

Investor Conference

My name is Ono, and I am the Chief Executive Officer of Mitsubishi Materials Corporation (hereinafter referred to as “the Company”). I would like to thank all of you for coming to our Investor Conference today. I also would like to apologize to our investors and other stakeholders for the inconvenience caused by the postponement of the earnings announcement and Investor Conference for the second quarter over one month from the original schedule. Now, I would like to begin this conference based on the materials.

Results for the first six months of the fiscal year ending March 31, 2021 (compared with the previous year results)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Results for the first six months of the fiscal year ending March 31, 2021 (compared with the previous year results)

Comparison with the previous year results			
Net sales	: While net sales increased in the Metals Business, net sales decreased in other businesses, resulting in a decrease in net sales as a whole		
Operating profit	: While operating profit increased in the Metals Business and the Aluminum Business, operating profit decreased in other businesses, resulting in a decrease in operating profit as a whole		
Ordinary profit	: Decreased due to a decrease in operating profit		
Profit (loss)*	: Decreased due to a decrease in ordinary profit and an increase in extraordinary loss, etc.		
Dividend	: Interim dividends are not paid		

(Unit: billion yen)	Results for the first six months of the fiscal year ended March 31, 2020 (a)	Results for the first six months of the fiscal year ending March 31, 2021 (b)	Difference (b)-(a)
Net sales	748.4	725.5	-22.8
Operating profit (loss)	16.9	6.8	-10.0
Ordinary profit (loss)	27.2	16.4	-10.7
Profit (loss)*	4.5	-19.1	-23.6
Dividends per share (yen)	40.0	0	-40.0
Exchange rate (against USD)	109 yen	107 yen	-2 yen
Copper price (LME)	270¢/lb	269¢/lb	-1¢/lb

*Profit (loss) attributable to owners of parent

Please see the performance summary on page 3. I will briefly go through the summary. First, page 3 shows year-on-year comparison of the results for the first six months.

As you can see, it shows a major decline from the previous year. Such a decline resulted from a drop in profits in all businesses except for certain businesses such as the Metals Business and Aluminum Business. In addition, profit (loss) attributable to owners of parent was affected by recording business restructuring expenses as an extraordinary loss.

Results for the first six months of the fiscal year ending March 31, 2021 (compared with forecast announced on August 6, 2020)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Results for the first six months of the fiscal year ending March 31, 2021 (compared with forecasts announced on Aug 6, 2020)

Comparison with forecasts announced on Aug 6, 2020

Net sales	: While net sales decreased in the Cement Business and the Aluminum Business, etc., net sales increased in the Advanced Products, Metalworking Solutions Business, the Metals Business and the Environment & Energy Business, resulting in an increase in net sales as a whole
Operating profit	: While operating profit decreased in the Cement Business, operating profit increased in other businesses, resulting in an increase in operating profit as a whole
Ordinary profit	: Increased due to the increased operating profit and dividend income, etc.
Profit (loss)*	: Decreased due to the increased extraordinary loss, etc. despite the increased ordinary profit
Dividend	: Remains the same as the previous forecasts

(Unit: billion yen)	Forecasts for the first six months of the fiscal year ended March 31, 2021 (a) (Announced on Aug 6, 2020)	Results for the first six months of the fiscal year ending March 31, 2021 (b)	Difference (b)-(a)	Forecasts for the first six months of the fiscal year ending March 31, 2021 (Announced on Sep 29, 2020)
Net sales	720.0	725.5	+5.5	710.0
Operating profit (loss)	-2.0	6.8	+8.8	5.0
Ordinary profit (loss)	0	16.4	+16.4	14.0
Profit (loss)*	-5.0	-19.1	-14.1	-20.0
Dividends per share (yen)	0	0	-	
Exchange rate (against USD)	107 yen	107 yen	-	
Copper price (LME)	266¢/lb	269¢/lb	+3¢/lb	

* Profit (loss) attributable to owners of parent

Page 4 shows a comparison of the actual results with the earnings forecast for the first six months of the FY2021 announced at the same time with the earnings announcement for the first quarter on August 6, 2020. While the actual results mostly went upward, the profit (loss) attributable to owners of parent was decreased, as shown in the previous page.

Earnings forecast for full fiscal year ending March 31, 2021 (compared with forecast announced on August 6, 2020)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Earnings forecasts for the full fiscal year ending March 31, 2021 (compared with the forecast announced on Aug 6, 2020)

Comparison with forecasts announced on Aug 6, 2020

Net sales

: While net sales decreased in the Metalworking Solutions Business, the Cement Business and the Aluminum Business, etc., net sales increased in the Advanced Products, the Metals Business and the Environment & Energy Business, resulting in an increase in net sales as a whole

Operating profit

: While operating profit decreased in the Cement Business, operating profit increased in other businesses, resulting in an increase in operating profit as a whole

Ordinary profit

: Increased due to the increased operating profit and dividend income, etc.

Profit (loss)*

: Deficit will be eliminated as a result of the increased ordinary profit despite an increase in extraordinary loss, etc.

Dividend

: Remains the same as the previous forecasts

Measures to improve earnings : Implementing about 25 billion yen measures to improve earnings against the recent declining demand caused mainly by COVID-19.

(Unit: billion yen)	Forecasts for the full fiscal year ending March 31, 2021 (a) (Announced on Aug 6, 2020)	Forecasts for the full fiscal year ending March 31, 2021 (b) (Announced on Dec 16, 2020)	Difference (b)-(a)	Forecasts for the full fiscal year ending March 31, 2021 (Announced on Sep 29, 2020)
Net sales	1,410.0	1,450.0	40.0	1,420.0
Operating profit (loss)	-5.0	8.0	13.0	0
Ordinary profit (loss)	0	20.0	20.0	7.0
Profit (loss)*	-10.0	0	10.0	-20.0
Dividends per share (yen)	40.0	40.0	-	
Exchange rate (against USD)	107 yen	106 yen	-1 yen	
Copper price (LME)	278¢/lb	288¢/lb	10¢/lb	

5 * Profit (loss) attributable to owners of parent

 MITSUBISHI MATERIALS

Page 5 shows the full-year earnings forecast for the fiscal year ending March 31, 2021, compared to the forecast announced on August 6, 2020, showing increased sales in many businesses. While sales have decreased in the Cement Business and Aluminum Business, we expect operating profits and ordinary profits to go above the forecast announced on August 6, 2020.

On the other hand, we forecast the profit (loss) attributable to owners of parent to be "no loss or gain" here, due to the upward in profits at each stage and the reduction of strategic holdings, etc., despite the extraordinary loss recorded in the second quarter. The dividend is set at 40 yen per share which is the same as in the previous forecast.

