Sustainability IR Meeting

September 15, 2023

Table of Contents

Overview of Sustainability Initiatives

Governance Initiatives

SCQ Initiatives

**Human Rights Initiatives**

Human Capital Initiatives

Climate Change Initiatives

SCQ S: Safety & Health (Safety and health are top priorities)
C: Compliance & Environment (Compliance with laws and regulations, fair activities, and environmental protection)
Q: Quality (Quality of goods & services)

Overview of Sustainability Initiatives

Our Commitment

- In formulating the Medium-term Management Strategy FY2031 (the FY2031 Strategy), we have set out "Our Commitment" of "For people, society and the earth, circulating resources for a sustainable future", by combining our corporate philosophy of "For People, Society and the Earth", our vision of "Circulating resources for a sustainable future" and our mission of "Create a sustainable future".
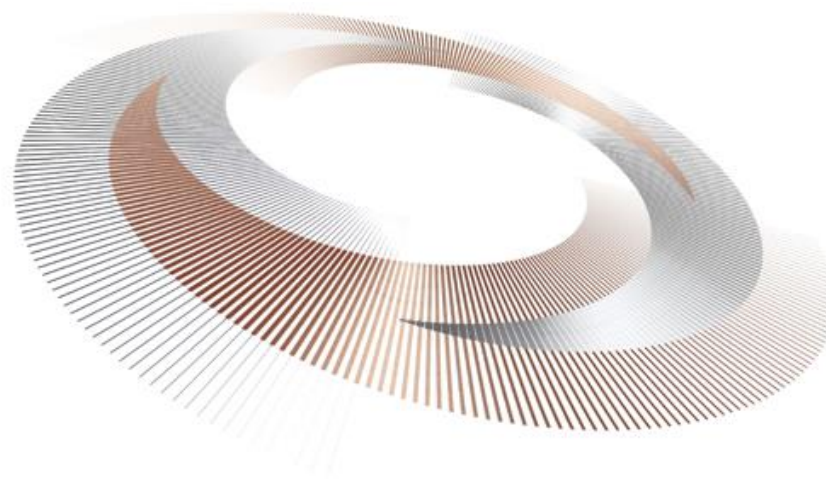
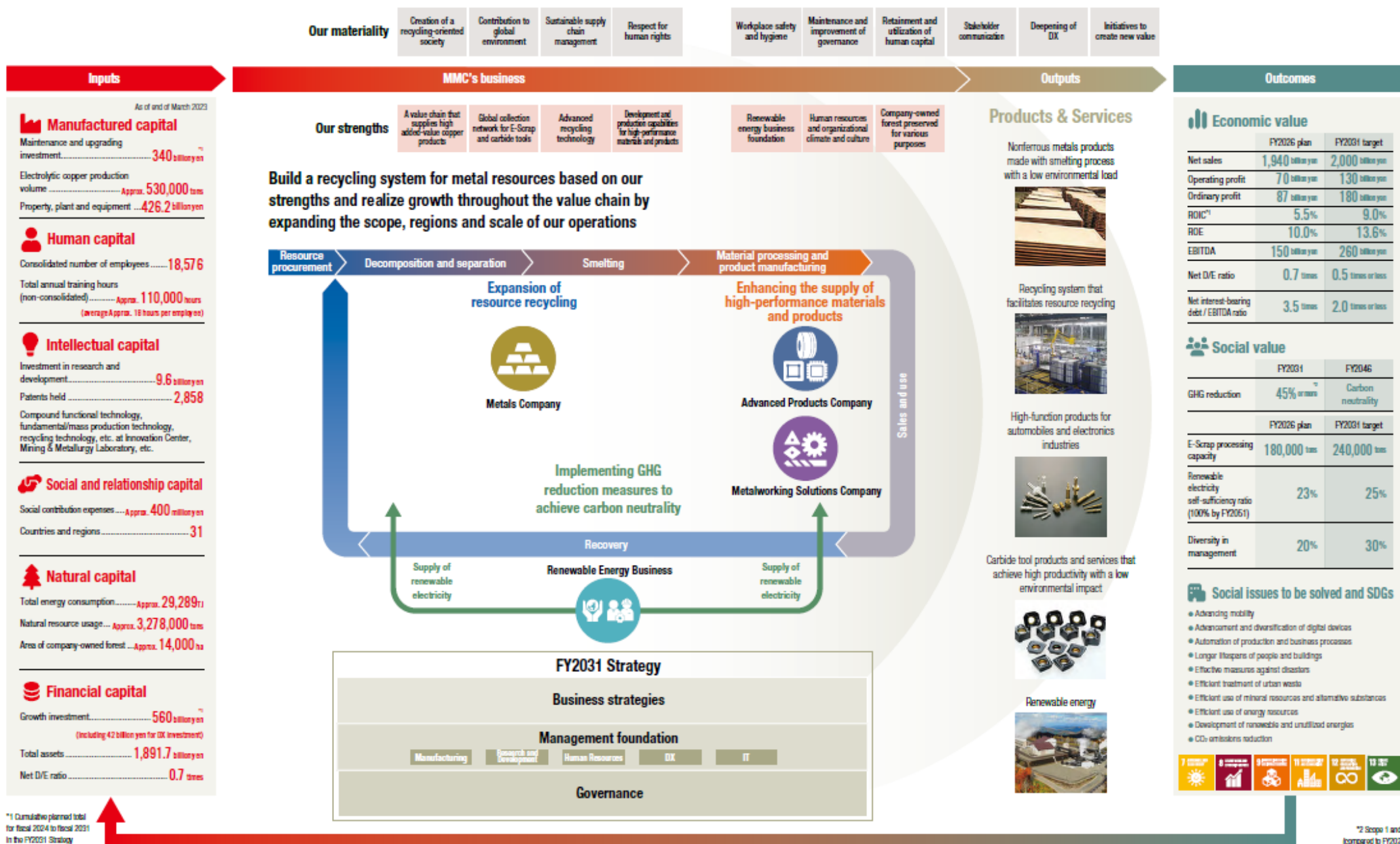For people, society and the earth, circulating resources for a sustainable future

In order to make careful use of limited resources,
we will give new life to used products as new resources.
We will return these resources to society with new value added.
We will build a platform for this resource circulation and create value as an active player.
As we look to the future, we will make a strong contribution to the creation of a sustainable society,
and help to widen the scope of resource circulation.

Value Creation Process

Our materiality

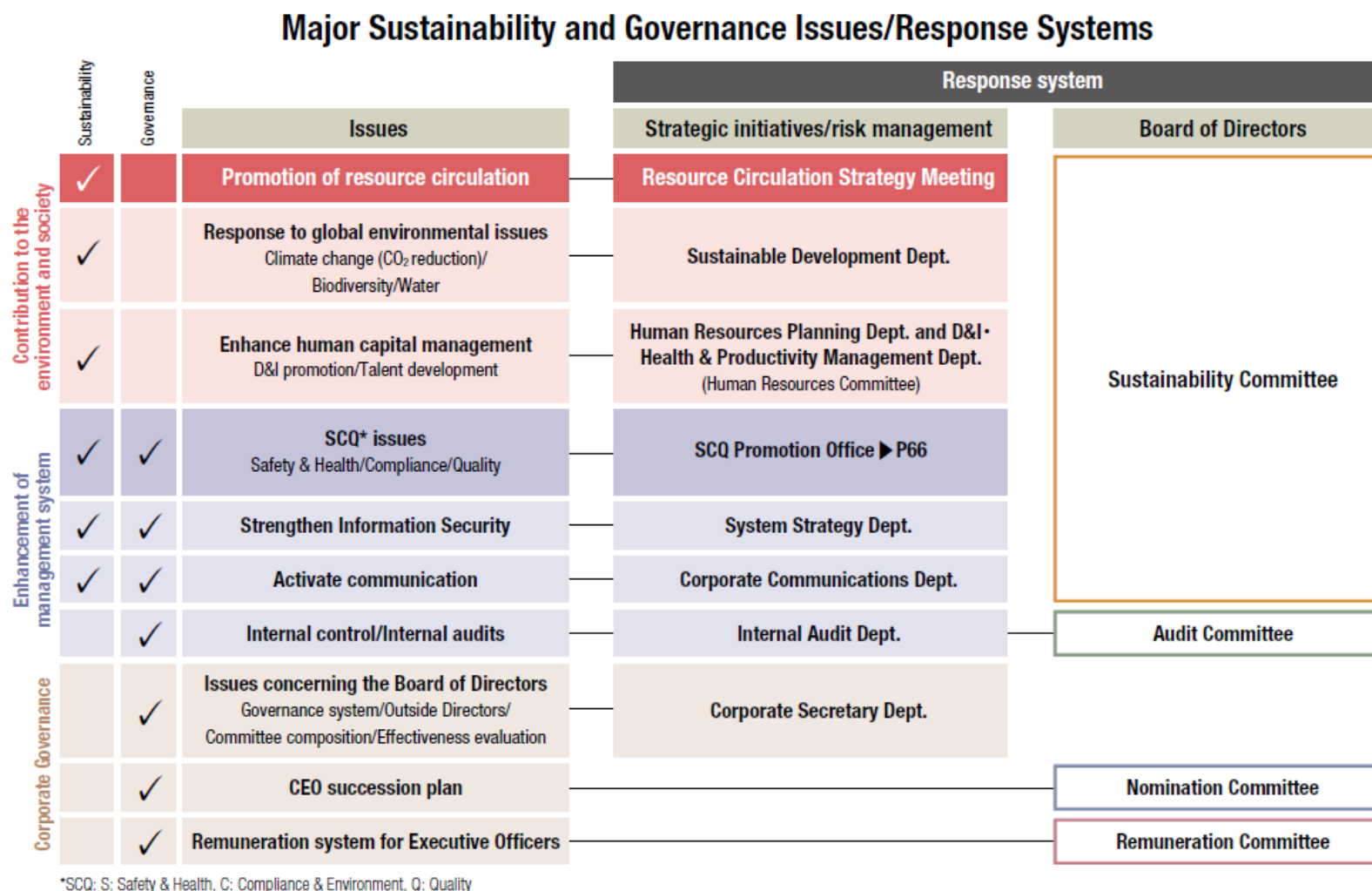| Creation of a recycling-oriented society | Contribution to global environment | Sustainable supply chain management | Respect for human rights | | Workplace safety and hygiene | Maintenance and improvement of governance | Retainment and utilization of human capital | Stakeholder communication | Deepening of DX | Initiatives to create new value |

Inputs | **MMC's business** | **Outputs** | **Outcomes**

Inputs

As of end of March 2023

Manufactured capital

Maintenance and upgrading investment .... **340** billion yen

Electrolytic copper production volume .... Approx. **530,000** tons

Property, plant and equipment .... **426.2** billion yen

Human capital

Consolidated number of employees **18,576**

Total annual training hours (non-consolidated) .... Approx. **110,000** hours
(average Approx. 18 hours per employee)

Intellectual capital

Investment in research and development .... **9.6** billion yen

Patents held **2,858**

Compound functional technology, fundamental/mass production technology, recycling technology, etc. at Innovation Center, Mining & Metallurgy Laboratory, etc.

