Listed code 5711

Mitsubishi Materials
Investors' Guide 2025 July

MITSUBISHI MATERIALS

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Company Profile

(As of March 31, 2025)

Company name	Mitsubishi Materials Corporation
Listed market	TSE Prime Market
Industry	Non-ferrous metals
Securities code	5711
Establishment	April 1950 (Established 1871)
Board of Directors	11 Directors (7 Outside Directors, including 2 women) 9 Executive Officer (including 1 woman)
Capital	¥119.4 billion
Number of shares outstanding	131.48 million shares
Number of employees (As of March 31, 2025)	18,452 (consolidated)
Number of consolidated subsidiaries (As of March 31, 2025)	107

Results for FYE March 2025

Net sales	¥1,962.0 billion
Operating profit	¥37.1 billion
Ordinary profit	¥60.2 billion
Profit attributable to owners of parent	¥34.0 billion
ROE	5.1%
Annual dividend	¥100/share ¥50/share, ¥50/share

Shareholder Memo

Fiscal year end	March 31
Number of shares per unit	100 shares
Ordinary General Meeting of Shareholders	Every June
Record date:	
Ordinary General Meeting of Shareholders	March 31
Year-end dividend	March 31
Interim dividend	September 30

[As of end of June 2025]

Stock price : ¥2,281

PBR : 0.44 times

Dividend yield: 4.4%

Market capitalization : ¥299.9 billion

PER: 14.9 times

*The denominator of PBR is the actual net assets per share as of the end of FYE March 2024, and the denominator of PER is the forecast profit attributable to owners of parent per share for FYE March 2025.
The numerator of the dividend yield uses the dividend forecast for FYE March 2026.

Sales Breakdown by Company and Business Segment

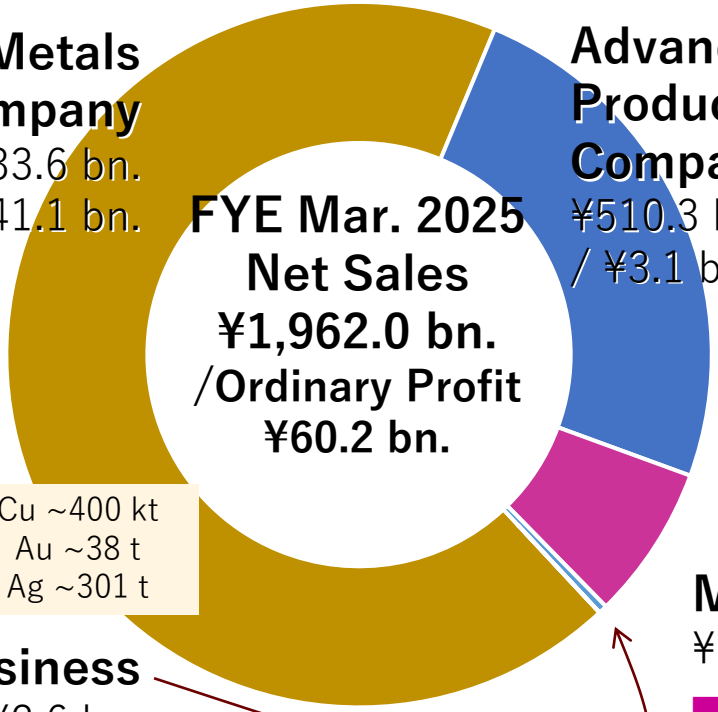
■ Resources business：

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. 25 Result	Cu ~400 kt Au ~38 t Ag ~301 t

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

Including net sales of ¥-139.0 bn. and ordinary profit of ¥+4.7 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
Resources 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 Result ¥18.5 billion FYE March 2026 Forecast ¥22.2 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 Result ¥22.4 billion FYE March 2026 Forecast ¥-4.8 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

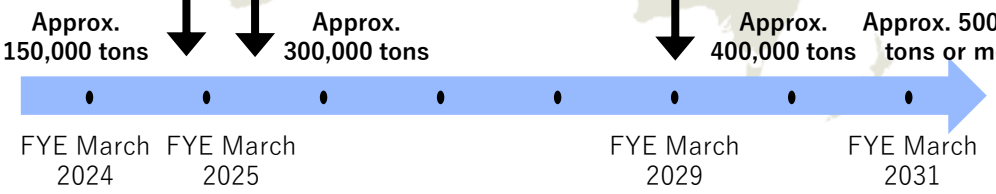
- **To expand our recycling business, it is crucial to invest in mines to secure copper concentrates with fewer impurities, which will lead to stable operations of copper smelters, the basic infrastructure of the recycling business, and we are making steady progress in this area**
- **Our main targets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

Operating copper mines Copper mines under development or under consideration

- **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)
  - **Environmental approval obtained 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

Canada Casino Project **4.14%**
Invested in Western Copper and Gold Corporation (interest held)

Peru Zafranal Project **20%**

Chile Escondida Mine **1.25%**
World's largest copper mine

Chile Mantoverde Project **30%**

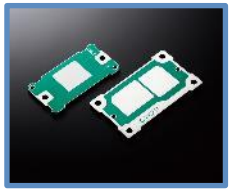
Chile Los Pelambres Mine **10%**
Some of the world's lowest costs

*We sold our interest in the Copper Mountain Mine on April 30, 2025.

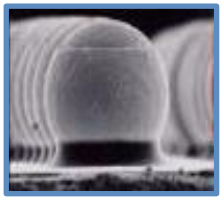
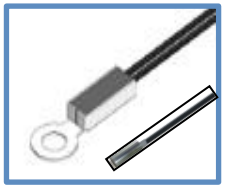
Overview of Our Equity-Interest Mines

	Mantoverde Mine Note: Description only for sulfide ore operations	Los Pelambres Mine	Escondida Mine
Interest Holders	Mitsubishi Materials (30%) Capstone Copper (70%)	Mitsubishi Materials (10%) Antofagasta plc (60%) Japanese companies (30%)	Mitsubishi Materials (1.25%) BHP Billiton (57.5%) Rio Tinto (30%) Japanese companies (11.25%)
Location	Atacama Region, Northern Chile — 45 km inland from the coast, elevation 880 m	Near the Argentina — Chile border, about 200 km north of Santiago, elevation 3,000 – 3,500 m	170 km southeast of Antofagasta, Region II, Chile — elevation 3,100 m
Copper Feed Grade (2024)	0.76 %Cu	0.55 %Cu	0.88 %Cu
Copper Production (2024)	21.8 Kt	319.6 Kt	1,125 Kt
Copper Production Plan (2025)	68 – 80 Kt	310 – 325 Kt	1,180 – 1,300 Kt
C1 Cash Cost Result (2024)	$2.09/lb Cu	$1.27/lb Cu	$1.45/lb Cu
C1 Cash Cost Plan (2025)	$1.25 – $1.55/lb Cu	$1.05 – $1.25/lb Cu	$1.30 – $1.60/lb Cu

Overview of the Copper & Copper Alloy Business

Key markets	Uses	Main product groups		Strengths	Ordinary profit	Market Outlook
Automobiles Transport equipment	Terminals and connectors	In-vehicle terminals Copper strips for busbars		High-performance copper alloy casting/processing technologies	FYE March 2024 Result ¥-0.5 billion FYE March 2025 Result ¥-1.0 billion FYE March 2026 Forecast ¥2.6 billion	➢ The automobile market is expected to recover in Japan in the fiscal year ending March 2026, but the global market is uncertain. ➢ In the fiscal year ending March 2026, the semiconductor market continues to be strong only in advanced fields such as generative AI. ➢ We will work to optimize our 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.
		Plating		Development capabilities		
	Automotive parts	Lead-free brass		Development capabilities		
Semiconductors Electronics	Semiconductors	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		

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 Result ¥4.9 billion FYE March 2026 Forecast ¥5.3 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 currently strong only in advanced fields such as AI, with other areas at a standstill; however, growth is projected in the medium- to long-term.Therefore, we will establish a production increase system to prepare for future demand expansion, and develop products and businesses to secure orders for new products.
	Semiconductor manufacturing equipment parts	Silicon processed products		• Material technologies • Production processes (microfabrication technologies)		
		Seal 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)		

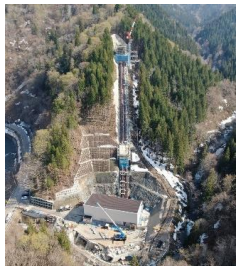
Overview of the Metalworking Solutions Business

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 Result ¥8.5 billion FYE March 2026 Forecast ¥8.3 billion	• On a global scale, the recovery of automobiles is uncertain. The aerospace and medical industries are on the recovery track
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 powder		Japan New Metals H.C. Starck	• Integrated production, from tungsten recycling to smelting		• Growing demand for high melting point materials due to the growth in electronic components

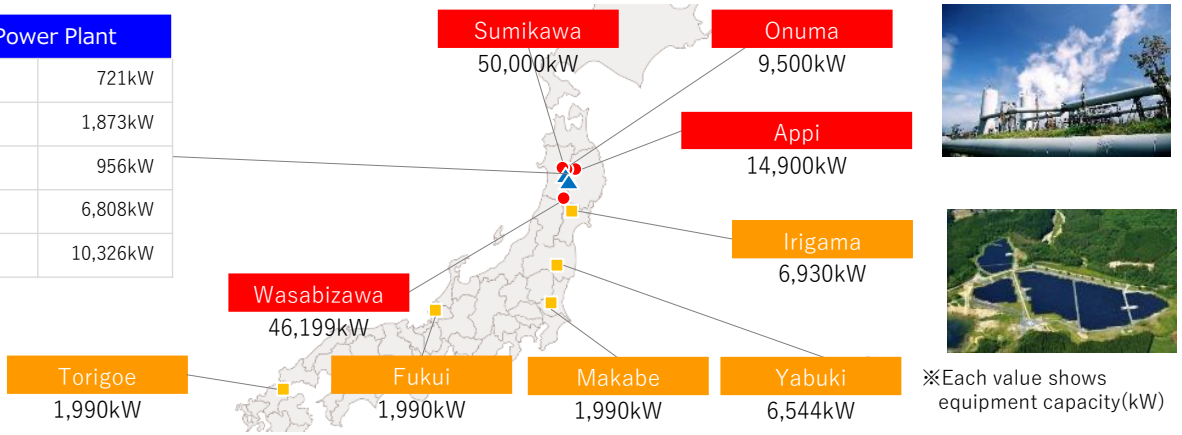
Overview of the Renewable Energy Business

Business overview	Strengths	Ordinary profit	Market opportunities and market outlook
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 Result ¥2.6 billion FYE March 2026 Forecast ¥1.2 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 CO2 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 bases



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



※Each value shows equipment capacity(kW)

Provided value

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

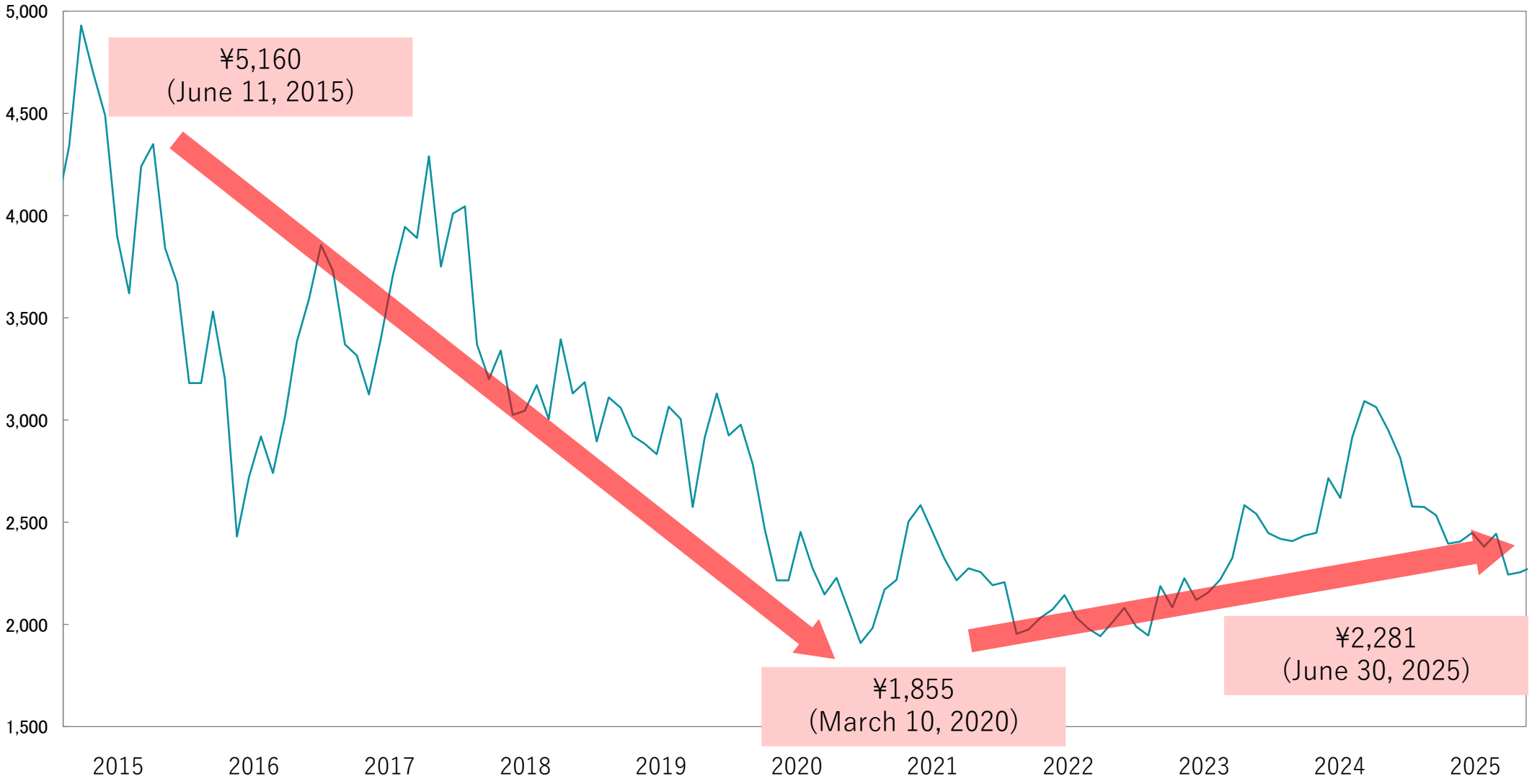
Operating Results

(Billions of yen)

	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
PL					
Net sales	1,485.1	1,811.7	1,625.9	1,540.6	1,962.0
Ordinary profit	44.5	76.0	25.3	54.1	60.2
Profit attributable to owners of parent	24.4	45.0	20.3	29.7	34.0
BS					
Total assets	2,035.5	2,125.0	1,891.7	2,167.6	2,375.3
Net assets	614.3	655.7	628.8	685.6	693.2
CF					
Operating CF	78.4	6.8	45.1	51.3	58.8
Investment CF	(101.7)	(3.2)	(43.9)	(102.9)	(79.3)
Financing CF	41.5	(5.0)	3.4	32.9	(13.2)
Cash and cash equivalents at end of period	147.5	153.6	141.0	131.1	88.6

Share Price Trends (Past 10 Years)

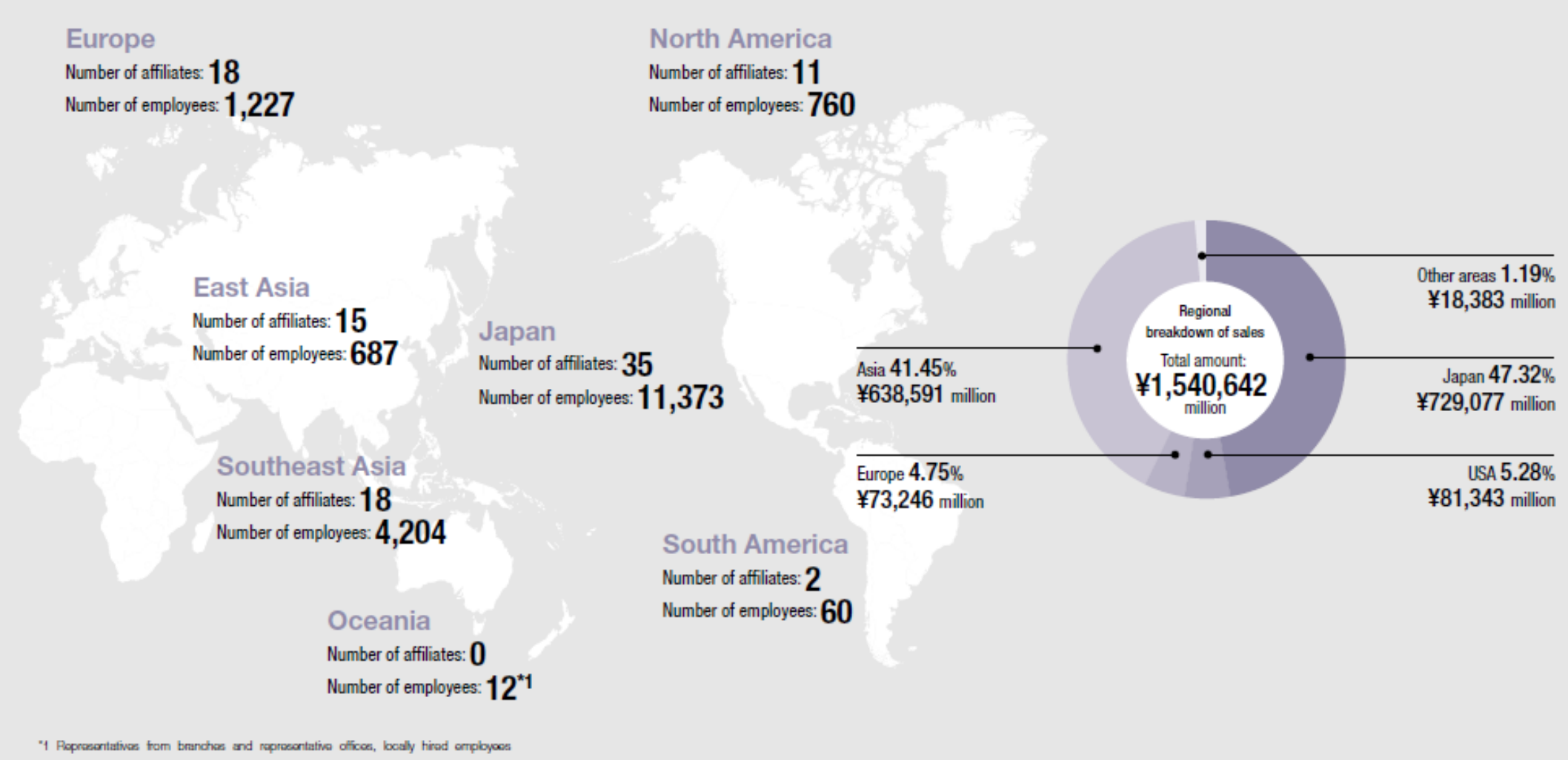
The Company's stock price had been on a downward trend, but it has been gradually recovering since 2023.



