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Mitsubishi Materials
Investors' Guide 2024 December

MITSUBISHI MATERIALS

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Company Profile

- **Company Name：Mitsubishi Materials Corporation**
- **Head Office：**
  2-3, Marunouchi 3-chome, Chiyoda-ku,
  Tokyo 100-8117 Japan
- **Chief Executive Officer：Naoki Ono**
- **Originally Founded：1871**
- **Business Overview：**
  Developing a wide range of businesses, from base materials such as copper and other nonferrous metals, to metal processing, semiconductor-related and electronic components, and energy and environmental businesses.
- **Composition of Officers：**
  Directors：11 (including 7 Outside Directors; 2 women)
  Executive Officers：8 (including 1 woman)

- **FYE March 2024 Results（April 1, 2023 – March 31, 2024）**
  - **Consolidated Net Sales：¥1,540.6 billion**
  - **Consolidated Operating Profit：¥23.2 billion**
  - **Consolidated Ordinary Profit：¥54.1 billion**
  - **ROE： 4.8%**
- **As of March 31, 2024**
  - **Paid-in Capital：¥119.4 billion**
  - **Shares of Issued and Outstanding：131.48 million**
  - **Consolidated Number of Employees：18,323**

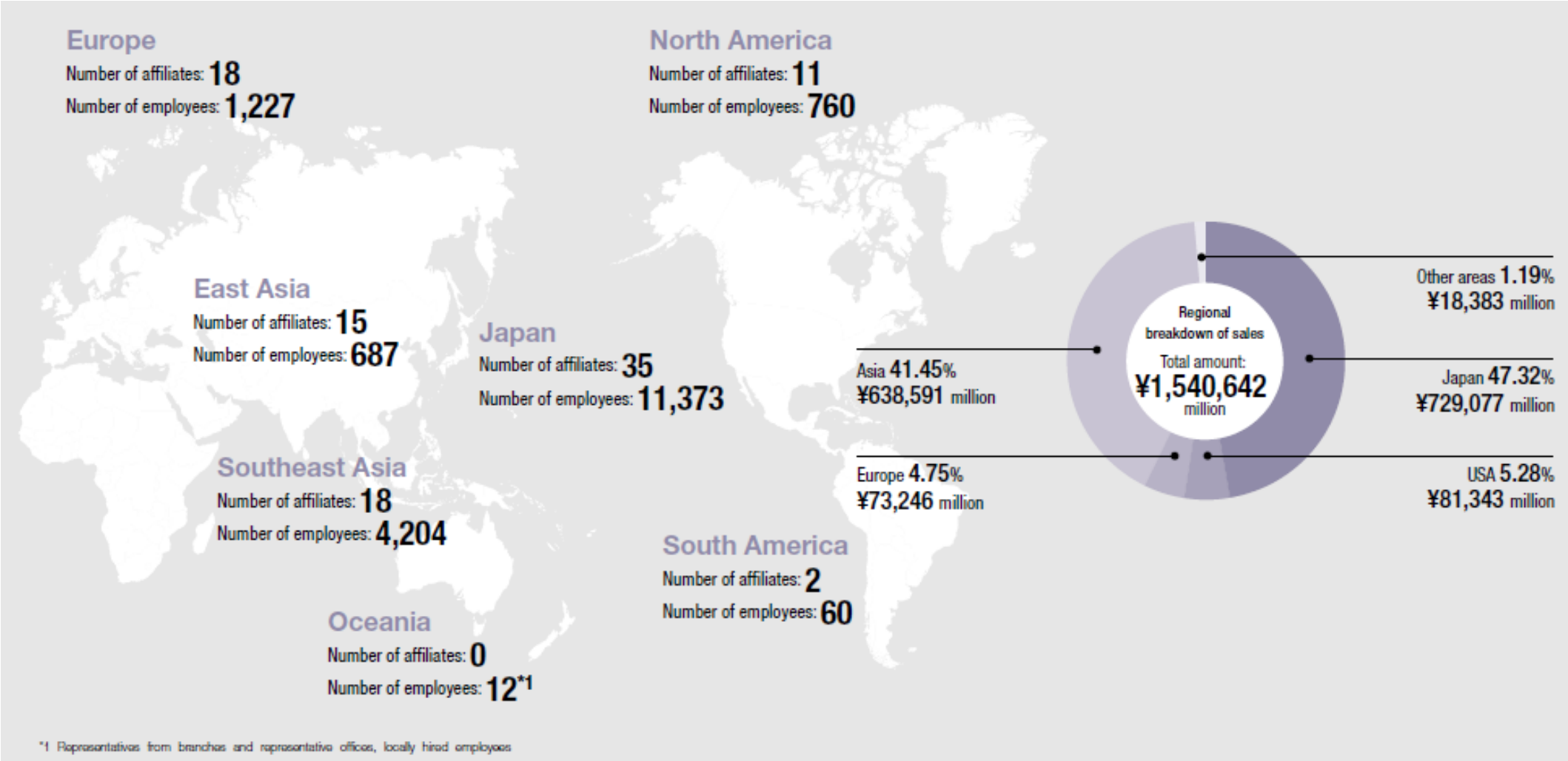
【As of end of November 2024】

Stock Price： ¥2,395	**PBR ： 0.48 times**	**Dividend Yield：4.2%**
Market Capitalization Value ： ¥314.9 billion	**PER ： 7.0 times**	

*The denominator of PBR is the actual net assets per share as of March 31, 2024. The denominator of PER is the forecast for net income per share for the fiscal year ending March 2025
The numerator of the dividend yield is the forecast for the dividend per share for the fiscal year ending March 2025

Status of Overseas Development (As of March 31, 2024)

Global operations in 32 countries and regions



*1 Representatives from branches and representative offices, locally hired employees

Sales Breakdown by Company and Business Segment

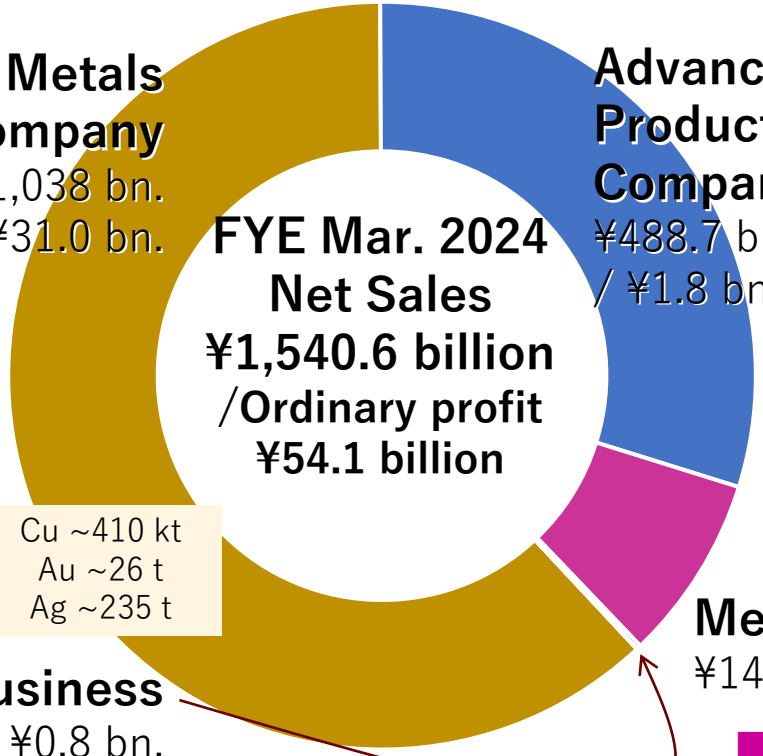
■ Resources business：

Investment in copper mines
Securing procurement of copper concentrate

■ Smelting & Resource Recycling business ：

Smelting of copper and by-products
E-Scrap home appliance recycling

Sales Breakdown by Company and Business Segment



Production FYE Mar. 24 Result	Cu ~410 kt Au ~26 t Ag ~235 t

■ Geothermal power generation, hydroelectric power generation, solar power generation, etc.

Including net sales of ¥-130.7 bn. and ordinary profit of ¥+8.1 bn. as others and adjustments

■ Copper & Copper Alloy business：

Manufacture and sales of processed copper products for the automotive and semiconductor markets

■ Electronic Materials & Components business：

Manufacture and sales of electronic materials for the semiconductor and automotive markets

■ Carbide tools business：

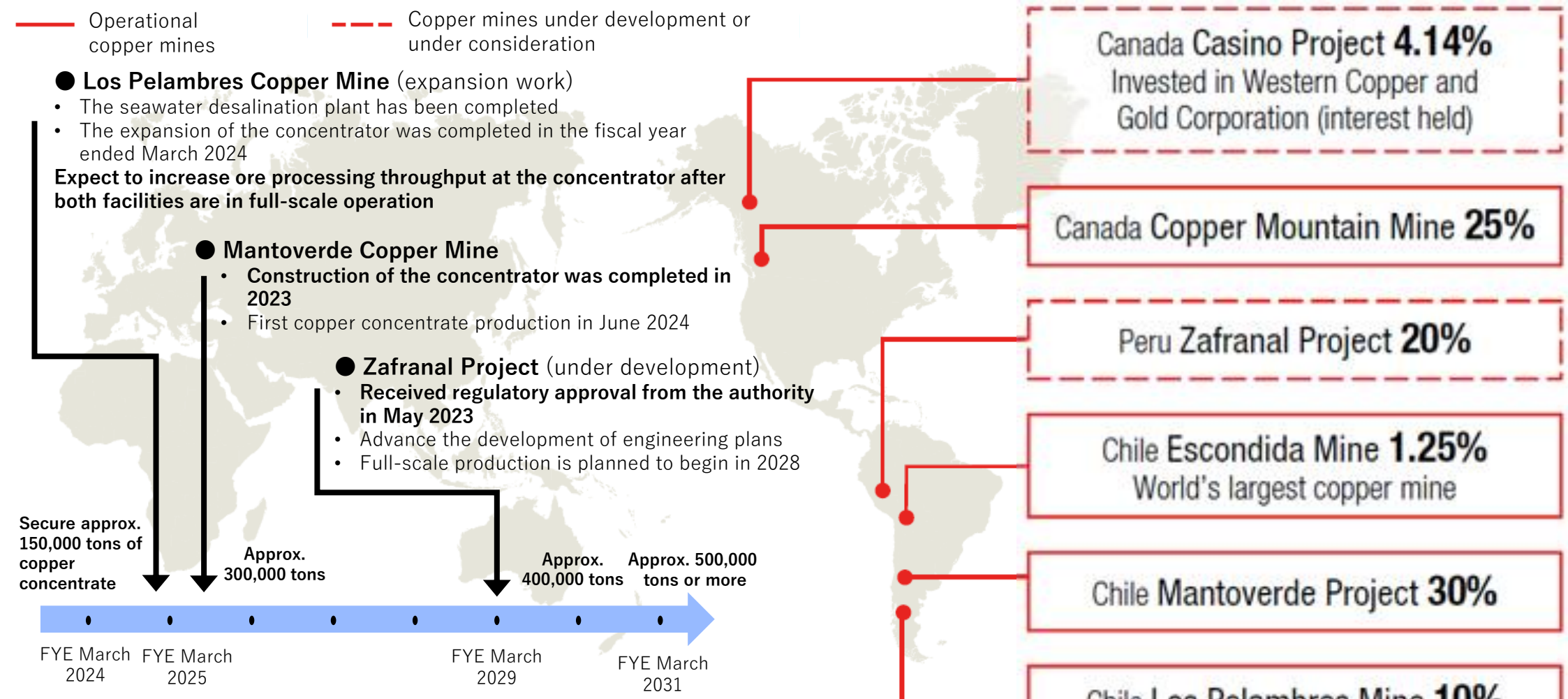
Manufacture and sale of cemented carbide tools for metal processing of automobiles, aircraft, etc.

Overview of the Metals Business

Business	Business Overview	Strengths	Ordinary Profit	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	FYE March 2024 Result ¥20.1 billion FYE March 2025 Forecast ¥18.5 billion FYE March 2026 Plan ¥11.4 billion	<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 ☐ Increased costs due to prolonged development and soaring procurement and labor costs
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) ☐ Recycling technology ☐ Technology to recover rare earth metals, etc.	FYE March 2024 Result ¥11.6 billion FYE March 2025 Forecast ¥29.2 billion FYE March 2026 Plan ¥27.0 billion	<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

Mines in Which We Have Interests

- To expand our recycling business, it is crucial to invest in mines to secure copper concentrates with fewer impurities, which will lead to stable operations of copper smelters, the basic infrastructure of the recycling business, and we are making steady progress in this area
- Our main targets are medium-scale mining projects with low impurity content and a certain level of profitability



● Los Pelambres Copper Mine (expansion work)

- The seawater desalination plant has been completed
- The expansion of the concentrator was completed in the fiscal year ended March 2024

Expect to increase ore processing throughput at the concentrator after both facilities are in full-scale operation

● Mantoverde Copper Mine

- **Construction of the concentrator was completed in 2023**
- First copper concentrate production in June 2024

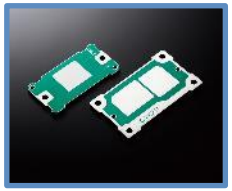
● Zafranal Project (under development)

- **Received regulatory approval from the authority in May 2023**
- Advance the development of engineering plans
- Full-scale production is planned to begin in 2028

● New mine development: Casino Copper-Gold Project

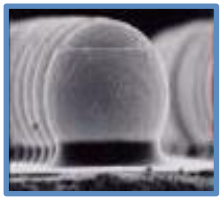
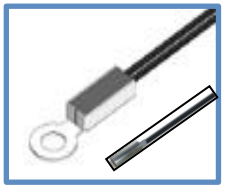
- Verify the feasibility and economics of the Casino Project through technical committee meetings with Western Copper and Gold Corporation

Overview of the Copper & Copper Alloy Business

Key markets	Uses	Main product groups		Strengths
Automobiles Transport equipment	Terminals and connectors	In-vehicle terminals Copper strips for busbars		High-performance copper alloy casting/processing technologies
		Plating		Development capabilities
	Automotive parts	Lead-free brass		Development capabilities
Semiconductors Electronics	Semi conductors	Lead frames		High-performance copper alloy casting/processing technologies
	Electronics	Copper strips for heat sink		High-quality oxygen-free copper casting/processing technologies
Infrastructure Industrial equipment Medical equipment	Equipment parts	Copper rods Busbars		Oxygen-free copper/copper alloy casting and processing technologies
	MRI parts	Superconducting wires		Manufacturing/processing technologies

Ordinary profit	Market Outlook
FYE March 2024 Result ¥-0.5 billion FYE March 2025 Forecast ¥-2.4 billion FYE March 2026 Plan ¥12.4 billion	➢ The overall automotive market has been sluggish, with a moderate recovery in the second half of fiscal 2024. ➢ In the semiconductor market, only the advanced fields such as generative AI are performing well, and although the overall bottom has come out, the market has remained at a low level. ➢ Our company will work to optimize its value chain in response to the growing preference of major customers for local production for local consumption and the rising prices of transportation and energy.

Overview of the Electronic Materials & Components Business

Key markets	Uses	Main product groups		Strengths	Ordinary profit	Market Outlook
Semiconductors Electronics	Semiconductor element bonding materials	Low alpha solders		・Characteristic raw materials ・Evaluation technologies	FYE March 2024 Result ¥2.8 billion FYE March 2025 Forecast ¥3.7 billionn FYE March 2026 Plan ¥8.6 billion	➢ 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.
	Semiconductor manufacturing equipment parts	Silicon processed products		・Material technologies ・Production processes (microfabrication technologies)		
		Sealing products		・Material compounding technologies ・Custom shape designs ・Analysis/analytical technologies		
Automobiles Transport equipment	Automotive glass interlayers	Heat-ray shielding paints		・Characteristic raw materials ・Dispersion technologies		
	Automotive parts	Thermistor sensors		・Device development capabilities ・Customization capabilities (Injection molding technologies)		

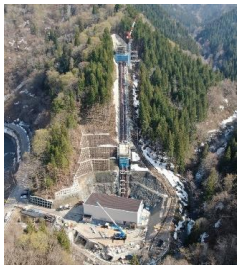
Metalworking Solutions Business Overview

Major industry	Main product group		Company	Strengths	Ordinary profit	Market outlook
Automobiles Transport equipment Aerospace Medical Die & Mold	Cutting tools		Mitsubishi Materials MOLDINO Tool Engineering	・Cemented carbide material manufacturing technologies ・Coating technologies (CVD/PVD) ・Extensive lineup (indexable tools to solid tools)	FYE March 2024 Result ¥12.2 billion FYE March 2025 Forecast ¥10.8 billion FYE March 2026 Plan ¥25.0 billion	・A moderate recovery trend continues as the automotive and aerospace industries recover
Mine excavation Secondary batteries Steel	Rock tools Wear-resistant tools		MMC Ryotec	・Cemented carbide material manufacturing technologies ・Design capabilities as strength in wear-resistant and rock tools		・Mine excavation, construction, and secondary battery markets all continue to recover
Cemented carbide Semiconductors Secondary batteries	Tungsten powder Advanced matal powder		Japan New Metals	・Integrated production, from tungsten recycling to smelting		・Growing demand for high melting point materials due to the growth in electronic components

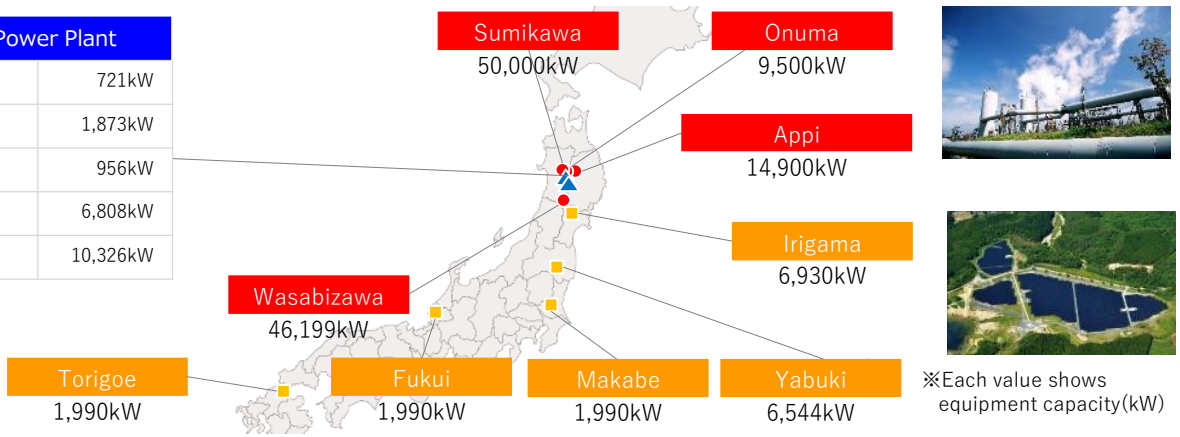
Overview of Renewable Energy Business

Business overview	Strengths	Ordinary profit	Market opportunities and prospects
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.	FYE March 2024 Result ¥0.8 billion FYE March 2025 Forecast ¥2.6 billion FYE March 2026 Plan ¥2.3 billion	● Opportunities Economic: Environmental value enhanced due to increasing demand for renewable energy Political: Contribution to national policies for the introduction of renewable energy Social: Increased social demand on companies to introduce renewable energy and reduce CO_2 emissions ● Risks Technological: **Aging of geothermal power plant facilities** Environmental: Decline in power generation due to change in weather patterns associated with climate change over a long period of time Investment: Increased investment costs due to increase in construction costs
Hydroelectric power generation	We also possess many years of experience in the operation of hydropower generation since its introduction in Japan.		
Solar power generation	Supply of electricity and extensive development and operating experience utilizing the Group's idle land		
Wind power generation Storage batteries, etc.	Idle land, including Approx. 14,000 ha of forest land which we own in Japan, is utilized as new power source development sites.	—	

Business Base



Hydroelectric Power Plant	
Nagata	721kW
Ikari	1,873kW
Ooyu	956kW
Komatagawa No.4	6,808kW
Komatagawa New	10,326kW



●	Geothermal energy
▲	Hydroelectric
■	Mega solar

※Each value shows equipment capacity(kW)

