

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

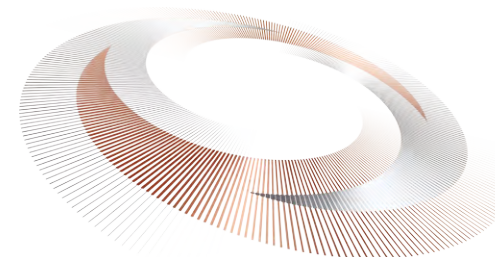
Create a sustainable future

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 |
|---|--|---|--|---|
| <ul style="list-style-type: none"> Embrace challenges without a fear of failure. Get things done with pride and commitment. | <ul style="list-style-type: none"> Take initiative to effect change with groundbreaking ideas. Blend diverse personalities into new strengths. | <ul style="list-style-type: none"> Rise above organizational boundaries to activate our knowledge and experience. Be dedicated to winning with the satisfaction of achieving goals. | <ul style="list-style-type: none"> Express praise and appreciation to encourage growth. | <ul style="list-style-type: none"> 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:

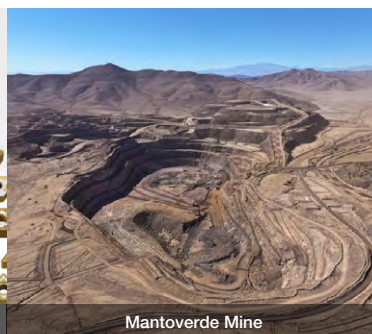
Integrated Report, P38
► Renewable Energy business



Naoshima Smelter & Refinery (1932)



CVD coated grade for steel turning



Mantoverde Mine



MSP™5 lead-free brass alloy



MM Metal Recycling B.V.