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.

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

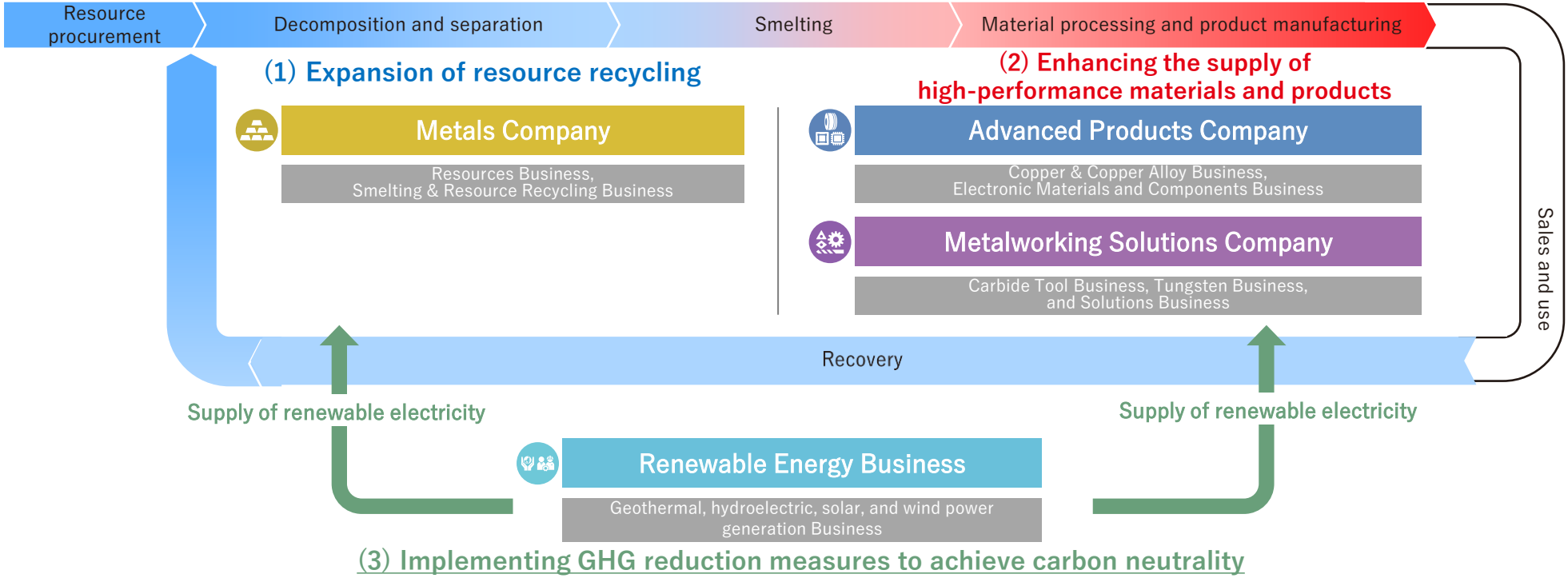
Global operations in 32 countries and regions



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

Overview of the Medium-term Management Strategy FY2031 (FYE March 2024-2031)

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

Expanding Business Opportunities in the Medium- to Long-term

Business opportunities for the Company are expanding with the shift to EVs and increasing demand for semiconductors

Market conditions surrounding 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

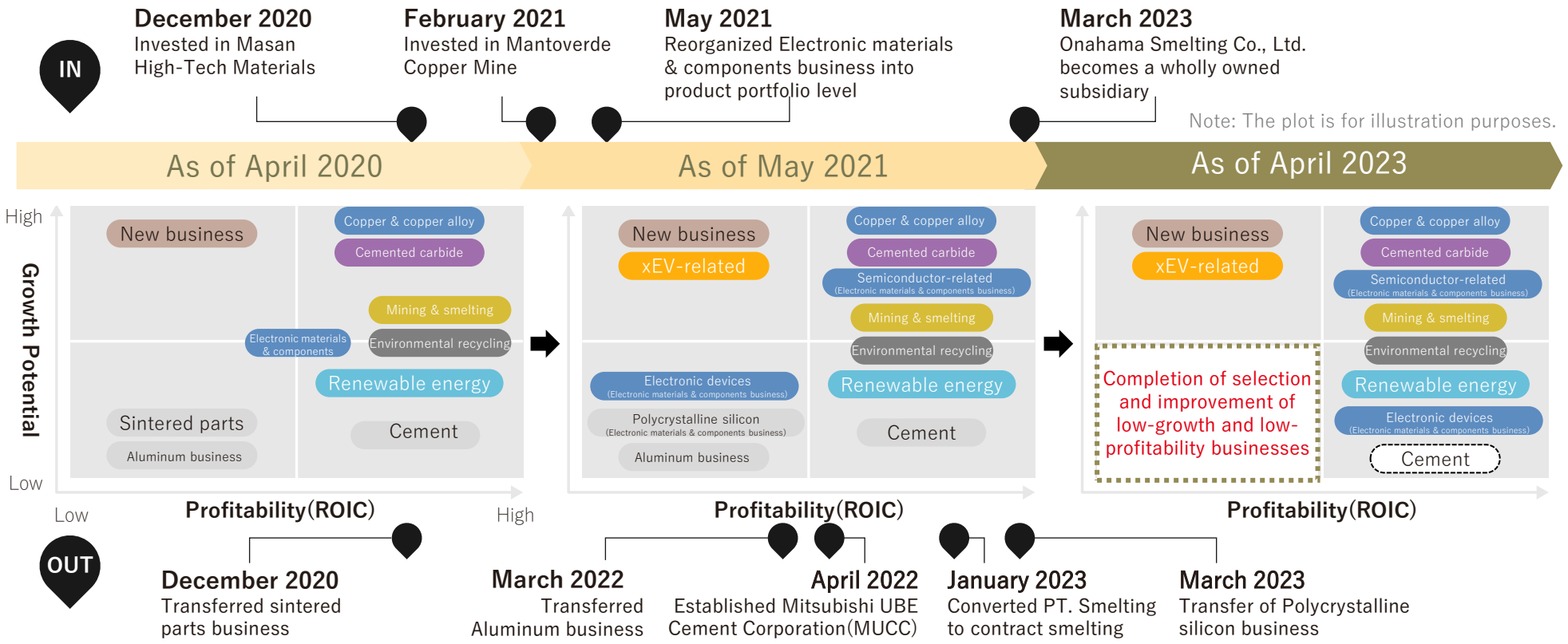
Need to increase the rate of recycling metal resources, especially copper, for which demand is increasing, and to respond to recycling in new areas such as used LIBs by accelerating the adoption of xEV

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

Changes in the Business Portfolio

- **During the previous the Medium-term Management Strategy period (FYE March 2021–2023), 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 2021–2023)

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)

Current Business Environment

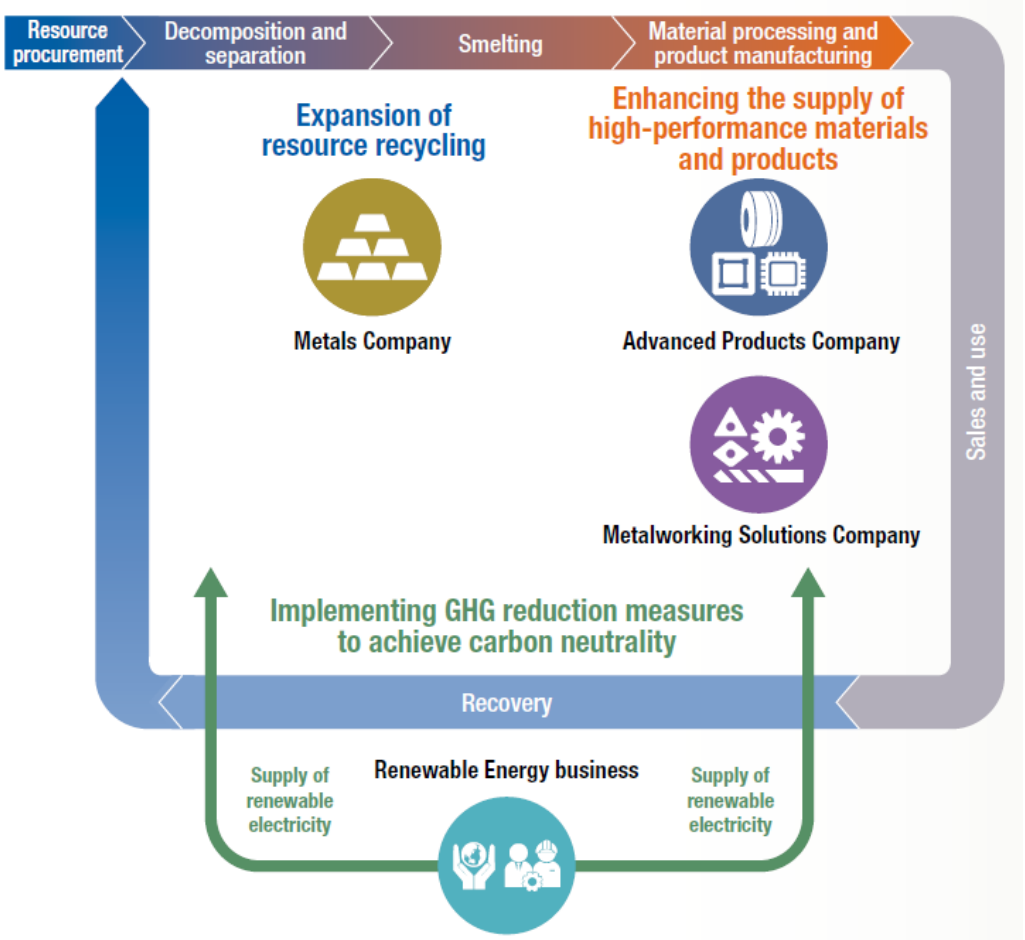
Copper	Demand	● Demand growth is expected to slow down due to the deterioration of the macroeconomy caused by the impact of the tariff policy in the United States. In the medium- to long-term, however, demand is anticipated to expand further due to the demand for EVs and renewable energy, as well as the demand for data centers due to the progress of digitalization.
	Copper Price	● The copper price assumption for the fiscal year ending March 2026 remains unchanged from the fiscal year ended March 2025 at 425 cents/lb. In the long term, it is expected to remain stable due to anticipated demand growth.
	TC/RC	● TC/RC decreased significantly compared to the fiscal year ended March 2025 due to tightness in copper concentrate supply. This situation is expected to continue for some time.
Automobile		● In comparison to the fiscal year ended March 2025, the automotive sector is expected to recover in Japan, but the global situation remains uncertain.
Semiconductors		● Demand for semiconductors is expected to remain strong only in advanced sectors such as generative AI.

Overview of the Medium-term Management Strategy FY2031 (FY2031 Strategy)

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

Prosperous society | Recycling-oriented society | Decarbonized society

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



		FYE March 2023 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Net sales (Net sales excluding metal costs)	¥ billion	1,625.9 (608.0)	1,870.0 (567.1)	1,940.0 (690.0)
Operating profit	¥ billion	50.0	10.0	70.0
Ordinary profit	¥ billion	25.3	33.0	87.0
ROIC	%	1.4%	2.8%	5.5%
ROE	%	3.5%	2.8%	10.0%
EBITDA	¥ billion	75.7	87.5	150.0
Net D/E ratio	times	0.7	0.7	0.7
Net interest-bearing debt / EBITDA ratio	times	5.2	5.5	3.5
Dividend per annum	¥	50	100	

Current Understanding and Issues of the FY2031 Strategy

Current Status

- Market conditions in the semiconductor and automotive sectors have changed significantly from the assumptions made during the formulation of the FY2031 Strategy, resulting in a decline in demand. Profit growth also diverged significantly from the initial plan
- Although our medium- to long-term forward-looking investments have been progressing as planned, certain investments were suspended or deferred due to shifts in the external environment. Consequently, short-term returns and anticipated gains from previously executed investments were not achieved, resulting in reduced investment efficiency
- A substantial decrease in TC/RC (smelting margin) is anticipated in 2025, which is expected to negatively impact earnings from the smelting business

Issues

- The FY2031 Strategy is a business strategy and investment plan that assumes a rise in demand; however, the review and adjustment of the strategy and plan in response to major changes in the external environment are inadequate
- A company-wide investment allocation based on a combination of investment risk/return and timing of expected effects
- A shift to a smelting business centered on recycled raw materials and an acceleration of the establishment of a resource circulation loop, assuming that TC/RC will not recover in the near term

It is imperative to implement “Fundamental Structural Reforms” to maintain profitability amidst worsening external environments
The FY2031 Strategy Phase 2 (FYE March 2027 – 2031) has been reset, and the strategy will be reformulated

Policy for “Fundamental Structural Reforms”

- Initiating “Fundamental Structural Reforms” to ensure profitability despite rapid changes and increasing uncertainty in the external business environment
- Improving corporate value through “Business Foundation Restructuring” and “Financial Structure Improvement”

Business Foundation Restructuring

Conversion from Quantity to Quality | Maximizing Investment Return and Commitment to ROIC Management Focusing on “Ratio”

1. Improving Profitability in Each Business
2. Reform of Corporate Division
3. Review of Business Portfolio

Financial Structure Improvement

Flexible Investment Allocation | Making Flexible Investment Decisions and Making Investments in Response to Cash In

1. Improvement of Capital Efficiency and EP
2. Enhancing Cash Flow Generation Capability
3. Reduction of Interest-bearing Debt

Accelerating “Conversion from Quantity to Quality” and “Flexible Investment Allocation”

Policies for Each Business

1 Improving Profitability in Each Business

- **We will shift from an expansion strategy based on increased demand to a focus on profitability by transitioning from “Quantity to Quality”**
- **We will pursue “Business Foundation Restructuring” to create a framework that is less susceptible to changes in the external environment**

	Metals Business	Copper & Copper Alloy Business	Electronic Materials & Components Business	Metalworking Solutions Business
Current Status	• The low TC/RC trend is expected to continue for several years, and there is a high possibility of significant negative impact in the medium term • The recent fluctuations in exchange rates have been significant, impacting the copper price (denominated in yen)	• Automotive demand is weak, semiconductor-related demand is still recovering • Investment to enhance production capacity (increased depreciation burden) • An impairment loss has been incurred at the production base in Eastern Japan.	• Demand for semiconductor-related products is recovering, particularly in advanced products • Precision silicon products for SPE and device products are sluggish • Investment to increase capacity in columnar crystal silicon and sealing products	• Demand is sluggish due to the delayed recovery of the global automotive industry and the significant EV shift in China • Suspension or postponement of some investments in cemented carbide cutting tool business in light of changes in the external environment
Response Policy	• Increase in the ratio of E-Scrap (recycled raw materials) in raw materials due to the expansion of facilities at Naoshima and Onahama Smelter & Refinery • Promotion of the Exurban Project in North America aiming to smelter with 100% recycled raw materials • Early expansion of the resource circulation loop by strengthening domestic and overseas networks	• Promoting profit structure reforms, including innovations in sales, manufacturing, and management • Optimizing product portfolios by shifting to high-value-added products and eliminating low-profit products • Achieving growth in both automotive and semiconductor products	• Cost reduction by improving productivity and automation • Increase market share in major customers, acquire new customers, and expand sales by expanding into new fields • Expansion of semiconductor packaging-related products, such as square silicon substrates, and heat management products	• Improvement of product portfolio and service structure to increase ratio in the aerospace and high-precision small parts machining industries, and further increase market share in North America and India • Operational Efficiency Improvement pursues thorough rationalization by improving productivity, optimizing production sites, and reducing inventories • Early contribution to profitability across the entire Tungsten business

Reform of Corporate Division

2 Reform of Corporate Division

- Fundamental Structural Reforms require reformation of the Corporate Division
- Reduce fixed costs by optimizing indirect divisions, selecting and concentrating R&D themes, and rebuilding the DX strategy

Optimization of Indirect Divisions

- Operational Efficiency Improvement
  - Eliminate unnecessary operations, simplify and standardize operations
  - Consolidate and streamline common tasks across departmental boundaries
- Strengthening Organizational Efficiency
  - Expand the use of shared service functions
  - Accelerate the rationalization of the organization through thorough personnel management

Selection and Concentration of R&D Themes

- Selection of R&D themes to focus on
- Creation of new technologies and products according to the roles of corporate R&D functions

Rebuilding the DX Strategy

- Re-examination of the timing and cost-effectiveness of investment and effects
- Clarification of key DX initiatives

