MITSUBISHI MATERIALS

Mitsubishi Materials Corporation

IR Day

December 12, 2024

Speakers:

Naoki Ono	Director, Chief Executive Officer (Representative Executive Officer)
Nobuhiro Takayanagi	Director, Managing Executive Officer, CFO
Makoto Shibata	Director, Managing Executive Officer (Representative Executive Officer), CTO
Katsuyoshi Isaji	Managing Executive Officer
Toshinori Ishii	Managing Executive Officer
Kazuo Ohara	Managing Executive Officer

Presentation

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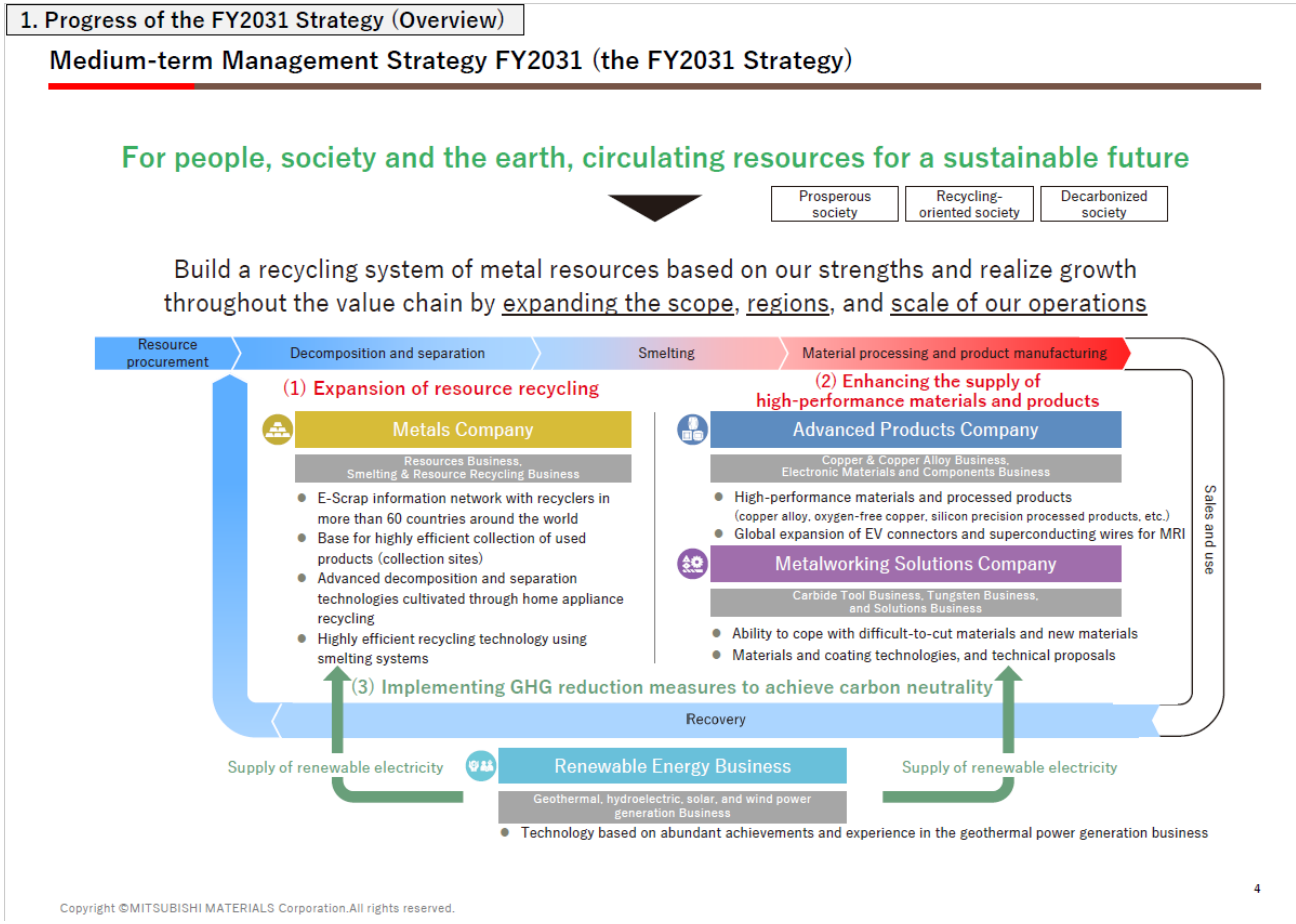
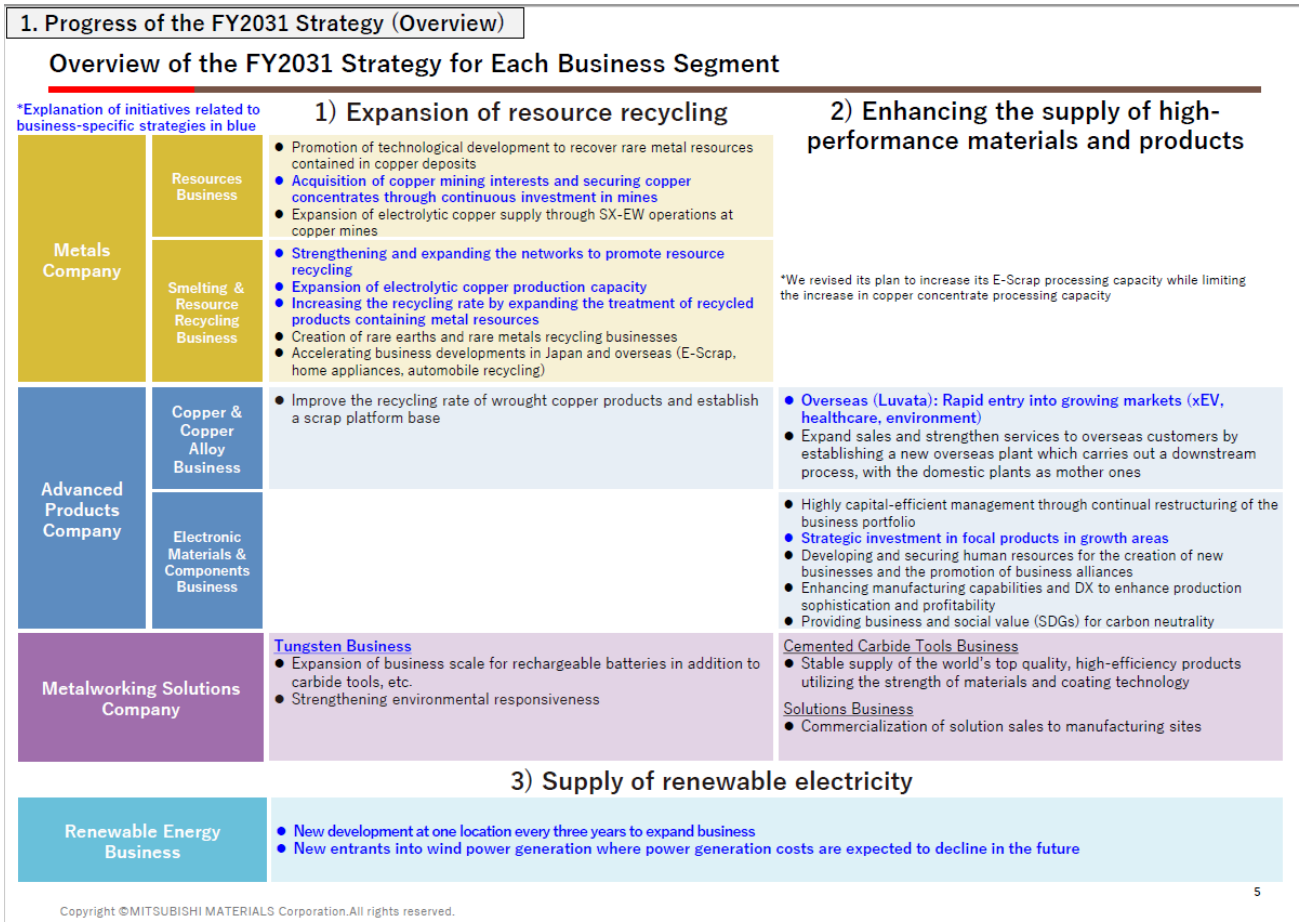
Ono: Hello, everyone. I am Ono, Chief Executive Officer (CEO). As I am sure you are aware, yesterday we announced our new management structure effective April 1, 2025, including the change of CEO, which is myself. Although today is IR Day, if you have any questions in this regard, you can ask them during the Q&A of the session with myself and Mr. Takayanagi.



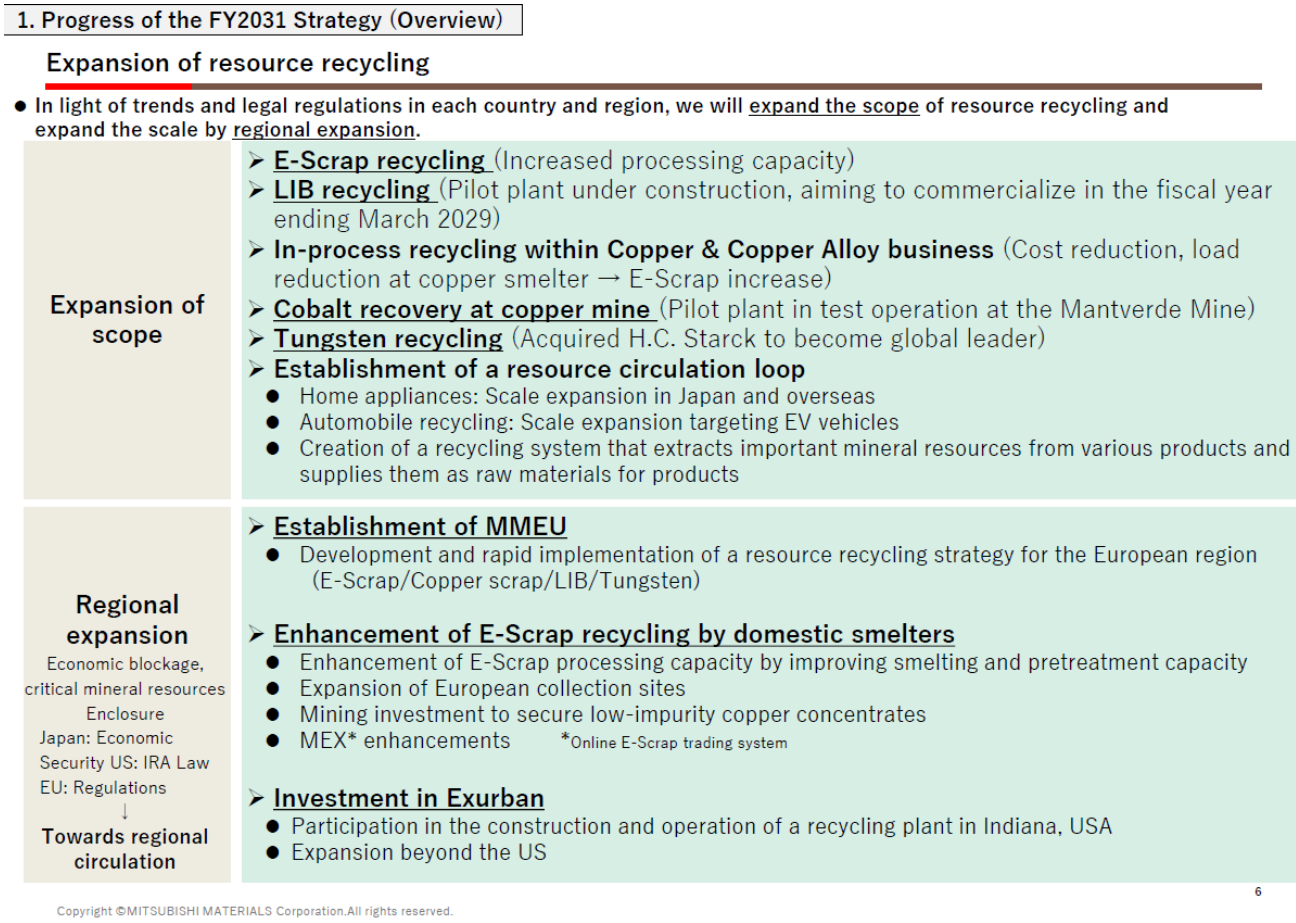
I will now explain according to the slides. The first slide is an overview of the Medium-term Management Strategy FY2031.

The words in green on the top line state that we established “For people, society and the earth, circulating resources for a sustainable future,” as Our Commitment. In order to achieve this, we are trying to expand the scope, regions, and scale of our operations, with a focus on the recycling system of metal resources.

As we have shown many times before, the picture below illustrates the large circulation of materials and products, where we dismantle and separate the necessary materials from used or discarded products collected at the market, extract the materials or raw materials for products through smelting and other processes, process the materials or manufacture products using them, and then offer them to the market again and they are then recovered again. The picture shows that the energy required for such projects domestically is to be supplied in the form of renewable energy power generated by the Company itself.



These blue texts are the topics that will be introduced in the session that follows today, and shows how these topics relate to the expansion of resource recycling and the enhancement of the supply of high-performance materials and products, as well as to the supply of renewable electricity.



The two major methods and measures to expand the resource recycling mentioned in Our Commitment are to expand the scope and to expand business regions.

In expanding the scope, this is also something we have talked about in the past, but we would like to add a few words about the current situation. For E-Scrap recycling, we are currently in the process of planning and proceeding with the expansion of capacity, mainly at Naoshima.

On the other hand, as mentioned later in the section of expanding business regions, we are also trying to increase our collection capacity by establishing a company in Europe called MMEU. For LIB recycling, we are currently continuing construction of a pilot plant.

In-process recycling of the Copper & Copper Alloy business can be divided into two main categories: oxygen-free copper and copper alloys. We are working on both. In cobalt recovery at the Mantoverde Mine, Chile, pilot plant testing is underway.

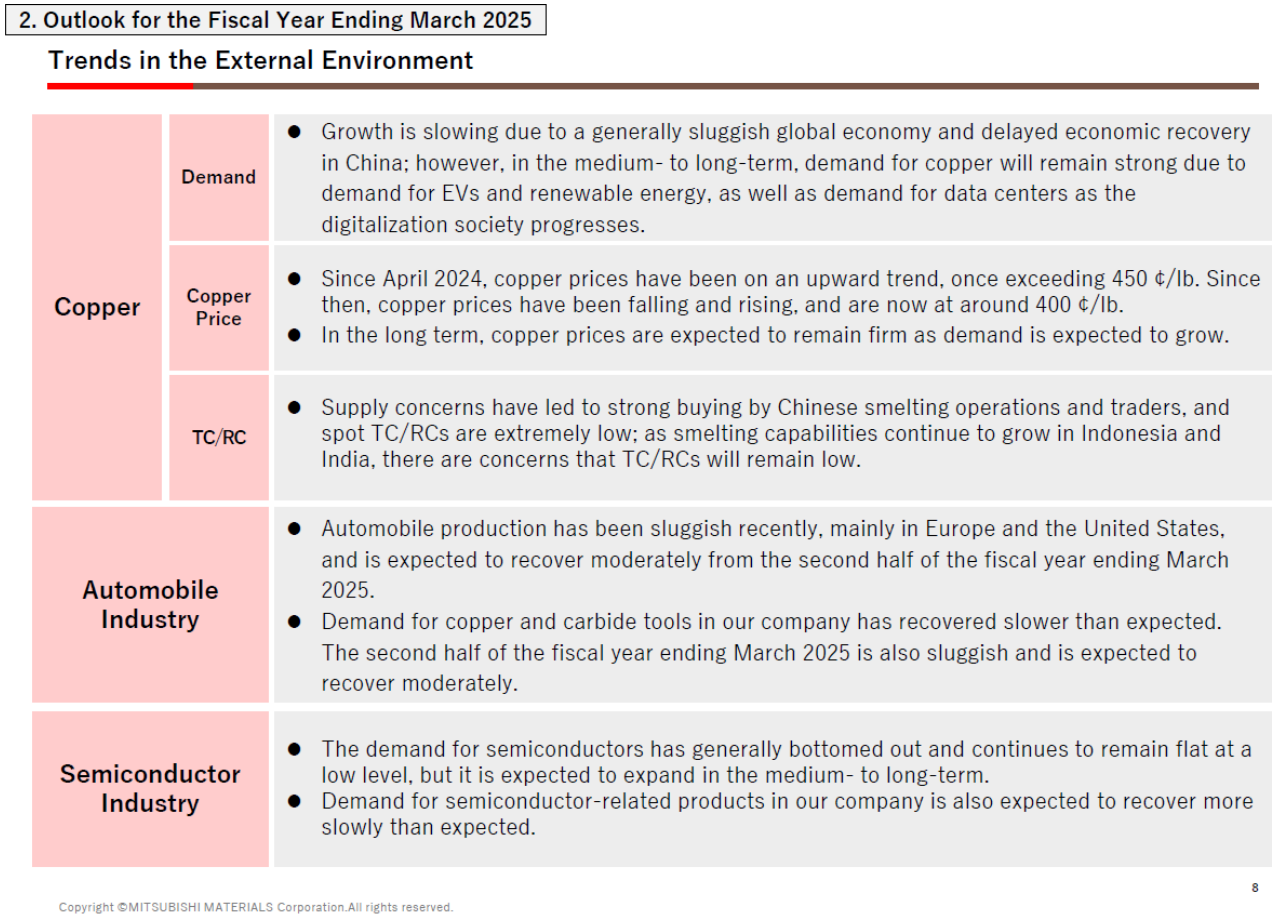
In tungsten recycling, we are in the process of closing the acquisition of H.C. Starck, a German-based company, and are planning to become a global leader by acquiring this company.

In terms of construction of a resource recycling loop, we have been in conversation with several companies, and although it is difficult to give specific details, we are making progress.

On the other hand, in expanding business regions, as I mentioned earlier, we established MMEU or Mitsubishi Materials Europe B.V. in Europe, and we have been conducting sales activities there since September this year.

The enhancement of E-Scrap recycling at domestic smelters is in the process of increasing capacity, as I touched on a bit earlier.

In the US, the Exurban Project is making steady progress. Our role is to provide a great deal of technical support, and we are sending people to various tests to promote its technical development. That is all from me for now.



Takayanagi: I am Takayanagi, CFO. I would like to talk about our forecast for the fiscal year ending March 2025.

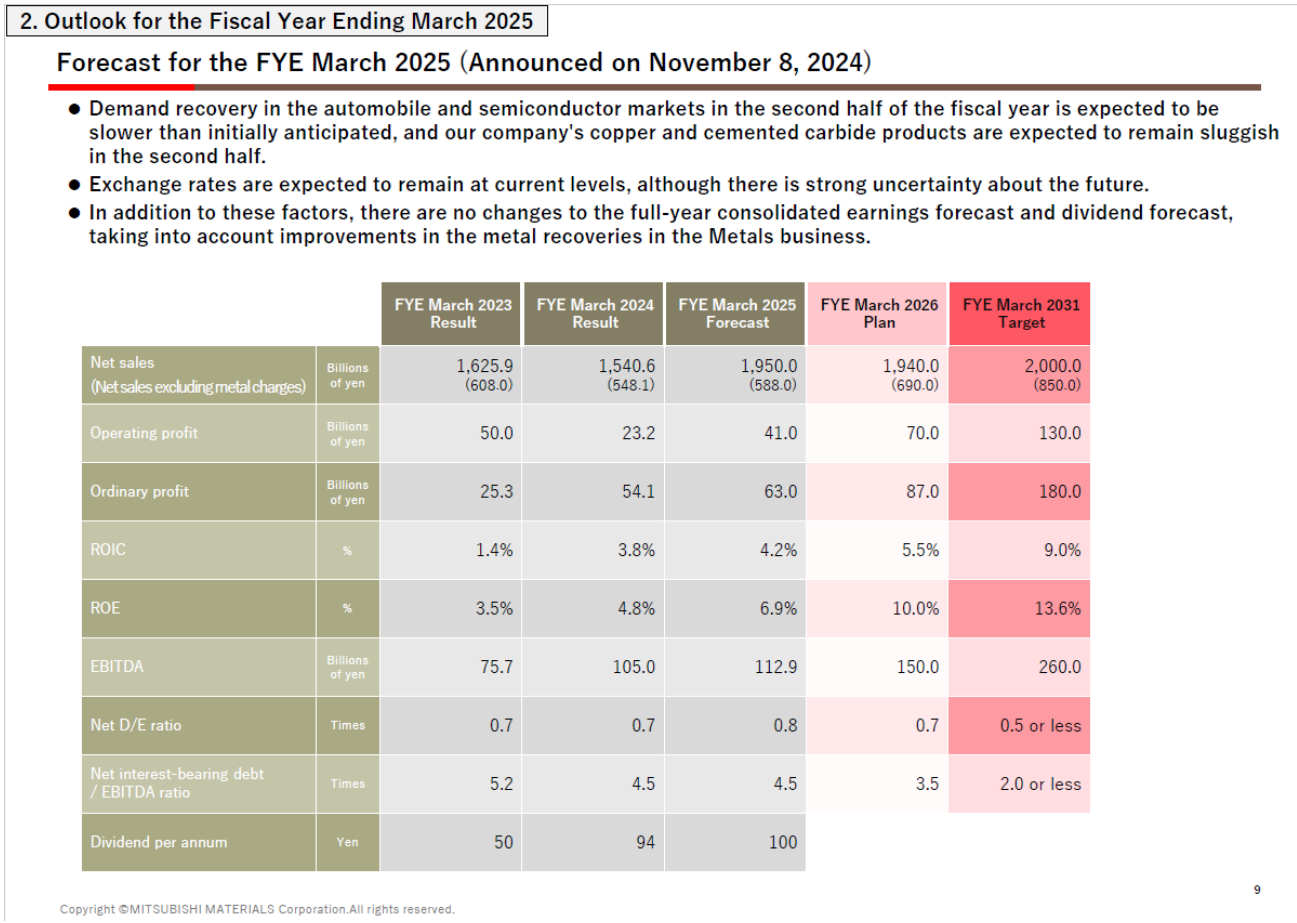
This section shows trends in the external environment, including copper, and the demand for automobiles and semiconductors.

Copper demand growth has slowed, as the slow economic recovery in China has affected copper consumption overall. The copper price, on the other hand, has been repeatedly moving up and down around the 400 cent level, but again, the impact and scale of the Chinese government's economic stimulus measures I mentioned earlier are causing ups and downs.

TC/RC, as you all know, remains at an extremely low level. However, this low TC/RC will not directly affect this fiscal year ending March 2025. This is very limited, but the impact will be felt in the fiscal year ending March 2026.

As for demand for automobiles, as I have explained in previous IR briefings on financial results, the growth is in China, and unfortunately OEM sales in Europe, the US, and Japan are not growing. For copper alloy products and cemented carbide tools, the demand area for automobiles is very large for us. Unfortunately, the pipeline to Chinese OEMs is very limited, so we are still in a very difficult situation.

The so-called high-end semiconductors, represented by NVIDIA, are growing considerably. However, the market is speckled with a polarization between high-end and legacy products, and we see a division between those for which demand is growing and those for which demand is stagnant.



2. Outlook for the Fiscal Year Ending March 2025

Forecast for the FYE March 2025 (Announced on November 8, 2024)

- Demand recovery in the automobile and semiconductor markets in the second half of the fiscal year is expected to be slower than initially anticipated, and our company's copper and cemented carbide products are expected to remain sluggish in the second half.
- Exchange rates are expected to remain at current levels, although there is strong uncertainty about the future.
- In addition to these factors, there are no changes to the full-year consolidated earnings forecast and dividend forecast, taking into account improvements in the metal recoveries in the Metals business.

		FYE March 2023 Result	FYE March 2024 Result	FYE March 2025 Forecast	FYE March 2026 Plan	FYE March 2031 Target
Net sales (Net sales excluding metal charges)	Billions of yen	1,625.9 (608.0)	1,540.6 (548.1)	1,950.0 (588.0)	1,940.0 (690.0)	2,000.0 (850.0)
Operating profit	Billions of yen	50.0	23.2	41.0	70.0	130.0
Ordinary profit	Billions of yen	25.3	54.1	63.0	87.0	180.0
ROIC	%	1.4%	3.8%	4.2%	5.5%	9.0%
ROE	%	3.5%	4.8%	6.9%	10.0%	13.6%
EBITDA	Billions of yen	75.7	105.0	112.9	150.0	260.0
Net D/E ratio	Times	0.7	0.7	0.8	0.7	0.5 or less
Net interest-bearing debt / EBITDA ratio	Times	5.2	4.5	4.5	3.5	2.0 or less
Dividend per annum	Yen	50	94	100		

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This is the forecast of business performance.

As we have already explained, when we announced our financial results for H1 on November 8, we stated that there would be no change in our forecast for the current fiscal year, so the forecast for the fiscal year ending March 2025 shown in the middle of this table is unchanged from the forecast we announced at the beginning of the fiscal year in May.

The figures for each Company will be shown from the next page, but we would like you to see the details later. If you have any questions at the respective numbers, we would like you to ask them in the coming parts of each Company's explanation. As a whole, the Copper & Copper Alloy business, and cemented carbide products in the Metalworking Solutions Company are still lower than our initial forecast. This is covered by the Metals Company and others.

2. Outlook for the Fiscal Year Ending March 2025

Strengthening Cost Competitiveness

- The FY2031 Strategy plans to implement aggregate cost cuts of about ¥9.0 billion by the fiscal year ending March 2026 and about ¥24.0 billion by the fiscal year ending March 2031.
- Regarding cost reduction in each business in the fiscal year ending March 2024, additional cost reduction measures progressed in Metals business and Metalworking Solutions business, and moved largely as planned in Advanced Products business. In the fiscal year ending March 2025, we will also promote cost reduction measures in each segment.

