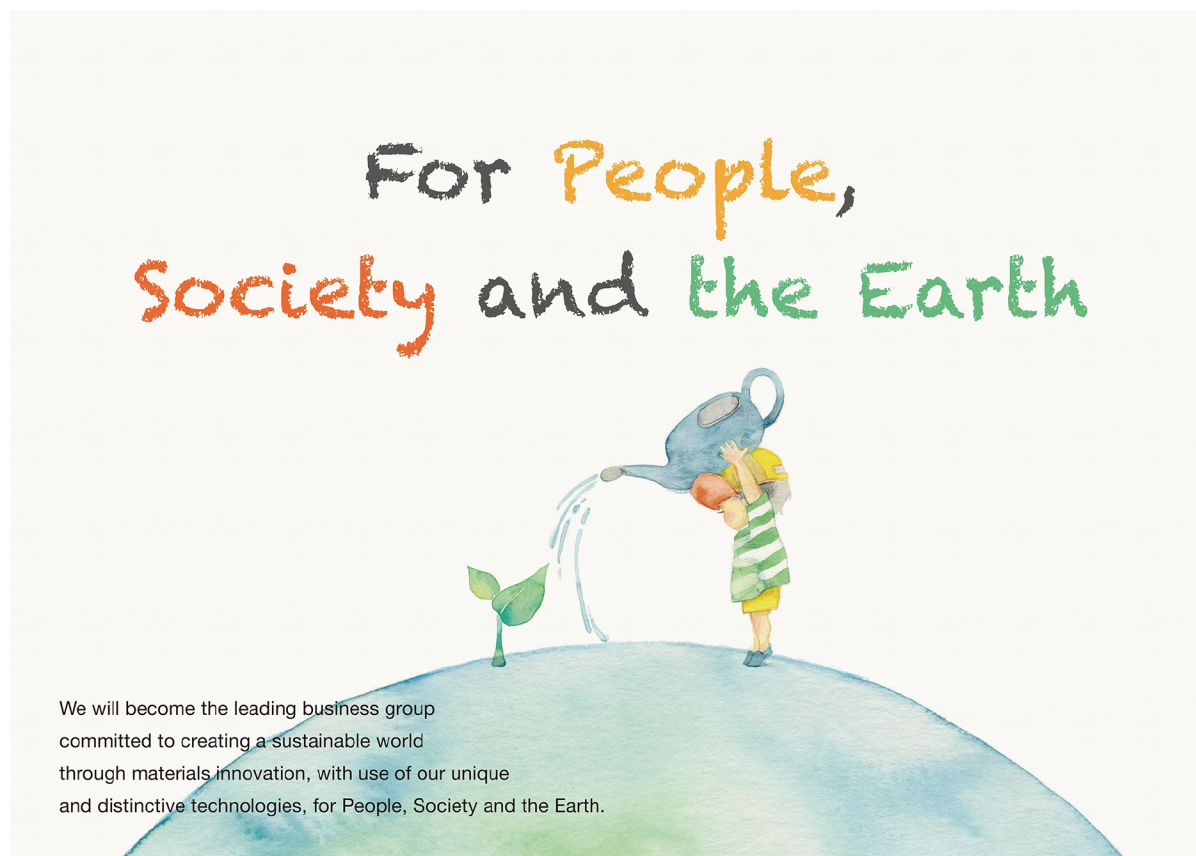


Mitsubishi Materials Group's Sustainability Initiatives



December 3, 2021

- 1. Mitsubishi Materials Group's Sustainability Initiatives**
[Naoki Ono, Director, Chief Executive Officer]

- 2. Sustainability Initiatives: Case Studies**
 - **E: Environment**
[Nobuhiro Takayanagi, Director, Managing Executive Officer]

 - **S: Social**
[Nobuhiro Takayanagi, Director, Managing Executive Officer]

 - **G: Governance**
[Naoki Ono, Director, Chief Executive Officer]

Our Corporate Philosophy and Vision

Corporate Philosophy

For People, Society and the Earth

Vision

We will become the leading business group committed to creating a sustainable society through materials innovation, with use of our unique and distinctive technologies, for People, Society and the Earth

Mission

Create both social and economic values

- **Contribute to build a prosperous society** by providing nonferrous metal materials, predominantly copper, and high value-added functional materials and products.
- **Contribute to build a recycling-oriented society** by providing recyclable products and advanced technology-based waste recycling.
- **Contribute to build a decarbonized society** by developing and promoting the use of renewable energies such as geothermal energy, and ensuring to consider the reduction of environmental impact in manufacturing.



- Global sustainability trends change dramatically in a short time period
- Understanding these changes will allow the Group to develop new initiatives

E Environment

Circular economy, climate change response, biodiversity

- In January 2021, the Ministry of the Economy, Trade and Industry and the Ministry of the Environment published the Disclosure and Engagement Guidance to Accelerate Sustainable Finance for a Circular Economy
- In August 2021, the Intergovernmental Panel on Climate Change (IPCC) strongly cautioned that the global temperature had already risen 1.2 degrees in the Sixth Assessment Report
- In November 2021, the Glasgow Climate Pact, which was the result of COP26, was adopted. This detailed efforts to limit the rise in the average global temperature to 1.5°C, etc.

S Social

Human capital, human rights, diversity and inclusion

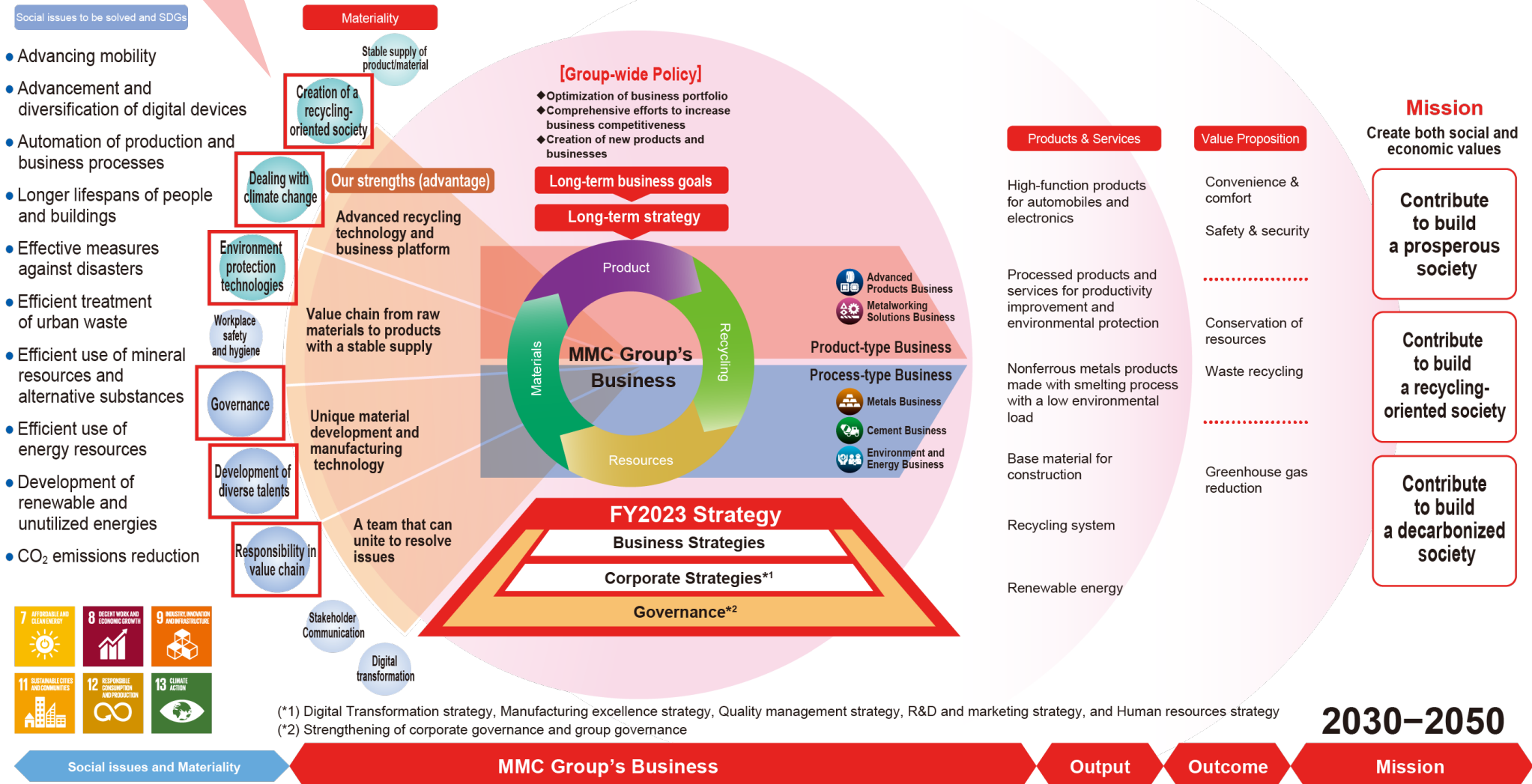
- In August 2020, the US Securities and Exchange Commission mandated that listed companies disclose human capital information
- In October 2020, the Ministry of Foreign Affairs established a plan of action for Business and Human Rights
- In 2021, the 2020 Tokyo Olympic and Paralympic Games were held, reaffirming the importance of diversity and harmony

G Governance

- In June 2021, the Corporate Governance Code was revised to require disclosure of a broader range of information on sustainability and governance systems

Value Creation Process

Global sustainability trends' influence on our materiality



Today's Key Points

Accelerating initiatives for various sustainability issues

Start of Medium-term Management Strategy
(FY2023 Strategy)
▼ April 2020

ESG meeting (March 2021)
▼ April 2021

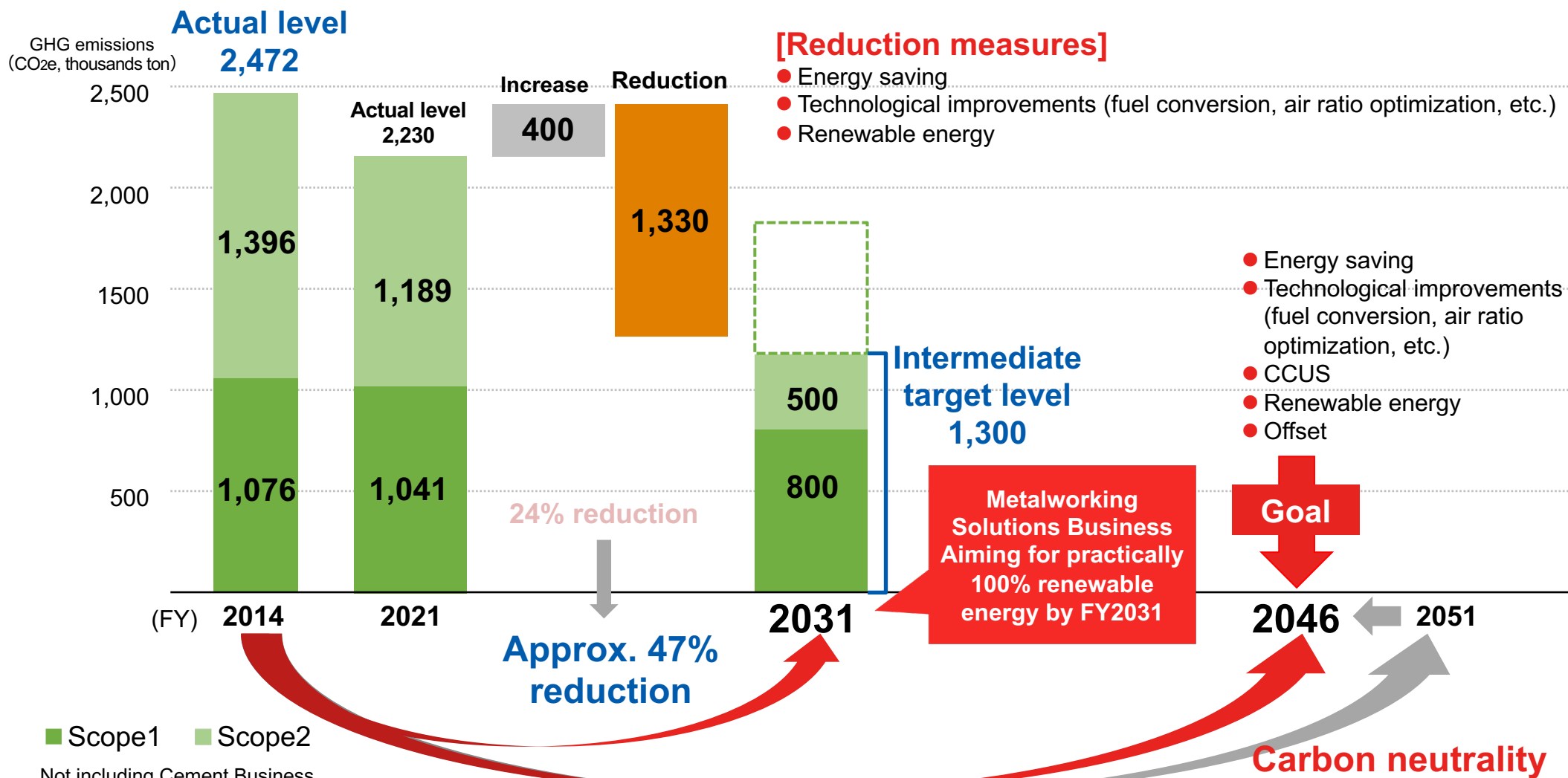
<div>E</div> <div>Creation of a recycling-oriented society</div> <div>Dealing with climate change</div> <div>Environment protection technologies</div>	September 2015 Acquisition of forest certification for nine forests in Hokkaido	Start of commercial operation of a biogas power plant	Setting and revision of greenhouse gas emission reduction targets	E-Scrap
		Participation in Keidanren's "Challenge Zero"	Carbon footprint calculation	Processing capacity improvement expansion work
		Support of TCFD recommendations Participation in the TCFD Consortium	CO ₂ recovery, methanation and utilization test progress	Start of operation of the MEX business platform
<div>S</div> <div>Responsibility in value chain</div> <div>Development of diverse talents</div>	Establishment of Novel Coronavirus Response Headquarters	Optimization by positioning the head office as the communication core	Human Resource Transformation	Promotion of GHG reduction through industry-academia-government collaboration
	Recognition under the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program (large enterprise category)	Establishment of the Mitsubishi Materials Group Health and Productivity Management Declaration	Donations to four organizations working to solve social issues for the 150th anniversary of the Group's founding	Adoption of carbon recycling technology for NEDO business
<div>G</div> <div>Governance</div>	Corporate governance			
	Migration to a company with a Nomination Committee	Review of executive remuneration system	Revisions to the Corporate Governance Code	Application for Prime Market listing
		Establishment of Basic Policy on Corporate Governance	Publication of Directors' Skills Matrix	Establishment of the Sustainability Policy
		Increase in the ratio of outside directors (6/11→6/10)		Strategic IP formation activities and promotion of IP governance
	Group governance			Third-party evaluation of the effectiveness of the Board of Directors
	Group governance framework enhancement measures	Internal control enhancement measures	Introduction of a global in-house reporting system	
	Enhancement measures for the system of compliance with the Antimonopoly Act		Inner branding, reverse mentoring and other communication initiatives	
	Establishment of Sustainable Management Office			