The case at Robertson's Ready Mix, Ltd. (RRM) and other companies

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Regarding the case at Robertson's Ready Mix, Ltd. (hereinafter referred to as "RRM") and other companies

*For details, please see "Notice on Submission of Consolidated Financial Results for the Six Months Ended September 30, 2020" (announced on December 16, 2020)

Overview of the Case	It turned out that RRM and other companies (all of which are consolidated subsidiaries of the Company located in the U.S., hereinafter collectively referred to as "RRMs") conducted transactions with companies in which some senior executives of RRM have jointly invested (hereinafter referred to as the "Case").	
Overview of investigation	A: Investigation into the facts of the Case B: Verification of whether there were any inappropriate transactions other than the Case within RRM C: Investigation into existence of similar incidents in the Group	
Result of investigation	A It turned out that RRM had been overcharged B, C No existence was identified ► Impact on the Company's consolidated financial statements for the fiscal year ending March 31, 2021: Profit (loss) attributable to owners of parent -293 million yen	
Cause of incidence of the Case		RRMs recurrence prevention measures
(i) Insufficient checks on senior executives [Minimized involvement in RRM to maintain a climate that supported RRM's success up to that period.] (ii) The Company did not fully ascertain the realities within RRM [Merely receiving periodic reports on management conditions and accordingly did not fully ascertain the realities within RRM] (iii) Concentration of authorities in senior executives and the culture to follow the top [History of success by top-down management as an owner-managed company] (iv) There were no clear internal rules prohibiting a conflict-of-interest transaction (v) The whistle-blowing system was not sufficient		<ul style="list-style-type: none"> ● Enhancement of compliance system at RRM [(i)/(ii)/(iii)/(iv)] 1) Establish a management team at RRM, and have it conduct an advance review of material matters sanctioned by senior executives 2) RRM shall have a Compliance Officer and necessary staff <ul style="list-style-type: none"> • Confirmation of status of new/existing business partners • prevent unfair transactions / enhancement of internal control and preparation of necessary internal rules • Implementation of compliance education • Implementation of investigation into misconduct/ conduct a fraud audit ● Establish external contact window for reporting with attorneys-at-law being the contact window[(v)] ● Renovation and enhancement of management system at RRM by appointing senior executives dispatched from shareholders[(i)/(ii)/(iii)] ● Enhancement of board of directors' effectiveness and enhancement of conversations with executives at subsidiaries [(i)/(ii)/(iii)]
The Group-wide internal control enhancement measures (prevention and early detection of misconduct by senior executives)		
<ul style="list-style-type: none"> ● Enhancement of internal control (Dispatch of several full-time Officers from the parent company or enhancement of supervisory functions of part-time officers dispatched from the parent company, obligating advance notification to the company regarding Holding Concurrent Position and the Related Parties Transaction to the Officers of the Company and subsidiaries, confirmation of the status of Holding Concurrent Position and the Related Parties Transactions thereof, introduction of a whistle-blowing system at overseas subsidiaries, preparation of necessary internal rules) ● Enrichment of measures for enhancement of Officers' awareness (expansion of officer governance training) ● Enhancement of communications between management divisions of the parent company and subsidiaries(second line of defense) ● Expansion of internal audit 		

Page 6 outlines "the Case at Robertson's Ready Mix, Ltd. (RRM) and other companies (hereinafter collectively referred to as "RRMs")" which was the reason for the postponement of the announcement. RRM is a company which engages in ready-mixed concrete business in the U.S. For details, please also see "Notice Regarding Submission of the Second Quarterly Securities Report for the Fiscal Year Ending March 31, 2021" which is announced at 3:00 PM today.

First, here is the summary of the Case. It turned out that RRM in the U.S. conducted transactions with companies in which some senior executives of RRM have jointly invested. In response to this, the Company first investigated the facts of the Case, then checked the existence of other inappropriate transactions at RRM, and then broadened our investigation to see if we have any similar incidents in our entire group.

As some circumstances directly related to this case, it turned out that RRM had been overcharged from companies in which some senior executives of RRM have jointly invested. On the other hand, no existence of other cases or similar incidents in our group were identified as a result of the investigation.

The impact of this overcharging on the consolidated financial statements for the fiscal year ending March 31, 2021 is a decrease of profit (loss) attributable to owners of parent by 293 million yen, as shown in the slide.

A box on the left-hand side in the middle of the slide shows the causes of incidence of the Case and a box on the right-hand side shows the corresponding recurrence prevention measures at RRM. We identified five causes of incidence of the Case. First, checks on senior executives was insufficient. The second cause is that the Company did not fully ascertain the realities within RRM enough to identify transactions similar to the Case.

The third is that RRM had achieved success as an owner-managed company and has the largest share in the ready-mixed concrete market in Southern California, and its “top-down corporate culture” as an owner-managed company may have delayed discovery of such fact.

The fourth cause is that there no clear internal rules prohibiting a conflict-of-interest transaction at RRM. The fifth cause is that although RRM has a whistle-blowing system, as the system was via reporting line, it was unlikely that anyone would report misconduct of senior executives.

As a measure to prevent any recurrence, RRM has established a management team and had it conduct an advance review of materials matters sanctioned by senior executives in order to strengthen their compliance system. Also, RRM shall have a compliance officer and necessary staff. Their roles include confirmation of status of new or existing business partners, prevent unfair transactions, enhancement of internal control as well as preparation of necessary internal rules, implementation of compliance education, implementation of investigation into misconduct and audits to find misconduct.

Furthermore, in terms of the whistle-blowing system, RRM is planning to establish an external contact window for reporting with attorneys-at-law being the contact window. RRM will also renovation and enhancement of management system at RRM by appointing senior executives dispatched from its shareholders. In addition, to enhance effectiveness of the board of directors, the parent companies of RRM will enhance conversations with executives at subsidiaries as a measure to prevent any recurrence.

At the same time, as stated at the bottom of the slide, the Company will strengthen the Group-wide internal control. This is because the Company need to enhance measures to have prevention and early detection of misconduct of senior executives. Specifically, this includes the measures as indicated in the parentheses in the slide.

We will also enhance measures to raise awareness among executives. We will expand the executive governance training program, which has been conducted mainly for executives of domestic subsidiaries, to include executives of overseas subsidiaries. We also plan to reinforce communication between control teams of the parent and subsidiaries, which corresponds to the second defense among the “Three Defense Lines”, so to speak.

We will expand the scope of internal audits by incorporating these points into audit targets of the audit division. They are our measures to reinforce our organization and we will make every effort to prevent any recurrence by ensuring prompt implementation of those measures and their follow-up.

Optimization of business portfolio

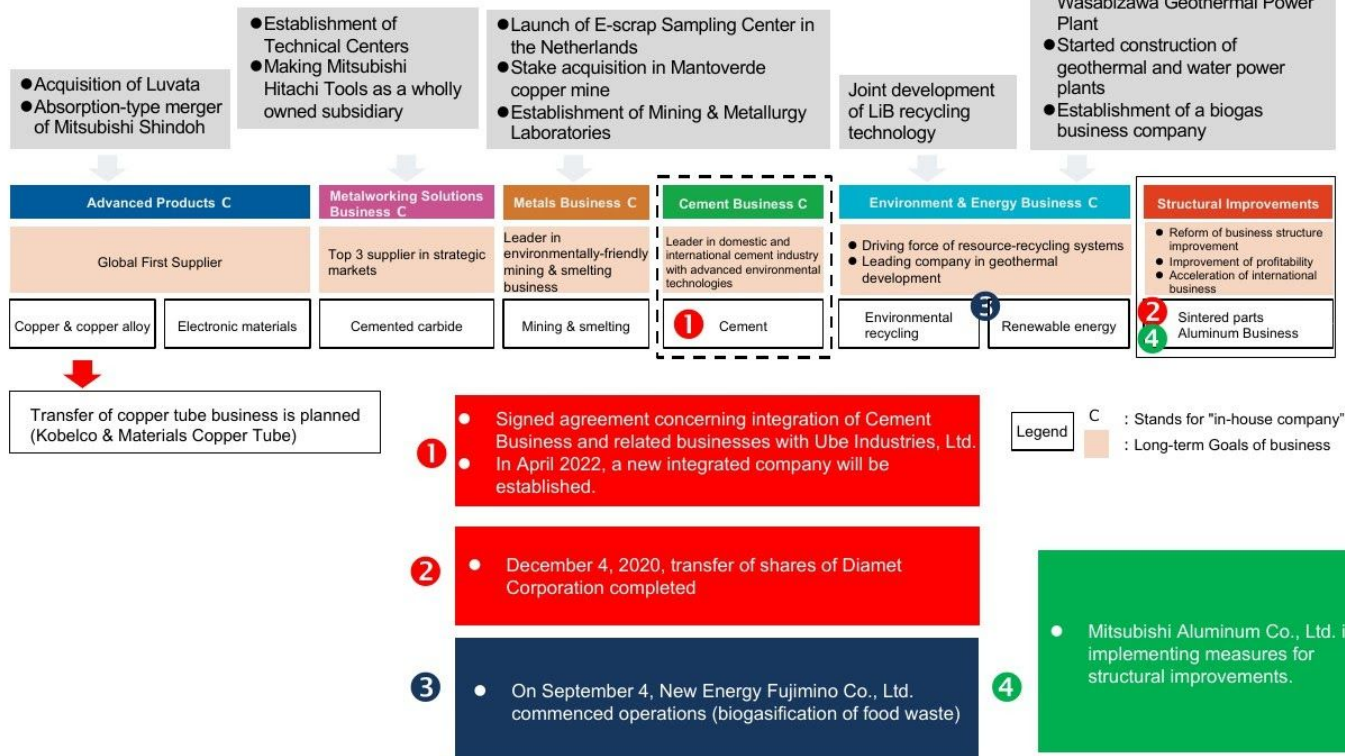
1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Optimization of Business Portfolio