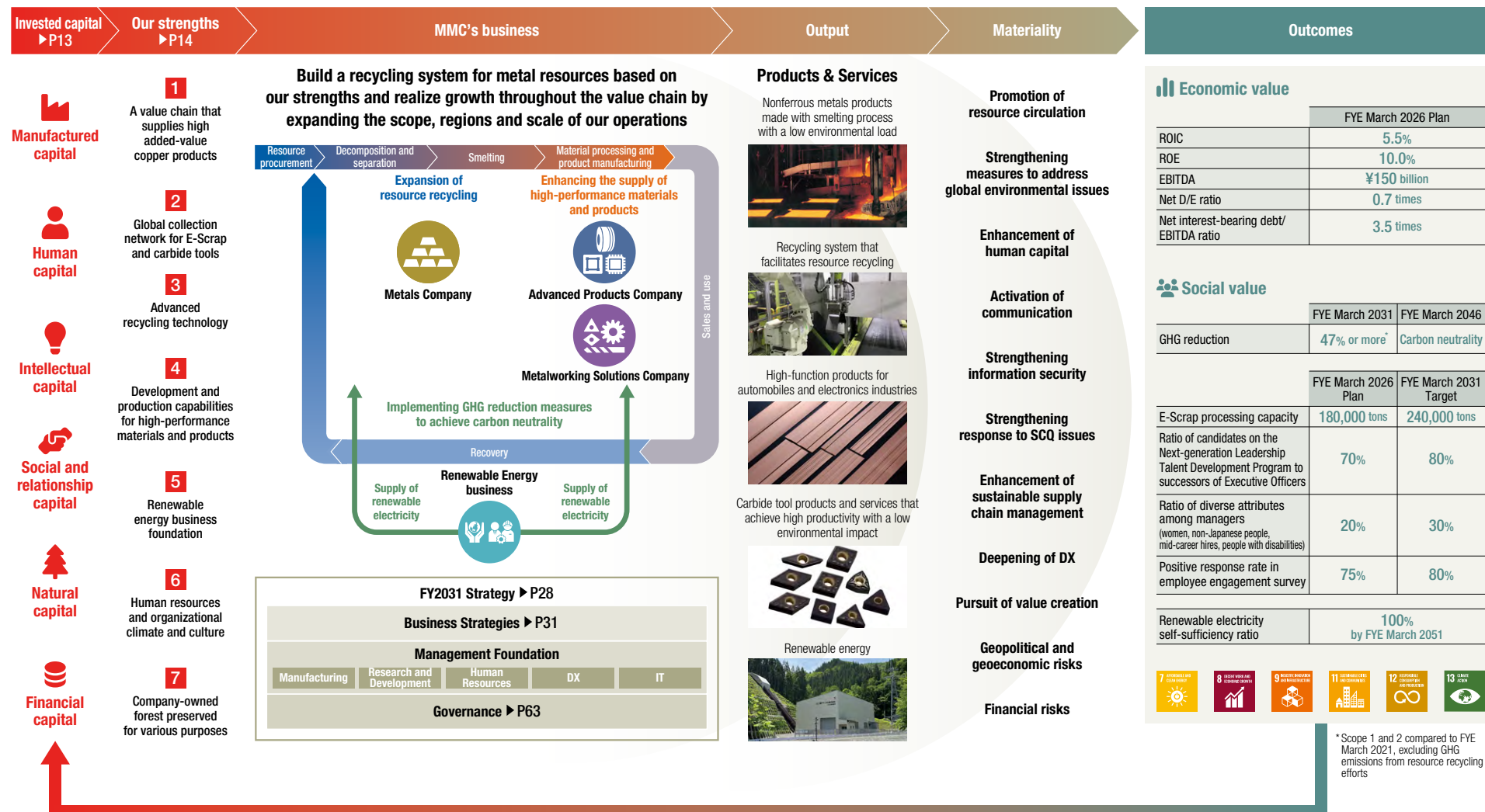
Appi Geothermal Power Plant

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.

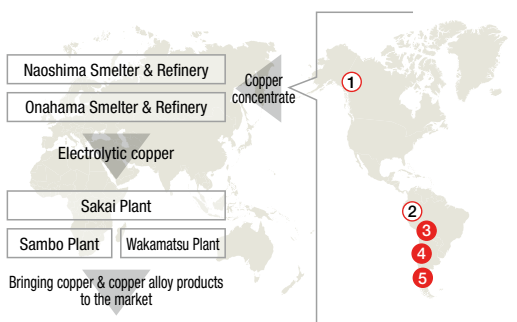
1 A value chain that supplies high added-value copper products

- 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



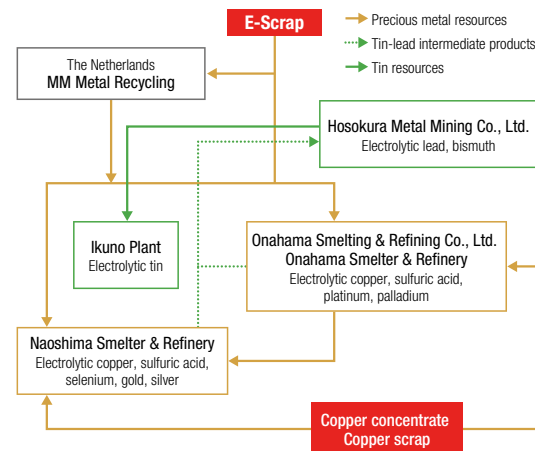
Examples of E-Scrap/used cemented carbide tools being accepted/processed

