short of expectations in the fiscal year ended March 2025, and it is unclear if global demand will recover in the fiscal year ending March 2026. In light of this, we are shifting our focus to the aerospace and medical industries, which are expected to grow in the future. The aerospace industry requires high-performance materials that can withstand harsh conditions, as do the cemented carbide tools used to process these materials. To ensure stable and efficient machining of difficult-to-machine, high-performance materials, we offer tools that combine fine-tuned base materials with highly heat-resistant coating technology. We will establish a dedicated global team to provide technical support, enhance sales expansion primarily in Japan, Europe and the United States, and strengthen our

product portfolio focusing on components, particularly aircraft engines.

In December 2024, we completed the acquisition of H.C. Starck Holding (Germany) GmbH (H.C. Starck), a world-leading tungsten producer. The company produces and sells high-quality powders, primarily made from, tungsten powder, tungsten carbide powder and alloys of these in Europe, North America and China through a global sales network including Japan, while also possessing one of the world's largest tungsten recycling capabilities. Through collaboration with our Japan New Metals Co., Ltd., we aim to create synergies and increase corporate value by strengthening research and development capabilities, promoting cross-selling, and utilizing our recycling technologies and capabilities, while also using this as an opportunity to expand our tungsten recycling business globally.

Cemented Carbide Tool Market Portfolio (Sales Breakdown by Industry)



Global Expansion of Tungsten Recycling Business



Utilizing the recycling technology, capabilities and global bases of Japan New Metals Co., Ltd., and H.C. Starck, accelerate efforts to secure the collection and recycling capabilities of used cemented carbide tools



Strengthening research and development capabilities through collaboration between our company, our Japan New Metals Co., Ltd. and H.C. Starck



Creating synergies and increasing corporate value through cross-selling between Japan New Metals Co., Ltd. and H.C. Starck

Rebuilding Our Business Foundation



Renewable Energy Business

FY2031 Strategy Measures

- New development at a pace of one location every three years to expand geothermal business
- New entry into wind power generation where power generation costs are expected to decline in the future

Progress

- Appi Geothermal Power Plant started operation in March 2024 (1 month ahead of schedule)
- Wind conditions on company-owned land under investigation
- Withdraw from biogas business in September 2024

Initiatives in FYE March 2026

- Construction of a solar power plant on company-owned land (scheduled to begin operation in November 2025)
- Sequential launch of new geothermal, hydroelectric, solar and wind power projects. Investigation/evaluation ongoing

Active development of new geothermal, hydroelectric, solar and wind power projects

The Group has a long history of involvement in the Renewable Energy business as a means to provide the electricity needed to develop the metal mines in Akita Prefecture. We are leveraging the technology and knowledge accumulated in underground resources over many years to develop Renewable Energy businesses centered on geothermal, hydroelectric and solar power generation in order to contribute to the stable supply of electricity to local communities. We will continue to work proactively in this area by focusing on geothermal power generation, further expanding hydroelectric and solar, and entering the wind power generation market, with the aim of achieving an effective 100% self-sufficiency rate in renewable energy by the fiscal year ending March 2051.

We are particularly focusing on geothermal power generation, with the Onuma Geothermal Power Plant, Sumikawa Geothermal Power Plant (steam supply only; power generation is handled by Tohoku Sustainable & Renewable Energy Co., Inc.), and Wasabizawa Geothermal Power Plant (owned by our equity-

method affiliate Yuzawa Geothermal Power Corporation). In addition, on March 1, 2024, Appi Geothermal Power Plant (owned by our consolidated subsidiary Appi Geothermal Energy Corporation) began commercial operation and is generating a stable amount of clean electricity.

As a new project, we have begun a geothermal resource survey in the Komonomori area of Kazuno, Akita, using a subsidy from the Japan Organization for Metals and Energy Security (JOGMEC).

In the fiscal year ended March 2023, tree and root cutting work was carried out in preparation for the construction of new forest roads and site development work to drill exploratory wells. Main construction began in the fiscal year ended March 2024, with exploratory well drilling following in the fiscal year ended March 2025. Surveying provided information on the geology, rock properties and temperature, confirming that the formation temperature was over 300°C from one of the survey wells.



Appi Geothermal Power Plant in winter



Exploratory well drilling in the Komonomori area

Rebuilding Our Business Foundation

Message from the Chief Technical Officer

Toshinori Ishii

Managing Executive Officer, CTO
Responsible for: Responsibilities of the CTO, Renewable Energy Business

We will optimize our research and development system, promote autonomy in manufacturing activities and accelerate innovation, leading to increased corporate value.

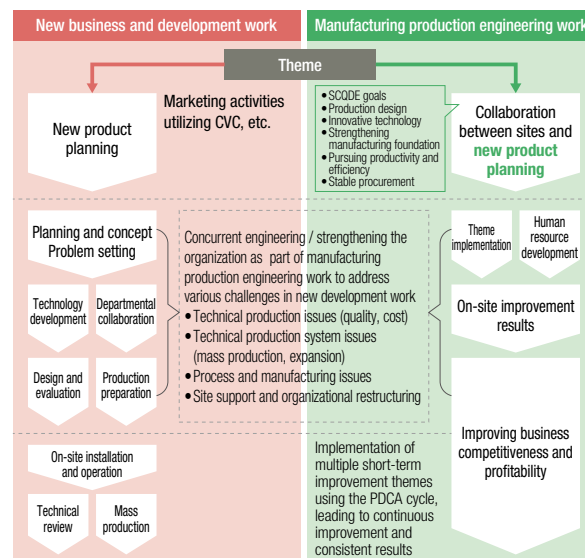
As part of the fundamental structural reforms being undertaken by the Group, we are promoting various initiatives in the areas of business overseen by the CTO, particularly in manufacturing and R&D. In research and development, we must re-examine and reorganize the ratio of new to existing fields to make it more appropriate and ensure it is in line with our overall business portfolio. Based on this, we will build a research and development system with optimal budget allocation, personnel size and deployment. From the perspective of accelerating the creation and commercialization of new businesses, we would like to accelerate the creation of high-quality themes by enhancing existing initiatives such as the Acceleration Program Wild Wind, where we utilize expertise from both inside and outside the Group. In order to accelerate decisions on commercialization, we will also work to strengthen mass production design.

In manufacturing, we will shift from headquarters-led activities at each company to autonomous activities at each company or site, while also focusing on reviewing and strengthening our production engineering from the perspective of Group-wide optimization. Through these efforts, we will accelerate innovation, leading to sustainable growth and increased corporate value.

Manufacturing and R&D

Manufacturing Excellence Strategy

The Group is working to strengthen manufacturing capabilities by adopting concurrent engineering techniques. This involves carrying out multiple product development processes concurrently, including planning, design, manufacturing and testing. By streamlining the product development process to shorten development times, we can respond more quickly to rapidly changing customer and market needs to bring more successful products to the market at greater haste. Furthermore, by having the production technology department participate in new product development from the development stage, we aim to reduce the defect rate during mass production and improve quality, leading to improved yields that contribute to enhance business competitiveness.



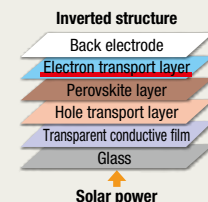
R&D Strategy

In R&D strategy, through the creation of new products, technologies, and businesses, we are providing sustainable materials and achieving sustainable enhancement of corporate value. We aim to develop materials for future needs and trends, achieving results quickly through collaboration between industry, government and academia. As a part of our ongoing efforts to rebuild our business foundation, we are promoting the selection and consolidation of R&D themes. In April 2025, the Innovation Center consolidated its 10 R&D technology areas into four: advanced materials, materials processing, computational materials design & processing and analysis and characterization. Moving forward, we will identify core technologies that must be strengthened with an eye on megatrends and growth markets, working on medium- to long-term themes aimed at the creation of new technologies and products that correspond to the role of the corporate R&D functions, while also utilizing external collaboration.

Product Development Contributing to the Realization of Sustainability Development of ink for electron transport layers decomposition perovskite solar cells

In collaboration with Enecoat Technologies, Co., Ltd., in which we have invested through MMC Innovation Investment Limited Partnership, we have developed an ink for forming the electron transport layer that improves the power generation efficiency of perovskite solar cells. By adopting this ink, we have achieved power generation efficiency that is approximately 1.5 times higher than conventional methods. Perovskite solar cells are attracting attention as the next generation of solar cells because they are highly efficient, low cost, lightweight, and flexible, making them suitable for installation in locations where doing had been difficult. We are also working with Enecoat Technologies Co., Ltd. to develop the coating process for the film-forming ink, and will continue to work toward early commercialization of large-area perovskite solar cells.

(<https://www.mmc.co.jp/corporate/en/news/2025/news20250324.html>)



Perovskite solar cell schematic

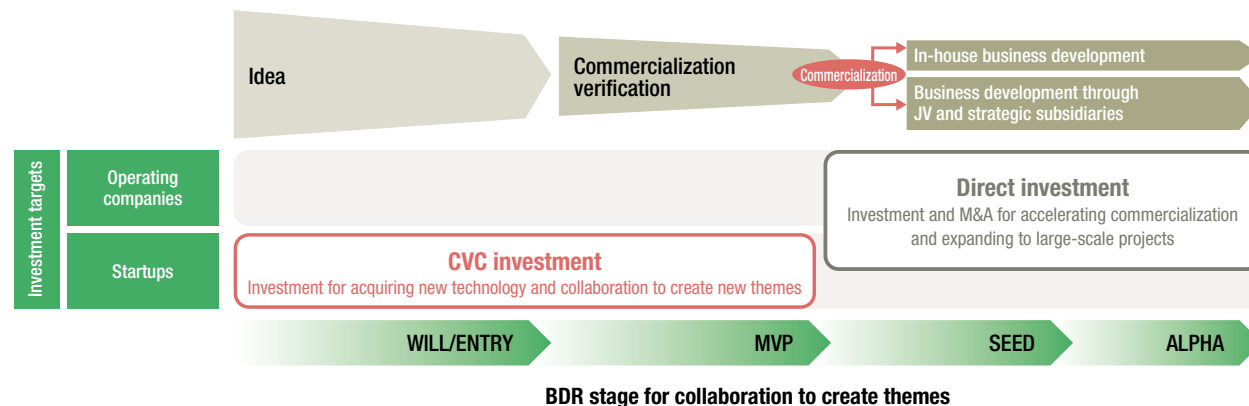


Newly developed tin oxide nano-ink

Rebuilding Our Business Foundation > Manufacturing and R&D



Basic Investment Strategy for New Business



Intellectual Property Management

To realize a sustainable, recycling-oriented society and improve corporate value, the Group implements the optimization of intellectual property portfolios in line with business and development strategies, and is working to enhance intellectual property-related risk management and intellectual property governance standards.

1. Contribute to building and strengthening MMC Group's cyclical value chain, which consists of various arterial and venous businesses, from an intellectual property perspective

We implement intellectual property strategies that provide faster and more effective support for the creation of our cyclical value chain, in line with the characteristics of arterial and venous businesses.

2. Build a strong intellectual property portfolio for MMC Group as a whole

We aim to build a robust intellectual property portfolio in order to respond with flexibility and strength to intellectual property environments, including the emergence of new competitors and alliances expected in the medium- to long-term.

3. Strengthen MMC Group's intellectual property governance structure

We carry out intellectual property related activities in line with the Corporate Governance Code and work to optimize governance in areas such as investment in intellectual property, the development and implementation of utilization strategies, risk management, and information disclosure. We do this using measures such as monthly interviews with the Managing Executive Officer responsible for intellectual property, appropriate reporting to the Board of Directors (as needed) and guidance and supervision from management.

Launch of the Acceleration Program Wild Wind: Creating New Businesses in a Short Time Period



At the Wild Wind 2023 (1st phase) evaluation session



2nd phase website: <https://www.mmc.co.jp/su/acp24>

*This data is only available in Japanese on the website.

We launched the MMC Acceleration Program Wild Wind, aiming to create new businesses through collaboration with startups and other external partners. Through collaboration with partners, we will accelerate efforts toward commercialization by promptly verifying hypotheses and conducting demonstration tests. External partners will also be provided with our research data, business development human resources, research and development facilities, material analysis technology and verification costs for commercialization as well as accurate advice and accompanying support for commercialization.

In the first phase (started 2023), two themes moved into preparation for commercialization, and in the second phase (started 2024), we recruited partners for new business themes in five areas: carbon neutrality, resource circulation, advanced materials, life sciences and automation technology. In addition to themes proposed by our company, we actively accepted collaborative ideas from external partners, and after approximately six months of joint verification, we decided what ideas to commercialize in September 2025. For themes to be commercialized, we will consider investment from our company or MMC Innovation Investment Limited Partnership.

Rebuilding Our Business Foundation

DX/IT



DX Strategy

The Mitsubishi Materials Group implements the DX strategy MMDX*, which serves as a foundation that enables us to prevail in global competition. We use digital technology and data to strengthen three key pillars of business, which are business added-value, business operation competitiveness and management speed.

*MMDX: Mitsubishi Materials Digital Business Transformation

Rebuilding the MMDX Strategy

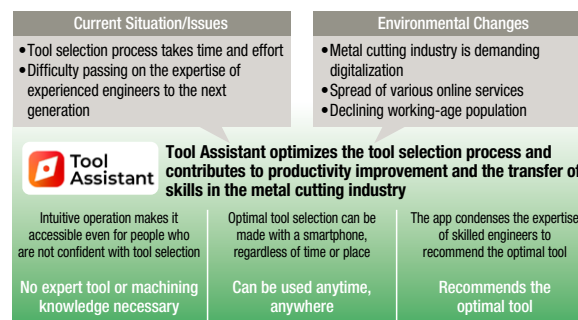
With the aim of increasing MMDX investment results, we have rebuilt its strategy. As a policy, we are accelerating the in-house development of each DX theme from conception through to operation and maintenance, prioritizing themes that are expected to generate results quickly. Each in-house Company will accelerate initiatives to manage and utilize management resources through business-related DX. Meanwhile, Company-wide DX themes will be advanced rationally by integrating them with IT system modernization activities, while also implementing business improvements that enable advanced operations. We are also working on initiatives such as expanding the use of AI and exploring new themes within the domain of our corporate vision, "circulating resources for a sustainable future."

MMDX Example: Tool Assistant

Selecting the optimal tool requires advanced expert knowledge and extensive experience. A major challenge for users is the time-consuming nature of making a selection, particularly when dealing with specialized machining operations or materials, which significantly increases the difficulty of the task. Furthermore, not only is it time-consuming, but selecting the wrong tool can also lead to reduced production efficiency and quality defects.

To address these challenges, we have released Tool Assistant, a tool that consolidates the tool selection expertise of the

Company's skilled engineers. By utilizing this tool, users can quickly determine the optimal tool from approximately 400,000 selection patterns anytime, anywhere, simply by selecting and inputting the necessary information. For certain tool searches, the AI recommendation function suggests tools based on the user's search history and other data, enabling efficient tool selection. This contributes to improved machining accuracy and enhanced productivity.



Voice



Nobuhisa Hayama
CDO, General Manager
of DX Promotion Division

We are in the final fiscal year of the full-scale operation phase of MMDX. Those involved will work together to leverage digital technology and data, clearly defining priorities while considering resources to drive results and impact. Furthermore, as a strengthening measure for Phase 2 of the FY2031 Strategy, we plan to pursue the use of AI and increase the in-house development rate. This will further accelerate our digital transformation.

Voice



Norihiro Itano
CIO, General Manager of
System Strategy Division

We will contribute to management and business by establishing and executing the MMC Group IT WAY, centered on IT governance and IT synergies. Furthermore, we will promote the utilization of rapidly evolving IT, maintain an appropriate level of information system security suited to the times, and advance modernization by moving away from legacy systems.

IT Strategy

The Group provides system functions that are indispensable to establishing and executing the MMC Group IT WAY (IT governance and IT synergies) as our IT strategy and promoting DX. We prioritize data utilization, operational efficiency and security. We are working on system modernization and the strengthening of security measures as well as focusing on key initiatives such as commonization and standardization of IT infrastructure and fostering IT talent. We have set a goal of reducing IT costs to 1.0% or less of net sales by 2030.

In terms of information security, we are transitioning from a perimeter defense-based security system to a zero trust security model and strengthening measures such as supply chain risk management globally in response to changes in the external environment. In addition, we are developing our incident response system, security measures and operations under global common policies. We continuously develop our information security measures with reference to trends and are enhancing security within the Internet perimeter and with regard to external threats. We are also covering the importance of OT security and secure cloud access.

Improving Our Financial Position

Message from the Chief Financial Officer

Kayo Hirano

Managing Executive Officer; CFO
Responsible for: Responsibilities of the CFO, Procurement & Logistics



To build a solid financial foundation for sustainable growth, I will work to strengthen cash generation, reduce interest-bearing debt, and improve investment efficiency

I was appointed Managing Executive Officer and CFO in April 2025 and am responsible for financial management under the new management team.

We achieved year-on-year increases in revenue and profits for the fiscal year ended March 2025, but our performance outlook for the fiscal year ending March 2026, the final year of Phase 1 of Medium-term Management Strategy FY2031, is significantly different from what was initially planned.

The reasons for this include weaker-than-expected semiconductor and automobile market conditions, a decline in short-term investment returns due to the cancellation or postponement of some investment plans, a lack of expected returns on already implemented investments, and a decline in profits in the Metals business due to a deterioration in TC/RC, which represents smelting margins.

In this environment, we are currently embarking on fundamental structural reforms. I recognize that my role here is to adjust our investment allocation methods, improve investment efficiency, strengthen our cash generation capabilities, and reduce interest-bearing debt in order to build a solid financial foundation for achieving our vision for 2030 and sustainable growth, and I am promoting efforts to achieve these goals.

Structural reforms involve recording temporary losses and expenditures, but by thorough selection and concentration of investments and ensuring a balance with revenue, we will contribute to improvement of financial soundness and enhancing corporate value.

Improving Our Financial Position

We will steadily implement the other pillar of foundational structural reform, improving our financial position, linking this to increased corporate value.

Direction of Our Financial Position

In light of Medium-term Management Strategy FY2031 and the current situation, we recognize the following challenges: (1) The FY2031 Strategy is a business strategy and investment plan based on an assumption of increased demand, and has not been sufficiently revised for major changes in the external environment. (2) We must allocate investments across the Group taking into account the risk/return of investments and the timing of benefits. (3) We must shift to a smelting business centered on raw materials for recycling and expedite the establishment of a resource circulation loop in case TC/RC does not recover quickly.

We will work to improve our financial position and transition to a system that allows for flexible investment allocation, such as making agile investment decisions and investing according to cash inflow.

In improving our financial position, we will focus on the following three points.



Related Information:

Integrated Report, P29 ▶ Progress of the Medium-term Management Strategy FY2031 (Current Status)

Status of Cost Reduction

(Unit : Billions of yen)

Cost reduction plan		FYE March 2024		FYE March 2025		FYE March 2026	
		FY2031 Strategy plan	Result	FY2031 Strategy plan	Result	FY2031 Strategy plan	Forecast
Metals	•Reduction of hedging costs, slag costs, and energy costs	0	4.7	0.01	10.0	2.6	14.0
Advanced Products	Copper & Copper Alloy •Yield rate improvement, fixed cost reduction (labor, outsourcing, etc.) Electronic Materials & Components •Fixed cost reduction (labor, etc.), productivity improvement	1.7	1.6	2.4	3.0	3.2	5.4
Metalworking Solutions	•Reduction of manufacturing costs •Cost reduction at subsidiaries	0.9	2.1	1.9	3.7	3.0	5.7
Renewable Energy	•Reduction of operating expenses of power plants •Improvement of operational efficiency through automatic operation of power plants, etc.	0	0.03	0.02	0.03	0.02	0.05
Total business		2.6	8.4	4.4	16.8	8.8	25.2

Improving Our Financial Position

To improve capital efficiency and EP (economic profit), we will work to increase ROIC, which we have introduced as a management indicator engaging in activities to improve EP (EP is calculated by multiplying the ROIC spread, which is the difference between ROIC and WACC by business, by invested capital)

To improve capital efficiency, we have set ROIC as an improvement indicator for each business and perform reporting and management on a monthly basis. In order to drive on-site improvement, we have broken down ROIC and clarified the drivers of improvement. We then set KPIs for each site and are working on these initiatives. Furthermore, on the sales side, we are promoting price revisions and shorter payment times, and on the production side, improving yields and reducing inventory to reduce costs.

We also improve capital efficiency across the entire Group through the Company-wide implementation of measures such as working capital enhancements, investment plan reviews and capital allocation monitoring.

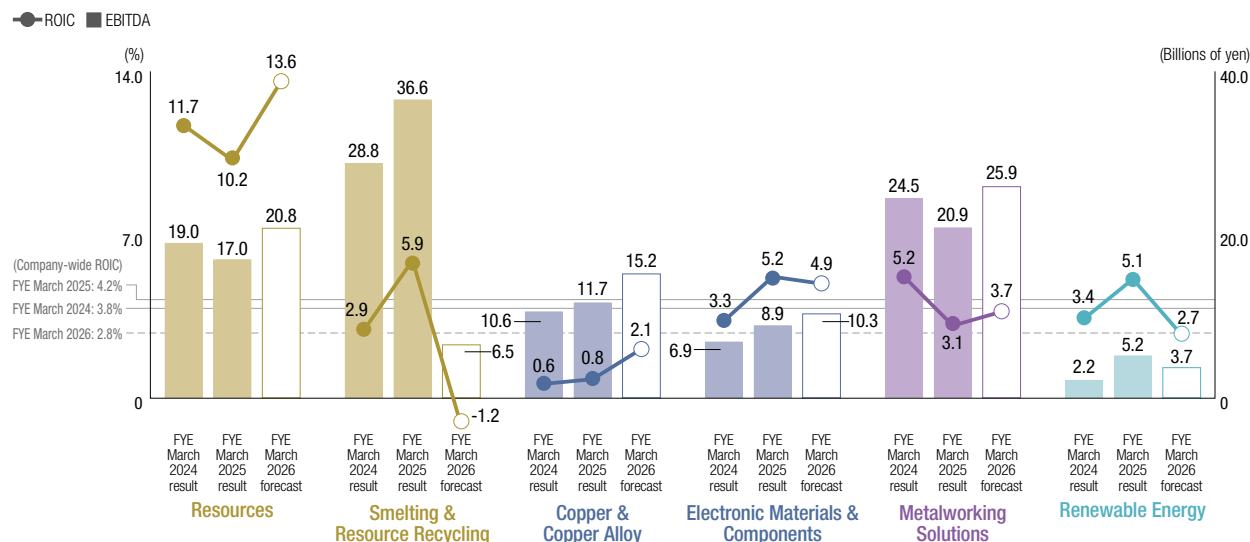
In addition, we will flexibly and appropriately control investment allocation, such as by making investment decisions based on operating cash flow, to strengthen our cash flow generation capabilities and reduce interest-bearing debt.

Utilizing the Cash Management System

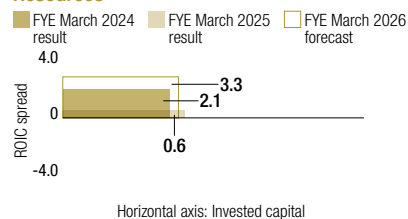
By introducing a cash management system, the Group is striving to centralize the management of surplus funds at domestic and overseas Group companies and improve capital efficiency. As part of this, in the third quarter of the fiscal year ended March 2025, we began operating a global cash management system (notional pooling) for our European subsidiaries. In the fiscal year ending March 2026, we plan to introduce cash pooling in China, Thailand, and other countries, and will work to further improve capital efficiency on a global basis.



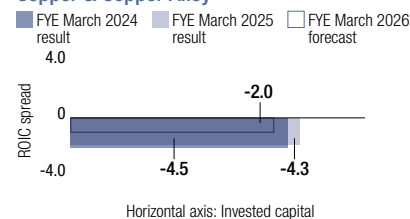
ROIC and EBITDA (top) / EP (bottom) by Business Segment: FYE March 2024 and 2025 Results and FYE March 2026 Forecast



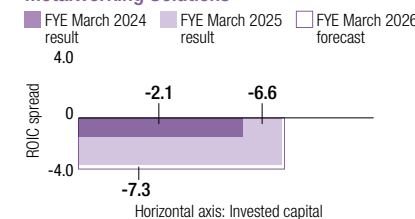
Resources



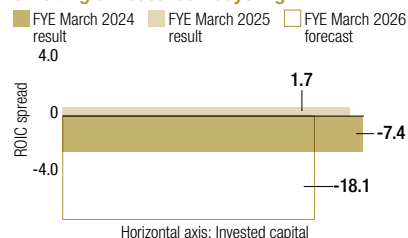
Copper & Copper Alloy



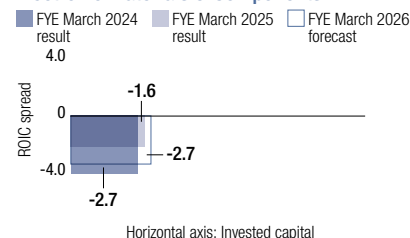
Metalworking Solutions



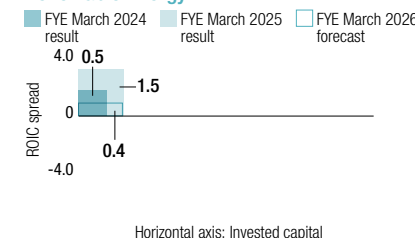
Smelting & Resource Recycling



Electronic Materials & Components



Renewable Energy



Sustainability Promotion

Overview of Sustainability Activities

Enhancing Corporate Value

Rebuilding Our Business Foundation

Improving Our Financial Position

Sustainability Promotion

Indicates an award or certification from an outside organization.

	FYE March 2025			FYE March 2026		
Promotion of resource circulation	Started sales of simplified indoor air conditioner unit dismantling equipment	Four new products added to the REMINE recycled metal brand 	Completion of acquisition of H.C. Starck	Promoted sustainable PMP (Product-Material-Product) Loop utilizing waste printed circuit boards	 Received the Chairman's Award at the 21st LCA Society of Japan Awards	
Strengthened measures to address global environmental issues	Calculated and third-party-verified electrolytic copper carbon footprint 	 The Materials' Forests Teine Forest registered in an international database as an OECM (Other Effective Area-based Conservation Measures)	Established the Mitsubishi Materials Group Biodiversity Conservation Policy	 Acquired certification for The Copper Mark 	 Selected for the first time as A List, the highest rating, in the CDP 2024 Climate Change field 	 Selected for the second consecutive year as a Supplier Engagement Leader, the highest rating, in the CDP 2024 Supplier Engagement Assessment  Published the Mitsubishi Materials Group TNFD Report
Enhancement of human capital	Hosted a health promotion event featuring top athletes 	 Second consecutive year a Healthy Company Declaration Gold Certification   Received a Gold award in the PRIDE Index 2024 	 Certification as a Sports Yell Company 2023-25 from the Japan Sports Agency   Selected for the first time as a 2025 KENKO Investment for Health and recognized for the second consecutive year as a White 500 Health & Productivity Management Outstanding Organization (Large Enterprise Category)  	Awarded as an Outstanding Company for Cancer Control Promotion by the Ministry of Health, Labour and Welfare  Held a cross-company joint event, the Non-Ferrous Metals DE&I Forum 2025, for International Women's Day 	Held an event for employees to connect with their young children 	Held an event in conjunction with Mitsubishi Materials Corporation Pride Month 
Activation of communication	 Selected for the first time for addition to the ESG investment index FTSE4Good Index Series and FTSE Blossom Japan Index 	Newly formulated Our Values for the Mitsubishi Materials Group 	Held Family Day at Mitsubishi Materials Corporation 	 The Company history titled "150 Years of Mitsubishi Materials Corporation" received Outstanding Company History Award	 Received the Ministry of Environment's 6th ESG Finance Awards Japan Theme Prize (Circular Economy Award)	
Strengthening information security	Held cybersecurity study sessions for management		Expanded global WAN (wide area network) in Europe and the US	Began internal trial of Microsoft Copilot	Began operation of integrated asset management system	Conducted cross-departmental exercises to prepare for cyber attacks
Strengthening response to SCQ issues	647 people participated in hazard sensitivity education, 347 people participated in safety and health training (FYE March 2025 result)		Held Quality Review Day and carried out training, internal audits and patrols		Held Safety Declaration Day and continued efforts to ensure serious accidents are not forgotten	
Enhancement of sustainable supply chain management		Began copper concentrate production at Mantoverde Mine, Chile 		Held sulfide ore facility completion ceremony at Mantoverde Mine, Chile 	Completion of sale of interest in Copper Mountain Mine, Canada	
Deepening of DX	 Selected for the second consecutive year as one of the Noteworthy DX Companies 2024 under DX Stocks 2024 		Launched the Tool Assistant service, which suggests optimal tools 		 Selected for the third consecutive year as one of the Noteworthy DX Companies 	 CIO Itano wins the Grand Prize in the Nikkei Crosstech CIO/CDO of the Year 2025 Awards
Pursuit of value creation	 Our technology of high-performance copper alloy for automotive terminals received the Science and Technology Award (development category) at the 2024 Minister of Education, Culture, Sports, Science and Technology Awards 			Held the Demo Day acceleration program to rapidly create new businesses	Developed ink for forming electron transport layers to improve the power generation efficiency of perovskite solar cells, achieving approximately 1.5 times greater power generation efficiency than conventional inks	Developed oxygen-free copper (MOFC™-GC) (Grain Control) with the world's highest level of grain growth suppression performance  Won the Excellence Award in the Semiconductor of the Year 2025 Semiconductor Electronic Materials & Components category for square silicon substrate
Geopolitical and geoeconomic risks	Completed expansion of cemented carbide tool plant in Valencia, Spain 		Established Mitsubishi Materials Europe B.V.	Constructed a new mining and civil engineering tool plant in Thailand 		
Financial risks	Promoted cash flows improvement project		Introduced the cash flow management system to overseas Group companies		Issued electronic commercial paper	

Sustainability Promotion

Dealing with Climate Change

We are helping to build a decarbonized society, and are steadily implementing measures to achieve our ambitious greenhouse gas (GHG) emission reduction targets.