Provided Value

- Ensure a stable supply of clean energy
- Provide renewable energy

Initiatives to Improve PBR in the FY2031 Strategy

Recognition of issues	**The PBR at the end of the fiscal year ended March 2024 was 0.6 times, far less than 1 time. PBR is divided into ROE and PER; ROE is 4.8% and PER is 12.1 times, with ROE being particularly low.**	
PBR recovery plan	● **Recovery to ROE above 10%: achieving the ROE target of 10.0% in FYE March 2026 based on the FY2031 Strategy** ● **Continuing to achieve ROE above 10%: maintaining and improving ROE above 10.0% from FYE March 2027 to achieve the ROE target of 13.6% in FY2031** ● **Demonstrating stable growth with little fluctuation in earnings through the above process and supporting the execution of the FY2031 Strategy, thereby raising future growth expectations and improving PER**	
	ROE Improvement	**Improving profitability** ● **Lowering the break-even point by reducing fixed costs (production cost reduction, yield rates improvement, SG&A cost reduction)** (Total cost reduction of about ¥24.0 bn by FYE March 2031, ratio to operating profit about 13% in FYE March 2026 and about 19% in FYE March 2031) ● **Investing in medium- to long-term growth areas such as resource recycling and expanding the scope and regions** (Maximize ROIC spread and economic profit (ROIC spread x invested capital) for all businesses by FYE March 2031)
	PER Improvement	● **Stable growth of earnings through formulation and implementation of the FY2031 Strategy, which is a medium- to long-term growth strategy** (Ordinary profit target　FYE March 2026: ￥87.0 bn, FYE March 2031: ￥180.0 bn) ● **Stable shareholder return** (aim to achieve a dividend payout ratio of 30% by FYE March 2026 and further increase thereafter) ● **Generate revenue from sustainability activities by formulating and implementing materiality and important themes, measures and KPIs** ● **Achieve strategic progress in line with the FY2031 Strategy, improve the expected growth rate by improving business performance, and reduce the cost of equity**

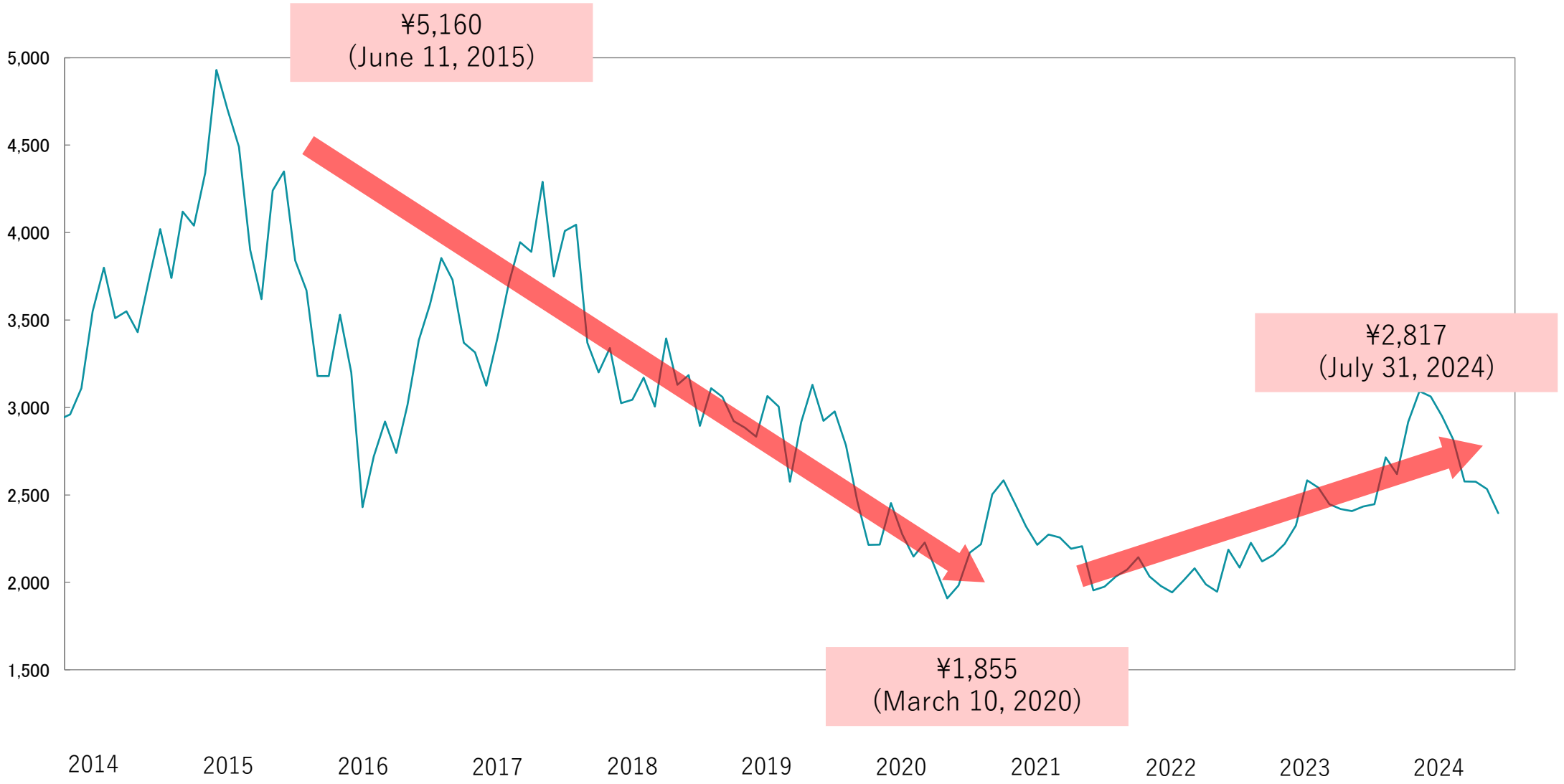
Operating Results

(Billions of yen)

	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024
PL					
Net sales	1,516.1	1,485.1	1,811.7	1,625.9	1,540.6
Ordinary profit	49.6	44.5	76.0	25.3	54.1
Profit (loss) attributable to owners of parent	(72.8)	24.4	45.0	20.3	29.7
BS					
Total assets	1,904.0	2,035.5	2,125.0	1,891.7	2,167.6
Net assets	586.0	614.3	655.7	628.8	685.6
CF					
Operating CF	67.5	78.4	6.8	45.1	51.3
Investment CF	(66.8)	(101.7)	(3.2)	(43.9)	(102.9)
Financing CF	28.8	41.5	(5.0)	3.4	32.9
Cash and cash equivalents at end of period	127.2	147.5	153.6	141.0	131.1

Share Price Trends (Past 10 Years)

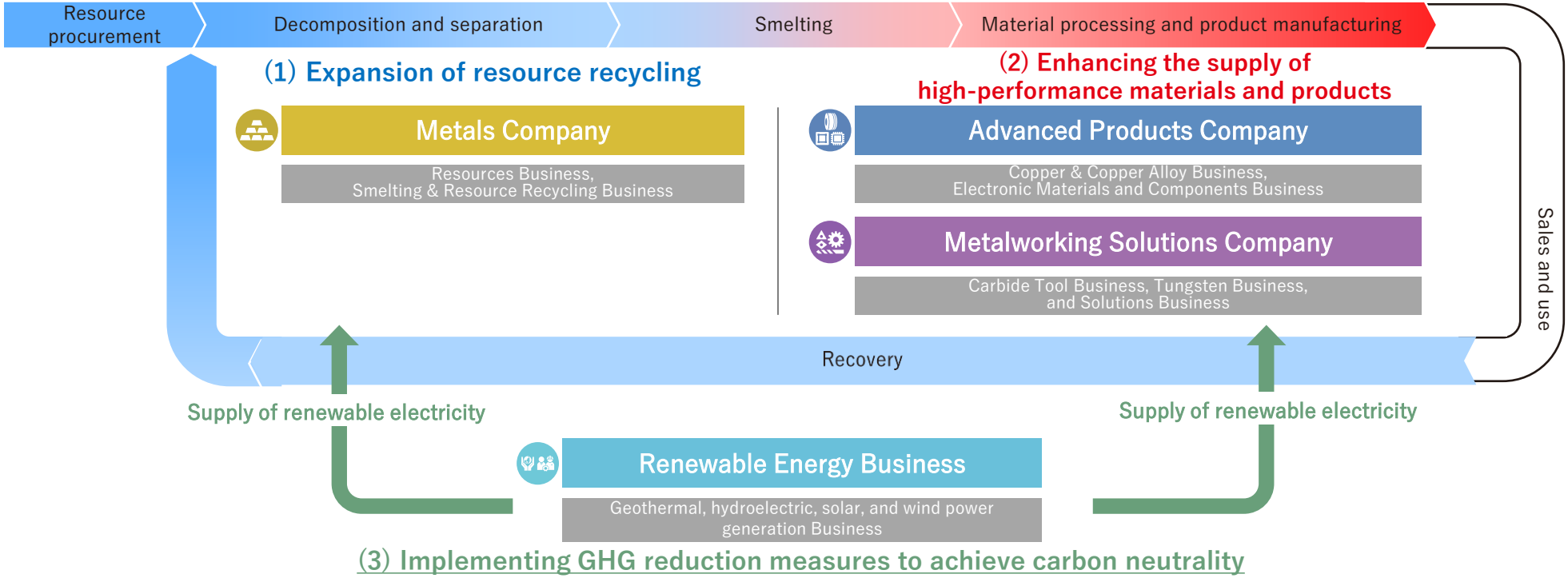
The Company's stock price had been on a downward trend, but has been gradually recovering since 2023.



On October 1, 2016, the Company carried out a reverse stock split at a ratio of 1 share for every 10 shares, and the share prices before that date have been adjusted as required to take into account the impact of the reverse stock split.

Medium-term Management Strategy FY2031 (the FY2031 Strategy)

In order to fulfill “Our Commitment,” we will build a recycling system of metal resources based on our strengths and realize growth throughout the value chain by expanding the scope, regions, and scale of our operations



① Expansion of resource recycling

Expansion of recycling targets (E-Scrap processing, LIB/xEV material, Tungsten, Wrought copper products) and expansion of recycling regions

② Enhancing the supply of high-performance materials and products

Supply of products for growth markets such as semiconductors and xEVs
Expansion of tungsten business in cemented carbide tools

③ Implementing GHG reduction measures to achieve carbon neutrality

Promotion of geothermal power generation in the Renewable Energy business (100% self-sufficiency in renewable power electricity in the fiscal year ending March 2051)
Implementation of GHG reduction measures to achieve carbon neutrality in the fiscal year ending March 2046

Overview of the FY2031 Strategy for Each Business Segment

		1) Expansion of resource recycling	2) Enhancing the supply of high-performance materials and products
Metals Company	Resources Business	● Promotion of technological development to recover rare metal resources contained in copper deposits ● Acquisition of copper mining interests and securing copper concentrates through continuous investment in mines ● Expansion of copper cathode supply through SX-EW operations at copper mines	
	Smelting & Resource Recycling Business	● Strengthening and expanding the networks to promote resource recycling ● Expansion of copper cathode production capacity ● Increasing the recycling rate by expanding the processing of E-Scrap ● Creation of rare earths and rare metals recycling businesses ● Accelerating business developments in Japan and overseas (E-Scrap, home appliances, automobile recycling)	*We revised its plan to increase its E-Scrap processing capacity while limiting the increase in copper concentrate processing capacity
Advanced Products Company	Copper & Copper Alloy Business	● Improve the recycling rate of wrought copper products and establish a scrap platform base	● Overseas (Luvata): Rapid entry into growing markets (xEV, healthcare, environment) ● Expand sales and strengthen services to overseas customers by establishing a new overseas plant which carries out a downstream process, with the domestic plants as mother ones
	Electronic Materials & Components Business		● Highly capital-efficient management through continual restructuring of the business portfolio ● Strategic investment in focal products in growth areas ● Developing and securing human resources for the creation of new businesses and the promotion of business alliances ● Enhancing manufacturing capabilities and DX to enhance production sophistication and profitability ● Providing business and social value (SDGs) for carbon neutrality
Metalworking Solutions Company		Tungsten Business ● Expansion of business scale for rechargeable batteries in addition to carbide tools, etc. ● Strengthening environmental responsiveness	Cemented Carbide Tools Business ● Stable supply of the world's top quality, high-efficiency products utilizing the strength of materials and coating technology Solutions Business ● Commercialization of solution sales to manufacturing sites

3) Supply of renewable electricity

Renewable Energy Business	● New development at one location every three years to expand business ● New entrants into wind power generation where power generation costs are expected to decline in the future

Review of FYE March 2024, Forecast for FYE March 2025

- Operating profit in the fiscal year ended March 2024 fell short of our initial plan, due to the effects of weakening automobile and semiconductor markets. In contrast, we made efforts to enhance cost competitiveness, such as by implementing cost reduction measures in each of our businesses, ahead of schedule in the FY2031 Strategy.
- In the fiscal year ending March 2025, the recovery of demand for products aimed at the automotive and semiconductor sectors in the second half of the fiscal year is expected to be slower than initially anticipated. However, considering the improvement in the metal recoveries of the Metal business, there are no changes to the full-year consolidated performance forecast or dividend forecast.
- We can achieve our strategy targets by implementing the various measures provided in the FY2031 Strategy and enhancing our cost competitiveness.

		FYE March 2023 Result	FYE March 2024 Initial Forecast	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)	1,670.0 (706.0)	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	50.0	23.2	41.0	70.0	130.0
Ordinary profit	Billions of yen	25.3	58.0	54.1	63.0	87.0	180.0
ROIC	%	1.4%	4.1%	3.8%	4.2%	5.5%	9.0%
ROE	%	3.5%	6.8%	4.8%	6.9%	10.0%	13.6%
EBITDA	Billions of yen	75.7	113.0	105.0	112.9	150.0	260.0
Net D/E ratio	Times	0.7	0.7	0.7	0.8	0.7	0.5 or less
Net interest-bearing debt / EBITDA ratio	Times	5.2	4.1	4.5	4.5	3.5	2.0 or less
Dividend per annum	Yen	50	94	94	100		

Medium-term Management Strategy FY2031 Targets and Progress by Business

(Billions of yen)		FYE March 2023 Result	FYE March 2024 Result	FYE March 2025 Forecast	FYE 2031 Strategy Plan	FYE 2031 Strategy Target	Direction for achieving FY2031 Strategy targets
Resources	Ordinary profit	2.4	20.1	18.5	11.4	48.3	• Operations are ramping up thanks to the expansion of Los Pelambres Copper Mine, and the mine dividend is in line with plan • In the fiscal year ending March 2026, ROIC is expected to temporarily decrease and EP is expected to be negative due to investment in mines.
	EBITDA	2.5	19.0	17.1	11.1	49.2	
	ROIC	1.1%	11.7%	11.1%	9.0%	18.6%	
	EP		2.1	1.5		21.0	
Smelting & Resource Recycling	Ordinary profit	25.9	11.6	29.2	27.0	35.0	• Profit increased due to a review of metal prices and a reduction in hedging costs in response to an increase in electricity costs • ROIC is on an improving trend due to an increase in profits • Strengthening the collection system in Europe based on the supply and demand outlook for E-Scrap by region
	EBITDA	42.6	28.8	43.7	39.6	53.2	
	ROIC	8.3%	2.9%	8.1%	7.1%	7.6%	
	EP		-7.4	7.5		8.0	
Copper & Copper Alloy	Ordinary profit	-0.0	-0.5	-2.4	12.4	16.4	• Lower break-even point by improving yield and productivity • Lower raw material costs by improving recycling rate • Promote sales expansion of key accounts in Japan and expand to overseas sales channels • Accelerate sales shift to high-profit products
	EBITDA	9.3	10.6	10.0	24.6	32.4	
	ROIC	0.6%	0.6%	0.3%	4.0%	5.0%	
	EP		-4.5	-5.3		6.0	
Electronic Materials & Components	Ordinary profit	7.7	2.8	3.7	8.6	20.4	• Semiconductor market, effects of increased production due to recovery and growth in demand for automobiles (mainly EVs), additional sales expansion measures (Si semi & finished products, device products) • ROIC improvement through implementation of growth investment plans tailored to semiconductor market conditions
	EBITDA	11.5	6.9	8.1	16.0	29.0	
	ROIC	8.7%	3.3%	4.3%	7.8%	14.2%	
	EP		-2.7	-2.1		7.0	
Metalworking Solutions	Ordinary profit	14.5	12.2	10.8	25.0	52.7	• Strengthen tungsten business (recycling, manufacture and sale of high-performance powders and alloys) through Acquisition of H.C. Starck, Germany • Improve sales efficiency and productivity using DX • Reduce inventories and improve capital efficiency
	EBITDA	27.4	24.5	24.1	39.9	68.7	
	ROIC	6.9%	5.2%	3.8%	8.6%	13.1%	
	EP		-2.1	-5.4		19.0	
Renewable Energy	Ordinary profit	0.9	0.8	2.6	2.3	4.3	• Contribution to earnings from stable operation of Appi Geothermal Power Plant • Promotion of geothermal and wind power generation projects under investigation • Search for potential new geothermal power generation sites • Consideration of wind power generation using its own Company-owned forests
	EBITDA	1.9	2.2	5.3	4.6	8.1	
	ROIC	3.8%	3.4%	5.0%	3.7%	4.7%	
	EP		0.5	1.6		2.0	

Market Conditions and Business Opportunities

Market conditions in the Company

Resources

- The amount of 5.5 million tons of copper in short supply in the fiscal year ending March 2031 as ore supply from copper mines fails to meet rising copper demand

E-Scrap

- In the fiscal year ending March 2031, the amount is more than twice the current level, but lock-in in each region is common

LIB

- The number of the used LIBs increases several dozen times in the fiscal year ending March 2031 with the acceleration of xEVs conversion
- Battery processing technology needs to be advanced

Automobile

- xEV market grows by 25% annually
- Increasing demand for higher currents and voltages, expanding needs for high-performance sensors and high-precision components for various control applications

Aerospace

- Demand recovers due to the calming down of COVID-19
- Increased use of high-performance materials partly due to environmental measures

Semiconductors

- The market is growing at an annual rate of 5%
- Advances in semiconductors and manufacturing equipment are accelerating

Business opportunities for the Company

Expansion of the resource recycling

Need to increase the rate of recycling metal resources, especially copper, for which demand is increasing, and to respond to recycling in new areas such as used LIBs by accelerating the adoption of xEV

Enhancing the supply of high-performance materials and products

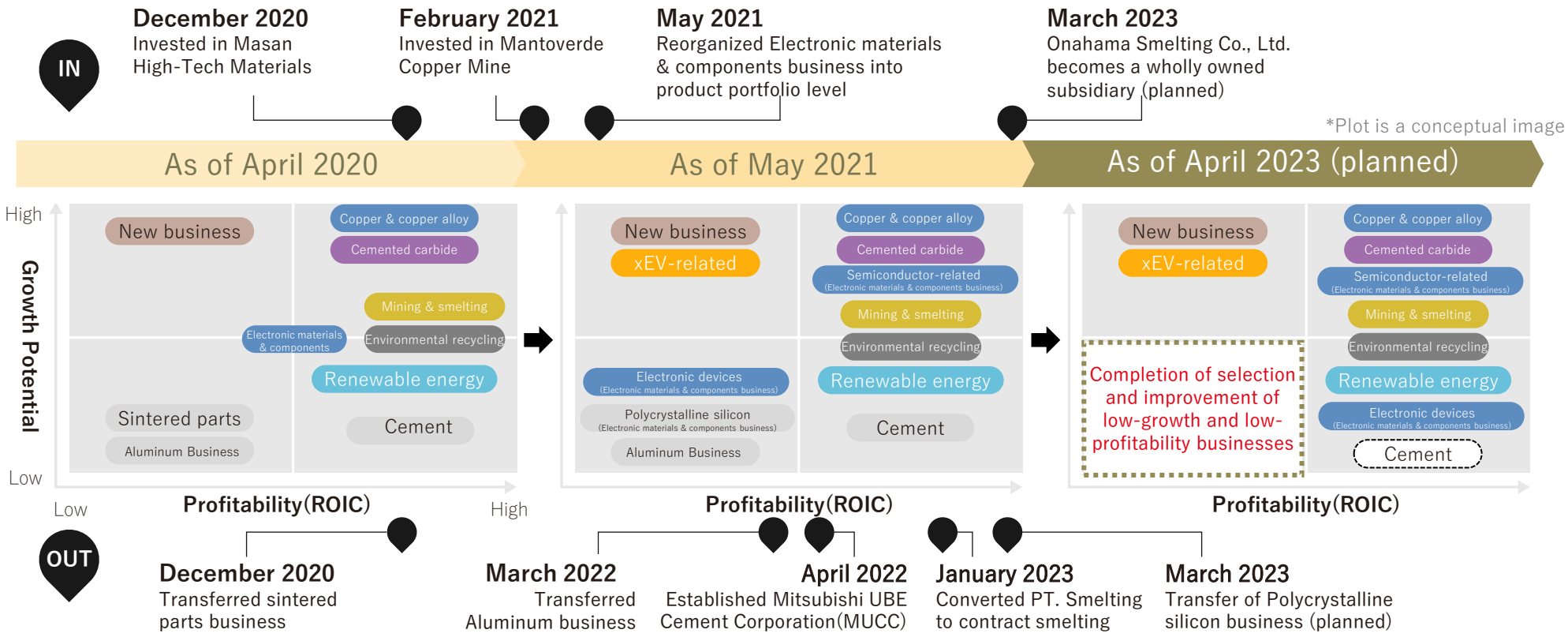
Need to respond to the demand for xEV in automobiles, the high-performance materials in aerospace, and the product sophistication in semiconductors

Trends in the External Environment

Copper	**Demand**	● Growth is slowing due to a generally sluggish global economy and delayed economic recovery in China; however, in the medium- to long-term, demand for copper will remain strong due to demand for EVs and renewable energy, as well as demand for data centers as the digitalization society progresses.
	Copper Price	● Since April 2024, copper prices have been on an upward trend, once exceeding 450 ¢/lb. Since then, copper prices have been falling and rising, and are now at around 400 ¢/lb. ● In the long term, copper prices are expected to remain firm as demand is expected to grow.
	TC/RC	● Supply concerns have led to strong buying by Chinese smelting operations and traders, and spot TC/RCs are extremely low; as smelting capabilities continue to grow in Indonesia and India, there are concerns that TC/RCs will remain low.
Automobile Industry		● Automobile production has been sluggish recently, mainly in Europe and the United States, and is expected to recover moderately from the second half of the fiscal year ending March 2025. ● Demand for copper and carbide tools in our company has recovered slower than expected. The second half of the fiscal year ending March 2025 is also sluggish and is expected to recover moderately.
Semiconductor Industry		● The demand for semiconductors has generally bottomed out and continues to remain flat at a low level, but it is expected to expand in the medium- to long-term. ● Demand for semiconductor-related products in our company is also expected to recover more slowly than expected.