Social and relationship capital

Social contribution expenses ... Approx. **400** million yen

Countries and regions **31**

Natural capital

Total energy consumption .... Approx. **29,289** TJ

Natural resource usage .... Approx. **3,278,000** tons

Area of company-owned forest .... Approx. **14,000** ha

Financial capital

Growth investment .... **560** billion yen
(including 42 billion yen for DX investment)

Total assets .... **1,891.7** billion yen

Net D/E ratio .... **0.7** times

*1 Cumulative planned total for fiscal 2024 to fiscal 2031 in the FY2031 Strategy

MMC's business

Our strengths

| A value chain that supplies high added-value copper products | Global collection network for E-Scrap and carbide tools | Advanced recycling technology | Development and production capabilities for high-performance materials and products | | Renewable energy business foundation | Human resources and organizational climate and culture | Company-owned forest preserved for various purposes |

Build a recycling system for metal resources based on our strengths and realize growth throughout the value chain by expanding the scope, regions and scale of our operations

Resource procurement → Decomposition and separation → Smelting → Material processing and product manufacturing

Expansion of resource recycling

Metals Company

Enhancing the supply of high-performance materials and products

Advanced Products Company

Metalworking Solutions Company

Implementing GHG reduction measures to achieve carbon neutrality

Recovery

Supply of renewable electricity

Renewable Energy Business

Supply of renewable electricity

Sales and use

FY2031 Strategy

Business strategies

Management foundation

| Manufacturing | Research and Development | Human Resources | DX | IT |

Governance

Outputs

Products & Services

Nonferrous metals products made with smelting process with a low environmental load

Recycling system that facilitates resource recycling

High-function products for automobiles and electronics industries

Carbide tool products and services that achieve high productivity with a low environmental impact

Renewable energy

Outcomes

Economic value

	FY2026 plan	FY2031 target
Net sales	1,940 billion yen	2,000 billion yen
Operating profit	70 billion yen	130 billion yen
Ordinary profit	87 billion yen	180 billion yen
ROIC[*1]	5.5%	9.0%
ROE	10.0%	13.6%
EBITDA	150 billion yen	260 billion yen
Net D/E ratio	0.7 times	0.5 times or less
Net interest-bearing debt / EBITDA ratio	3.5 times	2.0 times or less

Social value

	FY2031	FY2046
GHG reduction	45%[*2]	Carbon neutrality

	FY2026 plan	FY2031 target
E-Scrap processing capacity	180,000 tons	240,000 tons
Renewable electricity self-sufficiency ratio (100% by FY2061)	23%	25%
Diversity in management	20%	30%

Social issues to be solved and SDGs

- Advancing mobility
- Advancement and diversification of digital devices
- Automation of production and business processes
- Longer lifespans of people and buildings
- Effective measures against disasters
- Efficient treatment of urban waste
- Efficient use of mineral resources and alternative substances
- Efficient use of energy resources
- Development of renewable and unutilized energies
- CO2 emissions reduction

*2 Scope 1 and 2 (compared to FY2021)

Materiality

- Including the material issues designated in FY2021, we have identified material issues and plotted them on two axes – "importance to our stakeholders" and "importance in light of Our Commitment". We then reviewed these issues and determined their order of priority.
- We designated 10 material issues, including four "key material issues of particular importance".

Materiality
Creation of a recycling-oriented society
Contribution to global environment
Sustainable supply chain management
Respect for human rights
Workplace safety and hygiene
Maintenance and improvement of governance
Retainment and utilization of human capital
Stakeholder communication
Deepening of DX
Initiatives to create new value

Objectives for key material issues

● We have established the objectives, etc., tied to the FY2031 Strategy ("Creation of a recycling-oriented society", "Contribution to global environment", "Sustainable supply chain management", etc.)

Material issues of particular importance	Objectives, etc.
Creation of a recycling-oriented society	(Carbide tools) FY2031: Use of 80% or more recyclable raw materials
	FY2031: Building of a framework with an E-Scrap processing capacity of 240,000t per year
Contribution to global environment	By FY2031: Expansion of renewable electricity, improvement of technology and implementation of energy conservation FY2031-2046: Development of new technology and utilization of external technologies FY2046: Carbon neutrality
	23% self-sufficiency in renewable power by FY2026, 25% by FY2031, 66% by FY2036, 100% by FY2051
	Acquisition of certification of Natural Symbiosis Sites for company-owned forests; contribution to achieving global goal of 30 by 30
	Visualization and management of risks from a medium- to long-term perspective to reduce environmental impact and prevent environmental accidents in our operations Improvement of production processes and reduction of risk of environmental disasters
Sustainable supply chain management	FY2031: Building of domestic recycling center, 30% share of domestic home appliance recycling, building of new automobile recycling plant
	FY2028: Increase of processing capacity of copper concentrate and E-Scrap at Naoshima Smelter & Refinery FY2031: Participation in hydrometallurgy business at copper mines
	FY2031: 4.3% CAGR of xEV terminal and busbar sales, production capacity + 1,800t per month (compared to FY2022) 3.7% CAGR of automobiles terminal and busbar sales, production capacity + 1,100t per month (compared to FY2022)
	April 2023: Launch of a cross-organizational research and development system FY2024-FY2031: Acceleration of the search for new businesses and products; development of businesses and technologies centering on semiconductor-related materials and components
Respect for human rights	Building of frameworks to uphold international human rights standards, assess risks and address issues FY2024: Building and implementation of frameworks for human rights due diligence; formulation of implementation plan and road map; deliberation on enhancements of remedial action framework and strengthening of framework
	Building a value chain with consideration for human rights fair trading FY2024: Assessment of risks through assessments of suppliers and addressing serious risks that have been identified; maintaining certification for responsible mineral procurement for gold, silver, tin and tungsten; acquisition of for responsible mineral procurement for copper and lead

Changes to the Sustainability Management System (as of July 1, 2023)

● We renewed our Sustainability Management System with the aim of more strategically pursuing sustainability issues including "promoting resource recycling," "addressing global environmental issues," and "strengthening human capital management," for the purpose of contributing to the environment and to society.

Major Sustainability and Governance Issues/Response Systems

	Sustainability	Governance	Issues	Strategic initiatives/risk management	Board of Directors
				Response system	
Contribution to the environment and society	✓	✓	**Promotion of resource circulation**	**Resource Circulation Strategy Meeting**	Sustainability Committee
	✓		**Response to global environmental issues** Climate change (CO₂ reduction)/Biodiversity/Water	**Sustainable Development Dept.**	
	✓		**Enhance human capital management** D&I promotion/Talent development	**Human Resources Planning Dept. and D&I・Health & Productivity Management Dept.** (Human Resources Committee)	
Enhancement of management system	✓	✓	**SCQ* issues** Safety & Health/Compliance/Quality	**SCQ Promotion Office ▶ P66**	
	✓	✓	**Strengthen Information Security**	**System Strategy Dept.**	
	✓	✓	**Activate communication**	**Corporate Communications Dept.**	
		✓	**Internal control/Internal audits**	**Internal Audit Dept.**	**Audit Committee**
Corporate Governance		✓	**Issues concerning the Board of Directors** Governance system/Outside Directors/Committee composition/Effectiveness evaluation	**Corporate Secretary Dept.**	
		✓	**CEO succession plan**		**Nomination Committee**
		✓	**Remuneration system for Executive Officers**		**Remuneration Committee**

*SCQ: S: Safety & Health, C: Compliance & Environment, Q: Quality

Progress with the Four Management Reforms

● In light of environmental changes, we are pursuing the Four Management Reforms in order to further enhance our organizational capabilities.

Corporate Transformation (CX)	● As we expect Companies to have both independence and autonomy, **we transitioned to a complete in-house company system.** (April 2022) ● Through **Business Reviews***, we have engaged in discussions regarding profit management and the Medium-term Management Strategy FY2031. In contrast to the strong decentralizing force exerted by the complete in-house company system, Business Reviews are extremely important because they exert a unifying force from the perspective of Group-wide optimization. * Meetings held 1-2 times per month, in which the top management from the Company (members of the Company's management meeting) and Executive Officers from the Strategic Headquarters (the CEO, CGO, CFO, CHRO, and CTO under the chief executive officer system) discuss topics including governance, business performance, and medium- to long-term strategies.
Human Resources Transformation (HRX)	● **Transition to Job-based HR System** for management-level employees. (April 2022) ● Advancing measures such as upgrading the Internal Job Posting System and renovating training systems to promote autonomous career development. ● To implement a system that supports business strategy from a human resources perspective, we have deployed Human Resources Business Partners (HRBPs) at each Company. To maintain optimal overall balance, HRBPs coordinate with the Strategic Headquarters (human resources strategy functions) and the Professional CoE.
Digital Transformation (DX)	● Transition to **MMDX2.0**, a system to accelerate enhancements in the manufacturing field by integrating utilization of digital technology with worksites. (October 2022) ● Accelerating promotion of themes by strengthening systems in the bodies that implement them, and promoting the concept of taking ownership. ● Revitalizing bottom-up activities and **expanding DX into Group-wide activities, including worksite operations**, through a challenge system that tolerates the creation and failure of themes from worksites, and learning programs and running mate support for employees.
Operational Efficiency Improvement	● Initiatives in various fields, mainly led by the Business Process Innovation Department. ・**Transition to paperless and seal-less** account slips, starting April 2023 ・Promotion of paperless systems for various internal application processes ● Enabling all employees to access our internal network from their own devices by distributing smartphones to all employees, including those at manufacturing sites.

Governance Initiatives

Stimulating Director Discussions

● **We are implementing various initiatives to further stimulate discussions by the Directors.**

Item	Description
Briefings for Directors	● We hold **briefings for Directors** to help them deeply understand our business and have opportunities to exchange opinions with executives to improve corporate value. ● 17 briefings were held in FY2023. (Particularly regarding the FY2031 Strategy, we exchanged opinions on the overall concept, individual business strategies, financial plans, etc. at 8 briefings held July 2022 – March 2023.)
Ensuring an Adequate Schedule for Board Meetings	● **Two full days a month** are set aside to ensure sufficient time can be devoted to deliberations and considerations by the Board of Directors, etc.
1-on-1 Meetings between the CEO and Outside Directors	● We hold 1-on-1 meetings between part-time Outside Directors and the CEO once every two months.
Dialogue with Institutional Investors	● Small meetings with Outside Directors are held annually. ● The contents of meetings between investors and executives are provided to the Directors, and we share **the views of the stock market on the Company with the whole Board of Directors**.
Lectures, Dialogue with Employees, etc.	● We hold lectures by Outside Directors for employees and dialog meetings with employees. ● In FY2024, topics have included "manufacturing site autonomy," "value chain of technology," "Digitalization/DX," and "LGBTQ+ and allies."
Outside Directors' Opinion Exchange Meetings	● **Twice annually, we hold opinion-exchange meetings for Outside Directors** to exchange information and share awareness from an independent, objective standpoint on a wide range of issues not limited to matters raised at board meetings.
Free Discussion among Directors (Started in FY2024)	● To further stimulate discussion among Directors, **we started having free discussion times for Directors starting in FY2024.** ● Directors share awareness and exchange opinions on matters raised at board meetings and briefings for Directors, and can freely discuss a wide range of issues that not limited to matters raised at board meetings.
Tours of Business Sites for Outside Directors	● Tours for Outside Directors cover our main business sites and those of major Group companies. ● Outside Directors also participate as observers at general development strategy meetings.

Evaluation of the Effectiveness of the Board of Directors

● In FY2023, the effectiveness of the Board of Directors was evaluated using a questionnaire-based self-evaluation.

■ Evaluation Process

Oct. 2022	At the Board, Directors discussed the evaluation implementation policy for the current fiscal year and future years. As a result, the Board confirmed that a self-evaluation shall be conducted in fiscal 2023, and a third-party evaluation shall be conducted once every three years.
Dec. 2022 to Jan. 2023	Questionnaires were distributed to all 10 Directors and responses were retrieved at the initiative of the Chairman of the Board of Directors.
Feb. 2023	The Directors discussed the effectiveness of the Board of Directors based on an analysis of the questionnaire results.
Mar. 2023	Following the discussions in February, the Board of Directors passed a resolution on the effectiveness of the Board of Directors for fiscal 2023.