Environment

Environment

- Climate Change Initiatives
- Initiatives to Build a Recycling-oriented Society (circular economy)

Setting of new greenhouse gas emission reduction targets



Switching Power Sources Used at business sites to practical Renewable Energy

Procurement of practical renewable energy

- **Saitama Office (Saitama, Saitama Prefecture) [to be introduced in January 2022]**

☐ Saitama Property Management Office ☐ Smart Factory Promotion Center ☐ Production Engineering Center, etc.

- **Central Research Institute (Naka, Ibaraki Prefecture) [to be introduced in April 2022]**

Annual reduction of approximately 4,200t-CO₂e (based on FY2021)

Switching approximately 60% of the energy used by the Group to renewable energy-derived electricity by FY2031



Saitama Office



Central Research Institute

Offices and laboratories with zero CO₂ emissions from power consumption

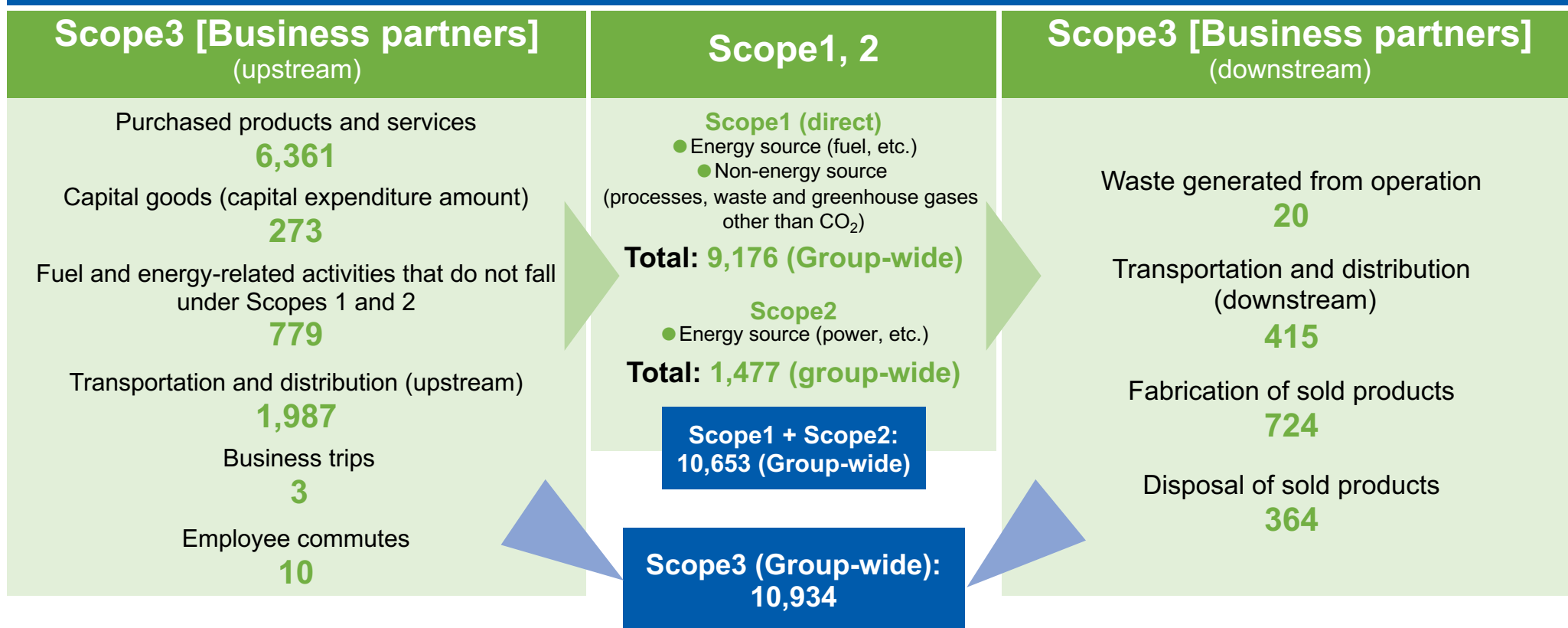
Understanding Scope3 results

- Improvement of calculation accuracy by sharing information with business partners to collect individual basic unit data, etc.
- Promotion of cooperation across the value chain and understanding long-term reduction prospects based on business partners' GHG reduction plans

Breakdown of total greenhouse gas emissions in FY2021

(1,000t-CO₂e)

Total GHG emissions (Group-wide) 21,587

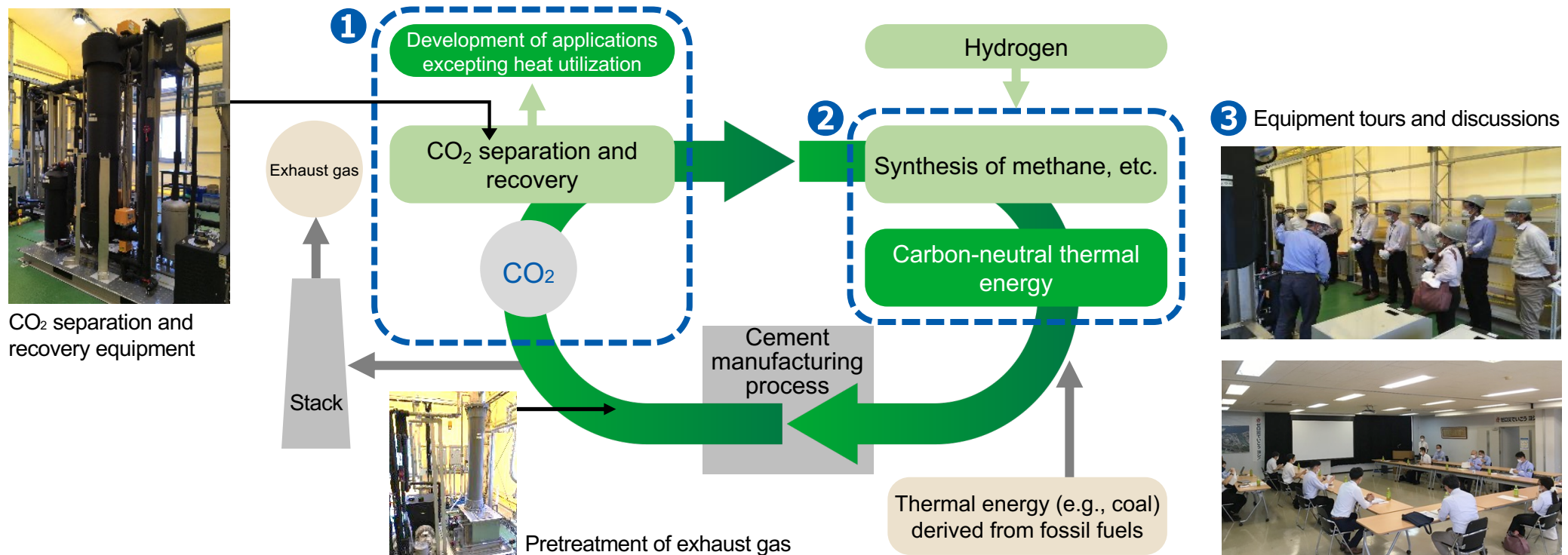


CO₂ recovery, methanation and utilization test progress

Progress since the previous report (end of March)

- 1 From July 2021: Sequential installation and start of testing for CO₂ separation and recovery equipment utilizing plant exhaust gas
- 2 Implementation of combustion analysis assuming that synthetic methane is used in the original process
- 3 Equipment tours and discussions with the Kitakyushu City government, neighboring universities and equipment manufacturers

Steady promotion with a view of external collaboration for social implementation of GHG reduction and CO₂ utilization



Promotion of GHG reduction through industry-academia-government collaboration

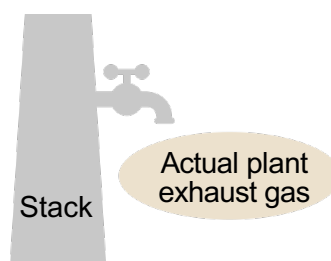
- Responding to decarbonization megatrends and the need for carbon-neutral products

Initiative case study: Participation in Kitakyushu City Green Growth Strategy Advisory Board*

Proposal to establish an **industry-academia-government open platform** to promote the development of GHG reduction technology in the Kurosaki Production Section of the Kyushu Plant
(Collaborative promotion between Mitsubishi Materials Corporation and Mitsubishi UBE Cement Corporation after the latter is established in April 2022)

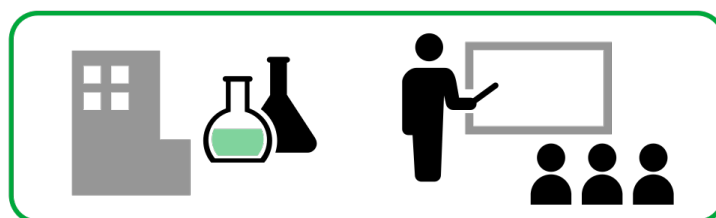
Proposal for building a research/business system in the Kitakyushu area

■ GHG emission sources



■ Industry-academia-government open platform

Demonstration test utilizing actual plant exhaust gas
Searching for innovative and inexpensive GHG reduction technologies

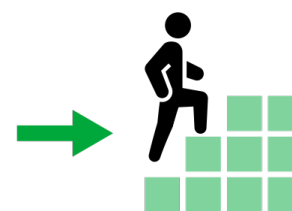


Calcium source for waste concrete, various slag, etc.

Raw materials that contribute to CO₂ utilization
CO₂-free hydrogen, etc.

