



## **Mitsubishi Materials Corporation**

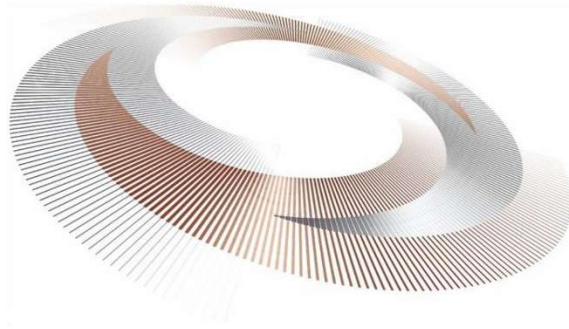
Medium-term Management Strategy (FYE March 2027-2029) Progress Briefing

May 19, 2026

## Event Summary

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<b>[Company Name]</b>	Mitsubishi Materials Corporation
<b>[Company ID]</b>	5711
<b>[Event Language]</b>	JPN
<b>[Event Type]</b>	Medium-term Management Strategy Briefing
<b>[Event Name]</b>	Medium-term Management Strategy (FYE March 2027-2029) Progress Briefing
<b>[Fiscal Period]</b>	
<b>[Date]</b>	May 19, 2026
<b>[Number of Pages]</b>	
<b>[Time]</b>	16:30 – 17:29 (Total: 59 minutes, Presentation: 27 minutes, Q&A: 32 minutes)
<b>[Venue]</b>	Webcast
<b>[Venue Size]</b>	
<b>[Participants]</b>	
<b>[Number of Speakers]</b>	4
	Tetsuya Tanaka: Director, Executive Officer, President and CEO (Representative Executive Officer)
	Kayo Hirano: Director, Managing Executive Officer and CFO (Representative Executive Officer)
	Tatsuya Inoue: Managing Executive Officer, Responsible for the Materials Business Area
	Zhang Shoubin: Managing Executive Officer, Responsible for the Products Business Area



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.

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**Tanaka:** Good afternoon. I am Tanaka, CEO of Mitsubishi Materials. Thank you very much for joining today’s progress briefing for the Medium-term Management Strategy.

At the financial results briefing held last week, on May 13, we focused mainly on our results for FYE 2026 and our outlook for FYE 2027.

Today, building on that discussion, I will focus more specifically on strategy. I will explain how far we have progressed in moving our Medium-term Management Strategy into the execution phase, and how we intend to increase the certainty of achieving our FYE 2029 targets.

The basic policy we announced last November is “creating the future through resource circulation.”

In the previous fiscal year, we accelerated structural reforms ahead of schedule, while also taking important steps to position resource circulation as a key driver of future growth.

Today, I would like to explain how, based on this progress, we will continue to build tangible results and accelerate growth toward the future we aim to achieve.

## Agenda

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### Medium-term Management Strategy (FYE 2027–29) (“MTMS (FYE 2027–29)”)

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- ▶ Growth Strategies under the MTMS (From the MTMS (FYE 2027–29), disclosed on November 26, 2025)
- ▶ Changes in the External Environment Are Accelerating the Shift toward Resource Circulation
- ▶ Shifting Our Management Model from Volume to Value, Centered on Resource Circulation
- ▶ FYE 2026: Significant Progress in Structural Reforms and Initiatives for Future Growth
- ▶ Creating the Future through Resource Circulation
- ▶ Financial Targets (KPIs)
- ▶ Financial Plan (Consolidated)
- ▶ Initiation and Progress of Fundamental Structural Reforms in FYE 2026
- ▶ Capital Allocation
- ▶ Shareholder Return Policy

### Overview by Business Segment

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- ▶ Materials Business Area (Metals / Resources Circulation)
- ▶ Materials Business Area (Copper & Copper Alloy Products)
- ▶ Products Business Area (Metalworking Solutions / Advanced Products)
- ▶ Mineral Resources Business
- ▶ Renewable Energy Business

### (Appendix) Management Foundation Supporting Our Sustainable Growth

- ▶ Human Resources Strategy
- ▶ Technology and Product Development Strategy
- ▶ Digital Strategy

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Next, let me walk you through today’s agenda.

In the first half of the briefing, I will cover our growth strategies under the Medium-term Management Strategy, changes in the external environment, our progress in FYE 2026, and the financial roadmap, with a particular focus on ROIC. In the second half, I will explain the specific initiatives in each business segment and the execution path toward achieving our FYE 2029 targets.

There are three key messages I would like to emphasize today. First, the shift toward resource circulation has become even more important in light of changes in the external environment. Second, we are transforming our management model from volume to value, with the aim of improving both profitability and capital efficiency. And third, in FYE 2026, we made significant progress in both structural reforms and laying the groundwork for future growth. As a result, the foundation for achieving our FYE 2029 targets is steadily being put in place.

## Creating the Future through **Resource Circulation**

Global Expansion of Our Resource Circulation Business

Expanding Secondary Smelting and Doubling E-Scrap Processing  
100% Tungsten Recycling

Joint Purchasing of Copper Concentrates

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Let me first revisit the growth strategies under our Medium-term Management Strategy.

Our basic policy is “creating the future through resource circulation.”

This strategy is built on three pillars.

The first is to develop our resource circulation business globally.

The second is to expand secondary smelting capacity, with the aim of doubling E-Scrap processing volume and achieving a 100% recycling ratio for tungsten.

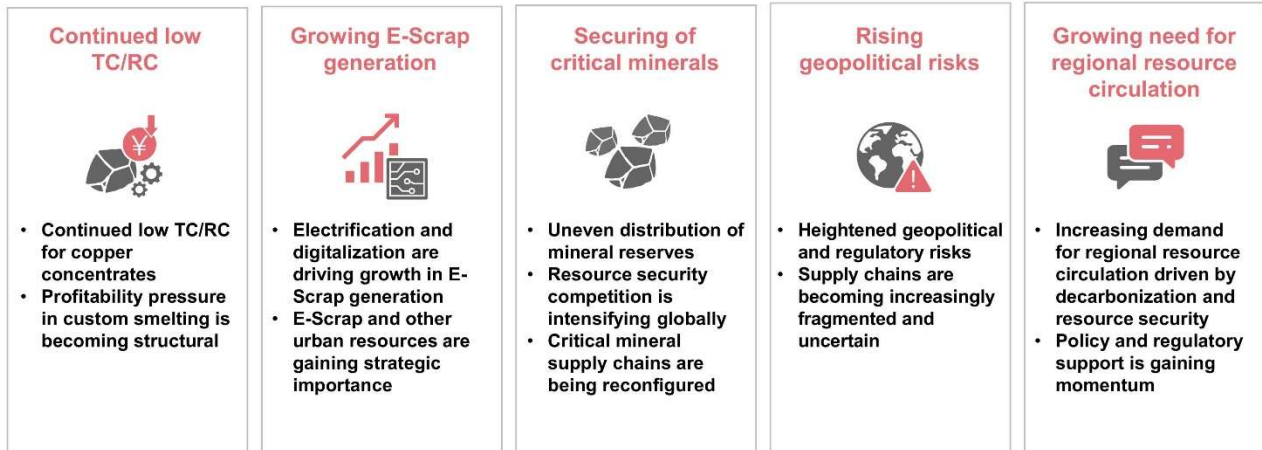
The third is to enhance our international competitiveness through joint procurement of copper concentrates, in an environment where low TC/RC levels are expected to continue.

What I would like to convey today is that these three pillars have already moved into the execution phase. At the same time, we will use ROIC as a common management metric to make the results of these initiatives visible and measurable.

## Changes in the External Environment Are Accelerating the Shift toward Resource Circulation

### Structural Changes in the Business Environment Are Further Reinforcing the Relevance and Importance of Our Strategic Direction

#### Key changes in the external environment surrounding the Company



As resource constraints and environmental regulations intensify,  
**we will enhance corporate value by shifting to a resource circulation business model that reduces environmental impact and creates economic value**

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Let me begin by explaining why we are pursuing this strategy now.

The business environment surrounding Mitsubishi Materials is no longer defined by temporary market fluctuations. Rather, we are facing multiple structural changes at the same time: the continued low TC/RC levels, the increasing generation of E-Scrap, growing competition to secure critical minerals, heightened geopolitical risks, and rising demand for regional resource circulation.