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

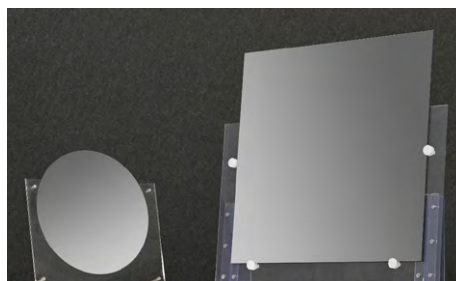


Manufactured capital Intellectual capital

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



Komatsugawa 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



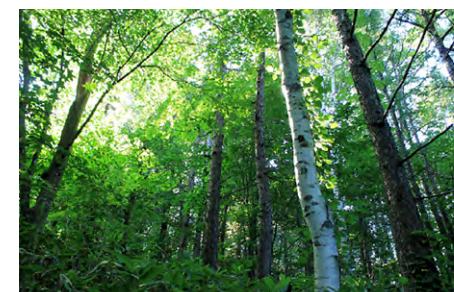
Cross-organizational discussion



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 | ○ <ul style="list-style-type: none"> • 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 | ◎ <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • 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 | ○ <ul style="list-style-type: none"> • 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 <p>Going forward, we will consider priorities and incorporate them into concrete plans</p> |
| 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 | ◎ <ul style="list-style-type: none"> • 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 | ○ <ul style="list-style-type: none"> • 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) | ○ <ul style="list-style-type: none"> • 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% | ○ <ul style="list-style-type: none"> • 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 | ○ <ul style="list-style-type: none"> 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% | ○ <ul style="list-style-type: none"> 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% | ◎ <ul style="list-style-type: none"> 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% | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 <small>*Safety & Health, Compliance & Environment, Quality.</small> | 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 | △ <ul style="list-style-type: none"> 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 | ◎ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | △ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | ◎ <ul style="list-style-type: none"> 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 | ○ <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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 | <ul style="list-style-type: none"> 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* <small>*Risks relating to countries attempting to fulfill their geopolitical goals (national interests) through economic means</small> | 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.

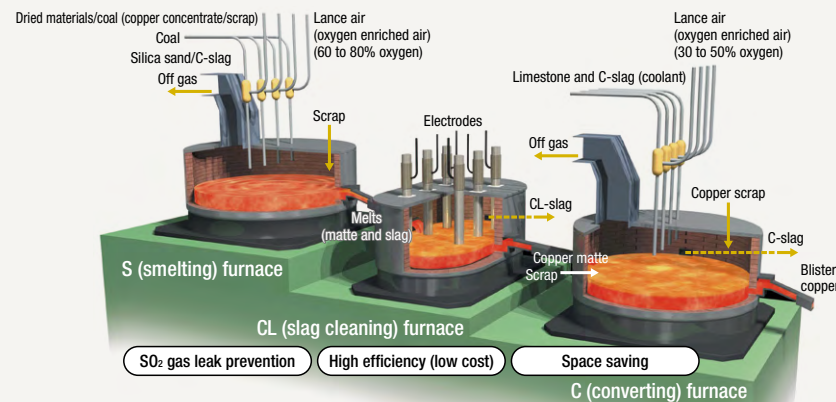
Total amount of gold, silver and copper recovered from waste printed circuit boards
(Calculated based on metal prices as of Dec. 2024)

¥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



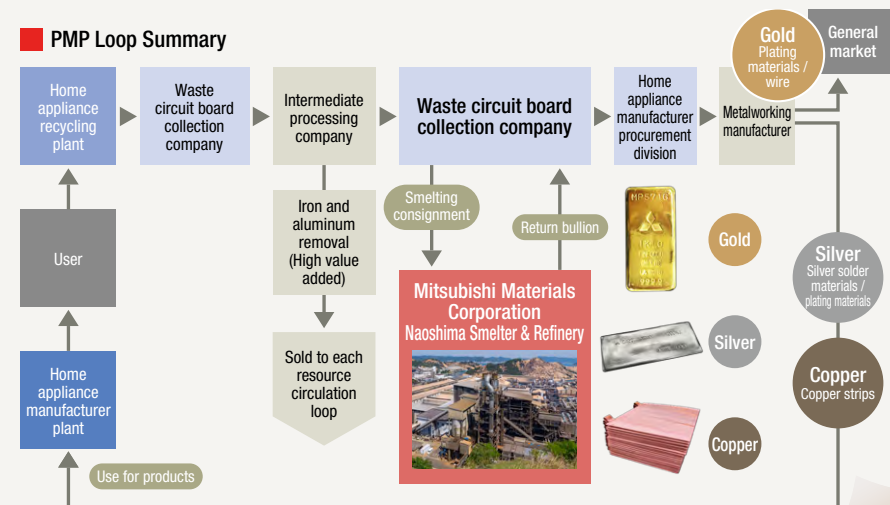
*Copper concentrate: Concentrate of copper ore obtained from mines, processed to upgrade copper content.

