Mitsubishi Materials Corporation

Investor Conference Material

May 20, 2022 Naoki Ono, Director, Chief Executive Officer Mitsubishi Materials Corporation



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1.Summary of FY2022 Financial Results and FY2023 Forecast

FY2022 results (compared with FY2021 results)

Compared with FY2021 results

Net Sales: Overall increased due to the impact of higher copper prices and increased sales, mainly

in the Advanced Products business and the Metals business

Operating profit: Increased in all businesses except in the Cement business,

mainly due to price and volume differences

Ordinary Profit: Overall increase due to an increase in operating profit and dividend income

(in the Metals business)

Profit*: Increased due to an increase in ordinary profit despite loss on business restructuring

(Unit: billion yen)	FY2021 Results (a)	FY2022 Results (b)	YoY (b)-(a)
Net sales	1,485.1	1,811.7	326.6
Operating profit	26.5	52.7	26.1
Ordinary profit	44.5	76.0	31.5
Profit*	24.4	45.0	20.6
Net income per share (yen)	186.71	344.56	157.85
Dividends per share (yen)	50	90	40
Exchange rate (USD/Yen)	106yen	112yen	6yen
Copper price (LME)	312¢/lb	440¢/lb	128¢/lb

^{*}Profit attributable to owners of parent

FY2022 results (compared with previous forecast on Nov. 9, 2021)

Compared with previous forecast on Nov. 9, 2021

Net Sales: Overall increase due to higher sales in the Metals business, the Copper & copper alloy business,

and the Electronic materials & components business due to yen depreciation and higher copper

prices, etc.

Operating profit: Overall increase due to increase in profit in the Advanced Products business and

increase in the Metals business, etc.

Ordinary Profit: Increased due to an increase in operating profit Profit*: Increased due to an increase in ordinary profit

Dividends: Year-end dividend increased from ¥40 to ¥50 due to higher earnings, Dividends per share:¥90

(Unit: billion yen)	FY2022 Previous forecast (a) (announced on Nov. 9, 2021)	FY2022 Results (b)	YoY (b)-(a)
Net sales	1,760.0	1,811.7	51.7
Operating profit	42.0	52.7	10.7
Ordinary profit	59.0	76.0	17.0
Profit*	37.0	45.0	8.0
Net income per share (yen)	283.20	344.56	61.36
Dividends per share (yen)	80	90	10
Exchange rate (USD/Yen)	110yen	112yen	2yen
Copper price (LME)	426¢/lb	440¢/lb	13¢/lb

^{*}Profit attributable to owners of parent

FY2023 forecast (compared with FY2022 results)

Compared with FY2022 results

Net Sales: Overall decreased due to reorganization in the Cement Business, the Aluminum Business, etc.,

despite increase in net sales resulting from foreign exchange rate and volume differences, etc.

Operating profit: Overall decreased due to decline in net sales

Ordinary Profit: Decrease due to expectation of lower operating profit and decline in dividend from mines, etc.

Profit*: Decrease in net profit due to decline in ordinary profit

Dividends: Set dividend ¥50/share, aiming to return shareholders equivalent to the total dividend of more

than ¥30 billion expected in the FY2023 Strategy

(Unit: billion yen)	FY2022 Results (a)	FY2023 Forecast (b)	YoY (b)-(a)
Net sales	1,811.7	1,590.0	-221.7
Operating profit	52.7	36.0	-16.7
Ordinary profit	76.0	36.0	-40.0
Profit*	45.0	20.0	-25.0
Net income per share (yen)	344.56	153.08	-191.48
Dividends per share (yen)	90	50	-40
Exchange rate (USD/Yen)	112yen	120yen	8yen
Copper price (LME)	440¢/lb	448¢/lb	8¢/lb

^{*}Profit attributable to owners of parent

2. Medium-Term Management Strategy (FY2023 Strategy) Progress

Progress toward the FY2023 Strategy Targets | Financial indicators

For FY2023, market conditions are expected to deteriorate, energy prices and other costs are expected to skyrocket. Furthermore, upfront investments for the future make it difficult to achieve the FY2023 Strategy Targets.

	Unit : billion yen	FY2022 Results	FY2023 Forecast	FY2023 Strategy Target*	Difference
ROIC (%)		7.0	3.4	4.0	-0.6pt
ROA (ordina	ry profit to total assets) (%)	3.7	1.8	2.0	-0.2pt
ROE (%)		8.0	3.5	6.0	-2.5pt
	Net Sales	1,811.7	1,590.0	1,410.0	+180.0
D/I	Net Sales (excluding metal)	817.3	544.4	600.0	-55.6
P/L	Operating profit	52.7	36.0	29.0	+7.0
	Ordinary profit	76.0	36.0	38.0	-2.0
	Total assets	2,125.0	1,870.0	1,820.0	+50.0
BS	Net interest-bearing debt	449.4	412.0	350.0	+62.0
	Shareholders' equity	584.8	593.0	570.0	+20.0
Net D/E ra	tio(times)	0.77	0.69	1.0 or less	
	Exchange rate (yen/\$)	112	120	110	<sensitivities> 1 yen increase in</sensitivities>
Assumptions	Exchange rate (yen/€)	131	135	130	+0.7 billion yen 10¢/lb increase
	Copper price (¢/lb)	440	448	330	+0.9 billion yen (

^{*} Assuming transition to equity method in cement business

Progress toward the FY2023 Strategy Targets | Investment & Shareholders return policy

Although the market environment will be difficult in FY2023, investments for future growth will be made as the FY2023 Strategy, in anticipation of future market recovery.

Investment Policy

- If there are good large-scale investment projects for growth, aggressively invest within the range of net D/E ratio of 1.0 times or less.
- The accumulated forecast during the FY2023 Strategy is for capital investment and investment and financing, including growth investment equivalent to the FY2023 Strategy target.

Unit : billion yen	Accumulated forecast during the FY2023 Strategy	FY2023 Strategy target	Difference
Capital investment Cash out	251.5	250.0	1.5
For growth	84.9	90.0	-5.1
For maintenance & upgrading	166.6	160.0	6.6
Investment & financing Cash out	95.7	105.0	-9.3
Total Investment Cash out	347.2	355.0	-7.8

Shareholder Return Policy

- The lower limit of the annual dividend amount during the FY2023 Strategy has been changed to ¥50 based on the operating cash flow level judged to be stable.
- **Return Policy** By accelerating the sale of assets and flexibly allocating funds such as treasury stock acquisition and additional dividends, we aim to implement shareholder returns equivalent to the total dividend in FY2023 strategy original Plan.