Our goal is to achieve carbon neutrality by the fiscal year ending March 2046 and 100% self-sufficiency in electricity derived from renewable sources by the fiscal year ending March 2051.



Related Information:

Sustainability website
▶ Climate Change (Disclosure in Accordance with TCFD)

Response and Policies

The Intergovernmental Panel on Climate Change (IPCC) published its sixth Synthesis Report in 2023, in which it stated that human activities have “unequivocally” caused global warming and stressed the urgency with which GHG emissions must be reduced. Countries across the world have been promoting climate change initiatives under the Paris Agreement framework that came into effect in 2020, and with the signing of the Glasgow Climate Pact at the 2021 United Nations Climate Change Conference (COP26), there has been a major shift towards the target of limiting global warming to the 1.5°C target by achieving carbon neutrality by 2050. At Mitsubishi Materials Group, we recognize the seriousness of addressing climate change in line with our Corporate Philosophy of “For People, Society and the Earth.” We are advancing our business activities with the goal of building a decarbonized society in numerous ways. In addition to setting a target of achieving carbon neutrality by the fiscal year ending March 2046, five years earlier than the Japanese government’s target for the fiscal year ending March 2051, we aim to generate power equivalent to our electricity consumption from renewable sources by the fiscal year ending March 2051, achieving an effective 100% self-sufficiency in electricity derived from renewable sources.

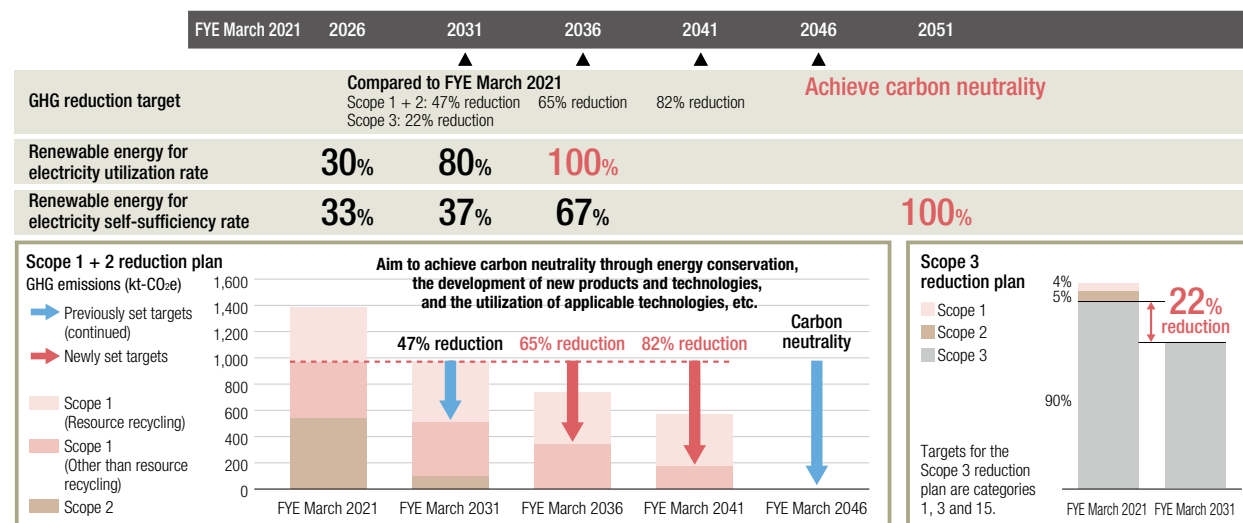
Indicators and Targets

The Group has set out its GHG emissions reduction targets (Scope 1 + 2 and Scope 3) in the Medium-term Management Strategy. Starting from the fiscal year ending March 2025, we have reorganized our GHG emissions reporting in accordance with the commencement of periodic reporting as mandated by the revised Act on Rationalization of Energy Use and Shift to

Non-fossil Energy and the Act on Promotion of Global Warming Countermeasures. This includes the 2024 addition of CO₂ emissions previously excluded from calculations and reporting to the scope of legal reporting, such as those from the combustion of plastic contained in E-Scrap and CO₂ emissions from the chemical reaction of limestone used in the manufacturing process. Since one of the pillars of the FY2031 Strategy is to strengthen our resource recycling efforts by leveraging our strengths, we have set a GHG emissions reduction target (Scope 1 + 2) of 47% from levels of the fiscal year ended March 2021 by the fiscal year ending March 2031. This target excludes GHG emissions from resource recycling efforts. As for Scope 1 + 2, we will continue to aim to achieve carbon neutrality by the fiscal year

ending March 2046, including GHG emissions from our resource recycling efforts. Following the review, the SBT certification was withdrawn in November 2024.

Furthermore, in addition to the existing targets for the fiscal years ending March 2031 and 2046, and taking into account Japan’s Nationally Determined Contribution (NDC) established by the Japanese government in February 2025, new Scope 1 (GHG emissions excluding emissions from resource recycling initiatives) emission reduction targets for the fiscal years ending 2036 and fiscal 2041 have been set based on the figures on the slope of the line connecting the targets for the fiscal years ending March 2031 and 2046. Targets set for total Scope 1 (GHG emissions excluding emissions from resource recycling initiatives) and



*GHG emissions for Scope 1 and 2 are based on the calculation of adjusted emissions under the Act on Promotion of Global Warming Countermeasures (excluding GHG emissions from resource recycling efforts).

Sustainability Promotion > Dealing with Climate Change

Scope 2 are a 65% reduction by the fiscal year ending 2035 and an 82% reduction by the fiscal year 2041 compared to the fiscal year ended March 2021.

As for Scope 3, we have set a reduction target of 22% by the fiscal year ending March 2031 (compared to the fiscal year ended March 2021). Additionally, we will promote the development and expansion of renewable energy such as geothermal power, which is one of the Group's strengths. We have set a target of using 100% renewable energy for electricity use by the fiscal year ending March 2036 and 100% self-sufficiency in renewable energy for electricity by the fiscal year ending March 2051.

Strategy

The Group conducted scenario analysis based on TCFD* recommendations to analyze climate-related Group risks and opportunities. We have established business indicators and targets regarding these transition risks and opportunities while maintaining consistency with the FY2031 Strategy announced in February 2023. We established and analyzed 1.5°C and 4°C scenarios for each theme.

As a risk common to all businesses, we estimated the financial impact on the Group in the event that climate change policies, laws and regulations are strengthened, and in the event that carbon pricing systems are introduced and strengthened. We also analyzed impacts on our business from the perspective of risks and opportunities regarding changes in demand for electric vehicles, changes in energy usage patterns, and changes in recycling business demand due to the transition to a recycling-oriented society. We are working to achieve our business goals to reduce these risks and seize these opportunities. In our Company-wide risk management activities, we also manage physical water risks, including damage caused by acute and chronic risks such as torrential rains, floods, storm surges, and droughts, which are considered to be related to climate change.

*TCFD: Task Force on Climate-related Financial Disclosures. The TCFD was established in 2016 by the Financial Stability Board, an international organization that seeks to stabilize financial systems.



Scenario Analysis – Summary of Results

▲ Primary Risks ● Primary Opportunities

Theme	Business	Risk/Opportunity Elements at 1.5°C	Impact on Business		Target
			1.5°C	4°C	
Changes in Carbon Tax, Energy Costs, etc.	Common to All Businesses	▲ Introduction/strengthening of carbon price tax system (increase in operation costs)	Total amount of burden of carbon price and increase in energy costs		GHG emissions (Scope 1 + 2) FYE March 2031 47% reduction (compared to FYE March 2021) (excluding GHG emissions from resource recycling efforts) FYE March 2046 Carbon neutrality (including GHG emissions from resource recycling efforts)
			Approx. ¥23.7 billion	Approx. ¥15.8 billion	
Changes in EV Demand	Smelting & Resource Recycling Business	● Increase in xEV sales volume	Global demand in copper for vehicles (compared to FYE March 2021) FYE March 2031: 3.3 times FYE March 2051: 4.6 times	FYE March 2031: 2.1 times FYE March 2051: 2.7 times	Electrolytic copper sales volume FYE March 2031 830,000 t per year
		▲ Decrease in volume of scrapped vehicles generated in Japan	Volume of scrapped vehicles generated in Japan (compared to FYE March 2021) FYE March 2031: 0.98 times FYE March 2051: 0.85 times	FYE March 2031: 0.98 times FYE March 2051: 0.89 times	Annual processing volume of vehicle recycling FYE March 2031 70,000 vehicles per year
	Copper & Copper Alloy Business	● Increase in xEV sales volume	Demand in connectors and busbars for vehicles (compared to FYE March 2021) FYE March 2031: 2.6 times FYE March 2051: 3.1 times	FYE March 2031: 2.2 times FYE March 2051: 2.4 times	Sales volume of automotive pure copper strips FYE March 2031 2 times (compared to FYE March 2021)
	Metalworking Solutions Business	▲ Rapid change in market for processed products due to modal shift, etc.	Sales of cutting tools for the automotive industry (compared to FYE March 2021) FYE March 2031: 0.996 times FYE March 2051: 0.718 times	FYE March 2031: 1.510 times FYE March 2051: 1.455 times	Sales of cutting tools FYE March 2031 2.3 times (compared to FYE March 2021)
			Sales of cutting tools for the aerospace industry (compared to FYE March 2021) FYE March 2031: 1.18 times FYE March 2051: 1.61 times	FYE March 2031: 1.48 times FYE March 2051: 2.60 times	
	Renewable Energy Business	● Increase in spread and demand for renewable energy	Difference from FYE March 2021 sales of the Company's share of power generation FYE March 2031: ¥5,240 million FYE March 2051: ¥23,668 million	FYE March 2031: ¥5,046 million FYE March 2051: ¥20,185 million	The Company's share of renewable power generation FYE March 2031 575 GWh
Changes in Demand for Recycling Business Due to Shift to Recycling-Oriented Society	Smelting & Resource Recycling Business	● Increase in demand for E-Scrap recycling	Volume of E-Scrap generated globally (compared to FYE March 2021) FYE March 2031: 1.4 times FYE March 2051: 2.5 times	FYE March 2031: 1.3 times FYE March 2051: 1.6 times	E-Scrap processing capacity FYE March 2031 240,000 t per year
		● Increase in demand for home appliance recycling	Processing weight of waste home appliances in Japan (compared to FYE March 2021) FYE March 2031: 6% increase FYE March 2051: 10% increase	FYE March 2031: 2% increase FYE March 2051: 1% increase	Annual processing volume of home appliance recycling FYE March 2031 5.9 million appliances per year

Sustainability Promotion > Dealing with Climate Change



Carbon Neutrality Road Map and Progress

To achieve our Scope 1 reductions, we are developing technologies that contribute to a reduction of CO₂ related to CCUS (Carbon Dioxide Capture, Utilization and Storage) and will promote fuel conversion from heavy oil to LNG and electrification of facilities. To achieve our Scope 2 reductions, we are installing solar power generation equipment, making high-efficiency equipment replacements, and switching to electricity derived from renewable energy sources. We are also making internal use of renewable energy certificates at our plants, such as using non-fossil certificates from our hydroelectric power plants.

In anticipation of future demand reducing renewable energy certificate availability, we are also considering the use of CPPAs (Corporate Power Purchase Agreements) to secure renewable energy over the long term. From the fiscal year ending March 2025, we also began operating an internal carbon pricing system to steadily implement initiatives to reduce GHG emissions. We aim to achieve carbon neutrality by the fiscal year ending March 2046, including GHG emissions from our resource circulation initiatives, by conserving energy and reducing fossil fuel emissions at manufacturing sites, promoting the development of products that contribute to a carbon-neutral society and technologies such as CO₂ capture and CO₂ treatment, and utilizing applicable technologies.

Participation in the GX League

We respond to climate change with participation in external frameworks.

In April 2022, we endorsed the Ministry of Economy, Trade and Industry's GX League Basic Concept. Working to achieve carbon neutrality, participating companies are expected to work to reduce their own emissions while also playing a leading role in collaboration with a wide range of stakeholders including supply chains, consumers and society at large. Our efforts are consistent with this purpose.

Transition-Linked Finance

The Company established the Transition-Linked Finance Framework in November 2023 (revised in August 2024 according to revised GHG reduction targets) to promote our efforts to achieve carbon neutrality. Based on the framework, we are issuing Transition-Linked Bonds and executing Transition-Linked Loans. Furthermore, along with the application of the performance-linked interest subsidies program (financial support for promoting the transition toward achieving a carbon-neutral economy) based on the Act on Strengthening Industrial Competitiveness, MMC was selected as a recipient of the Ministry of Economy, Trade and Industry (METI) subsidy for global warming countermeasures promotion project for the fiscal year ended March 2024.

We will promote our efforts to achieve carbon neutrality by utilizing the funds raised.

Execution date	Type	Procurement amount
Nov. 2023	Transition-Linked Bond	¥20 billion
Feb. 2024	Transition-Linked Loan	¥20 billion
Apr. 2024	Transition-Linked Bond	¥15 billion

Carbon Neutrality Road Map

	FYE March 2031	Vision for FYE March 2046, after CN
Scope 1	- Fuel conversion (switch from heavy oil to LNG) - Reduction in fossil fuel due to increased E-Scrap processing - Electrification of heat utilizing equipment - Research & development on products and technology that contribute to CCUS, etc.	- Fuel conversion - Electrification of heat utilizing facilities - Implementation of technologies and transfer of facilities
Scope 2	- Introduction of solar power generation facilities - Increased in-house power generation through installation of saturated steam turbines - Replacement with high-efficiency equipment - Switch to renewable energy sources - Renewable energy certificates, CPPA utilization, etc.	- CN conversion of furnace (hydrogen, ammonia, etc.) - Electrification of equipment 100% renewable electricity (stable procurement of in-house electricity) - Conversion of air conditioning equipment to non-fluorocarbons - Non-fluorine cleaning solution - Other (technologies for adopting CCUS, etc.) - Development and provision of products and technologies to contribute to a CN society
Scope 3	- Supplier engagement and collaboration - Collaboration with Mitsubishi UBE Cement Corporation and other equity method affiliated companies	
Investment Plan	¥10.5 billion GHG reduction investment in facilities and processes ¥30 billion in the renewable energy business	

Sustainability Promotion > Dealing with Climate Change

Governance

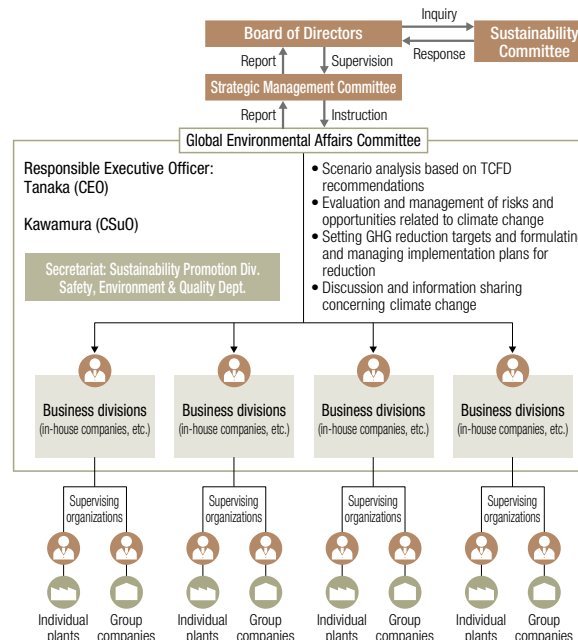
The Company has appointed an executive officer in charge of addressing sustainability issues, including climate change, and a CSuO as the Chief Executive Officer in each field. Additionally, we set up the Safety, Environment & Quality Department of the Sustainability Promotion Division. The Global Environmental Affairs Committee, for which the Safety, Environment & Quality Department serves as secretariat, promotes the examination of scenario analysis based on TCFD recommendations, as well as evaluation and management of climate related risks and opportunities and discussion and sharing of information on measures to achieve GHG emission reduction targets and other climate change measures. These efforts are reported to the Strategic Management Committee and the Board of Directors for appropriate monitoring.

In addition, the Group established the Sustainability Committee, an advisory body to the Board of Directors, for the purpose of actively examining the direction of our sustainability efforts from different perspectives and presenting it internally. This Committee monitors our climate change initiatives, discusses methods and issues regarding those initiatives, and reports this information to the Board of Directors.

Risk Management

We recognize climate change as one of the major sources of risks that may have a significant adverse effect on the Group's results and financial position. Accordingly, we are working to address this through our Group-wide risk management activities. Please refer to Risk Management for further details on the Group's Risk Management System, status of operation, major risk selection process, etc.

Promotion Structure



Carbon Footprint (CFP) Response

The Company has established a direction regarding the calculation of the Carbon Footprint of Products (CFP) and is promoting CFP initiatives. In concrete terms, we are expanding the CFP calculation to our main products, establishing a system to ensure data reliability, and promoting third-party verification and disclosure of CFP calculation results. It is important not only to calculate CFP but also to reduce it, and we are promoting integrated efforts to reduce CFP from upstream to downstream by systematically planning our GHG reduction measures and promoting supplier engagement.



Introduction of Internal Carbon Pricing (ICP) System

MMC introduced an internal carbon pricing (ICP) system in order to raise awareness about GHG emissions and further promote its decarbonization efforts. Under the ICP system, the Company sets its own hypothetical price for GHG emissions and uses it for investment decisions.

The internal carbon price is set at ¥10,000 per t-CO₂e and is used in investment decisions for capital expenditures that contribute to reductions in our own GHG emissions (Scope 1 + 2). We will actively promote the reduction of GHG emissions by promoting investments that contribute to decarbonization through the introduction of the ICP system.

Initiatives for Scope 3 Reductions Supplier Engagement

In order to achieve the Group's Scope 3 (categories 1, 3, and 15) emission reduction targets and reduce CFP, it is important to promote the reduction of GHG emissions not only in our businesses, but also in the entire supply chain. We are building relationships with our suppliers to reduce GHG emissions throughout our supply chain. Specifically, engagement letters are sent to copper concentrate suppliers related to category 1, which accounts for approximately 24% of Scope 3 emissions. Questions are asked based on reports on their efforts to address global environmental issues and GHG emissions reduction targets and plans, and responses received, engaging in two-way communication. We also hold online meetings to exchange opinions and promote efforts to reduce GHG emissions throughout the supply chain. In the fiscal year ended March 2025, we sent questionnaires to suppliers that account for approximately 90% of our copper concentrate procurement volume. The Company plans to continue these efforts and expand the suppliers that they apply to.

Sustainability Promotion > Dealing with Climate Change

Initiatives for Scope 3 Emissions Reduction MUCC's Efforts Towards Carbon Neutrality

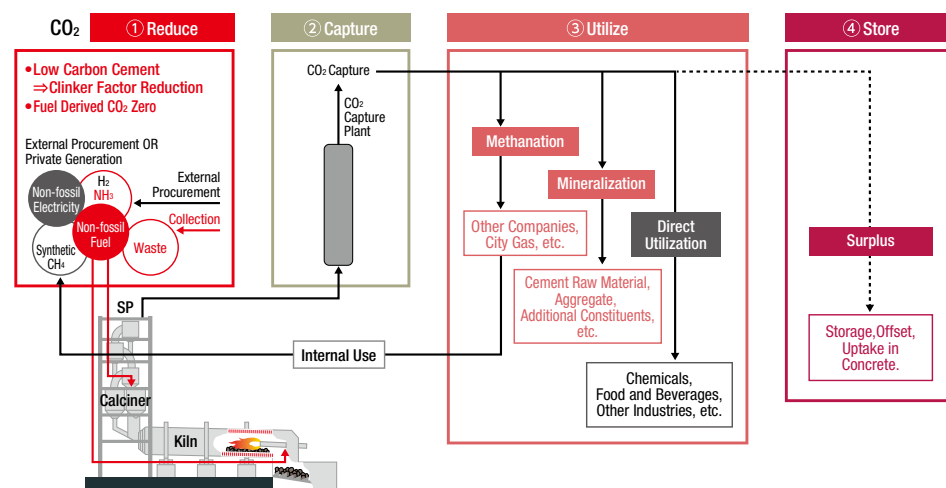
Mitsubishi UBE Cement Corporation (MUCC) is an equity method affiliate, and the Company counts and reports 50% (shareholding ratio of MUCC) of MUCC's Scope 1 and 2 emissions as the Group's Scope 3 category 15 emissions. As these emissions account for approximately 60% of Scope 3 emissions (as of the fiscal year ended March 2021), reducing MUCC's emissions will contribute significantly to the Group's Scope 3 emissions reduction. MUCC has set the "promotion of global warming countermeasures" as one of its top priorities in its Medium-term Management Strategy, "Infinity with Will 2025: MUCC Sustainable Plan 1st Step," announced in April 2023. Under this strategy, MUCC is taking a variety of steps to achieve carbon neutrality by 2050 with the intermediate goal of reducing CO₂ emissions by 40% by 2030 (compared to 2013 levels).

Regarding the reduction of CO₂, MUCC has jointly developed an eco-friendly concrete that substitutes approximately 80% of the cement with blast-furnace slag with Shimizu Corporation. MUCC has now obtained certification from the Minister of

Land, Infrastructure, Transport and Tourism, and is planning construction. In addition, in January 2025, MUCC commenced the world's first commercial-scale demonstration test of ammonia co-firing in the cement manufacturing process. In August 2025, MUCC, Osaka Gas Co., Ltd., Daigas Energy Co., Ltd., and Saibu Gas Co., Ltd. successfully conducted a joint demonstration test of natural gas co-firing as a thermal energy source for a cement kiln of MUCC's Kyushu Plant Kurosaki District. Using a newly developed natural gas co-firing burner, 40% of the coal used in the cement kiln was substituted with natural gas. Operation on a commercial scale confirmed no issues in terms of operational stability or product quality, and no environmental hazards were identified. This was Japan's first attempt at using natural gas in a cement kiln in commercial operation, marking an important step toward becoming a low-carbon society. Switching to natural gas, a low-carbon energy source, at an earlier stage is under consideration, in order to reduce CO₂ emissions during cement production. In the future, MUCC will also work on transitioning from natural gas to e-methane*.

Regarding the utilization of CO₂, MUCC, in collaboration with Kitakyushu City, will conduct demonstration testing for a series of local production for local consumption model projects for use in the city. In these projects, MUCC will produce carbon

recycling materials such as CO₂-fixed recycled aggregate, base materials, and carbonate artificial sand on a demonstration scale by causing a reaction between CO₂ emitted from cement plants and waste materials such as waste concrete or by-products emitted from chemical plants and steel mills, which are available nearby. Regarding carbonate artificial sand, MUCC has developed GX-e Beads™, a carbon-negative fine aggregate that fixes CO₂ and is suitable



MUCC Kyushu Plant Kurosaki District (cement kiln and preheater)

for use in standard-strength concrete, employing it to carry out trial manufacture and test construction of interlocking blocks. In addition, MUCC has signed an investment and collaboration agreement with Australian start-up MCI Carbon Pty Ltd. (MCI), and a tripartite memorandum of understanding with MCI and ITOCHU Corporation to transform MUCC into a low-carbon business by utilizing MCI's mineral carbonation technology, and to consider development and business models for the resulting mineral carbonation products.

Regarding the storage of CO₂, MUCC has been commissioned for JOGMEC's Advanced CCS Joint Feasibility Study for the Southern Malay Peninsula Offshore CCS Project, with the aim of making the cement manufacturing process carbon neutral. MUCC has conducted a feasibility study to establish a value chain encompassing CO₂ separation, capture and underground storage, and has also initiated a joint study on carbon dioxide capture, utilization and storage (CCUS) with Osaka Gas Co., Ltd.

In order to reduce Scope 3 emissions, the Company will set up regular opportunities for dialogue to continue sharing information on the status of its efforts.

*E-methane is a synthetic methane produced from CO₂ and hydrogen derived from renewable energy sources. Since burning e-methane does not result in a net increase of CO₂ in the atmosphere, it is gaining attention as an energy source that contributes to achieving carbon neutrality.



Sustainability Promotion

Human Capital



Message from the Chief Human Resources Officer

Makiko Nogawa

Managing Executive Officer; CHRO
Responsibilities of the CHRO,
Responsible for General Affairs,
Corporate Communications, Legal &
Compliance, Business Transformation



Employees are the source of the Group's sustainable growth. We will maximize talent capabilities to build a strong foundation and contribute to the Group's development.

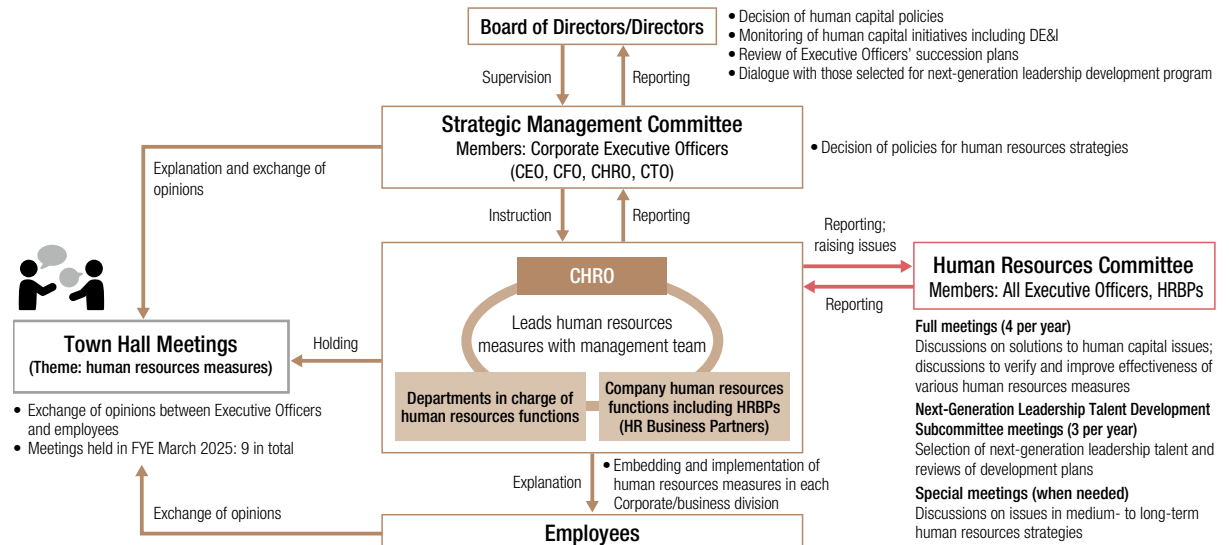
Our employees who drive our business activities are the source of sustainable growth. We are striving to achieve Our Commitment by building the culture and systems that form the growth and foundation of our talent. The two pillars of the human resources strategies, which is one of the management foundations in the FY2031 Strategy are "Maximizing the value of human resources and creating an organization dedicated to winning" and "Building a foundation for co-creation and growth." We are implementing measures to contribute to the realization of our business strategies.

To further enhance our human capital amid a business environment that continues to change significantly, in the fiscal year ended March 2025, we renewed the HR system for non-managerial positions, formulated new Our Values based on the opinions of employees worldwide, and further promoted operational efficiency and health and productivity management. We are also continuing to work on next-generation leadership talent development, to ensure diversity and improve employee engagement. The Chief Human Resources Officer (CHRO) shares the intentions behind these measures through mutual dialogue with employees at Town Hall Meetings and other events. At the same time, the effectiveness of human resources measures is discussed at the Human Resources Committee, which is attended by all Executive Officers and the HR Business Partners (HRBPs), and revisions are made as necessary. We will continue to view our employees as human capital and maximize their value to facilitate the growth of both individuals and the Company.

Realizing FY2031 Strategy: Human Resources Strategies that Combine Management and Business Strategies



Implementation Structure of Human Resources Strategies



Sustainability Promotion > Human Capital

Main Measures and Vision for Human Resources Strategies that Support the Realization of Management and Business Strategies

Below are the main measures for human resources strategies to fulfill Our Commitment and results for the fiscal year ended March 2025. In order to achieve our vision for the end of the fiscal year ending March 2031, we have set targets for Materiality as key KPIs, and are promoting initiatives while implementing various measures, verifying their effectiveness, and discussing improvements.