Reformation of business structure



8

MITSUBISHI MATERIALS

I would like to explain the progress of the Medium-term Management Strategy starting on Page 8. Over the next three pages, I would like to give you the details on the specific measures related to three key points identified as the Group-wide Policy in the upper right-hand corner.

The first point of the Group-wide Policy is "Optimization of Business Portfolio". The upper part of the slide shows the various businesses that we are engaged in, categorized by in-house company. First business to be targeted for business optimization is the Cement Business. We have executed definitive agreement concerning integration of the Cement Business and related businesses with Ube Industries, Ltd on September 2020. As a result, a new integrated company will be established by April 2022. Currently, we are working diligently to prepare for this.

The second target for business optimization is the Sintered parts business. We have positioned this business as one that requires "structural improvements" in the upper rightmost row. Specifically, it is about Diamet Group. We have completed a transfer of stocks for the Diamet Group on December 4, 2020.

The third target is the Environment & Energy Business Company. New Energy Fujimino Co., Ltd. commenced operations in September 2020. It is a recycling business that collects food waste for biogasification to generate electricity without producing secondary waste by disposing of plastics and sludge produced in the course of power generation in a cement plant. This is a company that we have started up.

The fourth target is related to the Aluminum Business. We have positioned this business as one that requires structural improvement. For Mitsubishi Aluminum Co., Ltd. in particular, we have formulated and implemented a variety of structural improvement measures, which we are continuing to proceed with.

Comprehensive efforts to increase business competitiveness

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Comprehensive efforts to increase business competitiveness

Digital Transformation Strategy

The Group will use Digital Transformation (DX) to strengthen three key pillars of businesses, which are “Business added-value”, “Business operation competitiveness”, and “Management speed”, and thereby realize its goal of being a “leading company.”


- <Group-wide Policy>
- Optimization of Business Portfolio
 - Comprehensive efforts to increase business competitiveness
=>Manufacturing excellence, quality management and digital transformation strategies
 - Creation of new products and businesses
=> R&D and marketing strategy

Mission	Aim (*)	Priority areas	
Strengthening today	Operation competitiveness	<ul style="list-style-type: none"> ● Enhancement of market intelligence ● Agile development via the utilization of customer/sales data ● Digital marketing 	<ul style="list-style-type: none"> ● Enhancement of supply and demand management system ● Quality control / safety management
	Management speed Improved Business efficiency	<ul style="list-style-type: none"> ● Constant monitoring of management indicators ● Improvement of enterprise system 	<ul style="list-style-type: none"> ● Business efficiency ● Business Standardization and digitalization of manuals, etc.
	Improved data infrastructure Data sharing/utilization	<ul style="list-style-type: none"> ● Business intelligence and improved data infrastructure ● Promotion of existing data utilization 	<ul style="list-style-type: none"> ● Improved data analysis capability
Creating tomorrow	Business added-value	<ul style="list-style-type: none"> ● Enhancement of solution proposal capability ● Swift development of new materials/products 	<ul style="list-style-type: none"> ⌈ Physical + digital services ⌈ Enhancement of recycling business
Cultivating talents	Talent development/ Corporate culture improving	<ul style="list-style-type: none"> ⌈ Cultivation of DX human resources ⌈ Digital mindset and improvement of literacy 	<ul style="list-style-type: none"> ⌈ Visualization and utilization of human resources portfolio

*Aim: Strengthen three pillars and DX infrastructure

Progress

During the first half of FY2021, the Group selected themes to be tackled in the priority areas and formulated an implementation plan concerning investments, resources, schedules, etc.

9 In and after the second half of FY2021, the Group will crystallize and start the plan.  MITSUBISHI MATERIALS

The second point of the Group-wide Policy is “Comprehensive efforts to increase business competitiveness”. Among various measures, we are focusing on the Digital Transformation strategy.

As in the table in the middle, this fiscal year, we have began initiatives that align with the “Aim” described on the right-hand side under the missions of “Strengthening today”, “Creating tomorrow” and “Cultivating talents”.

Specifically, we have established a Digital Transformation Management Office, hired an outside talent appropriate for the CDO, identified themes to address in the first half of the fiscal year, and developed a schedule to implement these themes. We are currently working with the relevant business divisions to implement various initiatives in line with the schedule.

Creation of new products and businesses

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Creation of new products and businesses

<Group-wide Policy>

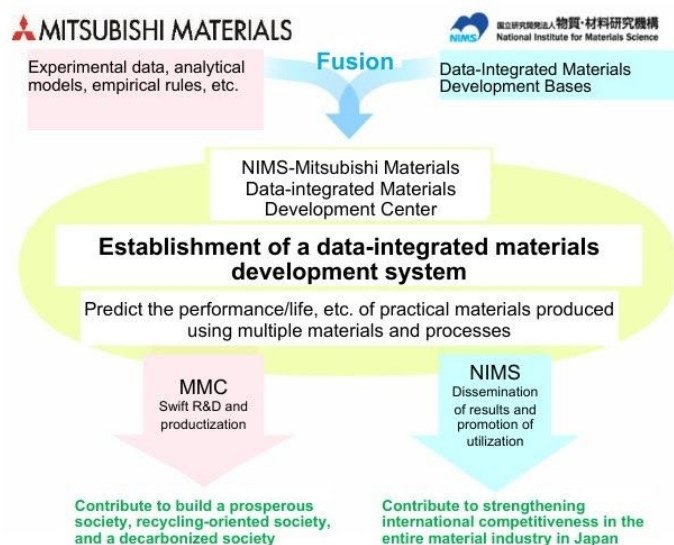
- > Optimization of Business Portfolio
- > Comprehensive efforts to increase business competitiveness
 - =>Manufacturing excellence, quality management and digital transformation strategies
- > Creation of new products and businesses
 - => R&D and marketing strategy

Establishment of “NIMS-Mitsubishi Materials Data-integrated Materials Development Center”

- The Company will establish a data-integrated materials development system by fusing various factors, such as experimental data, analysis models and empirical rules accumulated by the Company in its materials development with the data-integrated materials development bases(*1) of the National Institute for Materials Science (NIMS) to forecast performances, durations of life, etc. of practical materials to be produced by combining multiple materials and processes.