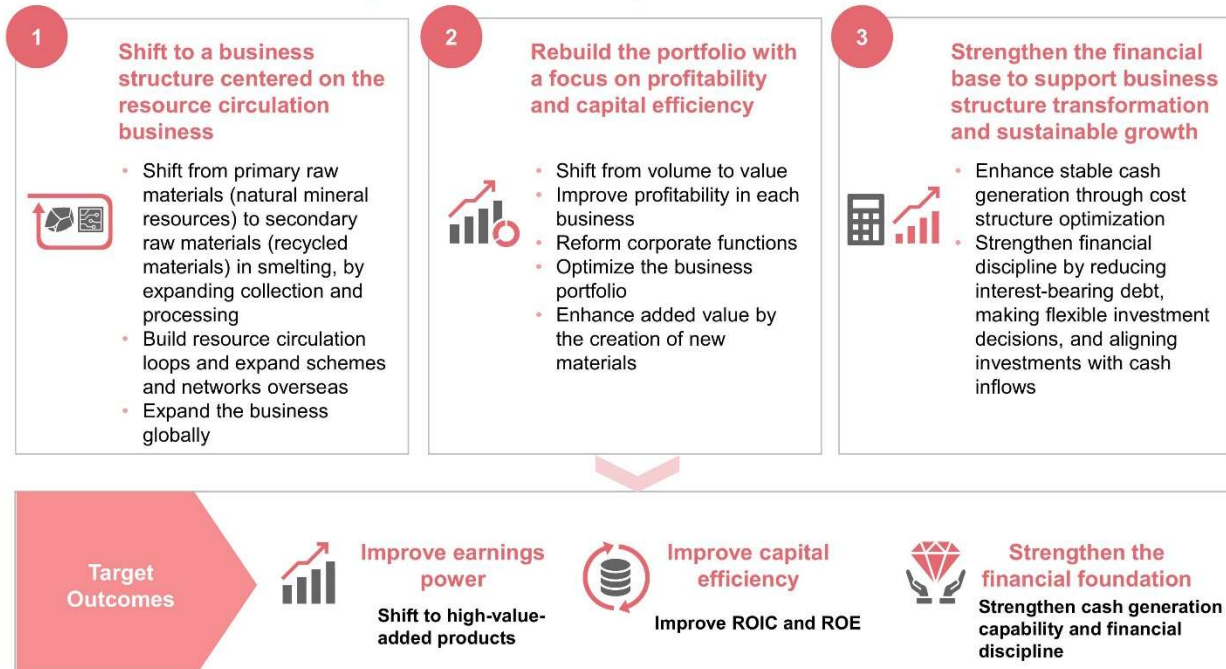
These changes further reinforce both the relevance and importance of our strategic direction. As resource constraints become more severe and environmental regulations continue to tighten, the shift toward resource circulation is not simply an environmental initiative. It is a growth strategy.

By recovering secondary materials as valuable resources, and by pursuing both the reduction of environmental impact and the creation of economic value, we aim to enhance social value and corporate value at the same time.

## Shifting Our Management Model from Volume to Value, Centered on Resource Circulation

Pursue a Management Model that Balances Profitability and Capital Efficiency, with Resource Circulation at the Core

### Creating the Future through Resource Circulation



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In light of these changes in the external environment, we will place resource circulation at the core of our strategy and transform our management model from volume to value. By “value”, we do not simply mean higher value-added products and services. We mean growth supported by profitability, capital efficiency, cash generation, and financial discipline.

We will drive this transformation through three key pillars.

The first is to shift to a business structure centered on the resource circulation business. We will move away from a model that is overly dependent on primary raw materials, and expand the collection and processing of secondary materials.

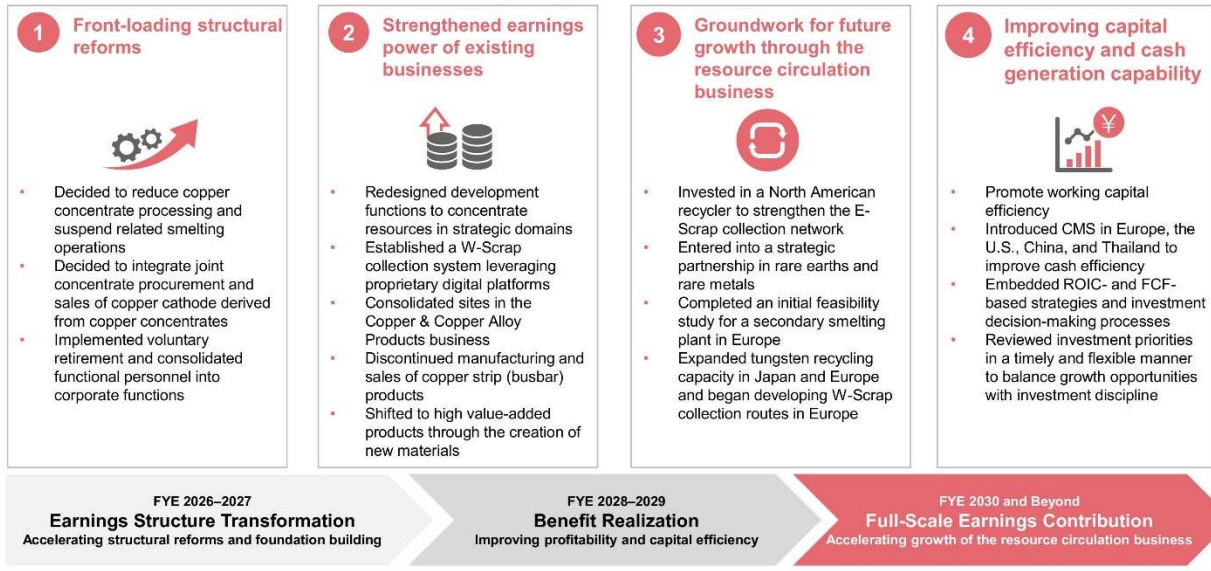
The second is to rebuild our portfolio with a stronger focus on profitability and capital efficiency. This includes improving the profitability of each business, reforming corporate functions, reviewing our portfolio, and creating new materials that can drive future growth.

The third is to strengthen our financial foundation to support both the transformation of our business structure and our sustainable growth. We will enhance cash generation, reduce interest-bearing debt, and ensure that disciplined investment decisions are based on cash inflows. Through these measures, we aim to improve profitability, capital efficiency, and our financial soundness at the same time.

# FYE 2026: Significant Progress in Structural Reforms and Initiatives for Future Growth

## Moved beyond Planning, Front-Loaded Implementation, and Delivered Solid Results

### Key Progress in FYE 2026



**FYE 2026 marked solid progress toward realizing our target outcomes**  
We will build on this progress to capture results and accelerate growth

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We believe that FYE 2026 was not simply a year of planning. It was a year in which we accelerated execution ahead of schedule and achieved tangible progress.

In structural reforms, we moved forward with the reduction of copper concentrate processing and the suspension of related smelting facilities. We also decided on the integration policy related to joint procurement of copper concentrate and sales of copper cathode derived from concentrates, implemented a voluntary retirement program, and consolidated function-based personnel into corporate functions.

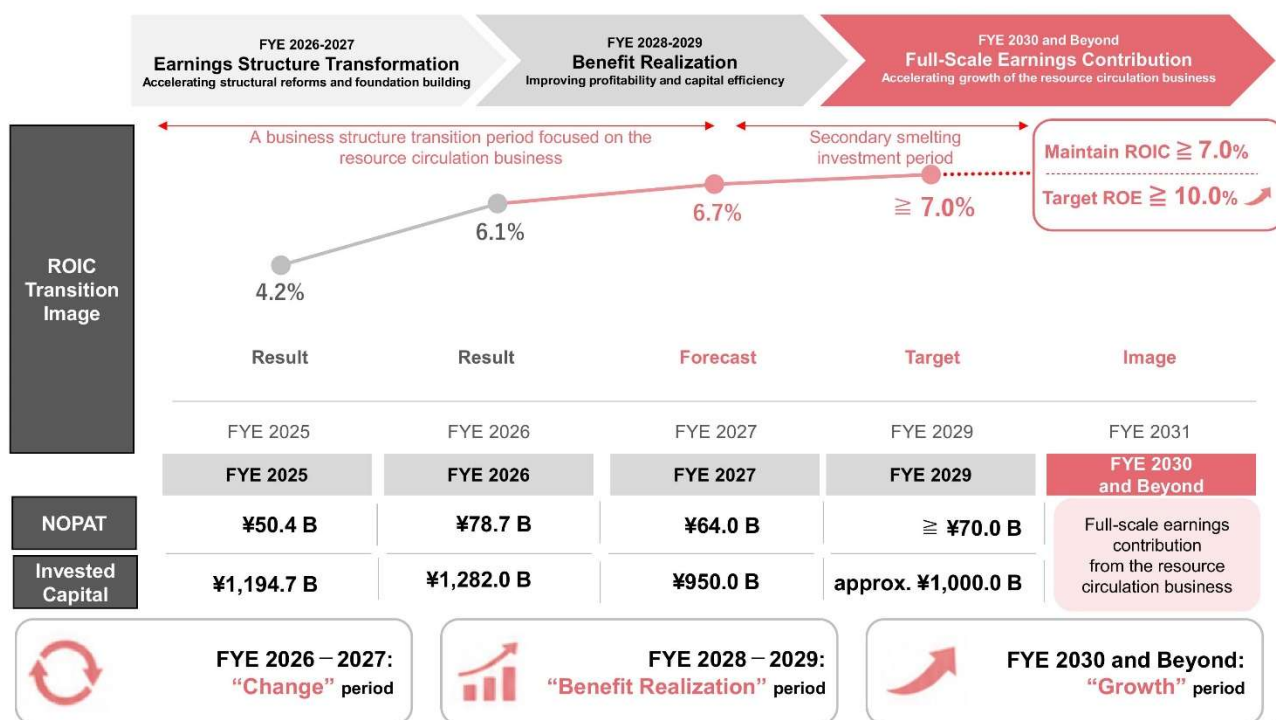
At the same time, we have been improving working capital efficiency, introducing cash management systems to our overseas locations, and enabling strategies and investment decisions based on ROIC and free cash flow. These initiatives are designed to instill investment discipline across the organization.