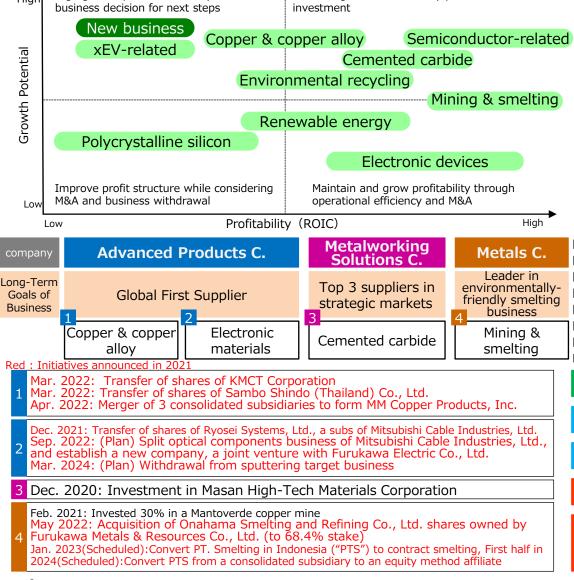
Unit : yen	FY2021 Results		FY2023 Forecast	FY2023 Strategy Plan	FY2023 Strategy Original Plan
Annual Dividend	50	90	50	50	80

2. Medium-Term Management Strategy Progress | Group-wide Policy

High growth potential but requires careful

Optimization of business portfolio (Major movements in the Reform of Business Structure)

So far, optimization of the business portfolio has been preceded by optimization of business areas, such as spin-offs and business transfers of problem businesses. In FY2023, we will focus on profitability improvement by enhancing business competitiveness, including improvement of the earnings structure. Maintain growth and healthy profit with enhanced

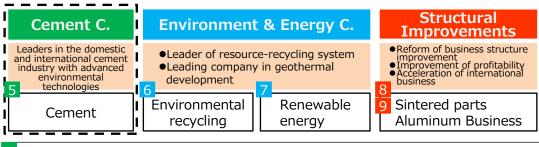


[Concentration on businesses where the company should take ownership1

- Businesses that are consistent with the vision and the mission
- Businesses that are governable by the Group
- Businesses that are competent in earning a leadership role in the world or specific region
- Businesses that can deliver stable returns over capital costs on a medium- to long-term basis

[Building business portfolio]

- Profitability and growth potential determine the business direction
- Profitability is measured by ROIC (spread)
- Growth potential is measured by EBITDA growth rate, etc.



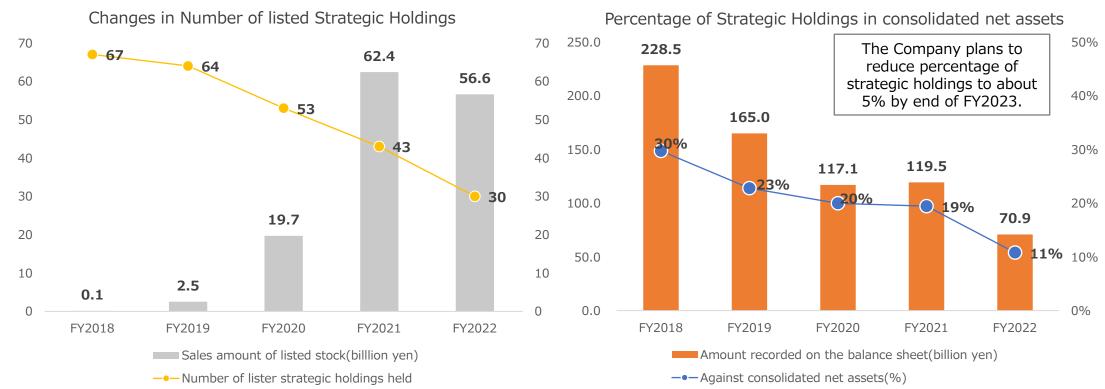
- Apr. 2022: Established Mitsubishi UBE Cement Corporation
- Jul. 2021: Transfer of shares of Dia Consultants Co., Ltd.
- Sep. 2020: Start operation of New Energy Fujimino Co., Ltd.(Biogasification of food waste)
- Dec. 2020: Transfer of shares in Diamet Corporation
 - Jan. 2021: Transfer of shares in Chinese subs of Mitsubishi Aluminum Co., Ltd.
- Apr. 2021: Transfer of shares in Tachibana Metal Co., Ltd. Mar. 2022: Reorganization of Aluminum Business (Transfer of shares in Universal Can Corp. and split Aluminum-related business from Mitsubishi Aluminum Co., Ltd.)

Basic policy and transition on Strategic Holdings

Basic policy on Strategic Holdings

- ✓ The Company shall not acquire or hold Strategic Holdings unless doing so is necessary for the purpose of its business strategy.
- ✓ With regard to the Strategic 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 Holdings if it is not deemed to be necessary to hold such holdings.

■ Changes in Number of Strategic Holdings



Four Management Reforms

To realize group-wide policy, we promote Four Management Reforms in unison to improve organizational capabilities.

For "Corporate Transformation (CX)" and "Human Resources Transformation (HRX)," we will identify issues from effectiveness perspective in 3 to 6 months and implement improvements from October onward.

We continue to assess the effectiveness of DX while promoting it in a flexible manner.

- •CX :Reform aiming for an optimal group management style (organization / business management)
 - <Strategic Headquarters, Professional CoE* intending sophisticated and efficient operations, and Strong business divisions with autonomous management>
- HRX : Reform of HR system and work style to acquire and develop autonomous talents who can adapt to changes
 - <Introduction of job-based HR system / Internal job posting system / Talent Management / 1-on-1 communication / Next Generation Leadership Talent Development>
- DX : Reform by utilizing data and digital technology
 - <Improvement of business added value, operational competitiveness, and management speed>
- Business efficiency: Operations reform by reviewing the organization, the job (method), and the work style
- * CoE (Center of Excellence): Organization with expertise in specific areas

Create both social and economic values

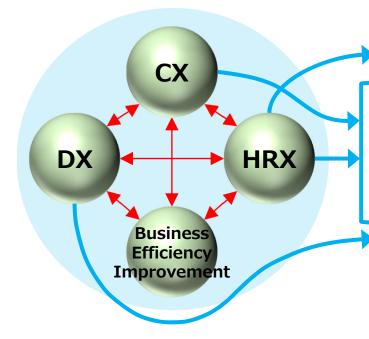
Mission

Contribute to build;

- a prosperous society,
- a recycling-oriented society,
- a decarbonized society

Group-wide policy

- Optimization of business portfolio
- Comprehensive efforts to increase business competitiveness
- Creation of new products and businesses



Targeting organization and culture

- Organization with good and healthy communication where employees have unrestricted communication
- ② Organization capable of autonomously solving issues
- ③ Organization that adequately shares the understanding of its business
- Organization that makes prompt and resolute decisions
- (§) Organization that manages its business with the awareness of the differences between product-type and process-type businesses
- $\ensuremath{\mathfrak{G}}$ Organization that aims for thorough digitalization

Improvement of organizational capability

- •Change Adaptability
 Agility to take steps adapting to the business environment
- Ability to Integrate
 Ability to take actions by integrating human network and combination of functions

Four Management Reform Movements (CX and Improve operational efficiency)

■ Corporate Transformation (CX)

Aiming to Reform for Optimal Group Management Structure

Reorganize head office functions; Head office to take charge of group strategies + Headquarters back office to be responsible for improving efficiency and sophistication + strong business division to conduct autonomous management.