- By 2025, the Group intends to establish the system targeting non-ferrous metals, thin film materials, inorganic and organic composite materials, etc.

*1. Research bases for developing materials by fusing various data (data science, computational science, theories, experiments and simulations, etc.) and scientific technologies.



Page 10 is related to the “creation of new products and businesses” identified as the third point of the Group-wide Policy.

In collaboration with the National Institute for Materials Science (NIMS), we have established the “NIMS-Mitsubishi Materials data-Integrated Material Development Center”. This is an effort to speed up the creation of new products and businesses by obtaining a variety of information from outside the company.

Sustainable management

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses

Sustainable Management

Establishment of Sustainable Management Office (April 1, 2020)

- Based on its corporate philosophy and through its business activities, the Company will realize both the contribution to building sustainable society and the enhancement of corporate value on a medium- to long-term basis.
- The Company will specify management issues concerning sustainability and promote centralized responses.

Special Panels

Communications Panel	Exchanges information concerning communications with stakeholders and discusses policies on measures	Environmental Management Panel	With the aim of no violation of environmental laws and regulations and no environmental accident
Corporate Functions Optimization Panel	Seeks to realize efficient and highly productive work styles taking digitalization	Quality Management Panel	Shares information concerning quality management and recurrence prevention measures, and discusses and promotes measures
Governance Panel	Promotes measures to strengthen cross-departmental governance	Information Security Panel	Protects information assets from information security risks and maintains normal corporate activities
Compliance Panel	Discusses policies and shares information on measures concerning compliance and others	Zero Disaster Promotion Panel	With the aim of zero disasters in the Group
Risk & Crisis Management Panel	Discusses concerning responses to serious risks and crises and monitors issues and effectiveness	Health Management Promotion Panel	Promotes measures for "health management" in continuous and effective manners
Climate Change and Energy Panel	Clarifies the issues of the Group concerning global warming and climate change and discusses measures		

11

 MITSUBISHI MATERIALS

Please see Page 11. As explained in the Medium-term Management Strategy, we will continue to carry out business while finding solutions to social issues as a company. We established the Sustainable Management Office in April 2020 based on the idea that a company is meaningless unless its business is sustainable.

As stated at the bottom of the slide, it has many panels that are special panels, and each panels holds their own meeting on a near weekly basis. I, a General Manager of the Office, and relevant executive officers attend meetings to implement actions with identifying the right courses of various actions.

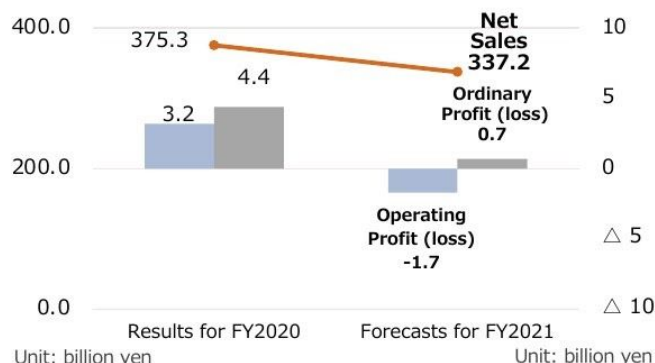
While such Panels obviously has many panels that are related to governance, it also has panels that deal with climate change or promote information security or promote health management.

Advanced Products (i)



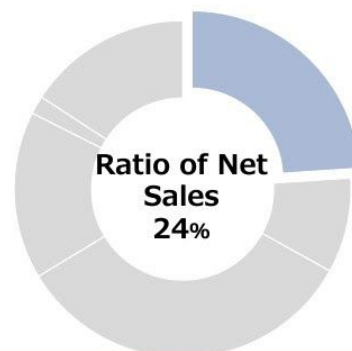
Advanced Products

History of Consolidated Earnings



Ratio of Net Sales by Business

*Sales to outside customers (Year ended March 31, 2020)



FY2021 Business Overview

◆ Copper & copper alloy

- With the spread of COVID-19, the demand for terminal materials for automobiles, welding-related products, etc. is decreasing.
- The demand is forecasted to hit the bottom in the second quarter of FY2021 and recover, but is not forecasted to restore the level of the previous fiscal year.

◆ Electronic materials

- While demand for products for automobiles are decreasing due to the spread of COVID-19, demand for semiconductor-related products is strong. However, the demand is expected to slightly fall in the fourth quarter due to a correction phase.

Now, I would like to explain the initiatives of each business. I will begin with the Advanced Products. On Page 14, those explanation by segment shows the consolidated business results on the upper left. I would like to go into more detail later, but the Advanced Products Business is suffering greatly compared to the previous year.

The Advanced Products consists of the Copper & copper alloy business and Electronic materials & components business. The Copper & copper alloy business is significantly affected by a drop in demand in the automotive industry and will fall far below levels in the previous year on a full year basis despite recovery trend in the second and third quarters.

Meanwhile, the Electronic materials & components business is positively affected by COVID-19 and shows relatively solid performance.

Advanced Products (ii)



Advanced Products

Long-term Business Goals | Global First Supplier

Long-term strategy

- Create new businesses and products through the sophistication and integration of our core competencies (e.g. production and development of oxygen-free copper, oxygen-free copper base alloys, and functional materials as well as technical capabilities such as bonding different metals, etc.)
- Accelerate marketing activities to replicate successful practice

Specific measures of the FY2023 Strategy

- Assign key account managers acting cross-sectionally
- Enhance information analysis by digital marketing such as the employment of AI or IoT
- Share product roadmaps with customers (co-creation capabilities)
- Develop new products through collaboration with Central Research Institute
- Fortify production capabilities such as establishing a mass production system and improving productivity
- Pursue opportunities to execute M&A or business alliances

Progress in FY2021

- A key account manager has been appointed.
- MA, SFA and CRM (*) has been introduced and put into practice.
*MA : Marketing Automation, SFA: Sales Force Automation, CRM: Customer Relationship Management
- The Company has commenced discussions with customers with respect to its product roadmaps
- The Central Research Institute has commenced development of new plating technology.
- For the use of digital technology, themes have been selected and introduction roadmap have been developed.
- M&A and alliances have been studied in multiple aspects, including the sizes of targets, the market and the consistency with the Company's strategy.

Page 15 gives a slightly longer timeframe and is related to what we have listed as the Medium-term Management Strategy. Long-term business goals remain unchanged to what we have previously announced. We are implementing the initiatives as shown in the slide as specific initiatives in the Medium-term Management Strategy.

We are moving forward with no major changes in the content, although we have some delays due to the spread of COVID-19, which have made it difficult to have face-to-face meetings.