In addition, we have made progress in laying the groundwork for our resource circulation business. This includes our capital participation in a North American recycler, strategic partnerships in the rare earth and rare metal fields, initial studies for the construction of a secondary smelting plant in Europe, and the strengthening of our tungsten recycling capacity.

We will continue to build on our achievements and translate them into accelerated growth.

## Creating the Future through Resource Circulation

### Roadmap from Structural Reforms to Full-Scale Earnings Contribution from the Resource Circulation Business



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Now, I would like to turn to the core of today's briefing. This slide shows the roadmap from structural reforms to the full-scale earnings contribution from resource circulation, using ROIC as the key lens.

The period from FYE 2026 to FYE 2027 is a period of change. In order to shift our focus toward the resource circulation business, we are accelerating structural reforms and strengthening the foundation of the business, while front-loading the reduction of invested capital.

The period from FYE 2028 to FYE 2029 is a period of benefit realization. During this period, we will translate the effects of the structural reforms we have accelerated into earnings improvement. At the same time, we will execute investments related to secondary smelting. As a result, invested capital is expected to increase again toward FYE 2029. However, we will maintain strict investment discipline, with a clear focus on capital efficiency, so that invested capital does not exceed previous levels.

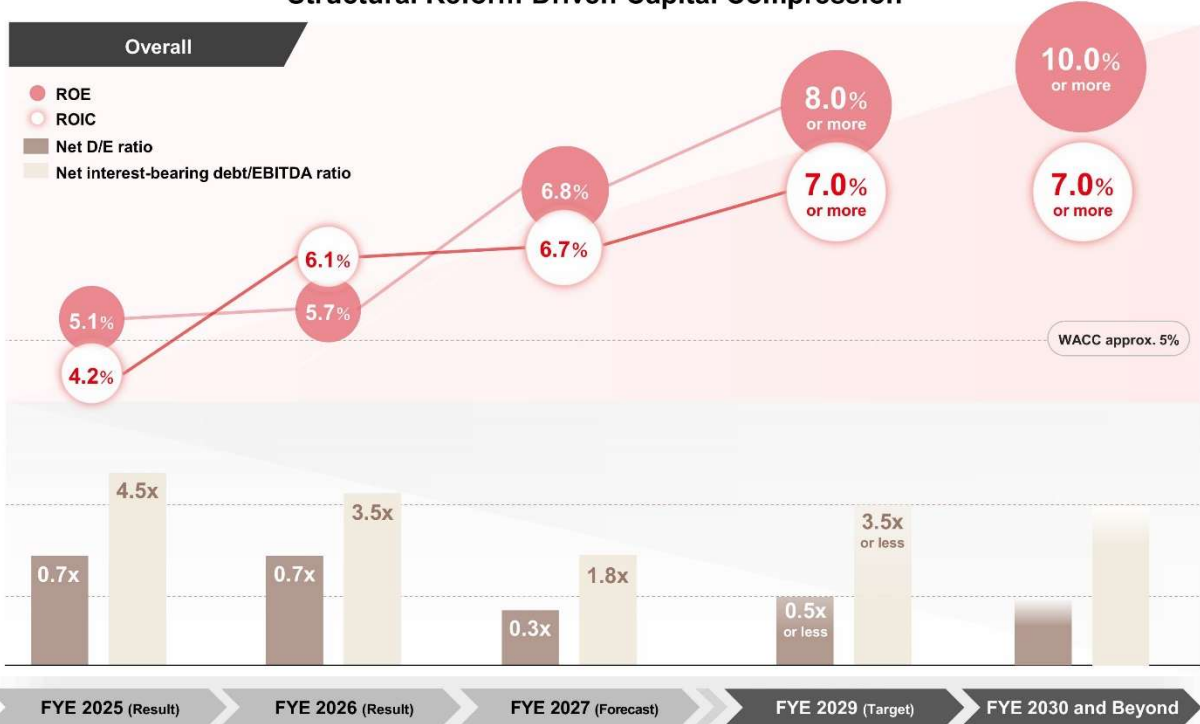
From FYE 2030 onward, we will enter a period of growth. While continuing growth investments in the resource circulation business, we aim to maintain ROIC above 7%, exceeding our WACC, and achieve ROE of 10% or higher as earnings contribution from resource circulation becomes more significant.

What I would like to emphasize here is that our ROIC improvement is not designed to rely solely on a temporary reduction in invested capital. Rather, it is designed to be built through a combination of earnings improvement and growth investments.

It will take some time for resource circulation to make a full-scale contribution to earnings. During that period, we will continue to secure our earnings base through structural reform and by strengthening the profitability of our existing businesses.

## Financial Targets (KPIs)

### Enhancing the Certainty of Earnings Improvement from FYE 2028 Onward, Supported by Structural Reform-Driven Capital Compression



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The bubble sizes for ROIC and ROE are not correlated with the figures shown (the same applies to subsequent slides).

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I will now explain financial KPIs.

Assuming a WACC of approximately 5%, we aim to achieve ROIC of 7% or higher and ROE of 8% or higher in FYE 2029. In addition, we will maintain financial discipline by monitoring the net D/E ratio and the ratio of net interest-bearing debt/EBITDA.

In FYE 2027, we expect a temporary decrease in profits as we move forward with structural reforms. However, ROIC is expected to continue improving, supported by the reduction of invested capital.

From FYE 2028 onward, we will translate the benefits of structural reforms into earnings improvement, and thereby increase the certainty of achieving our FYE 2029 targets.

## Financial Plan (Consolidated)

**Continued ROIC Improvement despite a Temporary Profit Decline in FYE 2027.  
Structural Reforms Will Temporarily Weigh on Earnings,  
while We Continue to Make Steady Progress toward the FYE 2029 Target**

	Result		MTMS (FYE 2027–29)		FYE 2030 and Beyond
	FYE 2025	FYE 2026	FYE 2027 Forecast	FYE 2029 Target	
Ordinary profit	¥60.2 B	¥97.5 B	¥73.0 B	¥85.0 B or more	
ROIC	4.2%	6.1%	6.7%	7.0% or more	
ROE	5.1%	5.7%	6.8%	8.0% or more	10.0% or more
Net D/E ratio	0.7x	0.7x	0.3x	0.5x or less	
Net interest-bearing debt/EBITDA multiple	4.5x	3.5x	1.8x	3.5x or less	
NOPAT	¥50.4 B	¥78.7 B	¥64.0 B	≥¥70.0 B	
Invested capital	¥1,194.7 B	¥1,282.0 B	¥950.0 B	approx. ¥1,000.0 B	
Dollar exchange rate (¥/\$)	153	151	150	150	
Copper price (¢/lb)	425	491	500	500	

ROIC = NOPAT ÷ invested capital

NOPAT = (Ordinary profit + net interest expense – equity-method earnings) × (1 – effective tax rate) + equity-method earnings

Invested capital = Net interest-bearing debt + net assets

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This slide shows ordinary profit, ROIC, and the key assumptions behind them, including NOPAT and invested capital, which are the components of ROIC, as well as exchange rates and copper prices.

There are two key points I would like to highlight.