Mission

- Pursuit to Group Strategy
- Pursuit of Expertise and Efficiency
- Self-contained company management (complete company system)
- -> The company has all business functions, identifies and sets issues, and works to resolve them on its own.

Role reassignment

* CoE (Center of Excellence): Organization with expertise in specific areas

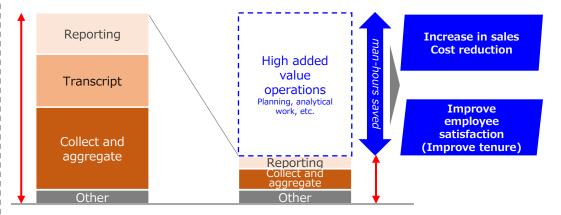
Head office functions Professional and Routine Function to formulate **Back office functions Group Strategy** Operations essential for company management Strategic Professional CoE* In-house company Headquarters Responsible for improving Take charge of **Conduct autonomous** efficiency and group strategies <u>management</u> sophistication

- Clarify division of roles between Strategic Headquarters / Headquarters back office / Business division
- Speedy and flexible business management tailored to the business environment and business characteristics
- > Strengthen governance functions by pursuing a balance of centrifugal and centripetal forces among Strategic Headquarters/ Headquarters back office/ Business division

■ Business Efficiency Improvement

Reduce work hours by 16,000 hours/year by introducing RPA

Introduced RPA as a measure to improve business efficiency. By drastically reducing the number of man-hours worked, the Company has been able to reduce overtime hours, improve the sophistication of its operations, and reduce the mental burden of its employees.



Accounting robot for shift allowance, etc.

Automated work related to the reimbursement of shift allowances, etc.

Significant reduction in man-hours

<Effects> 7,625 hrs/year

Analysis robot of process lead time

Automate processes to prepare analytical data

Increased analysis frequency by standardizing operations that had become gentrified

<Effects>
1,800 hrs/year

Overtime calculation and display robot

Automate monthly overtime tally

Increase in work frequency and aggregate population

<Effects>
619 hrs/year

MMDX* Themes and Key Perspectives

*MMDX: Mitsubishi Material Digital Business Transportation

Based on the aims and points, we will manage the project according to the progress phase of each theme. We will also consider using DX from a medium- to long-term perspective with an eye on the next mid-term.

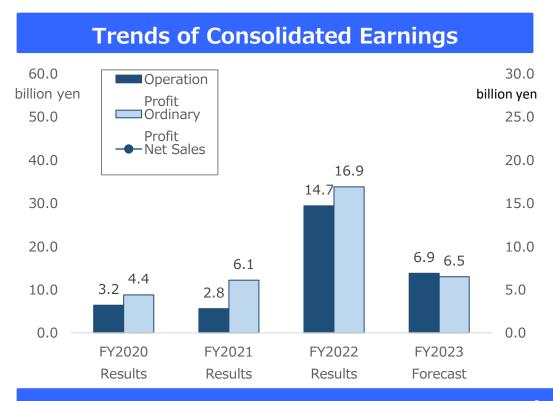
		<u>Theme</u>	<u>Aims</u>	<u>Points</u>	
	Product-	1. MI*:Digital customer touch point ខ្លប់	Business Growth	Strengthen Customer Contact and Process Coordination	
	based	2. Ability to propose solutions 3. Demand & supply management			
Improvement business (1-7)	3. Demand & supply management	Create a foundation to catch up with competitors' efforts and win on a global basis	Review all business processes with a focus on "shortening the distance between the Company		
of customer touch points		4. Improvement of customer touch points		and the customers"	
& S&OP	Recycling-	4. Improvement of customer touch points 5. Supply chain integration 6. Advance development and production data utilization 7. Income platform	Developing our business, "for People, Society and the Earth"	Strengthen our business by utilizing the strengths of our current business	
	Based Business	6. Advance development and production data utilization		and mobilizing the industry	
	(8,9)	7. Income platform	Contribute to the sustainable society	Establish an underlying platform	
Advancement	Advancement of	8. Strengthening E-Scrap processing	SCQDE, increase field strength, and increase product strength	Thoroughly operational efficiency, and sophisticated business	
of Manufa	Manufacturing Excellence	9. Environmental recycling DX	increase product strength	and sophisticated business operations through the use of data	
Monozukuri	(10-13)	10. Security and safety			
	Key Operations	11. Maintenance	Advancement of business	Capture real situation and data in the	
	Data Infrastructure	12. Advance procurement	management to support CX / Data- driven management	field and market, not monthly, and the ability to look ahead	
	(14-16)	13. Innovation center DX	Speedy decision making and execution based on data	Thorough utilization of existing data	
Strengthening	Business	14. ERP		Review	
the Business Management	Efficiency Improvement	15. Upgrading of business administration	Easier to work in the office and in manufacturing.	(standardization, universalization, and externalization)	
Foundation	(17)	16. Data infrastructure and utilization	Focus on professional operations	and thorough automation of business processes	
		17. Business efficiency improvement	Strengthen talents for sustainable development	High visibility of talents and	
	Talent Base (18,19)	18. Talent management	Good and healthy communication Corporate culture with a spirit of	transparency of evaluations DX Talent Development	
	(10,19)	19. DX talent development and DX literacy improvement	challenge	Improved DX mindset and literacy	

^{*} MI : Market Intelligence

2. Medium-Term Management Strategy Progress | Advanced Products Company



Business Overview



Net Sales Ratio by Segment						
(Unit: b	20/3	21/3	22/3	23/3 forecast		
Advanced Products Consolidated	Net sales	375.3	357.1	485.9	546.1	
	Operating profit	3.2	2.8	14.7	6.9	
Copper & copper	Net sales	252.9	231.6	366.6	426.4	
alloy	Operating profit	2.4	-0.3	4.6	2.0	
Electronic materials &	Net sales	123.2	126.6	120.7	121.1	
components	Operating profit	0.8	3.5	10.0	5.3	
Other	Net sales	-0.8	-1.1	-1.4	-1.4	
consolidation adjustment, etc.	Operating profit	0.0	-0.4	0.1	-0.4	

FY2023 Business Overview

Copper & copper alloy

Despite uncertainties such as semiconductor component shortages and COVID-19, the company expect net sales to remain strong as auto parts manufacturers are building up inventories on the back of strong business since the second half of FY2021, and demand in the automotive market is expected to remain high.