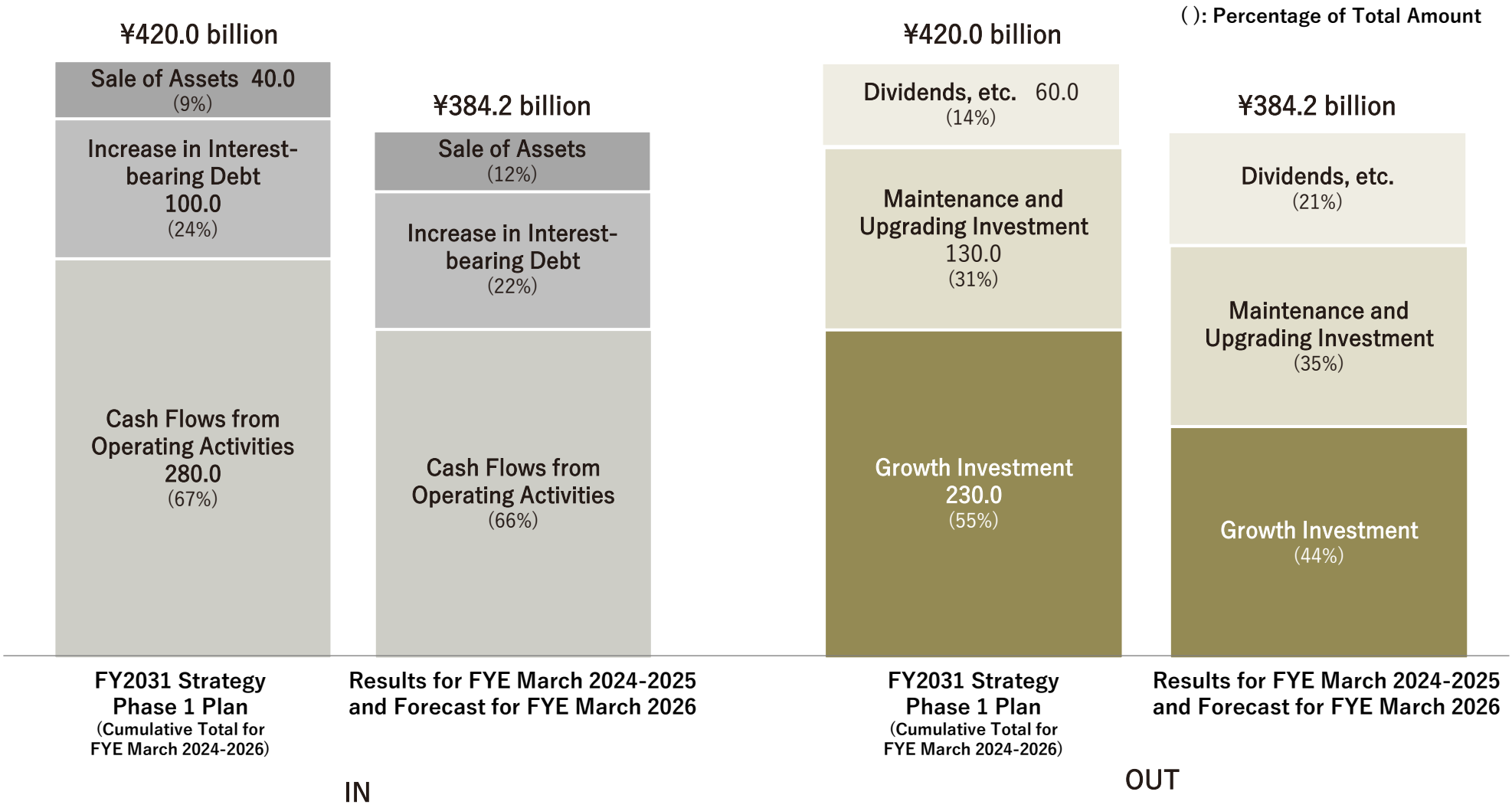
Review of FYE March 2025 and Forecast for FYE March 2026

- FYE March 2025: Profit increased compared to FYE March 2024 due to the depreciation of the yen and improvements in metal recoveries in the Metals business
- FYE March 2026: Profit is projected to significantly deteriorate due to rapid changes in the external business environment and increasing uncertainty compared to the FYE March 2026 Plan outlined in the FY2031 Strategy

		FYE March 2023 Result	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Net sales (Net sales excluding metal costs)	¥ billion	1,625.9 (608.0)	1,540.6 (548.1)	1,962.0 (545.2)	1,870.0 (567.1)	1,940.0 (690.0)
Operating profit	¥ billion	50.0	23.2	37.1	10.0	70.0
Ordinary profit	¥ billion	25.3	54.1	60.2	33.0	87.0
ROIC	%	1.4%	3.8%	4.2%	2.8%	5.5%
ROE	%	3.5%	4.8%	5.1%	2.8%	10.0%
EBITDA	¥ billion	75.7	105.0	110.4	87.5	150.0
Net D/E ratio	times	0.7	0.7	0.7	0.7	0.7
Net interest-bearing debt / EBITDA ratio	times	5.2	4.5	4.5	5.5	3.5
Dividend per annum	¥	50	94	100	100	

Capital Allocation

- Cash inflows: Cash flows from operating activities are expected to fall below the Phase 1 plan
- Cash outflows: Considering the current business performance, we have postponed and narrowed down growth investments, and the ratio of maintenance and upgrading investments is largely in line with the plan



Strengthening Cost Competitiveness

- The FY2031 Strategy plans to achieve a cumulative cost reduction of ¥9.0 billion by March 2026
- In the fiscal year ended March 2025, in response to the deteriorating business environment, the Metals business, Advanced Products business, and Metalworking Solutions business implemented additional cost-cutting measures, while the Renewable Energy business was largely on track. We will continue to focus on cost reductions across all business segments in the fiscal year ending March 2026

(Billions of yen)

Cost Reduction Plan		FYE March 2024		FYE March 2025		FYE March 2026	
		FY2031 Strategy Plan	Result	FY2031 Strategy Plan	Result	FY2031 Strategy Plan	Forecast
Metals	• Reduction of hedging cost, slag cost, and energy cost	0.0	4.7	0.01	10.0	2.6	14.0
Advanced Products	Copper & Copper Alloy • Yield improvement, fixed cost reduction (labor, outsourcing, etc.) Electronic Materials & Components • Fixed cost reduction (labor, etc.), productivity improvement	1.7	1.6	2.4	3.0	3.2	5.4
Metalworking Solutions	• Reduction of manufacturing cost • Cost reduction at subsidiaries	0.9	2.1	1.9	3.7	3.0	5.7
Renewable Energy	• Reduction of power plant operating expenses • Improvement of operational efficiency by automatic operation of power plants, etc.	0.0	0.03	0.02	0.03	0.02	0.05
Total		**2.6**	**8.4**	**4.4**	**16.8**	**8.8**	**25.2**

Dividend Forecast

- For the fiscal year ending March 2026, we forecast a decrease in sales and profit due to the impacts of low TC/RC and foreign exchange rates, etc. However, we forecast a dividend of ¥100 (Interim: ¥50, Year-end: ¥50) as in the fiscal year ending March 2025, taking into account the overall management factors such as periodic revenue, retained earnings, and financial position
  - ➢ Financial soundness is expected to be at the level planned for the FY2031 Strategy Phase1
  - ➢ Needed investments in the FY2031 Strategy Phase1 have been largely completed
  - ➢ The dividend forecast is within the appropriate range as the capital allocation ratio for the FY2031 Strategy Phase1

	FYE March 2024 Result	FYE March 2025 Plan	FYE March 2026 Forecast	Cumulative Total	FY2031 Strategy Phase 1 Plan
Annual dividend (¥)	94	100	100	294	-
Total dividend (¥billion)	12.3	13.1	13.1	38.5	-
Payout ratio	41.2%	38.3%	65.3%	45.8%	Target of 30%
Net D/E ratio	0.7	0.7	0.7	0.7	0.7

Shareholder Return Policy

- Based on the recognition that the return of profits to shareholders is one of the most important objectives of management, the Company's policy is to determine the distribution of profits based on a comprehensive evaluation of various management factors such as periodic revenues, retained earnings and financial position.
- As for profit distribution during the FY2031 Strategy period, we will return profits in Phase1 (from the fiscal year ended March 2024 to the fiscal year ending March 2026) with a target payout ratio of 30%.

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 electrolytic copper 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 recycling rate by expanding collection and processing of E-Scrap ● Creation of rare earths and rare metals recycling businesses ● Acquisition of new smelting technology (Exurban) ● Accelerating business developments in Japan and overseas (E-Waste recycling)	*We revised the plan to enhance 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(* Mainly explains capacity enhancement and profit improvement at domestic plants)
	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 ● Development of solar power using company-owned land and development of small hydroelectric power utilizing operational experience

Metals Company

Resources Business

- FYE March 2025: Dividends from Los Pelambres Copper Mine decreased
- FYE March 2026: Dividends from the mines are expected to increase, and profits at Mantoverde Copper Mine are anticipated to rise

(Billions of yen)	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Ordinary Profit	20.1	18.5	22.2	11.4
EBITDA	19.0	17.0	20.8	11.1
ROIC	11.7%	10.2%	13.6%	9.0%
ROIC Spread	+2.0pt	+0.5pt	+2.9pt	-0.7pt
EP	2.1	0.6	3.3	

FY2031 Strategy Measures	• 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 electrolytic copper supply through SX-EW operations at copper mines
Progress	• Partial review of mine investment • Completion of the sale of interest in Copper Mountain Mine in FYE March 2026 • Mantoverde Copper Mine started commercial production in September 2024, moving to full-scale production
Initiatives for FYE March 2026	• Consideration of investment portfolio optimization including replacement of investment mines

*EBITDA= Ordinary profit + Net interest expense + Depreciation + Goodwill depreciation

Metals Company

Smelting, Refining & Resource Recycling Business

- FYE March 2025: Profit improved in FYE March 2025 due to enhancements in metal recoveries and cost reductions resulting from suspension of hedging
- FYE March 2026: Profit is projected to deteriorate due to a decline in TC/RC, etc.

(Billions of yen)	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Ordinary Profit	11.6	22.4	-4.8	27.0
EBITDA	28.8	36.6	6.5	39.6
ROIC	2.9%	5.9%	-1.2%	7.1%
ROIC Spread	-2.5pt	+0.6pt	-7.3pt	+1.7pt
EP	-7.4	1.7	-18.1	

FY2031 Strategy Measures	• Strengthening and expanding the networks to promote resource recycling • Expansion of copper cathode production capacity • Increasing recycling rate by expanding collection and processing of E-Scrap • Creation of rare earths and rare metals recycling businesses • Accelerating business developments in Japan and overseas (E-Waste recycling)
Progress	• Construction has begun on a pilot plant for LIB recycling • Review of E-Scrap processing capacity enhancement investment at Naoshima • Promotion and strengthening of Exurban PJ • FS in progress for the ASEAN deployment of home appliance recycling
Initiatives for FYE March 2026	• Establishment of secondary raw material processing technology and decision to invest in Exurban PJ • Selection and promotion of overseas smelter construction PJ partners • Preparation for construction of Onahama pretreatment furnace • Domestic and overseas home appliance recycling business M&A, FS

*EBITDA= Ordinary profit + Net interest expense + Depreciation + Goodwill depreciation

Expansion of Resource Recycling

Promote the **expansion of the scope** of resource recycling and the expansion of the scale by **regional expansion** based on trends and legal regulations in each country and region

Expansion of Scope

- **E-Scrap recycling** (increased processing capacity)
- **LIB recycling** (pilot plant under construction)
- **Copper processing process recycling** (cost reduction, load reduction at copper smelter → E-Scrap increase)
- **Copper mine cobalt recovery** (Mantoverde Mine is in pilot scale testing)
- **Tungsten recycling** (raw materials for cutting tools, acquisition of H.C. Starck to become global top)
- **Establishment of a resource circulation loop**
  - Home appliances: Scale expansion in Japan and overseas
  - Automobile recycling: Scale expansion targeting EV vehicles
  - Creation of a recycling system that extracts important mineral resources from various products and supplies them as raw materials for products

Regional Expansion

Formation of economic blocs and enclosure of critical mineral resources

Japan: Economic Security
US: IRA Law
EU: Regulations
↓
Towards Regional Circulation

- **Establishment of a new company in Europe**
  - Development and rapid implementation of a resource recycling strategy for the European region (E-Scrap/Copper 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 European collection sites
  - Mining investment to secure low-impurity copper concentrates
  - MEX* enhancements *Online E-Scrap trading system
- **Investment in Exurban**
  - Participation in the construction and operation of a recycling plant in Indiana, USA
  - Expansion beyond the US
- **Expansion of recycling business in Asia**
  - Expansion of E-Waste recycling business in ASEAN (Malaysia, Thailand, etc.)

Competitors' Trends and Enhancement 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 the Naoshima Smelter & Refinery, we will enhance copper smelting and other facilities, thereby increasing the processing capacity by the fiscal year ending March 2028.
  In the Onahama Smelter & Refinery, we will build a pretreatment facility to increase the processing capacity and start operation in 2029.
- In order to cope with low TC/RC, the copper concentrate processing capacity will be reduced from the initial plan, while the E-Scrap processing capacity will be increased to improve the ratio of recycled resources.

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

< Efforts by each company to increase E-Scrap processing >

Overseas Company A
Construction of dedicated E-Scrap furnace
Processing Capacity from 60,000 tons to 100,000 tons/year

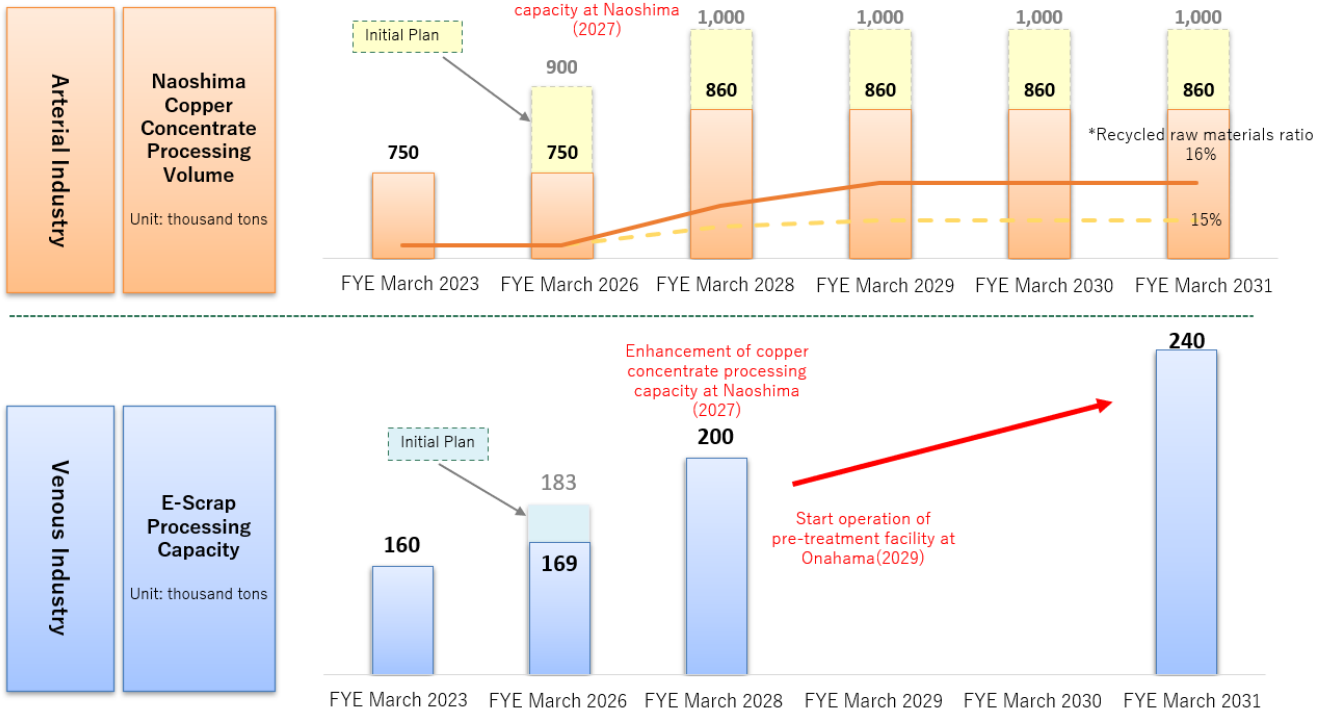
Overseas Company B
Enhancement of Processing Capacity by Reinforcing Smelter
Processing Capacity from 30,000 tons to 43000 tons/year

Overseas Company C
E-Scrap Processing Capacity 120,000 tons/year

Overseas Company D
Plans to introduce pretreatment furnaces

Domestic E
Announces 50% recycled raw material ratio in 2040

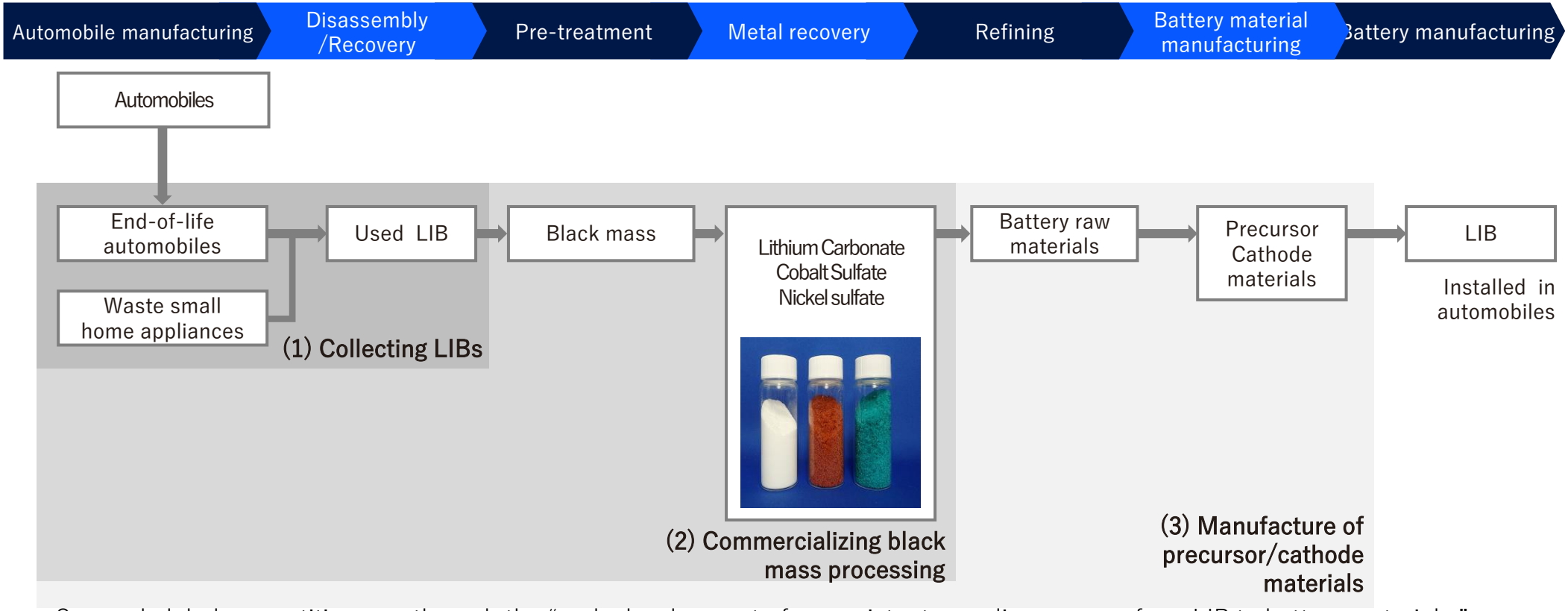
Overseas F
Possesses sampling facilities



*Recycled raw material ratio is calculated by including the amount of copper concentrate processed at Naoshima and Onahama.