■ Outlet installation

Contributing to GHG reduction for customers and society through in-house utilization



Expansion of scale in response to accumulation of actual CO₂ reduction results and growing societal demand

Image of future goal

■ Creation of new businesses take advantage of unique features of the area
Industry-academia-government collaboration for **local production and consumption of carbon-neutral energy and materials**



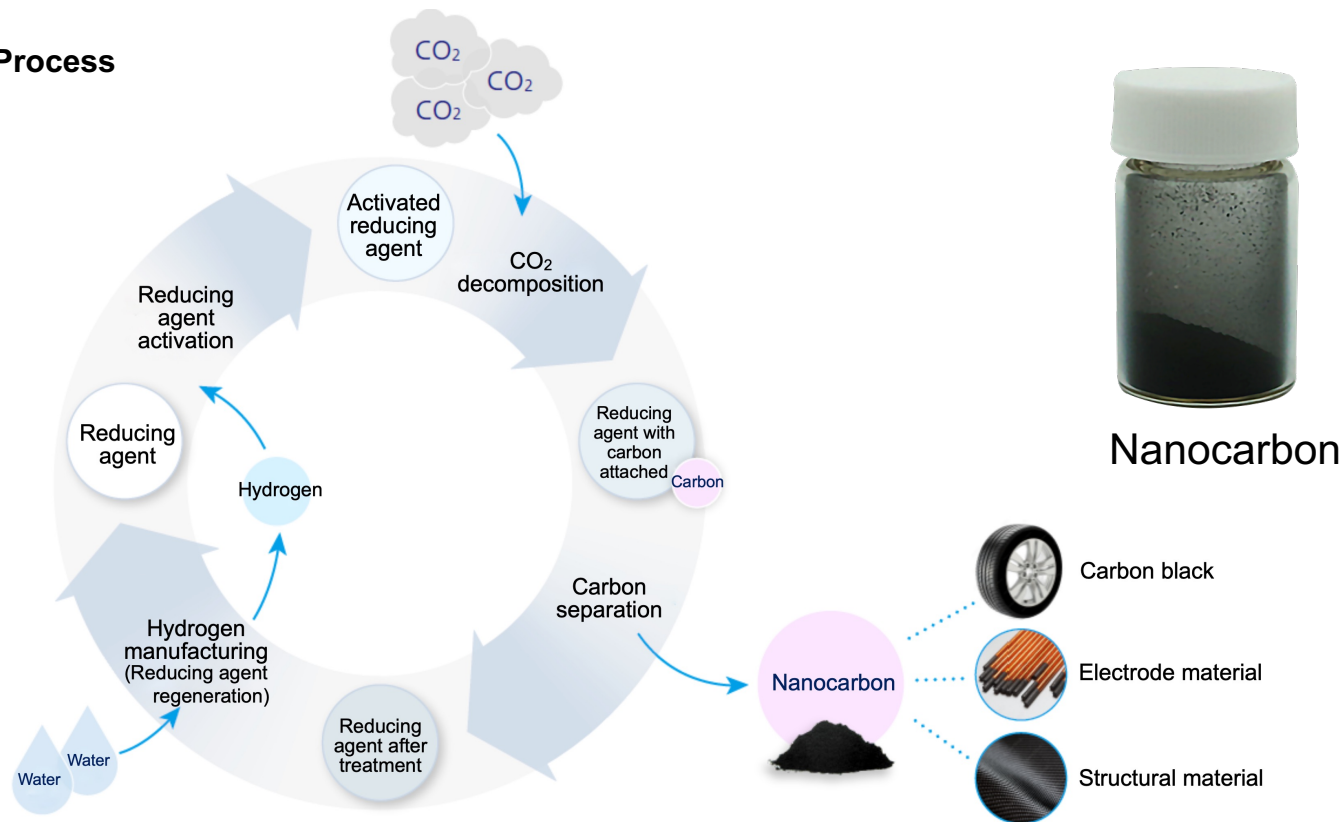
Creating an eco-friendly city

*A meeting of experts to formulate a green growth strategy for Kitakyushu City, aiming for decarbonization that leads to the creation of new industry and increased corporate competitiveness by presenting a new way to grow (through a virtuous cycle of the environment and economy of Kitakyushu City), as well as by promoting comprehensive and strategic collaborative industry-academia-government efforts.

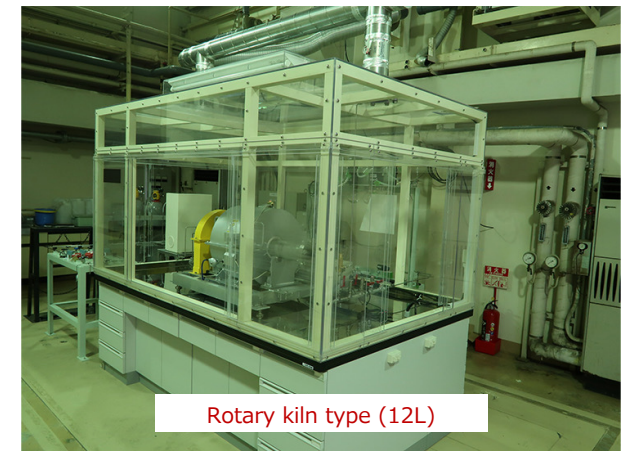
Adoption NEDO business* as a carbon recycling technology

- **Decomposing CO₂** using a reducing agent to produce nanocarbon, as well as **production of hydrogen** in the regeneration process for the reducing agent
- Implementation of underlying technology development, process optimization and feasibility studies in this operation (scheduled from FY2022 to FY2026)
- After 2026, we will conduct a scaled-up demonstration test and **put into use around 2030**

Process



Creation of materials with high added value from CO₂



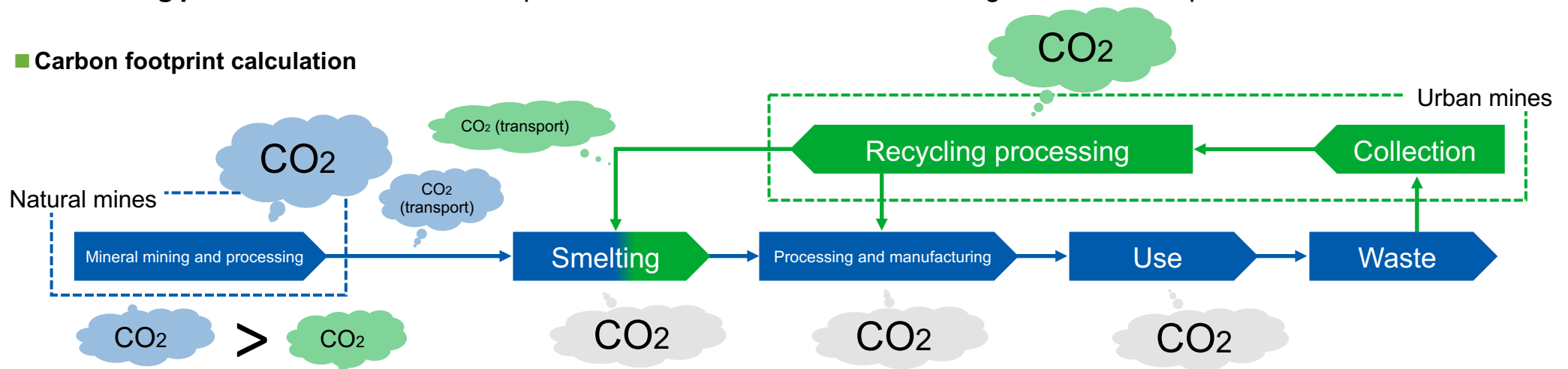
Reactor

*One of the six newly adopted themes for the effective use of CO₂ in chemicals, fuels and minerals for the development of carbon recycling technologies in the Green Growth Strategy Through Achieving Carbon Neutrality in 2050. From an October 15, 2021 NEDO press release.

Evaluation of carbon footprint (CFP) and utilization

- Focusing on circular economy using recycled materials with low CO₂ emissions
- Starting trial CFP evaluations from the standpoint of ensuring future transparency through utilization of digital technology
 - It is possible to **understand GHG emissions within** the product life cycle and **manufacturing process**
 - It is also possible to **compare GHG emissions in manufacturing** from natural resources compared to that of recycled materials
 - **Achieving product differentiation** in response to customer needs amid increasing demand for Scope3 calculation

Carbon footprint calculation



Initiative case study: Evaluation of GHG emissions reduction through review of copper product processing at Wakamatsu Plant

Trial comparative calculation of a conventional precipitation-type process, which requires high-temperature, long-term heat treatment GHG emissions for the MSP1 copper alloy manufacturing process used in small in-vehicle terminals

Future plans

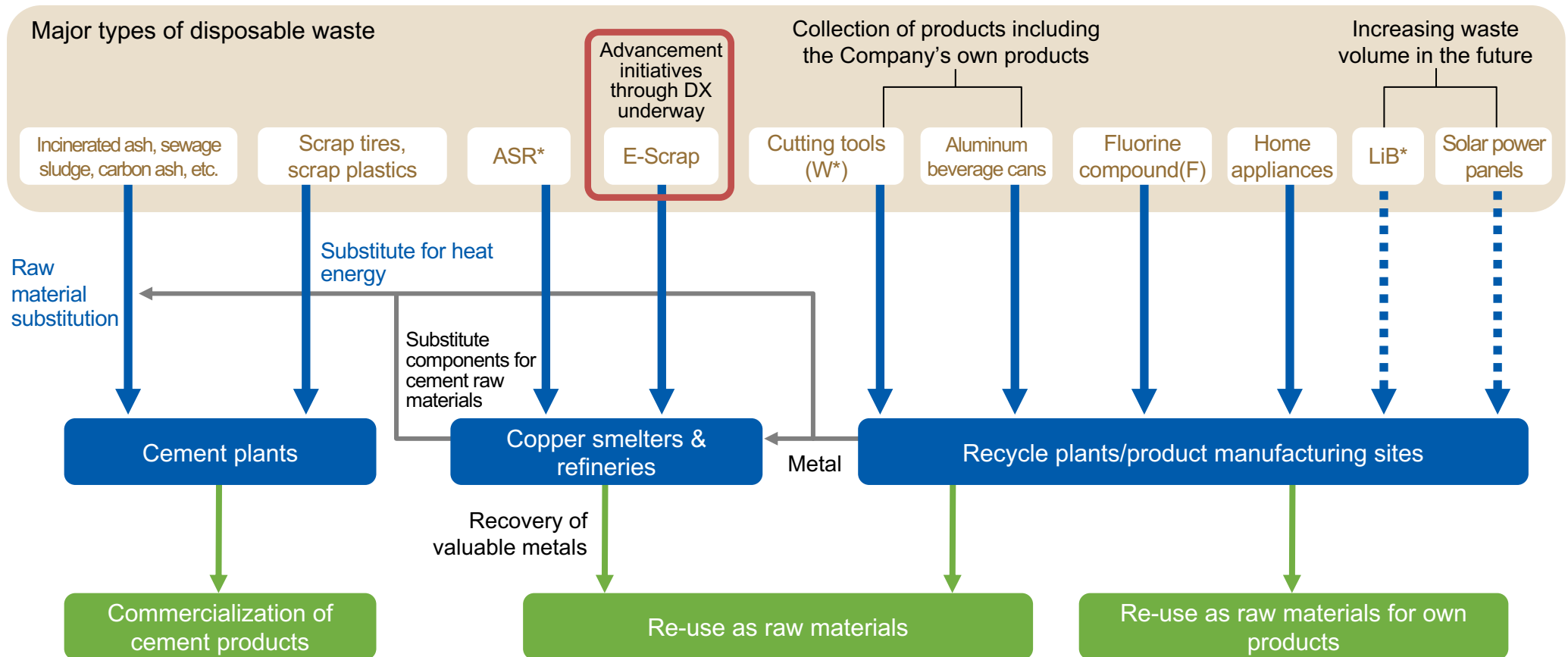
- CFP in consideration of tungsten recycling
- CFP in consideration of copper scrap raw materials

The carbon footprint is extracted from evaluation items related to GHG emissions in LCA*

*LCA (Life Cycle Assessment): A method of quantitatively evaluating input resources, environmental load and related environmental impact within a product's life cycle