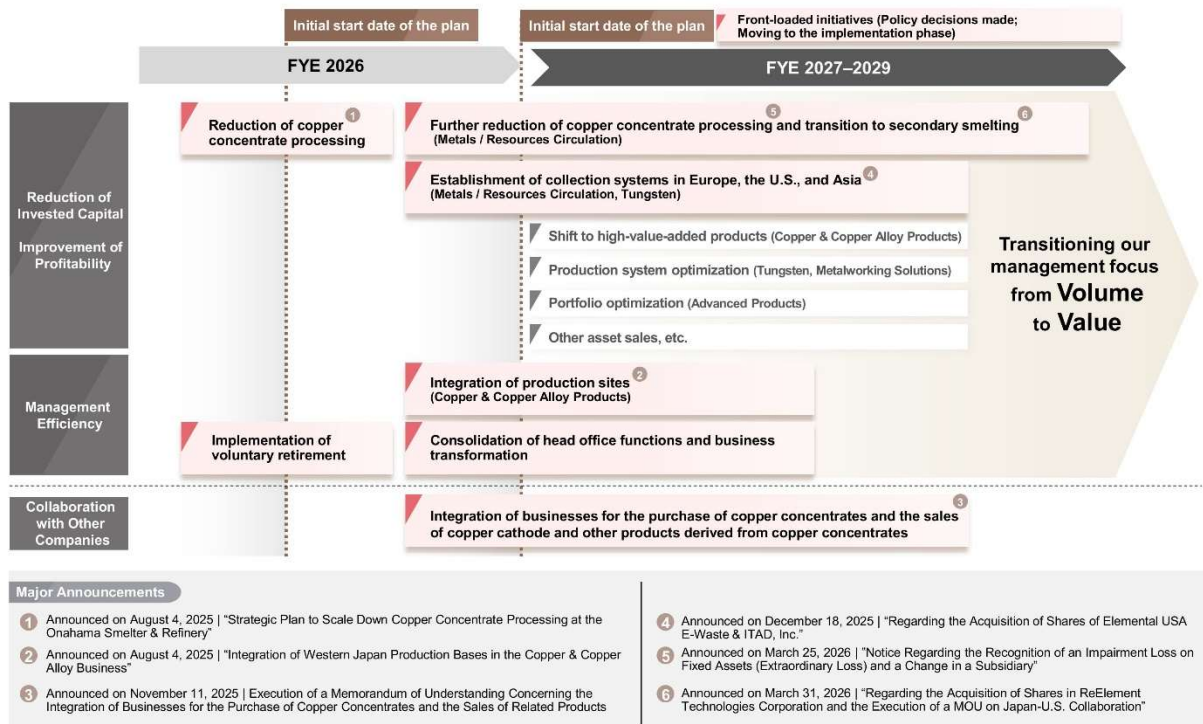
First, although we expect a temporary decline in profit in FYE 2027, ROIC is expected to continue improving. This reflects our management approach of looking not only at profit levels, but also at capital efficiency, including the level of invested capital.

Second, toward FYE 2029, invested capital is expected to increase due to investments in secondary smelting plants and related facilities. Even so, by steadily accumulating the benefits of structural reforms and improving profitability, we plan to raise ROIC to 7% or higher.

Our Medium-term Management Strategy is designed as a rolling plan. We will therefore continue to review the certainty of achieving our FYE 2029 targets. From this perspective, we also plan to review our assumptions for foreign exchange rates and copper prices each fiscal year.

## Initiation and Progress of Fundamental Structural Reforms in FYE 2026

The MTMS is Moving from the Plan Formulation Phase to the Implementation and Verification Phase



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This slide provides an overview of the fundamental structural reforms we initiated in FYE 2026.

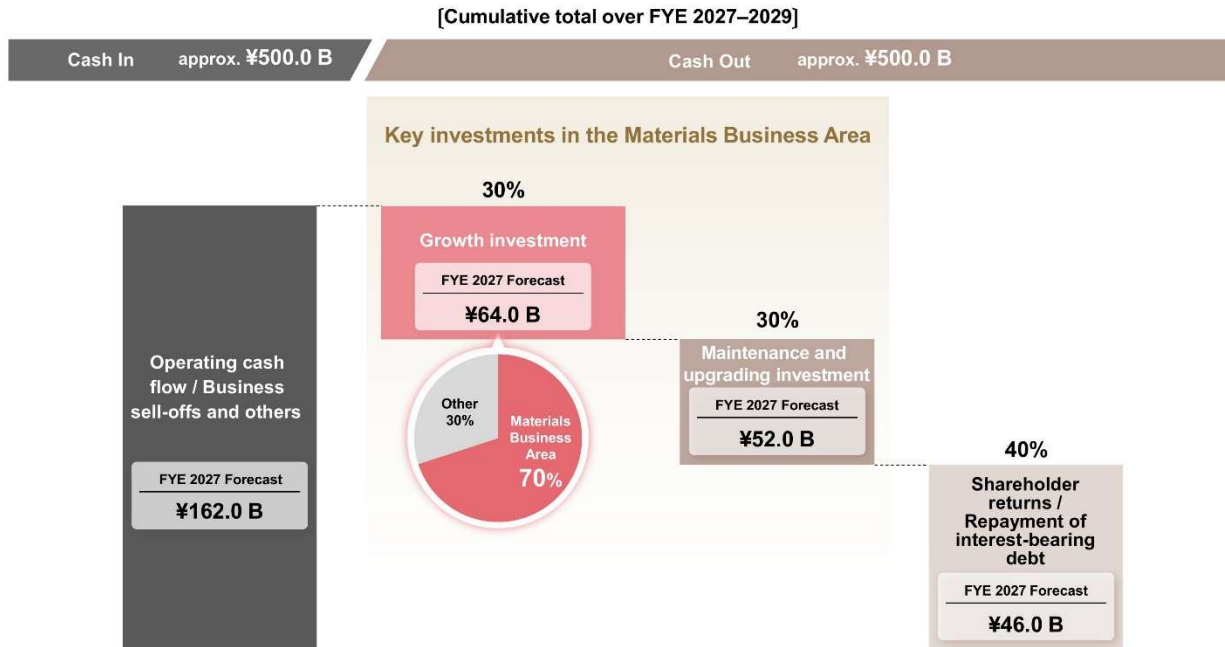
As you can see, we have already announced policies for many items, and they have now moved into the execution phase.

To transform our management model from volume to value, we are simultaneously reducing invested capital, improving profitability, enhancing management efficiency, and pursuing collaboration with external partners.

Going forward, we will ensure the steady execution of the measures shown here. At the same time, including initiatives that have not yet been announced, we will continue to pursue actions that contribute to improving capital efficiency.

## Capital Allocation

### Balancing Growth Investment and Strengthening the Financial Foundation through Capital Allocation Aligned with the MTMS



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Now, let me turn to capital allocation.

As we explained last November, over the three-year period from FYE 2027 to FYE 2029, we expect both cash inflows and cash outflows to amount to approximately ¥500.0 billion.

For growth investment, we will allocate capital with a clear focus on the Materials Business Area.

In FYE 2027, investments associated with the expansion of secondary smelting will begin to move into full scale. Overall, however, progress remains in line with our plan.

## Shareholder Return Policy

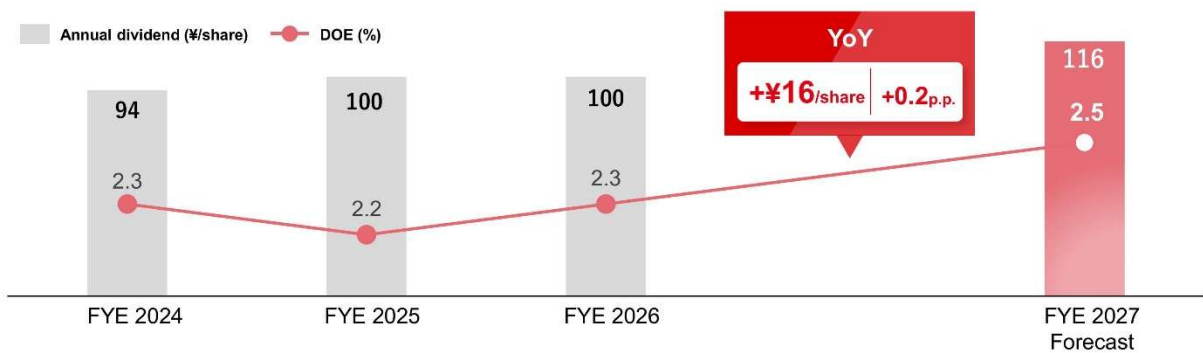
### Deliver Stable Shareholder Returns Based on a Target DOE of 2.5%, while Maintaining Financial Discipline

#### Shareholder Return Policy under FYE2031 Strategy Phase 1

- ▶ Aim for a dividend payout ratio of 30%.
- ▶ Consider flexible share repurchases in light of financial discipline, including cash flow, share price, and the net D/E ratio.