Related Information:

Integrated Report, P16 ▶ Materiality



		Priority Issues	Main Measures	FYE March 2025 Result	Vision for FYE March 2031
Achieve the targets of the FY2031 Strategy	Human Resources Strategy	Maximizing the value of human resources and creating an organization dedicated to winning	Developing and retaining human resources for business growth	★ Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers: 69.7% - Established a pool of next-generation leadership talent and strengthened development initiatives involving management - Advanced digital talent with practical skills to promote DX and data-driven management: 1,067	★ Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers: 80% - We will have established and be executing a cycle of ongoing appointment and development of the next generation of management candidates for Executive Officer positions and key talent from each function - We will have established a system to visualize and continually develop and assign potential leaders who can play an active role in the Group globally - Advanced digital talent: 3,000
			Realizing flexible employment and work styles	- Enhanced publicity and diversified hiring channels - Placed the right persons in the right positions at the management level (effective April 2022), made preparations to revise the HR system for non-managerial positions (effective April 2025) - Full adoption of a system for side jobs / side businesses - Promoted initiatives for business process innovation (total number of hours reduced since FYE March 2023: 78,386)	Through speedy hiring, placing the right persons in the right positions, a mixture of diverse employment patterns and work formats, and operational efficiency, we will utilize excellent talent to the maximum in our business operations
			Maximizing capabilities of individuals and supporting autonomous growth	- Improved management skills through training, etc. - Promoted understanding of and executed performance management cycles and ensured evaluation feedback to be delivered (implementation percentage: 78.3%) - Promoted autonomous career development and implemented support measures (more active utilization of the Internal Job Posting System, held career events, provided opportunities to consult outside career counselors, provided support for re-skilling)	Improving the management skills, ensuring performance management, and allowing each employee to give their best and realize their growth as they build a career autonomously, which in turn will be linked to the Company's growth
	Human Resources Strategy	Building a foundation for co-creation and growth	Accelerating transformation by integrating diverse talent and their values	★ Ratio of diverse attributes among managers: 27.0% - Number of managers per attribute (compared to March 31, 2021): Women: Approx. 1.7 times, non-Japanese: Approx. 1.5 times, mid-career hires: Approx. 1.6 times - Percentage of women in management positions: 3.9%	★ Ratio of diverse attributes among managers: 30% By building an environment where team members with a variety of diverse attributes can coexist and recognize one another in an equitable manner and actively demonstrate their individual abilities at their very best, we will be able to get the maximum performance from our organizations and accelerate transformation
			Fostering job fulfillment through well-being	★ Positive response rate in employee engagement survey: 74.9% Certified for the first time as a 2025 KENKO Investment for Health 2025, recognized for the second consecutive year as one of the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category "White 500"), Group-wide recognition as a Health & Productivity Management Outstanding Organization in 2025: 9 companies recognized	★ Positive response rate in employee engagement survey: 80% - Each employee resonates with Our Commitment and works with a sense of job fulfillment independently, and labor productivity per employee is improving - Building workplaces where employees can be healthy and energized leads to the improvement of labor productivity and corporate values
			Maximizing organizational capability through data utilization	- Designed operations and implemented systems for skill data management and early adoption of part of the job family - Continued visualization and analysis of the situation of employees and organizations through aggregation of HR data	Based on analysis of HR data, including personal statements, resumes, skills, certifications/licenses and training history, we will make decisions based on human resources strategies, including making the right placements in the right positions

★ : Key KPIs, P52 ◆ : Key Measures, P53-54

Sustainability Promotion > Human Capital

Key KPIs

To understand the implementation status and effectiveness of our human resources strategies, we have established three key KPIs. This section introduces the background and rationale for these metrics, the current situation, related issues and efforts to resolve them.



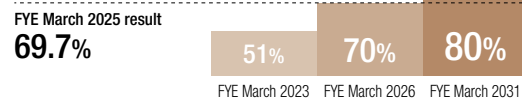
Maximizing the Value of Human Resources and Creating an Organization Dedicated to Winning

Continuously Retaining and Developing Management Leader Candidates

We recognize that our most critical human resources issues is the ongoing development and retention of leadership talent capable of driving the Group's businesses, including strengthening profitability, expanding resource recycling, and enhancing the supply of high-performance materials and products. For this reason, we have set the ratio of next-generation leadership talent (selected according to their performance and potential) to Executive Officer's successor candidates as a key KPI using Company-wide standards.

Metrics

Ratio of Candidates on the Next-Generation Leadership Talent Development Program to Successors of Executive Officers



Specific Measures and their Progress

At the end of the fiscal year ended March 2025, the ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers stood at 69.7%, approaching the target for the end of the fiscal year ending March 2026, which is 70.0%. We are seeing the positive impact of this program's development efforts.

The current Next-Generation Leadership Talent Development Program started in the fiscal year ended March 2023, focusing on accelerating development through business assignments and building a pool of leadership talent. By continuously visualizing the talent pipeline and systematically advancing the cycle of talent acquisition and development, we aim to strengthen our talent management efforts.

Building a Foundation for Co-creation and Growth

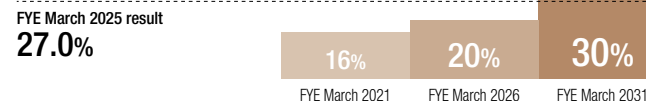
Diversity in Management

For the sustainable growth of our Group, it is essential to create innovation beyond existing frameworks and improve decision-making quality in a rapidly changing business environment. To that end, we have set the ratio of diverse attributes among managers as a key KPI. By recognizing and embracing diverse personalities, we will foster a culture and mindset that creates new value through different perspectives.

Metrics

Ratio of Diverse Attributes* Among Managers

*Women, non-Japanese people, mid-career hires, people with disabilities

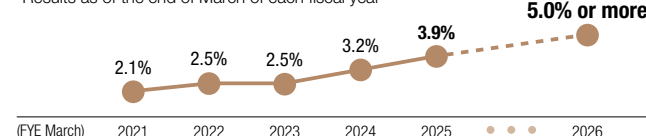


Specific Measures and their Progress

As a result of actively implementing various initiatives, we achieved our target for the end of the fiscal year ending March 2026 ahead of schedule by March 31, 2025, with respect to the ratio of diverse attributes among management. Among these attributes, the trend in the ratio of women in management positions is shown in the chart below. We are further strengthening efforts toward achieving the target for the end of the fiscal year ending March 2026. Specifically, we have set targets for the ratio of women selected for the Next-Generation Leadership Talent Development Program (fiscal year ending March 2026 result: 16.3%), implemented a sponsorship program in which Executive Officers and Division General Managers serve as sponsors to accelerate career development, and continued to provide a variety of career support initiatives. We will remain focused on securing human resources with diverse attributes to realize our business strategies.

Trends for Percentage of Women in Management Positions

*Results as of the end of March of each fiscal year

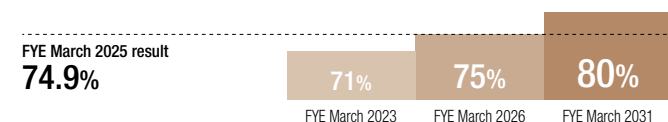


Continuous Improvement of Employee Engagement

In order for employees and the company to grow together, it is essential that employees, who are at the heart of all human capital initiatives, experience a strong sense of job fulfillment in their work. To this end, we have established the positive response rate in employee engagement survey as a key KPI, serving as a metric for the alignment between job fulfillment for our employees and the direction of the Company. We are working toward sustainable growth in unison with our employees.

Metrics

Positive Response Rate in Employee Engagement Survey



Specific Measures and their Progress

To measure the status of achievement related to continuous improvement of employee engagement, we have been conducting engagement surveys for non-consolidated employees once a year since fiscal year ended March 2023. As shown in the chart below, the survey consists of 30 questions across five categories. In the fiscal year ended March 2025, the overall positive response rate across all questions was broadly in line with the fiscal year ending March 2026 target of 75%. Within the five categories, areas identified for enhancement, such as "Growth Opportunities" showed progress through initiatives like the monthly career event that supports career planning, while "Organization" also delivered results through strengthened initiatives to promote health and productivity management.

Beginning in the fiscal year ending March 2026, the scope of the survey has expanded to include Group companies in Japan and overseas, as we work to strengthen engagement across the entire Group.

Category	Areas to be strengthened*				
	Work	Colleagues	Compensation	Organization	Growth Opportunities
Change from year-on-year	+0.7pt	+1.4pt	+0.9pt	+1.1pt	+4.4pt
All Questions	+1.6pt				

*Areas to be strengthened: Categories with relatively low positive response rates in the previous year's survey

Sustainability Promotion > Human Capital

Key Measures

Maximizing the Value of Human Resources and Creating an Organization Dedicated to Winning

To fully realize the talents of each employee and to continuously secure and retain human resources that contribute to enhancing our corporate value, it is essential to have an HR system that determines grades and treatment based on jobs and roles. Accordingly, we have revised the existing HR system, which was based on functional qualifications. In addition, we are promoting initiatives aimed at operational efficiency, labor saving, and workload saving, while also focusing on creating an environment where each employee can perform their jobs and roles more effectively and thereby enhance labor productivity.

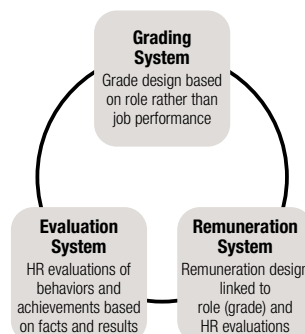


Overhauling the HR System—the Key to Continuous Growth

As changes in the labor market make it essential to strengthen talent acquisition and retention, we are renewing the HR system for non-managerial employees based on their roles and continuing to secure talent that contributes to enhancing corporate value.

To adapt to changes in the external environment, such as working-age depopulation and increasing labor mobility and continue securing and retaining human resources that contribute to enhancing our corporate value, it is essential to revise our employment model based on conventional Japanese employment practices. Accordingly, we have revised the HR system for non-managerial positions. Specifically, we have shifted from a seniority-based model where compensation is determined by age and years of service, to a role-based grading system. Furthermore, we have established a compensation framework that determines remuneration in accordance with performance and contributions to a greater extent than before. In addition, we have unified the job categories that were previously distinguished based on the possibility of relocation or scope of activity, while revising the assumption that certain categories must inherently involve relocation. Under the new system, the scope of activity is no longer restricted by job category. Moving forward, it is essential that we ensure that the revised system takes root and is consistently operated in line with its intended objectives. Throughout this process, we will monitor the implementation status of the new system and take actions to address any issues that arise, thereby continuing to enhance our ability to attract talent and improve the Company's corporate value.

Overall Scope of the New HR System



Explanation sessions about the system overhaul conducted at individual sites

Related Information:

Corporate website ▶ Newsroom
Implementation of New Human Resources Measures to Realize the Human Resources Strategy of the FY2031 Strategy
- Start of the revision of the personnel system for non-managerial positions and alumni recruitment -

Deep Dive into Efficiency for Operations Optimization

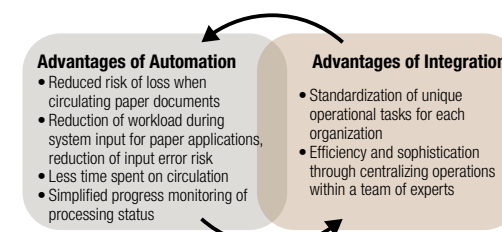
As a unified Group, we will promote business process innovation, foster an environment where each employee can find fulfillment in their jobs and roles, and promote flexible work styles while addressing labor shortages.

Knowledge sharing and cooperation across the organization is essential for promoting business process innovation. The Group holds Mitsubishi Materials Group Operational Efficiency Improvement Forum every year to share information between personnel and create human networks. At these meetings, examples of efforts are shared and discussions on innovation are held, fostering the sharing of insights that lead to new innovation and promoting the horizontal deployment of successful practices.

In the Human Resources area as well, business process innovation has become an urgent priority, based on the benefits shown in the figure below, and we are driving efficiency initiatives through both automation and integration. As one example, under automation, we have expanded the electronic year-end tax adjustment filing, previously implemented only on a standalone basis, to some Group companies. Under integration, we are leveraging the capabilities of our Group's shared services company to centralize HR-related operations such as payroll, social insurance, and company housing administration. Going forward, we will continue to accelerate operational efficiency across the Group as a whole.

By further advancing business process innovation as a unified group, we aim to promote more flexible work styles and address challenges related to labor shortages.

Promoting Business Process Innovation in the Human Resources Area through Automation and Integration



In order to realize new reforms, active discussions are held from the perspective of "Elimination, Reduction, and Change" at information exchange meetings

Promoting flexible work styles and addressing labor shortages

Sustainability Promotion > Human Capital

Key Measures

Building a Foundation for Co-creation and Growth

The Group regards employee health management as a critical management priority. Through health and productivity activities, we are working to create a workplace where employees can perform their duties with vitality and in good health, thereby enhancing labor productivity and ultimately improving corporate value.

To realize Our Commitment, we are promoting initiatives such as Our Values Workshops to embed our core values across the organization, ensuring they serve as a shared foundation for employees worldwide.



Health Promotion Supporting People and the Organization

The Group emphasizes strategic health and productivity management while cooperating with Mitsubishi Materials Health Insurance Society. By promoting the physical and mental health of our employees and their families, we are aiming to improve labor productivity and corporate value.

Under the Policy for Activities to Promote Health and Productivity Management set for the fiscal year ended March 2025, 13 activity themes were set. For four focus areas (high blood pressure, diabetes, smoking, and mental health), medium-term metrics were set for the three years from the fiscal year ended March 2024 while initiatives were actively pursued. A variety of activities were rated, leading to recognition from various external sources (KENKO Investment for Health 2025, 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category "White 500"), etc.). We will continue our activities in line with the plan and work toward achieving the metrics outlined above.

Furthermore, since the beginning of the fiscal year ended March 2025, we have been accelerating the expansion of activities to 30 companies, including all consolidated subsidiaries in Japan, in order to strengthen health and productivity management across the entire Group. Main initiatives include holding regular information exchange meetings (twice a year) to promote understanding of health and productivity management and to facilitate the horizontal deployment of initiatives, as well as conducting individual interviews (once a year) tailored to the circumstances of each company to support their initiatives. Through these efforts, we aim to further raise the level of our activities across the Group, thereby improving labor productivity and corporate value.

Related Information:

Sustainability website
▶ Health and Productivity Management Initiatives*

*This data is only available in Japanese on the website.

Corporate website ▶ Newsroom
Certified for the First Time as a 2025 KENKO Investment for Health and Recognized for the Second Consecutive Year as one of the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category "White 500")



An organizational tree headed by the plant manager displays the declarations of all employees, and the plant works together to promote the content of the declarations

Shaping the Future through New Our Values

While conducting inner branding initiatives, Mitsubishi Materials Group created new Our Values together with all employees in August 2024. These serve as guiding principles as we strive to achieve Our Commitment.

"We challenge, change, and grow together. We express praise and appreciation to encourage growth, for a better tomorrow." Based on the stories woven from these values, we held Our Values Workshops for all Group employees as an opportunity to reflect on their current approach to Our Values, learn about the thoughts of others, and inspire future behavioral change.

Going forward, we believe it is important to create systems that encourage the embodiment of Our Values in our daily work, as well as to strongly promote the cultivation of an organizational culture that enables free and open communication. Beginning from the fiscal year ending March 2026, we are actively promoting greater sharing of information and opinions to instill Our Values and stimulate communication while also renewing the systems and roles of the Communication Committee, which is made up of 100 people across the Group. Committee members take the lead in planning and promoting measures tailored to the circumstances of each organization, while continuing company-wide measures such as Town Hall Meetings, which we hold on a monthly basis. We will continue to strive towards realizing Our Commitment by practicing Our Values through our daily work.



Exchange opinions at Our Values Workshop to encourage behavior aligned with Our Values



Portable cards are distributed to all employees across the Group to allow them to revisit Our Values at any time (the photo shows the new Group family, H.C. Stark employees)

Related Information:

Corporate website ▶ Newsroom
Establishing New Our Values for Mitsubishi Materials Group - Guiding principles created together with all employees around the world -

Sustainability Promotion > Human Capital

Interviews with Employees



Each Group employee is active in their respective fields and plays a key role in the execution of human resources measures. In this section, we share the thoughts of several employees on how they perceive each measure and take ownership of it. We aim to continue working together with our employees to maximize the power of our talent, steadily realize our human resources strategies and achieve sustainable enhancement of corporate value.

DE&I

Leveraging Differences to Drive Further Innovation at Manufacturing Sites

In promoting DE&I (Diversity, Equity & Inclusion) at manufacturing sites, I aim to create a better workplace environment by focusing on analyzing and understanding the various differences among our staff members, including their individuality and characteristics. For example, I conduct questionnaire assessments and workshops for on-site employees and utilize firsthand opinions to improve the work environment. Going forward, rather than simply focusing on improving the environment, I am also aiming to improve work content to create a workplace where anyone can unleash their full potential.



Ami Tomita
Engineering, Maintenance & Utility Section
Plant Engineering Department
Naoshima Smelter & Refinery
Metals Company

By building a work environment where differences are respected and everyone can fully demonstrate their abilities, I aim to drive the company's sustainable growth through the combined efforts of its employees and the organization.

Employee Engagement

Improving Employee Engagement with the Thrill of the Challenge

During the project to establish MMC Electronics Lao Co., Ltd., I had the chance to be involved in areas outside of my expertise, like civil engineering and architecture, which meant that I needed to work on re-skilling. By actively gathering specialized knowledge through interviews with experts, technical documents, and online resources, I was able to apply what I had learned to resolve equipment issues that occurred immediately after project completion. This gave me a strong sense of fulfillment. Moving forward, I will continue to take on challenges with a positive and curious mindset, driving my own growth and generating results.



Yoji Nakanishi
Ceramics Plant
Manufacturing Department
Production Engineering Group
Advanced Products Company

By creating opportunities for talent development and maximizing individual capabilities to deliver results, I also aim to contribute to increased employee engagement across the organization.

HR System

Building an HR System that can Adapt to Changing Times

In the beginning of the HR system revision for non-managerial positions, we set up a Management and Employee Review Committee. With the labor market changing rapidly, we took the opportunity to re-examine the concept of seniority-based model. We held frank and open discussions between management and employees to align perspectives on matters such as HR evaluations and relocations. Moving forward, I would like us to continue tackling the challenges that may arise as the system is put into practice and to adapt to changes in the employment environment. From the union's standpoint, I believe it is important to work with management to create a system that truly allows every employee to make the most of their abilities.



Osamu Oyanagi
Confederation of Mitsubishi
Materials Workers' Unions

By working together in pursuit of what the HR system should look like, I would like to help build an environment where employees can continue to thrive. In doing so, we can secure and retain the human resources that contribute to enhancement of corporate value.

Health and Productivity Management

Creating a Workplace where employees can work with vitality and in Good Health

The Company was certified as one of the 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category). This is a testament that our efforts for health and productivity promotion activities across the entire Company has paid off. In particular, I believe that the cooperative culture of the Company has contributed to the widespread adoption of new initiatives such as healthy menus, lower back pain prevention measures, active listening training, and the use of a health and productivity promotion app. While keeping in mind that our employees are the Company's important human capital, we are striving to create a workplace where people can work with vitality and in good health.



Shingo Sasaki
Management Group and General Affairs Group Corporate Division
JAPAN NEW METALS CO., LTD.

By nurturing a culture that pursues health promotion initiatives and steadily implementing measures for the mental and physical health of all employees, I hope to improve labor productivity and corporate value.

Inner Branding

Paving the Way for Change and Growth with Our Values

The Our Values Workshops, which were a part of setting the new Our Values, gave me an opportunity to reflect on my own words and actions as well as reaffirm the synergy between individual opinions and the Company's Our Commitment. Looking ahead, I strive to create opportunities to link everyone's daily work commitments with Our Values and achieve results through our behaviors based on these values. I am aiming to further grow the Company by promoting the evolution of all employees.



Arthit Phongthamnit
CBN & PCD section
Production Department
Mitsubishi Materials (Thailand)
Co., Ltd.

By achieving Our Commitment through the combined actions of each employee based on Our Values, I am striving to achieve sustainable growth for the Company.

Operational Efficiency Improvement

Empowering Efficiency Through Purpose

Through programming a goods management system utilizing the RFID of employee ID cards, I was able to improve the efficiency of inventory management operations, which gave me a strong sense of fulfillment in improving operational efficiency. Since then, I have also developed a company app to improve efficiency in reservation management tasks, such as medical checkups across the entire smelter & refinery, and have further rolled out this expertise to other sites. Going forward, I aim to contribute to improvements in Company-wide operational efficiency that transcend organizational boundaries while continuing to enhance my own skills.



Akiko Wakishima
Production Control Section
Production Department
Naoshima Smelter & Refinery
Metals Company

By re-examining the essence of work at each workplace and steadily advancing optimization, I will raise the value and creativity of individual tasks while also enhancing the functionality and agility of the organization as a whole.

Sustainability Promotion

Human Rights

In developing our businesses globally, we believe that it is essential not only to comply with the laws and regulations of each country, but also to respect international human rights standards. We conduct human rights due diligence and manage human rights risks under a Human Rights Policy that comprehensively covers our business activities.



Group-wide Human Rights Initiatives

In December 2021, we formulated our Human Rights Policy and our Procurement Policy in order to strengthen our human rights-related initiatives throughout the Group.

Since the fiscal year ended March 2023, we have worked on the following items in accordance with the United Nations Guiding Principles on Business and Human Rights in order to mitigate adverse impacts of our business activities on human rights.

- Dissemination of commitment to human rights policy
- Implementing human rights due diligence
- Remedial measures (processes that enable remedial action for negative impact on human rights caused or promoted by businesses)

We formulated a roadmap for our human rights initiatives over five years, from the fiscal year ended March 2025 to the fiscal year ending March 2029. Based on this roadmap, we will work to improve risks identified through Group human rights due diligence and reduce risks in our supply chain.

Related Information:

Integrated Report, P57 ▶ Human Rights Due Diligence

Governance System

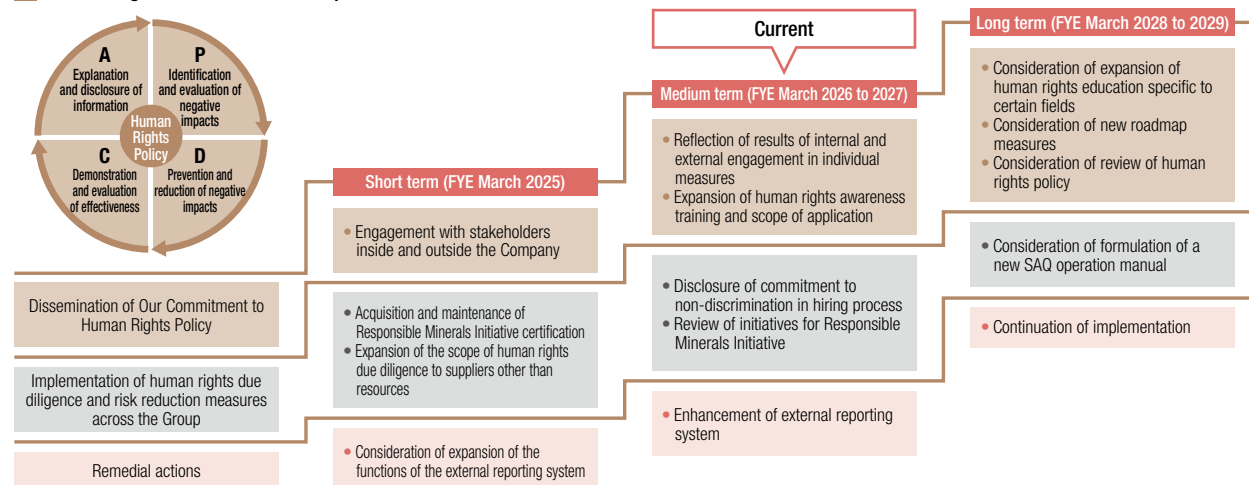
The Executive Officer in charge oversees human rights initiatives in the Group. We established the Human Rights Subcommittee

under the Sustainable Management Office (now the SCQ Promotion Office) in July 2021.

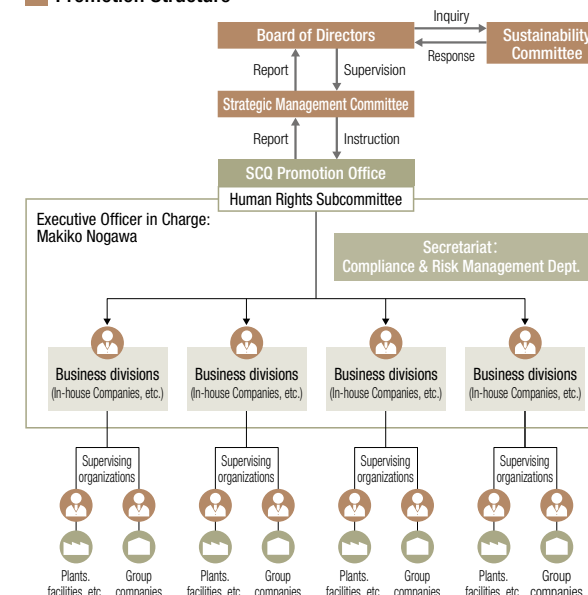
The committee is made up of employees in charge of human rights policy from corporate and business divisions with area expertise, improving practicality. The committee reports on its activities to Executive Officers and the Board of Directors through the SCQ Promotion Office.

Individual sites and Group companies are also incorporating and implementing initiatives to mitigate human rights risks into their annual sustainable management plans. We also build mechanisms to make these initiatives more effective depending on their progress through the Human Rights Subcommittee.

Human Rights Measures Roadmap



Promotion Structure



Sustainability Promotion > Human Rights



Group Human Rights Due Diligence

The Group began establishing a human rights due diligence system in the fiscal year ended March 2023. In the fiscal year ended March 2024, we distributed the self-assessment questionnaire (SAQ) to a total of 105 sites, including Company sites and Group companies, to identify human rights risks by analyzing SAQ responses. Analysis revealed that there were several locations where harassment had occurred in the previous five years, so we identified “harassment” as a human rights risk for the Group. To continue our efforts in human rights due diligence, we have formulated the Mitsubishi Materials Group SAQ Operation Manual, which contains the knowledge we have gained from past initiatives, covering everything from human rights risk assessment and identification to follow-up procedure and how to formulate and implement improvement plans.

In the fiscal year ended March 2025, we planned and implemented risk mitigation measures for items at sites and Group Companies deemed human rights risks requiring action. Risk mitigation measures are created in consideration of international human rights treaties and standards, as well as individual business characteristics. We have completed addressing 232 risk items deemed requiring action.

Human Rights Due Diligence in the Supply Chain

Our Procurement & Logistics Division identifies and evaluates human rights risks in the supply chain, primarily with key suppliers, through regular assessment of existing suppliers. If corrective measures are deemed necessary, we request improvements for the relevant items and continuously monitor progress.

From the fiscal year ended March 2025 to the fiscal year ending March 2026, we will conduct assessments using the supplier self-assessment questionnaire (SAQ) for suppliers other than our key suppliers (270 companies selected based on transaction history and industry risk). In the fiscal year ended March 2025, assessment was requested of 140 companies, with 22 identified as high risk. We provided individual feedback and requests for improvement, and confirmed that all have either made improvements or are taking steps to improve. We plan to address the remaining 130 companies in the fiscal year ending March 2026.

Human rights risk assessment is one of the requirements for beginning a new partnership. A low score results in communication of our response and policy, with measures such as ongoing monitoring.

In the fiscal year ended March 2025, we expanded the scope of human rights due diligence to include suppliers providing services on our sites or those to whom we outsource product processing. We assessed human rights risks for approximately 270 suppliers using the SAQ. We will continue to follow up with these companies.

Responsible Procurement

Throughout our value chain, the Group engages in fair, impartial trade and collaboration/coexistence with our suppliers. From the perspectives of CSR procurement, we make efforts to engage in sound procurement focusing on anticorruption measures, legal and regulatory compliance, health and safety, environmental conservation, and respect for human rights. In particular, copper concentrate is a main raw material for copper products that is imported from overseas mines, and we intend to fulfill our responsibilities toward sustainable management as a company engaged in such global procurement.

We request that mining companies from which we purchase ore comply with our Sustainability Investment Guideline as well as our CSR procurement standards, and we regularly implement questionnaire surveys to check for compliance, requesting improvement upon gaining an understanding of the situation. We position environmental stewardship and respect for human rights as important considerations in the management of our global supply chain, incorporating these into our business practices. With respect to the conflict minerals issues, we are strengthening our efforts from the wider perspective of the Responsible Minerals Initiative.

Remedial Measures

We set up a reporting and consultation hotline for employees in Japan and overseas to report and seek guidance anonymously. In Japan, the system allows anonymous reporting and consultation, and accepts inquiries regarding human rights, and we have established a system that guarantees strict confidentiality, implementing remedial measures in accordance with the revised Whistleblower Protection Act (effective June 2022) and Act on Ensuring Proper Transactions Involving Specified Entrusted Business Operators (Freelance Act, effective November 2024).