(Billions of yen)

Cost Reduction Plan		FYE March 2024		FYE March 2025		Total		FYE March 2026
		FY2031 Strategy Plan	Result	FY2031 Strategy Plan	Forecast	FY2031 Strategy Plan	Forecast	FY2031 Strategy Plan
Metals	・Reduction of hedging costs, slag costs, and energy costs	0.0	4.7	0.01	6.3	0.01	11.0	2.6
Adcanced Products	Copper & Copper Alloy ・Yield rate improvement, fixed cost reduction (labor, outsourcing, etc.) Electronic Materials & Components ・Fixed cost reduction (labor, etc.), productivity improvement	1.7	1.6	0.8	1.8	2.4	3.3	3.2
Metalworking Solutions	・Reduction of manufacturing costs ・Cost reduction at subsidiaries	0.9	2.1	1.0	1.6	1.9	3.7	3.0
Renewable Energy	・Reduction of operating expenses of power plants ・Improvement of operational efficiency through automatic operation of power plants, etc.	0.0	0.2	0.02	0.0	0.02	0.03	0.02
Total Business		**2.6**	**8.4**	**1.8**	**9.7**	**4.4**	**18.1**	**8.8**

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Now let's jump to page 14, strengthening cost competitiveness.

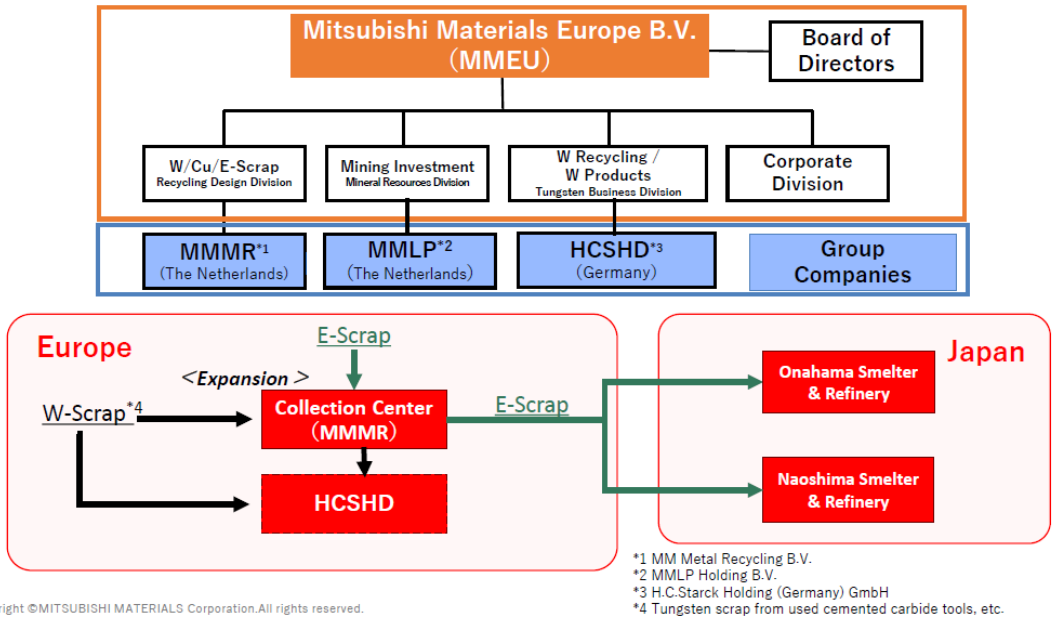
As we have explained in the past, we are making significant cost reductions compared to the figures for the fiscal year ended March 2024 and the fiscal year ending March 2025, which were originally projected in the FY2031 Strategy. Demand in both the fiscal year ended March 2024 and the fiscal year ending March 2025 was very much lower than our forecast. We will reduce various break-even costs, hedge costs, slag costs in the Metals business, for example. As shown here, we achieved cost reductions of ¥8.4 billion in the fiscal year ended March 2024 and ¥9.7 billion in the fiscal year ending March 2025.

Although the figure for the fiscal year ending March 2025 is still a forecast, we believe that the probability is high. However, please understand that even with cost reductions to this point, there has been a further downturn in demand, which has led to the figures in our earnings forecast mentioned earlier.

2. Outlook for the Fiscal Year Ending March 2025

Status of Mitsubishi Materials Europe B.V.

- Mitsubishi Materials Europe B.V. (MMEU) was established on September 1, 2024 (MM Netherlands B.V. changed its name, expanded and reorganized its functions)
- We will further strengthen the competitiveness of our resource recycling business by establishing a base in Europe, which has a large market and is at the forefront of policies related to the environment and securing important mineral resources, and by formulating business strategies in the European region and developing them promptly and accurately.
- Currently, H.C. is proceeding smoothly with the acquisition of H.C. Starck.



*1 MM Metal Recycling B.V.
*2 MMLP Holding B.V.
*3 H.C.Starck Holding (Germany) GmbH
*4 Tungsten scrap from used cemented carbide tools, etc.

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Lastly, on page 15, I would like to talk briefly about Mitsubishi Materials Europe B.V., which is referred to as MMEU.

As you can see in the frame below, MMEU is divided into three main divisions: the Recycling Design Division, which handles copper and E-Scrap, the Mineral Resources Division, which handles mining investment, and the Tungsten Business Division.

Hanging on to each of them are subsidiaries of MMEU. MMMR collects E-Scrap, MMLP is an investment vehicle for the Los Pelambres Mine, and H.C. Starck is approaching the closing of the transaction.

Especially for E-Scrap, we have already started marketing activities in MMEU and contacting customers in Europe, and we have more vivid marketing information than ever before. That is all the explanation from me.

Question & Answer

Participant [Q]: My question is about Copper & Copper Alloy business and Metalworking Solutions business. In these two businesses, the ROIC spread is negative and the economic profit is also negative. They were also negative last year and the negative is expanding this year. I am aware of the industry environment, but I wonder if it could be handled a little better. I have a feeling that other companies in the same industry working in this area are not necessarily in this situation. What are your thoughts on this?

Takayanagi [A]: Thank you for your question. We are very concerned about Copper & Copper Alloy business and Metalworking Solutions business. We are intensively improving our cost structure, and in addition, for sales, I believe that the market for automobile has been transformed considerably, as I mentioned earlier. We are working to find new sales outlets outside of the automotive market.

Moreover, although it is not a so-called product mix, we are trying to expand sales in areas with higher profit margins in terms of the sales mix. We are moving forward with such a very focused plan in H2 of the fiscal year ending March 2025. As you have pointed out, we are trying to increase the EP and ROIC and to improve the handling.

Participant [Q]: Are there possible options for approaches such as reducing the cost of investment?

Takayanagi [A]: Of course there are, and we have a plan to reduce inventories, which we have been doing since the beginning of this fiscal year. Naturally, this is also the denominator of the so-called capital efficiency, and we are steadily proceeding with a plan to reduce this.

Participant [Q]: Thank you very much for your time today. You have selected the next CEO this time. The selection was made after discussions at the Nomination Committee meeting, and I believe that releases and other information have been disclosed. From a governance perspective, could you please explain how did the Nomination Committee process go about making the selection?

Ono [A]: Thank you for your question. Ono will answer your question. We talked about a number of things at yesterday's press conference, and we have also uploaded a summary of that press conference today, so please refer to that as well.

In short, the Nomination Committee is naturally the main body in this process, but I first present potential candidates to the Nomination Committee, which then interviews the potential candidates and narrows down the list of candidates. After narrowing down the list a bit, we used an outside organization and asked the Nomination Committee to compile a report including the outside organization's view of the candidate. In addition, the members of the nominating committee interviewed the successor candidates individually, not as a whole Committee.

Then, I was invited to attend the Nomination Committee meeting, where I was interviewed about my thoughts as the current CEO, and the Nomination Committee reached its final conclusion after comprehensively considering such information.

Participant [Q]: Thank you very much. Compared to the past, there has been an improvement in governance, reflecting more outside perspectives, including those of Outside Directors. Is this understanding correct?

Ono [A]: The traditional way of doing it is like nominating the next person, which is so often the case. However, the process was to select those who were reasonable in the eyes of a larger number of people. Of course, we changed our institutional design to a Company with a Nomination Committee in June 2019, and this was the first time we select a successor to the CEO, or a new CEO, so there are some trial-and-error aspects, but the

Nomination Committee and I have been discussing these issues as we move forward. I believe that we were able to follow a process with a high degree of transparency and effectiveness.

Participant [Q]: Thank you. I would also like to ask you, CEO Ono, what you have accomplished during your term of office and what you would like to see accomplished during the term of the next CEO. What is your summary of the progress to date and the challenges ahead?

Ono [A]: This is also as stated in the summary of the press conference, etc. Basically, I assumed the position of CEO in June 2018, but at that time there were quality issues that were discovered in the previous year. The first thing we need to do is to address the issues arising from this, such as insufficient quantity and quality of communication, weak governance and compliance systems, and inadequate allocation of resources, in order to regain the trust of our stakeholders.

We have been taking various measures, including structural improvement. In optimizing our business portfolio, and narrowing our business domains, we transferred or spun off some of our businesses. I think one of the major points is the fact that this has been settled once.

On the other hand, in the process of doing so, we have had to record some very large losses, and overall, we have not been able to sufficiently improve our profitability or capital efficiency, as has been pointed out in recent discussions with many of you.

I am now aware that these factors have led to the current slump in stock prices. I have only a short time left in my term of office, and while I will do my utmost to address these issues, these are issues that we continue to face, and I hope that the new management team will tackle them head on.

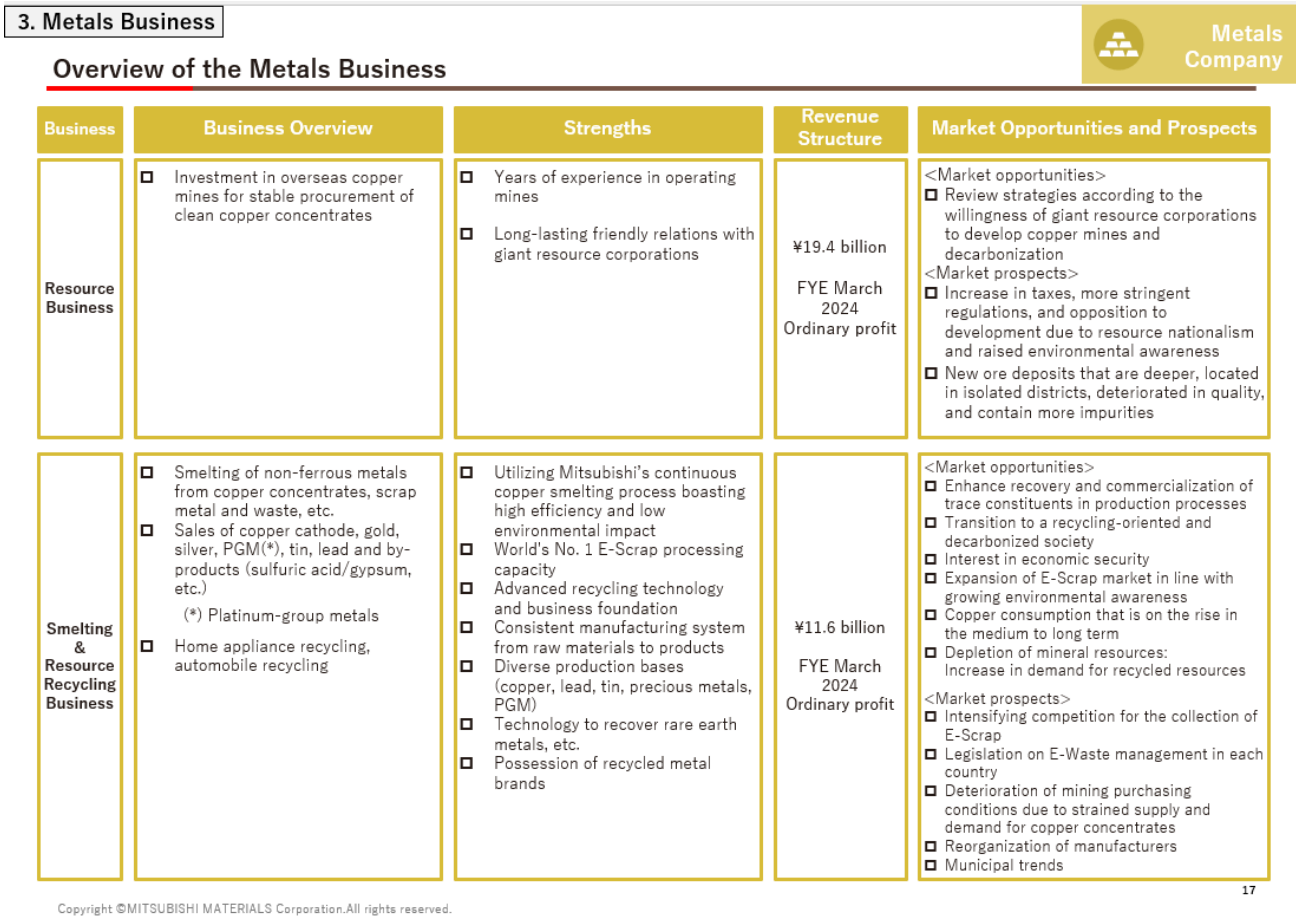
Participant [Q]: As for the section on strengthening cost competitiveness on page 14, in the midst of a very difficult business environment, I believe that you have been making activities that are about ¥ 10 billion more than the cost-competitiveness enhancement that you have set forth in the Medium-term Management Strategy. Will this remain as real profit in the future when demand returns?

I think that to some extent that will remain as real profit, since the break-even point has also been lowered considerably, and there are also fixed cost reductions as mentioned here, but if that will not remain, I would like to know what the factors are.

Takayanagi [A]: Thank you for your question. Basically, I believe that most of it should be left as real profit. Perhaps the biggest concern is that there may quite possibly be a case where the fixed costs that were dropped at the break-even point may increase because of the need to increase production, when orders recover.

We will do our best to keep fixed costs as low as possible, so that we can respond to increases in demand without raising the break-even point. Originally, we have been reducing costs with this in mind, so I would like to answer your question by saying that we will keep real profit as much as possible.

Presentation



3. Metals Business

Metals Company

Overview of the Metals Business

Business	Business Overview	Strengths	Revenue Structure	Market Opportunities and Prospects
Resource Business	☐ Investment in overseas copper mines for stable procurement of clean copper concentrates	☐ Years of experience in operating mines ☐ Long-lasting friendly relations with giant resource corporations	¥19.4 billion FYE March 2024 Ordinary profit	<Market opportunities> ☐ Review strategies according to the willingness of giant resource corporations to develop copper mines and decarbonization <Market prospects> ☐ Increase in taxes, more stringent regulations, and opposition to development due to resource nationalism and raised environmental awareness ☐ New ore deposits that are deeper, located in isolated districts, deteriorated in quality, and contain more impurities
Smelting & Resource Recycling Business	☐ Smelting of non-ferrous metals from copper concentrates, scrap metal and waste, etc. ☐ Sales of copper cathode, gold, silver, PGM(*), tin, lead and by-products (sulfuric acid/gypsum, etc.) (*) Platinum-group metals ☐ Home appliance recycling, automobile recycling	☐ Utilizing Mitsubishi's continuous copper smelting process boasting high efficiency and low environmental impact ☐ World's No. 1 E-Scrap processing capacity ☐ Advanced recycling technology and business foundation ☐ Consistent manufacturing system from raw materials to products ☐ Diverse production bases (copper, lead, tin, precious metals, PGM) ☐ Technology to recover rare earth metals, etc. ☐ Possession of recycled metal brands	¥11.6 billion FYE March 2024 Ordinary profit	<Market opportunities> ☐ Enhance recovery and commercialization of trace constituents in production processes ☐ Transition to a recycling-oriented and decarbonized society ☐ Interest in economic security ☐ Expansion of E-Scrap market in line with growing environmental awareness ☐ Copper consumption that is on the rise in the medium to long term ☐ Depletion of mineral resources: Increase in demand for recycled resources <Market prospects> ☐ Intensifying competition for the collection of E-Scrap ☐ Legislation on E-Waste management in each country ☐ Deterioration of mining purchasing conditions due to strained supply and demand for copper concentrates ☐ Reorganization of manufacturers ☐ Municipal trends

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Isaji: Thank you very much. Let me explain about the Metals business.

This section divides the Metals business into the Resources business and the Smelting & Resource Recycling business, and summarizes their business overview, strengths, profit structure, market opportunities and market outlook.

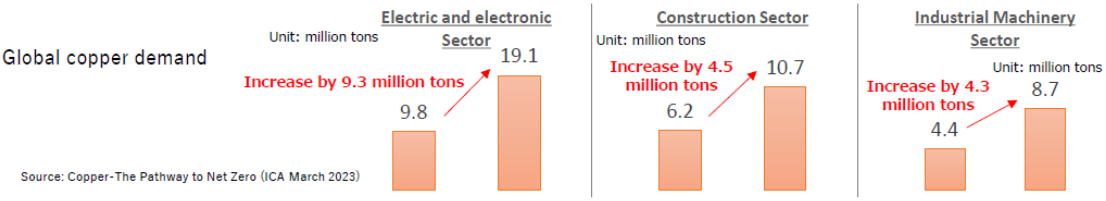
The profit structure shows ordinary profit for the fiscal year ended March 2024. We hope you will find this information useful.

3. Metals Business

Business Environment - Environment Surrounding Copper Mining -

Metals Company

	Item	Business Environment Outlook
1	Global copper demand	●Demand is expected to be more than double in 2050 compared to 2020. (25 million tons →57 million tons)
2	Global copper mine production outlook	●Production of copper concentrate from mines is expected to decrease after peaking around 2025. ●Production costs at mines are expected to rise. ●The quality of copper concentrates is expected to decline (already declining)
3	Environment surrounding copper mine development	●The rise of resource nationalism ・Increase in royalties ・Nationalization of mines, mining contracts with the state ●Strengthening of environmental regulations and protracted acquisition of permits ・Glacier Protection Law ・Restricted Resources Protection Law ●Community backlash ・Increased difficulty in gaining community understanding



Source: Copper-The Pathway to Net Zero (ICA March 2023)

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Let me explain the major areas in our business environment.

First is the copper mine. Demand remains largely unchanged, with demand expected to more than double by 2050 compared to 2020. On the other hand, production. As for the outlook for copper mines around the world, the production of copper concentrate, which is their product and our raw material, is expected to decline. This is going even worse currently.

So what about copper mine development? The background to the stricter situation here is the rise of resource nationalism, environmental regulations, and the increasing difficulty of obtaining licenses. Also, community opposition continues to occur.

3. Metals Business

Business Environment - Environment Surrounding the E-Scrap Business -

Metals Company

External environment

- Control of cross-border movement of E-Waste has become stricter due to the revision of the Annex to the Basel Convention and the revision of the European Waste Transport Regulation (WSR).
- Excessive competition in the procurement of copper concentrates as primary raw materials has continued, and the importance of secondary raw materials has increased relatively.
- Competitors are actively engaged in collection activities such as planning to start up recycling furnaces and sampling yards.

Internal environment

- We have an E-Scrap information network with recyclers in more than 60 countries around the world.
- Appropriately complies with relevant laws and regulations by obtaining certification for OECD pre-certified facilities and Basel pre-consenting facilities.
- Capital investments have been made, including the opening of the second E-Scrap center in Naoshima Smelter & Refinery, the establishment of a receiving system in Onahama Smelter & Refinery, and the expansion of a E-Scrap center in the Netherlands, and plans to expand the network in the future.
- A user-friendly system has been built by enhancing the functions of MEX (Mitsubishi Materials E-Scrap EXchange), an online platform, to ensure transparency of transactions.

Our Company's E-Scrap processing volume maintains world's top class
Our processing capacity: 160,000 tons (2023) → 240,000 tons (2028)

Forecast of E-Scrap generation and our company processing results

Source: Our company's estimates

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Next, the environment surrounding the recycling business, which is one of our pillars, and especially the E-Scrap business.

As for the external environment, as I mentioned earlier, the procurement of copper concentrates has become over-competitive, and the importance of recycled raw materials has increased relatively. Competitors are aggressively developing their businesses, planning to operate recycling furnaces or sampling yards. We intend to maintain our current top-class processing volume by taking advantage of our strengths as described in the internal environment.

3. Metals Business

Metals Company

Resources Business

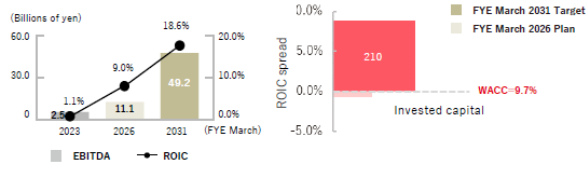
Target for FYE March 2031 / Leader in Resource Recycling of Nonferrous Metals

- Amount of copper concentrate secured from mines held in interest: 500,000 tons or more
- Establishment of a supply system for copper cathode (including SX-EW * 1)

Business Environment

- Demand for copper will continue to increase, but supply will not keep pace with the increase in demand after FYE March 2026, resulting in a shortage of 5.5 million tons in FYE March 2031
- Amount of copper concentrate secured from mines held in interest in our company remains at 180,000 tons
- Production costs at mines will rise even further
- Demand for rare metals such as cobalt will expand, but supply will be short

EBITDA, ROIC, EP



Business Strategy

FYE March 2024 to FYE March 2031

- Promotion of technological development to secure and recover rare resources contained in copper deposits
- Acquiring interests in copper mines through continuous investment and securing stable copper concentrates
- Expansion of copper supply by SX-EW at copper mines

Important Measures

FYE March 2024 to FYE March 2031

- Promotion of the Mantoverde sulfide ore project (including development of new technologies such as cobalt recovery)
- New participation in medium-scale copper mines
- Participation in hydrometallurgy at copper mines
- Amount of copper concentrate secured: Current 150,000 tons ⇒ 500,000 tons or more by FYE March 2031 (Percentage of the total amount of copper concentrate processed at Naoshima and Onahama: Approx. 10% ⇒ Approx. 30%)

*1 SX-EW: Solvent extraction and electrowinning - A hydrometallurgy process comprising solvent extraction and electrowinning

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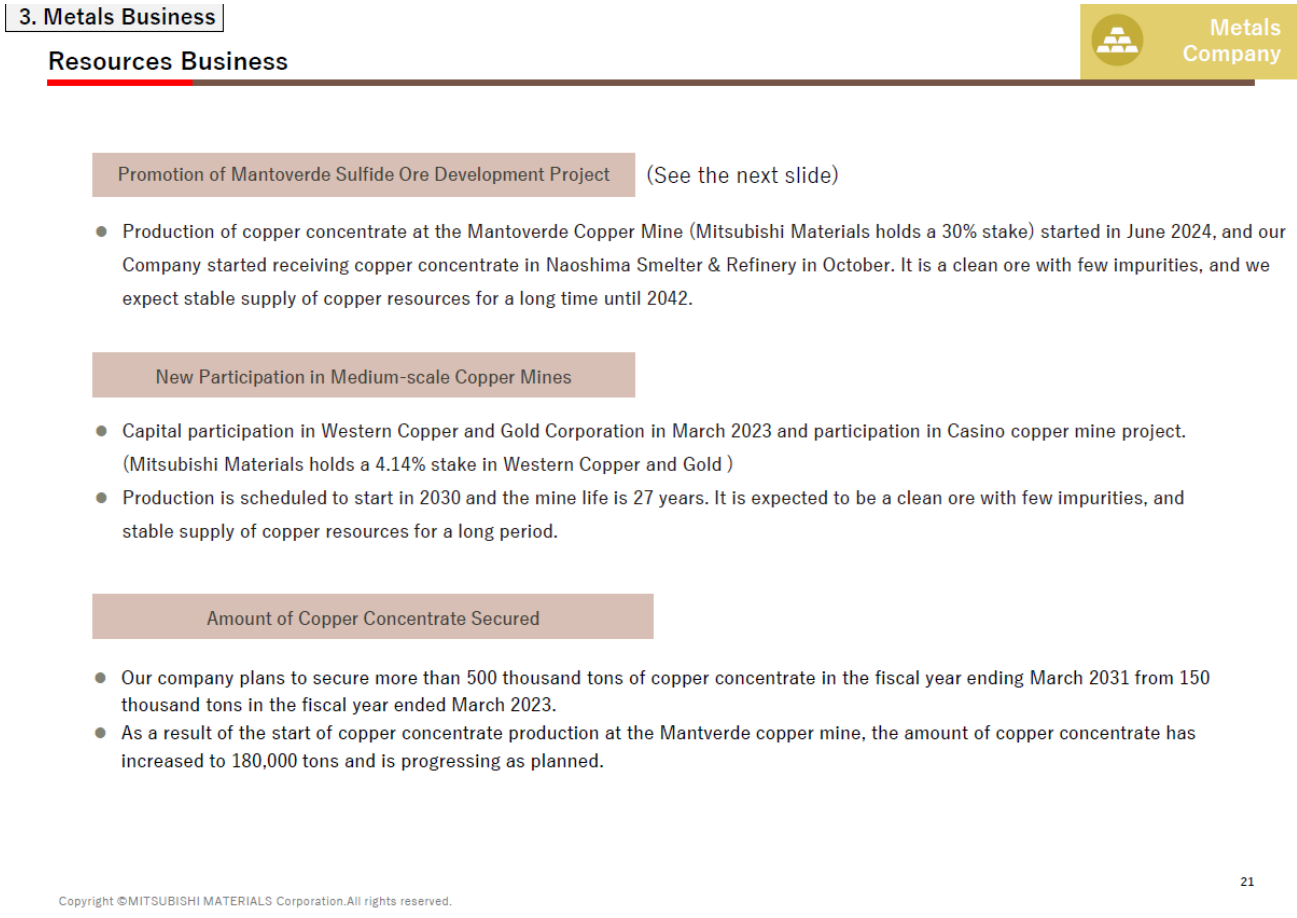
These are important measures in the Resources business.

As you can see on the lower right, we have listed four measures by the fiscal year ending March 2031. I would like to explain the progress of these measures.



First, Mantoverde began copper concentrate production in June of this year. The first production arrived on Naoshima in October and has since been well underway. This mine produces copper concentrate with very few impurities and is expected to have a stable supply of copper resources until 2042. Beyond that, it also has potential.

Regarding participation in a medium-scale copper mine, we took a stake in Western Copper and Gold Corporation in March 2023. We are indirectly participating in the Casino Project, which is wholly owned by them. This project is scheduled to go into production in 2030. The mine has a long lifespan of 27 years and, like Mantoverde, is expected to produce a clean concentrate.

In this way, we are working to secure copper concentrates. With the start-up of Mantoverde, the amount of copper concentrates secured has increased from 150,000 tons per year until the fiscal year ended March 2023 to 180,000 tons per year. We hope to reach 500,000 tons by the fiscal year ended March 2031.