On the other hand, the company expect a decrease in profit due to energy cost, labor costs, depreciation, and upfront cost burden related to capital expenditure for increasing production.

Electronic materials & components

Despite strong demand in the semiconductor market, we expect overall net sales to remain flat due to the impact of reduced sales resulting from inventory adjustments and other factors.

We expect a decrease in profit due to the impact of higher energy costs and volume differences, despite the improvement in profitability owing to our measures to respond to price hikes, etc.





Progress of the FY2023 Strategy | Priority Measures

Long-term goals | **Global First Supplier**

Longterm strategy

- Refine and combine core competencies (e.g., the development and manufacturing technology of oxygen-free copper base alloys, development of functional materials, welding technology, etc.), to create new products and businesses.
- Pursue winning patterns from a market perspective.

Medium
-term
Manage
ment
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

	Key Measures for FY2023 Strategy	FY2022 Results	Plans for FY2023 and beyond
	Assignment of key account (KA) managers acting cross-sectionally	Established KA strategy activities	Improve KA strategy activities from customers and market perspectives
All businesses	Digital Marketing Utilization	Conducted technical exchange meetings and found new projects by utilizing digital marketing	Promote the use of digital marketing in overseas markets
	Development of new products and new businesses	<u>Conducted discussions, etc. on each technical</u> <u>theme</u> with the customers' R&D departments	Shift to prototype and mass production for specific customer development themes
		Established a plan to install facilities for increased production	Maintain the framework of the plan despite
Copper & copper alloy	Business restructuring of the Rolling & extruded products business and strengthening of production system	Rolling: Promoted start-up of new slitting and packaging machines in Wakamatsu, and washing, slitting, and packaging machines in Sanpo	some changes in the timing of investments, etc., in light of the impact of COVID-19 and other factors
		<u>Promoted start-up of increased</u> copper mold production at Sakai Plant	Progress towards full-scale operations from FY2024 to FY2025
		Extrusion: Reviewed process streamlining	
Electronic materials &	Market development and sales expansion of products for next-generation vehicles	Built partnerships with key customers and responded to their needs by utilizing the development roadmap for xEV components	<u>Design mass production process</u> for major automakers
components	Establishment of system to increase production of silicon processed goods	Established a system to <u>increase production</u> to meet customer demand <u>and improved</u> production efficiency	Establish a system to continuous increase production and improve production efficiency

Smaller dent after heat

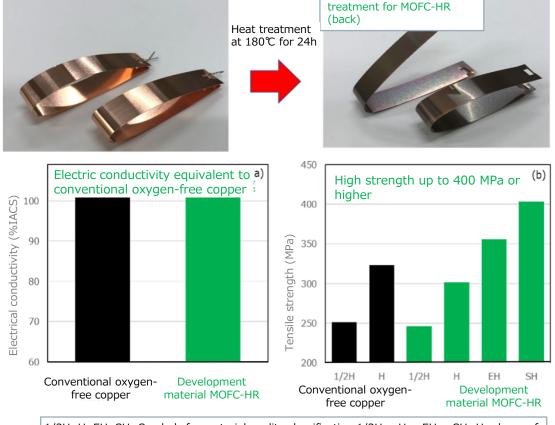


Progress of the FY2023 Strategy | Examples of New Products

■ Oxygen-free copper MOFC-HR

Unique development of world's highest level of strength and heat resistance

With low characteristic degradation even under high heat load operating environments, <u>suitable as components for electrical equipment requiring high current and high heat dissipation under severe environments</u>, such as xEVs and next-generation energy sources.

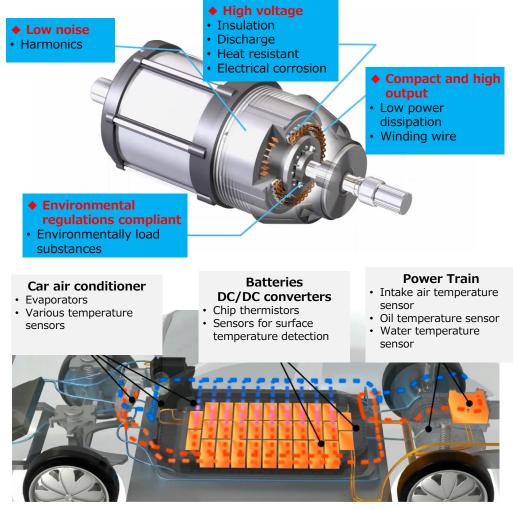


1/2H, H, EH, SH: Symbols for material quality classification 1/2H < H < EH < SH: Hardness of the material in that order

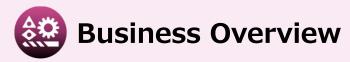
■ Creation of new products and new businesses in the xEV field

Various motor components/thermistor sensors

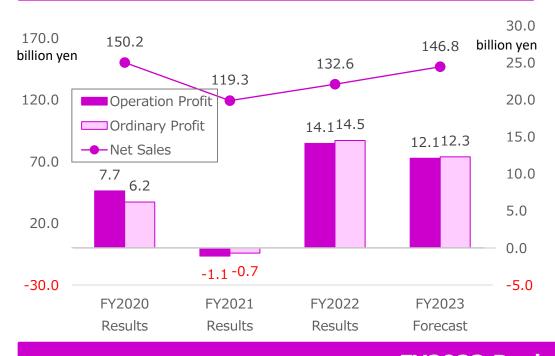
<u>Create new products that meet customer needs</u> by stimulating communication with automakers and other customers through KA strategy activities.



2. Medium-Term Management Strategy Progress | Metalworking Solutions Business Company



Trends of Consolidated Earnings



Cutting Tool Sales Trends by Market

(Unit: billion yen)	20/3	21/3	22/3	23/3 forecast
Japan	23.7	18.2	22.1	23.7
China	8.2	9.9	9.6	10.5
Asia	9.0	7.0	9.7	10.6
Europe	20.0	15.4	17.1	18.5
North America	12.7	11.0	13.5	15.8
Central & South America	3.7	3.6	3.8	4.4
Others	0.5	0.8	1.0	1.0
Total	77.9	66.1	77.1	84.7

FY2023 Business Overview

Cemented carbide products

In the automotive industry, we forecast sales increase due to the global recovery trend, despite uncertainties such as semiconductor component shortages and COVID-19.

In the medical industry, we forecast higher sales, mainly in the North American area, due to high production capacity utilization by customers, although the impact of limited surgical operation due to COVID 19 remains.

In the aerospace industry, following last year's recovery in narrow aircraft production, we forecast a recovery in wide aircraft production due to the lifting of overseas travel restrictions.

