

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.

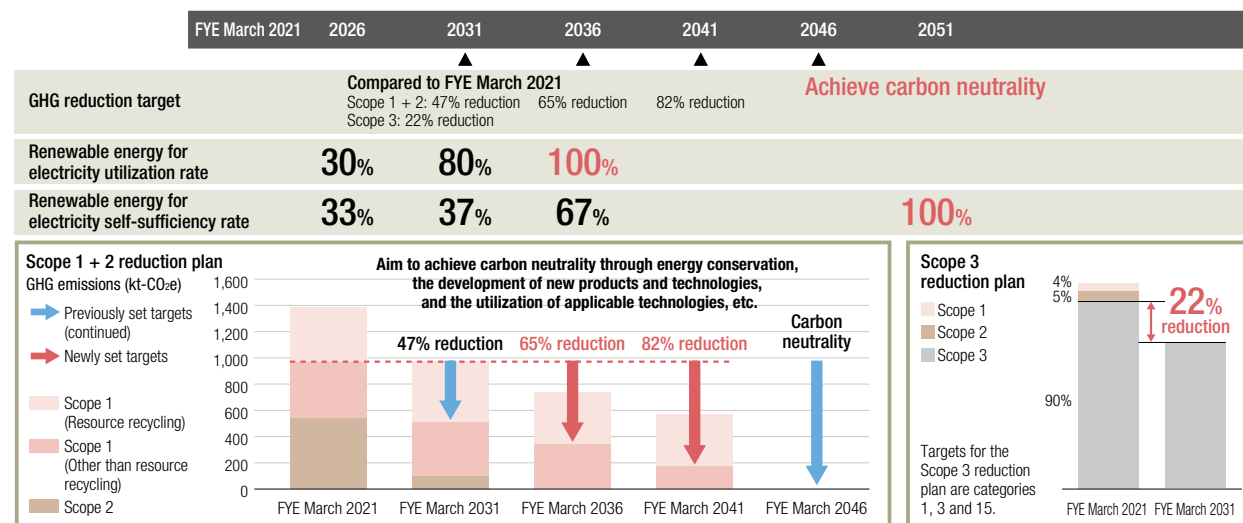
Indicators and Targets

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).

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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)		Electrolytic copper sales volume FYE March 2031 830,000 t per year
			FYE March 2031: 3.3 times FYE March 2051: 4.6 times	FYE March 2031: 2.1 times FYE March 2051: 2.7 times	
	Copper & Copper Alloy Business	▲ Decrease in volume of scrapped vehicles generated in Japan	Volume of scrapped vehicles generated in Japan (compared to FYE March 2021)		Annual processing volume of vehicle recycling FYE March 2031 70,000 vehicles per year
			FYE March 2031: 0.98 times FYE March 2051: 0.85 times	FYE March 2031: 0.98 times FYE March 2051: 0.89 times	
	Metalworking Solutions Business	● Increase in xEV sales volume	Demand in connectors and busbars for vehicles (compared to FYE March 2021)		Sales volume of automotive pure copper strips FYE March 2031 2 times (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	
Changes in Forms of Energy Use	Smelting & Resource Recycling 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)		Sales of cutting tools FYE March 2031 2.3 times (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	
	Metalworking Solutions Business	● Increase in demand for automotive LIB and solar panel recycling	Sales of cutting tools for the aerospace industry (compared to FYE March 2021)		Processing volume of automotive LIB Recycling* FYE March 2031 870 t LIB per year *Up to the point of Black Mass production (including LIB removal, discharging, dismantling, pyrolysis, crushing and sorting)and sorting)
			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 demand for EV batteries and storage batteries	Volume of LIB recycling (compared to FYE March 2021)		Production volume of advanced powder for rechargeable batteries FYE March 2031 1.9 times (compared to FYE March 2021)
			FYE March 2031: 50 times FYE March 2051: 350 times	FYE March 2031: 14 times FYE March 2051: 92 times	
Changes in Demand for Recycling Business Due to Shift to Recycling-Oriented Society	Smelting & Resource Recycling Business	● Increase in spread and demand for renewable energy	Production volume of advanced powder for EV batteries and stationary storage batteries (compared to FYE March 2021) (considering the Company's production capacity)		The Company's share of renewable power generation FYE March 2031 575 GWh
			FYE March 2031: 1.9 times FYE March 2051: 3.8 times		
	Smelting & Resource Recycling Business	● Increase in demand for E-Scrap recycling	Difference from FYE March 2021 sales of the Company's share of power generation		E-Scrap processing capacity FYE March 2031 240,000 t per year
			FYE March 2031: ¥5,240 million FYE March 2051: ¥23,668 million	FYE March 2031: ¥5,046 million FYE March 2051: ¥20,185 million	
	Smelting & Resource Recycling Business	● Increase in demand for home appliance recycling	Volume of E-Scrap generated globally (compared to FYE March 2021)		Annual processing volume of home appliance recycling FYE March 2031 5.9 million appliances per year
			FYE March 2031: 1.4 times FYE March 2051: 2.5 times	FYE March 2031: 1.3 times FYE March 2051: 1.6 times	
	Smelting & Resource Recycling Business	● 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	