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

Resource Circulation Strategy (Resource Circulation Loop and LIB Recycling)

Construction of a LIB Recycling Pilot Plant

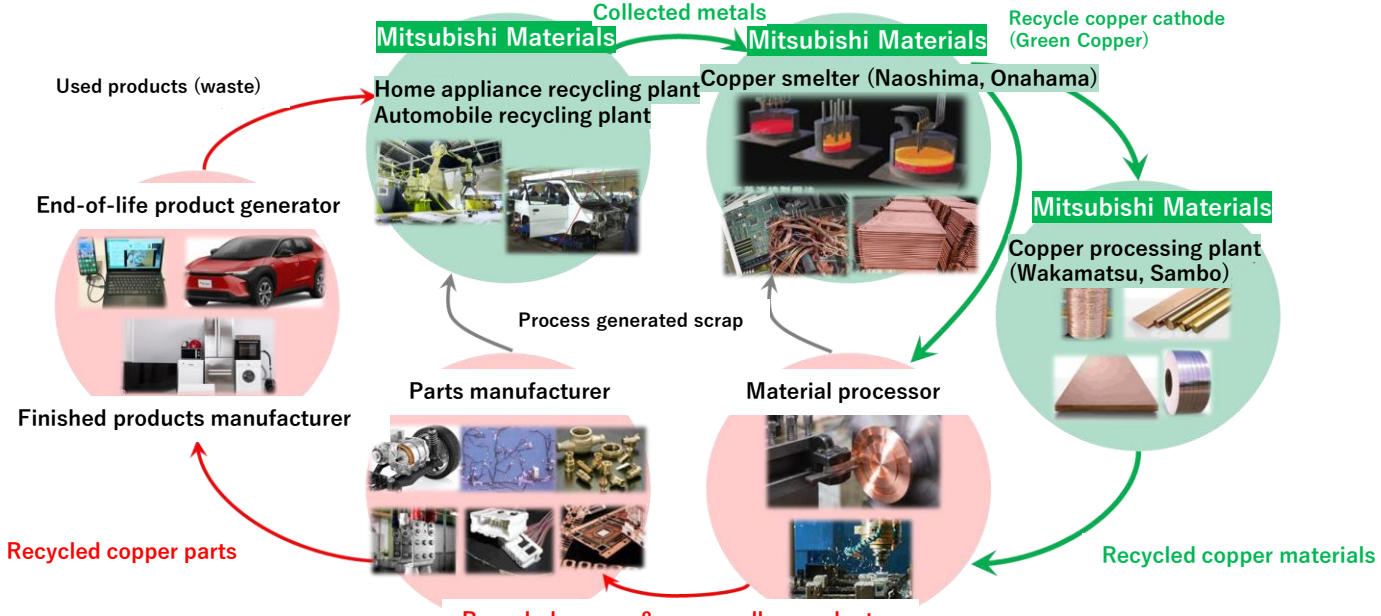
<Overview>
Raw Materials: LIB-derived Black Mass
Products: Battery-grade lithium carbonate,
Nickel sulfate, Cobalt sulfate,
Start of operation: August 2025 (planned)
Location: Construction within Onahama Smelter & Refinery

Photographed in January 2025

Establishing a Resource Circulation Loop with End-of-Life Product Generators (Recycling → Return → Product)

We are working on establishing a “resource circulation loop” by collecting used products (E-Waste) from automotive OEMs and others, recycling them at our recycling plant and copper smelter, and returning them as materials or processed products.

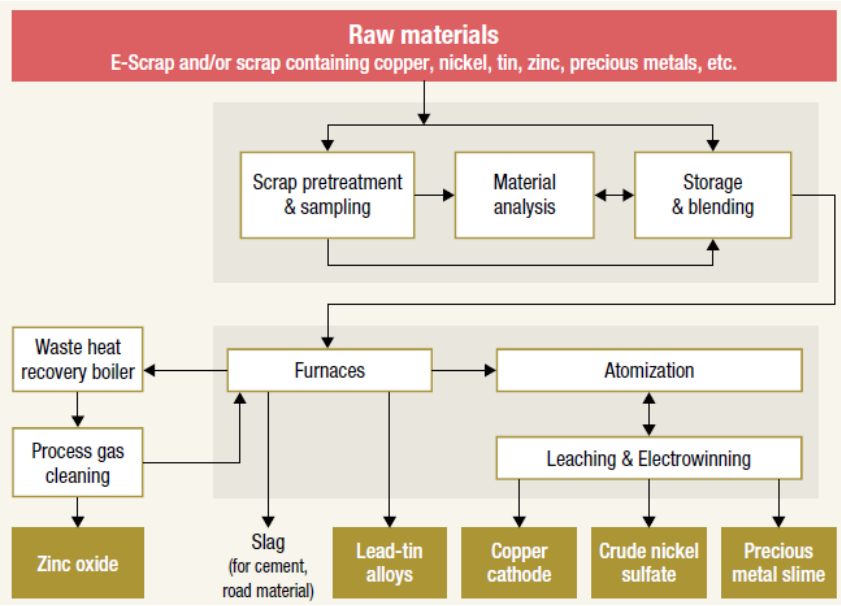
In particular, we propose a resource circulation loop model that meets customer needs by leveraging the extensive copper value chain in our Group.



Resource Recycling Strategy Progress of Overseas Projects

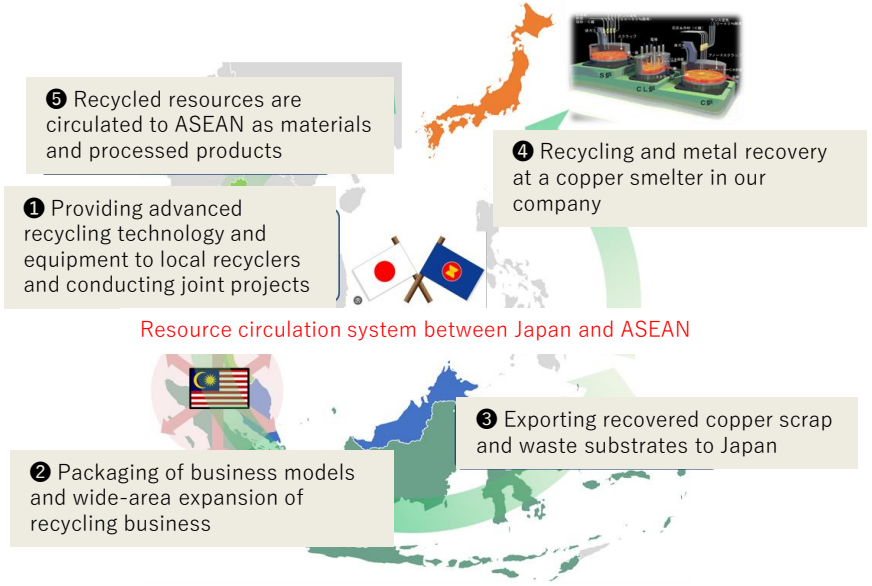
US: Promotion of Exurban Project

- We are working with Exurban to jointly develop new smelting technologies utilizing recycled materials, and we are progressing with a smelter construction project in Indiana, USA.
- We have strengthened our promotion system by welcoming new partners, Rio Tinto, a major mining company, and Giampaolo Group, a recycler.
- To enhance our technology development and local project management systems, we are deploying personnel from our company.



ASEAN: Promotion of Home Appliance Recycling Project

- We are currently advancing a project for the commercialization of home appliance recycling in Malaysia and Thailand, where the legalization of E-Waste management is planned.
- In Malaysia, we have signed an MOU with a local partner, Jaring Metal Industries, to collaborate on the commercialization process, conducting a feasibility study on process design, supply chain development (including the procurement of waste appliances and the sale of recovered resources), and will make investment decisions at the timing of legalization based on the project's viability.
- In Thailand, we are implementing a feasibility study in partnership with local universities (deployment of the Malaysian model).



Progress of Mantoverde Project and New Development Project

Chile: Progress of the Mantoverde Copper Mine Project

- Major construction works, including the concentrator for the deep sulfide ore development project, have been successfully completed. Commercial production started in September 2024, and copper concentrates began receiving in Naoshima in October. We are transitioning to a full-scale production.
- With clean ore containing few impurities, a stable supply of copper resources is expected for a long period until 2042.
- The technology development of a process to separate and recover trace amounts of cobalt is being promoted. In the future, we plan to carry out recovery of valuable metals at other mines in which we invest.
- The total amount of copper concentrate secured from our offtake rights is expected to increase from 150,000 tons in the fiscal year ended March 2023 to 270,000 tons in the fiscal year ending March 2026 (Optimization Plan) .
- Various plans (construction, purchasing, and operation and project execution plans) are being prepared with the aim of starting operations after Q2 2026. The project execution plan is expected to be finalized by mid-2025.
- The total construction cost is expected to be about US$150 million. No additional contributions will be required from shareholders, and the plan is to utilize cash flow generated from the mine's operations.

＜Aerial view of the concentrator＞

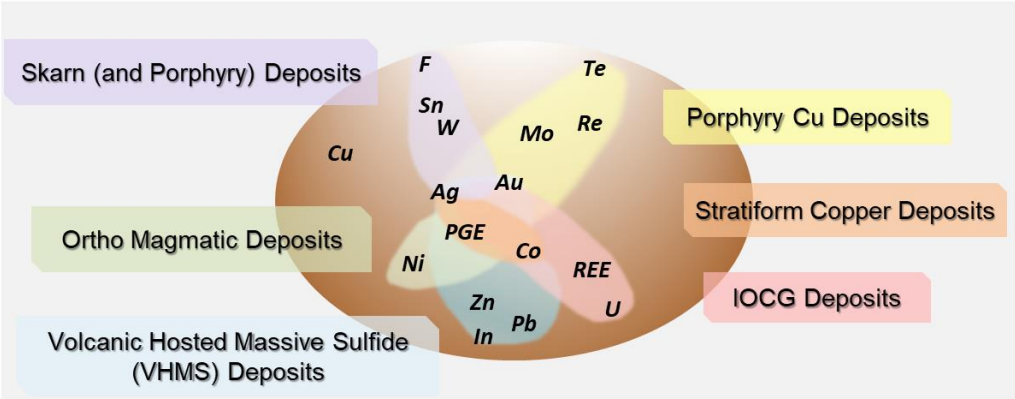
Canada: Progress of the Casino Copper Mine Project

- In March 2023, we made a capital investment in Western Copper and Gold Corporation and participated in the Casino Copper Mine Project.
- We renewed the shareholder rights agreement, which stipulates access to technical information about the project, for one year in April 2025 and will continue to discuss our participation in the development stage.
- Production is scheduled to begin in 2030, with a mine life of 27 years. The ore is expected to be clean with few impurities, and we anticipate a stable supply of copper resources in the long term.

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.

Advanced Products Company

Copper & Copper Alloy Business

- FYE March 2025: Demand for automobiles and semiconductors was weak
- FYE March 2026: Profit is expected to increase due to a moderate recovery in demand for automobiles and a rise in demand for AI servers

(Billions of yen)	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Ordinary Profit	-0.5	-1.0	2.6	12.4
EBITDA	10.6	11.7	15.2	24.6
ROIC	0.6%	0.8%	2.1%	4.0%
ROIC Spread	-2.1pt	-1.9pt	-1.0pt	+1.3pt
EP	-4.5	-4.3	-2.0	

*EBITDA= Ordinary profit + Net interest expense + Depreciation + Goodwill depreciation

FY2031 Strategy Measures	• Improving the recycling rate of wrought copper products and establishing a platform for scrap • Overseas (Luvata): Timely entry into growing markets (xEV, healthcare, environment)
Progress	• A dedicated department has begun to consider how to respond to increasingly sophisticated customer requirements • Capacity expansions of existing facilities and M&A in the EV connector field • Capacity expansions in copper sheets and copper strips have progressed as planned, and full-scale operation begins in H2 of FYE March 2025
Initiatives for FYE March 2026	• Expansion of sales of semiconductor-related heat spreaders in addition to the newly certified products for automotive terminals • Improvement of yields by rationalizing production and reduction of inventory by shortening lead time • Optimization of product portfolio by shifting to high-value-added products and eliminating low-profit products

Advanced Products Company

Electronic Materials & Components Business

- **FYE March 2025: Demand for some semiconductors such as AI-related products recovered**
- **FYE March 2026: Profit is anticipated to grow, primarily for AI-related products**

(Billions of yen)	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Ordinary Profit	2.8	4.9	5.3	8.6
EBITDA	6.9	8.9	10.3	16.0
ROIC	3.3%	5.2%	4.9%	7.8%
ROIC Spread	-4.1pt	-2.2pt	-3.4pt	+0.4pt
EP	-2.7	-1.6	-2.7	

*EBITDA= Ordinary profit + Net interest expense + Depreciation + Goodwill depreciation

FY2031 Strategy Measures	• 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
Progress	• The business environment in precision silicon products is deteriorating. Revised investment to increase production and shifted to other growth areas • Investment to increase capacity for columnar crystal silicon and sealing products is progressing as planned
Initiatives for FYE March 2026	• Increase market share and acquire new customers through strong products (semiconductor-related products and devices) • Increase in production due to recovery in semiconductor market • Strengthen price competitiveness through cost reduction • Increase sales of new products (square silicon substrates, surge absorber DH53 series)

Review of FYE March 2025 for the Copper & Copper Alloy Business

- **Capacity expansions in Japan have been completed**
  - **Sakai Plant**: Enhancement of casting facilities for copper cake
  - **Sambo Plant**: Installation of additional washing machines, slitters, and packaging machines for copper sheets and strip
  - **Wakamatsu Plant**: Installation of additional slitters and packaging machines for copper strips, and enhancement of reflow tin plating lines

- **Soft demands continued for automobile and semiconductor markets**
  - **Automobiles**: Delayed rise in EV demand
  - **Semiconductors**: Delayed recovery in consumer demand, weak demand for power semiconductors

- **Earnings improvement measures implemented, in the main rolling business**
  - **Manufacturing**: Reduced break-even points by various cost reductions and yield improvements in Wakamatsu Plant and Sambo Plant (about 10% reduction year-on-year)
  - **Sales**: Expanded sales of heat sinks for AI data centers, where demand is increasing mainly in Southeast Asia

- **Earnings deterioration was beyond initial expectations and it could not be recovered through the earnings improvement measures, and impairment was recorded in the fiscal year ended March 2025**

In the fiscal year ending March 2026, we will leverage the capacity expansions which were completed by the end of the previous fiscal year, boost our top lines by strengthening our sales structure (deepening existing markets and developing new markets), and implement "Earnings Structure Reforms," including further cost reductions

Copper & Copper Alloy Business: Overview of the Earnings Structure Reform

Thorough Production Rationalization and Lead Time Compression

Cost Reduction Measures

- **Wakamatsu Plant** : MSP alloy recycling, yield improvement and rationalization, inventory reduction
- **Sambo Plant** : Yield improvement and rationalization, inventory reduction
- **Sakai/Onahama** : Production efficiency improvement, inventory reduction
- **Additional Measures** : Production line integration/abolition, lead time compression

Strengthening Marketing and Providing New Added Value

Sales Expansion

- **Automotive Market (Rolling):** Expansion into BEV-related fields, domestic busbar market, and European market
- **Semiconductor Market (Rolling):** Promotion of heat spreaders and target materials
- **Water Faucet Market (Extrusion):** Expansion of GloBrass (overseas) and Eco Square Corners (Japan)
- **Others :** Promotion copper alloy bars, price revisions, and compression of recovery sites

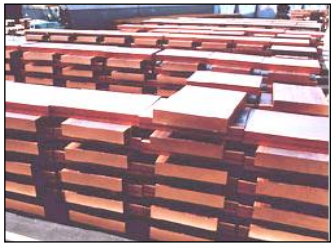
Strengthening of Sales Structure

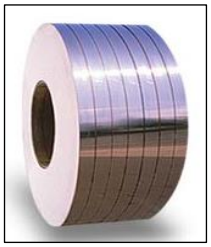
(Organizational change effective April 1, 2025)

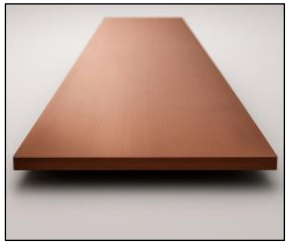
Rolling Sales Dept.
Extrusion Wirerod Sales Dept.
⇒
Copper & Copper Alloy Sales Dept.: Domestic and overseas sales in existing markets
Strategic Sales Dept.: Domestic and overseas sales and marketing in new markets