Changes in the Business Portfolio

- During the previous the Medium-term Management Strategy period (FYE March 2021 – FYE March 2023), we restructured our business portfolio and focused on businesses with high profitability and growth potential
- Although the current business environment is facing headwinds, we will pursue profitability and growth potential in our core businesses



Financial effect (from FYE March 2021 to FYE March 2023)

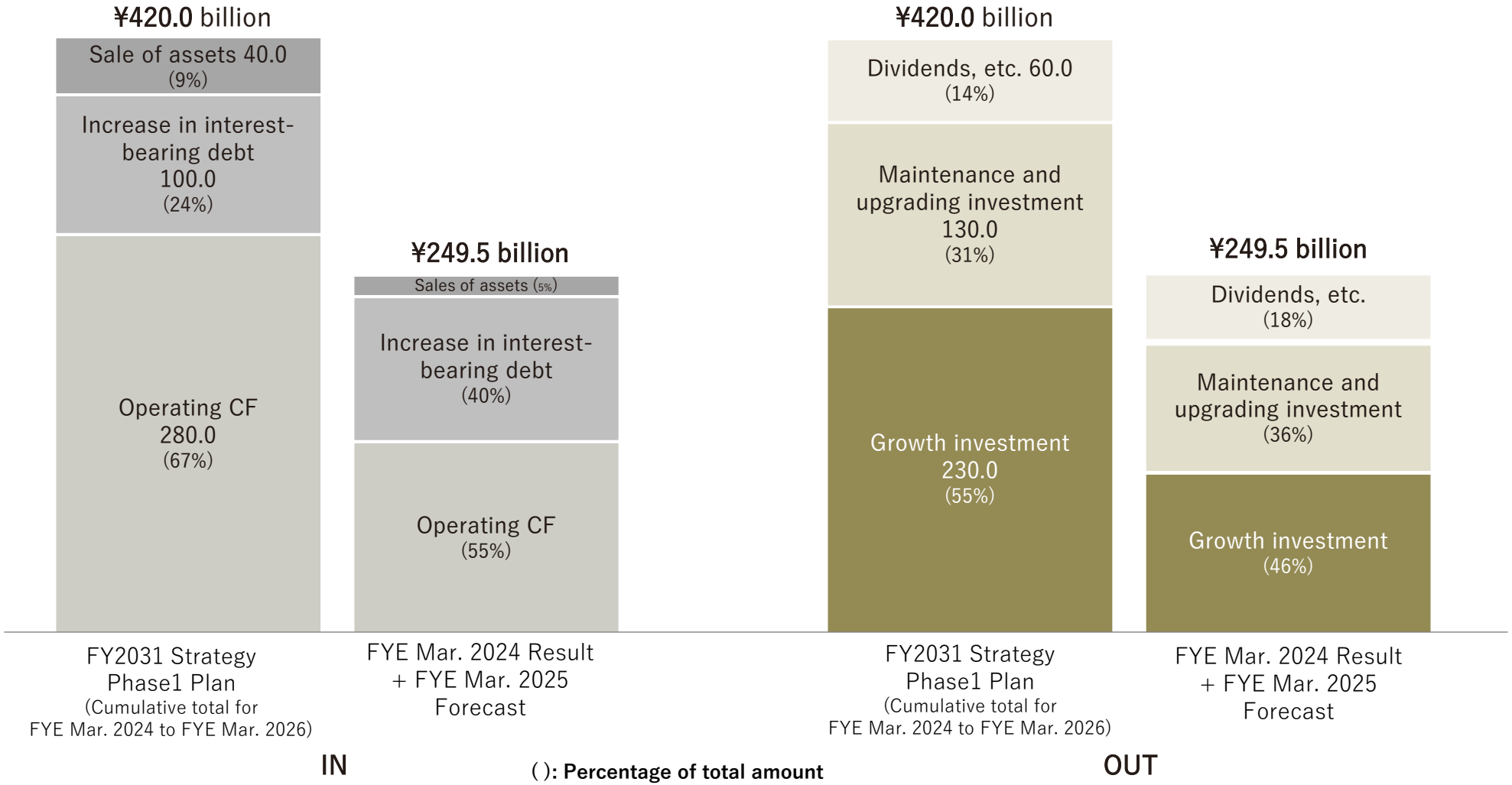
Reduction of interest-bearing liabilities through sales of assets, etc.	Reduction of invested capital through business restructuring, etc.	ROIC improvement effect by reducing invested capital
Approx. ¥-290.0 billion	Approx. ¥-400.0 billion	Approx. +1.3%*1

*1 We estimate the ROIC improvement effect compared the case of executed of business restructuring with the case of continuing these business. (No NOPAT impact in each case)

Capital Allocation

- Cash inflow: Operating CF for FYE March 2024, the first year of Phase1, was lower than expected. As for FYE March 2024 results and FYE March 2025 forecasts, the D/E ratio to the FY2031 Strategy Phase1 plan has increased.
- Cash outflow: We will execute required growth investment.
- While the market is currently recovering, we are aiming to realize the cash allocation envisaged in Phase1.
  Even if the operating CF does not reach the target level, we will realize an appropriate cash allocation while securing the growth investment necessary to realize the strategy.

■Comparion of FYE March ended 2024 result and FYE March 2025 forecast to the FY2031 Strategy Phase1 plan (Progress rate: 59.4%)



Strategic Roadmap

- **Phase1** Improving profit growth and profitability by strengthening cost competitiveness and investing in medium- to long-term growth areas centered on resource recycling
- **Phase2** Expansion of business scale through regional development including overseas, in addition to expansion of target business areas

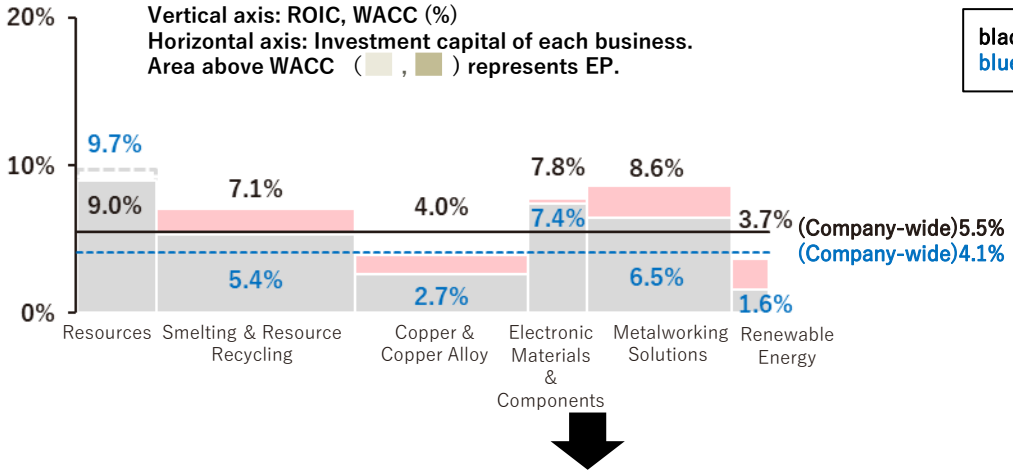
	FYE March 2024 - FYE March 2026 Phase1 Strengthening Competitiveness	FYE March 2027 - FYE March 2031 Phase2 Business Expansion
Expanding the resource recycling	**Investment: ¥110 billion (3 years)** ● Start LIB recycling ● Expansion of the Tungsten business	**Investment: ¥140 billion (5 years)** ● New copper mine investment ● Capacity expansion of copper smelters
Enhancing the supply of high-performance materials and products	**Investment: ¥70 billion (3 years)** ● Strategic investment in semiconductor manufacturing equipment area ● Improving supply chain efficiency	**Investment: ¥110 billion (5 years)** ● Expanding the scale of carbide tools ● Expanding the supply of xEVs materials
Investment in renewable energy	**Investment: ¥5 billion (3 years)**	**Investment: ¥25 billion (5 years)**
Strengthening cost competitiveness	Ratio of improvement in ordinary profit to net sales:+5.4%[*1]	Ratio of improvement in ordinary profit to net sales: +4.9%
Operating Cash Flow	¥280 billion (3 years)	¥790 billion (5 years)
EBITDA[*2]growth rate (CAGR)	16.5%[*3]	11.5%

*1 Range of improvement in the ratio of ordinary profit to net sales. Net sales excluding metal.
*2 EBITDA=Ordinary profit + Interest expense+Depreciation + Amortization of goodwill (same as below)
*3 Cement business loss in FYE March 2023 excluded

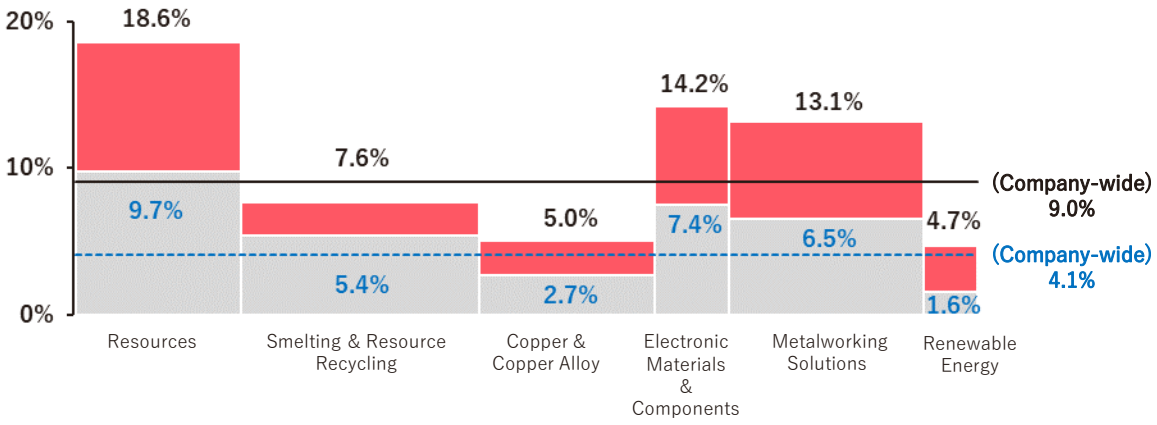
Business Management Indicators (ROIC, ROIC Spread, EP)

- Optimize the allocation of management resources from a company-wide perspective and aim to increase the ROIC spread and expand Economic Profit (EP) by increasing investment capital
- ROIC will be lower than WACC in the Resources Business in the fiscal year ending March 2026, but higher than WACC in all businesses in the fiscal year ending March 2031, and an increase in EP will increase corporate value

FYE March 2026 Business EPs — EP = ¥17.0 billion



FYE March 2031 Business EPs — EP = ¥79.0 billion



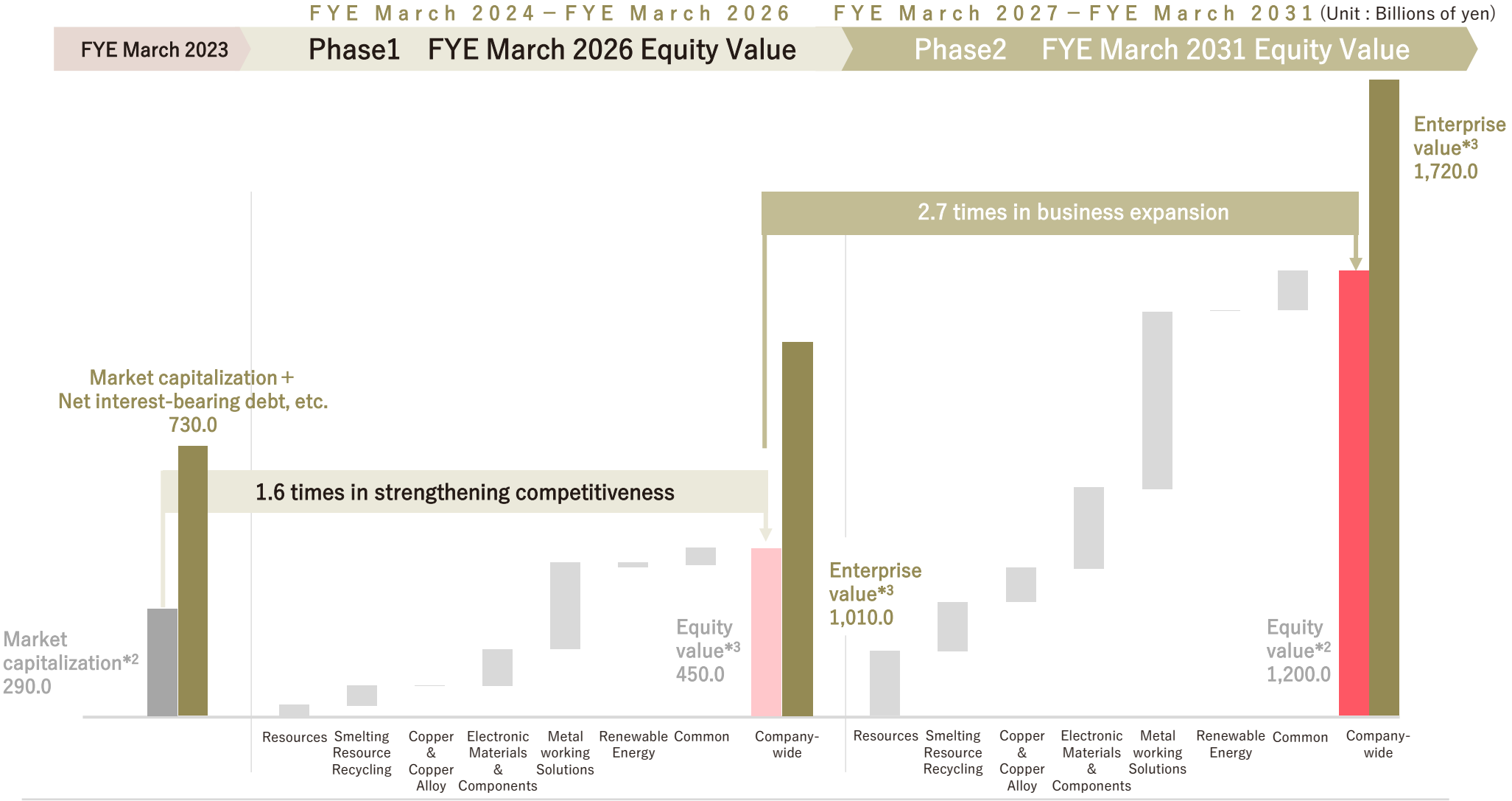
Outlook for each business

*Figures are EP targets for 2031 businesses (billion yen)

Resources 21.0	● Implementing strategic investments from a long-term perspective and expanding investment capital ● ROIC spread will be positive since FYE March 2027 due to increased profits from copper mines
Smelting & Resource Recycling 8.0	● Optimizing resource recycling processes and investing in LIB recycling ● Continuously improving profitability mainly by increasing the processing capacity of E-Scrap
Copper & Copper Alloy 6.0	● By FYE March 2026, large growth investments will have reached a plateau ● Expanding sales, improving yields, and improving efficiency through investment effects
Electronic Materials & Components 7.0	● Aggressive investment until FYE March 2026 by strong forecast of future semiconductor demand ● ROIC slightly exceeds WACC in FYE March 2026, but after that profit contribution will be occurred
Metal working Solutions 19.0	● Expanding investment capital through growth investment by considering M&A ● Increase profitability by shifting to high-value-added products and reducing costs
Renewable Energy 2.0	● Investment in growth to achieve 100% self-sufficiency in renewable electricity ● ROIC is low, but it has steadily surpassed WACC, expanding with the start of new power supply operations

Enhancing Equity Value and Enterprise Value (by SOTP*1 Analysis)

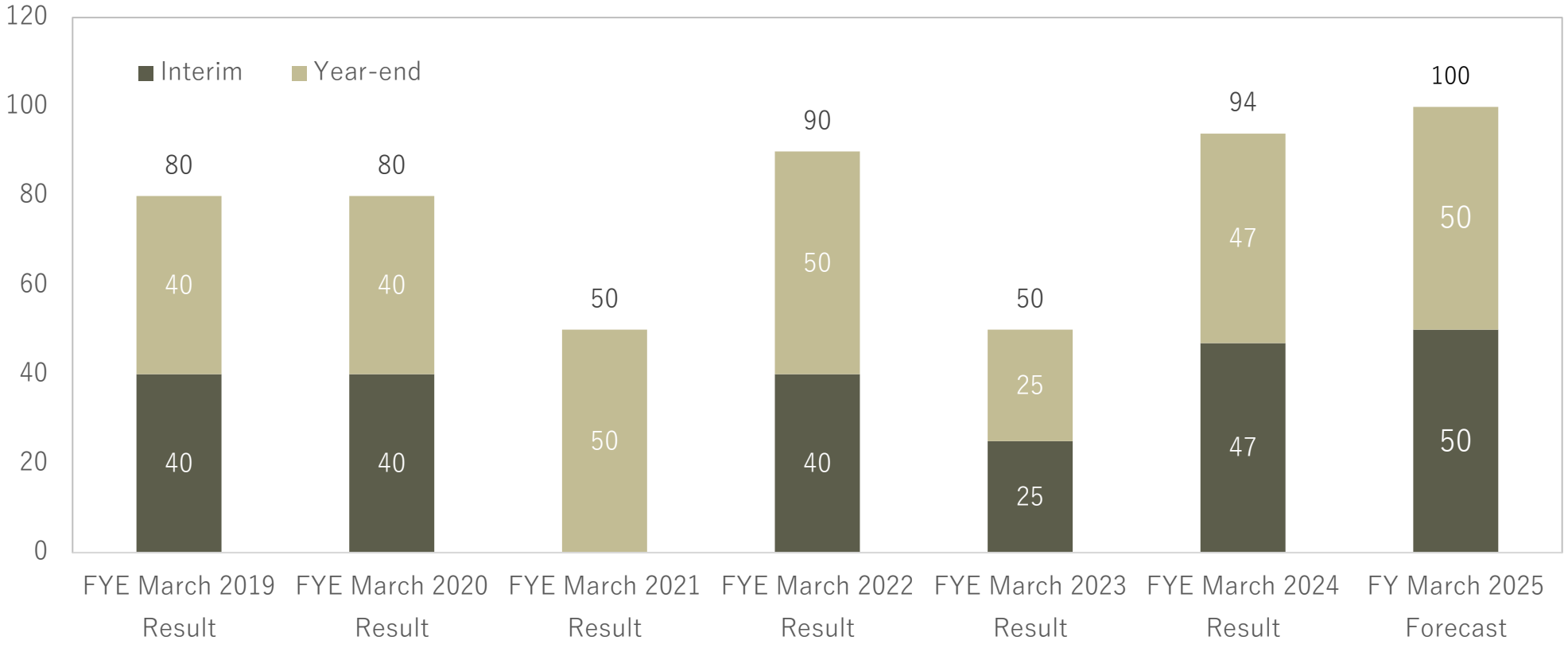
- Under the Medium-term Management Strategy FY2031, the company aims to grow EBITDA and improve its balance sheet to increase its equity value and enterprise value, and to achieve approximately four times its equity value by the fiscal year ending March 2031



※1 Sum-of-the-Parts
※2 Equity value for FYE March 2023 is as of the end of January 2023
※3 Enterprise value is calculated by multiplying EBITDA for each business by a multiple that takes into account the same industry, and net interest-bearing debt is deducted from enterprise value to calculate equity value
Enterprise value and equity value are figures calculated independently by the Company using SOTP analysis based on the business performance forecast of the FY2031 Strategy and the Company does not guarantee the stock price

Enhance shareholder returns

- From FYE March 2023 to FYE March 2025 (Phase 1 of the FY2031 Strategy), we will aim for a payout ratio of 30% in shareholder returns
- From FYE March 2027 to FYE March 2031 (Phase 2 of the FY2031 Strategy), we will enhance shareholder returns
- We will consider flexible share buybacks based on cash flow conditions, stock price, net D/E ratio, and other financial discipline



*Breakdown of FYE March 2022 Dividends
Interim Dividend: Ordinary Dividend ¥ 25.00 Special Dividend ¥15.00
Year-end Dividend: Ordinary Dividend ¥35.00 Special Dividend ¥15.00

Expansion of Resource Recycling

- In terms of resource recycling, we will expand the scope, regions and scale of our operations based on trends and laws and regulations in each country and region.