■ Questionnaire Items

Five-grade evaluation for the following items, with space for free responses as needed

・Scale and composition of the Board of Directors

・Status of operations of the Board of Directors

・Composition, roles and status of operations of each of the following committees: Nomination Committee, Audit Committee, Remuneration Committee, and Sustainability Committee

・Support system for Outside Directors

・Relationship with investors and shareholders

・Other general matters concerning the Board of Directors, etc.

■ Evaluation Results

Following deliberations by the Board of Directors, it was confirmed that **the effectiveness of the Board of Directors of the Company was secured in FY2023**.

Review of the Composition of the Nomination & Sustainability Committees

■ Nomination Committee

As of FY2024, **all five committee members are changed to Outside Directors**
(Previously, the Committee had 4 Outside Directors + 1 Internal Director (the CEO))

- ・We determined that it is more appropriate for decision-making authority in areas such as formulating reports for selecting Executive Officer candidates, including the CEO succession plan, to be held exclusively by Outside Directors.
- ・Proposals such as the CEO succession plan are implemented by the CEO at the request of the Committee.
- ・Through the CEO succession plan, we put forward both "ready-to- go" talent that can step in if urgency is required and medium- to long-term successor candidates. We hold ongoing discussions in consideration of the current state of the Company with reference to our management strategies and CEO performance.

■ Sustainability Committee

As of FY2024, <u>one of the five committee members is now an Executive Officer (the CEO)</u>
(Previously, the Committee had included all of the non-executive directors (7 Outside Directors + 1 Internal Director)

- ・As part of the evaluation of the effectiveness of the Board of Directors, the Committee's role and the direction of discussion, etc. received generally favorable evaluations.
- ・The number and composition of the Committee was evaluated as not necessarily appropriate, as seen in opinions including, "The Committee should be downsized to the level of other Committees" and "The Committee seems to be slightly oversized."
- ・In light of this, the number and composition of the committee's members were reviewed.

Review of the Remuneration System for Executive Officers

● Starting in FY2023, **relative TSR evaluation was added** to the Executive Officer Bonus System as an evaluation indicator, and we reviewed **adding initiatives in line with the Sustainability Policy to the non-financial evaluation elements**, etc.

● Starting in FY2024, target of performance evaluation indicators for annual bonuses are now, in principle, the consolidated performance forecast for the current period planned in the Medium-term Management Strategy. (Previously, we used the consolidated performance forecast for the following fiscal year at the time of announcement of annual financial statements of the fiscal year as the reference value.)

■ **Executive Officer Bonus Evaluation Weight**
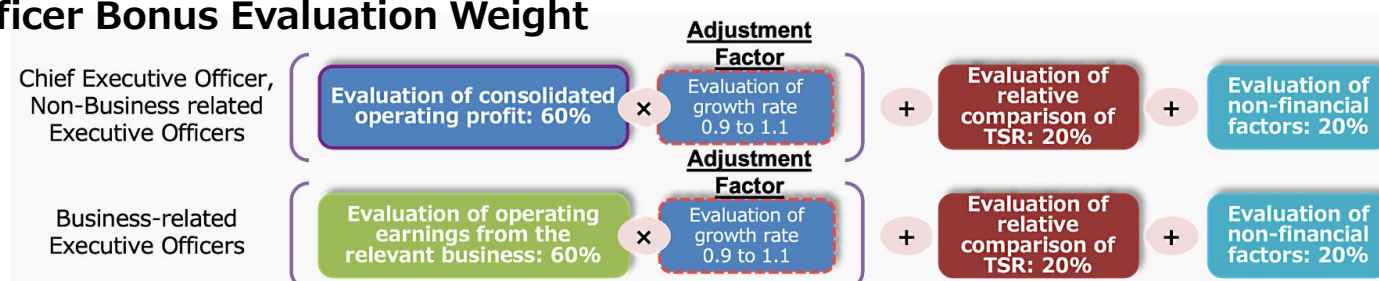
■ **Details of non-financial evaluation items for annual bonuses for Executive Officers (excluding CEO) (FY2024)**

・ For non-financial evaluation, each Executive Officer sets three target items, **one of which is a sustainability issue**.

・ As shown below, the non-financial evaluation targets set for FY2024 **must include** the **promotion of Diversity and Inclusion** in particular, **targets related to the ratio of female managers**.

Items in line with the Sustainability Policy	Executive Officers							
	A	B	C	D	E	F	G	H
Build a Work Environment that puts Safety and Health First		○						○
Respect for Human Rights		○						
Promote Diversity and Inclusion	○	○	○	○	○	○	○	○
Cultivate Mutual Prosperity with Stakeholders								○
Strengthen Corporate Governance and Risk Management	○	○	○					
Engage in Fair Business Transactions and Responsible Sourcing					○			
Ensure Stable Provision of Safe, Secure, and High Value Added Products								
Proactive Engagement for the Global Environment	○		○		○	○	○	
Talent Development				○			○	

Strategic Share Holdings

● **Following our Basic Policy on Corporate Governance, we are reducing our strategic share holdings.**

■ **Strategic Share Holdings Policy** (Basic Policy on Corporate Governance – Article 7)

- Unless it is required for our business strategies, we will not acquire or hold shares for purposes other than pure investment (strategic share holdings).
- The appropriateness of all strategic share holdings is specifically reviewed and examined annually at a meeting of the Board of Directors.
- Following these reviews, we reduce any strategic share holdings that are deemed unnecessary to hold.

■ **Status of Reductions in Strategic Share Holdings**

Holdings Status

		Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
Number of strategic share holdings	Unlisted:	103	106	99	56
	Other than unlisted:	53	43	30	6
	Total amount:	156	149	129	62
Total price (billions of yen)	Unlisted:	3.0	2.8	6.1	2.3
	Other than unlisted:	114.0	116.7	64.7	14.9
	Total amount:	117.1	119.5	70.9	17.3

Percentage of Strategic Share Holdings in Consolidated Net Assets

■ Percentage of Strategic Share Holdings in Consolidated Net Assets
▨ Total amount of strategic share holdings (Including unlisted shares and deemed share holdings) (billions of yen)
● Percentage of consolidated net assets (%)

March 2020	March 2021	March 2022	March 2023
132.1	137.2	84.7	25.3
22.6%	22.3%	12.9%	4.0%
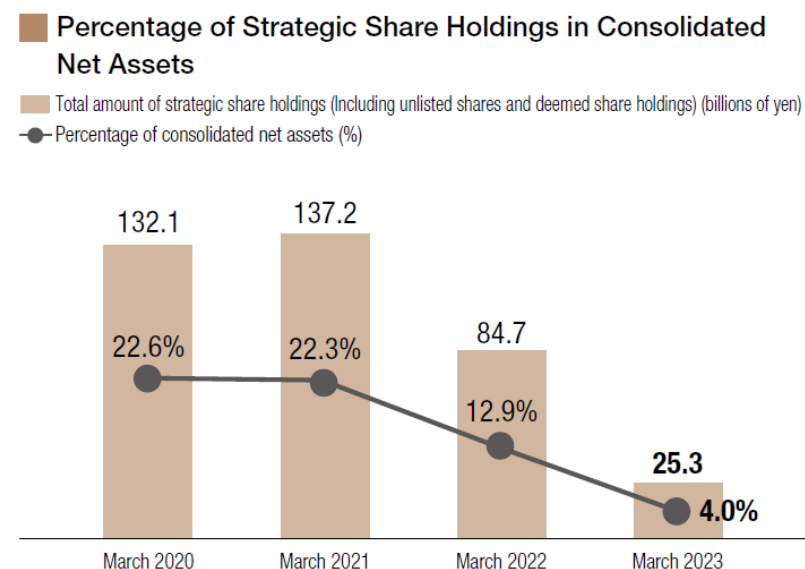
SCQ Initiatives

SCQ S: Safety & Health (Safety and health are top priorities)
C: Compliance & Environment (Compliance with laws and regulations, fair activities, and environmental protection)
Q: Quality (Quality of goods & services)

Occupational safety and health

■Zero Occupational Accident Project

The MMC Group launched the **Zero Occupational Accident Project** in April 2014, and we are working to strengthen our safety & hygiene infrastructure.

FY2024 Zero Occupational Accident Project: Goals

·**Zero serious accidents causing ≥4 lost workdays**
(zero accidents causing ≥4 lost workdays over one year)

·**Eliminating fires, explosions, and other accidents**
(eliminating fires, explosions, and high-pressure gas / hazardous materials leaks)

FY2024 Issues & Initiatives

① **Thorough improvement of facility safety through risk assessment (continuing)**

· The number of accidents causing ≥4 lost workdays is steady, but there are more accidents caused by similar events (catching hazards) and rule violations.

→ In order to expand countermeasures to prevent recurrence and increase compliance with rules, with the goal of eliminating similar accidents, the Zero Disaster Promotion Panel and others will repeatedly disseminate information and strengthen initiatives at each company/site.

② **Vitalizing our GYR system**

·We aim to vitalize the operation of our warning and reward system (GYR system) in order to improve the safety awareness of each individual employee.

③ **Eliminating fires, explosions, and other accidents**

·There have been fewer events in the first half of this year, but more leaks of high-pressure gas, etc.

→The Zero Disaster Promotion Panel will use Teams and other modalities for timely dissemination of information to help prevent accidents and calls to caution.

Trends in Injury Accidents Causing ≥4 Lost Workdays

Rebound following production restrictions due to COVID-19?

☐ Consolidated Subsidiaries
☐ Non-Consolidated

Multiple similar accidents occurring together

(Persons) 2020 2021 2022 2023
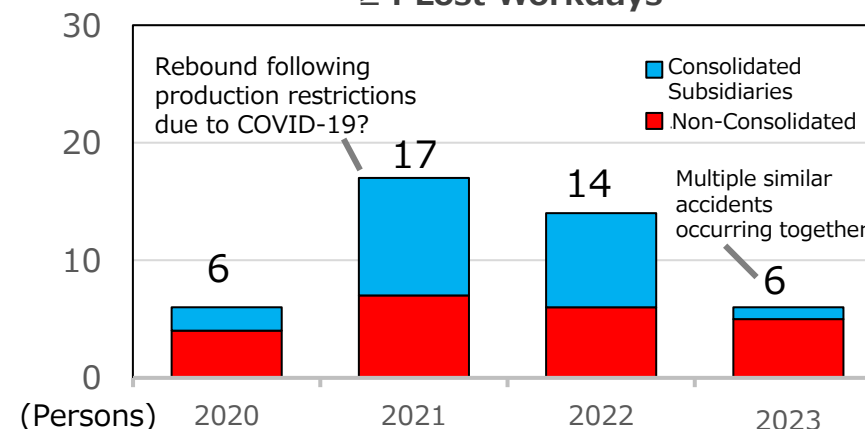
Trends in Fires, Explosions, etc.

☐ Fire
☐ Explosion
☐ Rupture
☐ Leak, etc.

Insufficient risk prediction – molten metals, etc. (causes) & insufficient facility management

(Events) 2020 2021 2022 2023 (Jan - Jun)
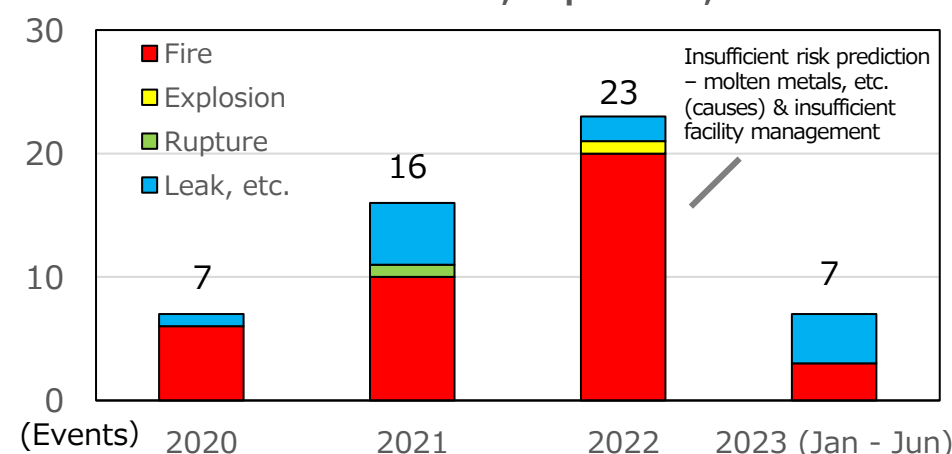
*Excludes cement, aluminum, polycrystalline silicon, and related business.