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

Strengthening the Production System for Rolled Products

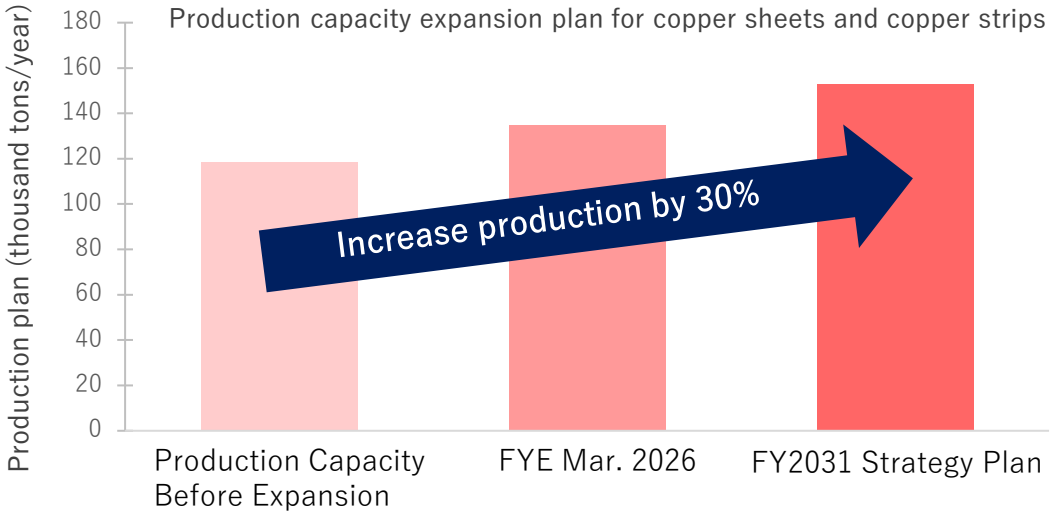






Increase production of copper sheet and strip products

- 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



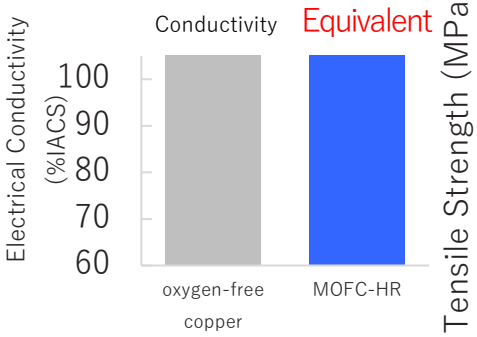
		Sakai Plant	Sambo Plant	Wakamatsu Plant
Products targeted for increased production		Copper cake	Copper sheets and stripes	Copper strips
Main target market		**For electric vehicle terminals and bus bars** Responding to the rise of EV/HV against the backdrop of tighter environmental regulations		**For automotive terminals and bus bars** Responding to the increase in automobile production
Plan	Production increase	Production increased by approximately 30%		
	Details of investment	Installation of a new melter line	Expansion of washing machines and slitters and packing machines	Expansion of slitters and packing machines Enhancement of reflow tin plating lines
Progress		New melter started operation in June 2023	May 2024: Completion of the construction of Rolling No. 3 Building March 2025: Start of operations	May 2023: Plating line began operations Sep. 2024: Completion of the new slitter plant building May 2025: Scheduled to start operations

Copper & Copper Alloy Business: Oxygen-free Copper

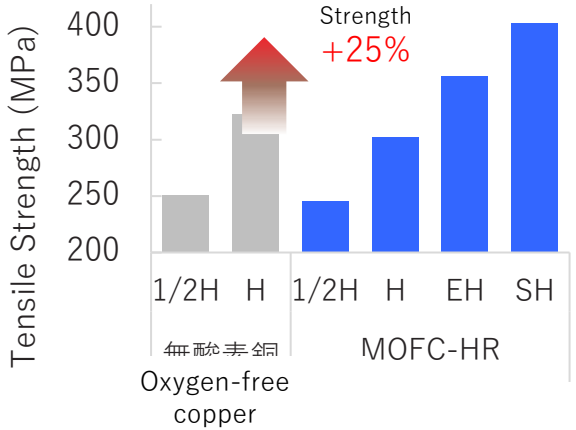
- We developed MOFC-HR (Mitsubishi Oxygen Free Copper - Heat Resistance), an oxygen-free copper with the world's highest level of strength and heat resistance, and are promoting its adoption as a material that requires high current and high heat dissipation in harsh environmental conditions, such as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

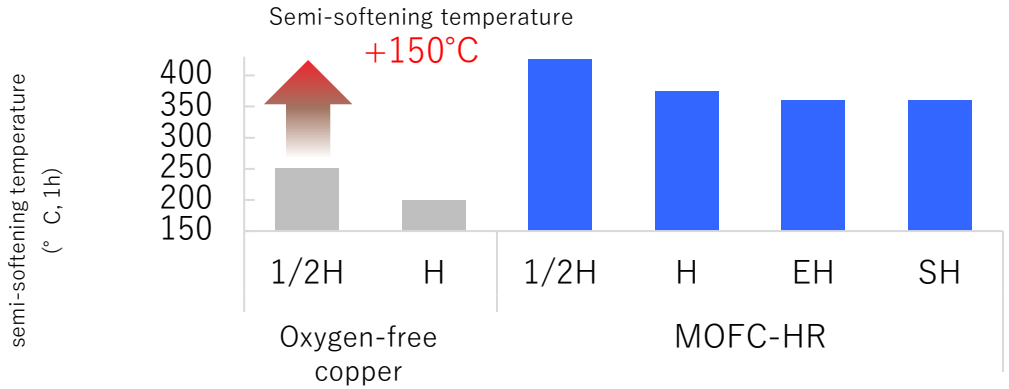
Oxygen-free copper's outstanding properties × **Copper-alloy class high performance**

Electrical and thermal conductivity

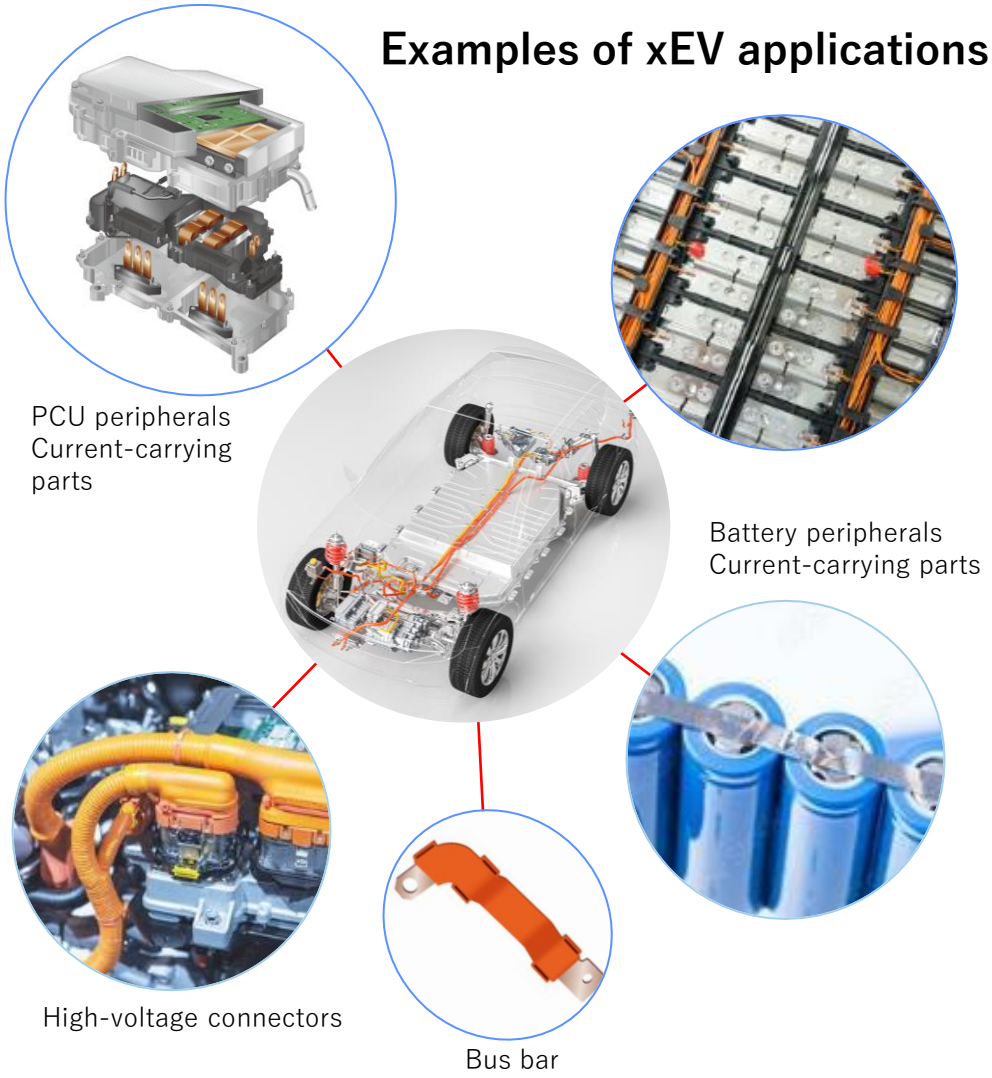


High strength and heat resistance



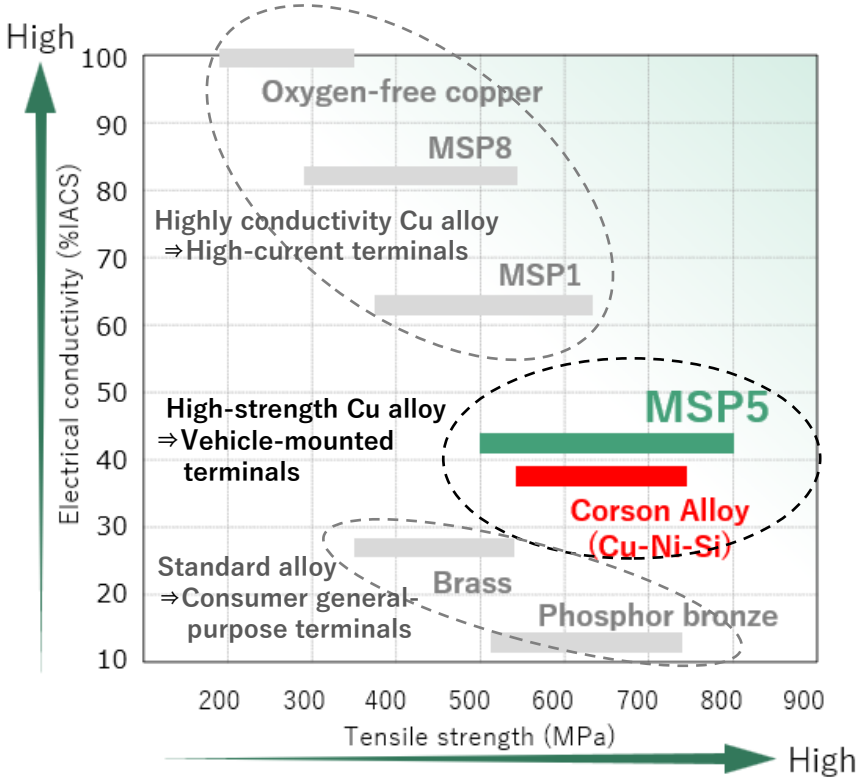


Examples of xEV applications



Copper & Copper Alloy Business: MSP5

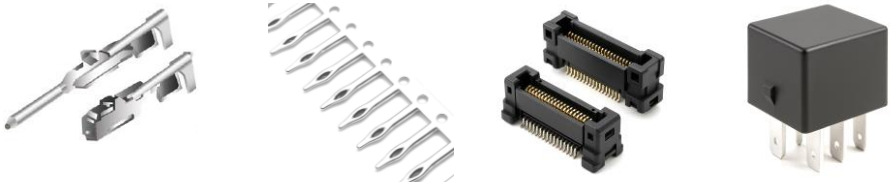
- **"MSP5" is the world's first high-strength Cu-Mg alloy engineered to reduce terminal size and cost, and now in mass production**
  It is rapidly gaining adoption as a replacement for Corson Alloy, which is widely established as a high-strength copper alloy



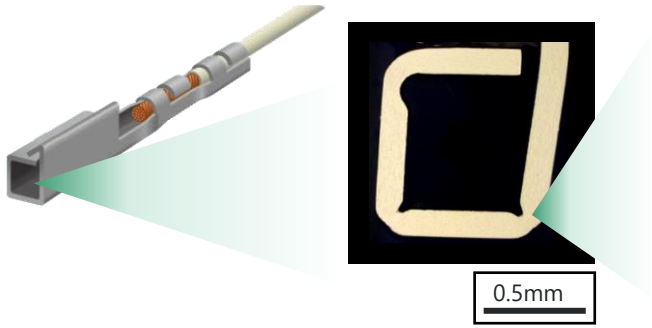
Characteristics	Corson Alloy	MSP5	MSP5 evaluation
Key additive elements	NI, Si, Sn	Mg	No expensive Ni and Sn ⇒**Cost reduction of terminals**
Electrical conductivity (%IACS)	○ (38)	○ (43)	Equal or better balance ⇒Thinner materials possible ⇒**Smaller and cheaper terminals**
Tensile strength (MPa)	○ (540-740)	○ (480-780)	
Bendability	×	○	Excellent bending capability ⇒**Enables compact terminal design**
Specific gravity	× (8.9)	○ (8.5)	5% lighter ⇒**Lightweight and cost-saving terminals**
Press formability	×	○	Reduced mold maintenance costs ⇒**Further contributes to terminal cost reduction**

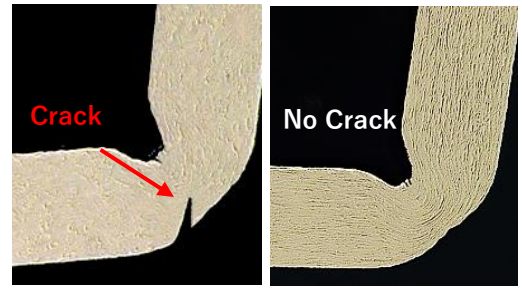
Examples of Automotive Applications

Small-sized terminal	Press-fit terminal	Board-to-board terminal	Relay



Excellent Bendability





Copper & Copper Alloy Business: Luvata's Expansion of Sales for EV-related Parts

Luvata's Strategy to Expand Sales of EV Connectors

In response to the growing demand for local production and consumption in the automotive industry, we have established production bases in the Americas, Europe, and Asia, **becoming the first supplier close to our customers**.

Status Overview of Each Region

① Americas

- ✓ Production began in 2022 at a plant in Ohio, USA, which is a production base for welding electrode materials.
- ✓ **In the fiscal year ended March 2025, Luvata secured a new plant building in Ohio, USA, and expanded its production capacity.**
  Construction is scheduled to be completed in November 2025.

② Europe

- ✓ **In May 2024, Luvata acquired Dawson Shanahan (currently Luvata Welshpool Limited) in Wales, England.** Based on this company, we are expanding sales in Europe.

③ Asia

- ✓ A prototype line has been set up at a plant in Suzhou, China, and prototyping is underway to obtain customer certification.

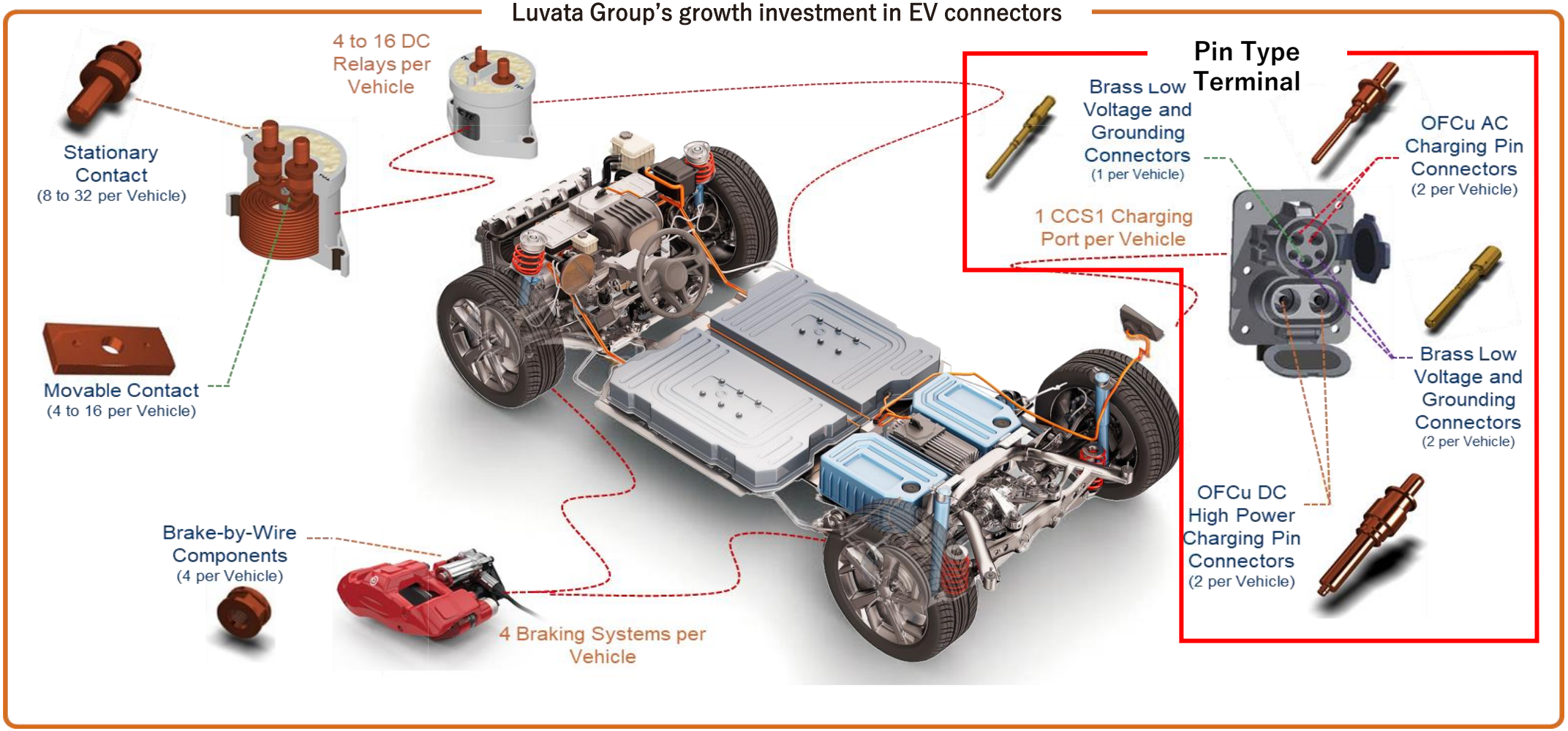
New US Plant

Luvata Welshpool Limited, UK

Luvata Group's Growth Investment in EV Connectors

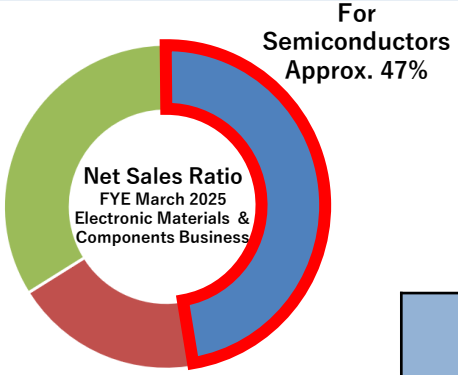
- We will expand sales of pin-type terminals in the expanding EV market by leveraging the cold forging technology cultivated in the welding electrode business.
- We are proceeding with capital investments to build a production system in the Americas, Europe, and Asia.
- In the Americas, we are moving 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.