Expanding the Scope of Resource Recycling

- **E-Scrap recycling** (Improving processing capacity)
- **LIB recycling** (Pilot plant design in progress)
- **In-process recycling of the Copper & Copper Alloy business** (Cost reduction, copper smelter load reduction → Increasing E-Scrap)
- **Cobalt recovery at a copper mine** (Pilot plant testing underway at Mantoverde Copper Mine)
- **Tungsten Recycling** (Acquired H.C. Starck to become global leader)
- **Construction of resource recycling loop**
  - Home appliances: Scaling up in Japan and overseas
  - Automobile recycling: Scaling up targeting EV vehicles
  - Creating a recycling system to extract important mineral resources from various products and supply them as raw materials for products

Expanding Business Regions

Economic bloc, enclosure of important mineral resources
Japan: Economic security
USA: IRA law
EU: Various regulations
↓
Toward intraregional circulation

- **Establishment of a new company in Europe**
  - Development of resource recycling strategies in Europe and rapid implementation (E-Scrap/Copper-based scrap/LIB/Tungsten)
- **Enhancement of E-Scrap Recycling by Domestic Smelters**
  - Enhancement of E-Scrap processing capacity by improving smelting and pretreatment capacity
  - Expansion of Collection Centers in Europe
  - Investment in mines to secure low-impurity copper concentrates
  - Enhancing functions of MEX* *Online E-Scrap trading system
- **Investment in Exurban**
  - Participation in the construction and operation of a recycling plant in Indiana, USA
  - Expansion outside the USA

Movement of Competitors and Expansion of E-Scrap Processing Capacity

- We are aiming to maximize our E-Scrap processing capacity to reach 240,000 tons by the fiscal year ending March 2031.
- As for Naoshima Smelter & Refinery, we will increase our copper smelting and other facilities, thereby increasing the processing capacity by the fiscal year ending March 2028.
  In Onahama Smelter & Refinery, we will build a pretreatment facility for increasing the processing capacity and start operation in the fiscal year ending March 2029.

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

<Movement of competitors toward increased processing of E-Scrap >

Company A
Construction of a dedicated E-Scrap furnace
(Processing capacity)
60Kdmt/Y to 100Kdmt/Y

Company B
Expansion of the smelters processing capacity
(Processing capacity)
30Kdmt/Y to 43Kdmt/Y

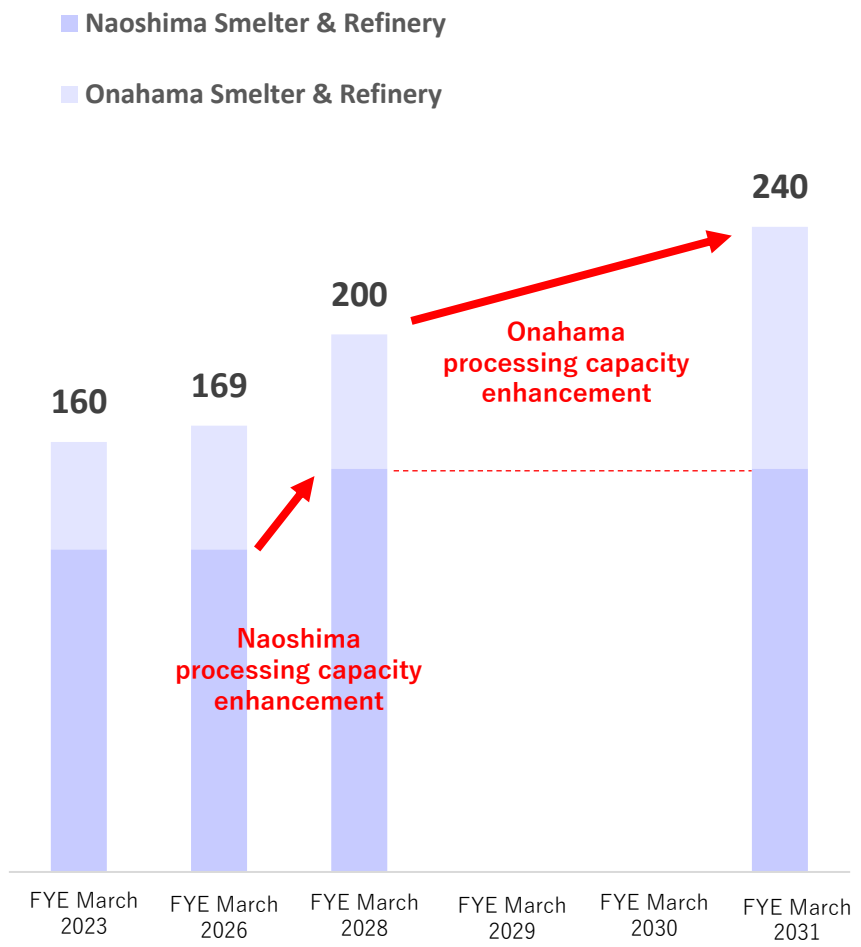
Company C
E-Scrap processing capacity: 120,000 tons per year

Company D
Plans to introduce pretreatment furnace

Company E
Announcement to rise the ratio of recycled materials in their raw materials to 50% by 2040

Company F
Operation of sampling facilities

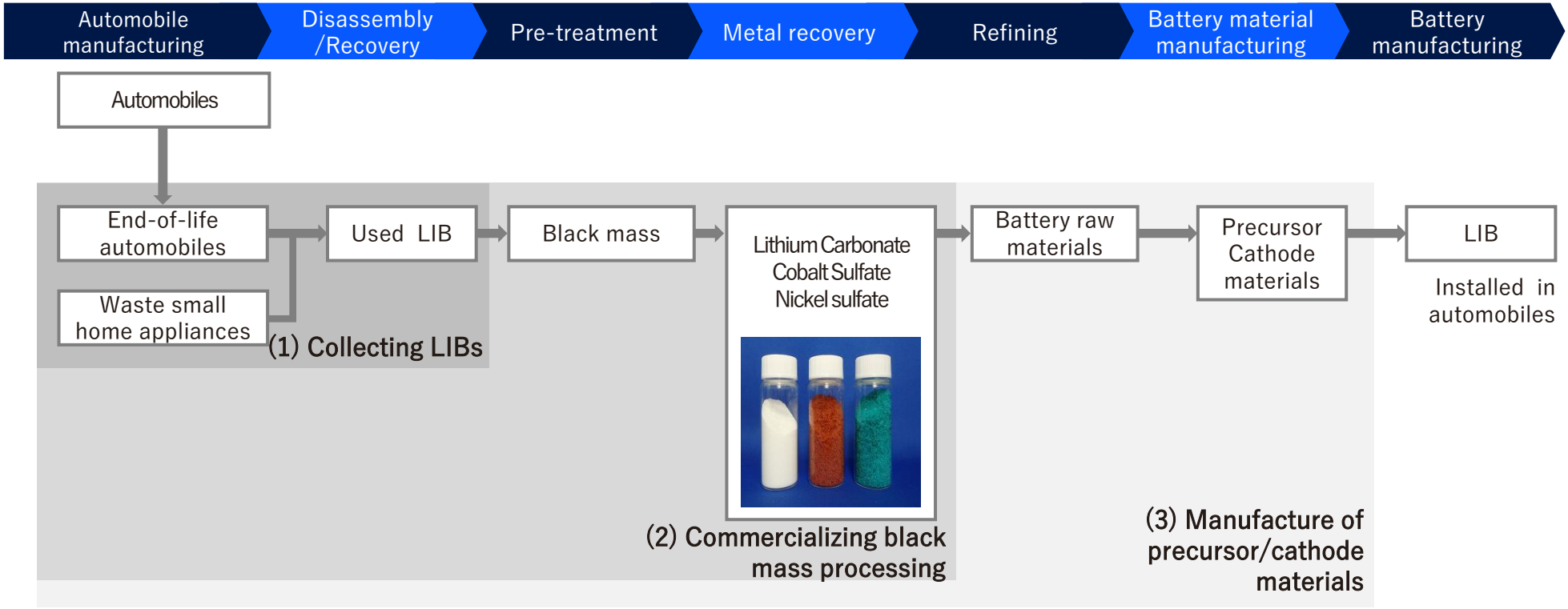
E-Scrap processing capacity (unit: thousand tons)



Metals Company

LIB Recycling

- We will establish a recycling technology to recover rare metals at high efficiency by using our smelting technology and know-how we have cultivated over the years, including recovery of copper and precious metals.
- We aim to contribute to the establishment of an integrated recycling system from lithium-ion battery (LIB) processing to the stable supply of lithium-ion battery materials.



- Secured global competitiveness through the “early development of a consistent recycling process from LIB to battery materials,” “collection of black mass utilizing the network built through the E-Scrap business,” and the “efficient recovery of lithium carbonate, cobalt sulfate and nickel sulfate from Black Mass"
- Expanding the Company's business domain through the recovery of LIBs from end-of-life vehicles (1), commercialization of Black Mass processing through collaboration with other companies (2), and further development of precursor/cathode material manufacturing (3)
- Constructing a pilot plant at Onahama Smelter & Refinery site (Operations are expected to begin in July 2025, almost as planned) and further developing technologies toward commercialization of highly efficient recovery of rare metals from Black Mass

Progress of Mantoverde PJ (Copper Concentrate Production and Cobalt Recovery)

- Copper concentrate production began in June 2024. As of November 2024, the project is in full-scale production.
- Profitability forecasts for the current period project negative profits for the first half of the fiscal year, which is the launch period, but profitability will be achieved for the year overall as operations ramp up moving into the latter half of the fiscal year.
- A pilot plant test for cobalt recovery began in January 2024.

< Concentrator >

< Aerial overview>

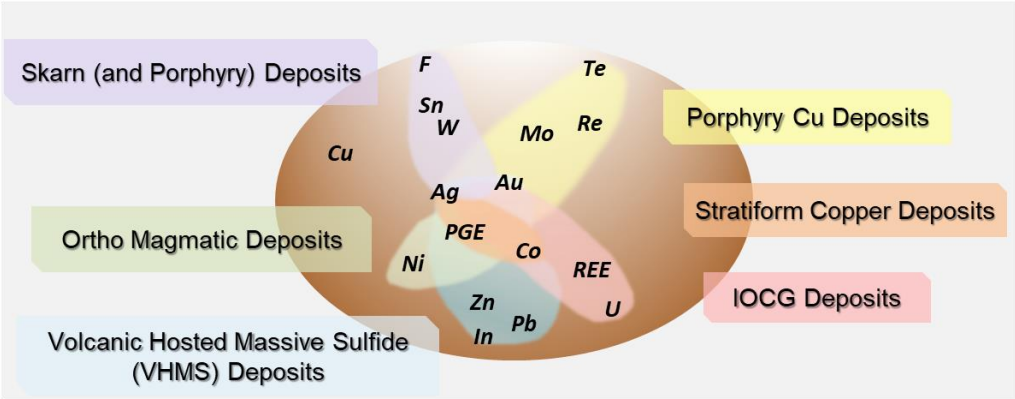
< Overview >

Location and Geography	Atacama Region, Northern Chile Approx. 50 km from the coastline and 176 km to the nearby city of Copiapo Altitude: 880 m Although located in a desert area with little rainfall, the mine has a seawater desalination plant.
Resources (contained metal)	5.7 million t Cu
Reserves (contained metal)	2.1 million t Cu
Mining method	Open pit
Copper production	1.7 million t Cu over mine life
Mine life	2041

Commercialization of the Recovery of Valuable Metals from Copper Deposits

Purposes

- Aim to recover valuable metals specific to each deposit type at mines in which we invest



Future Initiatives

- Develop elemental technologies through joint research between Mining & Metallurgy Laboratory and universities and other research institutes in Japan and overseas
- Implement pilot-scale demonstration tests to start commercial production, assuming the use of subsidies
- Conduct FS for the recovery of valuable metals in cooperation with partners, such as mines in which we invest, and venture companies with relevant technology

Example of initiatives at the Mantoverde Copper Mine

- The ore from the Mantoverde Copper Mine contains trace amounts of cobalt in both sulfide and oxide ores. We are developing technology to separate and recover this cobalt as a cobalt-nickel intermediary.
- Commercial production is scheduled to begin around 2027.
- In the future, we plan to promote the recovery of valuable metals in other mines in which we have interest.

Acquisition of H.C. Starck Holding as a Subsidiary

- Mitsubishi Materials (“MMC”) has acquired all shares of H.C. Starck, one of the world's leading tungsten product manufacturers, making it a wholly-owned subsidiary as of December 2024.
- For cemented carbide tools, which uses tungsten as its main raw material, we will accelerate efforts to secure global collection and recycling capacity for used cemented carbide tools.
- By leveraging tungsten business bases in Japan, Europe, North America and China, Mitsubishi Materials Group and H.C. Starck will develop a global tungsten recycling business.

Strengthening R&D capabilities through the cooperation between Japan New Metals Co., Ltd. Corporation (Wholly owned subsidiary of MMC) and H.C. Starck

Creating synergies and improving corporate value through cross-selling initiatives

Global business development of tungsten recycling by utilizing recycling technologies and bases owned by both companies

<Company Profile of H.C. Starck Holding (Germany) GmbH>

Address	Gosler, Germany
CEO	Dr. Hady Seyeda (Managing Director)
Business	Manufacture high-quality powders made of tungsten powder, tungsten carbide powder, and its alloys in Europe, North America, and China and has sales networks worldwide, including Japan Own the world's largest tungsten recycling capacity
Share Capital	€25,000 (approx. ¥4 million)
Year of Establishment	1920
Major Shareholders and Shareholding Ratio	Masan Tungsten Limited Liability Company 100% (Wholly owned subsidiary of Masan Hi-Tech Materials Corporation, Vietnam)
Net Sales (FYE March 2024)	Approx. €334 million (approx. ¥52.4 billion)

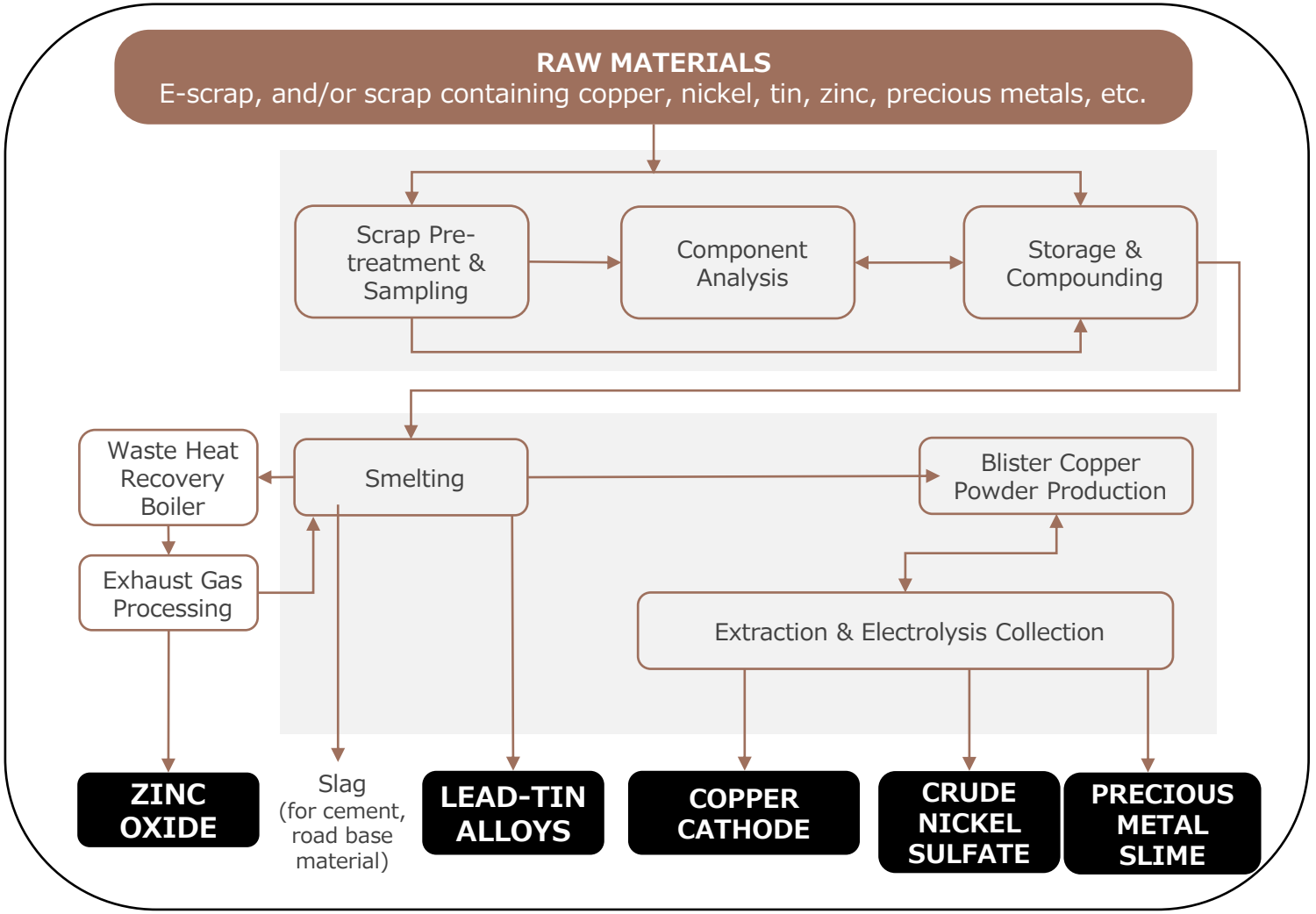
Exurban Project Progress

- As we anticipate continuing trends toward local recycling within regions and local production for local consumption in North America, we are participating in this project as a means of gaining a foothold in the N. America region, and to acquire technology specialized for smelting secondary raw materials.
- With Exurban, we aim to provide solutions for building resource recycling systems.
- We are in the process of accelerating the study process for the construction of a smelter in Indiana, U.S., while promoting joint development.

Exurban Project

Recycled Products

- Copper Cathode
- Precious Metal Slime
- Crude Nickel Sulfate
- Tin & Lead Alloys
- Slag, etc.