We set up a human rights hotline accessible to external stakeholders that allows anonymous consultation. We are considering the establishment and expansion of additional offices in the future.

Sustainability Promotion

SCQ Initiatives : Workplace Safety and Hygiene

With the quality issues that occurred in 2017, the Group established and strictly adheres to SCQDE as the order of priority of our internal business decisions. We set strengthening response to SCQ issues as one part of addressing sustainability issues (materiality), and are strengthening efforts in this area.



Promotion of Safety and Health Activities

In 2014, an explosion at the Yokkaichi Plant*, which was one of our plants at the time, took the lives of five employees of MMC and partner companies. Based on a strong determination to never allow such an accident to occur again, the Group launched the Zero Occupational Accident Project in 2014 with the goal of eliminating all serious accidents, and is now promoting a safety management system for the entire Group.

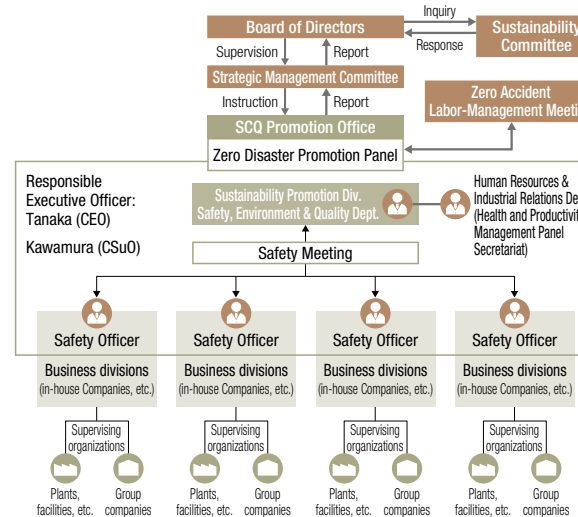
*On March 31, 2023, we transferred our polycrystalline silicon business to High-Purity Silicon Corporation through an absorption-type split, and transferred all of its shares to SUMCO Corporation.

Occurrence of Occupational Accidents in 2024

Including incidents that did not result in lost work time, 72 people were affected by work-related accidents at Group companies in Japan. Of those, 21 people were involved in incidents resulting in lost work time. At our Company, the number of people affected by such incidents had increased since 2022, but reduced in 2024. Working toward our goal of having zero occupational accidents resulting in four or more lost days of work for 365 days, our record is 55 days, so the goal has not been achieved. In 2025, we continued to aim for zero accidents resulting in four or more days of lost work for 365 days and eliminate fires, explosions and other accidents. We also continued to strengthen our efforts to reduce accidents and improve issues by thoroughly improving machinery safety by risk assessment, reviewing accidents to prevent recurrence, and the safety awareness survey conducted in 2024 which covered Group companies in Japan.

There were 5 (1 at MMC) fire and explosion accidents in 2024, a significant decrease compared to 11 (5 at MMC) in 2023. We will continue to promote initiatives such as sharing accident information internally to further reduce accidents.

Promotion Structure



Basic Policy on Safety and Health

- 1) All employees will participate and implement safety and health activities as CEO, executives, managers and supervisors spearhead and take initiatives to promote them.
- 2) All employees will comply with the Industrial Safety and Health Law (or Occupational Safety and Health Act), related laws and regulations, and operating manuals and work procedures, and will foster a workplace culture in which each employee "always follows and makes others follow what has been decided."
- 3) All employees will strive to "create a workplace that is healthy both physically and mentally, cheerful, and comfortable to work in" through activities to "create an open workplace" and "health promotion."
- 4) MMC Group will promote traffic accident prevention measures based on the Ministry of Health, Labor and Welfare's "Guidelines for the Prevention of Traffic Accidents at Work" and improve all employee's traffic morals to eradicate traffic accidents based on the idea of "promoting traffic safety activities as a model for society".

Hazard Sensitivity Education

At the Safety and Health Education Center, Midori-kan, we regularly provide hazard sensitivity training (50 types of simulation equipment) and specialized education necessary for safety and health for our Group employees in order to improve sensitivity and detection of hazards. In the fiscal year ended March 2025, we provided hazard sensitivity education to 650 people, and specialized education to 350 people. Since the center opened in 2017, approximately 5,250 people have taken hazard sensitivity education and approximately 1,740 people have taken specialized education across the Group as of March 2025.

Business sites within the Group use dismantlable, portable virtual reality (VR) hazard experience devices to improve sensitivity.



Hazard sensitivity education

Sustainability Promotion

SCQ Initiatives : Risk Management/Compliance

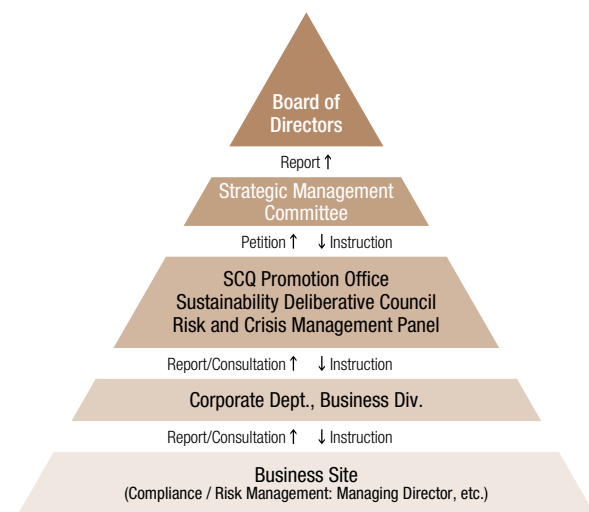


Risk Management Approach and Operation

Status of activities within the Group is monitored and reviewed semi-annually by the Sustainability Deliberative Council, the results of which are reported to the SCQ Promotion Office and Strategic Management Committee, with risk monitored and reviewed by management. Any significant risks are reported to the Board of Directors, who oversees overall risk efforts, including risk management.

Critical risks are defined as those for the entire Group, those inherent to business operations (risks of having a material impact on the operation of the entire business), and those inherent to business sites (risks of having a material impact on the operation of business sites.) We define the role each level must play in addressing risks, such as planning, implementation, support, monitoring and review.

Risk Management System



Spreading and Establishing an Awareness of Compliance

We continually implement measures including domestic and international training to raise, instill and solidify compliance awareness in all employees and strengthen our compliance system across the Group.

By accurately and promptly collecting and sharing information regarding compliance violations (or potential violations) within the Group and reflecting that information in risk management activities, education, training and research, we respond appropriately and prevent recurrence.

We have put a system in place where all employees in Japan take compliance training once a year. In the fiscal year ended March 2025, themes were “using imagination to consider the significance of compliance initiatives” and “fostering free and open communication through group discussions.” Training also touched on compliance violation cases, harassment and the Antimonopoly Act. Further, we provide education and position-specific training for managers and staff in charge of compliance and risk management at all domestic Group sites.

Overseas education and training on compliance is effectively implemented in a wide range of regions worldwide through content determined in consideration of individual regions, as well as through distribution of training videos in multiple languages and a focus on communication.

For Group Company Executives in Japan, we have conducted training with Company management and external lawyers as instructors since the fiscal year ended March 2019. Overseas, we have conducted training with Company management and experts familiar with the particular region since the fiscal year ended March 2022.

Furthermore, since the fiscal year ended March 2019, we have conducted a compliance awareness survey once a year for all employees. We analyze the results of these surveys to help measure the effectiveness of various initiatives and promote them.

In-house Reporting System

We established an Internal Contact Office in December 2002 in Japan as a consultation service to handle reports and inquiries from employees of Mitsubishi Materials Corporation, mainly domestic Group companies, and business operators working on our sites, continually working to strengthen our ability to respond appropriately to reports and inquiries, and improve reliability. Since January 2020, we have contracted an external vendor to run the “Mitsubishi Materials Group Employee Hotline,” as well as improving response systems of domestic Group companies that also accepts anonymous reports. In the fiscal year ended March 2025, we implemented measures to improve the reliability of the system, such as by raising awareness through the intranet and educational activities in training, and added freelancers to the scope of users. In June 2018, we also established a contact office for Members of the Audit Committee to contribute to the work performed by members of the Audit Committee in promptly detecting incidents and initiating corrective measures. These reporting systems are made known to Group employees through cards for them to keep on their person, the company intranet and training sessions.

On April 1, 2021 we started the MMC GROUP GLOBAL HOTLINE for Group Companies and sites outside Japan. The hotline also accepts anonymous reports. Availability is made known to applicable overseas companies and sites, and is explained during training. In the fiscal year ended March 2025, there were six reports.

For external stakeholders, we also set up an inquiry form on our website for compliance and human rights. This also accepts anonymous reports.

Number of Reports and Inquiries to the Mitsubishi Materials Group Employee Hotline [FYE March]

2019	2020	2021	2022	2023	2024	2025
61	58	54	47	65	63	67

Sustainability Promotion

SCQ Initiatives : Environmental Management



Environmental Management Activities / Compliance with Environmental Laws and Regulations

The various business sites of the Group operate an environmental management system such as ISO14001 to ensure legal compliance and promote continuous activities for improving environmental performance. In order to ensure that the managers that promote these activities have the required knowledge on environmental technologies and laws and regulations, we developed and adopted an environmental education program and a legal check system required for daily management.

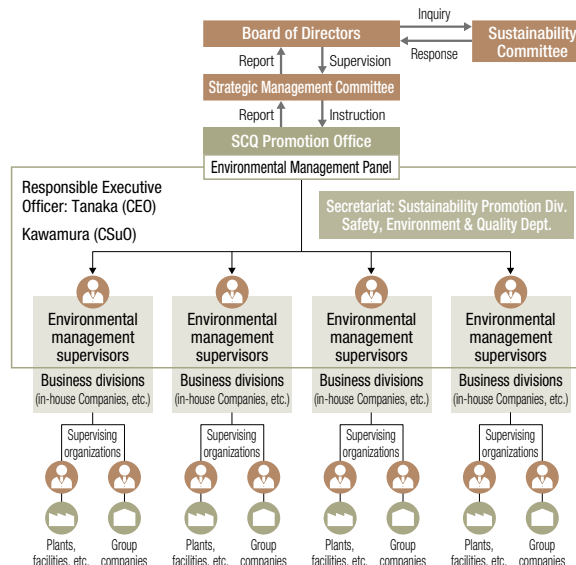
Information on applicable law revisions is thoroughly communicated across the Group, and each business site and the Internal Audit Department confirm compliance with environmental laws and regulations. Additionally, if any violation of environmental laws and regulations occurs, information is shared throughout the Group to prevent similar incidents from occurring. Regarding the status of compliance with environmental laws and regulations in the fiscal year ended March 2025, there were no adverse dispositions (permit revocations, operation suspension orders, facility suspension orders, fines, etc.) by regulatory authorities.

Environmental Policy

This Environmental Policy of the Mitsubishi Materials Group was established based on the Sustainability Policy and is considered to be the foundation for the business activities of the Mitsubishi Materials Group.

1. Promote recycling and provide environmentally friendly products
2. Advance decarbonization
3. Consideration of Biodiversity
4. Effectively use and conserve water resources
5. Sustainably manage company-owned forests
6. Encourage environmental education and harmonious coexistence with society

Promotion Structure



Management of Closed Mines

All nonferrous metal (copper, lead, zinc, etc.) mines owned by the Group in Japan have been suspended or closed. In accordance with the Mine Safety Act, we spend roughly ¥4 billion per year on acid mine drainage treatment and tailings dam maintenance at 20 closed mines.

At closed mines, the rainwater and groundwater permeate into the underground tunnels and mining cavities in the mineral zones that were created by past mining operations, and acidic mine water is generated by contact with oxidized ore. In addition, seepage water is generated when rainwater or surface water comes into contact with slag, which contains heavy metals, at collection sites. These are neutralized at treatment plants with heavy metals removed to meet effluent standards before

being discharged into rivers. Furthermore, we manage tailings dams, conduct maintenance of old underground mine workings (mining levels, drifts and drainage tunnels), and implement safety measures at disused pit mouths and subsidence sites.

Since 2015, our Group has been implementing responses to instability caused by natural disasters and other risks by conducting protective guards against contamination and other threats, increasing the capacity of mine drainage treatment facilities and updating aging equipment. The costs of such construction are accounted for as a provision within environmental measures, and we do not believe there will be any additional large expenditures for the time being. Reinforcing of tailings dams in preparation for large-scale earthquakes was completed at 10 sites in the fiscal year ended March 2025.



Acid mine drainage treatment (Yatani Mine)



Kyuhodani tailings dam (Ikuno Mine)

Sustainability Promotion

SCQ Initiatives : Biodiversity



Biodiversity Conservation Initiatives

Article 5 of our Code of Conduct states, "We will be more considerate of biodiversity and work to live in harmony with nature," making consideration of biodiversity a fundamental business stance both inside and outside the Group. Additionally, our Sustainability Policy, and the Environmental Policy that it is based on, stipulate that we will actively work to conserve biodiversity and conduct business activities in consideration of ecosystems. In September 2024, in light of changes in the societal environment regarding biodiversity issues, we established the Biodiversity Conservation Policy based on our Environmental Policy to further clarify our approach to biodiversity issues. We will continue to promote biodiversity initiatives based on this policy.

Biodiversity Conservation Policy

1. Significance of working to conserve biodiversity
2. Basic principles
3. Focus areas
4. Approaches

Related Information:

Sustainability website
► Biodiversity Initiatives (Disclosure in Accordance with TNFD)

Analysis Based on TNFD Recommendations and Publication of the TNFD Report

Based on the TNFD*1 recommendations announced in September 2023, the Group appropriately analyzes and discloses dependencies, impacts, risks and opportunities as they relate to biodiversity and our business. In May 2025, we prepared a TNFD report based on analysis results, disclosing information such as assessment of the dependency and impact on nature of our business activities, assessment of our points of contact with nature in our main activity sites, and assessment of business risks and opportunities that have a significant impact on nature. To prepare for the report, in the fiscal year ended March 2024, we conducted trial analysis based on the LEAP approach*2 targeting the Naoshima Smelter & Refinery, Onahama Smelter & Refinery, and Komatagawa New Power Plant, taking into consideration the scale of our operations and the extent of their impact on nature, then expanded the scope of our analysis to include our major businesses and sites in the fiscal year ended March 2025. Analytical tools used include ENCORE, IBAT and the WWF Biodiversity Risk Filter. Moving forward, we plan to compile specific responses and goals based on the results of our analysis.

*1. TNFD: Taskforce on Nature-related Financial Disclosures. Established in June 2021.

*2. TNFD recommended disclosure process. Acronym meaning locate, evaluate, assess and prepare.

Related Information:

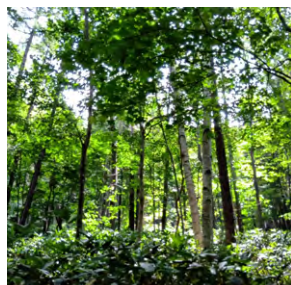
Sustainability website ► TNFD Report*

*This data is only available in Japanese on the website.

Company-owned Forest Initiatives

The Group owns about 13,000 ha of forest across Japan and practices forest management in consideration of the habitats of animals and plants living there. We also conduct wildlife monitoring and include rare species confirmed to be living in the areas on our red list. In addition, our eight forests in Hokkaido have obtained certifications for sustainable forest management with consideration for biodiversity. In April 2022, we registered as a participating company in the 30by30 Alliance for Biodiversity, an initiative of the Ministry of the Environment of Japan. Our Teine Forest (Hokkaido) was certified as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment in October 2023, and registered in the international database as OECM* in August 2024. This was in recognition of the adoption of environmentally conscious work systems in forest management for biodiversity conservation, as well as for monitoring activities using digital tools.

*OECM: Other Effective area-based Conservation Measures; areas that contribute to biodiversity conservation other than officially protected areas, such as corporate forests.



Nationally Certified Sustainably Managed Natural Site (Teine Forest)



Event on Biodiversity Conservation (Forest Experience Program)

Voice



Yuji Kawamura
CSuO

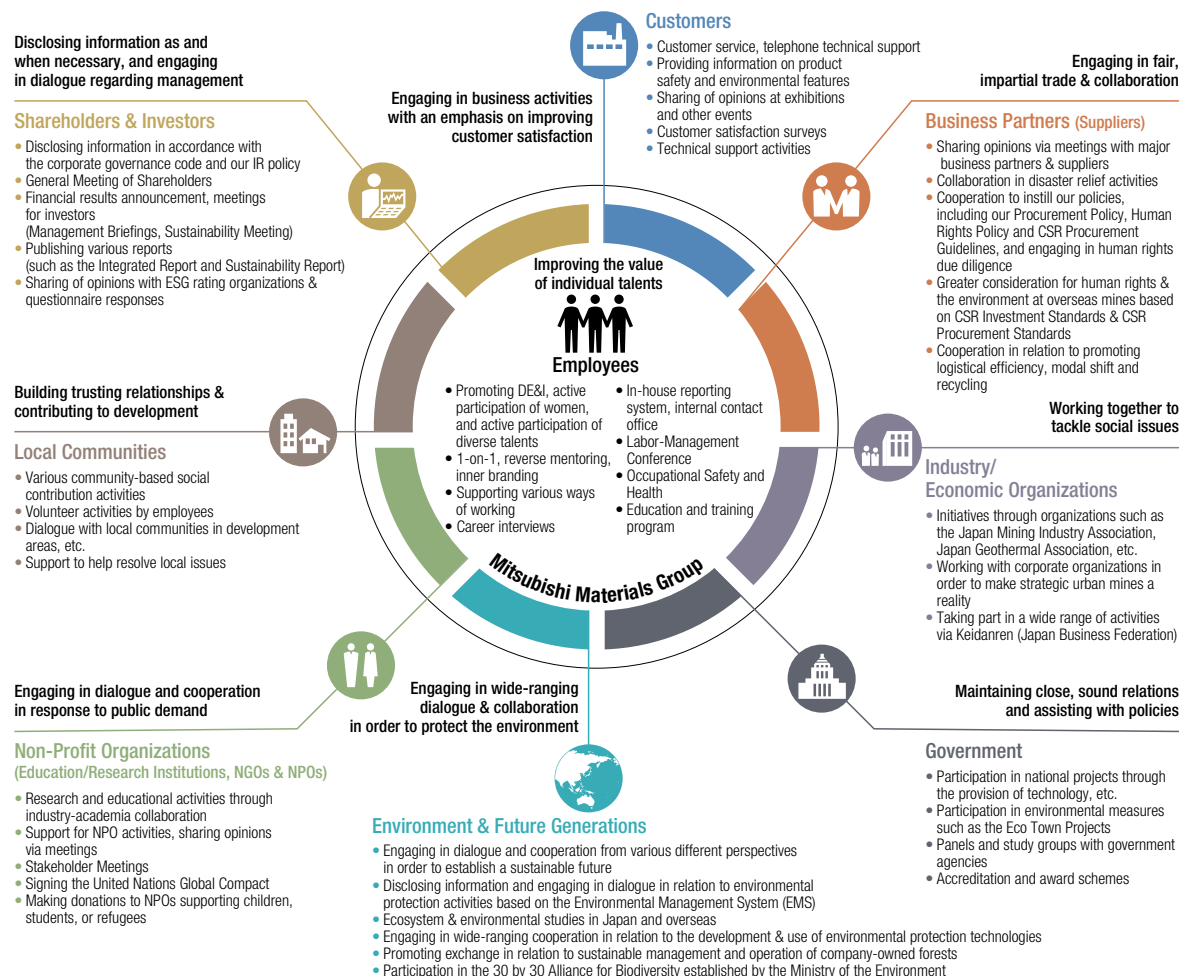
We set strengthening response to SCQ issues a materiality, and are enhancing our efforts. In terms of safety, learning from the serious accident in 2014, we are promoting the Zero Occupational Accident Project Group-wide, and continuing to conduct hazard sensitivity education and VR training. As a result, the number of accidents such as fires and explosions in the fiscal year ended March 2025 decreased significantly from the previous year. Regarding compliance, we are continuing steady efforts, such as annual compliance training, ongoing awareness surveys, and expanding and publicizing external reporting channels, in an effort to detect and correct compliance violations at an early stage. On the environmental front, we operate management systems such as ISO 14001, and in the fiscal year ended March 2025, no adverse dispositions were taken in connection with environmental regulations. Furthermore, we are further promoting biodiversity initiatives, such as joining the "30by30 Alliance," registering the Teine Forest as an OECM, and issuing a TNFD report. These initiatives are an important part of the foundation we must lay to achieve sustainable development, and we will continue to strive to further improve them.

Sustainability Promotion

Communication with Stakeholders

In the interests of sustainable corporate management, we believe that communicating with our stakeholders is crucial if we are to incorporate their expectations and requirements into our business strategies and activities. While creating more opportunities for communication, our aim is to reflect stakeholders' perspectives in our management practices to a greater extent than ever before.

Basic Approach to Building Relationships with Our Stakeholders and Key Means of Communication



Dialogue with Shareholders & Investors

The Group actively engages in dialogue with institutional investors inside and outside Japan in order to achieve continuous, medium- to long-term improvement in corporate value. Opinions gleaned in these dialogues are regularly reported at meetings attended by the Board of Directors and Executive Officers, and a monthly report summarizing IR activities is issued to provide feedback. Furthermore, opinions from the capital market are shared with employees through town hall meetings and other means.

Dialogue with Investors (FYE March 2025)

	Result	Main respondent
Financial Results Briefing	4	CFO
Medium-term Management Strategy Progress Briefing	1	CEO/CFO
IR Day / Business Segment Meeting	1	CEO/CFO/CTO/Company President (Executive Officer)
Sustainability Meeting	1	CEO/CSuO/CHRO
CEO/CFO small meeting	4	CEO/CFO
Outside Director small meeting	1	Outside Director (each committee chair)
Plant tour for institutional investors in Japan	5	Each site leader, etc.
Individual meetings with domestic institutional investors and analysts	165	IR department manager
Engagement with shareholders in Japan	22	CFO/IR department manager
Individual meetings with overseas institutional investors	14	CEO/CFO
Participation in overseas investment conference	1	CFO
Investment meetings for individual investors	3	CFO/IR department manager

Sustainability Promotion

Corporate Governance



Efforts in Strengthening Corporate Governance

The Company has been working on the continuous reform of corporate governance, including through the voluntary establishment of the Nomination Committee and Remuneration Committee in 2018, the transition to being a Company with a Nomination Committee, etc., in 2019, and the establishment of Sustainability Committee in 2022.

The Board of Directors has been continuously increasing the ratio of Outside Directors and female Directors, and currently has 7 Outside Directors and 3 female Directors out of 10 Directors.

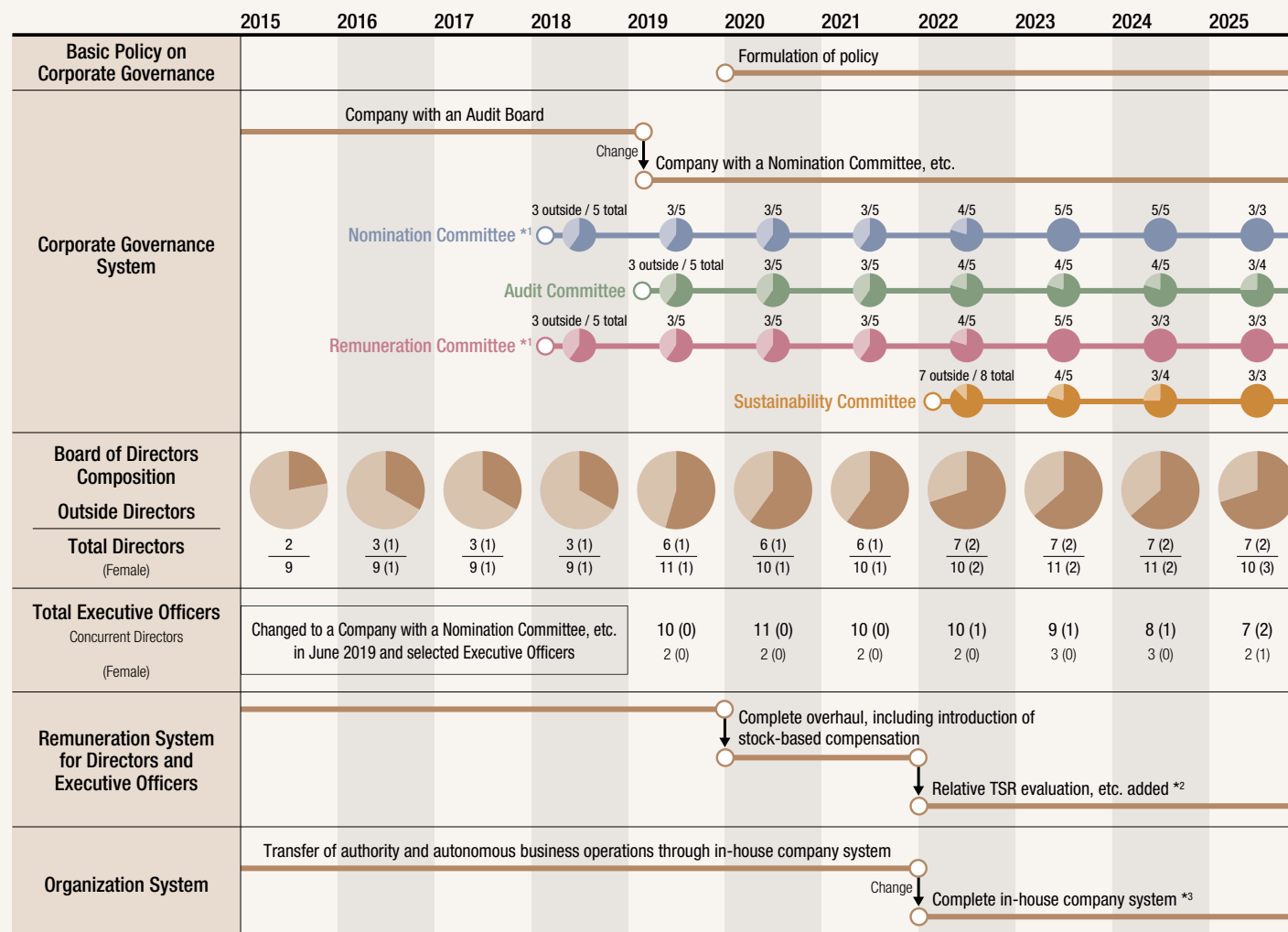
With regard to the remuneration system for Executive Officers, the Company introduced stock-based compensation in 2020. From 2022, we added relative TSR evaluation to the annual bonus evaluation items and incorporated targets into non-financial evaluation elements based on the Sustainability Policy.

As for the organizational structure, we have shifted to a complete in-house company system from 2022, and are working to further improve our business competitiveness and strengthen our organizational culture reforms and corporate governance.

*1. Set up in FYE March 2019 as a voluntary committee and became a statutory committee from June 2019.

*2. With regard to the annual bonus of the remuneration system for Executive Officers, we added relative TSR evaluation as an evaluation item and adopted a system to evaluate targets set for each Executive Officer, including initiatives in line with the Sustainability Policy, as non-financial evaluation items.

*3. Transitioned from April 1, 2022 to a complete in-house company system, having all functions necessary for business operations in the in-house company.



Sustainability Promotion > Corporate Governance

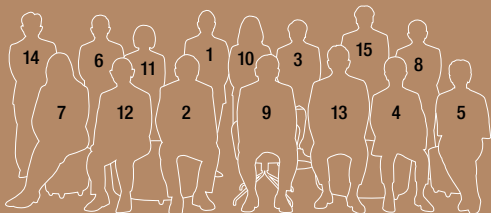
We will work to maximize the ability of the organization in order to improve the corporate value of the Mitsubishi Materials Group.