The Group's pursuit of recycling-oriented business models

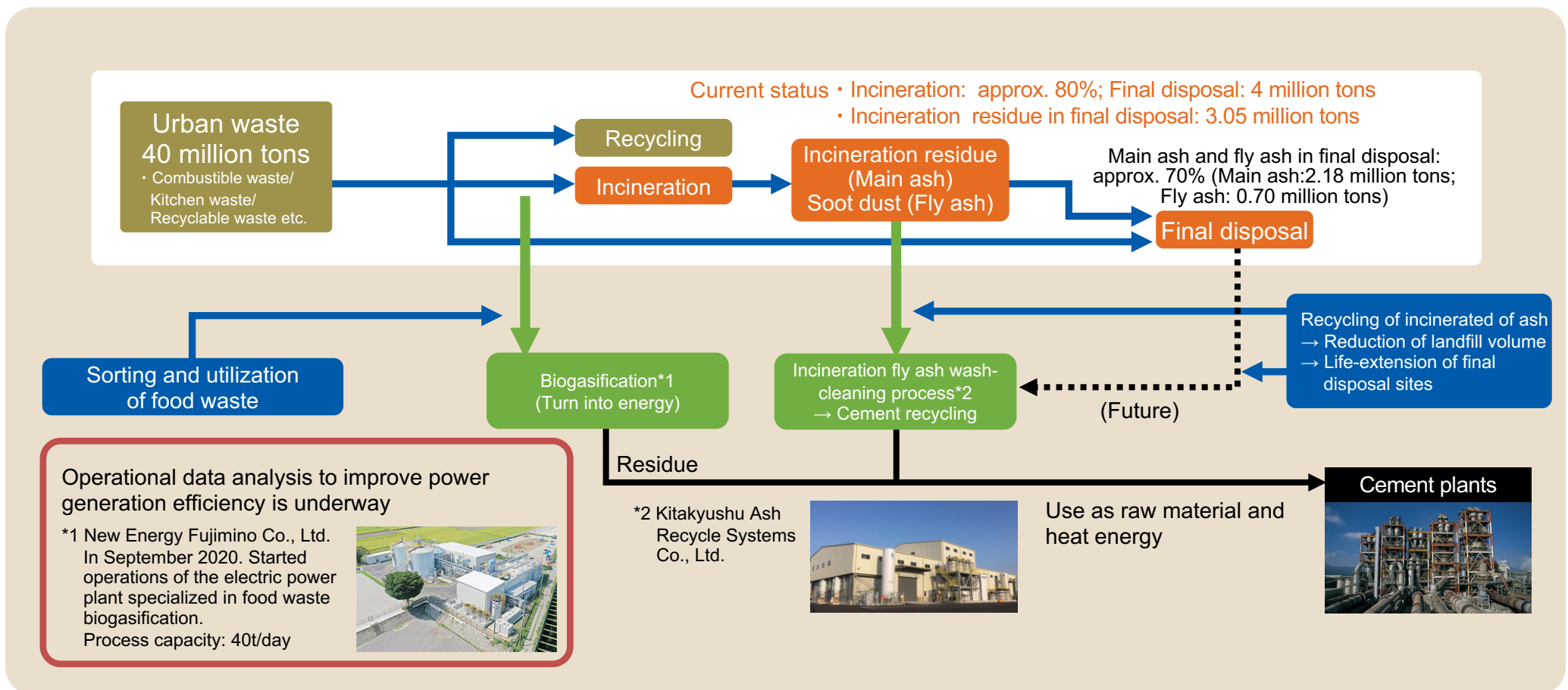
- Further advancement through digital transformation (DX)



*ASR: Automotive shredder residue; LiB: Lithium-ion battery; W: Tungsten

Approach to urban waste disposal

- It is quite difficult to build a new final disposal site, so reducing the incineration disposal and landfill volume is an urgent issue in terms of reducing environmental impact. Another issue is the reuse of ash in final disposal.

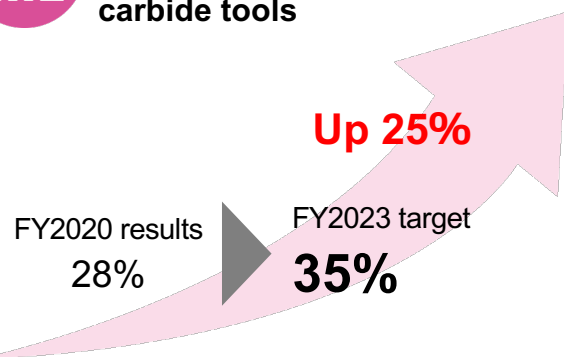


Initiatives to Build a Recycling-oriented Society (circular economy)

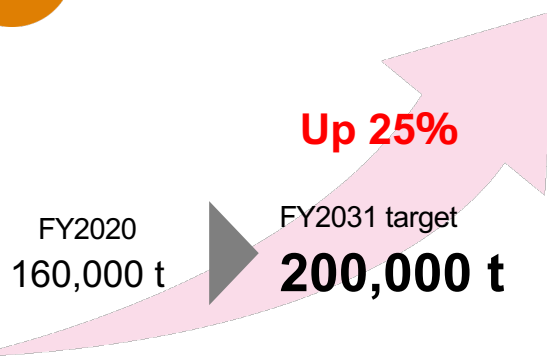
Contribution goals for a sustainable society



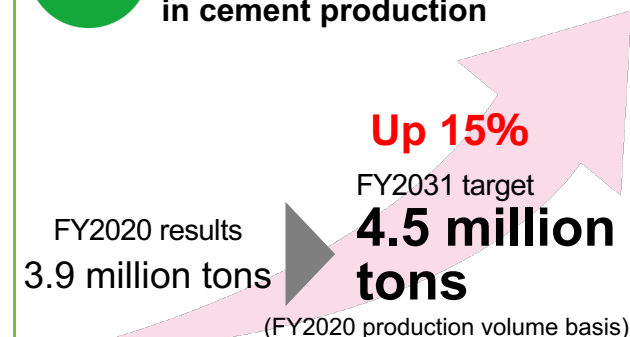
Ratio of recycled tungsten as raw material in cemented carbide tools



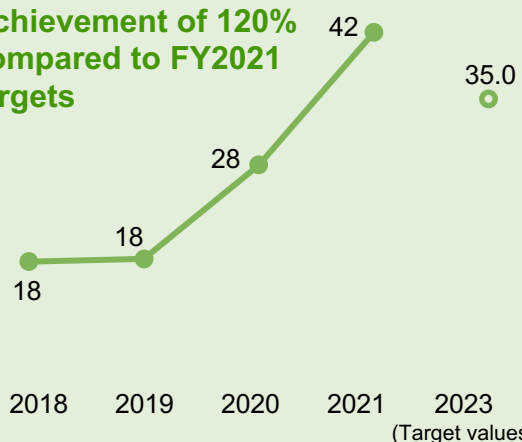
E-Scrap processing capacity



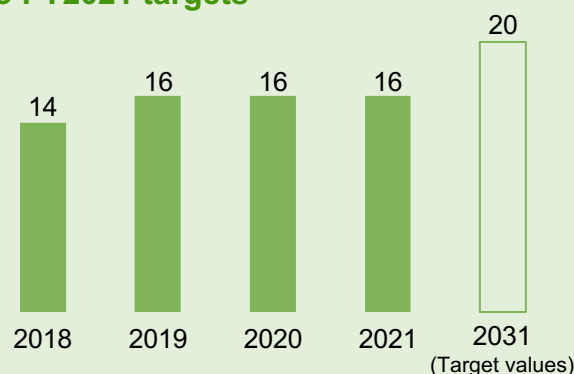
Waste and by-products processing volume in cement production



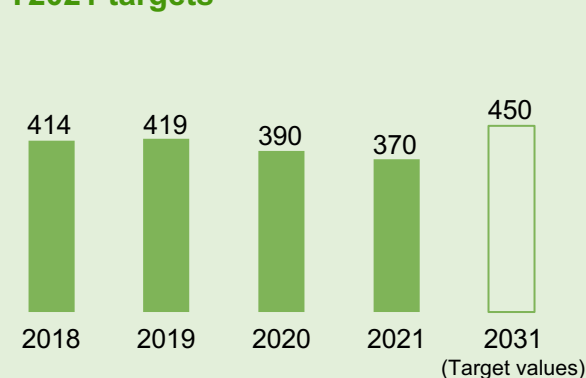
Achievement of 120% compared to FY2021 targets



Achievement of 80% compared to FY2021 targets



Achievement of 82% compared to FY2021 targets



Contribution goals for a sustainable society



Annual processing volume of home appliance recycling

FY2020 results
2.75 million
units

FY2023 target

**3.5 million
units**

Up 27%



Annual total power generated by renewable energy*

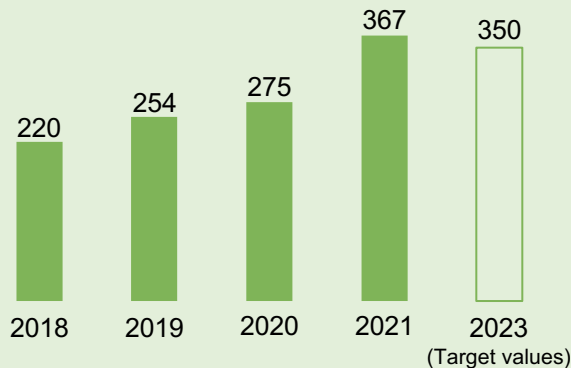
FY2020 results
437GWh

FY2031 target

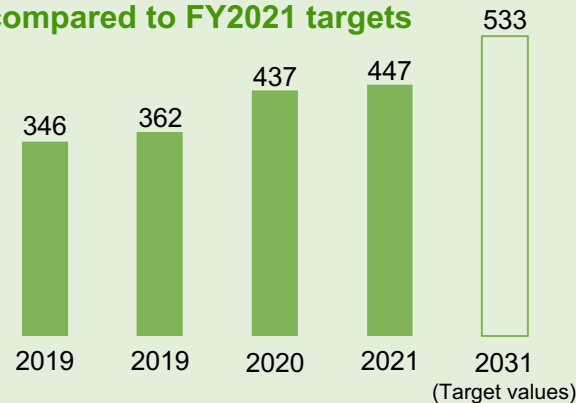
533GWh

Up 22%

Achievement of 105% compared to FY2021 targets



Achievement of 84% compared to FY2021 targets



*The definition of renewable energy generated has been revised to be the generated volume of each business multiplied by our ownership share.

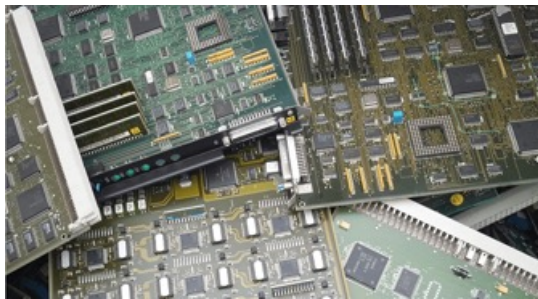
*Total amount of steam supplied to geothermal power plants (converted to the amount of generated power) and the amount of power transmitted (amount of power sold) other than steam supply.

Utilization of the Mitsubishi Process for continuous copper smelting to contribute to building a recycling-oriented society and climate change countermeasures

- The Mitsubishi Process for continuous copper smelting is a unique copper smelting technology that has achieved the **industry's top environmental impact reduction performance**
- Implementation of efficient recycling of E-Scrap such as copper, gold, silver, lead, tin and platinum
- Recovery and use of heat energy generated during E-Scrap processing and replacement, and replacement and reduction of fossil fuels

Promotion of E-Scrap processing to accelerate replacement and reduction of fossil fuels

- We boast **the world's number one E-Scrap acceptance and processing capacity of approximately 160,000 tons annually**, which we aim to increase to **200,000 tons annually by FY2031**.
- In order to capture the growth of the European E-Scrap market, we will increase the capacity of a collection plant in the Netherlands (scheduled for completion in March 2022)



E-Scrap: Waste boards for home appliances, personal computers and other electronic devices



The MM Metal Recycling B.V. is a collection plant, located in the Netherlands

Introduction of a new platform to further improve customer service

MEX : Mitsubishi Materials E-Scrap EXchange

- Start of operation of a **new platform** for E-Scrap business from December 20, 2021
- Utilization of the latest digital technology and equipped with many features
- Around-the-clock access to all information required for E-Scrap trading
- The inquiry feature that accepts questions anytime and allows interactive communication by dealing with frequently asked questions using e-mail or a chatbot (currently under development) that is capable of automatic responses.