We forecast the metal mold industry to see a recovery mainly in press molds for the automotive industry, including new EVs, but the unstable environment remains due to parts supply shortage.



Progress of the FY2023 Strategy | Priority Measures

Long-term business goals | Becoming the top 3 supplier in strategic markets

Longterm strategy

- Promote clean manufacturing
- Provide high-efficiency products by utilizing advanced technology
- Develop advanced metal powder business

Medium -term Manage ment 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

Key Measures for FY2023 Strategy	FY2022 Results	Plans for FY2023 and beyond
Launch of new products under priority themes	<u>Launched</u> and started supplying <u>three priority theme</u> <u>new products</u>	Advance planning for pre-launch themes
Expansion of advanced metal Expansion of advanced metal Expansion of advanced metal		<u>Continue evaluation test</u> at JAPAN NEW METALS CO., LTD. (Akita, Japan)
powder business for the battery market	Reviewed technical collaboration with Masan High-Tech Materials Corporation (MHT) on high-performance tungsten powder	Continue discussions with MHT
Expansion of tungeton requeling	Achieved 35% recycling rate ahead of schedule that was planned in FY2023 target	Expand recovery of cemented carbide scrap from
Expansion of tungsten recycling	<u>Considered collaboration</u> with MHT in the tungsten recycling business	overseas areas through collaboration with MHT and other initiatives
Use of renewable energy	Following the revision of the GHG reduction target, we changed plan to make <u>all electricity used in the manufacturing process be practically CO2-free</u> by FY2031	Start purchasing renewable electricity at manufacturing sites in Japan, planning to increase the amount by 11% annually

2. Medium-Term Management Strategy Progress | Metalworking Solutions Business Company



Progress of the FY2023 Strategy | DX Initiatives of the Metalworking Solutions Company

Formulate customer journeys for customers in the Cemented carbide products business, realize "improve customer experience value" and "improve efficiency/advancement of MMC operations" through DX, and provide information, products, services, and solutions that customers need in more real-time.



2. Medium-Term Management Strategy Progress | Metals Business Company



Business Overview



Trends in Mining Dividends and Copper Cathodes Production Volume

■ Dividends from portfolio mining (Consolidated)

(Unit: billion yen)	20/3	21/3	22/3	23/3 forecast
Los Pelambres	11.4	12.7	19.9	3.6
Escondida mine	1.3	1.4	3.6	3.6

■ Copper Cathodes Production Volume

Unit: t	20/3	21/3	22/3	23/3 forecast
Naoshima	223,401	213,001	226,811	212,308
Onahama	200,942	197,182	185,502	210,432

FY2023 Business Overview

Copper Mining

Mining dividend is expected to decrease significantly due to a reduced dividend in FY2023 resulting from drought countermeasures and expansion construction work at Los Pelambres Mine (Chile), as well as higher fuel and other costs.

Copper smelting

We strive to increase collection and processing of E-Scrap and pursue various cost reduction measures. For TC/RC, condition for the purchase of copper ore is expected to slightly improve YoY.



Progress of the FY2023 Strategy | Priority Measures

Long-term business goals | Becoming a leader in environmentally-friendly mining & smelting business

Longterm strategy Stable supply and circulation of copper and other non-ferrous metals

 Creation of a sustainable raw material portfolio consisting of clean copper concentrate and E-Scrap/•Promotion of recycling/•Combating climate change Medium -term Manage ment Strategy

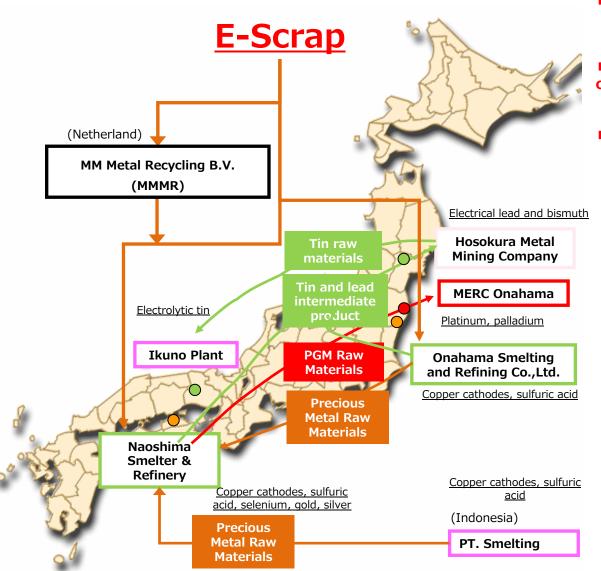
- Secure clean copper concentrate by investing in new mines
- Develop impurity removal technology in copper concentrate
- · Optimize valuable metal material flow
- Reduce fossil fuels

	Key Measures for	FY2022 Results	Plans for FY2023 and beyond
	FY2023 Strategy		
Mining		The Zafranal copper project was partially delayed from the original plan due to local conditions in Peru (e.g., COVID-19). We focused on obtaining Environmental Approval (EIA)	<u>Make final investment decision</u> after obtaining Environmental Approval (EIA) Zafranal copper project
	Securement of clean copper concentrate by investing in new mining	Conducted detailed engineering, stripping and other construction work at the Mantoverde S.A. mining in preparation for the start of sulfide ore production in 2024 (35% progress against 37% plan as of the end of January 2022)	Steadily progress Mantoverde S.A. copper project construction work (The ore dressing plant and tailings dam construction will be completed by the end of FY2024)
		Started trial operation of the ore dressing plant expansion at Copper Mountain Mine from the end of November 2021	Optimize mining operations, including expansion
Smelting	Optimization of material flow for valuable metal	<u>Increased recovery of valuable metals</u> through process improvements at the Naoshima Smelter & Refinery's precious metal plant	Develop technologies for separation and recovery of trace components in E-Scrap for
		Continued stable plant operations at Hosokura Metal Mining Company's tin recovery plant (newly built)	further efficient recovery of valuable metals
	Reduction in fossil fuels	<u>Identified and optimized factors limiting E-Scrap input</u> , which can also be used as an alternative fuel, to reduce fossil fuel consumption (Progress as planned)	<u>Promote the use of alternative fuels</u> by taking advantage of the superiority of Mitsubishi Process for continuous copper smelting



Material Grid | Major Products at Each sites

To promote recycling, establish a flow between smelters to ensure efficient metal recycling, improve the smelting process at each smelter, and enhance E-Scrap processing capacity.



Roadmap towards a 200,000 tons E-Scrap processing capacity

■ Enhance E-Scrap receiving capacity at MMMR

Enhance the capacity to receive 48,000 tons/year in order to capture the growth of the E-Scrap market in the European region (Construction to be completed in March 2022).