3. Metals Business

Commencement of Copper Concentrate Production at the Mantoverde Copper Mine in Chile

Metals Company

Major construction works, such as the concentrator in the deep sulfide ore development project were successfully completed, and the mine shifted to full-scale production as of November 2024. We began receiving copper concentrate in Naoshima in October 2024.

< Concentrator >

< Aerial overview>

Objective

- This project is part of our strategy to "acquire interests through continuous mining investment and secure stable copper concentrates" in the FY2031 Strategy.
- We plan to develop technology for a process to separate and recover trace amounts of cobalt, and in the future, we plan to carry out recovery of valuable metals in other mines owned by our company.

Mantoverde Copper Mine Project

- Location: Atacama Region, Northern Chile
- Interest: Capstone Copper 70%, Mitsubishi Materials 30%
- Mine life: 2042

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This photo shows the current status of Mantoverde.

The left image shows the concentrator, and the right shows the overall view. This is located in the Atacama region of Chile. As you can see, it is like a desert, and it hardly rains. The operation can be carried out with a simple facility that does not require a building. The mine is also known to contain trace amounts of cobalt, and we are currently developing technology to separate and recover the cobalt. We are making steady progress.

3. Metals Business

Smelting & Resource Recycling Business

Metals Company

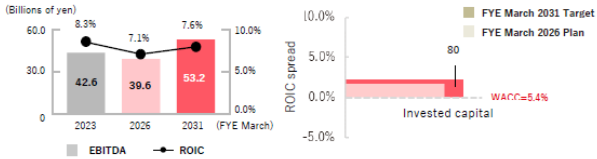
Target for FYE March 2031 / Leader in Resource Recycling of Nonferrous Metals

- Major and advanced player in resource recycling of nonferrous metals
- Expansion of processing of secondary raw materials including nonferrous metals, not limited to E-Scrap
- Becoming a core supplier in the resource recycling loop based on copper cathode's world-class supply capacity

Business Environment

- Growing need for recycling rare resources (Rare earths, Cobalt/Nickel, PGM * 1, etc.) from an economic security perspective
- Increasing customer interest in a circular economy

EBITDA, ROIC, EP



Business Strategy

FYE March 2024 to FYE March 2031

- Strengthening and expanding the network for promotion of resource recycling
- Expansion of copper cathode production capacity
- Increasing the recycling rate by expanding the treatment of E-Scrap
- Creation of rare earth and rare metal recycling business
- Accelerating domestic and overseas expansion (E-Scrap, home appliances, automobile recycling)

Important Measures

FYE March 2024 to FYE March 2031

- Enhancement of E-Scrap processing capacity at Naoshima (up 32%)
- Enhancement of E-Scrap processing capacity by introducing pretreatment facilities at Onahama (up 120%)
- Enhancement of MEX * 2 functions
- Commercialization and expansion of LIB recycling
- Construction and expansion of the foundation for recycling metal resources from EVs
- Expansion of scope and scale of rare metal recovery
- Establishment of domestic recycling centers * 3
- Promotion of alliances and M & A for resource recycling business development in global markets

*1 Platinum Group Metals Platinum group metals such as platinum, palladium, and rhodium
*2 Mitsubishi Materials E-Scrap EXchange, E-Scrap business platform provided by our Company.
*3 Base for collecting parts disassembled from home appliances and automobiles and processing them suitable for recycling

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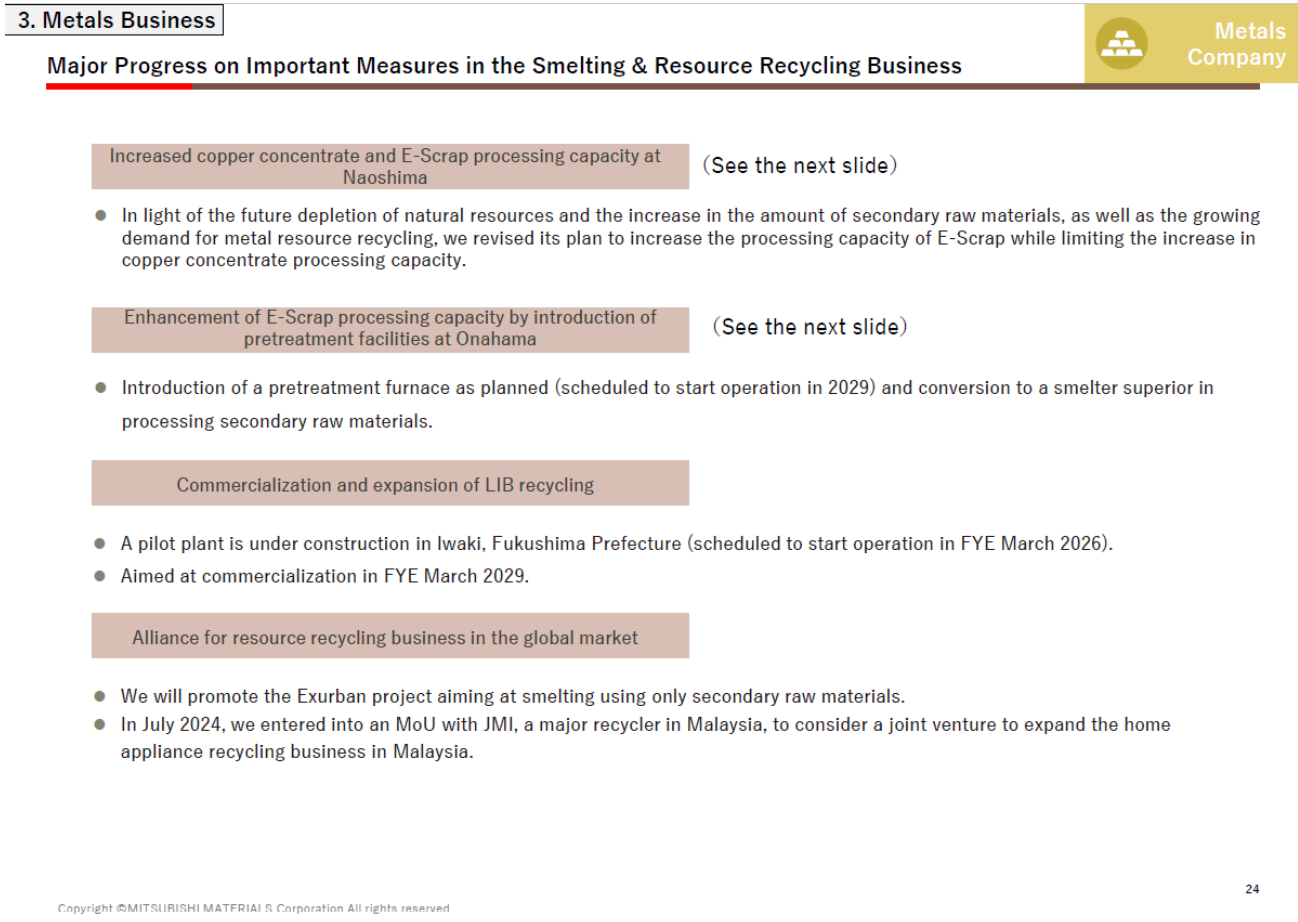
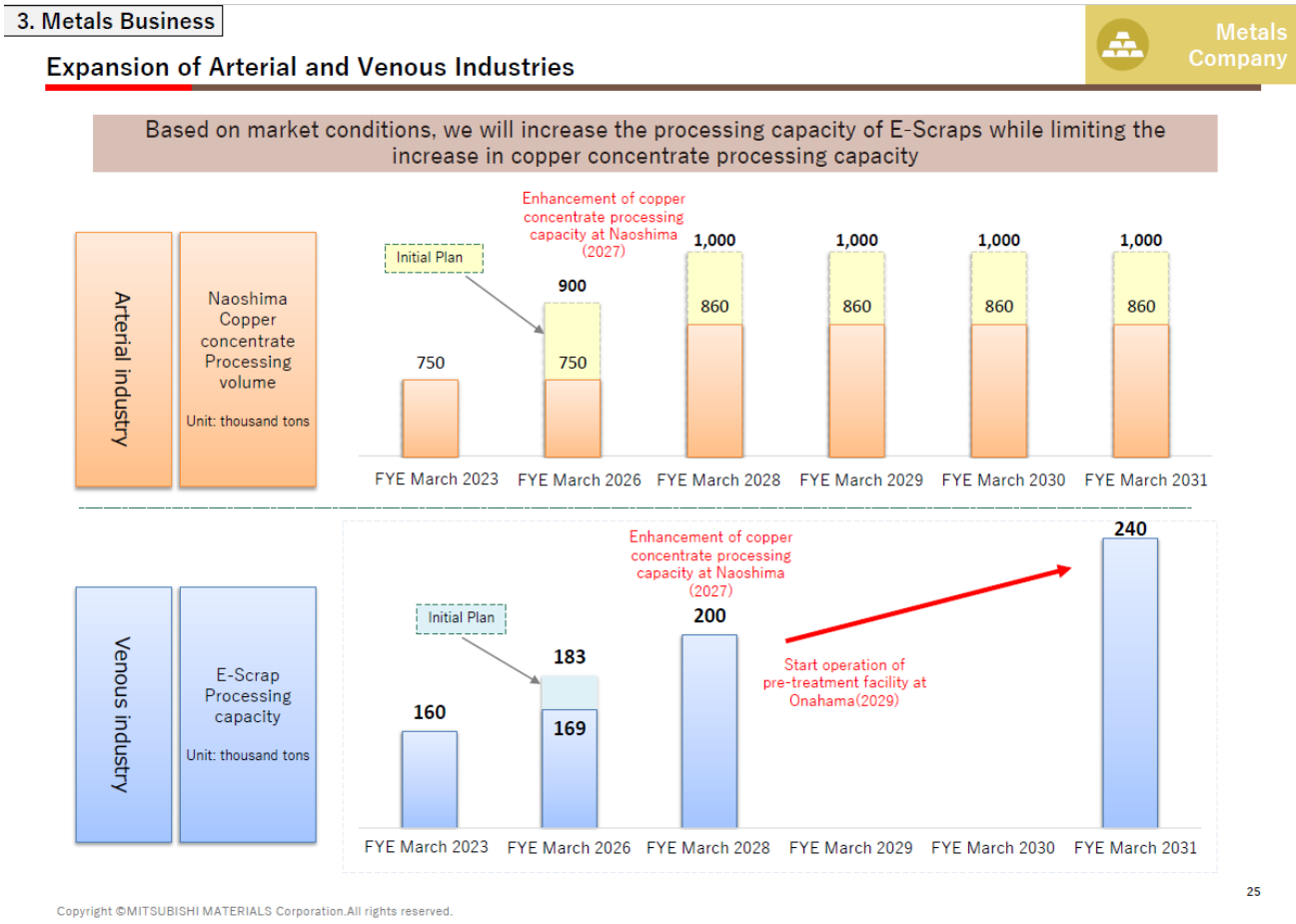
This is Smelting & Resource Recycling business.

Eight important measures are listed in the lower right corner of this page. The following is an explanation of the main measures.



First, at Naoshima Smelter & Refinery, while natural resources and copper concentrates will be depleted in the future, the amount of secondary raw materials will increase. In addition, the demand for metal resource recycling has been increasing here. In light of this, we have revised our plan to increase the processing capacity of E-Scrap while keeping copper concentrate processing capacity as low as possible.

At Onahama Smelter & Refinery, a pre-treatment furnace is scheduled to be installed in 2029. We will work to transform the smelter into one that excels in processing secondary raw materials. As for LIB recycling, a pilot plant is under construction in Iwaki City, Fukushima Prefecture, with the aim of commercialization in the fiscal year ending March 2029. In the global market, first, we are promoting the Exurban Project, a groundbreaking project that aims to refine only secondary raw materials. In the home appliance recycling business, we have concluded an MoU with a major local recycler in Malaysia to consider joint business development.



This chart shows the expansion of the scale of the arterial and venous industries at Naoshima.

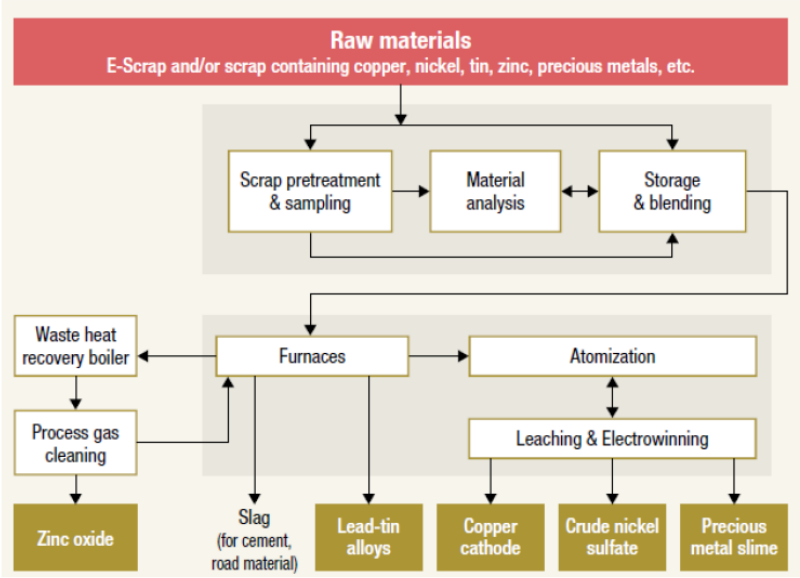
The top is the arterial industry, and the bottom is the venous industry. For the arterial industry, we show the volume of copper concentrates processed. The current annual production is 750,000 tons, and we plan to increase this to 860,000 tons in the fiscal year ending March 2028. Originally, it was 1,000,000 million tons, but this has been slightly reduced.

On the other hand, this is the venous industry. The processing capacity of E-Scrap is currently about 160,000 tons per year, but we plan to increase this to 200,000 tons by the fiscal year ending March 2028, to start pre-processing at Onahama in 2029, and to increase this to 240,000 tons per year in the fiscal year ending March 2031.

As shown in the line on the graph above, the ratio of recycled materials is currently 13%. The original plan was to increase this to 15%, but we are now revising the plan to increase it to 16%.

Promotion of the Exurban Project

exurban



- The project aims to realize a recycling plant specializing in E-Scrap and other metal recycling materials.
- In addition to establishing a resource recycling base in North America, the project aims to acquire smelting technology using only scrap materials, including E-Scrap, through joint development with Exurban, and expand the technology beyond North America.
- We are in the process of accelerating the study process for the construction of a smelter in Indiana, U.S., while promoting joint development.

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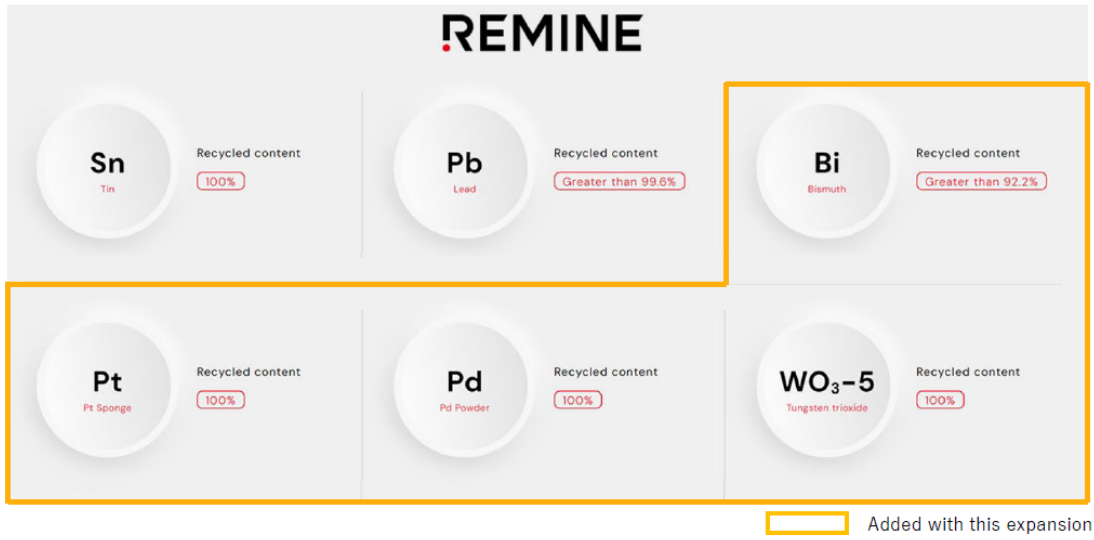
This is the Exurban Project.

For the Exurban Project, the table above shows the flow of the process. We are developing this to acquire refining technology using only scrap as raw material. We are planning to construct a refinery in Indiana and are accelerating the study process. In addition to establishing a base and foothold in North America, we intend to expand the technology to other regions after it is established.

3. Metals Business

Expansion of Recycled Metal Brand “REMINE”

Metals Company



- Launched Japan's first recycled metal brand, “REMINE,” which clearly shows the content of recycled materials. In addition to the first tin and lead products, the second series of products, bismuth, platinum, palladium, and tungsten trioxide, went on sale on December 10, 2024.
- The content of recycled materials was calculated in accordance with the international standard ISO14021 (JIS Q14021), and verified by a third-party organization (SGS Japan Inc.) to ensure higher reliability.
- Updated the dedicated website at the same time as the brand expansion.
- Tin and lead are highly rated by some customers in Japan and overseas.

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This is REMINE, a recycled metal brand.

This is the first brand in Japan to clearly indicate the percentage of recycled materials contained, and while the first batch was tin and lead, the second batch of bismuth, platinum, palladium, and tungsten trioxide was launched on December 10.

Recycled material content is calculated in accordance with international standards. We believe that we are highly transparent and reliable, as we have also undergone third-party verification. We would like to expand this brand and strive to make it appreciated by domestic and international customers. That is all for my explanation.

Question & Answer

Participant [Q]: Regarding E-Scrap, I believe that competitors are also stepping up collection in order to raise the recycling rate. What is the current situation regarding supply and demand for E-Scrap? Has there been any change in the last few years in terms of price or revenue? Since the amount generated is increasing, let me check if there is any concern that supply and demand will deteriorate that much. Let me also confirm whether the environment will remain the same when we think about the past situation and the next 10 years or so.

In addition, on page 19, the processing volume will drop a little in the fiscal year ending March 2027 or the fiscal year ending March 2029, is this due to the regular maintenance?

Isaji [A]: The drop is due to the regular maintenance, as you understand. The supply-demand situation for E-Scrap has been slightly improving for us buyers for the past six months. However, compared to the situation two or three years ago, 2022, the degree of recovery is still weak. Due to the decline in scrap generation in Ukraine and especially in Europe in the fiscal year ended March 2024, the supply-demand environment was not good for us, but it is now returning.

On the other hand, it is difficult to predict the future, but the need for and demand for metal recycling is becoming increasingly recognized around the world, especially in Japan, Europe, and the US. Specific legislation has also been enacted, and the movement to further promote recycling is accelerating. Therefore, we believe that the volume of E-Scrap that will emerge as a result will increase.

I believe this is a common perception almost worldwide. Although some bumps will occur due to fluctuations in the world economy, the trend is that the amount generated is increasing. Competition is intensifying to create a resource recycling loop in which we, as well as our competitors, have a system to appropriately dispose of the scrap generated, properly process the collected materials, and then return them as products. We are currently working on measures to win the competition and hope to achieve this goal.

Participant [Q]: I'm looking at the document on page 25, the throughput and processing capacity of E-Scrap, and also the processing capacity of copper concentrate. It appears that the fiscal year ending March 2026 is a little lower than originally planned. Please let me confirm the reason for this.

Isaji [A]: Thank you for your question. As you pointed out, we originally planned to slightly increase capacity in the fiscal year ending March 2026 as a first step, but we have since reexamined the plan, including changes in the business environment, and have revised it to make investments in a more efficient and effective manner. The result is what we have shown here.

Participant [Q]: Specifically, what kind of environmental changes or changes in your company's investment plans have occurred? Does it have something to do with TC/RC being quite low?

Isaji [A]: Exactly. In the copper concentrate market, the original business environment for smelting was very severe, and we were concerned that this would continue over the long term, so we tried to minimize the impact as much as possible. This is the most important point.

Participant [Q]: Okay. By the way, there have been reports that the TC/RC for the 2025 annual contract has been finalized. Is there any impact on your company or anything you can comment on?

Isaji [A]: It is reported that the terms of a contract for the next year between China and a Chilean major mining company have been finalized. We are still negotiating with the copper mining companies that supply us on a relative basis, and although we have not yet reached an agreement, we are trying to obtain good conditions that are as sustainable for us as possible. Please bear with us for further details.

Participant [Q]: Just to confirm one thing, is the average of the past two years basically used in the brick method? I seem to recall hearing briefly that it has been moved to a single year basis. What is the structure now?

Isaji [A]: As you understand, until a few years ago, we often used the brick method dividing a single condition into two years, but this has been decreasing considerably, and many of them are now done in a single year. It used to be roughly 50-50 using the brick method, but now the single year impact is becoming close to 80%, about 70% to 80%. This is the case for our company.

Participant [Q]: First, could you tell me what kind of measures your company can take in the short term to deal with the TC/RC when it becomes more stringent? Secondly, I believe that many smelters are unable to make a profit at the current reported TC/RC level. What kind of supply/demand adjustment is likely to be made in the medium term to bring the TC/RC back to the old level? Please let us know what scenarios are possible.

Isaji [A]: Thank you for your question. This is a very difficult question. First, it is difficult to take measures in the short term to fully restore the current significant deterioration in TC/RC. We would work on that in the medium- to long-term. We believe that the best thing to do is to strengthen our recycling business.

On the other hand, the demand environment and the supply-demand relationship are not good for product sales, but we are working to improve the conditions for product sales and to reduce distribution costs. In addition, we have been making continuous efforts to reduce power bills onsite, or to save as much energy as possible. We recognize that this must be further strengthened, and this will be a short- or medium-term effort.

On the other hand, will this profit level continue? We once had a similar situation around 2008. At that time, it took about six months to recover, but this time, it has been declining since the beginning of this year and is not recovering. The situation is more difficult than it was then. However, I believe it is quite distorted, and it is China that is distorted. In the Chinese market, the demand for copper cathode is falling on the product side, as the economy is not doing well. On the other hand, with the objective of securing copper resources, the purchase of copper scrap or copper concentrates shows no sign of abating, and they continue to purchase them.

As a result, I think there is probably an imbalance between copper supply and demand within China. Can this be continued? It will be very difficult. We believe that these distorted markets will eventually shake out and return. However, we cannot predict how long it will take, and our concern is that it may take a little longer. Looking at the past 20 years or so, or even 25 years, the TC/RC situation has been higher or lower, but on average, the figure has been roughly $78/mt and 7.8 cent/lb. Our sense is that the market's long-term consensus is around $80/mt and 8 cent/lb, and we have not been too far off looking back in the past. I do not believe that we will be able to continue with this kind of TC/RC as it is now, like zero, or $20/mt and 2 cent/lb.

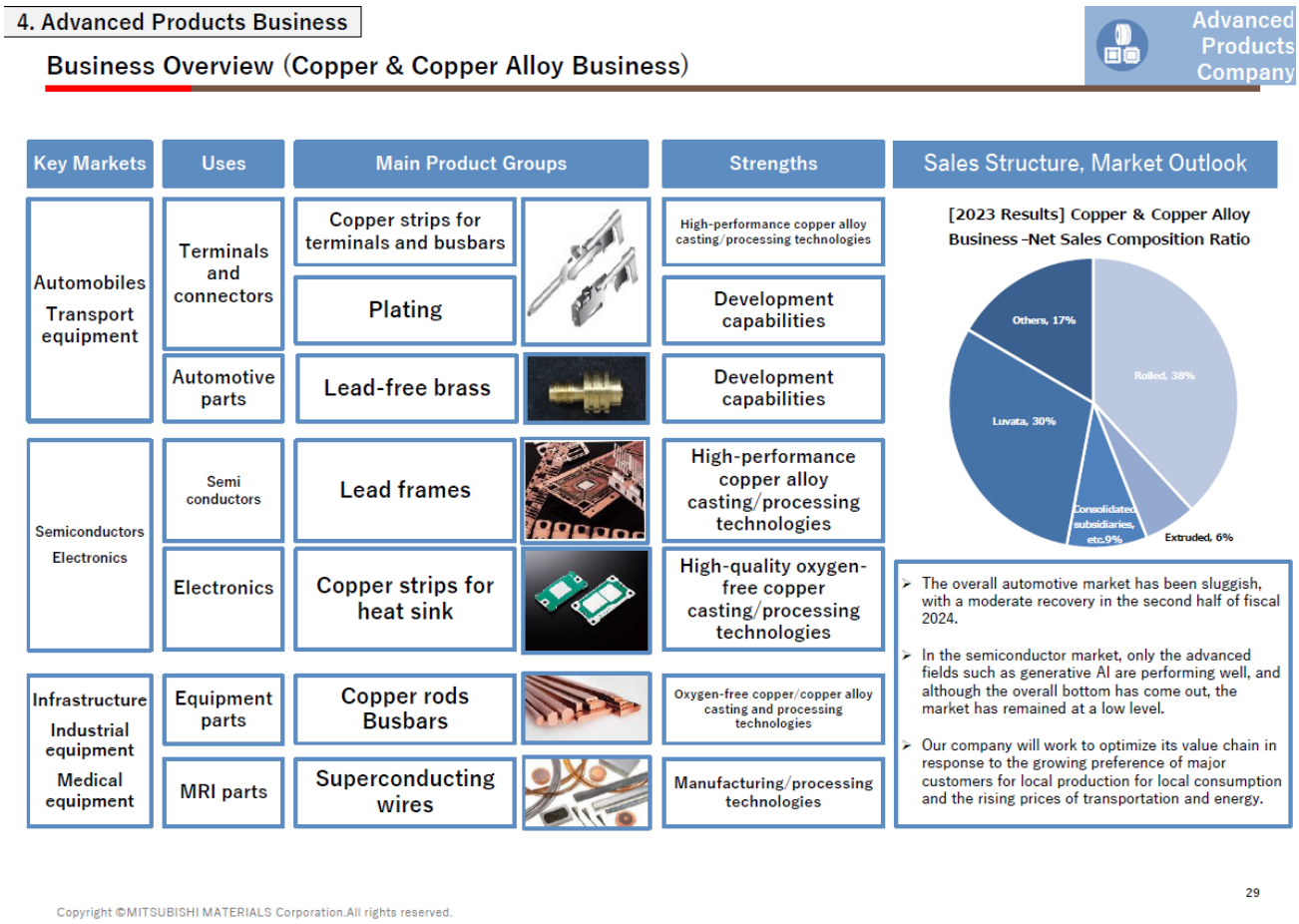
Participant [Q]: I have one simple question. It is the lower part of the copper concentrate secured on page 21. If Casino and Zafranal and others start production in addition to Mantoverde, will your company reach the fiscal year ending March 2031 target of 500,000 tons?