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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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Fuel conversion Electrification of heat utilizing facilities Implementation of technologies and transfer of facilities
Scope 2	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Supplier engagement and collaboration Collaboration with Mitsubishi UBE Cement Corporation and other equity method affiliated companies 	
Investment Plan	<ul style="list-style-type: none"> ¥10.5 billion GHG reduction investment in facilities and processes ¥30 billion in the renewable energy business 	

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Governance

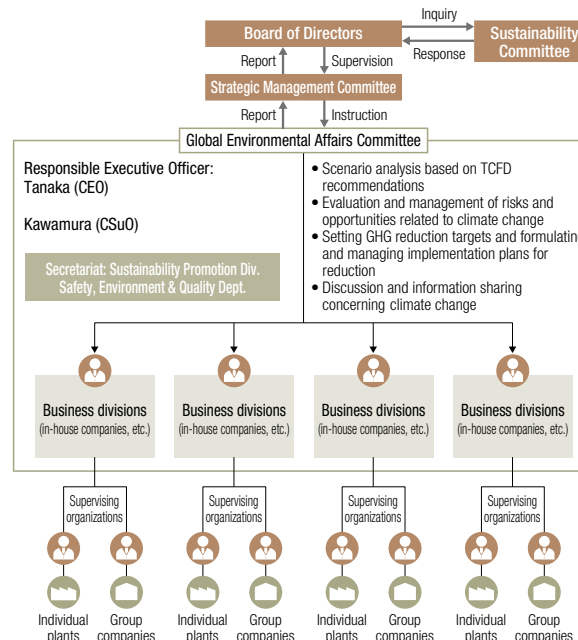
The Company has appointed an executive officer in charge of addressing sustainability issues, including climate change, and a CSuO as the Chief Executive Officer in each field. Additionally, we set up the Safety, Environment & Quality Department of the Sustainability Promotion Division. The Global Environmental 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

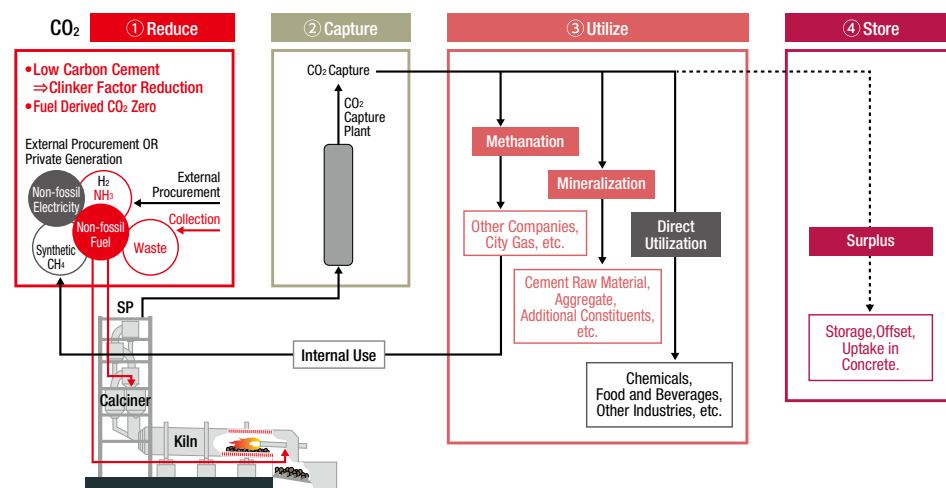
Mitsubishi UBE Cement Corporation (MUCC) is an equity method affiliate, and the Company counts and reports 50% (shareholding ratio of MUCC) of MUCC's Scope 1 and 2 emissions as the Group's Scope 3 category 15 emissions. As these emissions account for approximately 60% of Scope 3 emissions (as of the 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.