■ Streamline E-Scrap processing and improving recovery of copper and precious metals

Optimize material flow between smelters for efficient recycling of copper, precious metals, and trace elements in E-scrap (Material Grid (left)).

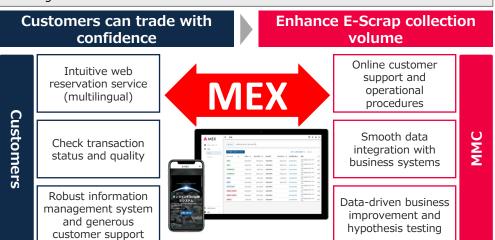
■ Improve E-Scrap Customer Satisfaction

Deploy E-Scrap trading platform "<u>MEX</u>" to improve customer service and update functionality as needed.

MEX: operating successfully after the release in December 2021. The number of users is increasing.

Following updates completed on May 10.

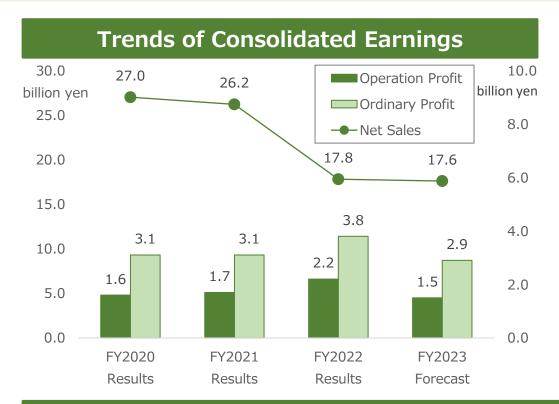
- Critical Process Permission :
 - Function to inform the customer of any discrepancy in weight or contents from the declaration and ask for authorization to process
- Issue Receipt:
 - Function to issue a document certifying that the carrier has delivered the cargo to the smelter



Mitsubishi Materials E-Scrap EXchange

2. Medium-Term Management Strategy Progress | Environment and Energy Business Company





Net Sales Ratio by Segment

(Unit:	billion yen)	20/3	21/3	22/3	23/3 forecast
Environment	Net sales	27.0	26.2	17.8	17.6
& Energy Consolidated	Operating profit	1.6	1.7	2.2	1.5
Renewable	Net sales	2.6	2.7	3.0	3.1
energy	Operating profit	0.5	0.6	0.3	0.1
Environmental	Net sales	3.0	3.5	4.7	4.9
appliance recycling	Operating profit	-0.3	-0.2	0.5	0.0
Other	Net sales	21.3	19.9	10.0	9.5
consolidation adjustment, etc.	Operating profit	1.4	1.3	1.3	1.3

FY2023 Business Overview

◆ Renewable energy

We will proceed the construction of Komatagawa New Hydroelectric Power Plant and the Appi Geothermal Power Plant as planned, and prepare for a provisional blowout test of the drilled production well at Appi Geothermal Power Plant. Full-scale installation of electrical and other equipment is scheduled at Komatagawa New Hydroelectric Power Plant in FY2023.

♦ Environmental recycling

In the Home appliance recycling business, we promote the use of labor-saving and other automated technology introduction, and expand the business.

In the Car recycling business, we develop a business concept including LiB recycling technology, and expand business bases with business partners. In the Fly ash recycling business, we increase collection volume and stabilize operations at Kitakyushu Ash Recycle Systems Co., Ltd.

In the Food waste biogasification business, we promote review of collection sites, expand collection volume, and stabilize operations earlier at New Energy Fujimino Co., Ltd.

2. Medium-Term Management Strategy Progress | Environment and Energy Business Company



Progress of the FY2023 Strategy | Priority Measures

Long-term
Business
goals

(Environmental recycling) Becoming a leader in resourcerecycling systems (Renewable energy) Becoming a leading company in geothermal development

Longterm strategy

- Provision of a safe recycling system with thorough traceability, etc.
- Decarbonization through the expansion of the Renewable energy business

Medium
-term
Manage
ment
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

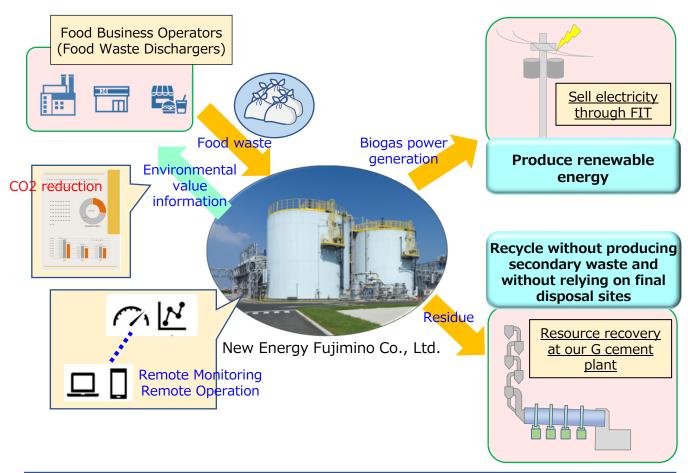
	Key Measures for FY2023 Strategy	FY2022 Results	Plans for FY2023 and beyond		
	Promotion of dismantling automation for home appliance recycling	Concept for robotization of AC outdoor unit compressor removal and recovery operations completed; fabrication of demonstration unit started	CETEC <u>to Demonstrate Robot Technology</u> for Removal and Recovery Operations		
	Improvement of added value of recovered products	Picking robot technology transferred to Chubu Eco Technology Corporation (CETEC) <u>for actual operation</u>	<u>Scheduled to be introduced to East Japan Recycling</u> <u>Systems Co., Ltd.</u> by the end of FY2023		
	Demonstration of LiB recycling technology	<u>Started system demonstration</u> of LiB extraction, pyrolysis, crushing and sorting	Continuously implement system demonstration		
Environmental recycling	Demonstration of Solar Panel Recycling	Delays in obtaining parts due to semiconductor component shortages caused delays in the improvement plan for pretreatment process	<u>Introduce</u> the improved <u>pretreatment process to EJRS</u>		
	Stable operation of the Fly ash recycling business	In the Fly ash recycling business, continuous facility improvements have reduced problems in the conveying system, forming stable plant operations base	Promote further <u>increase in the volume</u> of incinerated fly ash received for recycling <u>and optimization of</u> <u>treatment</u>		
	Stable plant operations of the Food waste biogasification business	The Food waste biogasification business has generally been operating stably with ongoing facility improvements	The Food waste biogasification business will promote further <u>increase of the amount of food waste</u> <u>collected</u> and stabilize operations, and initiate <u>a study of the feasibility of a second plant</u>		
	Completion of Komatagawa New Hydroelectric Power Plant	Komatagawa New Hydroelectric Power Plant is in the finishing lining process	Komatagawa New Hydroelectric Power Plant is scheduled to start operation in December 2022		
Renewable energy	Construction of Appi Geothermal Power Plant	Construction of Appi Geothermal Power Plant is on schedule, including the construction of the entry road and the start of	As selected for the JOGMEC grant, conduct a field survey Formulate FY2023 survey plan		
g y	Survey of new geothermal areas	drilling production wells, etc.			
	Survey of new small hydropower	New small hydropower progressing almost <u>as planned</u>	Continue to conduct surveys		

2. Medium-Term Management Strategy Progress | Environment and Energy Business Company



Food waste biogasification business | New Energy Fujimino Co., Ltd.