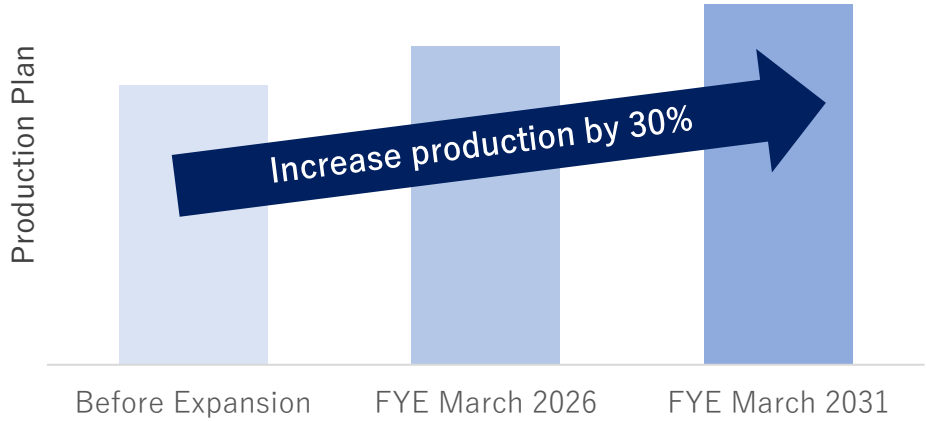
Copper & Copper Alloy Business: Capacity Expansion Investment in the Rolling Business

- We are progressing capacity expansion investment in the rolling business as planned. Since production capacity is anticipated to improve after the completion of the work in Sambo Plant, we will strive to expand sales in order to match up sales to production.

Increase production of copper sheet and strip products

- **Strengthen and expand core businesses (copper sheets and strips)**
- **Further expand market share in the domestic market**
- **Taking on the challenge of the global market**

Production capacity expansion plan for copper sheets and copper strips



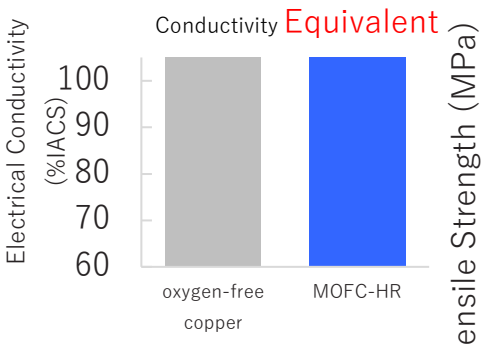
		Sakai Plant	Sambo Plant	Wakamatsu Plant
Location		Sakai City, Osaka, Japan	Sakai City, Osaka, Japan	Aizuwakamatsu City, Fukushima, Japan
Products targeted for increase production		Copper cake	Copper sheet and strip	Copper strip
Plan	Increase in production	Increase production by approximately 30%		
	Investment	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		**Started operation**	**To be completed in December 2024**	**Completed**

Copper & Copper Alloy Business Oxygen-free Copper

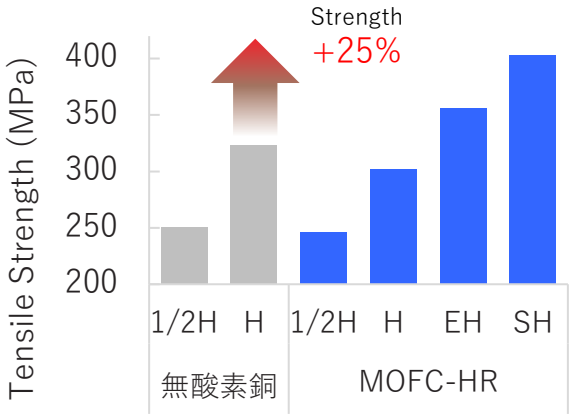
- We developed MOFC-HR (Mitsubishi Oxygen Free Copper - Heat Resistance), an oxygen-free copper with the world's highest level of strength and heat resistance, and are promoting its adoption as a material that requires high current and high heat dissipation in harsh environmental conditions, such as xEVs and next-generation energy

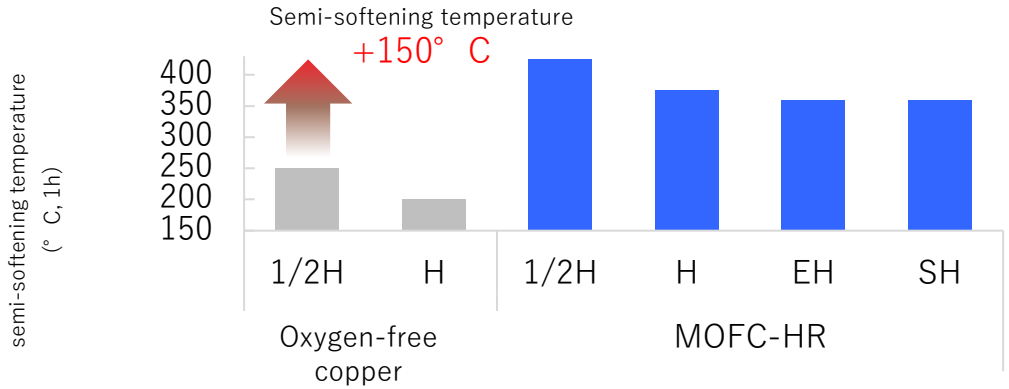
Oxygen-free copper's outstanding properties × **Copper-alloy class high performance**

Electrical and thermal conductivity

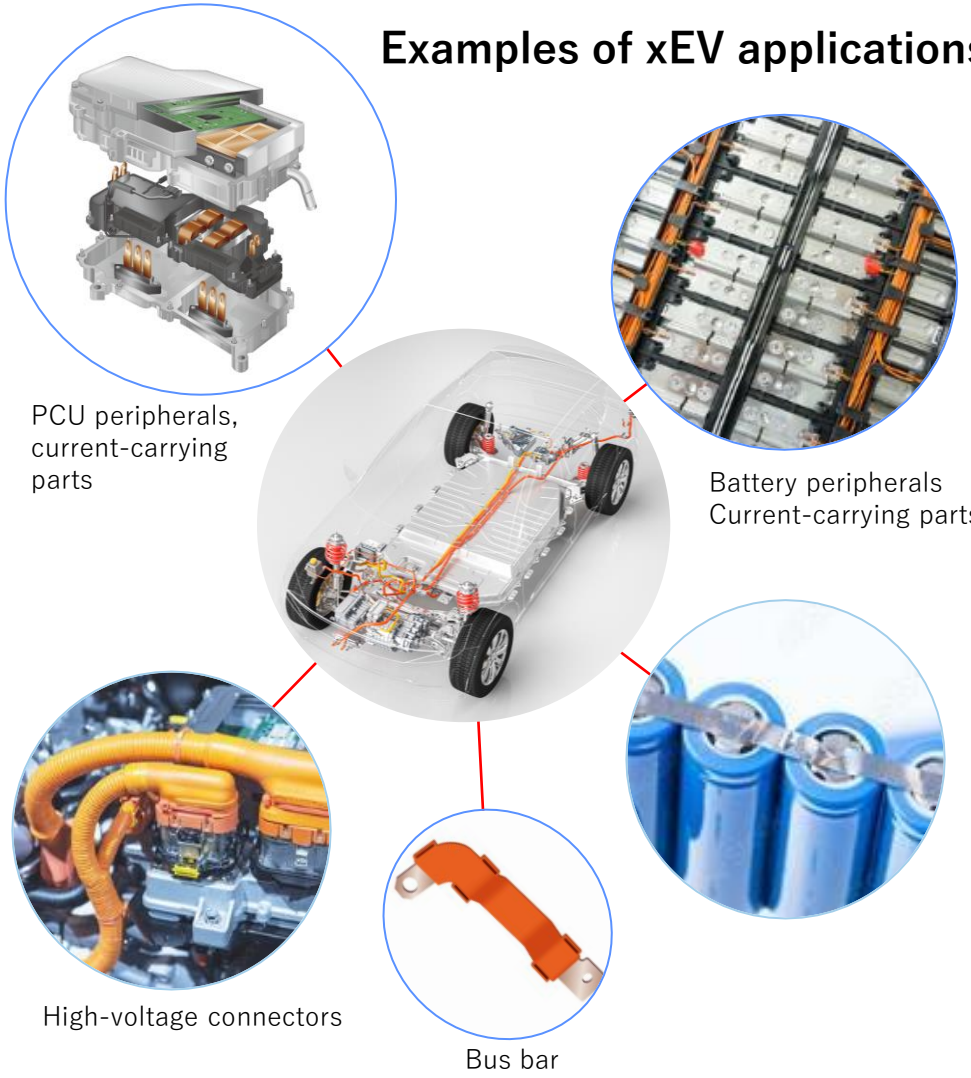


High strength and heat resistance





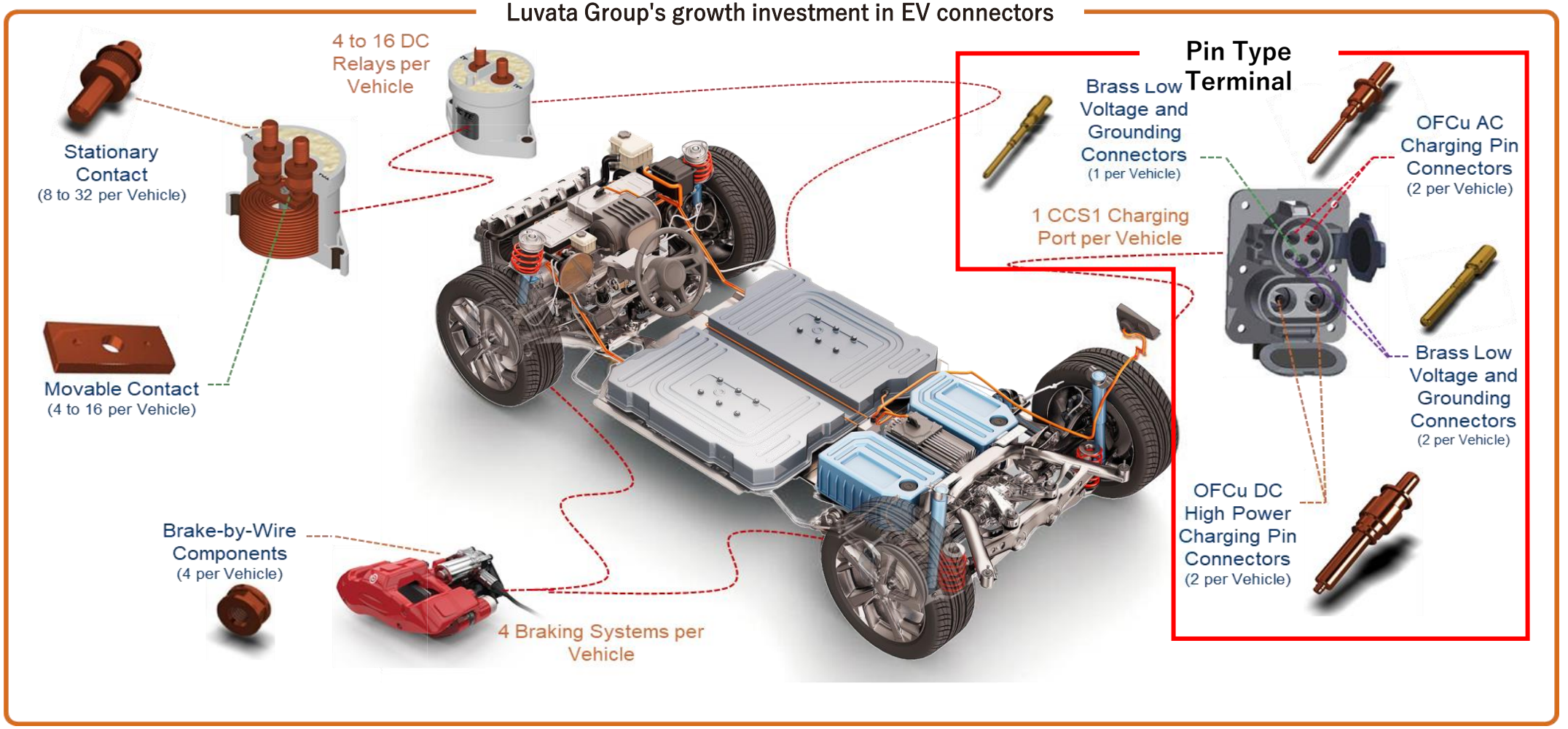
Examples of xEV applications



Luvata Group's Growth Investment in EV Connectors

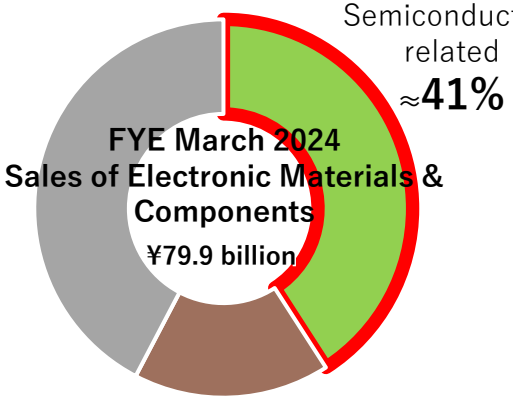
- We will expand sales of pin-type terminals in the expanding EV market by leveraging the cold forging technology cultivated in the welding electrode business.
- We are proceeding with capital investments to build a production system in the Americas, Europe, and Asia.
- In the Americas, we are moving ahead with mass production. As the demand is strong, and we will gradually expand the market.
- The market is expected to grow as EV production increases, with an average annual growth rate of 21% by 2029.

Luvata Group's growth investment in EV connectors



Electronic Materials & Components Business: Status of Semiconductor Products

- While the precise timing will differ for each of our products, we anticipate demand to recover in or around the latter half of FYE March 2025.
- Since the business environment for precision silicon products has deteriorated, we will reassess the planned investments in increased production and shift to other growth areas. We will also work on measures to increase sales shares among major customers, acquire new customers, enter new fields, etc.
- We will continue to strengthen cost competitiveness by reducing fixed costs such as labor and maintenance costs, mainly in the functional materials business.



Advanced Materials (≈ 24%) Chemical Business (8%) Seals(9%)

Coating Diffusion Sources

Columnar Crystal Silicon

Investment to increase production capacity by about 1.3 times (compared to FYE March 2022) is progressing as planned.

Photo Acid Generator for Photo Resists

Raw Material Manufacturers

Equipment Component Manufacturers

Semiconductor-related Industry

Semiconductor Materials Manufacturers

Semiconductor Equipment Manufacturers

Semiconductor Device Makers

Precision Silicon Products

Reassess investment in increased production announced in FY2031 Strategy

Sealing Products

Investment to increase production capacity by about 1.5 times (compared to FYE March 2022) is progressing as planned.

Silver-coated Powder

Thin Film Forming Materials Sol-Gel Solution

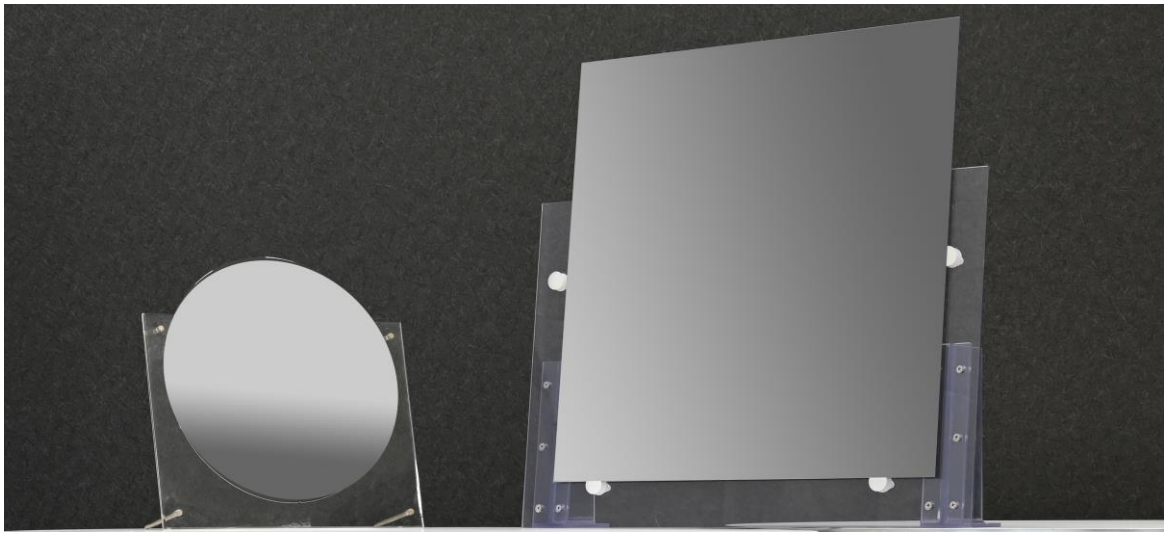
Low α emission solder (Precision Mounting Material)

AuSn Solder Paste (Precision Mounting Material)

Some products for semiconductor device makers show signs of recovery in demand.

Development of Square Silicon Substrate for Semiconductor Packages

Contributing to the improvement of productivity in the next-generation semiconductor field



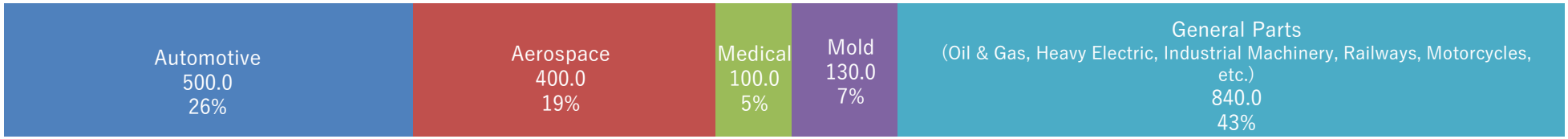
(Left is ϕ300 mm single crystal Si wafer (size comparison))

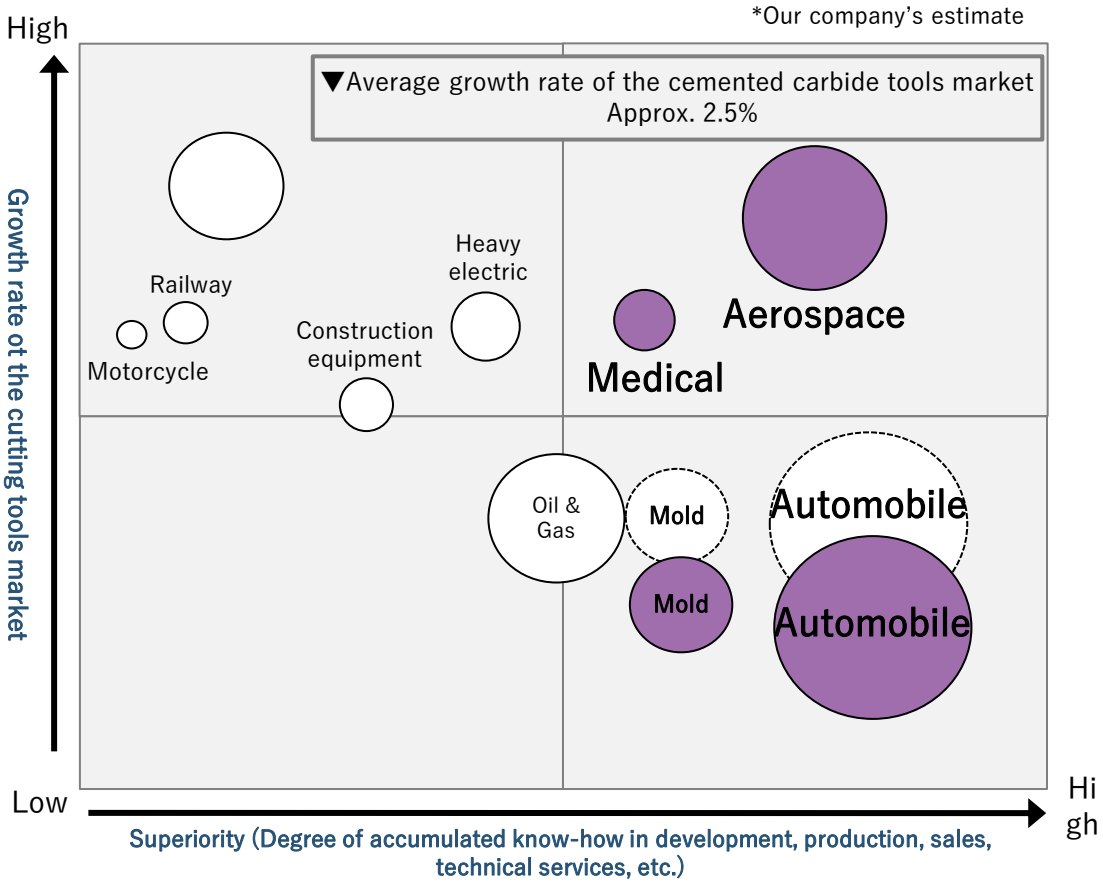
- World's Largest Rectangular 600 mm Square Silicon Substrate
- Applications for Next-Generation Semiconductor Packaging
- Developed by combining large silicon ingot casting technology cultivated by Group companies with our company's proprietary processing technology
- We have received many inquiries and sample requests from manufacturers of devices, equipment, and auxiliary materials