Topics (Advanced Products)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



TOPICS

TOPICS

Growth strategy of Copper & copper alloy business

Make efforts on sales expansion of copper alloys

- ◆ Completion of the integration of Mitsubishi Shindoh Co., Ltd. (April 2020)
Accelerated seamless value chain
- ◆ Implementation of adoption and sales expansion of MSP series alloys with the combined efforts of the sections of manufacturing, sales and development to respond to customers



Implement large-scale investments

- ◆ Approx. 30-billion-yen large-scale investment that targets expansion of the Roll and processed business and restructuring of the Extruded products business will maintain its framework regardless of an effect of COVID-19
- [Improvement of ability of Sakai plant to supply materials]
Scheduled to commence construction in FY2021 and operate in FY2023

Enhance marketing & technical development functions

- ◆ Make use of MA, SFA and CRM (see previous page) to conduct efficient marketing and sales activities on a full scale
- ◆ Develop products based on the product roadmaps and place them on the market
 - Develop high-performance pure copper and copper alloys for next-generation vehicles
 - Copper alloys for small terminals
 - Copper alloys for large current terminals and busbars
 - High-performance oxygen-free copper for large current busbars
 - Next-generation lead-free free-cutting brass "GloBrass"
 - Lead-free brass with metal cost reduced
 - Maintain free-cutting and high strength of conventional products
 - Able to apply in wide range of areas with the improvement of hot workability
 - Groundbreaking materials to contribute to SDGs

16

MITSUBISHI MATERIALS

Page 16 explains the topics that the growth strategy of the Copper & copper alloy business. I mentioned earlier that the Copper & copper alloy business is suffering greatly from the impact of the decrease in demand in the automotive industry, but we expect the Copper & copper alloy business to grow in the medium- to long-term since EV will be promoted more than ever before as a means to deal with recent environmental issues.

Under such circumstances, we have a particular strength in copper alloy as shown in the upper left of the slide. In addition to the initiatives to work toward this, we will make a large-scale investment of approximately 30 billion yen over 7 years, as we have already announced.

We announced that such investments will improve capacity by about 30% and they begin with the Sakai Plant. We are already in the process of expanding the capacity of our copper processing plant, which makes billets and wire rods at upstream in the copper & copper alloy business. We have not made a major change in the overall scheme of investment while timing needs adjustment in relation to demand considering the situation of our customers, etc.

We will also carry out various activities using DX as described on the right-hand side of the slide. As for environmental measures, we developed and launched "GloBrass" which is an environmentally friendly lead-free brass.

Metalworking Solutions Business (i)

1. Performance Summary

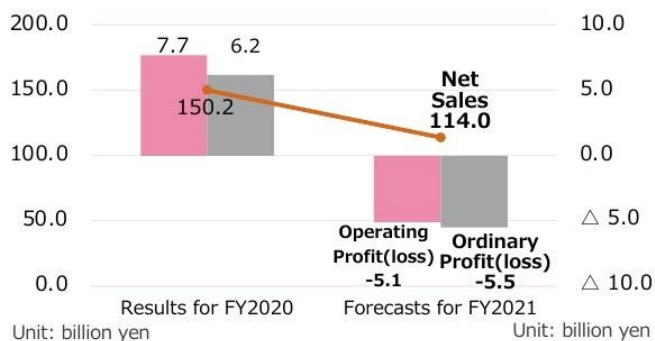
2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



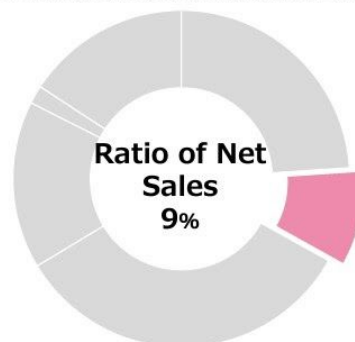
Metalworking Solutions Business

History of Consolidated Earnings



Ratio of Net Sales by Business

*Sales to outside customers (Year ended March 31, 2020)



FY2021 Business Overview

◆ Cemented carbide products

- Demand for automotive products decreased due to the spread of COVID-19
- While the demand recovered from the first half to the second half, it is expected not to recover to the previous year level on an annual basis.
- By industry, demand for products decreased not only in automotive industry but also in aircraft and mold industries.
- By region, while demand in China recovered in the first half, demand in other regions declined in the first half and is expected not to recover to the previous year level.

Page 18 is about the Metalworking Solutions Business. Regrettably, the Metalworking Solutions Business is also undergoing a very difficult period. In the case of our company, the main market for Cemented carbide products of the Metalworking Solutions Business is for automobiles, and although China is recovering quickly, the situation is still lacking in strength in terms of the world as a whole. I will again explain more about this later.

Metalworking Solutions Business (ii)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



Metalworking Solutions Business

Long-term Business Goals | Top 3 supplier in strategic markets

Long-term strategy

- Promote clean manufacturing
- Provide high-efficiency products with advanced technology
- Expand advanced metal powder business in electronic devices

Specific measures of the FY2023 Strategy

- Increase recycling rate in our tool recovery system and utilize renewable energy
- Provide high efficiency tools and digital solutions
- Transition to smart factory and optimization of logistics and supply chain
- Expand advanced metal powder business to rechargeable battery market



Progress in FY2021

- Use rate of recycled cemented carbide materials:
Exceeded the plan
- Renewable energy:
Began examination of procurement methods
- Began evaluation by pilot users on provision of collection and analysis system of cutting data
- Developed a basic concept of a new core system of production, inventory and sales data
- Began evaluation by battery manufacturers on negative-electrode materials containing tungsten

On Page 19, the long-term strategy identified in the Medium-term Management Strategy remains the same. We will expand recycling over the next three years as stated at the bottom of the slide. Further, we will promote smart factories using digital solutions in conjunction with Digital Transformation strategies.

Topics (Metalworking Solutions Business)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



TOPICS

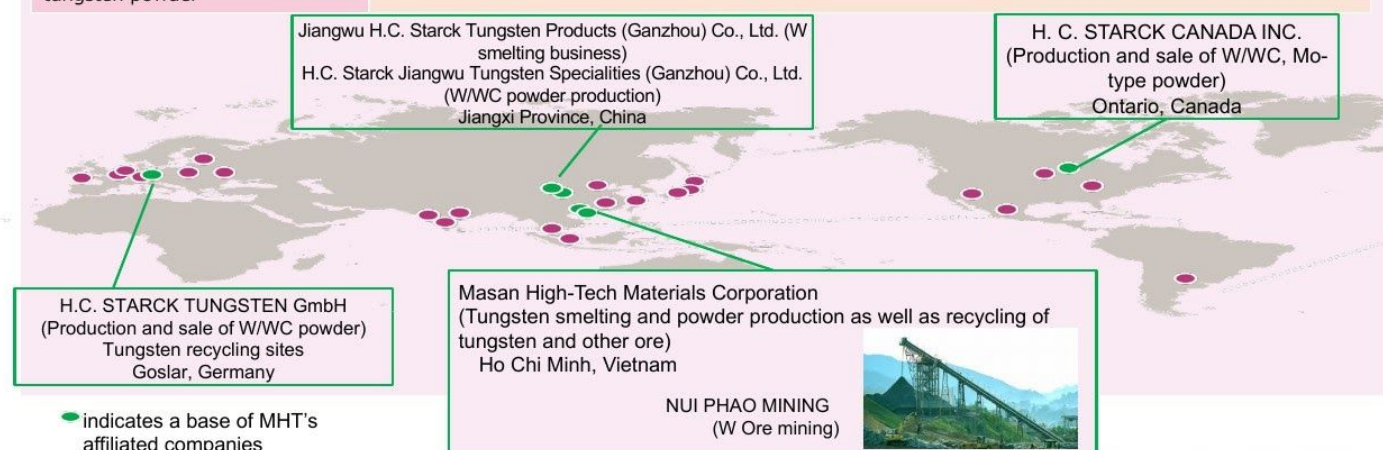
TOPICS

Investment into Masan High-Tech Materials Corporation (MHT)

(November 2020: Ownership ratio 10%)

Purpose of strategic partnership

Stable procurement of tungsten which is a main raw material of cemented carbide tools	MHT's subsidiaries and partner companies: Holding stake in W mines in Vietnam and China
Joint operation of tungsten recycling business	H.C. Starck, an affiliated company of MHT: One of the world largest cemented carbide scrap recycling facilities in Germany
Technical partnership regarding production of high-quality tungsten powder	Accelerate expansion of cemented carbide recycling and advanced metal powder business supported by tungsten business as one of pillars of growth



20

MITSUBISHI MATERIALS

Unlike automobiles, we can expect growth in the advanced metal powder business for rechargeable battery markets. Let's move on to the topics with these advancements in mind.