Isaji [A]: Thank you for your question. With what we have now, we will not be able to reach 500,000 tons. We have various options, such as investing in new mines or securing copper concentrates through other long-term contracts. We are in the process of combining these efforts in order to somehow reach the goal of 500,000 tons.

Participant [Q]: Understood. There are many options, including additional mining investment and so on.

Isaji [A]: Yes. That is what is needed.

Presentation



Ishii: I will now explain the business situation of the Advanced Products Company. First, the Advanced Products Company's business consists of the Copper & Copper Alloy business and the Electronic Materials & Components business.

Let's start with an overview of the Copper & Copper Alloy business. For automotive and transportation equipment, we offer terminal connectors, and for other in-vehicle components, rolled oxygen-free copper strips, alloyed copper strips, those plated and lead-free brass. For semiconductor electronics, we offer lead frames and copper strips for heat sinks, and for infrastructure and other applications, copper rods and busbars as well as superconducting wires manufactured by Luvata.

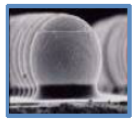
Our strengths are our ability to produce high-performance copper alloys and oxygen-free copper, as well as our quality and capacity, the processing technology, and furthermore, the development capability to create it.

The composition of sales is 40% for domestic rolled products, 30% for Luvata products, and the remainder for extruded products, products for lead frames and other applications. Although the automotive market is generally sluggish at present and the electronic materials market is weak except in cutting-edge fields, we expect demand for copper components to increase in the medium term due to the spread of next-generation automobiles and high-capacity communications.

4. Advanced Products Business

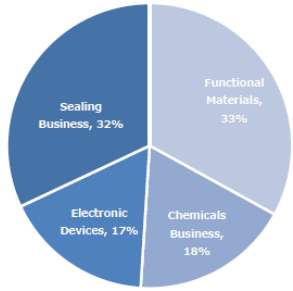
Business Overview (Electronic Materials & Components)

Advanced Products Company

Key Markets	Uses	Main Product Groups		Strengths
Automobiles Transport equipment	Automotive glass interlayers	Heat-ray shielding paints		・Special nanomaterial technologies ・Dispersion technologies
	Automotive parts	Thermistor sensors		・Device development capabilities ・Customization capabilities (Injection molding technologies)
Semiconductors Electronics	Semiconductor element bonding materials	Low alpha solders		・Special nanomaterial technologies ・Evaluation technologies
	Semiconductor manufacturing equipment parts	Silicon processed products		・Material technologies ・Production processes (microfabrication technologies)
		Seals		・Material compounding technologies ・Custom shape designs ・Analysis/analytical technologies

Sales and Market Outlook

[2023 Results] Electronic Materials & Components_Net Sales Composition Ratio



- The next-generation automobile market is expected to continue to expand, and we will enter the market mainly in thermistor sensor.
- The semiconductor materials market is expected to expand in the medium to long term, although it is currently at a standstill, so we will build a production increase system to prepare for future demand expansion and conduct product development and business development to win orders for new products.

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This is about the Electronic Materials & Components business.

For the automotive industry, our products include heat cutoff coatings used in the interlayer film of automotive glass, thermistors that detect the temperature of various parts and locations, and for semiconductor electronics, low-alpha-ray solder for bonding semiconductor device, silicon processed products and seals used in semiconductor manufacturing equipment.

Strengths are listed here, respectively.

The sales composition is approximately 30% for functional materials, mainly silicon processed products and low-alpha solder, 30% for the seals business, and the remaining more than 30% for the chemical business, including heat ray cut paints, and devices such as thermistor sensors. In response to the expansion of the next-generation automobile market, we will expand sales of thermistor sensors, which have been mainly for white goods, and the semiconductor materials market, which is currently at a plateau but is expected to grow significantly in the medium- to long-term, will increase production to meet the growing demand and develop new products and businesses to win orders for new products.

4. Advanced Products Business

Priority Measures in the FY2031 Strategy

Advanced Products Company

Targets
Global First Supplier

Growth Strategy in the FY2031 Strategy

- Pursue "Concept-in" to capture business opportunities.
- Refine and combine core competencies to create new products and businesses.
- Continuously strengthen profitability through digitalization.
- Restructuring of supply chain with recycling process.

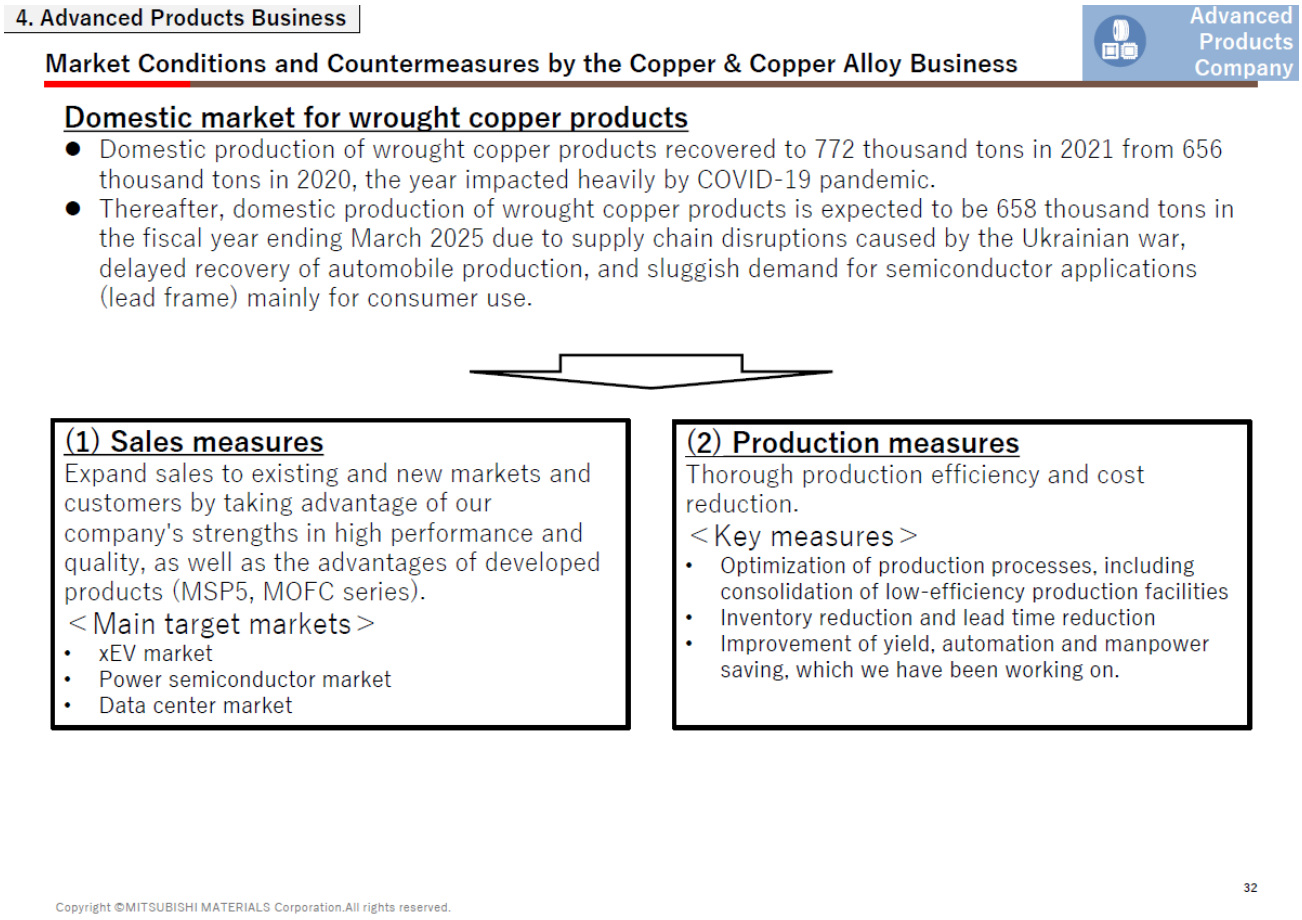
	Priority measures in the FY2031 Strategy	Results for FYE March 2024	Plans for FYE March 2025 and beyond
Copper & Copper Alloy	➢ Planning to expand the scale of the rolling business both in Japan and overseas ➢ Optimization of extrusion production processes ➢ Expansion of LUVATA individual BU businesses ➢ Cost reduction through productivity improvement and organizational optimization	➢ Formulating a plan for the installation of equipment to increase production ➢ Rolling: Completed new investment of slitters and packing machines in Wakamatsu Plant and washing machines, slitters and packing machines in Sambo Plant ➢ Sakai Plant's billets & cakes production expansion completed ➢ Extrusion: Promotion of process optimization	➢ Rolling: Starting-up of production increase completed, full-scale operation started ➢ Extrusion: Production increase of pure copper-based products and promotion of process optimization
Electronic Materials & Components	➢ Expansion of precision silicon products, columnar, seal and thermistor sensor	➢ Building partnerships with important customers ➢ Expansion of manufacturing facilities of seal products ➢ Developing xEV products in thermistor sensor	➢ Expanding sales to important customers and obtaining orders for new products ➢ Increasing production of columnar crystals and seals Operation and improvement of production efficiency ➢ Entering the xEV thermistor sensor market and expanding sales
	➢ Creating new businesses ➢ Enhancing manufacturing capabilities ➢ Strengthening cost competitiveness ➢ Enhancing earning power through DX promotion	➢ Establishment of organizational structure for new business creation ➢ Introduction of automated equipment in manufacturing processes ➢ Full-scale use of sales management systems	➢ Acceleration of new business creation activities under new organizational structure ➢ Manpower saving and quality stabilization through automation ➢ enhancement of customer touch points through active use of sales management systems

The goal of the FY2031 Strategy is to become a global first supplier.

Global first supplier is defined as the fact that we are the top supplier to our key accounts around the world and that the key accounts recognize us as their first call vendor.

As a strategy to achieve these goals, as shown on the right side of the upper row, we will pursue "Concept-in" as the next step after "Market-in" for conventional products and capture business opportunities. And we will refine and combine our core competencies to create new products and new businesses.

Below that are the priority measures. In the Copper & Copper Alloy business, we will expand the domestic scale of rolling business and develop plans for overseas expansion. In Electronic Materials & Components business, we will expand and grow silicon precision fabricated products/columnar crystals, seals, and thermistor sensors, and we are responding to each.



I would like to discuss the current situation of the Copper & Copper Alloy business.

The domestic outlook for copper alloy products in the fiscal year ending March 2025 is not very favorable. Especially in our current business model, in which sales are directly affected by the state of the automotive electronic materials market, our sales forecast is similar to the outlook for copper alloy products.

Under these circumstances, we will expand sales in markets where we can take advantage of the superiority of our developed products from the viewpoint of increasing our market share in terms of sales. We have already begun taking in some of them. On the other hand, in order to strengthen our structure to secure a certain level of profit even in a difficult market environment, we will continue to pursue measures that sound obvious, such as improving production efficiency and cost reductions, in terms of production, in a straightforward manner. At the same time, we will strengthen lead-time reduction and reduce inventories.

4. Advanced Products Business

Earnings Improvement Plan for the Copper & Copper Alloy Business (Rolling Products)

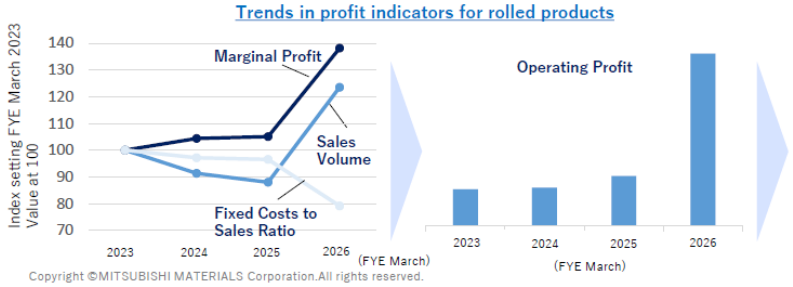
Advanced Products Company

- In addition to price optimization, the profit structure of the rolling business has been strengthened by improving yield and reducing fixed costs through higher efficiency. However, the recovery in demand in the automobile and semiconductor markets will be slower than initially expected, and the increase in earnings in the FYE March 2025 full-year forecast is limited
- In addition to the above, profit for the Copper & Copper Alloy business as a whole will decrease due to differences in foreign exchange and price fluctuations caused by the suspension of copper hedging, and the Copper & Copper Alloy business ROIC for FYE March 2025 full-year forecast is to be 0.3%, down from FYE March 2024
- In anticipation of a recovery in demand from the second half of FYE March 2025 onward, the Copper & Copper Alloy business will work to achieve the FYE March 2026 ROIC target of 4.0%, which was set in Phase1, by cutting back on the effects of increased production investment, reducing costs by reducing costs and improving productivity, and reducing interest-bearing debt.

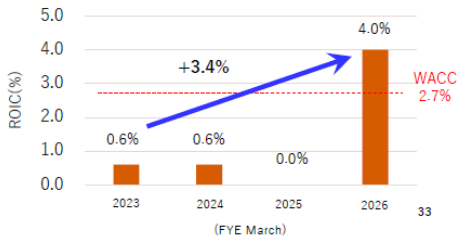
Earnings improvement plan for rolled products

		Main ROIC improvement effects	Main improvements	Current progress
Variable Costs	Improving Yield Rates, etc.	+0.2 %	◆Improvement of production efficiency and stable production measures ◆Improvement and optimization of production processes, etc.	Generally as planned
	Product Composition, etc.	+1.0 %	◆Replacement of variety composition, price optimization, etc.	Generally as planned
Fixed Costs	Increasing Sales & Production, etc.	+1.4 %	◆Increased production of billets & cakes products ◆Increased production of rolled products ・Expansion of rolling facilities in Sambo Plant and Wakamatsu Plant ・Integrated sales and marketing of manufacturing, sales and development Establishment of a sales expansion system, etc.	Due to the delayed recovery of demand in the automobile and semiconductor markets, the situation is significantly lower than planned
	Cost Reductions, etc.	+0.1%	◆Review of some large-scale investments, etc.	Generally as planned

Trends in profit indicators for rolled products



Copper & Copper Alloy business Business Management Indicators (ROIC)



In the forecast for fiscal year ending March 2025, ROIC for the Copper & Copper Alloy business as a whole is extremely low compared to other entities. We are continuing measures to improve ROIC, particularly in our mainstay rolling business.

As I mentioned earlier, as a matter of course, we will focus on improving yield mainly in our mainstay rolling business, optimizing prices and replacing the product mix in sales, and reaping the benefits of increased production through investments we are currently making.

Although there is no major change from what we have explained in the past, the situation has stalled this year, and as mentioned earlier, we have not changed our goal of achieving the ROIC target of 4% for the Copper & Copper Alloy business in the fiscal year ending March 2026 by strengthening our structure to secure profits even in a difficult market and improving profitability not only for rolled products but also for other products.

4. Advanced Products Business

Copper & Copper Alloy Business - Capacity Expansion Investment in the Rolling Business -

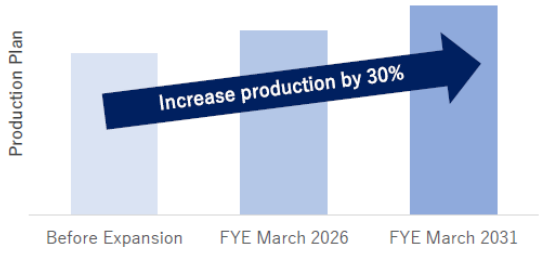
Advanced Products Company

Strengthening Production Systems for Billets & Cakes and Rolled Products

Increase production of copper plates, sheets and strips products

- Strengthen and expand our core business (copper plates, sheets and strips)
- Further increase our share in the domestic market
- Challenge the global market

Production capacity expansion plan for copper plates, sheets and strips



		Sakai Plant	Sambo Plant	Wakamatsu Plant
Location		Sakai City, Osaka, Japan	Sakai City, Osaka, Japan	Aizuwakamatsu City, Fukushima, Japan
Products targeted for increase production		Copper cake	Copper plate, sheet and strip	Copper strip
Plan	Increase in production	Increase production by approximately 30%		
	Investment	Enhancement of casting facilities	Installment of additional cleaning machine, slitter, and packaging machine	Installment of additional slitters and packing machines and enhancement of reflow tin plating line
Commencement of operation		Completed	To be completed in December 2024	Completed

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This is about the progress of a series of contributions to increased production in the Copper & Copper Alloy business.

By achieving a further increase in production of rolled products, we have planned to strengthen and expand our core business, challenge the global market, and increase our market share. Specifically, during the period from the fiscal year ended March 2024 to the fiscal year ending March 2026, we have invested in the expansion of casting facilities, slitting and packaging facilities, renewal of copper strip production lines, and, other than those related to rolling, increased production of superconducting wires.

Some investments are already in operation, but we are in the process of adjusting their operations to meet the current market. As noted here, Sakai Plant has completed the expansion of its casting facilities. Sambo Plant is scheduled to complete the expansion this month. Wakamatsu Plant has completed the addition of a slitter and packaging machine, as well as a reflow tin plating line.

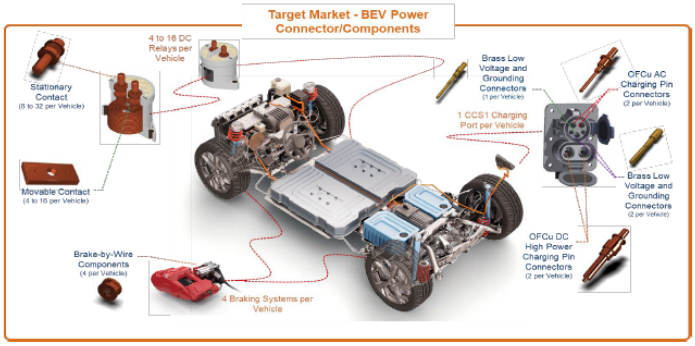
4. Advanced Products Business

Advanced Products Company

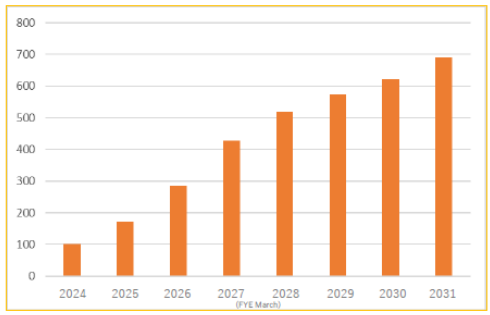
Earnings Improvement Plan for the Copper & Copper Alloy business (Growth Investment in the Luvata Group)

Plan for the Luvata Group (FYE March 2024 to FYE March 2026)

Major Improvements	◆Production and Sales Enhancement In addition to business expansion and sales increase in existing businesses, Luvata Group will increase production and sales in EV, superconducting wires, alloy wires, and other fields where market growth is expected in the future	**Effect of Improving ROIC**	+1.0 %



Luvata Group's EV Connector Sales Plan
(FYE March 2024 = 100)



- ◆ The table above on the right shows the number of EV connectors sold by the Luvata Group. FYE March 2024 = 100.
- Luvata Group produces EV connectors at Ohio in the United States and Welshpool (formerly Dawson Shanahan) in the United Kingdom, which was acquired in May 2024.

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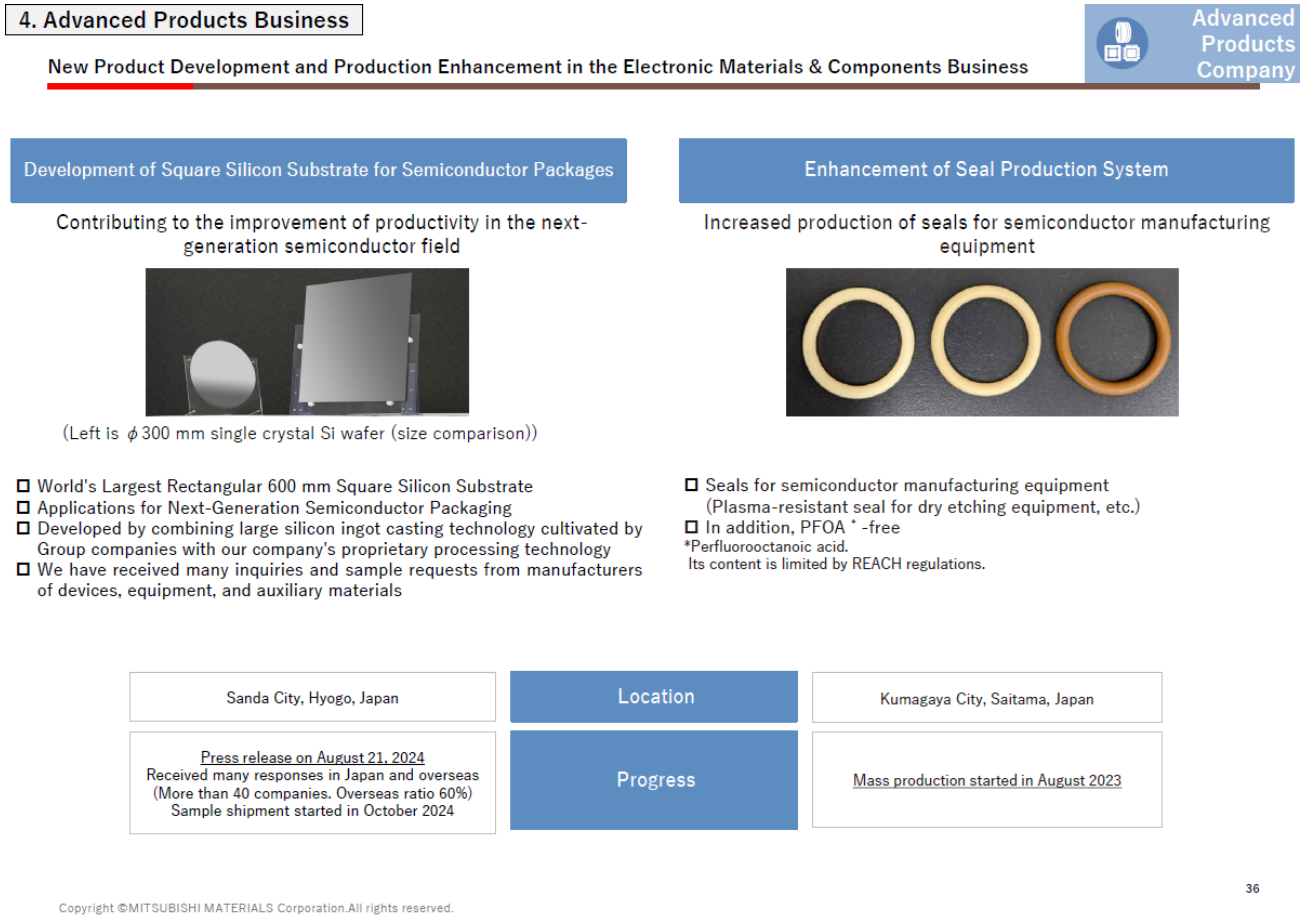
Page 35 shows Luvata-related business.

In addition to increasing production and sales of existing copper alloy wires and superconducting wires, Luvata is strengthening its participation and entry into fields where future growth is expected, such as connectors for EVs, as shown here. Although the current EV growth rate is somewhat stagnant, we do not expect the major trend to change over the medium to long term. Investments in Ohio, the US, will be the main focus, but in May of this year, Dawson Shanahan was brought under the Luvata umbrella as a production base for EV connectors in Europe.



Page 36 is related to the Electronic Materials & Components business.

In the Electronic Materials & Components business, we have almost completed the optimization of our business portfolio and are now in the phase of strengthening individual product groups. Of course, the life of products in this field is short, and we will continue to consider optimization of the portfolio for individual products. In the semiconductor market, only cutting-edge fields such as generative AI-related products are performing well, and although the bottom has been hit overall, the market continues to remain flat at a low level. However, we are certain that the market will grow over the medium- to long-term. Here we would like to introduce our recently announced semiconductor-related products, namely, square silicon substrates and seals.

First, regarding the square silicon substrate on the left side, we believe that the fact that the same silicon material as the semiconductor chip, i.e., the same thermal expansion coefficient, can be used for this product, while carrier substrates and interposers are also required to be larger as semiconductor chips become larger, is the reason why this product has received a great response. We have been contacted by a large number of domestic and international clients, more than 40 companies. We have received many requests for specific samples, and we intend to respond to them so that we can start mass production in the next fiscal year and beyond.

The right side is about increasing production of seal products for semiconductor manufacturing equipment. A new plant was established in Kumagaya City last year and mass production has already begun. We will continue to make preparations to handle further production increases. This concludes the explanation.

Question & Answer

Participant [Q]: The first point is on page 33. In the lower left graph, I understand that if the volume returns next year, marginal profit will also return or fixed costs will go down, but if it doesn't return much, let me check if it is still a little difficult to make a significant improvement in ROIC.

Ishii [A]: Thank you for your question. It's on page 33, especially in the bottom left of the figure where it rises sharply. It is true that a certain amount is assumed to return. If the situation does not return to normal, we understand that if the current situation continues without any improvement in earnings, it will be a very bad situation. As I mentioned earlier, we have been working since last fiscal year to create a system that will enable us to secure a certain level of profit even if market conditions are not favorable, and we are gradually beginning to see results. We are continuing to move toward lowering what is known as the break-even point.

In addition, as we are already moving forward, in the next fiscal year we are planning to shorten the lead time. It is difficult to directly reduce costs by simply shortening the lead time, but we are thinking of using this as a key to clear up various problems and to further reduce costs.

As I mentioned earlier, the most important point is to lower the break-even point, and we have listed various problems there in detail, such as raising the yield rate, etc. Through the accumulation of these points, we are working towards creating a situation where we can secure a certain level of profit even if things don't go as planned, and we can make even more if things continue as planned.