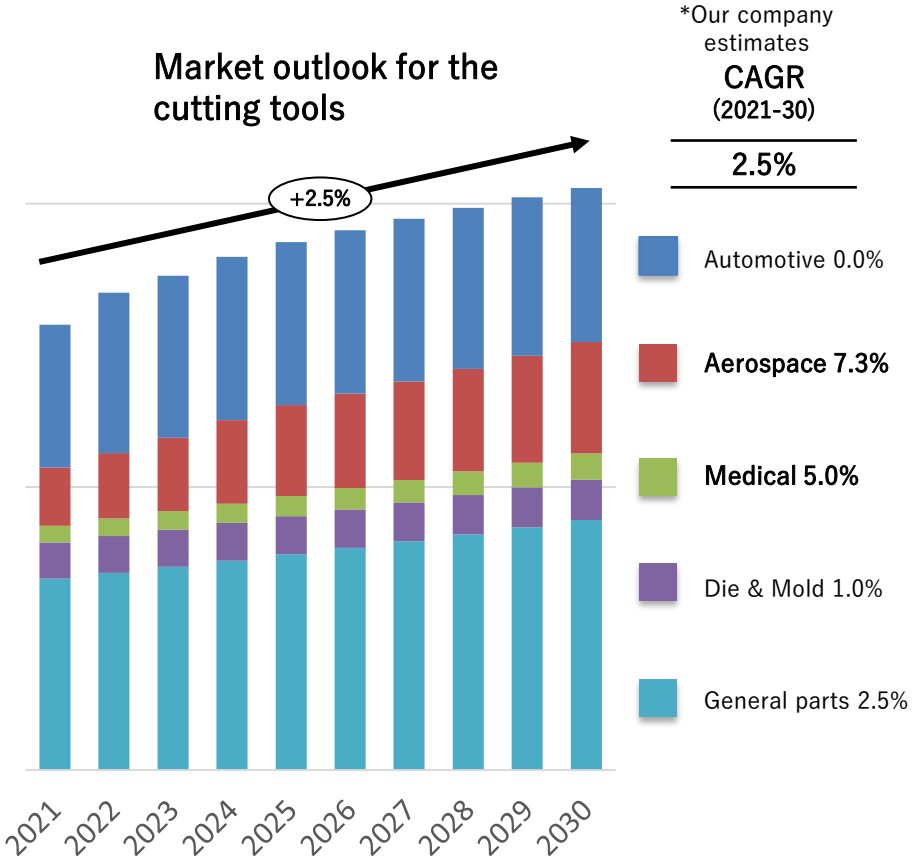
Location	Sanda City, Hyogo, Japan
Progress	**Press release on August 21, 2024** Received many responses in Japan and overseas (More than 40 companies. Overseas ratio 60%) Sample shipment started in October 2024

Cemented Carbide Cutting Tool Market Outlook

- We had estimated the size of cutting 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.

Metalworking Solutions Business
Providing New Products & Services for the Automobile, Aerospace, and Medical Industries

- Under the FY2031 Strategy, we make use of our accumulated technology & experience, putting effort into product development in the areas of difficult-to-process & difficult-to-cut materials
- We are expanding our product lineup in the automobile, aerospace, medical, and metal mold markets, and market development is advancing steadily
- We are moving forward with development of drills that revolutionize small-hole drilling, and also cutting tools with unprecedented functionality

New Product Ratio

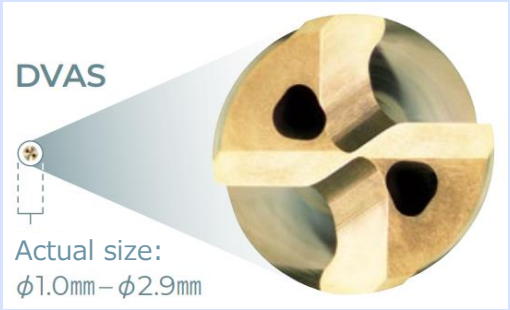
FYE Mar. 25 Target 18%

FYE Mar. 24 Result 9.4%

		Sales Ratio in Major Industries	Market Growth Rate CAGR (2021-30) Our Estimate
Automobile	• Adding turning products featuring highly oriented Al_2O_3 coatings • **Expanding our range of long-life milling products featuring our Al-Rich coating**	Approx. 50%	0.9%
Aerospace	• Entered supply contract with major French OEM. Specific initiatives are under consideration. • Strengthening cooperation with domestic Japanese heavy industrial makers **→Advancing blade processing applications, etc.**	Approx. 10%	7.5%
Medical	• **Adding more small-bore solid tools for difficult-to-cut materials** →Now developing a growing market share, mainly in North America	Approx. 5%	5.1%
Metal Molds	• Building our end mill series for machining of hardened steels • Expanding our solutions for high-difficulty processes	Approx. 35%	1.3%

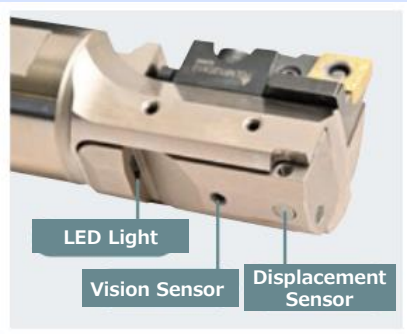
■ Developing New Products

TRISTAR Drill - DVAS



- We successfully balance improved durability and chip disposal by modifying the spiral design of the coolant holes.
- We help avoid delays and maintain machine efficiency by avoiding breakages.

Sensing Tools



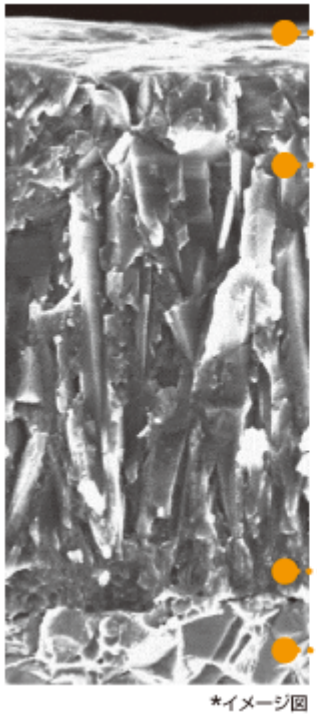
- Cutting tools featuring a displacement sensor that measures the dimensions of the material being cut, and a vision sensor that photographs the cut surface.
- Allowing measurement of cut material immediately after cutting, automatic adjustment, imaging of the cut surface, and more.

Metalworking Solutions Business: Our Unique Technology

- Using the industry's top-class aluminum-titanium film formation deposition technology, "Al-rich Coating Technology," we have developed cutting tools with high adhesion and wear resistance, and developed them for use in heat-resistant alloy processing applications in the aerospace industry.

Cutting insert grades MV series (MV1020, MV9005)

Cross-sectional view of cutting tool surface



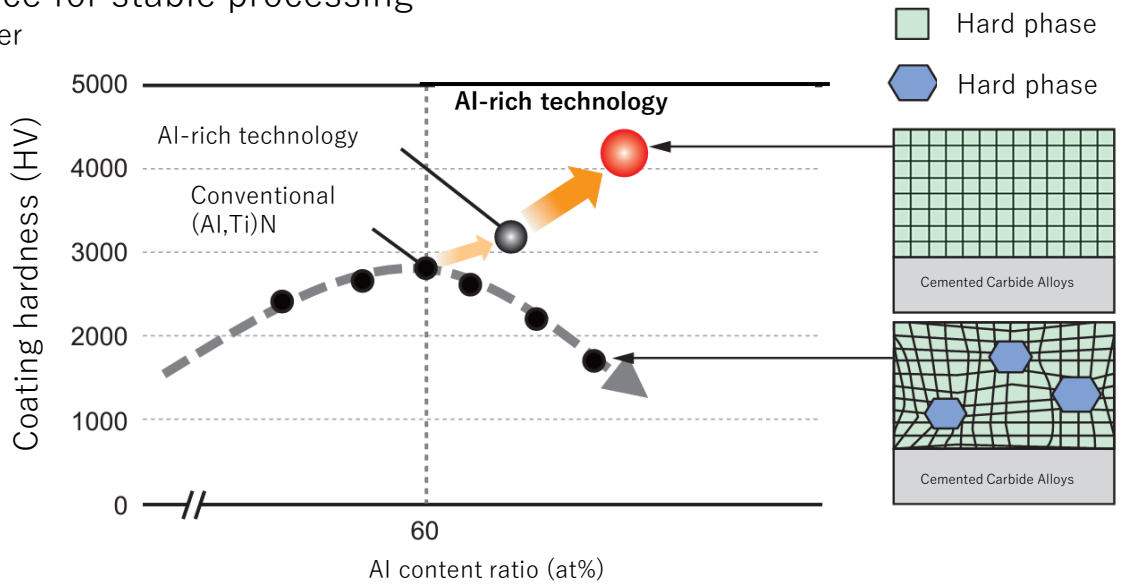
*イメージ図

Excellent weld adhesion resistance
Smoothed surface

Extremely high abrasion resistance
Newly developed Al-Rich coating

Excellent chipping resistance for stable processing
Newly developed intermediate layer

Chip resistance with extreme stability
Special cemented carbide base material



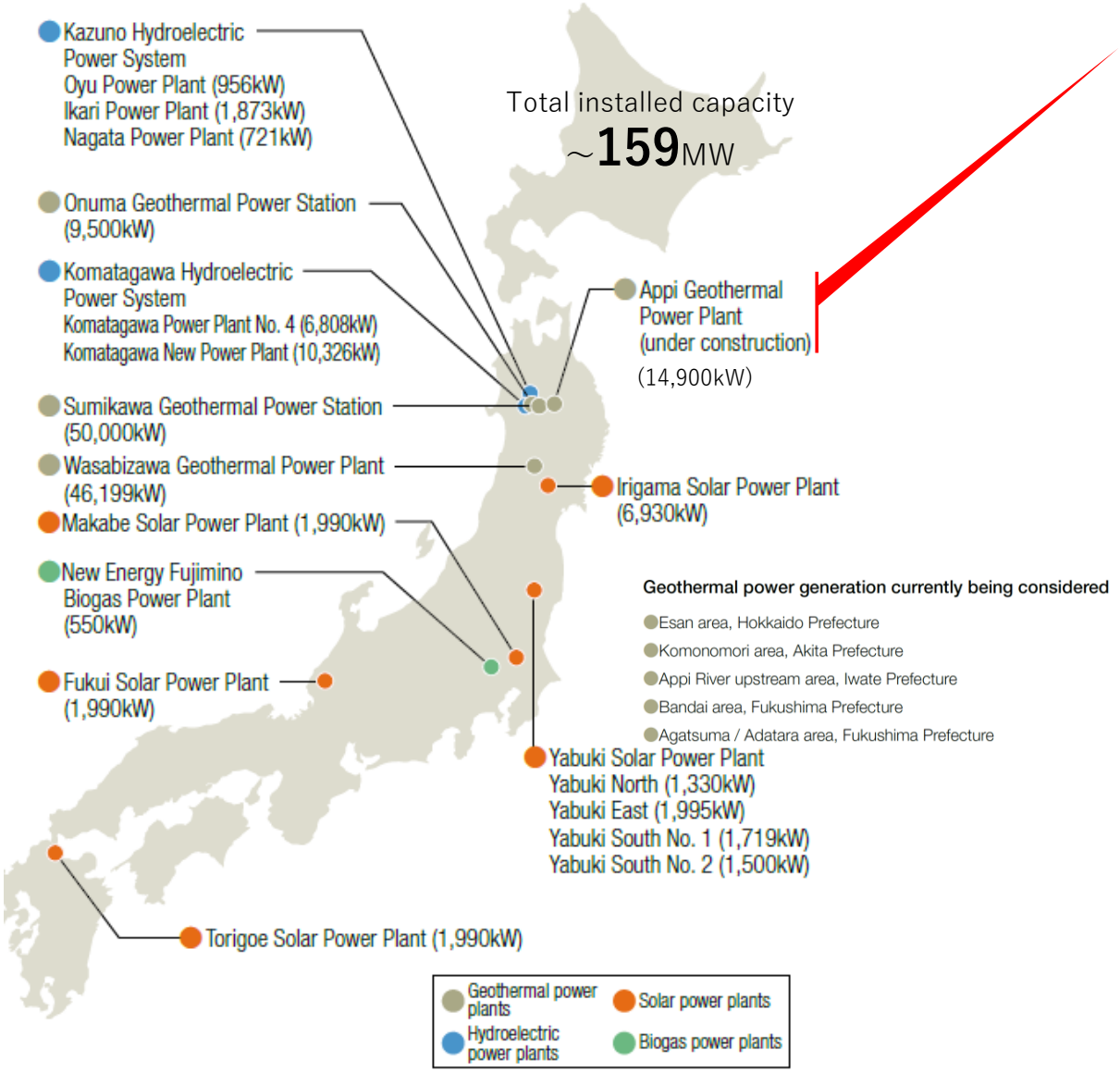
Metalworking Solutions Business: Autonomous Business Development in Strategic Markets

- To increase overseas production capacity, we plan to invest ¥15.0 bn in Europe and the U.S. and ¥9.5 bn in Asia by FYE March 2031, thereby strengthening development functions and expanding inventories of the bases to meet the needs of each region.
- In light of the large size of the European market and the expected growth in the aircraft market, eastern Europe, and other areas, the expansion of the Spain plant began this fiscal year.
- By shifting from exports from domestic plants in Japan to shipments from plants optimally located close to the place of consumption, we will optimize our supply chain and strengthen our BCP response.

Products manufactured in the Spain Plant	Completion date	Planned manufacturing capacity improvement
Insert	By around 2028	5 to 10 times
Drill and End Mill	By around 2030	More than 1.5 times

Renewable Energy Business Sites

- To expand renewable energy business, we will promote the development of new geothermal power plants at a pace of one every three years
- In the fiscal year ending March 2025, we expect operating profit of ¥ +2.1 billion and profit attributable to owners of parent of ¥ +1.3 billion.



*The biogas power generation business was transferred on September 30, 2024.

Overview of Appi Geothermal Power Plant

Name	Appi Geothermal Power Plant
Location	Hachimantai National Forest, Hachimantai-city, Iwate
Type of motive force	Steam power (geothermal)
Output capacity	14,900kW
Construction started	August 2019
Power generation system	Single flash system

Operator	Appi Geothermal Energy Corporation
Establishment	October 2015
Share capital	¥100 million
Investment ratio	Mitsubishi Materials Corporation 51% Mitsubishi Gas Chemical Company, Inc. 34% Electric Power Development Co., Ltd. 15%

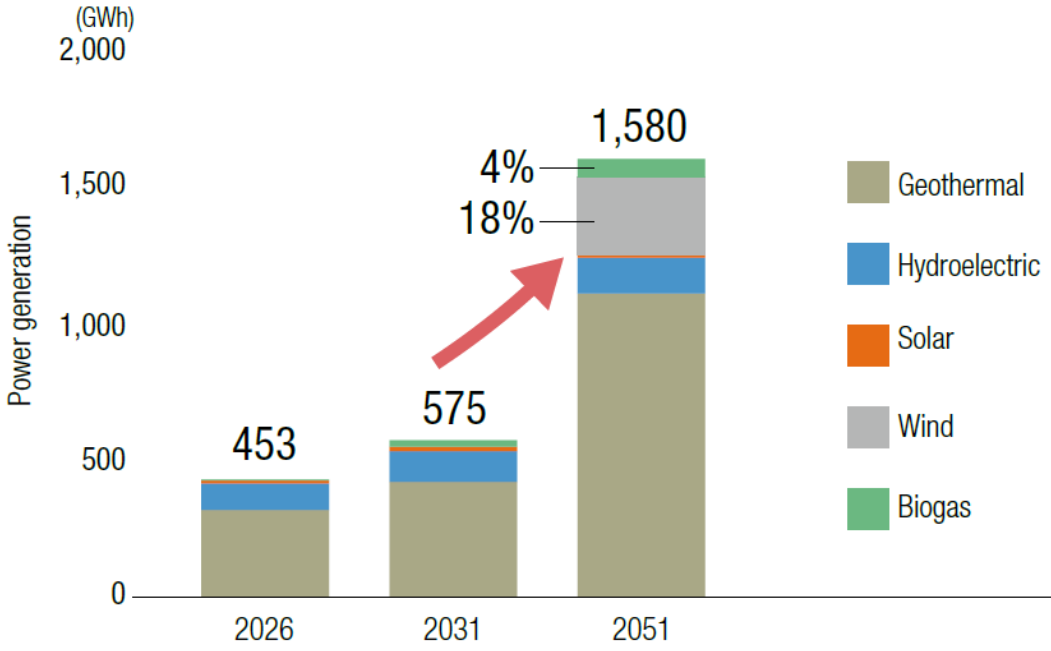
Appi Geothermal Power Plant (Photographed on March 27, 2024)

Toward being 100% self-sufficient on renewable energy

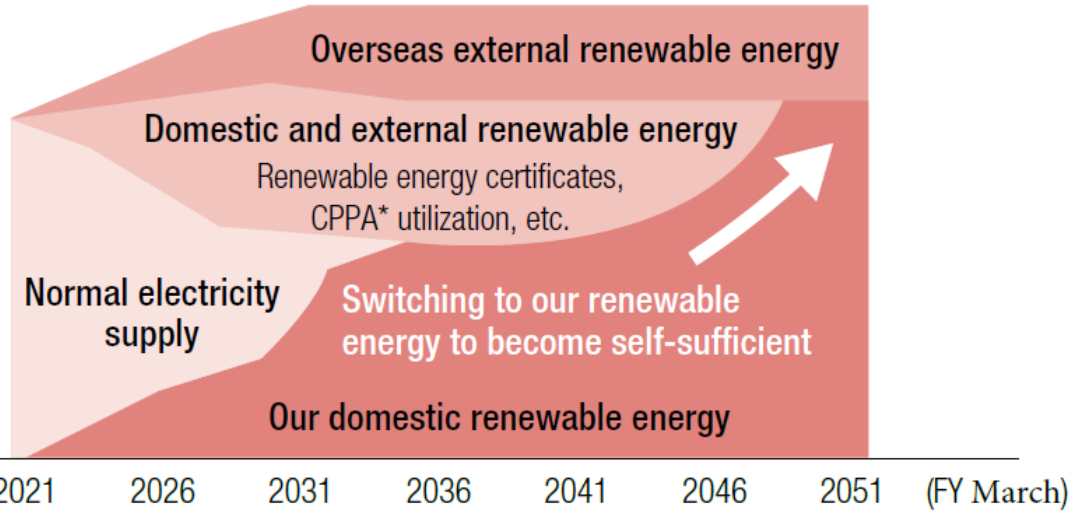
・With the aim of achieving power generation equivalent to our electricity consumption by FYE March 2051, we are expanding our geothermal power generation business and developing new renewable energy power generation, mainly wind power

・We plan to achieve 100% of electricity from renewable energy sources by FYE March 2036 and 100% self-sufficient on renewable energy by FYE March 2051

Expansion of renewable energy power generation



Roadmap toward being 100% self-sufficient on renewable energy



* CPPA (Corporate Power Purchase Agreement)

Value Creation Process

Invested capital | Our strengths | MMC's business | Output | Materiality | Outcomes

Invested capital

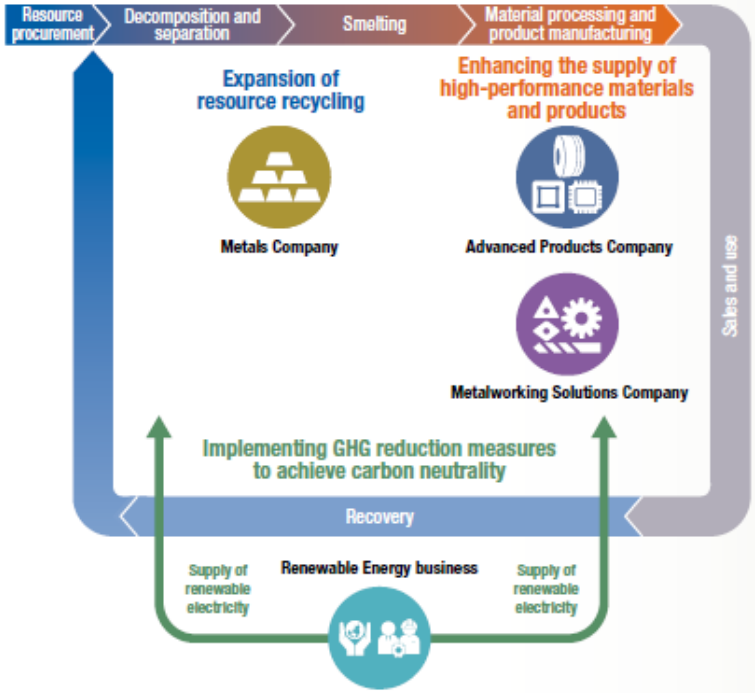
- Manufactured capital
- Human capital
- Intellectual capital
- Social and relationship capital
- Natural capital
- Financial capital

Our strengths

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

MMC's business

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



FY2031 Strategy

Business Strategies

Management foundation

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

Governance

Output

Products & Services

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

Recycling system that facilitates resource recycling

High-function products for automobiles and electronics industries

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

Renewable energy

Materiality

- Promotion of resource circulation
- Strengthening measures to address global environmental issues
- Enhancement of human capital
- Activation of communication
- Strengthening information security
- Strengthening response to SCQ issues
- Enhancement of sustainable supply chain management
- Deepening of DX
- Pursuit of value creation
- Geopolitical and geoeconomic risks
- Financial risks

Outcomes

Economic value

	FYE March 2026 Plan	FYE March 2031 Target
Net sales	¥1,940 billion	¥2,000 billion
Operating profit	¥70 billion	¥130 billion
Ordinary profit	¥87 billion	¥180 billion
ROIC*1	5.5%	9.0%
ROE	10.0%	13.6%
EBITDA	¥150 billion	¥260 billion
Net D/E ratio	0.7 times	0.5 times or lower
Net interest-bearing debt/ EBITDA ratio	3.5 times	2.0 times or lower

Social value

	FYE March 2031	FYE March 2046
GHG reduction	47% or more*2	Carbon neutrality

	FYE March 2026 Plan	FYE March 2031 Target
E-Scrap processing capacity	180,000 tons	240,000 tons
Renewable electricity self-sufficiency ratio (100% by FYE March 2051)	23%	25%
Ratio of candidates on the Next-generation Leadership Talent Development Program to successors of Executive Officers	70%	80%
Ratio of diverse attributes among managers (women, non-Japanese people, mid-career hires, people with disabilities)	20%	30%
Positive response rate in employee engagement survey	75%	80%

Occupational accidents	FYE March 2025 target 0 accidents requiring 4 or more days off work

*1 Cumulative planned total for FYE March 2024 to FYE March 2031 in the FY2031 Strategy
*2 Scope 1 and 2 compared to FYE March 2021, excluding GHG emissions from resource recycling efforts

Materiality

- Based on the recognition that the sustainability of society as a whole will have a significant impact on the future of corporate activities, the Group has identified the most important social issues that we will resolve through corporate activities as material issues.