#### Shareholder Return Policy for the MTMS (FYE 2027–29)

- ▶ Aim to provide stable shareholder returns even during the structural reform period.
- ▶ **Set a dividend policy targeting DOE of 2.5%** (dividend on equity; total annual dividends / shareholders' equity at the end of the previous fiscal year), while balancing growth investments and shareholder returns in light of cash flow and financial discipline.
- ▶ Consider share repurchases flexibly, taking into account cash flow, share price levels, and the certainty of achieving the financial targets set for the MTMS (FYE 2027–29) period.



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This slide shows our shareholder return policy.

To provide stable shareholder returns even during the period of structural reform, we will shift our policy to a target DOE of 2.5%. By adopting DOE, which is based on shareholders' equity, we aim to deliver more stable and sustainable returns, even when profits fluctuate temporarily.

With regard to share repurchases, we will consider them flexibly, taking into account cash flow, stock price levels, and the net D/E ratio, in light of financial discipline.

From page 16 onward, I will explain our initiatives by business segment.

On each business slide, the left-hand side shows the trend in ROIC, while the right-hand side summarizes the specific measures supporting its improvement.

Today, rather than listing individual initiatives, I will explain how each business intends to improve ROIC and contribute to enhancing the corporate value of the Group as a whole.

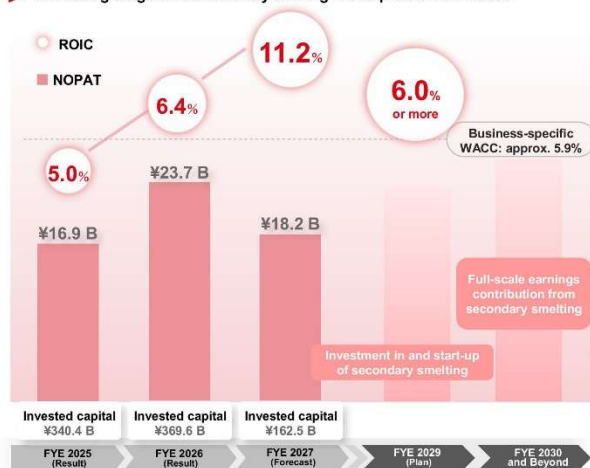
Direction for FYE 2027

Improve ROIC by advancing earnings structure transformation and reduction of invested capital from FYE 2028 onward through domestic business restructuring during FYE 2027

▶ Initiatives in progress ahead of schedule

Key Measures during the MTMS (FYE 2027–29) Period

- ▶ Further reducing copper concentrate processing and transition to secondary smelting
- ▶ Establishing collection systems in Europe, the U.S., and Asia
- ▶ Integrating businesses for the purchase of copper concentrates and the sales of copper cathode and other products derived from copper concentrate
- ▶ Increasing tungsten recycling volume at European sites (H.C. Starck) by 1.5 times
- ▶ Expanding the recycling business by establishing a new recycling site in the U.S.
- ▶ Increasing tungsten collection by utilizing E-Scrap collection routes



FYE 2025 and FYE 2026 results: Simplified reclassification under the new segment structure.  
WACC by business: Reviewed annually following the introduction of the rolling MTMS.

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Progress in FYE 2026

Built a recycling foundation while restructuring the business in Japan

Further reduce copper concentrate processing and transition to secondary smelting

- Decided to reduce copper concentrate processing volume at Onahama Smelter & Refinery by 40% from December 2025 and cease processing of copper concentrates by the end of March 2027.
- Began considering business integration related to the purchase of copper concentrate and sales of copper cathode and other products derived from copper concentrate.
- Completed an initial study for the construction of a smelting plant in Europe.
- Decided on equity investment in ReElement Technologies.

Establish collection systems in Europe, the U.S., and Asia

- Acquired shares in Elemental USA E-Waste & ITAD, Inc.
- Started a W-Scrap collection trial at MMMR in the Netherlands.

Initiatives from FYE 2027 Onward

Complete business restructuring and expand E-Scrap and W-Scrap processing

- Plan to reach a final agreement on business integration related to the purchase of copper concentrate and the sales of copper cathode and other products derived from copper concentrate (closing date TBD).
- Plan to carry out construction in Q4 to expand secondary raw material (E-Scrap) processing at Naoshima Smelter & Refinery (Processing capacity is expected to increase by approximately 30% compared with FYE 2026). Earnings improvement effects from structural reforms are expected to materialize in FYE 2028.
- Promote increased tungsten processing using recycled raw materials at Japan New Metals (Akita) and H.C. Starck.

First, let me turn to the Metals/Resources Circulation businesses.

In this business, we are shifting from the conventional custom smelting model to a resource circulation model centered on secondary materials, or recycled materials.

In Japan, we have decided to reduce copper concentrate processing volume at Onahama Smelter & Refinery by approximately 40% from December 2025, and to cease processing copper concentrates at the end of March 2027. This is an important step not only to protect profitability in a low TC/RC environment, but also to advance our transition toward a resource circulation model.

At Naoshima Smelter & Refinery, we plan to carry out construction work in Q4 of this fiscal year to expand E-Scrap processing capacity by about 30% compared to FYE 2026.

In Europe, we have completed an initial study on the construction of a secondary smelting plant. At the same time, we are working to build collection networks across Europe, the U.S., and Asia.

We have positioned FYE 2027 as the year to complete the restructuring of our domestic business structure. Including participation in a joint procurement scheme, we will drive the transformation of our earnings structure and the reduction of invested capital from FYE 2028 onward, leading to improved ROIC.

Our priority is not simply to withstand low TC/RC conditions. Rather, we will shift to a model that increases profitability through resource circulation, which will help us achieve our financial targets for FYE 2029.

## Materials Business Area (Americas)

### Establishment of Collection Systems in Europe, the U.S., and Asia

**Investment in a North American recycler  
Strengthen E-Scrap collection capacity in the U.S.  
and expand supply areas**



- Decided to invest in Elemental USA E-Waste & ITAD, Inc. to increase the collection of secondary raw materials, including E-Scrap, in the U.S. and strengthen the collection network.
- Aim to build a more resilient and sustainable supply chain for critical materials.
- Acquired a 49% stake in Elemental USA E-Waste & ITAD, Inc. in January 2026 and began dispatching our employees to the company.

### Shift to Secondary Smelting and Creation of New Materials

**Investment in ReElement Technologies and  
signing of a MOU on Japan-U.S. collaboration  
in rare earth and rare metal recycling**



- Decided to invest in ReElement Technologies Corporation, a rare earth refining company.
- Aim to participate in a resource-circulation supply chain in North America and consider commercializing rare earth and rare metal recycling in Japan using ReElement's proprietary chromatography technology.
- Plan to conduct a feasibility study for joint commercialization in Japan in FYE 2027.

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This page shows initiatives in the Americas.

To establish a viable resource circulation business in North America, processing capacity alone is not sufficient. It is also essential to build a stable collection network.

For this reason, we have made a capital investment in Elemental USA E-Waste & ITAD, a North American E-Waste recycler, and have also begun dispatching our personnel to the company. This is not simply a financial investment. By becoming directly involved on the ground, we will strengthen the E-Scrap collection network.

Through our capital participation in ReElement Technologies and Japan-U.S. collaboration, we will work to develop a new resource circulation model in the field of rare earths and rare metals. In FYE 2027, through a feasibility study, we will assess not only whether the technology is viable, but also whether it can generate profits on a sustainable basis as a business.

Our main objective in the Americas is to secure a stable collection network and develop commercialization options for new recycled raw materials.

We position these initiatives as important groundwork for improving ROIC across the Materials Business Area and for enabling secondary smelting to make a full-scale contribution to earnings from FYE 2030 onward.

## Materials Business Area (Tungsten)

Global Establishment of Resource Circulation for Tungsten, a Rare Metal

### Progress toward expanding recycling in Europe through the establishment of W-Scrap collection routes from E-Scrap recyclers



- Utilize MMR in the Netherlands as a scrap collection center to establish routes for collecting tungsten scrap (W-Scrap) from E-Scrap recyclers.
- Established a new business scheme and conducted a W-Scrap collection trial in FYE 2026.
- Applying for permits from the relevant authorities to handle W-Scrap at MMR.