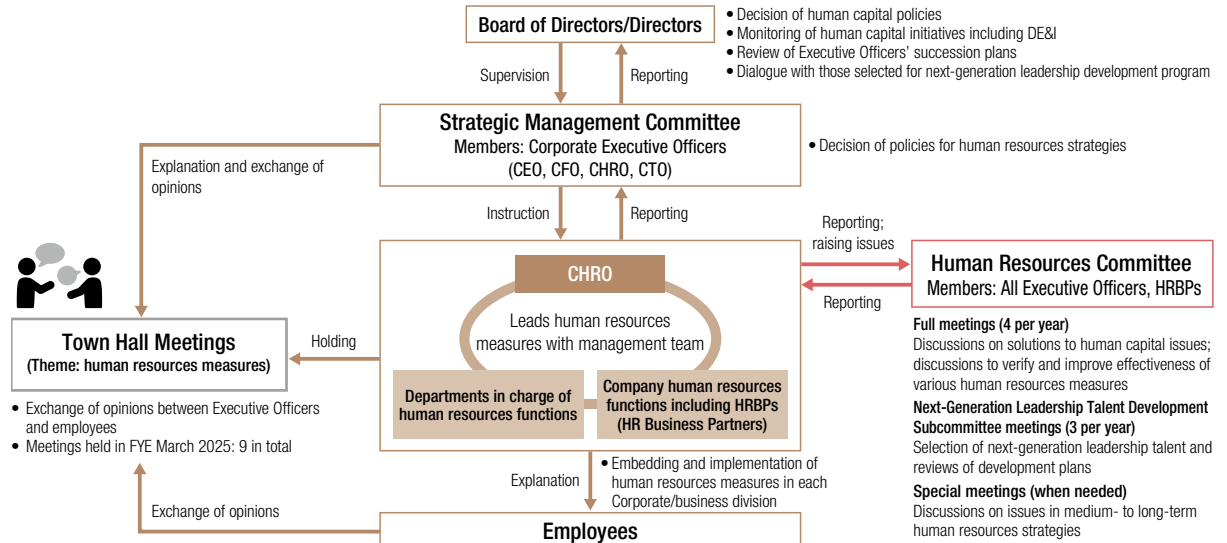
Our employees who drive our business activities are the source of sustainable growth. We are striving to achieve Our Commitment by building the culture and systems that form the growth and foundation of our talent. The two pillars of the human resources strategies, which is one of the management foundations 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	<ul style="list-style-type: none">★ 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	<ul style="list-style-type: none">★ 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	<ul style="list-style-type: none">• Shortening the time required to meet hiring needs◆ Operating a job-/role-based HR system• Enhancing system to support a variety of work styles◆ Operational efficiency improvement	<ul style="list-style-type: none">• 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)	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Building training system to enhance management skills• Enhancing performance management• Support for autonomous career development	<ul style="list-style-type: none">• 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)	<ul style="list-style-type: none">• 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
	Building a foundation for co-creation and growth	Accelerating transformation by integrating diverse talent and their values	★ Ensuring diversity and supporting advancement of diverse talent	<ul style="list-style-type: none">★ 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%	<ul style="list-style-type: none">★ 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	<ul style="list-style-type: none">★ Improving employee engagement◆ Promoting health and productivity management	<ul style="list-style-type: none">★ 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	<ul style="list-style-type: none">★ 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	<ul style="list-style-type: none">• Utilizing Talent Management System	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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.



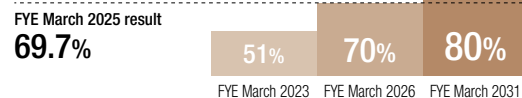
Maximizing the Value of Human Resources and Creating an Organization Dedicated to Winning

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

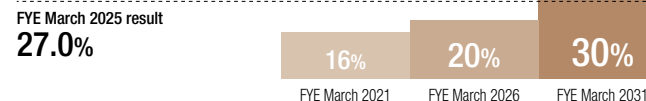
Diversity in Management

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

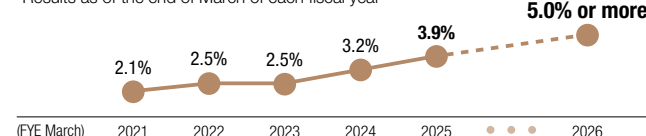


Specific Measures and their Progress

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

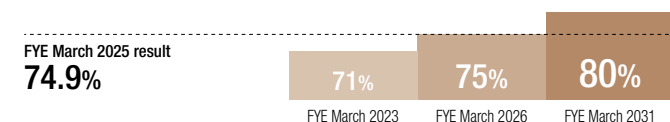


Continuous Improvement of Employee Engagement

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.