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

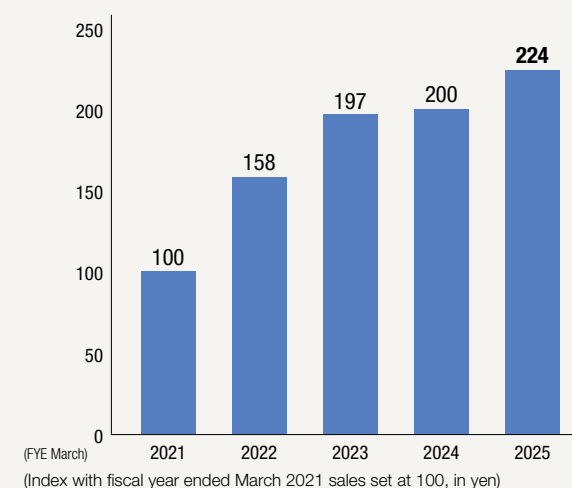


Feels Good to Do Good program
– Luvata São Paulo



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

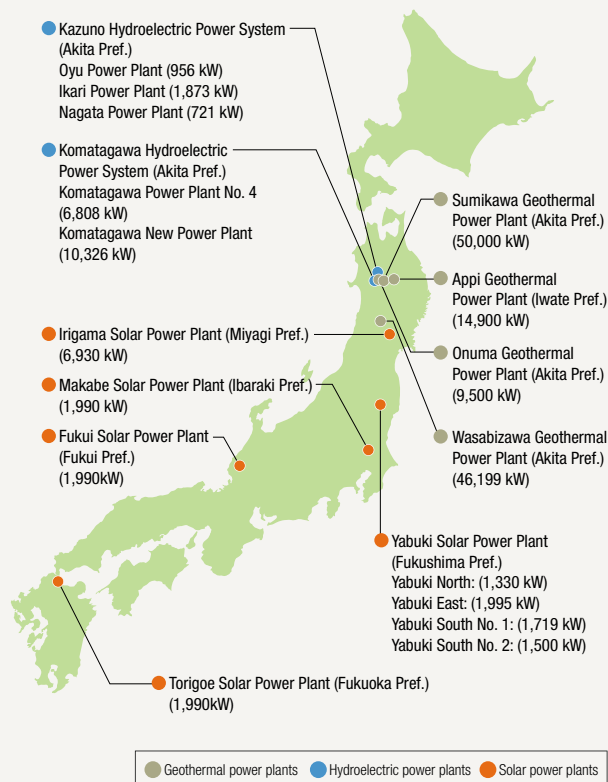
Utilization and Generation of Renewable Electricity

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

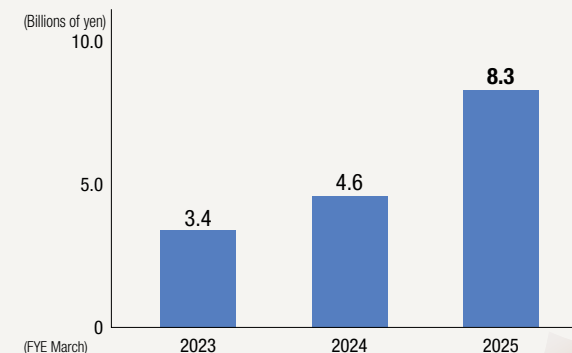
Output capacity:
46,199 kW
Business entity:
Yuzawa Geothermal Power Corporation



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

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Building of resource circulation business overseas

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• 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)

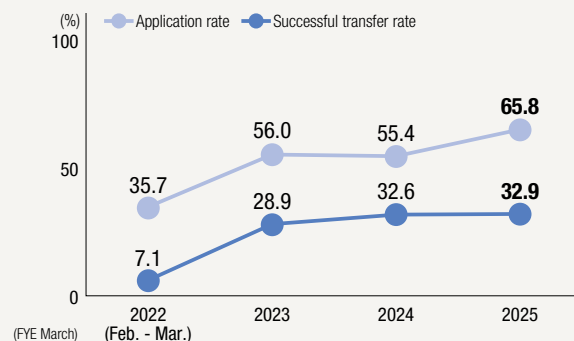


At a meeting (left, Koma)

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.