Social

- Human Rights Initiatives
- Human Capital Initiatives

Perspective and system

- It is essential to **respect international human rights standards** while also complying with the laws and regulations of each country to expand business globally
- Comprehensively addressing human rights concerns reduces risk and captures new growth opportunities
- Appropriate response to human rights risks while balancing corporate ethics and business activities

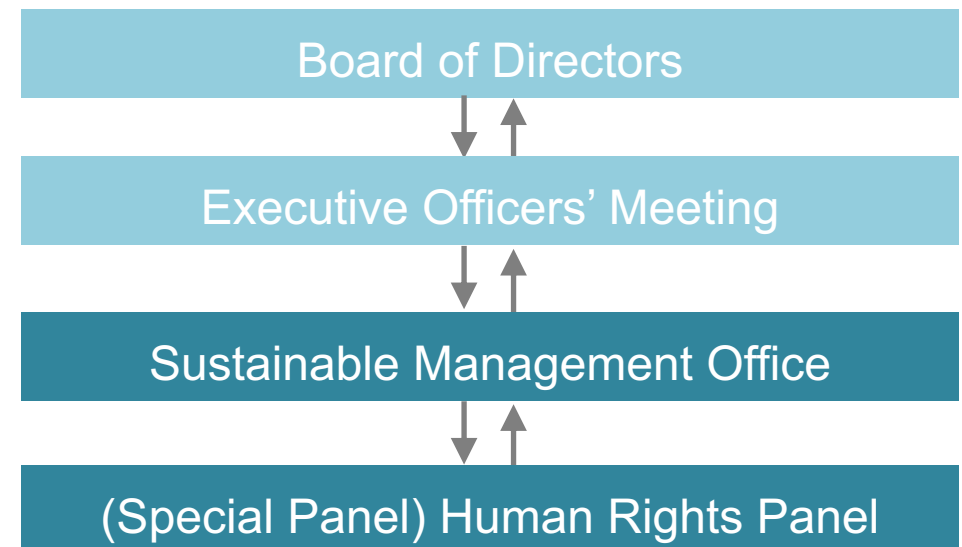
Current status of initiatives

- Commitment to respecting human rights in the Code of Conduct
- Internal dissemination through human rights awareness training, etc.

Prioritizing respect for human rights in business

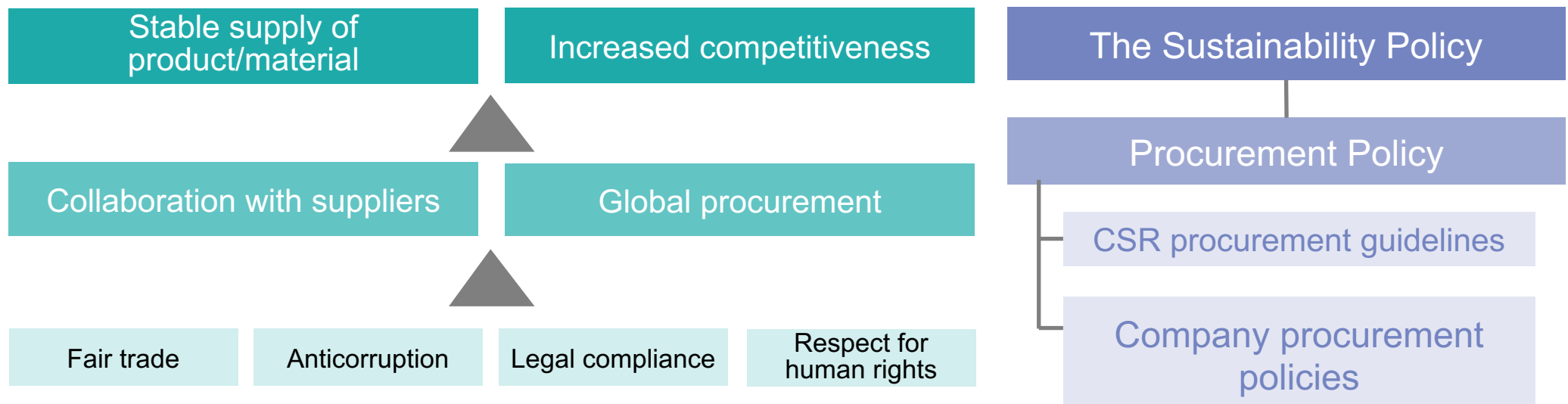
Expanding initiatives to meet global standards

- Commitment in line with international standards
- Respect for human rights through supply chains
- Due diligence for continuation of initiatives



Supply chains initiatives

- Development of Procurement Policy that reflects Human Rights Policy
- Evaluation and examination of supplier human rights risk



Supplier evaluation and assessment

(167 companies evaluated and assessed in FY2021)

Supplier self-check sheets (responses from 111 pre-existing suppliers and 103 new suppliers in FY2021)

General items: Quality, cost, delivery

Social responsibility: Human rights (child labor, forced labor, unreasonably cheap labor, etc.), environmental impact, etc.

Initiatives roadmap

Establishment of **Human Rights Policy** that comprehensively covers business activities while implementing **due diligence for human rights** and **managing human rights risks**

Our roadmap

- Establishment of new Human Rights Policy to strengthen human rights initiatives
- Promotion of due diligence for human rights, striving to reduce human rights risks and **promotion in collaboration with suppliers**
- PDCA cycle for identification and review of risks assumed based on the results of field studies
- Further internal dissemination through human rights awareness training, etc.
- **Global development**

- Realization of a sustainable society
- Stakeholder trust
- Prevention and reduction of negative human rights impact

Implementation in FY2022

Commitment through policy: Publication of Human Rights Policy

- Formulation and disclosure of policy

Planned for implementation from FY2022 to FY2023

Implementation of due diligence for human rights

- Gap analysis
- Formulation of implementation plan
- Education and training
- Risk management
- Expansion to supply chain
- Expansion to domestic Group companies

Remedial action

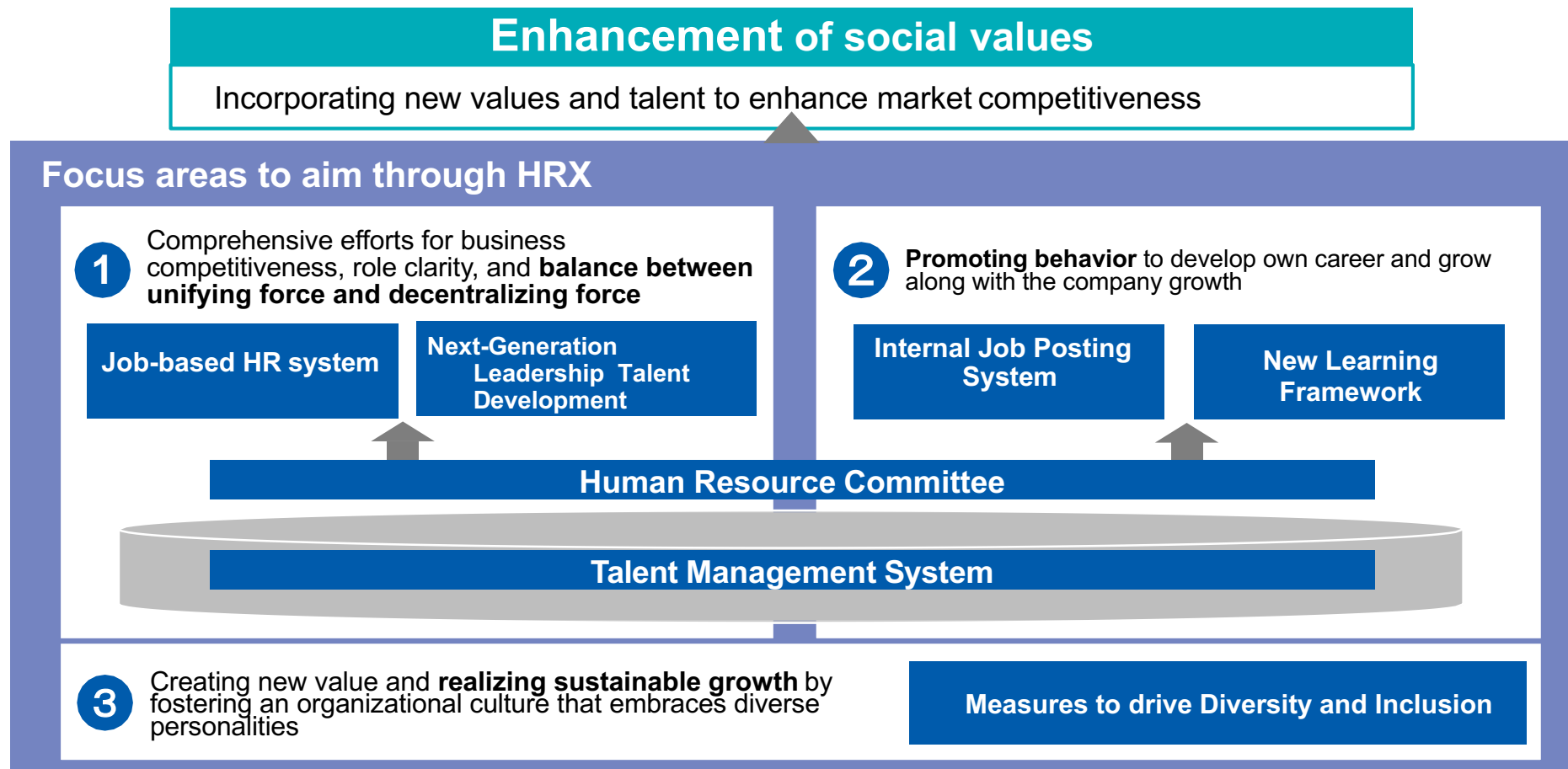
- Reporting system

FY2023 to 2024

Expansion to overseas Group companies

Human Resource Transformation (HRX)

- To sustain and enhance market competitiveness in an increasingly complex business environment, actively incorporate **new ways of working, values, perspectives and talent from external markets**, to **our strengths** built over the past 150 years.



Measures to drive Diversity and Inclusion

- Actively drive diversity and inclusion in order to **embrace and respect diverse personalities**, as well as to **create new value**, that are sources of sustainable growth for the Group
- Accelerating **women's development and advancement** based on the Guidelines for Support of Women's Development and Advancement

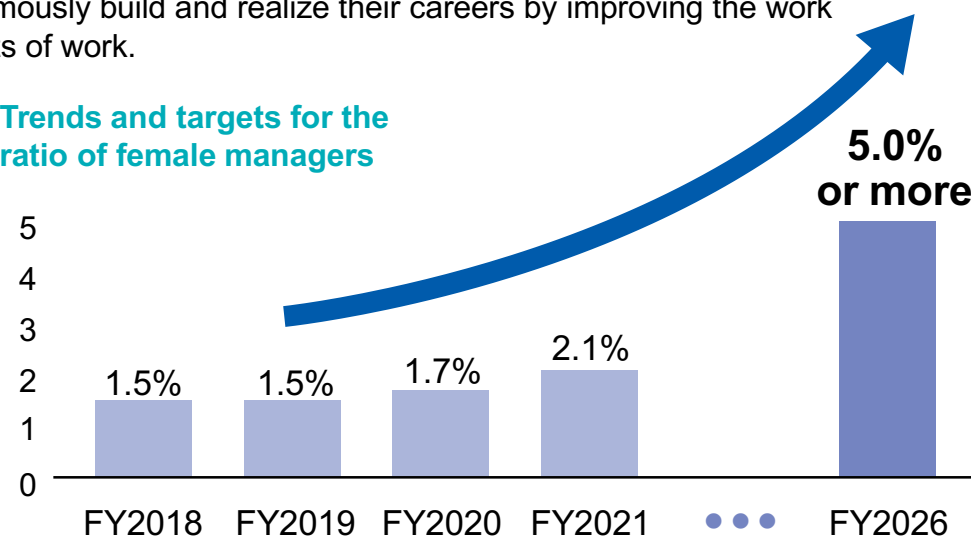
Guidelines for Support of Women's Development and Advancement

- 1) Actively promoting diversity and inclusion to embrace and respect diverse personalities, as well as to create new value, that are sources of sustainable growth for the Group. Such promotion is one of our management strategies, and active participation of female talent is indispensable.
- 2) Aiming to be a place where all female talent, with their diverse personalities, can demonstrate their individual at their very best at all workplaces, occupations, fields and positions, while experiencing growth and self-realization.
- 3) Fostering a culture where all female talent can independently and autonomously build and realize their careers by improving the work environment, expanding the work area and support that respect viewpoints of work.