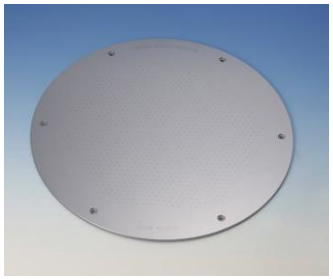
Luvata Group's growth investment in EV connectors

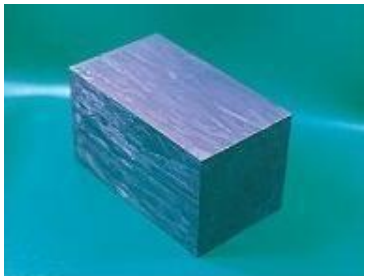


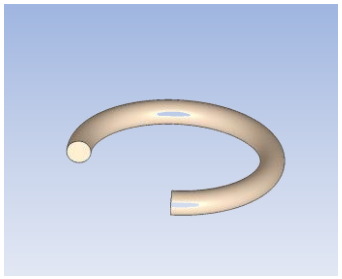
Electronic Materials & Components Business: Development of Semiconductor Products

- **Demand for our products is gradually recovering, though the situation varies by product.**
- **In particular, demand for generative AI applications is robust, and we are considering further business expansion through investment in increased production.**







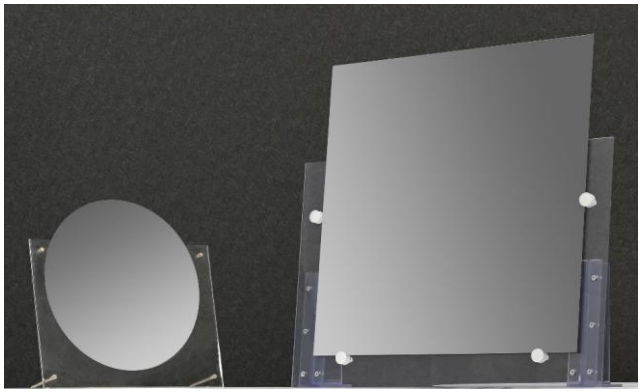


	Low-alpha Solder	Precision Silicon Products	Columnar Crystal Silicon	Seal
Application	Semiconductor Packaging Material	Semiconductor Manufacturing Equipment Parts		
Demand Trend	Strong demand for AI and advanced packaging applications	Weak demand due to continued excess inventory in commercial markets	Strong demand for semiconductor memory applications	Weak demand due to continued excess inventory in commercial markets
Product Strengths	• Unique low alpha materials and quality assessment technologies • Long-standing trust and proven track record	• Superior microfabrication technology for brittle materials • Customization capabilities	• Supply of large-diameter products(□1050, ϕ 1050) • High strength and inclusion-free • Thermal expansion coefficient and workability comparable to single crystals	• Expertise in material design • Customization capabilities • Cost competitiveness through automation
Future Development	In response to requests from reputable major customers, we are progressing with the expansion of our production facilities. We plan to invest to increase production by three times compared to FYE March 2025, with benefits expected to manifest from FYE March 2028.	We aim to enhance our share with current major clients while venturing into new customers and fields, with the goal of expanding sales in these new domains. We plan to achieve results beginning in FYE March 2026.	Customer demand remains strong, and the target market is projected to grow continuously. We plan to incrementally increase production capacity while monitoring demand trends, with results expected to materialize after FYE March 2026.	By the second half of FYE March 2026, we expect to reduce distribution inventory, followed by an anticipated increase in demand in line with market growth. We will consider further capacity enhancements based on demand trends.

Electronic Materials & Components Business: New Products

“Square Silicon Substrate” for Semiconductor Packaging

Press release on August 21, 2024



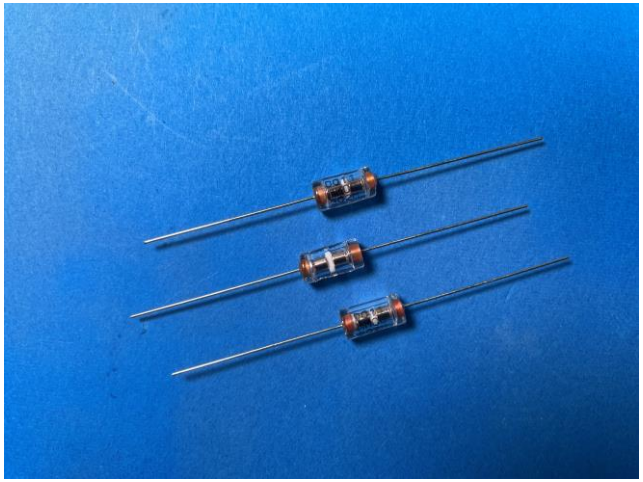
600 mm-square rectangular silicon substrate, one of the world’s largest

- With the recent proliferation of cloud services and AI, this material is intended for use in next-generation semiconductor packages, such as high-performance and large-scale CPUs and GPUs for servers
- It is applicable to carrier substrates for Panel-Level Packaging (PLP) and interposer materials for semiconductor packages
- Compared to glass panels used in PLP, its high rigidity and excellent thermal conductivity contribute to improved productivity

Developed a "Square Silicon Substrate" for Semiconductor Packages- 600… | News | Mitsubishi Materials Corporation

High-Performance Lighting Protection Components for xEVs (DH53 Series Surge Absorbers)

Press release on November 29, 2024



Achieved High-speed Response and 5,000-A Surge Current Capacity

- As thunderstorms become more frequent due to climate change, electronic devices face a growing threat from unexpected surges
- Compared to conventional products with a surge current capacity of up to 3,000 A, this product achieves a surge current capacity of up to 5,000 A while boasting high surge life and fast response, meeting market demands
- It contributes to higher a degree of freedom in design and stable operation of electronic devices such as chargers for xEVs and power supplies for AI servers

Development of New Lightning Protection Components for xEVs, AI Server… | News | Mitsubishi Materials Corporation

Metalworking Solutions Company

- **FYE March 2025: Sales growth for automotive industry was significantly lower than anticipated**
- **FYE March 2026: We will focus our sales activities on key accounts, particularly in the automotive and aerospace sectors. Additionally, we will substantially increase the number of seminars to foster customer-friendly initiatives**

(Billions of yen)	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Ordinary Profit	12.2	8.5	8.3	25.0
EBITDA	24.5	20.9	25.9	39.9
ROIC	5.2%	3.1%	3.7%	8.6%
ROIC Spread	-1.3pt	-3.3pt	-3.6pt	+2.1pt
EP	-2.1	-6.6	-7.3	

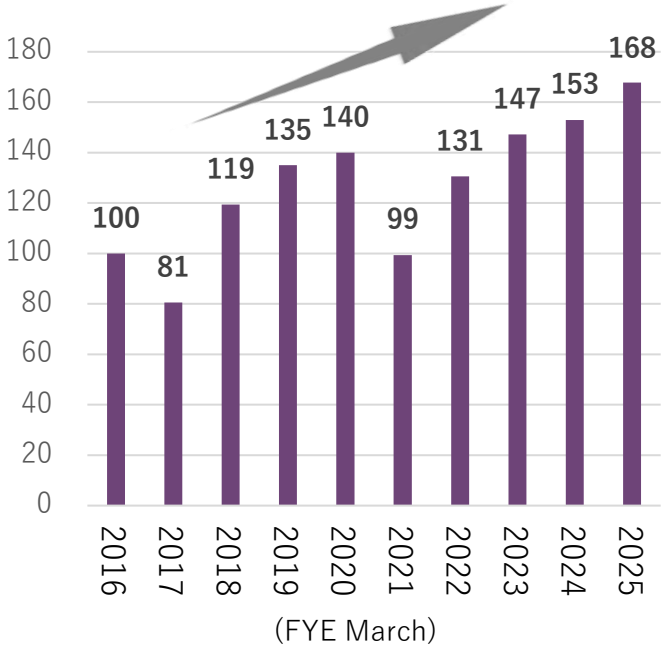
*EBITDA= Ordinary profit + Interest expense + Depreciation + Goodwill depreciation

FY2031 Strategy Measures	**Cemented carbide tools Business** • Stable supply of the world's top quality, high-efficiency products utilizing the strength of materials and coating technology **Tungsten Business** • Expansion of business scale for rechargeable batteries in addition to carbide tools, etc. • Strengthening environmental responsiveness **Solutions Business** • Commercialization of solution sales to manufacturing sites
Progress	• The creation of high-value-added products is progressing in various fields such as automobiles, aircraft, and medical care. However, due to the deteriorating market conditions, cemented carbide tools's sales fell short of the FY2031 Strategy, and some investments were suspended or postponed • Completion of acquisition of H.C. Starck, one of the world's leading manufacturers of tungsten products
Initiatives for FYE March 2026	• Accelerating comprehensive cost reduction, including personnel reallocation, optimization of scale, and procurement optimization, while also preparing for labor-saving measures in anticipation of an economic turnaround • Strengthening sales expansion to the aerospace industry, which is on a growing trajectory • Accelerating efforts to secure the recovery and recycling capacity of used cemented carbide tools by leveraging recycling technologies, capabilities, and global bases of our company, Japan New Metals (our subsidiary), and H.C. Starck

Shift in Focus Markets for Cemented Carbide Tools Business

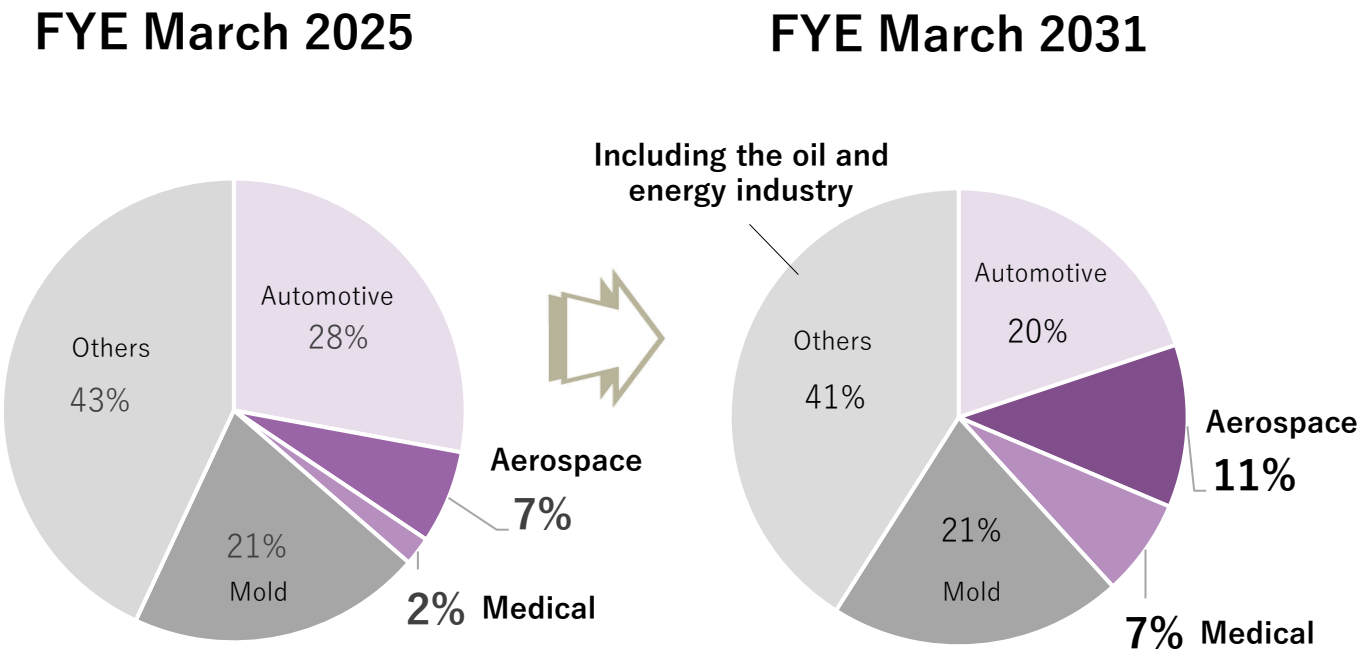
- We are adjusting our market portfolio in the cutting tool business to concentrate on aerospace and medical applications, with a focus on expanding sales of high-added-value solid tools for heat-resistant alloys, inserts-MV series (holding coating patents).
- In the United States, we are introducing the latest material types for the oil and energy industries, while also leveraging external suppliers to strengthen sales of cutting tools.

Net Sales Growth Trends for Aerospace Industry



*Index shown with FYE March 2016 set to 100

Cutting Tool Market Portfolio (Net Sales Composition by Industry)



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

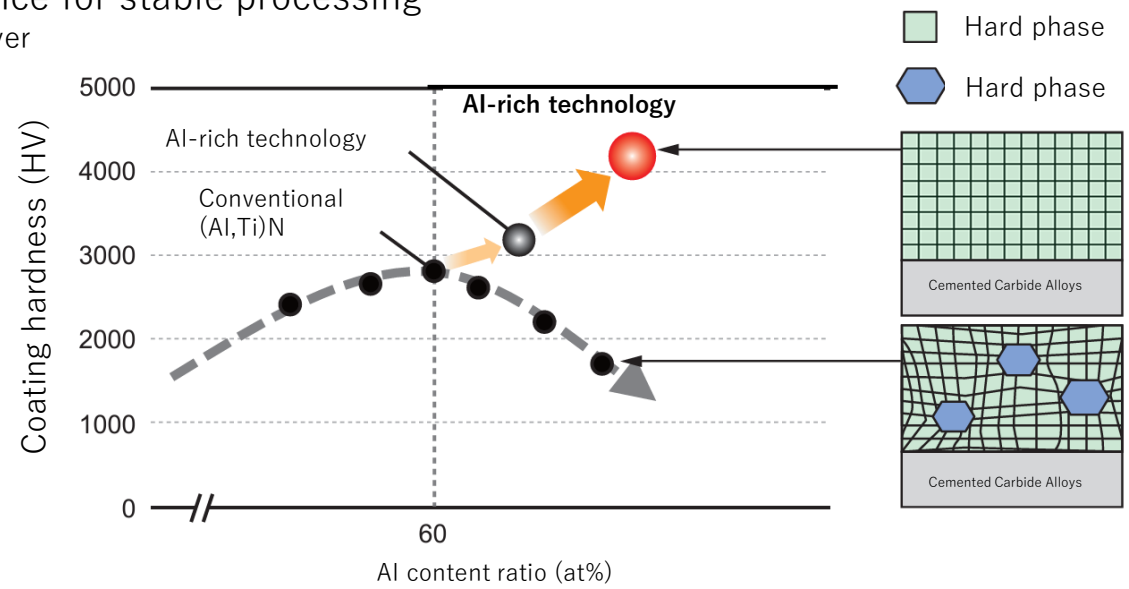
*イメージ図

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 billion in Europe and the U.S. and ¥9.5 billion in Asia by the fiscal year ending 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 in the fiscal year ended March 2025.
- 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

Promoting the Tungsten Strategy

Synergies between H.C. Starck and Japan New Metals

- **The acquisition of H.C. Starck, one of the world's leading tungsten manufacturers, was completed in December 2024.**
- **H.C. Starck mass-produces tungsten (W) and tungsten carbide (WC) in Europe, North America, and China, sells W and WC through its global sales network, and possesses one of the world's largest recycling capabilities.**
- **In FYE March 2024, Japan New Metals Co., Ltd. faced adverse market conditions for both cemented carbide and semiconductors. However, in FYE March 2025, profits increased significantly due to higher sales of highly profitable high-performance powders for electronic components and semiconductors.**

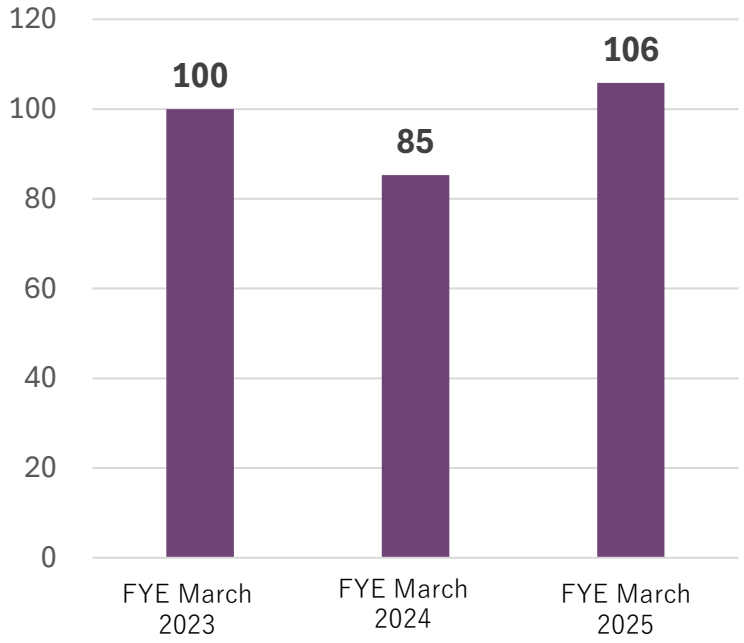
Global Business Development of Tungsten Recycling

Accelerate efforts to collect used cemented carbide tools and secure recycling capacity by utilizing the recycling technologies, capabilities, and global bases of Japan New Metals Co., Ltd. and H.C. Starck

Strengthen R&D capabilities through collaboration between Mitsubishi Materials Corporation, Japan New Metals Co., Ltd., and H.C. Starck

Generating Synergies and Increasing Corporate Value through Cross-Selling Efforts between Japan New Metals and H.C. Starck.