Enhancing Corporate Value

Rebuilding Our Business Foundation

Improving Our Financial Position

Sustainability Promotion



1 Naoki Ono

2 Tatsuo Wakabayashi

3 Koji Igarashi

4 Kazuhiko Takeda

5 Rikako Beppu

6 Hatsunori Kiriyaama

7 Nozomi Sagara

8 Ichiro Sasaki

9 Tetsuya Tanaka

10 Kayo Hirano

11 Makiko Nogawa

12 Toshinori Ishii

13 Nobuhiro Takayanagi

14 Zhang Shoubin

15 Kazuo Ohara

Sustainability Promotion > Corporate Governance

Corporate Governance System



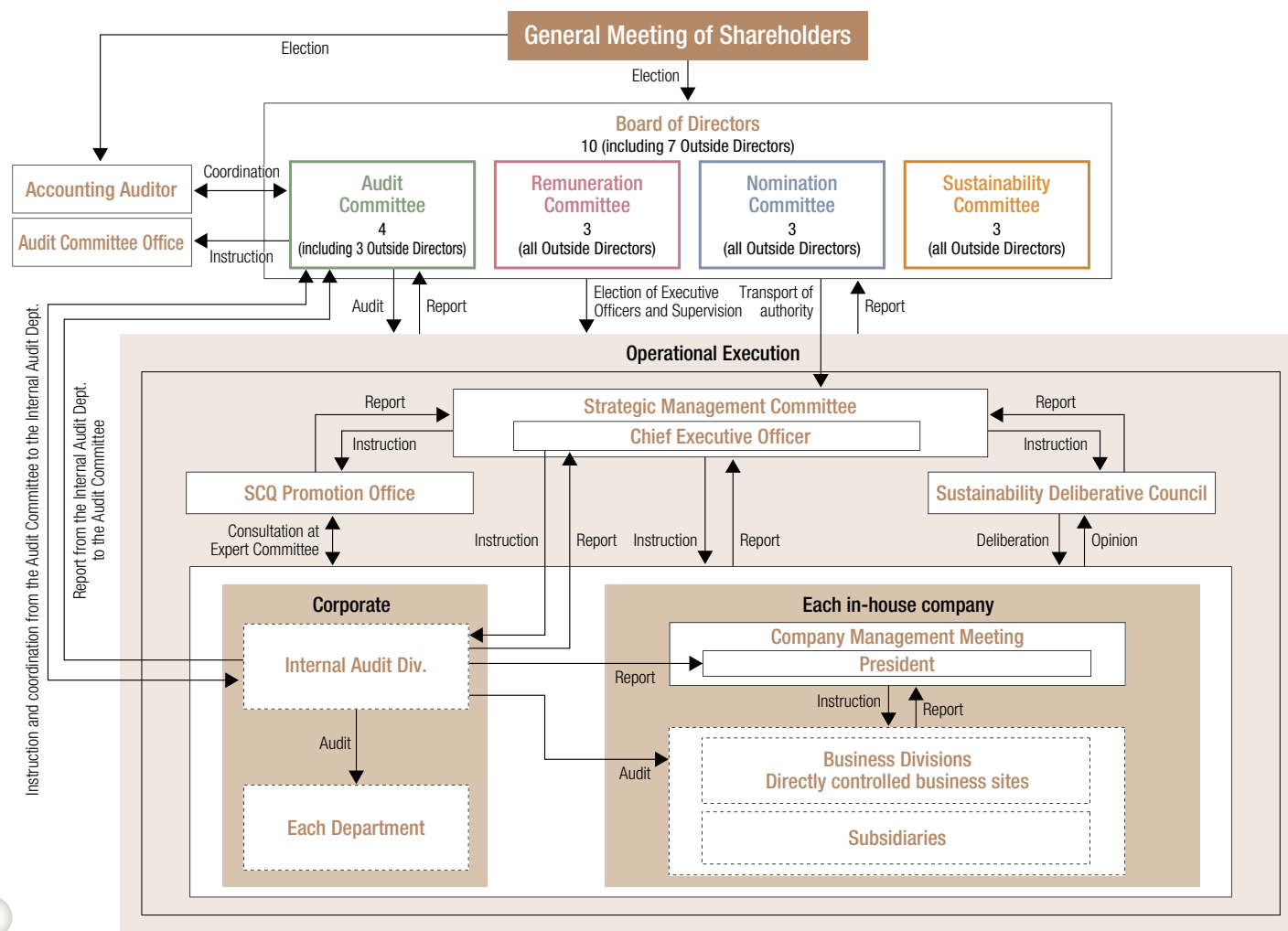
Basic Approach

- We have, based on the Corporate Philosophy of the Group, Our Vision, Our Values, Code of Conduct, Our Commitment and the Basic Policy on Corporate Governance established by the Board of Directors, developed trust with all stakeholders related to the Company and its subsidiaries, such as shareholders and investors as well as employees, customers, client or supplier companies, creditors and local communities, and also develop our corporate governance.
 - Among the governance systems under the Companies Act, we have chosen to be a Company with a Nomination Committee, etc., and by separating supervision and execution, will strengthen the Board of Directors' management supervisory functions, improve the transparency and fairness of management and accelerate business execution and decision making.
 - We acknowledge the enhancement of corporate governance to be one of the most important management issues, and continuously make efforts to improve our corporate governance.
- MMC Group has set out "Our Commitment" of "For people, society and the earth, circulating resources for a sustainable future." Toward the realization of its goal, we are introducing in-house company system to, flexibly and appropriately, expand our recycling system and supply high-performance materials and products.

Related Information:

Corporate website ► Basic Policy on Corporate Governance

Overview of the Corporate Governance System (Chart as of June 25, 2025)



Sustainability Promotion > Corporate Governance

Directors (as of June 25, 2025, at the end of the 100th General Meeting of Shareholders)

*Notations Number/Rate of Attendance for Meetings of the Board of Directors, etc., for the fiscal year ended March 2025 is for Board of Directors' and committee meetings held during the term of office of the director.



Naoki Ono

Chair of the Board

Audit Committee

Apr. 1979 Joined Mitsubishi Mining & Cement Co., Ltd.
Jun. 2014 Managing Director of the Company President, Cement Company
Apr. 2016 Executive Vice President President, Cement Company
Jun. 2016 Director; Executive Vice President President, Cement Company
Apr. 2017 Director; Executive Vice President General Manager, Corporate Strategy Div.
Jun. 2018 President
Jun. 2019 Director; Chief Executive Officer
Apr. 2021 Director; Chief Executive Officer (CEO)
Apr. 2025 Director (Chair of the Board) (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 19/19 (100%)
Sustainability Committee Meetings 10/10 (100%)

Tatsuo Wakabayashi

Outside Director

Chair of the Nomination Committee

Remuneration Committee

Apr. 1977 Joined Mitsubishi Trust Bank (currently Mitsubishi UFJ Trust and Banking Corporation)
Jun. 2008 Managing Director, Mitsubishi UFJ Trust and Banking Corporation (MUTB)
Jun. 2009 Senior Managing Director, MUTB
Jun. 2010 Senior Managing Director and Chief Executive, Trust Assets Division, MUTB; Managing Officer and Group Head, Integrated Trust Assets Business Group, Mitsubishi UFJ Financial Group, Inc. (MUFG)
Jun. 2011 Senior Managing Director, MUTB; Director, MUFG
Apr. 2012 President, MUTB; Director, MUFG
Apr. 2013 President, MUTB; Deputy Chair, MUFG
Dec. 2013 President, CEO and Chair, MUTB; Deputy Chair, MUFG
Jun. 2015 President, CEO and Chair, MUTB; Director and Deputy Chair, MUFG
Apr. 2016 Chair, MUTB; Director, MUFG
Jun. 2016 Chair, MUTB
Jun. 2018 Part time engagement, Audit & Supervisory Board Member of the Company
Jun. 2019 Director of the Company (to present)
Apr. 2020 Senior Advisor, MUTB (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 19/19 (100%)
Nomination Committee Meetings 16/16 (100%)
Audit Committee Meetings 3/3 (100%)
Remuneration Committee Meetings 11/11 (100%)

Koji Igarashi

Outside Director

Nomination Committee

Chair of the Remuneration Committee

Apr. 1980 Joined Ajinomoto Co., Inc.
Apr. 2002 Senior Vice President, Ajinomoto U.S.A., Inc.
Jun. 2007 Executive Officer; Vice President, Amino Acids Company, Ajinomoto Co., Inc.
Jun. 2009 Executive Officer; General Manager, Corporate Planning Div.
Jun. 2011 Member of the Board, Corporate Vice President
Jun. 2013 Member of the Board, Corporate Senior Vice President
Jun. 2017 Advisor (resigned June 2020)
Jun. 2020 Director of the Company (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 19/19 (100%)
Nomination Committee Meetings 16/16 (100%)
Audit Committee Meetings 3/3 (100%)
Sustainability Committee Meetings 10/10 (100%)

Kazuhiko Takeda

Outside Director

Chair of the Audit Committee

Apr. 1983 Joined Sony Corporation (currently Sony Group Corporation)
Oct. 2001 Vice President in charge of Accounting, Sony Ericsson Mobile Communications Inc.
Apr. 2006 Executive Officer; CFO, Sony NEC Optiaro Inc.
Aug. 2008 Senior Vice President in charge of Corporate Management and Accounting, Sony Europe Ltd. (currently Sony Europe B.V.)
Oct. 2013 Vice President; Senior General Manager of Corporate Planning & Control Division, Sony Corporation
Jun. 2015 Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting, Sony Corporation
Jan. 2018 Senior Vice President Corporate Executive in charge of Corporate Planning & Control and Accounting, CIO, Sony Corporation
Jul. 2018 Senior Vice President, Sony Corporation; Deputy President and Chief Financial Officer, Sony Interactive Entertainment LLC
Jul. 2021 Executive Alumnus, Sony Group Corporation (to present)
Jun. 2022 Director of the Company (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 19/19 (100%)
Nomination Committee Meetings 13/13 (100%)
Audit Committee Meetings 14/14 (100%)
Sustainability Committee Meetings 3/3 (100%)

Rikako Beppu

Outside Director

Nomination Committee

Remuneration Committee

Aug. 1992 Joined Slaughter and May
Sep. 1994 Joined Simmons & Simmons
Oct. 1994 Registered as a member of The Law Society, England and Wales
May 1997 Seconded to Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
May 1998 Seconded to Export-Import Bank of Japan (currently Japan Bank for International Cooperation)
Sep. 2001 Partner, Simmons & Simmons
Oct. 2001 Registered as a member of Daini Tokyo Bar Association (registered foreign lawyer)
Sep. 2008 Partner, Lovells (currently Hogan Lovells)
Oct. 2017 Partner, Squire Patton Boggs Tokyo (Foreign Law Joint Business)
Jun. 2022 Director of the Company (to present)
Jun. 2024 Counsel, Squire Patton Boggs Tokyo (Foreign Law Joint Business) (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 19/19 (100%)
Nomination Committee Meetings 13/13 (100%)
Audit Committee Meetings 14/14 (100%)
Remuneration Committee Meetings 11/11 (100%)
Sustainability Committee Meetings 3/3 (100%)

Sustainability Promotion > Corporate Governance
Directors



Hatsunori Kiriya
Outside Director

Audit Committee

Sustainability Committee

Apr. 1985 Joined P&G Far East Inc. (currently The P&G Japan Limited)
Jul. 2002 Vice President and Director of Sales Department, Northeast Asia, The Procter & Gamble Company
Jul. 2005 Vice President, Global Skincare
Jul. 2007 President and Representative Director, The P&G Japan Limited
Jul. 2012 President-Asia, The Procter & Gamble Company
Sep. 2017 Representative Director, for GL Inc. (to present)
Jun. 2024 Director of the Company (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 15/15 (100%)
Audit Committee Meetings 11/11 (100%)
Sustainability Committee Meetings 7/7 (100%)

Nozomi Sagara
Outside Director

Audit Committee

Chair of the Sustainability Committee

Apr. 1989 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))
Jul. 2011 General Manager, Environment Department, Incorporated Administrative Agency New Energy and Industrial Technology Development Organization (currently National Research and Development Agency New Energy and Industrial Technology Development Organization)
Apr. 2014 General Manager, Stockpile Planning Department, Incorporated Administrative Agency Japan Oil, Gas and Metals National Corporation (currently Incorporated Administrative Agency Japan Organization for Metals and Energy Security)
Jul. 2015 Director, Information Systems and Welfare Division, Minister's Secretariat, METI
Jul. 2017 Director-General, Tohoku Bureau of Economy, Trade and Industry
Dec. 2020 Joined Sumitomo Chemical Co., Ltd.
Apr. 2021 Associate Officer, Responsible for Sustainability Dept. and Responsible Care Dept. (resigned June 2021)
Jun. 2024 Director of the Company (to present)

Number/Rate of Attendance for Meetings of the Board of Directors, etc. (FY2025)

Board of Directors Meetings 15/15 (100%)
Audit Committee Meetings 11/11 (100%)
Sustainability Committee Meetings 7/7 (100%)

Ichiro Sasaki
Outside Director

Sustainability Committee

Apr. 1983 Joined Brother Industries, Ltd.
Jan. 2005 Managing Director, Brother U.K. Ltd.
Apr. 2008 General Manager of NID Research & Development., Brother Industries, Ltd.
Apr. 2009 Executive Officer
Apr. 2013 Managing Executive Officer
Jun. 2014 Director & Managing Executive Officer
Jun. 2016 Representative Director & Managing Executive Officer
Apr. 2017 Representative Director & Senior Managing Executive Officer
Jun. 2018 Representative Director & President
Jun. 2024 Director & Vice Chairman
Jun. 2025 Outside Director of the Company (to present)
Apr. 2025 Advisor, Brother Industries, Ltd. (to present)

Tetsuya Tanaka
Director
Chief Executive Officer (CEO)

Responsible for general operation of the Company, Internal Audit, Sustainability Promotion, Mitsubishi Materials Europe B.V.

Apr. 1986 Joined the Company
Apr. 2020 Managing Executive Officer
President, Metalworking Solutions Company
Apr. 2023 Managing Executive Officer, CGO
Apr. 2024 Managing Executive Officer, CSuO
Apr. 2025 Chief Executive Officer (CEO)
Jun. 2025 Director; Chief Executive Officer (CEO) (to present)

Kayo Hirano
Directors
Managing Executive Officer; CFO

Responsible for responsibilities of the CFO, Procurement & Logistics

Apr. 2004 Joined Sakura & Co.
Sep. 2004 Joined Shinnihon Audit Firm (currently Ernst & Young ShinNihon LLC)
Mar. 2008 Joined Morgan Stanley Securities Co., Ltd. (currently Morgan Stanley MUFG Securities Co., Ltd.)
Jan. 2009 Joined ShinNihon LLC (currently Ernst & Young ShinNihon LLC)
Sep. 2013 Joined LIXIL Corporation
Jan. 2017 Transferred to LIXIL Group Corporation (currently LIXIL Corporation)
Apr. 2021 Senior Vice President; Leader, Investor Relations Office
Oct. 2022 Senior Vice President; Leader, Investor Relations Office and Leader, Finance & Treasury Corporate Accounting & Treasury/Tax
Apr. 2024 Joined the Company
General Manager, Accounting & Finance Div.
Jun. 2024 General Manager, Accounting & Finance Div.
General Manager, Financial Controlling Dept., Accounting & Finance Div.
Apr. 2025 Managing Executive Officer, CFO
Jun. 2025 Director; Managing Executive Officer; CFO (to present)

Sustainability Promotion > Corporate Governance

Director Skill Matrix, Contributions and Perspectives for Key Themes



The main expertise and experience possessed by the Directors are shown in the Skill Matrix. This also shows from what perspectives the Directors contribute and provide knowledge to achieve Medium-term Management Strategy FY2031 based on their respective expertise and experience.

		Expertise and Experience							Achievement of the Medium-term Management Strategy FY2031					
Name	Business experience outside the Company	Corporate management & organizational management	International experience	Sales & marketing	Production engineering	Research & development	Legal affairs	Finance & accounting	Supervision of strategy execution	Supervision of profitability improvement	Supervision of tackling of main sustainability challenges			
											Strengthen human capital-centric corporate management	Promotion of resource circulation	Strengthen tackling of global environmental challenges	
Naoki Ono	—	●	○	○	○		○	○	Perspective from experience in management supervision of the Group as the CEO of the Company		Perspective from experience as CEO of the Company	Perspective from experience in driving resource circulation strategies as CEO of the Company	Perspective from experience as an officer in charge of the renewable energy business of the Company	
Tatsuo Wakabayashi Independent Director	Finance	●	○				○	○	Perspective from experience as top management		Perspective based on working styles at a financial institution			
Koji Igarashi Independent Director	Food and food materials	●	○		●	○		○	Perspective from experience executing medium- to long-term business strategies	Perspective from practical experience in production engineering and development	Perspective from experience of human resource management in manufacturing and engineers	Posing of issues from a wide range of perspectives including future trends and exchange with external experts		
Kazuhiko Takeda Independent Director	Conglomerate	●	○	○			○	●	Perspective from practical experience in global management in manufacturing Perspective on business management from extensive experience as CFO		Perspective from experience as a management executive of a global company	Posing of issues from the financial perspective		
Rikako Beppu Independent Director	Legal profession		●				●		Perspective from deep knowledge of global business expansion		Perspective from experience in diversity activities and initiatives	Perspective from experience being responsible for collaboration with many Japanese and overseas companies		
Hatsunori Kiriya Independent Director	Consumer goods	●	●	○				○	Perspective from corporate management experience at a global manufacturer	Perspective from extensive marketing experience	Perspective from deep knowledge of the development of senior management executives			
Nozomi Sagara Independent Director	Economic, trade and industry government	●	○			○	○		Perspective from technical knowledge across different fields		Perspective from experience in personnel management in government offices	Perspective from experience being involved in resource recycling and global environment preservation		
Ichiro Sasaki Independent Director	Electronic devices and industrial equipment	●	○	○	○	●			Perspective from experience in leading customer-oriented product development and company-wide efforts to leverage IT	Perspective from experience as top management in manufacturing	Perspective from experience of human resource management in manufacturing and engineers	Perspective from experience in leading environmental initiatives as CEO within the manufacturing industry		
Tetsuya Tanaka	—	●			○	●	○		Perspective from extensive practical experience at the Company's manufacturing sites		Perspective from experience of human resource management in manufacturing sites of the Company	Perspective from experience as President of Metalworking Solutions Company of the Company	Perspective from experience as the officer in charge of the global environment of the Company	
Kayo Hirano	Housing equipment	●	○					●	Perspective from extensive practical experience in IR/SR, Accounting and Finance		Perspective from experience in human resource management in a manufacturing company			

○ indicates expertise and experience possessed (● indicates primary expertise/experience)

*The above Skill Matrix does not cover all the expertise and experience expertise by the Directors.

*The items above are focused on those with high contribution by the Directors.

Sustainability Promotion > Corporate Governance

Message from the Chair of the Board



I will strive to fulfill my role as Chair of the Board and improve the corporate value of the Group.

Chair of the Board

Naoki Ono

I was appointed as Chair of the Board in April 2025. I believe that the importance of the Board of Directors is not limited to supervision of management—it is vital that it harness its business perspective to clearly indicate the direction the Company must take to increase corporate value over the medium- to long-term. To achieve this end, we must hold discussions centered on our management policy, competitive advantage and business strategy.

Specifically, I would like to focus our discussions on matters of significant impact to corporate value. These include the Medium-term Management Strategy and other management plans, large-scale investments and loans such as M&A, the restructuring of business portfolios including withdrawals, capital policy, capital allocation such as balance sheet optimization and shareholder returns, and the design of expedient and accurate decision-making processes and governance structures. Meanwhile, the Board of Directors is proactively improving its agenda and operational methods through

careful consideration of required content and frequency of the reports it receives while avoiding becoming unnecessarily involved in the minute details of execution.

Our meetings used to be held only as exchanges of opinions with Outside Directors, or as Free Discussions among Directors to encourage open debate. However, since April 2025 we adjust the format according to the topic, inviting non-executive Directors, all Directors or Directors and Executive Officers as needed to facilitate more comprehensive and effective discussion. I recognize that one important role as Chair of the Board is the proper communication of the content of these discussions to the executive side.

I will strive to fulfill my role as Chair of the Board and improve the corporate value of the Group, working to extract diverse opinions at Board of Director meetings, then consolidating them through repeated discussion before communicating appropriately with the executive side, while also working to set an appropriate agenda.

Discussions in the Board of Directors, Etc.



Overview of Board of Directors

The functions and duties of the Board of Directors shall be as follows:

- The Board of Directors shall indicate the direction of its management and make an effort to enhance the Group's medium- to long-term corporate value by, for example, engaging in freewheeling and constructive discussion on management policies and management reforms;
- The Board of Directors shall determine matters that may have a serious impact on management, such as management policies and management reforms;
- The Board of Directors shall delegate authority over business execution to an appropriate extent to Executive Officers so that Executive Officers may assume the responsibility and authority to make decisions and execute business promptly in response to changes in the business environment;
- The state of Group governance and the progress of the execution of duties, including the progress of the management strategy, shall be reported by Executive Officers to and supervised by the Board of Directors on a periodic basis.

Outside Directors play a role in supervising the appropriateness of Directors and Executive Officers in the execution of their duties from an objective standpoint and in providing a diverse range of values regarding the management of the Company based on expert knowledge and through experience that differs from internal officers, so that the Board of Directors' management supervisory functions would be further strengthened.

The Board of Directors is comprised of 10 Directors (including 7 Outside Directors) as of June 25, 2025 (the end of the 100th General Meeting of Shareholders).

Major deliberations of the Board of Directors

Deliberation content	Number of deliberations by the Board of Directors	
	Resolved matters	Reported matters
Management strategy and business	13	11
Sustainability	1	7
Corporate governance	4	4
Accounting, finance and IR	4	28

Deliberation content	Number of deliberations by the Board of Directors	
	Resolved matters	Reported matters
Compliance and internal control	—	23
Committee-related	1	38
Officer-related	17	2
Others	3	1

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Discussions in the Board of Directors, Etc.



Briefings for Directors

- We hold briefings for Directors in order to deepen their understanding of the Group's business and help them to exchange opinions with the executive side to improve corporate value. At the briefings, the executive side explains matters relating to the status of progress of the FY2031 Strategy (including identification of material issues) and the summary of individual business and projects, etc., on which participants exchange opinions.
- Themes to be discussed at briefings are mainly set from the following perspectives.
 - (1) Explaining matters the executive side should explain to Directors (information on the Company's business that is prerequisite for management decisions, etc.), and working to eliminate asymmetry of information between the executive side and Directors.
 - (2) Exchanging opinions on matters that Directors and the executive side believe should be discussed in order to improve corporate value.
- We held 43 briefings for Directors in the fiscal year ended March 2025. Particularly in regards to the FY2031 Strategy, we exchanged opinions on progress made on the overall concept, individual business strategies, financial plans, etc. at 6 briefings between December 2024 and March 2025.
- We also exchanged opinions on issues related to sustainability such as promotion of DE&I, and the progress of individual business strategies. See the next section for the themes deliberated at briefings for Directors in the fiscal year ended March 2025.

Themes deliberated at briefings for Directors (FYE March 2025)

2024			
April 10	FYE March 2025 budget	December 11	Medium-term Management Strategy, remuneration for directors and executive officers, Group companies
April 24	Individual business strategies	December 25	Medium-term Management Strategy
May 13	Dividends		
May 29	Individual business strategies		
June 12	Individual business strategies, Group companies		
July 10	Organizational culture, individual business strategies, Group companies		
July 31	Individual business strategies, Board of Directors		
August 28	DE&I, individual business strategies		
October 9	Intellectual property, individual business strategies		
October 30	Digital transformation, individual business strategies		
November 27	Safety activities, human capital management		

Director Communication

Ensuring an Adequate Schedule for Board of Directors Meetings

Two full days a month are set aside to ensure sufficient time can be devoted to deliberations and considerations by the Board of Directors, individual committees, briefings for Directors, etc. In this schedule, the Board of Directors meetings, committee meetings, briefings for Directors, "Opinion Exchange Meetings with Directors," and other meetings are held as follows.

1-on-1 Meetings between Outside Directors

We hold 1-on-1 meetings between Outside Directors and the CEO once every two months to provide an opportunity for communication in addition to discussions at Board of Directors meetings, etc. From April 2025, we also hold 1-on-1 meetings between Outside Directors and the Chair of the Board once every two months. This enables Outside Directors to gain a deeper understanding of the background of discussions at Board of Directors meetings and Group circumstances, ensuring more appropriate discussion of business oversight and Company direction. In 1-on-1 meetings between Outside Directors and the CEO, they can freely choose topics and exchange opinions in a closer manner, providing opportunities to obtain suggestions for more appropriate business execution.

Meetings with Investors, etc.

We provide various opportunities for dialogue with Directors so that opinions on the stock market held by shareholders and other institutional investors can be appropriately fed back to the Board of Directors. In addition to regularly held small meetings between Outside Directors and domestic institutional investors, the content of meetings with institutional investors conducted by the executive side are provided to Directors, in order to share thoughts on the stock market for the Company with the entire Board of Directors.

Opinion Exchange Meetings with Directors

Until now, we have held "Outside Directors' Opinion Exchange Meetings," where Outside Directors exchange information and share their views on a wide range of issues from an independent standpoint, and "Free Discussions Among Directors," which encourage open discussion among Directors. From the fiscal year ending March 2026, we hold forums for the exchange of opinions with non-executive Directors, all Directors or Directors and Executive Officers as required by topic to ensure more comprehensive and effective discussions. The CEO and Executive Officers are invited to these meetings as required to provide the necessary information.

Sustainability Promotion > Corporate Governance Discussions in the Board of Directors, Etc.

Tours of Business Sites for Outside Directors

Tours of business sites are held for Outside Directors in order to deepen their understanding of the Group's business. In the fiscal year ended March 2025, sites that had not been previously visited were observed, further deepening understanding of businesses and locations. Outside Directors also participate as observers in the Manufacturing and R&D Strategy Committee (general meeting for development strategy for our Innovation Center).

Opportunities for Dialogue between Outside Directors and Employees

Tours of business sites provide Outside Directors opportunities to engage in dialogue with our employees. The purpose of these is for Outside Directors to gain a deeper understanding of Group employees while stimulating and further motivating employees.



Tour of the head tank at Ikari Power Plant

Establishment of Corporate Secretary Department

The Corporate Secretary Department has been established in the Corporate Division to strengthen the secretariat and other functions of the Board of Directors, Nomination Committee, Remuneration Committee and Sustainability Committee, as well as to consider Corporate Governance strategically.

Evaluation of the Effectiveness of the Board of Directors



The Company analyzes and evaluates the effectiveness of the Board of Directors based on the evaluation by each Director on an annual basis. In the fiscal year ended March 2025, the evaluation was conducted using a third-party organization (third-party evaluations are conducted every three years since the fiscal year ended March 2022).

As a result of deliberations by the Board of Directors, It was confirmed that the effectiveness of the Board of Directors of the Company was secured in the fiscal year ended March 2025. The Board of Directors will continue to make ongoing efforts to further improve its effectiveness.

Summary of FYE March 2025 Effectiveness Evaluation

It was confirmed that the effectiveness of the Board of Directors of the Company was secured in the fiscal year ended March 2025.

In order to further enhance the effectiveness of the Board of Directors, the following issues were identified as areas for further improvement to be addressed through evaluation.

- Medium- to long-term competitive advantage
- Operation of the Board of Directors

Overview of deliberation by the Board of Directors on issues

Medium- to long-term competitive advantage	Operation of the Board of Directors
● In response to the questionnaire question, "Do you believe the medium- to long-term competitive advantage of the Company has been adequately communicated to investors and shareholders, leading to an increased presence in capital markets?," 10 out of 11 Directors responded, "I don't believe so," and 1 responded, "I believe so," so most answers were negative. ● During a Board of Directors meeting, it was pointed out that "There is a lack of discussion regarding how the Board of Directors itself perceives competitive advantage," that "the Board of Directors should have discussed how to make changes in greater depth, rather than simply expressing its views to the executive side," and "after listening to explanations from the executive side, the Board of Directors may not have delved deeply enough into details."	● In the questionnaire and interviews, opinions expressed included "we should focus more on important issues," and "diversity of opinion among Directors is good, but in many cases those opinions are simply stated, and while consolidation isn't required, reconciliation of those differences would be better." ● During a Board of Directors meeting, opinions expressed included "we should focus on discussions of only the most important issues," and "there are times when it is advisable for the diverse opinions of the Board of Directors to be consolidated by them as a whole and presented." It was also pointed out that materials for and explanations given at Board of Directors meetings should be made more concise and accurate.

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Evaluation of the Effectiveness of the Board of Directors



FYE March 2026 initiatives on issues

Medium- to long-term competitive advantage	Operation of the Board of Directors
- In consideration of discussions among Directors in the fiscal year ended March 2025, the Board of Directors will formulate a business outlook from the perspective of medium- to long-term competitive advantage (business portfolio, core competencies, revenue structure, etc.). - Based on this business outlook, the Board of Directors will provide appropriate supervision and advice to the executive side, ensuring effective progress in refinement of the Medium-term Management Strategy for the fiscal year ending March 2027 and beyond.	- The following will be considered in the interest of more effectively managing Board of Directors meetings and briefings for Directors. - Revising the agenda for Board of Directors meetings - Enhancing facilitation at Board of Directors meetings and briefings for Directors - Consolidating opinions at Board of Directors meetings, and appropriately communicating them to the executive side

Method of Analysis/Evaluation

Evaluation Process

Sep. 2024 to Dec. 2024	A questionnaire prepared in consultation with a third-party organization was distributed to all 11 Directors to collect anonymous responses. Based on these results, the organization conducted individual interviews with all 11 Directors regarding important issues for the Board of Directors.
Feb. 2025	Questionnaire results were compiled and analyzed, then reported by the third-party organization to facilitate discussion by Directors on the effectiveness of the Board of Directors.
Mar. 2025	Following the discussions in February, the Board of Directors passed a resolution on the effectiveness of the Board of Directors for the fiscal year ended March 2025.

Questionnaire Items

The following question topics were presented with four levels of response (1. I strongly believe so, 2. I believe so, 3. I don't believe so, 4. I strongly don't believe so) with a space for additional comments as needed.