Materiality	Key themes
Promotion of resource circulation	Promotion of designing resource recycling through advanced recycling technology
	Developing and providing recyclable products
Strengthening measures to address global environmental issues	Strengthening initiatives to achieve carbon neutrality
	Biodiversity retention and reducing environmental impact
	Developing and promoting the use of renewable energy
Enhancement of human capital	Addressing labor shortage issues
	Enhancing talent retention and development
	Promotion of DE&I (Diversity, Equity & Inclusion)
	Promotion of flexible working styles
	Respect for individuals and fundamental human rights
Activation of communication	Enhancement of engagement with stakeholders
	Improving customer satisfaction
	Promotion of dialogue and coexistence with local communities
Strengthening information security	Strengthening IT global governance
	Prevention of information leakage
	Strengthening IT asset management
Strengthening response to SCQ (*1) issues 【Issues related to occupational safety and health, health management, compliance, environmental management, and quality management】	Prevention of occupational accidents
	Creating mentally and physically pleasant workplace
	Prevention of infectious diseases
	Reinforcing compliance
	Enhancing internal control through Group governance
	Enhancement of corporate governance
	Preventing leakage of harmful substances outside the site and eliminating environmental law violations
	Elimination of serious quality non-conformities

Materiality	Key themes
Enhancement of sustainable supply chain management	Diversifying procurement of raw materials
	Consideration of human rights in the supply chain
Deepening of DX	Business process innovation
	Operational enhancement
	Enhancement of customer contact points; reform of business model
Pursuit of value creation	Building and execution of new business creation processes
	Strengthening of manufacturing
Geopolitical and geoeconomic risks (*2)	Periodic review of investment strategies
	Collecting and sharing information on overseas risks and individual country risks from overseas bases
	Creation and regular review of risk reduction and avoidance measures, and BCP for overseas businesses
	Building a procurement portfolio of copper concentrates, E-Scrap, and other raw materials
Financial risks	Introduction and operation of the Group's optimal cash management system
	Grasping the market value of assets held and confirming the indication of impairment of fixed assets
	Monitoring of the management and financial condition of debt guarantee underwriting affiliates, etc.
	Investment allocation considering safety and profitability in pension asset management

*1 Safety & health (Safety & health come first), Compliance & environment (Compliance & environment to ensure fair activities), Quality (Quality of products and services provided to our "customers")
*2 Risk that a country will try to achieve geopolitical goals (national interests) through economic means

Seven Strengths of the Mitsubishi Materials Group

Our coal and metal mining business dates back to 1871. In 1917, we opened our Naoshima Smelter & Refinery, which marked the beginning of the Group's Metals business. Since then, the Group has developed unique strengths that have driven further development of our business. Investment in overseas mines and advancement into the Copper & Copper Alloy business has led to the building of a robust value chain and improvement of our technology and know-how for recycling materials such as E-Scrap.
We are also using the knowledge and assets we have amassed through our domestic mining business to develop hydroelectric and geothermal power generation businesses, and are utilizing and conserving forests owned by the Company. Other strengths lie in intangible assets such as our talent and organizational climate and culture.

1 A value chain that supplies high added-value copper products

Manufactured capital / Natural capital

- Investment in overseas copper mines through long-term friendly relationships with major resource companies
- Processes enabling efficient, environmentally friendly smelting and refining of clean copper concentrate
- Strong customer base and Japan's top capabilities for processed copper production

A value chain that supplies copper products

2 Global collection network for E-Scrap and carbide tools

Manufactured capital

- Global E-Scrap collection network through overseas bases such as MM Metal Recycling BV in the Netherlands
- Domestic network for the collection of used carbide tools

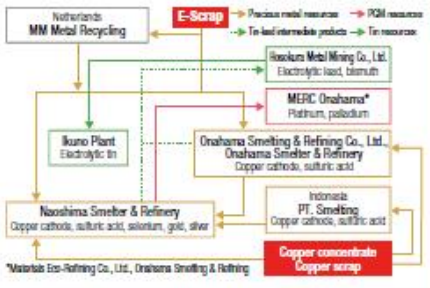
*E-Scrap: Waste circuit boards of electronic equipment, etc. that contain trace amounts of various precious metals.

Examples of E-Scrap/used cemented carbide tools being accepted/processed

3 Advanced recycling technology

Manufactured capital / Intellectual capital

- Efficient processing of E-Scrap through the Mitsubishi Process for continuous copper smelting
- Material Grid framework enabling collection of a wide range of nonferrous metals including platinum group metals, lead and tin
- Automatic dismantling and sorting processes for items such as home appliances, enabling recycling of a wide range of resources
- The technology and know-how to recycle tungsten recovered from carbide tool scrap, etc. as a raw material



Material Grid framework

4 Development and production capabilities for high-performance materials and products

Manufactured capital / Intellectual capital

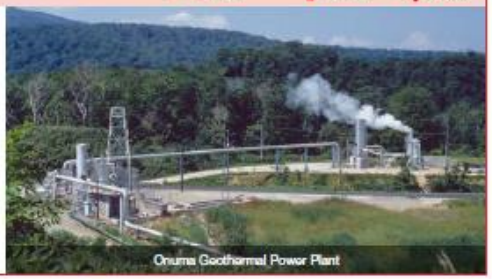
- Development and production of oxygen-free copper, copper alloy, lead-free brass, etc.
- Supply of materials and components for semiconductor manufacturing equipment (columnar crystal silicon, sealing products)
- Supply of high-efficiency carbide tool products that utilize our materials and coating technologies

Products made from GloBrass®, a lead-free brass material with superior machinability

5 Renewable Energy business foundation

Manufactured capital / Intellectual capital / Natural capital

- Advanced exploration and analysis technology for geothermal resources
- Decades of business experience in areas such as geothermal and hydroelectric power generation



Onuma Geothermal Power Plant

6 Human resources and organizational climate and culture

Human capital

- Talent with wide-ranging expertise in a variety of roles
- A team that can unite to resolve issues
- Mutual trust between colleagues and between management and employees

Cross-organizational discussion

7 Company-owned forest preserved for various purposes

Natural capital / Social and relationship capital

- Appropriate development and management of company-owned forest to preserve biodiversity and carry out sustainable forestry operations (SGEC certified)
- Company-owned forests utilized for education and community exchange activities
- Wood from company-owned forests utilized as a building material

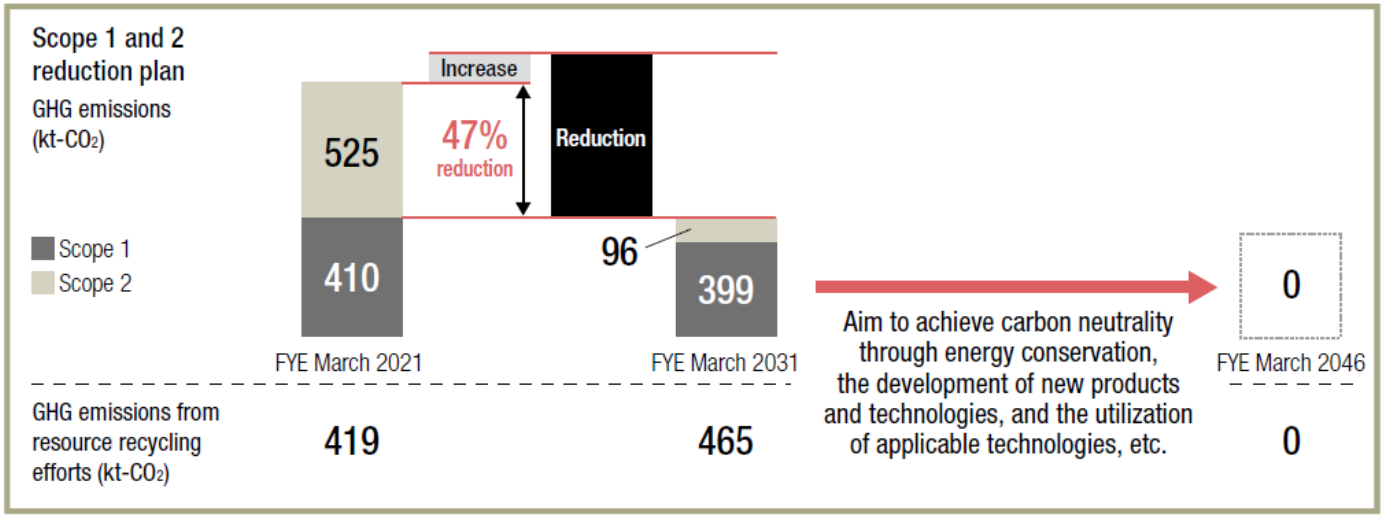
Hayakita Forest

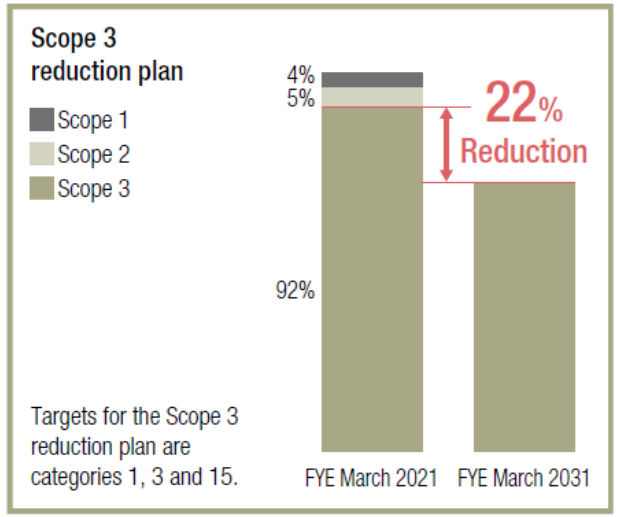
GHG Reduction Targets toward Carbon Neutrality

- We set the fiscal year ending March 2046 as our target year for carbon neutrality (Five years ahead of the Japanese government's target year of the fiscal year ending March 2051)
- We will achieve 100% self-sufficiency in renewable energy electricity by the fiscal year ending March 2051 (amount of renewable energy generated equivalent to our own electricity consumption).

Scope 1: Direct emissions of greenhouse gases by companies themselves (Fuel combustion, industrial processes)
Scope 2: Indirect emissions from the use of electricity, heat and steam supplied by other companies
Scope 3: Indirect emissions other than scope 1 and scope 2 (Emissions from other companies related to business activities)

	FYE March 2021	2026	2031	2036	2041	2046	2051
GHG reduction target			Compared to FYE March 2021 Scope 1 + 2: 47% reduction Scope 3: 22% reduction			Achieve carbon neutrality	
Renewable energy for electricity utilization rate		30%	80%	100%			
Renewable energy for electricity self-sufficiency rate		33%	37%	67%			100%





*GHG emissions for Scope 1 and 2 are based on the calculation of adjusted emissions under the Act on Promotion of Global Warming Countermeasures (excluding GHG emissions from resource recycling efforts).
*GHG emissions exclude businesses and subsidiaries that have been or will be removed from the scope of consolidation due to business portfolio adjustment by the fiscal year ended March 2024.

Initiatives to Reduce GHG Emissions

● Carbon Footprint of Products(CFP) *1 Initiatives

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

Deployment

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

Verification and Disclosure

- Completed third-party verification of copper cathode, aiming to complete third-party verification of electrolytic lead by the end of this fiscal year.
- Establish a foundation for the management of CFP.

Reduction

- Increase engagement *2 with suppliers, and promote consistent GHG reduction initiatives from upstream to downstream.

● Substantially accelerate switchover to renewable energy at sites in the Metals business

In the Metals business, which accounts for about 60% of the Group's domestic electricity consumption, we have decided to accelerate the switchover of purchased electricity to electricity derived from renewable energy by up to 11 years.

Eight sites excluding Naoshima Smelter & Refinery and Onahama Smelter & Refinery *2

FYE March 2025: Complete switchover to renewable energy electricity(Up to 11 years ahead of schedule)

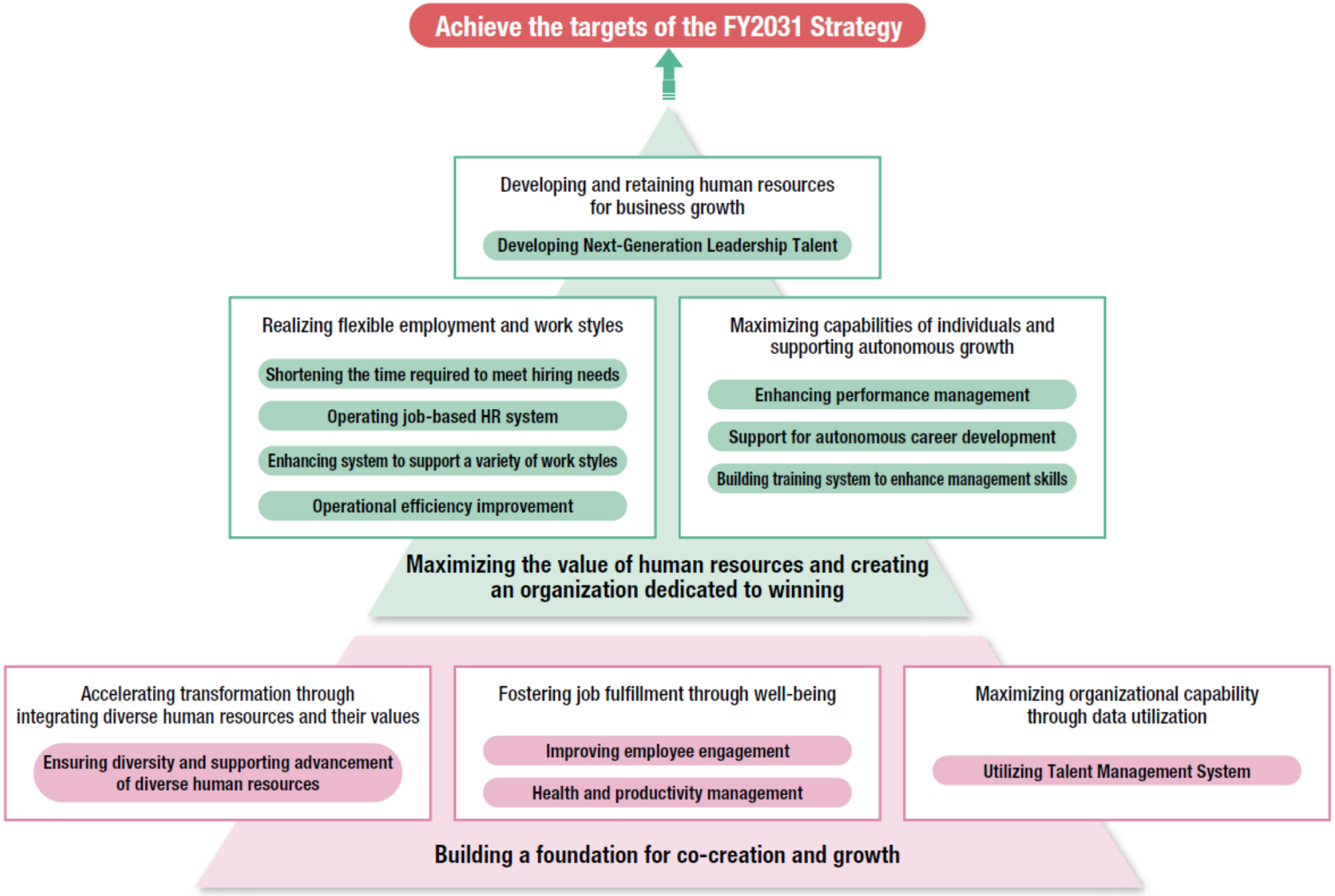
*2 The Company's Ikuno Plant, Hosokura Metal Mining Co., Ltd., Material Eco Recycle Co., Ltd., Ryohinkogyo Co., Ltd., Materials Eco-Refining Co., Ltd.'s Ikuno Plant and Onahama Plant, East Japan Recycling Systems Corporation, Chubu Eco Technology Co., Ltd.

Naoshima Smelter & Refinery and Onahama Smelter & Refinery

FYE March 2025:
Switch half of electricity consumption to electricity derived from renewable energy sources
FYE March 2029 (planned):
Switch all electricity consumption to electricity from renewable energy sources (7 years ahead of schedule)

*1 CFP is the total GHG emissions generated throughout a product's life cycle and is assessed as a part of Life Cycle Assessment (LCA) . LCA is a method of quantitatively evaluating input resources, environmental load and environmental impact across the life cycle of a product.