Japan New Metals' Business Performance



*Index shown with FYE March 2023 set to 100

Renewable Energy Business

- **FYE March 2025: Profit rose driven by the start of power generation at Appi Geothermal**
- **FYE March 2026: Profit is expected to fall due to the impact of regular maintenance at Appi Geothermal**

(Billions of yen)	FYE March 2024 Result	FYE March 2025 Result	FYE March 2026 Forecast	FYE March 2026 Plan (FY2031 Strategy)
Ordinary Profit	0.8	2.6	1.2	2.3
EBITDA	2.2	5.2	3.7	4.6
ROIC	3.4%	5.1%	2.7%	3.7%
ROIC Spread	+1,8pt	+3.3pt	+0.9pt	+2.1pt
EP	0.5	1.5	0.4	

*EBITDA= Ordinary profit + Net interest expense + Depreciation + Goodwill depreciation

FY2031 Strategy Measures

- New development be launched once every three years to expand business
- New entrants into wind power generation where power generation costs are expected to decline in the future
- Further development of new biogas plants

Progress

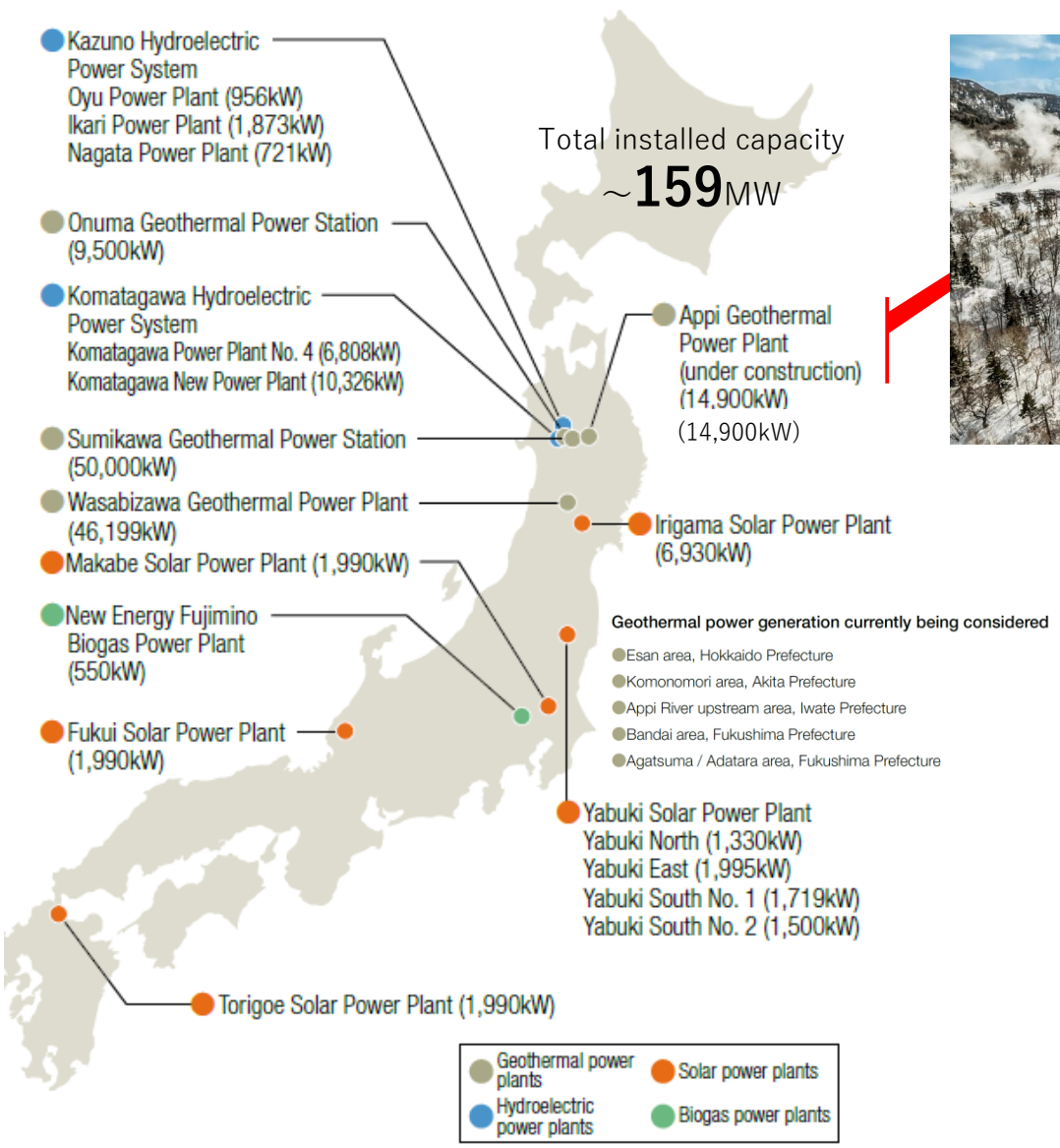
- Appi Geothermal Power Plant started operation in March 2024 (one month ahead of schedule)
- Conducting wind survey on our company's land (Imakane-cho, Hokkaido)
- Withdrew from biogas business in September 2024

Initiatives for FYE March 2026

- Construction of a solar power plant utilizing our company's land (Torinooku Power Plant is scheduled to start operation in November 2025)
- New projects in geothermal, wind, small hydro, and solar power are being launched one after another, and surveys and evaluations are continuing

Renewable Energy Business: 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**



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

Overview of Appi Geothermal Power Plant (started operation on March 1, 2024)

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%

Status of Major New Projects

Komonomori Project (Geothermal)

- A geothermal project in Hachimantai, Kazuno City, Akita Prefecture
- In FYE March 2025, we drilled approximately 2,200-meter and 2,000-meter exploratory wells, confirming high-temperature areas exceeding 310°C
- We plan to drill two wells at most in FYE March 2026

Imakane Project (Wind Power)

- A project utilizing our company-owned forests in Imakane-cho, Hokkaido
- Wind survey began in FYE March 2024 and are still ongoing
- A decision on commercialization will be made based on the results of the wind survey

Torinooku Project (Solar)

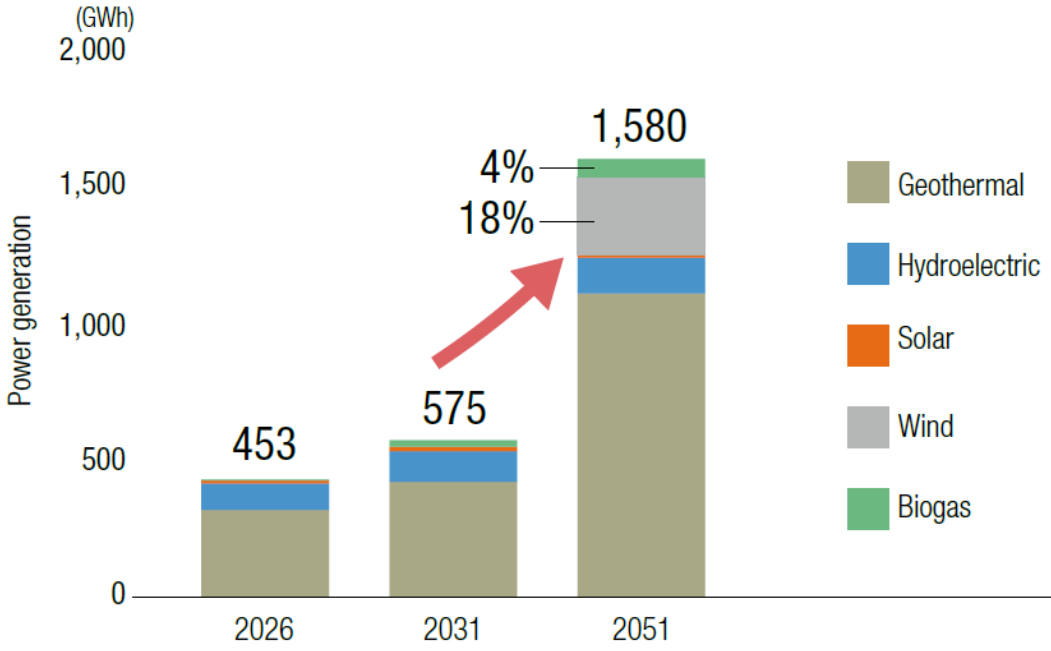
- A project utilizing the tailings dam site at Akenobe Mine, owned by our company
- Will supply electric power to our own plant using self-consignment scheme
- Construction began in April 2025, with the start of operations expected in November

Toward Being 100% Self-sufficient on Renewable Energy

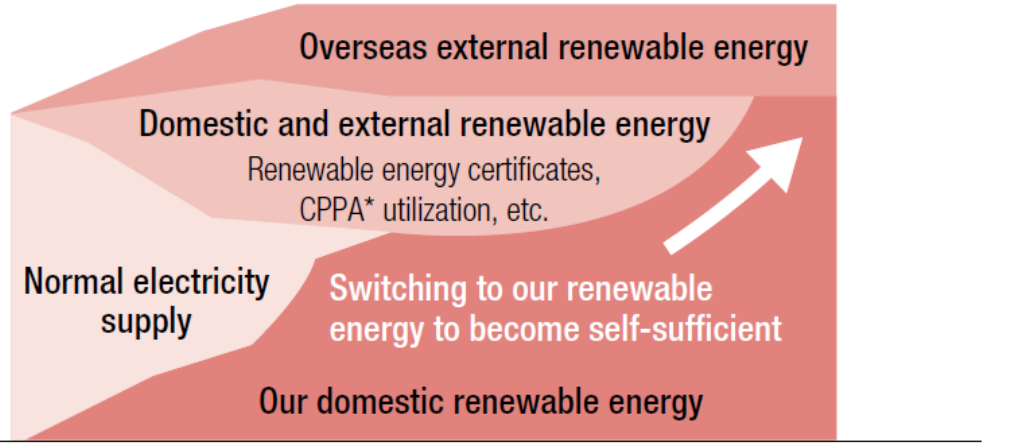
- With the aim of achieving power generation equivalent to our electricity consumption by FYE March 2051, we are expanding our geothermal power generation business and developing new renewable energy power generation, mainly wind power

- 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

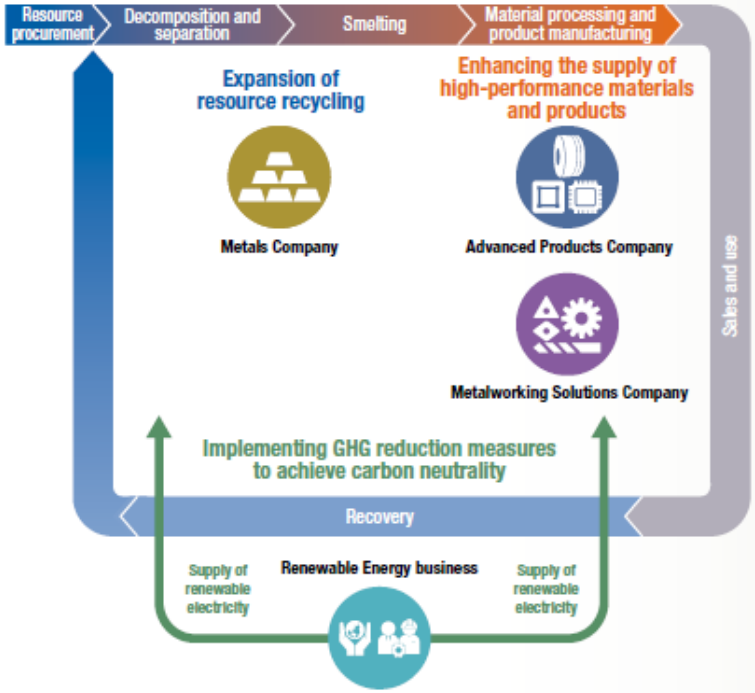
- Manufactured capital
- Human capital
- Intellectual capital
- Social and relationship capital
- Natural capital
- Financial capital

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

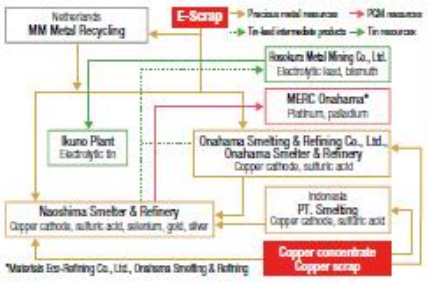
*E-Scrap: Waste circuit boards of electronic equipment, etc. that contain trace amounts of various precious metals.

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

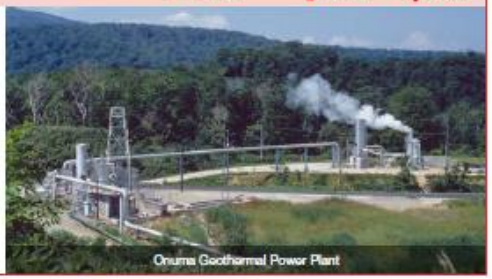
- Development and production of oxygen-free copper, copper alloy, lead-free brass, etc.
- Supply of materials and components for semiconductor manufacturing equipment (columnar crystal silicon, sealing products)
- Supply of high-efficiency carbide tool products that utilize our materials and coating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

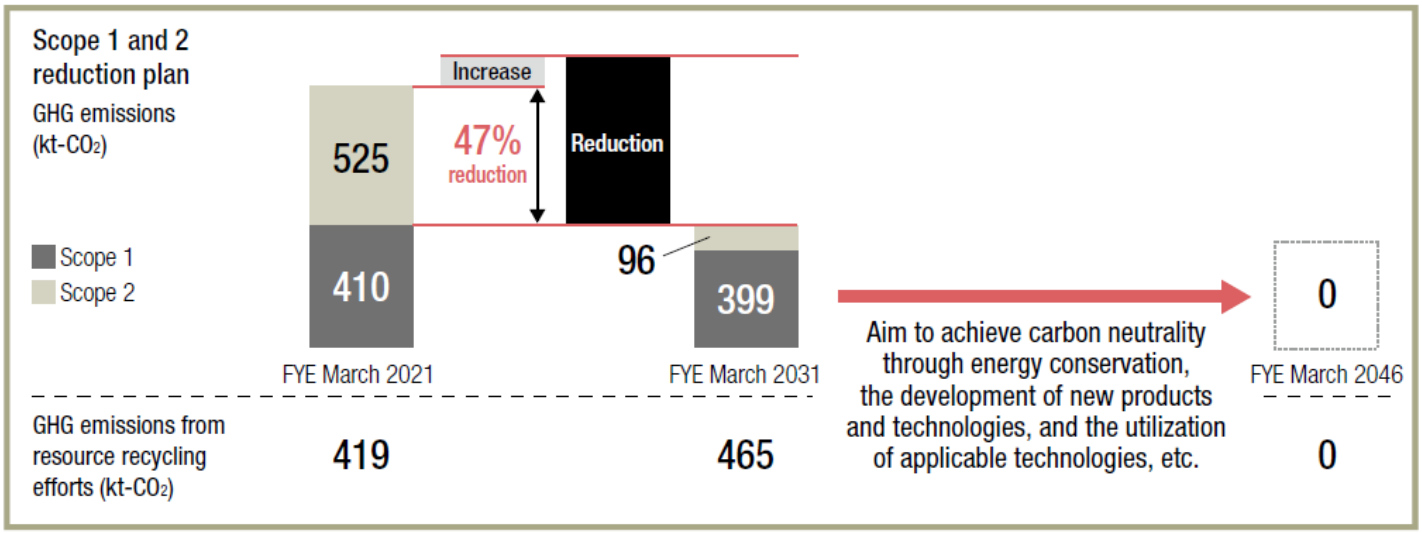
Hayakita Forest

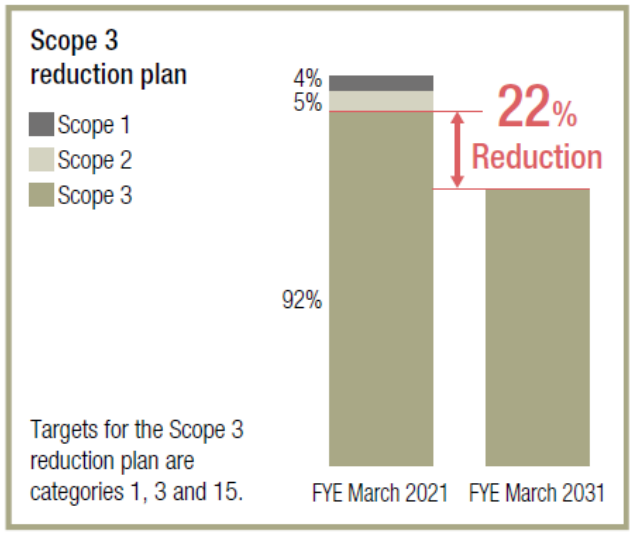
GHG Reduction Targets toward Carbon Neutrality

- 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 and electrolytic lead.
- Establish a foundation for the management of CFP.