Participant [Q]: Secondly, I think it may not be so easy to optimize prices or improve the mix of products, as mentioned in this phase, while expanding sales outside of the automobile industry to capture new volume or to secure new volume, as Mr. Takayanagi explained at the beginning. What are your thoughts on this?

Ishii [A]: Outside of the automotive industry, we are particularly interested in electronic materials. Our current specialty is lead frames, which are more of a general-purpose type, so they are quite dependent on the economic situation in China. The end result is a general purpose product that goes into white goods, etc. Therefore, we are thinking of working on packages, specifically heat sinks, that can be connected to power systems and data centers related to AI, as well as other areas, although some of these may also be attached to the automotive industry. In fact, we have already started to receive some orders.

As you say, in the midst of these developments, is it possible to make prices more reasonable? We have already done a lot of price optimization, and at this stage we have incorporated a certain amount of that into our pricing. Therefore, regarding the price optimization described here, although it says that we have generally achieved the plan, we have already done a certain amount. In increasing the volume if the current situation does not return in the future, I believe that one key point will be whether it is possible to include price optimization. We would like to aim for that goal.

Participant [Q]: One question is in the area of the Copper & Copper Alloy business and one question is in the area of the Electronic Materials & Components business in the Advanced Products Company. I hear that demand for titanium copper for connectors used in data centers and AI servers is booming in the industry. I was wondering if you have any such items and if there are any measures to improve the product mix in the future by increasing such items. This is the first point.

Ishii [A]: Thank you for your question. First, it is true that the number of titanium copper and other copper alloys is increasing, but unfortunately, we do not have anything that is compatible with these products, especially in terms of thickness. We do have something close to that in terms of materials, but the connectors used now in data server-related areas and smartphones are already 0.1 mm or less. Because our strength lies in areas beyond that, at this point, we are not considering competing in this area.

If we were to incorporate it there, we believe it would require a large investment, and we are rather thinking of a connector in a larger size. We are seeing an increase in the number of applications for this area as well, and we want to make sure that we capture this area.

Participant [Q]: The second point, which I think was on page 36 at the end, was the presentation of square silicon, square-shaped silicon, which I think is for PLPs. What was the background behind the development of this product? And you said that you are receiving an increasing number of inquiries from various customers and that you will start mass production next year. Please include your thoughts on how large you want this business to be. These are two points. Thank you.

Ishii [A]: Second, the silicon square substrate was developed in a proposal-based approach. A market research center was established at the Sanda Plant in Hyogo Prefecture. Gathering information there while developing the product, and using the technology within the Sanda Plant, we tried to combine the strengths of both to make this kind of product usable in this kind of field. Therefore, while gathering information on what materials are needed for semiconductors, we combine them with our products and technologies to create the product.

We are currently hoping to somehow get to mass production in the next fiscal year, but it is still quite unknown how customers will actually use the product and how much volume they will be able to use. The desired level of the project is also too vague, and I am not sure if it is at a level that we can put a number on it here.

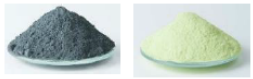
Of course, if we wanted to make this a business, we would be talking about a single-digit billion yen project, but the reality is that we have not yet reached the point where we can draw a concrete figure.

Presentation

5. Metalworking Solutions Business

Overview of the Metalworking Solutions Business

Metalworking Solutions Company

Major Industries	Major Products		Company	Strengths	Sales Component	Market Outlook
Automobiles Transport equipment Aerospace Medical Die & Mold	Cutting tools		Mitsubishi Materials Corporation ・ MOLDINO Tool Engineering, Ltd. *Mitsubishi Materials holds a 100% stake	・Cemented carbide material manufacturing technologies ・Coating technologies (CVD/PVD) ・Extensive lineup (indexable tools to solid tools)	80%	・A moderate recovery trend continues as the automotive and aerospace industries recover
Mine excavation Secondary batteries Steel	Rock tools Wear-resistant tools		MMC Ryotec Corporation *Mitsubishi Materials holds a 100% stake	・Cemented carbide material manufacturing technologies ・Design capabilities as strength in wear-resistant and rock tools	11%	・Continued recovery in mining, construction, and secondary battery markets
Cemented carbide Semiconductors Secondary batteries	Tungsten powder Advanced matal powder		Japan New Metals Co., Ltd. *Mitsubishi Materials Corporation 88.75%, Mitsubishi Materials Trading Corporation 11.25%	・Integrated production, from tungsten recycling to smelting	9%	・Increasing demand for high-melting materials with the growth of electronic components

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Ohara: Okay. I am Ohara and I am in charge of the Metalworking Solutions Company. Thank you for your time today.

This slide shows the overall business portfolio of the Metalworking Solutions business.

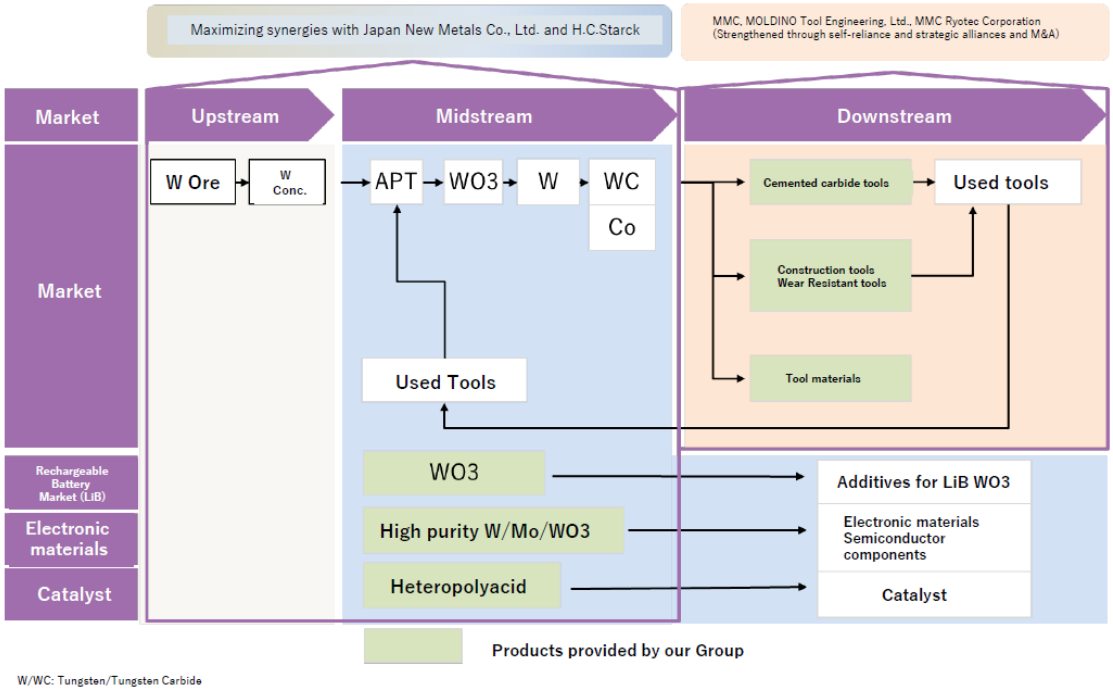
The main business units are Mitsubishi Materials and MOLDINO, which handle cemented carbide cutting tools; Ryotec, which handles rock tools and wear resistant tools; and Japan New Metals, which handles tungsten powder and other businesses. Although all of the businesses use tungsten as their main raw material, I think you can see from the picture that the form of the products they offer varies greatly depending on the client industry they receive.

5. Metalworking Solutions Business

Overview of the Metalworking Solutions Business

Metalworking Solutions Company

- We are expanding our business from upstream to downstream areas, focusing on the downstream sector. Moving forward, we will also strengthen the midstream sector through the acquisition of H.C. Starck.



W/WC: Tungsten/Tungsten Carbide

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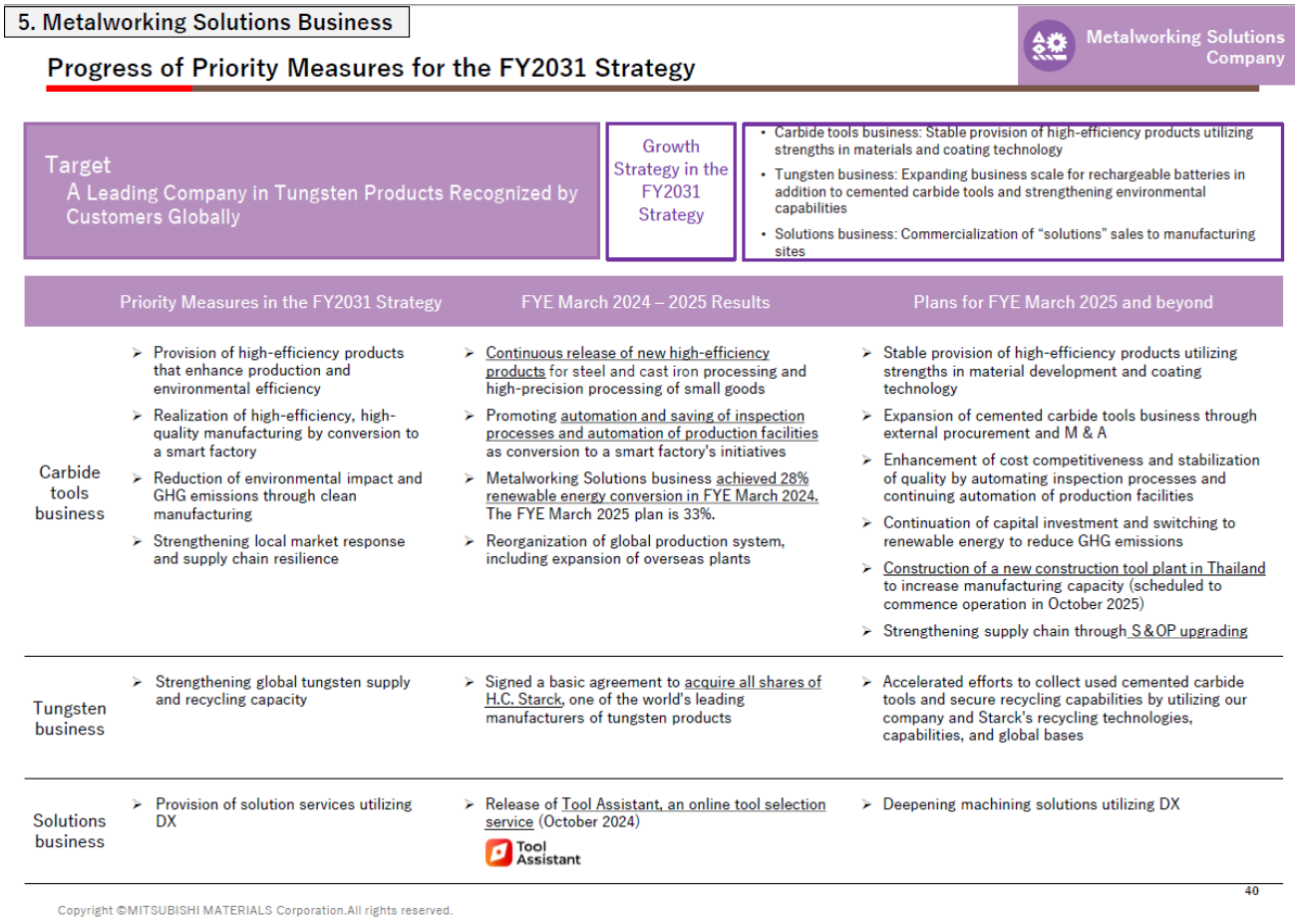
This slide shows the areas covered by the Metalworking Solutions Company from raw materials to finished products, with tungsten as the base.

The major core of our business is cutting tools, rock tools, and wear resistant tools, which are our downstream businesses, and in addition to Japan New Metals, which we originally owned, we will acquire H.C. Starck in Germany, which we have announced this year. By acquiring H.C. Starck, and by concluding an off-take agreement with Masan of Vietnam, which owns the tungsten mine currently owned by H.C. Starck, we are developing our business, including tungsten, raw materials, and resource recycling, with an awareness of a shift away from China.

As for the downstream business of tungsten other than cemented carbide, the overall picture is that it covers demand for additive materials in lithium-ion batteries and in the semiconductor parts industry.



This slide is a bit busy, but here is a summary of the progress of the items planned in the first year, the fiscal year ended March 2024, and the second year, the fiscal year ending March 2025, of the FY2031 Strategy.

The Metalworking Solutions Company has set a major goal of becoming "a leading company in tungsten products recognized by customers globally," as written above. We are proceeding with our plan in the three business fields that will support this, with the Carbide Tools business and the Tungsten business as I mentioned earlier, and the Solutions business as the other pillar of our business.

In the Carbide Tools business, we used to have many opportunities to talk about measures focusing on cutting tools, which have large sales scale, but in the Medium-term Management Strategy, we will focus not only on cutting tools but also on rock tools and wear resistant tools handled by our Group company, Ryotec.

In particular, with regard to rock tools, we have begun construction of a new plant in Thailand this fiscal year to manufacture large-size joint rods for mining tools, and construction is expected to be completed in October 2025.

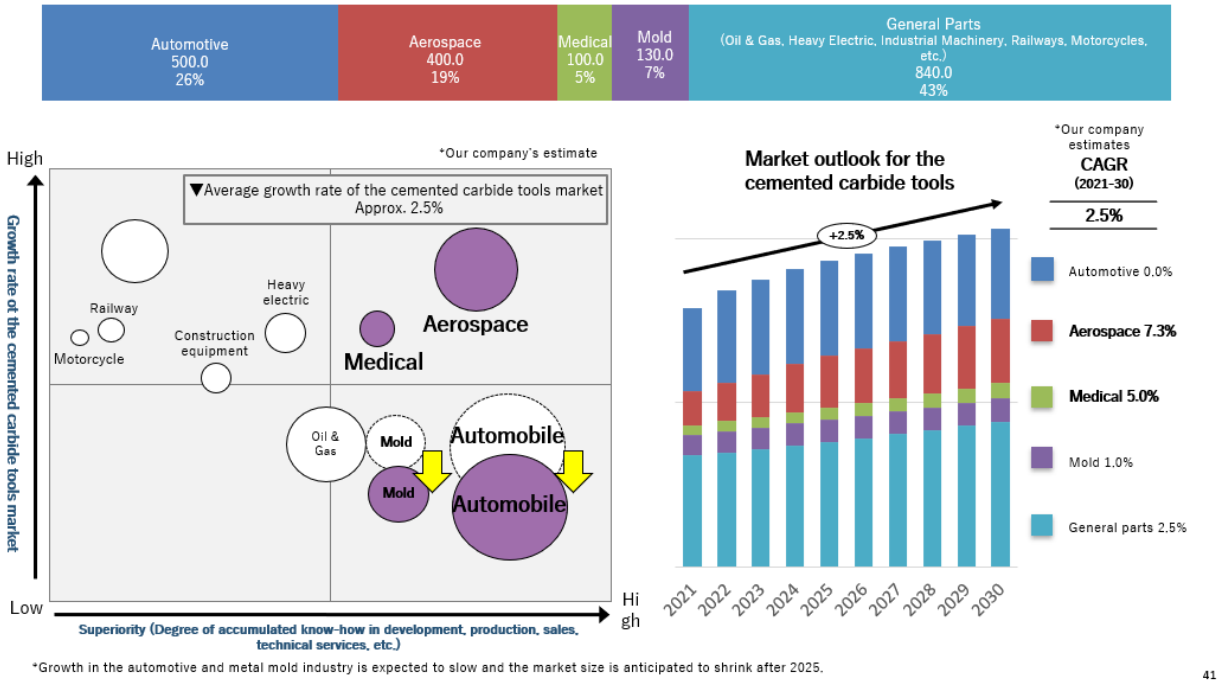
As for the Tungsten business, which has been a new pillar of our focus since the current Medium-term Management Strategy, we have decided to acquire H.C. Starck of Germany, which I mentioned earlier, and this acquisition is scheduled to be closed by the end of this year.

5. Metalworking Solutions Business

Metalworking Solutions Company

Cemented Carbide Tools Business - Outlook for the Cemented Carbide Cutting Tool Market -

- We had estimated the size of cemented carbide tool's market at ¥2.06 trillion in 2030. However, as a result of reexamination based on drastic changes in the market environment of the automobile industry, we have estimated the size of the market at ¥1.97 trillion in 2030.



*Growth in the automotive and metal mold industry is expected to slow and the market size is anticipated to shrink after 2025.

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This chart illustrates the market size forecast for cemented carbide cutting tools.

When we first formulated the Medium-term Management Strategy, which we did in 2022, we estimated that global demand for cemented carbide cutting tools would be ¥2 trillion by the fiscal year ending March 2031.

However, due to recent changes in the market environment, particularly the faster-than-expected shift to EVs in China, we have revised our overall demand forecast downward, albeit slightly, to ¥1.97 trillion in 2030.

This is because carbide cutting tools are used in the engine parts of automobiles, or in the surrounding auxiliary parts, which are quite large. We had already anticipated that the shift to EVs would progress from the time we initially formulated the Medium-term Management Strategy, but the pace in China was a little faster than we had expected, and we have revised our forecast downward.

5. Metalworking Solutions Business

Metalworking Solutions Company

Carbide Tools Business - Additional Measures to Achieve the FY2031 Strategy -

1. Securing sales by developing and challenging new markets, customers, and areas that are not bound by conventional wisdom
2. Thorough cost reduction including reassignment of personnel, optimization of scale, and optimization of procurement, and acceleration of labor saving in case of business turmoil
3. Strengthening development capabilities to enhance market competitiveness and acceleration of portfolio development including speedup and external procurement

Strategy and Marketing	✓ **Leveraging synergies with MOLDINO** ✓ Streamlining marketing functions ✓ Brand management
Development	✓ **Development of market-competitive new products utilizing materials development capabilities** (Introducing the latest materials for stainless steel, steel, cast iron, etc.) ✓ Introduction of new products in a portfolio that takes into account the balance between automotive and industrial fields (introduction of products in the aerospace and medical industries) ✓ Strengthening of bearing tools (drill and end mill)
Manufacturing, Production Technology, and Quality Assurance	✓ **Redesign of global production system** ✓ **Promotion of smart factories (Automatic/labor-saving inspection processes, automation of production facilities)** ✓ Enhancement of sales support (enhancement of design services) ✓ New raw materials and materials plant project ✓ Optimization of quality control level (Optimum tool quality and quality control level unified at all sites)
Sales and Logistics	✓ **Capture untapped areas in Central Asia, the Middle East, Africa, etc.** ✓ **Expansion of sales channels in South America by MMEX (Mexico)** ✓ **Expansion of new sales to Eastern Europe** (opening of a branch in the Czech Republic) ✓ Organizational involvement with integrators in Europe and the United States ✓ Strategic approach to National Distributors in North America ✓ Expansion of new distributors in low-share areas in China

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As mentioned in the previous slide, due to changes in the market environment, the current situation is that the growth of the cutting tools business has slowed down. In response to this situation, we are considering putting forth policies one through three, which are shown on this slide.

A representative example of specific measures is as shown. Regarding marketing functions, functions that are currently dispersed throughout the world will be consolidated in one country, not necessarily in Japan, and services will be provided from there to other countries, including Japan. We are currently working on streamlining these functions.

Plans are currently underway to consolidate the production of cemented carbide raw materials and materials to be used both within and outside the Group.

In South America and Africa, which are still underdeveloped and quite remote, we will cover these areas not directly from Japan, but directly from our regional sales companies in Mexico and India, which we have already established. We are aware that we need to take on the challenge of new markets.

5. Metalworking Solutions Business

Metalworking Solutions Company

Carbide Tools Business - Construction of a New Mining and Civil Engineering Tool Plant in Thailand -

- MMC Ryotec Corporation (a 100% subsidiary of the Company) has started construction of a new plant at OTEC Co., Ltd., a manufacturing base of mining and civil engineering tools in Thailand, in response to increasing demand for these tools.
- The new plant is expected to start initial operation from October 2025. It will introduce machining and heat treatment facilities, and will increase the rod manufacturing capacity to two times in the future.

Projected completion of the new plant (image)

Construction tools for mining and civil engineering

[Company profile (as of April 1, 2024)]

Company name	: OTEC (Thailand) Co., Ltd.
Established	: March 1997
Investor	: MMC RYOTEC 100%
Representative	: Katsu Yamamoto
Head Office location	: Bang Pa-in District, Phra Nakhon Si Ayutthaya Province, Kingdom of Thailand
Number of employees	: 198
Business details	: Manufacture of mining and civil engineering tools
Main products	: Bits and rods

Projected completion of the site (image)

Current progress (Nov. 5, 2024)

[Overview of the new plant]

Location	: Wang Noi District, Phra Nakhon Si Ayutthaya Province, Kingdom of Thailand
Products manufactured	: Rods, a type of tool for mining and civil engineering
Area	: Site area (54,400 m²), total floor area (11,900 m²)

Under construction to start operations in October 2025

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This is an outline of the new plant in Thailand for Ryotec's rock tools mentioned earlier.

In the upper right photo, you can see a large black bar. This is the connecting rod between the bit that breaks the bedrock and the equipment. In rock and mining tools, demand for these parts has been increasing in recent years, as they are very important parts that affect the performance of the tools. We have a company called OTEC, a subsidiary of Ryotec, which has already expanded into Thailand, and we are planning to build a much larger building on a different site to produce these jointing rods while maintaining the plant there.

Carbide Tools Business - Providing Value through Solution Proposals -

- Providing products and solutions that solve customer problems, improve productivity, and reduce environmental impact

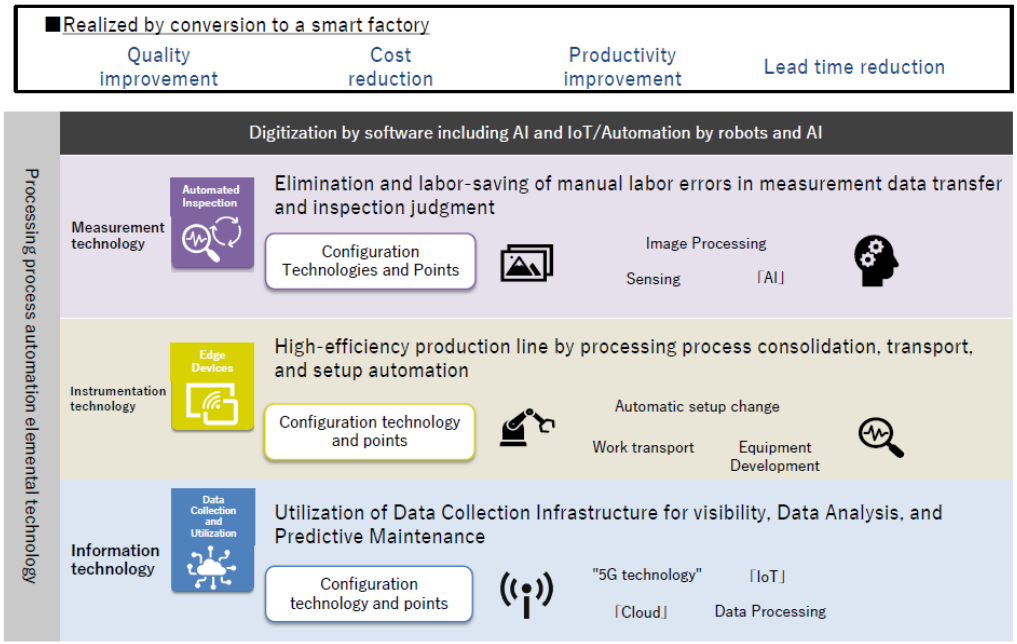
Also, going back to the cutting tools, this slide talks about providing environmentally friendly products. We have been awarded the Environment Grand Prize by the Japan Cutting & Wear-resistant Tool Association for three consecutive years. In recent years, we have been expanding the provision of highly efficient tools that reduce the environmental impact of our various products.

In Japan, we have technical centers in Omiya and Gifu, where we make full use of CAE and other analysis technologies to propose highly efficient machining to our customers.

We are now in the process of expanding this analysis and solution provision function not only to our technical centers in Japan, but also to our technical centers around the world, so that by the end of this fiscal year, we expect to be able to provide our customers with the same level of analysis services as in Japan.

Carbide Tools Business - Promoting conversion to a smart factory through DX -

- Utilizing digital technology to promote efficient and high-quality smart factories with high productivity



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In terms of DX development, we are expanding our web-based tool search tool, which serves as a point of contact with customers, under the name "Tool Assistant." We announced this at JIMTOF, a machine tool fair held in Tokyo in November this year. The search tool has been very well received by our customers, as it is extremely easy to search and allows them to search for tools without having to register as a member.

What we are showing here on this slide is how we are expanding these web search tools as well as promoting DX in the plants. DX2.0 is an initiative that is being promoted at manufacturing sites to automate inspection processes, which are particularly labor-intensive, or to improve operational efficiency by connecting processing equipment in a factory online and centrally managing operational data.

This slide describes the future development of the tungsten business utilizing H.C. Starck, as mentioned earlier.

Since the announcement, we are now in the final stages of the acquisition process toward closing, which means that we are proceeding as planned.

The first of the three major pillars of this acquisition is to utilize the global recycling capabilities of Japan New Metals' Akita Plant and the recycling capabilities of H.C. Starck's head office plant in Germany to create a global recycling network.

We are also aiming for synergies between the research and development capabilities of Japan New Metals and H.C. Starck. H.C. Starck is one of the leading companies in Europe in terms of analytical facilities and capabilities, and we are also aiming for synergies between the research facilities of Japan New Metals, H.C. Starck and Mitsubishi Materials itself.