Occupational safety and health

■Promoting Hazard Sensitivity & Other Safety and Health Education

At the Safety and Health Education Center, Midori-kan, onsite at our Saitama Office (Saitama Prefecture, Saitama City), we provide hazard sensitivity training (50 types of simulation equipment) and safety and health education for MMC Group employees.
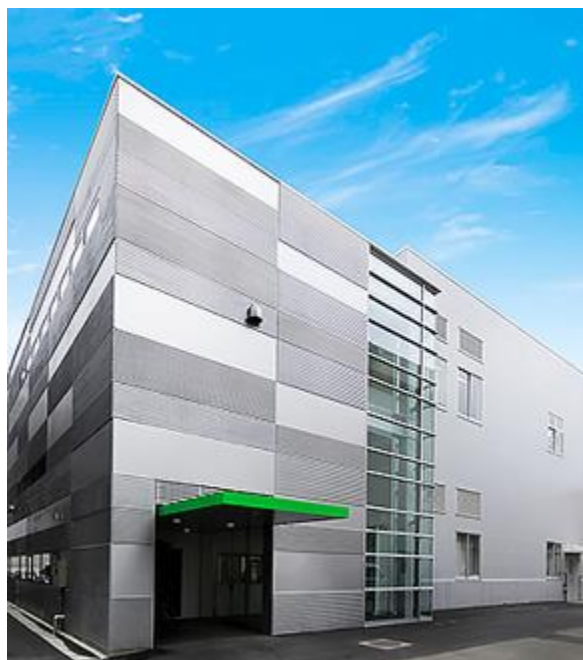
Safety and Health Education Center - "Midori-kan"
This facility is equipped to provide
•hazard sensitivity training designed to improve risk sensitivity among employees, and
•various other types of safety and health education
to employees of MMC and other Group companies.
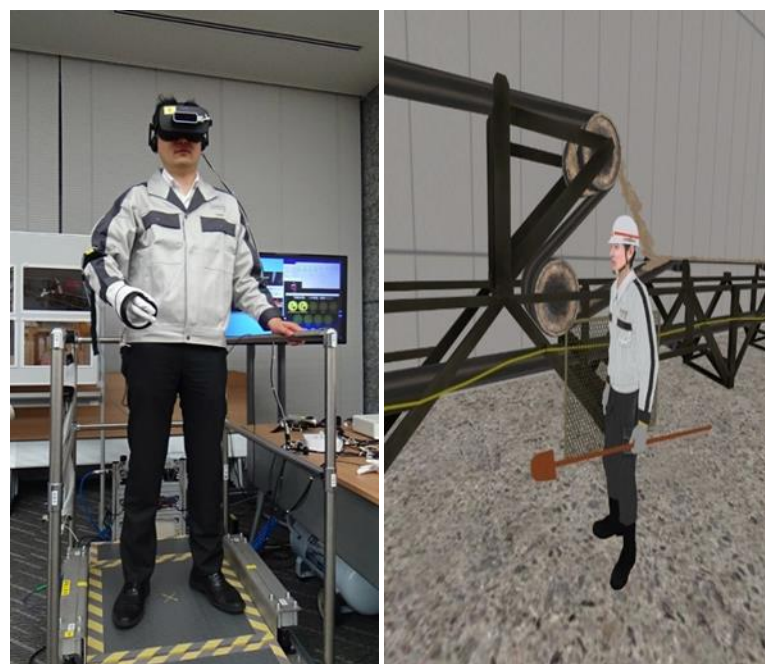
Hazard Sensitivity Training Using VR
To enable participants to experience hazardous situations that are difficult to simulate with conventional equipment, we began using VR hazard sensitivity training in May 2018.
The equipment is portable, making safety education possible at any site.

Hazard Sensitivity Training Participants (Cumulative Total)
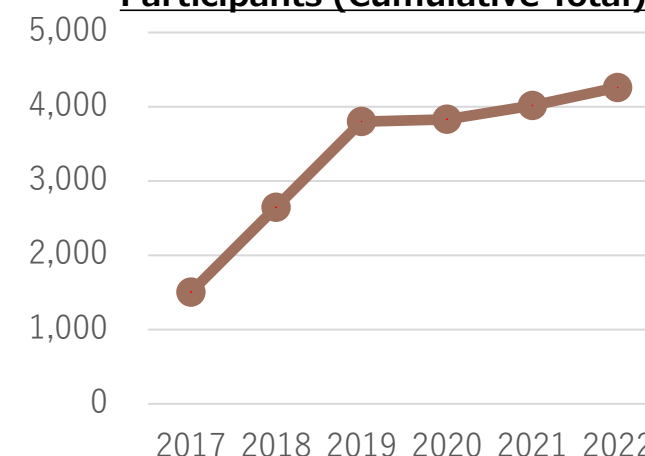
VR Hazard Sensitivity Training Participants (Cumulative Total)

18
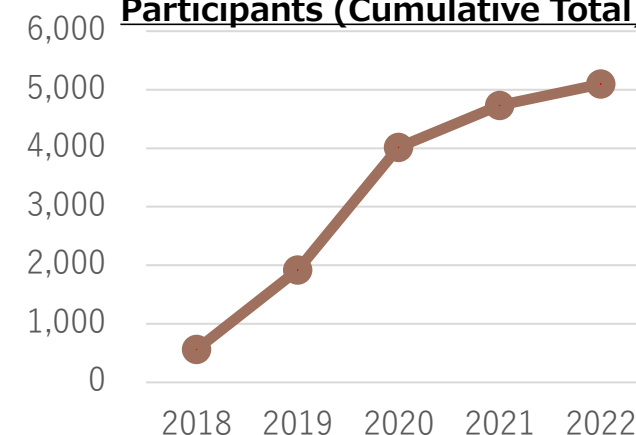
Occupational safety and health

■ Hazard Experience Devices & Program Menu

1	Experience of Slinging Work Hazards	1-1	Experience of Collision with a Swinging Load
		1-2	Experience of a Cut Wire with a Suspended Load
		1-3	Experience of Getting Caught under a Suspended Load
		1-4	Experience of a Suspended Load Falling from a High Place
		1-5	Experience of a Suspended Load's Weight Shifting
2	Experience of Catching Hazards	2-1	Experience of Getting Caught in a Roller
		2-2	Experience of Getting Caught in a Sprocket Chain
		2-3	Experience of Getting Caught in a High-Speed Coupling
		2-4	Experience of Getting Caught in a V-belt
		2-5	Experience of Getting Caught in a Screw Conveyor
		2-6	Experience of Getting Caught in a Rotary Valve
		2-7	Experience of Getting Caught in a Conveyor Belt
		2-8	Experience of Getting Caught in a Drilling Machine
		2-9	Experience of Getting Caught in a Lathe
		2-10	Experience of Getting Caught in an Oil Drum
3	Experience of High Work Hazards	3-1	Experience of Falling 5 meters
		3-2	Experience of Impact of Falling
		3-3	Experience of Falling from an External Ladder
		3-4	Experience of an Object Falling
		3-5	Experience of Being Suspended by Fall-Prevention Equipment
		3-6	Experience of Walking on and Falling from a Scaffold
		3-7	Experience with Stepladders and Ladders
4	Experience of Everyday Hazards	4-1	Experience while Walking
		4-2	Experience of Handling Heavy Objects
		4-3	Experience of a Wound from a Cut
5	Experience of Forklift Hazards	5-1	Experience of Falling Over Sideways
		5-2	Checking Blind Spots while Reversing
6	Experience of Chemical and High-Pressure-Water Hazards	6-1	Experience of Leakage from a Piping Joint
		6-2	Experience of Leakage When Removing a Flange
		6-3	Experience of a Runaway Hose
7	Experience of Robot Hazards	7-1	Experience of Teaching
		7-2	Safety Devices
8	Experience of Air-Cylinder Hazards	8-1	Checking a Cylinder's Operation with a Solenoid Valve
		8-2	Experience of Residual Pressure
		8-3	Troubleshooting
9	Experience of Explosion and Gas Hazards	9-1	Experience of Gas Retention
		9-2	Experience of a Gas Explosion
		9-3	Experience of a Powder Explosion
10	Experience of Electricity Hazards	10-1	Experience of a Heated Retractable Extension Cord
		10-2	Experience of a Static Electricity Explosion
		10-3	Experience of an Electric Shock
		10-4	Experience of Electrical Leakage
		10-5	Experience of Tracking
		10-6	Experience of Over-Current
		10-7	Experience with a Cut Live Cable
		10-8	Experience of an Electric Shock near a High-Voltage Cable

Hoist for Falls from height Experience (1.5 T)