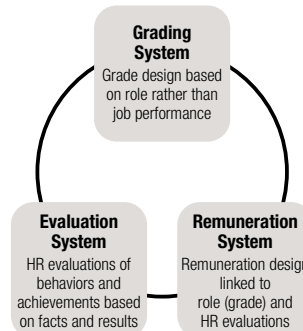


Overhauling the HR System—the Key to Continuous Growth

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

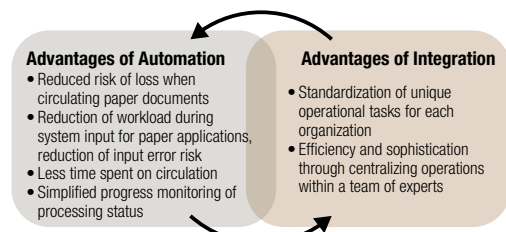
As a unified Group, we will promote business process innovation, foster an environment where each employee can find fulfillment in their jobs and roles, and promote flexible work styles while addressing labor shortages.

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. Starck 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

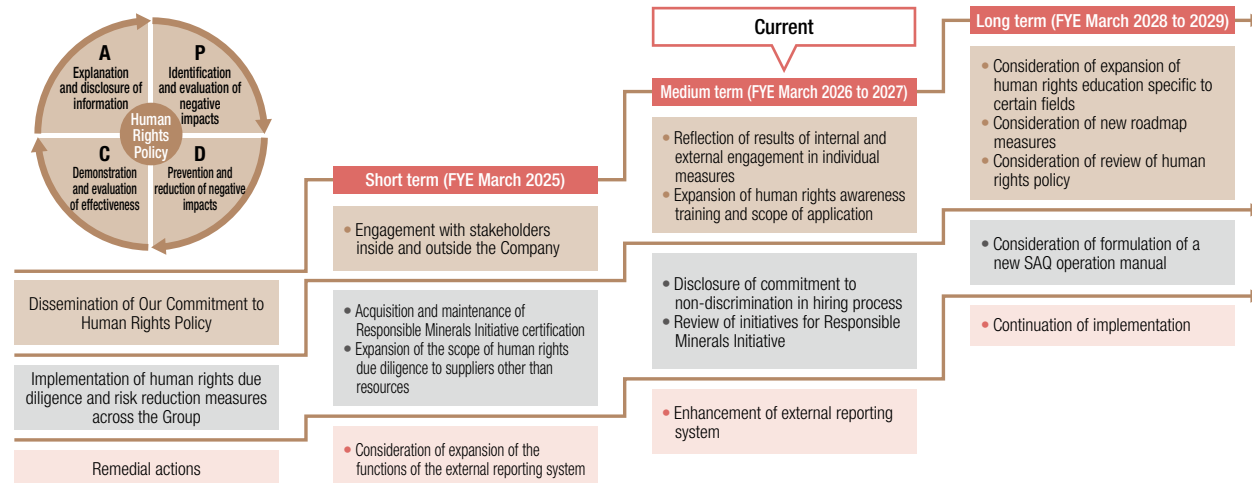
The Executive Officer in charge oversees human rights initiatives in the Group. We established the Human Rights Subcommittee