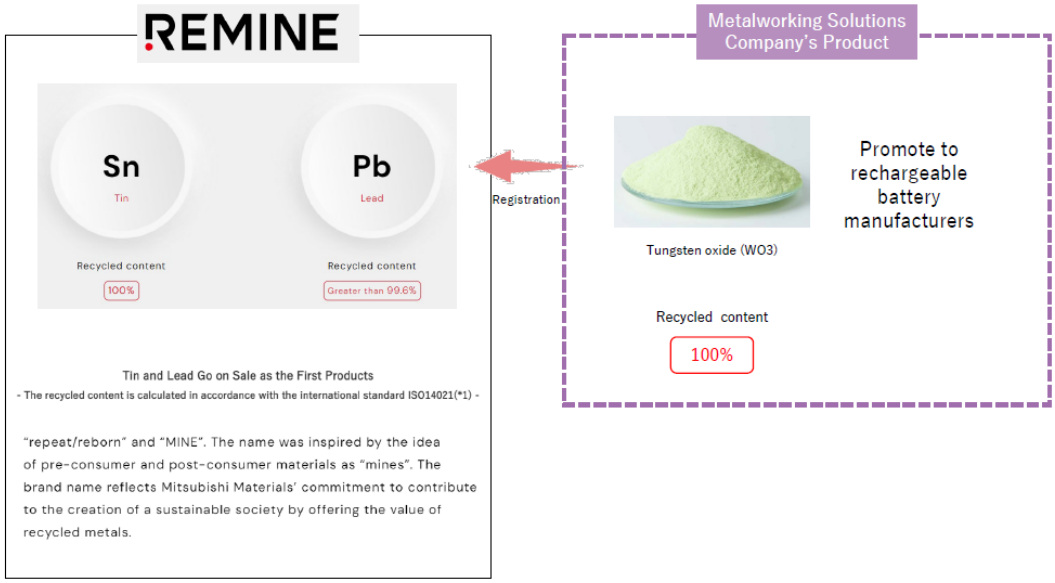
Third, we are considering cross-selling products in which each company has an advantage. Mitsubishi Materials, Japan New Metals, and H.C. Starck each have their own strengths in their respective products, and we are looking to increase our market share through cross-selling of these products.

5. Metalworking Solutions Business

Tungsten Business - REMINE Registration -

Metalworking Solutions Company

- In recent years, there has been an increase in environmental awareness in various manufacturing industries and an acceleration in the movement to remove China due to the U.S.-China friction.
- WO3-5 tungsten oxide was registered as Japan's first recycled metal brand "REMINE" in order to promote products that contribute to reducing environmental impact, improve the brand image, and expand sales.



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Tungsten trioxide, which is currently manufactured and sold by Japan New Metals and used as a secondary battery material and additive for secondary batteries, will be registered as a recycling metal brand “REMINE” by Mitsubishi Materials, and will be widely appealed in the future to customers who aim to reduce their environmental impact.

Since our Company, Mitsubishi Materials Corporation, aims to design recycling as a whole Company, we also focus on recycling tungsten and cemented carbide tool scraps as the Metalworking Solutions Company.

We aim to increase the ratio of recycled raw materials in our cemented carbide products to more than 80% by the fiscal year ending March 2031. The target for this year is 56%, and we are already on track to achieve this goal.

We are also making progress as planned in our efforts to reduce GHG emissions and are on track to achieve this year's target of a 33% renewable energy switchover rate, which we believe is close to what we should be unashamed of as part of a company that designs circulation.

This is the end of the explanation from the Metalworking Solutions Company.

Question & Answer

Participant [Q]: Looking at pages 40 and 41 of the materials, I would like to ask about how you can expand and grow this business in the face of the fact that the market size of cemented carbide cutting tools for automobiles may shrink a bit. In your materials, you mention M&A, selling products and services, external procurement, and so on, but I was wondering if you could give us a concrete image of how you intend to grow this business.

Ohara [A]: Even though the automotive parts metalworking industry is shrinking to a certain extent, it is still a very large industry for us to target. Since we cannot say that we have a very high market share on a global basis, we are not going to stop approaching customers in the automotive industry. Rather, one of our first considerations is to strengthen our solution capabilities and increase our market share, even though it will be a tough battle.

As shown in the middle of this slide, the market for the aircraft industry saw a considerable drop in production volume during COVID-19 in the fiscal year ended March 2021, but as of today, demand is returning to the same level as originally forecasted. This is the approach for the aircraft industry. As for tools for small high-precision metalworking as written here, we are planning to focus on tools for very fine precision metalworking, such as sensors for automobiles and cell phones, as a measure to fill the gap.

Participant [Q]: M&A is also mentioned for the fiscal year ending March 2026 and beyond. Is this something that will be considered after H.C. Starck?

Ohara [A]: Yes, that's right. I am sorry, but regarding your question about M&A and external procurement, we will continue to pursue M&A to fill the portfolio of products or services that we are lacking. In this area, we want to buy speed, so rather than developing our own products and services, we are incorporating existing technologies and service capabilities into our portfolio.

In terms of alliances with other companies, we used to focus on in-house development, but in order to provide our products to a wide range of customers, it is difficult to invest excessively in fixed costs and R&D. Therefore, we would like to expand our portfolio by forming alliances with competitors.

Participant [Q]: I have a question related to the current slide on page 41. On this page, you have the outlook for the cemented carbide tools market from 2021 to 2030, with a high CAGR of 7.3% for aerospace and 5.0% for medical. First of all, I would like to confirm whether your company's aerospace and medical products are growing at the same rate as this market from 2021 to the fiscal year ended March 2024.

If not, I think you are talking about taking market share there in the future, and at that time, I think there may be measures to reinforce your company's strengths or M&A. If you are going to take that market share, what is your strategy?

Ohara [A]: In the case of the aerospace and medical industries, the tool forecast on the right side shows a chart that looks as if it is growing linearly, and since the original forecast was put here as is linearly, it looks as if both the aerospace and medical industries will grow at a rapid pace from 2021 to 2023. However, the aerospace industry was stagnant until H2 of the fiscal year ended March 2023, and from there, although it did not reach a V-shaped recovery, it has regained growth at a considerable pace.

So, unfortunately, there was not much sales growth in the aerospace sector during this period, and it was a period of stagnation.

As for medical, the US is a very large market. We supply tools to the medical industry for processing titanium implant parts, and unfortunately, during the COVID-19 period, people could not go to hospitals, so demand itself was stagnant.

Therefore, I hope you understand that the market will return at this pace from now on. I am sorry, but I think the way the table is presented is not quite correct. As for the measures that we will take to achieve this, in the aerospace industry, we would like to focus on materials, especially in the metalworking of engine parts.

We, Mitsubishi Materials Corporation, are a company with strength in materials. Materials for aerospace and aircraft are also advancing rapidly, and materials that are more and more difficult to manufacture are emerging. Our strategy for the aerospace industry is to strengthen the development of optimal materials and shapes.

The US is a large market for medical, and we are currently considering ways to strengthen our services for the medical industry there, including M&A.

Participant [Q]: I would like to ask about regional strategies. I would like to know what you think about the main areas of your company's presence in Japan, Europe, the US, and Asia.

In addition, could you please explain the basics again, that if the market for this type of products grows, we can expect to see an improvement in the mix of products, not only in the top line.

Ohara [A]: Since we are a Japanese manufacturer, we believe that our presence in Japan is not insignificant. However, we believe that the source of growth will have to be sought overseas, given the declining birthrate and aging population in Japan, as well as the fact that the Japanese market will not grow significantly in the future.

Currently, we have sales companies under our direct control at our major bases in Europe, the US, China, and Southeast Asia, but when it comes to your question of where to expand sales to supplement profitability, we are thinking of the US and Europe. We believe that, especially in the US, we are becoming a force to be reckoned with among major competing manufacturers.

Participant [Q]: In the US, do you feel like you have a good reputation in this particular market?

Ohara [A]: Yes. In the US, as I mentioned earlier, we have a certain position in the medical market because we have a good lineup of products that are our strength in the medical market. The US produces a large number of automobiles, and we have been able to capture a certain share of the tier one and tier two level customers in the automotive parts metalworking industry. This year marks the 40th anniversary of the Company's establishment in the US, and since we have been doing this for 40 years already, we believe that Mitsubishi's presence as a tool manufacturer has been recognized to a certain extent.

Presentation

6. Renewable Energy Business

Overview of Renewable Energy Business

Business Overview	Business	Strengths	Revenue	Market Opportunities and Prospects
Renewable Energy business	Geothermal Power Generation	Since the Onuma Geothermal Power Plant opened in 1974, we have developed a power generation business based on our extensive experience in geothermal development and operation, including the supply of steam to the Sumikawa Geothermal Power Plant. 	¥0.8 billion FYE March 2024 Ordinary profit	●Opportunity Economy: Increased environmental value due to increased demand for renewable energy Policy: Policy support for the introduction of renewable energy Society: Increasing social demand for companies to introduce renewable energy and reduce CO2 emissions ●Risk Technology: Aging of geothermal power plant facilities Environment: Reduced power generation due to weather changes associated with long-term climate change Investment: Increased investment costs due to increased construction costs
	Hydropower	We also possess many years of experience in the operation of hydropower generation since its introduction in Japan.		
	Solar power generation	More than 10 years of operational experience utilizing idle land in our group.		
	Wind power generation, etc.	We utilize idle land, including approximately 13,000ha of company-owned forests in Japan, as a new power development site.	—	

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Ono: I will now explain the Renewable Energy business.

Here is the outline of the Renewable Energy business.

Types of power generation include geothermal, hydroelectric, solar, and wind power generation, of which geothermal power is the mainstay.

The second column from the right shows ordinary profit of ¥0.8 billion as a whole for the fiscal year ended March 2024, and the forecast for the fiscal year ending March 2025 is ¥2.6 billion, as shown on page 13.

The profit that will be greatly increased is due to the contribution of a newly added geothermal power plant, which I will explain later, called the Appi Geothermal Power Plant.

6. Renewable Energy Business

Renewable Energy Business

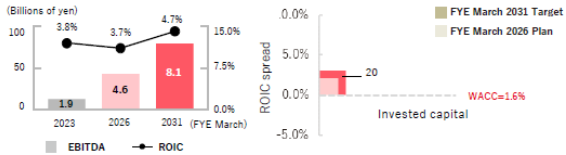
FYE March 2031 target: Expansion of renewable energy generation toward 100% self-sufficiency in renewable energy

- Further expansion of geothermal power generation business
- Expansion of business domains (Wind power generation and power generation related businesses)

Business Environment

- As measures against climate change, the use of renewable energy, further increasing the importance of reducing environmental impact in manufacturing
- Toward making renewable energy the main power source
  Setting high national targets and various support systems

EBITDA, ROIC, EP



Business Strategy

FYE March 2024 to FYE March 2031

Promoting business expansion from a long-term perspective with the Renewable Energy business as a company-wide initiative

Geothermal energy

- New development at a rate of once every three years to expand business

Wind power

- New entry into wind power generation, which is expected to reduce power generation costs in the future

Review of business strategy

- Withdrawal from biogasification business
- Expansion into retail power business and expansion of power sales scheme

Important Measures

FYE March 2024 to FYE March 2031

- Expansion of business utilizing proven geothermal technology
- Expansion of geothermal power generation business beyond existing business areas
- Implementation of overseas surveys utilizing geothermal resource survey technology
- Survey of wind power generation business in collaboration with other companies

FYE March 2026 to FYE March 2031

- Continued expansion of geothermal power generation business
- Launch of onshore wind power generation business utilizing company-owned land
- Expansion of business domains into power generation related businesses such as grid storage batteries

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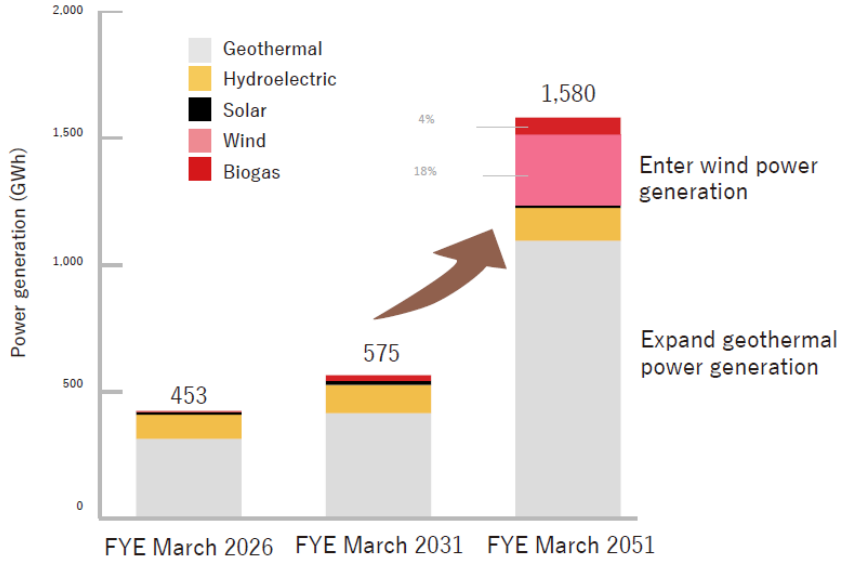
It says that the target for the fiscal year ending March 2031 in the Renewable Energy business is “expansion of renewable energy generation toward 100% self-sufficiency in renewable energy.” In addition, various other important measures are written in red.

6. Renewable Energy Business

Renewable Energy Generation Target

- Aiming to generate power equivalent to our company's electricity consumption in the fiscal year ending March 2051, our company will accelerate the development of a geothermal power generation system and business expansion, as well as the development of new renewable energy power generation centered on wind power



Increase equity-owned renewable energy sources to the same level as the company's own electricity consumption, mainly in its strong geothermal business

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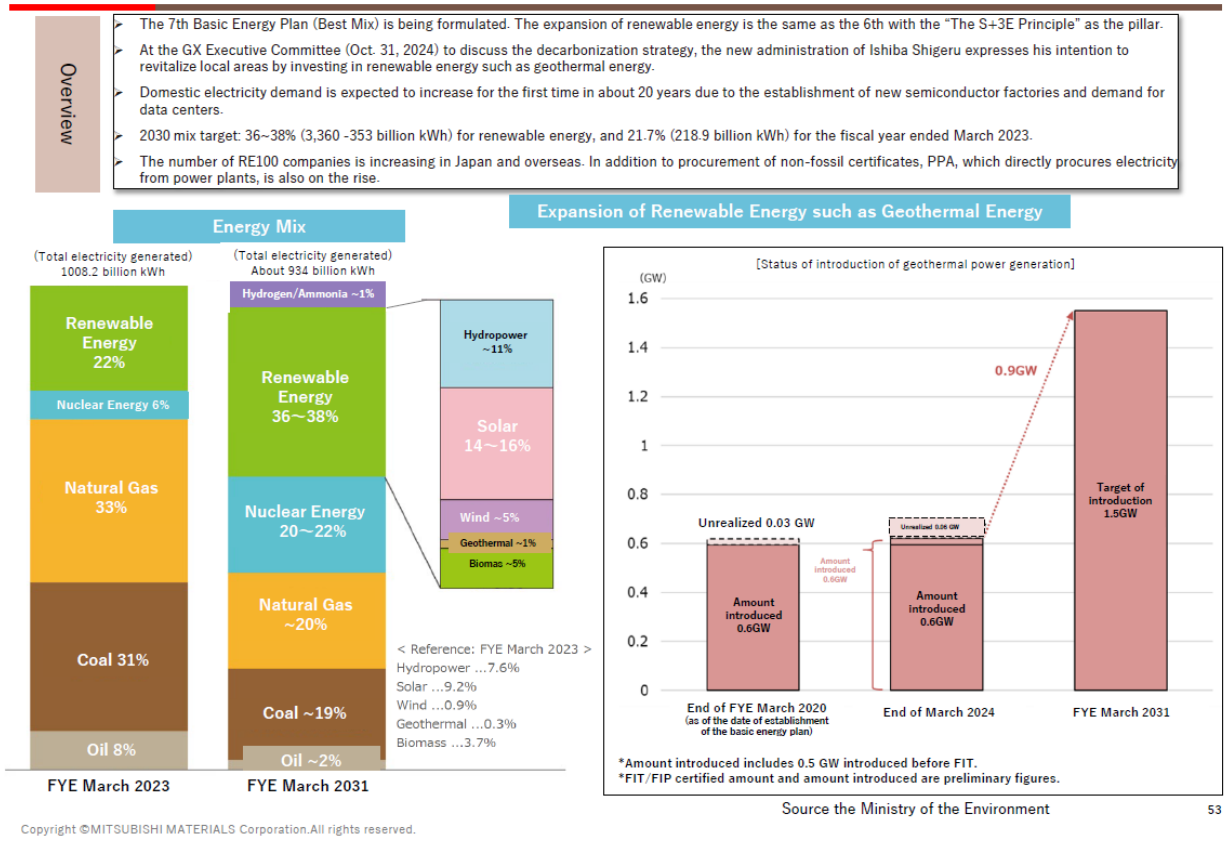
As you can see in the graph on the next page, as we mentioned at the beginning of this presentation, our goal is to generate an amount of renewable power equivalent to the amount of electricity consumed and used by our domestic business by the fiscal year ending March 2051.

This is written on the fiscal year ending March 2051 graph. The breakdown of the graph is overwhelmingly made up of geothermal power generation expansion, as shown in the gray area. Of course, that is not enough, so to reinforce this, we are also trying to enter into wind power generation, in part.

6. Renewable Energy Business

Current Business Environment and Medium- to Long-term Outlook



We have included two graphs below that show the business environment and medium- to long-term outlook.

On the left, as you are all well aware, is about the energy mix. The government is now reviewing this issue, and we will soon announce the new energy mix. Although some reports have appeared in the press, in any case, the percentage of renewable energy is going to be about 40%. Of course, solar, hydroelectric, and wind power are the main sources of renewable energy, but geothermal energy is one of the areas where we have an advantage, and we would like to expand our business.

As it happens, there have been some comments that promote the development of geothermal power with the change to Prime Minister Ishiba, and such comments would be a good boost. For renewable energy as a whole, as shown in the box above, there is a growing number of RE100 companies in Japan and abroad, that is, companies that are committed to providing 100% of their business needs from renewable energy sources. Then there is a favorable wind that PPAs, which procure power directly from power plants, are also on the rise.

6. Renewable Energy Business

Progress in the FY2031 Strategy

Key Measures in the FY2031 Strategy (FYE March 2024 to FYE March 2026)	Progress (as of November 2024)	Future Plans
Business expansion utilizing proven geothermal technology (Three investigations and one operation)	• Appi Geothermal Power Plant in Hachimantai City, Iwate Prefecture, started operation in March 2024, 1 month earlier than planned. Stable operation is underway. • Exploration wells KO -1 (depth approx. 2,200 m) and KO -1 ST (depth approx. 2,000 m) were drilled in Komonomori area, Kazuno City, Akita Prefecture, from April to November 2024. • Geothermal research is also underway in Hokkaido, Iwate, and Fukushima Prefectures.	• In Appi Geothermal Power Plant, drilling of supplemental wells is planned to further stabilize operations • In Komonomori, investigations such as drilling of research well will be continued to evaluate geothermal reservoirs • Expansion of geothermal survey areas
Expansion of geothermal power generation business outside existing business areas (such as Esan)	• Selection of potential geothermal survey sites in areas that have not been surveyed by our company, literature survey and contact with local governments	• Geological survey and physical exploration will be conducted from areas where local consent has been obtained
Implementation of overseas surveys utilizing geothermal resource survey technology	• Acquisition of information on geothermal projects from geothermal developers in Indonesia and start dialogue	• Continue to collect information on overseas geothermal projects
Investigation of wind power projects in collaboration with other companies	• Continued wind survey with RENOVA, Inc. Corporation in the Hokkaido-Imakane region	• Based on the wind survey results, economic evaluation and commercialization decisions will be made.

The specific progress of the Medium-term Management Strategy is summarized in this table. There are four tables, with the top three relating to geothermal power and the bottom one to wind power.

At the top of the page, you will see that the Appi Geothermal Power Plant started operation in March 2024, one month earlier than planned. As the next candidate, a survey is underway in the Komonomori area of Kazuno City, Akita Prefecture. I would like to explain a little more about this area later in another slide.

We are also looking at other areas, such as Esan in Hokkaido, but we are not yet in a position to identify the next location.

On the other hand, although we will not be supplying electricity to domestic projects, we have received several offers to develop geothermal resources overseas, and we are trying to work on such projects to enhance our technological capabilities and possibly apply our technologies. Specifically, a project is emerging in Indonesia.

Regarding wind power generation at the bottom, we are currently conducting a wind condition survey in the Imakane area of Hokkaido. Wind conditions are something that needs to be examined throughout the year, so this is an ongoing process.

6. Renewable Energy Business

Start Operation of Appi Geothermal Power Plant

[Appi Geothermal Power Plant Operation]

- On March 1, 2024, Appi Geothermal Power Plant began operation one month ahead of schedule. More than nine months have passed since the start of operation, but stable operation is ongoing without major problems.
- A one-week inspection took place in October. The release inspection of the turbine, condenser, etc. was conducted, and it was confirmed that there was no abnormality.

Overview of Appi Geothermal Power Plant	
Name	Appi Geothermal Power Plant
Location	Hachimantai National Forest, Hachimantai-city, Iwate
Type of motive power	Steam power (geothermal)
Output capacity	14,900kW
Power generation method	Single flash system
Construction started	August 2019
Ownership	Mitsubishi Materials Corporation 51% Mitsubishi Gas Chemical Co., Inc. 34% Electric Power Development Co., Ltd. 15%

Location of Appi Geothermal Power Plant


Aerial view of Appi Geothermal Power Plant


Turbine release inspection (October)

55

It has come up several times, but the Appi Geothermal Power Plant.

The main specifications are shown on the left side of the middle row. The 14.9-megawatt plant has been in operation from March 2024.

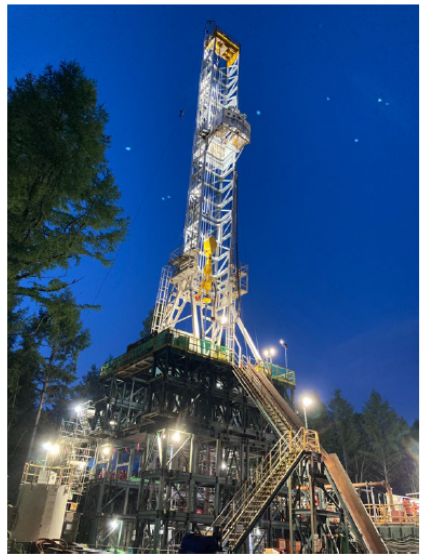
Nine months have passed, and operations are stable without any big problems. In October, we conducted a one-week inspection to open and check the turbines and condensers, as scales are a common occurrence in geothermal power generation. In the case of the Appi Geothermal Power Plant, the steam is relatively clean, and the equipment used to remove impurities from the steam in advance has been very effective, so the steam is very clean. I think we can say that this is also leading to stable operation.

6. Renewable Energy Business

Initiatives for In-house Geothermal Development

[Status of Geothermal Resources Survey in Komonomori Region]

- Construction of a new forest road and excavation site was carried out in the fiscal year ended March 2024. In the fiscal year ending March 2025, drillings of exploration wells KO-1 (depth about 2,200 m) and KO-1ST (depth 2,000 m) were carried out. Information on geology, rock properties, temperature, etc. of both wells were obtained, and the formation temperature of KO-1 was confirmed to be over 300°C.
- In order to communicate with the local community (Kazuno City, hot spring operators, etc.), our continuous hot spring monitoring facility is in operation.



Exploration well KO-1

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This is the next candidate for a geothermal power plant, and an exploration well is being drilled at a place called Komonomori.

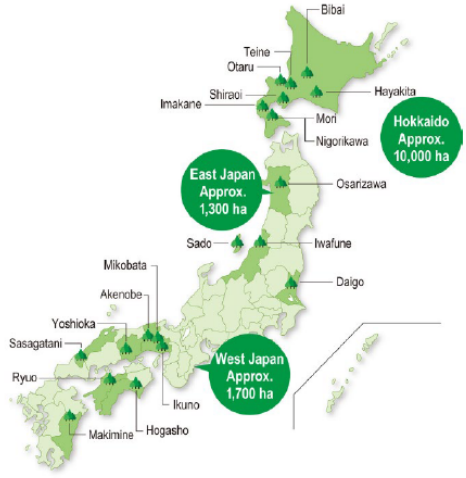
This geothermal target is approximately 2,000 meters deep, and this fiscal year, we dug one and branched off from it to investigate two rock layers. There is already snow on the ground at the site, so the substantial survey for this year has already been completed. As a result, we have confirmed the existence of a geothermal rock layer with high temperatures. However, since we have not yet confirmed a little more certainty or steam, we are planning to continue further investigations in the next fiscal year, after the snow melts, seeking such things.

6. Renewable Energy Business

Initiatives in the Wind Power Generation Business

[Status of Imakane Wind Power Survey]

- Candidate sites suitable for wind power generation were selected from company-owned forests in Japan. Explanations of the survey plan to local communities were provided, and field surveys are being carried out.
- Wind observation towers and doppler lidars have been installed in the Imakane forest, located in Imakane Town, Hokkaido. Upper wind speed and direction are being observed. Environmental impact assessment reports are also being made publicly available.



Location and area of company-owned forests

Location of Imakane town

Planned location of wind turbines

Wind condition observation devices

This will be the last slide, the wind power project.

As for wind power generation, we are going to start with the company-owned forests that we own. We are currently conducting a wind condition survey in the Imakane area in collaboration with various companies, as we do not have any experience in wind power generation business alone.

For your reference, the location and area of company-owned forests owned by the Company are shown on the left. Fortunately, the areas with good wind conditions for wind power generation resources are located from Hokkaido to Tohoku, and we believe that the fact that we have a relatively large number of company-owned forests in these areas can be utilized as an advantage in the future.

That is all from me.

Question & Answer

Participant [Q]: First, I understand that you have an advantage in geothermal power generation, but regarding the wind power generation mentioned earlier, since you can utilize company-owned land, do you intend to develop the power generation business itself in partnership with other companies? Please tell us about your business development plans.

Ono [A]: First of all, we are not yet engaged in wind power generation as a business ourselves, so we do not have enough experience in this area. As I explained earlier, we have company-owned forests with relatively good wind conditions, so we would like to start by making use of these forests.

On top of that, with regard to wind power generation, I believe that it will eventually become possible to participate in other projects as we gain business experience, without having to stick to our own company-owned land. In fact, right now, there are a few wind power projects here and there that are already up and running and are being brought into the sale process. We would like to be actively involved in such activities, of course on a case-by-case basis, but if it is profitable or worthwhile for us to work on, we would like to actively participate in such activities.

Participant [Q]: Also, on page 51, it says that you are also expanding storage batteries for electrical systems, but please tell me if this means installing storage batteries or developing storage batteries. What does this mean?