The Food waste biogasification business reduces GHG emissions in the food waste treatment process (incineration, etc.) and generates renewable energy, thereby enables us to <u>contribute to the realization of a resource-recycling and carbon-neutral society</u>.



Future Outlook

Social trends

- Realize carbon neutrality (Renewable energy needs)
- · Resource recycling Promote food recycling
- · Reduce incinerated waste and final disposal



Further development and expansion of the Food waste biogasification business

Currently reviewing to improve efficiency of remote monitoring and operation, etc., and commercialize the second and subsequent plants with advanced technology

- Processing capacity: 40 tons/day, power generation output: 550 kW
- Start of operation in September 2020 stable plant operation continues
- Start selling electricity from November 2020
- New initiatives to enhance business value
 - *Provide environmental value information (CO2, etc.) to customers
 - *Advancement of Plants (Remote Monitoring & Operation)

Various ESG Initiatives

In FY2022, we actively developed our ESG-related initiatives. We will further strengthen our efforts in the future.

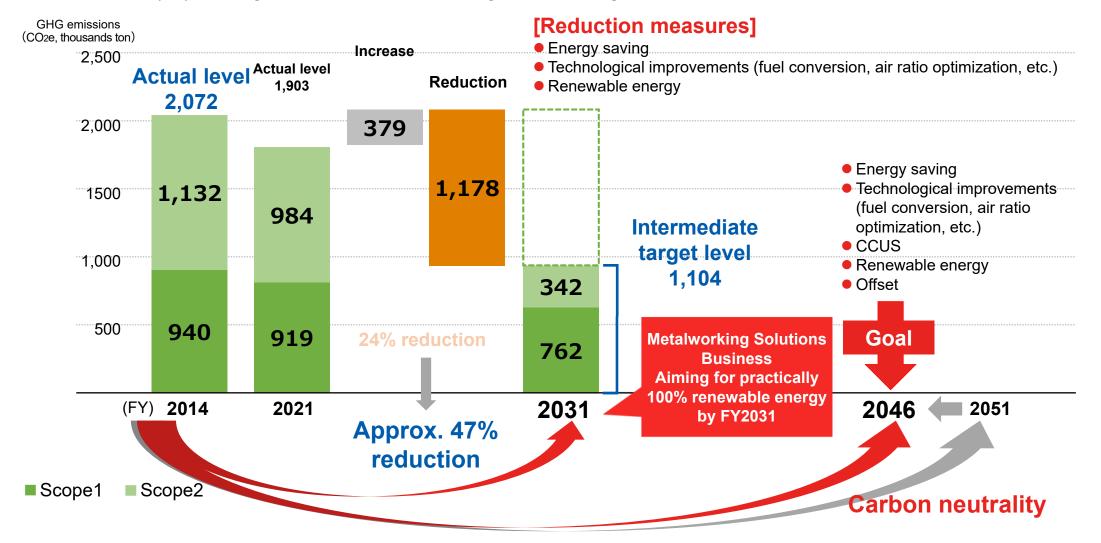
	,		,						J		
		5	Start of Mediu Strategy (FY2 ▼ April 2020				G meeting (March 2021) April 2021			Selected as	ESG Investment Index FTSE Blossom the constituent of Japan Sector Relative Index
E	Creation of a recycling-oriented society Dealing with	September 201 Acquisition of forest certification for nine forests Hokkaido	on	Start of co operation of plant	mmercial of a biogas po		tting and revision of greenhou duction targets Carbon footprint ca		improv • Start o	sing capacity rement expansion work f operation of the MEX ss platform Endors Econom	ement of Ministry of the ry, Trade and Industry's
	Environment protection technologies		Participation in Zero" Support of TC Participation in	FD recomme	endations		CO ₂ recovery, met utilization test prog	aress ir	ndustry-acade collaboration Adopti	HG reduction through mia-government on of carbon recycling ogy for NEDO business	X League Basic Concept
S	Responsibility in value chain Development of	Certified Heal Management Organizations	Response ne of the 2020 Ith & Productivi Outstanding	the head commun Es ty Mi Gr Pr	tion by position office as the office as the ication core tablishment of tsubishi Materoup Health aroductivity anagement De	f the rials nd	Human Resources Transformation	and incl E F	entation of di usion initiativ Establishmen Rights Policy Procurement	es Hokkaid Ky Esta and Policy Certified as Health &	rt for "Resource Sciences ducation Consortium" by o Univ. and Kyushu Univ. roto Univ. Endowed Chair ablished the "Non-ferrous Extractive Metallurgy" one of the 2022 Certified Productivity Management outstanding Organizations arge Enterprise Category)
	diverse talents	From FY2018 Joint industry-a	cademia activit	ies (endowe	d course)		Donations to four organized solve social issues for anniversary of the Gro	the 150th		Change o managemen	Nations Global Compact f organizations related to t reform and introduction b-based personnel system
		Corporate gove Migration to a co	ompany with a Review of exec Establishment	cutive remur of Basic Pol	neration syste	ate Governan		•Elication of •Sectors' Skills Matrix	Application for Market listing stablishment Sustainability Strategic IP for activities and IP governance	of the Policy rmation promotion of	Established Sustainability Committee Ratio of outside directors increased*6(1)/10→7(2)/10 (Number of female directors)
G	Governance	Group governar Group governar enhancement m Enhancement system of cor Antimonopoly	nance (6/ nce framework neasures t measures for npliance with t	11→6/10) the	Internal con enhancemer measures	trol	Introduction of a global in-ho	•T touse reporting system	hird-party eventhe effectives the effectives Board of Dire	valuation of ness of the characters	inge in compensation system for executive officers
		Andimonopoly	Establishn Managem	nent of Susta ent Office	ainable		Inner branding, reverse me communication initiatives	ntoring and other			thed "WITH MATERIALS," ommunications magazine

E: Greenhouse Gas(GHG) emission reduction target

Set new targets in consideration of business restructuring* since the announcement of the GHG emission reduction targets in Nov. 2021.

*Regarding the Aluminum business, results and targets are excluded due to reorganization.

Regarding the Cement Business, we excluded results and targets as Mitsubishi UBE Cement Corporation will become an equity-method affiliate. Meanwhile, the company reviewing new GHG emission reduction targets after the integration.