### Progress toward building a stable supply system through the expansion of tungsten recycling



- Promote increased processing of cemented carbide scrap at Japan New Metals' Akita Plant in Japan and H.C. Starck in Germany to minimize risks from the uneven distribution of ore resources and resource localization under the Critical Raw Materials Act.
- As part of these efforts, Japan New Metals has begun establishing a supply system to strengthen domestic tungsten circulation and reduce supply chain risks, with CAPEX of approx. ¥8.0 billion, targeting start-up between 2028 and 2029.
- Began expanding production capacity for high-purity tungsten and tungsten oxide, for which demand is increasing in the electronics industry and other applications, targeting start-up in FYE 2027.

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Next, let me explain the tungsten business.

Tungsten is a material with extremely high supply chain risk due to the uneven regional distribution of resources, geopolitical risk, and resource-securing policies of various countries. Thus, for tungsten, circulation itself is a source of competitiveness. We will address this challenge by building a global circulation model centered on recycling.

In Europe, we will use MM Metal Recycling in the Netherlands as a scrap collection center. We are conducting trials to establish a collection route for tungsten scrap, while also obtaining the necessary permits and approvals.

In addition, we have initiated capital investments at Japan New Metals in Japan and H.C. Starck in Europe to enhance tungsten circulation within each region.

In Japan, we are also expanding our production capacity for high-purity tungsten and tungsten oxide, for which demand is growing in the electronics and other industries.

Through the establishment of tungsten scrap collection routes, increased recycling processing in Japan and Europe, and expanded sales of high value-added products, we will strengthen profitability in this business.

## Materials Business Area (Copper & Copper Alloy Products)

Direction for FYE 2027

### Stabilize earnings and improve capital efficiency

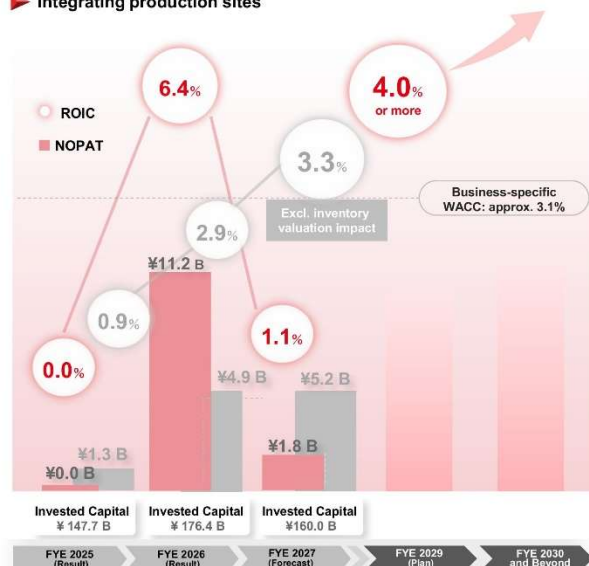
through a shift to high-value-added products and production structure reforms

▶ Initiatives in progress ahead of schedule

Key Measures during the MTMS (FYE 2027–29) Period

▶ Shifting to high-value-added products

▶ Integrating production sites



FYE 2025 and FYE 2026 results: Simplified reclassification under the new segment structure.  
WACC by business: Reviewed annually following the introduction of the rolling MTMS.

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Progress in FYE 2026

**Promote production rationalization and transition to high-value-added products**

**Organizational integration of production sites**

- Decided to integrate the Western Japan production sites, Sakai Plant and Sambo Plant, to improve productivity and accelerate business growth.

**Shift to high-value-added products**

- To meet growing demand driven by improvements in xEV performance, we newly developed "MOFC™-HR Dual-Gauge Strip," high-strength, high-heat-resistant oxygen-free copper.

Initiatives from FYE 2027 Onward

**Promote sales expansion of high-value-added products and the establishment of resource circulation loops**

**Organizational integration of production sites**

- "Osaka Plant" was launched through the integration of Sakai Plant and Sambo Plant.

**Shift to high-value-added products**

- Accelerate the adoption and sales expansion of oxygen-free copper strips for xEVs through close collaboration with customers.
- Focus on developing the Taiwan market, where growth is expected, for oxygen-free copper strips used in heat spreaders for AI data centers.

**Establishment of circulation loops**

- Promote the application of the mass balance credit model at all sites to meet customer needs for recycled copper supply.
- Begin considering a project to increase scrap processing at Osaka Plant.

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In the Copper & Copper Alloy Products business, we will pursue two initiatives in parallel: shifting to high value-added products and reforming our production structure.

We will integrate the Sakai Plant and the Sambo Plant into the Osaka Plant, thereby optimizing our production system. At the same time, we will focus on markets with strong growth potential, including oxygen-free copper strips for xEVs and heat spreader applications for AI data centers.

In addition, to respond to customer needs for recycled copper supply, we will promote the application of the mass balance credit model and work to establish resource circulation loops. Our key measures are to improve production efficiency through site integration, shift toward high value-added products, and expand the circular use of scrap.

Through these measures, we aim to build an earnings base that is less susceptible to inventory valuation effects, and thereby contribute to achieving our financial targets for FYE 2029.

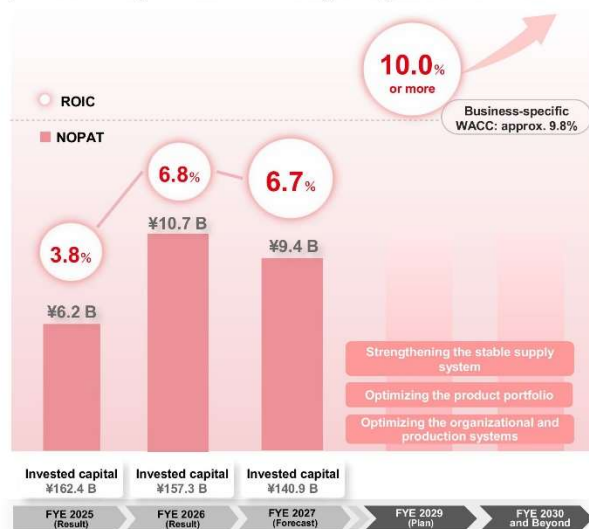
## Products Business Area (Metalworking Solutions)

Direction for FYE 2027

Contribute to ROIC improvement through structural reforms and a higher ratio of high-value-added products

### Key Measures during the MTMS (FYE 2027–29) Period

- ▶ Shifting to high-value-added products
- ▶ Optimizing the portfolio
- ▶ Consolidating sites and streamlining the organization and workforce



FYE 2025 and FYE 2026 results: Simplified reclassification under the new segment structure.  
WACC by business: Reviewed annually following the introduction of the rolling MTMS.

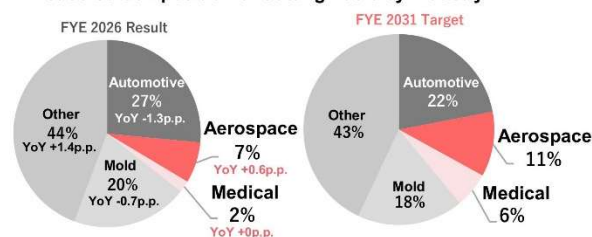
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### Progress in FYE 2026

#### Net sales for the aerospace industry increased 15% YoY

- Expanded the lineup and sales of solid tools, MP90/91 inserts, and MV10/90 series products for machining difficult-to-cut materials, such as titanium alloys and nickel-based heat-resistant alloys, to customers engaged in aircraft engine component processing.
- Net sales in FYE 2026 increased 15% year-on-year.
- CAGR in the post-COVID-19 period from FYE 2024 to FYE 2026 was 12%.

#### Net Sales Composition of Cutting Tools by Industry



### Initiatives from FYE 2027 Onward

#### Provide high-value-added products based on a stronger supply chain through resource circulation

- Strengthen the stable supply system for cemented carbide products by procuring tungsten raw materials through recycling.
- Promote the optimization of market and product portfolios, and develop and expand sales of high-value-added products, particularly for the aerospace industry.
- Execute structural reforms, including site consolidation and streamlining of the organization and workforce.

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Next is the Metalworking Solutions business.

In this business, a major strength is our ability to build a stable supply structure by utilizing recycled tungsten raw materials. Building on this stable supply foundation, we will consolidate sites, streamline our organization and workforce, and optimize our product portfolio.

Sales of products for the aerospace industry have been growing steadily, with a 15% YoY increase in FYE 2026 and a CAGR of 12% from FYE 2024 to FYE 2026. We will continue to accelerate development and sales expansion in higher value-added fields such as aerospace, medical, and semiconductors.