- Our managerial issues and risks
- Role function, size, composition and operational status of the Board of Directors
- Board of Directors discussions
- Composition, roles and status of operations of each of the Nomination Committee, Audit Committee, Remuneration Committee and Sustainability Committee
- Support system for Outside Directors
- Relationship with investors and shareholders
- Governance system and overall effectiveness of the Board of Directors
- Self-evaluation by each Director

Interview Items

Based on questionnaire response, a third-party organization conducted interviews regarding the following key items concerning the effectiveness of the Board of Directors.

- Business and management evaluation
Evaluation of Medium-term Management Strategy progress, competitive advantage, organizational structure and corporate culture, discussions for medium- and long-term growth, specific issues (group governance, internal control, human capital, ROIC awareness and utilization, DX strategy, etc.)
- Board of Directors evaluation
Evaluation of explanatory materials, agenda setting, meeting management, attributes of the Chair, appointment of a lead Outside Director, roles and functions of the Board of Directors, expected role and current status of Outside Directors, composition of Outside and inside Directors, etc.
- Evaluation of the Nomination, Audit, Remuneration and Sustainability Committees
Evaluation of the composition, roles and operations of each committee

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Evaluation of the Effectiveness of the Board of Directors



Evaluation of the status of initiatives concerning the issues for FYE March 2025 based on FYE March 2024 evaluation

There was an evaluation of initiatives concerning the following matters taken for further improvement by the Board of Directors in the fiscal year ended March 2025 based on the results of the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 2024. It was confirmed that although “improvements have been made” in general, “initiatives were not adequate” for certain matters. A promise was made to continue to improve these issues in the fiscal year ended March 2026.

Issues recognized	Status of responses
Development of core management talent	- We received a briefing from the executive side on the plans for Executive Officer succession and the Next-Generation Leadership Talent Development Program, with discussion focused on the following. - Diversification of successor talent pool - Increase in the number and ratio of candidates selected for the Next-Generation Leadership Talent Development Program among candidates for Executive Officer successors - Strengthening the linkage between the Next-Generation Leadership Talent Development Program and human resource policies such as promotion and selection - Early identification and planned stretch assignment of Next-Generation Leadership Talent at the managerial and junior levels - In the questionnaire, positive responses outnumbered negative regarding developing Next-Generation Leadership Talent and CEO succession plans.
Medium- to long-term competitive advantage of the Company	- In order to conduct more in-depth discussions and deliberations among Directors regarding medium- to long-term competitive advantage of the Company, we first received multiple explanations from and had multiple discussions with the executive side regarding the competitive advantages of individual business segments. - Despite these efforts, the questionnaire showed a majority of negative responses to the question, “Do you believe the medium- to long-term competitive advantage of the Company has been adequately communicated to investors and shareholders, leading to an increased presence in capital markets?” - Additionally, interviews uncovered opinions such as “we need to identify the competitive advantages of our businesses to develop and implement growth strategies,” and “we do not believe we are in a position to adequately analyze and discuss the medium- to long-term competitive advantage of the Company.”

Issues recognized	Status of responses
Improving Operation of the Board of Directors	- We reviewed agenda items and financial criteria for Board of Directors meetings to better optimize agenda items and improve Board of Directors operations. - In the questionnaire and interviews, opinions expressed included “we should focus more on important issues,” and “diversity of opinion among Directors is good, but in many cases those opinions are simply stated, and while consolidation isn’t required, reconciliation of those differences would be better.”

Related Information:

Corporate website ► Corporate Governance Report

Sustainability Promotion > Corporate Governance

Message from the Chair of the Nomination Committee



We will continue to hold discussions on how to determine the qualifications and career paths required for future CEO successor and Outside Director candidates in response to ever-changing business environment.

Chair of the Nomination Committee

Tatsuo Wakabayashi, Outside Director

The change in CEO on April 1, 2025, was one of the biggest events the Nomination Committee has experienced since our transition to being a Company with a Nomination Committee in 2019. We nominated Tetsuya Tanaka as a candidate for CEO because we believe him to be a highly motivated, passionate leader well-suited for the role, especially given current circumstances, when our ability to execute and achieve results is being rigorously tested.

While the CEO candidate selection process involved considerable trial and error, through it we gleaned much insight we can harness in future Nomination Committee endeavors. Looking back on the process, it's something I'd like to employ in future committee operations.

One of our Outside Directors was replaced in June 2025. We narrowed down candidates based on criteria including management experience in the manufacturing industry and

whether they possessed ample experience in engineering. After interviewing several candidates, we consulted with the Nomination Committee before reaching a decision.

In the rapidly changing business environment of today, we believe our business environment will also change moving forward. In response, the Nomination Committee will continue to hold discussions on how to determine the qualifications and career paths required for future CEO successor and Outside Director candidates. In particular, we believe one issue is how to make Nomination Committee efforts more effective given constraints imposed by the part-time nature of the Outside Director role. We are also considering harnessing our Next-Generation Leadership Talent Development Program as a way to facilitate more contact between Outside Directors and potential candidates, and we hope this will deepen discussions within the Nomination Committee.



Nomination Committee

● Functions and duties

The Nomination Committee determines matters such as the policy for the nomination of candidates for Director and the dismissal of Directors, and the content of proposals concerning the election and dismissal of Directors to be submitted to General Meetings of Shareholders. In addition, the Committee deliberates and reports on appointment and dismissal of Executive Officers in response to inquiries from the Board of Directors, then reports back to them. The Committee also deliberates on successor candidates for CEO and plans for candidate development, overseeing the appropriate development of the candidates. The Committee deliberates on candidates for the next CEO in response to inquiries from the Board of Directors and reports back to them.

Composition (including Chair)	Three Outside Directors
Chair	Director (Outside) Tatsuo Wakabayashi
Members	Director (Outside) Koji Igarashi Director (Outside) Rikako Beppu

Results

Number of meetings in FYE March 2025 16

2024	
April 10	Deliberation on director candidate skills matrix, contributions and perspectives on key themes, selection of Outside Director candidates, and appointment and the evaluation process for non-executive directors
April 24	Resolution on the proposed division of duties for Executive Officers
May 29	Decision on establishment of policy for dismissing directors, deliberation on selection of candidates for Outside Directors, and CEO succession plan
June 26	Deliberation on annual Nomination Committee schedule, selection of CEO succession plan, etc.
July 10	Deliberation on selection of candidates for Outside Directors
July 31	Deliberation on selection of candidates for Outside Directors
August 28	Resolution on the proposed division of duties for Executive Officers
October 9	Deliberation on selection of candidates for Outside Directors, and CEO succession plan
October 30	Deliberation on selection of candidates for Outside Directors, and CEO succession plan

November 27	Deliberation on the content of the report on the election of Executive Officers, etc., selection of candidates for Outside Directors
December 11	Resolution on the content of the report on the election of Executive Officers, etc.
December 25	Deliberation on selection of candidates for Outside Directors, implementation of peer evaluation of non-executive Directors

2025	
January 29	Deliberation on selection of candidates for Outside Directors, establishment and revision of regulations for Directors serving as officers at other companies
February 13	Resolution on the proposed division of duties for Executive Officers
February 26	Deliberation on the results of peer evaluations of non-executive Directors, Chair of the Board of Directors, Committee members, Chairs and acting Chairs; selection of Outside Director candidates
March 26	Resolution on candidates for Director, content related to the report on the Chair of the Board of Directors, Committee members and Chairs, and draft order of acting Chairs

Sustainability Promotion > Corporate Governance

Nomination of Candidates for Director, Dismissal of Directors and the Election and Dismissal of Executive Officers



Policy for Nomination of Candidates for Director and Dismissal of Directors

Our basic approach to the structure of the Board of Directors, which fulfills the roles of determining the direction of management and exercising supervision over the progress of business execution, is to ensure that it comprises a diverse range of human resources with different expert knowledge, experience, and other qualities. In particular, the Nomination Committee will consider candidates for Outside Director to ensure that they comprise individuals who possess experience and knowledge in corporate management (including in businesses similar to and/or different from the Group's business) and organizational management, and individuals who possess broad and advanced expert knowledge and extensive experience in relation to finance and accounting, legal affairs, production engineering, research and development, sales and marketing, international relations, etc.

In light of the basic policy on the structure mentioned above, the Nomination Committee will nominate and select individuals who satisfy the following requirements as candidates for Director, regardless of individual attributes concerning gender, nationality and race, etc.:

- An individual of exceptional insight and character;
- An individual with a strong sense of ethics and a law-abiding spirit; and
- An individual who can properly fulfill his or her duties concerning the exercise of supervision over the management of the Company and the determination of the direction of management.

Further, with respect to candidates for Independent Outside Director, the Nomination Committee will nominate and select individuals who satisfy the following requirement in addition to the above requirements:

- An individual who has no material interest in the Group and who can remain independent. The specific selection of talent shall be decided after deliberation by the Nomination Committee.

If any of the following apply to a Director, the Nomination Committee may make a determination on the content of a proposal to be submitted to the General Meeting of Shareholders regarding the dismissal of that Director.

- If a Director has committed a serious violation of a law, regulation or the Articles of Incorporation
- If a Director has committed an act that is significant misconduct regarding performance of duties
- If a Director lacks the judgment required of the position or significantly lacks the ability to discern facts and circumstances
- If a Director is expected to be unable to attend Board of Directors meetings for a significant period of time

The Company considers that an Outside Director is not independent if he or she falls under any of the conditions listed below while meeting the standards for independence established by Tokyo Stock Exchange, Inc.

1. An individual who falls under or has fallen under any of items (1) or (2) below, either presently or in the past:

- (1) An executive or non-executive Director of the Company (excluding Outside Directors); or

- (2) An executive or non-executive Director of the Company's subsidiary.

2. An individual who falls under any of items (1) through (5) below:

- (1) An executive of a client or supplier company of the Company, whose value of transactions amounted to 2% or more of the consolidated net sales of the Company or the client or supplier company as of the end of the previous fiscal year;
- (2) A person who received, as a professional or consultant, etc., consideration of not less than ¥10 million from the Company in the previous fiscal year, excluding his/her consideration as a Director;
- (3) An executive of an organization that received a donation of not less than ¥10 million from the Company in the previous fiscal year;
- (4) A shareholder who directly or indirectly holds at least 10% of the total number of voting rights of the Company or an executive of such shareholder; or
- (5) The Company's Accounting Auditor or its employee, etc.

3. An individual who has fallen under any of items (1) to (5) of 2 above at any time in the past three (3) years:

4. A close relative of any of the persons listed in item (1) or (2) of 1 above, items (1) to (5) of 2 above, or 3 above (excluding unimportant persons): or

5. A person who has served as the Company's Outside Director for a period of more than eight (8) years.

Policy for Election and Dismissal of Executive Officers

In electing Executive Officers responsible for the execution of business tasks, individuals who satisfy the following requirements will be elected, regardless of individual attributes concerning gender, nationality and race, etc.:

- An individual of exceptional insight and character;
- An individual with a strong sense of ethics and a law-abiding spirit; and
- An individual well-versed in management and the business activities of the Group.

In relation to the election process, the Chief Executive Officer will first draft a proposal for the election of Executive Officers after consulting with relevant officers as necessary. The Chief Executive Officer will then submit a proposal for the election of Executive Officers to the Board of Directors based on the deliberations and responses to inquiries at a Nomination Committee meeting, and Executive Officers will be elected by resolution of the Board of Directors based on a comprehensive review of the candidates' personal history, achievements, specialist knowledge, and other capabilities.

In addition, if any event occurs that makes an Executive Officer highly ineligible in light of these standards, the Executive Officer shall be dismissed by resolution of the Board of Directors following a review by the Nomination Committee.

Sustainability Promotion > Corporate Governance

Nomination of Candidates for Director, Dismissal of Directors and the Election and Dismissal of Executive Officers



Outside Director Candidates

The Nomination Committee will consider candidates for Outside Director to ensure that they comprise individuals who possess experience and knowledge in corporate management and organizational management, and are individuals who possess broad and advanced expert knowledge and extensive experience in relation to finance and accounting, legal affairs, production engineering, research and development, sales and marketing, international relations, etc. Particularly in the selection of specific candidates for Outside Directors, the Nomination Committee deliberates and decides on a case-by-case basis during each selection process, which includes consideration of requirements such as expertise and experience required of potential candidates, confirmation of a candidate list and narrowing down the list of persons to be approached, interviews with the candidates, and decisions on who to informally nominate.

Reasons for and Process of Nominating New Directors

In the nomination of new Directors to be elected at the 100th General Meeting of Shareholders held on June 25, 2025, the selection for candidates took into account deliberation by the Board of Directors and Nomination Committee on the composition of the Board of Directors. After deliberations from April 2024 to March 2025, the Nomination Committee appointed Ichiro Sasaki as a candidate for Director in March 2025.

Ichiro Sasaki has extensive technical knowledge in development and manufacturing. He also has insight into corporate strategy from a global perspective and general aspects of management through his experience as a manager of a manufacturer that develops its business all over the world. Furthermore, through his experience in new business creation and commercialization, he has extensive knowledge in the fields of manufacturing such as product planning and quality assurance.

For these reasons, we expect him to contribute to the strengthening of appropriate supervisory and decision-making functions of the Board of Directors, and believe he is suitable for his position.

Related Information:

Integrated Report, P68 ▶ Director Skill Matrix, Contributions and Perspectives for Key Themes

Peer Evaluation for Non-executive Directors

The Company implements peer evaluation for non-executive Directors (including Outside Directors) who are scheduled to be reappointed next term, in which each Director evaluates performance and degree of contribution, with the purpose of further enhancing the Board of Directors' effectiveness.

The Nomination Committee considers the nomination of candidates for the next term of the Board of Directors as stipulated in the "Policy for Nomination of Candidates for Director and Dismissal of Directors," also taking into consideration the results of these evaluations, etc.

Basic Approach for the CEO Succession Plan

Determining CEO succession is positioned as the most vital decision to ensure the Company's sustainable growth and medium- to long-term enhancement of corporate value. We believe that the decision on whether or not to replace the CEO and the timing of such replacement should be made comprehensively based on the Company's current situation, the performance of the current CEO, the development of successor candidates, and the standby status of successor candidates. In light of this, the Nomination Committee receives reports on the succession plan from time to time so that it can keep abreast of the status of the successor candidates and make comparisons with the current CEO. The Company operates the Next-Generation Leadership Talent Development Program as a training system to develop future leaders with the aim of training qualified candidates for Executive Officer positions.

Related Information:

Integrated Report, P50 ▶ Human Resources Strategy

Discussion process for change of Chief Executive Officer (CEO) effective April 1, 2025

The process for discussions in the Nomination Committee and other bodies prior to the succession of the Chief Executive Officer (CEO) effective April 1, 2025 is as follows.

- In the fiscal year ended March 2023, the Nomination Committee requested that then-CEO Naoki Ono present candidates for the successor for CEO from among Executive Officers and senior management, and also discussed the possibility of selecting external candidates. At that time, the Nomination Committee determined it would be reasonable to select a successor from within the Group.
- For senior management who had had little contact with the Nomination Committee, interviews were conducted between each candidate and the committee. The Nomination Committee determined that candidates from the senior management level would require more experience to take on the role of CEO, deciding on multiple candidates from amongst Executive Officers.
- From the fiscal year ended March 2024, assessments of successor candidates were conducted by an external organization, 1-on-1 interviews were held between each Nomination Committee member and each candidate, and interviews were conducted between CEO Ono and the Nomination Committee.
- The Nomination Committee conducted discussions based on the results of each interview, etc. The Nomination Committee determined that Tetsuya Tanaka was the appropriate candidate. The Nomination Committee resolved the contents of a recommendation to nominate Tetsuya Tanaka as the next CEO at its December 2024 meeting. After approval from the Board of Directors, Tanaka took up the position of CEO on April 1, 2025.

Sustainability Promotion > Corporate Governance

Message from the Chair of the Audit Committee



We will support the new management team by upgrading Audit Committee audits from the perspectives of both internal control and management strategy.

Chair of the Audit Committee

Kazuhiko Takeda, Outside Director

In the fiscal year ended March 2025, internal audits fully transitioned to risk-based, the Accounting Auditor entered their second year in office, and the three-pillar audit system was steadily established.

In terms of internal control, until the fiscal year ended March 2025, the Internal Audit Department, which acts as the third line of defense in the system, conducted compliance checks to ensure that operations followed rules and regulations. Now we are transitioning to a system where departments in charge of business execution (first line) and control (second line) carry out these matters, which we hope will take hold as a part of our efforts to strengthen on-site capabilities moving forward. For management strategy, the solid foundation for organizational audits by the Internal Audit Department and Accounting Auditor has enabled the Audit Committee to focus on management audits from three managerial perspectives, namely, quality and integrity management, consolidated group management and enhancing corporate value. This year has seen us take the first step

toward upgrading the Audit Committee audits.

In the fiscal year ending March 2026, we must rethink our management strategy for the following fiscal year and beyond, boldly challenging ourselves to evolve. The Audit Committee will address internal control risk management associated with transformation, evaluate risk to be taken on in the interest of growth, and support the implementation of management strategies, thereby supporting the rapid implementation of the new management team from the perspectives of both internal control and management strategy. Regarding sustainability issues, we have positioned enhancement of human capital as a key audit item for the fiscal year ending March 2026, and intend to advise from a managerial perspective concerning the myriad people-related management issues we face as we strive for sustainable growth.

We will work to ensure that the three-pillar audit system functions properly as we strive to further improve the effectiveness of organizational audits.

Audit Committee

● Functions and duties

The Audit Committee audits the legality and validity of duties performed by Directors and Executive Officers, via audits either using internal control systems or directly by the Committee.

Composition (including Chair)	Three Outside Directors One Internal Director
Chair	Director (Outside) Kazuhiko Takeda
Members	Director (Outside) Hatsunori Kiriya Director (Outside) Nozomi Sagara Director Naoki Ono

Results

Number of meetings in FYE March 2025 14

2024	
February to May	FYE March 2024 year-end audit
March 27	Resolution on FYE March 2025 audit plan, etc.
May 13	Resolution on matters related to FYE March 2025 Accounting Auditor reappointment, FYE March 2024 audit report, etc.
June 26	Election of full-time, appointed, and specified members of the Audit Committee
July to following February	Mid-term audits (attendance at important meetings, interviews with Executive Officers, visiting audits of sites, hearing results from Audit Department, exchanging opinions with Accounting Auditors, etc.)
End of July	First quarter financial results audit Liaison meeting with standing Audit & Supervisory Board Members of subsidiaries held
End of October	Second quarter financial results audit

2025	
End of January	Third quarter financial results audit Liaison meeting with standing Audit & Supervisory Board Members of subsidiaries held
February to May	FYE March 2025 year-end audit
March 26	Resolution on FYE March 2026 audit plan, etc.
May 13	Resolution on matters related to FYE March 2026 Accounting Auditor reappointment
May 16	Resolution on FYE March 2025 audit report, etc.

The Audit Committee Office

To assist the Audit Committee in its duties, the Audit Committee Office was established directly under the Committee as an organization independent from the execution side in order to enhance the Committee's function. The Office consists of a General Manager and three staff members, and it performs administrative work related to the operation of the Audit Committee, collects information, conducts various investigations, attends internal meetings, and fully assists the Committee in the performance of its duties.

Sustainability Promotion > Corporate Governance

Message from the Chair of the Remuneration Committee



We will further refine our current remuneration system to consistently encourage ambitious goals to improve corporate value, in which the creation and achievement of results is more highly valued.

Chair of the Remuneration Committee

Koji Igarashi, Outside Director

As a part of the Remuneration Committee's initiatives for the fiscal year ended March 2025, we established new allowances for the Chair of the Board of Directors as well as for audit-related duties, in line with structural changes, including the separation of the functions of the Chair of the Board and Chairperson, and the establishment of the Audit Committee Chair as a part-time position. These efforts have facilitated the creation of a system where remuneration is commensurate with the responsibilities of the Directors.

We use the ambitious annual figures set in the Medium-term Management Strategy as targets for Executive Officer bonuses, which are short-term incentives. In the future, we would also like to consider how to more strongly reflect relative growth compared to other companies in the same industry or manufacturing companies of the same size in our evaluations.

On that note, compared to other manufacturing companies of the same size, we have tended to have a greater ratio of performance-based remuneration over fixed remuneration. However, in recent years, other companies have also been increasing their performance-based remuneration ratio, making our current performance-based

remuneration ratio that of a standard level. In order to further generate a sense of urgency in our management, we will continue to consider how to set an appropriate ratio of performance-based remuneration while taking our relative positioning into account.

In order to support the reliable achievement of management strategy in the fiscal year ending March 2027 and after, this fiscal year, we will consider fixed/variable ratio of remuneration while also reviewing the evaluation indicators and formula used to calculate annual bonuses for Executive Officers, all with the aim of making incentives to achieve results more tangible. We will also consider using indicators other than consolidated operating profit, such as ROIC, as performance indicators. Currently, non-financial evaluation items include one or more initiatives in line with Sustainability Policy, but we plan to further refine these items incorporating practices from other companies.

We will continue to work to further refine our current remuneration system, ensuring it becomes one that consistently encourages Executive Officers to take on challenges and achieve ambitious goals to improve corporate value, in which the creation and achievement of results is more highly valued.



Remuneration Committee

● Functions and duties

The Remuneration Committee establishes policies for determining individual remuneration for Directors and Executive Officers, and determines the individual remuneration to be received by Directors and Executive Officers based on such policies.

Composition (including Chair)	Three Outside Directors
Chair	Director (Outside) Koji Igarashi
Members	Director (Outside) Tatsuo Wakabayashi Director (Outside) Rikako Beppu

Results

Number of meetings in FYE March 2025 11

2024	
April 10	Deliberation on suitability of the remuneration system, and disclosure of the malus and clawback system contained therein
May 29	Resolution to revise internal rules for the remuneration for Directors and Executive Officers Deliberation on consolidated operating profit growth rate evaluation related to amount of individual bonuses for Executive Officers, results of non-financial evaluation for the previous year, and setting non-financial factors related to individual bonuses for Executive Officers for the current fiscal year
June 12	Resolution on the amount of individual bonuses for Executive Officers based on performance in the previous fiscal year
June 26	Resolution on details of individual remuneration for Directors, etc. Deliberation on Remuneration Committee schedule
August 28	Confirmation of the background to the current remuneration system and deliberation on future issues
October 30	Reports on trends related to officers' remuneration and the remuneration standard benchmarks
November 27	Deliberation on future issues of the Remuneration Committee based on benchmark results, etc.

2025	
January 15	Deliberation on suitability of the remuneration system
February 26	Deliberation on suitability of the remuneration system
March 12	Resolution to revise internal rules for the remuneration for Directors and Executive Officers Deliberation on partial revision of share issuance rules for the BIP (Board Incentive Plan)
March 26	Resolution on details of individual remuneration for Directors and Executive Officers Resolution on partial revision of share issuance rules for the BIP (Board Incentive Plan)

Sustainability Promotion > Corporate Governance

Policy on Determining Remuneration for Officers, Etc.



Remuneration System for Directors and Executive Officers

With the aim of creating an attractive remuneration system for outstanding management talent that will drive improvements in the Group's corporate value from a medium- to long-term viewpoint and establishing remuneration governance that will enable the Company to fulfill its accountability to stakeholders, including shareholders, the Company shall establish a policy on determining the remuneration for Directors and Executive Officers (collectively, "Officers") and a remuneration system as follows:

1. Policy on Determining Remuneration for Officers

- (1) A system shall be created that provides competitive standards for remuneration compared with companies of a business category and size similar to the Group.
- (2) The performance of the functions and duties assumed by each Officer and contributions to the improvement of medium- to long-term corporate value shall be evaluated in a fair and equitable manner, and the evaluation results shall be reflected in remuneration.
- (3) Regarding Executive Officer remuneration, in order to have remuneration function as a sound incentive to improve the Group's medium- to long-term corporate value, remuneration shall consist of basic remuneration, an annual bonus based on performance evaluations in each fiscal year, etc. and stock-based compensation, which is a medium- to long-term incentive linked to medium- to long-term performance and corporate value. The remuneration composition ratio shall be determined appropriately in accordance with one's job position. For Director (excluding those who concurrently hold the posts of Director and Executive Officer) remuneration, in principle, only basic remuneration shall be paid in cash, in light of their function and role of supervising the performance of job duties by the Executive Officers. However, Directors who serve as Chair of the Board or any other committee will be paid allowances in addition to basic remuneration in consideration of their responsibilities. Directors responsible for specific audit activities, such as the Chair of the Audit Committee, will be paid an allowance for audit-related duties

commensurate with their responsibilities.

- (4) An annual bonus shall be determined with the emphasis on the performance in each fiscal year, while appropriately evaluating the relative results of Total Shareholder Return (TSR)* and the status of each Executive Officer's implementation of medium- to long-term management strategies, etc.

$$*TSR = \frac{\text{Average closing price of the stock on each day in March of the current year} + \text{Total amount of dividends per share in the current fiscal year}}{\text{Average closing price of the stock on each day in March of the previous year}}$$

- (5) A medium- to long-term incentive shall be stock-based compensation that enables Executive Officers to share awareness of profits with shareholders in order to enhance corporate value from a medium- to long-term viewpoint.
- (6) The policies for determining remuneration and the amount of individual remuneration shall be deliberated and determined by the Remuneration Committee composed of a majority of Independent Outside Directors.
- (7) Necessary information shall be disclosed actively so that stakeholders including shareholders can monitor the relationship between performance, etc. and remuneration.

2. Remuneration System for Officers

- (1) Directors (excluding those who concurrently hold the posts of Director and Executive Officer)
In principle, the remuneration for Directors shall consist of basic remuneration only. However, Directors who serve as Chair of the Board or any other committee will be paid allowances in addition to basic remuneration in consideration of their responsibilities. The cash amount shall take into consideration an individual Director's job position and refer to the standards for remuneration of other companies based on the research of outside experts.
- (2) Executive Officers
The remuneration payable to Executive Officers shall consist of basic remuneration, which is fixed remuneration, and

an annual bonus and stock-based compensation, which are performance-linked remuneration. The remuneration composition ratio shall be in line with "Basic remuneration/ Annual bonus/Stock-based compensation = 1.0/0.6/0.4" (*In the case where the annual bonus payment rate is 100%) for the Chief Executive Officer, and for other Executive Officers, the ratio of performance-linked remuneration to basic remuneration shall be set lower than that for the Chief Executive Officer. Furthermore, the standards for remuneration shall be determined by referring to the standards of peer companies (similar-sized companies determined by the Remuneration Committee) based on the research of outside experts.

<Basic Remuneration>

Basic remuneration shall be paid in cash as fixed remuneration in accordance with one's job position.

<Annual Bonus (Short-term Incentive Remuneration)>

The annual bonus shall be determined based on the consolidated operating profit, relative comparison of TSR, and status of achievement of the non-financial target set for each Executive Officer, on a single-year basis. The specific evaluation items shall be as follows:

<<Evaluation Items>>

- ① Consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector)
The consolidated operating profit evaluation factor is based on which earning capacity of the Company's main business is evaluated; to be multiplied by an adjustment factor based on the consolidated operating profit growth rate compared with other companies to enhance consciousness on growth greater than market growth (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies, all in Japan)

Sustainability Promotion > Corporate Governance Policy on Determining Remuneration for Officers, Etc.

- ② Relative comparison of TSR (relative comparison with six nonferrous metal companies and the companies chosen mainly among similar-sized manufacturing companies, all in Japan) (Evaluation of relative comparison of TSR)
- ③ Non-financial evaluation of the status of achievement of the targets set for each Executive Officer at the beginning of the term and other relevant factors with regard to efforts aimed at improving medium- to long-term corporate value, which is less likely to be represented in short-term performance, as well as efforts in line with the Sustainability Policy*

*Sustainability Policy Items

1. Build a Work Environment that puts Safety and Health First
2. Respect Human Rights
3. Promote Diversity, Equity and Inclusion
4. Cultivate Mutual Prosperity with Stakeholders
5. Strengthen Corporate Governance and Risk Management
6. Engage in Fair Business Transactions and Responsible Sourcing
7. Ensure Stable Provision of Safe, Secure, and High Value Added Products
8. Proactive Engagement for the Global Environment

<<Calculation Formula>>

Annual Bonus =
Base Annual Bonus by Job Position × Payment Rate Based on Performance Evaluation*

* "Payment Rate Based on Performance Evaluation" shall range from 0% to approx. 200% based on a performance.

<<Evaluation Weight>>

The annual bonus shall be determined based on the evaluations of each portion of 60%, 20% and 20% of the base amount, which depends on one's job position, in terms of consolidated operating profit (or, in the case of an Executive Officer in charge of business activities, operating earnings from the relevant business sector), relative TSR comparison and non-financial factors, respectively.