■ Number of female, non-Japanese and mid-career managers

Target by FY2026		
Female managers	FY2021 Ratio	Approx. 2.5x
Non-Japanese managers		Approx. 2.5x
Managers hired mid-career		Approx. 1.5x

Trends and targets for the ratio of female managers



■ Key diversity and inclusion initiatives

Support of women's development and advancement

- Sponsorship by directors (for female managers)
- Career building support (for female career-track employees)
- Action plans at offices and plants
- Provide external training opportunities

Support for employees hired mid-career

- Enrich information related to mid-career recruitment on our website
- Support for building an internal network
- Facilitate connection to share Q&As regarding internal policies

LGBTQ+ support

- Upgrade HR system
- Develop consultation system
- Implement in-house training and training for new employees

Support of non-Japanese employees

- Actively participate in recruitment events for international students
- Foreign language support for company entrance exams
- Language education support both before and after hiring
- Support for internal promotion exams

Support for employees with disabilities

- Implement action plans at offices and plants
- Strengthen connection with external associations for employees with disabilities
- Employment support for employees with disabilities (accepting trainees from special education schools)

Building a base

- Drive initiatives to promote male employees to take parental leave
- Implement on-line learning content related to diversity (for all employees)
- Upgrade HR system

■ HR system (that goes above and beyond statutory requirements)

Childcare

- Shortening of prescribed working hours (for childcare), etc.: Employees caring for a child up until the sixth grade of elementary school are eligible
- Child nursing care leave: One child: 10 days / year, two or more children: 15 days / year
- Support interviews for employees returning to work after childcare leave (leave to raise children), etc.

Caregiving

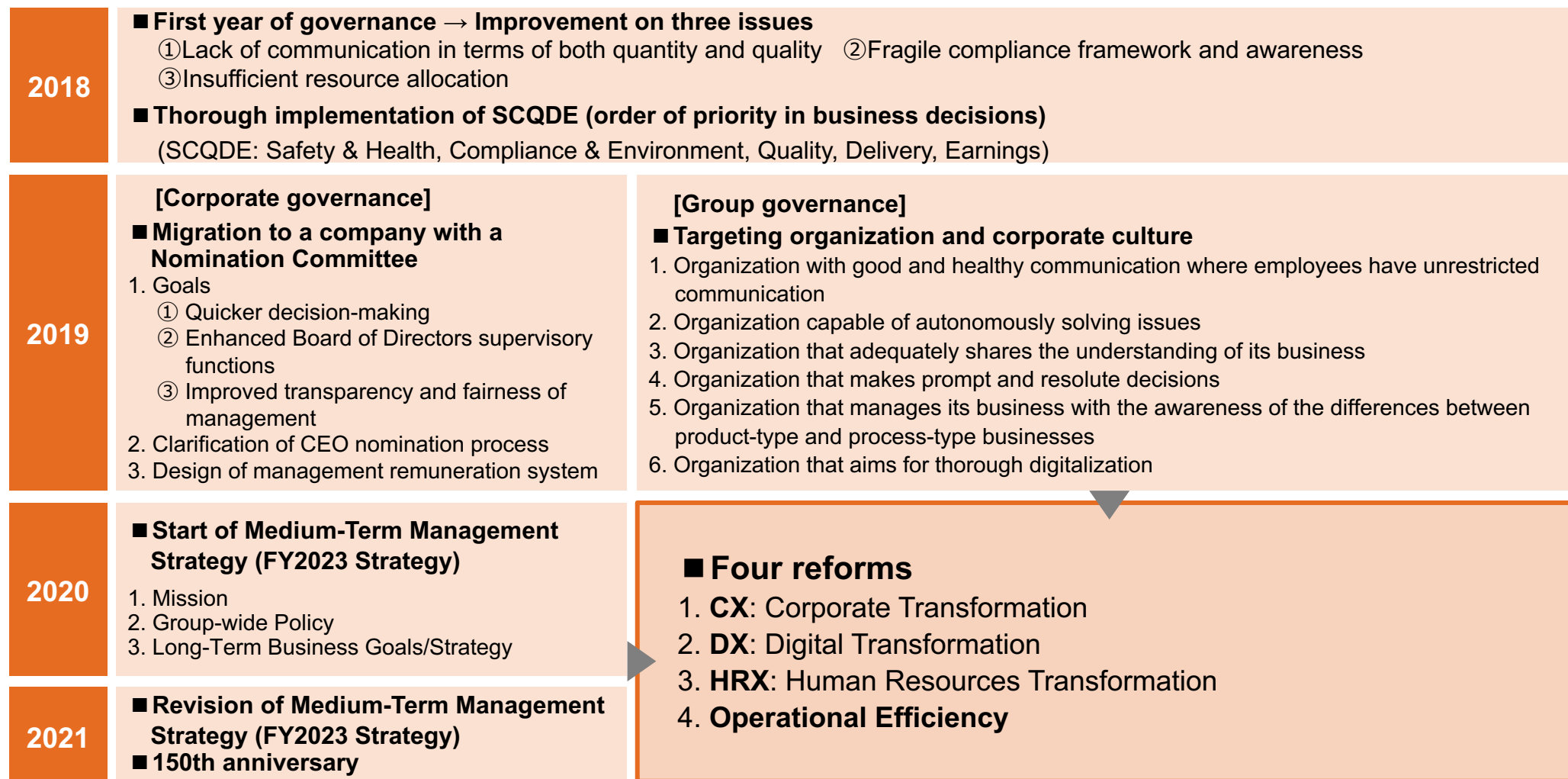
- Employees may take up to a maximum of 36 months' leave per person requiring care
- Employees may work shortened hours for up to a maximum of 72 months' per person requiring care, including long-term care leave

Governance

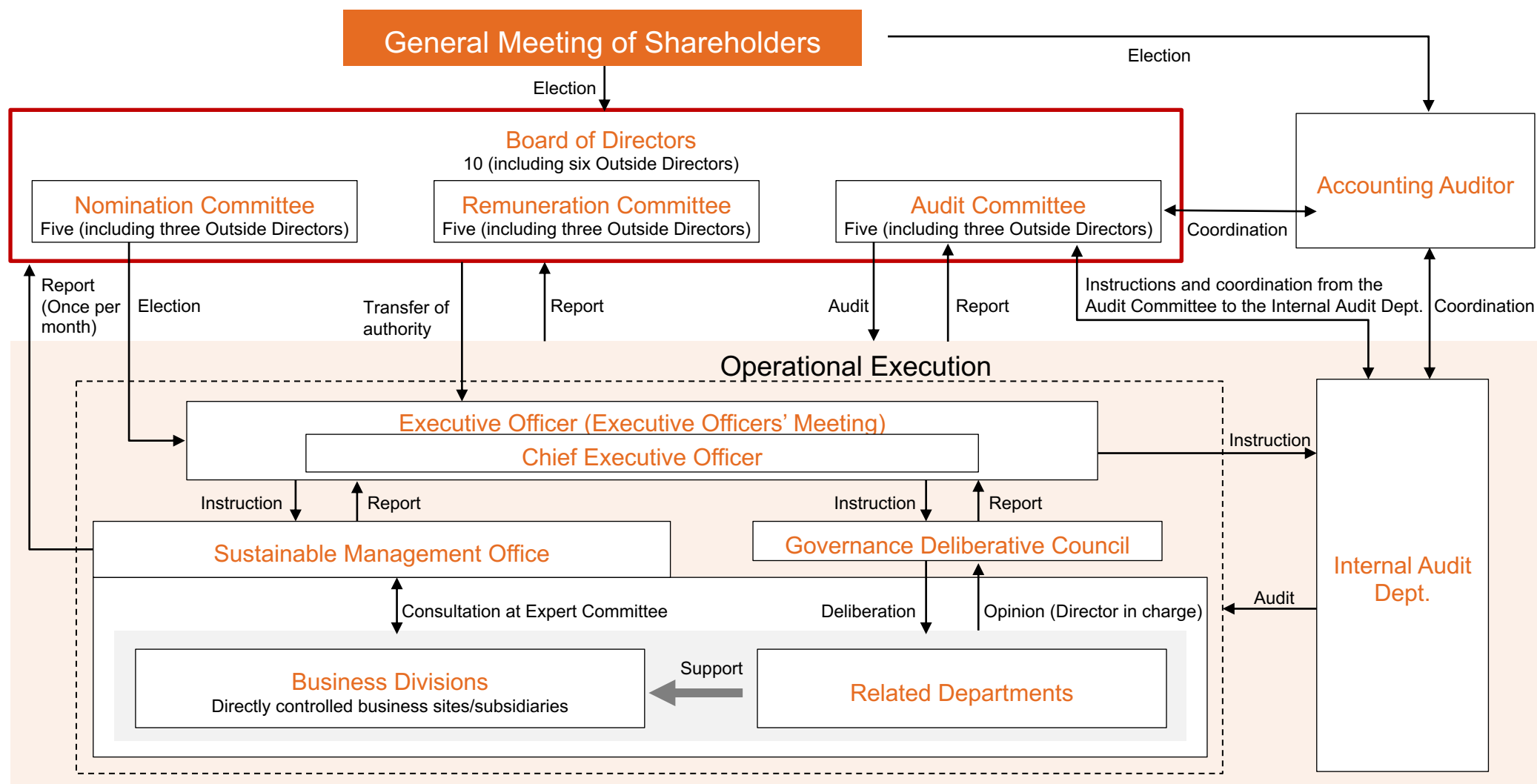
Governance

- Governance Initiatives
- Intellectual Property Initiatives
- Improvement of Communication

Enhancing governance and organizational ability by utilizing quality issues as opportunities



Corporate governance system (current as of December 1, 2021)



Status of Board of Directors meetings (April to November 2021)

- Meetings were held 14 times by the Board of Directors, 10 times by the Nomination Committee, 12 times by the Audit Committee and 6 times by the Remuneration Committee
- Briefing sessions were held 3 times and meetings for exchange of opinions were held 5 times for Outside Directors

Resolutions	Reports
24	108

Major agenda items at Board of Directors' meetings (April to November 2021)

- Materiality such as sustainability, important management strategy and the direction for Board of Directors that are deliberated as matters discussed by the Board of Directors before resolution by the Board of Directors or Board of Executives (20 cases)

Agenda item	Month deliberated	Agenda item, details	Resolution by the Board of Directors or Board of Executive Officers
Sustainability	July, September, October	<ul style="list-style-type: none"> • Response policy for revisions to the Corporate Governance Code - Establishment of the Sustainability Policy and Human Rights Policy, etc. 	November
	September, October	<ul style="list-style-type: none"> • Diversity and inclusion initiatives 	November
	February, October	<ul style="list-style-type: none"> • Setting of new greenhouse gas emission reduction targets and reduction plan 	February, November
Important management strategy	March, April	<ul style="list-style-type: none"> • Revision of Medium-Term Management Strategy 	May
	July	<ul style="list-style-type: none"> • Status of FY2022 management policy initiatives 	-
	January, April, July, August, September, October	<ul style="list-style-type: none"> • Regarding examination status of improvement to management - Organizational form, HR system, etc. 	November
Direction of the Board of Directors	February	<ul style="list-style-type: none"> • Evaluation of the effectiveness of the Board of Directors 	March
	July	<ul style="list-style-type: none"> • Regarding the future of the Board of Directors 	-

Note) Individual measures and business restructuring plans were discussed in addition to the above

Supervisory function of Outside Directors

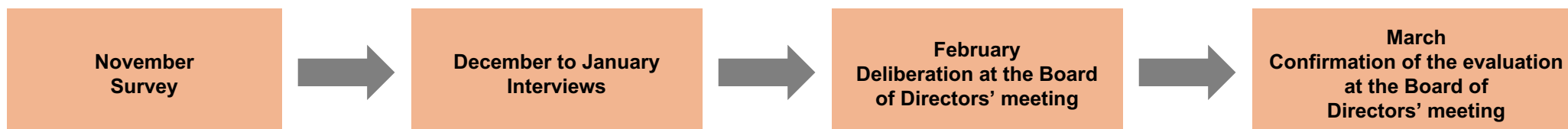
Item	Details
One-on-one meetings with the President	<ul style="list-style-type: none"> ● One hour every two months for each director
Talks with institutional investors	<ul style="list-style-type: none"> ● Annual meeting with Outside Directors
Outside Director discussions for exchange of opinions	<ul style="list-style-type: none"> ● Discussions for exchange of opinions between Outside Directors and sharing of information between committees ● FY2021: 2/year, FY2022: Monthly (from August)
Lectures, conversations with employees, etc.	<ul style="list-style-type: none"> ● Lectures by Outside Directors and conversations with employees through individual sessions, etc. ● Examples of lecture themes <ul style="list-style-type: none"> ➢ Conversations with female employees (multiple times) ➢ Business characteristics and DX conversion for process-type and product-type products ➢ Experiences at manufacturing companies, environmental impact and response, approach for these ➢ Investor perspective on Mitsubishi Materials Corporation ➢ An organization where young employees demonstrate leadership
Business meetings	<ul style="list-style-type: none"> ● Regularly held business meetings for major businesses and important issues ● Explanations from general managers, plant managers, subsidiary presidents, etc. <ul style="list-style-type: none"> ➢ Deepening understanding of business, opportunities to get to know candidates who will be the next generation of executives
Observer participation in meetings, etc.	<ul style="list-style-type: none"> ● Aiming to deepen understanding of business <ul style="list-style-type: none"> ➢ Group technology development tours, meetings on Group-wide development strategy, etc.