Hoist for Safety Belt Experience
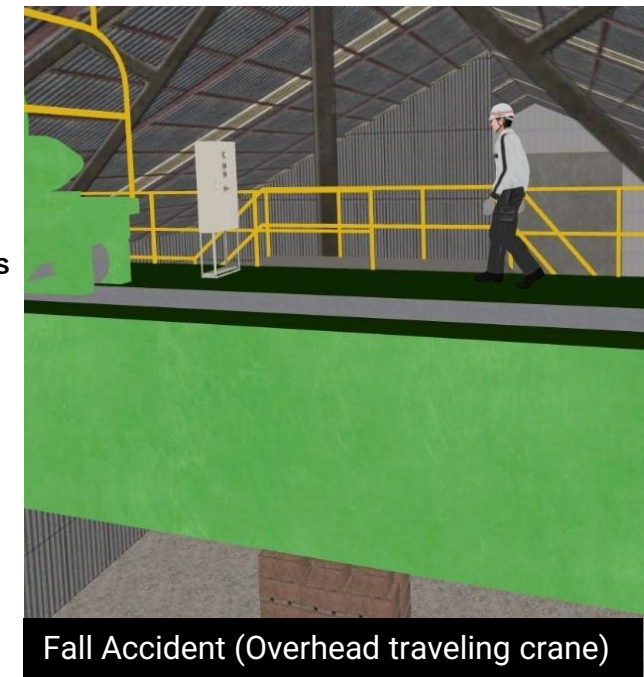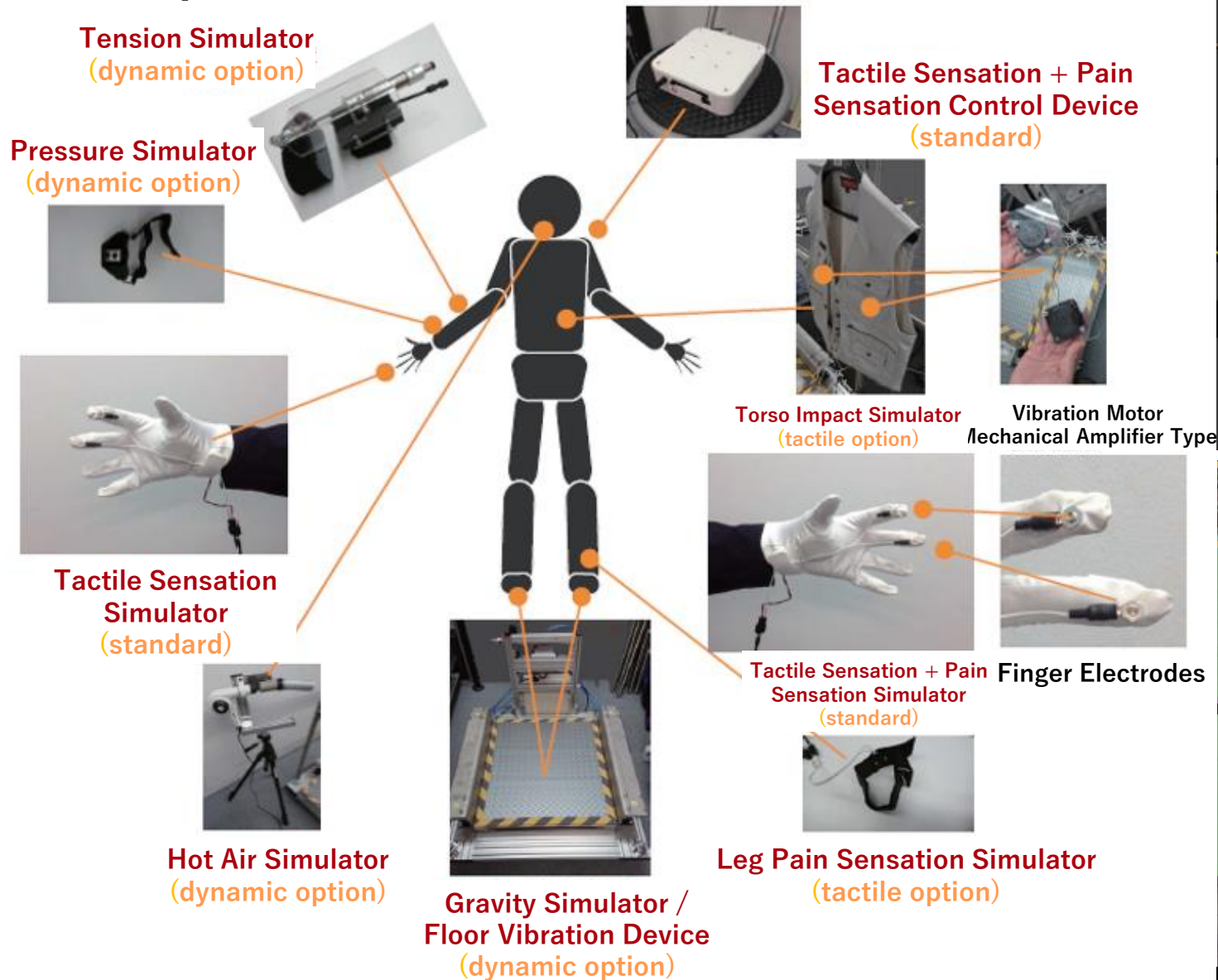
Exterior Ladder & Safety Blocks

Falls from height Simulator (1.8 m)

Occupational safety and health

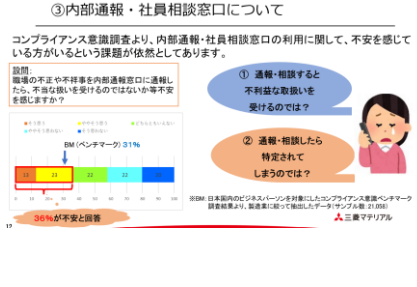## ■ VR Hazard Experience Device Configuration & Example Scenario

Tension Simulator (dynamic option)

Pressure Simulator (dynamic option)

Tactile Sensation + Pain Sensation Control Device (standard)

Tactile Sensation Simulator (standard)

Torso Impact Simulator (tactile option)

Vibration Motor Mechanical Amplifier Type

Tactile Sensation + Pain Sensation Simulator (standard)

Finger Electrodes

Hot Air Simulator (dynamic option)

Gravity Simulator / Floor Vibration Device (dynamic option)

Leg Pain Sensation Simulator (tactile option)

Caught in Accident (Belt Conveyor)

Fall Accident (Overhead traveling crane)

20

Compliance Initiatives

■FY2024 Initiatives (Group-wide)

Measure	Measure Specifics	Target Participants	Target Area
Training	Governance training for directors	Directors	Japan & Overseas
	Compliance / Risk Management (C/RM) Manager training	C/RM Managers	Japan
	Compliance training	Directors, All employees	Japan & Overseas
Survey	Surveys on the compliance	Directors, All employees	Japan & Overseas (staff level & above outside Japan)
Other	In-house reporting system / Employee Hotline informational campaign (details on next slide)	Directors, All employees	Japan

Compliance Initiatives

- Compliance awareness surveys indicate that a certain number (higher than the benchmark) of respondents feel uneasy about the in-house reporting system, citing concerns such as "people around me will know I reported" and "I think I'll be treated disadvantageously by the company." In response, we are implementing the following initiatives.

■FY2024 Initiatives (Improving Reliability of in-house reporting system/Employee Hotline)

	① Intranet **Relevant articles are posted on the Mynet Collaboration top page** ・A quiz and other materials are posted to the top page where they can be seen by more employees. (The quiz has over 2,000 views) ・To improve comfort with using the system, we continue to provide information on how information is handled, prohibitions against disadvantageous treatment, etc.
	② Poster Displays ・Paper posters for raising awareness of the hotline are distributed to sites that request them. ・Poster data is distributed online, and all sites can display the posters.

	③ Raising Awareness at Various Trainings ・At compliance training for all domestic Group employees and C/RM manager training sessions, we raise awareness of the protections for reporters. ・Information about the system is also shared at various educational activities for different job grades.
	④ Reporting System Informational Videos ・Informational videos are published on Stream. The videos explain how to use the employee hotline and also encourage its use. ・Video data is distributed to staff upon request.
	⑤ Special Website ・A special website has been linked to the hotline homepage, containing comprehensive information about each measure for improving reliability.

Quality Initiatives

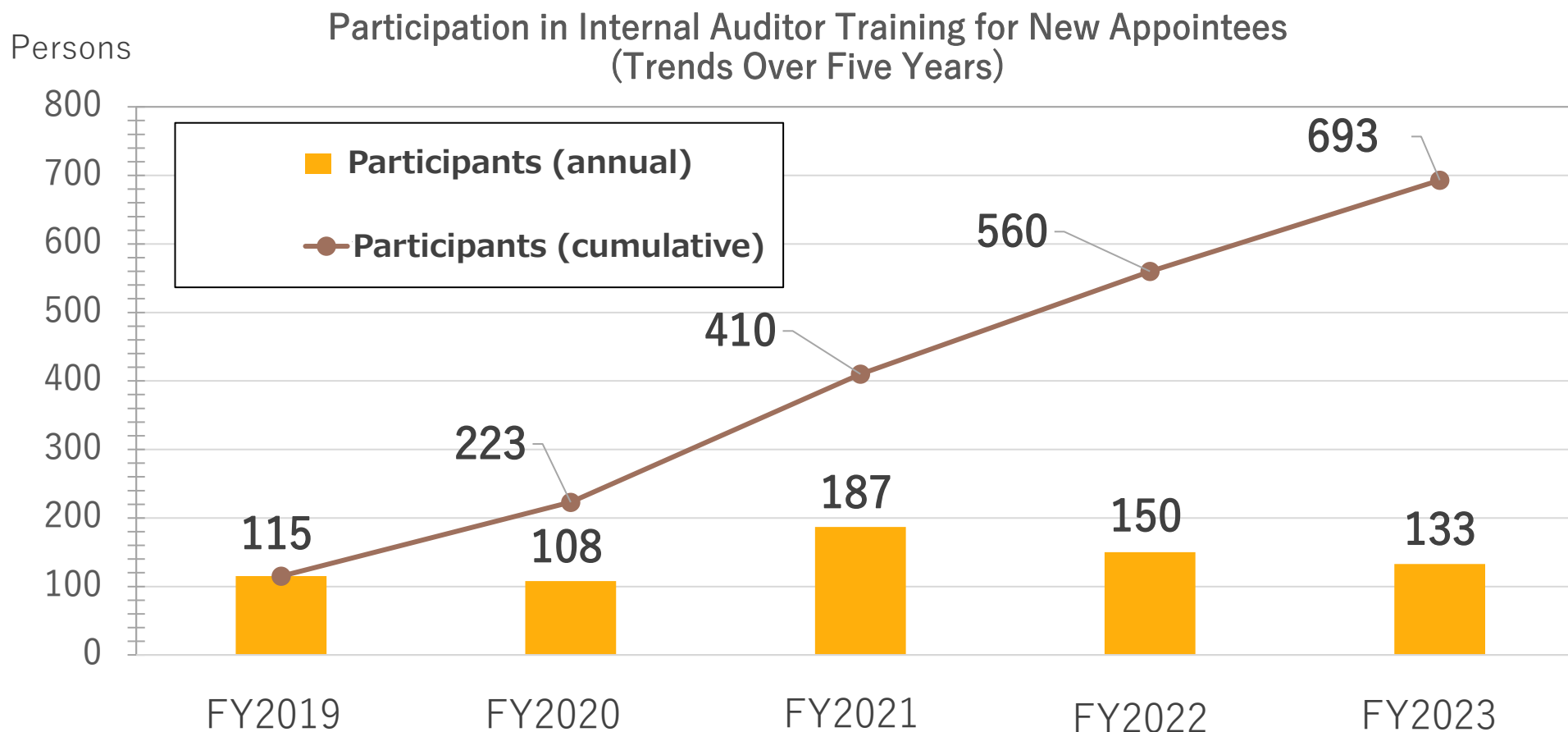## ■ Recurrence Prevention Measures for Quality Issues

To enhance the governance system at the MMC Group, information on quality issues is shared throughout the Group, we strive to implement and strengthen the measures listed below, and we have developed a system to prevent any non-conforming goods from being released through **"reactive quality management"**. We incorporate these measures into our quality management systems, such as ISO 9001, and implement them on an ongoing basis.

Recurrence Prevention Measures	Specific Initiatives
① Promoting our front-loading system (FLS)	・Ascertaining how the FLS guidelines are being used through quality audits, etc.
② Reinforcing the quality management division's system / authority	・Confirming the performance of the division's duties and its authority, including its independent quality assurance function.
③ Expanding quality education	・Ongoing performance of quality education for employees at domestic and overseas sites ・Educating younger employees on the fundamentals of quality management ・Educating mid-level employees & managers on quality compliance ・Education to improve specialized quality management skills, including ISO 9001.
④ Automating inspection equipment	・Furthering the automation of inspection equipment
⑤ Strengthening quality audits	・Ongoing performance of quality audits at sites that require them
⑥ Using external consultants	・Ongoing guidance sessions & seminars from quality consultants

Quality Initiatives

■Quality Education

Our quality management system (QMS), based on ISO 9001, is fundamental to our quality management and quality assurance. ISO 9001 internal auditor training is conducted regularly for newly appointed auditors, with the goal of cultivating internal auditors. Further, we actively engage in proactive prevention activities, and support the development of human resources, etc., to allow us to build and maintain our QMS.

Participation in Internal Auditor Training for New Appointees
(Trends Over Five Years)

Persons

	FY2019	FY2020	FY2021	FY2022	FY2023
Participants (annual)	115	108	187	150	133
Participants (cumulative)	115	223	410	560	693

Human Rights Initiatives

Human Rights Initiatives

Initiatives to prevent or reduce any **negative impact on human rights** caused by our businesses

- ■ Commitment through policy
  Commitment to fulfilling our responsibility to respect human rights through policy.

- ■ Implementation of human rights due diligence
  Identify and prevent or reduce negative impacts on human rights, taking responsibility for how they are addressed.

- ■ Remedial actions
  Processes that enable remedial action for negative impacts on human rights caused or promoted by businesses.