Chief Executive Officer, Non-Business related Executive Officers

$$\left(\begin{array}{c} \text{Evaluation of consolidated operating profit} \\ 60\% \end{array} \times \begin{array}{c} \text{Adjustment Factor} \\ \text{Evaluation of growth rate} \\ 0.9 \text{ to } 1.1 \end{array} \right) + \begin{array}{c} \text{Evaluation of relative comparison of TSR} \\ 20\% \end{array} + \begin{array}{c} \text{Evaluation of non-financial factors} \\ 20\% \end{array}$$

Business-related Executive Officers

$$\left(\begin{array}{c} \text{Evaluation of relevant business operating profit} \\ 60\% \end{array} \times \begin{array}{c} \text{Adjustment Factor} \\ \text{Evaluation of growth rate} \\ 0.9 \text{ to } 1.1 \end{array} \right) + \begin{array}{c} \text{Evaluation of relative comparison of TSR} \\ 20\% \end{array} + \begin{array}{c} \text{Evaluation of non-financial factors} \\ 20\% \end{array}$$

<<Target of Consolidated Operating Profit for Annual Bonus>>

With regard to the target of consolidated operating profit for annual bonuses, in principle, the consolidated performance forecast for the current period planned in the Medium-term Management Strategy shall be applied. (For operating earnings of the business for which the Executive Officer is responsible, planned consolidated operating earnings from the relevant business sector shall be used.)

The target and actual values of performance-linked indicators used to calculate bonuses for the fiscal year ended March 2025 are as follows.

Evaluation Items		Target	Results
Operating profit	Consolidated	¥55 billion	¥37.1 billion
	Metals business	¥14.9 billion	¥23.1 billion
	Advanced Products business	¥19.5 billion	¥5.6 billion
	Metalworking Solutions business	¥21.2 billion	¥8.8 billion
Consolidated operating profit growth rate		—	59.47%
TSR (Figures in brackets are rankings of six domestic non-ferrous metals companies)		—	94.3% (3)



<Stock-based Compensation (Medium- to Long-term Incentive Remuneration)*>

Stock-based compensation shall be a system that utilizes a trust for the purpose of achieving the sharing of a common profit awareness with shareholders. This shall be used as an incentive for improving the medium- to long-term corporate value of the Group and under which the Company's shares and cash equivalent to the proceeds from the realization of the Company's shares shall be delivered and paid in accordance with one's job position, upon retirement from the post of Executive Officer. No performance conditions nor stock price conditions shall be set with respect to the shares to be delivered. Please note that in the case of a non-resident staying in Japan, different treatment may be applied under laws or for any other relevant circumstances.

* The Officers' remuneration system adopts a structure called BIP (Board Incentive Plan) and grants to the Executive Officers the shares of the Company's common stock, etc. It is an incentive plan to, during the determined period of the trust, accumulate points to be given to Executive Officers, and to grant the shares of the Company's common stock equivalent to 70% of such accumulated points (shares less than one unit shall be disregarded) and cash equivalent to realized value of the shares of the Company's common stock equivalent to the remaining accumulated points as compensation to Executive Officers after their retirement. One point is deemed equal to one share of the Company's common stock, and if a stock split or reverse stock split occurs during the trust period, the number of the Company's shares per point shall be adjusted according to the stock split ratio or reverse stock split ratio of the Company's shares. The maximum number of points to be given to Executive Officers during the three consecutive fiscal years including the fiscal year ended March 2024 (FYE March 2024 to FYE March 2026) shall be 140,000 points in total.

<Claim for return of remuneration, etc. (Malus and Clawback System)>

If Executive Officers violate laws and regulations or the duty of care of a good manager, the Company may request disqualification of the entitlement to annual bonus or restitution of bonus upon a resolution of the Remuneration Committee. With respect to stock compensation, if the same occurs, the Company may request disqualification of the right to receive delivery of the Company's shares, etc. or restitution of an amount equivalent to the accumulated number of points upon a resolution of the Remuneration Committee.

Sustainability Promotion > Corporate Governance Policy on Determining Remuneration for Officers, Etc.

Details of Non-financial Evaluation Items for Annual Bonuses for Executive Officers (excluding CEO) (FYE March 2026)

Method for target setting

For non-financial evaluation, each Executive Officer (excluding the CEO) is required to set three target items, one of which is a sustainability issue. Each item is broken down into two or three sub-items. The table below categorizes the non-financial evaluation items set for the fiscal year ending March 2026 based on the Sustainability Policy, etc.

Since the fiscal year ended March 2024, we have mandated the promotion of Diversity, Equity & Inclusion and in particular, the setting of targets related to the ratio of female managers. Additionally, many Executive Officers set targets related to proactive efforts to protect the global environment.

Items in line with the Sustainability Policy	Executive Officer					
	A	B	C	D	E	F
Build a Work Environment that puts Safety and Health First		○	○			
Respect for Human Rights	○					
Promote Diversity, Equity and Inclusion	○	○	○	○	○	○
Cultivate Mutual Prosperity with Stakeholders	○				○	
Strengthen Corporate Governance and Risk Management		○				
Engage in Fair Business Transactions and Responsible Sourcing	○					
Ensure Stable Provision of Safe, Secure, and High Value Added Products					○	
Proactive Engagement for the Global Environment			○	○		○

Evaluation process

- Executive Officers' (other than CEO) evaluation
At the end of the fiscal year, the CEO serves as the primary evaluator of each Executive Officer by considering their progress toward achieving their individual non-financial targets. The Remuneration Committee receives an explanation of the results of this initial evaluation by the CEO, then deliberates on appropriateness and determines the final evaluation.
- CEO evaluation
Given that the CEO oversees the entire Company, the Remuneration Committee deliberates on the CEO's performance to determine an evaluation from the perspective of Group-wide management and execution of leadership toward achievement of the Medium-term Management Strategy.

Total Amount of Remuneration, Etc. per Classification of Officers, Total Amount per Type of Remuneration, Etc., and Number of Eligible Recipients for FYE March 2025

(Unit: Millions of yen)

Classification of officers	Total amount of remuneration, etc.	Type of remuneration, etc.					
		Monetary remuneration				Nonmonetary remuneration	
		Basic remuneration		Bonus (Performance-linked remuneration)		Stock-based compensation	
		Total	Number of eligible recipients	Total	Number of eligible recipients	Total	Number of eligible recipients
Directors (Other than Outside Director)	88	88	1	—	—	—	—
Executive Officers	452	281	8	79	8	90	8
Outside Directors	130	130	9	—	—	—	—

*1 The total amount of remuneration, etc. paid to Directors who concurrently serve as Executive Officers and number of recipients are shown in the column for Executive Officers.

*2 Directors who serve as Chairs of the Nomination, Audit, Remuneration and Sustainability Committees are paid allowances as of and after July 2024. The allowance is included in basic remuneration above.

*3 The Company had 11 Directors and 8 Executive Officers as of the end of the fiscal year ended March 2025. This includes two Outside Directors who resigned during that time.

*4 The Company has introduced stock-based compensation based on a trust scheme, and the above amount of stock-based compensation represents the amount recorded as expenses for the fiscal year ended March 2025.



Deliberation on Suitability of the Remuneration System for Directors and Executive Officers

The Remuneration Committee deliberates annually on the suitability of the remuneration system for Directors and Executive Officers. In deliberations, we utilize the results of surveys by external experts to ensure that the system does not deviate too far from the market standard. Specifically, after receiving such a report (such as comparison of remuneration amounts for domestic companies of a similar size or similar organizational structure), the Committee examines the suitability of the system while still considering the roles and responsibilities of individual Officers.

In order to eliminate asymmetry of information, Outside Directors who are not members of the Remuneration Committee are permitted to participate in the Remuneration Committee as observers when appropriate. Furthermore, the Remuneration Committee has the CEO attend its meetings to provide explanations and opinions, etc., as needed.

Sustainability Promotion > Corporate Governance

Message from the Chair of the Sustainability Committee



We will work to improve corporate governance and increase corporate value from the perspective of addressing sustainability issues.

Chair of the Sustainability Committee

Nozomi Sagara, Outside Director

In the fiscal year ended March 2025, the third year since the establishment of the Sustainability Committee, we worked to deepen discussions on key themes of Group sustainability issues, including DE&I, global environmental issues, and resource recycling, through efforts such as a visit to another company and lectures by external experts. Additionally, by providing an appropriate forum for dialogue, we have engaged in earnest discussion on how Directors' and Executive Officers' newly acquired knowledge can best be utilized to address the Group's sustainability issues. I believe that key issues moving forward will be to ensure that the executive side are applying what they have learned through work practices, that these efforts are leading to increased corporate value, and that improvements are being made through the PDCA cycle.

The fiscal year ending March 2026 is my first as Chair of the Sustainability Committee, and I would like to work even harder with the other members of the Sustainability Committee to improve corporate governance and increase

corporate value from the perspective of addressing sustainability issues. Responding to major changes in the global situation and economic environment has become an urgent issue for the Group, so we are currently revising the Medium-term Management Strategy FY2031. Addressing sustainability issues is of great interest to our stakeholders, and we believe it is essential to be sensitive to the demands of society in committee activities, incorporating them into our management strategy as a vital management perspective. Furthermore, we recognize that an important role of the Sustainability Committee is to learn about and encourage the implementation of more advanced sustainability approaches, as well as to facilitate more proactive disclosure of information. Through our various endeavors, we will strive to deepen discussions with the Board of Directors, and rise to the expectations of all our stakeholders, ensuring steady implementation of efforts to achieve our Commitment, "For people, society and the earth, circulating resources for a sustainable future."

Sustainability Committee

● Functions and duties

The Sustainability Committee will consider methods for monitoring by the Board of Directors and issues to be considered by the Board of Directors related to sustainability management and others as matters at the request of the Board of Directors for advice.

The Sustainability Committee will report its considerations to the Board of Directors.

Composition (including Chair)	Three Outside Directors
Chair	Director (Outside) Nozomi Sagara
Members	Director (Outside) Hatsunori Kiriya Director (Outside) Ichiro Sasaki

Results

Number of meetings in FYE March 2025 10

2024	
Apr. 24	Deliberation on collected opinions regarding external expert lectures and outside site visits
May 14	Discussion session with Executive Officers on sustainability issues based on lectures by external experts and outside site visits
Jun. 12	Summary of the previous years' activities of the Sustainability Committee
Jul. 10	Deliberation on annual activity planning for the Sustainability Committee
Sep. 25	Deliberation on candidates for external expert lecturers and outside site visits
Nov. 8	Panel discussion with external experts on Corporate DEI initiatives
Nov. 27	Exchange of opinions with Executive Officers regarding the November 8, 2024 panel discussion

2025	
Jan. 22	Outside site visit (site: manufacturing company that promotes employment of people with disabilities and diverse working styles)
Jan. 29	Lecture by external expert (topic: corporate sustainability initiatives)
Mar. 12	Exchanged opinions with Executive Officers on the January 22, 2025 outside site visit and January 29, 2025 outside expert lecture.

Sustainability Promotion > Corporate Governance

Dialogue with Outside Directors



Two Outside Directors offered advice based on their respective experience and knowledge on the challenges and expectations for improving Group corporate value.



Rikako Beppu
 Outside Director

Hatsunori Kiriya
 Outside Director

Providing external and diverse perspectives based on past experience

Beppu: I have experience as a lawyer at an international law firm. When I was approached about becoming an Outside Director, I was told that “our Outside Director position is not just a figurehead, but will be fully utilized,” and I found this enthusiasm appealing. Lawyers are often asked to act as external advisors for companies, but an Outside Director is expected to truly oversee execution as a part of the management team. I felt it would be a tall hurdle to overcome—a lawyer joining the Board of Directors, which is made up of corporate management professionals—but I aim to bring my own experience, knowledge and unique perspective to the table.

Kiriya: I have been involved in management at a global company. As part of efforts to streamline our business portfolio and strengthen our governance system in the wake of quality issues, we transitioned to a Company with a Nomination Committee, etc., while

testing governance measures, including appointing mostly Outside Directors to Director roles. I believe I can put my experience to good use in such a role. There may be differences in business models and so on, but there are no major differences to the tasks required of corporate management. Even so, the roles of business execution and management oversight are different. For our Group, the role of Executive Officers is to accelerate business, and I am conscious of my role as an Outside Director to encourage and accelerate this action.

Foresight and speed are key—Promoting execution as an Outside Director

Beppu: Looking at our management team, I see we have a proactive, sincere and passionate team of people who focus on the business challenges at hand. People have been promoted from inside, and we have brought on talented people from outside, as well, so I feel we have a strong management team.

Sustainability Promotion > Corporate Governance Dialogue with Outside Directors



Meanwhile, from the perspective of human resources, I feel it is challenging to foresee further into the future, for example, what kind of personnel will be needed to steer us in the right direction, who should be chosen as a successor, or how to incorporate this into the process. I believe it is necessary to improve the system for selecting successor candidates, including Executive Officers other than the CEO.

Kiriyama: The bold decision to transition to being a Company with a Nomination

Committee, etc., as a governance structure took great courage and is highly commendable. That said, while the base capabilities of our human resources are high, I am concerned about the lack of diversity. Currently, there are no foreign nationals on the Board of Directors. If we are to become a truly global company, we need to further improve diversity, including by bringing on more foreign nationals. Furthermore, Japanese companies have yet to adopt a culture of promoting young, inexperienced personnel, and this is true of the MMC Group, as well. Nothing will change unless we are willing to make the change ourselves.

And the biggest challenge is speed. Especially when competing against global competitors, a lack of speed can lead to delays and not achieving the returns we should. These issues need to be addressed moving forward, and as an Outside Director, this is something I will strongly encourage.

Growth opportunities abound. Expect implementation with speed

Beppu: I see great opportunity and

potential, and have high hopes for our future growth. Unfortunately, it will be very difficult to achieve initial targets for the fiscal year ending March 2026, but we must fully understand the current situation by reflecting on why this occurred, what we can do, and what we lack. There are many factors that could make a big difference through utilization of our current assets. The Board of Directors must carefully consider where we can grow as a company, including initiatives in each business, M&A and collaboration.

We are also building partnerships with other companies inside of various initiatives, but I hope we can explore more diverse forms of partnerships. Of course, things like building a resource circulation loop are tasks we cannot achieve only on our own, but I look forward to seeing the Company take on bold challenges with a sense of urgency.

Kiriyama: I also believe there is ample opportunity and potential for growth. It's how we grow that I feel is important. Growth is not simply getting bigger in size. Maintaining a lean structure and raising our level every year, even if small

in scale, is also growth. I believe the most important responsibility of the Board of Directors is to decide what will help us grow as a company. I believe that if we can clarify what we work on and how we work on it, rather than simply extending our current business, there will be ample room for growth. It is also important to work on what we decide on with speed, assembling teams that can carry out tasks reliably. I strongly believe that human capital will be a key theme.



Sustainability Promotion > Corporate Governance

Executive Officer System

Executive Officers

Executive Officers execute business in accordance with the prescribed segregation of duties, based on the delegation of authority from the Board of Directors. The Company has 7 Executive Officers, of which the Chief Executive Officer Tetsuya Tanaka, and the Managing Executive Officer Nobuhiro Takayanagi are elected as Representative Executive Officers upon the decision of the Board of Directors.

Executive Officers (as of April 1, 2025)

Tetsuya Tanaka	Chief Executive Officer (Representative Executive Officer) CEO*1 Responsible for: General Operation of the Company, Internal Audit, Sustainability Promotion*5, Mitsubishi Materials Europe B.V.
Kayo Hirano	Managing Executive Officer CFO*2 Responsible for: Responsibilities of the CFO*6, Procurement & Logistics
Makiko Nogawa	Managing Executive Officer CHRO*3 Responsible for: Responsibilities of the CHRO*7, General Affairs, Corporate Communications, Legal & Compliance, Business Transformation
Toshinori Ishii	Managing Executive Officer CTO*4 Responsible for: Responsibilities of the CTO*8, Renewable Energy Business
Nobuhiro Takayanagi	Managing Executive Officer (Representative Executive Officer) President, Metals Company
Zhang Shoubin	Managing Executive Officer President, Advanced Products Company
Kazuo Ohara	Managing Executive Officer President, Metalworking Solutions Company

*1 CEO: Chief Executive Officer

*2 CFO: Chief Financial Officer

*3 CHRO: Chief Human Resources Officer

*4 CTO: Chief Technical Officer

*5 Sustainability Promotion: Sustainability Management (including Safety, Environment & Quality, Sustainable Development, Environmental Stewardship enter)

*6 Responsibilities of the CFO: Accounting, Finance, Financial Controlling, Investor Relations

*7 Responsibilities of the CHRO: Global Human Resources, Human Resources & Industrial Relations

*8 Responsibilities of the CTO: Monozukuri and R&D Strategy, DX Promotion, System Strategy



Strategic Management Committee

Following the delegation of authority from the Board of Directors, the Strategic Management Committee reviews and determines important matters concerning the management of the entire Group. The Strategic Management Committee consists of the Chief Executive Officer and the Executive Officers in charge of each department of the Corporate Division. The Chief Executive Officer serves as the chairperson of the committee.

Sustainability Deliberative Council and Sustainability Reviews

As part of sustainability initiatives, Sustainability Deliberative Council and Reviews are implemented starting in the fiscal year ended March 2025, replacing the previous Governance Review and Meeting for Sharing Governance Information. Themes to be covered have shifted from governance-related matters (safety, health, human rights, compliance, environment, quality, communication and information security) to sustainability-related matters in response to global environmental issues and human capital management.

Sustainability Deliberative Council is a forum for the head office and business divisions to deliberate and decide on policy and plans related to the above sustainability-related matters prior to the start of the fiscal year (March).

Sustainability Reviews are forums for each corporate and business division to report on progress of activities based on policy and plans decided at the Sustainability Deliberative Council at least once per fiscal year.

Meetings are attended by Executive Officers and heads of relevant departments, with a system in place for sharing and following up on information reported at these meetings.

Sustainability Promotion > Corporate Governance

Status of Audits/Internal Control/Status of Strategic Share Holdings



Status of Audits

Status of Audits Performed by the Audit Committee

The Audit Committee examines the status of the development and operation of the internal control system, risks in implementing the Medium-term Management Strategy and the status of countermeasures, the status of measures related to sustainability issues including occupational safety and compliance with the Antimonopoly Act, the appropriateness of auditing methods and the results of audits by Accounting Auditors, as well as other matters.

To these ends, the Audit Committee has established and operates a framework to audit the execution of duties by Directors and Executive Officers. Specifically, the Committee conducts interviews with Directors, Executive Officers, departments in charge of internal audits, and departments in charge of internal control, etc. to assess their progress in executing their duties. The Committee also reviews approval documentation and other relevant materials. Appointed members of the Committee are assigned to investigate the business and asset conditions at the Company's headquarters and key business locations, and they conduct on-site audits of Group Companies and other entities as required, in accordance with the audit plan established by the Committee. Additionally, the Audit Committee enhances coordination by regularly holding meetings with Audit & Supervisory Board Members at major Group companies to strengthen the effectiveness of the Group-wide audit system. To enhance the overall effectiveness of the three-pillar audit system, the Audit Committee, the Internal Audit Department, and the Accounting Auditor actively engage in discussions and collaborate closely to strengthen coordination.

The Chair of the Audit Committee also interviews with the CEO regularly and with Executive Officers, to exchange opinions. In addition, he receives reports from the Corporate Division on a regular or timely basis and makes suggestions or recommendations. He also attends important meetings such as the Strategic Management Committee, the Mitsubishi Materials Group Management Committee, Beginning-of-Year Performance Forecast Deliberation, Monozukuri and R&D Strategy Meetings and Sustainability Deliberative Council, as well as conducting on-site audits of locations both inside and outside Japan, including affiliates, and make comments or suggestions on matters of concern.

Kazuhiko Takeda, Chair of the Audit Committee, has extensive

knowledge of finance and accounting through his experience as the CFO at a major subsidiary of a listed company.

The Audit Committee Office is set up as an organization directly under the supervision of the Committee to assist the Committee in carrying out its duties.

Status of Internal Audits

As of June 24, 2025, the Audit Department, which is in charge of internal audits, consists of 19 persons, including the General Manager. It is responsible for conducting internal audit work on the instructions of the responsible Executive Officer in cooperation with the Audit Committee to investigate whether internal control systems are developed and applied in an appropriate manner. It also audits the effectiveness and efficiency of company operations across the Group, the credibility of financial reports, the state of asset preservation and use, the risk management status, and the state of compliance with laws and regulations, and internal rules and standards, based on internal audit plans approved by the responsible Executive Officer and the Audit Committee. Additionally, audits are conducted in close coordination with the Accounting Auditor by sharing information.

The Audit Department regularly reports the results of Company-wide audits to the Executive Officer in charge and the Audit Committee, and the Executive Officer in charge regularly reports those results to the Board of Directors.

Internal Control

Since the establishment of the Internal Control System Management Committee in January 2006, we have taken steps such as developing a set of basic principles for improving the Group's internal control systems, and ensuring compliance with the requirements to introduce internal control evaluation and disclosure systems in relation to financial reporting, in an effort to ensure compliance with the Companies Act, the Financial Instruments and Exchange Act, and other relevant legislation, and to establish the optimal internal control systems for both Mitsubishi Materials and the Mitsubishi Materials Group companies.

Regarding evaluations conducted during the fiscal year ended March 2025 on our internal control system for financial reporting, an Internal Control Report was submitted in June 2025 for which we received an unqualified opinion of the auditing firm that the content is appropriate.

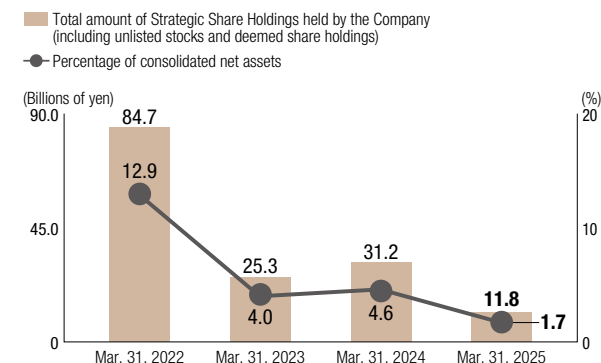
Status of Strategic Share Holdings

The Company has a policy of not acquiring or holding shares other than purely for investment purposes (Strategic Share Holdings), except when it is required for the business strategy. With regard to Shares in the Form of Strategic Share Holdings, the appropriateness of such holdings shall be specifically reviewed and examined at a meeting of the Board of Directors on an annual basis. As a result of such reviews and examinations, the Company will reduce any Shares in the Form of Strategic Share Holdings if it is not deemed to be necessary to hold such shares.

Status of Holdings for FYE 2025

In the fiscal year ended March 2025, out of Strategic Share Holdings held by the Company (six listed stocks held as of April 1, 2024), we sold all or part of four of the listed stocks, resulting in a total of three listed stocks held as of the end of March 2025. As of the end of March 2025, the amount of Strategic Share Holdings on the balance sheet was approximately ¥5.8 billion for listed stocks, approximately ¥2.2 billion for unlisted stocks, and approximately ¥3.8 billion for deemed share holdings of equity securities, totaling 1.7% of the Company's consolidated net assets as of March 31, 2025.

Percentage of Strategic Share Holdings in Consolidated Net Assets



Business Strategy

At a Glance

		Goals for FYE March 2031	Progress	Recent business environment / Outlook
Metals Company 	Resources business 	Leader in Resource Recycling of Nonferrous Metals	- Securing at least 500,000 tons of copper concentrate per year from mines in which we hold interests - Establishing supply chains for electrolytic copper (including SX-EW^{*1}) ^{*1} Solvent extraction and electrowinning: A two-step hydrometallurgical process consisting of solvent extraction and electrowinning	- Review and partial revision of mining investments - Sale of Copper Mountain Mine in FYE March 2026 - Mantoverde Mine started production in June 2024, currently in full production Dividends from Los Pelambres Mine decreased in FYE March 2025. Increased dividends expected from mines and increased profits from the Mantoverde Mine expected in FYE March 2026.
	Smelting & Resource Recycling business 		- Major and leading-edge operator in the resource recycling of nonferrous metals - Expanding the processing of nonferrous metal resources not limited to E-Scrap - Becoming a core supplier in the resource circulation loop based on the world's top-class electrolytic copper supply capacity	- LIB recycling pilot plant under construction - Initiatives to build resource circulation loops with external partners - Construction work is underway at Naoshima to expand the processing capacity of E-Scrap and other recycled materials - Promotion and organizational strengthening of the Exurban Project - Feasibility study underway for home appliance recycling in the ASEAN region Profits increased due to improved yield efficiency and cost reductions by suspending hedging in FYE March 2025. Profits expected to decrease in FYE March 2026 due to decline in TC/RC.
Advanced Products Company 	Copper & Copper Alloy business 	Global First Supplier	- Japan: Establishing a dominant position as Japan's No. 1 manufacturer of wrought copper products as the largest supplier - Overseas: Strengthening key account (KA) strategy based on alloy development capabilities	- Investment to strengthen production capacity for copper sheets and copper strips is proceeding as anticipated, with substantial operations to begin in the second half of FYE March 2025, however, demand remains weak - Expansion of production capacity and M&A in the EV connector field Demand for automobile and semiconductor applications remained weak in FYE March 2025. In FYE March 2026, demand for automobiles is expected to recover gradually, and demand for AI servers expected to increase, leading to increased profits.
	Electronic Materials & Components business 		- Providing products and solutions with added value through concept-in (promoting the adoption of our products at the initial concept-setting stage of product development), focusing on the semiconductor and xEV markets - Highly profitable business entity and sustainably growing entity that is recognized as an indispensable partner in the market	- The business environment for precision silicon products is worsening. We will reevaluate investments in increased production and shift toward other growth areas - Investing in capacity expansion for columnar crystal silicon and seal products progressing as planned Demand for some semiconductor products, including AI-related products, recovered in FYE March 2025. Increased profits expected in FYE March 2026, primarily due to increased demand for some semiconductor products.
Metalworking Solutions Company 	Metalworking Solutions business 	A Leading Company in Tungsten Products Recognized by Customers Globally	- Providing tungsten products and solutions with outstanding technology to manufacturing sites around the world - In addition to the core business of carbide tools, the Tungsten business and the Solutions business will be the mainstay of earnings	- Creation of high added-value products in various fields including automobile, aerospace, and medical curtailed or postponed due to worsening market conditions - Completed acquisition of H.C. Starck, a world-leading manufacturer of tungsten products Significantly less growth than expected in FYE March 2025. Sales activities for key accounts in FYE 2026, primarily in automobiles and aircrafts, with activities more relatable to our customers under development.
	Renewable Energy business 	Expansion of Renewable Power Generation to Achieve an Effective 100% Self-sufficiency in Renewable Power Electricity	- Further expansion of geothermal power generation business - Expansion of business areas (wind power generation and power generation-related businesses)	- Appi Geothermal Power Plant started operation in March 2024 (1 month ahead of schedule) - Wind condition investigation on land we own underway - Withdrawal from biogas business in September 2024 Increased profits from commencement of commercial operation of the Appi Geothermal Power Plant in FYE March 2025. Earnings are expected to decrease in FYE March 2026 due to scheduled maintenance at Appi Geothermal Power Plant.