Main initiatives to further improve the effectiveness of the Board of Directors in FY2022

Issues	Initiative details
Strengthening of management supervisory functions	<ul style="list-style-type: none"> • Efficient Board of Directors management • Regularly held business meetings for Outside Directors
Understanding capital cost and setting indicators	<ul style="list-style-type: none"> • Review of financial plan due to partial revision of Medium-Term Management Strategy • In-depth discussion on appropriate calculation and operation methods for management indicators
Supervision for Strategic Share Holdings reduction policy	<ul style="list-style-type: none"> • Identification of stocks deemed necessary to be held for business strategy • Systematic promotion of sale for all listed stocks other than those above
Supervision of Group governance, etc.	<ul style="list-style-type: none"> • Continuing promotion of measures to activate communication and to enhance internal control for the entire group • Regular reports to the Board of Directors regarding the Sustainable Management Office, compliance, etc.

Implementation of third-party evaluation

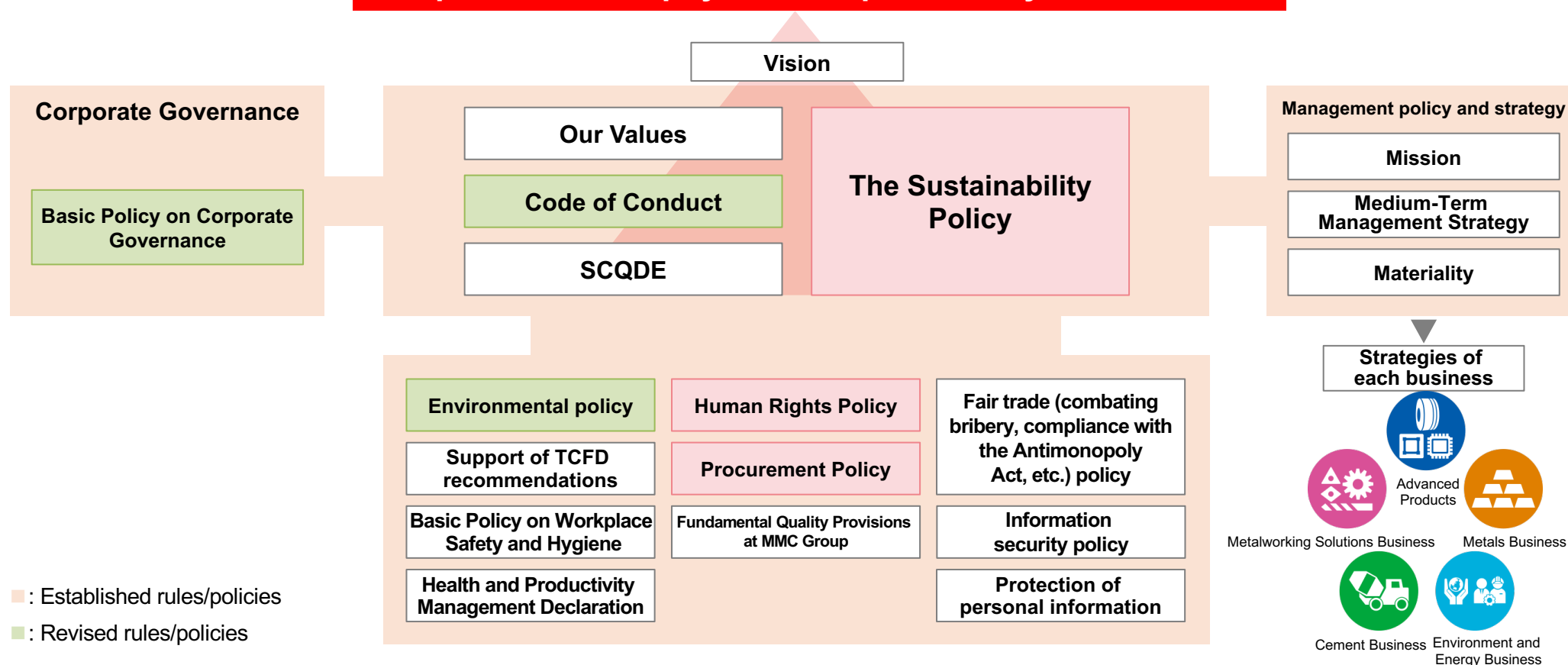
- The FY2022 evaluation of the effectiveness of the Board of Directors is to be conducted by appointing a third-party organization



Sustainability regulations and policies

- Establishment of the Sustainability Policy, Human Rights Policy and Procurement Policy, and clarification of policy for tackling sustainability issues
- Review of existing sustainability policies and regulations (Code of Conduct, Environmental Policy, etc.) and strengthening of initiatives

Corporate Philosophy: For People, Society and the Earth



Enhancing the governance and compliance systems

- Enhancing the governance and compliance systems in response to quality issues discovered in FY2018, orders to pay surcharges due to overseas violation of the Antimonopoly Act in FY2020 and the discovery of transactions deemed to be conflicts of interest in FY2021.

	FY2018 to FY2019	FY2020	FY2021
Item	Discovery of quality issues in the Group and Group Companies (Diamet Corp., Mitsubishi Cable Industries, Ltd., Mitsubishi Aluminum co., Ltd., etc.)	Orders to pay surcharges due to violation of the Antimonopoly Act by Universal Can Corporation (Applicable period: From around May 2010 to the end of March 2016 at the latest)	Discovery of conflict-of-interest transactions at Robertson's Ready Mix, Ltd.
Recognition of issues	<ul style="list-style-type: none"> ① Lack of communication ② Fragile compliance framework and awareness ③ Insufficient resource allocation 	<ul style="list-style-type: none"> ① Insufficient compliance system and awareness ② Unclear delegation of responsibility 	<ul style="list-style-type: none"> ① Insufficient checks on senior executives ② Concentration of authority in senior executives ③ Top-down organizational culture
Initiatives	<ul style="list-style-type: none"> ① Enhancement of framework for discussion, reporting and follow-up of governance-related matters ② Improvement of functions of management divisions and their collaboration with operating divisions ③ Improvement of human resources training and encouragement of active interaction ④ Internal audit strengthening ⑤ Studies with a focus on business optimization 	<ul style="list-style-type: none"> ① Setting of rules for compliance with the Antimonopoly Act ② Distribution of top message ③ Promotion of risk management activities ④ Expansion of education and understanding ⑤ Review of in-house reporting system ⑥ Strengthening of internal audits ⑦ Clarification and dissemination of disciplinary standards 	<ul style="list-style-type: none"> ① Enhancing the compliance system ② Introduction of a global in-house reporting system ③ Renovation and enhancement of management system by appointing senior executives dispatched by shareholders
		Promotion of enhancement measures for the system of compliance with the Antimonopoly Act	Implementation of internal control enhancement measures

Group measures for compliance with the Antimonopoly Act

- Due to a violation of the Antimonopoly Act by the Universal Can Corporation, we were ordered to pay surcharges of about 10.4 billion yen in September 2019. We are using this as an opportunity to promote measures for Group-wide compliance with the Antimonopoly Act

Future measures (from September 2019)

- **Setting of rules for compliance with the Antimonopoly Act (the Company and domestic subsidiaries)**
 - Establishment of Antimonopoly Act compliance regulations (mandatory advance application for contact with competitors, etc.)
 - Partial revision of the Code of Conduct, establishment of bidding guidelines
- **Distribution of top message**
 - Distributing messages from the President for important meetings (Mitsubishi Materials Group's Management Committee, overseas representative meetings), governance training for directors, CSR training, etc.
- **Implementation of education**
 - Establishment of Antimonopoly Act handbook and bidding guidelines • Implementation of E-learning
 - Addition of antitrust content to governance training for directors and CSR training • Revision of the handbook for Group employees
 - Cautions in internal newsletters
- **Promotion of risk management activities**
 - Promotion of activities by selecting Antimonopoly Act violation risks as Group-wide priority action themes
- **Review of in-house reporting system**
 - Centralization of employee hotline (faster understanding of subsidiary matters)
- **Strengthening of internal audits**
 - Implementation of themed audits by the Internal Audit Department
- **Clarification of disciplinary standards and dissemination within the Group**
 - Clarification of disciplinary standards related to cartels and bidding, dissemination throughout the Group

We will strengthen the compliance system by continuously enhancing and implementing the measures taken thus far.

Future priority measures

- **Expansion to overseas Group companies**
 - Establishment of an Antimonopoly law compliance system for overseas subsidiaries according to local law, regulation and situation is under consideration (adjustment scheduled for completion in FY2023)

Implementation status of internal control enhancement measures

- Implementation of internal control enhancement measures for senior executives Group-wide to prevent misconduct and detect it at an early stage

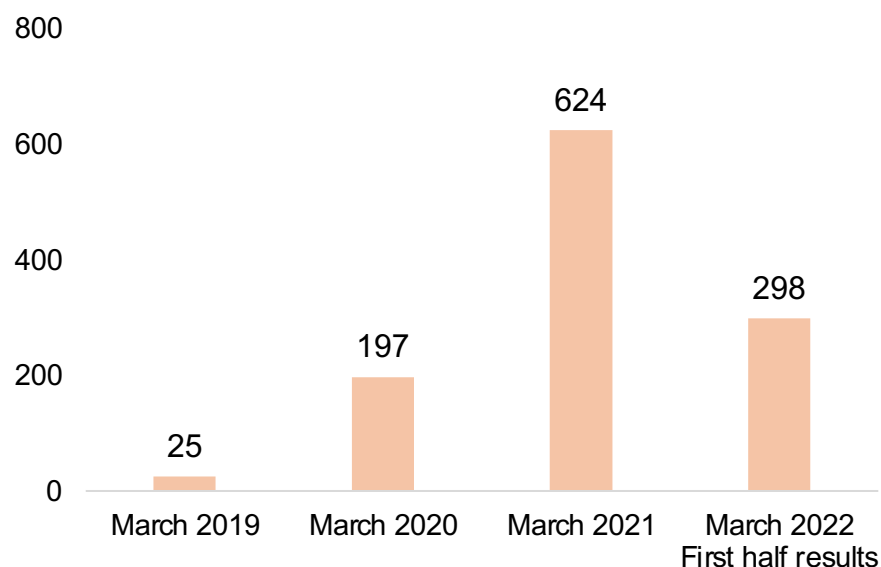
Multiple full-time officers dispatched from the parent company	Investigation of concurrent and related party transactions, and confirmation at the time of new and existing transactions
<ul style="list-style-type: none"> • Revision of consolidated business operation rules • Establishment and expansion of guidelines for dispatching officers to subsidiaries and part-time officer activity manuals 	<ul style="list-style-type: none"> • No conflicts of interest have been found in concurrent and related party transactions of executives investigated as of the end of FY2021. • Incorporating Group companies outside Japan into the rules for protection of personal information and defining the target group is planned for implementation in FY2022 and after
Enhancement of communications of the second line of defense	Introduction of a global in-house reporting system
<ul style="list-style-type: none"> • Discussion for response between the second line of defense of corporate/business divisions/each site • In risk management activities, themes related to fraudulent transactions and accounting that are serious risks are selected and discussed by target sites 	<ul style="list-style-type: none"> • The MMC Group Global Hotline was opened on April 1, 2021 • System implementation preparations are ongoing at select overseas sites
Enrichment of measures for enhancement of Officers' awareness	Expansion of internal audits
<ul style="list-style-type: none"> • Implementation of training on governance for Officers of overseas subsidiaries. Training on compliance for the managerial level of overseas subsidiaries is also scheduled 	<ul style="list-style-type: none"> • Approximately half of the 120 sites subject to comprehensive audit are undergoing priority audits (site visits began at the end of the COVID-19 state of emergency)

Basic policy on Strategic Share Holdings (Article 7 of the Basic Policy on Corporate Governance)