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

Implementation scheduled in FY2024

Construction of human rights due diligence system
- ● Formulation of implementation plan

Remedial actions
- ● Reporting system

Implementation of improvement for human rights due diligence in the supply chain

Implementation in FY2023

Implementing human rights due diligence
- ● Gap analysis
- ● Education and training
- ● Expansion to domestic Group companies
- ● Expansion to overseas Group companies
- ● Expansion to supply chain and exploring improvement

Implementation in FY2022

Commitment through policy: Publication of Human Rights Policy
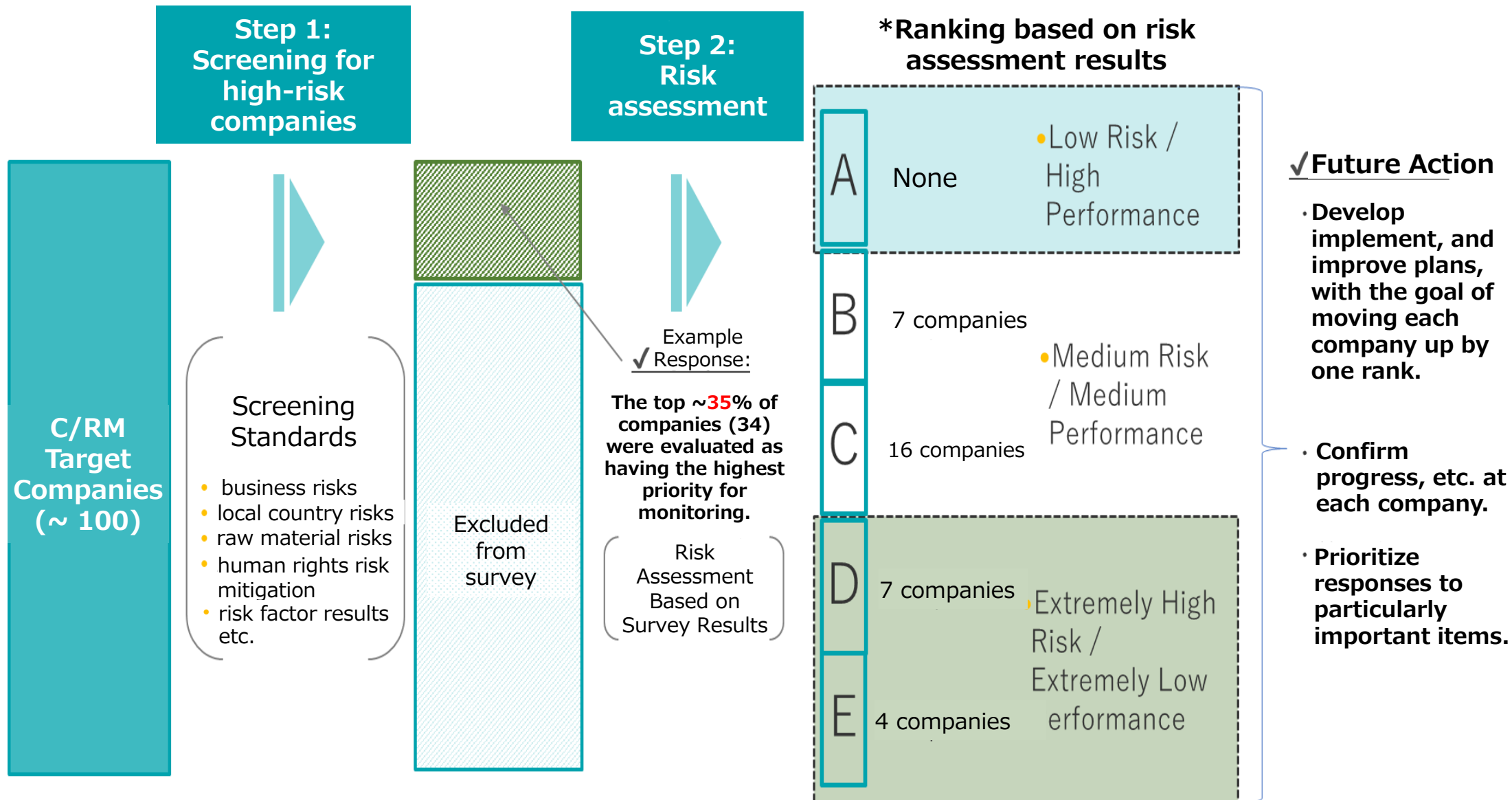- ● Formulation and disclosure of policy

Human Rights Due Diligence ①

- **The UN Guiding Principles on Business and Human Rights are used in our human rights due diligence initiatives and remedial/corrective measures.**
- **This PDCA cycle is required for our response to human rights risks.**

4 **Share information with external stakeholders regarding the ways businesses are addressing these impacts**

3 **Track and monitor the effects of responses to negative impact**

Spread Awareness of Performance

Track and Monitor Effects

4 Stakeholder

3 Engagement

Human Rights Policy

Identify & Evaluate

Integration & Action

1

2

Now in progress

Identify and evaluate actual and potential negative impacts on stakeholders (including vulnerable groups).

→ **Determine which important negative impacts require prioritized responses.**

Implement measures to prevent potential negative impacts
Implement measures to correct manifest negative impacts

We need to use our influence to prevent and improve negative human rights impacts in our supply chain.

1 |

Human Rights Due Diligence ②
Pilot Project for Group Companies: Analysis Results

**Step 1:
Screening for
high-risk
companies**

**Step 2:
Risk
assessment**

***Ranking based on risk
assessment results**

**C/RM
Target
Companies
(~ 100)**

Screening
Standards

- business risks
- local country risks
- raw material risks
- human rights risk
  mitigation
- risk factor results
  etc.

Excluded
from
survey

Example
√Response:

**The top ~35% of
companies (34)
were evaluated as
having the highest
priority for
monitoring.**

Risk
Assessment
Based on
Survey Results

A	None	•Low Risk / High Performance
B	7 companies	•Medium Risk / Medium Performance
C	16 companies	
D	7 companies	•Extremely High Risk / Extremely Low erformance
E	4 companies	

√Future Action

- **Develop
  implement, and
  improve plans,
  with the goal of
  moving each
  company up by
  one rank.**

- **Confirm
  progress, etc. at
  each company.**

- **Prioritize
  responses to
  particularly
  important items.**

Human Rights Due Diligence ③
Pilot Project for Group Companies: Analysis Results

We will implement risk mitigation measures in response to the following issues identified based on the results of the pilot human rights due diligence project (34 companies).

Issues	Risk Mitigation Measures
In the past five years, there have been cases of harassment or related issues.	✓ Thorough harassment prevention measures ✓ Creating an organizational culture that prevents harassment
We have insufficient initiatives related to procurement policies, including suppliers.	✓ Thoroughly raise awareness of policies ✓ Encouraging obtainment of written consent to our policies from suppliers
We have been unable to make a public commitment to "not discriminating in employment or employment opportunities, including compensation and advancement".	✓ Further consideration
We have insufficient mechanisms for handling external complaints.	✓ Expand contact functionality on the corporate website and examine the creation of a system for accepting complaints.

Moving forward, we plan to expand and develop the scope of implementation and build frameworks for human rights due diligence, at MMC sites, other Group companies, and with suppliers.

Human Capital Initiatives

Human Capital Initiatives

Resource procurement	Decomposition and separation	Smelting	Material processing and product manufacturing

Expansion of resource recycling

Metals Company

Enhancing the supply of high-performance materials and products

Advanced Products Company

Metalworking Solutions Company

Sales and use

Implementing GHG reduction measures to achieve carbon neutrality

Recovery

Supply of renewable electricity

Supply of renewable electricity

Renewable Energy Business

<Management Foundation>

Manufacturing Excellence Strategy	R&D Strategy	**Human Resources Strategy**	DX Strategy	IT Strategy

The MMC Group's Approach to Human Capital

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

- Developing and retaining human resources for business growth
- Realizing flexible employment and work styles
- Maximizing capabilities of individuals and supporting autonomous growth

Building a Foundation for Co-creation and Growth

- Accelerating transformation through integrating diverse human resources and the values
- Fostering job fulfillment through well-being
- Maximizing organizational capability through data utilization

"Individual employees and the Company grow together and achieve enhanced corporate value."

Human Capital Initiatives

Human Resources Strategy within the Medium-term Management Strategy

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

Developing and retaining human resources for business growth

- Developing and retaining candidates for management leaders
- Developing and retaining talents necessary to strengthen competitiveness and manufacturing capabilities
- Strategically selecting recruitment channels and employment patterns in line with business strategy

Next-Generation Leadership Talent Development

Realizing flexible employment and work styles

- Advancing human resources management aligned with external labor market
- Promoting flexible work styles that are not restricted by time and place

Job-based HR System

Supporting flexible work styles

Maximizing capabilities of individuals and supporting autonomous growth

- Creating an organization dedicated to winning through performance management
- Supporting autonomous growth and building a learning organization

Internal Job Posting System

1-on-1

New Training System

Building a foundation for co-creation and growth

Accelerating transformation through integrating diverse human resources and values

- Developing and retaining diverse human resources
- Cultivating awareness and culture to create new values from different opinions by embracing each other's diverse individuality

Measures to Drive Diversity and Inclusion

Fostering job fulfillment through well-being

- Continuously improving employee engagement
- Driving health and productivity management

Engagement Survey

Health and Productivity Management

Maximizing organizational capability through data utilization

- Enhancing talent management by utilizing HR system
- Developing environment for further utilization of human resources data and promoting data-driven measures

Talent Management System

Human Capital Initiatives

Next-Generation Leadership Talent Development

■ **To develop and retain human talents who can drive business growth, we continue to secure and develop candidates for management leaders.**

<Numerical Targets>

By FY2031, raise the ratio of candidates on the Next-Generation Leadership Talent Development Program to 80% of successors of Executive Officers.

51% FY2023　**70%** FY2026　**80%** FY2031
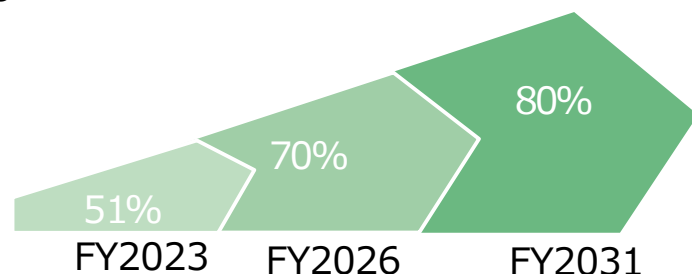
- The Next-Generation Leadership Talent Development Program was started in 2005 and revised in 2022. High-potential talent is also selected from younger generations.
- The program contributes to the systematic development of talent with cross-divisional and Group-wide perspective through an emphasis on work experience, training for selected employees, and leadership assessment with 360°evaluation.

Engagement Surveys

■ **To build a foundation for co-creation and growth, we utilize engagement surveys.**

<Numerical Targets>

By FY2031, raise the positive response rate in employment engagement survey to 80%.

71% FY2023　**75%** FY2026　**80%** FY2031
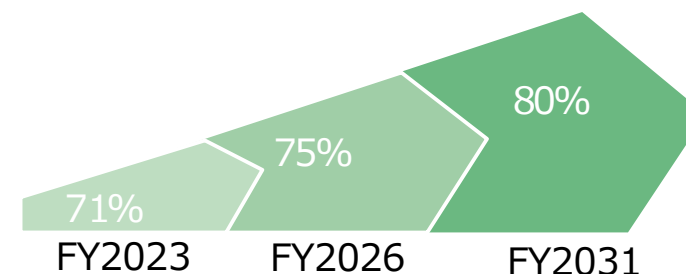
- We started conducting annual engagement surveys among MMC employees in 2022.
- The surveys have 29 internally-developed items, divided into 5 categories for analysis: "work," "colleagues," "organization," "compensation," and "growth opportunities." Some of the items under "growth opportunities" and "organization" have been identified as areas for enhancement, and we are working on them in coordination with our internal communication measures.