Ono [A]: For your second question regarding the electrical systems storage battery business or the expansion of power generation-related business areas, as you know, solar power generation is conducted under the FIT system, which has a fixed term. With this, we have to consider many things after the FIT. Furthermore, geothermal is an extremely stable renewable energy that is not affected by weather conditions. Wind power and solar power, in particular, are subject to fluctuations in power generation due to the problem of sunlight, so it will be necessary to consider mitigating this problem. One point is that it will be necessary to think about the stable supply of electricity using storage batteries not immediately, but in the future.

Another is that although we are involved in power generation itself, we are not yet involved in retailing it ourselves. We would like to expand the scope of our business to such areas in the future.

Participant [Q]: The graph on the upper right of page 51 shows a growth image, and I think we can now see ¥4.6 billion in 2025, probably due in part to the operation of Appi Geothermal Power Plant. Is there a high degree of certainty that you will reach ¥8.1 billion or so in another five years, or will you have to accumulate new projects, such as the overseas initiatives in Indonesia and the storage battery mentioned earlier, to reach ¥8.1 billion? Is there a high probability of achieving this ¥8.1 billion figure? Any comments on the accuracy of ¥8.1 billion would be appreciated.

Ono [A]: Basically, this is a geothermal power plant that our Company will mainly operate in Japan, and this is where we would like to achieve. The original plan was to get two geothermal plants up and running in about five years, from 2025 to 2030.

As I mentioned at the beginning of this presentation, we will be adding a new geothermal power plant to our portfolio this fiscal year. For the Appi Geothermal Power Plant, we have 51% in terms of capital structure. Although it will depend on the size of the plant, we will be able to add more than ¥1 billion per power plant. Therefore, I believe that the ¥8.1 billion figure is not impossible to achieve by adding two or so geothermal power plants to the total.

However, it is true that the original Medium-term Management Strategy actually included biogas power generation here, but the biogas power generation will be transferred to another company in September of this year, and it has become necessary to supplement that part of the plan with another power generation project.

Participant [Q]: Did the biogas power generation have quite an impact?

Ono [A]: Even when we planned it, it was quite a struggle, but the original idea of biogas power generation was to make a stand-alone power plant that would be profitable, and then build and operate multiple biogas power plants in the surrounding area. The FY2031 Strategy includes a certain amount of electricity and profit increase. However, in reality, it was very difficult to turn a profit in the end due to the difficulties in collecting food waste, so we have transferred the business to another company.

Therefore, we do not plan to use food waste for biogas power generation in the future, and we believe that we need to supplement it with alternatives, such as small-scale hydroelectric power, wind power plants, the acquisition of existing ones, and the further expansion of solar power.

Participant [Q]: About geothermal, I think this is a rigid business that can expect very stable earnings during the period of the FIT, but after the FIT is over, do you plan to sell it at market price? You mentioned earlier about selling off assets, but what is your strategy after the FIT is over?

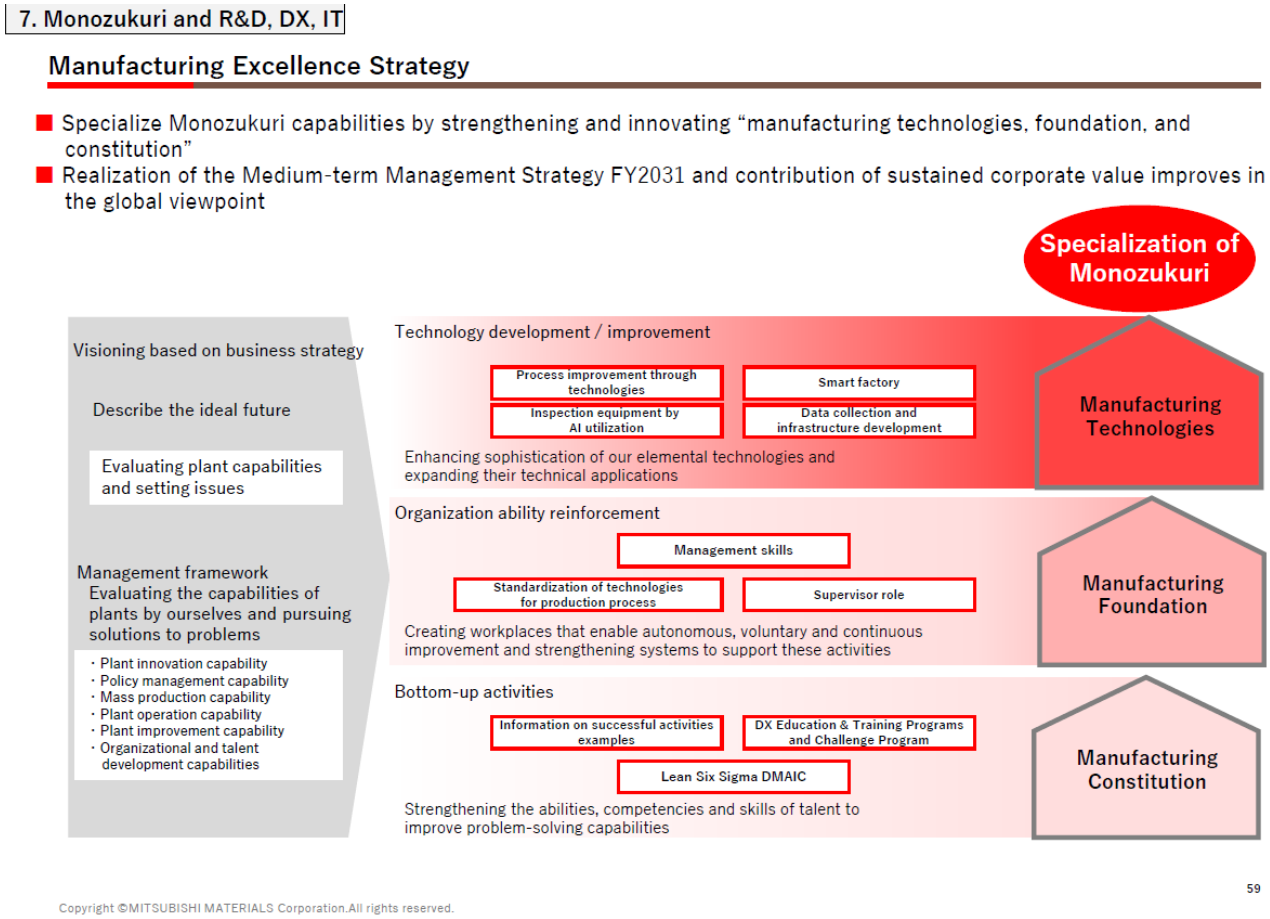
On top of that, will it pay for itself at the current retail price of electricity, or given the long period of the FIT, and as the Japanese government increases the ratio of renewable energy, and as carbon taxes and other taxes are added to the value of carbon dioxide, you may not be able to forecast this, but will it be a solid business like your geothermal power generation that pays off? Please tell us about your outlook for the future as well.

Ono [A]: It is difficult to predict what the retail price of electricity will be, but at least the value of non-fossil certificates as a power source will increase and it would unlikely decrease.

Therefore, as is still the case today, we supply electricity to local communities, while we take non-fossil certificates and non-fossil values and attach those values to our business sites.

It is difficult to predict exactly what the world will be like after the end of the FIT system, but I believe that the importance of stable power sources will increase, so we need to consider how to properly maintain power plant facilities in a sound condition. If we can do so, I believe that the project will pay for itself well even after the period of the FIT is over.

Presentation



Shibata: I am Shibata. Thank you for your cooperation.

Let me begin by explaining the strategy part of our manufacturing excellence strategy.

As for our manufacturing strategy, as we have indicated in the Medium-term Management Strategy, we would like to work toward a differentiation of manufacturing by enhancing our structure, infrastructure, and technology.

7. Monozukuri and R&D, DX, IT

Manufacturing Excellence Strategy

- Strengthening of technology and infrastructure
  Visualize the business and plant vision using the manufacturing issues overview map*1 of manufacturing issues, and capture the issues from a bird's-eye view without any overlap.
- Strengthening management framework
  Enhance the level of the plant by using a factory self-inspection sheet that narrows down plant performance evaluation to questions that include important viewpoints
- Strengthening corporate structure
  Strengthening human resources by providing opportunities to learn and practice DX/IT, which is essential to the business

Main Measures	Initial Plan	Progress (progress as planned)
Technology and infrastructure enhancement: Utilization of manufacturing issues overview map ・Business and plant vision ・Issues ・Challenge themes	● Clarification of emerging issues and identification and realization of latent issues in overall manufacturing ● Proposal for Innovation Center cooperation theme	● Organizing and sharing a manufacturing issues overview map Development of all 24 sites and identification of emerging issues completed ● Extraction of latent issues and deepening progress ● Continuing to set collaborative themes through year-round issue review
Management Framework: Performance quantification based on factory performance evaluation ・Factory self-inspection sheet	● Operation and development of the "new plant self-inspection sheet" narrowed down to questions that enhance viewpoints that lead to business specialization (improvement of business competitiveness)	● Explanation of the purpose and utilization of the new inspection sheet was completed to the main sites ● Planning to review the inspection results and reflect them in the bird's-eye map
Strengthening structure: Promoting DX/IT strategy ・Digital training: Human resource development for learning ・DX Challenge: Human resource development for practical use	● Expansion of the target of digital training from production engineering to manufacturing departments ● Integration of DX Challenge classroom and practice for on-site DX utilization classroom and practice Provision of an opportunity to acquire one-shot integrated learning	● Creation of new curriculum for expanding target audience completed ● Preparation of training recruitment format and development plan for next fiscal year and beyond ● 2 in-house DX case sharing events completed ● 7 DX challenges implemented ● Development of learning packs specialized in data visualization and analysis

*1 Manufacturing issues overview map
A map that expresses the issues in a tree shape at the top of the business and plant vision, and reveals the issues from a broad perspective without any overlap.

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Among these, we are working this year to strengthen our technology and infrastructure, evaluate our capabilities based on a management framework, and strengthen our corporate structure as important measures.

As for specific progress, as indicated in the vertical column on the right, for example, in the case of enhancing technology and infrastructure, we are developing a manufacturing issues overview map at all 24 bases, and are working to establish and deepen the map.

In addition, the management framework is a checklist for further improvement of factories through voluntary inspections, and we are in the process of developing such things.

The last activity for enhancing our structure, which is being carried out in conjunction with DX, is like the DX Challenge. We encourage employees at workplaces to come up with ideas for improving workplaces through the use of digital technology, and the Corporate Division supports them to take on the challenge. We are currently promoting these activities.

7. Monozukuri and R&D, DX, IT

R&D Strategy

● Achieving sustainable corporate value through the creation of new products, technologies, and businesses

Basic Research and Development Policy

- Materials and materials development for the future
- Creating new products and technologies to strengthen business competitiveness through the integration of corporate and division labs
- Early realization through industry-government-academia collaboration (including CVC)

Providing material for circulating resources for a sustainable future

Priority measures in the FY2031 Strategy	Focus Areas	
Creation of New Materials and Components Strengthen both resource recycling functions	Resource recycling	● Separation, recovery, and purification
Product life cycle Total GHG reduction	Decarbonization	● Energy materials ● Green materials ● Green processes
Idea creation, R&D, mass production, and commercialization Deepening organizational management through an integrated approach	Semiconductor-related	● Mounting materials ● Materials for equipment (resin composite materials)
Flexible allocation of management resources (Personnel and funds) Development theme setting and execution, acceleration of commercialization	Mobility	● High-performance copper materials and components ● Cemented carbide tools

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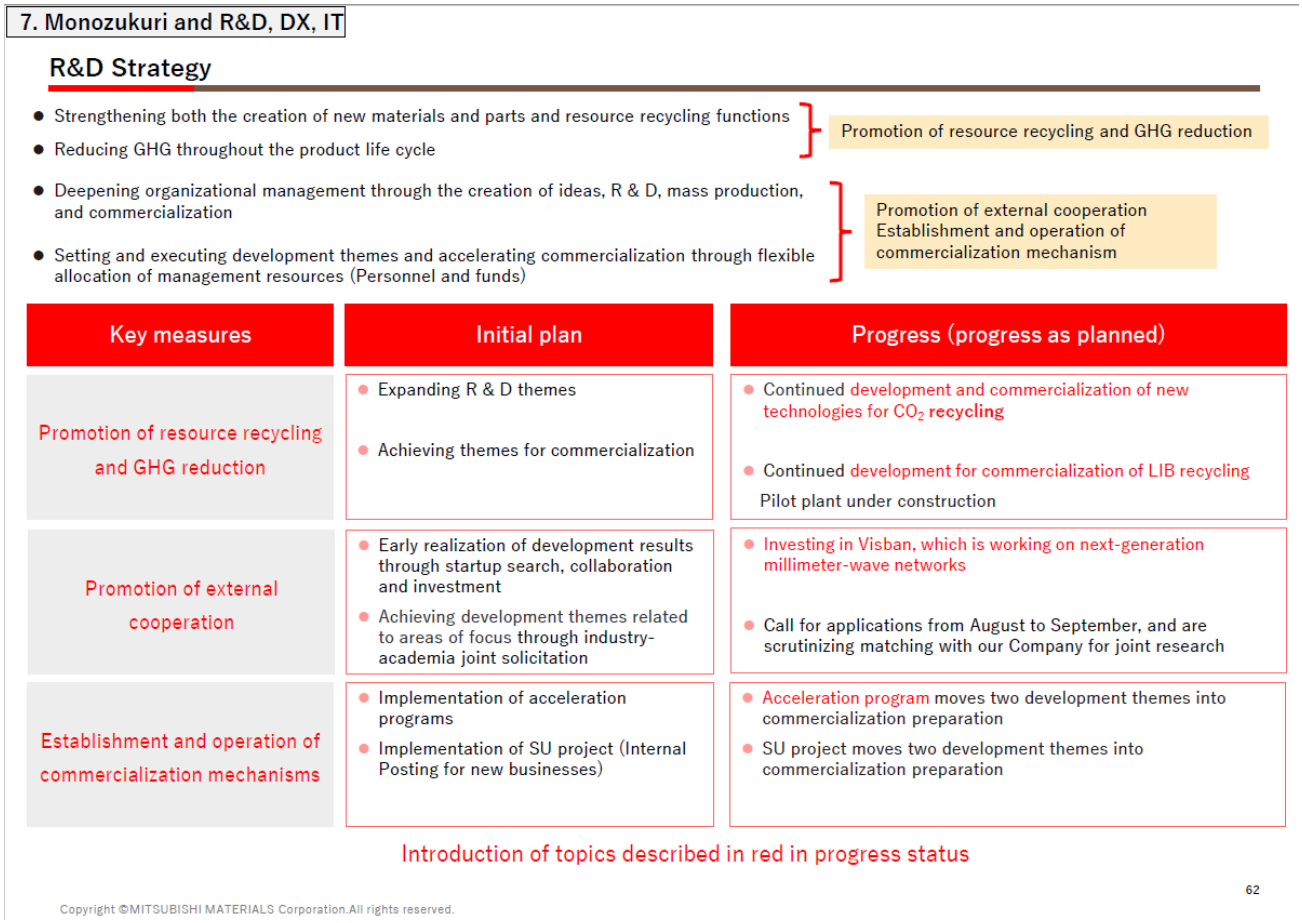
This is the R&D strategy.

We are committed to providing sustainable materials that design circulation by establishing four key policies and four focus areas.



Among these, we have three main measures.

We are working to create themes that promote resource recycling and GHG reduction, to promote external collaboration, and to establish and operate a system to launch new businesses.

I would like to introduce on the following slides those written in the red among the listed ones in the progress section on the far right.

7. Monozukuri and R&D, DX, IT

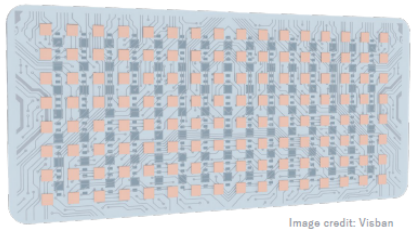
Promotion of External Cooperation

Investment in Visban, a Developer for Next-generation Millimeter Wave Networks

Visban devices receive, amplify, and retransmit millimeter-wave signals

1. High-quality signal (RF-on-Glass technology): Minimizes interference and loss, provides superior signal quality, and improves the efficiency and reliability of millimeter-wave communications
2. Low-cost production: Reduce production costs by utilizing screen manufacturing processes for TVs and mobile phones

⇒ Expect to enter new markets by utilizing our company's materials technology to further improve performance



RF-on-Glass devices that make up V-Mesh

3. Integration with V-MeshTM technology: Expand coverage between base stations and user devices by forming a backbone *
4. Self-optimization: Automatically reconfigure the network to ensure maximum performance and connectivity
5. AI-driven management: Intelligent signal management using AI to optimize network performance and avoid obstacles and congestion

⇒ We will take advantage of Visban's telecom connections to gain business opportunities

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*Backbone: The backbone network of the Internet and computer networks

First, the first item.

In the promotion of external collaboration, one of the investments made in the past six months to an external party was the investment in Visban Corporation. As we have already announced in a press release, millimeter wave networks are expected to be used in 5G, 6G, and automated driving in the future.

Visban is developing millimeter wave network technology, and we would like to cooperate with them in further improving performance by providing them with material technology. In addition, Visban has a large pipeline in the telecommunications industry, and we would like to use these channels to obtain opportunities to expand our business in this industry.

7. Monozukuri and R&D, DX, IT

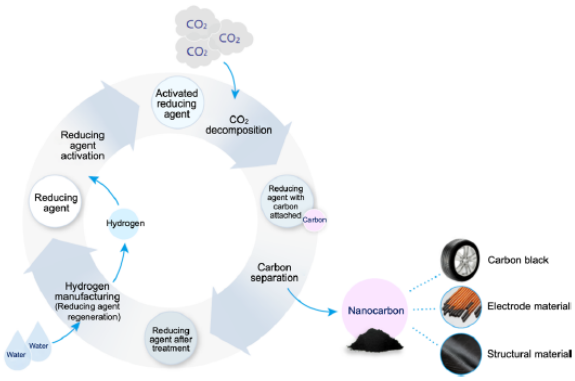
Promotion of Resource Recycling and GHG Reduction

Accelerating Development and Application of New CO2 Reuse Technologies

The carbon recycling process we have developed is ongoing as one of the partner projects for "Development of Technologies for Carbon Recycling and Next-Generation Thermal Power Generation / Development of Technologies for CO_2 Reduction and Utilization" by Japan's New Energy and Industrial Technology Development Organization (NEDO), with the title "Development of Carbon Material Manufacturing Technology by Chemical Decomposition of Carbon Dioxide."

[Features of this technology]

- Using an inexpensive and resource-rich reducing agent, CO_2 is decomposed at a relatively low temperature and converted into high-value-added carbon nanoparticles.
- Since it is an exothermic reaction, theoretically, no external energy is required and the reaction proceeds spontaneously.
- No expensive catalyst is required for the reaction.



[Development history]

- In 2017, research and development of technology to decompose CO_2 and recycle it as carbon material started
- In 2018, in a beaker scale test, CO_2 was decomposed and fine particles of carbon nanomaterial were successfully recovered.

[Development Progress]

- Confirming the scale up using bench-scale test equipment, and optimizing the process of each process.
- Developing elemental technologies for practical application for pilot plant implementation in the fiscal year ending March 2027 and later.
- Application development and performance evaluation of the produced nanocarbon sample

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This is one of the themes in the promotion of resource recycling and GHG reduction and includes the development of technologies to convert CO2 into resources.

As we have been talking in the past many times, we have been involved in the technological development of CO2 decomposition since 2017 and are currently working on it as part of a NEDO-commissioned project. The NEDO project will be finalized in the fiscal year ending March 2026, which will be the last fiscal year, and we are currently working on it with an eye toward the future.

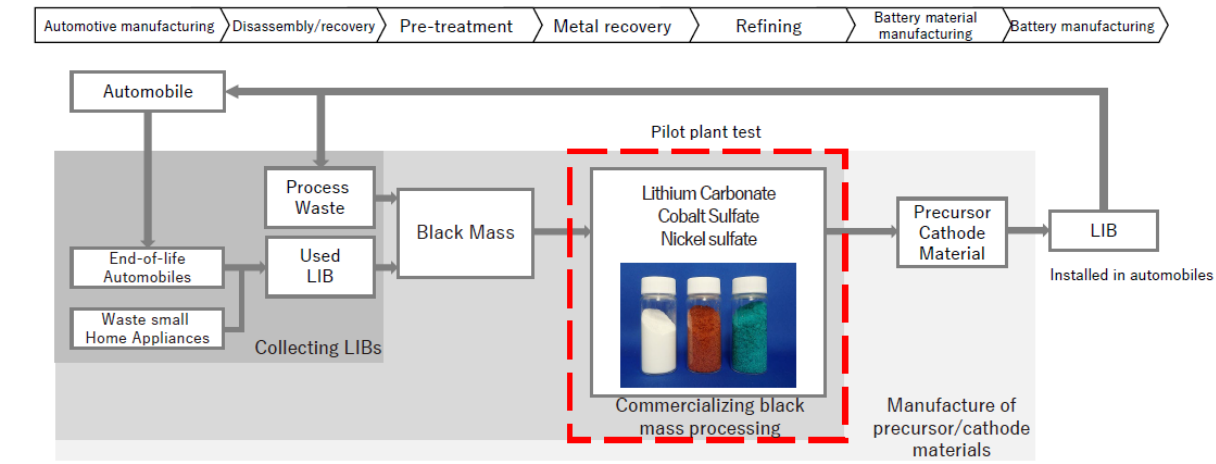
We have set up bench-scale test equipment and are working to optimize each process, etc.

7. Monozukuri and R&D, DX, IT

Promotion of Resource Recycling and GHG Reduction

- Resource recycling initiatives/LiB recycling -

- We aim to develop a LIB recycling business that will contribute to the realization of a consistent recycling loop from LIB to battery materials.
- We are developing a highly efficient recovery of battery-grade lithium, cobalt, and nickel from Black Mass *.
- We are constructing a pilot plant in Onahama Smelting and Refining Co., Ltd.'s Onahama Smelter & Refinery (Iwaki City, Fukushima Prefecture) to recover and refine metals from Black Mass.
  We are constructing a pilot plant (Scheduled to commence operation in July 2025, almost in line with the initial plan).
  The technological development was supported by a grant of approximately ¥1.1 billion from the Ministry of Economy, Trade and Industry's project to ensure stable supply of important minerals.
- The commercialization of LIB recycling is being studied concurrently. We plan to commercialize LIB recycling after determining the appropriate scale and timing based on the state of the LIB recycling market and technological advancements.



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Here is another one we have mentioned several times, about recycling lithium-ion batteries.

First of all, a pilot plant is under construction, which is scheduled to be completed around next summer. This pilot plant is designed to extract lithium, cobalt, and nickel from Black Mass as a starting material.

We are also continuing to conduct verification tests of various processes to be used in the pilot plant, even at the beaker scale. At the same time, we are in the process of considering the timing of future commercialization of lithium-ion batteries, taking into account the extent to which the recycling market for lithium-ion batteries will be established.

7. Monozukuri and R&D, DX, IT

Establishment and Operation of the Commercialization Mechanism

Held a “Demo Day” under the Acceleration Program Aimed at Creating New Businesses in a Short Period

- Started commercialization preparations for two themes -

Press release on September 24, 2024

In November 2023, Mitsubishi Materials Corporation ("MMC") launched the MMC Acceleration Program "Wild Wind" to speed up the commercialization of projects that would be difficult for MMC to achieve on its own by collaborating with startups and other external partners. As part of the program, a "Demo Day" was held to evaluate the promotion to the commercialization preparation stage, and it was decided to start commercialization preparations for the following two themes in collaboration with partner companies.

① Theme: Snowmelt sensors and IoT devices for disaster prevention technology for cold regions
Partner Company: Sarubobo Alarm Corporation
(Representative Director: Takanori Hoshiya, URL: https://sarubobo.net/)
Business Overview: Development, manufacturing, sales, installation, and operation of IoT devices

② Theme: Contract molding service for sintered metal 3D printers
Partner Company: 3D Printing Corporation
(Representative: Devore Alexander, Devore Aiko, URL: https://www.3dpc.co.jp/)
Business Overview: Design and engineering services, contract manufacturing, equipment sales, materials development)

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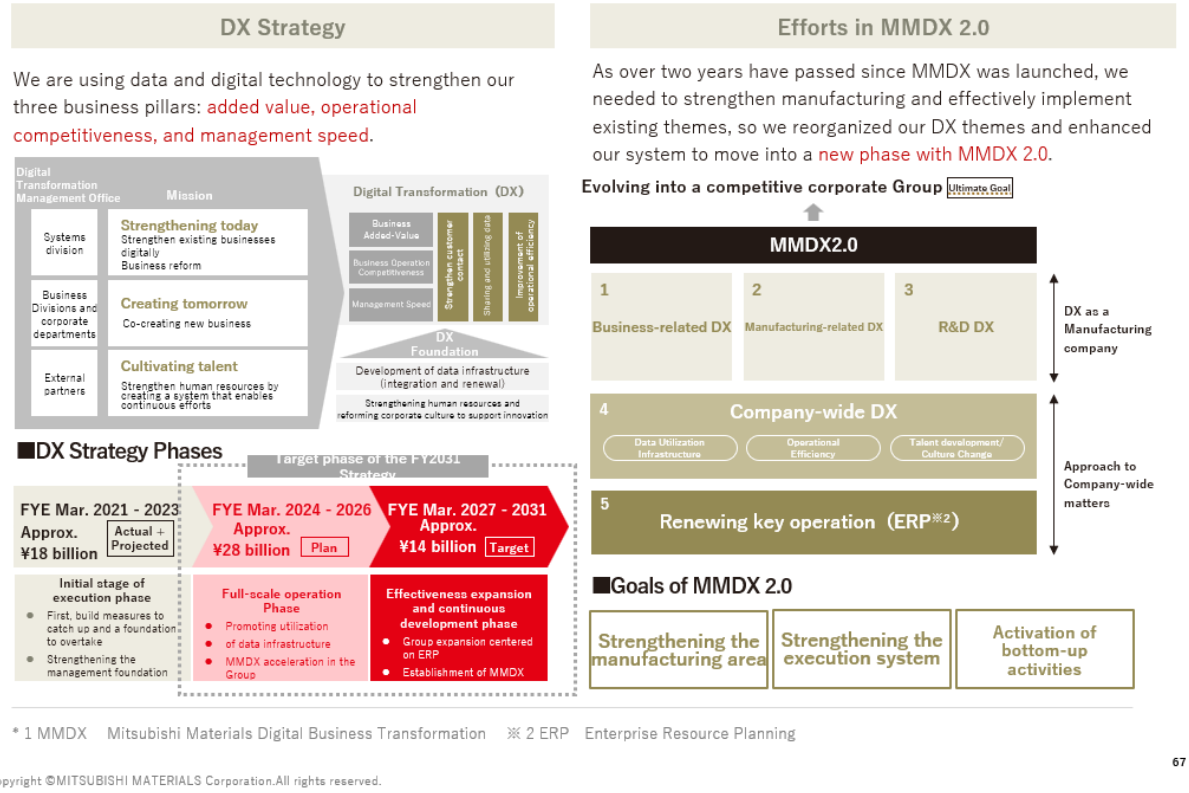
This is the construction and operation of the commercialization mechanism.