As the topics, we would like to explain about "Masan High-Tech Materials Corporation (MHT)". MHT owns tungsten mines and smelters in Vietnam and produces tungsten. In addition, MHT acquired the tungsten division of HC Starck which is based in Germany. In November 2020, we acquired 10% equity in MHT and will begin collaboration.

We have not yet discussed any fields of collaborations but will expand a system to supply tungsten or tungsten carbide itself. Or, as mentioned earlier, this can be an opportunity to expand the tungsten powder business including high-purity tungsten or WO₃.

Tungsten is classified into rare metal and we see the possibility of joint development of recycling in Asia as part of our future discussions.

Metals Business (i)

1. Performance Summary

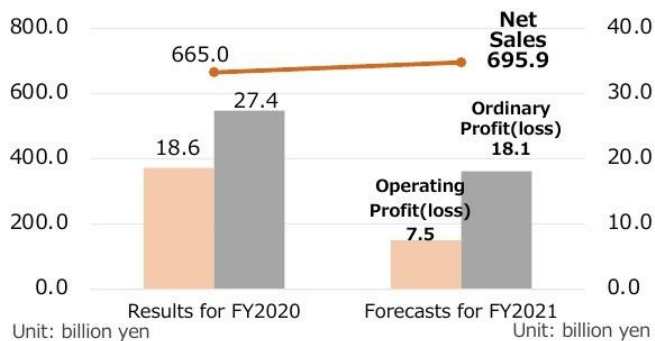
2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



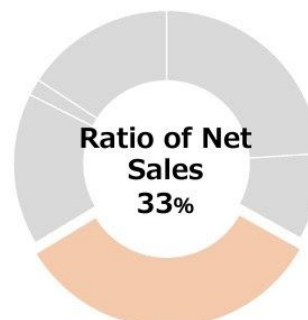
Metals Business

History of Consolidated Earnings



Ratio of Net Sales by Business

*Sales to outside customers (Year ended March 31, 2020)



FY2021 Business Overview

◆ Copper mines

- Expect annual dividend income of 12.5 billion yen which is the same level as the previous year

◆ Copper smelting

- The margin is expected to drop in the third quarter in particular as a result of decreasing shipment of collected E-Scrap from overseas due to the spread of COVID-19
- Implemented biennial regular furnace repairs in Naoshima Smelter & Refinery and Indonesia PT. Smelting in this FY2021

Page 22 is about the Metals Business. While this business is relatively unaffected by COVID-19, we are experiencing difficulties in collection of E-Scraps overseas, particularly in the U.S.

On the other hand, although we had a little difficulty operating smelters around two years ago, various countermeasures worked well, and operations are currently quite stable.

Metals Business (ii)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



Metals Business

Long-term Business Goals

Leader in environmentally-friendly mining & smelting business

Long-term strategy

Stable supply and recycling of nonferrous metal materials, predominantly copper

- Creation of a sustainable raw material portfolio consisting of clean copper concentrate and E-Scrap
- Promotion of recycling
- Response to climate change

Specific measures of the FY2023 Strategy

- Secure clean copper concentrate by investing in new mines
- Develop technology to remove impurity from copper concentrate
- Optimize valuable metal material flow
- Reduce fossil fuels



Progress in FY2021

- Preparing with an aim to begin application for environmental permission for Zafranal Mine within 2020. Negotiating on terms and conditions to participate in a project for Mantoverde Mine and expecting its conclusion in January, 2021
- Founded Mining & Metallurgy Laboratories in April 1, 2020 and began working on development of new technology
- The capital expenditure of improving slime processing in Naoshima and the capital expenditure of improving tin collection in Hosokura and Ikuno completed and started operation.
- Promoting investigation and assessment such as identifying factors limiting input of E-Scrap almost as planned

23

 MITSUBISHI MATERIALS

Page 23 describes the long-term business goals or the Medium-term Management Strategy of the Metals Business in detail. This business also has no major changes, and the basic strategy is to pursue clean copper concentrates with less impurities while increasing “E-Scrap”.

In the meantime, we will keep on improving our technologies to remove impurities and aim to increase the use rate of “E-Scrap”. We are addressing optimization of the overall flow such as collection of valuable metal produced from “E-Scraps” or copper concentrates with no waste.

Progress is as shown on the right-hand side of the slide. As we will explain later, copper mine development shows certain progress and we established “Mining & Metallurgy Laboratories” to work on technology development. Improvements in smelter operations have worked well.

Topics (Metals Business)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



TOPICS

TOPICS

Secure clean copper concentrate by investing in new mines

Mantoverde Mine

- Reached an agreement in February 2020 to acquire a 30% stake in Mantoverde S.A. which manages Mantoverde Mine
Major conditions for closing under the share subscription agreement include formation of project finance acceptable to the parties to the agreement and acquisition of required permission and approval
- While the Company is proceeding with formation of project financing with a group of banks, the organizational decision process in certain banks is delayed and the closing of a share subscription agreement is expected to be completed in January 2021.
- To start expansion construction work once formation of the project finance completes

Zafranal Mine

- Completion of feasibility study
- Aiming to begin procedures for application for environmental permission within 2020
- Scheduled to make a final investment decision in 2022 after detailed engineering and construction permission, etc.

Other New Projects

- Developing other new projects with an aim to expand project pipeline for business continuation.

Page 24 explains the progress of copper mine investment that was mentioned earlier in the topics. We are forming project finances for the Mantoverde Mine and it is almost in the final phase. We expect it to close out final details in early January 2021.

This mine was originally operated as a mine of oxidized ore and we will expand this mine to cover sulfide ore as well once project finances are formed.

We are also taking various procedures for the Zafranal Mine in Peru. This will be in the far future but at present, we have finished a feasibility study for the mine, and we expect to make a final investment decision in 2022.

Cement Business (i)

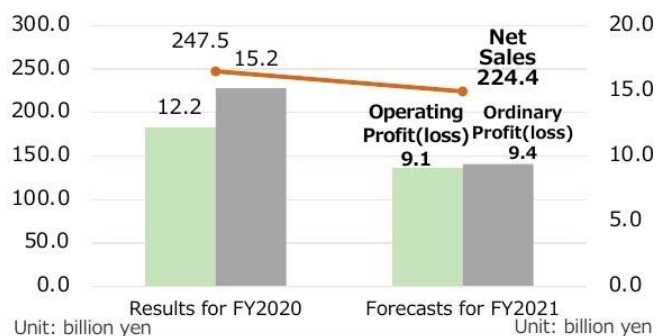
1. Performance Summary 2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



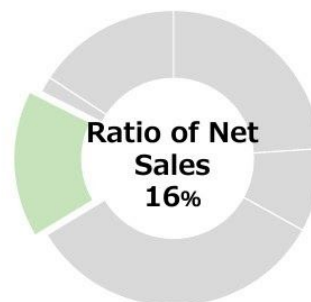
Cement Business

History of Consolidated Earnings



Ratio of Net Sales by Business

*Sales to outside customers (Year ended March 31, 2020)



FY2021 Business Overview

◆ Domestic

- Expect aggregate domestic demand for cement to fall far below the previous year partially because of suspension of certain construction work in the first quarter due to the spread of COVID-19
(Results in FY2020: 40.97 million ton => Forecast in FY2021: 39.50 million ton)

◆ Overseas

- Expect the Cement Business to achieve sales beyond the previous year, selling mainly to the ready-mixed concrete company of the Group.
- Impact of COVID-19 on the Readily-mixed concrete business is limited and its sales are expected to grow as a result of sales expansion in Nevada and other regions.