Human Capital Initiatives

Measures to Drive Diversity and Inclusion

■ **Accelerating transformation by integrating diverse talents and values**

<Numerical Targets>

Raise the ratio of diverse attributes among managers*
to 30% by FY2031.

* Women, non-Japanese people, mid-career hires,
  people with disabilities

16%   FY2021
20%   FY2026
30%   FY2031

<Numerical Targets>
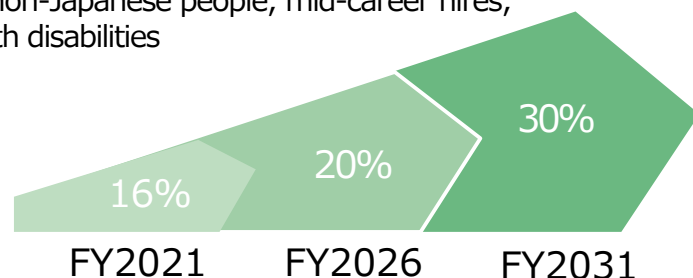
Raise the ratio of female managers to at least 5.0% by
FY 2026.

FY2023	FY2026
2.5%	5.0%
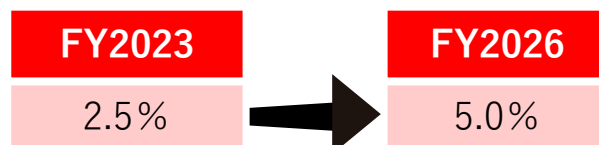
• Accelerating the growth of female employees
  (managers & career track employees) through
  our Executive Officer career acceleration
  sponsorship program
• Female career track employees career support
• Conducting unconscious bias e-learning for all
  employees

Use of Childcare Leave
Among Male Employees

%: Ratio of employees taking leave
d: Average number of days

	FY2020	FY2021	FY2022	FY2023
%	2.8%	15.6%	36.6%	61.3%
d	28 d	41 d	32 d	51 d
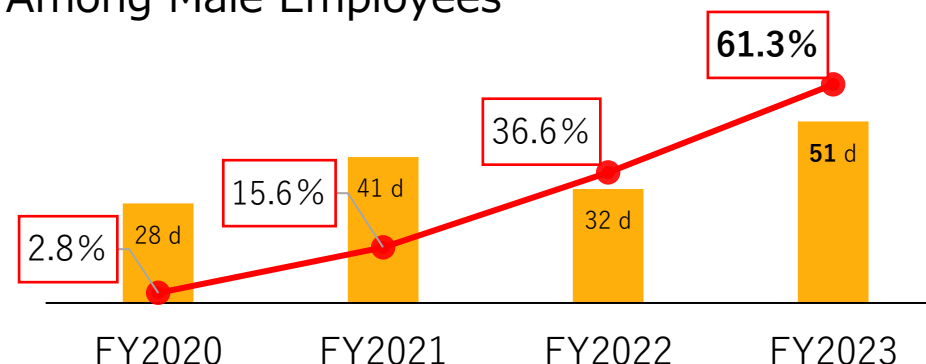
Health & Productivity Management

■ **Promoting health and productivity management to foster job fulfillment through well-being**

• Progressing with the CEO as the leader of the system
• Certified two years in a row as a "Health & Productivity
  Management Outstanding Organization
  2023 (Large Enterprise Category)"
• Certified for the first time as
  a "Sports Yell Company"

健康経営優良法人 2023
Health and productivity

SPORTS YELL COMPANY 2023

Human Capital Initiatives

Implementation Structure

Human Resources Committee (Discussing Human Capital with Executive Officers)

- Established in FY2023, the Human Resources Committee is composed of Executive Officers and Human Resource Business Partners (HRBPs)
- PDCA cycle for advancing human capital initiatives (select & develop next-generation leadership talent, discussing D&I and other issues related to human capital, and verifying effectiveness & seeking improvement)

Businesses (Companies, etc.)

- HRBPs have been assigned to each Company to provide support for implementing business strategies from the perspective of human resources.
- Partnering with management teams to take the lead in measures related to human resources in each business
- Creating an organization dedicated to winning
- Rigorous performance management

CHRO and Corporate Human Resources Functions

- The position of Chief Human Resources Officer (CHRO) was established in April, 2023
- The CHRO leads discussions of issues surrounding human capital initiatives with the CEO and other Executive Officers
- Enhancing human resources function for support to realize management strategy
- Creating opportunities for dialogue between Executive Officers and employees

Human Capital Initiatives

Top Management Actively Participates in Human Capital Initiatives

- We have established the **Human Resources Committee**, which is comprised of Executive Officers and HRBPs, and works to verify the effectiveness of key human resource measures while discussing potential further improvements.

- **Directors participate** in human capital initiatives (briefings for directors on human capital initiatives, meetings with next-generation leadership talent, etc.)

- We have added a **Diversity and Inclusion target item** among the non-financial evaluation elements in the Executive Officer Remuneration System.

- We established the post of **CHRO** (Chief Human Resources Officer).

- The **Health and Productivity Management** System, headed by the CEO, aims to prioritize the health of employees.

- Creating **opportunities for dialogue** between Executive Officers and employees (fostering unrestricted communication, deepening understanding of "Our Commitment," etc.)

Climate Change Initiatives

Climate Change Initiatives

■ Working to achieve carbon neutrality by FY2046

| FY2021 | 2026 | 2031 | 2036 | 2041 | 2046 | 2051 |

GHG reduction target

Scope1＋2
45% or more reduction（compared to FY2021）
Scope3
22% or more reduction*1

Achieve carbon neutrality

Renewable energy utilization rate **30**% **80**% **100**%

Scope3 reduction Plan **22% reduction**
■ Scope1
■ Scope2
■ Scope3

Mitsubishi UBE Cement Corporation's share of Scope 3 approx. 60% in FY2021

5%
5%
90%

FY2021 FY2031

Scope 1 and 2 reduction Plan

■ Scope1
■ Scope2

Excluding businesses and subsidiaries that have been removed from the scope of consolidation due to business portfolio adjustment by FY2023

*1 Categories 1, 3, 15 compared to FY2021
*2 Carbon dioxide Capture, Utilization and Storage

GHG emissions (kt-CO_2e)

Increase / Reduction

525
595
FY2021

45%

96 517
FY2031

- Expansion of renewable electricity
- Technology improvements (fuel conversion, etc.)
- Energy conservation

GHG reduction investment in facilities and processes of 10.5 billion yen by FY2031

Reduction through technological development and utilization of external technologies

FY2046

- Use of renewable electricity
- Technology improvements (fuel conversion, etc.)
- Energy conservation
- Use of CCUS*2 use

Certified by the Science Based Targets (SBT) Initiative as of March 2023.

(Based on targets as of July 2022 application)

● Target of carbon neutrality by FY2046 and 100% self-sufficiency in renewable energy power by FY2051
● Reduction focused on Scope 2 for FY2031

	Scope 1	Scope 2	Scope 3
Main measures	◆ Switch from heavy oil to LNG ◆ Reduce fossil fuels through increased processing of E-Scrap ◆ Electrification of facilities ◆ R & D on products and technologies that contribute to CCUS, etc.	◆ Introduction of solar power generation facilities ◆ Increase in-house power generation by installing saturated steam turbines ◆ Replacement with high-efficiency equipment ◆ Switch to renewable energy sources ◆ Renewable energy certificate, CPPA※3 utilization, etc. ※3 Corporate Power Purchase Agreement	◆ Supplier engagement and collaboration ◆ Collaboration with Mitsubishi UBE Cement Corporation (MUCC) and other equity method affiliates
Investment plan based on the FY2031 Strategy	10.5 billion yen for equipment renewal, fuel conversion, electrification, etc. (cumulative to FY2031) 1.2 billion yen for switching to renewable energy sources (FY2031)		-
Reduction from FY2021 emissions	78 thousand t-CO_2e	429 thousand t-CO_2e	(22% reduction in categories 1,3,15)

Climate Change Initiatives

■ Opportunities and Risks posed to our Businesses by Climate Change (Scenario Analysis)

- Accurately evaluate the risks and opportunities faced by our businesses due to climate change, and integrate these into our business strategies

- Growing demand for EV and battery products will lead to increasing sales volume in related products, growing demand for renewable energy will provide an opportunity to expand our renewable energy business, and the shift to a recycling-oriented society is a chance to expand our recycling business

- For each topic, set targets for managing risks / securing opportunities and disclose progress
  (See: Decarbonization Initiatives | Contribution to Global Environment | Sustainability Report | Mitsubishi Materials (disclosure.site))

▲ : Risk elements ● : Opportunity elements

Scenario	Theme	Business	Risk/Opportunity Elements	Impact on Business	Target
1.5°C Scenario / 4°C Scenario	Changes in Carbon Tax, Energy Costs, etc.	Common to all businesses	▲ Introduction/strengthening of carbon price tax system (increase in operation costs)	Risk: Large	Group GHG emissions (Scope1,2) 45% reduction in emissions by FY2031 (compared to FY2021) Achieve carbon neutrality by FY2046
1.5°C Scenario	Changes in EV Demand	Smelting and resource recycling business	● Increase in xEV sales volume	Opportunity: Large	Electrolytic copper sales volume End of FY2031 830,000 t
			▲ Decrease in the number of scrapped vehicles	Risk: Small	Annual no. of vehicles processed End of FY2031 70,000 units
		Copper & copper alloy business	● Increase in xEV sales volume	Opportunity: Large	Sales of pure copper strips for vehicles End of FY2031 Double (compared to FY2021)
		Metalworking Solutions business	▲ Rapid change in market for processed products due to modal shift, etc.	Risk: Medium	Sales of cutting tools End of FY2031 2.3 times (compared to FY2021)
	Changes in Forms of Energy Use	Smelting and resource recycling business	● Increase in demand for automotive LIB and solar panel recycling	Opportunity: Large	Amount of automotive LIBs recycled* End of FY2031 870t-LIB * Up until creation of black mass (LIB removal, discharging, dismantling, pyrolysis, crushing and sorting)
		Metalworking Solutions business	● Increase in demand for EV batteries and storage batteries	Opportunity: Large	Production of high-functional powder for rechargeable batteries End of FY2031 1.9 times (compared to FY2021)
		Renewable energy business	● Increase in spread and demand for renewable energy	Opportunity: Large	Our share of renewable energy sales End of FY2031 575GWh
	Changes in Demand for Recycling Business Due to Shift to Recycling-Oriented Society	Smelting and resource recycling business	● Increase in demand for EV batteries and storage batteries	Opportunity: Medium	E-scrap processing capacity End of FY2031 240,000 t
			● Increase in demand for home appliance recycling	Opportunity: Medium	Annual no. of home appliances processed End of FY2031 5.9 million units

We will continuously improve corporate value through business development based on our key material issues (page 6) in line with the FY2031 Strategy

Climate Change Initiatives

■Direction of Initiatives Related to Our Carbon Footprint of Products[*1] (CFP)

*1 Carbon footprint of products (CFP) is part of Life Cycle Assessment(LCA) and extracts items related to GHG emissions.
LCA is a method of quantitatively evaluating input resources, environmental load and environmental impact across the life cycle of a product.

Applications and calculation methods for CFP are being investigated from a variety of perspectives by governments, industry organizations, and others. As interest in CFP initiatives is growing both in Japan and abroad, we will move forward with our own CFP initiatives in the following directions.