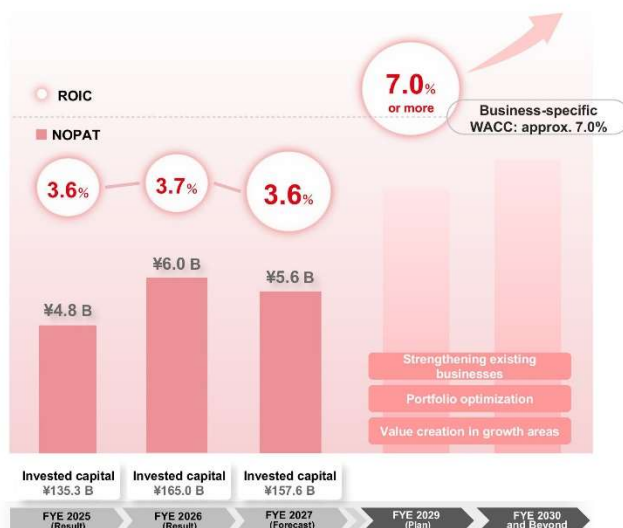
From FYE 2027 onward, we aim to achieve our financial targets for FYE 2029 by combining stable procurement through tungsten circulation, site consolidation, organizational streamlining, and optimization of the product portfolio.

Direction for FYE 2027

## Promote portfolio restructuring and improve production efficiency to steadily improve profitability and capital efficiency

### Key Measures during the MTMS (FYE 2027–29) Period

- ▶ Shifting to high-value-added products
- ▶ Optimizing the portfolio



FYE 2025 and FYE 2026 results: Simplified reclassification under the new segment structure.

WACC by business: Reviewed annually following the introduction of the rolling MTMS.

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### Progress in FYE 2026

#### Promote portfolio optimization and improve production efficiency

- **Withdrawal from the hydrofluoric acid business (Mitsubishi Materials Electronic Chemicals)**  
Decided to withdraw from the hydrofluoric acid business due to the rise of competitors in Asia and aging manufacturing facilities.
- **Construction of Kumagaya Works No. 2 : Sealing Materials (Mitsubishi Cable Industries)**  
Provide high-value-added sealing products mainly for semiconductor manufacturing equipment and pneumatic equipment. Kumagaya Works No. 2 is a smart plant utilizing automation and DX, with benefits expected to materialize from 2027 onward.

### Initiatives from FYE 2027 Onward

#### Drive further improvements in profitability and capital efficiency

##### Strengthen existing businesses

- Accelerate the ramp-up of investment projects and improve the speed of return on investment.
- Improve production efficiency through automation.

##### Optimize the product and business portfolio

- Shift to high-value-added products through active portfolio reshuffling and create value in growth areas.

##### Create value in the growth area

- Create and monetize new products in the semiconductor and thermal management fields.

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In the Advanced Products business, we will improve profitability and capital efficiency by strengthening existing businesses and optimizing our business and product portfolios.

We have decided to withdraw from the hydrofluoric acid business at Mitsubishi Materials Electronic Chemicals.

At the Kumagaya Works No. 2 of Mitsubishi Cable Industries, we are promoting the development of a smart factory utilizing automation and digital transformation in order to provide high value-added sealing products. The effects are expected to emerge from FYE 2028 onward.

In addition, we will work to create new products and generate profits in the semiconductor and thermal management fields to create value in these future growth areas.

We aim to achieve our financial targets for FYE 2029 by improving the efficiency of invested capital and profitability through withdrawal from unprofitable businesses, early turnaround of investment projects, improvement of production efficiency through automation and DX, and creation of new products in growth areas.

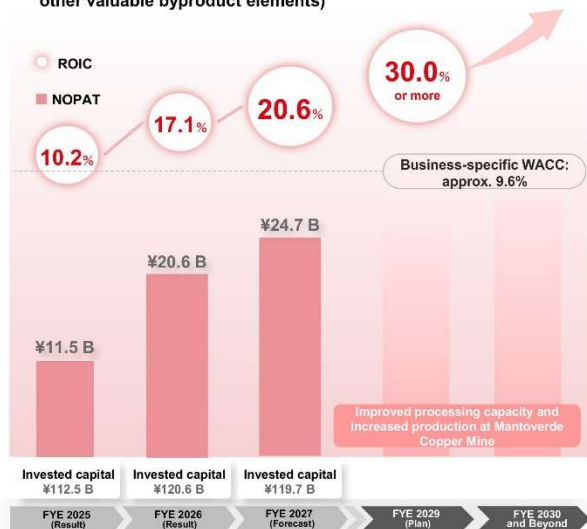
## Mineral Resources Business

Direction for FYE 2027

### Maximize the value of existing interests and contribute to profit growth and ROIC improvement from FYE 2028 onward

#### Key Measures during the MTMS (FYE 2027–29) Period

- Improving the profitability of existing interests
- Increasing the ratio of our copper share\* to our total processing volume
- Creating technologies to help alleviate the increasing developing and operating costs of copper mines (collecting cobalt, scandium, and other valuable byproduct elements)



FYE 2025 and FYE 2026 results: Simplified reclassification under the new segment structure.  
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\*Copper production at mines in which we are invested × investment ratio

#### Progress in FYE 2026

##### Final investment decision made for expansion contributing to earnings growth from FYE 2028 onward

- Final investment decision (FID) for the Mantoverde expansion project (MV-O) in Chile was made in August 2025, and construction has commenced. The project is progressing as planned as of the end of FYE 2026.

#### Initiatives from FYE 2027 Onward

##### Promote expansion work that will contribute to earnings growth from FYE 2028 onward

- The Mantoverde expansion project (MV-O) in Chile is currently underway. Start-up is scheduled for Q4 2026, with full-scale operation planned for early 2027. Earnings contribution is expected from January 2027, Q1.
- Through this expansion, concentrator processing capacity will increase from 32 kt/day to 45 kt/day. Annual copper and gold production will increase by 20 kt and 6 koz, respectively. The mine life is expected to be extended by six years (from 19 to 25 years).

##### [Expansion plan for concentrator throughput capacity at Mantoverde Mine]



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Next, let me turn to the Mineral Resources business.

Under the current Medium-term Management Strategy, Metals/Resources Circulation is positioned within the Materials Business Area, while the Mineral Resources business is organized as an independent reporting segment.

In the Mineral Resources business, we will continue to maximize the value of existing interests through technical and project support. Through these efforts, we aim to achieve ROIC of 30% or higher from FYE 2029 onward.

During the period of the Medium-term Management Strategy, we will move forward with the expansion of concentrator processing capacity at the Mantoverde Copper Mine in Chile. Full-scale operation is scheduled to begin in early 2027. Through this expansion, daily concentrator processing capacity is expected to increase by approximately 1.4 times, and the mine life is expected to be extended by six years.

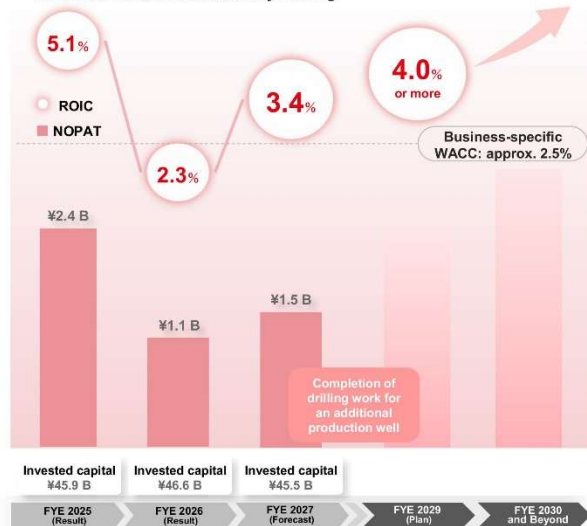
# Renewable Energy Business

Direction for FYE 2027

**Strengthen the earnings base of the renewable energy business by stabilizing operations at existing power plants and developing new sites**

### Key Measures during the MTMS (FYE 2027–29) Period

- Improving the resiliency and efficiency of our existing power plants
- Pioneering new development sites leveraging our geothermal development capabilities
- Broadening our operations and diversifying our profit streams by expanding into onshore windfarms and electricity retailing



FYE 2025 and FYE 2026 results: Simplified reclassification under the new segment structure.  
WACC by business: Reviewed annually following the introduction of the rolling MTMS.