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

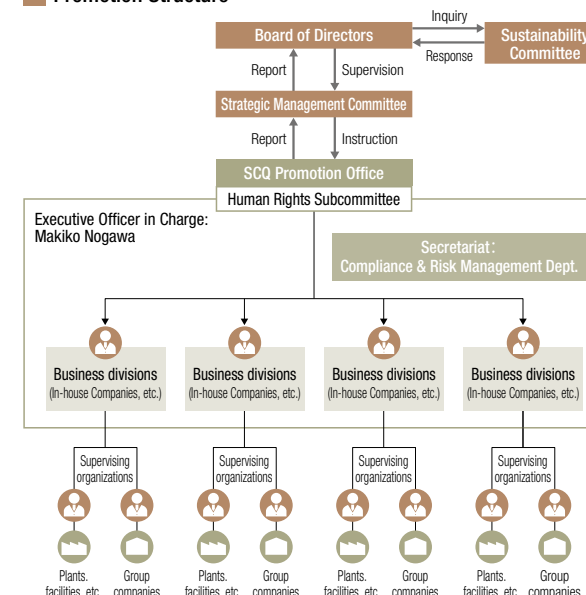
The committee is made up of employees in charge of human rights policy from corporate and business divisions with area expertise, improving practicality. The committee reports on its activities to Executive Officers and the Board of Directors through the SCQ Promotion Office.

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.

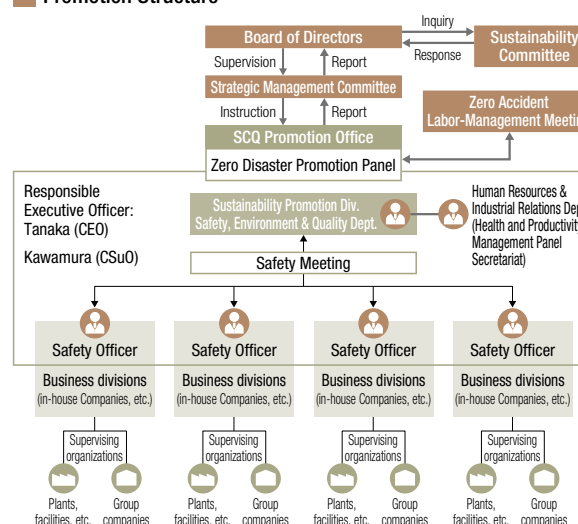
*On March 31, 2023, we transferred our polycrystalline silicon business to High-Purity Silicon Corporation through an absorption-type split, and transferred all of its shares to SUMCO Corporation.

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

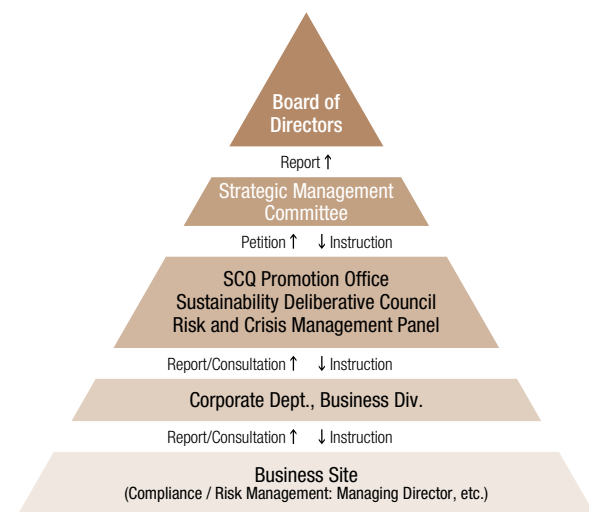


Risk Management Approach and Operation

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.

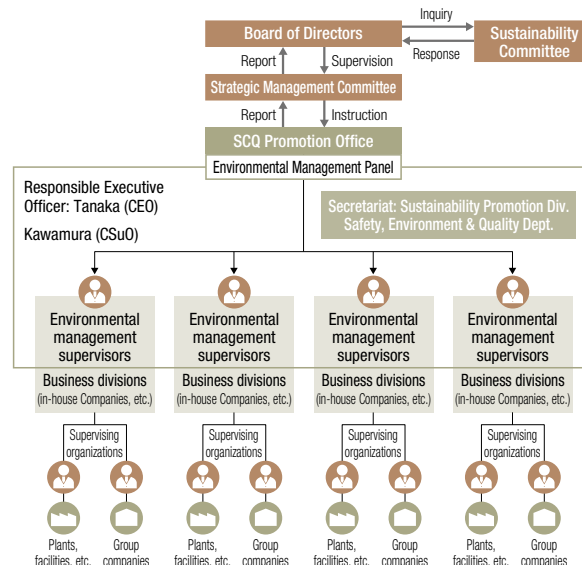
Information on applicable law revisions is thoroughly communicated across the Group, and each business site and the Internal Audit Department confirm compliance with environmental laws and regulations. Additionally, if any violation of environmental laws and regulations occurs, information is shared 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:

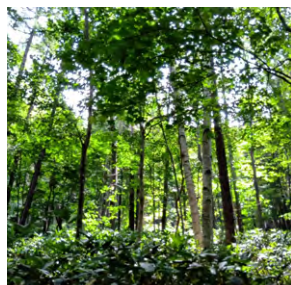
Sustainability website ► TNFD Report*

*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

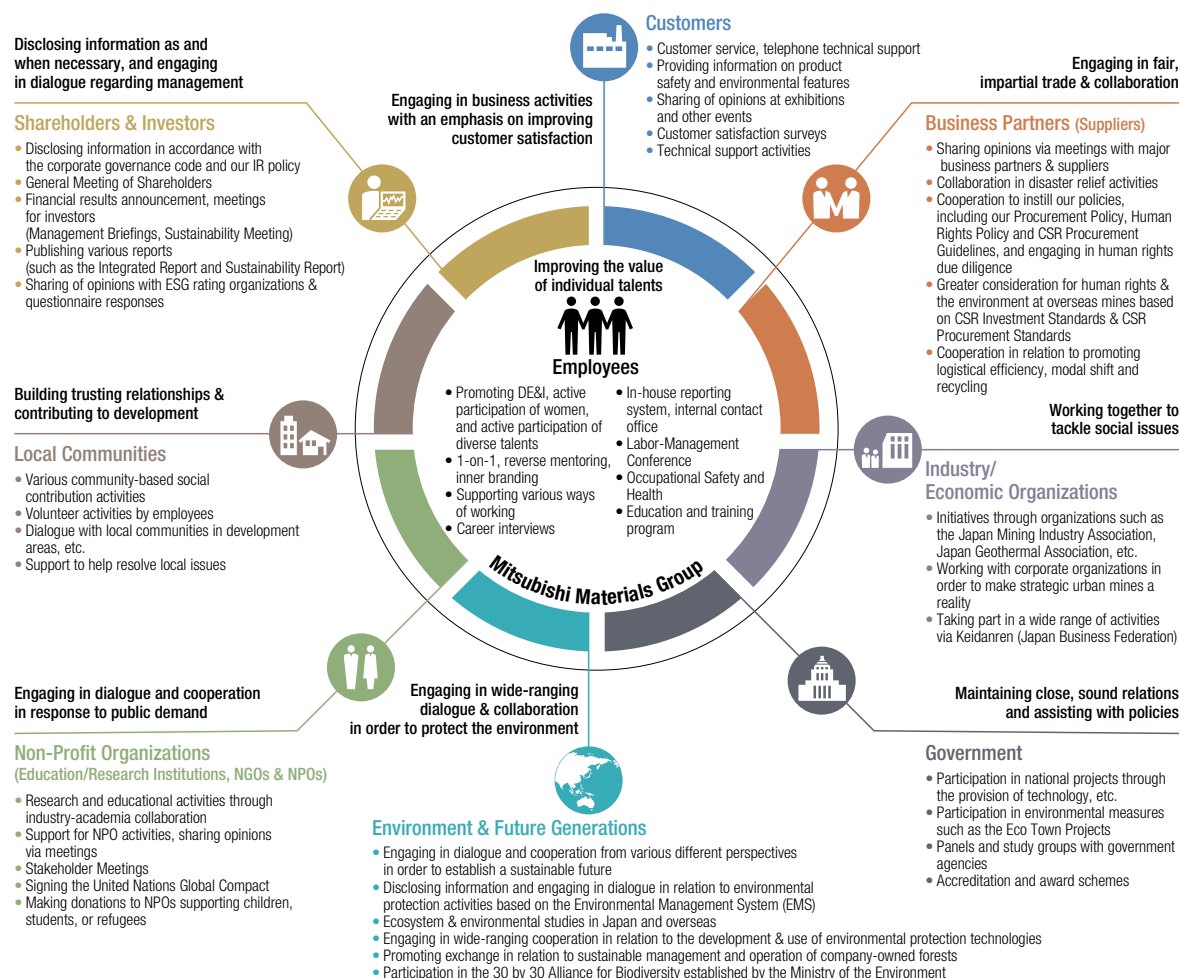
We set strengthening response to SCQ issues a materiality, and are enhancing our efforts. In terms of safety, learning from the serious accident in 2014, we are promoting the Zero Occupational Accident Project Group-wide, and continuing to conduct hazard sensitivity education and VR training. As a result, 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