Human Capital Initiatives



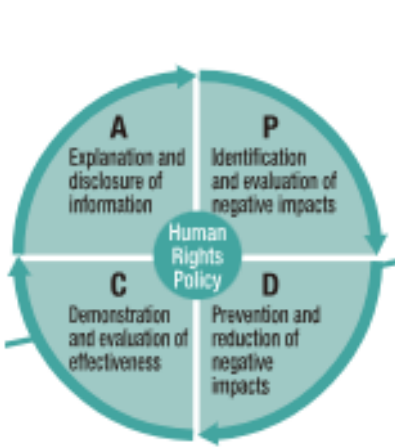
Human Resources Strategy and Medium- to Long-Term Vision

		Priority issues	Main measures	FYE March 2024 result	FYE March 2026	FYE March 2031	Materiality
Human resources strategies	Maximizing the value of human resources and creating an organization dedicated to winning	Developing and retaining human resources for business growth	★ Developing Next-Generation Leadership Talent	• Established a pool of next-generation leadership talent and enhanced development initiatives • Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers: 56%	• Build a pipeline to Executive Officer roles through ongoing selection and development of next-generation leadership talents • Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers: 70% • Develop organizations and talent to accelerate our resource recycling business, starting in Europe	We will have established and be executing a cycle of ongoing appointment and development of the next generation of management candidates for Executive Officer positions. Additionally, as an organization that is accelerating its global expansion, we will be developing talent with the management capabilities to lead multinational teams. *Ratio of candidates on the Next-Generation Leadership Talent Development Program to successors of Executive Officers: 80%	Enhancing talent retention and development
		Realizing flexible employment and work styles	Shortening the time required to meet hiring needs	• Enhanced publicity, diversified hiring channels and shortened lead times for hiring	• Improve recruiting capabilities	Through speedy hiring, placing the right persons in the right positions, a mixture of diverse employment patterns and work formats, and operational efficiency, we will utilize excellent talent from both inside and outside the Company to the maximum in our business operations.	Promotion of flexible work styles Addressing labor shortages
			Operating job-based HR system	• Placed the right persons in the right positions through proper placement at a management level • Promoted talent for early appointment to organizational head positions through stringent enforcement of age limits	• Acceleration of placements of the right persons in the right positions and early promotions		
			Enhancing system to support a variety of work styles	• Introduced trial system for side jobs / side businesses	• Improvement of appeal of our workplace (expansion of eligibility for coreless-flextime system, full adoption of system for side jobs / side businesses, etc.)		
			Operational efficiency improvement	• Implemented initiatives in each division for reform of business processes, promoting efficiency, labor saving, and workload saving	• Implement thorough measures for promoting efficiency, labor saving, and workload saving		
		Maximizing capabilities of individuals and supporting autonomous growth	Enhancing performance management	• Promoted understanding of and executed performance management cycles through training, etc. • Evaluation feedback given: 71%	• Establish support through performance management to achieve results and facilitate growth and development • Ensure that evaluation feedback is given	Each employee will be able to give their best and realize their growth as they build a career autonomously.	Strengthening talent retention and development Addressing labor shortages
			Support for autonomous career development	• Promoted autonomous career development (more active utilization of the Internal Job Posting System, held career event, provided opportunities to consult outside career counselors, provided support for re-skilling)	• Accelerate awareness-building about career autonomy and provide support for autonomous career development		
			Building a training system to enhance management skills	• Developed initiatives to improve the level of management throughout the Company (held "Basics of HR management" course for all managers, revised management training system)	• Continuously enhance management of organization and human resources (reflection of results of measurement of effects of training in the content of future training)		
	Building a foundation for co-creation and growth	Accelerating transformation by integrating diverse human resources and their values	★ Ensuring diversity and supporting advancement of diverse human resources	• Ratio of diverse attributes among managers: 24% • Number of managers (compared to March 31, 2021): Women: Approx. 1.4 times, non-Japanese: Approx. 1.6 times, mid-career hires: Approx. 1.4 times • Percentage of women in management positions: 3.2%	• Ratio of diverse attributes among managers: more than 20% • Number of managers (compared to March 31, 2021): Women: Approx. 2.5 times, non-Japanese: Approx. 2.5 times, mid-career hires: Approx. 1.5 times • Percentage of women in management positions: 5.0%	By building an environment where team members with a variety of diverse attributes can coexist and recognize one another in an equitable manner and actively demonstrate their individual abilities at their very best, we will be able to get the maximum performance from our organizations and accelerate transformation. *Ratio of diverse attributes among managers: 30%	Promotion of DE&I
		Fostering job fulfillment through well-being	★ Improving employee engagement	• Positive response rate in employee engagement survey: 73%	• Positive response rate in employee engagement survey: 75%	Each employee will approach their organization and work autonomously with an internal motivation to contribute, and productivity per employee will be improving. *Positive response rate in employee engagement survey: 80%	Promotion of flexible work styles
			Health and productivity management	• Certified as a White 500 Health & Productivity Management Outstanding Organization for the first time in 2024 (Large Enterprise Category) • Received certification as an Excellent Health Company (gold certification) for the first time	• Keep certification as a White 500 Health & Productivity Management Outstanding Organization in 2024 (Large Enterprise Category) • Keep certification as an Excellent Healthy Company (Gold Certification)	Building workplaces where employees can be healthy and energized leads to the improvement of labor productivity and corporate values.	
		Maximizing organizational capability through data utilization	Utilizing Talent Management System	• Designed operations and implemented systems for skill data management • Commenced visualization and analysis of the situation of employees and organizations through aggregation of HR data	• Expand scope of HR data visualization and utilize HR data in talent management • Build a system to provide HR information to management in a timely manner	Decisions on human resources strategies and measures will be made based on HR data such as skill data and individual data, and the evaluation of this data.	Enhancing talent retention and development

★ indicates a measure related to a core KPI of the human resources strategies.

Human Rights Initiatives

- Based on the results of the analysis of the self-checklists conducted in the fiscal year ended March 2023 and the fiscal year ended March 2024, the Group formulated a roadmap for its efforts to respect human rights over the five years from the fiscal year ending March 2025 to the fiscal year ending March 2029.
- While continuously implementing human rights due diligence, the Group will identify issues related to human rights, identify risks, and implement improvement measures.

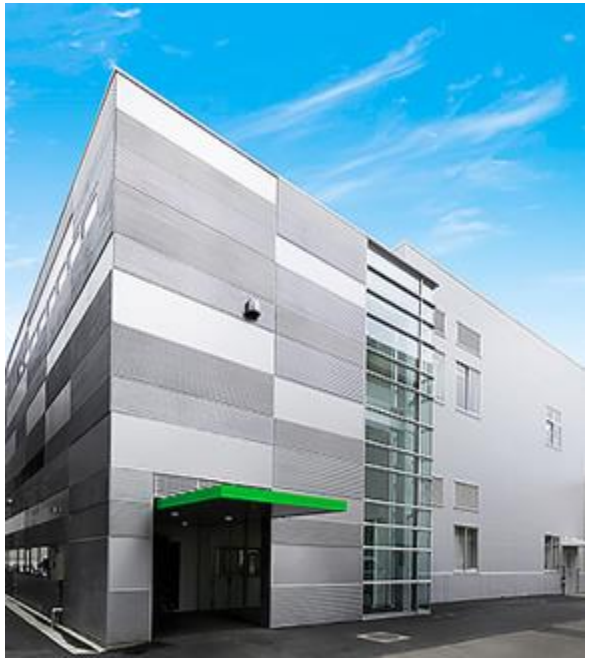


	Short term (FYE March 2025)	Medium term (FYE March 2026 to 2027)	Long term (FYE March 2028 to 2029)
Dissemination of Our Commitment to Human Rights Policy	• Engagement with stakeholders inside and outside the Company	• Reflection of results of internal and external engagement in individual measures • Expansion of human rights awareness training and scope of application	• Consideration of expansion of human rights education specific to certain fields • Consideration of new roadmap measures • Consideration of review of human rights policy
Implementation of human rights due diligence and risk reduction measures across the Group	• Acquisition and maintenance of Responsible Minerals Initiative certification • Expansion of the scope of human rights due diligence to suppliers other than resources	• Disclosure of commitment to non-discrimination in hiring process • Review of initiatives for Responsible Minerals Initiative	• Consideration of formulation of a new SAQ operation manual • Continuation of implementation
Remedial actions	• Consideration of expansion of the functions of the external reporting system	• Enhancement of external reporting system	

Initiatives on Workplace Safety and Hygiene

■Promoting Hazard Sensitivity & Other Safety and Health Education

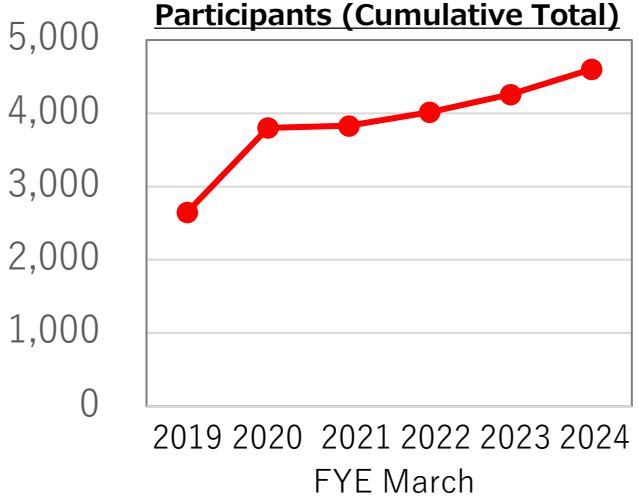
At the Safety and Health Education Center, Midori-kan, onsite at our Saitama Office (Saitama Prefecture, Saitama City), we provide hazard sensitivity training (50 types of simulation equipment) and safety and health education for MMC Group employees.



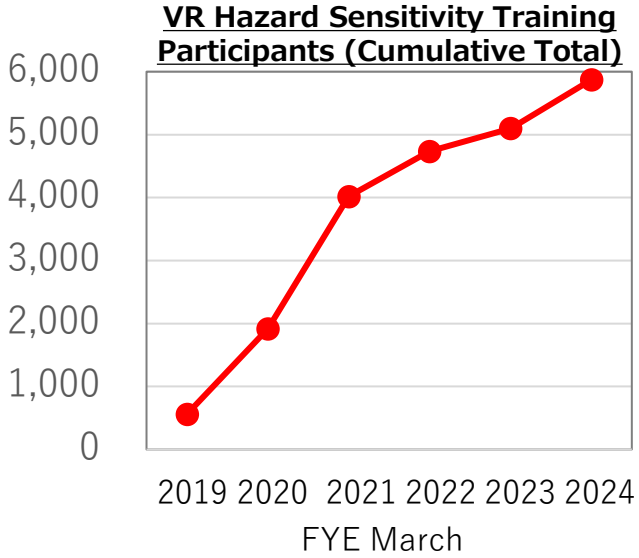
Safety and Health Education Center - "Midori-kan"
This facility is equipped to provide
•hazard sensitivity training designed to improve risk sensitivity among employees, and
•various other types of safety and health education
to employees of MMC Group and subcontractors.

Hazard Sensitivity Training Using VR
To enable participants to experience hazardous situations that are difficult to simulate with conventional equipment, we began using VR hazard sensitivity training in May 2018.
The equipment is portable, making safety education possible at any site.

Hazard Sensitivity Training Participants (Cumulative Total)

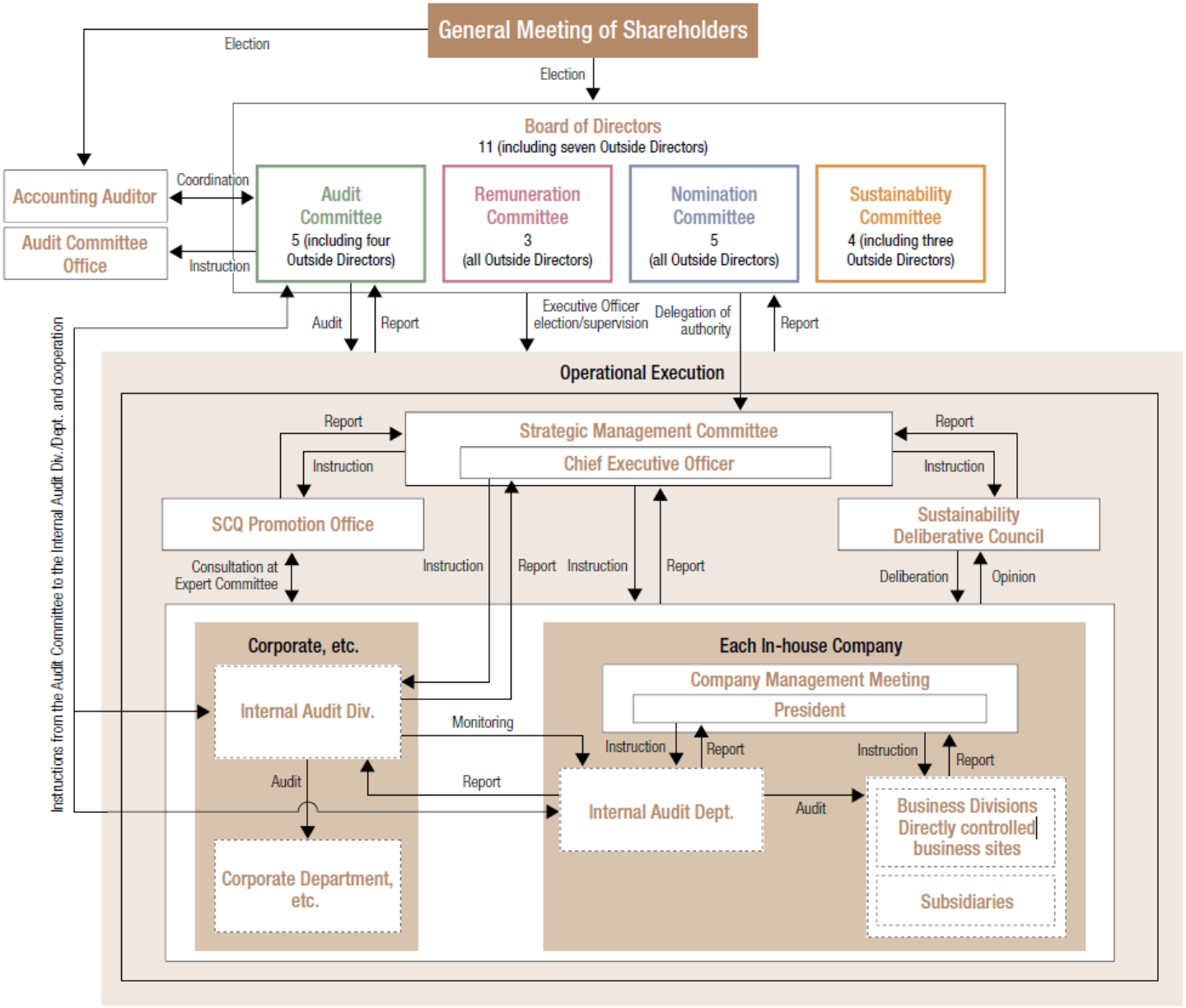


VR Hazard Sensitivity Training Participants (Cumulative Total)



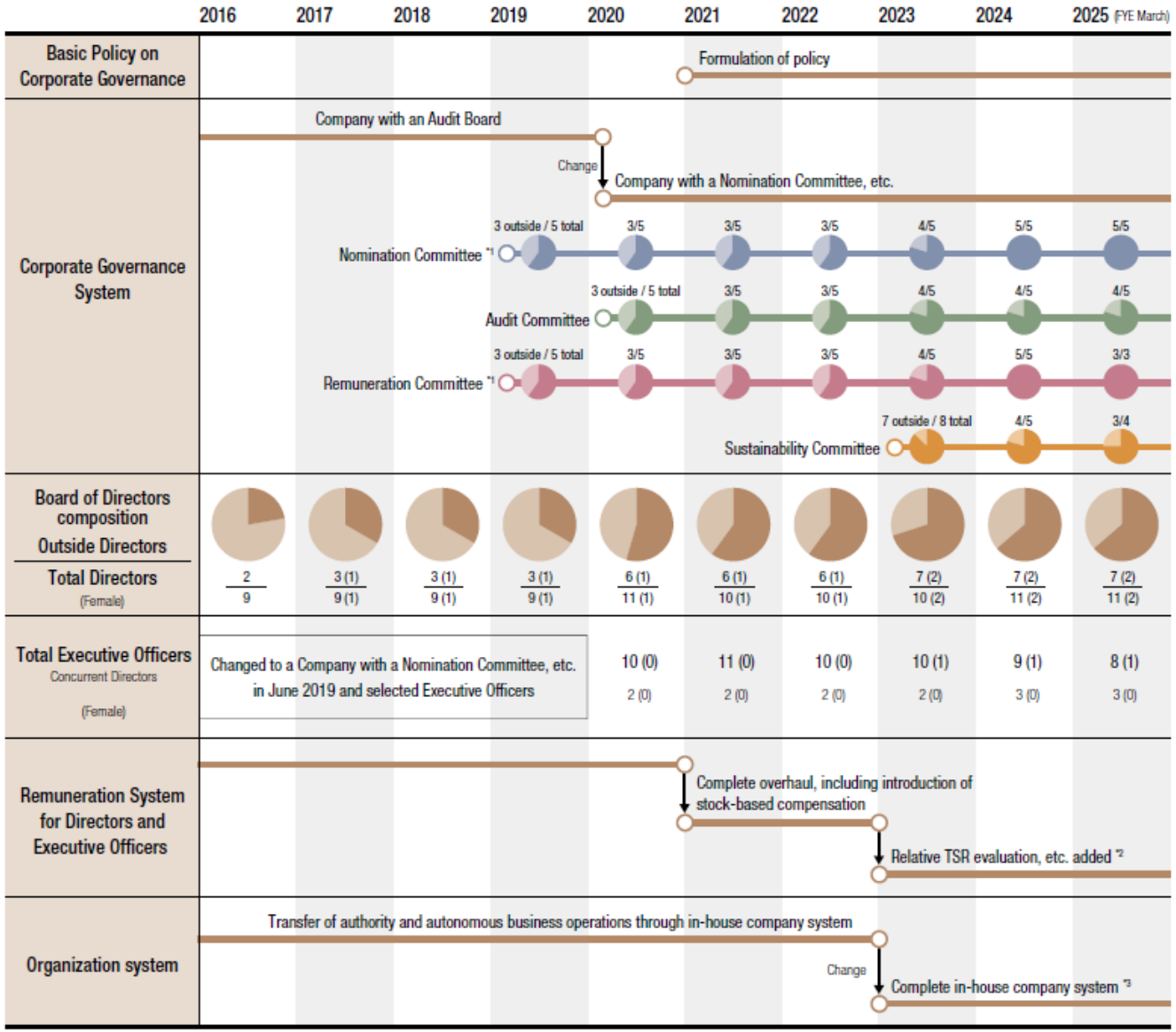
Corporate Governance System

- In 2019, the Company transitioned from a company with a board of corporate auditors to a company with a nominating committee, etc. In 2022, the Company established the Sustainability Committee in order to increase corporate value over the medium- to long-term.

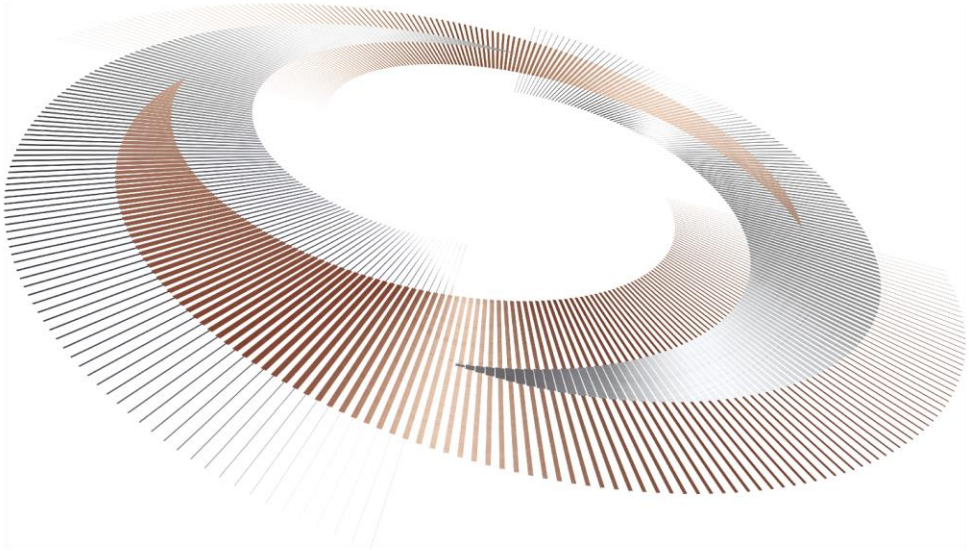


Changes in Corporate Governance System

- Achieved a high level of governance, with the members of each committee consisting mainly of independent Outside Directors, and the Nomination Committee and Remuneration Committee consisting solely of Outside Directors.



*1. Set up in fiscal 2019 as a voluntary committee and became a statutory committee from June 2019.
*2. With regard to the annual bonus of the remuneration system for Executive Officers, we added relative TSR evaluation as an evaluation item and adopted a system to evaluate targets set for each Executive Officer, including initiatives in line with the Sustainability Policy, as non-financial evaluation items.
*3. Transitioned from April 1, 2022 to a complete in-house company system, having all functions necessary for business operations in the in-house company.



For people, society and the earth, circulating resources for a sustainable future

MITSUBISHI MATERIALS

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