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### Progress in FYE 2026

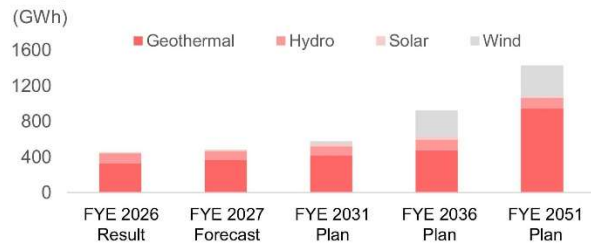
#### Implemented measures to address operational risks and began power supply through self-consignment

- Completed enhancements to lightning strike protection at Appi Geothermal Power Plant.
- Established Torinooku Solar Power Plant and began supplying power to Akashi Plant in November 2025, marking our first use of the self-consignment scheme.

### Initiatives from FYE 2027 Onward

#### Expand operational risk countermeasures and broaden the scope of power supply through self-consignment

- Plan to supply power to Wakamatsu Plant by utilizing company-owned land in Odate City, Akita Prefecture, and Hachinohe City, Aomori Prefecture.
- Plan to complete the installation of PDCE polarity-reversing lightning rods, which are designed to prevent lightning strikes.
- Plan to complete drilling work for the additional production well APP-6 at Appi Geothermal Power Plant. This is expected to contribute to profit growth from FYE 2028.



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Lastly, let me explain the Renewable Energy business.

In this business, based on the lessons learned from the suspension of operations at the Appi Geothermal Power Plant following the lightning strike last year, we will strengthen the earnings base by enhancing the resilience of existing power plants and developing new sites.

Specifically, we will proceed with additional production drilling at the Appi Geothermal Power Plant, expand self-wheeling initiatives, and strengthen measures to address operational risks.

Through these initiatives, we aim to achieve earnings growth from FYE 2028 onward.

That concludes my explanation.

As supplementary materials, the following slides provide further details on the management foundation that supports our sustainable growth, including our human resources strategy, technology and product development strategy, and digital strategy. Please refer to them later.

The message I wanted to convey today is simple. In response to structural changes in the external environment, Mitsubishi Materials will not take a passive stance. Instead, we will turn resource circulation into a growth opportunity and transform the structure of our businesses.

In that process, we will reduce invested capital, improve profitability, and enhance the quality of management with ROIC as our key metric.

Our goal is to become a company committed to “creating the future through resource circulation.”

We will execute with speed and demonstrate our progress through tangible results and numbers.

We sincerely ask for your continued understanding and support.

## Question & Answer

**Questioner [Q]:** Against the backdrop of an increasingly challenging business environment, you have set forth a shift to recycling. In what way will secondary smelting and tungsten recycling contribute to the income statement?

**Tanaka [A]:** With regard to copper, at the current TC/RC levels, smelting from primary raw materials (copper concentrate) does not provide a structure that enables us to secure profitability. Therefore, we will proceed with a shift to secondary raw materials, mainly E-Scrap, to ensure profitability. If the same quantity is processed as for primary raw materials, we expect to be able to generate several times the profit from secondary raw materials compared with primary raw materials.

Regarding tungsten, the price of ammonium paratungstate (APT), an intermediate raw material, has risen sharply, and scrap transaction prices have also risen. However, the rise in scrap prices has been slower than the rise in APT prices, and therefore the relative margin has expanded. Conversely, when APT prices fall, there is a possibility that scrap prices will remain high, and therefore there is uncertainty. However, at the current price levels, we expect that the profit margin will be higher than that for ore-derived raw materials.

**Questioner [Q]:** Is it correct to understand that it is easier to secure profits under tight supply-demand conditions for primary raw materials?

**Tanaka [A]:** That is correct. When the price of primary raw materials rises, the price of secondary raw materials also rises, but the rate of increase is slower for secondary raw materials.

**Questioner [Q]:** You said that smelting using secondary raw materials is in the verification stage. Are you planning to proceed based on TSL furnaces as planned?

**Inoue [A]:** We are developing a plan based on TSL furnaces.

**Questioner [Q]:** Have any unexpected events occurred in terms of collection and marketing?

**Inoue [A]:** No unexpected events have occurred. In Europe, secondary raw materials are an important resource, and there is growing momentum to recycle them within the region.

**Questioner [Q]:** What is the situation in the U.S.?

**Inoue [A]:** Recycling laws and regulations are not as well developed in the U.S. as in Europe, but there is a movement to strengthen recycling. Expectations for the secondary smelting business are rising, as there is also a movement to recover supply capacity given that smelting capacity has been almost completely lost.

**Questioner [Q]:** What is the outlook for further profit growth as the capacity expansion at Mantoverde Mine progresses?

**Hirano [A]:** The capacity expansion was decided in August last year, and the expansion work is underway. The work is progressing as planned, and is expected to contribute to business results from the first quarter of next fiscal year. The production volume is expected to increase by about 1.4 times, and we believe that profit contribution will also increase by around 1.4 times.

**Questioner [Q]:** The construction of new secondary smelting plants in Europe and the U.S. will be a long-term project. Will the situation in which secondary raw materials are less expensive than primary raw materials continue?

**Inoue [A]:** As you know, the supply and demand for primary raw materials are tight, which is disadvantageous for smelters. Secondary raw materials are not so much less expensive as they are raw materials that make it easier for smelters to secure profitability, because they have significant earnings factors equivalent to TC/RC and a high concentration of valuable metals. There is a possibility that these materials will become commodities and competition to acquire them will intensify, but we believe that the sustainability of the business will be maintained as moves to secure important minerals within each region intensify.

**Questioner [Q]:** Could you comment on the status of technological development for copper smelting using only recycled raw materials?

**Inoue [A]:** In Europe, we will use the processes incorporated in the TSL furnace, but we will operate by adding our own smelting technology and knowledge that we have accumulated to technical support from the provider. In the U.S., we cannot give details, but some verification at the laboratory stage remains.

**Questioner [Q]:** Regarding the recycling of rare earths and rare metals, please comment on the time frame for commercialization and your technological advantages.

**Inoue [A]:** We have been involved in the nuclear energy business in the past, and we are verifying whether the separation and purification technology cultivated in that business can be applied to the chromatography technology used for the separation and purification of rare earths. Rather than conducting long-term verification, we would like to disclose the details and scale of the business relatively soon.

**Questioner [Q]:** You said that you would reduce the total amount of invested capital by approximately ¥300.0 billion. Could you explain the breakdown?

**Hirano [A]:** As described on page 16 of the presentation materials, we expect to reduce the amount of invested capital by approximately ¥200.0 billion in the Materials Business Area (Metals/Resources Circulation). The remaining ¥100.0 billion is mainly due to the sale of idle assets in Corporate and other divisions and the accumulation of matters under consideration.

**Questioner [Q]:** At the beginning of last fiscal year, you said that you would record approximately ¥140.0 billion in operating cash flow for FYE 2026. Why is this not recorded in either the results for FYE 2026 or the forecast for FYE 2027?

**Hirano [A]:** At the beginning of last fiscal year, we had expected to record a special dividend from a subsidiary, but this was offset by the rapid depreciation of the yen from around November and the increase in working capital due to the rise in copper prices. As a result, this did not materialize.

**Questioner [Q]:** At past briefings, you said that about half of the ¥150.0 billion in growth investments over the three years would be related to construction plans for secondary smelting plants in Europe and the U.S. Could you comment again on whether the breakdown of the ¥150.0 billion has changed?

**Inoue [A]:** While also strengthening our financial position, as for growth investments, we will continue to invest globally to strengthen the resource circulation business, particularly in the Materials Business Area, including smelting using secondary raw materials, the expansion of E-Scrap processing capacity, and tungsten recycling. Although we will examine the details more closely going forward, for the period from FYE 2027 to FYE 2029, we have factored in around ¥65.0 billion in Europe, ¥25.0 billion in Japan, ¥15.0 billion in the U.S., and ¥150.0 billion in total, including other growth investments.

**Questioner [Q]:** With regard to ordinary profit, you expect an improvement of ¥12.0 billion from ¥73.0 billion in FYE 2027 to ¥85.0 billion in FYE 2029. Could you explain separately the effects of structural reforms on costs and the effects of investments on profits?

**Hirano [A]:** Of the ¥12.0 billion, we expect an improvement of over ¥6.0 billion from the effects of the expansion of Naoshima Smelter & Refinery and structural reforms. On the investment side, we expect an improvement of around ¥5.0 billion due to the expansion of Mantoverde Mine.

**Questioner [Q]:** Could you elaborate on how the structural reforms described in the business overview and the initiatives from FYE 2027 onward will affect earnings?

**Hirano [A]:** The initiatives from FYE 2027 onward will be implemented in the future, and some have not yet been factored in. We believe that it is possible to further increase profits as we promote structural reforms.

[End]