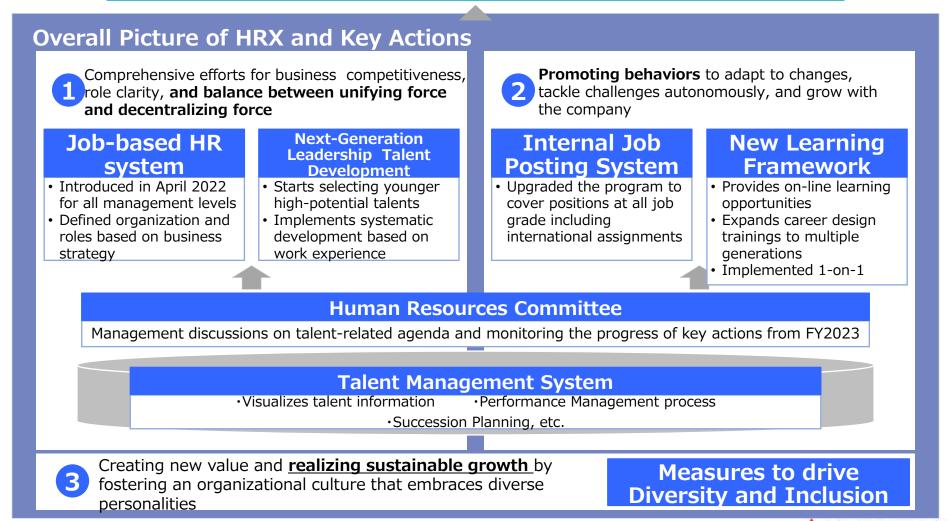


S: Overall Picture of HRX and Main Measures

Sustain and enhance our market competitiveness in an increasingly complex business environment by proactively incorporating new ways of working, values, perspectives and talents from external market into our strengths built over the past 150 years.

Enhancement of social values

Incorporating new values and talents to enhance market competitiveness



S: Major Initiatives concerning Diversity & Inclusion

Actively drive Diversity and Inclusion in order to embrace and respect diverse attributes, as well as to create new values, that are the sources of sustainable growth for the Group.

"Basic Policy on Corporate Governance," "Sustainability Policy," and "Human Rights Policy" stipulate the promotion of Diversity and Inclusion, and numerical targets are included in the Corporate Governance Report.

■ Key Diversity and Inclusion initiatives

Building a base

- On-line learning contents on diversity for all employees
- Unconscious Bias e-Learning for managers
- Seminars to review working style and promote male employees to take childcare leave

Support for employees with disabilities

- Drive action plans at each site and plant
- Partnership with external support groups
- Internship from special schools for students with disabilities

Support for women's development and advancement

- Sponsorship by directors (for female managers)
- Career building support (for female career-track employees)
- Drive action plans at each site and plant
- Provide external training opportunities

Support for 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
- Assistance for internal promotion exams

Support for mid-career employees

- Enrich information related to midcareer recruitment on the company website
- Support for internal network building
- Facilitate info-sharing through Q&As

Support for LGBTQ+

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

■ HR system (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

- Nursing care leave for one person in need: up to 36 months
- Shortened working hours for one person who needs nursing care: up to 72 months included nursing care leave is available

*Rate of male employees taking childcare leave 36.6% (FY2022)

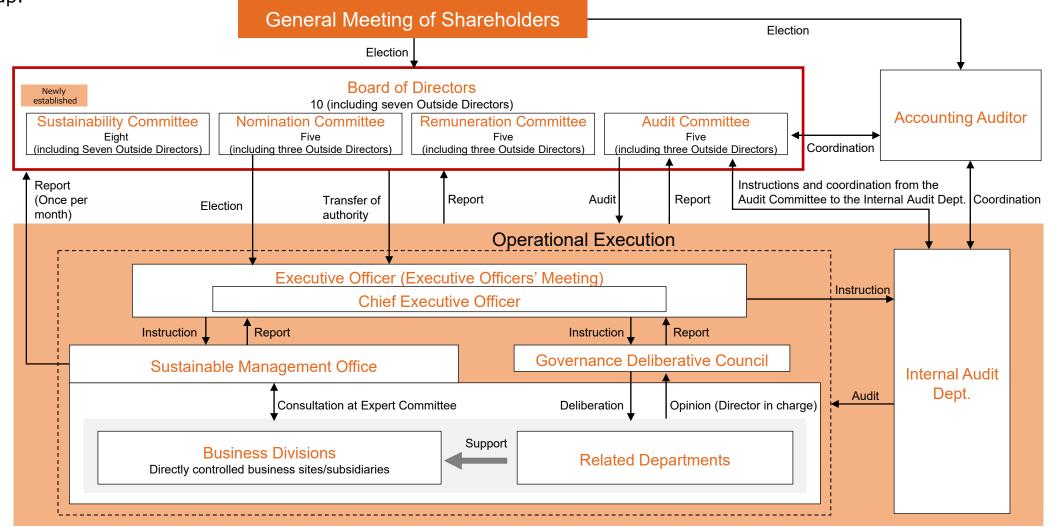


G: Corporate Governance Structure | Established Sustainability Committee

Establish this committee under the Board of Directors so that the Board of Directors will not only monitor sustainability initiatives, but also actively consider and present within the Company the direction to address sustainability from different perspectives.

Enhance the quality of our response to sustainability and to improve the medium- to long-term corporate value of the

Group.



G: Communication Measures

By continuing each of the measures started in FY2022 to revitalize communication, we will improve the quantity and quality of communication and aim healthy and open organization where everyone can communicate freely and openly. In developing each measure, related departments will work together more closely than ever before to promote it in an integrated manner.

Inner Branding

- Develop measures in the following directions to aim to make the "Mission" a self-affairs,
- (1) Communication with management
- (2) Connection with every single employee and the entire Group
- (3) Support each challenge
- Initiate the measures centered on "Ambassadors," members recruited from among employees
- Effective use of the new website as a hub for company-wide communication as an information dissemination platform

Information sharing meeting, Caravans

Implement information-sharing meetings between management and each level
of employees and caravans by location as a measure to bring management and
employees closer by strengthening communication of management information and
interactive dialogue in coordination with inner branding.

1-on-1

 Short, high-frequency dialogues between managers and employees on a one-onone basis to help employees resolve their concerns and issues of subordinates for the purpose of his/her growth.

Reverse mentoring

 With younger employees acting as mentors and providing advice to employees in senior management, promote communication that transcends hierarchical and organizational barriers.



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<Disclaimer>

These projected performance figures are based on information available to the MMC's management as of the day for releasing this material. There are many uncertain or risk factors inherent in this projections, and there might be cases in which actual results materially differ from projections of this material.