Deployment

- Continue sequentially calculating CFP for our main products.
- Begin building systems for ensuring data reliability.

Verification & Disclosure

- Proceed as necessary with third-party verification and disclosure for products for which CFP has already been calculated.
- Aim to complete third-party verification for our electrolytic copper during this fiscal year.
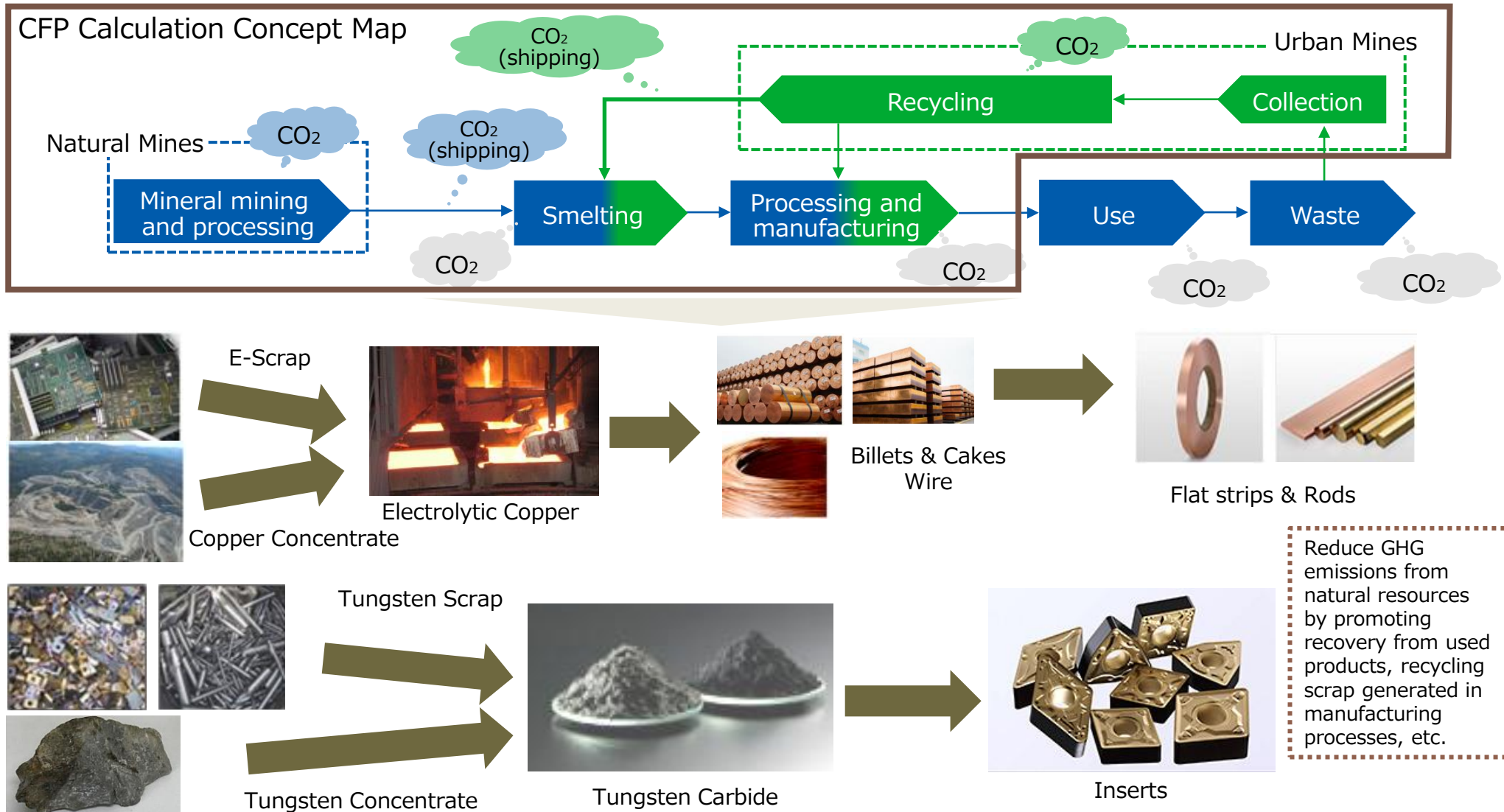
Reduction

- Make systematic plans to reduce CFP (fuel conversion, increased processing of E-Scrap, etc.).
- Increase engagement[*2] with suppliers, and promote consistent GHG reduction initiatives both upstream and downstream.

* 2 Supplier engagement progress: Approximately 40% of Scope3 Category 1 (purchased products and services) emissions

Climate Change Initiatives

■ Promote recycling and reduce GHG emissions

We have estimated the CFP of our copper and tungsten products and worked to improve the accuracy of our calculations.

CFP Calculation Concept Map

CO_2 (shipping)

CO_2

Urban Mines

Recycling ← Collection

Natural Mines — CO_2

CO_2 (shipping)

Mineral mining and processing → Smelting → Processing and manufacturing → Use → Waste

CO_2

CO_2

CO_2

CO_2

E-Scrap

Electrolytic Copper

Copper Concentrate

Billets & Cakes
Wire

Flat strips & Rods

Tungsten Scrap

Tungsten Concentrate

Tungsten Carbide

Inserts

Reduce GHG emissions from natural resources by promoting recovery from used products, recycling scrap generated in manufacturing processes, etc.

With the aim of realizing a recycling-oriented society and a decarbonized society, we will contribute to promoting social change through our business activities while simultaneously promoting our own recycling and reducing GHG emissions.

Climate Change Initiatives

■ Considering the Introduction of an Internal Carbon Pricing (ICP) System

ICP System

- An ICP system can be established internally for the purpose of accelerating investments that can contribute to GHG reductions and advancing decarbonization initiatives.

- GHG reduction effects are conceptually added in as investment effects, making investment in decarbonization easier than under our conventional investment strategy.

Surrounding Environment

- The CDP response form has an item on ICP.

- The TCFD* has also recommended the use of an ICP system as a low carbon investment index.
  *Taskforce on Climate-related Financial Disclosures

Our Initiatives

- Start an internal survey related to ICP from this fiscal year.

- Plan to begin identifying issues and considering a concrete operations policy, and compile information to develop the system before the end of this fiscal year.

Climate Change Initiatives

■ Initiatives for the Conservation of Biodiversity

Surrounding Environment

- There is a growing understanding that loss of biodiversity and destruction of ecosystems are a crisis next in severity to climate change.
- Through **30 by 30**[1] initiatives under the Kunming-Montreal Global Biodiversity Framework and National Biodiversity Strategy of Japan, action taken to build a nature-positive world is gathering attention even in the business world.

We value our contribution to the 30 by 30 project, and we are taking action in company forests, and other settings.

■ Applying for Registration on the MOE Natural Symbiosis Site[2]

- Our Teine Forest is currently under certification.

■ Joining the Keidanren Committee on Nature Conservation (KCNC)

- This sister organization to KEIDANREN aims to promote nature conservation activities among businesses. We joined in June.

- We are gathering information on biodiversity and strengthening our future responses to biodiversity conservation issues, such as the 30 by 30 project and the TNFD[3].

◆ **Materials' Forest (14,000ha)**

Teine Forest, one of the Materials' Forests (Sapporo, Hokkaido)

*1 This new global goal aims to protect at least 30% of the country's lands and waters by 2030. We joined the 30 by 30 Alliance for Biodiversity in 2022.

*2 This Natural Symbiosis Site begins in FY2024 as a system for certifying areas where conservation of biodiversity is sought through private sector and other initiatives.

*3 Taskforce on Nature-related Financial Disclosures
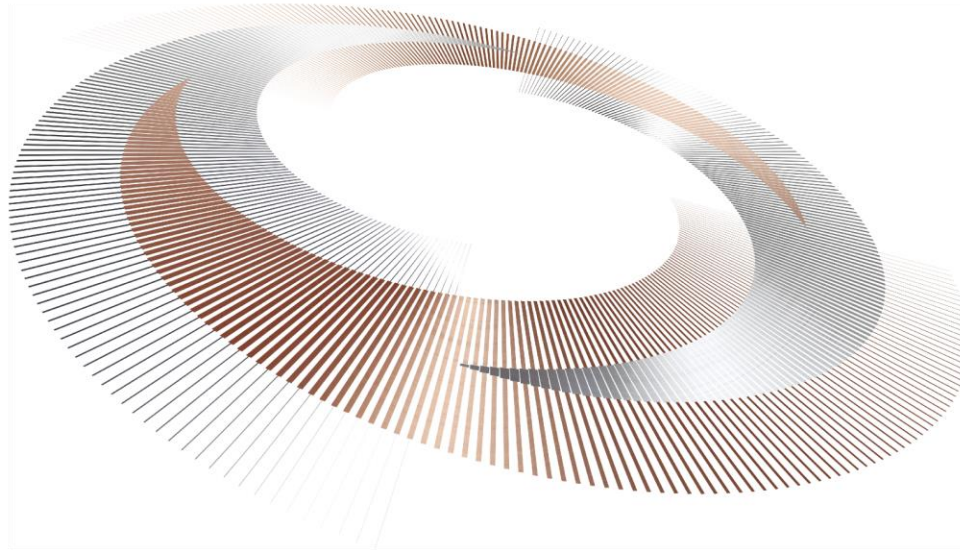
For people, society and the earth, circulating resources for a sustainable future

MITSUBISHI MATERIALS

(Reference) Topics Related to Sustainability

● **Starting Operations at the Komatagawa New Power Plant**

At the Komatagawa New Power Plant (operational December 23, 2022) we are efficiently taking in water released as unused energy and using it to generate electric power, all of which is then supplied to society through the feed-in tariff system for renewable energy.

● **Selected for the First Time as an Environmentally Sustainable Company**

We were selected as an Environmentally Sustainable Company in the Environmentally Sustainable Company Category at the Ministry of the Environment's ESG Finance Awards Japan in recognition of our strides in disclosing our strategies and other information on key environmental issues.

● **Acquiring Science Based Targets (SBT) Certification**

We received SBT certification from the SBT Initiative, an international organization that certifies GHG emissions reduction targets following the SBTs set by the Paris Agreement. We will continue to implement manufacturing that considers reduction of environmental impact, and actively promote the reduction of GHG emissions to help build a decarbonized society.

● **School Built with Our Timber Opened in Hokkaido**

The Hokkaido Abira Municipal Hayakita Gakuen (opened April 2023) was built using timber produced from our forests. Raw Larch logs harvested for forest maintenance in our Hayakita Forest were used for the school building's beams, columns and other elements.

● **PRIDE Index 2022 – Bronze Award**

We received the bronze award in the PRIDE Index 2022, which evaluates companies' efforts to address issues faced by LGBTQ+ and other sexual minorities. We aim to achieve maximum organizational performance by building an environment where diverse members can coexist, respect one another, and actively realize their own potential.

● **Certified as a Health & Productivity Management Outstanding Organization 2023 (Large Enterprise Category) for the Second Consecutive Year**

We were certified for the second time as a "Health & Productivity Management Outstanding Organization 2023 (Large Enterprise Category)" under the "Certified Health & Productivity Management Outstanding Organizations Recognition Program" as selected by the METI and the Nippon Kenko Kaigi. We are working to improve our health and productivity management activities, enhance employee engagement and productivity, and create a vibrant organization, in line with our commitment to "providing a safe and healthy environment for all our stakeholders" in our Code of Conduct.

For more information, please contact :

Mitsubishi Materials Corporation
IR Group, Corporate Communications Dept.
Strategic Headquarters

Marunouchi Nijubashi Building, 3-2-3, Marunouchi, Chiyoda-ku,
Tokyo 100-8117, Japan

email: ml-mmcir@mmc.co.jp

https://www.mmc.co.jp/corporate/en/index.html

＜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.