Page 26 is about the Cement Business. The first half of the fiscal year, the business was affected by coronavirus to a certain degree and now the overall demand is a little weak.

Cement Business (ii)



Cement Business

Long-term Business Goals

Leader in domestic and international cement industry with advanced environmental technologies

Long-term strategy

- Stable supply of basic building materials for social infrastructure and disaster prevention infrastructure
- Sophistication of waste disposal
- Response to climate change by reducing CO₂
- Construction of a resilient domestic business foundation through business restructuring and business growth in overseas markets

Specific measures of the FY2023 Strategy

- Improve and optimize production system through domestic business restructuring
- Expand capabilities in waste plastic processing and installation of chlorine dust cleaning equipment
- Introduce low-temperature burning technology and develop CO₂ reduction, capture, and recycling technologies
- Expand US business and develop new overseas bases

Progress in FY2021

- Execution of an integration agreement with Ube Industries, Ltd. Concerning integration of the Cement Business and its related businesses by April 2022 (September 29)
- Preparing for application for the energy saving subsidy in preparation to introduce facilities to expand wasted plastics processing capabilities in FY2023
- Developing design in preparation to introduce low-temperature burning equipment and CO₂ separation equipment in FY2022
- Negotiating for acquisition of an aggregate mine (Southern California region) and a ready-mixed concrete plant (Northern California)

27

 MITSUBISHI MATERIALS

Main topic of Page 27 is the integration of the Cement Business and related businesses with Ube Industries, Ltd. which was mentioned in the optimization of business portfolio earlier. While we will prepare for this integration, we are currently expanding capabilities to process waste plastics in order to deal with environmental issues. Since the expansion of these capabilities will cause to contain a lot of chlorine, we will also establish facilities to remove the chlorine.

We are developing technologies such as low-temperature burning technology which saves energy and results in reduction of CO₂.

Not only energy use, but also limestone produces CO₂ if it is used as a main raw material. We are also making efforts to develop technology to separate and utilize such substances.

Topics (Cement Business)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



TOPICS

TOPICS

Integration of the Cement Business and related businesses with Ube Industries, Ltd.

[Purpose]

- ◆ Integrate the Cement Business with Ube Industries, Ltd.
 - By April 1, 2022
- ◆ Domestic Cement Business
 - Optimize production system
 - Restructure sales and logistic system

⇒Streamline the whole value chain and maximize synergy effects
《Contribution to establishment of social infrastructure and development of recycling-oriented society》
- ◆ Concentrated investment of management resources into growing fields
 - Overseas cement and ready-mixed concrete business
 - Business of advanced inorganic functional materials based on high-quality limestone , etc.

[Schedule]

September 29, 2020 : Execution of the integration agreement
April 2021 (planned) : Establishment of a new company
June 2021 (planned) : Obtaining approval of integration at the ordinary general shareholders' meetings of both companies
April 2022 (planned) : Effective date of the integration

[Valuation of the target business agreed upon under the integration agreement and amount of succeeded net interest-bearing debt]

	Mitsubishi Materials Target business	Ube Industries, Ltd. Target business
Adjusted corporate value	256.0 billion yen	192.0 billion yen
Adjusted net interest-bearing debt	71.6 billion yen	7.6 billion yen
Stock value	184.4 billion yen	184.4 billion yen

Page 28 is about the integration of the Cement Business and related businesses with Ube Industries, Ltd. which has been mentioned several times. This has been already announced to the public and I do not have anything to add but this page states the content of the announcement when the final agreement was concluded at the end of September.

Environment & Energy Business (i)

1. Performance Summary

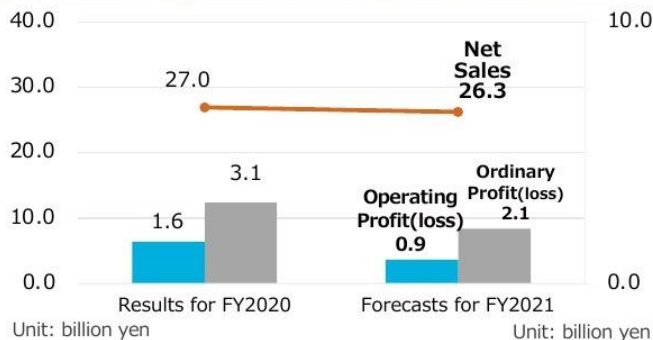
2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



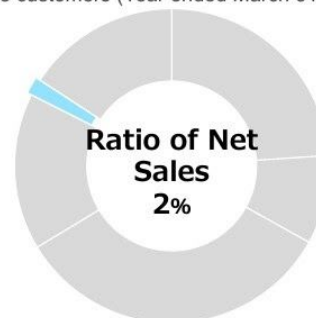
Environment & Energy Business

History of Consolidated Earnings



Ratio of Net Sales by Business

*Sales to outside customers (Year ended March 31, 2020)



FY2021 Business Overview

◆ Environmental recycling

- “Kitakyushu Ash Recycle Systems Co., Ltd.” is working on stable plant operations of the Fly ash recycling business
- “New Energy Fujimino Co., Ltd.” commenced commercial operation of the Food waste biogasification business in September 2020.

◆ Renewable energy

- Wasabizawa Geothermal Power Plant that commenced operation in May 2019 has been stably operating.
- Construction of Komatagawa new hydroelectric power plant and Appi Geothermal Power Plant are well progressed

The last segment is the Environment & Energy Business. We have undertaken a recycling business of incineration fly ash in relation to environmental recycling and we are working on stabilizing its operation. New Energy Fujimino Co., Ltd., which bio-gasifies food waste, was also smoothly launched, as mentioned earlier in the optimization of the business portfolio.

On the other hand, geothermal energy is drawing attention among recent energy policies. We established a geothermal power plant in Wasabizawa in May 2019. This is a very large-scale plant but operates quite well. We are also constructing the Komatagawa new hydroelectric power plant.

Environment & Energy Business (ii)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



Environment & Energy Business

Long-term Business Goals

(Environmental recycling) Driving force of resource-recycling systems
(Renewable energy) Leading company in geothermal development

Long-term strategy

- Provision of a safe recycling system with thorough traceability, etc.
- Decarbonization by expanding renewable energy business

Specific measures of the FY2023 Strategy

- Expand home appliance recycling business, advancement of automation, and improvement of added value of recovered products
- Demonstrate LiB recycling technology and solar panel recycling technology
- Secure stable plant operations in fly ash recycling business and biogasification business
- Complete Komatagawa new hydroelectric power plant, construction of Appi geothermal power plant, and survey of new geothermal sites

Progress in FY2021

- Home appliance recycling
Practical use of automatic sorting and picking robots
- Car recycling
Commencement of demonstrative operation of a consistent and appropriate processing system of LiB
- Biogasification business
New Energy Fujimino Co., Ltd. started commercial operation
- Construction of power plants
Construction of Komatagawa new hydroelectric power plant and Appi Geothermal Power Plant are well progressed

Page 31 is about initiatives in the Medium-term Management Strategy of the Environment & Energy Business. As for home appliance recycling, as shown in the box at the bottom of the slide, we are developing technologies to use automation and robots since it is difficult to secure labor force.