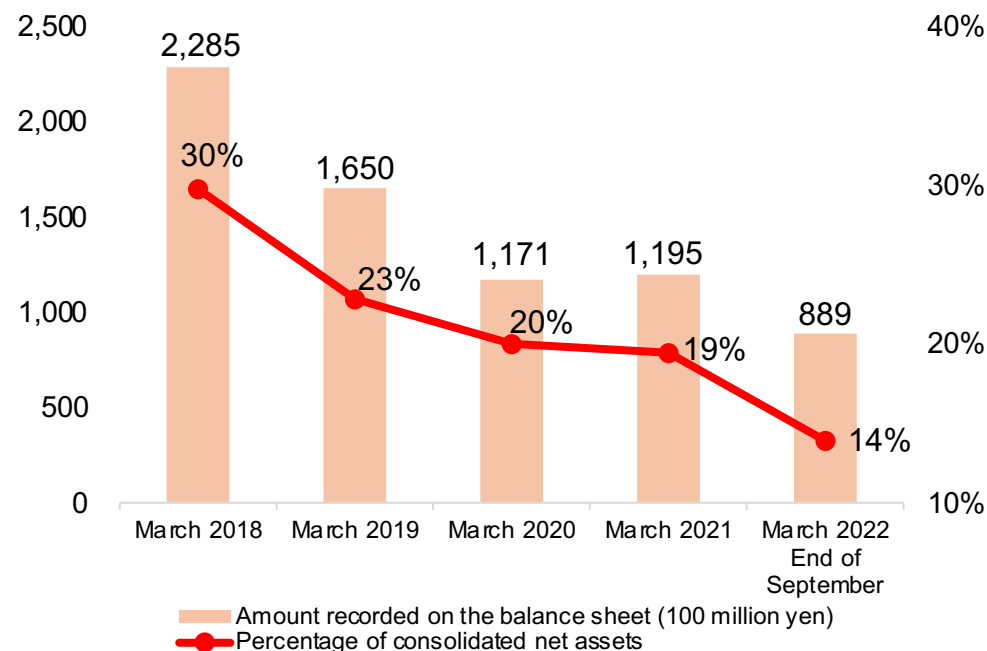
- The Company shall not acquire or hold Strategic Share Holdings unless doing so is necessary for the purpose of its business strategy.
- With regard to the Strategic Share Holdings, appropriateness of such holdings shall be specifically reviewed and examined at a meeting of the Board of Directors on an annual basis. As a result of such reviews and examinations, the Company will reduce any Strategic Share Holdings if it is not deemed to be necessary to hold such holdings.

Changes in Number of Strategic Share Holdings

Listed stock sale amount (100 million yen)

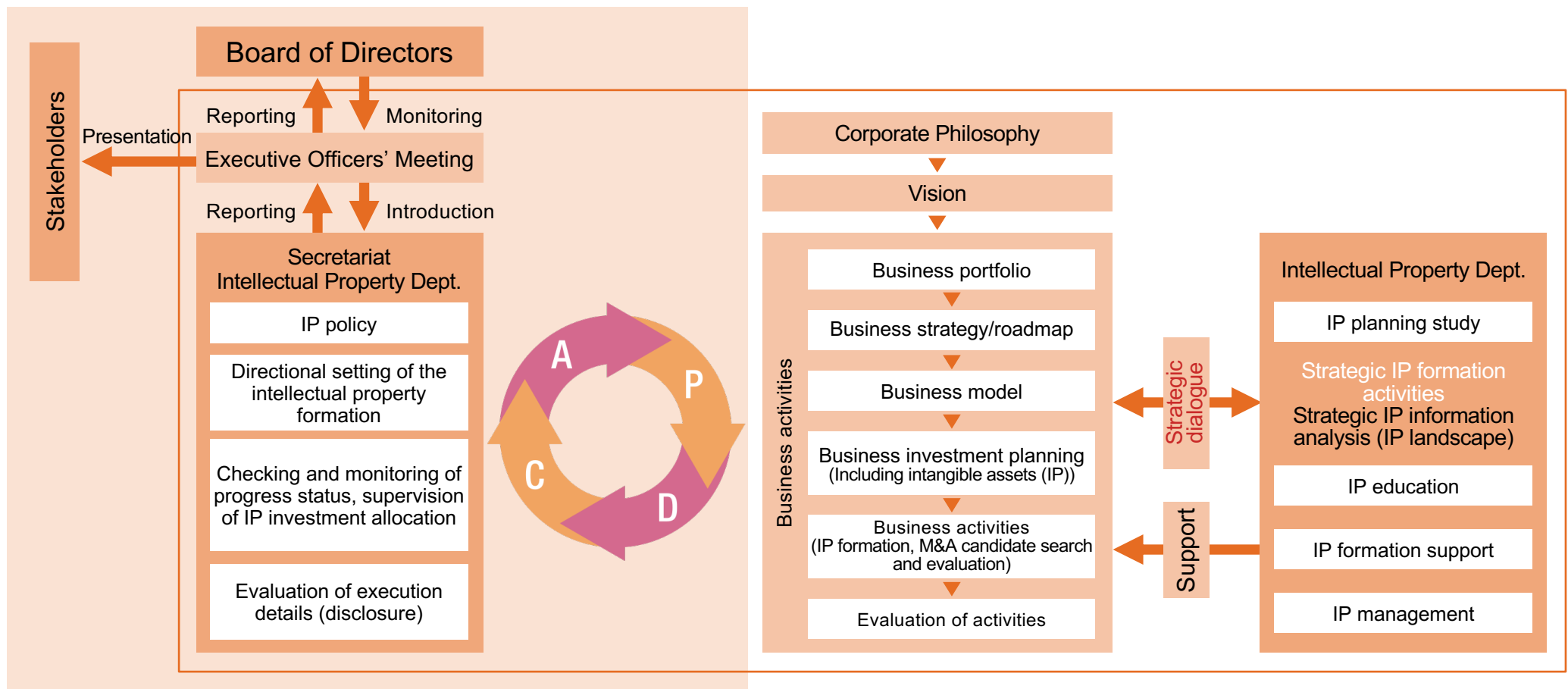


Percentage of Strategic Share Holdings in consolidated net assets



Strategic IP formation activities and promotion of IP governance

- Promotion of strategic IP formation activities based on IP landscape analysis
- Promotion of governance through regular discussion and reporting to Executive Officers and the Board of Directors



New communication initiatives

- Development of new initiatives that focus on improving communication in addition to conventional training-based measures
- Improving the quality and quantity of communication and information received

New Initiatives

Inner branding

Maintain and improve employee and organizational engagement

[Approach for three initiatives]

- Communication with management
- Lateral connection of every individual employee across the Group
- Support for individuals to take on challenges



Example of implementation
Broadcast of Senshibanko
ON AIR, where the
president acts as an
entertainment personality,
answering questions and
comments from employees

Information sharing meetings and campaigns by site

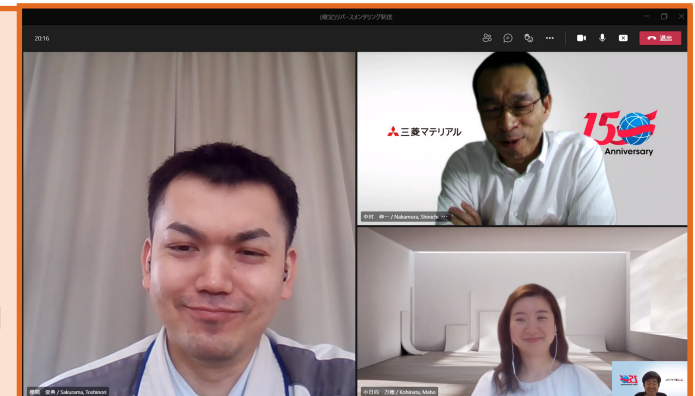
Problem-solving communication training

1-on-1

Reverse mentoring

Promotion of communication that transcends hierarchies and organizations to foster an organizational culture that facilitates frank communication and open discussion in all directions

- Young employees become mentors and give advice and opinions to the managerial level
- Creation of opportunities for management and young employees to gain awareness



Under the corporate philosophy of "For People, Society and the Earth," the Group will consistently work to contribute to our three goals, "to contribute to building a prosperous society, recycling-oriented society, and decarbonized society," from 2030 to 2050. We are working toward these by achieving both social and economic value through engaging in business activities that solve social issues. In order to continuously improve corporate value, we must sustainably implement these efforts.

While promoting medium- to long-term efforts that address sustainability issues such as global climate change, circular economies, human rights, human capital, diversity and inclusion, we also continue to actively work to build a system that deepens the discussion of these issues, including within the Board of Directors.

The Group is promoting four reforms (CX: Corporate Transformation, DX: Digital Transformation, HRX: Human Resource Transformation, Operational Efficiency). From April 2022, we will establish a strategic headquarters that governs Group strategy, establish a professional CoE that is responsible for streamlining and specializing indirect operations and change group management into a combination of complete companies that are business divisions conducting management autonomously in order to create a new Mitsubishi Materials Group—accelerating the realization of our goals and our contributions to a sustainable society.

Thank you for your attention!

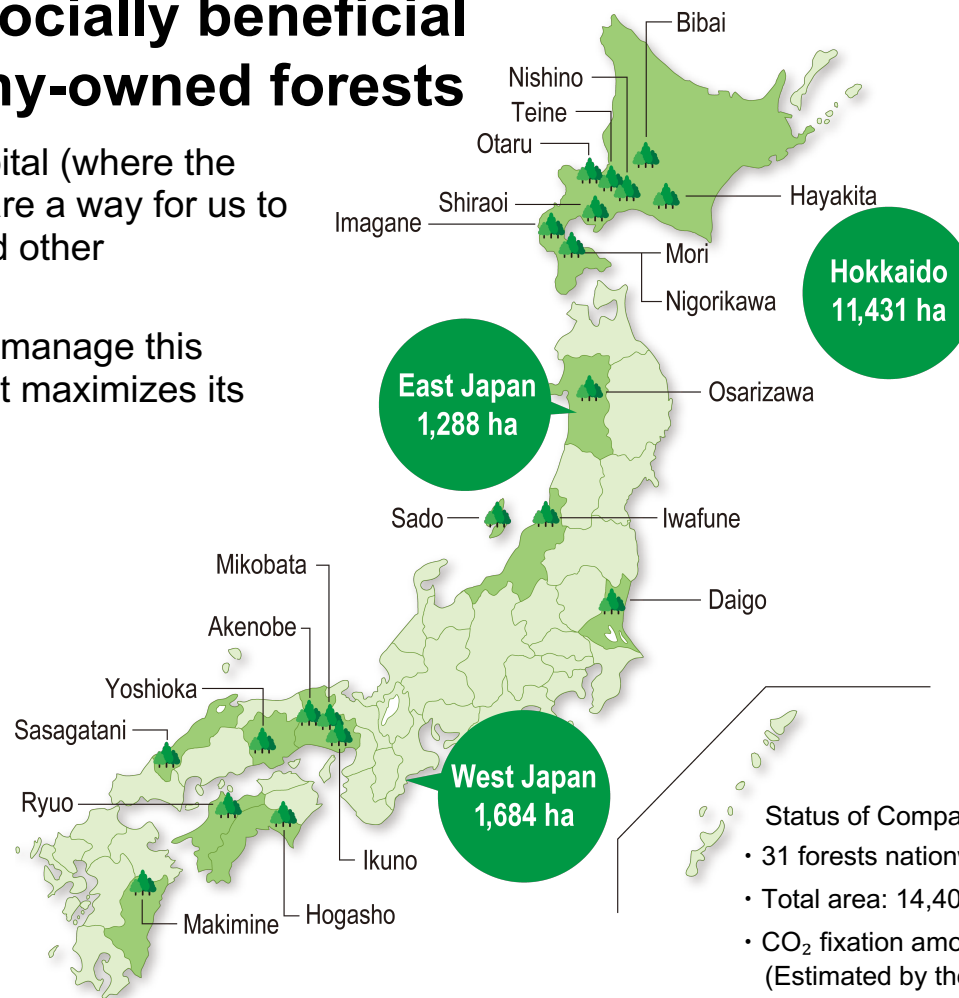
Reference Materials

Aiming to maximize the socially beneficial functions of vast Company-owned forests

- Forests are the perfect example of natural capital (where the natural environment is a kind of capital), and are a way for us to foster relationships with local communities and other stakeholders
- In order to connect to next generation, we will manage this Company-owned 14,000ha forest in a way that maximizes its wide range of socially beneficial functions



Parts of the Company-owned forests are open for local communities



Status of Company-owned forest

- 31 forests nationwide
- Total area: 14,403 hectares
- CO₂ fixation amount: **approx. 50,000 tons/year** (Estimated by the Company)
- Valuation of socially beneficial function : **approx. 40.3 billion yen** (Estimated by the Company from Ministry of Agriculture, Forestry and Fisheries materials)

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These projected performance figures are based on information available to the Company's management as of the day for releasing this material.

There are many uncertain or risk factors inherent in projections, and there might be cases in which actual results materially differ from projections of this material.

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