Business Strategy > At a Glance

		Risks (●) and Opportunities (◎)	Measures	EBITDA (■) / ROIC (●)	EP (Unit : Billions of yen)
Metals Company	Resources business	Risks - Concerns about copper concentrate procurement due to resource nationalism in producing countries - Enclosure of E-Scrap and other recyclable resources in each country/region - Stricter environmental regulations on copper mines as well as smelting and refining operations - Increasing operational load attributed to increase of minor elements in the smelting and refining process	- Promotion of technological development to secure and recover rare metal resources contained in copper deposits - Acquisition of copper mining interests and securing copper concentrates through continuous investment in mines - Expansion of electrolytic copper supply through SX-EW operations at copper mines		FYE March 2025 result 0.6 FYE March 2026 forecast 3.3
	Smelting & Resource Recycling business	Opportunities - Growing demand for copper and rare metals - Growing need for recycling of rare metal resources from the perspective of economic security - Increasing customer interest in circular economy - Enhancing recovery and commercialization of minor elements in operations	- Strengthening and expanding networks to promote resource circulation - Expanding electrolytic copper production capacity - Increasing the recycling rate by expanding the collection and treatment of recycled products containing metal resources - Creation of rare earths and rare metals recycling businesses - Accelerating business developments in Japan and overseas (E-Scrap, home appliances, automobile recycling)		FYE March 2025 result 1.7 FYE March 2026 forecast -18.1
Advanced Products Company	Copper & Copper Alloy business	Risks - Impact of natural disasters and political restrictions on the supply chain - Soaring raw material and energy prices - Changes in the market environment due to the semiconductor cycle and industry restructuring	- Expand capacity for copper plates and copper stripes to increase market share in the domestic market and acquire new overseas customers - Improving the recycling rate of wrought copper products and establishing a scrap platform base - Overseas (Luvata): Rapid entry into growing markets (xEV, healthcare, environment)		FYE March 2025 result -4.3 FYE March 2026 forecast -2.0
	Electronic Materials & Components business	Opportunities Development and supply of products that contribute to decarbonization	- Highly capital-efficient management through continual restructuring of the business portfolio - Strategic investment in focal products in growth areas - Developing and securing human resources for the creation of new businesses and the promotion of business alliances - Improvement of manufacturing capabilities and DX to enhance production sophistication and profitability - Providing business and social value (SDGs) for carbon neutrality		FYE March 2025 result -1.6 FYE March 2026 forecast -2.7
Metalworking Solutions Company	Metalworking Solutions business	Risks - Transformation of interregional supply chain in the automotive industry - Decreased internal combustion engines due to mobility revolution - Soaring raw material and energy prices Opportunities - Workpiece materials becoming difficult-to-cut - Increased aircraft-related demand due to recovery in passenger demand - Demand for tungsten resource recycling - Evolution of digital technologies	- Stable supply of the world's top quality, high-efficiency products utilizing the strength of materials and coating technology (Carbide Tools business) - Expansion of business scale for rechargeable batteries in addition to carbide tools, etc. (Tungsten business) - Strengthening environmental responsiveness (Tungsten business) - Commercialization of solution sales to manufacturing sites (Solution business)		FYE March 2025 result -6.6 FYE March 2026 forecast -7.3
Renewable Energy business		Risks - Changes to national policy and revisions to laws - Local opposition from hot spring operators, etc. - Consensus-building with stakeholders Opportunities - Depletion of energy resources: Securing energy in Japan - Climate change (global warming): Reduction of CO₂ emissions and increased demand for renewable energy	- New development at a pace of one location every three years to expand business (Geothermal) - New entry into wind power generation, where power generation costs are expected to decline in the future (Wind)		FYE March 2025 result 1.5 FYE March 2026 forecast 0.4

Company Profile

Financial and Non-financial Details/Company Profile

Eleven-year Summary

(Unit: Millions of yen)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
For FYE March											
Net sales* ¹	1,517,265	1,417,895	1,304,068	1,599,533	1,662,990	1,516,100	1,485,121	1,811,759	1,625,933	1,540,642	1,962,076
Cost of sales	1,313,259	1,204,322	1,104,402	1,379,877	1,469,911	1,325,438	1,312,771	1,602,958	1,449,162	1,392,497	1,795,431
Operating profit	71,871	70,420	59,761	72,819	36,861	37,952	26,567	52,708	50,076	23,276	37,118
Ordinary profit	81,093	72,422	63,925	79,621	50,679	49,610	44,527	76,080	25,306	54,102	60,235
Profit attributable to owners of parent	56,147	61,316	28,352	34,595	1,298	(72,850)	24,407	45,015	20,330	29,793	34,076
Capital expenditures	57,636	78,103	75,685	76,231	103,418	88,043	81,519	81,450	81,106	87,874	58,878
Depreciation and amortization	56,746	60,842	60,796	61,420	64,519	68,657	66,337	68,090	46,082	48,443	47,284
R&D expenses	10,530	11,225	11,344	11,614	10,912	10,881	11,127	11,604	9,676	8,767	8,152
At Fiscal Year-End											
Total assets* ⁵	1,898,157	1,793,375	1,896,939	2,011,067	1,938,270	1,904,050	2,035,546	2,125,032	1,891,795	2,167,628	2,375,345
Total non-current liabilities* ⁵	490,825	452,038	480,079	465,570	486,921	520,123	562,313	542,586	444,558	487,885	384,735
Total net assets	629,514	645,017	710,195	768,495	723,337	586,034	614,394	655,752	628,875	685,623	693,276
Number of issued shares (common share) (thousands)	1,314,895	1,314,895	131,489	131,489	131,489	131,489	131,489	131,489	131,489	131,489	131,489
Number of employees (consolidated)	23,413	24,636	24,859	26,959	28,426	28,601	27,162	23,711	18,576	18,323	18,452

(Unit: Yen)

Per Share Amounts*²											
Profit (loss)	42.85	46.80	216.44	264.15	9.92	(556.34)	186.71	344.56	155.60	228.07	260.82
Diluted profit	—	—	—	—	—	—	—	—	—	—	—
Net assets	420.36	423.83	4,743.27	5,211.20	4,838.31	3,870.35	4,173.14	4,476.52	4,541.96	5,003.75	5,183.34
Cash dividends applicable to the year	8.00	10.00	60.00	80.00	80.00	80.00	50.00	90.00	50.00	94.00	100.00

(Unit: Millions of yen)

Cash Flows											
Cash flows from operating activities	108,070	118,685	115,552	50,715	140,168	67,545	78,442	6,889	45,164	51,351	58,889
Cash flows from investing activities	(42,366)	(29,982)	(26,557)	(83,957)	(86,238)	(66,898)	(101,763)	(3,210)	(43,985)	(102,998)	(79,383)
Cash flows from financing activities	(42,273)	(120,477)	(15,703)	(11,034)	(47,613)	28,873	41,514	(5,055)	3,473	32,921	(13,208)
Cash and cash equivalents at end of period	92,079	58,482	132,616	87,355	99,672	127,284	147,533	153,640	141,079	131,143	88,642
Financial Ratios											
Operating margin* ¹	4.7%	5.0%	4.6%	4.6%	2.2%	2.5%	1.8%	2.9%	3.1%	1.5%	1.9%
Return on asset (ROA)* ^{3&5}	4.4%	3.9%	3.5%	4.1%	2.6%	2.6%	2.3%	3.7%	1.3%	2.7%	2.7%
Return on equity (ROE)* ⁴	11.1%	11.1%	4.8%	5.3%	0.2%	(12.8%)	4.6%	8.0%	3.5%	4.8%	5.1%
Shareholders' equity ratio* ⁵	29.0%	31.0%	32.8%	33.9%	32.7%	26.6%	26.8%	27.5%	31.4%	30.2%	28.5%

*1. Net sales, Operating margin

The Company has been applying "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and related guidance from the beginning of the fiscal year ended March 2022. Individual figures since the fiscal year ended March 2022 have had the accounting standards and others applied.

*2. Per Share Amounts

The Company consolidated its shares at a rate of one share for every 10 shares of its common share, with October 1, 2016 as the effective date. Accordingly, "Per Share Amounts" is calculated on the assumption that the consolidation of its shares was conducted at the beginning of the fiscal year ended March 2017.

*3. Return on assets (ROA)

ROA = Ordinary profit / [(Total asset at the beginning of terms + total asset at the end of terms) / 2] x 100

*4. Return on equity (ROE)

ROE = Profit (loss) attributable to owners of parent / {[(Total net assets at the beginning of terms - non-controlling interests at the beginning of terms - other deductions at the beginning of terms) + (Total net assets at the end of terms - non-controlling interests at the end of terms - other deductions at the end of terms)] / 2} x 100

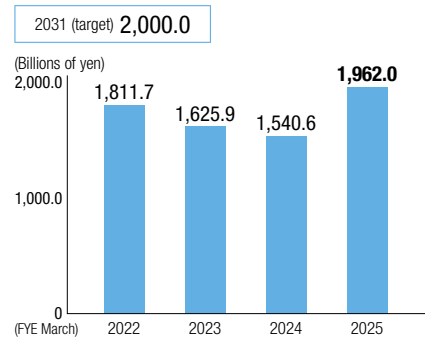
*5. Total assets, Total non-current liabilities, Return on asset (ROA), Shareholders' equity ratio

The Company has been applying "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 on February 16, 2018) from the beginning of the fiscal year ended 2019. Individual figures related to the fiscal year ended 2018 have had the accounting standards applied retroactively.

Company Profile

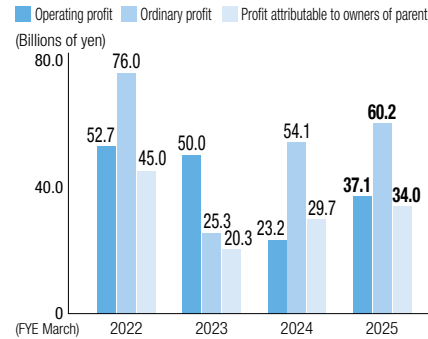
Financial Highlights

Net sales



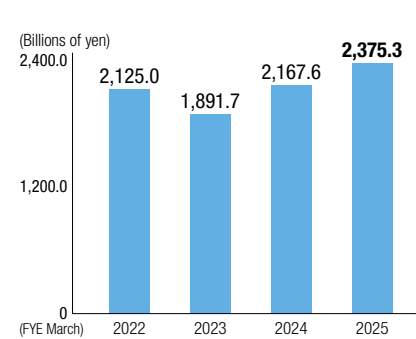
Consolidated net sales increased 27.4% compared to the fiscal year ended March 2024 to ¥1.962 trillion due to the impact of rising metal prices and continued weakening of the yen.

Operating profit / Ordinary profit / Profit (loss) attributable to owners of parent



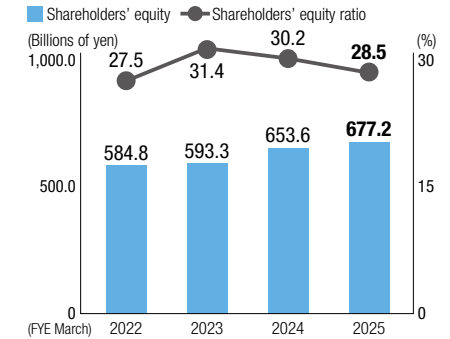
Consolidated operating profit increased 59.5% compared to the fiscal year ended March 2024 to ¥37.1 billion due to improved metal recoveries in the Metals business, among other factors. Consolidated ordinary profit increased 11.3% compared to the fiscal year ended March 2024 to ¥60.2 billion, due to an increase in operating profit and an increase in equity in earnings of affiliates, despite the recording of foreign exchange losses.

Total assets



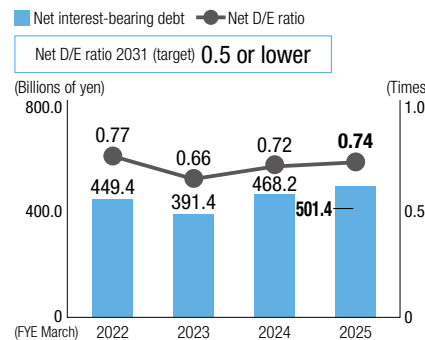
Total assets increased ¥207.7 billion compared to the fiscal year ended March 2024 to ¥2.3753 trillion due to an increase in leased gold bullion and inventory assets resulting from rising metal prices.

Shareholders' equity / Shareholders' equity ratio



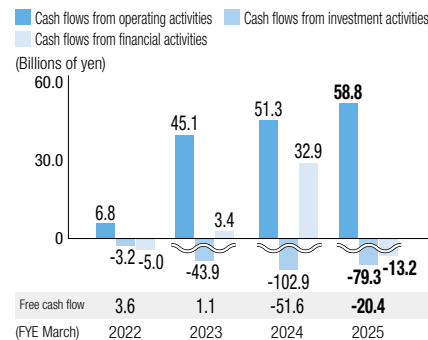
Shareholders' equity increased ¥23.6 billion compared to the fiscal year ended March 2024 due to the recording of net profit, etc. The equity ratio decreased from 28.5% from 30.2% in the fiscal year ended March 2024, due to an increase in total assets.

Net interest-bearing debt / Net D/E ratio



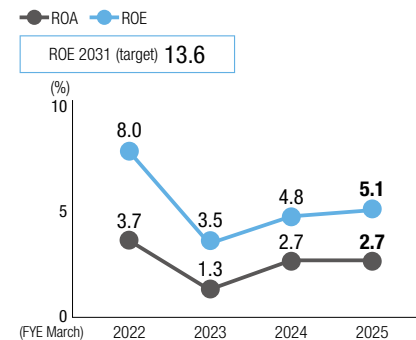
Net interest-bearing debt increased by ¥33.2 billion from the end of the previous fiscal year to ¥501.4 billion due to an increase in inventory and the acquisition of shares in H.C. Starck in December 2024, resulting in a net debt-to-equity ratio of 0.74.

Cash flows



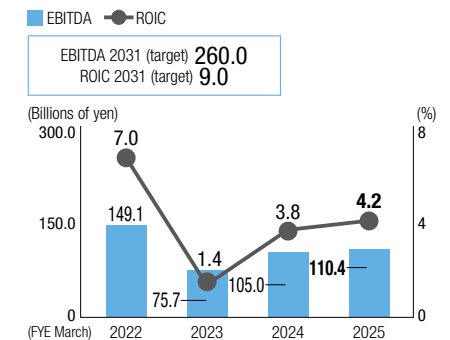
Due to recording profit before income taxes and the depreciation expenses, and increased inventory assets, cash flows from operating activities amounted to ¥58.8 billion. Due to capital expenditures, etc., cash flows from investing activities amounted to ¥79.3 billion. Due to dividends, etc., cash flows from financial activities amounted to ¥-13.2 billion.

Return on asset (ROA) / Return on equity (ROE)



ROA increased to 2.7%, the same as the fiscal year ended March 2024, due to an increase in total assets while profit increased. ROE improved to 5.1% from 4.8% in the fiscal year ended March 2024 due to profit increases.

EBITDA / ROIC

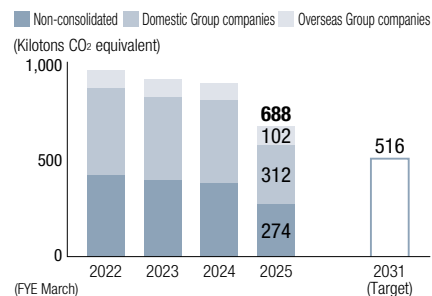


EBITDA increased to ¥110.4 billion from ¥105.0 billion in the fiscal year ended March 2024 due to profit increases, and ROIC improved to 4.2% from 3.8% in the fiscal year ended March 2024.

Company Profile

Non-financial Highlights

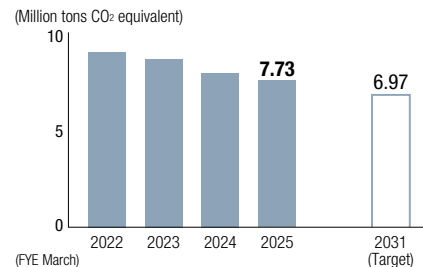
Greenhouse gas emissions (Scope 1 + 2)



Greenhouse gas emissions (Scope 1 + 2) were approximately 688,000 t-CO₂e, a 25% decrease compared to the fiscal year ended March 2024, as a result of our progress in switching to electricity derived from renewable energy sources.

- GHG emissions calculated based on adjusted emissions of the Act on Promotion of Global Warming Countermeasures (excluding those from the use of recycled resources).
- Emissions for each fiscal year are calculated within the scope of consolidation as of the end of March 2025.

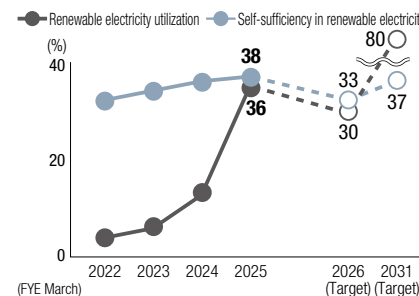
Greenhouse gas emissions (Scope 3) Total from categories 1, 3 and 15



Greenhouse gas emissions (Scope 3 categories 1, 3, 15) were reduced by 5% compared to the fiscal year ended March 2024 to approximately 7.73 million t-CO₂e as a result of supplier engagement to reduce emissions.

- Emissions for each fiscal year are calculated within the scope of consolidation as of the end of March 2025.

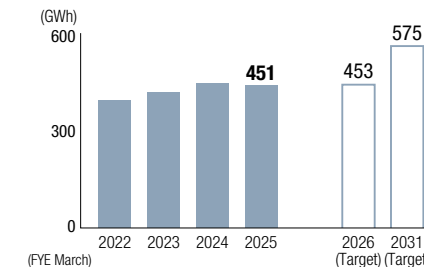
Renewable electricity utilization / Self-sufficiency in renewable electricity



Renewable electricity utilization was 36%, a 23-point increase compared to the fiscal year ended March 2024, as a result of our progress in switching to electricity derived from renewable energy sources. Self-sufficiency in renewable electricity was 38%, a 1-point increase compared to the fiscal year ended March 2024.

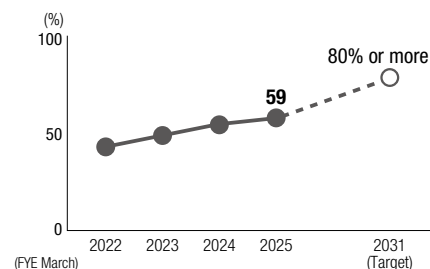
- Renewable energy utilization rate = amount of renewable energy purchased by the Group (including power purchase agreements and non-fossil certificates) / total amount of electricity purchased by the Group × 100
- Renewable energy self-sufficiency rate = amount of electricity generated by the Renewable Energy business / total amount of electricity purchased by the Group × 100
- Utilization rate and self-sufficiency rate for each fiscal year are calculated within the scope of consolidation as of the end of March 2025.

Renewable energy generated



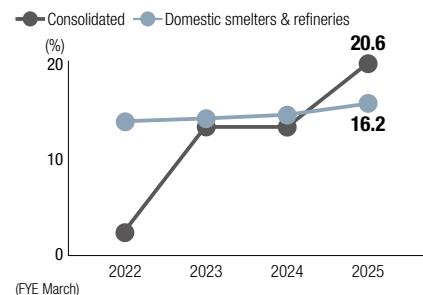
Our share of electricity sales decreased by 1.3% year on year to 451 GWh due to a decrease in hydroelectric power generation caused by a decrease in rainfall in the fiscal year ended March 2025.

Ratio of recycled tungsten as raw material in cemented carbide tools



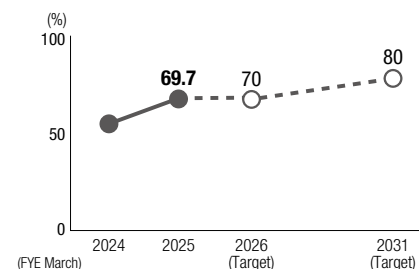
Ratio of recycled tungsten in cemented carbide tools increased by 3 points compared to the fiscal year ended March 2024 to 59%. We will continue to actively recycle used carbide tools.

Percentage of recycled raw materials used (Consolidated, domestic smelters & refineries)



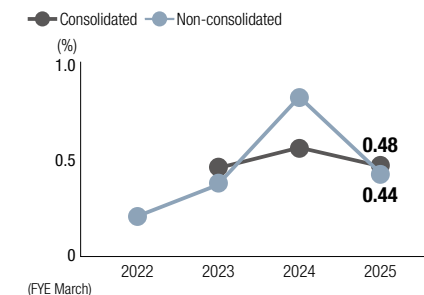
The percentage of recycled raw materials (consolidated) increased by 7 points compared to the fiscal year ended March 2024 to 20.9%. We will continue to work toward recycling waste and reusing by-products.

Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers



The ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers was 69.7%, a 13-point increase compared to the fiscal year ended March 2024, due to the establishment of a talent pool for next-generation leadership and enhanced training efforts.

Occupational accident frequency rate (Consolidated and non-consolidated)



The occupational accident frequency rate is the number of injuries per million hours resulting in lost workdays. From 2023, the number of people experiencing accidents resulting in lost workdays (consolidated) reduced by 3 and the occupational accident frequency rate (consolidated) became 0.48.

Company Profile

Performance Summary by Segment

(Unit: Billions of yen)

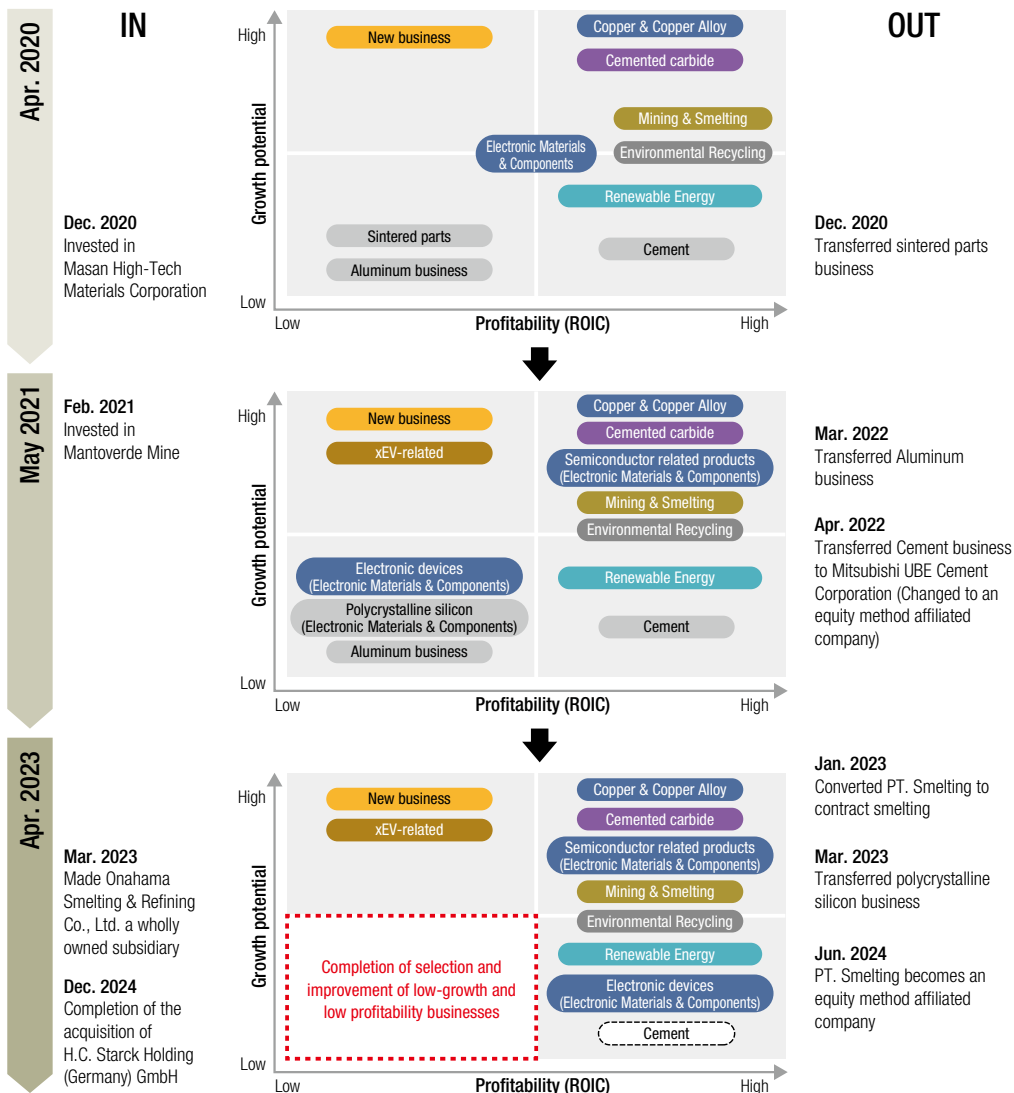
For FYE March	2021	2022	2023*1	2024	2025
Net sales	1,485.1	1,811.7	1,625.9	1,540.6	1,962.0
Metals business	728.2	997.1	1,089.3	1,038.0	1,433.6
Advanced Products business*2	357.1	485.9	526.3	488.7	510.3
Copper & Copper Alloy business	231.6	366.6	402.1	410.2	433.6
Electronic Materials & Components business	126.6	120.7	124.6	79.9	77.9
Metalworking Solutions business	119.3	132.6	141.6	140.0	148.8
Renewable Energy business	—	—	3.4	4.6	8.3
Cement business	215.8	209.8	—	—	—
Environment & Energy business	26.2	17.8	—	—	—
Other	266.7	253.6	170.6	160.6	157.6
Aluminum business	128.2	115.4	—	—	—
Adjusted amount	(228.4)	(285.3)	(305.4)	(291.3)	(296.7)
Operating profit	26.5	52.7	50.0	23.2	37.1
Metals business	18.8	25.2	28.2	9.8	23.1
Advanced Products business*2	2.8	14.7	8.1	4.0	5.6
Copper & Copper Alloy business	(0.3)	4.6	2.6	2.6	3.0
Electronic Materials & Components business	3.5	10.0	5.9	1.7	3.2
Metalworking Solutions business	(1.1)	14.1	14.1	10.8	8.8
Renewable Energy business	—	—	0.2	0.8	2.3
Cement business	6.6	3.2	—	—	—
Environment & Energy business	1.7	2.2	—	—	—
Other	8.8	7.3	9.0	7.8	5.4
Aluminum business	4.3	2.2	—	—	—
Adjusted amount	(11.3)	(14.2)	(9.6)	(10.1)	(8.3)
Ordinary profit	44.5	76.0	25.3	54.1	60.2
Metals business	32.9	50.2	29.9	31.0	41.1
Advanced Products business*2	6.1	16.9	7.1	1.8	3.1
Copper & Copper Alloy business	0.8	5.3	(0.0)	(5.0)	(1.0)
Electronic Materials & Components business	5.6	11.6	7.7	2.8	4.9
Metalworking Solutions business	(0.7)	14.5	14.5	12.2	8.5
Renewable Energy business	—	—	0.9	0.8	2.6
Cement business	6.1	0.1	—	—	—
Environment & Energy business	3.1	3.8	—	—	—
Other	9.3	6.5	(15.9)	22.1	18.5
Aluminum business	4.5	0.9	—	—	—
Adjusted amount	(12.4)	(16.1)	(11.3)	(14.0)	(13.7)

*1 Results were reclassified to reflect changes in reported segments following structural reorganization implemented on April 1, 2023.

*2 Totals for Advanced Products includes transactions between the Copper & Copper Alloy business and the Electronic Materials & Components business, etc., as common advanced products.

Major business portfolio changes

*Plot is for visual representation only



Company Profile

Stock Data (as of March 31, 2025)

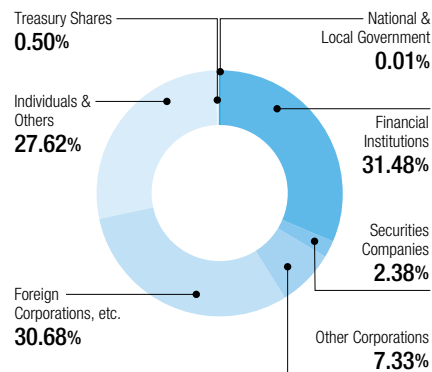
Stock Overview

Total number of authorized shares:
340,000,000

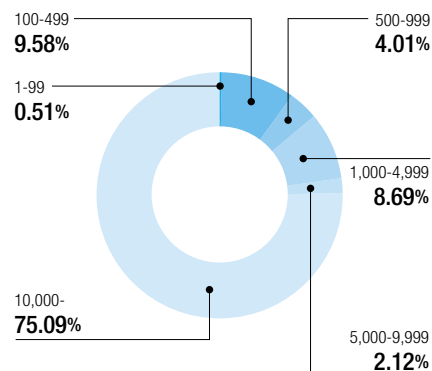
Total number of issued shares:
131,489,535

Number of shareholders:
138,557

Distribution of Shareholders



Distribution by Number of Shares Held



Major Shareholders (Top 10 shareholders)

Name of Shareholders	Number of Shares Held (Thousand)	Percentage of Shareholding (%)*
The Master Trust Bank of Japan, Ltd. (Trust account)	24,351	18.6
Custody Bank of Japan, Ltd. (Trust account)	7,638	5.8
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	7,483	5.7
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	3,868	3.0
BNYM AS AGT/CLTS NON TREATY JASDEC	3,247	2.5
Meiji Yasuda Life Insurance Company	3,101	2.4
NORTHERN TRUST CO. (AVFC) RE NON TREATY CLIENTS ACCOUNT	3,013	2.3
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	2,312	1.8
NORTHERN TRUST CO. (AVFC) RE IEDU UCITS CLIENTS NON LENDING 15 PCT TREATY ACCOUNT	1,905	1.5
Nippon Life Insurance Company	1,673	1.3

*Percentages of shareholding were calculated after deducting treasury shares (646,400 shares)

Total Shareholder Return (TSR)

	March 2021	March 2022	March 2023	March 2024	March 2025
Mitsubishi Materials Corporation	118.9%	103.1%	106.0%	144.6%	127.7%
TOPIX	142.1%	145.0%	153.4%	216.8%	213.4%

Evaluation by External Organizations

2024 MSCI ESG Leaders Indexes
2024 MSCI Japan ESG Select Leaders Index
2024 MSCI Nihonkabu ESG Select Leaders Index
FTSE4Good Index Series
FTSE Blossom Japan Index
FTSE Blossom Japan Sector Relative Index
S&P/JPX Carbon Efficient Index
Morningstar Japan ex-REIT Gender Diversity Tilt Index
ECPI INDICES
SOMPO Sustainability Index

Related Information:

Sustainability website ▶ External Evaluations



2024 CONSTITUENT MSCI ジャパン ESGセレクト・リーダーズ指数



FTSE Blossom Japan Index



2024 CONSTITUENT MSCI 日本株 ESGセレクト・リーダーズ指数



FTSE Blossom Japan Sector Relative Index



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FTSE Russell confirms that MITSUBISHI MATERIALS CORPORATION has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index.

The FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.

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<https://www.mmc.co.jp/corporate/en/>

For further contact (Web) : <https://www.mmc.co.jp/corporate/en/contact/>