An acceleration program, to accelerate what our resources alone are not enough for commercialization by collaborating with external startups, as we announced in our press release in September, we have selected partner companies for two themes this fiscal year and have begun preparations for their commercialization.

7. Monozukuri and R&D, DX, IT

DX Strategy (MDMX *1)



*1 MMDX Mitsubishi Materials Digital Business Transformation ※2 ERP Enterprise Resource Planning

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From here is the DX strategy.

In this DX strategy slide, the left side shows what was envisioned around 2020 when we originally started DX, and the bottom side shows the rough scale of investment in Phase 1 and Phase 2 of the FY2031 Strategy. On the right side, it states that the Company has reorganized its structure to firmly promote manufacturing, R&D, etc., as DX2.0.

7. Monozukuri and R&D, DX, IT

MMXD Theme: Activity Status for FYE March 2025

MMXD Theme		FYE March 2025 Main Activity Results
Business related DX	Metalworking Solutions Co. DX	[MI (Market Intelligence)] Completion of unification and renewal of product information website (Japan and overseas) [Ability to propose solutions] Release of tool search function "Tool Assistant" [Demand and supply management] Start of trial operation of supply management module (Akashi Plant)
	Advanced Products Co. DX	[Advanced cost management of electrical materials] Completion of introduction of cost management system in Ceramics Plant. Currently, it is being introduced to MMC Electronics (Laos) overseas.
	Metals Co. DX	E-Scrap Enhancement Release of Trading Partner Dashboard
Manufacturing related DX	Security and Safety	Began operation of the Safety Activity Database
	Automation / Personnel saving	Development of small-diameter deformed hole drill manufacturing (Gifu Plant)
R&D DX	MI / Data utilization	Demonstration of usefulness of experimental data utilization (6 cases)
Company-wide DX	Advance procurement	New procurement system Sourcing area started
	Operational efficiency	RPA (*1) gradually developed
	Talent management	Skill management function started
Renovating key operation	ERP(*2)	Completed implementation of ERP accounting domain in Mitsubishi Materials Corporation (Non-consolidated). Currently, implementation of ERP accounting domain in Group companies is underway.

※1 RPA: Robotic Process Automation

※2 ERP: Enterprise Resource Planning

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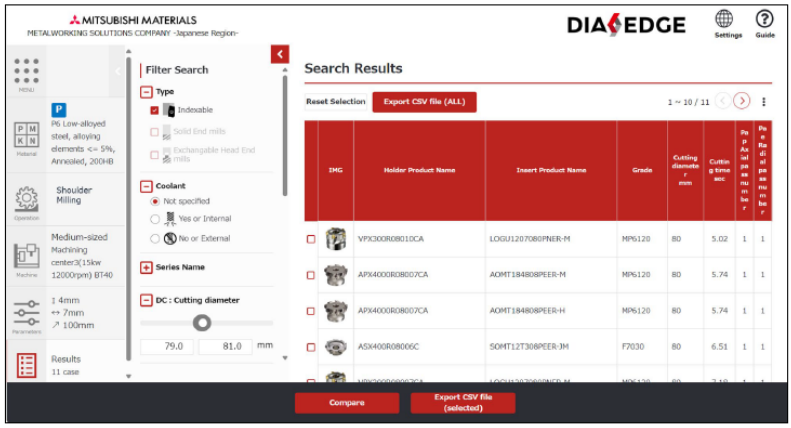
Specifically, this slide presents the main results of our activities for the current fiscal year, the fiscal year ending March 2025.

Without going into detailed introductions, I would like to introduce one of them.

MMDX Theme Example: Machining DX - Solution Proposal Ability -

Launch of "Tool Assistant" Service to Suggest the Optimal Cutting Tool
- DX tool selection to achieve appropriate tool selection from approximately 400,000 criteria -

- "Tool Assistant" gives you the best tool with the most appropriate cutting conditions based on the work material and a variety of work dimensions you want to cut the material. Selecting the proper tool requires special knowledge and experiences and you may need help from the tool manufactures or tool shops. Making inquiries for Q&A and getting back the right responses could be a time-consuming effort.
- Furthermore, we expect to see more and more skilled tool engineers retire in coming years as the population ages in Japan, which will challenge you to find the right engineers to do the job of selecting the right tools. In order to address these challenges, we have developed "Tool Assistant", which provides you a comprehensive tool selection just like an expertise of skilled engineers.



Press Release dated October 31, 2024 "Launch of Tool Assistant Service to Suggest the Optimal Cutting Tool"
URL: https://www.mmc.co.jp/corporate/en/news/2024/news20241031a.html

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This is the DX of the Metalworking Solutions Company, and one of the several initiatives we are working on is the ability to propose solutions.

This service allows users to input the material to be cut and the dimensions to be machined, and then we propose the optimum tool or machining conditions using this tool. We have named this service “Tool Assistant” and are developing it.

7. Monozukuri and R&D, DX, IT

MMDX Theme Example: Machining DX - Solution Proposal Ability -

Exhibited our “Tool Assistant” at the 32nd Japan International Machine Tool Fair “JIMTOF2024”

Handout brochure

■Message from the Development Team

There are many factors involved in cutting, and it is not easy to select the most suitable tool and cutting conditions. We hear that there is a shortage of skilled technicians to review cutting tools, that it takes time to consult with manufacturers, and that there are concerns about whether one's choice is optimal.

We developed Tool Assistant to solve these problems. Tool Assistant is a symbol of technological innovation and digital transformation (DX) because it can quickly select the most suitable tool from approximately 400,000 different conditions.

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At the recent JIMTOF 2024, a machine tool fair, we exhibited the Tool Assistant so that users could test it out.

We have received quite a high evaluation from our customers, and we intend to continue to expand the functions and target cutting patterns to create a solution that users will be able to use.

7. Monozukuri and R&D, DX, IT

DX Activity Topics

Mitsubishi Materials selected as a "Noteworthy DX Companies 2024" in "DX Stocks 2024" for the second consecutive year

- Mitsubishi Materials Corporation ("MMC") has been selected as a "Noteworthy Digital Transformation (DX) Companies 2024" following last year in a program run by the Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency, Japan (IPA).

- The "DX Stocks" program is a system to select and introduce companies listed on the Tokyo Stock Exchange that have achieved outstanding results using digital technology by establishing internal mechanisms to promote DX that lead to increased corporate value.
"Noteworthy DX Companies" are selected from the companies that are not classified as "DX Stocks," and are implementing initiatives that are particularly noteworthy in terms of their contribution to corporate value.

DX注目企業2024
Digital Transformation

Press Release dated May 28, 2024 "Mitsubishi Materials selected as a "Noteworthy DX Companies 2024" in "DX Stocks 2024" for the second consecutive year
URL:https://www.mmc.co.jp/corporate/en/news/2024/news20240528.html

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This is the last item on DX.

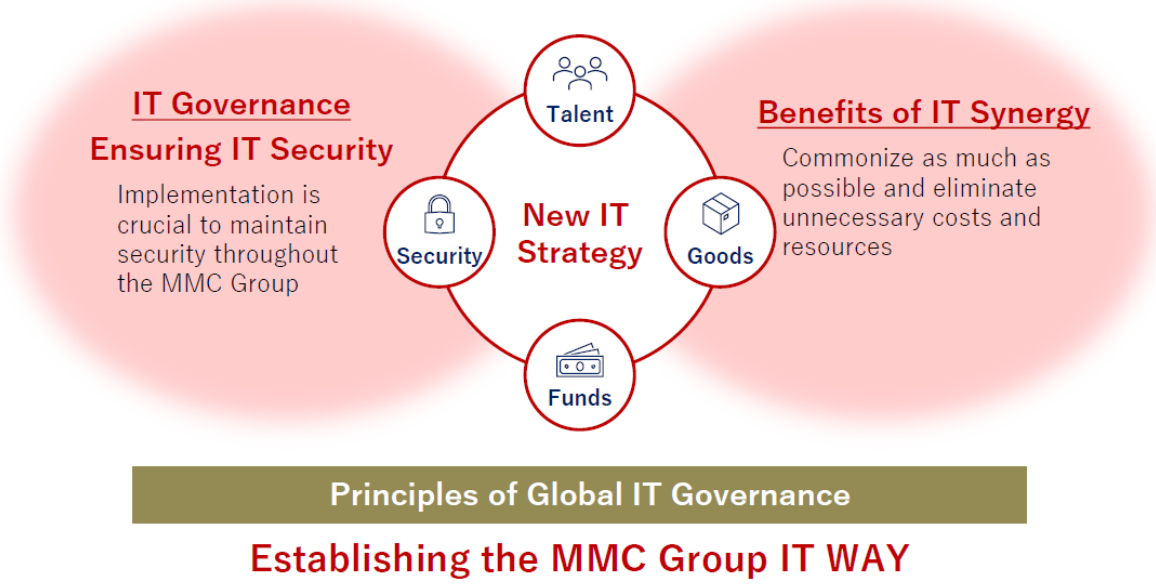
As we announced the other day, we have been selected as a Noteworthy DX Companies in the DX Stocks 2024. This is the second consecutive year that we have been selected as one of the noteworthy companies, as we were also selected last year.

However, there is also DX Stocks category above the Noteworthy DX Companies category, and we would like to redouble our efforts to be selected for such category.

7. Monozukuri and R&D, DX, IT

Basic Principles in the IT Area

- In the IT area, our basic principles are the establishment of governance (IT security) and synergy (commonization & standardization).



Principles of Global IT Governance

Establishing the MMC Group IT WAY

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In the last section of my part, I will explain our efforts in the IT area.

The basic principles are as written here. The two principles of the MMC Group IT WAY that we are developing are to ensure governance centered on security, while at the same time sharing what can be shared and enjoying synergies that eliminate waste of costs or resources.

7. Monozukuri and R&D, DX, IT

IT Strategy

- To realize the MMC Group IT WAY, we promote IT modernization to support our businesses from the perspective of data utilization, work style, and security.
- We will invest on the order of ¥10 billion while keeping IT costs below 1.0% of net sales in FYE March 2031. (Currently approximately 0.8%)

Policy on IT Initiatives	Major Measures	
Establish & Execute the MMC Group IT WAY (IT Governance and IT Synergies)	IT Governance = IT Security	● Equalize global security levels and implement security measures appropriate for current global standards. ● Implement new network and cloud-based security for global common policies and Company-wide enforcement.
	IT Synergy = Commonization / Standardization	● Promote the utilization of data analysis infrastructure, cloud infrastructure, and IT services common to the entire Group.
Move from Legacy to Global Standard IT Infrastructure; Implement Appropriate Information Security Measures		● Gradually refresh systems developed with legacy technologies and move away from legacy architectures by approximately FYE March 2031. ● Implement ERP starting in the accounting area to improve operational efficiency and data availability. ● Strengthen security measures against increasingly sophisticated external threats in both IT and OT.
Develop and Secure Experienced IT Talent Able to Work Effectively in the Market and Build an Optimal IT Organization		● Optimize the division of IT roles among Strategic Headquarters, Group Companies, MMIS, and External Partners. ● Governance and synergies (commonization and standardization), business support (individual systems), and execution functions. ● Develop career paths and education plans for IT talent to improve their expertise, while increasing IT talent by approximately 10% by FYE March 2031.

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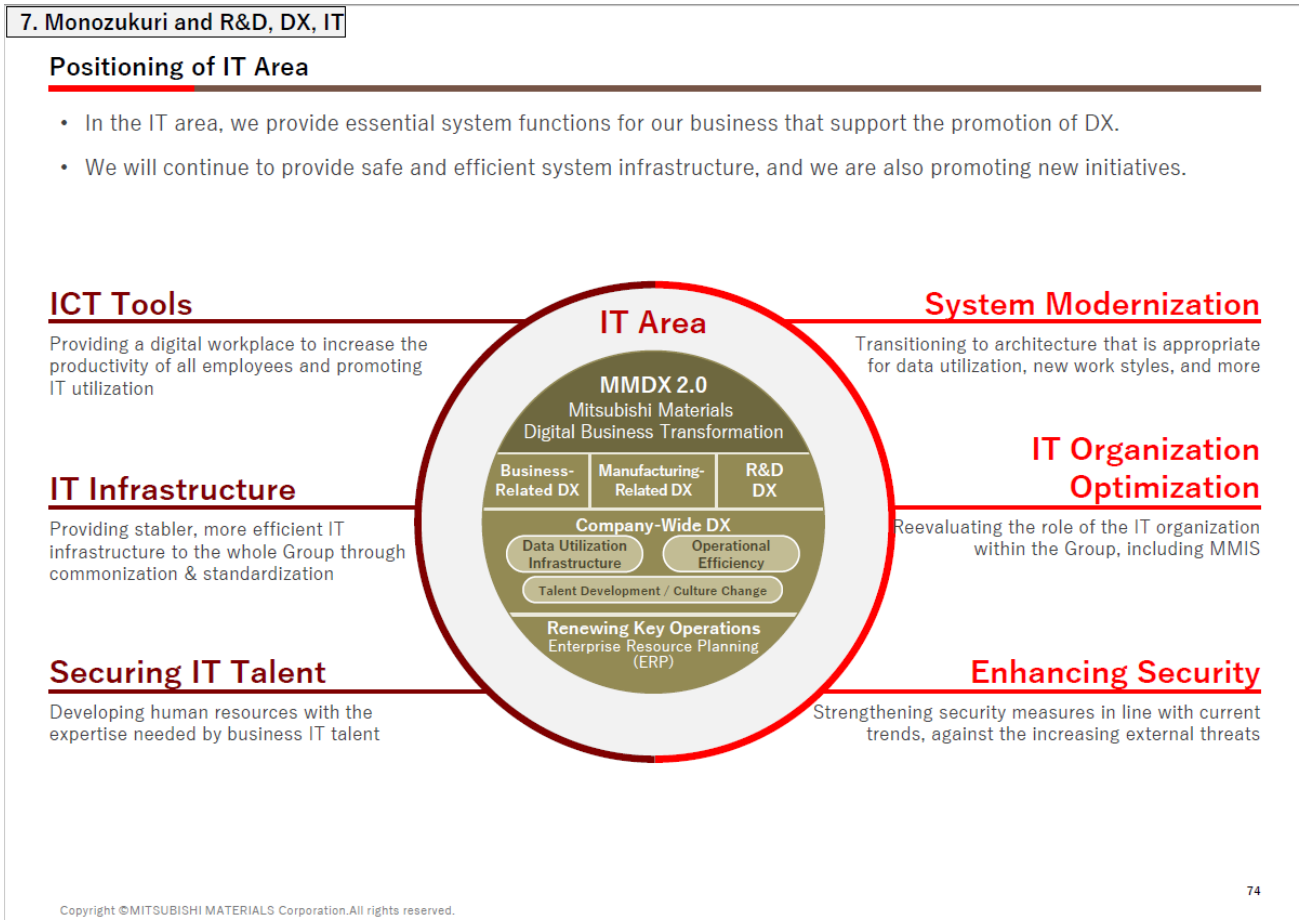
This slide describes the policy of our efforts to realize the IT WAY, and I hope you will read the details later.



In the IT area, we are supporting the various solutions being developed in the DX area, and we are taking various initiatives as shown in the diagram below, focusing on developing system functions essential to our business and providing a safe and efficient infrastructure.

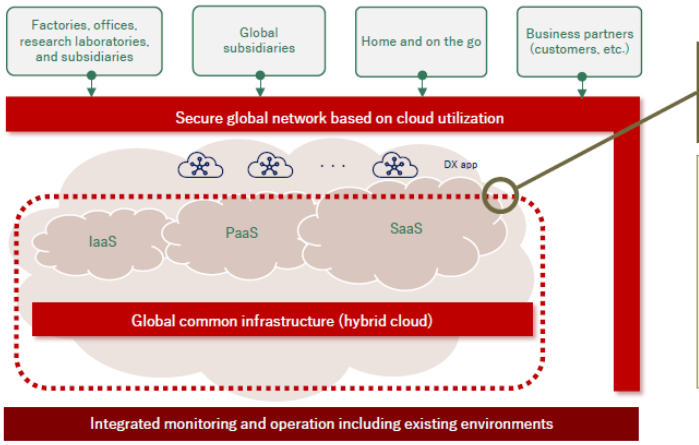
7. Monozukuri and R&D, DX, IT

Goods Area: Establishing a New IT Environment (1/2)

- We have built a secure and modern cloud-based IT infrastructure for worldwide business, called MMCG-Cloud.

IT infrastructure to realize the utilization of the cloud

- Building cloud-based IT infrastructure and secure network environment for global branches and customers
- Constructing systems that utilize the common infrastructure for many DX initiatives, including the company-wide renewal of core business



Renovation of all core business systems to the cloud and expansion of the infrastructure

- The cutover to a new ERP system in an accounting area was held in March 2024. It will be expanded to a corporate group, including overseas
- We are also promoting system renewal and standardization for other core business processes. Aiming to utilize data across the entire Group
- We will establish in-house development infrastructure for cloud environments, in order to increase quality and efficiency throughout development processes

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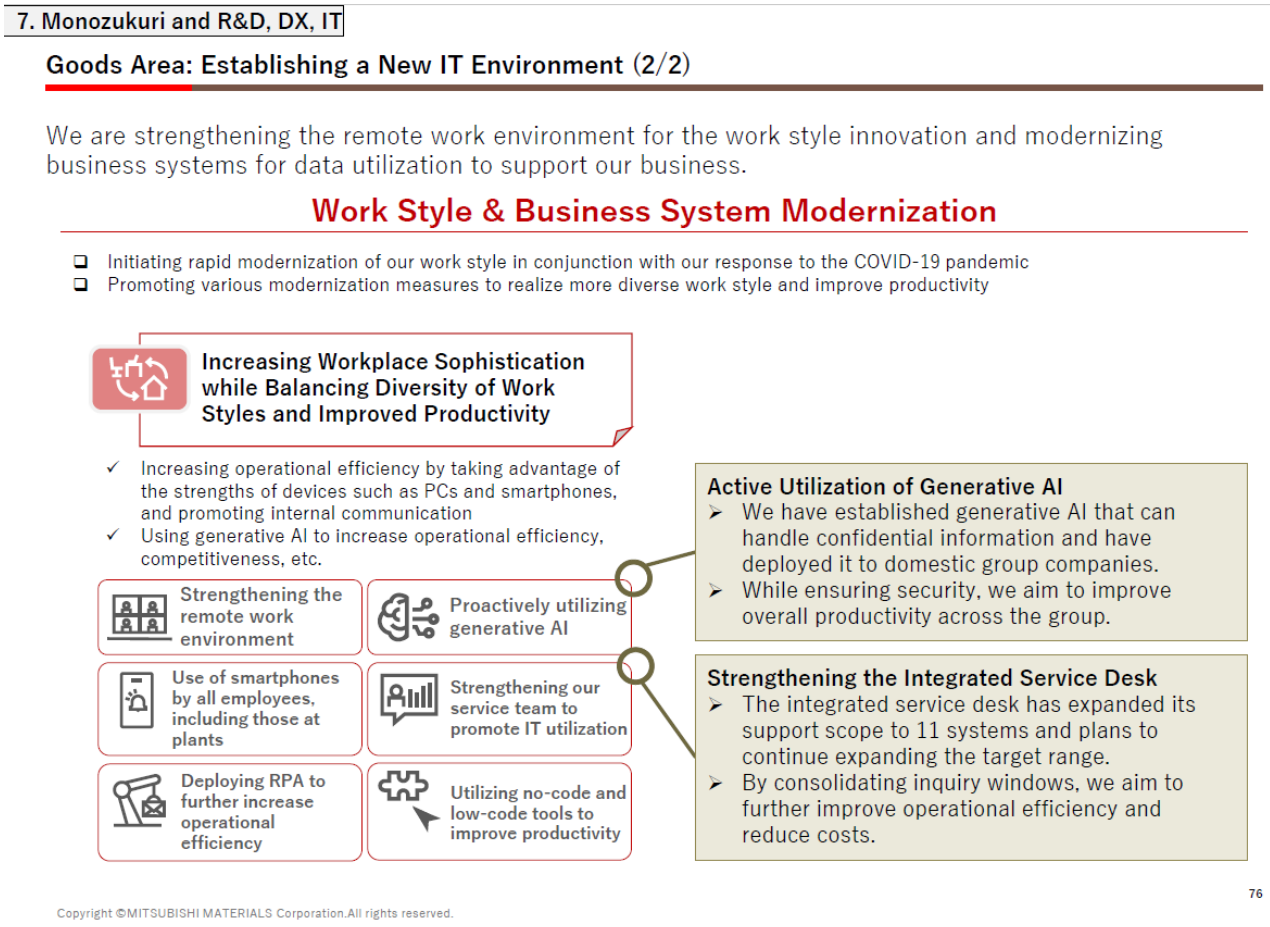
First, in terms of developing a new IT environment, we are currently working on an IT infrastructure that will enable the use of cloud computing. Since many of the new solutions, especially DX, are cloud-based services, we are migrating to a cloud-based environment, including our existing systems. We are proceeding to create a secure situation in this context.



At the same time, in response to changes in work styles, such as telecommuting due to COVID-19, we are promoting modernization of our IT environment.

We have listed six major services, including remote work, at the bottom left, but today, as you can see on the right side of this page, I would like to emphasize the active use of generative AI and the strengthening of the integrated service desk, which are the main initiatives we are working on this fiscal year.

All companies are working on AI generation, but we are now working on the use of not only AI generation alone, but also AI embedded in various solutions, in order to actively utilize them and produce results.

We are currently working on the integrated service desk to create a base for providing integrated services for the convenience of various users, and to consolidate the services into a larger scale as much as possible.

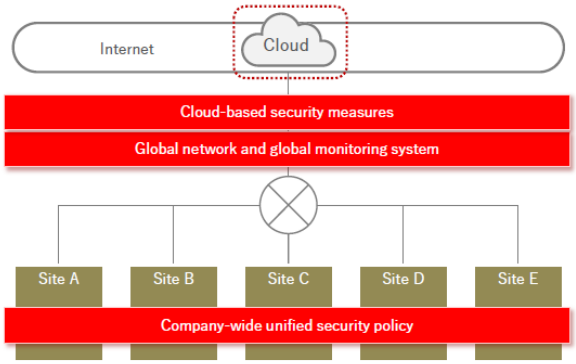
7. Monozukuri and R&D, DX, IT

Security Area: Efforts to Ensure Security

- As an effort to ensure system security, we will implement appropriate information security measures globally in response to changes in the external environment.

Implementation of IT Security Measures

- ❑ Establishing a distributed architecture for stable operation and enhanced security of the global network
  The system has been completed in Japan, China and Southeast Asia, and will be expanded to Europe and North America in the fiscal year ending March 2025
- ❑ Gradually expanding the scope of the Security Operations Center (SOC) to be monitored, and promoting a global monitoring system for the entire Group in the fiscal year ending March 2025
- ❑ Strengthening security measures in the OT area



Stability and fault tolerance
Distribute access points in each country to ensure stable operation without crossing international borders

Flexibility and cost reduction
Cloud-based network environment improves flexibility and network quality according to regional characteristics and reduces costs

Security enhancement
Provides network security functions as a cloud service and applies company-wide security policies even in a distributed environment

OT security enhancement based on "connection assumption"
Enhanced security by installing high-performance control equipment between OT/IT networks and introducing SOC monitoring. Reduced impact in the event of a failure by segmenting the OT network.

Continuing information security measures based on trends

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This is the end of IT. Security is considered the most important aspect of IT.

I will not go into the details of security, but we are developing zero trust security to ensure security while proactively connecting with the outside world, rather than conventional security that focuses on preventing intrusion from the outside.

As shown here, we are working to enhance security not only in the IT domain but also in the OT domain, not only domestically but also globally, and to unify our global security at the level of our standards. These will go into effect for the most part in the fiscal year ending March 2025.

That is all from me.

Question & Answer

Participant [Q]: You have given us a wide range of information, including qualitative explanations, but I would like to ask again if you can give us any examples of the effects or returns of the DX strategy on the actual income statement, balance sheet, cash flow, etc. For example, on the lower left of page 67, the amount of investment for the DX strategy is shown.

Shibata [A]: For example, on page 68, the most obvious effect is the strengthening of E-Scrap in the Metals Company. By providing this kind of trading platform, we know how many new customers we gain annually and the amount of new E-Scrap we acquire. They are making steady contributions. I am sorry. I do not have the figures at hand at the moment, so I cannot explain, but some of these quantitative effects have been clearly shown.

On the other hand, the Metalworking Solutions Company and the Advanced Products Company are strengthening their customer contact points, which leads to more efficient sales activities and new orders by strengthening their contact points with customers. In the explanations given today by the Metalworking Solutions Company and the Advanced Products Company, the current market conditions are not growing as fast as expected. It is a little difficult to show clearly how much new profit was generated to offset that portion. It is true that we are certainly reaching out to new customers.

This is a qualitative explanation, but that is all.

Participant [Q]: For example, when you are selected as a Noteworthy DX Companies on page 71, do you get comments from your clients? What do you think about this kind of initiative, or how would you like to see it?

Shibata [A]: We believe that the major difference between Noteworthy DX Companies and DX Stocks is whether or not concrete quantitative effects are being generated. In addition, the index also includes P/B ratios that exceed one or are close to one, which is quite difficult for us given our current situation, but we recognize that whether or not the quantitative effect is clear is one of the points that keep us as a Noteworthy DX Companies.

[END]

Document Notes

1. *Speaker speech is classified based on whether it [Q] asks a question to the Company, [A] provides an answer from the Company.*