As for LiB recycling, we applied for a demonstration project which enables consistent and appropriate processing, and as we are now able to implement it, we are currently working on it. We are demonstrating technologies to ensure recycling of waste from solar panels which will increase in the future.

Topics (Environment & Energy Business)

1. Performance Summary

2. Progress of FY2023 Strategy

3. Initiatives of each Businesses



TOPICS

TOPICS

Food waste biogas power plant started commercial operation~

Processing of 40t food wastes per day contributing to prolong the life of final disposal sites and prevention of global warming~



- ◆ “New Energy Fujimino Co., Ltd.” started commercial operation on September 4, 2020 with aims of biogasification of food waste and sale of produced electricity (established in May 2018 and started construction of plant facilities in July 2019)
- ◆ Developed an original business scheme to recycle waste plastic and sludge generated in the course of processing into raw materials or substitutes of heat energy to be used in the Company’s cement plant
- ◆ Enabling no final disposal wastes and reduction of CO2 emission and contributing to prolong the life of final disposal sites and prevention of global warming
- ◆ Concluded an agreement with The Earth Club Co., Ltd. concerning specified wholesale supply of electricity generated from renewable energy sources and commenced specified wholesale supply from December 1, 2020.

32

MITSUBISHI MATERIALS

Page 32 states “food waste biogas power plant started commercial operation” as was mentioned earlier. A plant shown in the slide was constructed and commenced operation.

“The Earth Club Co., Ltd.” at the bottom of the box in the slide is a group company of Japanese Consumers’ Co-operative Union, and has a very strong environmental consciousness and conducts specified wholesale supplying business of electricity. New Energy Fujimino Co., Ltd. have executed an agreement with the company to supply electricity.

That's all I have for today. Thank you very much for your attention.

Then, Q&A session will follow.

Q&A (Summary): Impacts of the case at RRM and other companies to the P/L

Q: The impact on profit (loss) attributable to owners of parent from the case at RRM and other companies (hereinafter collectively referred to as “RRMs”) is negative 293 million yen. Could you give us more details about this impact?

A: The financial impact is mainly attributable to three factors.

The first was the purchase of fixed assets at a premium to their market prices or purchase prices of similar assets. As of the beginning of the current fiscal year, the Company reduced the amount that was overvalued relative to what remained as assets from the book value.

The second factor was the purchases of consumables such as aggregate, which was being overcharged to some extent. Some items have been expensed in each fiscal year, however for items purchased in the current fiscal year, the Company recorded the difference between the market prices or purchase prices of similar item and its cost as a non-operating expense.

The final impact is related to service. Under some contracts, services such as cleaning, transportation or dispatching human resources were charged at a higher rate than their market prices or purchase prices of similar services. We did the accounting treatment for them in the same way as the consumables mentioned earlier.

As a result, the impact on the profit (loss) attributable to owners of parent for the current period was negative 293 million yen.

As to whether it was necessary to take retroactive adjustments, the Company checked with accountants to see if past quarterly overcharges had a material impact on RRM's profit or sales levels. As a result, the Company concluded that the overcharges did not constitute material differences in individual accounting periods, and therefore, no retroactive adjustments would be made.

Q&A (Summary): The timing of when the case at RRM occurred

Q: When did the case at RRM start?

A: The inappropriate transactions with the companies in which some senior executives of RRM have jointly invested started from 2014.

Q&A (Summary): Details from the anonymous report of the case at RRM to the announcement of the postponement of the earnings announcement

Q: We see a delay between the anonymous report on August 12 and the announcement of the postponement of the earnings announcement on November 2. Could you explain the reason for this delay?

A: The report on August 12 was made anonymously by a person who called oneself a RRM's employee, so the first step was to hold a hearing to find all the facts, which led to revealing the truth about this case at around the end of August. From there, we engaged outside lawyers to investigate how many people had been involved in these cases and how many inappropriate transactions had been made. However, the Company was unable to determine the financial impact until the announcement of financial results, which was scheduled for early November. So, the Company decided to postpone the announcement of consolidated financial results.

Q&A (Summary): A claim for the damages against senior executives of RRM

Q: Doesn't the Company have a plan to file a claim for damages against senior executives of RRM that were involved? What is the current state of the executives who were involved?

A: While I think we have a possibility to claim damages against senior executives of RRM who were involved, this will be determined in consultation with the lawyers appointed by the team in the US. This doesn't mean the Company has decided not to file a claim for the damages but means that the Company has not yet made a decision. We need to work with the lawyers to gather solid evidence in order to proceed with a claim for damages. Please understand that we are currently not in a situation to make a definitive statement regarding a claim for damages.

Also, the RRM has dismissed most of those involved.

Q&A (Summary): Reasons for integration with Ube Industries, Ltd.

Q: Regarding the integration with Ube Industries, Ltd., did the large amount of CO2 emission in the Cement Business influence the Company's decision to make the integration?

A: Increasing attention has been paid to CO2 emissions, and this problem is unavoidable. So, the Company considers that bringing the expertise of two companies together will accelerate our R&D and innovation rather than it tackles by itself. However, this is not the main reason for the integration.

Q&A (Summary): Post-integration strategies with Ube Industries, Ltd.

Q: In the Cement Business, I heard a discussion about considering M&A in Southeast Asia. Could you explain your growth strategies after the integration with Ube Industries, Ltd.? In addition, could you explain how you envision the reorganization of factories in Japan after this integration?

A: At a fundamental level, we must expect the Japanese market will shrink rather than expand. With this expectation in mind, we will seek our growth overseas. However, we think it would be good to consider how we respond to the domestic market and maintain a sufficient funds scale towards growth when we seek our growth overseas.

Regarding the growth strategies through this integration, Asia and Oceania will be the targets for M&A in addition to the development of overseas operations in the US centering on California, which is one of our strengths. So, our growth strategies will not change after integration. On the other hand, Ube Industries, Ltd. will be able to formulate their growth strategies through the integration that takes advantage of the company's high-quality limestone resources in Japan.

Q&A (Summary): The Company's future core businesses

Q: Assuming that the Cement Business will become an equity method affiliate in the future, I would imagine that the main businesses will be metals and cemented carbide tools. What businesses will you focus on to generate revenue?

A: The Company has been working on various initiatives that are related to recycling, for example—cinders, biogas residue, etc. Materials other than metals will continue to be processed through the Cement Business.

However, as a whole, the materials with a focus on a copper will be our focal points. Tungsten which are raw materials for cemented carbide tools, have a large potential to be used as electronic materials, and as such this will be another one of our focal points.

We have the largest expectation for recycling in the Metals Business and the Environment & Energy Business. In recycling of home appliances, metals can be extracted, and those metals will be recycled at smelters.

A recycling business has a very long value chain from collecting used items to processing and reusing them. Although we cannot be involved in everything, we are aiming to expand the scope of our business.

We have already made some progress of any necessary improvements in our business portfolio, and now we must focus on seeking new businesses.

We believe it is essential to promote the optimization of our business portfolio while maintaining a good balance.