Reduction

- Increase engagement 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)

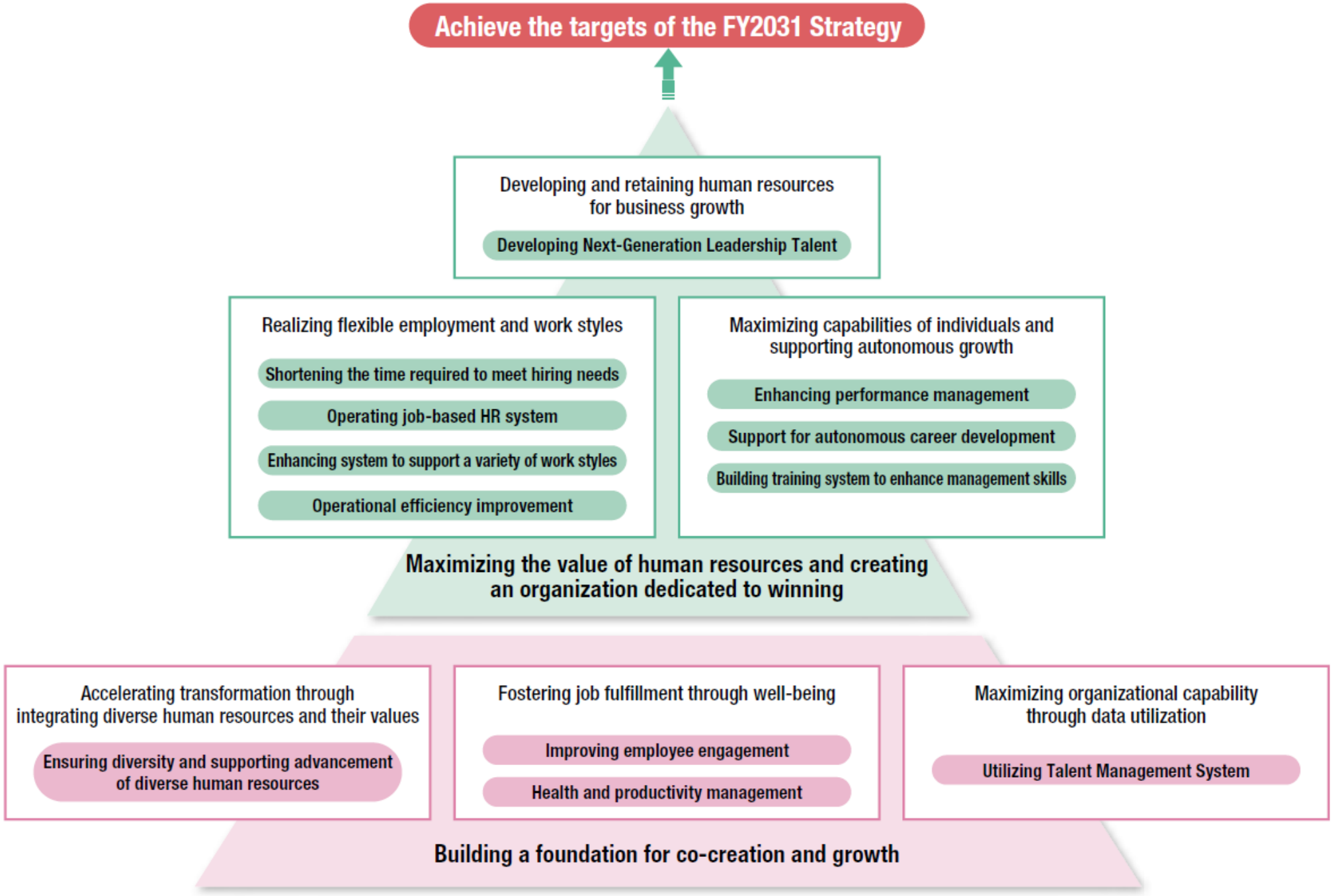
*2 The Company's Ikuno Plant, Hosokura Metal Mining Co., Ltd., Material Eco Recycle Co., Ltd., Ryohinkogyo Co., Ltd., Materials Eco-Refining Co., Ltd.'s Ikuno Plant and Onahama Plant, East Japan Recycling Systems Corporation, Chubu Eco Technology Co., Ltd.

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) .
Note: 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

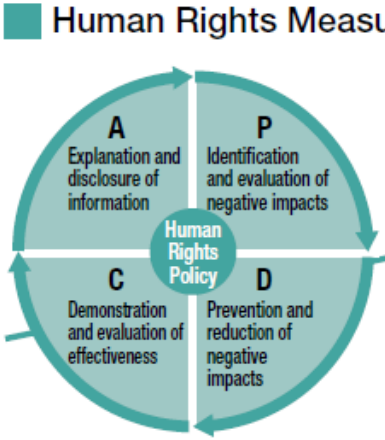
		Priority issues	Main measures	FYE March 2024 result	FYE March 2026	FYE March 2031	Materiality
Human resources strategies	Maximizing the value of human resources and creating an organization dedicated to winning	Developing and retaining human resources for business growth	★ Developing Next-Generation 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 ended 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

Human Rights Measures Roadmap

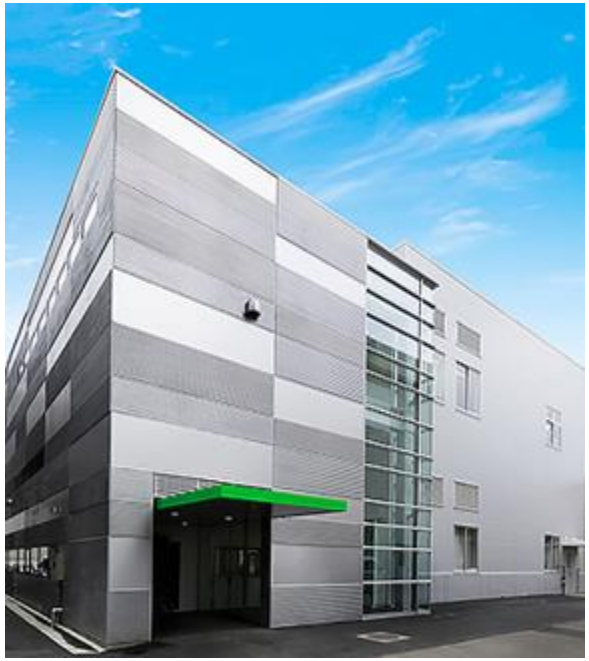


	Short term (FYE March 2025)	Medium term (FYE March 2026 to 2027)	Long term (FYE March 2028 to 2029)
Dissemination of Our Commitment to Human Rights Policy	• Engagement with stakeholders inside and outside the Company	• Reflection of results of internal and external engagement in individual measures • 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.

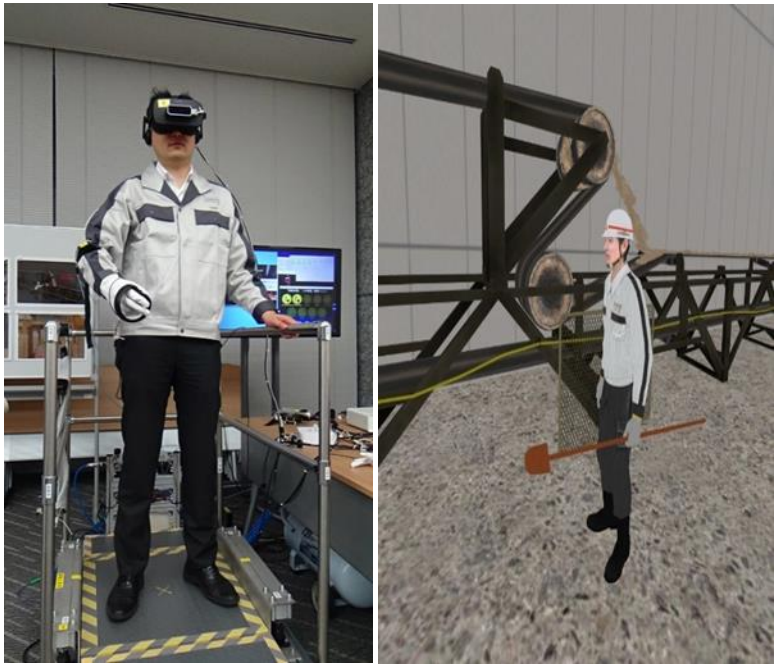


Safety and Health Education Center - "Midori-kan"

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

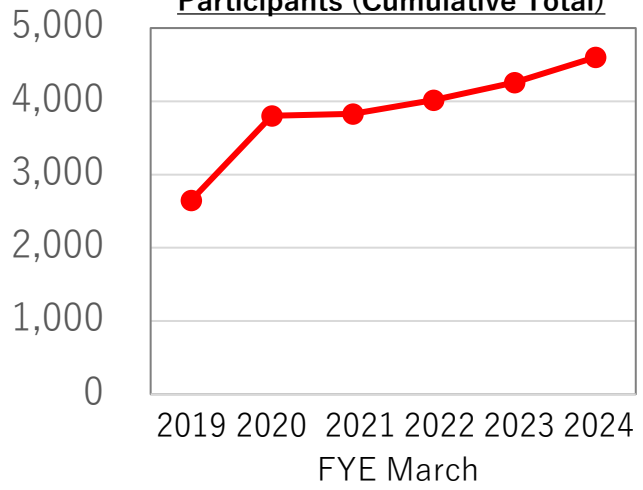
to employees of MMC Group and subcontractors.



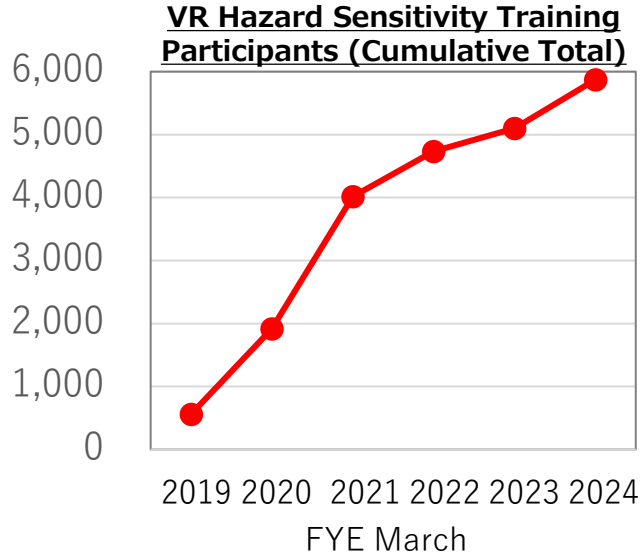
Hazard Sensitivity Training Using VR

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)

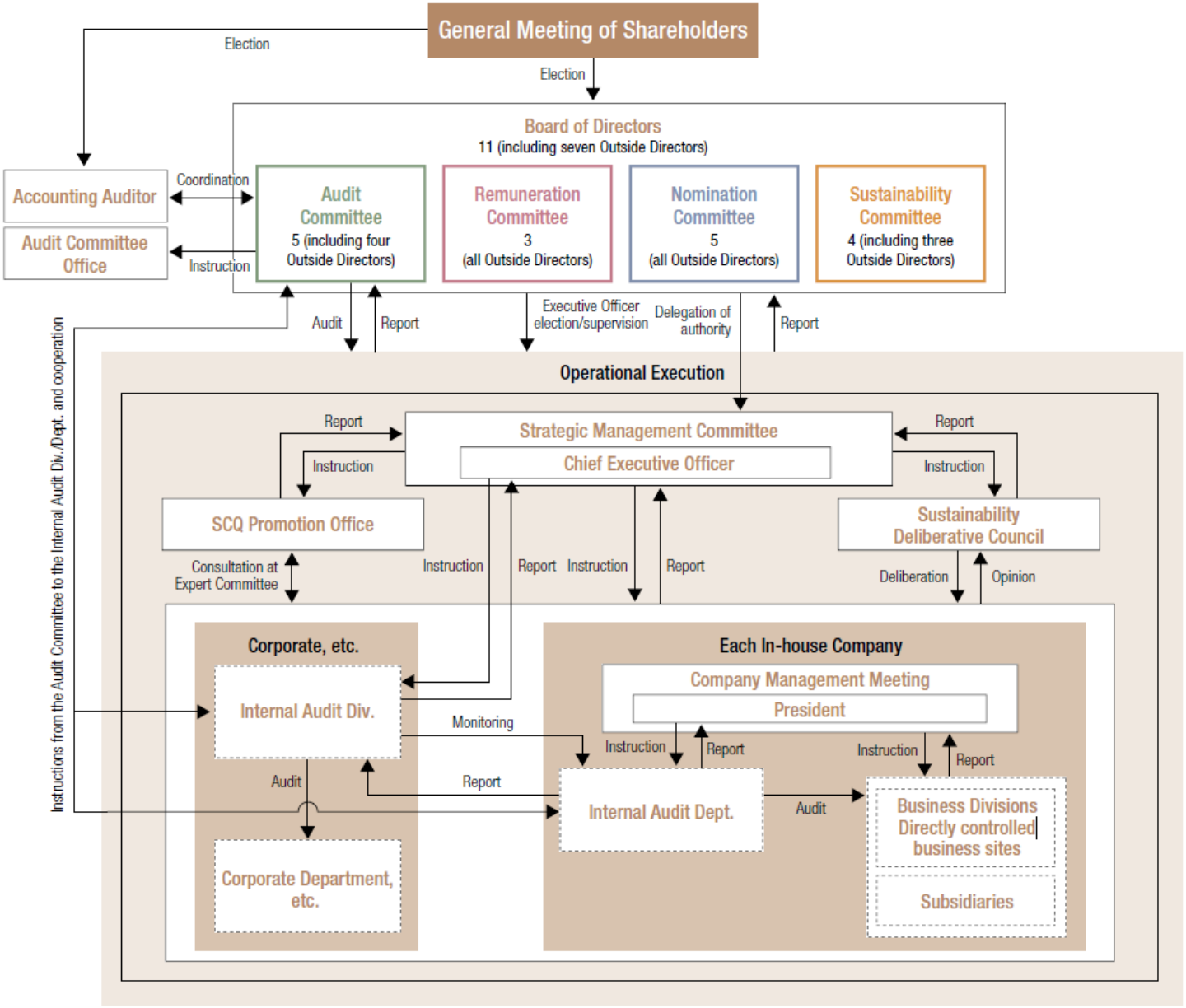


VR Hazard Sensitivity Training Participants (Cumulative Total)



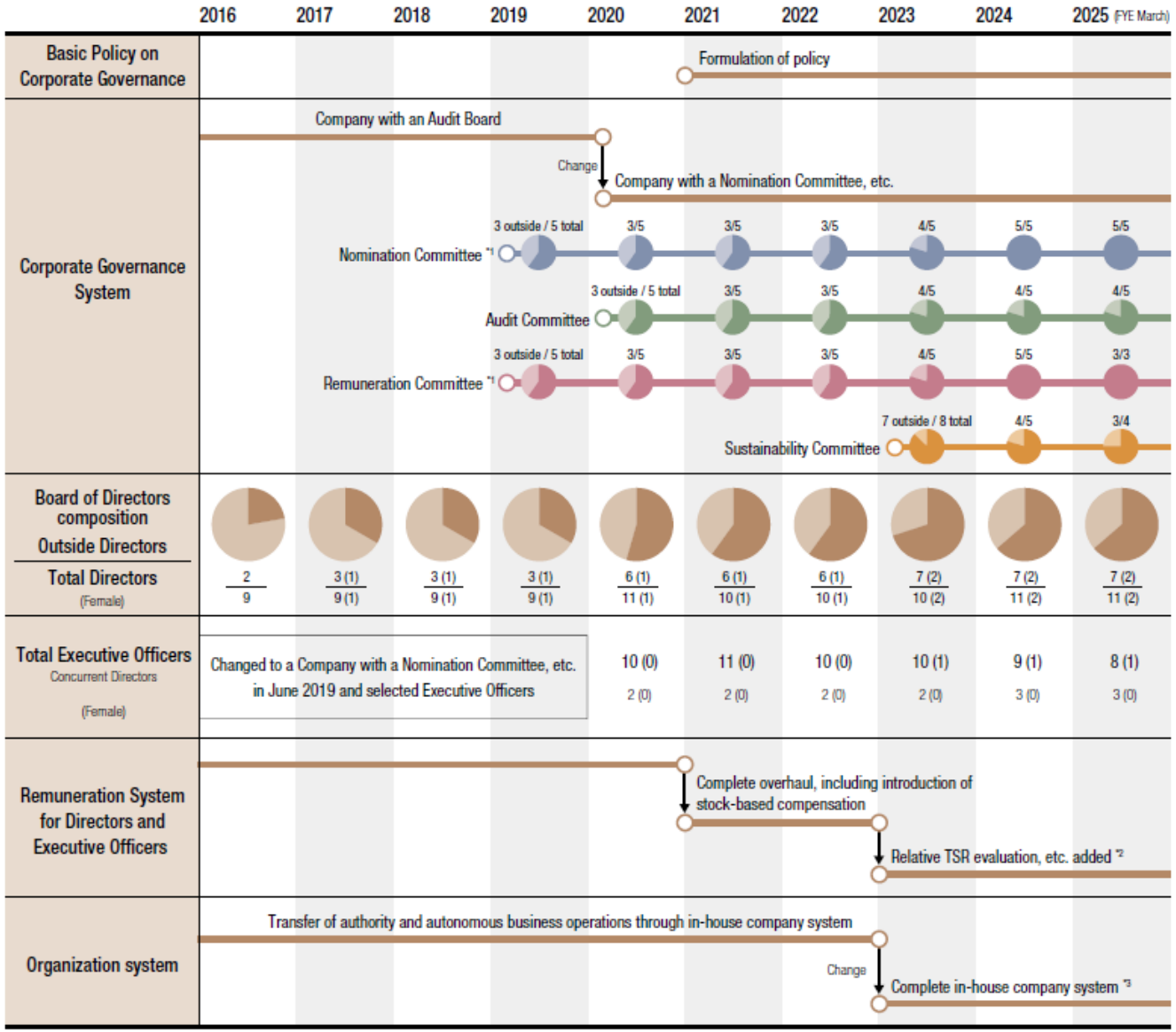
Corporate Governance System

- **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**

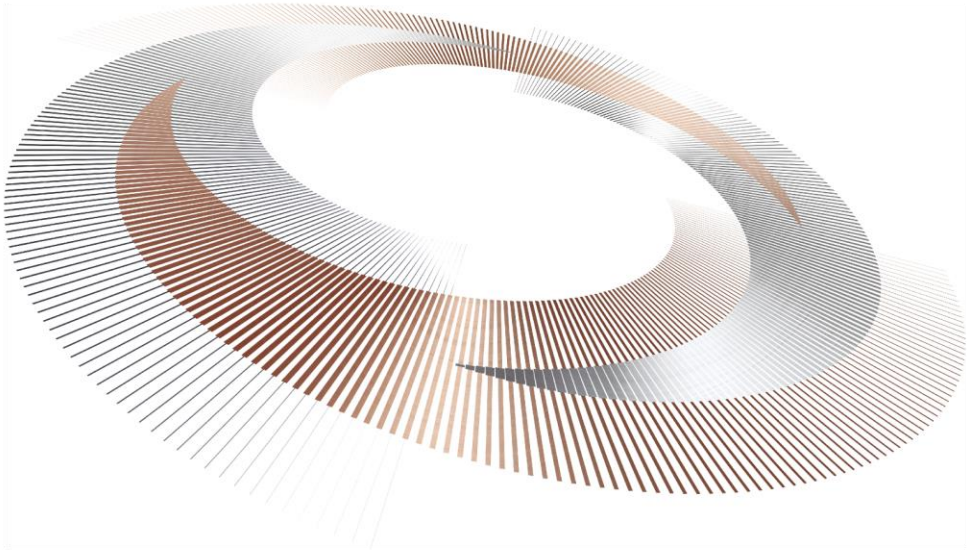


Changes in Corporate Governance System

- **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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